

**Institutional Environments and Job Quality: the Attainment
of Civic Principles at Work in the USA and Germany**

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This paper proposes a macro, institutional approach to the study of job quality, defining it in accordance with broad, civic principles, and exploring how the attainment of these principles varies across different national institutional environments. To do so, we draw on a 2009 random telephone survey of 1,000 US workers and 1,000 German workers. We find that German workers report substantially more positive outcomes once differences in worker expectations and in workplace level representation systems and practices (employment regimes) are controlled for. Moreover, the adoption and effects of representation systems and employment practices differ substantially across these two countries. Both findings provide evidence as to continuing the importance of national institutional environments. Yet we also find that expectations and both representation systems and employment practices also play an important role in whether workers perceive more positive outcomes, with employment practices in particular compensating for the “weak” institutional environment of the USA. Because of this, the overall attainment of civic principles is no higher for German than for US workers.

1. Introduction

A number of ideals can be said to lie at the core of western civilization. These ideals vary somewhat across nations in terms of their relative importance, but they generally include liberty, fraternity, equality, justice, dignity, democracy, and security. The origins of most, if not all, can be traced back through the centuries and have often been assumed to be promoted by economic progress on the one hand, and to be associated with the development of democratic institutions on the other (Kerr et al. 1960; Inglehart and Baker 2000; Wetzel and Inglehart 2005). They can be considered as fundamental principles against which the quality of a civilization can be judged. They may also be viewed as necessary for human well-being and ultimately the social and political health of nations. We refer to these as civic principles.

Although these principles arguably help to form the normative underpinning of much social science research and the questions it addresses, there are few if any empirical studies that systematically address their attainment and how it varies across nations. This would seem to be especially true in regards to the study of work and employment. There is a strong tradition of research in sociology and now economics addressing the implications of work and employment for individual and ultimately social well being (e.g., Seeman 1967; Kalleberg 1977; Kohn and Schooler 1983; Clark 1996; Hodson 2001; Green 2006; Helliwell and Huang

2010). There has also been a growing interest in national differences in job quality (e.g., ILO 1999; Clark 2005) and in developing indicators thereof (Bustillo et al. 2011), and there has been some comparative research into the implications of selected labour market institutions for specific job quality outcomes (Doellgast et al. 2009; Olsen et al. 2010; Esser and Olsen 2011).¹ There has still, however, been little if any systematic research specifically addressing these principles *as* principles and how their attainment is shaped by broader institutional environments.

Despite literature about "multiple identities" and the "decentring" of work (Bauman 1998; Beck 2000; Sennett 1998:74), it is arguable that work and employment continue to represent the primary life activity of most citizens of working age and, in this respect, the primary forum through which these principles are or are not realized in their everyday lives. At a time in history when conventional wisdom as to the importance of economic growth to social well-being is increasingly subject to challenge (Stiglitz et al 2009), it is incumbent on students of work and employment to turn their attention to the attainment of broader civic principles and the role of national level rights and institutions in shaping their attainment. The failure to do so may be considered an important lacuna in social science research, especially given pressures in many developed nations to weaken these rights and institutions and rely on more "voluntaristic" alternatives under the guise of enhanced labour market flexibility.

In this paper, we attempt to address this lacuna. We adopt a more macro, institutional, and socio-economic approach than has typified the literature on the nature and experience of work to date, exploring the linkages between national institutional environments and the realization of civic principles at work. To do so, we first develop a "national varieties of employment" (NVofE) thesis as to the expected differences between the two archetypical varieties of developed capitalism, the USA and Germany. We then develop

¹ There has also been a massive amount of research in the management and organizational psychology literature (e.g., Hulin and Judge 2003; Colquitt et al 2001) on various outcomes associated with the work experience, some of which (e.g., "organizational justice") are of specific relevance to the principles identified above, but the attainment of these outcomes is typically viewed as a problem for organizational rather than societal performance, and the importance of broader rights and institutions is rarely (if ever) addressed. Thus, although this literature is of some value for measuring some of these principles, it sheds little light on the issues of concern here.

four alternative theses and their implications for understanding cross-national differences. Finally, we explore the level of support for these theses, drawing on data from random telephone surveys of 2000 employed American and German employees that we designed and commissioned in late 2009.

We hope to make three general contributions. First, by focusing on the attainment of civic principles as societal rather than individual outcomes, we seek to encourage a broader approach than generally exists at present to the study of work and job quality. Second, by exploring the extent to which our various alternative theses on US-German differences are supported, we seek to enhance understanding of how and why work and job quality vary across nations. Third, by analyzing whether there are observable US-German differences in job quality once alternative, non-institutional explanations are accounted for, we seek to shed light on whether national institutional differences may have become so eroded that they are no longer of major importance.

2. Conceptual Framework and Theses

Because our core dependent variables pertain to the attainment of civic principles, we begin by identifying these variables and their relationships. We then turn to the institutional and workplace level antecedents of these variables, developing a model and set of general theses to guide our analyses.

a) Civic Principles

There are basically two approaches that can be followed to measure job quality and hence the attainment of civic principles (see Gallie 2007:8).² One is to focus on the ‘objective’ or structural nature of working conditions believed to affect workers’ well-being (Crompton and Jones 1984). For example, the ILO defines ‘decent work’ by respect for fundamental rights at work and international labour standards; employment and income opportunities for all; social protection and social security; social dialogue and tripartism (Somavia 2004). The other approach focuses on worker perceptions of their work experience, most often as it pertains to job satisfaction, but also as it pertains to the actual treatment they receive (e.g., Godard 2001, 2010; Olsen

² We cannot review the now burgeoning literature on job quality here. For such a review, see Bustillo et al. 2011.

et al 2010). For example, the Great Place to Work Institute,³ which ranks employers, identifies five dimensions: credibility (open communication, efficient organisation, integrity); respect (career and skill development support, consultation of workers' views, flexible awareness of individual situation / work/family balance); fairness (equal treatment), neutrality (equal changes for all), justice (no discrimination); pride (pride of their work, pride of their team, pride of products); and team-orientation ('I can be myself', friendly climate, family feeling).⁴

The problem with the former approach is that it implicitly assumes formal institutions, laws, and policies to actually make a difference, when much depends on matters of institutional design and embeddedness. It is therefore necessary to identify specific criteria on which the actual effectiveness of these institutions, laws, and policies in furthering civic principles can be assessed. However, to develop and obtain objective indicators of many of these principles is difficult, and there has not to date been any systematic attempt to do so. In turn, the latter approach may be unduly subjective and conditioned by values, expectations and prior experiences. Yet it is arguable that this approach provides the most effective and straight-forward means for systematically measuring the attainment of these principles, especially if efforts are made to account for these biases and the results are interpreted with these biases in mind. We therefore adopt this latter approach.

As discussed earlier, our key dependent variables are drawn primarily from the political philosophy literature and reflect principles that have long been entrenched in western democracies. They figure prominently in popular discourse but also in the declarations of international organizations (e.g., the United Nations Declaration of Human Rights). However, we forgo extensive review of the relevant literature here, because we believe these principles to be widely acknowledged and understood. Although a number have some (or considerable) precedent in the literature, we are not aware of any attempts to frame them as

³ Great Place to Work Institute, Inc. (www.greatplacetowork.com) (also Levering 1988).

⁴ Some authors combine both of these approaches (Coats and Lekhi 2008; Olsen et al 2010; Hauser et al. 2005).

representing civic principles or to systematically combine them with other such principles. They are as follows: 1) freedom, or the extent to which individuals are able to choose how they do their work and when, which we consider to represent liberty, 2) security, or the extent to which a person feels secure, including not just from layoff, but also in the support they receive and their ability to trust management; 3) dignity, or the extent to which management treats employees as if they are equals, including the extent to which they consult with them, treat them with respect, and allow employees to voice opinions 4) fairness, or perceived fairness in the exercise of authority, which we consider to roughly parallel the ideal of equality, 5) justice, or the belief that something could be done to make things right should workers be treated unjustly, 6) empowerment, or worker perceptions that they can influence managerial decisions, either individually or collectively, which we consider to be a key indicator of democratic processes and outcomes, 7) fraternity, or the extent to which workers perceive close relations with co-workers. An additional and eighth principle, one that is not often identified as such in the political philosophy literature but is considered important to the human condition (Arendt 1958) and has been central to much of the management literature, is fulfillment. Thus, we include it as well.

b) National Varieties of Employment and Beyond

To address national differences in the attainment of civic principles, we draw on theories of production regimes and of varieties of capitalism (VoC) (Amable 2003; Coates 2000; Hall and Soskice 2001; Boyer 2005). We develop a stylized depiction of the differences between Germany and the USA, referring to this as the “national varieties of employment” (NVofE) thesis. Using this as our point of entry, we then develop four additional theses to inform our analysis. We do not develop specific hypotheses, because we are less interested in specific relationships than we are in whether these theses are supported in general.

