

Employee Ownership: Evaluating the Factors Contributing
to Successful Employee Engagement

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ABSTRACT

This interpretive study explores employee engagement in employee-owned organisations and the factors that contribute to successful employee engagement. The thesis considers; the role of employee ownership in facilitating employee engagement, what practices are understood to be most effective in securing engagement and which are most practical, obstacles to engagement and potential solutions, and how employee engagement supports and sustains ownership. Concepts from employee engagement and employee ownership literatures are brought together to explain the existence of employee engagement in employee-owned organisations.

Adopting a qualitative approach to research, three employee-owned organisations formed the basis for data collection. Semi-structured interviews, focus groups, and reflective research diaries, were utilised to capture a range of experiences and perceptions. Data was analysed and presented in a narrative format with key themes identified using thematic analysis.

It was found that in comparison to models of engagement such as *Alfes et al. (2010)*, employee ownership was a key factor of engagement due to the presence of psychological ownership (*Pierce et al., 1991; Van Dyne and Pierce, 2004*). This factor added an additional dynamic to engagement as the meaning of work was influenced by employee ownership. However, ownership was also found to hindered engagement due to inflexibilities with ownership processes and the existence of free-riders. Family culture was present in the organisations which drove employees ownership values (*Kruse et al., 2003*), although it was found that this was ineffective in dealing with perceived under-performers which affected engagement. Social, affective, and intellectual engagement (*Alfes et al., 2010*), and vigour, dedication, and absorption *Schaufeli et al. (2006)* were found to be influenced by the presence of employee ownership.

The study concludes that employee engagement enhances the experience of employee ownership, and employee ownership influences employee engagement. Evidence presented confirms the claims of *Postlethwaite et al. (2005)* and *Matrix Evidence (2010)* that employee ownership is influential to employee engagement.

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AUTHOR'S DECLARATION

I hereby declare that this thesis entitled "Employee Ownership: Evaluating the Factors Contributing to Successful Employee Engagement" is all my own work. This work is original and has not been submitted in part or full by me for any award either at the University of York or any other institute. I declare that the material obtained from other sources has been duly acknowledged in the thesis.

CHAPTER 1: INTRODUCTION

1.1 Introduction

Over the past century, management – “the art of getting things done through people” (Mary Parker Follett, 1868-1933) – has evolved through the times. From Taylorism and Fordism to laissez-faire approaches, different methods of management have worked for different organisations. As the UK has changed from being dominated by manufacturing industries to the service sector, management has changed to an approach that emphasises the people factor. In the 21st Century, employees are often irreplaceable as the nature of work has become knowledge-intensive, thereby creating a need to retain and attract the best employees. This research study does not address management as a whole, but instead its focus lies on a variety of practices that can be used to help attract and enthuse employees. Such practices are also understood to have the capability to enhance management itself.

Organisations increasingly seek to harness their employees’ interest through employee engagement. It is claimed from using engagement practices employees become more productive and effective workers. Some conclusive research has been carried out on employee engagement illustrating the positive outcomes of engagement such as studies conducted by Harter *et al.* (2004) and Baumruk (2006). Furthermore, Kahn (1992) claims that engagement was shown to have positive correlations with organisational outcomes. Despite the research on employee engagement showing correlations to organisational outcomes, there is a lack of a universal definition in the literature specifically defining what employee engagement is. Moreover, intensive research of employee engagement has only been carried out in ‘traditionally’ owned organisations such as privately and publicly-owned companies. The lack of literature concerning employee engagement in different types of organisations provides an opportunity to generate much needed research. The employee ownership sector is one that is growing and has gained significant interest from the Government (EOA, 2010). Employee ownership’s viability as a successful business model results from how it attempts to secure interest of its employees by making them shareholders (directly or indirectly), inviting them to become involved in the organisation, and rewarding them appropriately. Employee engagement in this

interesting type of business model has received little attention from academics and researchers, hence the need for further exploration and investigation.

This research study brings together two different but potentially complimentary texts. Firstly, attention is drawn to the growing literature on employee engagement where it is identified that, although the consequences of employee engagement are well documented, the understanding of the concept has received little attention. Secondly, the nature of employee ownership provides a utilitarianism perspective to the meaning of work and formally invites employees to have an active interest in the organisation. Given that employee ownership attempts to secure interest from its employees, comments have been made declaring that employee ownership enhances employee engagement. However, these comments have very little research behind their claims.

Bringing together these two volumes of existing research, this research study aims to address the literature gap to understand how employee ownership can contribute to successful employee engagement. Undertaking a qualitative, empirical investigation of three employee-owned companies (EOCs), the research provides insight as to how employee ownership effects employee engagement, as well as assessing how employee engagement affects employee ownership. Through researching the chosen organisations, these overall aims will reflect how different types of employee ownership models and employee engagement practices in organisations can stimulate different types of behaviours. Furthermore, the study identifies a need to evaluate whether employee engagement is required when the employee is an employee-owner. As there is a lack of empirical research evaluating employee engagement in the specific context of EOCs, there is a need for investigation. By doing so, this will clarify the relationship between employee engagement and employee ownership. As a result, the findings will indicate whether employee engagement has the capability to aid the success of EOCs.

1.2 Introducing the Literature

Employee ownership is the term given to organisations where employees hold shares either directly or indirectly in the organisation (Rosen et al., 1986). Employee ownership can be an all-encompassing term used to describe a variety of employee

ownership options. This study concentrates on employee ownership when the majority of the organisation is owned by its employees (Pendleton, 2009). Furthermore, employee ownership is described to be when a level of employee share ownership in an organisation crosses “a threshold which is based on an informed calculation that measures the percentage of employees benefiting from ownership and the percentage of the business owned by those employees” (Baxendale Ownership, 2013). Employee ownership typically arises due to an organisation being passed into a trust for the benefit of its employees. This is understood to commonly be as a result of an altruistic founder who desired an exit strategy from the organisation (Pendleton, 2009). EOCs are perceived to be different to private and publicly-owned organisations because they are able to encourage performance through not only offering financial reward, but through providing an inherent meaning to work. It is claimed that this is achieved by employees having something they have ownership of and thereby control of. To this effect, Matrix Evidence (2010) describe that EOCs are able to achieve enhanced employee engagement as a result of employee ownership. Furthermore, as Postlethwaite *et al.* (2005:5) describe:

“employee owned companies are now arguably setting the pace on at least one of the most prized yardsticks for competitiveness: the ability to harness the true commitment and creativity of their employees. Employee ownership, not surprisingly, is good for employee engagement”.

The link between employee ownership and employee engagement, despite the literature by Postlethwaite *et al.*, is theoretically weak as a result of the lack of research evidence. This is particularly heightened due to ambiguity in the employee engagement literature as to what engagement ultimately is. The literature and research provides evidence for different facets of engagement; job and organisational engagement (Saks, 2006); intellectual, affective and social engagement (Alfes *et al.*, 2010); physical, cognitive and emotional presence (Kahn, 1990); as well as transactional and emotional engagement (Gourlay *et al.*, 2012); to name a few. Employee engagement is concerned with the “hands, head, and heart” (Ashforth and Humphrey, 1995:110). It warrants a “positive attitude held by the employee towards the organization and its values” (Robinson *et al.*, 2004:2). Engagement entices “the harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role

performances” (Kahn, 1990:694). It is a discretionary, psychological construct that occurs at an individual level.

Employee ownership and employee engagement are understood to have similar agendas. They both desire to maximise employee performance through encouraging a positive relationship with the organisation. Employee ownership primarily influences performance by offering employees a financial and controlling stake in the organisation, therefore linking the organisations success to employees’ financial returns. Whereas employee engagement entices performance by offering more than financial returns to enhance the employment experience. This thesis aims to evaluate the factors contributing to successful employee engagement in the context of EOCs.

1.3 Theory and Research

Chapter 2 explores a variety of employee engagement definitions and discusses the facets associated with it. The term employee engagement has been passed off by some critics as a fashion because it is questionable as to how it differentiates from other existing constructs such as job satisfaction and organisational citizenship behaviour. However, Alfes *et al.* (2010) suggests that employee engagement is different from such constructs because there is an emphasis on “the willingness of employees to discuss work-related improvements with those around them” (p.5). Thereby it is understood that employee engagement harnesses an element of social engagement. To this effect, Alfes *et al.* define employee engagement as “being positively present during the performance of work by willingly contributing intellectual effort, experiencing positive emotion and meaningful connections to others” (p.5). Scholars such as Kahn (1990), Schaufeli and Bakker (2003), and May *et al.* (2004) suggest that engagement is a psychological state because it requires a positive psychological connection between the employee and the actions of the employer.

The MacLeod Report provides much insight to employee engagement and seeks to reaffirm its position in human resource management. MacLeod and Clarke (2009) argue that “employee engagement is a workplace approach designed to ensure that employees are committed to their organisation’s goals and values, motivated to contribute to organisational success, and are able at the same time to enhance their own sense of well-being” (p.9). They identified four drivers of engagement as

leadership, employee voice, engaging managers, and integrity. However, a recent study by Alfes *et al.* (2010) has provided further clarity not only to what employee engagement means, but also to how it can be achieved. Their model of employee engagement identifies that in order to achieve a full state of employee engagement, organisations have to provide, and employees need to identify as well as invest their *self*, with the drivers of engagement. These drivers have been identified by Alfes *et al.* as; meaningfulness of work, employee voice and upward dialogue, vision and communication from senior management, line management style, a supportive work environment, and achieving a person-job fit. The literature on employee engagement does not prescribe a universal approach to enable engagement to be secured. Furthermore, there are neither rights nor wrongs as to how, when, or where employee engagement theory can be applied. The literature does not give any consideration to how employee engagement exists in different types of organisations.

As Chapter 3 discusses, working in an EOC is perceived to identify a new meaning to work. How ownership affects engagement and vice-versa is a vastly under-researched field. Over a century ago Catherine Webb (1912) proposed that “by making [an employee] a shareholder in the business employing him...it stimulates his zeal and careful working” (p.138). More recently, there has been a spotlight on employee ownership thereby warranting a need for these literatures to be brought together. By doing so, the viability of employee ownership models will be evaluated in terms of how employee engagement is understood to support and sustain ownership.

Pierce *et al.* (1991) claim that employee ownership can influence outcomes for both individuals and organisations. It is understood that ownership creates bonding and integration with the organisation due to psychological ownership, which affects employee behaviour. Their research identifies conditions that induced socio-psychological and behavioural effects to create this psychological ownership. Furthermore, they present that ownership can be defined by addressing three fundamental rights: “(1) the right to possession of some share of the owned object’s physical being and/or financial value, (2) the right to exercise influence (control) over the owned object, and (3) the right to information about the status of that which is owned” (p.125). These rights contribute to psychological ownership. Pierce *et al.* (2001) suggest in a later study that psychological ownership emerges through the presence of three factors; the extent to which employees have control over an

organisational factor, the degree of knowledge that an employee has concerning an organisational factor, and the level at which an employee invests their self into ownership. Reviewing this in the context of employee engagement, links emerge between the two fields. In particular, Kahn's (1990) notion of one wanting to invest their *self* into work. Furthermore, the employee ownership literature which explores participation (such as Pendleton, 2001; Conte and Svejnar, 1990; Cleverley and Goyder, 2001) identifies with aspects of the model of engagement as presented by Alfes *et al.* (2010) reflecting on the presence of employee voice and meaningfulness of work. However, the current literature does not address ownership and engagement in a unified discussion therefore, the significance of such as not been ultimately identified.

1.4 Positioning of the Study and Research Objectives

From the literature review (Chapters 2 and 3), the relationship between employee ownership and employee engagement is proposed and direction for this research study is identified. From the two literatures, it is understood that employee engagement could potentially be heightened in EOCs as employee ownership formally provides avenues for participation and involvement. By understanding how engagement and ownership could prove to be complementary, the research questions evolved. This line of questioning sought to ascertain if EOCs are successful in their own right by harnessing engagement, or if they need something more to successfully secure engagement.

A gap in the literature has been identified to evaluate how EOCs are effective in securing high levels of engagement, whether they need something more to drive engagement, or if ownership itself is sufficient to drive it. Delving deeper into this line of enquiry, it is acknowledged that there is a further avenue for investigation; identifying what prevents engagement and what actively disengages employee-owners. Again, this is identified as a gap in the literature as employee engagement is not explored in the context of EOCs. Finally, the lack of literature and studies providing evidence of employee engagement in EOCs, led the research study to consider the alternative perspective as to how employee engagement may strengthen employee ownership. The development of the research questions have been designed to explore engagement from all angles to explore the role of employee ownership in this

constructed reality. The literature review presents many avenues for exploration of the relationship between employee ownership and employee engagement. However, the research direction was dictated by a fundamental need to form an understanding of the occurrence of employee engagement in EOCs, before considering specific mediating factors.

Adopting an interpretive approach, this research study explores experiences and perceptions of employee-owners in an attempt to create a body of literature that evaluates the relationship between employee ownership and employee engagement. Exploring the occurrence of employee engagement in several EOCs, notions of good practice will be sought to provide insight and potential impact to other EOCs. Furthermore, considering that the experiences and perceptions of employee-owners are a product of their social environment, a qualitative research design has been used to capture the sense making of the employee-owners participating in this study. By implementing this research design, it is aimed to explore several different EOCs to provide a spectrum of realities from which comprehensive new understandings of employee engagement in EOCs can be evaluated.

The key research questions for this thesis are identified as:

1. Is ownership sufficient to secure engagement or do organisations need to do something more?
2. Which company practices are most effective in securing high levels of engagement? What is good practice? Which measures are most practical?
3. Are there any obstacles to securing engagement, and how might these be overcome?
4. How does employee engagement support and sustain ownership?

In order to examine these research questions, several lines of enquiry will be developed to extensively address the research questions. Taking a three-tier approach to evaluating the factors that contribute to successful employee engagement, the data collection process will start with a semi-structured interview with a human resources (HR) representative. The purpose of this is to gather an understanding of the practices that the organisation uses in an attempt to secure engagement. Two focus groups will subsequently take place in each organisation in a semi-structured manner to discuss experiences of engagement in the organisation. Reflecting the research on the role of

the line manager in engagement (Robinson and Hayday, 2009), the set-up of the focus groups attempts to provide further evidence of managers driving engagement. In each of the organisations, one focus group is formed by managers and the other by a group of non-managers to understand the desire and effect of different practices. The separation also attempts to overcome any discomfort of the non-managers when discussing the role of potentially their manager. The final stage of the data collection is designed to elicit the daily occurrence of engagement as discussed by Kahn (1990). As part of this stage, participants are asked to complete a reflective diary over a two-week period and attend a subsequent semi-structured interview to discuss the occurrences in the diary. The purpose of this method is to capture engagement as it is experienced on a daily basis.

Three EOCs are participating in this study. One of these will be a pilot for the data collection. These organisations were chosen because of the different characteristics that they presented. The first organisation is relatively new to employee ownership therefore its ownership, participatory, and involvement practices are continuing to develop. Employees are required to forgo £1,000 of their salary within the first year of employment as a contribution towards share ownership. The organisation is fully employee-owned in its UK operations and offers employees the opportunity to purchase additional shares. The second organisation is a large, worldwide, organisation that has a mature status of employee ownership having being employee-owned for some 40 years. At this organisation, all shares are held on behalf of employees in a trust therefore making everyone's entitlement to ownership equal. The final organisation has been employee-owned for eight years but it has experienced some difficulties, which has prevented a pay-out of dividends. Similar to the first organisation, employees are required to make a minimum financial contribution, which is held by a trust. This organisation is based on one site and is an SME.

A total of 39 participants across the three organisations are involved in data collection. Each participant is involved in different stages of data collection. This is broken down into; three participants participating in the HR interview, 29 participants being involved in focus groups (13 managers and 16 non-managers), and seven participants completing the reflective diary exercise. The HR interviews vary in length from one hour to ninety minutes whereas the focus groups typically lasted an hour and a half. The reflective diary exercise was the most time consuming for participants as up to

half an hour was required for the pre-diary introduction, followed by the writing of the diary itself which required 5 entries over a two-week period, and finally the follow up interview which typically took between twenty minutes to three quarters of an hour to complete. All interviews and discussions have been recorded as well as fully transcribed with the consent of the participants. Findings are presented in a narrative approach from emergent dialogue resulting from the data collection process. Subsequently, these findings are analysed using a thematic approach in order to “provide a rich and detailed, yet complex, account of data” (Braun and Clarke, 2006:78). A discussion will be formed in relation to the existing bodies of literature to add to existing theory and highlight this thesis’s findings.

1.5 Thesis Structure

Having set out the rationale for this thesis and discussed the utility of the research questions as well as the thought process for the research design, the structure of the subsequent chapters will now be discussed.

Chapter 2 will explore the current literature on employee engagement. It will explore the variety of perspectives reflecting on the meaning of engagement and will discuss the components that contribute to engagement. The chapter will continue to explore a number of factors; occupational, organisational, and psychological; which are understood to shape employee engagement. Moving forward, a discussion will explore the present understanding of the outcomes of employee engagement. The chapter will be brought to a close by presenting a discussion on the findings of employee engagement in both academic and practitioner literature. In doing so, potential links between the engagement literature and the employee ownership literature will be identified.

A literature review of employee ownership is presented in Chapter 3. This chapter explores the existence of this type of business ownership. Starting by identifying the various different types of ownership models, the chapter will explore the rise of EOCs and discuss the changing nature of organisations. The discussion will explore the literature as to why organisations may look towards employee ownership as a viable business model. The chapter will consider ownership in practice by exploring aspects of ownership such as; psychological ownership, the role of managers, the power of

ownership, employee satisfaction models, culture, in addition to employee participation and involvement. The literature presented will be summarised to shape the forward discussion regarding the role that employee ownership has in employee engagement and vice-versa.

Chapter 4 will discuss the methodological philosophy pursued in this study. A review of the previous chapters will explore the research direction and present the research questions, which have been identified from the gaps in the existing literature. The strategy for the research will explore theoretical perspectives and identify an interpretive epistemology. Presenting the research methodology, the nature of the research will be considered. Furthermore, after identifying appropriate research methods, a review of these will be presented to as well as to establish how they will address the research questions. The chapter will also discuss the implementation of the research design in terms of; ethical considerations, organising and conducting data collection, audio recording and transcription, the use of qualitative analysis software, considerations for researcher bias, and the use of pilot research. The research organisations will be briefly introduced and reasons for choosing them will be illustrated. The approach for data analysis will be discussed and thought will be given to the limitations of the methodology. Finally, the chapter will conclude with a summary to recap the direction presented.

The three case studies shaping this thesis will be presented in Chapter 5 to 7. Each chapter will reflect upon an organisation as will begin by providing an overview of the organisation. Consideration will be given to the reflections of the researcher during the data collection process. The data findings will be presented by utilising a variety of narrative accounts to provide substance for each research question. A thematic analysis of the findings will identify factors and themes within the data in response to the research questions. Existing theory will be used to support such findings. Each case study will finish with a conclusion to re-emphasise the factors that contributed to successful employee engagement in the EOC explored.

An overall discussion will be presented in Chapter 8 to illustrate how employee engagement was identified in each case study explored. Using thematic analysis, the outline of employee engagement in the three EOCs examined will be presented. In addition, by using qualitative analysis software, a table will be used to provide an

overview of the factors and facets identified throughout the case studies. This table will also identify relationships between various factors and facets. An understanding of employee engagement in the EOCs explored will be presented to provide a forward discussion, which will reflect upon existing literature and highlight new knowledge.

Finally, this thesis will be drawn to a close in Chapter 9. This chapter will highlight the key findings of the study. These findings will be critiqued against the existing literature to identify new contributions. Practical implications of the study will be summarised to provide impact to the research. The limitations of the research will be discussed before presenting a final conclusion. Suggestions for future research will be identified by reflecting on what has been explored through this research study.

The findings of this research study will provide answers to the four research questions identified by the gaps presented from the existing two bodies of literatures. The study highlights that employee ownership is not able to achieve employee engagement independently as employee ownership is reliant upon management initiative to secure the interest of employee-owners. However, as suggested by the literature, ownership induces a right to information, control, and returns (Pierce et al., 1991). This study explores how these rights are delivered and establishes the role which employee engagement has in supporting these. The findings elude that by utilising strategies of employee engagement, ownership was found to ignite engagement in a manner that may be difficult for traditional shareholders or non-EOCs to obtain. It is identified that these EOCs need more than ownership to successfully operate within their ownership vision that they uniquely create. This something more has been identified in this study as employee engagement. However, it has been identified that in EOCs, ownership is one of eight facets of engagement which if satisfied on an individual level, engagement has the potential to prosper.

The participants in this study identified a variety of practices that they felt were effective in delivering high levels of employee engagement. The level of effectiveness of each is mediated by personal desires of employee-owners. To secure employee engagement, consideration should be given to social exchange theory. Organisations and management need to have a deep understanding of their employees and their psychological needs. Ultimately, this can be achieved by building strong line manager relationships to aid awareness of what drives their employees. The role of

organisational culture was identified to have a significant influence in EOCs and it was identified to shaping engagement. The findings suggest that having a clear vision and above all, a shared vision, employees are able to add value to the organisation's success. Communication is continually discussed throughout the various data collection stages as being something that helps to actively encourage high engagement levels. It is identified in all three EOCs examined that communication needs to be transparent and frequent. To achieve this, cascading information (upwards and downwards) throughout the organisation and ensuring that there are opportunities to participate in shaping the organisation, is understood to be good practice for securing engagement. Furthermore, it is found that one of the most practical aspects of securing engagement is to ensure that a person-fit has been achieved. By addressing organisation values and employee-owner responsibilities throughout recruitment processes and restating these consistently, where this fit is obtained, participants reported a heightened level of engagement. Without employing the right people who share the organisation's vision, it is acknowledged by the participants that this could have a detrimental effect on organisational success. Meaning in work was not just identified at the job role level, but the employee-owners felt they were able to engage at an organisational level. This was identified as participants expressed that work meant being an employee-owner and acting in a responsible manner. It is suggested that this identification could be beyond the scope of engagement that is experienced in non-EOCs due to the lack of ownership.

Obstacles to engagement are understood to occur as a result of individual's psychological needs not being fulfilled. Participants identified on occasions that they felt that their colleagues were not fully contributing to what they felt was *their* organisation and they expressed that they felt some individuals had different agendas which did not compliment the shared vision of the organisation. It was identified that the behaviours of other individuals could hinder the engagement of others. In particular, such individuals were perceived to be underperformers, free-riders, and temporary staff. Participants presented possible solutions to address these obstacles as; ensuring a person-fit, having an effective performance management system to manage underperformers, and educating temporary staff. The study also identifies that on occasions the nature of the ownership model is understood to have the capability to hinder employees' engagement because of perceived inflexibilities. However, the participants were unable to identify a solution to this as they felt changes

to the model could negatively affect upon the fundamental existence of employee ownership. It was found that unclear communications hindered engagement at times. Furthermore, lack of communication was identified to prevent the involvement of some individuals. Due to downfalls in communications, it was perceived that employee-owners were unable to engage intellectually on occasions. In particular, this appeared to occur at an organisational level therefore hindering their engagement. Further training and effective communication strategies have been expressed as potential solutions to overcoming such issues. Finally, it was found that a common frustration of employee-owners results from the existence of lengthy decision-making processes. Whilst the employee-owners accept this as being part of employee ownership as they want to be involved in decision-making, it is identified that such remains as an obstacle to their engagement nonetheless.

The findings show that employee ownership supports and sustains employee ownership by connecting with employees on a psychological level. Engagement invites employees to participate and be involved with their role and their organisation, for the benefits of themselves and the organisation. Through investing their *self* in the organisation and identifying the shared vision and values, employees can heighten their experience of work and the organisation can expect to have a committed and effective employee. In these EOCs examined, it is shown that engagement is able to support ownership vision, values, and culture. Through strategies and practices, it is understood that engagement mobilises a relationship between the organisation and the employee, facilitating an understanding that they are 'in this together'. This is strengthened by the role that employee-owners have in shaping organisational success. Engagement is perceived to provide a pillar of support to employee ownership by upholding the values of ownership and providing a connection relating to social exchange theory (SET). Furthermore, it is presented that engagement fosters an ownership culture. Although organisations exist successfully without employee-ownership, ownership provides another opportunity for employees to engage. In these EOCs, the relationship between employee engagement and employee ownership is understood to be entwined as well as engrained in the organisation. It is identified that there is a strong belief of being able to add value to the organisation's success in such organisations. This feeling is nurtured by engagement. It encapsulates how employee engagement can support and sustain employee ownership.

In summary, this research study provides an insight into the role of employee engagement in EOCs. By analysing if ownership alone is able to harness employee engagement, consideration will be given to the occurrence of employee engagement in this context. Current literature claims that employee-owners may engage differently compared to employees working in other types of organisations. However, the literature presents no evidence to suggest how engagement exists in EOCs, nor does it identify why they may engage differently. The existing research fails to address employee engagement in employee ownership explicitly and relies merely on suggestions of causality. With this in mind, this study provides empirical evidence that addresses the reality of the ownership construct in regards to how it contributes to employee engagement, as well as acknowledging how engagement also adds to the ownership experience. The inquisitive nature of the research design focuses on the existence of engagement by exploring organisational strategies and understanding how engagement is experienced on a daily occurrence. Through narrative analysis and the identification of themes, key concepts and connections are identified to understand how engagement is experienced, as well as perceived, in EOCs.

CHAPTER 2: EMPLOYEE ENGAGEMENT

2.1 Introduction

Employee engagement, if secured, is claimed to have positive outcomes for both employer and employee (Alfes et al., 2010). However, engagement has many meanings. Upon hearing the word engagement, it often coincides with much excitement, ecstatic joy, and a gleaming diamond ring; the significance of two people coming together with shared aspirations and love, with full intent of committing to building a future together. However, this is not the only interpretation of the word. Engagement has also been used to describe occurrences of conflict and war; something far from the notion of a romantic promise. Engagement can also perhaps have emotional neutrality, for instance whilst engaging in communication.

Engagement may be a common word but it is multifaceted. The verb “to engage” for example, according to Oxford Dictionaries (2010) is a term used to imply an action; two people conversing, different parties working together or against one another, to induce an action, to employ someone, or arrange to meet someone. The Old French translation of engage further informs us that it means to be involved in a pledge – *en* meaning in and *gage* translating to a pledge (Collins, 2010). It is acknowledged that engagement means different things when applied in differing contexts but as to how engagement feels could open up Pandora’s Box. Whilst these basic understandings of engagement can be established, when engagement is discussed in the context of employee engagement, the question of what is to be expected, what it means, and how it feels, is debatable.

The complexity concerning employee engagement is primarily two-fold. Firstly, there is a lack of clarity and consistency amongst the literature of what employee engagement means. However, the issue at present is that many academics and practitioners have varying opinions as to what employee engagement is. Although year upon year there are new articles discussing the concept, there is no universal agreement as to what it ultimately means. This has been a key criticism employee engagement as with no universal definition, there is no definitive method to measure employee engagement in action (Masson et al., 2008). Some literature describes employee engagement as a type of motivation exercise, a communication strategy, or

that of a psychological state. Fundamentally, it can be argued that what employee engagement is and how it feels, lies in the representation of those that are experiencing it. To explore employee engagement, the discussion needs to begin with understanding what engagement means. Secondly, it is unclear what the potential outcomes of employee engagement are. The popularity of the term employee engagement has given rise to a growing volume of literature exploring the concept behind the terminology. Definitions and discussions of what is understood by employee engagement vary substantially. As what constitutes as employee engagement is unclear, uncertainty has arisen as to whether it is an attitude, a behaviour, or perhaps indeed both (Macey and Schneider, 2008). As a result of this uncertainty, anticipated outcomes of engagement remain unclear.

My belief of employee engagement is that it is a positive relationship between at least two parties (employee/management/organisation, for example). I understand that employee engagement involves an onus on both parties that they will work together. Furthermore, I support the argument that engagement often involves compromise and sacrifice in order for mutual benefit to transpire (Robinson et al., 2004).

Components of employee engagement will be discussed in this chapter and the factors that shape engagement in occupational, organisational, and psychological contexts will be debated. The chapter will then move onto discussing potential outcomes of engagement. Critical perspectives will be evaluated to provide depth to the critiques. The chapter will end by exploring links between employee engagement and employee ownership.

2.2 Definitions of Employee Engagement

The literature discussing the concept of employee engagement is a growing field. However, along with this growth, the fundamental meaning of engagement has become saturated by other management terms. This has resulted in a blurred image of what the concept actually represents. The underlying issue appears to be that there is not a definitive definition of what employee engagement is understood to be. Numerous definitions from both academia and the professional services sector vary in context. The expanding body of research examines different aspects and theories of engagement, therefore presenting positive yet different views of what employee

engagement is. This has resulted in a tangled web of terminology with sometimes often-unfounded dimensions, providing just words and an image of what employee engagement is suggested to be. Employee engagement is portrayed as a human resource management tool (Gallup, 2008). However, there is a lack of agreement as to how and why it can contribute positively to organisational success.

Putting this argument into perspective, the CIPD (a professional body that HR practitioners typically look towards for guidance on employee issues) uses other managerial concepts such as “organisational citizenship” and “commitment” (CIPD, 2009a) to describe employee engagement. Similarly, IDeA (2009) further illustrate this issue and state that the misunderstanding of the meaning behind employee engagement arises from the term being used interchangeably for words such as “employee commitment, job satisfaction, employee happiness or internal communication”. In an attempt to provide further clarification, the CIPD (2009a) indicates that employee engagement is a practice that goes beyond the remit of the job role. The CIPD discuss that engagement is not simply motivation or job satisfaction but something that can be achieved in addition to these. However, later work by the CIPD with the Kingston Engagement Consortium concludes that employee engagement concerns “being positively present during the performance of work by willingly contributing intellectual effort, experiencing positive emotions and meaningful connections to other” (CIPD, 2013).

Before continuing further to examine the definitions available, it is important to note that employee engagement is often used interchangeably for worker engagement (such as by Attridge, 2009; Bakker et al., 2008; Schaufeli et al., 2006). Salanova *et al.* (2005) discuss worker engagement as being something that reflects employee motivation. It is understood that a worker is a broader term for an employee and could include contractors or agency staff. However, the literature and studies that discuss worker engagement do not identify such detail therefore implying that the word has been used interchangeably for employee.

Motivation is a continued themed in some employee engagement definitions. Castellano (2013) describes this motivational dynamic further, proposing that an engaged employee is someone who has achieved a “high internal motivational state” (p.94). Whilst other literatures do not dispute the existence of motivation in employee

engagement, these literatures also suggest that employee engagement is much more than just motivation. The literature debates that employee engagement concerns occupational, organisational, and psychological factors.

It can be understood that employee engagement mediates the happiness factor between the organisation and the employee. This is represented by suggestions in the literature that engagement involves a sense of satisfaction. Harter *et al.* (2002) suggest that employee engagement describes “the individual’s involvement and satisfaction with as well as enthusiasm for work” (p. 269). In contrast, Truss *et al.* (2006:xi) describe employee engagement as a “passion for work”. This suggests that to be engaged it requires more than actualising satisfaction. Truss *et al.* elaborate further to suggest that employee engagement is concerned with having a desire to work; a sense of wanting. This assumption is shared by Cook (2008) who identifies a similar perspective.

Cook (2008) suggests that employee engagement is a psychological context, and claims that engagement concerns something internal; having an inspired feeling from within. This suggests that employee engagement is concerned with how an employee positively thinks, feels, and what one does for the organisation. Cook describes that engagement exists when an employee shifts from having a desire to fulfil a personal duty (generally described as being motivation), to actualising a passion. This passion can be transferred into an energy that is utilised in an organisational context therefore becoming engaged. Through this understanding, MacLeod and Clarke’s (2009) claims are that organisations with engaged employees are more successful than organisations with disengaged employees, can be understood.

Exploring the work of MacLeod and Clarke (2009), they elaborate on Professor David Guest’s perspective of employee engagement to suggest that “employee engagement is a workplace approach designed to ensure that employees are committed to their organisation’s goals and values, motivated to contribute to organisational success, and are able at the same time to enhance their own sense of well-being” (p.9). They emphasise that employee engagement is a two-way relationship. In this relationship, it is understood that engagement is achieved through the organisation actively pursuing engagement of an employee. As engagement is discretionary, employees’ determine if, when, and how, they chose to engage (Macey and Schneider, 2008). Robinson *et al.* (2004) support the opinion that engagement involves both parties

contributing towards it. They define engagement as a “positive attitude held by the employee towards the organization and its values. An engaged employee is aware of the business context, works with colleagues to improve performance within the job for the benefit of the organization. The organization must develop and nurture engagement, which is a two-way relationship between employer and employee” (p.2). The literature clearly indicates that for engagement to be actualised, both the organisation and the employee need to actively participate.

Building on this further, Kahn (1990, 1992) present the idea that engagement concerns the organisation understanding the psychological needs of employees, which employees then respond to forming a psychological contract. This is understood to result in the act of engagement taking place. Kahn, who is widely accepted by academics as the pioneer of engagement studies, proposes that engagement involves “the simultaneous employment and expression of a person’s ‘preferred self’ in task behaviours that promote connections to work and to others, personal presence (physical, cognitive, and emotional) and active, full performances” (Kahn 1990:700). The preferred self signifies the level of engagement that the employee is facilitating by being psychologically present when undertaking, and contributing in an organisational role.

Engagement is often viewed as being multi-faceted as Kahn (1990, 1992) demonstrates. Emotional, physical, and intellectual dimensions also feature in other definitions of employee engagement. Ashforth and Humphrey (1995) succinctly suggest that engagement involves employees utilising their “hands, head, and heart” (p.110). As simple as these three words appear at face value, it is clear from other contributors in the field that engagement is multifaceted as it does not solely concern the employees’ involvement but also involves the employers.

Some academics suggest that engagement has underpinnings in other constructs. For example, it is claimed that engagement is the opposite of burnout (Leiter and Maslach, 1998; Schaufeli et al., 2002). Leiter and Maslach (1998) suggest that engagement is “an energetic experience of involvement with personally fulfilling activities that enhance a staff member’s sense of professional efficacy” (p.351). This is understood to be opposite to burnout which is understood to be a result of a “prolonged response to chronic emotional and interpersonal stressors on the job, and is defined by three

dimensions; exhaustion, cynicism, and inefficacy” (Maslach et al., 2001:397). Schaufeli *et al.* (2002) elaborate to suggest that engagement is opposite to burnout because engagement concerns “a positive fulfilling, work-related state of mind that is characterized by vigour, dedication, and absorption” (p. 74). Furthermore, engagement is understood to require a high intensity of energy and ability to identify with work (Schaufeli and Salanova, 2007). Or alternatively presented by Maslach *et al.* (2001), engagement is a combination of efficacy, energy, and involvement. The literature suggests that when disengagement occurs, burnout is likely to exist.

Absorption and attention are understood to be crucial to engagement according to Rothbard (2001). Rothbard suggests that absorption “means being engrossed in a role and refers to the intensity of one’s focus on a role”, whereas attention refers to “cognitive availability and the amount of time one spends thinking about a role” (p.656). These antecedents to engagement are widely discussed in the literature as representing the psychological presence of an engaged employee (Kahn, 1990). Taking this position further, Saks (2006) describes that engagement “is the degree to which an individual is attentive to their work and absorbed in the performance of their role” (p.602). He addresses the point specifically that employee engagement is an individual occurrence. Robinson *et al.* (2004) propose that engagement features aspects of commitment and organisational citizenship behaviour as a result of the two-way relationship that they suggest engagement possesses. They go as far to say that engagement is the next step up from commitment, which suggests the employee engagement, is not a re-brand of existing constructs.

Emotional intelligence is discussed by Ditchburn (2009) who concludes that for employee engagement to be achieved, an employee must be emotionally attached to their work as well as the organisation. This perspective stresses that employees should understand the organisation’s aims and values, therefore by doing so they are aware of what they can do to help the organisation achieve success. Furthermore, Ditchburn also suggests that employee engagement also encompasses one having a desire to develop. He presents that employees should not only have an enthusiasm to work but also that they should also aspire to improve their performance for their own personal achievement, as well as wanting to perform better for their organisation. Essentially, Ditchburn stresses the view that employee engagement requires the individual to go beyond the remits of the job by utilising discretionary effort, energy, and intellectual

ability. However, this perspective also illustrates the potential benefit that organisations can have by securing engagement. The identification of such benefits could indicate that perhaps organisations have an ulterior motive for engagement, which could identify with the radical perspectives of employee relations.

Examining a different strand of employee engagement literature, May *et al.* (2004) propose that engagement is related to the constructs of job involvement and the holistic idea of flow. Job involvement is understood to concern action, whereas engagement involves emotion and behaviours (Kular *et al.*, 2008). Flow focuses on a cognitive presence, which does not require goals or rewards to act as motivators. The literature suggests that when an individual is in an intense state of mind where enjoyment prevails, and they function in such a manner because they want to do it and nothing else matters (Mauno *et al.*, 2007). This perspective of engagement contradicts Marx's interpretation of the wage-labour relationship. Csikszentmihalyi (1975) describes flow as a "holistic sensation that people feel when they act with total involvement" (p.36). These perspectives demonstrate that flow is captured in an activity. However, engagement is perceived to exist over a longer timeframe than opposed to being captured in a moment.

As demonstrated by the variety of perspectives presented from the engagement literature, various terminology is used to describe engagement. However, there are some reoccurring themes that feature in a significant proportion of the definitions. These themes reside in what Kahn (1990, 1992) terms as engagement involves thinking, feeling, and doing. Despite the overall lack of clarity regarding defining employee engagement, it is a concept that has become increasingly attractive to organisations as it is portrayed that engaged employees improve bottom line results (Blessing White, 2008; Harter *et al.*, 2002; Towers Perrin, 2008). Gallup (2006) claim that "engaged employees are more productive, profitable, safer, create stronger customer relationships, and stay longer with their company than less engaged employees". As employee engagement is implied to be a positive, beneficial occurrence for organisations, it needs to be fully understood before it can be understood how organisations can benefit from it. To further understand the concept, components of employee engagement will now be evaluated.

2.3 Facets of Employee Engagement

Alfes *et al.* (2010) identify three aspects of employee engagement. Contributing to engagement, they suggest that engagement has elements of intellectual, affective, and social connections. Intellectual engagement is discussed as “thinking hard about the job and how to do it better”, affective engagement represents “feeling positively about doing a good job”, and social engagement is determined by “actively taking opportunities to discuss work-related improvements with others at work” (p.5). Furthermore, they also ascertain that these aspects occur at different strengths and frequencies relating to the psychological constructs of flow (Csikszentmihalyi, 1990) and burnout (Maslach *et al.*, 2001).

An alternative position offered by Saks (2006) suggests that engagement comprises of organisational and job engagement. Saks suggests that these two aspects are related but separate constructs as one involves how employees concern themselves with the organisation, and the other relates to how they are engaged with the job role itself. The work of Robinson *et al.* (2004) explains job engagement further by arguing that those in occupational roles are more concerned with their profession, therefore are more engaged with their job role over their organisation. Saks’s (2006) studies claims that individuals tend to be more engaged with their job rather than the organisation, which supports the study undertaken by Robinson *et al.* (2004). Furthermore, Saks (2006) suggests that the psychological conditions for job and organisational engagement are different. He comments that by exploring “significant and unique variance in job satisfaction, organizational commitment, intention to quit, and OCBO [organisational citizenship behaviour directed to the organisation]” (p.613) the psychological differences become apparent. It is understood that whereas job engagement is predicted by job characteristics, organisational engagement is influenced by procedural justice, which highlights a connection to social exchange theory.

A recent development in the engagement field is presented by Gourlay *et al.* (2012) who published a CIPD report which identifies the occurrence of employee engagement as a result of emotional and transactional engagement. The report describes that emotional engagement is “driven by a desire on the part of employees to do more for (and to receive more – a greater psychological contract – from) the organisation than is normally expected”, whereas transactional engagement is proposed as the “employees’ concern to earn a living, to meet minimal expectations of the employer

and their co-workers, and so on” (p.3). Their study expands to summarise that those who are emotionally engaged are less likely to achieve a state of burnout, that they could have higher task-related performance, and that they potentially display higher levels of OCB. Moreover, it is proposed that those who only engaged at a transactional level do not necessarily perform poorly, but those who engaged emotionally have the potential to perform better. Despite these aspects of engagement having clear differences, Gourlay *et al.* offer that an individual can experience both emotional and transactional engagement as one’s locus of engagement can come from different areas. For example, one can be emotionally engaged with the locus of the customer and the service role of a job, but then only engage on a transactional level with the organisation locus of the role. Furthermore, they add that this engagement can also be time specific. Again, this relates to Robinson’s *et al.* (2004) findings of how those in occupational roles are more engaged with their job role, as opposed to being engaged to the organisation.

These are just some examples of how engagement is understood to exist. Similar to the lack of clarity in what employee engagement means, there is also some confusion as to how it is conjured. However, where each study attributes different names to what engagement consists of, there is some continuity in terms of the role that the job and the organisation has in securing engagement.

2.4 Factors Shaping Employee Engagement

There are a variety of factors, as described, which are presented in the literature as potential mediators of engagement. To explore these mediating factors further, they will be discussed in terms of occupational, organisational, and psychological factors.

2.4.1 Occupational Factors

Robinson *et al.* (2004) found in their study of 14 NHS organisations involving 10,000 employees that there were differences in engagement according to an employee’s occupation. Furthermore, it was identified that engagement was mediated by length of service and age. The role of occupation was also found to have an impact on engagement as shown in Chaudhary *et al.* (2012) who found that individuals in

professional roles had a heightened level of dedication, compared to those in non-professional roles.

It is understood that an individual's age can mediate their engagement. Robinson *et al.* (2004) found in their study that an individual's level of engagement declines as they get older until they reached a tipping point of 60 years old. After this point, the findings of the study suggest that engagement levels then increased substantially. Furthermore, Robinson *et al.* indicate that as length of service increases, employees' level of engagement decreases accordingly. The study also suggests evidence to support differences in regards to ethnic origin and engagement levels. It is understood from Robinson *et al.* (2004) that minority ethnic employees display a higher level of engagement in comparison to their colleagues. These findings illustrate the importance of exogenous factors to the occurrence of employee engagement.

An alternative understanding of how occupational factors influence engagement concerns the role of an individual's personality. Langelaan *et al.* (2006) explore the relationship of burnout and engagement in relation to influential factors of personality and temperament. In their study they suggest; "burned-out and engaged employees can be distinguished from their counterparts on the basis of their personality and temperament. It appears that neuroticism is of prime importance for burnout, whereas for work engagement also levels of extraversion and mobility (the capacity to adapt to changing environments) matter" (p.530). Furthermore, they suggest that individuals are more likely to engage because of extraversion and mobility. This demonstrates the importance of person-fit in securing employee engagement, and suggests that that personality does matter if organisations wish to harness engagement.

Exploring wider literature, Arvey *et al.* (1989) identify that one's genetics can contribute to job satisfaction. Job satisfaction is understood by the CIPD (2009a) to be a related construct of employee engagement. It is understood from Arvey *et al.*'s (1989) study that one's genetics can influence perceptions regarding satisfaction. Arvey suggests that personality traits can be inherited which therefore can mediate perceived levels of satisfaction. Exploring job satisfaction on three levels (intrinsic, extrinsic, and general satisfaction with the role), their study explains that whilst extrinsic satisfaction is not accountable through genetic influence and general

satisfaction is only marginally derived from genetics, intrinsic satisfaction is significantly related. A subsequent study reaffirmed this and found that “genetic factors accounted for 27% of the variances of overall job satisfaction” (Arvey et al., 1994:31). If engagement is mediated to an extent by personality as described by Langelaan *et al.* (2006), then according to Avery *et al.*'s (1989, 1994) work which identified that personality is a result of genetics, this would indicate that engagement is also a result of individuals' genetic make-up. These scientific implications concerning occupational factors go beyond the scope of the key studies on engagement such as Harter *et al.* (2002) and Schaufeli and Bakker (2004).

Occupational self-efficacy is linked to engagement by Pati and Kumar (2010). Self-efficacy concerns one's awareness of their capabilities. As described by Bandura (1995) it refers to “beliefs in one's capabilities to organize and execute the courses of action required to manage prospective situations” (p. 2). In Pati and Kumar's (2010) study based on computer programmers, it is demonstrated that organisational support and supervisor support moderates the relationship of self-efficacy. As a result of this, differences in displayed engagement are understood to be accounted for. Chaudhary *et al.* (2012) study expands further regarding how occupational self-efficacy impacts upon engagement. They suggest that to increase engagement through occupational self-efficacy, organisations should concentrate their efforts on improving confidence levels. It is claimed that this can be achieved by ensuring that managers are providing support that includes constructive feedback and appropriate training, to further develop an individual's self-confidence.

By exploring this small number of factors that can influence upon engagement, it is understandable as why the literature on engagement is so diverse. Age, personality, whether an individual chooses an occupational/professional career, genetics, and self-efficacy, are all claimed to be accountable for actualising engagement. As Chaudhary *et al.* (2012) highlight, the supportive nature of the environment an individual works in can also help to secure engagement. This therefore suggests that organisations can do more to sustain this occurrence.

2.4.2 Organisational Factors

The majority of employee engagement literature identifies the role of the organisation in encouraging, harnessing, and shaping the engagement of their employees. It is understood that through a variety of practices and strategies that organisations can enhance an employee's level of engagement. Although as Saks (2006) and Chaudhary *et al.* (2012) suggest, engagement is associated with individual role performance. However, it is understood that organisations can develop an individual's interest by utilising a number of organisational factors to attempt to secure and drive their engagement.

The role of the organisation in employee engagement is expressed clearly by Robinson *et al.* (2004). They describe that "an engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organisation. The organisation must work to nurture, maintain and grow engagement, which requires a two-way relationship between employer and employee" (p.9). If the organisation is able to achieve this relationship with their employee, it is understood that the employee will typically have a positive mental attitude regarding their job and the organisation. Once this is achieved, Robinson *et al.* (2004) believe that the employee will then go on to demonstrate engaging behaviour, which could potentially result in enhanced performance. As will be explored in further detail, organisational factors are understood to be crucial to the existence of employee engagement, as engagement requires a two-way relationship.

Culture

Practitioner literature in particular suggests that organisational culture has a paramount influence on employee engagement. The CIPD (2012) argues that a values-based culture can help organisations create an environment for engagement to prosper. Organisational culture is understood to influence how individuals perform, behave, and feel at work (Lok and Crawford, 2004). According to Torrington *et al.* (2008) "the culture of an organisation affects the behaviours of people within it and develops norms that are hard to alter and which provide a pattern of conformity" (p.603). The culture of an organisation indicates custom and practices of which the majority of the employees adhere to. It is understood that culture is what is lived, and

it continually evolves as well as develops over time. For example, the more frequent tasks are undertaken in particular ways, the more likely that the method will be perceived and accepted by others as the norm. Therefore, through the identification of such norms, working practices can become engrained into working life and the organisation. Culture can be led by organisations through values and management action, but it can also be embedded by employees who share similar perspectives.

In the 1980's organisational culture was identified as having a direct correlation to performance and commitment (Deal and Kennedy, 1982). It is now understood that organisational culture can also secure employee engagement (Denison, 2010). Furthermore, it is suggested that culture can influence engagement or disengagement (Kular et al., 2008). MacLeod and Clarke (2009) also stress in their work on employee engagement that organisational culture plays an integral role in securing employee engagement. They suggest that one of the four enablers to engagement is leadership that focuses on the organisation having a strategic narrative, which they define as "a strong, transparent and explicit organisational culture which gives employees a line of sight between their job and the vision and aims of the organisation" (p.31). MacLeod and Clarke hold management accountable for providing this narrative and for leading a culture that reflected this. They identify that "engaging managers are at the heart of this organisational culture – they facilitate and empower rather than control or restrict their staff; they treat their staff with appreciation and respect and show commitment to developing, increasing and rewarding the capabilities of those they manage" (p.75). If managers fail to be engaging as a result of poor leadership through a lack of strategic narrative, MacLeod and Clarke stresses that organisational culture becomes displaced and "as a result the organisational culture is unable to deliver engagement" (p.63).

MacLeod and Clarke emphasise that without a culture that aspires to shared values, encourages employee voice, and one that is led with a strategic narrative by engaging managers who seek to empower their employees, they believe that organisations would struggle to harness employee engagement. As illustrated by Jackie Orme (Chief Executive of the CIPD) who contributed to MacLeod and Clarke's research, HR has a role in developing this culture through providing learning and development: "HR can't manufacture engagement, but we have a key role in helping companies develop the kind of organisational culture where engagement can thrive, and ensuring that managers have the skills to make engagement a reality" (MacLeod and Clarke,

2009:114). Managers need to have the necessary tools to create the required leadership in order to enhance organisational culture. Additionally, the development and sustaining of organisational culture should be a managerial objective, as they need to correct any workforce habits that contradicted the desired behaviour. However, as Torrington *et al.* (2008) describe, in order to maintain culture, the wider workforce need accept it and live it. It is understood from Alimo-Metcalfe and Bradley (2008), who completed a detailed study in the NHS exploring how culture could sustain employee engagement, that organisational performance was predicted by the existence of an engaging culture, more so than the existence of competence. These findings add strength in understanding culture's role in securing employee engagement.

The line manager

The role of the line manager in employee engagement is also explored by Robinson *et al.* (2004). Using data from their study that explored 14 NHS organisations, they suggest that engagement is heavily influenced by organisational factors delivered by management. The analysis of the data indicates that employees felt that the strongest drivers of engagement concerns having a sense of involvement and feeling valued. These factors could be derived from a number of organisation-led factors. Fundamentally, at a local level, the study suggests that line managers who are fair and care about their employees, those who communicate with their team, and encourage them to perform as well as develop, created an amenable environment for engagement to be actualised. On an organisation-wide basis, Robinson *et al.* demonstrate that factors such as; open two-way communication, co-operations amongst the organisation, a pleasant work environment, dedication to development, commitment to well-being, fairness in regards to financial reward and benefits, and transparent HR policies which mitigate potential inequity; are understood to satisfy the employers' role in the employee engagement relationship. In essence, the study shows that employee engagement needs to be on the agenda prior to hiring employees. It is argued that job roles need to be shaped with purpose. Furthermore, promises made in the psychological contract need to be fulfilled. Managers' need to dedicate time to their employees to continue to develop them and provide an alluring work environment to secure engagement.

Taking the role of the line manager further, Macleod and Clarke (2009) suggest that; “engaging managers who offer clarity, appreciation of employees’ effort and contribution, who treat their people as individuals and who ensure that work is organised efficiently and effectively so that employees feel they are valued, and equipped and supported to do their job” (p.31). It is understood that managers can be enablers of engagement through empowerment and instilling meaning in work.

Alfes *et al.* (2010) also consider the role of the line manager in engagement. They stresses that employee engagement can be influenced by line management. It is claimed that “line managers act as the interface between the organisation and the employee, can do much to impact on engagement” (p.56). As a result of this potential implication, Alfes *et al.* highlight caution in regards to recruitment practices to ensure that the right person-fit is obtained for the organisation to ensure that they believe in the shared vision, and can develop an engaging environment.

Robinson *et al.* (2004), MacLeod and Clarke (2009), and Alfes *et al.* (2010) all agreed that the line manager has a pivotal role in securing employee engagement. However, to help aid line managers in this pursuit, achieving a person-fit with employees is understood to be advantageous to harnessing employee engagement and enhancing organisational culture (Woodruffe, 2006).

Recruitment

Woodruffe (2006), like Robinson *et al.* (2004), argues that engagement needs to begin at the recruitment stage. Furthermore, he maintains that recruiting the right individuals’ helps to make engagement a possibility. He clarifies; “it is important to distinguish clearly between the process of engaging employees by helping them to love their jobs, and the very different process of hiring employees in the first place following a recruitment drive” (Woodruffe, 2009:22). This suggest that having a thorough recruitment process which tests values and not just experience, helps to ensure that person and organisational fit is achieved. Such fit is important as person-fit is understood to be an influential factor of engagement.

Furthermore, whilst Woodruffe (*ibid*) holds the perspective that engagement has attributes of motivation, he also claims that there are a number of organisational

factors that can harness engagement. These are described as; providing opportunities for career development, awarding praise, providing opportunities to undertake challenges, and having opportunities to be able to work on significant projects. Furthermore, it is suggested that there needs to be senior management exposure across all levels, that the organisation itself is good and reliable with a civilised and pleasant working environment. Woodruffe continues to suggest that managers needs to ensure that they provide support to their employees, that they trust, demonstrate commitment to them, and that they respect employees work-life balance. Ultimately, organisations need to a lead a culture where managers can conduct themselves in this manner to unlock the potential of engagement. As demonstrated, there are a variety of ways for engagement to emerge but importantly the individual aspect of engagement pertains that these factors may facilitate engagement at varying extents with different individuals because these employees may have different needs. The identification of person-fit plays an important role as organisations may offer a variety of these factors. However, if an individual does not desires this from an organisation, it could be argued that this misalignment could potentially affect engagement (Alfes et al., 2010).

