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Effect of Employee Representation on Job Satisfaction and
Retention Intention

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Abstract

This study uses an exit–voice framework analysis of the effect of employee representation on job satisfaction and retention intentions. The analysis reveals that adverse workplace conditions reduce job satisfaction and retention intentions. However, organizations that represent employees’ interests positively influence both outcomes. Moreover, employee representation directly improves job satisfaction and retention intentions and mitigates the negative effects of discriminatory treatment, harassment, and mental health concerns on these outcomes. Finally, the mitigating effects of employee representation on the adverse effects of workplace deterioration on job satisfaction and retention intentions are more pronounced in smaller firms than in larger ones.

Keywords discrimination, employee representation, exit–voice framework, job satisfaction, retention intention, workplace conditions

1. Introduction

This study examines the extent to which workplace environments influence job satisfaction and intention to continue employment. We investigate whether the presence of employee representation can mitigate the negative effects of workplace issues on job satisfaction and intention to remain employed.

Traditionally, labor unions have been considered the primary organizations representing employees’ interests. In the field of labor economics, Freeman and Medoff’s (1984) examined the significance of labor unions using an exit–voice model framework. This model, based on Hirschman’s (1970) theory, posits that dissatisfaction within organizations can be addressed either through *voice*, where grievances are expressed directly, or through *exit*, where individuals leave the organization. Freeman and Medoff demonstrated that labor unions mitigate employee turnover by addressing dissatisfaction through the voice mechanism.

Since then, a substantial corpus of literature has addressed the effect of labor unions on turnover rates, particularly that they reduce turnover rates. While numerous studies in conducted in Japan support this conclusion, recent European and U.S. studies have discovered a declining influence of labor unions. This

shift reflects a broader transition from collective industrial relations centered on labor unions to personal human resource management. This trend has brought to fore “employee representation” to facilitate labor management communication as a complement to labor unions or, conversely, as substitutes that could suppress the role of labor unions.

In Japan, unionization rates differ significantly by company size. While large corporations tend to have higher unionization rates, labor unions are nearly absent in small and medium-sized enterprises (SMEs). While direct communication between employers and employees is more possible in SMEs, which potentially reduces the need for labor unions, SMEs also face high turnover rates, which poses a unique challenge. We explore the effect of representative employee organizations on SMEs in this organizational context.

In particular, we answer three questions: First, does employee representation directly affect employees’ job satisfaction and intention to stay in their jobs? Second, does employee representation mitigate the negative effect of workplace issues on job satisfaction and intention to stay? Third, does the voice effect of employee representation differ by the size of the organization (namely, large corporations and medium-sized enterprises)?

Our study makes an interesting contribution to the discipline: First, research on job satisfaction and turnover rates contributes to improving workers’ wellbeing and enhances labor productivity by identifying factors that foster an environment in which high-morale employees remain. Second, the low mobility of the Japanese labor market may cause a mismatch in talent, which could potentially decrease both corporate productivity and employee motivation. By focusing on job satisfaction, especially the difference between jobs satisfaction and retention intention, we can explore the characteristics of employees who are dissatisfied with their work but do not seek to resign.

2. Literature Review

2.1 *Job Satisfaction*

Since Borjas’ (1979) seminal study, job satisfaction has been a focal subject of labor economics analyses. Within industrial psychology, Latham (2009), for example, reviewed a century of research on work motivation, categorizing it into six distinct periods, and tracing the development of the field.

Regarding industrial relations, evidence suggests that union members tend to express stronger dissatisfaction than nonunion members (Hersh and Stone 1990; Laroche 2016). This phenomenon is often

explained using the exit–voice framework: dissatisfied nonunion workers are more likely to leave their jobs, whereas union members are more likely to express their grievances, indicating a sample selection bias in studies. Another possible explanation is that dissatisfied workers are more inclined to join unions. Bender and Sloane (1998) analyzed the relationship between union membership and job satisfaction in the UK. They found that dissatisfied workers who were not union members tended to quit their jobs, whereas dissatisfied workers who were union members were less likely to leave, as they channeled their grievances through the union. Artz (2010) considered the selection bias that dissatisfied workers are more likely to join unions and demonstrated that first-time union membership improves job satisfaction. However, workers who rejoin unions after becoming members do not experience increased satisfaction.

The negative relationship between unions and job satisfaction has nevertheless shown signs of change. Artz et al. (2022) found that the positive effects of unions on satisfaction have strengthened since the 2008 global financial crisis up till 2017. Their study especially controlled for individual fixed effects. Similarly, Blanchflower et al. (2022) used data from the U.S., UK, and Germany to provide evidence of a positive relationship between union membership and job satisfaction¹. Booth et al. (2022) examined union-covered non-members and union members in workplaces who felt more satisfied with their lives than workers from workplaces without union presence or with inactive unions; their study targeted rural-to-urban migrant workers in China, and also controlled for individual fixed effects.

2.2 Turnover

Freeman and Medoff (1984) used an exit–voice framework to confirm that unions effectively reduce turnover rates. Iverson and Currihan (2003) empirically demonstrated that union participation, job satisfaction, and their interaction reduced turnover rates. Frenkel et al. (2013) analyzed the relationships between human resource management, job satisfaction, and turnover intention. Gramberg et al. (2020) argued that whether employee voice can mitigate turnover depends on the type of conflict, with voice being ineffective in addressing issues such as bullying. Artz et al. (2022) identified a weakening of the effect of union presence or membership in reducing turnover rates. Chaudhry et al. (2022) also presented evidence of employee voice reducing turnover intention.

For Japan, Okamoto and Teruyama (2010) analyzed the factors influencing job satisfaction and turnover intention, focusing on gender differences. Their findings showed that income affects turnover

intention and job satisfaction in men but not in women. Moreover, an increase in job responsibility reduced satisfaction among men but had no significant effect on women. Finally, Matsuura and Noda (2013) used data from SMEs to show that unions have a turnover-reducing effect, although this effect was not observed in family-owned businesses.

2.3 *Employee Representation*

In the past, labor unions had high unionization rates and were central to labor management relations. Despite labor unions raising wages, reducing wage inequality, increasing productivity, and lowering turnover rates, the declining trend in unionization rates suggests their diminishing influence. In this context, labor management relations have increasingly shifted from collective labor relations centered on unions to a situation in which employers and employees negotiate working conditions directly, bypassing labor unions, a phenomenon termed as a “de-unionization” of labor management relations (Tsuru 2002).