National Varieties of Employment and Institutional Environments. We refer to our stylized depiction as the “national varieties of employment” thesis because we believe that it points to fundamental differences in the nature and experience of employment between our two countries, with important implications for the

attainment of civic principles.

Under this depiction, German employers are viewed as having product market strategies based on complex ‘diversified quality products’ (Streeck 1992) that depend on skilled and experienced employees. High vocational skill levels tend to reinforce other job characteristics that are usually associated with a higher task discretion (and hence freedom) and more fulfilling work. Moreover, because a high percentage of workers has formal vocational skills, workplaces are less stratified and workers more likely to be viewed as equals to managers, creating the conditions for higher levels of mutual trust and hence fraternity. A significant portion of workers also has representation by a works council and/or a union, providing for relatively high levels of empowerment and ensuring that workers are treated fairly and with dignity. Coupled with relatively strong employment laws, workers can also expect relatively high levels of justice, especially where it involves due process and security in their jobs. Reinforcing all of this is extensive worker representation on supervisory boards, a broad partnership ideology and an economic system that encourages employers to adopt a longer term orientation than otherwise, in effect helping to protect against decisions that can conflict with civic principles.

In contrast, U.S. employers are viewed as having product market strategies based on cost-competitiveness and flexibility, and relying far less on skilled labour than do their German counterparts, resulting in lower task discretion and less fulfilling work, and internal labour markets that encourage the development of firm-specific skills, but tend to divide employees on the basis of pay and seniority, thereby lessening fraternity. Collective bargaining is almost non-existent, and employment laws are in general much weaker than in Germany, which, all things equal, should leave workers less empowered and less secure in their jobs and provide much less basis for the attainment of fairness and justice. Reinforcing this is a broad neo-liberal ideology, under which workers are viewed as expendable resources, an absence of employee stakeholder rights, and an economic system that encourages adoption of a short-term, low cost, shareholder value orientation under which worker interests are readily sacrificed.

These depictions are clearly over-stylized. In particular, some (e.g., Streeck 2009) argue that a growth in lower paying, lower skilled service sector jobs has been undermining the German system. Moreover, German firms have increasingly come to rely on stock-market financing and have been increasingly subject to international competitive pressures, particularly within the EU. These essentially compositional changes have placed a number of strains on the German model and, perhaps as a result, it has become common for authors to point not just to apparent declines in both bargaining and works council coverage, but also to declines in the extent to which these institutions continue to promote worker interests over those of employers (Doellgast and Greer 2007). In contrast, some authors argue that there has been a significant strengthening of employment regulation over the past half-century in the USA, as embodied in statutes, administrative rulings, and court decisions (Fiorito and Maranto 1987; Piore and Safford 2006: 301; Estlund 2010: 60).

These developments cannot be ignored. There appears to be little question that some of the conditions that differentiate the German and US labour and employment systems have, indeed, been eroded, and there is even some evidence to suggest a corresponding decline in differences in job quality (Olsen et al. 2010). All the same, the differences between Germany and the USA remain substantial. Seventy percent of German workers hold a vocational skill or community college qualification, compared to five percent in the US (OECD 2008). Close to 70 percent of workers is covered by a union agreement, compared to 14 percent in the US. Close to half are also covered by a works council, which has no legal equivalent in the USA, and most employers with over 500 employees continue to have extensive worker representation on supervisory boards, which is virtually unheard of in the USA. Employment protection laws are, according to OECD computations, three times stronger than in the USA (OECD 2011). The German economy continues to be known for its high quality manufacturing sector, especially compared to the US, where traditional manufacturing has declined substantially over the past three decades. The ideology of partnership remains far more pervasive than in the US, where it is a foreign concept despite efforts to encourage it and ultimately to

promote a high road that is in many respects modeled after the German system (e.g. Kochan and Osterman 1994).

These differences reflect deeply held norms and understandings that have come to underpin institutional and ultimately economic arrangements in the two countries over time (e.g. Frege and Godard 2010). No doubt, there is, perhaps more than in the past, considerable variation within both economies (Katz and Darbishire 2000; Lane and Wood 2009). But these norms and understandings, coupled with major differences in employment and labour laws, can be expected to continue to play an important (if somewhat weakened) role throughout both, in effect reinforcing differences in economic structure identified in the VofC literature. They comprise what we refer to as “national institutional environments” (Godard 2008), fostering what institutional theorists refer to as mimetic and coercive isomorphism (DiMaggio and Powell 1983). These environments do not determine workplace level representation systems and employment practices, or what we refer to as “employment regimes.” Nor do they negate the implications of variation in these systems and practices. But they do predispose workplaces to particular representation systems and employment practices. They also serve to dampen and even condition the effects of variation around these practices (e.g., see Doellgast et al 2009)⁵. Indeed, it is possible to go a step further, and suggest that, in combination, these differences do not just imply different legal and normative constraints, but also fundamental differences in the very nature of the employment relationship and the understandings that go with it.

It can therefore be argued that Germany and the USA continue to be characterized by distinct (even if somewhat eroded) varieties of employment, in reflection of fundamental differences in national institutional

⁵ These rules can be deeply embedded, reflecting institutional traditions that have developed over the long durée of time. Thus, if some firms are predominantly financed by stock-market investors, but most are financed by banks, we might still expect to observe rules that are most consistent with "bankers" capitalism, with these rules applying as much to the former as the latter. To the extent that there has been a shift away from the latter and towards the former and hence increased diversity within a nation, we might expect these rules to weaken or even shift, although the extent to which this occurs is likely to depend on just how engrained they have become over time.

environments. Yet although this provides a useful starting point for theorizing differences in the attainment of civic principles, it is still no doubt oversimplified. Below, we identify four alternative theses, each of which suggests that differences in the attainment of civic principles and in the implications of institutional environments may not be as straightforward as our NVofE thesis suggests.

The Compensatory Thesis. Under this thesis, workplace-level employment regimes may not only reflect institutional environments, but also have a compensatory function if these environments are “weak”. This may be especially true in the USA, where extant “high road” management models have long been advocated as substitutes for stronger labour and employment laws (Godard and Delaney 2000). Since the 1980s, particular attention has been paid to “new” work and HRM practices, under which there is extensive teamwork, autonomy, training, participation systems, and performance management systems. Many of these have in fact been advocated in some form for decades (e.g., Mayo 1933; Trist and Bamforth 1951; O’Toole et al 1974; Lawler 1992), and their implications have been questioned due to the lack of “beneficial constraints” in the USA (see below). Nonetheless, a number of authors have argued that many of them can – and often do -- have positive implications for job quality, especially if employers opt for a “mutual gains” approach (Kochan and Osterman 1994; Estlund 2010). Although the full adoption of these practices appears to have occurred in only a minority of workplaces, at least some have been adopted in a great many (Osterman 2000), and there is some evidence of corresponding improvements in job quality in the USA (Olsen et al. 2010).

It would also appear that, although only a small minority of workers has union representation, a sizeable minority has some form of management established representation system or “company union”, and that these are accompanied by practices and systems designed on the one hand to ensure employee loyalty (e.g., through selection processes) and on the other hand to promote perceptions of fairness and justice that are equivalent to those in a union workplace (e.g., seniority rules, internal justice systems, objective job classifications and pay grades) (Godard and Frege 2013). Indeed, although the latter, more “bureaucratic”

practices have found little favor in the management literature, they have long been associated with internal labor markets in the USA, and are associated with arguments as to the rationalization of the personnel function in the USA (Dobbin et al 1993; Piore and Safford 2006). It would also appear that they continue to be widespread (Brown et al 2010). Thus, they could in many respects fill the void created by low levels of legal representation and, if sufficiently widespread, substantially lessen German-U.S differences in reported job quality.

The Differentiation Thesis. It is also possible that countries are differentiated in the degree to which specific principles are attained and hence whether and the extent Germany performs better may depend on the specific ideal in question. With regard to more institutionally contingent principles such as justice and empowerment, we would expect legally protected rights, as in Germany, to be stronger and more effective than unprotected ones that exist at management's behest and are ultimately established to serve managerial interests, as is typically the case in the USA. However, there may be some principles that are equally or even more fully realized in the USA, especially where various work and HRM practices are established. In particular, these practices tend to be adopted, in the end, to serve managerial interests by fostering a more "unitary" culture at work. Often, they do so by creating an environment in which traditional status distinctions are reduced and efforts are made to ensure that all employees are made to feel as part of a "family," thereby enhancing reported levels of dignity and fraternity, respectively. To the extent that these practices are widespread, it is even possible that American workers perceive equivalent or even higher levels of these principles than do their German counterparts. It follows that, not only may the extent to which the expectation of higher overall attainment of our civic principles in Germany than in the USA be in question (see also Coats and Lekhi 2008:7; Gallie 2007:226; Olsen et al. 2010), the USA may perform almost as well or even better than Germany on specific principles, especially dignity and fraternity.

