



Working Paper

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Job Quality in Economy for the Common Good Firms in Austria and Germany*

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Abstract

The Economy for the Common Good (ECG) pursues an alternative economic model built on values oriented to the common welfare such as human dignity, solidarity, ecological sustainability, social justice, transparency and democratic participation. The principles endorsed by the ECG coincide with those of the social economy as it promotes a system in which the motivation of economic competition is replaced by cooperation so that the collective interest and common good is put above companies' profits. (High) quality of work plays an important role in the ECG. The main points of its work-related values can be summarised by the willingness to elude discrimination and employment precariousness; the encouragement of information and worker participation; and the promotion of beneficial psychosocial factors at work. However, there is scarce knowledge on the actual labour conditions of workers employed in such type of firms. Thus, in this paper, our goal is to describe the quality of jobs in companies following the Economy for the Common Good in Austria and Germany, the countries where this economic model is most widespread.

Using data published in the Common Good Balances reports available on the ECG website¹, we extracted data informing about job quality at an organisational level of 59 firms with at least 5 employees in Austria and Germany. Although the breadth and depth of the information collected in the Common Good Balances reports is variable, results suggest a widespread presence of elements of good quality of work: limited use of precarious employment arrangements (yet, thorough information about fixed-term contracts is lacking), provision of training and a decent degree of decision-making autonomy. Direct participation practices are more prevailing than representative participation forms.

Keywords: Economy for the Common Good, job quality, Austria, Germany

JEL Codes: B55, P49, J81, J82

¹ GEMEINWOHL ÖKONOMIE (2018), "GWOe-Berichte — ECG - Balance Website", <http://balance.ecogood.org/gwoe-berichte> (Accessed 21 January 2018).

Introduction

Launched in 2010, Economy for the Common Good (ECG) stands out as an Austrian-born movement pursuing a cooperative, non-capitalist market economy (Felber, 2012, 66). Its main objective is “that the economy must serve people; in other words, the common good” (European Economic and Social Committee, 2015, C13/28). To do so it promotes an alternative economic model built on values oriented towards the common welfare such as human dignity, solidarity, ecological sustainability, social justice, transparency, and democratic participation (Felber, 2012). Since then, the Economy for the Common Good movement has spread around the world: it is estimated that over 2000 organisations support the ECG model, and that some 400 of them have assumed a more active commitment by becoming members of the Association for the Promotion of the Economy for the Common Good or having produced a Common Good Balance Sheet² (Economy for the Common Good, 2019).

Firms’ contribution to the advancement of the common good is measured on the basis of their impact on different stakeholders. Employees in firms having adhered to the ECG are among the stakeholders the model is directed to. In this sense, one of the main components promoted by the ECG with respect to workers is the promotion of high quality of work. However, given the novelty of this economic model, there is only scarce knowledge on the actual labour conditions of workers employed in such firms.

Thus, the aim of this paper is to describe the quality of jobs in companies following the ECG model in Austria and Germany and to compare it to the quality of jobs in the overall Austrian and German economy. This paper is organised as follows: first, we introduce the goals, values and tools of Economy for the Common Good. We draw attention to the standards it encourages regarding employment and working conditions. In the methods section, we account for the data sources used in our descriptive analyses. We then present our main results regarding the structure of ECG firms and different dimensions

² The Association for the Promotion for the Common Good was founded in 2011 with the aim to provide support to the ECG movement, to centralise its implementation and to provide information. Since the foundation of this Association, the ECG movement has spread and now there are several local and national chapters. For firms willing to disclose their Common Good Balance Sheet, becoming member of their corresponding local ECG association is a prerequisite.

For further information about the current composition of the Association, see ECONOMY FOR THE COMMON GOOD (2019), “Local Chapters and Associations”, <https://www.ecogood.org/en/movement/local-chapters-and-associations/> (Accessed 24 October 2019).

of job quality in Austria and Germany and compare it with the overall economy of Austria and Germany. We conclude with a discussion of the contribution of our findings to shed light on the actual conditions under which employees in ECG firms work.