Despite recruitment efforts to ensure that the right people are employed in organisations, MacLeod and Clarke (2009) maintain that “people join organisations but leave managers” (p.80). This suggests that there are many facets to engagement and organisations need to consider a much wider scope to if they wish to have engaged employees. Once individuals join organisations, and have an engaging manager, the literature suggests that organisational values help maintain to engagement (MacLeod and Clarke, 2009; Alfes et al., 2010).

Organisation values and support

Engagement invokes reliance on other managerial concepts in order for it to be achieved at a high level according to Rich *et al.* (2010). They propose that “engagement mediates relationships between value congruence, perceived organisational support, core self-evaluations and two job performance dimensions – task performance dimensions: task performance and organizational citizenship behaviour” (p.617). Furthermore, they present that job involvement, job satisfaction, and intrinsic

motivation, are only related to engagement through these factors and not concerned with engagement directly.

Exploring Rich *et al.*'s study based on 245 fire fighters participating, the findings suggested that not only did the fire fighters meet the remits of their job role but that they also actively went above this by becoming involved in organisational matters and demonstrating a desire to help others away from the call of duty. This proposes an understanding that prior to engagement, there is not necessarily a consideration of physical, emotional, and cognitive energies before becoming engaged. More so it is understood that there is a realisation of activities which could contribute to effectiveness overall. Where employees enlist the support of the organisation to harness engagement, employees can also support the organisation further to achieve the same effect. This perspective is founded in the evidence that indicates that whilst at work the fire fighters fully emerge themselves, as they did not see their role as one which is only active in response to emergencies. This finding contradicts that of Robinson *et al.* (2004) who found in their study conducted in the NHS, that employees in occupational role are more engaged with their job as opposed to the organisation. However, the argument of Rich *et al.* (2010) identifies that the fire fighters did not limit their role in the organisation to their exact occupation.

Nahrgang *et al.* (2011) explored engagement in relation to job demands, resources, burnout, and safety outcomes. Their work found that a supportive environment defined as being social, having clear leadership, and a safety conscious climate, was positively related to employee engagement. Additionally, other key findings notes that heightened job demands can result in a negative response to engagement. This raises the question that if appropriate support is provided in connection to job demands, can engagement be harnessed. Addressing job demands and support further, as presented by Robinson's *et al.* (2004) in their study, employees displayed higher levels of engagement if they had received a personal development plan and performance appraisal in the twelve months previous compared to those who had not. A supportive work environment, "where employees can see that they have support from others to help them do their job, there is a sense of teamwork and they can safely express themselves" is claimed to drive higher levels of employee engagement (Alfes et al., 2010:56).

Support, whether it is received through; management, shared values, learning and development, or employees supporting the organisation by going above and beyond the remits of the job role; is understood to contribute to actualising employee engagement. As described by MacLeod and Clarke (2009), “engaged organisations have strong and authentic values, with clear evidence of trust and fairness based on mutual respect, where two way promises and commitments – between employers and staff – are understood, and are fulfilled” (p.9). This perspective is further elaborated by MacLeod and Clarke, who in their study suggest that a key aspect of securing employee engagement is having a strong strategic narrative that includes a culture of support and purpose. Furthermore, it is understood from their work that lived values creates integrity, which in turn builds trust amongst the workforce, which also drives engagement forward. Organisations can do much to support their employees and further to Nahrgang *et al.*'s (2011) study that illustrated the role of organisational support, the availability of job resources also help secure employee engagement.

Job resources

As identified, organisational factors of engagement also concern the availability of job resources. Harter *et al.* (2002) show in their study that job resources are a mediating factor in achieving engagement. Furthermore, a study completed by Nahrgang *et al.* (2011) highlights that job resources (for example knowledge, autonomy, and a supportive and motivational environment) can have a positive influence an individual's level of engagement.

A study by Bakker *et al.* (2007) which explores engagement amongst Finnish teachers provides further evidence for the need for organisation's to provide appropriate job resources. In particular they claim that; appreciation, supervisor support, organisational climate, and innovativeness; can mediate engagement. Their model shows that availability of job resources can appease the impact of negative, external factors that are beyond the organisation's scope (such as disgruntled parents). Such external factors have the potential to affect engagement. However, by providing appropriate resources, it is suggested that vigour, dedication, and absorption can also be influenced.

MacLeod and Clarke (2009) suggest that if an individual's work is poorly designed, it is difficult to sustain engagement over a long period due to the frustrations of the job resources and demands presented to them. Their study highlights that where employees have a lack of, or inappropriate job resources available, this acts as a barrier to achieving employee engagement. Mauno *et al.* (2006) also explored the impact that job resources had on employees engagement and found that job resources mediated engagement by heightening vigour and dedication. In particular, they found that job control was felt to have the most influence in terms of job resources in facilitating engagement, as opposed to organisational-based self-esteem and management quality. Exploring job resources in a different perspective, reflecting on autonomy, coaching, and team climate, Xanthopoulou *et al.* (2009) focused on how these job resources predicted financial returns as well as engagement. They found that job resources influenced engagement on a daily basis and this directly predicted financial returns. Furthermore, they identified that if an employee had received coaching, this had a direct positive relationship with their engagement and financial returns for that day as well as the subsequent day. From this research, it is understandable that securing employee engagement has the potential to be financially rewarding for organisations. Another notable piece of research in regards to the role of job resources in harnessing engagement has been conducted by Schaufeli and Bakker (2004). Their study claims that burnout is mediated by job demands and lack of job resources. They suggest that engagement is mediated as a result of available job resources.

The variety of studies presented in literature, which have been completed in various types of organisations from schools to fast-food restaurants, suggest that the availability of job resources influences the occurrence of employee engagement. Job resources are not limited to physical assets but include training, coaching, managerial support, and organisational climate. It is understood that these factors all have the ability to mediate employee engagement.

Participation and voice

Participation and employee voice has gained increasing attention amongst the practitioner engagement literature. In a discussion paper written for ACAS by Purcell and Hall (2012) it is discussed that due to changes in organisations such as the demise of trade unions, increasingly employees are seeking avenues to voice their opinions.

Whether voice is heard and listened to through one-to-one communications or collective forums, the ability for opinions to be expressed and acknowledged, needs to form part of the organisational make-up to warrant employee engagement. Often such vocal expression is referred to as engaging in organisational citizenship behaviour (Organ, 1988).

The power of employee participation and voice is identified by MacLeod and Clarke (2009). They argue that participation is an enabler of employee engagement. MacLeod and Clarke suggest that providing opportunities for employee participation is critical to securing employee engagement. They describe employee voice as being:

“An effective and empowered employee voice – employees’ views are sought out; they are listened to and see that their opinions count and make a difference. They speak out and challenge when appropriate. A strong sense of listening and of responsiveness permeates the organisation, enabled by effective communication” (p.75).

Furthermore, MacLeod and Clarke’s study identifies that employees do not solely require a mechanism for collective voice, which trade unions commonly provide, but that they also desire individual outlets for voice, which falls in line with the pluralist perspective. It is understood that when an opportunity for employee voice is present, employees acknowledge this with engagement. However, employee voice is not just concerned with the bigger picture of the organisation, but it is also involves the interpersonal relationship employees have with their manager relating back to the role of the line manager (Robinson et al., 2004; Alfes et al., 2010). It is also understood that employee voice concerns the presence of a supportive work environment (Alfes et al., 2010).

Alfes *et al.* (2010) justify the importance of employee voice in employee engagement. They describe effective employee voice as “opportunities for employees to input into decisions affecting their work and their organisations, and to be properly consulted and communicated with over workplace issues that affect them” (p.34). Reflecting on the work of Robinson *et al.* (2004) who suggest that a sense of being valued and being involved is an important driver of employee engagement, Alfes *et al.* (2010) suggests from the findings of their study that only 34% of employees were able to exercise voice and participation at a satisfactory level to them. Exploring the findings of this study,

there are indications to suggest that these employees displayed the highest levels of engagement. This suggests that there is evidence to link the role of employee voice and participation to being influential organisational factors in establishing employee engagement. However, employee voice should not be considered in its own entity as being solely attributable to employee engagement (Purcell and Hall, 2012). Therefore, employee voice should be considered as one factor that helps to achieve engagement as shown by Alfes *et al.* (2010).

Engagement at a business-unit level

Research conducted by Harter *et al.* (2002) focuses on exploring employee engagement at a business-unit level. This research suggests that within an organisation that has several units, engagement is promoted and mediated differently. Harter *et al.* (2002) describe engagement as being an “individual’s involvement and satisfaction with as well as enthusiasm for work” (p.417). Their work explores the relationship of engagement with core business outcomes that are identified as “customer satisfaction, productivity, profit, employee retention, and employee safety” (p.269). From exploring some 8,000 business-units across 36 organisations with a total of 198,500 participants, the research presents that there are strong correlations between employee engagement and job satisfaction against productivity and profitability. It also found that there are some correlation concerning employee engagement with employee turnover, customer satisfaction-loyalty, and safety. However, the strength of these correlations only bears slight significance.

In essence, line management and the existence of a supportive work environment mediate engagement (Alfes *et al.*, 2010). It is accepted that employee engagement can vary between departments and sites as a result of factors that are primarily actionable by supervisors/managers (Harter *et al.*, 2002). Such factors include job resources, culture, and security which not only contribute to engagement, but as found by Harter *et al.* (2004), they also are linked to key performance outcomes as engagement is suggested to contribute to overall employee satisfaction.

Salanova *et al.* (2005) explored what they described as service-units in restaurants and hotels to examine the mediators of the service climate. The study explored 114 service-units comprising of hotel front desks and restaurants, as well as focussing on 1,140

customer reports. They showed that organisational resources in addition to engagement predicted the service climate. Furthermore, it was identified that this translated to the end user as employee performance was found to contribute to customer loyalty. Findings of the research concluded that perceptions of organisational resource availability such as training, technology, and autonomy, at a unit level create work engagement, which in turn drives the service climate. Furthermore, they presented that working in a service climate environment entices collective engagement due to the customer element. This customer locus was understood to lead the employees of the service-unit feeling “more vigorous and persistent, dedicated and absorbed in their tasks” (p.1224). It is concluded from the study that to maintain the service climate, unit managers and supervisors need to create an atmosphere for engagement to transpire collectively to award customer loyalty.

Engagement at a business-unit level is understood to be mediated by a variety of factors that can be controlled by management. Achieving employee engagement in this environment produced different results for business-units against key performance indicator (Harter et al., 2004). Furthermore, it is understood that engagement can influence service-levels experienced by customers (Salanova et al., 2005). An element of securing employee engagement at a business-unit level could also be dependent upon employees perceptions of fairness and equality endured in relations to other business-units within the organisation, as perceived fairness is an influencing factor to securing employee engagement (Saks, 2006).

2.4.3 Psychological Factors

What is suggested by Kahn (1990), Cook (2008), Ditchburn (2009), and Maslach *et al.* (2001) is that if employee engagement concerns’ having a passion – an emotional, psychological connection – then something lies deeper at the centre of engagement than just an understanding of if you exert effort, you will receive the related reward. The majority of literature describes employee engagement as being concerned with psychology in some form, whether it lies at the heart of it, or if antecedents and consequences have connections to it. Therefore, it may be fair to propose that the science of psychology lies at the foundation of employee engagement.

If employee engagement involves the mind and the heart, this suggests that psychology is a factor of engagement. Organisations are complex entities formed with different people each with their own opinions, expectations, and perspectives. People are have a natural hesitant tendency concerning being a part of a group, somewhat due to fear of acceptance (Goffman, 1961). Kahn (1990) describes this, what he terms as personal engagement, as “behaviours by which people bring in or leave out their personal selves during work role performances” (p.694). The work of Kahn is understood to be highly influential to the employee engagement literature.

The work of William Kahn

According to Shuck and Wollard (2009), William Kahn was the first academic who explored the subject of employee engagement. Kahn (1990) discusses in his paper, *Psychological Conditions of Personal Engagement and Disengagement at Work*, that engagement involves a person bringing their own identify and self into the remit of work. This is understood to involve physical, cognitive, and emotional performances. Throughout Kahn’s study, engagement is referred to in terms of personal engagement, never specifically as employee engagement despite the workplace contextualisation and other authors such as Shuck and Wollard (2009) claiming that the article describes it as such. Nonetheless, Kahn’s influential work explores engagement in a work environment with an emphasis on how one engages him or herself, and understanding how one interprets the world that they exist in.

Kahn’s (1990) appreciation for social psychologists, in particular Goffman (1961) who Kahn reflects his work upon, in addition to motivational theorists such as Maslow (1970) and Alderfer (1972) in particular, are understood to have inspired Kahn’s way of thinking as to how one unleashes their *true self* at work. It is understood that the presence of one’s personal *self* and their expressed *self* are different not only in a work environment, but in a variety of other situations. Kahn (1990) suggests that one behaves differently and projects different self-imagery depending on the environment that they are in. This adds strength to the perspective that engagement is a psychological state of mind because to perform it is understood that one needs to have a reason to act in a particular manner whether it be emotionally, cognitively, or physically. Kahn indicates that this rationale as to why one coordinates themselves in such a way, results from a combination of three psychological characteristics;

meaningfulness, safety and availability. Describing these characteristics further, Kahn proposes that meaningfulness concerns having a personal sense of return on effort/investment; safety is understood to be a feeling that one's self (status, image, and career) would not encounter negative consequences from applying their ability; and availability is understood in the sense of being mentally, physically, and emotionally available. When these characteristics are present, it is then required from the employee to self-employ and self-express themselves. When this occurs, Kahn suggests that engagement is present.

The study that Kahn (1990) reflects upon in his seminal paper explores two different organisations; a summer camp and an architecture firm. The basis of the research primarily focuses on interviewing employees regarding their experiences that they have encountered whilst working with their organisation. Interviewees were asked questions such as likes and dislikes of their job, their awareness of their role in the organisation, as well as being asked to reflect on their involvement in the workplace. Responses were categorised to test the assumption that engagement was influenced by psychological characteristics (meaningfulness, availability, and safety). The qualitative research suggests that employees want to bring their *self* into work; therefore, if they do not see themselves in the role that they are fulfilling, they feel less inclined to engage their *self* with it. Kahn's study also found that if the organisation's structure resembles a family culture, engagement was likely to be heightened because the family nature is perceived as comfort, which satisfies the safety psychological characteristic.

Kahn's perspective of engagement encompasses a variety of psychological areas. In summary, Kahn suggests that engagement concerns understanding the psychological needs of employees and employers must respond to these needs appropriately. By doing so, it is claimed to enable employees to participate in a psychological contract, resulting in the act of engagement taking place. Like many motivational theories, one's needs have to be satisfied before an exchange of willingness can occur. It could be argued that this psychological similarity could potentially be the cause of frequent misrepresentation of employee engagement being just another term for employee motivation.

In a later paper, Kahn (1992) discusses the self at work further by specifically exploring the concept of psychological availability. Psychological presence in the workplace is determined by several mechanisms that can have a negative or positive impact on the degree of self that one chooses to utilise in the workplace. These mechanisms as Kahn describes are; the nature of the job itself, what is required of by the role, the structure of the organisation/how the role relates to others, organisational norms, and group/intergroup dynamics. According to Kahn, when an organisation imposes these mechanisms (also referred to as systematic mechanisms), there are four factors that influence psychological presence from the individual concerned; awareness/understanding of how to be in the role, how secure they feel about their self and bringing in their self into the organisation, how much courage they have, and their extent of adulthood development. Essentially, this brings together occupational, organisational, psychological, and situational factors of engagement.

Unlike the first paper, Kahn's second seminal paper explores deeper into employee engagement as it describes how one is asked to reveal their self to actualise engagement. Kahn suggests that by having systematic mechanisms, the mask of performativity is dropped, revealing the inner self and creating social exchange. To put this idea into an organisational context, Kahn draws upon an example where a Draftsperson is struggling to fulfil the job in hand of creating a design from a limited design specification. He describes how their manager is able to relate with the employee by describes how she herself has been in a similar situation, yet whilst she reminding herself that they are on a strict deadline and the work needs to be completed. Her approach to the situation is both autocratic and compassionate. She lets her managerial mask fall to become a *person* in order to help the employee by placing trust in them and reassuring them that the task is achievable. In doing so, the manager is aware of her own feelings; she places herself in his shoes, and responds to this in her approach. She is psychologically present because she feels, understands, and is aware of herself. Being connected to one's *self* in such a way provides harnessing for engagement to form in Kahn's opinion. Cook (2008) presents a similar perspectives and describes that engagement involves having a desire and personal duty. Kahn's (1992) work illustrates this through the experience of the manager who felt she had a personal duty to behave in the way that she did.

Kahn's three psychological conditions relate to the core of these mechanisms and individual differences. With the added dynamic of psychological presence, Kahn suggests that together these factors lead one's behaviour to "create performance outcomes and experiences that engender various types of feedback, rewards, and punishment which then influence future experiences and behaviours" (1992:341). Furthermore, typical related outcomes that organisations are likely to experience are suggested to be; greater work quality, productivity, and growth as well as an understanding and appreciation for the undertaking of the job role. By measuring such outputs and from this feedback platform, whether it is spoken or changes observed through statistical analysis, it is suggested that a cycle occurs by which the organisation adapts to its employees needs and the employees' respond to this accordingly.

A deeper level of meaningfulness

Exploring the meaningfulness trait of engagement more deeply, Seeman (1972) suggests that in a situation where one believes work to be meaningless then they become detached from their role. However, in doing so it is also understood that they become estranged from their self as they become disconnected with enjoyment, interests and passions of everyday life. This coincides with Kahn's (1990) work and makes the connection that if one is not content in what they are doing, then their full potential (intrinsically as well as performed) is not being actualised. To put this psychological interpretation of employee engagement into perspective, what has been suggested by Kahn (1990, 1992), May *et al.* (2004), Goffman (1961), and Seeman (1972) etc., is that work needs to have a purpose. It is suggested that it needs to provide motivation and personal fulfilment for work to become meaningful (May *et al.*, 2004). Through the presence of a secure environment, it is understood that this can help one to exert themselves in a manner to make themselves available physically, emotionally and cognitively to work. In doing so one will be motivated to work and aspire to develop further (Spreitzer *et al.*, 1997). Essentially the argument is that employee engagement "is about getting the absolute best effort from your employees by making them feel good about the work they do" (Finney, 2008:14). Meaningfulness of work is not limited to influencing employee engagement, but is also connected to an individual's perceptions of their working life overall (Alfes *et al.*, 2010). Having meaningful work is the most influential factor to harnessing employee engagement regardless of occupation/profession according to Alfes *et al.* (2010) and Robinson *et*

al. (2004). Such meaningfulness of work is also understood to be articulated by an organisation having strategic narrative (MacLeod and Clarke, 2009).

A re-examination in the new millennium

An empirical test of Kahn's (1990) model of engagement has been undertaken by May *et al.* (2004). These academics explored Kahn's theory of psychological engagement characteristics in an attempt to test how they actually occur in the workplace. The hypothesis was to explore meaningfulness in the terms of job enrichment, worker-role fit, and co-worker relations; safety by focusing on supervisor relations, co-worker relations, and co-worker norms; and finally availability in the terms of resources available, role security and external commitments/activities. Unlike Kahn's work, May *et al.* (2004) researched to explore what characteristic and particular attributes of such, can vary levels of exercised engagement. The ultimate aim of the study was to measure the respondents' "perceptions about themselves, their jobs, supervisors and co-workers" (May *et al.*, 2004:20). Studying an administration department in a large insurance company in America, employees across the hierarchy were invited to take part in a survey in an attempt to verify the hypothesis. The questionnaire survey consisted of several statements hypothesised as being an antecedent to the psychological characteristics as specified by Kahn. Respondents were asked to rate agreement/disagreement on a 1-5 Likert scale.

May *et al.* (2004) found that there were enhanced complimentary fits to psychological characteristics and engagement when the antecedents were related differently. Their model was revised to reflect that meaningfulness had antecedents of job enrichment and work-role fit; safety was found to relate to co-worker relations, supervisor relations, co-worker norms and self-consciousness; whereas availability identified closely with resources and outside activities. The major changes to the model showed that co-worker relations and self-consciousness were not strongly related to meaningfulness and availability respectively, but instead were truer antecedents of safety. Furthermore, self-consciousness and resources were found to have a direct independent relationship with engagement.

In respect of the safety psychological characteristics, the original three items (co-worker relations, supervisor relations, and co-worker norms) were identified to have

significant correlations with supervisor relations having the strongest. This supports the findings of studies by Deci *et al.* (1989) and Edmondson (1990) who also illustrated the effect that supportive behaviour can have on individual. In particular, co-worker norms contributed the least to safety. In response, Barker (1993) suggests that because co-worker norms present desired attributes and behaviours, it can hinder the expression of the self therefore reducing the level of safety. However, it is understood that if co-worker norms fell within the remit of one's true self the relationship that this antecedent could have with safety has potential to be stronger.

The overall results for the psychological characteristics in the study showed that meaningfulness had the most significant impact on engagement, followed by availability and safety respectively at significantly lower levels of correlation. These results coincide with the conclusions of Brief and Nord (1990) who essentially claim that when an individual has the opportunity to express themselves, by doing so the task in hand becomes meaningful.

Emotional labour

As has been identified, emotion is understood to play a role in employee engagement. In particular, Kahn (1990) suggested that employee engagement concerns emotional labour. Kahn identified that should one not feel safe in utilising their true self in role performance, engagement cannot be actualised. As Kahn explained, in a group environment one may feel compelled to perform similarly to others out of fear of reprimand created by the socio-culture environment. However, importantly it is only a performance. It is understood that consciously the employee could not be engaging although the physical display may suggest otherwise. The work of Arlie Hochschild (1983) concerning emotional labour is important to the employee engagement literature because it shows that one may appear to be engaged at a surface level and through the measurement of business outcomes, but at heart one can be actively disengaged. Hochschild showed in her research conducted on Flight Attendants that one can perform to meet the desired behaviour in the role by putting on an act instead of displaying natural tendencies. The psychology of emotional labour explains how managers may be unaware of disengagement in the workplace as employees could be merely conforming to societal expectations of their job role and expected culture in

the organisation, as opposed to displaying true emotions and traits of how they may truly, actually feel.

An alternative psychological perspective is offered by Macey and Schneider (2008) who suggest that employee engagement can be a state of mind, a trait or a displayed behaviour. Linking back to the argument of the role of emotional labour, this suggests that employee engagement can be something that is merely just presented. Macey and Schneider's paper explicitly reminds us that the level of engagement that one expresses, reflects upon how *they* view the situation and interpret "the world from a particular vantage point" (Macey and Schneider, 2008:4). The notion that individuals have different perceptions based on how they see and experience work suggests that employee engagement in practice needs to be understood on a localised operational-level as opposed to a generalised level (Harter et al., 2004). This demonstrates a need for management to move away from a unitarist perspective to a pluralist one. Employees should be understood as individuals and not as a collective cohort with shared beliefs as well as objectives. This argument is particularly strengthened by the understanding of Macey and Schneider (2008) that engagement is discretionary; therefore, it is a condition that organisations can only aspire to achieve if an appropriate environment is created.

Social exchange theory

Social exchange theory (SET) is understood to be important to the concept of employee engagement because it attempts to provide a rationale for the two-way relationship of engagement. The work of Saks (2006) is particularly significant because he argues that there is a stronger theory behind the occurrence of employee engagement. SET is described as a relationship between one or more persons involving "a series of interactions that generate obligations" (Cropanzano and Mitchell, 2005:874). SET relationships evolve over time and are mediated by trust, loyalty, and mutual commitments. Saks (2006) argued that when an organisation provides returns to an individual, the employee should replicate this exchange with engagement. Therefore, depending on the level of exchange that the organisation presents, an individual will determine the perceived value of this and respond with a variable degree of engagement. The principles of SET in terms of the existence of a two-way relationship are highlighted by Robinson *et al.*'s (2004) perspective of engagement,

and Kahn's (1990) notion of engagement as vigour, dedication, and absorption present ways for employees to return engagement in an exchange for what an organisation is providing.

2.5 Outcomes of Employee Engagement

Employee engagement is understood to have positive outcomes for both the organisation and the individual concerned. Harter *et al.* (2002) identify in their business-unit analysis of engagement, that engagement is linked to heightened business key performance indicators. These performance indicators include; increased profit, customer satisfaction, productivity, reduced labour turnover, as well as reporting a lower number of accidents in the workplace where employees demonstrate high levels of engagement as opposed to those who do not. Harter *et al.* emphasise the importance of engagement to be secured at an individual level in order for these positive outcomes to be achieved. Of a similar disposition, Kahn (1992) reports from his study exploring the psychology of engagement, that high levels of engagement return positive outcomes at not only an organisational level but also at an individual level. These outcomes are understood to be quality and experience of work at the individual level, and at an organisational level, high engagement is suggested to increase productivity and growth. Kahn acknowledges that employees can benefit from employee engagement as opposed to Harter *et al.*'s focus on organisational benefits.

Levinson (2007, *in* Robertson-Smith and Markwick, 2009) suggest that happier workers lead to happier customers which identifies a link between employee engagement and customer engagement. Illustrating these outcomes further, Harter *et al.* (2004), on behalf of the Gallup organisation, have completed a subsequent study which demonstrates that high levels of employee engagement in addition to customer engagement, positively enhance financial performance. Similar correlations between engagement levels and profit are also recorded by Macey and Schneider (2008), Czarnecky (2008), and Robinson *et al.* (2007). Towers Perrin (2008) furthermore contribute from their study, that organisations with the highest levels of employee engagement are capable of making year-on-year increases of potentially 19% more operating income and 28% more earnings per share, than compared to those organisations at the lower end of the employee engaged spectrum. Exploring this link

regarding earnings per share, Ott (2007) explored Harter *et al.*'s (2004) study further to show that engagement is linked to earnings per share in public trading organisations. These findings demonstrate that securing employee engagement produces positive organisational outcomes.

Alfes *et al.* (2010) conclude; "we consider three important outcomes of engagement: performance, innovative work behaviours – or the extent to which people innovate in their jobs – and intent to quit" (p.42). Unlike some of the other studies discussing outcomes of engagement, Alfes *et al.* identify innovativeness as key. They also suggest that on an individual level, employee engagement mediates well-being. This argument strengthens the perspective that engagement is the opposite of burnout as identified by Bakker *et al.* (2008) and Schaufeli *et al.* (2008). Furthermore, when an employee becomes engaged and maintains this engagement, it is understood that engagement can improve their personal well-being (Alfes *et al.*, 2010; Kahn, 1990) and health (Schaufeli *et al.*, 2008). These studies identify that engagement has beneficial outcomes for both the employer and employee.

Employee engagement is understood to have a significant correlation to business as well as individual outcomes. The findings of the effect which employee engagement can potentially have in regards to share returns are particularly interesting for EOCs. The literature does not acknowledge any negative outcomes of employee engagement implying that its existence can only have a positive influence in organisations and to individuals. However, it is understood that employee engagement has opposite outcomes to that of burnout (Langelaan *et al.*, 2006; Maslach *et al.*, 2001; Schaufeli *et al.*, 2002) and workaholism (Schaufeli *et al.*, 2008). Only when organisations fail to secure employee engagement is it established that there are negative outcomes and consequences. For employees who feel disengaged, it is understood that they also report that their physical and psychological health is negatively impacted as a direct result of their work (Crabtree, 2005). For organisations, a disengaged workforce is likely to have high sickness levels, high employee turnover, and low levels of advocacy for the organisation (MacLeod and Clarke, 2009). This indicates that a disengaged workforce could have further implications on the organisation, as well as affecting the individual.

2.6 Critical Perspectives of Employee Engagement

Whilst management strive for organisational success, it is understood that they are often faced with a dilemma. For organisations to survive they need to maximise profit typically through cost saving, whilst securing commitment and encouraging innovation of the workforce in this plight (Herroit, 1998). Management need to stimulate their workforce to further efficiency (Bradley and Gelb, 1983) and take “a more proactive approach to industrial relations to ensure that it supports and is integrated with the achievement of business objectives” (Salamon, 1998:24). Through employee engagement, it is identified that management proactively seek the cooperation of their employees to increase efficiency (Macleod and Clarke, 2009), innovation (Alfes et al., 2010), and performance (Harter et al., 2004; Kruse and Blasi, 1995). Whilst engagement attempts to address this managerial dilemma, it is important to acknowledge the conflicts and contradictions within the employment relationship. Engagement strategies merely invite employees to engage and their commitment to such cannot be enforced.

The employment relationship is described by Gospel and Palmer (1993, *in* Rose, 2008:7) as “an economic, social and political relationship in which employees provide manual and mental labour in exchange for rewards allotted by employers”. However, rewards are not defined solely as financial. It is understood that there is an expectation of reward as perceived through not only a written contract, but a psychological contract (Gourlay et al., 2012; Kahn, 1990). However, the employment relationship must remain fluid to aid organisational success. As a result of this, the employment relationship is characterised by “repeated challenges by employers to as they try to redefine and realign workers interests with corporate goals” (Kelly, 1998, *in* Rose, 2008:7). The employment relationship is to an extent controlled by the employer. The nature of employment is as such that it is an unequal balance of authority. Employees trade their labour in return for a reward; they are contracted for duties, which if they do not fulfil, their employment could cease (Rose, 2008). By engaging in this contract, it is implied that employees will follow reasonable management instruction and if they do not, employees understand that there may be repercussions for their refusal. However, when employees present collectively and organise themselves through trade unions for example, collective bargaining can hold strong against management actions. Collectively, employees can influence management decisions to a greater extent. Although such reactive involvement opposes Salamon’s (1998) position, that management needs to proactive in managing the employment relationship.

There are several perspectives that need to be considered when evaluating the employment relationship and understanding the role which employee engagement has. Perspectives reflecting upon managerial theories of pluralism and unitarism, as well as individualism and collectivism, will be discussed to identify critical perspectives of employee engagement.

2.6.1 Pluralist and Unitarist Perspectives

Literatures theorises two key organisational approaches to employee relations. Fox (1966, *in* Williams and Adam-Smith, 2010) suggests that the unitarist and pluralist perspectives are “ideologies of management” (p.12). The unitary perspective suggests the organisations consist of a group of people who are integrated by sharing common objectives and values. It is understood that they operate by acknowledging that management have the prerogative to make decisions which the workforce accept and do not challenge (Rose, 2008). It is suggested that this acceptance occurs amongst the workforce, as they are perceived to share the same agenda as management and believe that such will deliver positive outcomes for the organisation. Furthermore, Williams and Adam-Smith (2010) describe that unitarism is “a perspective on employment relations that emphasizes the harmony of interest that exists between employers and employees” (p.383). Unitarism assumes that employees and management share mutual interests (Arrowsmith and Parker, 2013). The literature on employee engagement identifies that a key driver of employee engagement is having a strategic narrative (MacLeod and Clarke, 2009) and senior management communicating a shared vision which all should aspire to achieve (Alfes et al., 2010). The unitarist view would acknowledge employee engagement as a method for which managers could use to seek employee behaviour and performance in the manner that the organisation desires. Employee engagement concerns management seeking the best from their employees by making them feel positively about their contribution (Finney, 2008). Through engagement, employees align themselves with the organisation’s values, which have been created by management. Therefore, from a unitarist perspective, employee engagement is only concerned with how employees can function in the best interests of the organisation and not themselves.

The contrasting perspective of unitarism is pluralism. Pluralism acknowledges employee voice and perceives that management have different objectives to that of

the workforce (Rose, 2008). As explained by Rose (2008) pluralism is “a perspective on employment relations that recognizes that employers and employees may have conflicting interests, but that these can be resolved to the mutual benefit of both by means of formal procedures, bargaining relationships with trade unions in particular” (p.382). This suggests that compromises are often made by both parties, as management do not have ultimate power over the workforce. The pluralist perspective suggests that in organisations there is a focus on procedures and systems for joint regulation (Hyman, 1989). Unitarism expects loyalty from its workforce and in contrast, pluralism understands that loyalty may not be secured but it is encourage by giving the workforce opportunities to voice their opinions. The CIPD (2009b) identifies employee engagement with the pluralist perspective as it acknowledges that both the employer and employee need to contribute to the relationship to make it productive for both parties. The pluralist perspective identifies that engagement can be a benefit to both the organisation and the employee. Employee engagement is argued by Robinson *et al.* (2004) to be a mutual relationship between the employee and the employer, which involves sacrifice and compromise for the mutual benefit of both parties. By acknowledging that employees can also shape and influence an organisation, the pluralist perspective acknowledges that this can be advantageous to both the employer and employees. The pluralist perspective also identifies that within organisations, employees have different needs and objectives, whether this is a result of location or role type for example (Foot and Hook, 2011). The engagement literature acknowledges this and seeks to harness engagement at an individual level (Saks, 2006). However, employee engagement also identifies with the pluralist perspective through the meaningfulness of work and the identification with a shared vision. This demonstrates that there may be some overlap with the pluralist and unitarist perspectives in regards to employee engagement.

When management are unable to identify with their workforce through either pluralism or unitarism, Fox (1974) suggest that this could be a result of the radicalism. Williams and Adam-Smith (2010) describe that the radical perspective on employee relations is one “that recognizes that employers and employees have potentially conflicting interests, which are so deep-rooted that when disputes arise they are incapable of being resolved to the mutual satisfaction of both parties” (p.383). Essentially, radicalism identifies that there are fundamental divisions in society therefore a conflict exists between employees and organisations due to these

divisions. Radicalism suggests that such conflicts cannot be overcome because of the inherent societal differences, which are not derived from organisations. As employee engagement concerns the relationship between the employer and employee (Robinson et al. 2004), it could be understood that employee engagement could not be secured if management identified with the radical perspective of employee relations. The radical perspective would suggest that employee engagement is merely a ploy to convince employees that they share the same interests as their organisation. The employee engagement literature does not identify itself with this perspective.

Budd (2004) suggests that “human resource management follows the unitarist belief that effective management policies can align the interests of employees and employers and thereby remove conflicts of interest” (p.6). This perspective is also shared by Legge (1995) who stresses that human resources adopts a unitarist position. She suggests that organisations can achieve success through mutual policies that encourage commitment and employees to work flexibly to achieve objectives, therefore harnessing their engagement. Arguably, employee engagement typically follows the unitarist perspective as it attempts to remove conflict through participation and involvement of employees. Furthermore, engagement requires employees to share the organisation's visions and values (Alfes et al., 2010; MacLeod and Clarke, 2009). Employees conform to these by identifying themselves with which results in becoming engaged, and ultimately following the desired behaviour as prescribed by management.

However, Ramsey (1977) would argue that employee involvement and voice are influenced by economic pressures as opposed to organisations truly desiring involvement. As described by Harley *et al.* (2005) according to Ramsey's cycle of control thesis, management would increase participation “at times when labour sought to challenge managerial authority, and the initiatives declined because of the declining power of labour and/or economic pressures to cut costs and maximise profit” (p.2). Organisations perceive union activities to increase therefore instead of being reactive to this; they proactively involve them, which demonstrates a degree of control. Therefore, when union interest starts to decrease, management would make decisions without employee consultation. Ramsey (1977) would suggest that such reaction reflects economic climate, therefore his argument on employee engagement would be that employee participation and voice is not a new idea. Furthermore,

questions would be raised as to if organisations really mean that they value such participation and involvement as the history of employee relations would suggest that management act in such a way to only further organisational success (Ramsey, 1977). However, Ramey's theory fails to identify why employee engagement has become popular at a time when union activities are particular weak.

2.6.2 Individualism and Collectivism

Whilst Ramsey's cyclical perspective may have been reasonable prior to the Winter of Discontent (Rose, 2008), Marchington (2005) suggests that organisations have used employee involvement and participation more recently for other reasons regardless of the demise of trade unions. Evidence from the 2004 Workplace Employee Relations Survey supports the decline of trade union involvement despite the increasing economic downturn. Kersley *et al.* (2006, *in* Sisson and Purcell, 2010) report that during the 1980's 90% of private sector organisations had some form of collective bargaining in place, whereas in 2004 this had decreased to 16%. Due to the decrease of collective bargaining, management determine pay in approximately three out of four private sector organisations. As a result of this control performance, management has gained momentum therefore requiring management to acknowledge that the workforce comprises of individuals (Sisson and Purcell, 2010). The employee engagement literature acknowledges that engagement is an individual occurrence and requires organisations to identify with individuals as opposed to a collective workforce for engagement to be harnessed (Saks, 2006). Engagement concerns how one is involved, satisfied, and enthused with their work (Harter et al., 2002). It reflects an employee's state of mind (Macey and Schneider, 2008) and can only be secured when an individual's psychological needs are fulfilled (Kahn, 1990; 1992).

Sisson and Purcell (2010) describe that there has been a shift in employee relationship from collectivism where trade unions were frequently involved in management decisions, to a position which reflects individualism where management recognises that employees are not a single collective with mutual objectives, but as individuals with different objectives. They describe that contemporary employee relations requires management "in part the logic is to manage, or manipulate, the psychological contract and seek to improve the sense of commitment felt by the individual to his or her employer, what is often nowadays called 'engagement'" (p.87). This focus on the

individual as opposed to a collective workforce emphasises that whilst management acknowledges individual differences thereby adopting the pluralist perspective, management has increased its control and authority in the employment relations due to the demise of collective voice. Arguably, through engagement organisations invite individuals to conform to the organisation's culture, values, and processes through a shared vision. This vision is understood to be shaped and nurtured by management (Alfes et al., 2010; MacLeod and Clarke, 2009), therefore enabling them to gain an element of control.

Purcell (1987) describes that individualism "refers to the extent to which the firm gives credence to the feelings and sentiments of each employee and seeks to develop and encourage each employee's capacity and role at work" (p.536). Within this perspective, management view employees as a resources therefore organisations have policies and strategies that address employees are being the most valuable resource that the organisation has (Purcell, 1987). Opposite to individualism, Purcell defines collectivism as a perspective that "concerns the extent to which the organization recognizes the right of employees to have a say in those aspects of management decision-making which concern them" (p.538). In the engagement literature, Alfes *et al.*, (2010) agrees with the perspective that employees should be involved in decisions that affect them as such employee voice can harness employee engagement. As opposed to having policies and strategies that reflect individual voice, the collective perspective is demonstrated by organisations having clear democratic structures that function to represent the workforce. When making decisions, management utilise the collective interests of their employees (Purcell, 1987). The engagement literature suggests that participation and involvement are crucial to its success as this leads to meaningfulness in work (Brief and Nord., 1990). However, whilst a collective voice can be useful and participatory practices may be defined by democratic structures in organisations, engagement is an individual occurrence (Saks, 2006) which utilises an individual's relationship with their line manager and relies upon individual outlets for their voice to be heard (MacLeod and Clarke, 2009).

Bacon and Storey (1993) suggest that collectivism and individualism perspectives are not solely influential to employee relations, but that human resources and work organisation are also mediators. As a result of the changes in the nature of work since the 1980's, Bacon and Storey argue that there has been a shift towards organisations

adopting an individualism management perspective, which has created positive engagement.

Whilst organisations should acknowledge that there is a collective element to the employee relations such as through sharing a vision (CIPD, 2008), the nature of employee engagement requires an individual to invest their *self* in the organisation (Kahn, 1990). This thereby demands an individualist management approach. The literature concerning employee engagement primarily identifies with the individualistic conception as it recognises that employees have an individual voice. To harness employee engagement, managers should build individual relationships with their employees (MacLeod and Clarke, 2009), work with them to understand their training needs (Robinson et al., 2004), and ensure that they have the necessary skills and equipment to complete their role (Harter et al., 2002). If this is achieved, it is understood that through engagement, employees' will aspire to further achieve (Spreitzer et al., 1997). Employee engagement potentially undermines the collective conception of employee relations as it invites employee involvement through any means and not just through recognised democratic structures that represent employees collectively. Furthermore, employee engagement, to an extent is central to high performance (CIPD, 2009b). Therefore, this can only be managed by individual performance management (Sisson and Purcell, 2010) and acknowledging individual needs which if met, can harness engagement (Woodruffe, 2009; Kahn, 1990). This furthermore suggests that employee engagement is reflective of the individualistic conception of employee relations.

2.7 Links between Employee Engagement and Employee Ownership

The current literature presents employee engagement and employee ownership as two distinct separate concepts. Employee engagement is frequently discussed and researched in the context of 'traditional' organisations but there are only claims as to how employee engagement functions in EOCs. Furthermore, the issue with the employee engagement literature is that "much of what has been written about employee engagement comes from the practitioner literature and consulting firms. There is a surprising dearth of research on employee engagement in the academic literature" as argued by Saks (2006:600). The problem that this creates is that

employee engagement has the characteristics of becoming a glossy feature in a business portfolio or strategic plan.

From initial discussions with EOCs, it is believed that something happens in such type of organisation that is less evident in non-EOCs. The current practitioner literature features a very limited number of EOCs participating in nationwide engagement surveys such as the *Sunday Times Best Companies*, and three EOCs case studies are presented in MacLeod and Clarke (2009) study. However, these examples fail to specifically explore engagement in relation to how the dynamic of employee ownership can mediate this. Furthermore, a report presented by the executive director of the EOA in 2006, explores the experiences of employee-owners in EOCs but does not make connections to employee engagement (Burns, 2006). The report discussion formed around some of the antecedents and consequences of engagement, but there is no direct identification to these as being a result of employee engagement.

What employee engagement exactly is in EOCs and whether or not employee ownership is a mediating factor to engagement is unclear at present. Furthermore, how engagement can be secured in EOCs, and potentially transferred into practice in other organisations, needs to be understood and evaluated to provide clarity to the employee ownership debate. Without rigorous, unbiased investigation, and evaluation through academic research, the true potential of employee engagement in EOCs remains unknown.

As presented in this literature review, employee engagement is understood to essentially involve the “hands, head, and heart” (Ashforth and Humphrey, 1995:110). It has been established that it concerns forming and enhancing a positive, constructive, working relationship. Employee ownership takes a unitarist perspective as it suggests that organisations and their workforce are united in their vision, and encourages employees to involve themselves with the organisation. An alternative perspective of employee ownership would suggest that it identifies with the collectivism conception of employee relations as some EOCs have clear democratic structures for representation through the use of employee benefits trusts and employee boards. However, employee engagement warrants organisations to acknowledge individualism. Bradley and Gelb (1983) suggest that nothing good is likely to come out of an organisation that has sought employee ownership as a solution to its problems.

Nonetheless, the engagement literature would argue that through meaning in work and a shared vision supported by engaging line managers, employee engagement could support organisational success (MacLeod and Clarke, 2009; Alfes et al., 2010; Harter et al., 2004; Cook, 2008).

2.8 Closing Discussion

The literature presented has provided a range of definitions for employee engagement giving further weight to the understanding of what employee engagement is ultimately envisaged to be. Employee engagement is characterised by emotion, cognitive processes (Kahn, 1990; Saks, 2006), and an actual display whether it be physical (Kahn, 1990) or behavioural (Saks, 2006). Additionally, employee engagement comprises many traits and facets, some of which can be very apparent, others which are not. An employee could well have different levels of engagement for their job and their organisation following the theory of Saks (2006). However, as suggested by Robinson *et al.* (2004) in order for employee engagement to be maximised, that the employee and the employer should work in conjunction with one another.

An understanding of social exchange theory illustrates the give and take relationship of employee engagement. An employee is employed to complete a job role; they receive monetary benefits from the organisation for the completion of this duty. However, often an employer can provide more than this such as training, enhanced holidays, and job security for example, therefore potentially expecting more in return from the employee. This more could be identified as a higher level of engagement. To warrant this, it is understood that organisations need to provide good management, transparent communication (including policies), mutual respect, and development opportunities, to make clear advances in facilitating employee engagement (Attridge, 2009; Cook, 2008; Harter et al., 2002; Robinson et al., 2004). Organisations need to concern themselves with employees as being individuals and utilise an individualist managerial perspective.

Regardless of the provisions and opportunities, organisations can put in place to help facilitate employee engagement; employees can only be provided with the opportunity to engage. Engaging cannot be forced but it can be encouraged. An employee will engage when they perceive that the benefits outweigh the costs

(Czarnowsky, 2008; Kahn, 1992). Employee engagement relies on one's ability to perform as well as manage their job role (Schaufeli et al., 2008). Additionally, they need to be psychologically available to participate in an engagement relationship, identifying that it is meaningful and secure to do so (Kahn, 1990). Engagement is a feeling, an attitude, which is individual to each person (Colbert et al., 2004; Cook, 2008; Truss et al., 2006). Perception and how one understands the environment that they are in, results in some employees engaging at different levels compared to others (Macey and Schneider, 2008). Therefore, measurement is vital if organisations wish to maintain and maximise employee engagement levels.

The use of survey questionnaires has been explored to determine how employee engagement levels can be assessed and tracked. It is crucial more so to analyse responses on a continuing basis to determine how changes impact employees' relationships with the organisation (Macleod and Clarke, 2009). It is also important to compare engagement to key performance indicators (KPI's) to establish if the investment made in conducting engagement is worthwhile. Harter *et al.* (2004) has provided evidence as to how beneficial employee engagement is to organisations in terms of notably increasing production and profitability. The literature suggests that by securing employee engagement, it is anticipated that burnout can be avoided (Maslach et al., 2001).

An interpretation of the evidence would suggest that employee engagement occurs when an employee and an organisation form an active relationship built on communication, respect and ambition (Robinson et al., 2004). An engaged employee will be enthusiastic regarding their job and their organisation. It is a positive mental attitude held by him or her presented by numerous behaviours that work to aid the success of themselves and their organisation (Schaufeli et al., 2002).

It has been learnt through this chapter as to what employee engagement could possibly be, as well as learning what it is believed not to be. It has been discussed how engagement can potentially be assessed in an organisational context. Despite the lack of clarity in the employee engagement literature as to what it ultimately is, Gallup (2008) is now looking ahead to a new type of employee engagement. What they have described as *HumanSigma*, suggests that employee engagement can be further advanced by customer engagement. The study that they have compiled shows how

this can have a positive effect on engagement. Potentially, customer engagement could be understood as a progression from Saks's (2006) proposal that engagement comprises of job and organisational engagement. The additional link to customers also proves viable not just through advantages by connecting closer to customer desires, but also by providing a meaningful relationship between customer-employee so that the employee is further engaged in the role they are fulfilling.

Reflecting on what has been discussed; further channels for research have been identified. Clear links have been made between employee engagement with commitment, participation, organisational citizenship behaviour, the psychological contract, profitability, shareholder returns, burnout, emotional labour, motivation, and job satisfaction. Future research will no doubt unveil more areas to explore. In this chapter, the role of employee engagement in organisations has been discussed in relation to the various factors that contribute to it and what potential engagement has to offer for organisations as well as individuals. The next chapter will explore EOCs, which will provide a context for this research study. As summarised by Harter *at al.* (2004) "by definition, engagement includes the "involvement and enthusiasm" of employees and the "emotional attachment" of customers. Employees can become "involved and enthusiastic" in their workplaces when they have their basic needs met, have an opportunity to contribute, a sense of belonging, and chances to learn and grow". EOCs are understood to typically provide a culture of involvement and participation due to the nature of their ownership. With this in mind, work practices will be explored to provide some connection between the separate literatures.

CHAPTER 3: EMPLOYEE OWNERSHIP

3.1 Introduction

At a basic level, being an employee-owner is understood in the literature to represent an employee who has shares, directly or indirectly, in the organisation. Simple definitions suggest that employees own the majority share of the organisation (Postlethwaite et al., 2005). To have ownership of something, it commonly dictates that one has a financial investment, authority to control, and a right to sale. However, ownership itself in EOCs is not that straightforward. As illustrated by Rosen *et al.* (1986:14), employee ownership is described as “a plan in which most of a company’s employees own at least some stock in the company, even if they cannot vote it, and even if they cannot sell it until they leave or retire”. As will be explored in this chapter, there is not a unified model of how ownership should operate aside from a degree of financial ownership. There are a variety of approaches that EOCs can use which could be described as having the potential to facilitate employee engagement.

This chapter will explore the meaning of employee ownership and elaborate upon the three forms; worker co-operatives, minority share ownership, and employee ownership/co-ownership. The literature review will explore the rise of employee ownership, discussing the changing nature of organisations and employees expectations of work, before evaluating why organisations choose to pursue employee ownership. The chapter will discuss how ownership influences management, the perceived power of ownership, and employee satisfaction. Culture, employee participation, and involvement, will be explored to present further theory and research as to how EOCs are able to utilise these to their advantage. The chapter will draw to a close by linking employee ownership to employee engagement, and presenting a summary of the material presented.

3.2 The Nature of Employee Ownership

There are some inconsistencies in the literature as to what is be described as employee ownership. The Baxendale Partnership, an organisation which helps organisations to pursue employee ownership, is clear that there is just not one model of EOCs. It is understood that different elements characterise EOCs and this is not solely limited to

having employee shareholders. They acknowledge that in many organisations, employee share options exist, but this is not always necessarily what is meant by employee ownership. Baxendale Ownership (2013) describe on their website that;

“for an organisation to be considered employee owned in a meaningful way by the UK’s Employee Ownership Association, it must cross a threshold which is based on an informed calculation that measures the percentage of employees benefiting from ownership and the percentage of the business owned by those employees”.

Oliver (1990) describes four key types of EOCs as; one where all or the majority of the shares are owned by employees, wholly share owned by employees, worker cooperatives, and ESOPs (Employee Stock Ownership Plans). Pendleton (2009) alternatively proposes that there are just three types of worker ownership. These are described as worker co-operatives, minority share plans, and employee ownership/co-ownership. Different to Oliver (1990), Pendleton (2009) groups together employee ownership to include wholly-owned employee organisations and majority share ownership. Pendleton further claims the difference between the models of ownership resides in the percentage of the organisation being employee-owned, the rationale for ownership, the governance frameworks that operate within the organisation, and how ownership is distributed between employees.

Extending the discussion to explore worker co-operatives further, the equity stake of ownership held by employees is 100% in this type of EOC. A worker co-operative as defined by Co-Operatives UK website (2013) is “a business owned and democratically controlled by the people who work in it”. Co-operatives form part of a wider consortium. Although they do not have a specific form of legality, there is a Worker Co-Operative Code of Governance detailing basic principles that co-operatives adhere to. The International Organisation of Industrial, Artisanal and Service Producers’ Cooperatives (CICOPA, 2005) states that such organisations are characterised by creating and maintaining sustainable employment. Additionally, revenues dignify work in terms of the quality of life that it offers to its members and the wider community. Furthermore, the CICOPA define that members join the co-operative voluntarily with no financial outlay, and that they should operate in a wholly democratic manner. The work of the co-operative is proposed to be undertaken by its members, where possible.

When an employee joins a worker co-operative, they are free to become a member. In return, they have an individual voting right. All members have an equal stake of ownership (Pendleton, 2009). When an employee leaves the organisation, they lose their voting right. Debates concerning worker co-operatives suggest that the organisations' can be somewhat less productive as a result of the time taken to make decisions (Carnforth, 1989). Additionally, the triangulation between ownership, management, and control, is perceived to be incoherent due to the voting system, and the somewhat irrelevant hierarchy that is controlled by an employee-elected board (Pendleton et al., 2001). A different employee ownership model to worker co-operatives is an organisation that operates an ESOP. In ESOPs, the shareholders are required to purchase shares to gain voting rights. Employees are able to purchase varying amounts of shares, which create voting inequalities as the more shares you purchase, the more votes you can cast. The ESOP model is distinctly different to the ethos of worker co-operatives as the right of control can only be brought in this type of organisation.

Exploring ESOP companies further, they are slightly more complex in their structure compared to co-operatives due to the restrictive legislation surrounding share plans. In ESOP companies, an employee trust (ESOT) buys (either in cash or as stock in return) a proportion of the organisation. The organisation then contributes to the trust a comparative sum of its profits, which are distributed to individual employee accounts according to their salary. This sum is held by the trust on the employees' behalf until they either retire, at which point the full amount will be received, or until they resign at which point a proportion of the sum accumulated will be paid (Oliver, 1990). As suggested by the Commission of the European Communities (1996, *in* Pendleton, 2001), ESOPs typically incorporate profit sharing and employee share ownership. Profit sharing can be cash (either an actual payment or in the terms of shares), or deferred where the payment is received sometime after.

There are a number of different types of ESOPs in operation to encourage long-term commitment (deferred profit sharing) or to encourage productivity (cash profit sharing), thereby aligning organisational and employee interests. Pendleton *et al.* (2001) describe these different forms as being Approved Profit Sharing, Save as You Earn Share Option Scheme, Company Share Option Plan, Enterprise Management Incentive Plan, and All-Employee Share Plan. Each has a differing legal framework

relating to the volume of stock an employee can hold, when equity can be received, as well as different tax saving initiatives. Regardless of the different forms of minority ownership, the organisations are governed in a conventional manner. In the US, ESOPs work slightly differently. A legal firm organises and oversees the arrangement as opposed to a trust in the UK (Logue and Yates, 2001; Rosen, 1988) and they are predominately used as retirement packages, i.e. deferred profit sharing.