The Interactions Thesis. It is also likely that institutional environments matter not just a priori, but also through their implications for the adoption and effects of both employer practices and representation systems.

In Germany, there are important constraints (e.g., works councils, employment laws) on the specific practices and representation systems that are implemented and on how they are implemented, with the result that they are more likely to be beneficial to workers than is the case in the USA. This may be especially true with regards to "new" work and HRM practices, the adoption and effects of which may vary considerably depending on the institutional environment in which they are implemented (Godard 2004b). With regard to bureaucratic practices, however, we might expect to observe stronger positive implications in the USA, where these practices provide protections for workers that their German counterparts already enjoy in view of stronger employment laws and widespread representation rights.

We would also expect differences with respect to unions. In the US, unions are the only form of legal representation at the workplace level and tend to have a relatively restricted yet adversarial role. They also tend to be formed in workplaces with low discretion or fulfillment, often in response to perceptions of unfair and unjust treatment and to provide workers with stronger voice (Godard 2011). While they can often do little about the former, they can affect the latter. Thus, we would expect them to bear negative associations with freedom and fulfillment, but positive associations with evaluations of fairness, justice, and empowerment. They may also enhance dignity and fraternity, although union workplaces tend to be more acrimonious than their nonunion counterparts, and they tend to be inimical to unitary employment practices. In Germany unions tend to play a less direct role at the workplace level, operating through works councils, which play a somewhat broader and more cooperative role (Wever 1995). It is probable that they help to ensure that various rights are protected, especially in non-works council workplaces, but also where works councils are established, because they provide institutional "backup" and help to ensure that worker rights are not sacrificed in the interests of partnership. Thus, they likely bear positive associations with fairness and justice, but not likely with other principles.

The Subjectivities Thesis. Under this thesis, the extent to which particular principles are believed to have been attained may depend on worker norms and expectations, or "subjectivities," as much as they do on

actual “objective” circumstances. For example, U.S. workers may engage in adaptive processes, developing lower expectations than their German counterparts if their job quality is in fact lower. More important, however, may be differences in institutional norms, which are likely to be reflected not only in institutional designs and employment practices (as discussed earlier), but also in worker expectations. In the United States, there is a long history of employer domination, in reflection of deeply held norms favoring strong property rights (and hence weak worker rights), freedom to contract, minimal state intrusion, and collective "self help" (Godard 2009), coupled with a tendency to accept widespread inequality in jobs and work outcomes and ultimately one's life circumstance as a reflection of differences in one's volition and worth. Thus, worker expectations may not only be lower, so may their beliefs as to the extent to which various principles should even be attained at work. In Germany, the opposite has pretty much been the case. In particular, there is a strong tradition of workplace democracy in Germany, and this tradition has both reflected and reinforced norms and ultimately expectations as to rights and freedoms at work (Frege and Godard 2010).

These differences are closely linked to broader cultural differences. We do not subscribe to the cultural determinism and empiricism in some of the management literature (McSweeney 2002, 2012). It is, however, common to hear that Americans tend to be optimistic, trusting, and happy "by nature;" in contrast, Germans tend to be more pessimistic, critical, and insular. Americans also tend to be more ideologically conservative than their German counterparts. Finally, they tend to be more religious, and hence to adhere to various religious values.⁶ Although these differences may not be directly associated with work and employment, they are likely to condition how work and employment are experienced and the expectations that workers have regarding both employer practices and broader rights and institutions.

These differences may help to explain differences in national institutional "choices," while at the same time being reinforced by these choices. More important, they are likely to be reflected in different

⁶ Many of these differences are apparent from the 2004 World Values Survey (Inglehart et al 2006).

expectations as to job quality. There is a long history of research suggesting that this may be the case with regard to worker evaluations of their jobs, with US workers often seeming to have lower expectations than those from other nations (Przeworski and Teune 1970; Lincoln and Kalleberg 1985). We expect this to be the case here. U.S. workers are likely to have lower expectations with regard to many of our principles, with the result that they can be expected to evaluate their employment experiences more favorably overall than would their German counterparts. So even if the German system is in some sense objectively "better," this may not be reflected in subjective outcomes.

It is also possible that American workers positively value some principles more than German workers, and others less, and that this could be reflected in employer practices as well as institutional differences. For example, US workers (and their employers) can be expected to value personal liberty, self-fulfillment, and fraternity (i.e., low status differentiation) highly, and it is possible that US employers are more likely to adopt practices that foster the attainment of these principles. We may thus expect to observe higher levels of attainment of these principles in the USA, not because of institutional differences, but rather because of employer practices designed to appeal to them. We might expect German workers to score higher on other principles, but largely because of institutional differences rather than employer practices, which are less likely to matter in view of stronger institutions. If so, this would reinforce both the compensatory thesis and the differentiation thesis.

In sum, although we would still expect differences in the German and US institutional environments to matter to the attainment of our principles, these differences may either be offset by employment regime variables or operate in interaction with these variables. The extent to which they are realized may also be conditioned by systematic differences in subjectivities.

These associations are depicted by figure 1. In the analysis below, however, we are primarily interested in the implications of the "objective" components of employment regimes and institutional environments, and our data set does not in any case allow us to fully account for the role of subjectivities.

Accordingly, we focus on support for the NVofE, compensatory, differentiation, and interaction theses, with a particular emphasis on whether and how national institutional environments continue to matter to the attainment of civic principles. However, our data set does contain a number of variables of relevance to the role of subjectivities, allowing us to investigate the subjectivities thesis at a preliminary level by entering these variables as controls. Doing so also helps to address possible selection biases when exploring the implications of employment regime variables, particularly HRM practices.

/insert Figure 1 about here/

3. Data Collection and Analysis

Our data set is drawn from a nation-wide survey of 1000 employed Americans and 1000 employed Germans over 17 years of age, conducted at the end of 2009. The survey averaged about 23 minutes in duration. It was conducted simultaneously by professional polling firms (Eastern Research Services in the US, FORSA in Germany), using random digit dialing and computer assisted telephone interviewing (CATI) with up to three call-backs per household. Those working less than 15 hours per week or less than six months with their current employer were excluded in order to ensure that respondents would be sufficiently familiar with employer practices and workplace conditions (including representation) to be able to respond in a meaningful and informed way to the questions in our survey. Thus, the surveys only included workers in "regular" employment.

Although exclusion of segments of the workforce makes it difficult to establish representativeness within each country, the data would appear to be reasonably representative of the populations sampled. In the US sample, women comprised 50% of the respondents. Seventeen percent reported coverage by a union agreement, which is slightly higher than the US Bureau of Labor Statistics estimate for 2009 (14%), but is largely explained by our exclusion of low hours and short term employees, both of which are less likely to be unionized in the USA. In the German sample, 48% were female. Twenty-four percent were union members and 67% reported that they were covered by a collective agreement, both of which are comparable to

estimates we computed from Statistisches Bundesamt data (23% density, 68% coverage in 2010).

This survey instrument contained a wide array of questions, addressing employer practices, the quality of work, the nature of representation at work, happiness (at work and outside of it), engagement (at work and outside of it) and a variety of related issues. Overall, the purpose of these surveys was to go beyond the conventional work, labour, and employment relations literature to address broader issues of economy and society that have been increasingly salient in political studies, sociology and economics, and which underscore the importance of institutional environments (Godard 2008), yet that we believe have not been properly addressed with respect to work and employment. In order to do so, we had to sacrifice "fidelity" for "band width" by restricting the number of questions we could ask for each of the constructs reported in the present analysis. Although especially prevalent in the economics literature, this has also come to be accepted in organizational research (Wanous and Hudy 2001). We do not believe that it has appreciably affected the results in this paper. Nonetheless, it may mean that some of our measures are weaker than would be the case for a narrower study with a more singular focus.

In proceeding, we first compare the US and German samples, based on the composition of these samples and on respondent subjectivities, both of which will also serve as control variables in the multivariate analysis. We then outline the creation of our employment regime and job quality measures (see figure 1) and the briefly discuss cross-sample differences in the means of these variables and whether they are consistent with the general expectations developed earlier. Finally, we report a series of multivariate analyses exploring the associations depicted in figure 1.