Economy for the Common Good

The ECG promotes an economic system striving for an ethics-based, liberal, redesigned market economy. Ethics-based because in this model the accomplishment of firms is not assessed in economic terms such as profits, but rather according to their contribution to society. Liberal because it will seek to ensure equal opportunities and rights for all market players, and redesigned as it aims that basic needs are not only satisfied through the market, but also through alternative initiatives and economic models (e.g. local collaboration networks, peer-to-peer production, or the commons, among others) (Felber and Hagelberg, 2017, 19). As a matter of fact, ECG is not a self-centred model: firms can take different legal forms and be combined with other schemes. In sum, the motivation of economic competition is replaced by cooperation so that the collective interest and common good is put above companies' profits. Given ECG's pro-social principles, it has been identified as an emerging model framed within the broad umbrella concept of social economy (Chaves and Monzón, 2018).

The ultimate goal of the ECG movement is to change the system of values at the business but also political level. The idea is that countries would alter their institutional framework³ by bolstering those firms and organisations most aligned with the ECG values (Chaves and Monzón, 2018), for instance, via tax and legal advantages. In order to make an objective measurement of firms' contributions to the advancement of the common good, the ECG movement has operationalised different - and evolving - tools such as the Common Good Matrix, the Common Good Balance sheets, and the Common Good Reports.

The Common Good Matrix⁴ is a matrix with 20 indicators in which columns refer to the values of the ECG and rows regard different stakeholders, namely suppliers, owners, employees, customers, and the social environment. The

³ In a similar vein and at a European level, the Economic and Social Committee approved in 2015 an opinion commending the ECG to be included both in the European Union's and its member-state's legal frameworks (European Economic and Social Committee, 2015).

⁴ Version 5.0 of the Common Good Matrix is available on: ECONOMY FOR THE COMMON GOOD (2017), "Common Good Matrix", <https://www.ecogood.org/en/our-work/common-good-balance-sheet/common-good-matrix/> (Accessed 22 March 2019).

evaluation of firms' activities covers positive aspects (i.e. the goal a firm is expected to follow) and negative aspects (what a firm should not do). The maximum score is 1,000 points and the minimum -3,600 points (Economy for the Common Good, 2017). The Common Good Balance sheets⁵ summarise the results of the Common Good Matrix while the Common Good Reports⁶ explain and develop how an organisation has put into action the ECG values and highlight those aspects that need to be improved (Felber and Hagelberg, 2017).

Job quality in the Economy for the Common Good

Employees represent one group of stakeholders affected by the implementation of the ECG values. Apart from aspects referred to environmental sustainability⁷, ECG's work-related values strive for high job quality. Job quality is a multidimensional concept analysing to what extent the combination of working and employment conditions promote positive outcomes for workers, especially in terms of health outcomes and job satisfaction (Holman, 2013, 476). The most repeated dimensions of job quality identified by a review of the existing literature involve: pay and other rewards; terms of employment and job security; intrinsic characteristics of work (involving either objective characteristics such as autonomy or control, and subjective such as social support or meaningfulness); health and safety; work-life balance; and representation and voice (Warhurst, Wright, and Lyonette, 2017). In practice, there exist several ways to study job quality, for instance subjective or objective approaches to job quality (Warhurst, Wright, and Lyonette, 2017), or, depending on the proximity to the properties of the job itself, the micro or individualistic level perspective, the meso-level perspective (i.e. including job features or characteristics of the context of the job), or the macro-level perspective (i.e. encompassing macro-level factors affecting job quality such as social protection models or the labour market situation) (Burchell, Sehnbruch, Piasna, & Agloni, 2014).

⁵ See the example of the Common Good Balance sheet of the firm Vaude at: ECONOMY FOR THE COMMON GOOD (2018), "Common Good Balance Sheet", <https://www.ecogood.org/en/our-work/common-good-balance-sheet/> (Accessed 28 October 2019).

⁶ See the example of the Common Good Report of the firm Elobau at: ELOBAU (2018), "elobau Sustainability Report for 2016 and 2017", https://www.ecogood.org/media/filer_public/f6/2b/f62b467b-b02b-450a-bb39-c195a1967c27/elobau_gwo_eng_web.pdf%20 (Accessed 28 October 2019).

⁷ In this research, work-related values are understood as those exclusively focused on labour issues thus excluding from our analysis the dimension referred to ecological sustainability.