Employee ownership occurs when an organisation is either wholly owned or majority owned by its employees, whereas co-ownership has a wider scope which reflects where employees “have a large or significant, but minority, stake in the company” (Postlethwaite et al., 2005:3). The rationale for such type of organisation is that they are driven by values that replicate the significant role that the employees have in the success of the organisation. Employee ownership represents a fairer society for its employees as wealth is disputed equally to those that have contributed to organisation success (Lampel et al., 2012). Ownership can occur indirectly, directly, or a combination of these. Furthermore, depending on the ownership model, employees can have an equal or unequal number of shares (Pendleton, 2009). The governance of the organisations varies but often features an employee-led council to ensure that the organisation continues to deliver upon the values that it is built upon.

Indirect ownership occurs when shares are held collectively in a trust; often referred to as an employee benefits trust (EBT) (ACAS, 2013). This trust represents the views of employee-owners collectively by having an elected board of trustees and representatives. When employees hold shares indirectly, typically voting rights are distributed in terms of the number of shares held by individuals (Oliver, 1990). Shares do not necessarily have to be purchased as such, as they can also be given freely and furthermore, in some situations, not all shares have voting rights. The nature of indirect ownership can vary between organisations. For example, one may be 100% owned by an EBT on behalf of its employees, whereas another could have 25% of its employees’ shares held collectively in trust with the remaining shares held by individuals and additional stakeholders.

Direct ownership is a result of employees holding shares individually such as through a share plan (ACAS, 2013). Through direct ownership, there is greater flexibility for the employee-owner in terms of being able to maximise or minimise their shareholding.

Direct ownership also offers tax incentives for both the organisation and the employees, in addition to holding voting rights and being able to maintain the shares after employment has ceased (BIS, 2013). Employees have voting rights equal to that of other shareholders. This type of ownership enables employees to be flexible with their ownership stake and financial returns are received through share dividends.

Often there is a combination of direct and indirect ownership to allow individuals to purchase additional shares in the organisation (EOA, 2010). The advantage of having a combined method of ownership such as this is that by having shares held collectively for employee-owners, it potentially provides a stronger and louder employee voice, in addition allowing flexibility for those employees who wish to invest further in the company.

This research is primarily focused around employee ownership/co-ownership, where employees have a majority share in the organisation and where the rationale for the ownership is built upon sharing the success of the firm with those who have contributed it. The reasoning behind this primary focus is that it allows this form of ownership to be explored in depth. This will enable comparisons to be made between similar ownership models by exploring case study examples.

3.3 The Rise of Employee-Owned Companies

Once forming a small part of the UK economy, the employee ownership sector now accounts for more than 2% of the UK's GDP with a combined annual turnover in excess of £25 billion (EOA, 2010). The sector is very diverse and represents almost all types of businesses including but not inclusive to; design consultants, hospitals, nurseries, retail, manufacturing, seafood farming, and insurance services. The organisations range from having less than a dozen employees to over 65,000 employees around the world. The scope and possibilities for employee ownership are wide and far reaching.

Employee ownership has become a hot topic on the Government's agenda. A recent Royal Mail enquiry into the potential of employee ownership led to the announcement that at least 10% of the company will become employee-owned (EOA, 2011). Cynics may suggest that Governments' interest in employee ownership may be somewhat of a way to increase cash flow by introducing options for additional share purchase.

However, former Prime Minister Gordon Brown stated in his speech to the Institute of Fiscal Studies (Brown, 1999) with confidence that “there is clear evidence that giving people a genuine stake in their company’s future delivers real improvements in performance and productivity”. This clear evidence is demonstrated in Rosen and Quarrey’s (1987) study, which compared 45 EOC with 238 non-EOCs in similar industries, found that EOC had enhanced sales as well as growth in employment. Awarding employees with shares of up to £2,000 for their commitment to the organisation, the aim of Royal Mail’s move is to help improve the service by creating an environment of involvement and engagement (Silvera, 2013). The discussion on employee ownership is growing. With the spotlight on, ownership is gaining a wide variety of interest and respect for its viability as a business model.

The success of EOCs is commonly triumphed by one company in particular. When discussing employee ownership, peoples’ response tends to be – “like John Lewis you mean?”. Pre-recession, the John Lewis Partnership issued their employees owners with a record breaking partnership bonus equating to 20% of their annual salary (John Lewis Partnership, 2011). Even during the prime of the recession when the likes of Woolworths closed its doors a century after opening them, John Lewis was still making an admirable profit. Amidst the recovery of the recession in 2011, John Lewis Partnership could still reward their partners with an 18% bonus (ibid).

Reaching deeper into the nature of these types of organisations and examining how they achieve success, something is strikingly different. A strong desire for egalitarian values runs through the core of the vast majority of these organisations. For instance leading fair trade chocolatier, Divine, is 45% owned by its farmers who harvest cocoa beans for its products to ensure that farmers get a fair deal for their produce (Divine Chocolate, 2001). Employee ownership concerns working together for the benefit of all involved. As described by Postlethwaite *et al.* (2005:5):

“employee owned companies are now arguably setting the pace on at least one of the most prized yardsticks for competitiveness: the ability to harness the true commitment and creativity of their employees. Employee ownership, not surprisingly, is good for employee engagement”.

Research reflecting on the advantages of employee ownership suggests a reoccurring theme that ownership enables EOCs to harness heightened employee commitment (Burns, 2006). Burns' (2006) study, which reflects on opinions of 96 EOCs, also notes that over 80% of respondents agree that they thought that they had better employee relations as a result of ownership, they felt that they worked more socially responsible, and that ownership encourages employees to take on more responsibility. Approximately a third of EOCs also report that they perceive their employees to be more creative and that "innovation happens more effectively" (ibid:4), in addition to over half of respondents reporting that they felt quality, products, and service are improved as a result of ownership. Interestingly, less than half of the EOCs who participated in the study felt that employee ownership was accountable for increased profits. Commonly cited disadvantages of employee ownership include; slow decision making and implementation, avoidance of making unpopular decisions, issues with raising capital, and "freeing managers to manage" (ibid:5). There are some clear advantages to employee ownership, which demonstrate in accordance with Postlethwaite *et al.* (2005), that ownership can enhance employee commitment and creativity.

The previous chapter discussed in detail what employee engagement is and suggested what aspects may be particularly prevalent for EOCs. From the description provided by Postlethwaite *et al.*, it can be seen what potential relationship employee engagement has to employee ownership. In bringing together these two concepts, both need to be fully understood.

3.3.1 Changing Organisations

The ideology associated with organisations being employee-owned typically follows an egalitarian perspective founded on the belief that people should be equal. Progressively in the mid-20th Century, some entrepreneurs begun to believe in this ideology so they introduced ownership into their company providing employees with a degree of control and equity in the organisation. The success of the John Lewis Partnership that was set up in the 1950 has paved the way for the possibilities of such. The organisation embraced egalitarian qualities; John Spendan Lewis, as quoted in Cohen (2006:59), asserted that "the supreme purpose of the John Lewis Partnership is simply the happiness of its members". During the hippy movement in the 1960's this

philosophy of “non-authoritarian ways of working...to produce for need and not for profit” stimulated business-owners and increased the number of EOCs, in particular worker co-operatives (Carnforth, 1989:41). Alternatively, the rise in capitalism is a different perspective to take as to why EOCs emerged. Carnforth (1989) suggests that worker co-operatives in particular rose to combat the undesirable affects that capitalism has on an organisation, socially and economically. For instance, recession periods lead to scarce bank lending so alternative methods of finance need to be found. Government has attempted to encourage the growth of EOCs through providing tax benefits for both the organisation and the shareholder with varying success to establish employee ownership as a rewarding, and viable business model (Mason, 2010). It is acknowledged that the introduction of more tax efficient schemes could further promote employee ownership (HM Treasury, 2013).

These two different perspectives somewhat reflect the opposing theories suggested regarding organisational change. Pendleton *et al.* (2001) comment on Poole’s (1989) *evolutionary perspective* that suggests technological and societal developments have urged organisations to evolve. In comparison to this, Pendleton *et al.* discuss Ramsay’s (1977) *cyclical* approach to organisational change which suggests that changes in the economy influence organisational change. A third theory is introduced, Poole’s *favourable conjecture thesis*, which simply suggests that organisational change can occur at any time for a variety of reasons. Furthermore, as Carnforth (1989) explores, economic and social factors dramatically affect the setup of EOC. The organisation is greatly dependent upon the right conditions for it to become successful, and these conditions may well be different for different EOCs due to industry and their reliance on share sales. For instance when an EOC is dependent on employees buying shares for its cash flow, in the time of a recession the organisation is not just going to be hit by trade but may also experience a loss in cash flow as employees may struggle to buy shares and favour to sell them. Despite external factors, Mason (1992, *in* Pendleton *et al.*, 2001) discussed internal, organisational specific, reasons as to why some companies become employee-owned. Such reasons include employee buyout to avoid a private sale and philanthropic donations as exit strategies for shareholders. This evidence supports Poole’s *favourable conjecture thesis* and as a number of EOC case studies suggest that becoming employee-owned proved to be the best option at the time in the interest of the organisation.

The growth of EOCs as explored has and can, occur for a variety of reasons. The benefits of becoming employee-owned are interpreted in terms of increasing participation, thereby potentially benefiting performance. A variety of literature suggests, as will be explored next, that participation holds the key to employee ownership success.

Smith and Thompson (1998) explored developments in regards to the labour process debate involving discussion on how divisions of labour, management of culture, and control structures in organisation had changed. They claim that work has become increasingly intensified, and it is often the case that capitalist notions of thought suggest that management initiatives are only concerned with financial returns. Ramsay (1977) suggested that worker participation was not a result of capitalism, but that participation occurs cyclically due economic pressures which encourage management to seek employee participation. Defining participation as “a means of attempting to secure labour’s compliance” (p.481), Ramsay argues that participation schemes have only arisen on occasion due to the authority of management coming under threat. Cooper (1999) on the other hand, argues that work has been intrinsically insecure with a decreasing level of loyalty to the organisation. Employee ownership is not understood to identify with radical perspectives of management because of the participatory mechanism that it induced.

Ownership has unitarist aims as it aspires for the workforce to share goals and aspiration. Equally, employee ownership acknowledges a pluralist framework as it invites participation through recognised communication channels in what is *their* organisation (Davies, 2009). However, it should be noted that the reason an organisation pursues ownership will reflect the management perspective followed. As a result of the motives for ownership, it is understood that the ownership model will be shaped to influence the required employee attitudes (Klein and Hall, 1988). Arguably, despite ownership, management can continue to retain power over employees-owners through organisational decision-making (Hammer and Stern, 1980). Taking this further, perceptions of management’s commitment to employee ownership, legitimacy of ownership, and expectations delivered through management will affect employee attitudes and behaviours (Pierce et al., 1991, Klein, 1987). Employee perceptions of ownership and their perceived role as an employee-owner contribute to what is suggested to be “psychological ownership” (Pierce et al., 1991;

Pendleton et al, 1998). It is understood that psychological ownership can influence employee behaviours performance (Pierce and Rodgers, 2004).

3.4 Choosing Employee Ownership

Taking a micro, internalised perspective, the most frequent benefit associated from becoming employee-owned is the belief that it will lead to greater productivity and profitability. It is claimed that this increased namely from heightened motivation (Conte and Svejnar, 1990; Levine and Tyson, 1990; Cohen, 2006). The idea is that if employees become owners, it is understood that they will be more determined to make the organisation profitable. Through this determination, it is claimed that they will be more committed, driven to produce, and become more economical (Kruse and Blasi, 1995). However, as Oliver (1990) questions, is it the fact that they are committed that drove them to be shareholders in the first instance. An alternative view is suggested by Conte and Svejnar (1990) who claim that high performers will be drawn to ownership schemes that offer performance-related reward. These comments open a need for a separate debate as to why employees become owners.

Employees may find themselves as being employee-owners for several reasons. Logue and Yates (2001) carried out a survey on ESOPs finding the most common reasons cited for an organisation to become an ESOP. The key reason was found to be to enable an exit strategy for the former owner(s). By turning to employee ownership instead of seeking a new private owner, there is less financial risk as well as ensuring that the business that was built cannot be easily changed. Secondly, they concluded that organisations also used ESOPs to help the business grow. By turning to employee ownership, organisations can also benefit from several advantages from inviting their employees to become owners. Notably, the cultural change that ownership brings asks employees to be more conscientious workers as they are also owners of the business. Employee-owners are influenced by social-psychological and behavioural effects creating a culture for organisational citizenship as well as working efficiently and effectively (Long, 1978a). An increased level of knowledge sharing enhanced by having a shared purpose as well as interest in the organisation is a particular advantage for EOCs. Levine and Tyson (1990) propose that if an employee has a stake in the organisation, they will be more willing to share ideas that could lead to increased efficiency and effectiveness, which in turn would increase profitability. Again, this

relies on commitment from the employee-owners, motivation, and participation, in order to help make the organisation a greater success.

Some research is contradictory to the advantages outlined and suggests that employee ownership does not solely hold the key to success. Kruse (1984) explored how becoming employee-owned did not always necessarily lead to advantageous consequences. In his study of ESOPs, he found that neither employee motivation nor job satisfaction, were increased because of the existence of employee ownership. Reflecting on this finding, it is suggested that employees may have expected more from being “owners” than the actual experience delivered (Oliver, 1990). This is where the different rationales and governance of employee ownership comes into force because in a co-ownership environment, this expectation of having more responsibility and involvement as an employee-owner comes into play.

Furthermore, a drawback to be aware of in employee ownership is the existence of “free riders” (Conte and Svejnar, 1990). In EOCs where profit is shared equally irrelevant of salary or grade, it is suggested that some individuals choose to perform at a lower effort level than they are capable of because they will receive the same reward as those exert a higher level of effort (Kruse et al., 2003).

In different EOCs, “ownership” will have different meanings. According to Ben-Ner and Jones (1995), if someone is an “owner” they should have a degree of control and receive the associated benefits of having a stake in the organisation, namely profits. However, different types of EOCs have different participatory practices as well as different employee ownership rights; therefore, the experience of “ownership” can be vastly different.

As argued, it is clear to see that commitment and satisfaction do not necessarily go hand-in-hand with employee ownership (Oliver, 1990). To reap the full potentials of employee ownership it needs to be encompassed in a framework of participatory practices (Conte and Svejnar, 1990; Logue and Yates, 2001; Levine and Tyson, 1990). Further, Conte and Svejnar (1990) indicate that caution needs to be taken when selecting participatory practices as they can have differing impacts on motivation. As they advocate, participation group such as employee-led steering/involvement groups

have a greater positive effect on performance compared to share voting or having an employee voted to sit on the board.

In summary, Blasi (2003, *in* Conte and Svejnar, 1990:177) comments, “many surveys and field studies of ESOPs show that employee ownership increases the employee’s identification with the company” regardless of how productive or satisfied they actually are. Organisations need to be aware of their owners’ needs and connect with them as close as possible to ensure that participatory practices as well as compensatory measures are successful for both the employee-owner, and the organisation as a whole to maximise the relationship (Levine and Tyson, 1990). If employee ownership is modelled appropriately for an organisation, research indicates that they can perform better than non-EOCs in a similar situation (GAO, 1987, *in* Levine and Tyson, 1990).

3.5 Ownership in Practice

The literature suggests that employee ownership offers a different experience of work through high participation and involvement in addition to psychological ownership becoming an ownership reality.

3.5.1 Psychological Ownership

Baer and Brown (2012) suggest that psychological ownership is “a state wherein people feel as though an object, or part of it, is theirs” (p.60). Similarly, Van Dyne and Pierce (2004) describe it as “the possessive feeling that some object is ‘MINE’ or ‘OURS’” (p.439). For psychological ownership to occur there does not have to be a legal right or entity of ownership as it is a feeling from within that makes one feel possession over something.

Research completed by Pierce *et al.* (2001) explores psychological ownership in the context of employee ownership and suggest that organisational as well as individual outcomes are influenced by it. They suggest that ownership creates a bond and integration between the employee and the organisation, which represented the occurrence of psychological ownership. Their study identified three conditions which lead to socio-psychological and behaviour effects, in turn creating psychological

ownership; “(1) the right to possession of some share of the owned object’s physical being and/or financial value, (2) the right to exercise influence (control) over the owned object, and (3) the right to information about the status of that which is owned” (p.125). With these conditions present, it is believed that employees enlist a mind-set and behaviour accordingly. The employees are said to have a level of knowledge about an organisational factor, they feel that they have an element of control, and a desire to invest their self in the organisation, leading to psychological ownership. Whilst Pierce et al. (2001) confirm that there does not have to be any legal entitlement to ownership for this to occur, they indicate that these rights could also be used to describe legal ownership.

The literature on psychological ownership indicated that when in existence, it can increase employees’ commitment and effort (O’Driscoll et al., 2006). It is also suggested that employees can become defensive if organisational targets become under attack which heightens commitment and possessiveness (Brown et al., 2005). Baer and Brown (2012) add to this aspect of psychological ownership that such responses could be engrained in the organisational culture and suggests that “psychological ownership may also cause people to feel a need to ‘protect’ their opinions, thoughts, or ideas and, as a consequence, to reject attempts by others to shape them” (p.60). Psychological ownership can be advantageous as well as disadvantageous for organisations, and legal ownership can stimulate an individual’s psychological perspective. Regardless of the type of ownership, when formal ownership reflects “meaningful equity, informational, and influence components” (Pierce et al., 1991:140), psychological ownership will be present which will integrate the employee-owner into the organisation and the experience of being an employee-owner.

3.5.2 Living Ownership

David Silverman in his Harvard Business Review blog, questioned whether or not “should all employees feel like owners” (2009). He concluded that it would be somewhat inappropriate for all employees to behave like owners because the organisation may struggle to progress as everyone would try to take responsibility for strategic decision-making. Organisations have leaders and management to make these decisions, where they bear in mind the best interests of their stakeholders but more

explicitly, the potential success or failure of the firm. However, employees do have a role in acting conscientiously and being responsible for the duties that they fulfil. Although it is unclear as to what happens when employees are also owners. The structure and processes of the organisation differ from traditional forms resulting in a different type of employee; one that may have a financial stake in the firm, someone who potentially has voting rights, and a person who is keen to participate. As already established by Postlewaithe *et al.* (2005), this is not always the case. The question is therefore raised; what does it mean and feel like to be an employee-owner?

The method of acquisition of employee shares influenced by the ownership model adopted is understood to have an effect on what is construed as an employee-owner in terms of their rights, responsibilities, and expectations (Pierce et al., 1991). However, ownership can also have a different meaning in each organisation; not only does the ownership structure attribute to this, but as does the perceived culture. The role of an employee-owner is greater than a non-owner because ownership generates a need for participation and involvement (Conte and Tannenbaum 1978). Scholars Ben-Ner and Jones (1995) suggest that owners should have a degree of control and an entitlement to related benefits of ownership such as profits. Although they argue that, it is unjust to invest in ownership and not reap the associated acknowledgements. Looking at this argument from a different perspective, if employees become owners through gifted shares, the question is asked as to whether they should expect further rewards, and moreover it questions what the organisation can expect in return for these 'gifts'. A study conducted in a New Zealand financial institute found that when employees purchased shares they had an increased level of commitment compared to non-employee owners (Keef, 1994). The opposite argument to this would therefore suggest that when employees are gifted shares, it is likely that the organisation would experience a reduced level of commitment from employees as they may not fully consider and appreciate the responsibilities of being an employee-owner (Kaarsemaker et al., 2009). However, the literature would suggest that this is not the case due to psychological ownership (Pierce et al., 2001; Van Dyne and Pierce, 2004).

3.5.3 Management Alignment

Employee ownership studies have concluded that in the presence of financial participation, there is a positive relationship to financial performance (McNabb and

Whitfield, 1998). However, the nature of employee ownership suggests that participatory and involvement practices are more likely to be introduced, or “at the very least it creates an expectation of achieving a genuine balance in the interests of the company and employees” (Michie et al., 2002:4). Evidence suggests that to work best, employee ownership requires further management initiatives to have an effect on individuals and the organisation (Cleverly and Goyder, 2001).

As described by Pendleton *et al.* (2001:5); “financial participation works best when it is integrated with other participative, information and consultation arrangements, for example, in supporting ‘high performance’ work organisations”. Support of this can be found in a Work Foundation report by Michie *et al.* (2002). Their study explored 10 UK EOCs through a mixture of focus groups and interviews, and concluded that managers as well as employees had the strong belief that employee ownership only makes organisations more productive when it is combined with participatory practices. Participation and involvement was understood to be integral to enhancing commitment and motivation, which in turn lead to enhanced performance and productivity.

Fuelling this further, the Inland Revenue (1999) recommend that when share schemes are used in conjunction with “modern management practices which promote active engagement” (p.2), it results in productivity gains. Again, in Cleverly and Goyder’s (2001) examination of 40 EOCs, performance proved to have a strong relationship with employee ownership when a high degree of employee participation was also present. Although these management methods may work in some organisations, it is not necessarily a one-for-all best-fit model. Furthermore, Goddard (2001:80) questions that “what may be viewed as “best” practice for employers may not be best practice for workers... If so, attempts to promote the high-performance model as a means of “enhancing” as well as “efficiency” may be misguided... For those genuinely concerned with quality of employment issues, advocacy of more broad-based institutional reforms may be called for”. As Michie *et al.* (2002) evidenced in their study, 82% of the organisations involved felt that their “attempts to involve employees appear genuine because of employee ownership” (p.18). In one case study, it was described that the large employee ownership stake gave a sense of ‘pro-employee’ therefore; they believed that management practices were underpinned on this belief. In essence, what Goddard (2001) is suggesting is that if organisations choose to move to employee

ownership, they need to be clear on their means for it and reflect it affectively into their management policies.

3.5.4 The Power of Ownership

Catherine Webb (1912), a writer in industrial cooperation over a century ago claimed that “by making [an employee] a shareholder in the business employing him... it stimulates his zeal and careful working” (p.138), providing an insight into the preconceptions of what employee-owners feel. Bearing in mind Conte and Tannenbaum’s (1978) conclusive research study, there is a belief that when employees are owners they feel more motivated therefore become more productive (Cohen, 2006; Conte and Svejnar, 1990; Levine and Tyson, 1990). In particular Levine and Tyson (1990) suggest that willingness to share ideas to improve the organisation is related to employee ownership. Employee-owners will reap rewards from a profitable company therefore it is understood that they will be more committed, productive and efficient (Kruse and Blasi, 1995). However, Rosen and Quarrey’s (1987) study of 45 EOCs highlighted that 27% of the organisations explored did not experience heightened organisational performance within a decade of adopting employee ownership. Other research supports this argument to indicate that there is not a significant link between employee ownership and increased financial performance (Bloom, 1986). Although, the substantial literature in support of performance enhancements as a result of ownership emphasises the potential power that employee ownership has (Buchko, 1993).

A study based on ESOPs concluded that being an employee-owner did not necessarily induce feelings of motivation or job satisfaction (Kruse, 1984). Oliver (1990) explained that this miscorrelation could have resulted from anticipated greater expectations of the experience of being an employee-owner. This finding suggests that EOCs need to be clear in terms of what an employee-owners role is to ensure that expectations are aligned. Oliver’s study further proved that commitment and satisfaction does not always follow employee ownership.

Management perceptions of employee-owners indicate that they believe that being employee-owned is attributable to better work attitudes (Conte and Tannenbaum 1978). However, further research takes the perspective that ownership in its own

entity does not necessarily dictate positive work experiences. Instead, it is claimed that attributes of ownership such as management's commitment to ownership and how this is delivered through operational measures, are influential to employee satisfaction (Pierce et al., 1991). In essence, the culture, governance, responsibility, and reward that employee ownership encourages, enhances the ownership experience in turn generating cooperative behaviours reflecting on performance. Pierce *et al.* describe employee ownership as being something that is psychological. They propose that "psychological ownership will lead to the integration of the employee-owner into the organization and the ownership experience" (1991:140). Furthermore, through this process, behavioural and social-psychological antecedents, for example "motivational, attitudinal, and behavioural" (ibid:104) will emerge increasing the experience of ownership for both the employee-owner and the organisation as a whole.

In a study of 98 US and Canadian EOCs, evidence indicated that the percentage stake of ownership has the most significant relationship with profitability as opposed to employee attitudes, motivation and feeling (Conte and Tannenbaum, 1978). This finding is contradictory to research by Klein (1987) who based her research on 37 ESOPs. However, the different forms of ownership explored in these studies should be noted. Additionally, the level of ownership stake is also not directly associated to employee satisfaction (French and Rosenstein, 1984; Kruse and Blasi, 1995). Instead, it has been shown that ownership stake relates to organisation commitment (Hammer et al., 1982; Keef, 1994). Not surprisingly, if being an employee-owner is a financial rewarding, commitment is increased (Klein, 1987). Comparing non-EOCs to EOCs, commitment is greater in EOCs for the reasons described above (Rhodes and Steers, 1981; Russell et al., 1979).

3.5.5 Employee Satisfaction

Research into employee satisfaction in employee ownership presents a number of theoretical perspectives; extrinsic, intrinsic, and instrumental models of satisfaction. Tannenbaum (1983) reflected on employee satisfaction as being either a result directly or indirectly from employee ownership. He suggested that either satisfaction is taken from the nature of ownership itself, or from the practices that it induces. Klein's (1987) study explored the all three models of satisfaction and found no evidence to support the intrinsic model. However, it was found that a mediator of ownership satisfaction

was the amount of annual contribution the organisation made to the ESOP trust. Ultimately, Klein's evaluation of the models of satisfaction explored "the assumption that if employees are satisfied with the employee ownership plan, they will feel committed to the company and motivated to keep working there" (1987:320). Several studies have been undertaken to establish the plausibility of each model of satisfaction. However, the evidence provides support for the instrumental and extrinsic models of satisfaction (Klein, 1987; Buchko, 1992).

The extrinsic satisfaction model suggests that satisfaction and organisational commitment is increased when being an employee-owner is financially rewarding (Klein, 1987). Klein's (1987) study found strong evidence to support this model that financial returns are key to satisfaction and commitment. How much money the EOC contributes to the ESOP trust is correlated to satisfaction and commitment. Furthermore, it was identified that an individual's relative size of return (percentage in comparison to salary), mattered more to employee-owners than the actual size of their personal return. Buchko (1992) supports Klein's (1987) findings as he found evidence to suggest that if employee ownership is perceived to be financially rewarding, it can be expected that employee satisfaction, commitment, and involvement, will also be heightened.

The instrumental model of satisfaction suggests that satisfaction is related to how being an employee-owner can influence decision making which thereby positively influences an employee's commitment to the organisation (Klein, 1987). This model identifies that employee ownership has an indirect effect on employee-owner satisfaction (Tannenbaum, 1983). The findings of Klein's (1987) study highlight validity for this model of satisfaction by demonstrating that employee outcomes are mediated by management's philosophical commitment to employee ownership which is reflected through employee influence and subsequent satisfaction. However, management's commitment to ownership is arguably determined by an individual's perceptions. Reflecting on this perception and presenting further evidence to support the instrumental satisfaction model, Buchko's (1992) study found that "employees' commitment to the organization – both attitudinal and behavioural – and involvement and satisfaction with their current job within the organization were most influenced by the perception that ownership had increased their influence and control" (p.74). Klein (1987) also reported that communications regarding employee ownership

related to employee satisfaction with the ownership model and that these communications, if informative in their nature to increase understanding of the ownership model, also influence employee attitudes as well as reinforcing management's perceived commitment to employee ownership. Furthermore, Klein found that employee-owners perceived that voting had little influence on the organisation therefore was not related to employee outcomes, which contradicts the overall findings for the instrumental model of satisfaction. This therefore could suggest that a collective voice, as opposed to individual voting, may be related to employee satisfaction.

As argued by Tannenbaum, "ownership is attractive for most people ... Being and employee owner is ego enhancing" (1983:251). The intrinsic model of satisfaction suggests that employee ownership in its own entity increases satisfaction and commitment (Klein, 1987). Long (1978a, 1978b) also supports this model and he found from his research that employee ownership increased employees' identification with the organisation as ownership created a shared purpose amongst the workforce. However, Klein (1987) reported that the level of stock held by the ESOP trust does not mediate employee satisfaction or outcomes, suggesting that employees need more than just ownership to influence satisfaction. Her study concluded that there is no significant evidence to suggest that the simple fact of being an employee-owner increases satisfaction and commitment, therefore showing a lack of support for the intrinsic model. Buchko (1992) also supports the finding that "employee ownership is not intrinsically rewarding" (Klein, 1987:329).

In a subsequent study conducted by Klein with her colleague, it was identified that financial returns mediated satisfaction with the ownership model (Klein and Hall, 1988). Klein and Hall (1988) suggest that employee-owners are satisfied with the ownership model if it was established as a result of a commitment to the philosophy of employee ownership as opposed to being introduced to raise capital or for tax savings. Employee-owner expectations of ownership (such as contribution and communication) are also understood to mediate individuals' satisfaction with employee ownership. However, it was also noted that employee-owners might be dissatisfied with the ownership model if they are fearful of the responsibility that ownership may bring.

3.5.6 Culture

Bartkus (1996) presents a model exploring the relationship between ESOPs and organisational performance, in which she suggests that culture is one of four factors which influence organisational effectiveness and prompt organisational change. Bartkus's work shows that there is a need for culture to reflect openness and flexibility. Furthermore of interest, the other factors she identified were attributable to organisational success were the origins for the move to ownership, both employee and management perceptions of ownership, and the level of decision-making participation. Through these four factors, Bartkus claims that employee ownership can become more effective.

Exploring culture further, Postlethwaite *et al.* (2005) suggest that the success of employee ownership plans are determined by financial participation, participative mechanisms, and ownership culture. Culture is understood to encompass collective voice. Torrington *et al.* (2008) describe culture as "an attempt to grasp the realities of collective life in a department or organisation that cannot easily be seen and identified ... organisational culture refers to the beliefs, conventions and general patterns of behaviour that characterise a particular organisation" (p.860). Ownership culture is understood to be different from organisational culture as it also reflects how an employee feels that they have a personal stake in the organisation and its performance, as well as understanding how they can contribute to the bottom line (Oliver Wyman, n.d.). Furthermore, Postlethwaite *et al.* (2005) describe that "a culture of ownership cannot be fostered where there is cynicism about the motives for offering employee share ownership plans, or a lack of visible change to management practices after the transition" (p.15). They suggest that ownership culture is derived from employee ownership where employees are consulted and listened to which lead to a collective voice representative of ownership culture. Pierce *et al.* (1991) demonstrate that management's commitment to employee ownership is influential to organisational culture as this commitment reflects participative mechanisms. Collective voice, manifested through ownership culture, can be heard through participative mechanisms (Postlethwaite *et al.*, 2005).

Pierce *et al.* (1991) describe that "cultural norms often shape people's expectations about the way things are supposed to be" (p.127). Ownership culture is one that is

based on values as opposed to rules (Oliver Wyman, n.d.). In their discussion paper, Pierce *et al.* (1991) suggest that culture exists in EOCs through management's philosophical commitment. They present that "the degree to which employee ownership is both a central part of management's philosophy and its human resource strategy is integral to the organization's culture and identity" (p.129). Arguably, employee outcomes such as commitment and satisfaction are also mediated by management's philosophical commitment to employee ownership (Klein, 1987). Furthermore, Caramelli and Briole (2007) express from the research they have undertaken that ownership culture at local, national, and international levels vary because of localised managerial differences and employee expectations. These variances also contribute to differences in employee attitudes.

Another perspective on ownership culture is presented by Kruse *et al.* (2003). They suggest that; "understanding of how and when employee ownership works successfully requires a three-pronged analysis of: 1) the incentives that ownership gives; 2) the participative mechanisms available to workers to act on those incentives; and 3) the corporate culture which battles against tendencies to free ride" (p.1). Culture supports norms and expectations of ownership, resulting in motivation derived from peer pressure to conform to expected behaviours (Long, 1978 a). Unlike Bartkus (1996) and Long (1978a), Kruse *et al.* (2003) do not concern themselves with the motives for employee ownership but suggests that culture helps to combat potential free riders in addition to creating a culture for participation. Long's (1978a) argument is that peer pressure demonstrated through ownership culture works to combat individuals who do not share employee ownership vision and values.

A culture of ownership is perceived to be influential to innovation (Stack and Burlingham, 2002). However, Stack and Burlingham (2002) acknowledge that to create and sustain ownership culture, management must commit and deliver on promises made. They suggest that employee-owners go beyond their job role as a result of their sense of responsibility to the organisation. Furthermore, it is presented that as a result of ownership and the associated culture in action, employee-owners are creative and innovative leaders, which enables them to contribute and be accountable to organisational success.

Rosen *et al.* (2005) suggest that ownership culture is mediated by four factors. These factors are understood to be; that there is a significant percentage of ownership, that ownership can increase employees' financial returns, that management's commitment to ownership is delivered through policies and practices, and that employees feel they are owners. If these factors are presented, Rosen *et al.* (2005) propose that a culture of ownership is present. As a result of this, it is understood that "the result is a workforce that is loyal, cooperative and willing to go above and beyond to help make the organization successful" (p.124). Establishing an ownership culture is good for employee ownership.

Exploring how ownership culture can be enhanced, Silcox (2012) suggests that this can be achieved through communications that reinforce the vision and values of the organisation. Management, in particular line managers, can have an influential role in shaping a culture of ownership by communicating and relaying the ethos of ownership in their management practices. At an organisational level, Silcox suggests that by promoting ownership, celebrating success, and making ownership physical (such as through share certificates and AGMs), ownership culture can be enhanced. Reflecting on organisational outcomes, Silcox suggests from her study of 25 EOCs that by emphasising to customers the advantages of working with an EOC (understood in this study to be enhanced quality and productivity), these are reinstated as normative of the culture therefore further influencing their existence. Therefore, the existence of ownership culture could arguably contribute to organisational performance because of the behaviours and attitudes it manifests.

Much of the employee ownership literature describes involvement and participation as central to delivering the values of ownership and demonstrating management's commitment to ownership.

3.5.7 Employee Participation and Involvement

Hyman and Mason (1995) describe employee involvement as typically following the unitarist perspective of management and employee participation as characteristically following the pluralist perspective. Employee involvement is seen to take four possible forms: "downward communication to individual employees; downward communication to groups of employees; upward communication for individual

employees; and upward communication for groups of employees” (Hyman and Mason, 1995 as cited in Rose, 2008:379). This is understood to be different from employee participation is understood to be actualised through formal, collective arrangements such representative boards and trade unions.

Employee participation through ownership, will inevitably change the balance of power in organisations (Steger and Hartz, 2008). However, the form of employee ownership will mediate the extent of this. Ownership can occur directly by individuals holding shares (Conte and Tannenbaum, 1978) or indirectly when employee-owners are represented (Cotton et al., 1988) such as by an employee trusts which holds shares on their behalf. These different types of employee ownership have potential to induce differing feelings and attitudes of ownership due to their related involvement, namely through participation practices such as voting rights (Russell, 1985; Toscano, 1983), which may contribute to a sense of employee-owner satisfaction (Klein and Hall, 1988). For instance, Conte and Tannenbaum (1978) showed in their study of EOCs that direct ownership had a greater positive correlation with profit than indirect ownership. Therefore, from an organisational perspective, this suggests that direct ownership is more favourable because it is more likely to create heightened motivation thus creating enhanced financial returns for the employee and the organisation as a whole. However, Pendleton *et al.* (1998) argue that employee-owners are more concerned with participating in decision-making as opposed to ownership itself generating a feeling of being an owner.

The employee ownership literature describes perceived influence and involvement as having a positive effect on satisfaction (Buchko, 1993; French and Rosenstein, 1984) therefore suggesting that the feeling of empowerment is important to employee owners. For instance, Derrick and Phipps (1969) and Vanek (1975) both describe how employee ownership can help overcome worker alienation and issues of effectiveness, because they are keen to promote ideas of efficiency in terms of having a knowledge community (Levine and Tyson, 1990). In contrast, non-employee-owners are described to have reduced levels of integration with their job and in their work environment due to a decreased perceived level of influence, involvement, and a lack of psychological ownership present (Long, 1978b).

Job satisfaction and psychological ownership can be influenced by organisational identity (Pierce et al., 1987), therefore making organisational identification arguably critical to experiences of employee ownership (Long, 1978b). Blasi (1988) insists from years of studies in the field that, although “ownership does create an identity of interest, but without actual close involvement between labor (sic) and management, a true community of interest does not develop” (p.220). In other words, organisational identification is a characteristic of ownership that can attribute to psychological ownership but to induce positive behavioural outcomes, it needs to be supported by action. Pierce *et al.* (1991) draw upon an employee ownership model to summarise the role of feeling in employee ownership. They explain how that if the conditions of formal ownership are right (i.e. the ownership conditions fulfil employee expectations), psychological ownership can be achieved. This “bonding” (p.131) utilises emotion and generates social-psychological and behavioural outcomes such as commitment and perceived influence. Therefore, by becoming involved in the experience of ownership, employee-owners consequently exhibit social-psychological and behavioural outcomes.

3.6 Links between Employee Ownership and Employee Engagement

What has been learnt about employee ownership is that it exists either directly or indirectly (ACAS, 2012; Oliver, 1990; EOA, 2010) and that it can provide employee-owners typically with financial returns, an enhanced sense of involvement, and occasionally a degree of control (Pierce et al., 2001). Different employee ownership models reflect variations of these characteristics. Despite common perceptions, being an employee-owner is understood not to necessarily dictate increased employee satisfaction or commitment (Klein, 1987), nor does it necessarily influence greater profits (Burns, 2006). The literature discussing the consequences of employee ownership often describes how such companies outperform their competitors (Rosen and Quarrey, 1987; Postlethwaite et al., 2005; Burns, 2006). However, the role of employee engagement in EOCs is not empirically tested in the academic literature. Instead, a collection of studies on employee ownership and employee satisfaction can be found. Practitioner literature occasionally mentions employee engagement in the context EOCs (such as in Silcox, 2012), but fails to identify the role of engagement in ownership and vice versa.

As previously highlighted, job satisfaction and employee engagement may have some slight overlap; i.e. employee satisfaction is an element of employee engagement; but they are different concepts featuring different antecedent, consequences, and scope for impact. This is an issue for EOCs because they pride themselves on their consideration for employees through employee participation and involvement (Buchko, 1993; Blasi, 1988; French and Rosenstein, 1984) due to management's commitment to being employee-owned (Klein, 1987; Pierce et al., 2001; Rosen et al., 2005). Therefore, the potential of employee engagement may not be truly acknowledged as an opportunity to optimise this relationship to benefit all those concerned. Rigorous research needs to be undertaken in this area to give strength to the employee ownership models that are increasingly becoming a popular feature of UK business, making explicit if the employee aspect of the ownership holds the key for a successful organisation.

The literature concerning culture in EOCs attempts to address what the engagement literature proposes as meaningful work, a supportive work environment, and a top down drive of a clear vision as described by Alfes *et al.* (2010). It is understood that in EOCs employees have a shared purpose and meaning in work (Levine and Tyson, 1990; Pierce et al., 1991; Long, 1987a; Bartkus, 1996), that there are clear defined channels for communication (Davies, 1990; Klein, 1987), and a managerial commitment to ownership which shapes organisational culture to present a vision (Pierce et al., 1991; Bartkus, 1996; Stack and Burlingham, 2002; Rosen et al., 2005).

What has been acknowledged is that employee engagement is largely undefined. There is much debated of its occurrence in practitioners' literature, although there has only been a handful academic studies each exploring different aspects (Saks, 2006). This has provided some explanation as to why employee engagement does not have a uniform definition. It can be summarised that employee engagement essentially involves the "hands, head, and heart" (Ashforth and Humphrey, 1995:110) and that it concerns forming and enhancing a positive, constructive, working relationship. Employee ownership, through its construct, attempts to provide this to employees. Ownership engages employees to be concerned their performance, how it contributes to the overall success of the organisation, and asks them to seek improvements to further organisational performance (Oliver Wyman, n.d.).

In regards to employee ownership, the practitioner literature suggests that the core of EOCs is different to that of other organisations as the employees, those that facilitate the everyday running of the organisation, have an element of control in regards to the organisation as well as possessing personal motives to ensure that the organisation succeeds. Meanwhile academics suggest that employee ownership only has the capacity to add value when combined with other participatory practices (Michie et al., 2002). Management policies play an important role and motives for employee ownership are significant (Godard, 2001). Direct and indirect models of employee ownership present different challenges and dictate different expectations of control, financial return, and involvement to employee-owners.

3.7 Closing Discussion

Employee ownership is understood to comprise a variety of models (worker co-operatives, ESOPs, and employee ownership/co-ownership) (Oliver, 1990; Pendleton et al., 2001). However, this study is most concerned with employee ownership/co-ownership where employees have a significant or majority stake in the organisation. Within this model of ownership, employee ownership can occur directly, indirectly, or could be a combination of these (ACAS, 2013; Oliver, 1990; BIS, 2013). Keef (1994) suggests that if employees are required to purchase shares, or wish to purchase extra shares, their commitment to the organisation is increased. Whereas if shares are gifted, it is acknowledged that employees may not fully appreciate the role of being an employee-owner (Kaarsemaker et al., 2009). Regardless of how employees acquired their stake in ownership, Conte and Tannenbaum (1978) suggest that as a result of direct share ownership, an EOC can expect to experience an increase in profit. Furthermore, it is understood that there is a stronger correlation between profitability and the percentage of the organisation which is employee-owned than which is found in regards to attitudes, motivation, and ownership feelings (Conte and Tannenbaum, 1978). However, this is not supported by Klein (1987).

The rise of employee ownership is understood to reflect the changing nature of organisations. Poole (1989) argues that organisations evolve because of societal and technological changes, or for a variety of other reasons that they deem appropriate. Employee ownership represents fairness of equity (Lampel et al., 2012), and it balances the interests between management and employees (Michie et al., 2002). Employee

ownership typically occurs due to existing owners requiring an exit strategy, or it is introduced to help the organisation grow (Logue and Yates, 2001). The reason for choosing employee ownership is influential to the management style that follows which mediates to an extent employee behaviours and attitudes (Klein and Hall, 1988; Pierce et al., 1991). Despite employee ownership reflecting rights of possession, control, and information (ibid), and sense of equality amongst the workforce (Michie et al., 2002), management in EOCs continue to have the majority of control regarding decision-making (Hammer and Stern, 1980).

The literature has presented perspectives and empirical studies reflecting upon the three models of satisfaction in EOCs. Evidence supports the extrinsic and instrumental models (Klein, 1987; Buchko, 1992). However, whereas Long (1978a) suggested that the intrinsic model was valid, Klein (1987) and Buchko (1992) did not find evidence in their studies to support this.

There is strong evidence to suggest that EOCs perform better as a result of employee ownership. Employee ownership is understood to increase profits (Klein and Hall, 1988; Burns, 2006; Conte and Svejnar, 1990; Kruse and Blasi, 1995), as well as increased performance and productivity due to enhanced motivation, which in turn heightens quality and service (Cohen, 2006; Conte and Svejnar, 1990; Levine and Tyson, 1990). Furthermore, as a result of employee ownership, employees are suggested to work more effectively and efficiently (Long 1978a). As a result of employee ownership, employees are driven to maximise organisation profit. This drive is claimed to influence attitudes and behaviours associated to commitment, productivity, and efficiency (Kruse and Blasi, 1995). This is understood to happen not just to maximise their own financial returns but also to ensure that their organisation succeeds (Rosen et al., 2005).

Employee ownership creates a need for workforce involvement and participation. Ben-Ner and Jones (1995) argue that this need is a result of employee-owners having a right to control. Pendleton *et al.*, (1998) argue that participation and involvement is more important to employees than feeling like an owner. It is claimed that feelings of employee ownership transpire through psychological ownership (Pierce et al., 1991). The presence of psychological ownership is understood to enhance organisational performance (Pierce and Rodgers, 2004), in addition to enhancing employee effort

(O'Driscoll et al., 2006). Organisational performance is also mediated by participatory mechanisms in EOCs (Cleverly and Goyder, 2001).

Ownership culture attempts to mediate behaviours and attitudes in the workplace. Culture can influence employees to feel like owners (Rosen et al., 2005), as well as being a mechanism to represent collective voice (Postlethwaite et al., 2005), particularly through participation (Pierce et al., 1991). Ownership culture is shaped by management through how they involve the workforce, invite participation, and legitimise ownership (Silcox, 20012; Postlethwaite et al., 2005; Stack and Burlingham, 2002). Management's commitment to employee ownership mediates employee attitudes and behaviours (Pierce et al., 1991; Klein, 1998; Goddard, 2001).

Despite the positive volume of literature concerning employee ownership, ownership is not always advantageous for organisations. A number of studies support this perspective. Kruse (1984) and Oliver (1990) found that motivation and satisfaction are not increased as a result of employee ownership. Furthermore, Bloom (1986) suggests that employee ownership is not related to financial performance, whereas Rosen and Quarrey (1987) report from their study that only one in four EOCs explored reported an increased in performance. Negative experiences in EOCs are understood to result from the existence of free riders (Conte and Svejnar, 1990; Kruse et al., 2003), frustrations with lengthy decision making processes which are a result of employee ownership (Burns, 2006; Carnforth, 1989), and a reluctance from management to make unpopular decisions (Burns, 2006).

Essentially the literature presents that the feeling of ownership is a result of perceived influence and involvement in the organisation (French and Rosenstein 1984; Buchko 1993). However, this can only be achieved once the conditions of ownership are acceptable to individuals. Factors of ownership such as participation, responsibility, and share returns, can lead to enhanced employee satisfaction, although ownership in its own right does not directly influence this (Pierce et al., 1991). The type of employee ownership, such direct or indirect, will encourage these factors (Toscano, 1983). Employee-owner attitudes in particular such as commitment, can be increased with greater ownership stakes (Hammer et al., 1982; Keef, 1994), or if employee ownership is financially rewarding (Klein, 1987). Organisational identity and ownership culture is

important to psychological ownership and these needs to be supported by perceived influence (Long, 1978b; Blasi, 1988).

Both the employee ownership literature and the employee engagement literature identify similar factors as being influential to organisational success. Comparisons between the literatures are found in discussions regarding; management's role, style, and support; involvement, participation, employee voice, and communications; organisational purpose and meaningfulness of work; and culture, integrity, and a supportive work environment. Whilst person-fit is only described in the engagement literature, some references are made in the ownership literature by Oliver (1990). Oliver suggests that individuals who are attracted to EOCs typically identify with their values.

Having reviewed the literature there is a need to examine employee engagement in the context of EOCs. This is driven from the understanding that there are some comparison between the two literatures, which at present is not explicit. Engagement aspires for work to be meaningful, that work environments are supportive with a top-driven vision. Furthermore, engagement requires a person-fit, engaging line managers, and participation (Alfes et al., 2010). Employee ownership can offer involvement, meaning, and participation (Pierce et al., 2010) in addition to management driven philosophies, with shared vision arising from clear motives for employee ownership (Bartkus, 1996). Cleverly and Goyder (2001) insist that employee ownership needs management initiatives to work effectively. Furthermore, Pendleton *et al.* (2001) describe that financial participation is optimised when it involves other organisational practices such as involvement and participation. Reflecting upon these central understandings, there is a suggestion that employee engagement supports employee ownership and vice versa. With this in mind, the following research questions are proposed to address this gap in the current literature:

1. Is ownership alone sufficient to secure employee engagement or do organisations need to do something more?
2. Which company practices are most effective in securing high levels of employee engagement? What is good practice? Which measures are most practical?
3. Are there any obstacles to securing employee engagement, and how might they be overcome?

4. How does employee engagement support and sustain ownership?

There is an empirical need to understand how employee ownership functions in the eyes of the employee-owner. By bringing the two literatures together, it is hoped that engagement good practice will emerge as well as identifying further issues beyond those in the engagement literature that specifically represent obstacles to engagement in the context of EOCs. Furthermore, it is hope to provide substantial research to the practitioner claims that EOCs have higher levels of employee engagement than compared to their non-EOC competitive. This thesis will seek to understand what drives employee-owners to work in this capacity.

CHAPTER 4: METHODOLOGY

4.1 Introduction

This research aims to examine how employee engagement manifests itself in employee owned organisations. The literature review presented in Chapters 2 and 3 shows that employee engagement and employee ownership are two distinctly separate bodies of academic literature. Both topics have received great attention in recent years and gained Government interest. The prospect that employee ownership can drive and potentially secure a higher level of engagement has been introduced by practitioners, although no research can be found to establish this.

This study evaluates the factors that contribute to successful employee engagement in the context of EOCs. Taking an interpretivist perspective, employee-owners' experiences and perceptions will be examined through the epistemology of social constructivism. A narrative analysis will address the key research questions as presented in the subsequent sections of this chapter.

This chapter will be shaped around the evolution of the research methodology. Drawing from the existing literature, the key research questions, overall research objectives and direction will be presented to bridge the gap in the literature. Key research questions will be proposed which align from the research objectives and addresses gaps in present knowledge. A research strategy will be discussed illustrating a methodological philosophy that will be pursued. A line of enquiry will be presented alongside a discussion of the research instruments that will be used. Practicalities of undertaking research will be addressed by exploring ethics, organising data collection, conducting data collection, recording and transcription, the use of computer software, the possible occurrence of researcher bias, and research pilots. The research organisations will be briefly introduced before examining how data will be analysed. The chapter will end by commenting upon methodological limitations and finally presenting a summary of the research methodology.

4.2 Research Questions & Objectives

From exploring the literature on employee ownership and employee engagement, research gaps have been identified which require exploration to provide clarity for professionals and academics alike. The reoccurring issue is that the current literature does not provide substantial or credible evidence as to the role that employee engagement fulfils in EOCs. To address this gap in knowledge, it is proposed to investigate the occurrence of employee engagement in the context of EOCs.

The key questions, which have emerged from the literature, have been identified as follows;

1. Is ownership alone sufficient to secure engagement employee or do organisations need to do something more?
2. Which company practices are most effective in securing high levels of employee engagement? What is good practice? Which measures are most practical?
3. Are there any obstacles to securing employee engagement, and how might they be overcome?
4. How does employee engagement support and sustain ownership?

These questions have been developed and adapted from the proposed research questions as identified by Professor Pendleton's consultations with the Employee Ownership Association during the application for this studentship. Having completed two comprehensive literature reviews, there is a clear knowledge gap that can be addressed from seeking answers to these questions. These key research questions will address the gaps in the literature and by generating substantive data, strong evidence will provide an enhanced understand of employee engagement and how it is applicable to EOCs.

Addressing Question One, the researcher aims to understand if ownership in its own right was sufficiently influential to harness employee engagement, or if indeed employee ownership needs to be married with other strategies to secure employee engagement. As declared in the employee ownership literature, without the mention of employee engagement, EOCs are described as competitive organisations (Postlethwaite et al., 2005) with driven and committed employees (Kruse and Blasi, 1995). Question Two primarily aims to provide an understanding as to what engages employee-owners. It provided exploration into the practices that the organisations use

to secure engagement and what was understood to be not only most effective in terms of securing engagement, but also what was understood to be good practice. The literature provided a variety of antecedents to engagement, therefore this question sought clarification as to what can secure high levels of employee engagement in EOCs. Research Question Three is designed to question how employees sometimes became disengaged or felt that they were not fully engaging due to obstacles. Furthermore, by identifying these potential issues and encouraging participants to reflect on potential solutions to resolve these issues, it creates a positive situation as opposed to a continuing negative undertone. Aside from the literature on burnout (Schaufeli et al., 2002; Leiter and Maslach, 1998), the position between disengagement and high engagement is not widely discussed in the literature. By uncovering obstacles, an attempt can be made to identify how these can be overcome. Finally, Question Four attempts to establish if there is a relationship, if at all, between employee engagement and employee ownership. The question addresses the topical debate which revolves around EOCs performing successfully because of the integral role its employees have (Brown, 1999). This research question aims to understand if employee engagement can uphold and maintain employee ownership.

The overall question that needs to be addressed is fundamentally how does employee engagement manifest and transpire in EOCs if at all, and fundamentally what role does employee ownership have? It is understood that employee engagement encourages several behaviours and attitudes such as loyalty and customer focus (Gallup, 2006). The research to date on employee engagement suggests that the concept is useful in providing a platform for a sense of belonging at work. However, the present research does not specifically address employee engagement in the context of EOCs nor does it provide evidence for the existence, and ultimately the need for employee engagement. It may well prove that employee engagement is perceived to be part of the “package” when the employee is also an employee-owner. Perhaps employee engagement does not exist in this context because it is characterised as something else, potentially a different concept entirely which may centralise around the ownership aspect, or is what is happening just “old wine in new bottles”? Until it is understood what employee engagement means in these organisations; how it exists, how it is interpreted to be, how it is encouraged, how it is measured, and how it feels; it cannot be understood as to how influential the power of employee engagement can be to the success of EOCs.