As labor management relations have transitioned from union-centered collective relations to individualized human resource management (Bryson et al. 2013; Gollan 2006; Kaufman and Taras 2010; Lipsky et al. 2014), attention has turned to nonunion employee representation. Within this shift, two primary debates have emerged: whether nonunion employee representation has similar effects on labor unions, and whether nonunion employee representation serves as a substitute for unions, suppressing their influence or functions in a complementary relationship with unions, thereby promoting union formation. In this regard, Matsuura and Noda (2023) demonstrated that the presence of employee organizations reduced turnover rates among SMEs in Japan. However, they found no evidence of a complementary relationship between employees and labor unions.

3. Hypothesis, Model, and Data

3.1 *Hypothesis*

The exit–voice model serves as a framework for relating continued employment or job turnover to job satisfaction. This model originates from Hirschman’s “Exit, Voice, and Loyalty” theory, which posits two methods for expressing dissatisfaction within an organization:

Voice: expressing grievances or dissatisfaction to the organization

Exit: leaving the organization altogether

In labor economics, the exit–voice model explains the role of voice through labor unions in reducing turnover (exit). The classic study by Freeman and Medoff (1984) and more recent work by Artz et al. (2022) exemplify this. In Japan, studies have examined how labor unions reduce turnover rates (Matsuura and Noda 2013). We thus propose the following:

Hypothesis 1: Workplace environment and employee representation organizations directly affect job satisfaction and work continuation intentions.

First, workplace environments and organizations that represent employee interests directly affect job satisfaction and work continuation intentions. The presence of an organization representing employee interests, defined as employee representation, can then directly enhance job satisfaction and promote work continuation intentions. We thus propose the following:

Hypothesis 2: Employee representation systems indirectly mitigate the negative effect of workplace issues on job satisfaction and work continuation intentions.

Second, the relationship between workplace environment and job satisfaction or work continuation intentions is moderated by factors that mitigate the effect of workplace issues. Specifically, we draw on the exit–voice model from Hirschman’s framework, which is commonly applied in labor economics. If voice functions effectively, it not only directly improves job satisfaction and work continuation intentions but also prevents workplace issues from reducing them. While studies have examined the effect of the voice of labor unions and employee organizations on turnover rates (exit) (Matsuura and Noda 2013; Matsuura and Noda 2023), we focus on analyzing job satisfaction to explore the mechanisms in greater detail. We thus propose the following:

Hypothesis 3: The effectiveness of the voice mechanism through employee representation organizations varies by firm size.

Finally, the effect of employee representation on workplace environments, job satisfaction, and work continuation intention may vary by firm size. Understanding whether employee representation functions effectively in SMEs is critical for examining labor management communication in SMEs where unionization rates are low.

3.2 Data

The data used in this study are obtained from the *Japan Panel Study of Employment Dynamics* (JPSED) conducted by the Recruit Works Institute. The JPSED is a large-scale panel survey conducted annually since 2016 that targets individuals aged 15 years and above across Japan to gather information on employment status, working conditions, and related topics from the previous year. Survey sampling is designed to reflect the population by gender, age, education level, employment type, and region, based on the *Labor Force Survey* conducted by the Statistics Bureau of Japan. We use data from 2017 to 2023 for our study, focusing on full-time employees, as this period includes questions related to commuting time.

Table 1 provides the definitions of the variables for the labor environments used in this study. Respondents are asked to rate the statements shown in Table 1 on a 5-point scale from 1 indicating “Strongly agree” to 5 indicating “Strongly disagree.” For estimation purposes, the numerical values of the variable *laborevironment* are reversed. The variable *laborevironment_pressure* is interpreted such that higher values indicate a greater workload. The variables *laborevironment_inequality*, *laborevironment_harassment*, *laborevironment_injury*, and *laborevironment_mentalhealth* are interpreted such that higher values indicate a workplace environment where discrimination, harassment, physical injury, and mental health issues are observed or experienced more frequently.

Table 2 presents the descriptive statistics, with data for men on the left and those for women on the right. Men exhibit higher work continuation intentions, whereas women report slightly higher job satisfaction; however, these differences are not substantial. The marriage rate is 63% among men and 36% among women, with women reporting higher marriage rates. The average age of both genders is approximately 40 years at the time of the survey.

Regarding working conditions, men are more likely to report being overwhelmed with work and less likely to observe harassment, but more likely to observe physical injuries or mental health issues in the

workplace. Men also report a greater presence of employee representation systems. Perceptions of discrimination are generally similar between men and women.

The descriptive statistics provide an overview of the key data features. However, determining the causal relationships or the magnitude of the effect requires a more detailed analysis using models. These data are employed to test the hypotheses and elucidate the effects of workplace environments and employee representation systems.

3.3 Empirical Model

We conduct an empirical analysis using models to test our hypotheses (section 3.1). To examine Hypothesis 1, that is, whether workplace environment and employee representation affect job satisfaction and retention intention, we estimate Equation (1):

$$Y_{it} = \beta_1 WrkEnvir_{it} + X_{it}\gamma + c_i + \tau_t + u_{it} \quad (1)$$

The dependent variable Y_{it} represents job satisfaction and continuation intentions. It is derived from responses to the question “*Are you satisfied with present job?*” and “*Are you considering changing jobs or seeking new employment in the near future?*” Higher values indicate greater job satisfaction and a stronger desire to continue with the current job. The independent variable $WrkEnvir_{it}$ captures workplace environmental conditions and is constructed using responses to *Workplace Environment*. The control variable (X_{it}) includes age, income, marital status, commuting time, and time spent on household chores. The analysis is restricted to individuals currently employed full time.

To examine Hypothesis 2, whether the effect of the workplace environment on job satisfaction and retention intention is moderated by employee representative systems, we estimate the second model using Equation (2):

$$Y_{it} = \beta_1 WrkEnvir_{it} + \beta_2 D_Voice_{it} + \beta_3 WrkEnvir_{it} \times D_Voice_{it} + X_{it}\gamma + c_i + \tau_t + u_{it} \quad (2)$$

D_Voice is a binary variable created based on the responses to question *laborenvorment_right* in Table 1, where 1 indicates that employee representations do not exist at all (“No”) and 2–5 are categorized as “Yes” responses.

To test Hypothesis 3, Equation (2) is estimated separately for different company sizes. The differences in β_3 by company size is analyzed to determine whether the effect of employee representations vary across firm sizes.