The main points of the ECG's work-related values can be apprehended through the material reported on the ECG workbooks (Blachfellner et al., 2017; Economy for the Common Good, 2015). These can be summarised by three main areas: the willingness to elude discrimination and boost quality of employment –with a strong emphasis in salaries, and to a lesser extent in contract types⁸, the encouragement of information and worker participation; and, regarding working conditions, the promotion of beneficial psychosocial factors at work including among others, flexible work hours, work-life balance, task clarity and variety of tasks, scope and autonomy.

Methods

The main question we explore in the present article is whether firms following the ECG principles in Austria and Germany offer better work-related characteristics than the Austrian and German economy as a whole. We focus on Austria and Germany, as the ECG movement started in these two countries and is currently the most widespread, and on organisations with at least five employees, coinciding with the minimum of workers set by law for workplaces to set up a body of collective representation in Austria and Germany. We analyse data about structural characteristics of ECG firms and about their job quality derived from the Association for the Promotion of the Common Good and compare it with the characteristics of all companies derived from sources such as Eurostat.

Study population, data sources, and analysis

As for the firms following the ECG principles in Austria and Germany, we consider all companies fulfilling the following selection criteria: 1) being members of the Association for the Promotion of the Common Good; 2) undertaking more objective Common Good Balances, namely peer-evaluated (performed with the participation of other ECG firms) or externally audited (checked by an ECG auditor); 3) with at least 5 employees; and 4) with Common Good Balances in force as of January 2018. In order to identify those

⁸ Two different versions of the Common Good Matrix have been in force in the analysis period included in this study: v.4.1 from 2013 to 2017, and since then v.5. The criteria concerning work-related characteristics have slightly changed between the two versions, giving less weight in v.5 to aspects related to the type of contract and part-time employment.

businesses fulfilling the project's selection criteria we first used the information provided in the list of firms with Common Good Balances disclosed by the ECG⁹. 59 firms matched these criteria and were included in the analyses, with the majority (63%) located in Germany. The smallest firm in this study provided employment to 5 employees whereas the largest, to 3,200.

After identifying those firms meeting the selection criteria of the project, we gathered their Common Good Reports available on the ECG website¹⁰. As Common Good evaluations have a validity of two years, the information compiled in the Common Good Reports analysed in this study refers to different years - between 2013 and 2017 -, but most frequently to 2015. With respect to data sources informing about job quality indicators in the Austrian and German economy as a whole, we used different databases from the statistical office of the European Union (Eurostat); from the Organisation for Economic Co-operation and Development (OECD); data informing about wage inequality extracted from the International Labour Office's Global Wage Report 2016/2017 (International Labour Office, 2016); and data from the 3rd European Company Survey (ECS), a survey promoted by the European Foundation for the Improvement of Living and Working Conditions (EUROFOUND) targeted at management representatives (and when possible, also at worker representatives) in various European countries (European Foundation for the Improvement of Living and Working Conditions, 2015).

A descriptive analysis was performed through univariate analyses to describe each of the variables reporting about job quality in ECG firms and the overall Austrian and German economy. Table 1 provides an overview of all considered characteristics. Despite the existence of guidelines to create Common Good Reports, we found large variation regarding the content and details provided in them by firms. As this made it complicated to appraise the behaviour of the missing information, we decided to show information regarding total and valid percent in the case of ECG firms.

⁹ These lists can be obtained from the ECG website: GEMEINWOHL ÖKONOMIE (2018), "GWOe Liste externe Audit Peer Evaluierung-Excel", <https://balance.ecogood.org/gwoe-berichte/gwoe-liste-externe-audit-peer-evaluierung.xlsx/view> (Accessed 21 January 2018). As these lists are updated on a regular basis, the document used for the present study has been replaced by a more recent one.

¹⁰ GEMEINWOHL ÖKONOMIE (2018), "GWOe-Berichte — ECG - Balance Website", <http://balance.ecogood.org/gwoe-berichte> (Accessed 21 January 2018).