Once it has been ascertained as to how employee engagement exists in EOCs, judgement can then be made as to whether employee engagement, as a standalone concept, matters when the employee is an employee-owner or vice-versa – if an employee is truly engaged how does employee ownership make a difference? The literature indicates that some EOCs utilise various management techniques to encourage a sense of ownership such as participatory practices. Similar practices such as employee involvement events (e.g. development days, executive presentations, company communications, working parties, and suggestion initiatives) are often utilised in non-EOCs but such are associated with employee engagement practices. Is employee engagement actually needed or does the nature of EOCs provide its own type of employee engagement independently through the ownership ethos? Through this research, answers to these questions can be sought.

Arising from the investigation of these research questions, the outcomes will lead to determine if, in the context of EOCs, employee engagement takes a different formation compared to the factors that attribute to it in other types of organisations as understood in the current engagement literature. For example, are there different elements or factors of employee engagement that are more important than others because of the element of ownership? Furthermore, can differences in employee engagement be unveiled between the different types of employee ownership structure? What does employee engagement mean when you are an employee-owner? What makes employees declare that they are engaged employees? Would they still be engaged if they were not employee owners? How much does employee ownership affect employee engagement?

This section provides an insight as to the direction of this research project. It presents numerous avenues for exploration as highlighted by gaps in the current literature although not all of these can be explored. Essentially, the objectives of the study are to provide an accurate account of the existence of employee engagement in EOCs. This will be achieved by exploring the role of employee engagement, paying particular attention to how engagement is experienced when the employees concerned are employee-owners. This project aims to evaluate the occurrence of employee engagement in EOCs directly. As this has not been discussed before in the academic arena, an attempt to identify its existence needs to be made first before exploring specific engagement factors. This research will highlight aspects most influential to

employee engagement in EOCs, whether they reflect individual experiences and desires or organisation specific prescriptions. Differences and comparisons will be analysed between varying types of employee ownership models, business sectors, and employee position to name a few. These characteristics have been chosen because they could potentially dictate variable factors or prove to be consistent in the data set providing a conclusion to support EOCs as a whole.

4.3 Research Strategy

4.3.1 Theoretical Perspective

The nature of the research topic generates an inductive research style. As presented in the literature review, there are many different interpretations of employee engagement. Berger and Luckmann (1966) argue from a social constructionist perspective that this occurs because individuals can experience the same things but interpret them in different ways because of their own social constructions. Reality is created from how one understands experiences and occurrences. The interpretivist perspective aims to “explore feelings, emotions and values in order to understand the subjective experience of individuals” (Burrell and Morgan, 1979:253). Therefore by understanding how one creates their reality, the “why” question which seeks to reflect upon this perspective can then be fulfilled.

Employee engagement and employee ownership can be understood as individual concepts but there is weak theoretical evidence demonstrating the relationship between the two concepts at present. An inductive approach to the research will be taken to generate new theory to enable understanding of the relationship between employee engagement and employee ownership. However, it should be acknowledged that existing theory will be used to provide a starting point for the research. This is not uncommon with inductive research according to Bryman and Bell (2007) as often research may at first appear to be deductive (testing the theory to create research), because a knowledge base has been developed. Although, crucially the inductive process involves reflecting upon the data created to find evidence to ground the theory. In line with arguments raised by Karl Popper (1968), perhaps a philosophy of falsificationism may be better suited because the research is taking what is known and applying it in a manner that may discredit the original knowledge.

However, this can be claimed in the majority of research practices. Studies may have been conducted in certain industries, completed at different times, so if the theory was retested in a different environment or in a different year where the state of the economy perhaps was influential for instance, the results of the research may, and arguably be different. In this instance, I am aware of the existing literature but instead of testing it per se, I am seeking the employees' perspective as they ultimately declare their level of engagement. This research uses two different strands of theory in an attempt to bring together two current separate literatures, therefore not necessarily displacing current knowledge but applying it more so in a specific context, in order to generate new knowledge and understanding. It is for this reasoning that it would be suggested that the research strategy follows the philosophy of an inductive approach.

In this research, new theory can only justifiably be generated by developing an understanding of the existence of employee engagement in EOCs. This can be achieved through the interpretivist epistemological perspective where an "understanding of the social world through an examination of the interpretation of the world by its participants" (Bryman and Bell, 2007:402) is required. The emphasis in interpretive research focuses upon the subjective meaning and reasoning for actions (Outhwaite, 2005). To understand this meaning; interpretation, knowledge, and language (verbal and non-verbal); are used to create a subjective position. Philosophers such as Alfred Schutz (1899-1959) and Max Weber (1864-1920) heavily influenced the popularity of this theoretical perspective. Through intepretivism, the researcher can conclude with causal explanation as to how and why the interaction is occurring (Bryman and Bell, 2007). Schutz (1954, *in* Burgess, 2006:64) describe intepretivism by identifying that individuals create a common-sense awareness of the social world which they live in through pre-interpretations:

"...social reality, has a specific meaning and relevance structure for the beings living, acting, and thinking within it. By a series of common-sense constructs they have pre-selected and pre-interpreted this world which they experience as the reality of their daily lives. It is these thought objects of theirs which determine their behaviours by motivating it. The thought objects constructed by the social scientist, in order to grasp this social reality, have to be founded upon the thought objects constructed by the common sense thinking of men, living their daily life within their social world".

Essentially, one can look at something and make assumptions about it, but it is not until we investigate and question those that are concerned with it, that its existence and purpose is truly understood. Looking back at the overall research objective; to explore the role of employee engagement in EOCs; in line with the overall research questions directed at the meaning of employee engagement, its relevance, and construction in an EOCs, it is evident that interaction with the subject is required thereby making interpretivism appropriate to this research strategy. As Macey and Schneider (2008) illustrate, employee engagement relies on how one views a situation and how one interpret “the world from a particular vantage point” (p.4) – understanding how people view their situation and act in respect to it, is central to epistemological beliefs (Bryman and Bell, 2007). After all, as Denzin (1994:500) clearly argues; “in social sciences, there is only interpretation. Nothing speaks for itself”.

4.3.2 Epistemology

The interpretivist theoretical perspective compliments the social constructivist epistemology – something that I consider myself as a researcher to follow. Constructivism describes how someone makes sense of the world that they are in. The theory suggests that we make our reality from the culture that we find ourselves in. However, what is perceived as reality is not necessarily real, because ultimately reality is what we make it to be; meaning is not created, it is constructed from the environment that we are in. Essentially constructivism is:

“...the view that all knowledge, and therefore all meaningful reality as such, is contingent upon human practices being constructed in and out of interaction between human beings and their world, and developed and transmitted within an essentially social context” (Crotty, 1998:42).

Social constructivism extends the epistemological debate further by stressing the strong influence that our social world has on our reality. Culture guides behaviour; it informs, educates, creates experiences and sets expectations. In our socio-culture environment, groups work together to derive a meaning from the environment that they are in, and in doing so, a reality is created to construct the environment. Whilst not ignoring the constructivist’s individual-focussed view of creating meaning from experience and culture, the social constructivist’s perspectives acknowledges the power of sharing experiences to develop shared understandings and meanings.

Burr (1995) has identified four key assumptions of the social constructivist belief. Firstly, knowledge exists not because it is presented to us but because of experience. Secondly, different cultures create different meaning and understanding of what can be the 'same' things. For instance, in Hinduism the cow is a sacred animal whereas in western culture it is a provider of food. Meaning therefore, is constructed differently between different groups of people and it can be place or time dependant. Thirdly, Burr proposes that knowledge is transferred through social process and that process can be different from one person to the next as it is reliant upon communication and understanding, but can be strengthened by social stability. The final key assumption is that reality can only be constructed by social action and knowledge acquisition. Reality cannot exist so much by individual actions because how one responds affects another. It is a complex, organised system that is ultimately controlled by the group.

In summary, through the epistemology of social constructivism, this research will be guided by how employees have created meaning and understanding in their work environment. It is their meaning and understanding that is paramount because to be engaged employees, they need to be consciously aware of the environment around them. Complimented by an interpretive approach it will be shown "how particular realities are socially produced and maintained through norms, rites, rituals and daily activities" (Alvesson and Deetz, 2000:34).

4.4 Research Methodology

Reflecting on the key research questions, answers to these questions could potentially be obtained through qualitative and or quantitative research methods. The methodological approach drawn from these questions and the research strategy facilitates a need for a qualitative research method as opposed to a quantitative method. As summarised by Corbin and Strauss (2008:12); "qualitative research allows researchers to get at the inner experience of participants, to determine how meanings are formed through and in culture, and to discover rather than test variables". This research sets out to explore the meaning of employee engagement and identify the culture of employee ownership that facilitates this, as opposed to testing variables that may prove to be irrelevant.

The inductive research strategy relies upon qualitative research as “theory is supposed to be an outcome of an investigation rather than something that precedes it” (Bryman and Bell, 2007:404). Qualitative research strives to make a point rather than prove one, therefore it can be said that the outcomes are more trustworthy and authentic compared to quantitative research because of its originality (Guba and Lincoln, 1994; Lincoln et al., 1985). Having said this, one of the primary concerns of qualitative research methods is the element of subjectivity (Bryman and Bell, 2007). The researcher is required to interpret the data, deciding what may be relevant and what may not, in addition to asking the participant to disclose freely and accurately. However, the strength in qualitative research, particularly for this project, is that because the researcher is able to let the participant have a voice, important issues can be brought into the discussion that may not have necessarily been previously considered, thereby enabling new theory to be created. These issues can then be probed further instantly – something that is not easily viable with quantitative research.

As in the social constructivist epistemology, there is a concern with how groups of people attribute meaning and understanding, how they see their world to be and create their reality. Qualitative research enables multiple views to be sought in detail with the participants being able to freely express opinions and make clear the reality that they face. As Wolcott (1990) explains, qualitative research lets the researcher zoom in closer and closer until the reasoning is identified, and then take steps backwards enabling the bigger picture to be seen, in order to gain perspective of the socio-culture environment.

4.4.1 The Nature of Research

The beauty of qualitative research is that it allows the researcher to gain a greater perspective into the insights of the participant because it provides the opportunity for the power of words to prevail. Instead of tick boxes and Likert scales, qualitative research asks for self-expressions and interpretations of how the subject feels and understands. As described in summary by Denzin and Lincoln (2000:8) :

“Qualitative researchers stress the socially constructed nature of reality, the intimate relationship between the researcher and what is being studied, and the situational constraints that shape that inquiry. They seek

answers to questions that stress *how* social experience is created and given meaning. In contrast, quantitative studies emphasize the measurement and analysis of causal relationships between variables, not processes”.

Another key contrast of qualitative research versus quantitative research is that qualitative methods provide depth whereas quantitative enables breadth (Silverman, 2005). In a given period, it is possible with quantitative research to collect responses from a substantial range of participants. Qualitative research is much timelier due to the level of interaction required; therefore, the response range could be smaller over the same period. Quantitative researchers would argue that only a limited number of opinions are being considered if a qualitative method is used, therefore this reduces the validity of the data. Whereas with quantitative research, the findings have a higher level of validity as a result of the high degree of representation (Berg, 2007). In this research, an average representation of beliefs and understanding about employee engagement is not sought. It is acknowledged that individuals will have different experiences because of the different socio-cultural environments that they are in. This social constructionist view makes validity in terms of number of respondents irrelevant.

Furthermore, Morse (1994) makes a strong argument regarding qualitative research. He presents that qualitative research is more open than quantitative research because there is a lack foresight as to what the outcome will be. Coupled with the social constructionist epistemology and the interpretive stance on research, until questions are asked, a response cannot be gauged. Nothing is trying to be proved nor discredited, nor is the research about preferences. However, when investigating individuals' working lives, the qualitative approach is most appropriate because it enables a true perspective to be gained (Silverman, 2005).

The anticipated outcome is irrelevant, as each individual will interpret their experiences in different ways as per the social constructionist epistemology. This potential emotional insight that qualitative research provides, should not be denied exposure as individuals “are embedded subjectively in our work whether we like it or not” (Haynes, 2006:218) - this needs to be acknowledged and given due care and attention. Ultimately, individuals are emotionally involved with their work; it is part of

their life and even perhaps more so because in this research, they are also owners. Emotion is important (Gubrium and Holstein, 1997) but the *why*, the reasoning for the resulting action and behaviour, is paramount. The literature on emotional labour suggests that people can respond contrary to emotions (Hochschild, 1983). Therefore, by using a qualitative research method it enables the “why” questions to be asked, and the answers to be fully understood. Not knowing what response you are going to receive is perfectly acceptable, and without having a preconceived hypothesis, it reduces researcher bias.

At present, employee engagement in EOCs is a phenomenon because how it exists and how it functions in this particular context, has not presently been explored. Following Wolcott’s (1990) method for research, the research strategy for this study will focus on taking progressive steps to get deeper and deeper into the participants’ reality before taking a step backwards to regain a broader perspective. Therefore, qualitative research methods will be used to explore employee engagement at an organisational perspective as well as an individual perspective, before examining it further on a daily basis in order to understand how employee engagement exists on a day-to-day level. Qualitative research methods provide the opportunity and freedom to explore, which is important in understanding the relationship of employee engagement in EOCs.

4.5 Research Methods

Three EOCs agreed to act as research partners to enable data collection for this research study. All participating organisations had been briefed as to the nature of the project, the anticipated research methods thereby their required contribution, and how the findings will be disseminated. In order to collect data, two or three data collection stages will be used (dependant on organisational consent) to facilitate this. A number of research instruments will be used to extract a variety of experiences and perceptions occurring on differing levels. The study will make use of semi-structured interviews, focus groups, pictorial representation, and reflective diaries as will be discussed in this section.

4.5.1 The Research Organisations

As this research project is funded by ESRC on a CASE Award basis, the original funding application that was completed in 2008, had agreed that four organisations would participate in the research. The Employee Ownership Association, who has a particular interest in this research, negotiated this agreement with some of its member organisations. However, during the initial stages of the project it became apparent that new research organisations would need to be sought despite several attempts to meet the representative members of the organisations concerned. After successfully meeting with two of the original organisations, it was decided to part company with one of the organisation as some differences emerged with them in regards to the scope of the research study. Subsequently, having one confirmed research organisation out of four, which was Optimum, new research organisations were sought.

The opportunity to recruit new research organisations opened up new lines of enquiry. Four organisations were identified and contacted to participate in this research. The organisations were chosen based upon their type of ownership, industry, and level of maturity. These factors were considered because of the awareness of different attitudes and behaviours that could be experienced in organisations of differing structure. It is understood that industry plays an important role in engagement as Robinson *et al.* (2004) show that engagement is related to profession as opposed to the organisation itself. Finally, the level of maturity of the employee ownership model was chosen as a factor due to the lack of research that explores employee behaviour through the vantage point of ownership maturity. By exploring new EOCs, it was established that the research could provide an insight to the process that other organisations have been through which may be of interest to organisations exploring the possibility of becoming employee-owned. Alternatively, by exploring a mature EOC, the research could reflect on established engagement practices and experiences of ownership in a mature environment.

Despite seeking an additional three research partners, four organisations were contacted, as it was understood that the likelihood of receiving a positive response from all was unlikely. A combination of letters and emails were sent out to these organisations. In the communications, the project was briefly introduced, along with

the research methods, key questions, and some sample questions. Organisations were asked to make contact to discuss the possibility of being involved in the research. All four organisations responded of which three were interested in scheduling a meeting; W T Innovations, Uniformity, and Northern Care¹. After meeting with the organisations, W T Innovations and Uniformity agreed to take part in the research. Unfortunately, due to perceived difficulties in collecting data because of the operational structure, it was not possible to pursue Northern Care as a case study.

Optimum and W T Innovations both have overseas operations. Although the potential comparison of employee engagement across different countries in these organisations could prove interesting, it was felt that researching internationally was beyond the scope of the research project as much ground needed to be covered in the first instance before adding international comparisons. Therefore, for the purpose of this research study, data was only collected from UK-based operations to overcome potential difficulties such as language barriers and period issues.

The research organisations will be discussed to an extent in the case studies chapters (Chapters 5 to 7). However, providing an insight to them, Optimum is a large international organisation that specialises in large construction projects. It is a wholly-owned employee organisation with shares being held in a trust on behalf of its employees. Optimum was an original research partner as agreed with the ESRC, and it was decided to continue to research them due to the maturity of its employee ownership that dated back to 1970's. W T Innovations is a manufacturer of wiring components. It has operations in America and Europe as well as the UK. Employee ownership has been recently introduced in this EOC during the last decade as a result of the altruistic motives of its founder who sought an exit strategy. In this EOC, employees have to purchase £1,000 of shares within their first year of working there. The founder started to transfer his personal shares into a charitable trust in 2011, and in 2021, the organisation will be wholly employee-owned. W T Innovations was chosen as a research partner due to its evolving nature of employee ownership and the vision of the founder. Finally, Uniformity was an interesting research organisation because it

¹ Pseudonyms have been created to protect the identities' of the organisations involved. To further preserve this anonymity, references will not be provide which related directly to the organisations concerned.

was understood that they had experienced some difficulties that resulted in a lack of financial returns for their employee-owners. The organisation produces clothing for the educational sector and has one site in the UK. Similar to W T Innovations, it is relatively new to employee ownership and employees were required to purchase shares equivalent to five percent of their starting salary within the first year of their employment. Uniformity was chosen because it offered a different perspective of employee ownership compared to the common profitable view.

4.5.2 Addressing the Research Questions

It was proposed that three lines of enquiry would be undertaken to address the research questions. To gain a generalist and organisational perspective on the issues, a semi-structured interview took place with a representative from HR. This was done to ascertain what practices are applied and if there are any perceived difficulties. It also provided clarification as to the organisation's perceived relationship between ownership and engagement. Focus groups were also utilised to form a debate and present a range of experiences in addition to reflections regarding the issues presented. Two focus groups were facilitated in each organisation, one managerial and one non-managerial, in order to compare and contrast engagement practices with engagement outcomes and expectations. Lastly, there was an optional final stage of research that involved participants keeping a reflective diary over a 10-day period. This stage included pre and post diary interviews to capture a dialogue of experiences in addition to written accounts.

As identified earlier in this chapter, the key research questions that have been identified for this research study are as follows;

1. Is ownership alone sufficient to secure engagement employee or do organisations need to do something more?
2. Which company practices are most effective in securing high levels of employee engagement? What is good practice? Which measures are most practical?
3. Are there any obstacles to securing employee engagement, and how might they be overcome?
4. How does employee engagement support and sustain ownership?

Addressing Question One, by understanding if ownership alone is sufficient to secure engagement, data was extracted from all data collection stages. In particular, focus groups were used to explore the debate on the prospect of ownership being integral to employee engagement. The experiences and reflections of what ownership provided participants would be used in the analysis, to be compared with the literatures. Discussions were also formed as to how the organisations engaged prior to ownership to ascertain if employee ownership was ultimately accountable for engagement secured.

Question Two was primarily addressed by interviewing the HR representative and during the focus groups. During the interview with the HR representative, questions were posed as to how the organisation attempts to engage employees, what practices are often well perceived, and whether practicalities limited their scope of implementation. This data was then used to help shape the discussions in the focus groups. The managerial group were asked similar questions concerning how they attempted to engage their team as a leader, and they were asked to elaborate upon their experiences of the organisational drivers of engagement. The non-managerial focus group explored the impact that employee engagement initiatives had on them and the influence on this by their line managers.

Research Question Three sought to explore how engagement may, on occasions, be difficult to achieve. This question featured across the different lines of enquiry. It was tailored for use in the HR representative interview, discussed during the focus groups, and was a prominent feature of the reflective diaries and subsequent follow-up interviews. It focused on uncovering experiences of the participants, where perhaps they were willing to engage but something prevented them from doing so, and what participants felt could overcome these issues to enable them to be engaged as well as involved in the organisation. The narrative accounts that individuals provided were used to provide an analysis against the existing literature.

Question Four aimed to determine the role of employee engagement in EOCs. As a core question throughout the research process, a link between engagement and ownership was attempted to be uncovered, by posing an array of questions such as how employee engagement involved the role of being an employee-owner, and how did employee ownership affect feelings towards the organisation. Again, using narratives presented

in the various stages of data collection, meaningful data was collated where participants discussed ownership and engagement as being complimentary or uncomplimentary to one another. Both the engagement and ownership literature was used to justify the existence of such relationship.

All of the research instruments used to address the research questions had a qualitative focus. The process itself was designed to facilitate a gradual understanding of employee engagement and the EOC by having an overview first with a HR representative to understand the organisation's perspective, then focusing on gathering a collective response and reflections through focus groups, before filtering down further to individual reflections. The research instruments themselves were selected because of the significant different attributes that help to form a fair and rounded interpretation of the employee-owners' experiences of employee engagement within their organisations. In Michie *et al.*'s (2002) study on *Employee Ownership, Motivation and Productivity*, a similar multi-method approach was used to conduct investigations. In this case, interviews, survey questionnaires, and focus groups, were used to gather data. Morgan (1997:3) suggests that "in these combined uses of qualitative methods, the goal is to use each method so that it contributes something unique to the researcher's understanding of the phenomenon under study". The types of methods discussed herein provide different perspectives of understanding and experience in order to create a rounded view of how employee-owners are concerned with and experience employee engagement.

4.5.3 Semi-Structured Interviews

The qualitative research interview is a method used to collect data by using a series of questions designed to typically explore situations and consequences. However importantly, as King (2004) suggests, the aim of such interviews is to "see the research topic from the perspective of the interviewee, and to understand how and why they come to have this particular perspective" (p.11). It was decided to use semi-structured interviews because they provided a loose framework for data collection. It was acknowledged that there was a need to explore deeply into understandings of how the concept of engagement existed. Semi-structured interviews provide the flexibility to probe further when the participant expressed something of importance to them.

However, the issue ultimately, like all research methods that require participant interaction, is that information will only be shared as the participants deems appropriate (Ward, 2009). Semi-structured interviews are riddled with power, perception, and performance issues (Silverman 2000), with the participants holding the power because they have the knowledge that the researcher seeks to acquire (Czarniawska, 2004). Arguably, interviews can expose more about the participant themselves as opposed to the research topic as a result of it being a reflective process (Tompkins and Cheney, 1983). The narrative that is created in the interview is understood to be "...the self-presentation of the interviewee" (Wengraf, 2001:117) " who is also preserving their presentation. Essentially, the notion of logic of representation suggests that potentially participants will take the role of appearing to be the 'ideal interviewee' providing what they deem to be role model answers and taking a demeanour which is dressed up to impress the interviewer (Czarniawska, 2004). In this instance, the researcher could have been troubled with the potential of participants' performativity. However, to overcome this it was important that participants volunteered and felt comfortable with the researcher to encourage individuals' to reveal true reflections.

Fontana and Frey (1994) argue that open-dialect is the way forward to best avoid the issue of performativity and power. They suggest that if the researcher gets involved and shows their personal identity, then the interview becomes "more honest, morally sound, and reliable, because it treats the respondent as an equal, allowing him, or her, to express personal feelings, thereby presenting a more 'realistic' picture than can be uncovered using traditional interview techniques" (p. 371). In particular semi-structured interviews can provide rich and detailed accounts of how one interprets their world with often a varied account to another person's (O'Donohoe and Turkey, 2006). This account, their representation, is of extreme value to this study because how one interprets their environment, has a strong influence over their behaviour as this perception can influence action taken (Czarniawska, 2004).

As the social constructivist epistemology suggests, "people's descriptions of their own behaviour are strongly influenced by social expectations and routinely diverge from their actual behaviour" (Lopez, 2006:139-140). The interview creates a situation where the interviewee has the opportunity to negotiate their interpretations (Alvesson and Deetz, 2000). They are able to reflect upon, and describe the phenomena that they

experience, in addition to outlining how they reached this reality, signifying the actions and or reactions that they take. Semi-structured interviews allow for this meaning and significance to be discussed more at ease than compared to using fully-structured interviews as it allows for discussion and subsequent follow up questions to ensure that the participant's interpretation can be fully understood. Willig (2001) notes nonetheless that some structure is needed to interviews to avoid it becoming a mere conversation that does not relate to the research aim.

4.5.4 Focus Groups

Focus groups comprise of a selected group of participants and a moderator who guides the discussion about a selected topic (Vaughn et al., 1996). First discussed by Emory Bogardus in terms of group interviews, they formed part of organisation studies when group interviews were used by Thompson and Demerath (1952) to explore factors affecting work productivity. Lazarsfeld *et al.* (1972) introduced focus groups to academia when he undertook research into marketing in order to understand perceptions. The key different to group interviews and focus groups is that as Rubin and Rubin (1995:140) explain;

“In focus groups, the goal is to let people spark off one another, suggesting dimensions and nuances of the original problem that any one individual might not have thought of sometimes a totally different understanding of a problem emerges from the group discussion”.

The opportunity for shared discussion that focus groups present, enables participants to expose their conscious thoughts whilst also tapping into their subconscious and unconscious (Berg, 2007). This occurs as a result of different socio-culture environment that participants often come from. These differences lead to different matters of opinion, which in turn encourage individuals to reflect upon others' comments, thereby perhaps tapping into thoughts that they have not fully or consciously previously considered. The data that is provided in focus groups does not provide individual accounts, but social-constructed data that has gone through the process of being stormed, formed, and normalised, to make sense of different opinions presented. The value of this research instrument lies within this social construction as culture in the workplace battles to shape experiences and expectations (Kruse et al., 2003). Employees are potentially ambassadors of organisational culture so how they

openly debate experiences leads to how others make sense of situations. Furthermore, as well as focus groups creating a depth of knowledge, they also encourage an array of opinions as participants feel the need to fight for their perspective and viewpoint (Baer and Brown, 2012).

Stewart *et al.* (2007) outlines several advantages and disadvantages of using focus groups. To discuss a few in context of this study, focus groups provide an efficient opportunity for data collection. They are relatively cheap to set up and the time required to gather data is minimal. Focus groups enable data to be collected quickly and analysed almost immediately reducing the period for results. Kennedy (1976, *in* Stewart *et al.*, 2007) suggests that the difficulty with focus groups is that bias, whether consciously or unconsciously intended, can occur from the researcher moderating the group. This can occur as result of the researchers personal perspectives, and possibly because the researcher may feel a need to satisfy the end user therefore they concentrate their efforts on what may be perceived as favourable results. However, taking the opposing position, if the researcher moderates the focus group, it enables the researcher to keep the group focusing on the research aim, as well as being able to grasp opportunities for discussion of issues of unknown importance. This is particularly important in this research because no hypotheses are being tested, as it was purely desired to know how, why, and to what extent employee engagement exists in EOCs.

Furthermore, another advantage Stewart *et al.* (2009) suggests is that focus groups allow the opportunity for extraction of deeper meanings and the identification of important connections. This relates to the previous point of having the opportunity to ask further probing questions. However, upon analysis it can be difficult to summarise such understandings because they may be riddled by other influences. The interaction of the group is also paramount to the success of a focus group. Gibbs (1997) also stresses this factor that the reflection and influence process as to how these individuals come together to form a shared understanding is data in itself. The shared understanding of the issues falls in line with the social constructivist perspective. On the other hand, the findings are not generalizable because the group may not be a true representation of the organisation. In this situation, it is important to bear in mind that an average understanding of the issues is not the aim of the research. The aim is to get a shared insight into a specific group's understanding of the topic.

Focus groups are frequently used in preliminary stages of research (Krueger, 1988; Morgan, 1997). They are particularly useful in developing basic understanding of the research issue before developing questionnaires or interview questions (Hoppe et al., 1995; Lankshear, 1993; Wilkinson, 1998). Despite focus groups having a strong footing in market research, they can be used in a variety of situations because of the flexibility that they offer. Focus groups are commonly used in the medical profession, education, and technology, in order to share experiences and knowledge to grasp a rounded understanding. Typically, focus groups comprise of between four and eight participants and generally last between one or two hours (Kitzinger, 1995). The value of using focus groups in this research study is understood to lie within the flexibility that they offered as well as providing exposure to multiple opinions, and subsequently witnessing the sense-making processes which follows but the group.

4.5.5 Reflective Diaries

The uses of diaries are commonly understood to provide space for personal reflection subjectively and objectively. They often feature stories of events, activities, moods, and thoughts (Wheeler and Reis, 1991). Symon (2004:98) describe that; “the diary study allows access to this ongoing everyday behaviour in a relatively unobtrusive manner, which allows the immediacy of the experience to be captured, and also provides accounts of phenomena over time” (p.98). The need for such research method formed in Psychology as it was identified that examining everyday life on a daily basis created an understanding for how one identifies with their reality (Allport, 1942). Today, diary studies are used increasingly in scientific and social disciplines to capture experiences as consciously reflected in time. In particular, they provide a platform for silent voice as participants “often possess more copious and meaningful information than they can communicate verbally” (Meyer, 1991:220).

In this research study, pictorial representation will feature in the diary alongside written accounts of experiences. Carter and Mankoff (2005) describe two different types of diary studies, feedback and elicitation. Feedback studies invite the participant to answer predefined questions, whereas elicitation studies ask the participant to capture media as their diary for discussion later with the researcher. The two types of study can be used together. Although it is suggested by Carter and Mankoff that feedback studies, despite having the issue of overburdening the participant with too

many questions, tend to produce the richest data. This is understood to happen as they suggest that the written accounts provide much more detail as a result of the capturing words specifically addressing the experience and describing what has occurred.

A strength to reflective diaries as a research method is that they require a minimal involvement from the researcher in their construction. This was important to the study because participants were able to reflect independently from the researcher, noting on a frequent basis how they felt engagement occurs. Furthermore, by removing the researcher, not only does this reduce bias but it also reduces the resource requirements of the research compared to other qualitative methods. The participants are able to control to a greater extent, what they wish to discuss at a time that is convenient to them (Carter and Mankoff, 2005). Furthermore, away from the prying eyes and ears of others, the participant can also feel a greater sense of security about what they are writing (Bolger et al., 2003). Key to this research, the use of diaries provides an alternative perspective of how individuals experience employee engagement through their daily working lives.

No research method exists without limitations. Bolger *et al.* (2003) suggests that of primary importance is to ensure that participants fully understand the procedure for the reflective diary. Failure to do so could result in weak results, wasting time as well as effort. Additionally, the researcher needs to keep the participants engaged with the process. To help overcome this issue, the diaries have been designed so that they do not require an excessive amount of time to complete and that the instructions are clear. Stone *et al.* (1991) discuss that during the first week of diary completion, participants become fully aware of what the diary involves and decide if they are able to commit to completing the task. As a result of this, Stone *et al.* suggest that during the first week of diary completion, researchers are most likely to lose participants. Symon (2004) suggest that to overcome this issue, at the end of the first week most importantly, the researcher should be in contact with the participants to discuss any issues that they have. This approach has been undertaken in this research study. Vittengl and Holt (1998), and Lindén (1996, *in* Cassell and Symon, 2004), re-grouped their participants on a weekly basis for their research which used reflective diaries. Lindén also asked participants each week to share a diary reading in addition to discussing the methodological process. For this study, as the time frame for completing

these diaries is short (five entries over a two week period), it was perceived that re-grouping participants or asking them to share weekly reflections was not appropriate, but it was important to maintain an open dialogue with participants and ensure contact was made with them after the first week of completion.

Reflective diaries can last in duration from a week to months with entries required at frequent intervals throughout the day or even on a weekly basis. The range of research studies that have used diaries, describe using a variety of time-series. Some are clearly structured in terms of questions that need responses and others use prompt or guiding questions to help the participant reflect. In a PhD thesis exploring organisational change, Plowman (2002, *in* Cassell and Symon, 2004) gave her participants four guiding questions to help participants make weekly diary contributions. Whereas in Carter and Mankoff's (2005) study, participants were asked to use photographs to form their reflective diary and participants were invited to contribute as they deemed appropriate. It appears that the frequency of diary contribution is very much dependent upon the research aims and that this complementation of diary design can aid successful studies (Bolger et al., 2003). In this study, diaries were used as a supplementary process to the data collection. Although they were understood to be data rich, they are not a common research instrument. As a result of being a relatively unknown research method, Optimum did not understand the benefit of them, and how they could contribute successfully to data collection within their organisation. Therefore, in this study reflective diaries were used as an exploratory process to capture how engagement occurred on a daily basis, in an attempt to understand more about engagement and ownership on an individual, micro level.

4.6 Research Implementation

As discussed, a variety of different qualitative research methods will be used in this study each providing a unique contribution to the dataset. Three companies as subsequently featured in this chapter will provide the platform for data collection.

4.6.1 Ethics

As this research study involves human participants, ethical approval was sought by the University's Humanities and Social Sciences Ethics Committee (HSSEC). To gain ethical

approval, an application was formed addressing a variety of ethical issues such as anonymity and data protection.

A Participant Information Sheet and Consent Form was also drafted for the ethical approval application which would be disseminated to prospective and confirmed participants at three key points; when recruiting for participants, when individuals confirmed a desired to participate, and approximately two days prior to the data collection taking place. The purpose of the Participant Information Sheet was to provide individuals with an overview of the research study, explain where they could potentially be involved in the research, and how their data would be protected. Immediately prior to each research session taking place, participants were asked if they were happy with the information presented in the Participant Information Sheet and if they required any further information. Once happy to proceed, they were asked to sign the Consent Form, which provided statements that they had consented to such as the use of audio recording equipment and for their data to be used in an anonymous manner in publications.

4.6.2 Organising Data Collection

All of the participants were recruited via an email invitation, which was supported by their organisation. The email detailed information about the project, a short researcher profile, and outlined what would be required of them at the relevant stages of data collection. A confidentiality agreement was also shared and a statement detailing that audio recording equipment would be used for the purpose of data collection to aid analysis. At two of the organisations, a nominated contact in the organisation made arrangements on my behalf. Whereas at Uniformity, initial contact with the employees was made on my behalf and then I took over co-ordination responsibilities. In the instance of too many employees wishing to participate, once the dates for data collection were confirmed, some prospective participants eliminated themselves due to their availability resulting in either a maximum or reduced number of actual participants.

Some parameters were set in regards to participation to maximise potential for variation in the data. For the first interview, it was important that the participant had both an operational and strategic role in the organisation, as well as being familiar with

HR processes. It was important that managers and non-managers were involved in the focus groups, and a participant's job role reflected which group they would participate in. This separation was somewhat influenced by the literature suggesting that managers facilitate engagement (such as Alfes et al., 2010), therefore it was felt that by separating the focus groups in this manner, the role in reality that managers had in attempting to harness employee engagement could be understood. Furthermore, this separation potentially allowed a higher degree of freedom of speech as bias could be decreased. For the diary studies, any employee in any position was welcome to participate as the diaries aimed to explore employee engagement and ownership experiences at a micro level.

4.6.3 Conducting Data Collection

To help gain insight into each organisation; its operations, ownership model, and employee engagement strategy; an interview was initially held with a HR representative such as a HR Director/Manager. Lasting a maximum of an hour in duration, the interview was semi-structured evolving around several key details, whilst enabling further questioning concerning specifics and additional information. Once this data had been collected, it was analysed using thematic analysis and used to inform the next stage of data collection – focus groups.

The focus groups took place in two streams; managerial and non-managerial. By conducting them in this manner it enabled clear comparison between managerial/leader opinions of employee engagement and non-managerial accounts. Each focus group consisted of between four and six participants and lasted approximately an hour and a half. As an icebreaker to help participants feel comfortable in the environment, participants were asked to draw themselves as an employee and use this to introduce themselves as well as to open the discussion on employee engagement. The researcher also participated in this activity to build a rapport with the participants. In addition to having a semi-structured discussion, participants were also asked to contribute to a flowchart exercise to summarise and confirm their experiences, perceptions, and ideas.

The final stage in data collection utilised three steps; an interview, a reflective diary, and a further follow up interview with the participants. Up to five participants were

recruited from a varied demographic in two of the organisations. The first interview was semi-structured and discussed the individual's perspective of employee engagement before introducing the reflective diary. This interview lasted approximately 30 minutes; 20 minutes on the discussion of employee engagement, and 10 minutes to discuss the completion of the reflective diary. The reflective diary was a paper-based document, which featured a summary sheet about the project and formatted pages for the participant to complete. The diary featured inquisitive statements to help guide the participant as to what to reflect on, in addition to a box being provided so that if the participants choose, they could also demonstrate their reflection through visual means such as a drawing or diagram. This option was provided as it is understood that some people are visual-spatial thinkers, whereas others adopt an auditory-sequential approach to understanding thoughts. Diaries were completed over a two-week period during which the participant were asked to make five reflections in total every other working day. Once completed, diaries were returned to myself in a stamped-addressed envelope and then analysed in conjunction with the initial interview. A follow-up semi-structured interview was later arranged to discuss the diary and to reflect back on the findings from the focus group and HR interview.

After contact had been made, participants organised, and research instruments prepared, the data collection process was mobilised. All of aspects of data collection took place in the workplace with discrete rooms being provided by the research organisation to maximise anonymity and confidentiality.

Each process of data collection started with an introduction from the researcher to provide further detail in regards to the study, and to clarify what the aim of the session was, including how long it was expected to last. The role of the participant was discussed as well as being reminded that their participation was voluntary and that they could terminate involvement at any time. The significance of the research was discussed and how it would be disseminated including that of through their organisation. Operational issues were undertaken in regards to signing consent forms and the use of audio recording.

In line with the methodological positioning, the researcher presented open-ended questions to allow a discussion to form. When necessary, probing questions were used

to clarify participants' responses. As Patton (1990:89) suggests that "there is a very practical side qualitative methods that simply involves asking open-ended questions of people and observing matters of interest in real-world settings in order to solve problems". This is a position that the researcher followed to limit researcher bias and to truly capture the experiences that had been shared. Furthermore, this allowed the researcher to sit back and listen as well as observe what was evolving, giving scope to an extent, for the dialogue to come to its natural end. As the session ended, the researcher showed appreciation for participation and encouraged participants to present any questions, as well as add anything that they felt had not been covered but believed would be beneficial to the study. Again, participants were reminded as to what would happen with the data that had been collected and were encouraged to contact the researcher if they had any issues at a later date.

4.6.4 Audio Recording and Transcription

To enable a greater focus on the content that emerged from the data collection process, audio recording was used to allow the researcher to become saturated in the experience. As indicated by Bryman (2004:239) "...because the interviewer is supposed to be highly alert to what is being said, following up interesting points made, prompting and probing where necessary, drawing attention to any inconsistencies in the interviewee's answers, it is best if he or she is not distracted by having to concentrate on getting down notes on what is said". The researcher was able to grasp greater co-ordination of the sessions because they had fewer roles to undertake.

All participants had agreed to the use of an audio recording device being utilised in the data collection sessions. This recording was subsequently transcribed by a transcriptionist as recommended by the University for ease of analysis of the data, thus making an effective use of time.

4.6.5 Researcher Bias

Regardless of the research method used, the possibility of researcher bias needs to be considered. As Walkerdine (1997:59) simply explains "instead of making futile attempts to avoid something that cannot be avoided, we should think more carefully about how to utilise our subjectivity as part of the research process". During qualitative

research, Walkerdine suggests that the researchers themselves should embrace the situation. If participants are required to explore and describe their feelings and understandings, the researcher should help to facilitate this by being someone that participants feel they can talk openly and freely. Importantly, the researcher needs to understand their own beliefs and be aware of how these may impact on the research (Arber, 2006). The use of a reflective research diary completed by the researcher after each data collection process helped to ground experiences and make sense of the experience endured (Nadin and Cassell, 2006). These reflections were also subsequently used to reflect on each research organisation prior to the presentation of the findings. By doing this, an understanding of the researcher's viewpoint was presented as well as any potential bias being identified.

With semi-structured research instruments, there is concern that the researcher will impose "their own reference frame on interviewees, both when the questions are asked and when the answers are interpreted" (Easterby-Smith and Lyles, 2003:93). As a result of this, there was a conscious effort to ensure that questions used were not leading. Probes were only used to give greater depth to the experience that was being explored, not to explore new ones, should follow up questions not suffice.

4.6.6 Pilot Research

Pilot data collection allows the researcher not only the opportunity to reflect, but provides the opportunity for amendments to be made to the data collection process to maximise appropriateness as well as effectiveness. Changes to questions, for example, may need to be made as in practice they may be felt leading or unclear (Bryman, 2004). Such revisions are understood to help reduce unsuitable data to maximise quality (Berg, 2007).

The researcher conducted pilot research in one of the research organisations, W T Innovations. Following the data collection process, the recorded data was reviewed to consider the questioning technique, explore interest levels, and highlight areas where there was a lack of understanding. Furthermore, the researcher's experience was also considered in reference to obstacles and effectiveness of the data collection processes.

It was summarised from the pilot review process, that conducting a pilot gave the researcher more confidence in handling situations such as becoming off track, and created a greater awareness of when probing questioning could have been utilised to ensure efficiency of the data collection process. The occurrence of timing issues in particular, showed that the researcher needed to command the session in terms of moving the discussion forward if it was not conducive to the research questions. However, it was also understood that it was important to not ultimately control the discussion because participants were discussing their experiences and perceptions that were important in their own right regardless of relevance to research questions. Nonetheless, the data derived from W T Innovations benefited the research study as findings emerged in response to the research questions, and the experiences that the researcher witnessed, alluded to the reality of employee engagement in the organisation.

4.7 Analysis

Although some analysis was made after each data collection stage, a full analysis was made regarding each organisation once all the data has been collected. Individual organisation findings are discussed in a case study format. Where identified, contrasts and comparisons between the different EOCs are made in Chapter 8, with the findings critiqued against the literature in Chapter 9. Each organisation was primarily analysed on an individual basis because of differences concerning ownership model, trade, maturity, and socio-culture environments. This study primarily aims to explore the existence of employee engagement in EOCs, therefore initially analysing data on an organisation-by-organisation basis is deemed most appropriate to unravel the occurrence in socially constructed realities.

The research literature presents a variety of different types of analysis for the research instruments described previously such as discourse analysis and content analysis. However, in focusing on the interpretative, social constructionist research strategy, none of these analytical tools appear appropriate. Where discourse analysis identifies patterns and recurring themes (Potter and Wetherell, 1987), and content analysis uses coding to build an understanding, the whole picture is not acknowledged. Narrative analysis enables the researcher to look at the whole account, as opposed to fragments as offered by other analytical techniques such as content or reparatory grid analysis.

Schleiermacher's (1768-1834) perspective of a "hermeneutic circle" suggests that by looking at the whole picture, variety of parts and key components become apparent; therefore, it can be understood as to how various parts contribute to the whole picture. By analysing the narration (what was told) as well as the structure of how it was told (the telling), the whole picture can be seen and understood (Stewart et al., 2007). Bruner (2002) describes that through narrative, meaning and reality can be created; "it is our narrative gift that gives us the power to make sense of things when they don't" (p.28). This reflects upon both social grounded interpretative practices and the subject that is concerned with these (Holstein and Gubrium, 2010).

The depth of narrative analysis that the researcher extends to is largely dependent upon the aims of the research. Given that in this research study there are numerous research stages, each providing a progressively closer view of employee engagement in EOCs, different levels of narrative analysis will be taken. For example as discussed by Stewart *et al.* (2007:109); "the most common purpose of a focus group interview is to provide an in-depth exploration of a topic about which little is known. For such exploratory research, a simply descriptive narrative is quite appropriate and often all that is necessary". Focus groups in this study are being used in this way; to provide an overview of the situation and initial insight to help give pointers for further interviews; therefore, a narrative summary is appropriate. However, for the one-to-one interviews and diary reflection, as these interviews are deeper and more personal, a deeper level of narrative analysis is required to identify all factors and facets as opposed analysing data against existing literature that does not consider the engagement in the context of employee ownership. After all, the participants are revealing their working lives as they are lived therefore necessitating more analysis.

Narrative analysis will provide a platform for the data to speak for itself. As no assumptions or hypothesis have been made, the meaning and existence of employee engagement will transpire in its own right as it is experienced by those who are describing it.

Through the creation of these narratives, a thematic analysis was undertaken to shape the analytical discussion, which offered a flexible approach to analyse qualitative data. As described by Braun and Clarke (2006) "thematic analysis is a method for identifying, analysing, and reporting patterns (themes) within data" (p.6). It is understood that

there is no universal formula for thematic analysis. However, in this research study themes have been identified as they emerge from the data and have been described as facets of employee engagement and or employee ownership. Rubin and Rubin (1995:226) claim that thematic analysis is exciting because of this; “you discover themes and concepts embedded throughout your interviews”. Thematic analysis does more than just provide a voice for the data but it seeks to understand. Themes will be identified where the data captures important evidence, which addresses the research questions, as suggested by Braun and Clarke (2006). A coding table was used to record themes to understand if they were facets of employee engagement and or employee ownership, as well as identifying behaviours and experiences, which could be correlated, or mediators. The coding table was then transferred into qualitative analysis software to identify relationships between factors and themes, by expressing how the same behaviours, perspectives, and experiences (identified as factors) are associated with different themes (identified as facets), and potentially each other.

4.8 Methodological Limitations

It is accepted that with any research project, the prospect of encountering difficulties is never remote. As Buchanan *et al.* (1988) demonstrate, fieldwork is riddled with difficulties because what may be theoretically achievable, may well not be practically applicable nor achievable. The nature of this research revolves around the willingness and honesty of individuals who have volunteered to participate. As individuals often have conflicting demands and changing priorities, not just as in work life but in their personal sphere, this research will not necessarily be at the forefront of their minds. By acknowledging this from the offset, it can be managed by having protocols in place, contingency plans, and other options to overcome participatory issues.

The issue of bias is imminent in research that requires interaction with participants. To an extent, there is a need to become involved with participants, as there is an expectation for them to divulge information about how they interpret their working lives. If they are expected to discuss personal experience, there is a need for the researcher themselves to be honest, open, and trustworthy. A useful way to highlight the occurrence of potentially bias involvement is to keep a research diary. This diary not only serves the purpose of highlighting participant involvement, but also provides the opportunity for reflection and self-awareness to develop as a researcher. As King

(2004:20) explains, “researchers must reflect on the nature of their involvement just as they consider the meaning of their participants’ contributions”.

Data collection will also pose problems through the researcher being able to acknowledge critical points and being able to respond to these to extract further potentially important information. This will play a pivotal role in the first stage of research where interviews are being conducted and lead by the researcher. However, it will remain to be a prominent feature throughout data collection.

4.9 Summary

The purpose of this research study is to explore the occurrence of employee engagement in EOCs. In particular, the intentions of the research are to explore successful engagement practices and to evaluate the function of employee engagement in the context of employee ownership. The study particularly focuses on EOCs and does not contrast these with other types of organisations. This need for exclusivity is due to the lack of existing literature and evidence on employee engagement in EOCs, hence the need for this research. The term employee ownership is used to describe three different types of ownership (direct, indirect, and combined) as discussed in Chapter 3, and the findings as presented in the subsequent three chapters, represent examples of employee engagement in indirect and combined ownership models in three EOCs. The outcomes of the research are intended to increase awareness about how employee engagement exists when employees are also owners, and how employee ownership itself influences employee engagement.

Data has been collected through a mixture of semi-structured interviews, focus groups, and reflective diaries, which represent the findings of this research study. Data collected is analysed with a narrative approach, drawing alignment to the interpretivist approach to the methodology. Direct quotations will be used to present the findings in relation to the key research questions, reflecting the participants’ perspectives in their purest form, as well as summarising the participants’ dialogue. As discussed, anonymity will be maintained therefore participants will be referred to as ‘employee 1’, ‘employee 2’ and so forth, and where the participant employed on a managerial level they will be identified as ‘manager 1’, ‘manager 2’ etc.

Moving forward, the findings of this research will be organised into separate case study chapters representing each of the organisations involved. Due to the differences in ownership structure, presenting findings at this level not only reflects upon the ownership models and cultures in place, but also acknowledges engagement as something nurtured within the organisation. Each section will begin with an introduction before elaborating on the findings headed by the key research questions. A conclusion at the end of each case study chapter will focus on the key findings presented. Subsequently, a summary chapter will follow the case studies providing the opportunity for analysis on a broader level by focusing on the bigger picture of employee engagement in EOCs. The final chapter in this thesis will re-explore existing knowledge and discussions will form in context of this literature in regards to the findings presented as a result of this research. The findings and analysis from each case study will be used to highlight implications for organisations, in addition to casting a focus for direction of future research.

CHAPTER 5: CASE STUDY – W T INNOVATIONS

5.1 Introduction

Evaluating the factors contributing to successful employee engagement at W T Innovations², this case study starts by discussing the organisation. Key details will be highlighted such as what the organisation does, how it became employee-owned, the current structure, and its employee engagement agenda.

The findings are presented structured by the key research questions. This organisation was used as a pilot for the research process. The dialogue that emerged successfully addressed the research agenda, therefore has been included in the findings of this thesis. The findings represent views and experiences of participants who were involved in a HR interview, two focus groups (managerial and non-managerial) and reflective research diaries. Extracts from the various stages of data collection are presented as they emerged in response to a variety of questions.

A researcher reflection will be presented prior to the findings. This will summarise the researcher's feelings and experience throughout the data collection process. Its purpose is to enable the researcher space to seek clarification on what she have experienced, in addition to helping to overcome researcher bias as personal perspectives have been expressed. The analysis takes shape by addressing key findings in relation to the research questions. Findings will be critiqued against existing literature. Finally, a conclusion will be presented drawing together all the discussion in response to the research questions. Further research avenues will be presented as to where future research could follow.

5.2 Overview of W T Innovations

W T Innovations is a wire-tension manufacturer predominately based in Yorkshire. Formed in the late 1980's, at the time of research in March 2012 according to the

² A pseudonym has been used to protect the identity of the organisation. To further preserve this anonymity, references will not be provided which related directly to the organisation concerned.

company website, the organisation employed approximately 350 employees across three sites in the UK, Europe, and the USA. With a portfolio of over 500 products, the website describes that the organisation prides itself on continuous improvement and innovation. The company literature comments that the organisation challenges convention and seeks to “break the mould” to maintain market leadership. Research and development is embedded in the organisation’s strategy. Demonstrating this, the literature states that the organisation is committed to spending a minimum of 5% of annual turnover on research and development – based on turnover for 2011 this equated to a in exceed of £1.6 million. Furthermore, two thirds of the organisation’s profit is invested in expansion. Over the same period, this was an investment of approximately £1.25 million.

The organisation’s journey to employee ownership began in 2004 following the successful sale of a subsidiary company. The founder decided to reward the workforce (which was then less than a tenth of its present size), with a profit share of 10% from this sale. However, employees were presented with the opportunity to purchase an equity stake in the organisation by foregoing their cash profit share. Three out of five of those employed pursued the equity option of acquiring non-voting shares.

Since 2004, all employees have been asked to purchase £1,000 minimum of non-voting shares after being with the organisation for a year. The aim of this is to ensure that employee ownership levels remain high to protect the organisation’s values. The founder’s belief is that to truly value something and be committed to it, you need to own it. Employees are allowed to increase their shareholding through the internal share market, which is operated by the share board. The organisation provides loans of up to £10,000 for its employees to help them to purchase additional shares. Directors are required to purchase shares equating to half of their salary. W T Innovations does not donate shares to its employees, as this is perceived to psychologically devalue their worth. Shareholders receive financial returns in terms of dividends equating to a third of post-tax profit. In 2011, this equated to total dividends paid of approximately £630,000. According to a company presentation, since 2011 the founder has begun to transfer over 51% of his personal shareholding to the employees through share gifting into its charitable foundation. This transfer transition will be complete by 2021.

The organisation has a flat organisation structure. It is described by the Managing Director that this flat structure revolves around open and honest communication. The organisation has a share board, which is an executive-level board providing strategic direction for the organisation. This board also deals with voting matters for the organisation. There is a supplementary employee ownership board run by nominated employee-owners that holds two golden shares on the share board. One of these golden votes is held by the employee ownership board, and other is held by the charitable foundation. Together, these golden shares exist to prevent the sale of the organisation, as the share board need consent from 76% of the board to complete a sale transaction according to a company presentation.

The employee ownership board comprises of 16 employees in the organisation who have been elected by the workforce. The board elects their own chairperson from those who are elected to sit on it. Every shareholder is a member of the employee ownership board and is allowed to vote on its internal matters. The objectives of this board centres on providing enrichment to the nature of work to its members, whether this be through having a say in the appointment of the Managing Director, providing financial support for personal development, funding social activities for employees, or encouraging employees to coordinate fundraising events for local charities. Furthermore, the employee ownership board has objectives to invest in other innovative businesses such as start-up companies to help innovation thrive, promote employee ownership through communications and participatory practices, and to drive employee engagement through involvement as well as empowerment. However, ultimately the aim of the employee ownership board is to hold the management accountable for organisational growth through open communication with their fellow employee-owners, reviewing the sale of new products, and donating profit to good causes.

News articles describe that the Managing Director feels that crucial to the success of the organisation is that employees are behind the common goal of the organisation. The article suggests that he believes that everyone has the ability to make a difference and to achieve this; culture and clear strategic direction are integral. It is understood that an employee engagement survey is completed every 18-24 months and this reflects upon the core values and objectives of the organisation. Reviewing the results of the most recent survey, approximately nine in ten respondents reported that they

enjoyed working at W T Innovations and 85% indicated that they felt they were able to contribute to the success of the organisation.