The fixed-effects estimation method is applied to control for unobserved individual heterogeneity (c_i) and year dummy (τ_t). Cluster-robust standard errors are used to account for the within-individual correlations over time.

3.4 Effect of Labor Environments on Job Satisfaction and Retention Intention by Voice

First, the distributions of job satisfaction and retention intentions are analyzed. The left side of Figure 1 shows the distribution of job satisfaction. Both men and women exhibit an inverse U-shaped distribution, with 3 being the most frequent response, followed by 4. However, women are slightly less likely to choose 3 and slightly more likely to choose 4 compared with men. The right side of Figure 1 shows the distribution of retention intention, with nearly 60% of respondents indicating “no intention to change jobs.” Men exhibit slightly higher retention intention than women.

Next, we examine the proportion of employee representation by company size, as shown in Figure 2. In small companies with fewer than 100 employees, nearly 50% of respondents choose 1 “Strongly disagree,” while fewer than 5% choose 5 “Strongly agree.” This indicates that in SMEs, organizations representing employees’ interests, including labor unions and other forms of employee representation, are almost nonexistent. Conversely, in large companies and government agencies, about 80% of respondents indicate the presence of some form of employee representative mechanism, with only about 20% choosing 1 “Strongly disagree.” These results highlight that employee representation significantly depends on company size.

The analysis focuses on the effects of workplace conditions on job satisfaction and retention intention, based on the presence or absence of employee representation. The results are displayed in Figures 3-1 and 3-2; the top panels show job satisfaction and the bottom panels show retention intentions. Excessive

workload negatively affects both job satisfaction and retention intention, whereas the presence of organizations representing employees' interests is associated with higher levels of both outcomes.

Regarding discrimination, job satisfaction and retention intention generally increase in less discriminatory environments. However, when discrimination is present, differences in job satisfaction arise depending on whether employee representation is available. As discrimination diminishes, the gap in retention intention between those with and those without such organizations narrows.

When harassment (e.g., power harassment) is present, differences in retention intention depend on the availability of employee representative organizations. However, as harassment diminishes, the differences in retention intention and job satisfaction associated with the presence or absence of these organizations also decrease.

Similarly, for physical injuries and mental health issues, we observe a negative relationship between job satisfaction and retention intentions in the absence of such issues. In cases where physical injuries or mental health issues are present, differences in job satisfaction depending on the availability of employee representation are evident. However, as these issues diminish, the gap in job satisfaction and retention intention associated with the presence or absence of such organizations narrows.

Evidently, employee representation not only directly enhances job satisfaction and retention intention but also mitigates declines in these outcomes, particularly when workplace conditions are poor. However, these results only focus on the relationships between workplace conditions, employee representation, job satisfaction, and retention intention without controlling for individual attributes. In the subsequent sections, we discuss the effects of representative employee systems after controlling for such factors.

4. Estimation Results

4.1 Effect of Workplace Conditions on Job Satisfaction and Retention Intention

The results of Hypothesis 1 are presented in Table 3. Column (1) shows the results for men, analyzing the effect of workplace environment on job satisfaction. Environmental stressors such as being overwhelmed by unmanageable tasks, hearing about workplace harassment, and instances of employees suffering from mental health issues due to stress significantly decrease job satisfaction. Conversely, the presence of an organization that represents employees' interests significantly enhances job satisfaction.

Interestingly, contrary to our intuition, the presence of physical injuries and discrimination in the workplace are associated with higher job satisfaction. This counterintuitive result may be attributed to the perception that workplaces with higher risks of physical injury tend to pay more attention to hygiene factors. Regarding discrimination, gender discrimination possibly creates advantageous conditions for men, leading to higher satisfaction. Column (2) presents the results for women. Similar to men, factors such as the absence of unmanageable workloads, absence of workplace harassment, presence of employee representation, and absence of mental health issues enhance women's job satisfaction. However, the coefficient of discrimination is negative but statistically insignificant.

Column (3) focuses on men's intention to stay in their jobs. Similar to the findings for job satisfaction, factors such as unmanageable workloads, workplace harassment, and mental health issues negatively affect intention to stay, while employee representation positively influences it. As with job satisfaction, discrimination experience is positively associated with intention to stay. No significant effect is observed on physical injuries. Column (4) examines the factors affecting women's intentions to stay in their jobs. Unmanageable workloads, workplace harassment, and mental health issues negatively affect women's intention to stay, whereas the presence of representative employee organizations enhances it. As the descriptive statistics in Table 2 indicate, men and women have similar perceptions of their existence. Despite this, discrimination positively influences men's job satisfaction and intention to stay, while the coefficient for women is negative but insignificant.

These findings suggest that men may derive satisfaction and retention motivation from the advantageous conditions associated with gender discrimination, whereas women may feel compelled to tolerate such conditions despite their dissatisfaction. This finding underscores the need to address workplace inequality to ensure equitable outcomes for employees.

4.2 *Effect of Employee Representation on Job Satisfaction and Retention Intention*

Next, we examine the complementary relationship between the workplace environment and the voice provided by employee representation, focusing on their combined effects on job satisfaction and intention to stay. Table 4 presents the results of the study.

Column (1) shows the results for men's job satisfaction. The interaction terms for "Voice × inequality," "Voice × physical injuries," and "Voice × mental health" are all positively significant. In addition,

the coefficients of harassment and mental health are negatively significant. Thus, while discrimination, physical injuries, and mental health issues negatively affect job satisfaction, their effect is alleviated when employee representation exists. Column (2) presents the results for women's job satisfaction. The interaction terms for "Voice \times inequality," "Voice \times harassment," "Voice \times injury," and "Voice \times mental health" are positively significant, demonstrating that the presence of Voice mitigates the negative effects of these factors. However, the coefficient for "Voice \times work overload" is negatively significant, suggesting that employee organizations exacerbate the negative effect of work overload on women's job satisfaction.

Column (3) shows the results for men's retention intentions. The interaction terms for "Voice \times harassment" and "Voice \times mental health" are positively significant, indicating that employee representations mitigate the negative effects of harassment and mental health issues on men's retention intention. Column (4) presents the results for women's retention intentions. Similar to the results for men, the interaction terms for "Voice \times harassment" and "Voice \times mental health" are positively significant, indicating that employee representations also mitigate the negative effects of these factors on women's retention intention.