Table 1 - Study dimensions and variables analysed

Dimension	Indicators
General structure of firms	<ul style="list-style-type: none"> - <i>Distribution of firms according to size</i> - <i>Share of female employees</i> - <i>Distribution of employees according to economic activity branches (5 most common NACE codes)</i>
Employment quality	<ul style="list-style-type: none"> - <i>Type of contract</i> Firms reporting to employ apprentices Firms reporting to employ agency workers - <i>Part-time employment</i> Share of employees in part-time employment - <i>Salaries</i> Firms reporting to provide salaries equal or higher than “living wages” Wage spread ratio - <i>Training</i> Firms reporting to provide training - <i>Possibility for time compensation in case of overtime</i> Firms reporting time compensation
Information and worker participation	<ul style="list-style-type: none"> - <i>Critical information shared with employees</i> Firms reporting to provide critical information - <i>Direct participation</i> Firms reporting regular meetings between employees and immediate manager Firms reporting regular staff meetings open to all employees at the establishment Firms reporting to undertake employee surveys among employees - <i>Representative participation</i> Firms reporting works councils
Psychosocial conditions: home office and control	<ul style="list-style-type: none"> - <i>Possibility of home office</i> Share of workers with the possibility of home office - <i>Control</i> Firms in which employees have control over their daily working time Firms in which employees can decide on the planning and execution of their daily work tasks

Results

Table 2 offers an overview of different structural characteristics of our ECG firms. The 59 companies included in our study employ almost 13,400 workers. Women represent almost half of the workforce in ECG firms; if taking the valid frequency, they account for two thirds of total workforce. Compared to the overall Austrian and German economies, and whether taking into account total or valid frequencies, ECG firms stand out for being to a higher extent medium sized firms (from 50 to 249 workers) and for being concentrated in fewer economic branches (Human health and social work activities, Administrative and support service activities, and Manufacturing).

Table 2 - Structure of Economy for the Common Good firms and the totality of firms in Austria and Germany

	Economy for the Common Good firms		Firms in Austria and Germany
<i>Company size</i>	Total %	Valid %	% ^{a1}
0-9 workers*	18.6%	18.6%	83.0%
10-19 workers	13.6%	13.6%	9.5%
20-49 workers	22.0%	22.0%	4.7%
50-249 workers	28.8%	28.8%	2.3%
250 workers or more	16.9%	16.9%	0.5%
Total	100% (firms' n=59)	100% (firms' n=59)	100%
<i>Female employees</i>	Total %	Valid %	% ^{a2}
% of female employees	47.4% (employees' n=13,396)	67.2% (employees' n=9,440) ¹	48.1%
<i>Employees according to economic activity branches (5 most common NACE codes)</i>	Total %	Valid %	% ^{b1}
Human health and social work	38.0%	38.0%	13.2%
Administrative and support service	24.0%	24.0%	7.3%
Manufacturing	10.7%	10.7%	18.3%
Education	8.2%	8.2%	in "Other"
Wholesale and retail trade, repair of motor vehicles and motorcycles	6.6%	6.6%	13.7%
Public administration and defence; compulsory social security	in "Other"	in "Other"	6.6%
Other, remaining areas	13.0%	13.0%	40.9%
Total	100% (employees' n=13,396)	100% (employees' n=13,396)	100%

Missing information: 1) based on information from 54 firms.

*In ECG firms, analyses have been limited to firms with at least five workers. As for all firms, the smallest available category is "0-9 workers". A large number (around 60% in Austria) of the "0-9 workers" group are sole proprietors without employees. The 83% thus can be split roughly in 51% no employee and 32% up to 9 employees. Ignoring sole proprietors still shows that ECG firms are more often larger companies in comparison to the totality of firms.

Data sources: Information about Economy for the Common Good firms has been extracted from Common Good Reports. Latest available years. Information regarding firms in Austria and Germany has been obtained from: a1) year 2015, Eurostat [sbs_sc_sca_r2] (Eurostat 2018a), a2) 4th quarter of 2015, Eurostat [lfsq_eeqais] (Eurostat 2019b), and b1) year 2016, Organisation for Economic Co-operation and Development (OECD) [STAN Industrial Analysis] (OECD 2018b).

As for the job quality (see Table 3), the use of part-time work and apprenticeships is more widespread in ECG firms than among other companies in Austria and Germany (both in total and valid %). The ratio between the minimum and maximum salaries is somewhat higher in ECG firms than in Austrian and German firms (3.8 vs 3.4). The earning spread ratio ranges in ECG

firms between 1:1 and 1:13 and high wage spread (over 1:5) is present in 6 firms. In almost half of the ECG firms (70% if taking valid responses) full-time salaries are higher than or equal to the reference value for “living wages” in Austria and Germany. In comparison to the totality of firms in Austrian and Germany, ECG firms offer to a higher extent possibility for training but fewer possibilities for time compensation in the event of overtime.