4. Sample Compositions and Subjectivities

Because the sampling strategy was the same in both countries, cross-sample comparisons should mirror cross-national differences, especially for what we label "regular" workers. These comparisons, along with the results from t-tests for statistically significant differences, appear in table 1.

Following from above, there is no statistical difference in the gender between the two samples.

However, American respondents were slightly older (on average 47 years, in Germany on average 44 years). Twenty-seven percent of American respondents had a university degree and 13 percent a skilled vocational qualification, compared to 13 and 70 percent of Germans, respectively. German respondents worked an average of 38 hours per week, whereas American respondents worked on average 42 hours. This is consistent with OECD statistics showing a much higher annual hours worked for those in dependent employment in the USA relative to Germany (1,776 vs. 1,309 hours: OECD *Datatabase*), and may also reflect the "short time working system" adopted by Germany to address the economic downturn after 2007. There is no significant difference between the two samples in terms of those reporting a supervisory or managerial position. The average hourly pay (adjusting for purchasing power parities) is higher in the German sample, which is consistent with previous data (Meyerson 2011). German respondents were also significantly more likely than their US counterparts to report that they worked in a traditional industrial sector (26 percent vs 20 percent) or in financial and economic services (12 percent vs. 4 percent), and much less likely to report that they worked in the education and social services sectors (34 percent vs. 26 percent).

/Table 1 about here/

Employer characteristics also differ. German respondents were more likely to be employed in large (over 500 employees) workplaces and less likely to be employed in small ones (under 25 employees; there was little difference in two middle categories), and were less likely to report that their employer had a parent company. They also perceived their employer to be in a worse financial situation than did their American counterparts. This would seem to be at odds with Germany's stronger economy as of 2009, but it supports the well known stereotype that Germans tend to worry even in good times. It is also possible that it reflects a weakening of the German model and use of the economic crisis to create insecurity and hence to implement various reforms. This latter possibility may be important, because one important aspect of coordinated market economies is (in theory) that employers are less, not more, subject to short-term financial pressures.

There are a number of statistically significant differences between the two samples with regard to

subjectivities, several of which are consistent with our argument that there is need to control for subjectivities when exploring are key research questions. As expected, 70 percent of German respondents viewed themselves as ideologically left-leaning (scoring from 1 to 5 out of 10), compared to 50 percent of their American counterparts (in the US: progressive/liberal leaning). Ninety percent strongly agreed that they have always tended to worry about issues of fairness and justice, compared to 44 percent in the American sample. Fifty-eight percent agreed strongly that they have always tended to view work as central to who they are, compared to 46 percent in the American sample. Only 15 percent agreed strongly or somewhat that they had always believed that employees should always follow management instructions, compared to 45 percent of American respondents. Americans were also more likely to report that they "had always tended to get involved in things, with 62 percent agreeing somewhat or strongly with this statement, compared to 45 percent in the German sample. There were no statistically significant differences with respect to the tendency to be happy and to trust others. Although the latter findings are not consistent with our earlier conjectures, the remaining results are. They are also largely consistent with those of other studies⁷, and suggest that American and German workers are indeed likely to evaluate their treatment at work through somewhat different lenses, with Germans in effect possessing higher expectations. Thus, failure to control for subjectivities could indeed matter to the observed implications of our core independent variables.

5. Core Measures

The core variables (in addition to our Germany/USA distinction) in our model include: 1) civic principles, and 2) employment regime variables. For a number of these variables (as designated by an asterisk), our measures are derived from prior research by Godard (2001, 2009, 2010), but use a reduced number of items for reasons discussed earlier. In these cases, items were deleted largely on the basis of their

⁷ For example, in the 1999-2002 World Values Survey (Inglehart et al 2004) 62% Germans agreed and 15% disagreed that 'work should always come first even if it means less spare time,' compared to 32% Americans agreeing and 41% disagreeing. Another example: 52% of Germans think work is very important in their life versus 33% of Americans (WVS 2006). When asked how they feel about future changes which would lead to less importance placed on work: 55% of Germans thought this was a bad thing compared to only 30% of the Americans. Finally, 65% of Americans agreed that workers should defer to management authority without question, compared to only 32 % of Germans.

relative contributions to scale reliability (Cronbach's alpha if item deleted) in the earlier research, and sensitivity analyses addressing whether their deletion made a difference to the observed associations in that research. The items comprising each, along with (where relevant) their inter-item reliability scores (Cronbach's alpha) and sample means appear in Table 2; inter-correlations are in Table 3.⁸

/Insert Table 2 about here/

/Insert Table 3 about here/

Civic principles. As suggested earlier, our analysis includes eight measures of civic principles: *freedom*, *fulfillment*, *security*, *fraternity*, *dignity*, *empowerment*, *fairness*, and *justice*. As revealed in table 2, each consists of multiple Likert-type item scales, with the items averaged so that the measures range from 1.0 to 4.0. *Freedom* is comprised of two items developed for this study,⁹ while *fulfillment* is comprised of three items adapted from the job design literature (Hackman and Oldham 1980). *Security* consists of three items intended to address not just perceived security from layoff, but also how secure the respondent feels *in* the performance of his or her actual *job* and how much he or she might fear being demoted or dismissed. *Fraternity* is a six item scale intended to measure the extent to which workers experience a sense of community and belonging at work, and which essentially picks up perceived organizational culture. *Dignity* consists of three items designed for this study. Despite some literature on this construct (Hodson 2001), we were unable to find any precedents for how to actually measure it. However, the concept of dignity has to do ultimately with whether management treats employees as if they are equals, including willingness to consult with them, whether they treat them with respect, and whether they allow employees to question decisions.

⁸ We factor analyzed all of the items comprising these variables, using Varimax rotation and specifying an eight factor solution. In the overall sample, the results suggested a slightly different item composition for *security*, *dignity*, and *fraternity*, and when we recreated these indices accordingly the regression findings were also somewhat different. But the reliability scores were not appreciably better, and the new indices were less consistent with the intended constructs. In addition, the factor results differed significantly by sample. We decided to use the original constructs.

⁹ We decided to use this measure despite its low alpha, in part because it worked well in preliminary analysis, but also because it reflects two distinct sources of freedom, the sum of which may be an acceptable measure of the total amount of freedom regardless of whether they correlate -- much as two distinct and poorly correlated sources of income might be added together to compute total income (also Macky and Boxall 2007).

The items designed for this measure address each of these three questions. *Empowerment* is comprised of three items developed by Godard and used in a series of surveys and papers (2001, 2010). *Fairness* consists of four (Likert type) items addressing perceived fairness in the exercise of authority. *Justice* is comprised of four items also developed by Godard (2010) to measure perceptions of rights at work and, in particular, whether "something could be done to make things right" in the event that these rights are violated.¹⁰

In addition to these individual measures, we created a composite index, *job quality*, which is simply the average score on these eight variables (Cronbach's alpha=.85). This measure enables us to determine whether institutional environments and employment regimes matter to the overall attainment of civic principles, which is a key question underlying our analysis. In turn, its composite measures enable us to conduct a more nuanced analysis, exploring how cross-national differences vary depending on the specific ideal in question, as suggested by the differentiation thesis.

Employment Regimes. We include two sets of employment regime variables. The first set addresses representation, and are simply dichotomous measures addressing whether the respondent is represented by a union, by a works council (Germany only), and by a company union (USA only). The second set addresses HRM Practices, for which we include two indices. The first, *new practices*, is an additive index of 9 items associated with "new" work and HRM practices in the literature. The second, *bureaucratic practices*, is an additive index of 4 items associated with the bureaucratic/internal labor market practices discussed earlier. The items used for these measures, and the measures themselves, again appear in Table 2. They are derived from earlier research into the associations between employer practices and worker outcomes, the results of which have revealed each set of practices to have distinctly different "effects" on workers (Godard 2009, 2010). Thus, we created two separate, conceptually rather than empirically (from factor analysis) derived

¹⁰ If a respondent was unclear about the meaning of "something could be done", he was told "This could involve going to a government body, a union rep, a manager, or some other channel." If the respondent answered that the violation would not happen where she worked, she was then asked "Well, what if it did?"

measures (also Godard 2009: 177-178, 2010).¹¹

5. Descriptive Comparisons: Vive La Différence?

Table 2 reports the main descriptive comparatives for the core variables. We discuss only those that are statistically different at the .05 level or better. As revealed in this table, there is not much overall difference between the two samples in the reported attainment of civic principles. German workers score higher on the justice and empowerment indices, but US workers score higher on the fulfillment, fraternity and dignity indices. There are no statistically significant differences on the remaining indices. However, on their face, these results would appear to be consistent with the differentiation thesis, suggesting that different principles tend to be more fully attained in different countries. They also tend to be contrary to the NVofE thesis, at least to the extent that they do not reveal Germany to be “better” than the USA.