These results reveal that employee representation plays a critical role in mitigating the negative effect of workplace issues on job satisfaction and retention intentions for men and women. Specifically, employee representation reduces the adverse effects of mental health issues on both outcomes across genders. They also alleviate the negative effect of discrimination and physical injuries on job satisfaction and the negative effect of harassment on retention intention across genders. Thus, employee organizations not only exert direct positive effects but also function as a buffer to mitigate the harmful effects of unfavorable workplace environments on employees.

4.3 *Effect of Employee Representations by firm size*

The unionization rate differs significantly between large enterprises and SMEs, and the data used in this study also reveal disparities in the presence of voice based on company size, as Figure 2 shows. For example, approximately half of the employees in small firms report the absence of an organization representing their interests, compared with 30% in medium-sized firms and 20% in large firms. This finding suggests that employee representation is less likely in smaller firms.

However, in small firms, intimacy between employees and management can foster a familial atmosphere. Even without a formal organization representing employees' interests, close relationships and

frequent communication about working conditions might render such organizations less necessary. Rainnie (1989) introduces this line of argument and criticizes this perspective.

To explore this further, we divide the sample by company size and examine the effects on employee organizations. Table 5-1 shows the results for large firms. Employee organizations significantly and positively affect men's job satisfaction. Among the interaction terms between employee organizations and workplace conditions, only two are significant: the interaction term mitigates the negative effect of physical injuries on women's job satisfaction and the negative effect of harassment on men's retention intention. Table 5-2 presents the results for medium firms. For men's job satisfaction, the significant interaction terms include discrimination experience, physical injuries, and mental health. Employee organizations mitigate the negative effects of workplace conditions. Employee organizations mitigate the negative effects of physical injuries on men's retention intentions.

Table 5-3 shows the results for small firms. For men's job satisfaction, significant interaction terms are observed for discrimination experience and physical injuries, similar to those of medium-sized firms. Employee organizations reduce the negative effects of these factors. The same pattern is observed for women's job satisfaction: the interaction terms for discrimination experience and physical injuries are positively significant, indicating that employee representation mitigates their negative effects. Employee representation reduces the negative effect of mental health issues on men's retention intentions. For women's retention intention, employee organizations mitigate the negative effects of physical injuries and mental health issues. The role of employee representation in alleviating the negative effects of workplace conditions appears to be stronger in small firms than in medium-sized firms.

These results suggest that the argument that close relationships and communication between management and employees in small firms negate the need for employee organizations is unfounded. Although employee representation is less common in small firms than in large ones, its significance is substantial.

Notably, as firm size decreases, the mitigating effects of employee organizations on issues such as physical injury, discrimination, and mental health become more pronounced. This indicates that employee representation plays a critical role in addressing concrete workplace problems related to injury, discrimination, and mental health, which directly influence job satisfaction and retention intention.

Conversely, for relatively abstract issues such as work overload, the significance of employee representation may be less perceptible.

5. Conclusion

Our analysis is three-pronged: First, we examined the effects of workplace conditions on employees' job satisfaction and retention intentions, focusing on the differences between men and women. Second, using the exit-voice framework, we investigated whether employee representation could mitigate the negative effects of adverse workplace conditions on job satisfaction and retention intentions. Third, we explored whether the mitigating effects of representative employee systems on the negative effects of adverse workplace conditions differed depending on company size.

Our findings revealed that, first, adverse workplace conditions, such as excessive workloads, harassment, physical injuries, and mental health issues, negatively affected job satisfaction and retention intentions. In contrast, employee representation improved both outcomes. Notably, the effect of discrimination on job satisfaction and retention intentions varied significantly according to gender.

Second, employee organizations positively influenced job satisfaction and retention intention directly and mitigated the negative effects of adverse workplace conditions. In particular, we observed a mitigating effect of employee representation on the negative effect of mental health issues on retention intentions for both men and women. However, the mitigating effects on the negative effect of physical injuries and discrimination were limited to men, whereas the effects on harassment were more pronounced for women.

Third, the mitigating effects of employee organizations on adverse workplace conditions, such as discrimination and mental health issues, were particularly evident in SMEs. This result contradicts the argument that employee representation is unnecessary in SMEs because of the direct communication between management and employees. Instead, this study demonstrated the critical importance of employee representation in SMEs, particularly in addressing concrete issues such as physical injuries, discrimination, and mental health.

Despite these findings, our study had some limitations. First, we could not distinguish whether the organizations representing employees' interests were labor unions or other types of employee associations. Consequently, we were unable to determine whether employee associations complemented or substituted for

labor unions. Instead, we treated all organizations representing workers' interests, including labor unions, as part of the employee representative system, demonstrating its significance, particularly in SMEs.

Second, the analysis focused exclusively on workplace conditions without considering factors such as the degree of job discretion, presence of teleworking, or job quality (e.g., whether the job is routine).

Third, for retention intention, we only accounted for the time spent on housework and did not consider other household factors, such as cohabitation status or the presence of children, which could significantly influence the outcomes. Gender-related issues may also arise in this context. Addressing these limitations provides opportunities for future research.

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Notes

- ¹ Buttigieg et al. (2014) explored the effect of union satisfaction on participation to union using the exit–voice framework.

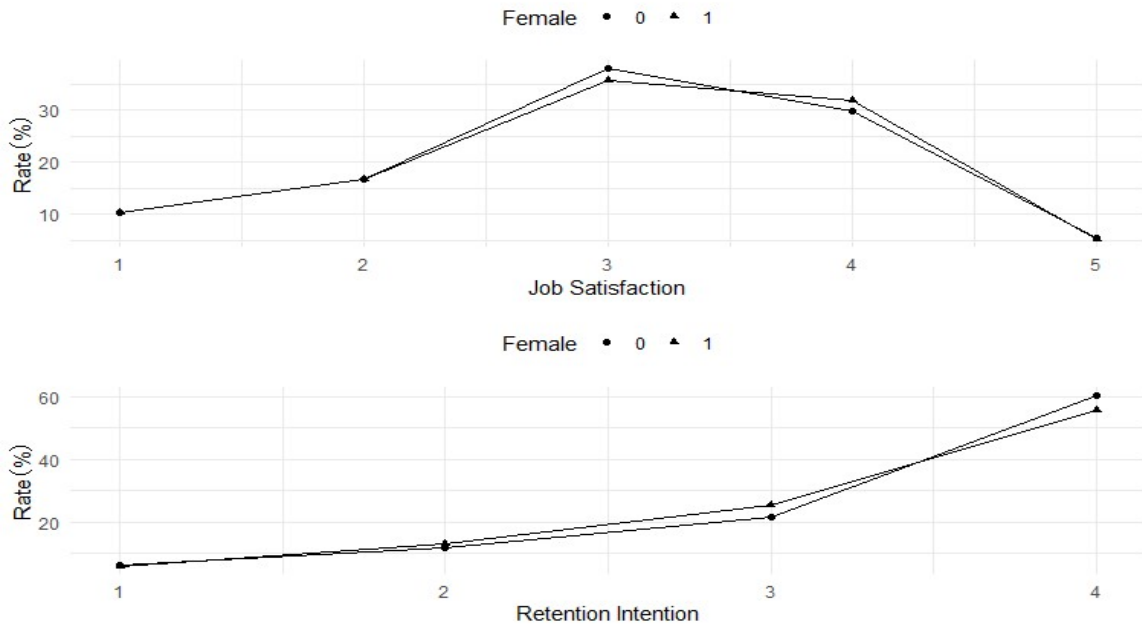
Table 1 The Definition of Variables for Labor Environments