Table 3 - Job quality in Economy for the Common Good firms compared to the totality of firms in Austria and Germany: contract type, earnings, and training

	Economy for the Common Good firms		Firms in Austria and Germany
<i>Type of contract</i>	Total %	Valid %	% ^{a3}
Firms reporting to employ apprentices ‡	61.0% (firms' n=59)	94.7% (firms' n=38)	54.1%
Firms reporting to employ temporary agency workers ‡	13.6% (firms' n=59)	18.6% (firms' n=43)	Not available
<i>Part-time employment</i>	Total %	Valid %	% (2015) ^{b2}
% of employees in part-time employment	36.5% (employees' n=13,396)	50.0% (employees' n=9,764) ¹	21.7%
<i>Salaries</i>	Total %	Valid %	%
Firms reporting to provide salaries equal or higher than “living wages” (1,330€ monthly net income)	49.2% (firms' n=59)	69.0% (firms' n=42)	Not available
Wage spread ratio (distance between the highest and lowest full-time equivalent salary)	3.8 ²		3.4 ^c
<i>Training</i>	Total % (latest year)	Valid % (latest year)	% (2015) ^{a4}
Firms reporting to provide training ‡	83.1% (firms' n=59)	96.0% (firms' n=51)	82.7%
<i>Time compensation in case of overtime</i>	Total %	Valid %	% ^d
Firms reporting time compensation *	64.4% (firms' n=59)	80.9% (firms' n=47)	92.8%

Missing information: 1) based on information from 50 firms; 2) on 45 firms.

‡ Information extracted from an open-ended question.

*In this category response we have not included those ECG firms only offering an economic compensation for overtime (n=5) or not incurring overtime (n=3).

Data sources: Information about Economy for the Common Good firms has been extracted from Common Good Reports. Latest year available. Information regarding firms in Austria and Germany has been obtained from: a3) Year 2015, Eurostat [trng_cvt_34s] (Eurostat 2018b), b2) Year 2015, OECD [LFS - FTPT Employment Common] (OECD 2018a), c) Year 2015, International Labour Office [Global Wage Report 2016/2017] (International Labour Office 2016), a4) Year 2015, Eurostat [trng_cvt_01s] (Eurostat 2018c), and d) Year 2013, 3rd European Company Survey.

Regarding the dimension of information and worker participation (see Table 4), in most of the ECG firms some sort of critical information is disclosed, mainly referring to financial and operational information. The existence of bodies of general representative participation is reported to a higher extent in ECG firms (29% if taking total frequency, 74% if taking valid frequency) than in Austrian and German firms as a whole (19%). The most frequent direct participation practice in ECG firms refers to regular meetings with all employees, while in the Austrian and German economies it concerns meetings between employees and immediate manager. There is remarkable variation in the frequency of direct participation practices in ECG firms based on the total or valid percentage. If taking the total percentage, direct participation practices are much less prevalent in ECG firms whereas, based on the valid percentage, they are extensive.

Table 4 - Job quality in Economy for the Common Good firms compared to the totality of firms in Austria and Germany: information and worker participation

	Economy for the Common Good firms		Firms in Austria and Germany
<i>Critical information shared with employees</i>	Total %	Valid %	%
Firms reporting to provide critical information ‡	81.4% (firms' n=59)	84.2% (firms' n=57)	Not available
<i>Direct participation</i>	Total %	Valid %	% ^d
Firms reporting regular meetings between employees and immediate manager ‡	40.7% (firms' n=59)	100% (firms' n=24)	91.0%
Firms reporting regular staff meetings open to all workers at the establishment ‡	49.2% (firms' n=59)	100% (firms' n=29)	58.4%
Firms reporting to undertake employee surveys	25.4% (firms' n=59)	93.8% (firms' n=16)	53.1%
<i>Representative participation</i>	Total %	Valid %	% ^d
Firms reporting works councils ‡	28.8% (firms' n=59)	73.9% (firms' n=23)	18.7%

‡ Information extracted from an open-ended question.

