Employee participation is often linked to beneficial outcomes for both employees and employers, such as increased productivity and job satisfaction. This study examines the extent to which employee participation also affects industrial action (or conflict), such as strikes, work-to-rule and blockades. We use cross-national company-level data and apply multilevel regression analysis to answer this research question. In so doing, this study is innovative in three important ways.

First, we study the incidence and outcomes of industrial action. Most studies in the field of industrial action only focus on the incidence of industrial conflict. So far, however, only a few studies have investigated the extent to which industrial conflict is a successful tool for employees to achieve their goals. Studying the incidence as well as the outcome of industrial action allows us to analyze the determinants and the effects of industrial action.

Second, we examine effects of company-level determinants on the incidence and outcomes of industrial action. Research to date mainly studied country- and sector-level explanations for the occurrence of industrial conflict, yet it is unknown to what extent company-specific characteristics account for variation in the occurrence and outcomes of industrial conflict. More specifically, we study the relationship between employee participation and the occurrence and outcomes of company-specific industrial conflict. Although it has been suggested that employee participation reduces conflict, empirical evidence is lacking. In this study, we test the claim whether employee participation indeed reduces conflict, and also hypothesize on the effects of employee participation on the outcomes of industrial conflict.

Third, we scrutinize variation in the effects of different forms of employee participation. Numerous studies have shown that employee participation comes in different forms, and employee participation effects vary between these forms employment participation. We therefore distinguish between the indirect employee participation (referring to formalized structures of participation in companies), and direct employee participation (referring to other forms of employee involvement, such as staff meetings, internal communication tools, et cetera) and hypothesize on different effects of these forms of employee participation.