laborenvironment_pressure	I was overwhelmed with an unmanageable workload.
laborenvironment_inequality	I have witnessed or heard of individuals being discriminated against based on gender, age, nationality, disability, or employment status
laborenvironment_harassment	I have witnessed or heard of incidents involving power harassment or sexual harassment.
laborenvironment_rights	Is there an organization that represents workers' interests and negotiates on their behalf, or are such mechanisms in place?
laborenvironment_injury	Physical injuries occurred frequently.
laborenvironment_mentalhealth	People frequently experienced mental illness due to stress.

Table 2 Descriptive Statistic

	Men					Women				
	Mean	Std.Dev	Min	Max	N.Valid	Mean	Std.Dev	Min	Max	N.Valid
Retention Intention	3.36	0.91	1	4.0	106661	3.31	0.90	1	4.0	44431
Job Satisfaction	3.04	1.04	1	5.0	106661	3.06	1.05	1	5.0	44431
Married	0.63	0.48	0	1.0	106661	0.36	0.48	0	1.0	44431
Age	41.58	10.84	17	81.0	106661	40.00	12.01	18	84.0	44431
Log (Income)	6.12	0.58	0	8.5	106661	5.73	0.60	0	8.5	44431
Commute	0.70	0.71	0	14.4	106661	0.61	0.61	0	13.2	44431
Household Chore	0.69	1.12	0	14.4	106661	1.21	1.26	0	14.4	44431
laborenvironment_pressure	2.87	1.11	1	5.0	106661	2.80	1.13	1	5.0	44431
laborenvironment_inequality	1.96	1.04	1	5.0	106661	1.96	1.06	1	5.0	44431
laborenvironment_harassment	2.37	1.25	1	5.0	106661	2.39	1.29	1	5.0	44431
laborenvironment_rights	2.54	1.32	1	5.0	106661	2.27	1.22	1	5.0	44431
laborenvironment_injury	2.11	1.24	1	5.0	106661	1.92	1.17	1	5.0	44431
laborenvironment_mentalhealth	2.46	1.31	1	5.0	106661	2.38	1.34	1	5.0	44431

Figure 1 The Distribution of Job Satisfaction and Retention Intention

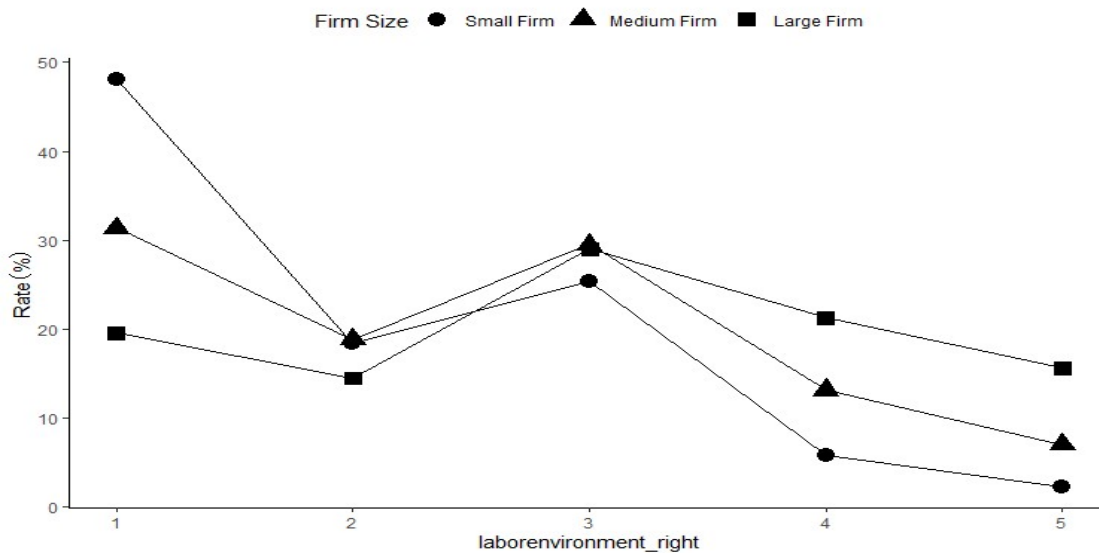


Only data for regular employees. This applies throughout the analysis.

Responses to the question, "Are you satisfied with your job?": 1. Strongly disagree. 5. Strongly agree.