Data sources: Information about Economy for the Common Good firms has been extracted from Common Good Reports, latest available year. Information regarding firms in Austria and Germany has been obtained from: d) Year 2013, 3rd European Company Survey.

Finally, Table 5 provides some info concerning psychosocial working conditions. In ECG firms' workers are offered to a higher extent than in the Austrian and German economies the possibility for home-office as well as for having control over their working time and planning of tasks. This holds either for total and valid percentages.

Table 5 - Job quality in Economy for the Common Good firms compared to the totality of firms in Austria and Germany: home office and control

	Economy for the Common Good firms		Firms in Austria and Germany
<i>Possibility of home office</i>	Total %	Valid %	% ^{a5}
Share of workers with possibility of home office ‡ *	25.8% (employees' n=13,396)	31.0% (employees' n=11,122) ¹	16.7%
<i>Control</i>	Total % (latest year)	Valid % (latest year)	% ^d
Firms reporting that employees have control over their daily working time ‡ **	45.8% (firms' n=59)	48.2% (firms' n=56)	30.6%
... that employees can decide on the planning and execution of their daily work tasks ‡ ***	59.3% (firms' n=59)	94.6% (firms' n=37)	61.9%

Missing information: 1) based on information from 25 firms.

‡ Information extracted from an open-ended question.

** With respect to ECG firms, the response category "Yes" is referred to employees working in firms providing the possibility of home office to all workers. Eurostat data inform about employed persons who can work from home usually or sometimes.*

*** In the case of ECG firms, this variable informs about whether workers can determine how their working hours are distributed. In the European Company Survey the variable informs about whether workers have the possibility to adapt the time when they begin or finish their daily work.*

**** Regarding ECG firms, the response category "Yes" includes firms in which determination over daily tasks is allowed to all workers or to some workers. In the European Company Survey, the question inquired about who decides on the planning and execution of the daily work tasks. In the present analyses, "Yes" comprises "The employee undertaking the tasks" plus "Both employees and managers or supervisors".*

Data sources: Information about Economy for the Common Good firms has been extracted from Common Good Reports, latest year available. Information regarding firms in Austria and Germany has been obtained from: a) Year 2016, Eurostat [lfsa_ehomp] (Eurostat 2019a), and d) Year 2013, 3rd European Company Survey.

Discussion

In this paper we approached the work-related characteristics in firms following the ECG principles in Austria and Germany. We first explored the general structure of ECG firms in these countries, also in comparison with the situation in their respective economies. ECG firms account for a very small share of the total employment in Austria and Germany (0.03%) and they are mostly clustered in a few economic branches that are markedly different from the employees' distribution in Austria and Germany. Little is known of the firms' motives to embark the ECG's model but the importance played by social and pro-environment protection goals is discernible, such as in the heterogeneous social economy sector (or third sector) of Germany and Austria (Schneider and Maier, 2013; Birkhölzer, 2015).

Our findings reveal a mixed picture concerning job quality in ECG firms and to what extent their working and employment conditions differ from those existing in their respective economies. In general, our data are in line with evidence regarding the behaviour of work-related characteristics in the social economy sector. Part-time work is more common in ECG firms than in Austria and Germany as a whole. This finding coincides with evidence on contractual arrangements in the social economy sector (Ariza-Montes and Lucia-Casademunt, 2016; Bailly, Chapelle, and Prouteau, 2012; Richez-Battesti, Petrella, and Melnik, 2011). Nonetheless, it is complicated to assess whether this result is negative or not, especially if part-time is voluntary. The ECG model promotes the reduction of the average working hours in order to facilitate citizen engagement and participation (Felber and Hagelberg, 2017). Thus, rather than the existence of part-time work in ECG firms, it is more important to determine if this occurs on a voluntary basis or not, which is unfortunately not captured in the analysed data.

According to our data, ECG firms provide more favourable conditions in terms of control and training, which confirms findings observed in France (Richez-Battesti, Petrella, and Melnik, 2011) and on the non-profit sector in Europe (Ariza-Montes and Lucia-Casademunt, 2016). The aforementioned studies have also shown that workers in the social economy sector have better work-life balance. Our study, unfortunately, does not include any info directly related to work-life balance. We, however, were able to show that the possibility to work at home is more prevalent in ECG firms.