The company literature and news articles suggested that culture at the organisation centralises around values of continuous improvement and innovation. It is described that there is a no-blame culture to encourage employees to try new things and to inspire a sense of entrepreneurship. They described that they have open channels of communication to disable communication barriers. The organisation strives to create a fun, fair, loyal, and honest workplace, where employee ownership comes into its own by empowering employees to succeed. Interestingly, employees do not have formal job descriptions as all are expected to adapt their role as business needs dictate. Crucial to engagement is understood to be working as a team. This is fundamental to the organisation as it facilitates communication, ideas, and knowledge that involve everyone's participation. For the year prior to data collection, the organisation's absence levels was a third of the industry average and employee turnover represented two thirds of the industry average as defined by the CIPD (2011a; 2011b). W T Innovations attributes these levels as a benefit of being employee-owned.

My involvement with this organisation arose from sending a speculative letter as I sought new research organisations for this research. I initially chose to contact them as I was aware that the organisation was relatively new to employee ownership. It was also undergoing some transformation changes in regards to employee ownership. I was delighted to hear back from them and that they were happy to participate. The organisation on first impressions seemed like a good employer that frequently celebrates success. As I learnt more about the organisation prior to my preliminary visit, I understood more about the values and how the founder wanted to distribute the wealth of his company's success to those that contributed to it. Importantly, he wanted them to have a sense of belief in the organisation. The founder's insistence that to truly value something, you need to own it set the precedent as to what being an employee-owner at the organisation should mean.

In the lead up to my preliminary meeting, I was anxious as it was my first organisation visit. I arrived and reported to the reception. Hung on the walls for all to see, were various awards and newspaper articles highlighting the organisation's success. My contact came to greet me and took me through to the main building. Walking through

the shop floor, I could not help but notice how pristine and polished it appeared. There were various machines in operation working to produce a variety of parts with employees involved in the semi-automated process. They looked engrossed in what they were doing. They all wore uniforms with the logo clearly visible implying that they were part of the organisation. As I walked into the office area, I noticed that words were emblazoned across the walls describing what the organisation aspired to achieve. To me, the words provided stimulus and acted as a reminder of the organisation's values.

My introductory meeting went well. The organisation was happy with what I wanted to explore and understood the need for such research. They were accommodating in terms of my channels of data collection and were happy to help organise the majority of the interviews and focus groups. I considered that how they treated me with such care and attention might also be how they treated their employees. At face value, it seemed like a positive place to work and a successful organisation to invest in. Innovation was crucial and this was described as fundamental to the organisation's success. They aspired to contribute to the wider society by having various corporate social responsibility strategies that they delivered through their charitable foundation. I entered the data collection process with wide eyes and excitement to find out what made employee engagement succeed in this EOC.

5.3 Findings

These findings at W T Innovations derive from the participation of 12 individuals. Participants were involved in three different methods of data collection, a manager (known as Manager 1) who was a HR representative participated in the HR interview, five further managers (referred to as Manager 1 - 6) were involved in the managerial focus group, and four employees (Employee 1 – 4) participated in the non-managerial focus group. Two individuals completed the reflective research diaries and subsequent follow up interviews (Manager 7 and Employee 5).

5.3.1 Is ownership alone sufficient to secure engagement employee or do organisations need to do something more?

It was understood from all participants that employee ownership is still an evolving concept at the organisation. At the time of the research, the employee ownership board had been set up for six months. Manager 1 explained during the HR interview that the current key aim for the organisation “is making sure the values and culture of the Company continues because obviously we are starting to grow now. We are a medium-sized Company but we are looking at a £30 million turnover by the end of this year, so I think a key aim is to ensure that the system is about values and culture and that it is the nature of the working environment, so that it is better and it improves the employees in and outside of work”. This aim focuses around the development of the organisation’s employee ownership board. It was understood by Manager 1 that the board had been introduced to encompass the culture and values of the organisation whilst presenting a clear strategy for enhancement of its employees and stakeholders. Furthermore, the Manager described that the ownership board provides a formal platform for employee participation, involvement, and voice, thereby providing an opportunity to further secure employee engagement through this capacity in conjunction with existing measures.

At the organisation, shares are held directly by employees. The shares do not possess direct voting rights. However, each shareholder is a member of the employee ownership board. Employee 11 described that employees are elected by the workforce to sit on the ownership board and that it was the responsibility of those that held a seat on the board to ensure that they represented the best interests of their colleagues as well as the organisations. The other majority shareholder of the organisation is the charitable foundation, which has altruistic responsibilities. It was suggested during the managerial focus group that the organisation always had a strong sense of altruism and that it was understood that employee ownership was a result of the founder’s such desires. As Manager 4 in the focus group described:

“I just think we’re lucky about the way it’s come about. Because we’ve looked to other employee-owned companies, and it’s usually been, the guy who owns it has been a bit greedy, wants his pension, sold it back and everything. But what’s happening here is just truly remarkable. It’s

just, Chris and Bob³, they're just giving it away. They're giving it, for no other reason than they believe in their employees, and it's a gift. And it's outstanding. They're not doing it for their own ends."

The managerial focus group suggested that employee ownership prompted their teams to essentially care more about the organisation. They felt themselves that everyone in the organisation is responsible and accountable to one another as they are equal employee-owners. As succinctly summarized in the managerial focus group Manager 3 stated "I think it makes you care more doesn't it". Although it was discussed by both focus groups that they did not necessarily feel like owners as per se, both focus groups commented and agreed that employee ownership creates an explicit link between effort and reward. This point was elaborated in detail during the non-management focus group as Employee 1 described; "I don't feel like I own it as such. But it does drive me to do well. When the Company does well, it's going to make me more money". Both focus groups concluded that they felt that their efforts were rewarded by dividends in addition to acknowledgement from their peers. They reported a strong sense of pride as they felt they were able to successfully contribute to the organisation that they regarded as their own.

The right to financial returns played a large role in employee engagement to some individuals more than others. Manager 1 elaborated that owning shares in the organisation generated high staff retention levels. He felt that this was particularly evident amongst those who joined the organisation prior to 1994, as they were the first employee-owners and had significant share holdings that generated high returns. Talking about a colleague and the financial rewards that they had received, Manager 1 discussed majestically how such commitment returned rewards; "Dividends, I mean I only got £500 so it's not that much, but someone who bought their shares at the very start, he paid off his mortgage with his dividends and he's added value from the shares". Exploring the element of dividends and their role in employee ownership and employee engagement further, Manager 2 commented in the focus group "I don't feel like an owner. But it does make you feel better when you get share dividends". He continued to describe that although ownership made him feel that he could contribute

³ These names have been changed to protect anonymity.

to the organisation's success, he did not necessarily feel like an owner because much happened beyond his scope. He felt that he was not ultimately integral to the success of the organisation. A different perspective was presented during the non-management focus group. The participants who worked in production indicated that they felt like employee-owners because they felt that if money could be saved in production and product quality would not decrease, the employees felt that they were accountable to making that change happen. The non-management focus group agreed that if savings could be achieved, they should be made as they felt that otherwise they would be needlessly giving away their financial returns and doing the organisation as well as their colleagues a disservice.

“Because I work on the shop floor, I do hear whenever there's a problem or whenever something goes wrong. It might be half joking, but I think its part serious that people say they worry about their shares. They say ‘that's my shares you're wasting’. Or if they're throwing stuff away, ‘make sure because that's my money’. I think you might not worry about it so much if it's someone else's. Because you do see it as someone else's money when you're working at a Company where you have no ownership, you worry about your job” (Employee 3).

On the notion of job security, both focus groups suggested that employee ownership influenced a sense of job security particularly due to the perception that the organisation could not be taken-over. Manager 5 commented, “people say they've got a secure job”. Both focus groups agreed that because of employee ownership, they felt a heightened level of job security, which increased their engagement. In particular, the non-managerial focus group suggested that employee ownership enhanced their commitment to the organisation because of perceived job security, which the group felt they would not necessarily receive at another organisation. As a result of having a heightened sense of commitment, the non-managerial focus group commented that they felt they were able to engage at a higher level.

Whilst it was acknowledged that employee ownership contributed to job security and commitment, both focus groups also felt a sense of responsibility by being an employee-owner. Manager 1 suggested that this responsibility was felt through the development and introduction of the employee ownership board where he found that

a large number of employees actively wanted to be involved as “obviously people want to have their say”. The focus groups acknowledged the role of the employee ownership board and that they perceived that it was everyone’s responsibility to engage with the board. Furthermore, both groups also felt that they also had responsibility on an operational-level beyond the remits of their job role. Employee 3 discussed his role on the shop floor and highlighted that when he noticed an opportunity for increased capability of a machine, he felt it was his responsibility to ensure that this improvement was raised with management. He commented that having this responsibility made him actively contribute in a manner that in other organisations he had not done; “you can actually see a difference. For me it does make a difference”. It was demonstrated by the participants in the focus groups and by Employee 5 when discussing their reflective diary, that ownership provided a culture for continuous improvement. This was understood to be a result of being an employee-owner, which created a sense of responsibility, which in turn encourage empowerment to protect the organisations interests as well as their own. However, it could be argued that such participatory and involvement practices could actualise engagement without an element of ownership. Participants in the managerial focus group who worked at the organisation prior to the introduction of employee ownership indicated that they felt that they were able to encourage continuous improvement prior to employee ownership. However, through ownership they suggested that they felt more motivated to do so because they were engaged at a higher level due to the rewards that such improvements could return to them personally.

Although that is was understood by the participants that ownership influenced their engagement with the organisation, both focus groups also expressed that they felt that some of their colleagues did not engage in the same manner. In particular, there was a consensus that individuals who had a larger share ownership were more concerned with the financial rewards of employee ownership rather than engaging with other aspects of the organisation. Manager 3 described that during meetings; a colleague he believed held a considerable number of shares, rarely contributed to operational meetings but was always keen to voice their opinions regarding dividends. As a result of this, Manager 3 proposed that perhaps ownership and engagement had separate agendas because he felt that not everyone who was an employee-owner was actively engaged with the organisation. The non-managerial focus group also discussed individuals who could be perceived as being free-riders. They elaborated to agree that

when some of their colleagues did not appear to engage with continuous improvement agendas, workforce development, and or share their enthusiasm for work as well as the organisation, they felt that this perceived negative engagement effected their own engagement because they felt frustrated by their colleagues' lack of action. Both focus groups acknowledged that these individuals existed in the organisation and concluded that ownership did not hold the key to engagement for everyone. Manager 4 expressed in the focus group that they struggled to find solutions for how to engage these individuals as they felt neither engagement practices nor ownership itself facilitated a solution:

“We’ve got some people that, a fair share of people that aren’t that engaged or interested [in ownership or the organisation]... If you’ve got somebody doing the job and they’re doing what is required of them. You know, what can you do about this, I mean you try to get them to buy into it, but some people never will”.

The majority of participants felt that they did not feel like owners of the organisation. However, in the non-managerial focus group Employee 2 described that “well I do feel like I own it, because what I do is, I think, like you say there is a hierarchy, I accept that because I think that’s my job, that’s my part of it. And I think that if each part of the Company does their part well then the whole Company makes money doesn’t it, and we’re all trying to create, not just money but jobs and a bigger business”. In a similar train of thought, Employee 3 added to the discussion that she felt that the way that she worked and any changes that she made had a direct impact on the organisation. All participants felt that they could contribute to the organisation’s success but struggled to identify with being an owner. Manager 5 proposed that she felt like this because she perceived herself to be an employee before being an owner. The managerial focus group agreed with this perspective.

The consensus amongst the participants was that employee ownership opened up formal channels of two-way communication. Ownership made opportunities for improvement more readily implemented, and that they felt that ownership rewarded efforts through dividends. All these factors where suggested by the participants to contribute to their level of engagement. Both focus groups and Manager 1 illustrated that they understood that the values of the organisation were fostered before the introduction of employee ownership. Therefore, ownership did not induce a major

cultural shift. This may suggest that organisations do need to do something more than ownership to secure employee engagement as it was understood from the participants who were employed by the organisation prior to ownership, that employee ownership merely felt like a formality as they had previously operated in a similar manner. It was suggested during the non-managerial focus group that all that had fundamentally changed as a result of ownership, was that now they received dividends for contributing to the organisation's success. The managerial focus group proposed that if there was not a culture for engagement and involvement before ownership, they felt that employee ownership perhaps might not function as well as it currently did. They perceived that ownership relied on employees to take on board the responsibility of ownership. However, as a direct result of employee ownership, it was felt by the participants that the downward flow of formal communication (such as the employee ownership board) was a direct result of ownership. This outcome suggests that employee ownership in W T Innovations further facilitated engagement practices. In summary as described by Employee 4:

“They do give us the financial information at the communication meetings. We get to know about the profits or losses, what they spent on different parts of the business. I think it's just an overview, they don't go into detail. But I think it's more to do with being employee-owned, I think we might have got that right to know.”

5.3.2 Which company practices are most effective in securing high levels of engagement? What is good practice? Which measures are most practical?

Participants in the non-managerial focus group were asked to describe how they felt most engaged with the organisation. From the subsequent discussion that formed, it became apparent that communication played a large role. As Employee 2 described:

“I'll tell you what I love about this Company, I love the fact that when you walk in everybody talks to everybody. It's not them and us. I've worked in organisations where you walk on the shop floor and you either get a wolf whistle or, certainly wouldn't know the name of anybody down there, or talk to them or play a game of pool with them. And it's not like that here at all. It doesn't seem like that to me. Everybody mixes”.

During the managerial focus group, communication was also discussed as being paramount to providing engagement. It was agreed that they felt comfortable talking to one another and felt that they mixed well as everyone was equal. However, Manager 3 did express some concerns that some colleagues were more communicative and friendly compared to others. Manager 3 commented that those who were not as forthcoming as others affected his engagement because he actively sought to have positive relationships with all. Overall, it was established by the group that there was an environment of friendliness and integration across the organisation.

It was also agreed in the managerial focus group that open communication and the culture of equality helped to engage employees. The managers suggested that the flow of communication was unique. Manager 3 commented; "I mean I think in a lot of companies you go to work and you do your specific job and you go home and you have no idea what's actually happening in the Company. Whereas I think here they do try and make sure that everyone knows what's happening". Another perspective offered by Manager 2 divulged that; "If an operator said, I'm going to go and talk to the MD about that – you don't have to make an appointment. They could just say so. They wouldn't have to ask your permission, or somebody else's... that's what we like to promote anyway. Anybody can speak to anybody". Although it was understood that communication enabled engagement and promoted a strong culture, it was also understood from the managerial focus group that there might be a tipping point to communication engaging employees. Manager 4 described how they felt that at times communication could potentially hinder engagement if too much information was made known. He remarked; "there's also that thing, people find out too much". Manager 4 elaborated further to explain that they felt that if all the organisation was constantly updated with information, potentially the organisation could achieve less as a result of potentially enhanced involvement which could impact on engagement as decision-making processes could be delayed as a result.

During the HR interview, Manager 1 explained the organisation's communication strategy and expressed that they felt that communication were very open on a personal perspective as well as from an organisational perspective. He commented that;

"We have communication meetings and to be honest, the culture of the Company is that we don't have formal processes to communicate, it

should be an ongoing thing. You should be able to have a conversation with your team leader, your team leader should make sure they have team meetings and everything is communicated. You know it is a bit of a domino effect right from the top, we have a communication meeting with the MD and Directors every period”.

Manager 1 suggested that the organisation had few formal communication processes. However, he continued to elaborate that the introduction of the employee ownership board also functioned as a formal channel for communication. He explained that employees who were elected on the board had a responsibility to consult with the workforce and to discuss issues, which were proposed to them to seek resolutions in a formal arena. Likewise, it was discussed that the representatives had a duty to take information back to the workforce following board meetings.

The HR representative also discussed how the culture and the people of the organisation helped to drive employee engagement. Manager 1 suggested that not only was there a sense of open and free communication, but a culture for having two-way dialogue which encouraged continuous improvement and strived for innovation. It was understood that from Manager 1 that there was no process which initially introduced this culture. He proposed that this was just the way the organisation was and the way that it had always been. To an extent, this perspective was also shared by the focus groups. Manager 1 presented that the organisation aspired for employees to be involved in work in order to make it a better place. He felt that this involvement was not a direct result from introducing employee ownership, as he understood these values existed before employee ownership was introduced.

“It all comes from the culture the values and I think it is that empowerment. People have a chance to put their ideas forward, make a difference, and communication is valuable. You know we have been increasing the meetings in the last three years, making sure that people are told everything, that it is open because they are owners of the business. It is not just about owning shares, it is about giving people an opportunity” (Manager 1).

When participants were questioned in regards to if they felt that there was an over-riding factor that contributed to their engagement in the organisation, the responses

highlighted two different areas. Manager 7 described that the culture was as such that they felt engagement was simply natural. They elaborated to describe that opportunities available for development were consistently offered and that there was a natural desire not for just self-improvement, but also for organisational improvement. He continued to explain that he perceived development opportunities as ones with could benefit the organisation as well as himself. As a result of this, he explained that he was keen to develop so he could further utilise this for the organisation's benefit. Manager 5 led a discussion regarding participatory and involvement practices which helped to secure engagement; "the other thing we do, when we have projects or focus groups, we tend to pick people from different areas in the business, different levels, and get teams together to look at projects, or various things so there's always opportunity for people to get involved in other things than their day to day job". He continued to explain that through these practices, he felt as well as perceived from others, that using such methods to induce high level of involvement and participation typically secured engagement.

As highlighted during my primary discussions with W T Innovations, it was understood that the organisation did not have a formal HR department in the context of having a HR Assistant, Officer, Advisor, nor Manager. The HR interview was conducted with the organisation's representative whose role involved people and culture management. This individual summarised that the organisation did not have a formal HR department because the founder believed that such lack of formality helped to build engagement. He continued to propose that because of the lack of defined processes, it was felt that Managers had a higher degree of empowerment and responsibility to shape their workforce, therefore making them more reactive to the needs of their team. Manager 1 discussed this at a great extent summarising:

"Well we don't have HR here... I think it is sort of your own HR and policy procedures, I don't think we got a negative reaction from that. As I said, it helps with freedom, ownership of your own products, and it takes away bureaucracy. I think we see HR as a controlling function and it can stop innovation, so we said we will never have a HR department".

Manager 1 also discussed that employees did not have job descriptions as the founder's vision was to encourage mobility and innovation therefore felt that if job descriptions where in place, individuals roles would become restricted. Expanding on this

engagement strategy, Manager 1 described that; “it's not just a corporate Company where you have got a set job and that is all you are going to do. You have got freedom to take ownership of your projects and be a part of different projects. Because we don't have job descriptions here, you can be a part of anything”. The focus groups commented in regards to the lack of job descriptions that they understood what their primary role. Participants reported that felt this helped the organisation in particular during busy periods, as they were able to help other departments and that they felt that this brought people together. The non-managerial focus group reflected that when asked to do something beyond the normal remits of their role, it focussed them on the wider role they had in the organisation. They felt they were accountable to ensure that organisational success was maximised. Both focus groups reported that not having a job description did not necessarily secure their engagement, as they felt regardless of whether a task was defined as their role, they would undertake it if required to do so. However, both focus groups identified that they felt an element of freedom in their role, which helped to secure their engagement.

Learning and development was identified by all participants as a factor that provided a high level of employee engagement. Manager 1 explained that the organisation was committed to learning and development to such an extent that it was integral to the business strategy. It was understood that learning and development was crucial to the organisation because it was innovative in its nature, but also because the senior management team believed that such opportunities secured engagement, as well as developed future leaders of the organisation to be engaging managers. Manager 1 continued to suggest that by learning and development being integrated into the business strategy, they found that it served to be good practice as well as a practical method, to ensure that the opportunity to engage was created.

“The main strategy for the next 3 to 5 years is looking at learning development. Hopefully that will engage employees as it shares responsibility between the Company and the employees that we will develop and they can look at planning their own career. It will lay down succession plans. We have a culture of empowerment, we want people on the shop floor or people in their own departments to be experts and for them come up with ideas, so with that you have to in a sense have leadership at every level. So our development, builds the technical skills

but alongside that, builds the soft skills in preparation for leadership to make sure that we have a business that is fit for the future” (Manager 1).

A consistent theme amongst the management participants highlighted the importance of recruiting the right employees for the organisation. They felt that this was how engagement was primarily fostered. This perspective was shaped by understanding from both theory and practice, that if they identified person-fit where a prospective employee shared the same values as the workforce, they were likely to further engage others. Similarly, the non-management focus group felt that a sense of shared values amongst the workforce helped to enhance their own engagement and reflected that where they perceived someone to not work within the best interests of the organisation, it frustrated and disengaged them. Discussing the importance of recruiting the right individuals’ to ensure that levels of engagement were maintained or heightened in the organisation, Manager 1 commented:

“The golden rule here, and I can speak for myself really is that like I said before, it is easier to teach someone skills than it is to develop the attitudes and values. So the first thing we look for is the values and their attitude; if they can put the effort in, they are willing to go the extra mile, then they are the right person for the organisation. We are looking at communication skills, team working skills and whether they are going to fit in the team; you know it's a personal Company fit; if they haven't got that then they won't be at the organisation. Then obviously we look at skills and attributes, and whether they have got the competence to do the job. What would be the difference and the deciding factor would be the attitude and the effort; have they got that willingness to do it and that is going to be the deciding factors between two candidates, not necessarily about what grades you have got”.

Employee ownership itself was discussed in the management focus group as a factor which they perceived enabled high levels of engagement as they felt that having shares in the organisation helped to drive their engagement, as well as the engagement of their team members. Some managers expressed that they had chosen to invest more than the minimum financial requirement because they believed in the organisation. Investing was perceived by these managers as having additional benefits as share ownership was also used to create retirement plans and for long-term investment for

their family. These additional benefits were discussed as a factor that drove their engagement because it presented personal security; therefore, they felt that they were further driven to succeed. However, Manager 7 commented that despite how much they wanted to invest further, it was somewhat disengaging that they were personally unable to do so. The organisation offered loans for share purchase, yet despite this, they were unable to invest due to their current life stage. They simply could not afford to purchase additional shares and this disheartened them resulting in what they described as a degree of disengagement.

The nature of the work itself was described by some participants as a factor that highly engaged them. Manager 7 described in their post reflective diary interview that they were most engaged with; “just seeing the end product I guess. Because I tend to see it right from the genesis of a little idea, whether it’s one that I’ve been out and talked to people and brought that back. But then I will literally manage that, all the way right through to launch. So it’s good to see, this is where we were, this is where we are. And again you get things like that [a wire tensioner], that sells 20 million products a year, and you’re like, I actually designed that one. Although it’s always a team effort, it’s nice to put your name against a bit of a success story I guess”. Being successful in their role and working in a successful organisation, was agreed by both focus groups as key factors contributing to employee engagement. There was a continuing theme identified by all participants that being an employee-owner supplemented their engagement because through ownership they were accountable for their own success. The participants understood themselves to be guardians of each other’s investments and this powered the need to succeed. Both focus group agreed with this sentiment. Furthermore, it was agreed by the participants that having a clear and meaningful role, enabled them to contribute to the wider picture. This was felt to be engaging in its own right. Manager 1 understood this as being a practical method as he believed that each employee needed to add value to the organisation otherwise they were ultimately just a cost. The participants concluded that the flexibility they had in their job role and as owners, empowered them to continue to contribute in a variety of ways. As described by Manager 7, he understood that his role as an employee-owner was clear and meaningful, as well as understanding that the primary role, which he undertook directly, affected the organisation. Furthermore, he explained that he acknowledged that when his role did not achieve this impact, he worked in a different capacity to

achieve this so that he continued to add value to the organisation thereby maintaining a state of engagement.

5.3.3 Are there any obstacles to securing employee engagement, and how might they be overcome?

Whilst open and free flowing communication was discussed by all participants as an effective practice to secure high levels of employee engagement, it was also highlighted by some as potentially being an obstacle to engagement. During the HR interview, Manager 1 reflected that despite the triumphs that strong and clear communication could bring, they were equally aware that if communication was not maintained, then it would be a barrier to employee engagement. Manager 1 stressed that he felt communication was essential to securing engagement. He suggested that if there was a communication issue, it could have the capacity to seriously impact upon engagement levels.

“I think for me [the obstacles to securing employee engagement] it is communication. People need to know what their role is, what part they play in the business. But not just what part but that they are able to add to the business. So communicating on whether there are problems, if it's reward, whether it is just news; we need to make sure they have open communication in the business. That's what we are really very hard on” (Manager 1).

Manager 1 discussed that to make the vision of the organisation clear and transparent; the values of organisation were engrained physically, verbally, and psychologically. He described physical symbols as a constant reminder of what is to be aspired and achieved by the workforce. Furthermore, the managerial focus group commented that the open-plan nature of the office also encouraged freedom and transparency. The non-management participants who worked in production areas commented that the open-plan offices created a sense of togetherness when they were there. During the HR interview, Manager 1 commented, “If you look when you first walk in, that strategy is presented so that it symbolises that we need to make sure that everyone knows what is going on in the business. If you look at the big table at the bottom of the office, that is the Directors' table and they have to have a meeting in front of everyone. You

know it symbolises that nothing should be kept secret, you don't go to hotels or conference rooms for the board meeting”.

However, it was suggested during both focus groups that communication flowed more freely in some areas than compared to others. In particular, both focus groups discussed with confusion concerning the organisation's relationship with another Company that W T Innovation has had a financial connection with. The exact relationship appeared to be undefined and as a result, this raised many unanswered questions. The participants identified that they as well as their colleagues, understood that W T Innovations brought a stake in another Company but it appeared that there was little consensus on anything else to do with the business arrangement. Both focus groups made it apparent that there was clear confusion regarding this business relationship and eluded to a lack of transparent communication being the cause. As a result, participants described that this negatively affected their engagement because they felt that they should understand this relationship. They described that they felt that information was being withheld from them, and that as employee-owners they were unaware as to if this Company could affect financially on W T Innovations. The non-management focus group in particular explained how without correct and accurate information through open channels of communication, employee engagement becomes fraught. The participants expressed doubts regarding the organisation, how they lost an element of trust, and ultimately how engagement levels decreased as a result.

Furthermore, it was felt by the non-managerial focus group that although there was a degree of knowledge sharing at the organisation, it was understood that this could be further improved to drive engagement forward. This did not simply translate to creating more opportunities for knowledge sharing, but acknowledged that there was a need to actually understand the knowledge that was transferred. It was discussed in the non-managerial focus group that it was great the organisation shared information, but often they had difficulties in understanding it and what it ultimately meant. The communication was not effective as the message and meaning was often lost. Employee 2 described how he felt that it was good that financial information was being shared in the organisation but explained that the information that was shared was not easy to understand. He continued to comment that some of his colleagues had become employee-owners but did not ultimately understand what this meant aside from

money being taken directly from their wages: “See we’ve got people here that actually don’t even know what a share is, or what it means to own a share, or what they’re actually buying. The Company is just taking some money off them. And they have no idea what they’ve bought, and what it’s worth or anything. They just don’t understand it at all”. Knowledge sharing and making information more readily accessible was understood by the management focus group as factors that could appease conflicts of communication. The issue of communication sometimes being a barrier to engagement was also acknowledged during the HR interview with Manager 1. They added that to improve communication and engagement, a focus on knowledge sharing was required.

“My big thing is open communication and I think that's ownership of the knowledge, not just being told what is going on but actually understanding what projects are going on in the business and what it means to the business. I would increase collaboration between departments, having time, not necessarily spend time on your own projects, but having the chance to see what other departments are doing, maybe you can be a sound board, offer extra advice, increase ideas and I think that would give people a greater knowledge of what is going on in the business so I would hope to increase engagement that way. I think that is something we are looking at. Hopefully we will try to introduce sort of sharing projects, progress but like I say, I think the important part is people knowing, not necessarily owning the shares, but knowing what is going on in the business and seeing that they are part of a thriving business and understanding that they are adding to that success and they are getting a reward out of that” (Manager 1).

The impact of not sharing operational knowledge effectively was discussed by one of the employees in the non-managerial focus group. Employee 1 described a situation where a new product had been put into production. He explained that those designing the product did not have a sound awareness of production environment nor production processes, yet they designed the work area and the production process regardless. As a result of this communication breakdown, Employee 1 described that through a lack of knowledge sharing it resulted in production issues, therefore subsequent changes had to be implemented. Employee 1 described that he felt

disengagement as production had suffered as a consequence of this lack of knowledge sharing, but also because he did not have the opportunity to participate in the improvement initiative to ensure its success, as he was not aware of the project. As a result of this, the group understood that there were financial and non-financial losses that could hinder engagement. As summarised by Employee 1; “they just needed to ask the right people at the outset, people with experience”.

An issue identified from both focus groups was that there was a feeling of unawareness in regards to the role of the employee ownership board. It was acknowledged by both groups that the employee ownership board was still in the foundation stage but it was felt that there was a high degree of uncertainty concerning its role. The non-managerial group in particular reflected concern that they did not understand their role in relation to the board. Although participants from both groups demonstrated enthusiasm to be involved in the board, there was also a feeling of discontentment from others. In particular, the non-managerial employees suggested that this lack of clarity hindered their engagement because if they were aware of what they could do contribute, they would relish that opportunity. The degree of uncertainty presented an obstacle to engagement for some because they felt that the employee ownership board itself lacked a sense of direction and purpose. The managerial focus group demonstrated that they had a lack of vision and confidence in board. In particular, Manager 4 commented; “the employee ownership board is, it’s relatively new... I don’t think there is any true understanding of what the employee ownership board is, what it will do, and I think they are working at it too. That is a big challenge”.

Through the data collected, it appeared that the nature in which employees invested in the organisation presented engagement challenges for some. For instance, Employee 1 described instances of temporary workers who secured permanent contracts with the organisation who were completely unaware of employee ownership and the financial contribution that they would be required to make. Employee 2 added that “one of the things I don’t agree with, is forcing people into employee ownership – is it’s also on their time scale as well”. This was expressed as an issue for some in the non-managerial focus group as they had previously worked through an agency where they had a higher take home salary, and now that they were permanent employees at the organisation, their take home salary was reduced as a result of their share contribution being deducted. It was felt that this was a struggle for some. The

discussion in the non-managerial focus group turned to reflect on the opportunity to purchase additional shares. Employee 5 shared how recently they received an email that presented employees with a one-off opportunity to purchase £25,000 worth of shares. He explained that there was no flexibility on this sum, which he felt “probably ruled out 90% of employees I would have thought”. The employee felt disgruntled that any smaller sum of money they wanted to invest was deemed insufficient and therefore he questioned the motives behind the share sale, speculating doubt regarding the cash flow in the organisation. He indicated that his engagement with the organisation had become compromised, as he received no reason why he could not purchase a smaller amount of shares and his concern regarding the stability of the organisation’s finances increased.

The lack of formal HR practices was previously identified as a factor that secured high-levels of employee engagement particularly amongst managers because it increased empowerment. However, some employees in the non-managerial focus group suggested that this also had the ability to hinder engagement. It was discussed that the lack of structure and lack of consistency on occasions was detrimental to their engagement. Two examples were raised during the focus group where employees felt that such obstacles reduced their engagement. The simple solution proposed by the group to overcome these obstacles was that they felt that there was a need to have more structure for HR processes to ensure consistency. However, they acknowledged that this could contradict the freedom and integrity of the manager’s ability to manage their team, but maintained that equity should be of primary concern.

“There is no maternity policy, there is no back to work interview. People come back to work to find they’ve got no email account, no phone, no desk. There have been cases of people having their salary chopped below their starting salary after taking into account the annual increases... and yes, there’s a lot of ill feeling, there has been a lot of ill feeling on that. And again, that’s something common. Women have babies. But it is a very male environment. There are no women in a senior management role on the board” (Employee 3).

“The interviewing and the employing of machinists and operators, it’s just haphazard. We have a three month trial which no-one ever fails

unless they're a criminal. It doesn't matter if they're terrible in those three months, we're always going to develop them at some point and they never leave. That's why we're unbalanced on the shop floor, with people who only want to do the simple things. It's not a good team" (Employee 1).

In closing the discussion on barriers to engagement, Employee 5 summarised that the obstacles to engagement existed on occasions due to there being insufficient time in the day for managers to achieve operational targets as well as maintaining high levels of engagement. He commented; "I think probably just time for staff to engage [is the main barrier to employee engagement], meetings and things. Everybody's so busy, there's not enough time for one person to explain what's going on. So that's probably the main barrier. I don't think there are any personalities, it's just the timing". He described that time was precious as everyone had a job to do. To overcome the issue of this perceived time management struggle, Employee 5 suggested that perhaps the organisation needed more resources to ensure that everyone could do their job, as well as having time to be able to be actively involved in the organisation too.

5.3.4 How does employee engagement support and sustain ownership?

During the HR interview, Manager 1 described that W T Innovations were developing ways for employees to get more involved in the organisation in an attempt to engage them further. He explained that this involvement was understood to directly link to sustaining and facilitating employee ownership. Manager 1 described this link being the employee ownership board and explained, "the employee ownership board stands for innovation being led by its employees. It is all about employees continuously improving the business and driving innovation which is at the heart of our business. That board is made up of representatives from across the business". The manager felt that through implementing this board, it delivered on the organisation's values and gave employees the opportunity to make a difference at a wider level. Manager 1 suggested as a result, engagement amongst the workforce could be heightened as a result of involvement, communication, and participation. Furthermore, it was understood by the organisation that this board would provide a platform to promote important aspects of employee ownership such as involvement in decision-making, which again was believed by Manager 1 to facilitate high levels of engagement.

At the time of research, the Managing Director of W T Innovations who also founded the organisation was undergoing a transition process over 10 years to transfer all of his shares into a trust so the organisation would be wholly owned by its employees. He strongly felt, as demonstrated in interviews given for news articles, that to value and commit to something, he believed that you had to own it. The non-managerial focus group explored that the transitional period presented exciting times for the workforce and they took great pride in the organisation being transferred to them. Discussions during the managerial focus group acknowledged that from this transition, opportunities would arise to develop employee ownership further. Manager 1 reflected in regards to the share transfer that, “hopefully that extra commitment [the investment enabling full employee ownership], will create extra engagement which will increase sales turnover and profit. Although it’s not about the mass of money, it is about the welfare of people as well, so we look after our people then they look after the Company”. He believed that employing the right people in the organisation; those that shared the organisations values; would help to drive engagement by upholding the values. Manager 1 also described that the founder acknowledged that the organisation needed to give more to its employees to maximise employee engagement. The founder’s ideal of full employee ownership was understood by the Manager to provide a resolution to this need.

Furthering this perspective of needing to own in order to value, Manager 4 indicated in the managerial focus group that an enhanced level of employee ownership “puts more of a focus on the engagement and that you have to work hard at it because in a sense it is a brand [employee ownership]. The employees are buying into it so if they are buying into something and it is not there, then your engagement is likely to fall”. Participants in both focus groups commented that for them to further buy-in to ownership, they needed some degree of engagement with the organisation. The consensus opinions from the participants was that those who wished to contribute more to ownership in terms of involvement, were highly engaged with the development of the employee ownership board and expressed a high level of faith in the organisation.

Job engagement in particular, was understood by the managerial focus group to play an essential role in sustaining ownership. Manager 4 suggested; “I suppose maybe it’s easier to encourage people to buy into shares with their own money if they’re already

engaged with the Company. Whereas if it was a job that you hated and then somebody said 'you've got to buy shares in this Company' then it wouldn't be as fruitful". Manager 7 also reflected upon this in his reflective diary follow-up interview. He described that owning shares in the organisation was easy, but he proposed that the challenge lay with actualising engagement. Simply put, he explained that he felt the success of the organisation was a result of the workforce which collectively created a platform for engagement to emerge; "it's the engagement that makes it work, not the ownership I think".

The importance of values linked explicitly to engagement and ownership was identified in both focus groups. In particular, Manager 5 commented that they felt that engagement supported and sustained ownership describing; "it's like having a common goal, a common purpose I think – we're all striving towards the same thing". The focus group explored this further and agreed that they perceived that engagement provided the backbone for the organisation so that key strategies such as communication and innovation could transpire.

There was a consensus from all participants that employee engagement could support and sustain employee ownership through development on both personal and organisational levels. This opinion was also presented during the HR interview. Manager 1 expanded further on the idea that development enabled employee engagement to support and sustain ownership:

"I think it comes from development, making sure we have development of people and we never stop that. I think that collaboration is quite a big thing because that is where ideas foster. They don't just come from one person's mind; it comes from sharing knowledge and sharing ideas so I think for the organisation at the minute we need to build the team. We need to be making sure people have a chance to share ideas, share that knowledge. I think the biggest challenge for us will be because of the growth of the business, ensuring there is that consistency of engagement across each area".

The notion of the power from creating collaborative working environments was understood to be important by the managerial focus group. During this discussion,

there was a strong emphasis on knowledge sharing as well as acknowledging the need for more specific training and development as this was deemed crucial to this. It was understood by Manager 1 during the HR interview that the empowerment and culture that such environments created, mobilised employee engagement to support and sustain employee ownership. Manager 2 elaborated in the focus group that collaboration was important for the organisation's success and employee-owner engagement. He described that the workforce wanted to be involved, that they wanted the organisation to succeed, and that as employee-owners he felt that he was, as well as his team, more engaged as a result. Summarising the role of collaboration, Manager 2 described that it was:

“important, well it's essential, everything we are about involves continuous improvement, innovation, as I keep going on about. Behind that we need to drive to make a difference and people want to do that. Unless they engage with the Company, they see where we are going, and what part they have to play. So it's central to the business, it is central to learning development... And it may sound a bit cheesy but it's making sure everyone has that ability to make a difference to the Company”.

5.4 Discussion

5.4.1 Is ownership sufficient to secure engagement or do organisations need to do something more?

The existing literature presents some overlap between employee engagement and employee ownership. Although the literature provides a lack of evidence demonstrating how the two are connected, there are some similar themes that they present. For instance, the drivers of employee engagement which MacLeod and Clarke (2009) propose include leadership, employee voice, integrity, and engaging managers who empower employees instead of attempting to control them. Employee ownership aims to typically provide a platform for employee voice to transpire through involvement and participation (Conte and Tannenbaun, 1978; Klein and Hall, 1988). Also presented by the literature is the understanding that EOCs often have a utilitarian vision which leads them to employee ownership, which is shared amongst the employee-owners adding integrity to their existence (Pendleton, 2009). Furthermore, it is understood that a shared vision is crucial to EOCs success because essentially it is

the employee-owner's business (Levine and Tyson, 1990). Through involvement and participation, employee voice transpires. These separate bodies of literature expressed some connection to MacLeod and Clarke's (2009) notion of leadership in their engagement model. There was weaker evidence in the literature to suggest that engaging managers were a dominant feature of EOCs.

This overlap presents three key areas of similarity. It was acknowledged that one area had substantially less comparison, but nonetheless this research question set out to explore if these three factors were able to mobilise engagement. Additionally, its purpose was to find if there was evidence to suggest that employee ownership further encouraged managers to engage their employees, in order to address that if indeed employee ownership in its own right was substantial to fulfil the role of employee engagement.

The evidence from this case study of W T Innovations suggests that employee ownership, in its own entity, does not secure employee engagement. Instead, the nature of ownership in terms of what it provides to employees through participation, involvement and culture, helps to encourage engagement. Through management intervention, a truly engaging relationship can transpire. The gap in the employee ownership literature of the role of the manager is expansive. Having an engaging manager was not found to be significant to employee ownership, but it is to employee engagement. The findings of this research illustrate this. EOCs do in fact need to do more than provide ownership to warrant employee engagement because the role that the manager has is integral to engagement. This has been expressed through the work of Robinson and Hayday (2009). However, this research gap in terms of the role of the manager in EOCs, presents an opportunity for future research.

The existence of what Conte and Svejnar (1990) describe as free-riders at W T Innovations, presents evidence to suggest that employee ownership is not enough to provide employee engagement. The perceived existence of what Conte and Svejnar (1990) would describe as free-riders illustrates this. In the employee ownership literature, free-riders are a known occurrence in EOCs and require a culture to battle against them (Kruse et al., 2003). In this case study, participants felt that free-riders existed therefore suggesting that employee ownership was not enough to secure their engagement. The literature on engagement accepts that there will be a proportion of

the workforce who are actively disengaged and that often there is little that can be done to overcome this as engagement is ultimately a choice (Harter et al., 2002; Robinson et al., 2004). In the ownership literature, Kruse *et al.* (2003) acknowledge the existence of free-riders and question what can be done to address the issue. However, in this case study it was perceived that free-riders did not only exist, but it was suggested by the participants that free-riders had a tendency to be individuals who held larger, individual shares in the organisation. There is no evidence in the literature highlighting the consequential engagement issues that free-riders induce in EOCs. None of the participants identified themselves as a free-rider therefore further discussions as to the motives of such remained questionable. Bearing in mind this limitation, the significance of stake of ownership with employee engagement is an area for future research and nonetheless, it provided an interesting perception of how employee ownership can effect employee engagement.

Furthermore, what was found when collecting data in response to this research question was that the organisation actively worked to shape the culture; to involve employees, and to ensure that they knew how their role fitted as part of the bigger picture. Although cultural identity is normally strong in EOC's (Baer and Brown, 2012), what the organisation was trying to achieve through its processes was engagement in terms of how it is defined by the *Kingston Employee Engagement Consortium* in terms of intellectual, affective, and social engagement (Alfes et al., 2010). Likewise, the practices that they were using to encourage involvement and participation also reflected aspirations of Kahn's (1990) components of engagement; vigour, dedication, and absorption.

In this case study, the evidence suggested that ownership did not act as an independent catalyst for employee engagement. The culture around ownership and the delivery of business strategy heightened engagement in this context. As expressed throughout this case study by the participants, engagement existed long before employee ownership was formally introduced.

5.4.2 Which company practices are more effective in securing high levels of engagement? What is good practice? Which measures are most practical?

Several core themes emerged in response as to which Company practices were most effective in securing high levels of engagement. These themes were identified as communication, providing meaningful work, a culture for innovation, and talent management.

In terms of communication, it was shown that a continual flow of open communication was an important aspect of securing engagement. In particular, there was an emphasis on communication being a two-way process. All of those that participated in the research expressed that they felt they knew one another and were confident in communicating with each other, regardless of hierarchy because they felt like equals. The open door approach that the MD had, further illustrated that communication should be fluid. The approach to communication was informal at times but it attempted to empower individuals to help innovation prosper. Through knowledge sharing practices, continuous improvement could be achieved. Not only did this demonstrate social engagement but also provided scope for intellectual engagement in agreement with Alfes *et al.* (2010). Having a flat organisational structure and open office structure proved to be suitable practice for being able to deliver open communication – these were identified as highly practical methods by the organisation. However, the culture for involvement, participation, and employee voice drove engagement further. This relates to not just the employee engagement literature regarding the drivers of employee engagement (Robinson *et al.*, 2004), but also the literature surrounding participation and involvement in EOC's (Blasi, 1988; Pierce *et al.*, 2001).

The organisation was able to provide meaningful work in two different ways. For some, affective engagement was felt through being involved in projects that contributed to the overall success of the organisation. Such involvement in knowledge sharing also harnessed intellectual engagement. Whereas for others, meaningfulness was felt by being a part of the wider organisation and understanding how they could contribute towards organisational success. Providing meaningful work is addressed as a key driver of engagement in a variety of literatures (Alfes *et al.*, 2010; Robinson *et al.*, 2004; Woodruffe, 2006). In this case study it proved to continue to be the case. Employees

felt that work was meaningful because not only did each person have a purpose in the organisation as an employee-owner, but through the lack of formal job description, they were able to contribute where their skills and knowledge could best be utilised. This meant that they could be flexible and adaptable in their approach to work, and it was something that they were empowered to control to maximise their engagement.

A culture for innovation and continuous improvement was driven in the first instance by the MD prior to employee ownership. This culture continued and heightened more so as a result of employee ownership as employees acknowledged the value of the contributions that they could make. The culture for improvement in the organisation suggested the existence of intellectual engagement (Alfes et al., 2010). This culture existed naturally in the organisation as it had grown organically. It resulted in the development of new products, which contributed to the organisation being a market-leader; therefore, this culture for improvement was readily accepted by the employees and was perceived as the norm. In conjunction with communication, they worked together to provide knowledge sharing platforms. However, it was identified through the findings that such mechanisms required further development in order to maximise employee engagement.

Managing talent from entry into the organisation through to leadership was acknowledged as a powerful practice to secure engagement. The organisation demonstrated that they recruited based on person-fit as opposed to job-related experience as they felt that experience could be developed. To identifying a person-fit, they looked to see how the individual's values aligned with the organisations. There was some discontentment amongst the non-managerial focus group about this, as they perceived that people were recruited not necessarily in this manner. It was suggested that anyone could get a job at the organisation and that the managers did not appear to necessarily be concerned with how new recruits fitted into the organisation. The literature on the role of person-fit in employee engagement is acknowledged through Alfes *et al.* (2010) and Woodruffe's (2006) who suggest that crucial to engagement is achieving such fit. Having the right people in the organisation was acknowledged by managers as fundamental to the success of the organisation. With this in mind, it was suggested that achieving a person-fit was a practical method of ensuring high-levels of engagement were achieved as they employed individuals who shared the same values as the organisation. This finding was also mirrored in the

study presented by Truss (2012). Furthermore, it was good practice to recruit in this manner to ensure a cultural value alliance.

5.4.3 Are there any obstacles to securing engagement, and how might these be overcome?

Whereas communication was identified previously as a practice to secure high-levels of employee engagement, there was also awareness at W T Innovations of how communication failure could lead to disengagement. This was evident with the non-managerial focus group discussion concerning the organisation's connection with Movements Plus. Information was unclear and there was a lack of understanding about the business relationship. This led the employees to have reduced trust and engagement with the organisation. It was not only this example which led to obstacles to engagement, but also in terms of information presented not being understandable. It was suggested that to overcome this, more meaning and transparency would prove useful.

The theme of communication continued and presented that on occasions because of poor communications, knowledge sharing practices were inefficient. In the literature, knowledge sharing related to social engagement and a degree of intellectual engagement according to Alfes *et al.* (2010). It was found that in the organisation when knowledge transfer was ineffective, it created a lack of engagement due to frustrations. It was proposed that this could be overcome by ensuring involvement of those that were most familiar with the processes. Individuals wanted to be actively involved in sharing the wealth of knowledge that they had and felt organisational disengagement when this did not occur because they questioned their role, as well as purpose, in the bigger picture.

The way in which policies and procedures were communicated also acted as a hindrance to employee engagement. Although the lack of HR worked to empower managers, it also presented a hurdle for the workforce. New employees were joining the organisation with little awareness of the EOC that they were about to be part of. Furthermore, there was a maternity leave case where the employee felt quite disgruntled upon their return to work because contractual changes had been made in their absence without their consultation. A HR specialist and full HR procedures are

suggested as appropriate to overcome such obstacles and organisational risks. Having clear procedures in place was identified by Kruse *et al.* (2003) as a method of securing motivation and ultimately engagement.

Employee 5 discussed the idea that time was an obstacle for engagement. They felt that often job demands prevented them from achieving intellectual engagement and organisational engagement. A solution to tackle this lack of time resource as identified during data collection and through literature, is that there needs to be more job resources readily available to ensure that one's role could be successfully completed (Harter *et al.*, 2002; Nahrgang *et al.*, 2011). With adequate job resource as suggested by the employees, it was acknowledged that this could influence engagement to prosper.

5.4.4 How does employee engagement support and sustain ownership?

Employee engagement is understood to support and sustain employee ownership in a number of ways. Opportunities for involvement and participation are somewhat led by employee ownership (Pierce *et al.*, 1991). It was felt and acknowledged in this case study that employee engagement actually drives these practices forward because ownership relies upon management initiatives (Cleverly and Goyder, 2001).

Employee engagement was engrained in the culture of the organisation and serves to live the values of the organisation on a daily basis, which supported Kahn (1990). Most importantly, engagement created a sustainable working environment through intellectual, affective, and social engagement because these components helped the organisation to succeed (Alfes *et al.*, 2010). The organisation's culture was perceived to prosper as a result of employees' engagement with their role and the organisation, which in turn supported ownership. Engagement helped to make the ownership model and ideals of ownership an actuality.

5.5 Conclusion

This case study exploring W T Innovations aimed to provide evidence to understand which factors contributed to successful employee engagement in this EOC. The chapter began by providing an overview of the organisation, explaining its current state of

ownership and the motives for such. Researcher's reflections were shared to provide a personal insight of the researcher's perspective into the data collection process. The findings represent narrative accounts of discussions involving 12 participants in total who took part in one of three data collection stages; HR interview, focus groups (managerial or non-managerial), or a reflective diary. An analysis explored these findings to identify core themes relating to the research questions.

It was found that employee ownership, as a standalone concept, was insufficient to secure employee engagement independently. Employee ownership was relatively new at the organisation and participants suggested that engagement practices were already in existence prior to the introduction of employee ownership. Formal ownership was understood to provide an explicit link between organisational effort and reward, supporting the theory of social exchange (Cropanzano and Mitchell, 2005).

The findings expressed that there was a strong suggestion that participants felt that effort was acknowledged as not just an individual pursuit, but also one that the whole organisation had to exercise in order to benefit from the associated rewards. However, there was a perception that not all employees were engaged with employee ownership and it was felt that these individuals did not wholly share the values of the organisation. Discussions highlighted that it was perceived that such individuals, although in the minority, worked to the minimum level required but relished the rewards of the hard work of others through the dividends they received. The findings suggested that there were employee-owners at the organisation who did not perform and behaviour in line with the ownership culture but received the same returns regardless of their efforts. Potentially such individuals could be regarded as free-riders (Conte and Svejnar, 1990; Kruse et al., 2003). Regardless of how such individuals are identified in theory, this insight demonstrates how important visible effort and performance is to others to driver their own engagement. Furthermore, it also highlighted that ownership alone could not harness engagement for all employees.

Employee turnover was low at W T Innovations which demonstrates the level of commitment amongst the employees which could be as a result of employee engagement (Harter et al., 2002; Robinson et al., 2004) as well as ownership (Postlethwaite et al., 2005; Kruse and Blasi, 1995). However, due to the identification

of potential free-riders, it highlighted that individuals could have different agendas for remaining with the organisation which on occasions appeared to work against the ownership culture (Kruse et al., 2003).

Employee ownership was discussed as providing a degree of job security as it was perceived to prevent buy-outs and sale. This finding reflected Kahn's (1990) safety element of engagement to an extent but not wholly as Kahn believed that safety came from job security as well as personal security (ones acceptance of them by their colleagues). The element of safety in terms of personal acceptance in the workforce was sought from the organisational culture, which was understood to not be a direct product of ownership as participants suggested that the values of the organisation existed before ownership. As a result of ownership, the employee ownership board was introduced. Participants indicated that because of this, they felt increased involvement and participation. However, this board required the engagement of the employees for it to function and add value to the organisation. Arguably, through employee ownership a platform for involvement and participations transpired to entice employee engagement, although employee ownership was introduced in the organisation prior to the development of the employee ownership board. This would again suggest that EOCs need to do more than offer shares to their employees to secure employee engagement.

The discussions reflecting which organisational practices participants felt effectively secured high levels of engagement identified four core themes; communication, meaningful work, organisational culture, and person-fit. In terms of how these themes reflect on Alfes *et al.* (2010) study, all facets of engagement they identified were considered but just presented in a different perspectives. An open approach to communication was facilitated with an open door policy enticing a two-way flow of dialogue. In particular, project groups were described as an effective method by the participants as this not only helped to satisfy the organisation's value of innovation but also encouraged knowledge sharing. Furthermore, such groups also provided an element of what participants eluded to being meaningful work. It was argued that the lack of formal job descriptions enable freedom and innovation to emerge across the organisation (again relating to the organisation's values), as well as providing a level of empowerment. In addition, being an employee-owner provided a direct meaning for work as it was evident that the participants could relate their role to the bigger picture.

Organisation culture was proposed by the participants as being a factor that provided further avenues for employee engagement to prosper. The participants felt that the organisation's culture facilitated a positive attitude regarding the organisations values. An organisation's culture is understood to secure engagement according to Denison (2010), MacLeod and Clarke, and Kular *et al.* (2010). In particular, participants reflected that aspirations for innovative products, continuous improvement, and a supportive work environment emerged as a result of the culture that was driven into the organisation from a top-down perspective. Employee ownership is understood to contribute to organisational culture (Rosen *et al.*, 2005). Furthermore, employee ownership and the culture created from, it seeks innovation (Burns, 2006; Levine and Tyson, 1990; Stack and Burlingham, 2002). Such innovative work behaviour is an outcome of employee engagement (Alfes *et al.*, 2010).

The identification of person-fit was understood by all participants as a highly effective practice during recruitment to help secure a high level of engagement during potential future employment. The participants expressed that they sought a shared vision amongst the workforce and they wanted all to live the organisations values. Such recruitment practices were perceived by management to be beneficial to engagement as employees could be recruited because of how they aligned with the organisations values as opposed to just relevant experience. The engagement literature describes such practice as key to securing engagement and supportive of shared vision (Woodruffe, 2006; Alfes *et al.*, 2010).