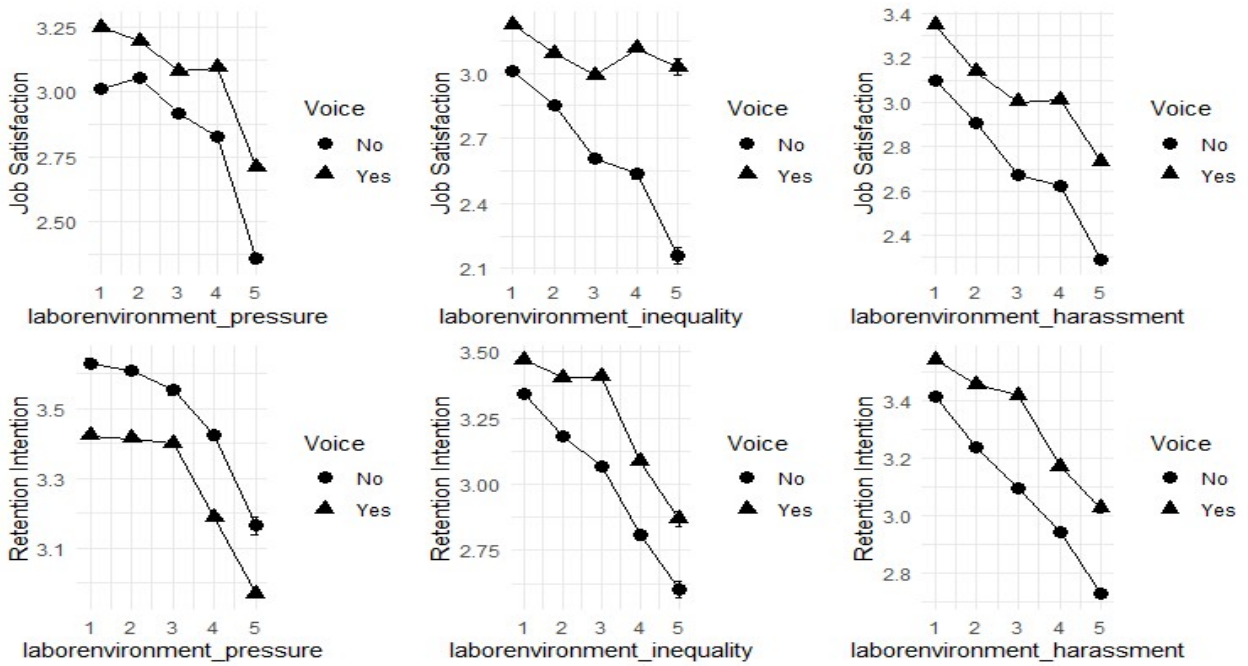
Response categories for job continuation intentions: 1. Currently seeking new employment; 2. Interested but not actively seeking; 3. Intend to do so eventually; 4. No intention to change jobs; 5.

Figure 2 The Employee Representations by Firm Size



Responses to the question, "Is there an organization that represents workers' interests and negotiates on their behalf, or are such mechanisms in place?": 1. Strongly disagree; 5. Strongly agree

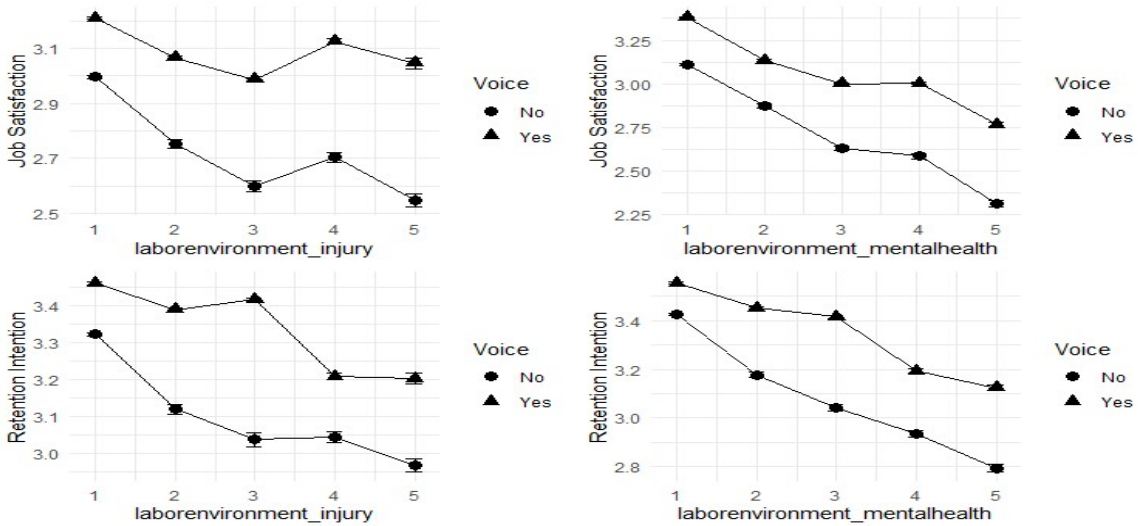
Figure 3-1 The Relationship between Work Environment and Job Satisfaction and Retention Intention



Respondents were asked to rate the following statements on a 5-point scale from "1. Strongly disagree" to "5. Strongly agree":

"I was overwhelmed with an unmanageable workload." "I have witnessed or heard of individuals being discriminated against based on gender, age, nationality, disability, or employment status." "I have witnessed or heard of incidents involving power harassment or sexual harassment."

Figure 3-2 The Relationship between Work Environment and Job Satisfaction and Retention Intention



"Physical injuries occurred frequently.", "People frequently experienced mental illness due to stress."

Table 3 The Effect of Work Environments on Job Satisfaction and Retention Intention

	(1)	(2)	(3)	(4)
Dependent Var.:	job satis	job satis	retention	retention
married	0.0114 (0.0217)	0.0267 (0.0292)	-0.0008 (0.0198)	0.0736*** (0.0283)
age	-0.0321 (0.0269)	-0.0073 (0.0447)	0.0481** (0.0229)	-0.0170 (0.0349)
age_sq	0.0340*** (0.0083)	0.0181 (0.0123)	-0.0242*** (0.0078)	0.0070 (0.0108)
Log(income)	0.0254*** (0.0078)	-0.0014 (0.0121)	0.0084 (0.0075)	-0.0098 (0.0112)
commute	-0.0038 (0.0048)	-0.0040 (0.0098)	-0.0006 (0.0044)	0.0112 (0.0085)
household chore	0.0046 (0.0028)	0.0021 (0.0050)	-0.0032 (0.0025)	0.0021 (0.0042)
laborenvironment_pressure	-0.0494*** (0.0044)	-0.0404*** (0.0067)	-0.0302*** (0.0033)	-0.0275*** (0.0054)
laborenvironment_inequality	0.0171*** (0.0043)	-0.0078 (0.0067)	0.0075** (0.0035)	-0.0036 (0.0056)
laborenvironment_harassment	-0.0466*** (0.0037)	-0.0521*** (0.0057)	-0.0347*** (0.0031)	-0.0491*** (0.0047)
laborenvironment_rights	0.0841*** (0.0036)	0.0808*** (0.0059)	0.0340*** (0.0029)	0.0475*** (0.0050)
laborenvironment_injury	0.0187*** (0.0033)	0.0090 (0.0055)	0.0035 (0.0027)	0.0076 (0.0046)
laborenvironment_mentalhealth	-0.0564*** (0.0034)	-0.0653*** (0.0053)	-0.0370*** (0.0027)	-0.0479*** (0.0045)
id	Yes	Yes	Yes	Yes
year	Yes	Yes	Yes	Yes
S.E.: Clustered	by: id	by: id	by: id	by: id
Observations	106,661	44,431	106,661	44,431
R2	0.67369	0.70185	0.68654	0.68901
Within R2	0.02182	0.02473	0.01092	0.01837