We explored the results for these variables to learn whether the findings in table 2 might be explained by differences in specific items comprising each of our outcome measures. We found two such explanations. First, the lack of any observed difference for *fulfillment* is entirely attributable to higher scores from US respondents on "my job keeps me learning new things," which 67% of US workers agreed strongly with, compared to 41 percent of German respondents, and which is consistent with the idea that workers learn skills on the job rather than through formal vocational training systems, as in Germany. There was no difference on the item specifically asking about fulfillment, and on the item asking about variety, German workers were somewhat more likely to agree strongly (70%, compared to 62% for US workers). Second, the finding of no difference on the security index is attributable to a higher percent of US respondents strongly agreeing that they are given all of the support training they need (53%, compared to 41% for German workers), which is again consistent with a stronger job training culture in the US. German workers scored higher on the remaining two security items, asking about job security (60 vs. 52% agreed strongly) and trust

¹¹ In the previous research, work practices and new HRM practices were included in separate indices. Because potentially separate effects of these practices are not of interest in the present analysis, we combined them for the sake of parsimony. Exploratory analysis revealed that separate indices in any case made no difference to the overall results.

in management (52 vs. 44 percent agreed strongly). Otherwise, the results for individual items are generally consistent with those for the indices.

Nonetheless, these results essentially suggest that the overall differences between Germany and the USA are generally weaker than our NVofE thesis suggests. One possibility is that German workers typically have higher expectations, for reasons discussed earlier under the subjectivities thesis, and as suggested by our descriptive findings for the subjective controls. Another, however, is that there is an alternative dynamic at play in American workplaces that is consistent with the compensatory and differentiation theses, and that this dynamic fosters a sense of community at work and ensures that workers are treated with dignity and respect.

Differences in our employment regime variables are consistent with this explanation. As expected, German respondents are far more likely to report that they are covered by a collective agreement than are their US counterparts (67 percent versus 17 percent). However, three in ten US respondents report that they are subject to some form of employer established representation system, or what we refer to as a company union. Coverage with these systems is not as widespread as is works council coverage in the German sample (68 percent), and these systems may not be adequate substitutes for unions or equivalents to works councils. However, supplementary questions revealed that respondents with company union coverage evaluated them more favorably than their German counterparts did their works councils. There may be any number of reasons why this was the case (see Godard and Frege forthcoming), but for present purposes it matters because it may help to explain why cross-national differences in our job quality variables are smaller than expected.

There is no significant difference in how American and German respondents score on the bureaucratic HRM practices index, although the former score significantly higher on the new work and HRM practices index. To the extent that the latter practices are associated with a more "positive" workplace culture, this difference may also explain why differences in social/democratic outcomes are smaller than expected. However, a closer examination of the differences of the individual items comprising these indices suggests

that the configuration of practices associated with each also differs across the two samples, consistent with the interactions thesis. With regard to the bureaucratic practice items, American workers scored higher with regard to internal hiring and seniority in promotion, yet lower on job security, job classifications, and access to a grievance system. With regard to new HRM practices, German workers scored more highly on team building, teamwork and team autonomy, and lower on continuous learning, training, performance measurement, and contingent pay -- all of which are most associated with the development of high performance HRM as it has developed in the USA.

The latter results are highly consistent with general understandings as to the differences between German and US employment regimes. In effect, German workers are treated more as "professionals," who have sufficient competencies and intrinsic motivation by virtue of the German occupational training system. So they are able to work in teams with higher levels of autonomy, and there is less "need" for new HRM practices than in the USA, where workers tend to possess lower formal skill levels and so must be developed and controlled within the employment relation, as reflected in stronger internal labour markets (i.e. seniority in promotion) and higher employer investments in new HRM practices. The latter may also generate a more unitary culture, for reasons discussed earlier, thus accounting for higher levels of reported dignity and fraternity.

6. Multivariate Results

The descriptive results suggest that, although differences in the social/democratic outcomes reported by American and German respondents are limited, this may reflect corresponding differences in both subjectivities and employment regimes. It is also possible that differences in sample compositions could be playing some role. Accordingly, we begin our multivariate analysis by exploring these possibilities, in effect establishing whether differences in the institutional environments of German and American workers appear to matter.

Do Institutional Environments Matter? To address these possibilities, we first ran hierarchical regressions

with the job quality indices (see table 2) as our dependent variables. We began by entering a dummy variable, *ifGerman*, for whether the respondent was in the US or the German sample, then by entering our compositional controls (see table 1), to explore if the coefficients for *ifGerman* could reflect sample differences. We next entered the subjectivity variables (see table 1), followed by the employment regime variables (see table 2). The full regression results at each stage are available on request. But to save space, we only report the coefficient for *ifGerman* at each stage, as revealed in table 4. This table also reports statistical significance levels both for the *ifGerman* coefficients and for changes in these coefficients at each step (Clogg et al 1995: 1276).

/Insert Table 4 about here/

The bivariate results (column 2) mirror the descriptive findings discussed earlier, revealing significant negative associations for *ifGerman* with *fulfillment*, *fraternity*, and *dignity*, and significant positive ones with *empowerment* and *dignity*. The introduction of the compositional variables (column 3) does not appreciably alter the overall pattern of these results. Doing so makes a statistically significant difference to the *ifGerman* coefficient in the regressions for *fulfillment*, *security*, *dignity* and *job quality*,¹² but the only meaningful change is an increase in the magnitude and statistical significance of the coefficient in the *secure* regression.

In contrast, the introduction of the subjective controls (column 4) does alter the pattern of results. It makes a statistically significant difference to the coefficient for *ifGerman* in the regressions for *fulfillment*, *secure*, *fraternity*, *dignity*, *empowerment*, *fairness*, and *job quality*, rendering the negative coefficients in the regressions for *fulfillment* and *fraternity* statistically insignificant, reducing the negative coefficient in the regression for *dignity* by half, doubling the positive coefficient in the regression for *secure*, and substantially

¹² All four of these variables become more favourable to Germany, which would appear to be inconsistent with the argument that the compositional differences (e.g., skills) between Germany and the US give rise to higher job quality in the former (although our data are not sufficient to strictly “test” this). Exploratory analysis revealed that, for the latter three of these variables, this difference is almost entirely accounted for by the higher percent of Germans concerned about their employer's financial health, which is one of the compositional variables entered at this stage and which is statistically significant in these regressions. For the first of these variables (*fulfillment*), it is most accounted for by the introduction of hours worked, which is lower in the German sample yet positively correlated with *fulfillment* (r=0.16).

increasing both the magnitude and significance levels of the coefficients for *fairness* and *job quality*. These results are highly consistent within the subjectivities thesis, for they suggest that, in an “objective” sense, the attainment of most of our civic principles is much higher in Germany both overall and on all but three of our specific principles, but that “subjectively”, this is offset by higher expectations among German workers. Indeed, there is only one ideal, *dignity*, on which the US is “better” once subjectivities are controlled for.

Finally, the introduction of the employment regime variables (column 5) makes a statistically significant difference in all of the regressions and further alters the pattern of the results. This coefficient is now positive and statistically significant in all of the regressions except for *fraternity* and for *dignity*, where it is no longer statistically significant. Moreover, the coefficient for *ifGermany* is improved in all but one regression,¹³ and in a number of the regressions this improvement is quite substantial. The one exception is for *justice*, likely because German works councils are more widespread and have stronger workplace level effects on *justice* than their U.S. counterparts (see below).

Overall, these results generally support expectations. The coefficients for *ifGerman* generally become more favorable to Germany at each stage. By the final stage, the coefficients for *ifGerman* are especially strong for *empowerment* and *secure*, both of which likely reflect the strong rights and strong protections (respectively) deriving from the German institutional environment. However, they are also strong in the regressions for *fairness* and for the composite index, *job quality*. Thus, it would appear that the attainment of civic principles in Germany is "objectively" higher, and that this is attributable to the broader institutional environment, as argued under our NVofE thesis. However, these effects are partly offset by employment regime variables, which in the USA tend to compensate for a less favorable institutional environment, and by

¹³ As might be expected in view of the correlations between the subjectivity and the employment regime variables, the implications of each of these sets for the *ifGerman* coefficients depends on the order in which they are introduced. When the former are introduced last, they make a statistically significant difference only in the regressions for *secure*, *fraternity*, and *dignity*, while the changes in the coefficients when the latter are introduced (i.e., before the subjectivity variables) are even larger. If the changes in the *ifGerman* coefficients for each set is averaged across the alternative orderings (i.e., if introduced before the other set and then after the other set), the average effects of the employment regime variables are greater than those for the subjectivity variables.

more negative subjectivities in Germany. The extent to which this is the case also depends on the specific ideal in question. This tends to support the differentiation thesis, especially as the pattern of results is consistent with our earlier conjectures as to those principles Germany would be most and least likely to do better on.