The data collection identified that there were some missed opportunities for engagement to be secured. Obstacles to engagement were identified where participant frustration and confusion were apparent. Despite communication facilitating engagement on occasions to a high degree, it was also described as an area that presented obstacles to engagement at times. The non-managerial focus group described confusion concerning the organisation's relationship with a connected Company, Movements Plus. They discussed that there was speculation and potential hearsay frequently regarding the relationship, as there was a substantial lack of clarity over the connection. Participants voiced unanswered questions about whether or not Movement Plus's activities affected their share ownership. The financial relationship in particular caused great cause for concern amongst the participants, and left them feeling disengaged as a result. Furthermore, it was also highlighted that many

employees did not truly understand the information that was shared with them, particularly where financials were concerned. This illustrated further how communication, which in this case was used to engage employees, also disengaged some because of their lack of understanding of figures which were presented to them during various communication briefs. Whilst all agreed that sharing such organisational information was engaging as employees as well as employee-owners, the participants demonstrated a need for this information to be shared in an understandable manner. Research by Silcox (2012) indicates that the culture of an organisation can also be enhanced by communications. This suggests that such obstacle, if overcome, can present further positives. It was suggested that to overcome these issues, employees potentially needed to receive some training as to the meaning of financial statements as well as proposing that these communications should be more articulate. It was stressed by all participants that they needed transparent communications in regards to the organisations relationship with Movements Plus in order to overcome this potential barrier to their engagement.

Furthermore, although participants felt that project groups worked well to secure engagement, on occasions such groups were not always communicated and as a result important knowledge was not necessarily shared. Employee ownership is understood to invoke a willingness for knowledge sharing as a result of employees having an ownership stake in the organisation (Levine and Tyson, 1990). The non-management focus group in particular demonstrated frustration in regards to a lack of knowledge sharing opportunities as projects had previously failed as a result. This was understood to leave them disgruntled and disengaged because they were not given the opportunity to intellectually engage and contribute to what could have been organisational success. Again, having clear communications was offered as a solution to this disengagement.

Whilst management used a lack of formal HR procedures and policies to empower managers and secure engagement through flexibility, the participants' experience of this varied. During data collection, it was identified that such informality created tension amongst the workforce, as there were inconsistencies in approaches by different managers creating unfairness as well as frustration that lead to disengagement. HR strategies are understood to shape organisational culture (Pierce et al., 1991; Rosen et al., 2005). Furthermore, culture contributes to employee

engagement (Denison, 2010; MacLeod and Clarke, 2009; Kular et al., 2010). Such lack of strategy did not have the desired affect with the workforce. To overcome this obstacle, participants suggested that policies and procedures needed to be agreed and publicised to maximise fairness.

The final factor presented from the discussions around obstacles to engagement identified a lack of job resources in terms of labour as being a factor that created obstacles for engagement. Engagement literature describes job resources as key to employee engagement (Xanthopoulou et al., 2009; Harter et al., 2002; Mauno et al., 2006). If job resources are inappropriate, burnout could be experienced (Schaufeli and Bakker, 2004). The managerial focus groups discussed that they felt they were often too busy to engage outside of their teams as well as on occasions being unable to give time to areas in needed of help because they did not have availability to do so. Whether this obstacle was a result of workforce planning or one concerning time management was not identified through the research. However, the role of line managers in providing engagement is integral (Alfes et al., 2010; Robinson and Hayday, 2009) and the role which managers have in EOCs could be explored further.

Throughout data collection it was transparent that participation and involvement created engagement in this organisation. Participants described how through employee engagement, the values of the organisation were mobilised which created the lived existence of the culture. All insisted that they felt engagement existed before employee ownership, yet stressed that ownership had further drove their engagement as a result of formal participation and reward. Ownership is understood to enhance participation (Conte and Svejnar, 1990) and ownership is identified as enhancing commitment when it is financially rewarding (Klein, 1987; Buchko, 1992). Furthermore, participation and involvement are suggested to contribute to engagement (MacLeod and Clarke, 2009; Purcell and Hall, 2012). Through a variety of avenues such as the employee ownership board and project development groups it was found that employee ownership was supported and sustained as a result of employee engagement. Employee ownership was shown as a viable business model as the organisation was able to achieve growing profits, which was of a direct benefit to the employees, again providing further engagement as participants felt rewarded for their efforts. There is strong evidence in the current literature that through participatory practices in EOCs, performance can increase as a result (Cleverly and

Goyder, 2011). The findings demonstrate that engagement provided sustainability to the working environment to allow ownership to thrive.

This case study of W T Innovations illustrates that engagement does not have to be fully actualised in order for performance to follow. Where there were downfalls with engagement, there was a continuous driver of engagement that stood strong regardless – ownership. Continually seeking improvements and innovations, being employee-owners also drove the participants' work performance because they were able to identify what their contribution was to organisational success. The employee engagement literature to date completely disregards the role of ownership in the makeup of employee engagement. As shown through this case study, ownership is an important factor of employee engagement in this EOC. Culture, participatory mechanisms, and a shared vision helped to facilitate engagement. However, these were engrained with employee ownership.

CHAPTER 6: CASE STUDY – OPTIMUM

6.1 Introduction

This chapter begins by providing an overview of Optimum⁴ in relation to the history and structure of the organisation. In addition, information regarding the employee ownership model will be presented and employee engagement will be briefly discussed. Following the initial insight to the organisation, findings of the research will be presented. In line with the social constructionist perspective, to help the researcher capture experiences and make sense of these, a researcher's reflection will be made prior to data collection and in the findings section of this chapter. The reflection will focus on perceptions and feelings felt during the research process, to form a transparent account of the research journey.

The findings will be presented with a narrative dialogue addressing each research question with supporting extracts from the data transcriptions to provide voice and various perspectives. An analytical discussion reflecting on a thematic approach will provide a debate between the researcher's findings and existing literature. Again addressing each research question individually, the results of the research will be discussed at length. Comparisons between the experiences and perceptions will be discussed in light of the existing literature, and adding contributions. The case study will be brought to a close with a conclusion, synthesising the discussion, and providing sound positioning in relation to the research questions. Any limitations to the research will be highlighted providing scope for further research.

6.2 Overview of Optimum

Optimum is a leading, global consultancy that was founded in the 1940's. The organisation provides a complete engineering service from design to project management. It is responsible for engineering notable landmarks as well as shaping city landscapes with iconic buildings. At the time of research, the organisation employs

⁴ A pseudonym has been used to protect the identity of the organisation. To further preserve this anonymity, references will not be provided which related directly to the organisation concerned.

approximately 10,000 people across 30 countries around the world. Published financials for the previous financial year prior to research revealed that the organisation made a total profit before deductions (for tax, dividends, and staff profit share) of £46 million, and generated turnover equivalent to £97,000 per employee.

Employee ownership was introduced in the organisation in the early 1970's as the founder had an ambition to ensure prosperity for future generations. However, this ambition was not just limited to within the organisation, but extended to how the organisation could contribute to the wider society through the projects that they worked on. Employee ownership was pursued by the founder, as it was understood to be a step to confirm the organisation's values and purpose. According to the organisation's website, it is understood that the founder had a vision for happiness for all. He understood that any decision that the organisation made, could have an impact on much a wider scale beyond the organisation. Furthermore, he suggests that there was a clear humanitarian attitude to his actions resulting in employee ownership. The founder published an ideology for the organisation, which expressed that Optimum should not concern itself with just profits. This is reflected furthermore in company documents where it is described that securing a contract by unethical means such as bribery may well make money in the short term, but in the long term the organisation, as well as society, would ultimately lose.

The organisation promotes desires to have an attitude for humanity. Any acts that go against this ideology are seen to be unfavourable and should be avoided. Despite this, according to industry press, Optimum received some criticism for their involvement in the development of an eco-city in China. The organisation became caught in the middle of a corruption scandal and construction was forced to be delayed which created a wider impact for all stakeholders concerned. However, news articles suggest that the design work that Optimum had tendered for was secured prior to the corruption taking place, which mitigated any wrongdoing, by the organisation. The company accounts provide an indication to the organisation's commitment to society. For the financial year prior to this research study being conducted, the organisation's charitable trust made charitable donations of £688,000. Furthermore, employees of the organisation worked over 10,000 pro-bono hours at a cost to the organisation.

Optimum is an international organisation with over 90 offices across the world having grown from being a single office in London. With a global team of over 10,000 employees strong, according to their website, the organisation has grown to provide a highly technical service to meet their ever expanding and diverse client needs. A recurring message in the organisation's policies and literature is that their personal mission is "to shape a better world". To achieve this, the founder set out six key aims which if fulfilled, he felt would lead to stakeholder satisfaction. Additionally, it was felt that these would also ensure that the organisation had a good reputation and influence. However, it is acknowledged that this relied on the organisation being unite, efficient, and effective. To this end, the organisation bases its culture and values on accountability and freedom. Optimum operate a flat organisation structure with an open door/office policy, project and specialist groups, and provide a continual flow of information through weekly newsletters as well as quarterly bulletins to help facilitate the organisational aims.

The implementation of the mission and ideology to create a better future has been embedded in the organisation's approach to employee ownership. The organisation is entirely owned by an employee benefits trust. There is also a Group Board that consists of twelve directors/principles across a global field who report to the trustees of the organisation as well as the organisation as whole. According to the company website, the role of the Group Board is to set out the organisation's policies which the whole organisation and trustees are consulted on. As the organisation is wholly owned by the EBT, no shares are held by employees directly. Instead of receiving dividends, employees can expect to receive a financial return through bi-annual profit sharing. At the time of research for the previous financial year, the organisation's accounts indicated that just over £21.5 million had been shared amongst the employees as a result of profit sharing. This equated to an average profit share for the year of £2,164 per employee. This represented a 10% increase in comparison the previous year according to the financials.

The success of Optimum's business structure and ethos reflects upon its employee satisfaction and global reputation. The latest employee survey completed indicated that 85% of employees were satisfied with their jobs. This survey received a response rate of 92%. Data from all surveys are made available to all employees to ensure that progress and actions can be tracked. An independent report compiled two years

before this study indicated that 86% of employees were proud to be part of the organisation, and 82% of the employees felt Optimum functioned on strong principles. Furthermore, demonstrating the vision of the founder and subsequent values of the organisation, 83% felt that the organisation was making a positive difference to society, in addition to 79% believing that the organisation strived to do the best for the environment. Despite such positive results, Optimum's employee turnover for 2011 was 14.9% which was 3% higher than UK average for the same year (CIPD, 2011a). Absence was average for the professional services sector which was understood to be 2.4% (CIPD, 2011b). The organisation's financial information for 2011, listed redundancy costs of just over £9.4 million.

As one of the original research partners of the ESRC project, as I learnt about Optimum, I was excited to be working with them. Unfamiliar with the sector, I was surprised to learn that they were the organisation behind many iconic landmarks and buildings. After reading about other EOCs, I was intrigued to find out how ownership operated with such a large and diverse workforce. After a series of emails with my contact, I travelled to the London Head Office to meet with a representative from HR for an initial meeting to discuss my research study. A short walk away from Euston, I was met with two large glass buildings commanding a crossroads; I had arrived. I checked in at reception and waited in the plush seating area watching people pass by. I noted that the reception and security staff appeared to be from an agency as suggested by the logo that they were sporting on their uniform. I pondered how they might be susceptible to influences of employee ownership although not being inherently part of it.

As I moved upstairs for my meeting, I noticed that the offices were open plan but with many partitions and many small offices lining the windows. The HR representative I met was a HR Manager who was very pleasant. She was extremely passionate about the organisation and the people – that is what they are called here, people not employees; I liked that. She talked with great pride about Optimum and the workforce. Enthusiastically, she suggested that employee engagement was magical at Optimum, believing that it could be seen and smelt when walking in to the offices. I was excited about what I was going to experience; I was excited to understand just how this perceived magic happened.

6.3 Findings

The findings at Optimum represent the experiences and perceptions of 10 employees. One of the individuals involved participated in the semi-structured HR interview, four individuals participated in the managerial focus group, and five individuals participated in the non-managerial focus group.

Following my introductory meeting, my next visit at the organisation was to conduct the HR interview with the HR Manager I met at my introductory meeting. I felt excited and almost expected something magical to happen. However, I put this down to the fact that I was taking the first formal research step at the organisation, as opposed to it being a mystical place. The interview went well and the participant was obliging with information. She expressed great enthusiasm. When talking about any negative aspects there was no attempt to hide any short fallings, but instead she had an eagerness to present a positive angle. She appeared genuine in regards to how she portrayed her feelings that she was a part of the organisation, part of the bigger picture, and an ambassador for employee engagement.

For the next stage of the research, I was passed over to a Head of Department who was involved in the EBT to help source participants for the next research stages. During a conference call with this Head of Department, it was disclosed that Optimum only wished to continue with the research by the means of focus groups. The Head of Department described that he felt that Optimum would not benefit from pursuing research derived from the reflective diary element of the study. I felt disheartened as I wanted to capture this perceived 'magic' as it happened, how it 'smelt', and the experiences encapsulated through the eye of the beholder. I was unable to persuade him otherwise. Regardless, I pressed on with organising the focus groups, as it was felt that the semi-structured questions would sufficiently address the research questions as indicated from the pilot study. A participant information sheet and consent form was circulated around the departments with a request for individuals who were keen to participate to volunteer. There was not an overwhelming demand for participation. The Head of Department suggested that the lack of interest could have been a result of end of year pressures. Highlighting this possible difficulty, the managerial group had to be reorganised, as there was an insufficient number of participants available for the originally proposed date.

The focus groups took place on two separate dates. There were not as exciting as anticipated. Some participants were great; they were really getting involved and keen to elaborate on their experiences. However, some appeared to withhold and I was not able to identify what was holding them back. My disenchantment could have been a result of my own anti-climax after thinking that something amazing was going to happen, when in fact something average occurred. It felt that some thought of the organisation as just somewhere that they worked, that it was somewhere that just provided a platform for their ideas to be unleashed, and for their career to foster. Having said this, there was something that stood out which both focus groups discussed at some extent. This was the organisation's commitment to improving society and the environment. They explained that they often happily compromised the organisation's profit, essentially their profit share, to over spend on projects for the benefit of others. This was not necessarily for the benefit of the clients but for the benefit of the wider community. It was, and still is reflecting back, refreshing to hear. The values that the organisation upheld, in particular how they should leave behind a better future, appeared to be deeply embedded in the culture. The employees of the organisation appeared to be vividly proud of this.

6.3.1 Is ownership alone sufficient to secure engagement employee or do organisations need to do something more?

During the data collection process, it was emerged that the participants felt that employee ownership in the organisation created a culture, which they suggested might not be readily found in other types of organisations'. In particular, it was felt by the participants involved in the managerial focus group that the flat organisational structure mobilised decision-making responsibilities. They proposed that such a structure created a culture of independence and freedom. During the HR interview with Manager 8 this sense of freedom was also described. In particular, she reflected upon how she understood that her commitment with the organisation was an equal "give and take" relationship. For the effort she exerted, she perceived that she the appropriate rewards would, and was, returned.

"I think people in the Firm do believe they have got freedom to act. I think people in the Firm do believe there isn't a big hierarchy round them and actually what they get out of the Firm is what they put in. I think

employee-owned Firms start off with a much more positive feeling because they feel that they are a big part of it and it is up to them what they make of it really so you don't get a 'them and us' culture. A lot of companies will have managers and the rest, and you don't get that culture here which is a very positive" (Manager 8).

The managerial focus group echoed the opinion that the culture at Optimum felt different than experienced in other organisations that they had worked in. The group proposed that employee ownership added extensively to the culture of the organisation. A discussion formed around how the organisation grew talent organically from various avenues such as their Graduate Recruitment Scheme and internal opportunities. It was stressed that they believed that progression and development opportunities were available for all in the organisation. However, ultimately it was agreed that it was each individual's responsibility to pursue opportunities for development. The non-managerial focus group agreed with this to an extent, but some raised concerns that regardless of the courses they could utilize to develop, they felt that there were few opportunities for career progression.

Putting aside targets, business plans, and strategies which the managerial focus group suggested was part and parcel of businesses, the managers suggested during the focus group that at Optimum they had a sense of freedom to make decisions which could lead to a greater good for stakeholders. The managers expressed that with this freedom, they perceived that there was also a heightened level of responsibility. There was agreement amongst the group that the values of the organisation acted as stabilizers to ensure that they were grounded and accountable to their colleagues, as decisions they made could potentially affect them. Manager 10 suggested that the organisation's values kept the employees true to Optimum's objectives. As employee owners, they suggested that they were mindful of the consequences of their actions. The group highlighted that they felt more business-orientated because they were accountable for the organisation's success as much as their own. Manager 9 commented regarding how she felt employee ownership had in the organisation; "inherently I feel it's an important element of what we do. The fact that we don't have shareholders and we're not answering to other people, I think is something that makes this organisation different". The managerial focus group agreed that answering to

themselves ultimately – their own people – was portrayed as something that was fundamental to their values.

Throughout the data collection process it was apparent that the culture created within the organisation set a platform for employee engagement. All participants suggested that this culture arose from employee ownership and the values associated with it which were created from the founder's vision. Manager 8 reflected that as highlighted through surveys, the employees felt passionate about how the organisation operated in this manner. Evident from both focus groups the findings suggest that there was an understanding that everyone is accountable to each another, and this also acted as an enabler for engagement.

“We are all equally subject, I'm not sure that's the right word, but subject to the fact that no-one owns this organisation. And there is definitely something very, very appealing, to me anyway, on a personal level, very appealing about the fact that no-one owns the organisation and there are no shareholders. That definitely makes me like working here. So in terms of engagement, that is a massive positive. That makes a big, big difference to me” (Manager 12).

Despite the positive discussion for the managerial focus group regarding empowerment through freedom, some participants also reflected on occasions where this was upheld. Manager 12 explained that despite the equality amongst the workforce, there was still a Board that ran the organisation. Therefore, he felt that his decision-making ability was restricted to an extent. Another manager continued to explain that sometimes they felt that they had no control; “you've got your Board who you can occasionally try and influence, but it's a bit like sticking a stick in a lion's den, because you're quite likely to get your head whacked off if you're not careful” (Manager 9). The managerial focus group agreed that essentially every employee was equal. However, they acknowledged that although they were equal owners, each person had a different job to do and with that came different influences concerning decision-making and control, therefore this should be respected.

The consensus opinion amongst the participants was that they did not necessarily feel like they were owners because there was nothing tangible, as shares were not individually owned. They perceived that this opinion was held by the majority of the

workforce. Whilst they may have not necessarily felt like owners, what they did feel was that “I’ve got, and that we all have, a certain stake in the business” (Manager 11). It was suggested during the managerial focus group that this was a driver of engagement. The non-managerial focus group identified strongly with the fact that they enjoyed being employee-owners because of the organisation’s vision associated with it. They reported that they felt a sense of pride in organisation as result of its altruistic tendencies.

During the HR interview, it was apparent that employee engagement was at the forefront of the organisation’s strategy. The manner in which Manager 8 discussed the strategy explicitly explained that foundations for engagement to transpire were entwined in the organisation. She indicated that this existed not just through the values, but also through the strategies and policies that have grown from them. However, one of the key ingredients to engagement was what she continually described as the “the people” within Optimum. It was acknowledged that the values could only be upheld by the employees in the organisation. To uphold them, employees needed to aspire for, and believe in them. When exploring how the ownership values are promoted, Manager 8 went on to describe the essential role that she felt line managers and team leaders had in fostering engagement.

“For me engagement always comes back to at the end of the day somebody working with somebody. Someone that they believe is interested in them – believes they can help develop them and nurture them. As a manager I should inspire them, help them to reach their potential, and be someone who helps get the very best out of them. Here people generally feel fulfilled. We are willing to give good feedback, constructive feedback around what they are good at and where they can grow and develop. There are many things about the organisation or a trust owned firm that make engagement very relatively easy compared to other firms. However, at the end of the day if your Team Leader isn't actually helping to make you feel that you can make a real positive contribution and grow in the firm, I think that at the end of the day that person won't want to stay” (Manager 8).

The influential factor of employee ownership to employee engagement was discussed in the managerial focus group. One participant commented that if someone wants to engage with the organisation, they will regardless of the type of ownership (Manager 11). However, the group agreed that they felt that employee ownership allowed more opportunities for engagement to occur. Manager 10 reflected that although ownership to an extent helped to facilitate engagement, sometimes ownership created a battle with engagement as a result of a “very, very consensual” managerial style. He described that as employees did not wish to potentially cause problems if they did not agree with a decision, as the decision-maker was also an equal owner in the organisation, they found it difficult to challenge this. Manager 12 contributed further:

“If you actually give people meaningful work to do, that they can really get absorbed into and makes them feel good about themselves – that self-actualisation thing; that is what motivates people. And that’s what makes them feel like it’s a good place to work. Certainly sitting in the middle, there are times when the politics of the organisation and the various bits and pieces that we have to suffer, that really make you wonder actually what the hell the firm is doing, because it’s not making the most of us, that’s clearly disengaging. I can feel that myself when I’m thinking, oh my lord, what’s happening now”.

It was discussed by the non-management focus group that by managers enabling their employees to become absorbed into their work by having giving them a degree of freedom, it enabled their engagement to foster. Probing this trail of thought further, the employees opened up about what was actually meant by freedom. Employee 7 perceived that “there’s a lot less focus on profit and moneymaking aspects which means that the Company probably is a lot less cutthroat compared to firms with private investors”. The participant felt, and the group agreed, that this approach arose from employee ownership. This freedom drove the employees further towards the inherent core vision of the organisation. They acknowledged that the organisation might not necessarily return maximum profits as a result of this. Regardless of them feeling like their own returns could be potentially compromised, they were unperturbed by this. The group felt that with figures not being the number one priority, that they were able to express a deeper level of engagement because working actually had more meaning to them; they were able to achieve more than just a salary and career. Delving further into the discussion, the freedom element reappeared.

Freedom transpired to have altruistic motives, a sense of being able to do something for the greater good too.

“We currently make roughly about 4 or 5% profit [on projects]. However, 48% of our projects make a loss when they do not need to. There is a fundamental; I think there is a fundamental culture about money being a dirty word because we are not here to make money. Some people even have the opinion that we are not. We are more like a, well not a charity but more like an Institute. That we should do a project because it is sustainable or we should do a project because of its, you know, it’s good to the world rather than to make money” (Employee 7).

Whilst there were good insights of ownership discussed, there were also bad experiences to be reflected upon. Again, the theme of responsibility and accountability appeared in the non-managerial focus group. Regardless of individual and organisational dedication to shaping a better world, potentially there was a limit to this providing fulfilment. Employee 7 described that although doing projects for the greater good of society was really rewarding, the financial implications added unnecessary risk to the organisation, and therefore ultimately to themselves. The employee proposed that a cultural change may be needed to overcome this. Employee ownership enabled the ability for projects to overspend for the good of the external stakeholders. Furthermore, the flexibility that ownership also presented helped to unleash the creative desires of its people. However, at the same time this freedom was felt to hinder the reality of the economic climate. This was something which some participants expressed that they were very conscious of.

It was discussed by both focus groups that employee ownership at the organisation created an environment for employee engagement to foster. Through the values that the founder instilled in the organisation, the participants suggested this created a culture for engagement to be actualized. Employee engagement was understood to occur on a daily basis, and it was suggested at Optimum that employee ownership offered employees more to engage with. The non-managerial focus group discussed the role of security in relation to their engagement and loyalty to the organisation. Participants identified that when they had previously worked in a privately-owned organisation, they did not necessarily feel job security as they perceived that the

organisation could easily be brought out. Whereas at Optimum they felt that employee ownership offered security as the EBT prevented a buy-out. Ultimately this was perceived to be a benefit to them. Employee 6 reiterated; “the difference comes in the background security and that’s to do with the trust status as well as employee ownership. Certainly through the last few years we have had the uncertainty. We have seen groups being swallowed up and disappearing all over the place, but knowing that we are in a trust means that we are secure” (Employee 6). The role of job security was understood to drive engagement because essentially they were happy working at the organisation; they liked their job and they liked the organisation. The focus group was by no means oblivious to the occurrence of redundancies in the organisation. However, they knew that they would never be brought out so the values would continue to prosper. Without employee ownership, that security could not be provided and the values could be compromised.

6.3.2 Which company practices are most effective in securing high levels of engagement? What is good practice? Which measures are most practical?

Reflecting on the interview with Manager 8, it was perceived that paramount to securing a high level of employee engagement, there was a need to having strong line management. It was felt that such line management could foster engagement and facilitate it. With this in mind, in order to pursue high levels of employee engagement, Manager 8 explained that the organisation ensured that those in these key positions were trained to facilitate engagement. Both focus groups agreed that engagement was driven to an extent by line manager involvement. In terms of effectively achieving this, Manager 8 elaborated on the training program that their line managers undertake:

“When they first go into a kind of Team Leader role, we basically spend two days with them helping them understand what our expectations of them are. In the Firm we have three clear expectations of all of our leaders. The first is to be a role model for the values, the second is to pass on what you know and that is all about nurturing and developing your people, and the third area is to leave the organisation better than you found it and that is all about your contribution... When they get promoted to the next level up they have a three day event and that is led by our board members. Again they would go through exactly the same expectations but in a very different way – recognising that they are now

directors of the Firm and what their responsibilities are. So we reinforce both the values at that stage too and the responsibility of our key leaders”.

Both focus groups acknowledged the role of training in harnesses engagement. It was suggested that training and development encourages engagement as employees feel that they are invested in, and that their potential has been acknowledged. Management training as outlined by Manager 8 was discussed by the managerial focus group as engaging in the terms of instilling the values of the organisation further, but also empowering as they felt they were ultimately an ambassador for the organisation. The non-managerial focus group also explored personal development as an effective method to help secure employee engagement. The group suggested that personal development created a cycle of engagement. They explained that they were engaged by the training courses which helped them to develop and in turn this enhanced job mobility, which then created further career desires leading to more development required. Training and development was understood by all as not only being one of the most effective methods to securing engagement, but also a very practical method to implement in the organisation through progression and personal development plans.

“I think that they are really keen for you to develop. Like I joined 4 years ago at a level 4 grade, then within 4 years I have gone upwards. I have progressed 2 grades, I have had lots of training courses, and like my job changed quite a lot. They have looked after my strengths and they have been, you know, they have been quite supportive. They have helped me grow as a career person. Whereas before I had very much the idea that I just come and do my job and get home again. Developing has kind of engaged me to have a more creative focus” (Employee 7).

The discussion in the non-managerial focus group identified the importance of recognition in terms of its role in praising employees. It was highlighted that recognition was perhaps not as crucial for some as it was for others. For instance, Employee 6 commented, “it is not a driver for me to be patted on the head and job well done – I do my job”. This demonstrated that the employees are individuals who relish different things, and the organisation needs to have a variety to engagement

strategies to meet a wide range of needs. It was demonstrated that recognition did not have to come in the sense of a thank you. During the focus groups, it was discussed that the opportunity to recognise others' success and to recognise that colleagues actually wanted to know more by sharing knowledge was equally satisfactory. For instance, the organisation frequently held evening talks and seminars on a range of topics for employees. Some of these sessions were open to the public. Knowledge sharing and creating a community through hosting a variety of evening seminars and talks was identified by both focus group as a way in which high levels of employee engagement was secured. They described that such events highlighted achievements of others to recognise success, but also they provided an opportunity for them to further learn, thus contributing to their own development and contributing the organisation. Employees were required to invest their personal time for such sessions as many of the events were scheduled outside of core business hours. Employee 3 commented how the events that they had been to were always busy and that the event created such a buzz in the room. The entire group agreed that this provided them with the opportunity for personal development and to recognise achievements of others. The non-managerial focus group identified that they perceived training to be a continual process. Additionally, they also agreed that the organisation provided many opportunities for people to enhance their own career. They felt that such opportunities also helped to shape the organisation in terms of employee involvement and the culture this enhanced.

The managerial focus group shared that they felt they had the power to engage their team but also acknowledged that there were organisational-wide approaches to achieving this. The managers felt a responsibility to their team in the sense that they should encourage individuals to maximise their own potential for themselves, in addition to adding value in a variety of ways to the organisation. During the HR interview, Manager 8 elaborated on different development activities offered which were designed not just to secure engagement but also to grow talent within the organisation. These were easy to implement and perceived to be well received.

“We do for example hold different types of activities at various times. A couple of months ago we held some employee forums about our benefits package and whether it was achieving what they wanted from it. We will ask people for their views, whether they are meeting their needs or

whether we should be doing something different. Likewise during people's careers we regularly have kind of 2 hour events about how you can help improve people's performance. Almost like a manager toolkit for the organisation where people can come along and learn more about it. We also offer international assignments for people in the Firm which lots of people really like. We offer them the opportunity to go and work overseas. We offer that a few times a year so people can put their hand up and say I'm ready to go" (Manager 8).

Providing meaningful and interesting work was also noted by the majority of the participants as a key driver of their engagement. As discussed in Section 6.3.1, the consensus was that employees felt that employee ownership gave them more freedom than experienced in other types of organisations. It was understood that this in turn enabled creativity to flow. The availability for creativeness was understood as a practical driver of engagement to an extent, although it was acknowledged by both focus groups that external factors and budgets had potential to reduce this. It was identified that the freedom element played a large role in engagement for those who were in design/project positions. These participants explained that by working in such positions they felt a deep connectivity with the organisation as they were able to create something which aspired to the values of the organisation. Manager 8 emphasized that she felt creativity and freedom were factors existed as a result of employee ownership. With great enthusiasm she commented that; "we do have the opportunity to be free to dazzle and amaze as opposed to just looking at the bottom line. That has a massive impact on how people feel about working somewhere". Furthermore, the nature of the work in terms of having a variety of projects with diverse specifications was described by some as keeping engagement afresh. A comment from the non-managerial focus group was; "it's quite varied, you know [the work], we don't sit on a project that lasts 10 years and you are not just looking at a gas pipe light forever and ever and ever. It's always going round a different corner, around a different building all the time, its loads of different things" (Employee 9). Participants identified that the variety of work that employees undertook was largely dependent upon the contracts that they are awarded. As a result of this, project diversity was not necessarily practical in implementation to secure engagement, as it could not always be guaranteed. However, interesting projects were successfully secured, it was understood that engagement had the ability to prosper.

The topic of communication was raised in the non-managerial focus group. Openness of information was reported as a factor that helped to secure engagement. This was understood to be not just through the various forums and talks that were open to all to attend, but also through knowledge transfer networks. Interestingly, Employee 7 described how open access to the organisation's client records provided a high level of engagement because it represented trust in the workforce. She explained that the "online contact database, CRM, that is open to the entire Firm. It's also open on a kind of trust basis, so anyone can update a client record about it. Whereas I think if you are in a Firm driven by shareholders, more than likely that would be owned by the sales team and it would be driven by the sales team so that's the difference". Sharing knowledge in this simplest sense was understood to have meaning to some in the organisation. She felt that where in other organisations such information might have been deemed as a privilege, at Optimum it was normal practice. She highlighted that such openness provided lots of information and support to her in her role. This accessibility was understood to open an avenue for knowledge sharing which not only had a very practical purpose, but also created a strong sense of trust. This was agreed by the group as a factor that prompted engagement.

Good practice for employee engagement at the organisation was understood to revolve around dedication to development and open channels of communication as described in particular during the HR interview with Manager 8. It was clear from all participants that to secure high levels of employee engagement, they relied on a having a two-way relationship with the organisation. Both focus groups agreed that the values of the organisation remained strong and continued to drive individuals. However, Manager 8 identified that securing engagement was not just a line management responsibility, and identified that crucial to securing engagement relied on recruiting the right employees for the organisation. In an attempt to secure high levels of employee engagement, Manager 8 stated that; "before people join us, before they come to interview we pass them across details of the founder's vision which is what the Firm stands for today. We also explained to them how we were created". She continued to describe that the organisation recruited on the basis of individual's identification of the organisation's visions and how they demonstrated the values. It was understood to be good practice to recruit the right individuals for the organisation in this manner. Manager 8 and the managerial focus group identified that through a vigorous recruitment process which is aligned to the values of the organisation,

employing the right candidate by achieving person-fit, helped to open channel for engagement to exist.

6.3.3 Are there any obstacles to securing employee engagement, and how might they be overcome?

Several issues were discussed as obstacles to employee engagement throughout the data collection process. Such issues included the consequential effect of individual's whom the participants perceived to be underperformers and or did not conform to the organisation's values. Other obstacles highlighted by the participants were that there was a lack of constructive criticism, issues with decision-making, and the impact that redundancies had.

As previously mentioned in these findings, it was discussed that line management often provided a vehicle for engagement to transpire. As engagement is discretionary, individuals are able to choose if they wish to engage. Despite the value-driven culture and various strategies used to gain engagement, during the HR interview it was acknowledged that some fail to engage.

“I think a lot of people love working in this organisation because of our values they think it makes us unique. But if people aren't living those values, I think that becomes a really big negative. And I think that is more of a negative in a trust owned Firm than in a PLC because you have partly joined the Firm because of those stated aims and if you fail to live up to those aims it becomes a real problem” (Manager 8).

It was discussed by the non-managerial focus group that they perceived that not all of the employees in the organisation may wish to engage and that they felt that there were underperformers. This was expressed as problematic to themselves as well as the organisation as a whole. The group identified that there appeared to be a lack of procedure for dealing with underperformers. Furthermore, they questioned management capability in dealing with such issues. Employee 6 described how they felt about underperformers and those that did not contribute to the organisation's bigger picture; “it can be frustrating when you see people who are like that, they know they are getting exactly the same as you”. Employee 7 added further:

“We are not very good of getting rid of people, the dead wood so to speak. The fact that appraisals in other companies you know, you get a performance rating and if you get under the acceptable performance rating then you get disciplined and you should be. We don’t have anything like that. By the same token in other Firms, your performance rating can reflect and be related to your bonus – that doesn’t happen here... If you are under performing or sitting on your laurels here, you don’t necessarily get weeded out”.

As expressed by Employee 7 and the group, it was understood that felt that the role of performance management was a process that should drive performance by highlighting strengths and addressing weakness. In managing performance, it was believed that mechanisms for dealing with those that may be underperforming were identified. The group felt that managers did not necessarily, or in their opinion, appropriately manager those who they felt were underperforming. The group described that there had been occasions where they felt that this had hindered their engagement. It was suggested that there was a lack of tangible reward for performance compared to their competitors that utilised performance related pay. Although the group felt that performance was a team effort, there was still an inkling of craving personal reward. It was discussed that the organisation operated a profit sharing reward system that was tailored to employees based on their grade and length of service. However, this profit share was perceived to be more of a “thank you” rather than a reward because it was generic. The group proposed that if there were more local incentives such as monetary reward being based on individual or group performance, they felt that performance management could be more transparent. As a result of such suggested changes, they proposed that these could overcome some of the obstacles in the organisation in regards to managing performance, which could secure employee engagement.

Performance management was also discussed with the managerial focus group. The managers admitted that they felt they could work better with their teams to manage performance. Due to the culture and how they felt that their teams represented a family, the managers identified that they often found that it was difficult to give constructive feedback. Echoing the non-managerial focus group’s comments regarding underperformance not being dealt with effectively, the managers disclosed that when

there were issues, they essentially felt a fear about discussing it, as they did not want to create any negativity amongst the team. Some of the managers felt that they lacked confidence and competence in dealing with such situations. Managers suggested that performance could not always be managed effectively. This was identified as an area that needed to be overcome through training and experience as it hampered engagement for all those concerned. Both focus groups acknowledged this problem and there was an awareness of this at HR level too.

“The one thing I think many Firms need to do better is actually giving feedback to people and that is the same here. In reality we are such a lovely Company and we want to take care of each other. We sometimes think saying to somebody, ‘you know when you presented to the client you missed three points that we discussed before because you got really nervous – it would have been so much more powerful if you had rehearsed before that meeting’, as opposed to; ‘we just don't give people that feedback because we don't want to hurt anyone's feelings’”
(Manager 8).

The issues with performance management were identified by the managerial focus group to stem from the culture which employee ownership contributed to. The managerial focus group explored management issues throughout the hierarchy. It was identified that issues around feeling the need to not introduce negativity into department teams reverberated throughout the hierarchy. Despite having a relatively flat organisational structure and employees feeling empowered through freedom, it was understood that there was a reluctance to challenge higher up the hierarchy too. The managers described that this had caused some tensions as the management style was that of a consensual one. Eloquenty put by Manager 12; “what I’m not sure about necessarily, is that actually we live the dream as an organisation. I think managerially we could do a lot better. It’s very, very consensual”.

Lack of command and direction in the hierarchy created issues for engagement. It was felt by the managerial group that employee ownership had some involvement in this. However, the rapid expansion of the organisation was also identified as a possible contributor by the managers. The prospect that the processes were succinctly wrong was also proposed. Manager 10 elaborated on this; “but sometimes our internal

structures do hinder. And there's a balance between being responsible and making sure you do things correctly etc. And not letting the organisation stop you doing what you want to do or should do". The non-managerial group also identified engagement issues surrounding the approach to leadership. Employee 7 acknowledged and replicated the managers' trail of thought as to where these issues arose from by commenting:

"Sometimes I think we're slow in decision making. We're quite conservative in some ways. Sometimes I think there is a lack of decision making from leadership and changing their minds a lot which is quite demoralising when you are the person doing things and the goalposts keep changing. I think that lack of decision making comes from a culture that's derived from collaboration of the small company mentality and a kind of partnership area and one that isn't. You don't have to make quick decisions because otherwise you are going to lose money. You can afford to take your time. I think that is a hindrance for engagement because it makes you feel slightly frustrated".

Processes and policies continued to be an issue for engagement in the focus groups. In particular, it was evident amongst the non-managerial focus group that there were tensions with the pay structure. It was felt that employees performing the same role but in different groups were perceived to have a large pay differential. Employee 7 discussed that they heard that there was "a very big difference in groups and areas and having people do the same job, there could be a variation salary of £20,000 which is quite significant". Although this could just be hearsay, the lack of transparency around pay scales and grading was understood to hinder a degree of engagement as participants felt that fairness did not always appear to prevail. The managerial focus group felt that support functions such as HR, were too focussed on policy and procedure to an extent that it inhibited their ability to manage their own team. Manager 10 commented; "actually I've noticed of late, poor old HR, they always get it, but it seems to me that HR are getting heavier handed. They're limiting our ability to be nice and fluffy, if I can put it like that". The group felt that on occasions policy and procedure were inefficient either because there was not enough guidance or sometimes too much. What was just right in one instance was not right in the next. The managers felt that they could not fully engage their teams because they themselves were sometimes prevented from being engaged. Allowing managers to use

their own initiative more was expressed as a potential strategy to overcome this issue. However, they recognised that the consequences of this could further increase the potential for perceived unfairness.

Job security, which had been described as an engaging factor to employee engagement as a direct result of employee ownership, was discussed by the non-managerial focus group during the discussions of engagement obstacles. On reflection, participants expressed that their perception of job security was not actually all that it appears to be. Participants discussed that there had been instances in the organisation of redundancies and this was something that they felt the workforce was very aware of. It was identified that the prospect of redundancy provided an obstacle to engagement. This issue could not necessarily be overcome as the participants accepted that redundancies were just as much part of the organisation as they were of any other type of organisation. One employee (Employee 8) described that in their team, there had been great uncertainties and this had heavily obscured their engagement; "I have only been here 2 years, a year and a half of which we were always doing redundancies and I think only the last maybe 6 months the more definitely my group has changed. It wasn't a good atmosphere a year and half ago with so many jobs at risk". The group discussed the incident of redundancies at another office, which actually provided an insight as to how engagement during redundancy times could be facilitated. It was understood from the group that the office in question worked collectively to attempt to reduce the redundancy risk. In doing so, the group understood that they were able to reach a compromise over pay cuts and a reduction in working hours to appease the situation in the short-term. However, despite the goodwill of the office, redundancies still ultimately had to take place for the greater benefit of the organisation. Unfortunately, this meant that the office had to close down. Whilst the group acknowledged that the outcome was justified and unavoidable, they recognised the collective efforts of their colleagues, which was described to reinforce the culture of the organisation.

Recruitment and progression was also identified to have disengaging elements. The non-managerial group felt that despite them having some issues with engagement because of issues with recruitment and progression, they failed to propose a solution to how it could be overcome. The participants perceived that the organisation's reputation as a good employer created high employee retention levels. The

organisation was also understood to appeal as an employer of choice attracting people from far afield. Some participants perceived that engagement obstacles could occur as a result of commuting and such high commitment to the organisation that they expressed. Employee 6 described that some people travelled in excess of two hours a day to get to work. He perceived that whilst they demonstrated high levels of engagement, he felt that due to this commitment they could eventually burnout. When discussing employee engagement in this context, the employee commented that the “flip side of that is they are then drained, there’s another thing. In a way it is a negative. Because it’s so good it keeps them obsessed with being here, but it doesn’t work on the other side, the family side”. The obstacle with retention levels was described by the group as almost that there was a glass ceiling. It was perceived that because Optimum was a good place to work, there was little turnover because it was felt that no one wanted to leave. As an outcome from this, it was described that good employees were often lost because there was nowhere for them to progress to. As explained by Employee 7; “I mean given how low the organisation’s staff turnover rate is, the problem is we have really good people and well, we’re not able to promote them and they leave”.

6.3.4 How does employee engagement support and sustain ownership?

The organisation does not provide training as such on employee ownership but it does provide training on the values and vision of the organisation. By living the values through being engaged with them, the organisation hopes that the fundamentals of what employee ownership means at the organisation are sustained. Manager 8 explained during the HR interview that; “to be honest at this point in time we don't have events or courses about us being employee-owned; it is much more about a way of living to be honest and a set of values and behaviors that we encourage”. She went on to explain that the sharing nature and openness of the organisation is somewhat due to the status of the organisation but also because of the industry that they operate in. Manager 8 perceived that through harnessing engagement, it was felt employees aspired the organisation’s vision and values of ownership. She continued to explain that it was understood that essentially buy-in to both of these provided high intensity knowledge sharing enabling endless opportunities on a variety of levels to become further involved in the organisation, and to become more engaged. She described that knowledge sharing helped to sustain the values of employee ownership.

“Well we have huge knowledge sharing forums so in technical expertise every week we will have somebody saying ‘I am holding a discussion on this topic come and join me’, you know. Teams will get their teams together to share some of their brilliance. I mean that happens all the time here, the knowledge sharing is incredible here to be perfectly honest. I think that is hugely motivational and engaging because most people here are actually inspired by their work so they are inspired by becoming the greatest technical excellence that they can find. From geotechnics to building the tallest buildings, highways, bridges – this innovation and skills is shared through the Company, even I get excited about highways now because of the pure skill as well as beauty. People get excited about these things and it is a natural thing to want to share. Everyone does share so there is nothing that stops you from being involved at a level” (Manager 8).

Whilst it was understood that values and vision were facilitated through engagement, it was also suggested that ownership was entwined in these. Due to this, it was identified that ownership is also maintained to an extent by employee engagement. During the managerial focus group, a manager shared how ownership further drove their engagement which in turn, heightened their interest in ownership. Similar to how engagement had been described as being something that one can become absorbed in, Manager 10 described how this also worked for ownership. They commented that “just thinking about the employee ownership, maybe in a way it’s a bit more stressful because our future is only in our hands. If the Firm runs out of money, there isn’t a load of shareholders out there that you can turn round to and go ‘could you bail us out, we’ll print another billion shares and you can pay us £1 for them’”. It was identified throughout the managerial discussion that each participant felt that they had the ability to either hinder or assist the organisation’s success. They perceived that collectively they were what made the organisation, and individually each person could contribute to it.

Continuing this further, the existence and strength of ownership provided an avenue for further engagement. Engagement thrived as a result of ownership and participants described that employees responded by exercising control and demonstrating the core values of the organisation. Manager 11 described how the economic downturn in

Ireland lead to the demise of an office, which created numerous potential redundancies. The manager commentated; “well we can make x number of people redundant or we can all take a pay cut and they all voted for, I think, first a 10%, and then a additional 5% additional pay cut working four or three days a week. They made that choice collectively”. Unfortunately, the office did close in the end but through engagement, an attempt was at least made by the employees, to try to sustain ownership. It was identified that ownership contributed to such collective action being taken, and that as they were engage with organisation they fought to protect it.

6.4 Discussion

This chapter has explored the organisation, Optimum. It has presented the results of the semi structured HR interview and two focus groups. During the research process, 10 participants contributed to the findings. The relationship between employee ownership and employee engagement was explored in the organisation as perceived and experienced by its employees.

The discussion presented herewith will address the research questions by reflecting on information presented by employees in order to compare and contrast different perspectives. Furthermore, the findings from this research will be discussed in relation to the literature review. This will illustrate how theoretical frameworks prevail and fall short by presenting evidence and argument for new contributions to the literature.

6.4.1 Is ownership sufficient to secure engagement or do organisations need to do something more?

Throughout the research process there was a recurring theme that was expressed as a precursor to employee engagement. This was understood to be a value-driven culture, which created a shared vision. The engagement literature identifies that shared vision helps to facilitate employee engagement (Alfes et al., 2010; MacLeod and Clarke, 2009). It was identified that there was a strong sense throughout the managerial focus group that everyone was equally responsible and accountable for the organisation. They felt that they were equal as they all shared a certain stake in the business. This attitude and culture of everyone being equal was something that was a result of employee ownership. In particular, the model of 100% employee ownership

presented this opportunity as shares were held on behalf of the employees in an EBT. Although this model of ownership did not create engagement by itself, it created satisfaction in working for the organisation. Organisational identity in EOCs is understood to be mediate job satisfaction and psychological ownership (Pierce et al., 1987). The participants indicated that they were satisfied by the participatory mechanisms as a result of employee ownership and identified that ownership gave them an element of empowerment because of their rights, which supports the work of Buchko (1993), and French and Rosenstein (1984). The literature on engagement suggests that to engage in this way, the organisation has to have affective engagement (Alfes et al., 2010). It was found at Optimum that the participant identified with this. Employee ownership facilitated this engagement but as the literature suggests, affective engagement is one of three facets that creates employee engagement. Together with the findings at Optimum, and as presented in the existing literature this therefore demonstrates that employee ownership does not fully reflect all the facets as identified by Alfes *et al.* (2010) of employee engagement.

The relationship between the organisation and the employees was discussed as a two-way relationship by Manager 8. This was discussed in the sense of employee engagement in the terms of how managers were understood to work to create an environment for engagement and employees responding to it. However, it was also identified that this transpired through what employee ownership provided for the participants and how they felt that they were expected to respond to this. As identified in the literature, ownership resonates a culture of going beyond the remit of the job role (Stack and Burlingham, 2002). This was demonstrated by the participants through how they participated and were involved in the organisation. Furthermore, the values of ownership and the desire to create for future generations, enticed engagement. There was an overwhelming sense of people wanting to achieve and aspire; a desire to personally develop. However, it was through management initiatives that development became an actuality. Robinson and Hayday (2009) argue that the role of managers is paramount to the existence of engagement as the fundamental meaning of being a manager is to manage a team to achieve a common goal. Additionally, the ownership literature supports this through the identification that in EOCs management commitment to employee ownership reflects upon employee attitudes (Pierce et al., 1991; Klein, 1987; Goddard, 2001). It also suggests that employee ownership requires management involvement to effect employee, as well as organisation outcomes

(Cleverly and Goyder, 2001). The literature showed that engaging managers inspire their employees and mentor them (Cook, 2008). At Optimum, employee ownership created a culture for desiring great things and the act of engaging managers helped to pursue employee engagement.

Employee engagement was identified as a strategic approach to people management in the organisation. Engagement reflected the values that employee ownership represented but it also reflected business strategy. To this effect, policies, procedures, and business plans were designed to engage. Pierce *et al.* (1991) and Rosen *et al.* (2005) suggest that the culture in EOCs is shaped by HR strategies. In the HR interview, it was clearly acknowledged that the employees of the organisation were understood to be accountable for the success of the organisation. Therefore, to maximise this, they relied upon deliverance of the business strategy. There was a suggestion that whilst employee ownership induced employee satisfaction to an extent, this was also attributable to employee engagement as this general satisfaction lead to a desire for self-improvement and a needing for organisational success. In support of this, Pierce and Rodgers (2004) propose that the existence of psychological ownership increases performance.

The organisation has been employee-owned for some 35 years. Throughout the organisation, it appeared that employee engagement and employee ownership worked to support one another. For instance, the line managers underwent particular training that attempted to harness employee engagement and the values of ownership. Ownership and engagement were perceived to be entwined with one another. Engagement in the organisation centred on employee ownership as a result of the shared vision and values which lead the culture. Such shared vision is understood to secure employee engagement (MacLeod and Clarke, 2009; Alfes *et al.*, 2010). However, through having the right people and the right managers leading the organisation forward, it was acknowledged that person-fit made engagement possible. The role of person-fit in the engagement literature is understood to have this desired effect (Woodruffe, 2006; Robinson *et al.*, 2004; Alfes *et al.*, 2010). Manager 8 described that ownership made engagement easier compared to non-EOCs. This was understood to be achieved through the presence of organisational engagement in accordance with Saks (2006). The managerial focus group felt that ownership presented more opportunities for engagement to occur. However, it was identified that ownership did

not provide the all-encompassing role of employee engagement but that ownership formed as a facet of this.

Participants identified an element of freedom that they felt their job had as a result of employee ownership and the founder's vision. They described that they felt that they would not have this freedom in a non-EOC. Such freedom transpired in terms of employees being able to be more flexible with project budgets to ensure that the organisation added value to the wider community of the project that they were working on. Essentially, this had a consequential effect on the organisation's profit margins, which meant therefore that they were not maximising on shareholder dividends. Whilst this showed that the employees were driven by the altruistic nature of the organisation, they also showed an element of corporate social responsibility. Although the employees are were necessarily acting in the best interests of the organisation as a whole in terms of profit margins, they identified with the bigger picture and vision of the organisation. However, some of the employees' job role identifies with the need to concern themselves with the local community. Landscaping communities that can withstand future generations is an integral part of working in such an organisation as Optimum. Exploring the work of Robinson *et al.* (2004), it is understood that when individuals can experience a heightened level of engagement with their job role as result of their occupation, as opposed to how they engage with their organisation. At Optimum it is understood that the employees are highly engaged in meaningful work through job engagement as part of their work is to engage in a civic nature in order to fulfil their role.

6.4.2 Which company practices are most effective in securing high levels of engagement? What is good practice? Which measures are most practical?

Engagement was understood to exist in the organisation and it was driven by a number of organisational practices. A facilitator of engagement was understood to be talent management. The organisation was keen to grow talent organically. Having the right person-fit to the organisations values (a desire for self, organisational, and societal improvement), was fundamental to the recruitment process. The recruitment process was designed to identify this as it was acknowledged that the right attitude was most important. This was a practical method to attempt to secure employee engagement from the offset because it identified individuals who expressed a desire to engage. The

engagement literature, in particular Woodruffe (2006) and Robinson *et al.* (2004), supports that person-fit has an essential role in securing engagement. What Alfes *et al.* (2010) describe as transactional engagement was not enough for the organisation. The organisation described that they wanted to employ individuals who wanted to invest themselves in the organisation. They sought to engage in a manner that Alfes *et al.* (2010) would describe as emotional engagement. A meticulous recruitment process set out to achieve this by ensuring that candidates were aware of what the organisation was about and what would be expected from them. This cultural education was also apparent in the induction process to further facilitate this immersion.

When an employee was appointed into a line management role, they underwent a variety of training courses to aid them in being an engaging manager. Such training also involved sharing knowledge in order to nurture and develop others, as well as encouraging managers to improve the organisation through effective management. Furthermore, there was no specific training on employee ownership but the values were written into the training. Managers were trained to act as an ambassador for employee ownership. Through developing significant management development programmes, the organisation was able to give the managers the best possible advantage to engage employees. Both the engagement and ownership literatures support that managers can make a valuable contribution to harnessing employee engagement. The role of the line manager is understood to encourage employee engagement (Robinson *et al.*, 2004; Alfes *et al.*, 2010; MacLeod and Clarke, 2009). Furthermore, how managers encourage employee participation and how they share the values and vision of ownership is understood to effect employee behaviour (Cleverly and Goyder, 2001; Pierce *et al.*, 1991; Goddard, 2001). However, managers needed to have a desire to engage and this was identified to reflect back on ensuring that a person-fit was achieved. By appointing where possible from within the organisation, new managers were understood to be well equipped with organisational engagement. As reflected in the managerial focus group, managers were aware of the outcomes that engaging their team brought. They frequently participated in the organisational activities to develop themselves as managers in order to enhance the performance of their team. Training and development is fundamental to employee engagement as explored by Robinson *et al.* (2004) and Woodruffe (2006). This was evident at Optimum. Training and development was regarded as a highly practical

method of engagement because it was understood to allowed individuals to develop from within the organisation, therefore maintaining a degree of fluidity.