*** p < 0.01; ** p < 0.05; * p < 0.1

Table 4 The Voice Effect of Employee Representation

	(1)	(2)	(3)	(4)
Dependent Var.:	job satis	job satis	retention	retention
married	0.0131 (0.0218)	0.0299 (0.0293)	0.000 (0.0198)	0.0755*** (0.0283)
age	-0.0282 (0.0269)	-0.0052 (0.0447)	0.0493** (0.0229)	-0.0169 (0.0349)
age_sq	0.0351*** (0.0084)	0.0186 (0.0123)	-0.0237*** (0.0078)	0.0074 (0.0108)
Log(income)	0.0255*** (0.0078)	-0.0003 (0.0121)	0.0083 (0.0075)	-0.0091 (0.0111)
commute	-0.0038 (0.0048)	-0.0043 (0.0098)	-0.0007 (0.0044)	0.0113 (0.0085)
household chore	0.0043 (0.0028)	0.0022 (0.0050)	-0.0034 (0.0025)	0.0021 (0.0042)
voice	0.0234 (0.0248)	-0.0186 (0.0350)	0.0025 (0.0191)	0.0061 (0.0293)
laborenvironment_pressure	-0.0445*** (0.0062)	-0.0284*** (0.0088)	-0.0313*** (0.0048)	-0.0228*** (0.0071)
laborenvironment_inequality	-0.0046 (0.0076)	-0.0265** (0.0105)	0.0030 (0.0063)	-0.0157* (0.0089)
laborenvironment_harassment	-0.0465*** (0.0062)	-0.0604*** (0.0083)	-0.0495*** (0.0052)	-0.0592*** (0.0069)
laborenvironment_injury	0.0034 (0.0056)	-0.0136 (0.0084)	0.0007 (0.0046)	-0.0037 (0.0072)
laborenvironment_mentalhealth	-0.0637*** (0.0057)	-0.0753*** (0.0080)	-0.0465*** (0.0046)	-0.0559*** (0.0070)
voice x laborenvironment_pressure	-0.0046 (0.0071)	-0.0188* (0.0102)	0.0029 (0.0054)	-0.0073 (0.0084)
voice x laborenvironment_inequality	0.0289*** (0.0088)	0.0299** (0.0128)	0.0012 (0.0073)	0.0159 (0.0109)
voice x laborenvironment_harassment	0.0046 (0.0072)	0.0201* (0.0103)	0.0237*** (0.0059)	0.0194** (0.0086)
voice x laborenvironment_injury	0.0265*** (0.0066)	0.0400*** (0.0101)	0.0031 (0.0054)	0.0169* (0.0089)
voice x laborenvironment_mentalhealth	0.0147** (0.0066)	0.0189* (0.0098)	0.0153*** (0.0052)	0.0142* (0.0083)
id	Yes	Yes	Yes	Yes
year	Yes	Yes	Yes	Yes
S.E.: Clustered	by: id	by: id	by: id	by: id
Observations	106,661	44,431	106,661	44,431
R2	0.67238	0.70149	0.68706	0.68959
Within R2	0.01790	0.02354	0.01254	0.02022

*** p < 0.01; ** p < 0.05; * p < 0.1

Table 5-1 The Voice Effect of Employee Representation: Large Firm

Dependent Var.:	(1)	(2)	(3)	(4)
	job satis	job satis	retention	retention
married	0.0449 (0.0335)	0.0985* (0.0575)	0.0279 (0.0282)	0.1078** (0.0480)
age	-0.0425 (0.0442)	-0.0529 (0.1011)	0.0643** (0.0293)	-0.0183 (0.0646)
age_sq	0.0492*** (0.0142)	0.0357 (0.0272)	-0.0268** (0.0121)	0.0579*** (0.0204)
Log(income)	0.0340** (0.0143)	-0.0072 (0.0254)	0.0150 (0.0126)	-0.0083 (0.0217)
commute	-0.0083 (0.0080)	0.0123 (0.0169)	-0.0026 (0.0059)	-0.0008 (0.0145)
household chore	0.0003 (0.0050)	0.0031 (0.0117)	-0.0055 (0.0038)	0.0041 (0.0091)
voice	0.0973** (0.0441)	0.0387 (0.0895)	-0.0226 (0.0284)	0.0009 (0.0614)
laborenvironment_pressure	-0.0537*** (0.0117)	-0.0438* (0.0244)	-0.0258*** (0.0076)	-0.0374** (0.0168)
laborenvironment_inequality	0.0052 (0.0154)	-0.0251 (0.0314)	0.0031 (0.0117)	0.0073 (0.0238)
laborenvironment_harassment	-0.0334*** (0.0115)	-0.0688*** (0.0240)	-0.0460*** (0.0085)	-0.0367** (0.0167)
laborenvironment_injury	0.0082 (0.0121)	-0.0521* (0.0282)	-0.0009 (0.0088)	-0.0124 (0.0201)
laborenvironment_mentalhealth	-0.0570*** (0.0100)	-0.0449** (0.0195)	-0.0266*** (0.0071)	-0.0227 (0.0166)
voice x laborenvironment_pressure	-0.0102 (0.0126)	-0.0308 (0.0253)	0.0082 (0.0082)	0.0224 (0.0175)
voice x laborenvironment_inequality	0.0190 (0.0167)	0.0136 (0.0339)	-0.0060 (0.0126)	-0.0037 (0.0256)
voice x laborenvironment_harassment	0.0044 (0.0126)	0.0350 (0.0254)	0.0309*** (0.0092)	0.0040 (0.0182)
voice x laborenvironment_injury	0.0120 (0.0130)	0.0612** (0.0300)	0.0010 (0.0094)	0.0205 (0.0221)
voice x laborenvironment_mentalhealth	0.0037 (0.0111)	-0.0085 (0.0217)	-7.71e-5 (0.0078)	-0.0132 (0.0176)
id	Yes	Yes	Yes	Yes
year	Yes	Yes	Yes	Yes
S.E.: Clustered	by: id	by: id	by: id	by: id
Observations	41,613	11,489	41,613	11,489
R2	0.67866	0.72612	0.72748	0.76353
Within R2	0.01684	0.02318	0.00852	0.01276