How Do Individual Employment Regime Variables Matter? Because the employment regime variables are central to our analysis, table 5 reports their coefficients from the full (table 4, column 5) regressions. As this table reveals, these are as expected for *new practices*, *bureaucratic practices*, and *company unions*, suggesting that these practices may indeed help to compensate for the otherwise hostile institutional environment within which workers find themselves. However, the coefficients for *company unions* are relatively small, especially compared to those for *new practices* and *bureaucratic practices*, suggesting that company unions in themselves matter much less than the actual practices adopted by management.

The findings for *works council* are somewhat more confounding, because although this variable bears positive associations with *justice* and with the composite index, *job quality*, it bears negative associations with *secure*, *fulfill*, *fraternity*, and *fairness*. However, *works council* is highly correlated with *bureaucratic practices* in the German sample ($r^2=0.42$), and when this variable is deleted from the regressions, *works council* is statistically significant only in the *secure*, *justice*, and *job quality* regressions, where it bears positive associations with these variables (available on request). It is thus likely that works councils have positive indirect effects, through their implications for bureaucratic practices, but that these are insufficient to offset unobserved negative characteristics of workplaces with works councils.

Finally, *union* is statistically significant only in the regressions for *freedom* and *dignity*, where it reveals negative associations. This likely reflects a tendency for U.S. unions in particular to be organized in more bureaucratic workplaces, with higher levels of discontent and distrust (see below).

The Importance of Institutional Environments to the Implications of Employment Regimes. As suggested under the interactions thesis, one problem with the table 5 results is that Germany and the USA are not only

characterized by different institutional environments, but also that these differences likely have important implications for how various employment regime variables operate. Thus, failure to address this possibility may not only be to understate the role of these environments, but also to draw misleading inferences as to the effects of employment regimes. Accordingly, we ran exploratory regressions using interaction terms between each of the employment regime variables and *ifGerman*. The results (available on request) clearly supported the argument that institutional environments and employment regimes interact.¹⁴ They did not, however, provide a very clear picture of the associations for the employment regime variables in each of our two institutional environments or of how they differ across these environments. In order to obtain such a picture, we ran separate regressions on the US and the German samples.

/Insert Table 6 about here/

As revealed in table 6, the results for *works council* and *company union* are largely unchanged from the full sample results, although the coefficients for the former increase in magnitude and become statistically significant (and still negative) in the regressions for *freedom*, *secure*, and *dignity*. The results for *unions* suggest that unions have consistent negative effects in the USA, bearing statistically significant negative associations with all but *empowerment* and *justice*, for which there is no association. This contrasts with the results in the German sample, where *union* bears a significant negative association with *freedom* and a significant positive one with *fairness*. Additional analysis also revealed that the negative effects for *unions* in the US sample disappear once a variable measuring trust in management is controlled and that, as for *works councils* in Germany, unions appear to have positive effects through their implications for *bureaucratic practices* (see Godard and Frege 2013). We found little evidence of similar associations in the

¹⁴ The interaction term for *union* was consistently positive and was statistically significant in the regressions for *secure*, *fraternity*, *dignity*, *fairness*, and *job quality*, suggesting that German unions are able to play a more positive role than their US counterparts, as discussed earlier. For *company union/works council* (which we combined), the interaction term was consistently negative and was statistically significant in the regressions for *free*, *fulfill*, *dignity*, *empowerment*, *fair*, and *job quality*, as would be expected from the table 5 results. For *bureaucratic practices*, it was consistently negative and in all cases statistically significant, supporting the argument that these practices should make a bigger difference in the USA, essentially compensating for the weak laws and labour market institutions in that country. Finally, the term for *new practices* was consistently positive and in all cases statistically significant.

German sample.¹⁵ We also found only limited evidence of meaningful interactions between the presence of a union and that of a works council, using both an interaction term and split sample analysis of the German data.¹⁶ This is contrary to the argument that unions provide a support role for works councils (Wever 1995).

The more interesting results are for the HRM practices. Both sets of practices are statistically significant and positive in virtually all of the regressions; the only exceptions are for *new practices* in the US regressions for *freedom* and *justice* and for *bureaucratic practices* the German regression for *fulfillment*. However, the coefficients for *bureaucratic practices* are, in the US regressions, in all cases at least double the magnitude of those in the German regressions, and subsequent analysis (available on request) revealed these differences to be statistically significant in all of the regressions. The reverse is the case with regards to *new practices*, and again the differences are statistically significant in all of the regressions. It is therefore apparent that differing institutional environments appear to make a substantively as well as significantly significant difference in how various employer practices are implemented and ultimately in how they affect the attainment of civic principles. Bureaucratic practices matter much more in the US because they fill the "gap" left by a less favorable institutional environment; new HRM practices matter much more in Germany, where "beneficial constraints" on employers help to ensure that they are more conducive to a positive work experience.

7. Discussion and Conclusions

This paper has proposed a macro, institutional approach to the study of job quality, defining job quality in accordance with broad, civic principles, and exploring how national institutional environments and

¹⁵ Controlling for a measure of trust increased the size of standardized coefficients for *security* and *fraternity* to .08 (p=.01) and .07 (p=.05), respectively, but otherwise made very little difference.

¹⁶ When a multiplicative interaction term was introduced, the negative coefficients for *works council* in the *dignity* and *fairness* regressions became small (-.04 and .02) and statistically insignificant; the interaction term was sizeable in the *fairness* regression (-.18) but insignificant. When the German sample was split by union coverage, the only meaningful difference was a significantly stronger coefficient for *works council* in the regression for justice in the nonunion sample (.18*** vs .09**), suggesting that there is some duplication between works council coverage and union coverage for the attainment of this principle. When split by works council coverage, the observed significant effects for unions held up only in the non-works council sample, again suggesting some duplication.

workplace employment regimes are associated with the attainment of these principles. Of particular interest has been whether differences in national institutional environments continue to matter (if they ever did) to the attainment of these principles, at least as measured from the point of view of workers themselves, and how differences in the subjective attributes of workers and in employment regimes across these nations appear to matter in this respect. To address these questions, we have drawn on data from a 2009 telephone survey of 1,000 workers in each of the two archetypical varieties of capitalism, the U.S.A. and Germany.

We began by proposing a “national varieties of employment” thesis, comparing Germany to the US and arguing that, even if these two countries may no longer be as distinctive as may have been the case in the past, differences in their institutional environments continue to be substantial and this should be reflected in higher levels of attainment of civic principles in Germany. Yet we also argued that the extent to which German workers actually reported themselves to be “better” off could be lessened by a tendency for US employers to adopt employment regimes that in effect compensate for the “weak” U.S. institutional environment (the “compensatory” thesis), and that this could vary depending on the ideal in question, in reflection of national differences in employment regimes (the differentiation thesis). We also argued that institutional environments condition (or interact with) the adoption of employment practices and how they operate, and that this may be a major route through which they shape job quality (the “interactions” thesis). Finally, we argued that workers in the US and Germany could be expected to have different “subjectivities” and that this could not affect their expectations about, and ultimately evaluations of, the attainment of specific principles (the “subjectivities” thesis).

Descriptive comparisons between our two samples revealed only small differences in the attainment of civic principles, with U.S. workers actually reporting more favorable outcomes on three of these principles, and German workers reporting more favorable outcomes on only two. However, descriptive analysis also revealed that American workers are more likely to be subject to “new HRM” practices and less likely to view their employer as in financial difficulty, and that they indeed have subjectivities that are

consistent with lower expectations, all of which would help to explain the descriptive findings for the civic principles in our study.

Our multivariate results supported these conjectures, confirming the importance of institutional environments once sample compositions, subjectivities, and employment regimes are controlled for. In particular, it would appear that German workers are "objectively" better off, but have higher expectations than their American counterparts, thereby leading them to evaluate their work experience less positively than otherwise. It would also generally appear that employment regime variables, particularly employment practices in the USA, reduce the gap attributable to different institutional environments and hence do serve a "compensatory" function. Thus, institutional environments matter to the realization of civic principles at work, but tend to be offset by differences in subjectivities and employment regimes.