Regarding salaries, it has been shown that wages are lower in the social economy sector (Ariza-Montes and Lucia-Casademunt, 2016; Bailly, Chapelle, and Prouteau, 2012; Richez-Battesti, Petrella, and Melnik, 2011). With respect

to ECG firms, only a few firms provided information on salaries in the Common Good Reports. Our findings thus need to be interpreted cautiously. What we did find is that at least almost half of ECG firms provide full-time salaries higher than or equal to the reference value for “living wages” in Austria and Germany. Among firms reporting information about salaries, we compared whether firm size was associated with the fact of providing living wages or not and we found that there are no differences between groups (results not shown). An unexpected result regarding salaries is the slightly greater wage inequality between the highest and the lowest income in ECG firms than in the whole Austrian and German economy. This result does not fit neither with the major interest of the ECG model to limit income inequality (Felber and Hagemberg, 2017) nor with previous research about wage equity in the non-profit sector (Leete, 2000). Two factors could be explaining this result: one is that ECG firms take different legal forms and they are not only non-profit organisations, the other is the positive relationship between firm size and inequality also found in (International Labour Office, 2016). There is a higher share of medium and large firms in the ECG model than in the overall economy of Austria and Germany. When analysing the distribution of wage spread ratio by firm size (results not shown), full equality is only present in ECG firms with 5 to 9 workers whereas high wage spread, mostly in medium and large firms.

With regard to participation, there are more ECG firms reporting the existence of direct participation practices than representative participation forms. However, when compared to the overall Austrian and German economy, ECG firms stand out for their higher prevalence of works councils. In contrast, results regarding direct participation are less conclusive given the great difference between values reported in total and valid frequencies. Estimates on existence of worker participation forms thus suffer from bias depending on the data collection way, producing higher estimates when no documentary revision exists during the data gathering (Fondevila-McDonald et al., 2019). In our study, the Common Good Reports analysed have gone through a process of peer-review or external audit. Therefore, we deem reliable the information provided when reporting to have either works councils or direct participation but we cannot determine what happens in those firms not giving information in their reports.

Strengths and limitations

ECG constitutes a rising alternative economic model of which there is still limited scientific knowledge. Thus, the main strength of our study is to provide the first detailed analysis of the structure of the companies and job quality in firms following the ECG's work-related criteria, also in comparison with the totality of firms in Austria and Germany. However, this study is not without limitations. One constraint is related to the Common Good Reports as a source of information: the breadth and depth of the information they collect is variable, and they provide limited information about job quality aspects promoted by the ECG (e.g., regarding different forms of contractual arrangements, working hours, earnings, and psychosocial working conditions such as autonomy, task clarity and variety, or justice and quality of leadership, among others). Also, Common Good Reports allow to characterise job quality only from an organisational perspective. On the plus side, we consider peer-reviewed and externally audited Common Good Reports to be a reliable data source as they have undergone cross-check processes.

Some comparability problems have also emerged in the study. On the one hand, some variables have not been formulated in the same way (e.g, home-office or questions related to control). On the other hand, the sources consulted differ slightly in the reference study population: as for ECG firms, we restricted our analyses to firms with at least 5 employees while the study population varied for the sources informing about Austria and Germany. The study population was all of the firms -or employees- when analysing variables referred to the general structure of the Austrian and German economy, part-time employment and home-office (Eurostat, 2018a, 2019b; OECD, 2018; Eurostat, 2019a). The remaining data sources draw information from surveys whose samples included firms with 10 or more workers (Eurostat, 2018b, 2018c; Eurofound, 2013; International Labour Office, 2016, 111–12). Even though the divergence in the reference population study downgrades the comparability of indicators between ECG firms and the Austrian and German economy as a whole, it only affects one part of micro firms / workers in micro firms (either firms from 0 to 4 workers or from 5 to 9 depending on the information source). Comparability issues might have arisen when contrasting information about workers' rights and labour practices between ECG firms and firms without employees, but this is not the case in our analyses.