To supplement engagement through development, knowledge sharing formed a vital role. The organisation regularly organised evening talks and presentations that were open to all employees. These often featured discussions on a variety of projects and provided the opportunity for success to be celebrated. In addition, such events provided networking opportunities for individuals cross the organisation whose paths may not have necessarily crossed. The literature suggests that EOCs influence a knowledge community because of employee's inherent connection with ownership (Levine and Tyson, 1990). Such events as described provided social engagement with the potential for affective and intellectual engagement as described by Alfes *et al.* (2010). Attendance to these sessions was voluntary. Participants described that they often attended because they had a desire to learn and be a part of something more. Saks (2006) describes that this exhibits organisational engagement. This practice of facilitating engagement opportunities relied on individuals to desire more and be interested in the topic. Furthermore, it also relied on the culture of knowledge sharing and acknowledging success within the organisation. Employee ownership is understood to influence a willingness of sharing ideas and increase creativity (Levine and Tyson, 1990). Communicating the events was paramount and clear communications are notably an important aspect of engagement (Alfes *et al.*, 2010; IDeA, 2009; Robinson *et al.*, 2004).

The non-managerial focus group in particular identified that communication was an effective practice in securing engagement. Communication was understood to have two roles. It existed to satisfy the rights that employees had as employee-owners, but it also had the added extra potential to drive engagement. As found by IDeA (2009) and Robinson *et al.* (2004), communication is a driver of engagement. The organisation worked to ensure that communication was honest and open. They were able to achieve this through newsletters, forums, and by cascading information down the organisation. Communication was also passed upwards through management and defined participatory mechanisms. Communication initiatives such as open letters answered by the senior management group featured in the newsletters. In particular, communication also aided knowledge sharing, as the organisation's client system was open to everyone. This demonstrated trust as well as providing job resources to ensure

that employees had potential to succeed in their role. The availability of such job resources is understood to influence engagement (Harter et al, 2002; Xanthopoulou et al., 2009; Nahrgang et al, 2011).

All these themes of high drivers of engagement indicated towards one overarching factor. Ensuring that work was meaningful had a connection with all of these. Providing meaningful work was discussed in the literature as being a factor that secures high levels of engagement (Alfes et al., 2010; Kahn, 1990; May et al., 2004). Furthermore, Robinson *et al.* (2004) suggested that where a job is also an occupation, a higher level of job engagement is typically present. Having meaningful work was intrinsic to employee engagement at Optimum. Whilst it was understood that many participants were more engaged with their job than opposed to the organisation as a result of their occupation, the organisation acknowledged that it needed to do more to harness organisational engagement. The organisation attempted to achieve this through freedom and creativity, as well as by offering opportunities such as international secondments. Meaningfulness of work also transpired in terms of being able to add value to the organisation. To an extent, for some creating meaningful work was in the hands of the clients therefore this was not always practically possible. However, the practicality in implementing meaning arose from the freedom that employees had, and the culture for continuous improvement.

6.4.3 Are there any obstacles to securing engagement, and how might these be overcome?

There was evidence to suggest that there were underperformers at Optimum. The ownership literature suggests that if underperformance occurs as a result of employees wishing not to adhere to the organisation's vision or values, they could be described as free-riders according to Conte and Svejnar (1990). The perceived underperformance of colleagues and potentially the existence of free-riders, was understood to create an obstacle to engagement amongst the workforce. There was a perception that there was a lack of procedure for dealing with them, which in turn created a frustrating work environment leading to disengagement. As understood by Kruse *et al.* (2003) to tackle free riders, not only does the organisation have to use cultural power battle against it, but also provide incentives of ownership have processes to entice participation. Management and participatory initiatives are

understood to shape culture and induce employee behaviours (Cleverly and Goyder, 2001; Pierce et al., 1991). Furthermore, engaging managers and a strategic narrative, is understood to enable engagement (MacLeod and Clarke, 2009). However, at Optimum it was felt by the non-managerial focus group that the mechanisms for dealing with underperformers were ineffective. They particularly described frustration as profit sharing was not related to individual performance. This was demonstrated as a frustration for some of the participants as in non-EOCs in the same industry, they perceived that performance would be managed effectively. As a result of individual reward, they felt they would be more motivated to achieve. Participants questioned the managers' capability to manage.

The managerial focus group and the HR interview also reflected on the issue of underperformance. They acknowledged that there was a fundamental problem regarding performance management. Managers acknowledged that they did not manage poor performance effectively, and identified that this was a training issue for them. Furthermore, it was argued that it was a wider cultural problem. In particular, Manager 8 expressed that as good as the family culture within the organisation was which created equality due to employee ownership; it also created a hindrance in having difficult conversations with underperformers. Managers did not wish to have negative conversations, as they did wish to negatively affect the culture. The ownership literature suggested that a characteristic of EOCs is that there is a reluctance to make unpopular decision (Burns, 2006). Reflecting on Kruse *et al.* (2003), the organisation needed to use the organisational culture to overcome these occurrences. It required employees to identify that the behaviour did not conform the norms, and for them to actively induce change through culture. Furthermore, managers needed to proactively manage employee relations to secure engagement (Salamon, 1998).

The family culture dynamic had repercussions in the hierarchy overall. It was understood from the findings that there was a lack of leadership and challenge as everyone felt like an equal. It was described by a manager that the management style was merely just consensual. Whilst employees perceived to have a degree of freedom to make decisions in regards to their job role, they felt that there was a lengthy decision-making process concerning organisational issues because of employee ownership. There was little suggestion from the managerial focus group as to how this

could be overcome. The organisation aspired to have a flat structure to ease decision-making. However, due to the size of the organisation, it was perceived that decision-making was still slow. Participants accepted this due to employee ownership. Lengthy decision-making processes are discussed in the literature by Long (1978b) as a factor of EOCs. The findings support that in EOCs lengthy decision-making processes occur due to the need to consult with employee-owners.

As much as the organisation strived to have open communication, it was found that this was not necessarily evident in all areas of the organisation. There was discontent in the non-managerial focus group over the lack of transparency in pay scales and grading structures leaving some to question fairness. Created by hearsay or not, there was an unease that pay and grading systems were not aligned between the different departments and teams. It was argued that there needed to be much more transparency with grading and pay structures in order to overcome obstacles of engagement associated with it. The engagement literature suggests that transparent communication including that of organisational policies, can harnesses engagement (Attridge, 2009; Cook, 2008; Harter et al., 2002; Robinson et al., 2004). Through achieving transparency, it was understood that perceived fairness could be overcome. HR practices such as having defined pay scales and grading structures were suggested as ways in which this could be overcome. Robinson *et al.* (2004) identifies that perceived fairness is associated to securing employee engagement.

In contrast to this argument of transparent policies, the management focus group felt that some policies and procedures actually hindered their ability to be an engaging line manager. They perceived that HR policies and procedures interfered with management capability. The managers expressed that on occasions they wanted the opportunity to be more empathic with their team and they perceived that such an approach could further harness both their own, and their team's engagement. Along the lines of Robinson *et al.* (2004), managers needed to be protective, supportive, and empathetic where required in order to engage with their teams. However, it was felt that the existence of policy and procedure hindered this ability to an extent. Managers struggled to identify how to overcome this issue as whilst they felt inhibited to manage due to policies and procedures, they also identified that they were fundamental to management.

Job security is acknowledged as an outcome of employee ownership as described by Masson (1992, *in* Pendleton, 2001). Participants identified redundancy risks at Optimum and described that this uncertainty and lack of security created an issue for engagement. Job security is understood to be a component of engagement as described by Harter *et al.* (2004). Exploring the psychological perspective of Kahn (1990), an element of safety and security is required to harness engagement. In this case, the employees felt that regardless of the safety presented by their team, the constant safety of their job compromised their ability to engage. The participants understood that there was a need for redundancies to occur on occasions therefore they struggled to identify a solution to overcome how the obstacle of perceived lack of job security to further secure their engagement with the organisation.

The existence of burnout was also discussed as an obstacle to engagement. As shown in the literature, burnout was the opposite of engagement (Leiter and Maslach, 1998; Maslach *et al.*, 2001; Schaufeli *et al.*, 2008). Burnout was perceived to occur although it was not explicitly identified as occurring in the workplace. It was acknowledged that because the organisation was highly reputable, employees travelled everywhere to work there. In turn, it was felt that extensive commuting could have an impact on work-life balance. Furthermore, it was suggested that as it was felt that employees highly engaged, it was anticipated that there might be a tipping point to this, which could lead to burnout. Csikzentmihayi's (1990) work theorised that engagement fluctuates with flow mediating this occurrence implying that individuals are not consistently engaged at highly levels continually. Managerial involvement could also help to achieve this. Such involvement required management to be aware of their teams. Through being engaging managers, this could be achieved (MacLeod and Clarke, 2009).

Finally, it was evident that there was a perceived glass ceiling in the organisation in regards to a lack of upward development opportunities. The participants suggested that this occurred as a result of high levels of retention. However, the industry data suggested that employee turnover at Optimum was higher than the industry average (CIPD, 2011a). The participants felt that there was a lack of opportunities available in the organisation for progression, which therefore resulted in talented individuals leaving the organisation as Optimum, were unable to fulfil their career ambitions. Robinson *et al.*'s (2004) work on exploring occupations and engagement illustrates

that those in occupation roles (such as designers and engineers in this case) were more engaged with their job than opposed to the organisation. This appeared to be evident at Optimum. High retention levels are a common theme amongst EOCs (Harter et al., 2002) but such as found to strained the engagement relationship. Without forcing exits, new positions had to be created or exits due to career progression would be an occurrence. This could be achieved through growth, or through utilising effective performance management (as described as needed) in an attempt to release opportunities for development.

6.4.4 How does employee engagement support and sustain ownership?

Employee engagement was described to function by upholding the shared values, vision, and culture of employee ownership in a number of ways. Firstly, through knowledge sharing, engagement was understood to drive the principles of ownership in the sense that everyone should have access to information. The literature suggests that EOCs are typically knowledge communities for this reason (Levine and Tyson, 1990). Employee engagement is understood to facilitate such knowledge sharing as employees achieved a state of intellectual and social engagement as a result of involvement and participation in such (Alfes et al., 2010).

Through engagement, employee ownership is mobilised as an individual's commitment to success drives a passion, which can reward organisational success. The extrinsic model of satisfaction in employee ownership identifies that employee commitment and satisfaction are increased when ownership is financially rewarding (Klein, 1987; Buchko, 1992). Furthermore, organisational culture is understood to be strengthened when employees have the ability to increase financial returns (Rosen et al., 2005). In this case study, the employees were able to acknowledge that as employee-owners, the success of the organisation lay in their hands. They described that through shared vision, they were collectively responsible for success. This showed a high level of intellectual and emotional engagement. Furthermore, it identified the importance of shared vision in terms of how it created a platform for employee ownership to flourish (Alfes et al., 2010; MacLeod and Clarke, 2009).

The notion of being responsible owners ultimately transpired in the managerial focus group where the incident of an office becoming unprofitable was discussed. It was

found that employee engagement occurred on numerous levels as the office worked collectively to keep it open. It was described that employees made sacrifices in an attempt to overcome the financial difficulties. The two-way relationship between the organisation and the employee is described by Robinson *et al.* (2004) as engagement occurring. Even in the deepest of job insecurities, engagement shone through as the employees worked together to fight for their organisation. As identified in the engagement literature, the presence of psychological ownership functioned to combat action that threatened the organisation's existence (Brown et al., 2005). However, the engagement literature also described that for engagement to take place, a level of security required (Kahn, 1990). This example showed that in this EOC this may not always be a requirement. Whilst the employees' jobs were not secure, they engaged with the organisation to bring about action that attempted to overcome such insecurity.

Through the various processes for engagement that the organisation had in place; knowledge sharing, communication, development, talent management, reward, involvement, and participation; employee engagement was able to support ownership effectively. These factors supported engagement so that the values and culture of employee ownership were not only sustained, but that they also prospered.

6.5 Conclusion

This chapter has explored the case study of Optimum. The EOC was the largest organisation to participate in this research study and was the one with the most mature employee ownership model that had existed for over 35 years. Having provided an overview of the organisation, reflections were made by the researcher providing an insight to the data collection process. Data collection comprised of an HR interview and two focus groups (one managerial and one non-managerial), equating to 10 participants. The findings have been presented in a narrative approach in response to each research question, which was subsequently followed by an analytical discussion, which presented the discovery of key themes.

Reflecting somewhat on the maturity of employee ownership in the organisation, the organisation values mirrored the vision of employee ownership. Satisfaction was found in working for the organisation because of the values of ownership that added to

employee engagement. Ownership enhanced a sense of meaningful to participant's role in the organisation. Affective engagement was found to be present as a result of employee ownership, but intellectual and social engagement was not understood to be significantly driven by employee ownership itself. Social and intellectual engagement was understood to stem from the actions of line managers who helped to deliver engagement. As per the literature, managers were able to influence organisational culture through commitment to shared vision and values, which were formed to reflect upon employee ownership (Rosen et al., 2005; Postlethwaite et al., 2005; Pierce et al., 1991). This culture was understood to secure employee engagement. Whilst ownership prescribed the values, individuals identified with these through various mechanism such as management, person-fit, participation, which existed in the first instance to harness engagement, which could if secured, enhance employee ownership. As a result of this, it is proposed that EOCs need more than ownership to harnesses engagement.

In this case study ownership and engagement strategies had become entwined as a result of the long-standing relationship between each other. Employee ownership presented opportunities for employees to engage further and deeper. Furthermore, employee ownership influenced organisational engagement whereas engagement practices addressed the wider, all-encompassing aspects of employee engagement. Financial returns as a direct result of ownership did not have a high significance to levels of engagement. Profit shares were perceived as a thank you for doing their job correctly, as opposed to a financial return of being an employee-owner. The lack of availability for additional share ownership mediated the depths to which employees could physically engage with the organisation. However, aspects of ownership enabled freedom and creativity, which helped to achieve meaningfulness of work as they had an opportunity to express themselves supporting May *et al.* (2004) and Goffman (1961).

To achieve high levels of engagement, five aspects in particular were identified as being key. These included; person-fit, development, communications, knowledge sharing, and meaningfulness of work. It was understood that through securing person-fit, this helped to facilitate engagement, as individual's desired what the organisation could provide. The organisation sought to use development opportunities to harness engagement. Whilst this was effective to an extent on some occasions, some perceived

that there was a lack of career development opportunities available to them. The role of management and line managers functioned to further shape the culture through delivery of the organisation's values and visions, which lead to engagement being secured. Participants identified that communications enabled a high level of engagement to be secured because they encourage participation and involvement. It was understood that such communications (for example; newsletters, forums, and team briefs) were effective through their honest and open approach. Furthermore, the right to information and influence through employee ownership was satisfied through this active communication. Participants felt that there was a knowledge community, which was facilitated through project groups, presentations, and an open-access database. They described that they participated in such activities because they were interested and wanted to learn more. This thereby demonstrated that intellectual engagement existed. Through knowledge sharing and employee ownership, participants described that they felt their work had meaning. Such meaningfulness of work was particularly heightened in occupational roles where engagement was understood to be more aligned with the job itself rather than the organisation, thus providing further evidence to Robinson *et al.*'s (2004) findings. Regardless of the role, meaningfulness was identified by participants as they had an understanding of how they contributed to the organisation's vision.

Numerous themes emerged from the data representing obstacles for engagement. In particular it was perceived by participants that free-riders and underperformers existed in the organisation. The organisation culture as identified by Kruse *et al.* (2003) which should have battled against this failed to do so. Management suggested that they found it difficult to have conversations regarding poor performance. This therefore was identified as a training need, and highlighted a need for a cultural change. Participants reflected that their perception of free-riders and underperformers existing, hindered their engagement because such individuals were seen not to identify with the shared vision and values of the organisation. Further issues with culture were identified by the perception of the participants that the organisation was managed in a very consensual process as ownership made everyone equal. The ownership literature describes that often in EOCs there is a reluctance to make unpopular decisions (Burns, 2006). The management style was also characterised as having a lengthy decision-making process, which is understood to be a characteristic of EOCs (Carnforth, 1989; Burns, 2006). Although the organisation

communicated well and it was able to achieve high levels of employee engagement, participants identified some weak areas in regards to communication of policy. In particular, it was found that there was a lack of transparency around pay and grading presented issues amongst the non-managerial focus group. To overcome this, the literature suggests that HR policies help to shape culture (Pierce et al., 1991; Rosen et al., 2005). Therefore, these could be used to mediate perceived fairness. However, management felt that HR practices and procedures were not necessarily effective in for all employee matters. Managers found that the HR processes were often too rigid and removed the managers' ability to manage their own team effectively to ensure an engagement environment. The managers suggested that they needed empowerment to help secure engagement of not just their team, but their own engagement too.

Despite the perceived advantages of employee ownership being that of increased job security (Masson, 1992 *in* Pendleton, 2001), the existence of redundancies presented issues for engagement. Harter *et al.* (2004) identified job security as being related to engagement and the perceived lack of security could create disengagement. Participants acknowledged that like any other organisations, redundancies still featured in EOCs. It was accepted that they needed to happen on occasions in order to protect the rest of the organisation; therefore, the participants concluded that there was little that could be done to overcome this obstacle. Whereas development opportunities were understood to harness high levels of employee engagement, the participants also perceived that there was a lack of opportunities for upward career progression due to high employee retention levels. It was suggested as a result of this, employees often left Optimum to advance their career with another organisation. The evidence on occupation role commitment agrees with this occurrence (Robinson et al., 2004). However, without forcing exits it was difficult to provide realistic solutions to overcome this obstacle.

Supporting and sustaining ownership, it was found that employee engagement in this EOC upheld the values, responsibilities, and vision in line with the altruistic approach which ownership commanded. Through knowledge sharing, innovation flowed and performance was enhanced. The organisation aspired to create good and sustainability for society, and through the freedom which ownership delivered as a result of the organisation's values, this was achieved. By aligning individual's values to that of the organisation's during the recruitment process, this made engagement more readily

available through the identification of person-fit. Engagement was able to support ownership because the practices within the organisation did not only address job engagement, but organisational engagement too. The involvement and participatory practices enticed engagement and the culture. Additionally, the values further drove a connection to employee ownership through intellectual and emotional engagement. Ownership continued to be upheld even during difficult times and employee engagement fought back in an attempt to create a positive remedy. Engagement was understood to also exist in this EOC because there was a connection between work and being an employee-owner. This was understood to create a deeper meaning in work. Participants identified with their role and responsibilities as an employee-owner, and utilises such through their job role.

This EOC case study has illustrated how a mature model of employee ownership has ownership embedded throughout its engagement practices. The processes and practices that it endured by no means created a perfect environment for engagement. However, such created a culture where the founder's vision continued to be mobilised thereby creating meaningfulness and a shared vision. Employee ownership may not have directly driven the employees, but the way that it was entwined with engagement practices ensured that the values and responsibilities of ownership were lived.

CHAPTER 7: CASE STUDY – UNIFORMITY

7.1 Introduction

This final case study chapter presents an understanding of the factors contributing to success of employee engagement at the EOC, Uniformity⁵. Presenting an insight into the history and operations of the organisation, this chapter will first provide an overview of the organisation. The findings have been collated through three data collection methods (HR interview, focus groups, and reflective diaries with follow up interviews) and will be presented by addressing each research question in turn. Extracts from transcripts will be used to evidence the findings. A researcher's reflection will be made prior to the presentation of the findings to elaborate on the researcher's experience and thought process at the time of data collection. This will provide a useful imagery to clarify the researcher's viewpoint and sense-making in line with the social constructionist epistemology. Furthermore, it will also seek to eliminate potential researcher bias.

The analytical discussion will use a thematic narrative approach to make contrasts between existing theory and the findings uncovered at Uniformity. Addressing the research questions individually, it will be explored how the findings present new theory to the existing academic literature. This chapter will finish by concluding the arguments presented from amalgamating the findings and theoretical perspectives. The research questions will be answered by clearly contributing to knowledge as emerged from the findings. Furthermore, limitations to the research will also be expressed to present ideas for further research avenues.

7.2 Overview of Uniformity

Uniformity is a manufacturer and retailer of school wear. Founded in the late 1980's by two business partners, the organisation is based in Yorkshire with approximately 150 employees. It was formed by a £5,000 investment from the business partners who

⁵ A pseudonym has been used to protect the identity of the organisation. To further preserve this anonymity, references will not be provided which related directly to the organisation concerned.

initially formed a different Company. The business partners created Uniformity as they both had worked in the educational sector and business idea appeared to make good business sense. After conducting some market research, the Uniformity evolved as a private limited company. Employee ownership at Uniformity arose from the need for an exit strategy for the partners. The organisation is understood to have a family culture and core values which the partners wished to protect, therefore a transactional sale of the business seemed far from appropriate. The partners felt that they already had the attributes of an EOC but without the financial implications. Employee ownership appeared to be a logical move to the partners to ensure that the values of the organisation were maintained.

In its current state, Uniformity is headed by a Managing Director (MD) who has overall responsibility for the Operating Board. This board comprises of four directors from different areas of the business in addition to the MD. The board is responsible for the overall operations of the organisation and has a strategic focus. There is also a Governing Council that supplements the Operating Board. The purpose of this Council is to help drive business success whilst having more of a focus on ensuring that the organisation lives the values and responsibility as defined through their constitution. Within the organisation itself, the hierarchy comprises of team leaders, supervisors, and managers who report to their department director. Although there is a clear hierarchical structure, there is stated emphasis on open communication regardless of the chain of command.

In 2004, the partners created an employee share ownership trust and Uniformity became employee-owned. However, the organisation was not simply placed into the trust by the partners. The partners relied on a bank loan to cover the purchase of some of their shares and the remainder of their shares were sold to the trust on a deferring basis. The Governing Council was introduced in 2004 to coincide with the move to employee ownership. The purpose of this Council was to work alongside the operational board to ensure that the culture and values of the organisation were at the forefront of the business agenda. The Council is an elected body comprising of four employees; two of whom are elected by the Council to sit on the organisation's Legal Board. These two elected employees are also trustees of the trust. The Governing Council operates through a constitution and has the power to remove and appoint

senior management. In 2008, Uniformity became entirely employee-owned with 75% of the shares being held in the trust and 25% of shares held by individual employees.

All employees are asked to contribute 5% of their starting salary to purchase shares, which are held by the trust. This is typically deducted from the employee's salary over a 12-month period. Voting rights are granted to the employee once this 5% threshold has been reached. Employees are also able to purchase additional shares up to a maximum of a 5% stake of the total shareholding. Employees are paid dividends and the trust holds an annual Share Dealing Day to allow transfer of shares for sale and purchase. Additionally, the organisation also participates in profit sharing, which comprises of a share and cash payment (25% shares and 75% cash). Whilst the prospective of financial returns through dividend payments and profit-shares may be considered an advantage of being employee-owners, at the time of data collection, the employee-owners had not received any dividend payments for the past two years as a result for a decline in financial performance.

Organisation culture at Uniformity has been fostered and developed over thirty years. The organisation describes that they have a community culture that exists through the support of the employees within it. To this effect, their culture is represented by six pillars, which are integrated in the organisation. These pillars as described on their website are; information and involvement, fair reward, shared prosperity, employment protection, living the values, and development opportunities. During the recruitment process, candidates are made aware of these pillars prior to an interview to ensure awareness and maximise person-fit. These pillars are an integral feature of the recruitment process and they are engrained in the induction process as well as experienced in the organisation on a daily basis.

The organisation strongly suggests that their employees are understood to be central to the organisation's success. They describe on their website that; "we truly believe that people are our greatest strength and we value equally all the people who work for us. We believe in teamwork and humour, a commitment to excellence and personal development and in the value of listening". Uniformity has been twice awarded with a place in the Sunday Times Best 100 Small Companies. The most recent survey, which placed Uniformity in the Top 100, reported that 77% of the employees felt that they could make a difference to the organisation. Furthermore, it was found that 82%

indicated that they could make a valuable contribution to the organisation's success, and 76% felt that the managers lived the organisation's values and culture. 81% of respondents were proud to be an employee at Uniformity. The organisation now uses internal surveys including an engagement survey and a quarterly cultural indicator survey to monitor employee engagement and satisfaction.

At the time of conducting the research, Uniformity had an annual turnover of £9 million. However, the organisation had insufficient levels of profit. As a result of this, employees voted that no dividends should be paid for a second year. At the time of research, employee turnover had reduced from 8% as recorded in 2006, by almost half some five years later. Sickness absence was described to be below average for the industry equating to less than 5 working days lost per employee.

Uniformity is the smallest organisation in this research study. Due to the nature of its products, the organisation operates in a seasonal business area. With the employees based on a single site (aside from a handful of Sales Representatives), I wondered how engagement existed in what was perceived to be a close-knit environment. I was intrigued as to how the financial element of having to buy shares equating to 5% of their starting salary worked. The financial return element of employee ownership was interesting as Uniformity had been unable to pay dividends over the past two years; therefore, I was curious as to how the employees felt about this.

My initial communications with Uniformity was friendly and welcoming. The response to my communications indicated that the organisation was excited to participate in the research. I arranged an initial meeting with my contact and I was overwhelmed by their kindness. I was introduced to several people as I was given a tour of the building and I learnt about the production process. My vision of engagement in the organisation was clear; I could see the culture, and I felt that employees liked it here – they were positive, welcoming, and accommodating with me. From the way people looked at me, spoke to me, and went about their work, I felt that they exhibited behaviours that the company literature described. The employees appeared to represent what the organisation stood for. I sat down and chatted with my contact over a spread of sandwiches that they had ordered in for this occasion. As a visitor, they made me feel welcome. I was keen to find out what it felt like to be an employee there. I liaised with my contact for an email to be sent around the organisation, in addition to a poster to

be displayed on notice boards for those who did not have email access. Furthermore, details of my study were also included in their newsletter. Dates were set for the focus groups and I waited in anticipation for some participants.

7.3 Findings

The HR interview was conducted with a manager from the HR department, which my contact had arranged for me. The HR manager portrayed an understanding that they felt that employees truly cared about the organisation. It was discussed that the organisation had previously been under financial stress and as a result of this difficulty, the employees worked collectively to devise cost saving proposals. However, in doing so they identified potential redundancies putting their own jobs at risk. It appeared that the employees had a great sense of pride in the organisation and the family culture that they shared.

As I prepared in readiness for the focus groups, I looked forward in anticipation to hearing more about employees' experiences at the organisation. The groups were very mixed in terms of department therefore it was felt that they could provide a broad range of operational opinions. Due to the size of the organisation, the participants knew each other already and this created a relaxed and friendly atmosphere. The participants were really interested and they were keen to share openly. I ended the focus groups feeling empowered by the family community spirit they demonstrated.

A month later, I met with my diary participants to discuss the data collection process. Again, participants responded with excitement. I too was excited, as the diaries had worked successful in one of my other research organisations. Two weeks later, the completed diaries promptly came back to me and I opened them with eager anticipation. They were such an enjoyment to read. The follow-up interviews continued to enthuse with positivity about the organisation and those in it. I felt gifted to have been exposed to it and appreciative for their support.

I never felt anxious or nervous about any of my meetings because I was just happy to be there and be able to contribute to their organisation. I felt valued and that I was welcomed with open arms. My experiences at the organisation will remain with me for years to come.

7.3.1 Is ownership alone sufficient to secure engagement employee or do organisations need to do something more?

Within the last decade the possibility of employee ownership was introduced to the employees at Optimum. Throughout the managerial focus group it was continually expressed that employee engagement was in existence long before employee ownership featured on the agenda. Furthermore, it was identified by participants that they felt that there was already a culture of informal employee ownership. This culture was described in this manner as they had a sense that success was shared, communication was open, and they felt that they had involvement in the workplace. Both focus groups described that they felt engaged with the organisation somewhat due to this feeling before the formality of ownership occurred.

“I think for me joining the organization in 2003, it felt very much like an organisation where it engaged its employees anyway. So when 2004 came and the vote went to become employee-owned there seemed very little in terms of engagement that changed really. We continued with what we had already done, it sort of it, almost felt like an employee-owned organisation before” (Manager 13).

The topic of conversation in the management focus group discussed the organisation as it presently stood and they felt that engagement drove participation and involvement of individuals. Prior to ownership, they felt as if they were a part of something but now as owners they felt they had a formal say in how the organisation was run. It was understood that they had a clear feeling that they were able to make a difference. As Manager 14 described:

“The decisions that are made about the Company, we get a say in them. And you may not agree with the outcome, but at least you have the opportunity to put your voice forward and say, ‘I don’t like that red’, or ‘I think that’s a brilliant idea’... It’s nothing particularly tangible, you can’t spend it; it’s not that sort of benefit. But it is that feeling that you are involved and you do get the information about whether we’re doing really well, or we’re not doing really well. And what the profit is every month. There is a feeling that you can make a difference to it”.

Adding to this discussion, the principles of ownership in terms of involvement and participation were understood to provide meaningfulness to their role as employee-owners. Manager 15 elaborated; “in fact it’s encouraged that you give your view. And that’s quite important. And also if you make a mistake, you feel that mistake. After all it’s costing you as well as the Company... I don’t think it’s necessarily that we are held accountable. I think it’s just that it’s a personal accountability that says, by and large, if I make a mistake and it costs the Company money”. The discussion continued to reflect on how the organisation was affected by the way the people in it worked. From the highs to the lows they experienced, it was stressed that everyone in the organisation had the potential to feel the impact of ownership.

It was described that ownership itself was not necessarily sufficient to secure engagement, as engagement was already present. However, ownership was understood to have added to engagement. Ownership was perceived to add responsibilities and accountability to their role which employee engagement could not provide. When asked during the non-managerial focus group if owning shares in the organisation made them feel different about it, Employee 11 contributed; “I feel more responsible for my actions, because although when you work at other companies, obviously you’re all responsible for your actions. But I just feel that it means more, working here. I feel more responsible”. This was echoed amongst the group. Employee 12 also presented the notion that now as owners; they had a right to information whereas previously such information was just taken for granted. They were able to take authority over what was happening in the organisation. It was demonstrated by Employee 15 that working for Uniformity was not just about doing a job but helping the organisation to move forward. As employee-owners, they felt such responsibility and that to an extent this secured their engagement because it related to their future with the organisation. Below are two extracts from this discussion highlighting the affect that ownership had on the employees.

“Because before we actually became employee-owned we had a very open and honest Company at the time. So if you wanted to ask something you could. As an employee-owner, the only difference is we’ve now got the shares therefore we now expect that even more. Beforehand, if you wanted to go to the MD you could. As an employee-owner you feel exactly the same; you still can. But you feel that little bit more... anything that

you do it, you do, like you say, you take ownership of what you're actually doing" (Employee 12).

"First thing I would say is that it's my Company. That's how I look at it. If I feel that someone's damaging it, I feel I have the right to actually say something. That's your bread and butter at the end of the day. Where, probably in other companies where I've worked, it's different. There is a different attitude there, you don't care as much. You look round the Company here and people haven't got that attitude" (Employee 11).

Ownership appeared to reinforce the values of Uniformity. Engagement was understood to exist prior to ownership, but it was described that ownership was able to mobilised engagement on a higher level. Working for the organisation was understood to mean more than employment; "I think it's not just a job. I don't feel it's just a job. I would never describe to somebody, oh yeah I'm just going in to do my job and come home. I don't think it's like that at all" (Employee 15).

7.3.2 Which company practices are most effective in securing high levels of engagement? What is good practice? Which measures are most practical?

In a number of ways, Uniformity attempted to secure high levels of engagement. Firstly, there was not a HR Director in the organisation. Instead, a member of the HR team sat on the director's board to ensure that the workforce and employee engagement was kept high on the agenda. The HR department was understood to work with the management team with an aim of providing empowerment. It was felt that by giving managers more responsibility to manage their own teams, they would be able to harness engagement on more of an individual level. During the HR interview, Manager 13 explored this;

"We try to take it up another level of working with the managers. We want to empower the managers so that they can work with the teams and they can deal with the more personnel type issues. Currently HR does a hell of a lot of that; we do return to works, managers might not know how to do performance appraisals. It is just the very simple stuff like 'can you have a word with this person because they have done such and such'. It

is really the basic stuff that HR is working with the managers more to try and make them more efficient thereby then making the teams more effective”.

It also arose from the HR interview that being able to secure engagement was often a result of recruiting the right people. The right person was not necessarily found by matching the appropriate experience required for the job role, but how they fitted with the organisation. To ensure that this fit was right, they ensured that the importance of employee ownership was discussed right at the beginning of the recruitment process. It was also described that it was very important in interview that cultural values were tested by relaying them as competencies. The managers reflected on recruitment in their focus group and made it clear that the recruitment process was vigorous. Manager 17 expressed: “a lot of the interview process is about very clearly stating what’s expected of you. People know that they’ll be asked to do long hours at certain times”. This was also reflected in the non-managerial focus group as they felt the recruitment process was more concerned with “looking for people who can actually fit in more with the culture and that side of it, rather than if they can actually do the job” (Employee 16). The discussion then reflected how the culture of the organisation worked to ensure that the workforce was committed to the organisation’s shared vision and that this was actively pursued. Employee 17 recalled that when employee ownership was formally introduced, some employees were not on board with the idea therefore they simply left. As Employee 11 commented, “if you’re not committed and you don’t believe it’s going to work for you, it won’t work – it’s not right place for you”. It was understood that having the right people in the organisation facilitated employee engagement at a high level. Collectively, it was perceived that this helped the organisation to achieve more.

“First of all they have got to be the right like-minded people that work here. A part of being with this organisation is being engaged and wanting to know about things, being involved in meetings, participating in action groups, meeting with your team, coming up with ideas and all those types of things. It will be that type of person that would want to do that and be quite successful at that. So part of the interview, you would be asking questions about when they have worked in teams, when they have been involved in meetings, when they have been involved in meetings and not

necessarily said something there but they have followed it up. You know, it is for the benefit of the colleagues and the business; we like to think we have got like-minded people before we even start” (Manager 13).

Continuing the discussion regarding the recruitment process further, once individuals were recruited, it was discussed that there was a continued immersion of the organisational values through the induction process. The induction process was designed to provide a clear alignment of the importance of their contribution to the organisation. Employee 19 commented following their reflective diary as to how they had been introduced to a new employee during their induction and worked with them for part of the morning to provide an understanding of what their department did. She described that she felt that experiencing different departments as opposed to just being told about them enhanced integration significantly. It was also suggested that this helped to ensure that the organisational culture was evident from the start. The managerial focus group suggested that the induction process was just as important as ensuring that a person-fit had been established. One of the managers discussed in detail the induction process and highlighted their key role in ensuring that they, as managers, were able to harness engagement.

“When people join us, they have their first day. We do talk a lot about the culture of the Company then. They spend time with all the different teams, just to find out how the whole business operates. Rather than just going straight into their job, they have an induction week so they get a picture of what the whole organisation is and how it works. And then at six weeks after, or at least six weeks after, I try and get them in a group and we have another session on rights and responsibilities, once they’ve been here a while to say ‘what do you think, can you see how this is working?’. It doesn’t stop there though. Like this week, after someone has been with us over a year, we have what we call community classes and we go again into more detail about the rights, responsibilities, people’s behaviours, their actions, and what we need to do to be able to maintain a strong community spirit” (Manager 14).

Another method that Optimum used to facilitate high levels of employee engagement was to ensure that communications were fluid and transparent. The HR manager

described that the organisation worked hard on having an honest and open dialogue which had no barriers. Manager 13 talked about the formal processes of communication that they had. These included; cultural surveys, engagement surveys, team briefs, weekly newsletters, dashboard meetings, annual awards night, AGMs, and notice boards. They also described how they operated action groups which required individual participation on a variety of topics. These groups were understood to not be limited to knowledge sharing practices but included discussions on social matters such as Christmas parties and significant birthdays. Manager 13 described that the organisation was keen to have formal communication to ensure that a consistent message was translated to all. Such methods of communication such as the action groups also provided an instant opportunity for upward feedback. Manager 16 reflected in the focus group that the action groups in their department were conducted outside of office hours and usually involved having a couple of hours together over dinner. The manager suggested that there was no resilience from their team with this as they were planned in advance to help with employees arrangements at home. She also identified that because the team were not just work colleagues but friends, they enjoyed socializing with one another outside of work. Employees also had the opportunity to take the extra hours worked in lieu to maintain their work-life balance. The manager felt that this time they shared with their team was particularly important as they understood that it was “their opportunity to discuss and get involved” (Manager 16).

The reflections regarding communication made by the non-managerial focus group identified a high level of satisfaction with the information that was being communicated to them. One employee commented; “you’re given information before you’re actually asking for it” (Employee 12). It was identified that the forthcoming nature of communication made it easier to work proactively. The group believed that the monthly meetings that they participated in were really helpful as it enabled them to focus their business mind, which in turn as described to make it easier to engage with the organisation. When in doubt or if insufficient information was presented, the group felt that it was culture to seek clarification and further discussions were openly encouraged. They felt confident in being able to discuss and raise issues with anyone because it was equally their organisation too. One of the group participants elaborated as to when they were uncertain about why cash flow fluctuated so much throughout the year. He explained that he approached the person that delivered the presentation

to seek clarification. He felt that this individual was happy oblige. Employee 14 added that because the organisation always had a culture of open communications, when the move to employee ownership came, nothing particularly changed apart for information being a right. She felt that if they did not have this culture previously, the move towards employee ownership would have been a longer process due to the cultural shift required. Furthermore, as expressed during a reflective diary follow up, Employee 19 commented that what they liked most about the organisation was “the fact that nothing seems to be hidden” – she described that she admired the honesty through the good times and the bad.

From all the discussions that took place concerning how engagement was effectively secured, a recurring discussion of the annual development day featured. Manager 13 explained that organising the day involved everyone in the organisation proposing ideas as what they’d like to do together. Through a vote, an activity was chosen and a working group formed to organise it. The aim of the day concerned creating a sustainable working environment by reinstating organisational values. It was understood to be about sharing, working together, and being an opportunity to rejuvenate fun in the workplace. Reflecting on these development days further, the managerial focus group felt that they were beneficial because they provided an opportunity to mix with people in other departments; “you end up with a team of people that you don’t normally get to know. So it was great” (Manager 16). Furthermore, Manager 17 reflected on the value that it added to the organisation and how she felt it was “good for team working and realising what skills people have got”.

Despite a five-year salary freeze, reward was still acknowledged as key driver of engagement by the majority of participants. Furthermore, through various strategies, participants also regarded praise and recognition in high esteem. The managerial focus group made a point of explaining that they were aware of the power of a ‘thank you’. They described how they aimed to praise their team where possible and strove to have a positive feedback relationship. The non-managerial focus group acknowledged the value of the non-monetary recognition but also provided insight into monetary reward. Employee 11 contributed that recently despite poor profits, the MD really wanted to reward people with a pay rise, although it did not appear to make business sense. However, they were keen to acknowledge the effort that the employees put into the organisation. In recognition of their continued support, the MD awarded a pay

rise potentially at the cost to the organisation (i.e. reducing shareholders' financial returns). He perceived that the MD felt that the employees deserved such a rise. The group agreed that they felt it was the right thing to do for the prosperity of the organisation. Furthermore, the group discussed that the acknowledgment of hard work from the MD itself helped to secure their engagement.

What was found from the reflective diaries was how small antidotes of engagement existed on a daily basis. It was made apparent how such antidotes connected to elements of satisfaction and performance. For instance, when a negative email from a customer was received, this reflected upon Optimum's performance and the employees' performance. Although Employee 19 discussed that this created a sense of disheartenment, it did not create disengagement as from it arose an opportunity for improvement. Another extract from her diary described how a colleague brought her breakfast as she was soon to be on maternity leave and they would not meet again for a while. It was perceived that family culture and commitment to success thrived on a daily basis. Flexibility and readiness to help was also an indicator identified by both groups. Discussions described that that they truly felt that they were 'in this together'. As Manager 18 expressed in her diary reflection interview that being multi-skilled was important to her because it helped her to understand more about the organisation and how she could respond better to organisational needs. This readiness was mobilised by examples of re-arranging her work schedule to enable support in dispatch to help with orders to ensure that they went out on time.

The identification of meaningful work was expressed clearly during a follow up interview with a participant who was reflecting on her diary. Working in a customer support role, she commented in her diary that during the school holidays work became somewhat tedious because it was quiet. Exploring this further in the follow up interview, Employee 19 explained: "it's when they're on holidays [the schools], if there are no calls, I mean we've got lots of admin work that we can catch up on. But our role is customer support, so you kind of want those calls; you want to do what you're there for really. So although you can find other things to do, you're just eager to get back to hearing people talking to you over the phone". The meaningfulness of the work itself was identified by her as helping to secure high levels of employee engagement.

7.3.3 Are there any obstacles to securing employee engagement, and how might they be overcome?

As a result of the organisation's growth, it had to relocate to bigger premises. Participants described that since this move, which involved them moving into a two-storey building, there had been a notable effect on how people interact with one another. It was explained at several data collection stages that whereas previously paths crossed between different departments, it was felt that there was physical divisions due to the layout of the new building. This obscured engagement because social relationships across the departments were not as readily accessible in the way they had previously been. Furthermore, it was felt that because these relationship had somewhat demised, it was also difficult to help others as problems were not always evident. Manager 13 explained; "you don't cross paths with people quite as often as what you would have done. It was so cramped over there but in the other building you could see when somebody was struggling more compared to where you are here. You might not see some people on not just a daily, but a weekly basis. Some people go through the door and straight upstairs and then they go out at the end of the day. We are down in this court and we don't see anybody so you don't always get to know if there is anything amiss in a day".

During the HR interview, Manager 13 highlighted that she had identified some issues with managerial development at Uniformity. She described that she felt that there was a lack of ownership regarding development. She shared an example where a newly appointed manager had completed a managerial qualification. The manager concerned felt that they had learnt a lot from the course but they were having trouble implementing this in the organisation. The manager was at a loss as to what to do. Manager 13 understood that they needed a mentor but they didn't have one. She felt that in this situation, a director should have responsibility to mentor. However, she identified that this may have been a downfall of not enough direction being driven down from the top concerning the need to create future leaders. Furthermore, Manager 13 expressed in regards to this individual that although the development was great for the person involved, she was aware of disgruntlement from other managers because they had not had the opportunity to complete such courses. This suggested that as much as development engaged individuals, it sometimes hindered the engagement of others. To overcome these issues Manager 13 suggested that they

could facilitate an in-house management development course which would involve all the managers. Such a course was also understood to be more practical than the current outsourced arrangement.

Exploring a different dynamic, Manager 13 perceived that the directors themselves had issues with engagement as a group. Understanding the level of stress which managers were under and how this affected engagement levels including her own, she acknowledged that the directors were under an even greater degree of stress and that there were often tensions amongst the group. Manager 13 suggested:

“The time is very precious when they do meet [the directors] and there is always ever such a lot to go through. I mean there have been a couple of meetings recently where it has got a little bit heated. I think that sometimes that's needed because people aren't able to let off steam and really give their opinions and feel this is really what I want to say because it is all business, business, business. So I think that as a group being engaged with one another, it is more the cohesion of the group and how they are feeling engaged and supporting one another. If that doesn't happen then that message goes out to the rest of the business – they are just a little bit disengaged sometimes”.

Alongside the lack of management development training offered which sometimes described to hinder engagement, it was also clear from the managerial focus group that managers sometimes struggled to engage effectively with their team as well as the organisation. During busy periods, it was recalled that snap decisions were often made which might not have reflected the organisation's interests in the most appropriate manner. The managers described that in such instances, key individuals were often not consulted because there was a need to respond quickly. They reflected that not being fully in control of situations hindered their engagement as well as those around them. Further training to enable better delegation in addition to time and stress management was identified as potential solution to this issue. Furthermore, it was understood that there was a need for more resource support to help overcome these issues. This theme was also reflected during the HR interview where Manager 13 commented; “some of the managers are in the frame of mind where they are constantly firefighting. They are then making decisions that are in the moment and they are not thinking about the impact longer term”.

Development was featured during the non-managerial focus group. Whereas the managers commented that they felt they needed mentoring, some employees also felt that they needed help in shaping their own personal development. The onus of responsibility for development was on the individual but sometimes they felt that they lacked direction. They described that they knew that they wanted to improve but they were unaware of how they could best achieve this. The employee-manager relationship was perceived to be weak in some aspects as some felt that they needed a push in the right direction, although felt that the manager was unable to offer this without a nudge themselves.

The lack of financial reward due to the low levels of profitability posed engagement issues for all participants. As acknowledged by the MD, the workforce was working extremely hard and it was understood to be difficult not be able to reward that. The non-focus group described that a couple of years prior to this study being conducted, the organisation was battling financially and cuts had to be made. They described that as much as the employees understood they could not have short-term financial rewards in order maintain a cash flow in the organisation, it did not mean that they did not desire it particularly as owners of the organisation. Employee 20 reflected after writing his diary that, "I'm just really happy working here to be honest but I think a little bit more money would be nice. I think everybody probably feels that". Additionally, Manager 14 summarised in a discussion from the focus group and presented a way that this could be overcome; "there's so many people work so hard, we've just got to make ourselves work smarter, instead of harder". The managerial focus group appeared to be aware that they needed to think about the wider business picture and that they had to become savvier in their approach. This strain of pressures and associated reward was also reflected in one of the reflective diaries. Employee 18 felt that they needed positive feedback but commented that this was not readily available by management. They described that "I'm like a little puppy, I like a lot of praise" but failed to receive it appropriately.

Despite having a clear recruitment and induction process as identified as good practice in securing engagement, such process was not always as affective as intended. During the non-managerial focus group, Employee 16 opened up about how he came to work for the organisation. Starting out as an agency worker, he described that he was not formally part of the organisation and he had no awareness that it was employee-

owned. This awareness only came when he secured a permanent contract. He suggested, “maybe the temps need an insight into it [employee ownership], so they know what they’re working for and what is trying to be achieved”. The discussion explored the attitude of temporary workers and it was established that the group felt that such staff were not concerned with the bigger picture. Employee 16 had become a permanent member of staff and an employee-owner. As a result of the training that he received, he summarised that as a result of temporary staff not understanding, or being aware of the expectations of them, he felt that “they’re actually taking money out of my back pocket”. It was suggested that the temporary staff needed to know more about the organisation and become more involved in order to help the organisation succeed. As Employee 14 indicated; “at the end of the day, in the summer time, what runs the Company, what gets us through it are the temps. We need to try and give them a bit more ownership of what the Company is essentially all about. A lot of the mistakes are made by the temps because they’re the ones who are pushed into delivering at the last minute”. It was agreed that a brief induction for temporary staff to explain the nature of the organisation as well as to ensure that there was a strong culture concerning work effort requirements, this situation had the potential to be overcome.

Ownership operations themselves were identified to occasionally hindered employee engagement. The non-managerial focus group discussed a situation that arose with one of their colleagues that also disheartened some of them and affected their engagement. Optimum has one share-dealing day a year where a limited amount of shares can be bought and sold. At the time of the recent share-dealing day, the colleague concerned had no need to sell their shares. However sometime later, due to a difficult personal situation the colleague felt that she would really benefit from some rest and rehabilitation as it was understood she felt that she desperately needed some time off work to relax. To be able to afford to go holiday to achieve this, it was described that she was reliant upon the sale of her shares and she was under the impression that she could easily sell some of her additional shares. However, she was unable to sell the shares because the internal share market was closed until the following year. To a degree on this occasion, the group acknowledged that there was a lack of awareness concerning the rules surrounding the sale and purchase of additional shares. More so, they felt that there was no flexibility outside of the share-dealing day. This not only caused engagement issues for this colleague concerned, but

it had a ripple effect on others' engagement. Furthermore, the lack of flexibility regarding sales and purchase had prevented some from purchasing additional shares because they did not want to tie up their money for an indefinite period. The share-dealing day itself was also restricted as only a certain number of shares could potentially be sold back to the trust meaning that potentially not all who wished to sell their shares could. Employee 15 described the process of selling share: "you had to put your reason forward for why you wanted it [to sell your shares]". He continued to describe that then it was then agreed by the Council as to whose shares they would buy back. The participants described that despite wanting to engage further and deeper; the ownership system felt too rigid for their needs. It was acknowledged that there was a clear reason for the system to exist, which was to ensure that share ownership levels were maintained therefore it was difficult to find resolutions to overcome this. The group agreed that any changes to enhance flexibility of the ownership arrangements could detrimentally affect the organisation.

Ownership also appeared to hindered engagement because it mitigated a longer decision making process. The non-managerial focus group did not identify a resolution for overcoming this as they wanted to be involved in the decision-making process such decisions could ultimately affected themselves and the wider workforce. As reflected by Employee 18 following their reflective diary, he commented on the lengthy decision-making process and how it hindered his ability to engage at times;

"I'd say the only thing that I feel personally is that sometimes we're too slow to make decisions, because of how we're employee-owned. The decision; so somebody will come up with the idea, it will go out to all the teams to talk about, then it will get reported back at the managers' meetings. And then it gets taken to the directors and then they might discuss it, sometimes they might through something back out. So while that's really good, sometimes I feel that we're a bit too slow to react to situations because of the way we are set up".

7.3.4 How does employee engagement support and sustain ownership?

Describing how they felt about engagement and its role in the ownership model, Manager 13 commented: "it will sound a bit corny but it's like the camaraderie between people, it is the people that keep the culture going". Throughout the data

collection process, there was an emphasis that the participants were employee-owners and with that they wanted to know about the organisation, they wanted to improve it, and they were willing to work hard to achieve it. As Manager 13 described further, she explained that people were central to the culture that was in place. Without them, without their engagement, she felt that ownership could potentially suffer. She described that more often than not, the employees would challenge actions and opinions in the pursuit for what was understood to be best for the organisation. Manager 13 concluded that these instances of participation and involvement existed before ownership. However, she felt that as a result of ownership, employees felt more empowered and more in control. It was clearly understood that if participatory and involvement practices were withdrawn such as the action groups, development days, and figures report, that this would have a detrimental impact on engagement. With these formal participatory mechanisms, Manager 13 and the managerial focus group indicated that engagement represented the values of employee ownership.

“Quite often you can hear people say well it is my Company as well so I want to know, why is that decision being made or even like what are we spending on development day. They see it as ‘my money you are spending’, so they question why are we spending so much on that. So being employee-owned was supported by the strength of engagement; they do want to know more and they have a vested interest in what is happening therefore want to know what is happening” (Manager 13).

Manager 13 continued to discuss during the HR interview how engagement and ownership worked to strengthen one another. Describing a recent time of financial difficulty, the organisation had to save over £750,000. She described that understandably, there was a high degree of uncertainty in the organisation. She felt that employees could have simply left in an attempt to avoid any potential job security issues, but no one did. Manager 13 expressed that employees stayed loyal to the Uniformity because they believed that there would be a positive outcome in the end. Reflecting on this situation, the non-managerial focus group agreed that they had faith in the organisation, and as a result of their engagement they remained committed to it because they wanted their organisation to succeed. In relation to the same situation, the managerial focus group described that it was agreed amongst the workforce that instead of recruiting temporary staff and working paid overtime, everyone in the

organisation worked five extra hours a week to help overcome the difficulties. Both focus groups discussed this situation and they talked proudly about what they did to ensure that the organisation could continue to succeed. Manager 15 added that ideas for cost saving came from “people’s ideas that came forward to do this; we were able to put some of these into place and took action on them”. It was understood that the workforce came together to explore savings and collectively agreed that the management structure was too heavy. This therefore prompted redundancies amongst themselves. Manager 16 who was identified as being one of the managers at risk of redundancy described the process that they underwent; “we all sat there and we weren’t maybe full of the joys of spring about doing it, but we did all contribute ideas to how we thought we could make it work, knowing that ultimately it could be that I was quietly talking myself out of a manager’s role”. Manager 14 declared after the discussion, “we’ve got a common sense of what we wanted to achieve” describing that he felt they had a shared vision and purpose. Furthermore, meaningfulness of work was reflected by Manager 16 in hindsight of redundancy discussion. He commented; “this is the sort of place I want to be; where you can make a difference and you can see that difference”.

Employee 17 summarised their reality of working for the organisation during the non-management focus group. They proposed that financially, she could earn more working for another organisation. However, Uniformity held her interested because above all, she enjoyed working there and enjoyed being a part of something. Engagement was understood to facilitate the nature and culture of employee ownership.

“That’s the thing that a lot of people actually say. You’re not here for the money because I mean you’ve got a group of people round here that aren’t on the largest of salaries within the Company. And if it was down to my salary, would you be here, you wouldn’t. And that’s the beauty... I mean a lot of people say, oh frigging hell, here we go. But it’s not. It’s about the people that you actually work with, the way that the Company is structured and the way that you are listened to. And then you’ve got your wage on too. They all go hand in hand. And I think that’s one of the things that people don’t see from outside. And I think as an employee-owned company as well, I think that all goes together. Okay we haven’t

had a pay rise... I mean five years ago we were a lot better off than what we are now. But you've gone through that with your Company, with the people within the Company. And I think it's made us stronger" (Employee 17).