We found that institutional environments also matter through their implications for the implementation and effects of employment regimes at the workplace level. This is especially true with regard to work and HRM practices. "New" work and HRM practices would appear to be implemented so as to have more positive implications for the realization of civic principles in Germany than is the case in the USA, even though these practices are more widely adopted in the USA. In turn, bureaucratic practices would appear to have far more positive implications for the attainment of civic principles in the US, not necessarily because they are implemented differently (which is the case), but rather because they offer (extra-legal) rights and protections that German workers are more likely to already have. Notably, various forms of representation appear to be much less important than employer practices, although in the case of works councils in Germany and unions in the USA, this is in considerable measure because they operate indirectly, through their implications for the adoption of HRM practices. In Germany, they may also duplicate the effects of national institutional environments, thereby lessening the implications of union and works council coverage at the workplace level.

Although our results clearly suggest that national institutional environments matter and in this sense

support our national varieties of employment thesis, they also suggest the importance of these environments cannot be adequately addressed without also addressing the roles of workplace level representation systems and employment practices and of national differences in subjectivities. Our results also suggest, perhaps paradoxically, that although national institutional environments make a difference, this difference may be less important than often assumed once these other considerations are factored in. Thus, and more specifically, even though American workers may have “weaker” institutional environments, they evaluate their job quality as favorably as do their German counterparts.

These results could be interpreted as revealing that workers tend to “get what they want,” and that where institutional environments are weak this not only in part reflects worker norms and expectations, but also tends to be compensated for at the workplace level so that, in effect, workers are subjectively no worse off than their counterparts in “strong” institutional environments. Indeed, if one extends the functionalism for which the VofC approach is often accused, it might be argued that complementarities are different between the two nations, with the result that different institutional environments may yield equally satisfactory if somewhat different outcomes – at least in the case of the archetypical varieties of capitalism associated with this approach.

Such an interpretation would be flawed, because it would leave out the role of power relations, both in determining the extent to which workers are able to shape their work environment, and in shaping what it is that workers expect in the first instance. It would also fail to address the mechanisms through which employment regimes come to substitute for stronger institutional environments (if they do). Our findings do, however, suggest that attempting to understand cross national differences in job quality, at least as defined in this paper, is more complex than our initial national varieties of employment approach suggests and that there is need to further develop this thesis so as to account more fully for these mechanisms. In particular, there is need to develop a more complete understanding of the role of workplace level choices pertaining to employment regimes, of worker subjectivities, and of how both interact with each other and with national

institutional environments. If our results suggest anything, it is that simply focusing on the latter, as some comparative researchers on work and employment seem to do, is inadequate.

It might be further argued that our results provide support for the weakening of national institutional environments in the name of flexibility, because employers can be expected to voluntarily compensate accordingly at the workplace level, as in the USA. Yet employer practices in the USA are reflective of deeply ingrained norms and traditions and have evolved over at least a century (e.g., Taylor 1911), driven in part by a uniquely strong aversion to labour unionism and employment laws. To argue that a similar result could obtain in nations with very different norms and traditions would be unfounded. This may be especially so given that our results may in fact be showing that, although employer practices in the USA appear to compensate for the gap left by a weaker institutional environment, this is because this gap has in fact shrunk in recent years due to a weakening of the German institutional environment, so that it no longer makes the difference that it may once have.

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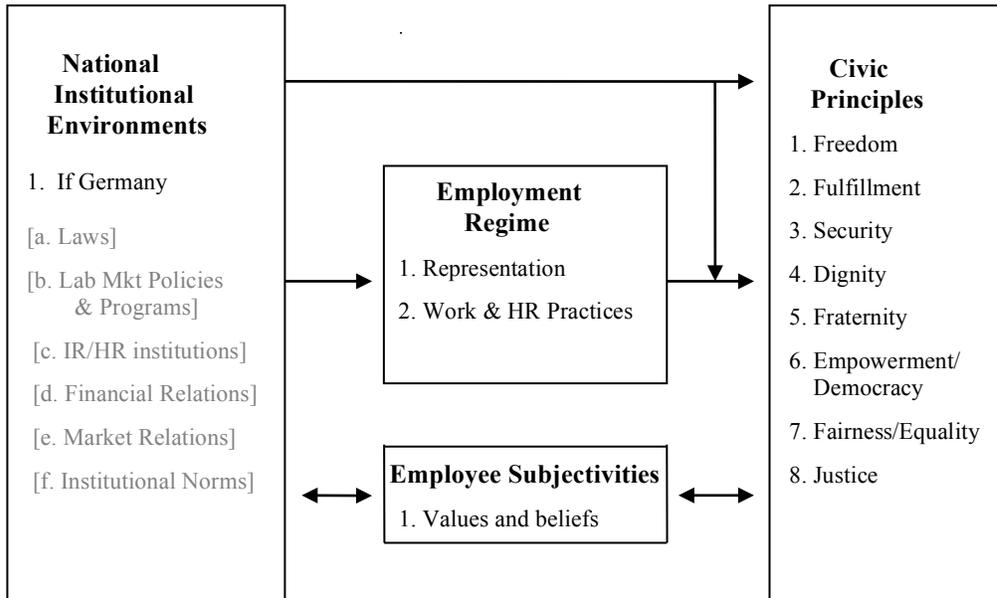
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Figure One
Conceptual Model



NB: This is a conceptual model. The arrows are intended to demonstrate the relationships of primary interest in this paper, not all possible associations. The vertical arrow represents interaction effects. In the present analysis, we are unable to explore the implications of the specific variables in the first box (denoted by grey); instead we use a dummy variable distinguishing between Germany and the USA.

Table 1
Sample Compositions and Subjectivities

Compositional variables	USA	Germany	differences in means¹
Gender: percent male	49	52	---
Age: years (average)	47	44	***
Weekly hours worked (average)	42	38	***
University degree: percent	28	13	***
Skilled trade certification: percent	13	42	***
Supervisory responsibility (1=none , 3= high)	1.9	1.9	---
Hourly pay (average, US\$, ppp)	24.67	26.43	***
Percent in government administration	13	15	---
Percent in educational sector	16	12	**
Percent in social services	18	14	***
Percent in traditional industry (utilities, manufacturing, telecommunications, construction, resource based)	20	26	***
Percent in personal services	16	15	---
Percent in financial and economic services (incl. finance, insurance, real estate, professional, business)	4	12	***
Percent in other sectors	9	4	***
Workplace size (percent with under 25 vs over 500 employees)	27 vs. 25	20 vs. 31	***
If parent firm/employer (percent)	67	56	***
Employer financial situation: percent bad or very bad	18	29	***
Subjectivities			
Ideology (percent self-identifying as left-of-centre)	49	74	***
If somewhat or very religious (percent)	65	32	***
Has always, by nature, tended to:			
be a happy person (percent) ²	61	58	---
worry about issues of fairness and justice (percent) ²	44	90	***
view work as central to who you are (percent) ²	46	58	***
believe employees should always follow management instructions without questioning them (percent) ³	47	15	***
unions are needed to look out for workers(percent) ³	46	84	***
get involved in things, such as political, cultural, or religious activities (percent) ³	53	46	***
trust others (percent) ³	80	78	---

1= statistically significant differences in mean values, ***=p ≤.01, ** = p≤ .05

2= respondent agreed strongly,

3=respondent agreed strongly or somewhat. .