Conclusions

The article explores for the first time job quality in ECG firms in Austria and Germany and provides a comparison of the situation of working and employment conditions in ECG firms with respect to the overall Austrian and German economies. Our results suggest that elements of good quality of work in ECG firms are more concentrated in the domains of worker participation and control over working times and tasks rather than with respect to wage inequality and use of part-time employment. For a more thorough exploration of job quality components in ECG firms as well as its association with worker outcomes, further analyses should use worker-based responses and compare results from ECG matching workers in other companies using for instance propensity score matching.

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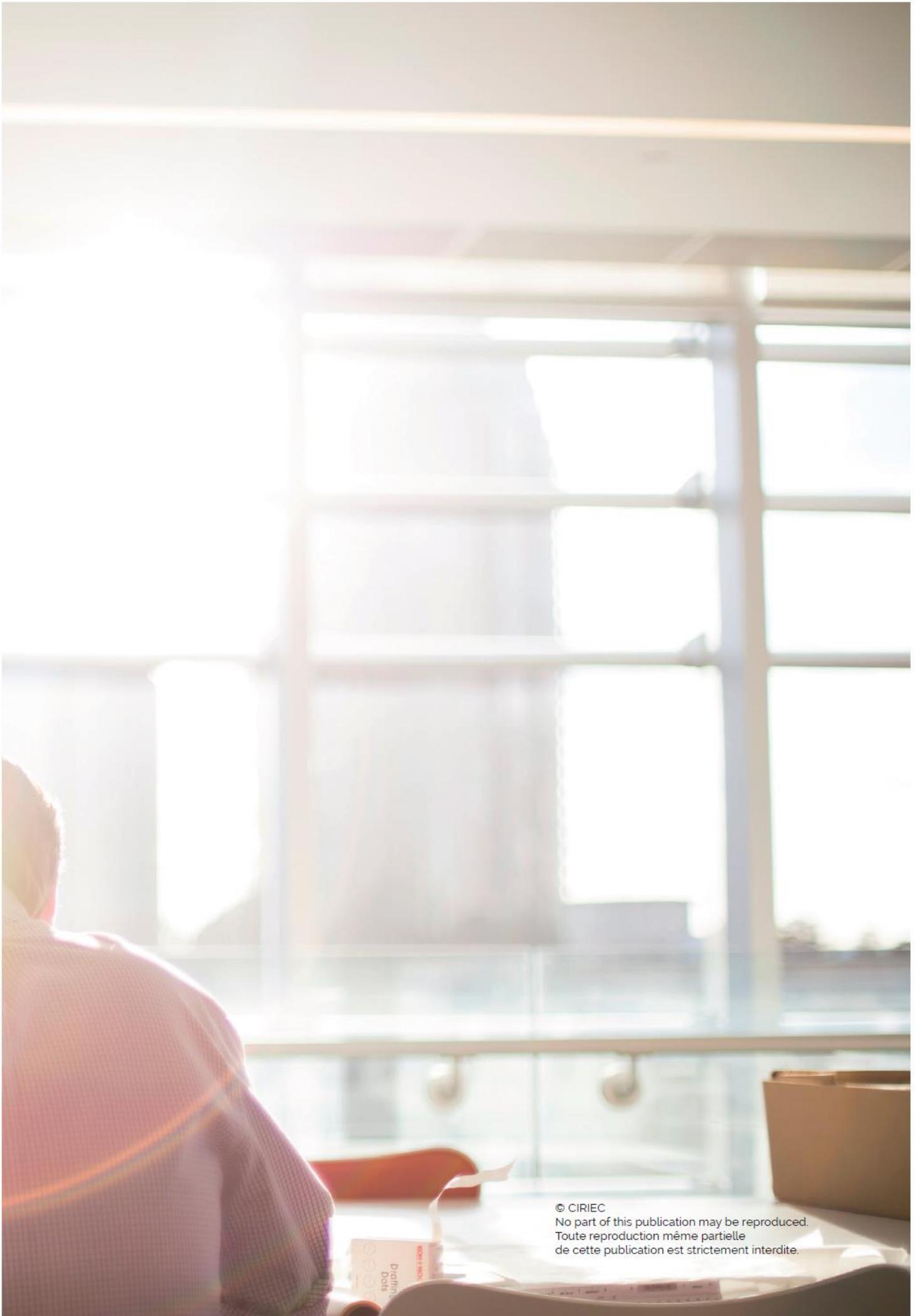
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