*** p < 0.01; ** p < 0.05; * p < 0.1

Table 5-2 The Voice Effect of Employee Representation: Medium Firm

	(1)	(2)	(3)	(4)
Dependent Var.:	job_satis	job_satis	retention	retention
married	-0.0096 (0.0444)	0.0195 (0.0579)	-0.0158 (0.0388)	0.1079* (0.0583)
age	0.0154 (0.0523)	-0.0418 (0.0767)	0.0596 (0.0525)	0.0741 (0.0741)
age_sq	0.0463*** (0.0172)	0.0046 (0.0260)	0.0117 (0.0160)	0.0173 (0.0232)
Log(income)	0.0188 (0.0178)	-0.0367 (0.0241)	0.0046 (0.0166)	-0.0441** (0.0224)
commute	-0.0004 (0.0095)	-0.0081 (0.0210)	-0.0101 (0.0104)	0.0245 (0.0190)
household chore	-0.0010 (0.0054)	-0.0058 (0.0102)	-0.0061 (0.0048)	-0.0071 (0.0085)
voice	-0.0209 (0.0488)	0.0104 (0.0689)	0.0215 (0.0373)	0.0665 (0.0575)
laborenvironment_pressure	-0.0397*** (0.0122)	-0.0362** (0.0177)	-0.0192** (0.0096)	-0.0120 (0.0148)
laborenvironment_inequality	-0.0037 (0.0139)	-0.0192 (0.0212)	0.0143 (0.0121)	-0.0079 (0.0176)
laborenvironment_harassment	-0.0325*** (0.0119)	-0.0437*** (0.0159)	-0.0413*** (0.0098)	-0.0531*** (0.0130)
laborenvironment_injury	-0.0079 (0.0101)	-0.0057 (0.0157)	-0.0103 (0.0082)	0.0079 (0.0129)
laborenvironment_mentalhealth	-0.0724*** (0.0107)	-0.0522*** (0.0157)	-0.0374*** (0.0083)	-0.0485*** (0.0130)
voice x laborenvironment_pressure	-0.0094 (0.0137)	-0.0116 (0.0198)	-0.0175 (0.0108)	-0.0271 (0.0166)
voice x laborenvironment_inequality	0.0318** (0.0161)	0.0250 (0.0246)	0.0019 (0.0140)	-0.0002 (0.0208)
voice x laborenvironment_harassment	-0.0083 (0.0137)	0.0051 (0.0198)	0.0123 (0.0112)	0.0146 (0.0162)
voice x laborenvironment_injury	0.0415*** (0.0118)	0.0265 (0.0188)	0.0203** (0.0097)	0.0078 (0.0158)
voice x laborenvironment_mentalhealth	0.0322*** (0.0124)	0.0193 (0.0188)	0.0096 (0.0097)	0.0130 (0.0154)
id	Yes	Yes	Yes	Yes
year	Yes	Yes	Yes	Yes
S.E.: Clustered	by: id	by: id	by: id	by: id
Observations	29,501	12,408	29,501	12,408
R2	0.71958	0.74310	0.74095	0.74310
Within R2	0.01853	0.01655	0.00986	0.01790

*** p < 0.01; ** p < 0.05; * p < 0.1

Table 5-3 The Voice Effect of Employee Representation: Small Firm

	(1)	(2)	(3)	(4)
Dependent Var.:	job_satis	job_satis	retention	retention
married	-0.0043 (0.0416)	-0.0054 (0.0496)	-0.0373 (0.0397)	0.0338 (0.0496)
age	-0.0394 (0.0438)	0.0805 (0.0668)	0.0018 (0.0418)	-0.0571 (0.0522)
age_sq	0.0349** (0.0143)	0.0421** (0.0182)	-0.0055 (0.0137)	0.0351** (0.0161)
Log(income)	0.0173 (0.0116)	0.0132 (0.0181)	0.0007 (0.0116)	0.0031 (0.0159)
commute	0.0034 (0.0083)	-0.0097 (0.0146)	0.0089 (0.0081)	0.0014 (0.0124)
household chore	0.0094** (0.0048)	0.0036 (0.0070)	-0.0007 (0.0046)	0.0018 (0.0061)
voice	-0.0313 (0.0424)	-0.0726 (0.0482)	0.0030 (0.0355)	-0.0402 (0.0434)
laborenvironment_pressure	-0.0292*** (0.0093)	-0.0249** (0.0120)	-0.0372*** (0.0077)	-0.0174* (0.0098)
laborenvironment_inequality	-0.0071 (0.0114)	-0.0290** (0.0137)	0.0053 (0.0097)	-0.0261** (0.0120)
laborenvironment_harassment	-0.0553*** (0.0097)	-0.0588*** (0.0114)	-0.0501*** (0.0084)	-0.0519*** (0.0094)
laborenvironment_injury	0.0074 (0.0085)	-0.0187* (0.0108)	0.0091 (0.0072)	-0.0183* (0.0099)
laborenvironment_mentalhealth	-0.0587*** (0.0096)	-0.0781*** (0.0114)	-0.0629*** (0.0080)	-0.0664*** (0.0101)
voice x laborenvironment_pressure	0.0043 (0.0124)	-0.0030 (0.0149)	0.0046 (0.0104)	-0.0103 (0.0130)
voice x laborenvironment_inequality	0.0353** (0.0151)	0.0347* (0.0185)	0.0058 (0.0132)	0.0258 (0.0169)
voice x laborenvironment_harassment	-0.0038 (0.0132)	0.0093 (0.0161)	0.0263** (0.0115)	0.0215 (0.0137)
voice x laborenvironment_injury	0.0308*** (0.0119)	0.0523*** (0.0142)	-0.0033 (0.0101)	0.0294** (0.0137)
voice x laborenvironment_mentalhealth	0.0203 (0.0126)	0.0210 (0.0155)	0.0216** (0.0106)	0.0270* (0.0138)
id	Yes	Yes	Yes	Yes
year	Yes	Yes	Yes	Yes
S.E.: Clustered	by: id	by: id	by: id	by: id
Observations	35,547	20,534	35,547	20,534
R2	0.71959	0.73505	0.71498	0.71231
Within R2	0.01627	0.02523	0.01580	0.02243

*** p < 0.01; ** p < 0.05; * p < 0.1

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