Table Two: Core Dependent Variables

	US sample mean	German sample mean
Civic Principles (Likert scaled items: 1=disagree, 4=agree):		
<i>Freedom</i> (2 item scale, divided by 2, $\alpha = .46$: ‘you are free to choose how you do your work’, and ‘you are free to alter times at which you work’).	2.9	2.9
<i>Fulfillment</i> (3 item scale, divided by 3, $\alpha = .68$: ‘there is a lot of variety in your job’, ‘your job makes you keep learning new things’, and ‘your job is fulfilling’)+	3.5	3.4***
<i>Security</i> (3 item scale, divided by 3, $\alpha = .63$: ‘you feel that your job is secure’; ‘can you trust your manager?’; ‘you get all the support and training you need’)	3.2	3.2
<i>Fraternity</i> (6 item scale, divided by 6, $\alpha = .82$: ‘you can trust your co-workers’, ‘co-workers are friends’, everybody is proud to be associated with their employer’, everyone is made feel they belong’, everyone strives for highest possible quality’, workplace is well run’)	3.2	3.1***
<i>Dignity</i> (3 item scale, divided by 3, $\alpha = .69$: ‘mgmt consults worker or reps on major work decisions’, ‘you feel free to question mgt decisions’, and ‘supervisor treats you with respect’)	3.2	2.9***
<i>Empowerment</i> (3 item scale, divided by 3, $\alpha = .68$: ‘employees expected to do what they are told’, ‘what happens to you is out of your control’, and ‘doesn’t help to speak up about things’)+	2.4	2.5***
<i>Fairness</i> (4 item scale, addressing perceived fairness in the exercise of authority, divided by 4, $\alpha = .77$: ‘fair assignment of work’, ‘pay levels are decided fairly’, ‘promotions are decided fairly’, and ‘employees treated fairly when they do something wrong’)	3.2	3.1
<i>Justice</i> (4 item scale, divided by 4, $\alpha = .75$: ‘if coworkers get unjustly dismissed something could be done’, ‘if female coworker gets denied promotion due to gender something could be done’, ‘coworker is bullied by manager, something could be done’, and ‘coworker is denied pay/bonus, something could be done’)+	3.1	3.3***
Employment Regimes:		
<i>works council or company union existence</i> (single item: Ger: ‘does your workplace have a works council?’, US: ‘is there a non-union, management established system where worker representatives meet with management?’)	.30	.67
<i>union coverage</i> (single item: ‘are you covered by a collective agreement?’)	.16	.67
<i>New practices</i> (10 item additive index, divided by 10, all items standardized, $\alpha = .70$). a) When you were first hired by your current employer, were you asked to participate in any team building, communication, or similar exercises? b) Before you were hired, were you given a test asking about your attitudes, preferences, or general personality? c) Over the past twelve months, how many days have you spent in employer sponsored training or development sessions? d) Are you and your co-workers subject to a system for measuring your performance? e) How often do managers hold formal meetings with you and your co-workers with the primary purpose of keeping you informed about things? Such meetings might be held on a team, departmental, workplace, or even company-wide basis. f) To what extent does management encourage employees to engage in continuous learning or long term development? g) To what extent are you and your co-workers subject to a continuous quality improvement system? h) How about a group or team based system, in which people do their work as members of formally designated teams? i) To what extent are these teams self-managed, with no direct supervision? j) To what extent does your pay depend on incentives or bonuses? (mixed response formats)	.07	-.08***
<i>Bureaucratic practices</i> (4 item additive index, divided by 4, all items standardized $\alpha = .67$). a) When a job opens up, current employees are given priority over external applicants. b) When a job opens up, employees with the most seniority are given priority, provided they are qualified. c) Job security policies or protections make it unlikely that permanent employees will ever be laid off. d) Workers who believe they have been unfairly treated are able to get a formal hearing, with some form of representation. (1= strongly disagree to 5=strongly agree).	-.01	.01

***= $p \leq .01$, ** = $p \leq .05$, * = $p \leq .01$

α = Cronbach's alpha.

+ = based on Godard 2010, but with reduced items

Table 3
Intercorrelations: Core Variables

	1	2	3	4	5	6	7	8	9	10	11	12	13
Work Experience													
1. <i>freedom</i>													
2. <i>fulfillment</i>	.34												
3. <i>secure</i>	.33	.43											
4. <i>fraternity</i>	.32	.45	.63										
5. <i>dignity</i>	.37	.43	.60	.60									
6. <i>empowerment</i>	.32	.34	.44	.41	.47								
7. <i>fairness</i>	.31	.38	.62	.66	.58	.42							
8. <i>justice</i>	.22	.28	.45	.37	.37	.32	.50						
9. <i>job quality</i>	.60	.64	.79	.77	.79	.67	.78	.63					
Employment Regime													
10. <i>union</i>	-.11	-.06	.02	-.08	-.14	.00	.02	.17	-.03				
11. <i>works council</i>	-.02	.00	.05	-.01	-.01	-.01	.01	.30	.06	.40			
12. <i>company union</i>	.14	.14	.13	.12	.18	.15	.12	.31	.19	-.32	--		
13. <i>new practices</i>	.15	.33	.35	.28	.31	.28	.27	.28	.39	.05	.24	.22	
14. <i>bur. practices</i>	.20	.26	.43	.41	.39	.18	.48	.47	.49	.16	.48	.12	.30

Correlations above .05 are significant at the .05 level or better, two tailed.

N=2,000, except for works councils and company unions, which are the German sample only and the USA sample only, respectively, Ns=1000.

Table 4
US-German differences in the Work Experience: Hierarchical Regression Results

Dependent Variables:	Standardized Coefficients for <i>If Germany</i>			
	(2) Bivariate regressions	(3) add compositional vars to col 2 regressions	(4) add subjectivity vars to col 3 regressions	(5) add emp. regime vars to col 4 regressions
<i>freedom</i>	.01	.00	.03	.11**+++
<i>fulfillment</i>	-.08***	-.05*++	.00+++	.08**+++
<i>secure</i>	.02	.10***+++	.19***+++	.23***++
<i>fraternity</i>	-.14***	-.12***	-.04+++	-.00+
<i>dignity</i>	-.21***	-.17***+++	-.09***+++	-.02+++
<i>empowerment</i>	.08***	.10***	.13***+	.18***+++
<i>fairness</i>	.00	.02	.10***+++	.13***+++
<i>justice</i>	.12***	.15***	.17***	.08**+++
<i>job quality</i> (global index)	-.03	.01+++	.09***+++	.14***+++

See Table 1 for the compositional and subjectivity variables added in columns 3 and 4, respectively, and Table 2 for the employment regime variables added in column 5.

Significance levels of coefficients for *if Germany*: ***= $p \leq .01$, ** = $p \leq .05$, * = $p \leq .10$

Significance levels of changes in coefficients for *if Germany* +++= $p \leq .01$, ++ = $p \leq .05$, * = $p \leq .10$. See Clogg et al 1995.

N=2,000

Table 5
Coefficients for the Employment Regime Variables, Full Sample Final Regressions

	<i>freedom</i>	<i>fulfillment</i>	<i>secure</i>	<i>fraternity</i>	<i>dignity</i>	<i>empowerment</i>	<i>fairness</i>	<i>justice</i>	<i>job quality (global index)</i>
<i>union</i>	-.11***	-.03	-.02	.00	-.06**	.01	.03	.04	-.03
<i>company union</i>	.04*	.02	.01	.00	.04*	.05**	.01	.03	.04**
<i>works council</i>	-.03	-.07**	-.04	-.06*	-.05	-.04	-.10***	.10***	-.05*
<i>New HRPs</i>	.08***	.24***	.24***	.20***	.23***	.22***	.15***	.12***	.26***
<i>Bur. HRPs</i>	.18***	.17***	.36***	.37***	.34***	.15***	.46***	.40***	.42***
Rsq	.17	.29	.38	.37	.35	.21	.37	.32	.47

***= $p \leq .01$, ** = $p \leq .05$, * = $p \leq .10$, controlling for all compositional and subjectivity variables (see Table 1).
 N=2,000

1

Table 6
Coefficients for the Employment Regime Variables, Split Sample Final Regressions

	<i>freedom</i>		<i>fulfillment</i>		<i>secure</i>		<i>fraternity</i>			
	<i>USA</i> ¹	<i>Germany</i> ²	<i>USA</i>	<i>Germany</i>	<i>USA</i>	<i>Germany</i>	<i>USA</i>	<i>Germany</i>		
<i>union</i>	-.12***	-.08**	-.06***	.01	-.09***	.04	-.10***	.05		
<i>company union</i>	.06*		.02		-.00		-.01			
<i>works council</i>		-.08**		-.04		-.10***		-.05		
<i>New practices</i>	-.04	.25***	.17**	.30***	.13***	.38***	.14***	.31***		
<i>Bur. practices</i>	.25***	.07**	.25***	.06	.48***	.18***	.48***	.20***		
Rsq	.20	.31	.22	.31	.44	.37	.44	.31		
	<i>dignity</i>		<i>empowerment</i>		<i>fairness</i>		<i>justice</i>		<i>job quality</i>	
	<i>USA</i>	<i>Germany</i>	<i>USA</i>	<i>Germany</i>	<i>USA</i>	<i>Germany</i>	<i>USA</i>	<i>Germany</i>	<i>USA</i>	<i>Germany</i>
<i>union</i>	-.10***	-.02	-.03	.01	-.08***	.08***	.01	.05	-.10***	.02
<i>company union</i>	.04		.07**		-.02		.05		.04	-.07**
<i>works council</i>		-.09**		-.05		-.09**		.11***		
<i>New practices</i>	.14***	.36***	.11***	.35***	.06**	.30***	.02	.24***	.11***	.47***
<i>Bur. practices</i>	.45***	.20***	.22***	.06*	.58***	.30***	.49***	.26***	.54***	.24***
Rsq	.40	.29	.24	.25	.47	.31	.35	.31	.53	.48

***= $p \leq .01$, ** = $p \leq .05$, * = $p \leq .10$, controlling for all compositional and subjectivity variables (see Table 1)

1. N=1,000; 2. N=1,000