The non-managerial focus group explored how employees would describe the organisation. Employee 14 proposed that it was "a type of community, like a big community, and respected as well, I think people respect you". The other participants suggested that the organisation was; caring, understanding, honest, open, dedicated, committed, happy, and adaptable. These traits were understood to be associated with how employee engagement helped to support and sustain ownership. Data found in some of the reflective diaries reflected upon these traits. In the follow up interview, Employee 18 suggested that working at the organisation required you to "be a lot more adaptable and prepared to muck in a lot more".

Following up Manager 18's reflective diary, he suggested that engagement mobilised the rights of ownership. He felt that this was how engagement was able to support it.

"Because obviously we've all got shares, I think it makes people work differently. And I think if you've got money in the business and then if you see something that's not right, you're thinking like whoa, and you get a chance to question it. Like we had our annual general meeting the other week, and there were quite a few things that came to light which I didn't realise. And I think a lot of the Company didn't, about the financial side. And I don't know, in the past we probably wouldn't like to speak up about it. But whereas now it's like, no, I want to know because we've got money in the business and we want to know the reasons why. So I think us all, if there's something that we don't like we'll challenge it. And we don't feel scared to challenge it" (Manager 18).

7.4 Discussion

This chapter has discussed the findings in regards to how employee ownership can enhance and secure employee engagement in addition to exploring which organisational practices were deemed most effective in achieving high level of employee engagement. Furthermore, it has been discussed what obstacles prevented

engagement at Uniformity, and how employee engagement provides support and aids sustainability of employee ownership. An array of data was collected from 17 participants who participated in either the HR interview, a managerial or non-managerial focus group, or the reflective diary exercise. The data was collated and the findings presented a narrative account of the findings.

The following discussion will elaborate on these findings further by providing an analysis where employee experiences and perceptions are contrasted as well as compared, with the current literature. A thematic approach will be used to address the analysis. Gaps within the literature will be illustrated by the evidence that the findings present, thereby identifying new contributions to the existing research of employee engagement in EOCs.

7.4.1 Is ownership sufficient to secure engagement or do organisations need to do something more?

When exploring the facets of ownership and how these effect employee engagement, the participants suggested that engagement existed before ownership was introduced. Discussions evolved around how the culture before ownership was one that utilised employee involvement and participation. Such participatory mechanism are understood to maximise employee ownership performance (Cleverly and Goyder, 2001) and are understood to secure employee engagement (MacLeod and Clarke, 2009; Robinson et al., 2004; Alfes et al., 2010). However, it was expressed that these mechanisms existed before ownership was introduced. Becoming employee-owned was perceived to be merely a formality where rights were granted in terms of control, information, and financial returns. Employee ownership did not replace engagement. However, ownership worked to further harness engagement. In this case, when the organisation became employee-owned one of two things happened. Either engagement levels heighten or individuals became disengaged with the organisation, as a result of ownership. Some participants described that those who became disengaged did so because there was a misalignment of values and vision between one another. This was understood to affect the individuals' engagement to an extent, which resulted in them leaving the organisation. Whilst it appears that employee ownership is not a model that all aspires, it also highlights the need for a person-fit in such organisations. As the literature on free-riders demonstrate, not all employee-

owners share the same motives, vision and values as the organisation and their colleagues (Conte and Svejnar, 1990). In this organisation when the move came to move towards employee ownership, some individuals acknowledged that it was not for them and resigned. This created a more favourable working environment as there was an overwhelming desire for continued success. This was driven by the employees of the organisation.

In one way, it could be argued the employee ownership was sufficient to secure engagement as despite already having the systems in place for involvement and participation, ownership granted this formally by providing power to employee voice. There was an attitude shift acknowledge as participants identified that it was *their* organisation and were keen to challenge decisions as well as processes. Ownership, through the rights associated to it, gave employee voice a platform to be heard from which facilitated their engagement. As Pierce *et al.* (1991) comments, employee participation and involvement is a vital part of being an EOC because it is also expected as a result of psychological ownership. However, if the processes and procedures were not in place for such voice prior to ownership, it was acknowledged that the employee ownership experience could have been different. Participants suggested that perhaps the move to ownership might have not been as easy as it would have required a cultural change too. This suggests that ownership by in its own entity is not sufficient to secure engagement. It is understood in this organisation that engagement provides the support to facilitate the roles and responsibilities of employee-owners through a variety of avenues such as culture, participation, and voice.

Examining the question from a different perspective, ownership was understood to satisfy engagement for some because it enticed. This was perceived to occur as participants identified that the organisation now concerned and involved them as well as their future. Accountability and responsibility secured their engagement. When the move to ownership came, some employees left because of it, but the vast majority stayed because something was drawing their commitment to the organisation. Many participants described that they enjoyed being an employee-owner and were proud to be part of the organisation. As identified from many studies (such as Gallup, 2006; Harter et al., 2002; May et al., 2004), commitment and intention to stay is a key outcome of ownership.

The residing theme in response to this question throughout the data collection process was that Uniformity had many engagement strategies prior to employee ownership. There was a pre-defined family culture that was built on values of prosperity and sharing success. Employee ownership was not accountable for these strategies but just added to how they were implemented. Ownership as a standalone model did not provide development opportunities and a friendly working environment. Employee engagement strategies functioned to achieve this using personal development plans and person-fit. The rights and responsibilities associated with employee ownership enhanced these occurrences to a greater extent.

7.4.2 Which company practices are most effective in securing high levels of engagement? What is good practice? Which measures are most practical?

Success in engaging employees was identified to be related to ensuring that the right people were recruited not just for the role, but also for the organisation. Manager 13 described that the right attitude was key in particular, more than necessarily an individual's previous experience. It was understood that achieving a person-fit improved employee retention but it was described to further the organisational culture. The recruitment process utilised the organisation's values as competencies that candidates had to satisfy. Employee ownership was discussed even prior to interview which identified the shared vision of the organisation. Once recruited, the induction process lived these values and a weeklong rotation of all the organisation's departments. This helped to equip recruits with contacts as well as importantly understanding the bigger picture. The way in which employees were introduced to the organisation was brought up during every stage of data collection. It was highly valued and it was felt that it was a vital process of securing engagement. The literature on person-fit provides evidence to suggest that having the right fit can contribute to achieving employee engagement (Alfes et al., 2010; Woodruffe, 2006).

Another key dynamic identified to secure high levels of employee engagement was identified as empowering managers to manage. The organisation encouraged managers to take a pro-active approach with their team and they were able to use their discretion at an extent in regards to employee issues. The role of the engaging manager as discussed by Robinson and Hayday (2009) highlights the integral role that managers have in being an ambassador for engagement. The organisation was aware

that this did not always function as well as it was hoped and they acknowledged issues by providing training. However, what they attempted to achieve from this empowerment was to improve management capability and relationships. The managers themselves were aware of their development areas. Nonetheless, the role of the manager was identified as integral to making employee engagement work. Robinson and Hayday argue that managers are key to engagement. It was found that it was effective practice in this organisation to empower managers to actively pursue the engagement of their team.

Development in itself was again expressed across the data collection stages as something that was associated with high levels of engagement. In discussions, it was identified that development was utilised to achieve organisational and individual outcomes. Employees were responsible for their own personal development, which harnessed their engagement to an extent. However, some felt that guidance from their manager was often required. The annual development day was something that the entire organisation was involved in. Once a year, the employees would all embark on a community project or a day trip with the aim to have fun, socialise, and remember what it was that they loved about Uniformity. This one day was talked about by every participant with glowing reflection. They did not just remember last year's development day, but the one before that, and the one before that too as it was held in such high regard. It captured the enthusiasm of the employees from the planning process through to the on-going relationships that formed as a result of it. It appeared that these development days were a vital contributor to employee engagement. Not one person expressed a negative comment concerning them. In essence, development is related to engagement because it provides meaning to job roles. Develop was understood to help to enable progression, enhance social relationships, and contribute to the wider organisation (Ditchburn, 2009; Robinson et al., 2004; Woodruffe, 2006).

Engagement levels were found to fluctuate regularly. Through the reflective diaries, it was identified that engagement changed throughout the days and weeks. This was mediated by a variety of factors. Engagement was heavily influenced by interactions with external stakeholders such as customers and from the people within the organisation. Harter *et al.* (2004), Salanova *et al.* (2005), and Gallup (2008) noted the affects that customer engagement had on employee engagement and this was shown evidently here. Meaningful relationships at work was also identified by Pati and Kumar

(2010) to be positively related to engagement. Participants described how such relationships influenced their engagement. Furthermore, the fluctuations in engagement levels as shown in the diaries also represented Csikszentmihalyi (1990) notion of flow. Despite the varying state of engagement recorded throughout the day, an element of engagement still transpired.

Communication was understood to have an important role in shaping engagement of employees at Uniformity. Through a variety of formal methods; AGMs, annual presentations, figure briefs, surveys, management dashboard meetings, team briefings, action groups, newsletters, and the Council; there was a variety of ways which information could be shared and opportunities for employees to participate. Informally, there was an open door policy. Participants identified that they felt they had a responsibility to challenging others and seeking further clarification on issues because it was *their* organisation. It was described that the organisation communicated effectively, and information was given freely as opposed to being requested. The non-managerial focus group in particular felt highly engaged by the honest and open way in which business was conducted. Communication is understood to be paramount to satisfying engaging relationships (IDeA, 2009; Macleod and Clarke, 2009; Robinson et al., 2004). Communication is also understood to be essential to employee ownership (Conte and Tannenbaun, 1978; Michie et al., 2002). The organisation worked to communicate effectively and promote the openness culture. The participants perceived that they achieve this.

The final theme that emerged from the data was one that focused on financial reward. Profit sharing and shareholder dividends were perceived to be an entitlement to the participants as they were employee-owners. However, the organisation had experienced some financial difficulties, which resulted in a series of pay freezes and lack of dividend returns. The participants expressed some discontentment due to the lack of financial reward. However, they understood as to why this was the case, and encouraged it at times to protect the organisation as a whole. This showed a degree of organisational engagement and intellectual engagement, as they were able to think about the bigger picture. However, at the time of research it had been decided by the MD that despite profitability not being as high as desired, they would lift the pay freeze. It was understood that he took this decision because he wanted to acknowledge as well as reward the effort, hard work, and loyalty that employees had

expressed towards the organisation. One of the managers commented in the focus group that they would be able to earn more in another organisation but they chose to remain at Uniformity because to them, work meant more to them than financial returns. This manager was satisfied by seeing how *their* organisation developed overtime and overcome difficulties. The participants described that they appreciated the pay rise and that their hard work had not gone unacknowledged. They explained that their commitment to the organisation was reinvigorated and they were engaged with the organisation as a result of it. The literature on financial reward in employee ownership suggests that reward such as dividends is an acknowledgement of their efforts (Klein, 1987). Despite not being in the best financial position, it was perceived that it was something that the MD did not necessarily have to do, but wanted that he wanted to do.

7.4.3 Are there any obstacles to securing engagement, and how might these be overcome?

Although communication was discussed as a practice that secured high levels of engagement, it was also acknowledged that communication could be further improved to harness engagement further. The physical construct of the organisation in terms of having offices on two levels posed to be a barrier to engagement due to the communication issues that resulted from it. Previously when the organisation was much smaller, the building that they occupied was open plan and on one level. However, since expanding operations, they had to move to a larger unit. Participants described that they felt that there was less integration between the departments as paths did not cross frequently. This was identified as a barrier that reduced a degree of social engagement. Overcoming this, the induction process played a vital role as new employees were able to visit and meet with all of the departments. Manager 13 expressed that people felt they were forgotten in their areas but this put the onus on employees to move around the organisation more. Furthermore, events such as development days helped employees to form wider relationships beyond their department.

The role of the manager was identified as something that needed further development across the data collection field. In the first instance, the managers felt that their training was often detached from the role itself in terms of management development

courses. They described that whilst they were engaged through having an opportunity to better themselves and the organisation, they identified issues with implementing what was learnt. It was discussed that they felt they lacked direction as they did not have a mentor nor did they feel they were particularly guided by their director. The managers played an important part in not only being an ambassador for the culture of the organisation, but also in securing engagement within their team. The literature on engaging managers also suggests that the role of the manager is of paramount importance to securing employee engagement for such reasons (Robinson and Hayday, 2009). Management development would encourage the engagement traits but vitally they needed to possess the desire to engage themselves and had to share the same values of the organisation (Alfes et al., 2010). It was suggested that the organisation should develop an in-house managerial development programme to ensure that the learning outcomes related directly to the organisation. The managers identified that they realised the practical value of what they had learnt, but they expressed that they were unable to intellectually engage with it within the organisation.

Furthermore, the stresses and strains of managerial responsibilities were understood to affect the engagement of the managers themselves as well as, other individuals in the organisation. During peak business times, the managers recalled making rash decisions that did not necessarily reflect intellectual engagement. They identified that the choices they made on occasions were not in the best interest of the organisation as a whole. They were clearly aware of the error of their ways. Furthermore, their emotional engagement decreased because they were disheartened with the situation and the pressure that was upon them. Such decision-making also affected the wider workforce as participants identified that they could have done something to help if they had been aware. As a result of this, some participants described that their engagement with their job and organisation were effected. Not involving others in decision-making is shown in the literature to have a negative effect on engagement levels (Leiter and Maslach, 1998). Furthermore, the participation and involvement literature on EOCs suggests that optimum outcomes cannot be achieved if those involved are not consulted (Pierce et al., 2001; Van Dyne and Pierce, 2004). Addressing this issue, training and improving job resources were identified as plausible solutions to this problem. As Harter *et al.* (2004) suggest, job resources have a link to job satisfaction and engagement. Training is also understood to have the ability to induce

greater affective and intellectual engagement through giving meaning and scope to the job role (Alfes et al., 2010).

Due to financial constraints within the organisation, there was a lack of financial reward in terms of pay rises and dividend payouts. Despite understanding and agreeing that this had to be the case, some disheartenment occurred as a result. The non-managerial group felt that they worked hard and it was more so out of frustration that this affected their engagement level. Furthermore, the managerial group identified that they need to sharpen their working processes to increase financial performance. This potentially identified that they were not overly engaged intellectually. Financial reward is not identified in the employee engagement literature as being a key driver of engagement. However, it was described in this organisation that the lack of financial reward hindered engagement to an extent because their efforts did not return the perceived appropriate reward. The framework of social exchange theory illustrates that when effort and reward are not in line, people are less inclined to 'exchange' their effort (Cropanzano and Mitchell, 2005; Saks, 2006). The participants understood the reasons behind the lack of financial reward, and continued to exert effort as working for Uniformity meant more than financial returns.

Obstacles to engagement were also identified by participants surrounding the recruitment of temporary staff. During busy periods typically over the summer, the organisation recruited temporary employees to help with the production and dispatch of orders. Some participants identified that although they provided some relief to the workloads, they felt that temporary staff had different agendas to those employed by the organisation. This was understood to create some frustration because problems often arose as temporary staff were not concerned with the bigger picture and values of the organisation. This in turn hindered engagement. Literature provides no insight as to how the use of temporary staff in such organisation affects ownership and or engagement. A participant in the non-managerial focus group who was previously a temporary worker suggested that it was important that temporary staff were aware of the organisation's employee ownership. He proposed that he felt that he would have worked better as a result of being aware of what the organisation and its employees were working to achieve.

Participants demonstrated tension as a result of the model of employee ownership and the structures in place for ownership. This tension was described to create some frustration that hindered their engagement. Some participants described that the structure and processes around it were inflexible. Employees were not able to sell additional shares when desired. The trust allowed only a limited number of shares to be brought by them during the annual share-dealing day. To determine which share sale applications it would accept, the organisation explored the employees reasoning to attempt those that those that needed it most. Unfortunately, this was not always effective as acceptance was not only based on reasoning, but it was also impacted by the number of share sale applications. As a result of this, participants described that they were dubious about investing further in the organisation and this influenced their organisational engagement. There is little evidence in the ownership literature that describes engagement in this scenario. Other types of ownership models such as ESOPs provide more flexibility in the purchase and sale of shares largely due to the higher levels of private shareholders (Oliver, 1990). Whilst the participants wanted more flexibility, they also wanted to maintain full employee ownership. They understood that changes to the ownership model could only be passed through the trust's constitution and that this could change the nature of employee ownership. Reviewing the existing process for share sale may identify solutions to this obstacle of engagement.

7.4.4 How does employee engagement support and sustain ownership?

Participants identified that culture played an important role in harnessing employee engagement. They described that ownership contributed to this culture. The organisation was relatively new to employee ownership but prior to this introduction, the participants identified that they had a culture of open communication, participation and involvement. Levine and Tyson (1990) suggest that participation and involvement is an important element in ensuring the organisational goals of EOCs are met. Furthermore, Pierce *et al.* (2001) argue the importance of participation and involvement where the employees are also owners of the organisation. Participants described that culture contributed to engagement positively as through culture they felt that they had a supportive work environment with clear platforms for employee voice to be acknowledged. It was understood that work was meaningful to the participants because they felt that they directly benefited from organisation's success

as employee-owners. Organisation culture is understood in the literature to be shaped by such practices which induce an engaging environment (CIPD, 2012).

Commitment to the organisation as expressed by Harter *et al.* (2002) is a positive outcome of employee engagement. Despite the financial issues in the organisation that effected financial reward and on occasion job security, participants expressed a high level of commitment to the organisation and described that they were keen to work through the difficult times. They suggested that they were committed because of ownership because they understood that being an employee-owner created responsibilities and they felt that they had a duty to fulfil. The connection of meaningful work in this sense harnessed engagement as described by Alfes *et al.* (2010). Additionally, this provided clear identification with the values of the organisation creating organisational identity, which is understood to enhance satisfaction and psychological ownership in EOCs (Pierce et al., 1987). This dedication to success and organisational prosperity through engagement provided sustainability and support to employee ownership.

7.5 Conclusion

This chapter has reviewed employee engagement in the EOC, Uniformity. Starting with an overview of the organisation, the approach to data collection was reflected upon by the researcher. Findings were presented using a narrative approach in relation to the research questions. An analysis followed which discussed key themes that emerged throughout the data collection of 17 participants' experiences and reflections.

What emerged through the data was that the organisation was quite different to the highly publicised EOC's. EOC's are all too frequently discussed as profitable organisations as a result of performance being driven by the employee-owners. The perception is that models of ownership offer a heightened degree of job security because of the way that they are owned (Postlethwaite et al., 2005). Furthermore, there is an expectation that not only do employee-owners have a right to information, control, but also financial returns – all of which are assumed to be positive. In reality in this organisation, profit margins were not significant. Uniformity was not in financial difficulty as such but they had outstanding financial commitments due to the move to

employee ownership. This created large overheads thereby reducing profit. Nonetheless, the organisation previously had to make cost savings that resulted in redundancies. Job security only exists in EOCs in the terms of it being able to prevent a buy-out or sale. Furthermore, whilst the literature suggests that as a result of employee ownership, owners have a right to financial returns (Pierce et al., 1991), if the organisation has no returns to share, ownership is unable to fulfil this right. This case study did not support the stereotype made by Brown (1999) that EOCs are able to increase performance and productivity as a result of ownership. However, this case study has presented a reality that EOCs struggle like any other organisation. What makes them different to non-EOCs is that the workforce of the organisation collectively seeks resolutions to overcome such issues.

Uniformity is an organisation that presented a strong, value-driven culture. They recruit individuals bearing in mind these values and subsequent training further reflects and builds upon these values. Participants felt that they had responsibilities as employee-owners. These responsibilities included challenging decision and seeking clarification to ensure that the best interest of the organisation was being maintained. Although involvement and participative mechanism were strong in the organisation, these often pre-dated employee ownership. It was evident that these practices were effective. However, there was a lack of discussion throughout data collection reflecting on the role of the Council, which functioned to represent employee voice at board level. This could have been as a result of the practices prior to ownership functioning efficiently and effectively. Ownership in itself was found to be not sufficient to secure employee engagement because engagement was secured before ownership was introduced. Employee ownership proposed to help to facilitate engagement through the introduction of the AGM, Council, and opportunity for additional share purchase. However, ownership was not fundamental to the existence employee engagement.

As presented by Alfes *et al.* (2010), employee engagement is secured through; meaningful work, the approach that the line managers have, having a clear vision communicated by management, ensuring a supportive work environment, maintaining the right fit of people working in the organisation, as well as providing a platform for employee voice. To an extent, these were present in the organisation, which helped to facilitate high levels of employee engagement. Good practice was demonstrated by started with ensuring that recruitment processes identified that right

type of candidate for the organisation. Person-fit was perceived to be more important than experience. Employee voice transpired through a variety of communication practices that fed information to and forth around the organisation. This, together with the role facilitated by line managers, helped to form a supportive work environment. The organisation culture was identified to support the vision of the organisation. This was culture was facilitated by management and the workforce. Participants identified that they wanted to help the organisation succeed, driving performance from the bottom-up. This identification and meaningfulness of work as a result of ownership is not acknowledged in the engagement literature. In this case study, ownership was identified as being a facet of engagement.

Engagement was obscured to an extent by a number of factors. It was found that line managers' role and relationships with their teams could be improved to enhance employee engagement further. Development and job resources were highlighted as methods to overcome these issues to secure engagement. These were also replicated in the literature by Harter *et al.* (2002) and Woodruffe (2009). Training issues were also highlighted as a way to overcome issues with the performance of temporary staff. The potentially detrimental use of temporary staff is not present in either of the literatures, therefore presents an avenue for further exploration. Furthermore, the physical openness of the workplace presented some issues for social engagement. Uniformity attempted to overcome issues regarding social engagement by having a comprehensive induction process as well as providing opportunities for department integration through action groups and the development days in particular.

Financial reward is not discussed in the engagement literature as being a high driver of engagement. However, despite this, it was acknowledged as a barrier in this case study in terms of the lack of reward causing some obstacles to harnessing affective engagement. With an understanding of the financial climate in the organisation, it was suggested that the only way this could be overcome was to work more efficiently and effectively. Lastly, it was found that the model of employee ownership created frustrations for participants. Some participants wanted to invest more in the organisation, investing their personal interest further. However, the inflexibilities of the model meant that it could be difficult to withdraw their investment if needed. Only a change in constitution could overcome such an issue. Again, this issue is not

discussed in the engagement literature because the literature does not concern itself with this type of organisation.

It was found that employee engagement supports and sustains ownership by existing through a culture of employee participation and involvement. Burns (2006) acknowledges the importance of such in EOCs but failed to make the link to employee engagement explicit. At Uniformity, it was shown that engagement provides the opportunity for employee ownership to prosper. The manner in which participants engaged socially and intellectually in particular, was understood to contribute to ownership. The fact that employees desired to personally invest more in the organisation, demonstrates just how employee engagement supports ownership.

Key contributions to knowledge have been uncovered through this case study. Primarily it was found that that employee ownership adds a new facet to engagement, which can be only replicated by having a stake in the organisation. The notion of to truly value something, you had to own it, was illustrated in this case study. Avenues for further research identified themselves through the limitations of this study. More research could be conducted into temporary staff engagement and how this potentially affects employee engagement. Furthermore, investigations could be made as to how different types of ownership models could provide different levels of engagement.

What has been shown in this case study is that in times of poor financial performance, engagement in EOCs is potentially heightened by a desire to improve working practices to achieve success. Employee-owners were found to be not just engaged with the organisation and their job, but with the role of ownership. This is what has not been discussed in the literature to date and this finding adds to the growing research on employee engagement and employee ownership. The existence of perhaps a different type of engagement creates a bridge between these literatures and invites further exploration.

CHAPTER 8: SUMMARY OF FINDINGS

8.1 Introduction

Through this research study, the occurrence of employee engagement has been explored in three EOCs. In particular, factors contributing to successful employee engagement within this type of organisation have been investigated. This research study has examined four key questions identified from addressing gaps in the literature. As the existing literature did not specifically explore employee engagement in EOCs, evaluating its occurrence was the natural starting point in order to add to the current literature. With this in mind, having examined the literature regarding employee ownership and employee engagement, the research questions proposed were:

1. Is ownership sufficient to secure engagement or do organisations need to do something more?
2. Which company practices are most effective in securing high levels of engagement? What is good practice? Which measures are most practical?
3. Are there any obstacles to securing engagement, and how might these be overcome?
4. How does employee engagement support and sustain ownership?

What has been suggested from the EOCs examined in this research study is that employee engagement appears to occur in different ways in each organisation. Every case study told a different story of reflections and experiences. However, some recurring themes were identified. This illustrates that there is no universal format as to how employee engagement appears in organisations and that there are different triggers for its existence as argued by MacLeod and Clarke (2009). The identified differences and comparisons in regards to participants' experiences as well as perceptions will be discussed during this chapter.

From this research study, a wealth of data has been gathered. In an attempt to make sense of all the data, factors and facets relating to employee engagement in the EOCs that emerged through thematic analysis, have been collated in a manner to illustrate the wider picture. Whilst the aim of this thesis was not to create a model illustrating

employee engagement in EOCs, it is important to acknowledge the wider picture (Schleiermacher 1768-1834). Following thematic analysis, qualitative analysis software, Atlas.ti, was used to illustrate the connections between the different factors and facets identified in the findings. The findings were put through this software to further enable contrasts and comparisons between the various factors and facets. Table 1 subsequently presented, does not attempt to describe how engagement should exist in EOCs, nor does it attempt to act as universal tool. However, the use of this table is to aid an overall understanding of what was found in the three EOCs explored. The overall understanding of employee engagement in these EOCs will be discussed in this chapter. A discussion will follow to further describe the occurrences identified.

This chapter will recap the key findings from the data collection process which created a total of 16 transcripts (3 of which result from the HR interview conducted in each organisation, 6 transcripts as a result from the two focus groups conducted in each organisation, and 7 transcripts from the follow-up reflective diary interviews completed in two of the organisations). Furthermore, 7 reflective diaries have also been collated during the data collection process. Overall, the findings represent the experiences and perceptions of 39 voluntary participants. Using Table 1 to illustrate the overall findings, this summary chapter will respond to the four research questions. Exploring the questions and the associated findings on an individual basis, each organisation will be discussed to provide a rounded argument. The chapter will close by summarising the key findings of this study. The key findings will be subsequently critiqued against existing literature in Chapter 9.

8.2 Overall Discussion

Before addressing the research questions, the bigger picture will be presented in order to explicitly present how employee engagement occurs in the EOCs examined. The data collated from the three EOCs has been analysed using thematic analysis. Through this process, several themes were identified as potential facets of employee engagement in EOCs. The facets identified were identified by participants and or defined by literature as relating to employee engagement and employee ownership; communication, environment/culture, management, motivation, ownership, participation, person-fit, and reward. Contributing to these facets, a total of 58 factors

were identified by participants that were understood to impact upon their work experiences and perceptions, which was felt to mediate their engagement. Using qualitative analysis software, the findings from the case studies have been amalgamated to create an overall understanding of how employee engagement exists in the EOCs explored. The output from this software has been translated into Table 1 to show the relationship between various factors and facets identified throughout the research study.

Table 1 identifies the factors that are understood to contribute to employee engagement in the three EOCs explored. The table highlights the various factors that influenced employee engagement either positively or negatively. Shaded boxes represent where a participant identified a particular factor that they felt mediated their engagement, and how this factor relates to overarching facets identified through the reoccurrence of themes. Shaded hatched boxes represent where the associated factor was discussed as something that hindered the participants' ability to engage. The table also shows how factors reflecting engagement as well as ownership practices, are connected to one another through eight core facets. These facets arose from core themes presented in the findings that remained consistent. In sum, the table reflects the findings presented in Chapters 5 – 7. However, it should be used as a purely visual tool as despite representing the findings, it does not detail context.

At first glance of Table 1, it may appear that engagement is a tangled web like Gallup (2008) proposes. However, when the facets are broken down by exploring associated factors, how employee engagement is constructed in these organisations becomes more apparent. This overall picture illustrates that engagement may well be complex due to the various factors and facets that employees identify with it. It is important to acknowledge that employee' perceptions, experiences, and engagement needs differ between individuals. When one individual chooses to engage, another may hold back their engagement, which explains why it was found that there are a variety of ways in which engagement can be harnessed in these organisations. The findings of the case studies illustrate that one unified engagement strategy would not match the needs of all to secure engagement as participants presented various perspectives, and identified different needs.

Facets as identified by participants and or defined by literature relating to employee engagement and employee ownership

Table 1 - Factors contributing to employee engagement in EOCs: Respondents' identification of factors and how they relate to defined facets

Factors as identified by participants which impacted upon their work experiences and perceptions which mediating their engagement

	Communication ; how information is shared and exchanged in the organisation	Environment/Culture ; norms, expectations, values, and shared understanding which shape the work atmosphere	Management ; influential line management and managerial activity involving communication, planning, and directing	Motivation ; how employees feel encouraged to function in their role or to achieve a goal	Ownership ; a physical and or psychological understanding of the right to information, control, and returns	Participation ; formal and informal methods of taking part and being involved in the organisation	Person-fit ; the right person, in the right job, in the right organisation who identifies with the organisation culture and vision	Reward ; how employees are recognised for their contribution to the organisation
Accessible information								
Accountability								
Annual general meeting								
Appraisals								
"Ask the MD"								
Buying extra shares								
Concerned with the finer detail								
Continuous improvement								
Creativity								
Develop the Company								
Development and training								
Dividends								
"Don't work harder but enjoy it more"								
"Everyone knows one another"								
Family culture								
Figures not explained								
Flat structure								
"For me and them"								
Free riders								
Free shares								
Glass ceiling								
Governing council								
Honest								
"In this together"								
Influence								
Innovation								
"It was like this before employee ownership"								
"Keeping our Company going"								
Knowledge sharing								
Lack of financial returns								
Lengthy decision-making process								
Long term plans								
Management relationships								
Meaningful work								
Mentor								
Newsletters								
Open door policy								
Openness								
Operational board								
Passionate								
Personal development plans								
Personal motives								
Presentations								
Profit sharing								
Psychological ownership								
Reliable								
Respect								
Self development								
Share and solve problems								
Tall hierarchy								
Team activities								
Team briefs								
Temporary staff								
"Thank you"								
The extra mile								
Trust								
Trustee board								
Voting								

Shaded area identifies the presence of the factors in regards to the described facet. Unless the shaded area is hatched, the factors is suggested to be positively associated with employee engagement

What has been identified from analysing the data in a thematic process is that eight facets accounted for employee engagement in EOCs. The notable research carried out by Alfes *et al.* (2010) presented six facets of employee engagement. These were identified as being; the meaningfulness of work, employee voice and upward dialogue, vision and communication from senior management, line management style, a supportive work environment, and achieving a person-job fit. The facets of engagement that have been identified in this study concern; motivation, communication, person-fit, participation, management, environment/culture, ownership, and reward. Aside from differing theme headings, the core elements of differentiation result from two further facets; ownership, and reward. These contrasting findings indicate that in EOCs, employee ownership contributes to employee engagement through the presence of physical or psychological ownership, how ownership rights are exercised, and how reward is perceived by employee-owners.

This study has identified that ownership and reward have an integral relationship to harnessing and mediating participants' engagement with their organisation and their role. The facet of ownership – the presence of it psychologically and physically in terms of having a right to information, control, and returns – was associated with numerous factors which participants identified as something which mediated their engagement. Reward – recognition for contributing to the organisation – was identified as a facet due to its consistent theme in the findings. Although there were less factors that identified with this facet, reward reflected similar factors to that of ownership. However, due to its identification with additional factors, it was acknowledged as an independent facet. Both ownership and reward were shown to further harness, and on occasions, potentially hinder employee engagement. However, focusing on each as a standalone facet, they do not encompass all the factors identified by the participants as mediators of engagement. Therefore, this suggests that for engagement to occur, the other facets need to be present as no single facet was found to mediate engagement in its entirety. An overview of each facet will now be presented to further illustrate Table 1 and the findings of the three EOCs explored.

Motivation

Examining the facet of motivation which represented how participants felt encouraged to function in their role or to achieve a goal, relates somewhat perhaps to what Alfes *et al.* (2010) would refer to as meaningful work. It was found in the EOCs explored that motivation came from a variety of avenues such as a sense of being 'in this together', having a 'mentor', 'meaningful work', as well as striving for 'continuous improvement'. Exploring Table 1, in this study it was found that there were 31 different factors that contributed to engagement in some form. These factors were understood to have a motivational or de-motivational aspect, which in turn mediated participants' engagement. Negative factors associated with engagement in terms of motivation were identified as; the use of temporary staff, the lack of financial returns, a glass ceiling for progression, the existence of free riders, and financial figures not being explained. These disengaging factors were also found to have relationships with other facets such as ownership, reward, and person-fit.

Communication

The facet of communication was used to identify how information was shared and exchanged within the organisations. Table 1 illustrates 22 factors that were found to have an impact on engagement, in addition to showing how they related to the other facets. In comparison to the Alfes *et al.* (2010) model, communication was entwined with a "supportive work environment", "senior management communication and vision", as well as "voice, being able to feed your views upwards" (p.56). In the EOCs explored, communication was particularly paramount to engagement as employees had a right to information through the existence of employee ownership. It was a recurring theme throughout the data collection process and therefore it warranted a dedicated facet. Communication was understood to hinder engagement at times as a result of figures not being explained effectively and due to the existence of a tall hierarchy. Facets of environment/culture and participation were found to show the most support for communication.

Person-Fit

The person-fit facet represents the importance of the right person being in the right job, in the right organisation where they are able to identify with the organisation's culture and vision. Of the 21 items that effected the engagement level of employees

as shown in Table 1, three items positively disengaged. These were identified as the perceived existence of 'free-riders', a perception of there being a 'glass ceiling' for upward progression, and the use of 'temporary staff'. The associated factors of person-fit appear to be significantly related to motivation in addition to manager's nurturing this relationship. Furthermore, person-fit identified closely with the environment/culture facet. Factors with a relationship to the other facets were found to be an individual identifying with being a part of a family culture. Furthermore, the existence of the factor being 'in this together', reflects on what Alfes *et al.* (2010) could refer to as a supportive work environment. However, in these EOCs the participants took this supportive environment a step further than Alfes *et al.* describe because the participants expressed that such environment was also supported the existence of employee ownership. The facet of ownership affected upon the facet of person-fit because participants felt that their colleagues needed to understand, as well as contribute to employee ownership so they could collectively achieve more for the benefit of themselves and their organisation. Similarly, to the Alfes *et al.* (2010) engagement model, the person-fit facet was shown to be related to employee engagement.

Participation

Participation, defined as formal and informal methods in which participants take part and be involved in the organisation, arose from the identification of 22 items that were deemed to be associated with it (Table 1). It was recognised through thematic analysis that 15 of the factors that related to participation also related to the facet of environment/culture. Again, the 'family culture' of the organisation and the sense of being 'in it together' were described by participants as driving participation. Furthermore, it was understood from the findings that the flat organisational structure helped to enable participation, as well as individuals being personally driven to go 'the extra mile'. The participants frequently described that they felt that there was a notion of sharing and solving problem. They described that they felt involved in the organisation and participated in such situation. This notion was present in all of the EOCs examined. Factors such as participants not being able to understand figures or these not being explained (such as financial forecasts for instance), the perceived existence of 'free-riders', and the perceived existence of a 'tall hierarchy' (in particular in the case of Optimum), hindered engagement as participants felt that

participation was not necessarily achieved. Different from the Alfes *et al.* (2010) engagement model, the findings of this research suggest that ownership has a role in shaping participation. The ownership literature acknowledges that employee ownership encourages employee participation and involvement as a result of ownership rights (Pierce *et al.*, 2001). This therefore suggested that the role of, as well as the nature of employee ownership, does have a bearing on the presence of employee engagement in EOCs.

Management

The role of the management was found to have a high connection with employee engagement as 30 factors were shown to be associated with it in the EOCs examined, as shown in Table 1. The facet of management was used to reflect the influence of line management on participants and managerial activity concerning communication, planning, and directing. The role of management in this study was also found to be concerned with how employees engaged through participation, motivation, environment/culture, and person-fit. Alfes *et al.* (2010) also identify how the disposition of line managers also influenced engagement. In particular, some participants expressed that they felt that there were on occasions, a lack of management capability, and commitment to managing individuals who were perceived as 'free riders'. Participants suggested that they felt that their ability to engage with management was affected by this, and that this effected their overall engagement. 'Family culture' supported the management facet through how the management team provided overall direction. However, it was also this culture that participants identified as something, which they felt, inhibited managers' ability to manage perceived free-riders effectively.

Environment/Culture

With 35 items associated with it, the facet of environment/culture identified with the most factors described by participants as mediators of their engagement (Table 1). This facet reflects norms, expectations, values, and shared understanding, which shapes the work atmosphere. Environment/culture appeared to be consistently influential to all the other facets with the exception of reward. Only seven factors were identified through environment/culture that were found to relate to reward. In comparison to

the Alfes *et al.* (2010) model of engagement, environment/culture in the EOCs explored could be compared to what Alfes *et al.* describe as the supportive work environment, employee voice, communication, as well as vision from senior management. Participants described they felt how ownership played a large role in how it shaped their engagement through their environment/culture. This strengthens the understanding that engagement occurs differently in EOCs as the findings suggest that ownership is a factor that can influence engagement, as a result of the environment/culture perceived by employees.

Ownership

The facet of ownership was described as a physical and or psychological understanding of the right to information, control, and returns. By exploring employee engagement in EOCs, it was found in these organisations that ownership itself had a role in mediating engagement of the participants in this study. Table 1 shows that from the findings, 27 factors were associated with ownership that had an effect on engagement. Motivation, environment/culture, and participation showed particularly strong links to ownership due to the presence of factors that identified with the same facets. This illustrates the importance of participation and involvement in EOCs as discussed by Ben-Ner and Jones (1995) and Levine and Tyson (1990). Furthermore, the aspects of rights to information, control, and financial returns as explored by Pierce *et al.* (1991), existed as factors of ownership, as well as being associated to motivation as identified by the participants. As a result of the ownership facet, and the identification of factors associated with it, the role of ownership in employee engagement in EOCs is notable. Negative factors that were found to be associated with ownership were identified as a 'lack of financial returns' which was particularly found in Uniformity, and a 'lengthy decision-making process' – these items relate directly to the understanding of ownership as presented by Pierce *et al.* (2001). The use of 'temporary staff' also affected ownership's role with engagement as participants suggested that such recruits did not share the same vision and work ethic of substantive employees.

Reward

The final facet of employee engagement in the EOCs explored was identified as reward. This was understood to be how employees sought to be recognised for their

contribution to the organisation. Whereas the literature does not express the importance of reward in employee engagement, in these EOCs participants identified its importance as they felt that reward was an inherent to ownership. In particular, participants described that reward was achieved through 'dividends', the availability of additional shares to purchase, and 'free shares'. Participants identified that work was meaningful to them because they were also owners and they perceived that they could, and did on occasions go 'the extra mile', as well as feeling that they were surrounded by others who sought more from employment. This meaning in work lead participants to describe how reward in a variety of aspects, was integral to their engagement. The participants demonstrated that they appreciated reward in terms of receiving a 'thank you' and what drove them and their engagement to some extent, was a perception that they had a role in keeping their organisation going. However, participants expressed on occasions that they were not appropriately rewarded despite their efforts, due to factors related to ownership. These factors were identified as a 'lack of financial returns' specifically in the case of Uniformity, and the perceived existence of a 'glass ceiling' for upward career progression. In the Uniformity case, the lack of reward of financial returns was understood and accepted by participants. They expressed that in order to keep the organisation going; they felt that they had to sacrifice any financial gains that they could expected as being owners. The identification of a perceived 'glass ceiling' in EOCs, was suggested by participants to strongly effect engagement, as a lack of upward progression opportunities was cited by some as a reason why individual's left the organisation.

As discussed in the introduction to this chapter, Table 1 illustrates a summary of the factors and facets that emerged from the data set. The findings emerged through the experiences and perceptions of 39 participants from the three EOCs; W T Innovations, Optimum, and Uniformity. The findings of this thesis span three case study chapters (Chapters 5 – 7). These findings have been summarised in this chapter using thematic analysis to appreciate the wider occurrence of employee engagement in EOCs. Acknowledging the volume of data collated through this research process, the use of Table 1 and subsequent overview of each facet has presented a summary as to findings of the three EOCs explored.

8.3 Discussion of Research Questions

An overall summary of the findings has been presented to establish an overview of the participants' experiences and perceptions of employee engagement in the EOCs explored. These findings will now be explored in the relation to each research question to identify key findings of this research study.

8.3.1 Is ownership sufficient to secure engagement or do organisations need to do something more?

A potential mediating factor in addressing this question arises from the level of maturity of employee ownership in the organisation. It was found in the case of Optimum that there was not a sense of 'it was like this before employee ownership' but that it was suggested that ownership further facilitated engagement. This could be due the maturity of ownership in the organisation as ownership was fostered in the 1970's. Therefore, those who participated in the research study were unaware of how the organisation existed before ownership. Furthermore, it could be a result of how psychological ownership is deeply embedded in the employees (Van Dyne and Pierce, 2004). Nonetheless, a key factor argued that ownership in its own entity was not sufficient to secure engagement. This factor was how participants perceived an existence of free-riders. Ownership, in its own entity, was perceived to be insufficient in engaging employee-owners as a whole, because it was perceived that free-riders existed in all of the EOCs. If free-riders do exist in EOCs, this would suggest that employee ownership was not able to secure employee engagement. Kruse *et al.* (2003) suggest that to overcome free-riders, the culture of the organisation should work to overpower it. However, in the situation of Optimum in particular, the culture contributed to the occurrence of free-riders. The notion of a family culture which all three EOCs exhibited, was found in Optimum to challenge managers because of the 'family culture' managerial participants reported that they did not want to talk negatively, and felt uncomfortable about having conversations concerning issues with performance, attitude, and effort.

In the case of Uniformity and W T innovations, the participants felt that prior to becoming employee-owned they acted in an ownership manner, although without the formalities and power that ownership introduced. Participants indicated that aspects of participation and involvement already existed in the organisation, in addition to information about the organisation being freely available and provided. It was found

at Uniformity when employee ownership was introduced that participants reported that because of this some employees left the organisation because ownership was not something that they wished to be part of. This finding in itself indicates that ownership does not induce engagement. As a result of this, ownership is understood to be something that not all aspire to have, and desire to be part of.

Bearing these findings in mind and upon reflection of Table 1, this research study suggests that employee ownership on its own is not sufficient to secure engagement, and indeed organisations need to do more to achieve it. Employee ownership is understood to relate to how employees participate in the workplace, how they become involved, how they are rewarded, how they communicate, how they have a relationship with management, and how they are motivated to achieve. Literature suggests that employee engagement is concerned with how individuals fit within the organisation, thrive in the culture within it, have a passion for work, and are inspired from within to contribute beyond the remits of the job role. Employee ownership arguably requires employees to engage socially, affectively, and intellectually with employee ownership to ensure buy-in to collectively drive the organisation forward. However, employee ownership in these organisations was presented as having a significant influence on the participants and was influential to their engagement.

Participants expressed that through ownership, the organisation's values and visions were upheld. In turn, this was understood to enable the culture of the organisation to prosper. Furthermore, ownership was suggested to provide meaningful work as participants described that they could see and relate their role to the overall outcomes of the organisation, which they felt helped to harness their engagement. In the EOCs explored, participants suggested that ownership provided rewards of dividends, shares, and profit shares. It was identified that the participants felt that ownership functioned to maintain open communication, involvement, and participation through the rights that ownership introduced.

8.3.2 Which company practices are most effective in securing high levels of engagement? What is good practice? Which measures are most practical?

Some recurring themes were presented in each of the organisations, which participants suggested as practices that helped to secured high levels of engagement.

Meaningful work was identified as a driver of motivation, participation, ownership, environment/culture, and person-fit. As the literature also suggests, meaningful work is a core element of employee engagement (Alfes et al., 2010). As Alfes *et al.* (2010) suggest, having a meaningful role is valuable to securing engagement, in addition to a person-fit identified. The existence of such are understood to be linked to creative tendencies, a desire for development, a sense of realising their position in context to the bigger picture, and being accountable. These factors presented by Alfes *et al.* were found to be present in the findings of this study. Person-fit was suggested by participants to be achieved through having a rigorous recruitment process that reflected the organisation's values, vision, and culture. Furthermore, talent management was also suggested to help mediate the driver of person-fit as participants expressed that having opportunities for development, progression, and increased responsibility contributed to their engagement. Participants expressed that that the role of their manager was important as they described managers as being mentors, which they looked towards for support and guidance. Line managers were also described to further facilitate the culture of the organisation and provide strategic direction. Meaningful work, person-fit, and the role of management are all identified in the literature as being important factors contributing to employee engagement. Therefore, these findings in this research study reaffirm the studies of Alfes *et al.* (2010), Robinson *et al.* (2004), and Woodruffe (2009).

Communication was also highly regarded by the participants as a practice that was suggested to mediate their engagement. Information about the organisation was understood as a right to employee owners (Pierce et al., 2004). Although in both Uniformity and W T Innovations, the participants felt that they had a high exposure to information prior to becoming employee-owned, suggesting that the formalities of ownership did not change communication significantly. Regardless of what existed pre-employee ownership, in the EOCs examined the nature of how information became available was identified by participants to mediated engagement levels. The participants agreed that they felt that communication was best when it was open, honest, and two-way.

Communication was suggested to be able to harness aspects of engagement by utilising good practice methods including the use of team briefs, newsletters, project groups, daily communications, managerial communications, and enticing participation

of employees. By communicating about projects in particular, some participants expressed that this enhanced knowledge sharing, therefore arguable this developed intellectual engagement. Furthermore, participants also noted that, through the project groups and presentations, knowledge sharing also increased their participation and involvement with the organisation, generating further engagement. Participants identified that they were able to socially engage through these opportunities and engage with not just their job but also the organisation. The existence of passion, a desire for learning, creative flairs, and aspirations of developing, not just themselves but the organisation, in the findings highlighted that knowledge sharing was a practice which employees actively sought to actualise, and this enhanced their engagement. In comparison to the other EOCs explored, Optimum sought to achieve this in a variety of way including having streams of evening presentations, project groups, and an open customer database, which were not identified by the participants in the other EOCs as ways in which the organisation harnessed their engagement. However, such methods might not be practical for all organisations due to their size and type of industry. Arguably, the size of Optimum and the diverse range of industries that its operations covered could have helped to facilitate these approaches.

As a result of knowledge-intensive work environments that mobilised knowledge sharing, participants reported that this also facilitated a supportive work environment. Driving the importance of excellence from the top as well as the bottom, management leading and continually shaping organisational culture, sharing information, and inviting employee participation as well as involvement, demonstrated how communication played a vital role in harness the engagement of these participants. A strategic narrative as described by MacLeod and Clarke (2009) is important to harnessing employee engagement. Communicating through the appropriate means (as deemed by individuals) is understood to be effective in securing employee engagement. Clear and frequent communications are understood to be good practice in influencing engagement, and depending on the extent to which communication is sought, it can also be a practical method.

8.3.3 Are there any obstacles to securing engagement, and how might these be overcome?

The findings of the data collection suggest that, in some instances, factors that participants attributed to high levels of their engagement on occasions created obstacles in securing engagement. In particular, W T Innovation participants talked about their frustration and anxiety due to the lack of information and communication that they had with the organisation's relationship with another company, Movements Plus. However, the participants claimed that they felt that they had honest, open communication, and felt that they could always approach the MD if they were in need of anything. These factors, which participants suggested were obstacles to their engagement, were also described as enablers. Although conflicting, the participants expressed that when communication was appropriate and clear this helped to harness their engagement. However, when a communication need was not fulfilled, this was understood to have a wider impact on their engagement. In this example, the participants of the non-managerial focus group indicated that they felt that management failed to address the confusion regarding the two organisations and understand the importance of this to the workforce. The participants suggested that they felt that the relationship between the organisations was a secret and information they were not privileged to know. Furthermore, communication was also described as being an obstacle to engagement at W T Innovations as some participants felt that there was a lack of understanding regarding the financial figures that they were often presented with, which had created confusion. The participants indicated that to overcome these issues, their right to information as employee-owners should be exercised more and they acknowledged that they needed to raise these issues formally to enable them to be overcome. Participants in the non-managerial focus group suggested that managers needed to listen at the ground level to realise these communication issues and the Council needed to take authority to present information transparently. In particular, participants suggested that their lack of understanding with financial issues could be overcome with training opportunities. It was suggested that this would not only resolve communication issues, but would also raise awareness of business performance. It was felt that in turn this could facilitate a further drive of employees being able to add value to the organisation. The literature suggests that this could engage employees at an intellectual (Alfes et al., 2010) and organisational level (Saks, 2006).

Participants from all three EOCs explored reported that lengthy decision-making processes at times hindered their ability to engage. They suggested that employee-ownership somewhat contributed to this on occasions. The participants felt that there was little perhaps that could be done to improve this, because for the same reason, they wanted to be involved in the organisation and engage at this level. Therefore, participants expressed that they were anxious not to remove any layers of participation in decision-making. Lengthy decision-making processes are understood to be a common feature of employee ownership (Long, 1978b) as a result of the ownership rights of such organisations (Pierce et al., 2001). Management were aware that their organisations were subject to lengthy decision-making processes, therefore where possible, the organisation attempted to keep the organisational structure as flat as possible with employee representative panels to aid this process. However, in the case of Optimum it was understood that the sheer size of the organisation created more layers and a taller hierarchy, which impacted negatively upon the duration of the decision-making process.

In regards to identifying the right person-fit for a job role and organisation, the management of the EOCs examined aspired to recruit employees who desired to develop, and wished to add to the success of the organisation. The majority of participants agreed that the organisation's practices and procedures for employing individuals who possessed person-fit worked well. All of the organisations cited that they sought to develop their workforce to create future leaders and that having a person-fit helped to achieve this. However, many participants also agreed that despite management's attempt to manage talent effectively, it was found that on occasions they felt, and experienced a lack of progression opportunities. This issue appeared particularly prevalent in Optimum where participants suggested that they had greater engagement with their job as opposed to their organisation due to the nature of their work. The role of an individual's occupation in engagement is demonstrated by Robinson *et al.*, (2004) who's work suggests that those in occupational roles (such as architects and engineers in the case of Optimum), have greater engagement with their job than with the organisation they work in. The findings of this research study support Robinson *et al.*'s (2004) claims as it was found that those in occupational roles as identified in Optimum, were shown to be more engaged with their job role than the organisation. This engagement was understood by management to impact upon the organisation because they felt individual's often left the organisation as a result of

their commitment to their occupation. This perspective was shared by some non-managerial participants who described that working for another organisation could further satisfy their needs to fulfil their occupational desires thereby, enabling them to potentially engage further with their job at a deeper intellectual level.

A reoccurring obstacle reported by participants in all three EOCs studied was a perceived glass ceiling in terms of progression. Participants expressed that due to employee ownership and the benefits of this, employee turnover was low as a result, which they felt, reduced the number of opportunities for upward progression. It was found that employee ownership helped to facilitate an enjoyable work environment for most participants due to perceived good rewards, a culture of empowerment, and meaning in work, which helped them to achieve a sense of engagement. Whilst these factors were helpful in helping participants overcome the issue of the perceived lack of upward progression opportunities, participants also suggested that they felt that it was due to these reasons why employee turnover was low. This emphasises the advantages and disadvantages of the factors associated with employee engagement in EOCs as one factor can be viewed from either perspective depending on the individual concerned. However, participants also identified individuals within each organisation who they perceived to be underperforming or not living the organisations values. Therefore, with this in mind, it was suggested by some participants that the perception of a lack of upward progression could be overcome by effective performance management, which could result in enhanced job mobility. A method used at Optimum to help facilitate employees' development desires and harness engagement utilised international secondments. Management described that these were used to offer more to employees, which they felt secured commitment for an interim period.

A variety of participants in the EOCs identified that their engagement on occasions was mediated by the behaviour of other individuals in the organisation. In particular, participants recalled that when they perceived their colleagues' to not live the values of the organisation and or perform to their full capabilities, but still received the same returns as their fellow employee-owners, this negatively affected upon their engagement. The literature describes such individuals as free-riders (Conte and Svejnar, 1990). In this study, the perceived existence of free-riders was felt to impact upon organisational performance and culture. Participants described that they felt the

behaviour of others rippled through the organisation creating a degree of negativity, which resulted in a decrease of their engagement. Furthermore, some participants recalled that those who they perceived not to fully contribute to the organisation were not managed effectively. Therefore, it was felt that this ultimately furthered a lack of progression opportunities. Management participants at Optimum acknowledged that they did not manage their team's performance to the best of their ability because they did not desire to create further negativity in the team. To help to overcome this obstacle to engagement, participants suggested that management needed to more assertive and confident in managing performance. In particular, it was suggested that managerial training would be useful to facilitate this. Furthermore, as already identified, recruiting the right individuals for the organisation, could mitigate this occurrence further.

Some participants expressed that, whilst the use of temporary staff was appreciated to relieve operational pressures, they also believed that such staff also had the capability to hindering their engagement. This was particularly evident in Uniformity where temporary staff were regularly used to help with production and dispatch during the peak trading season. Participants at Uniformity and W T Innovations described that temporary staff were often unaware that the organisation was employee-owned, and they felt that temporary staff had completely different motives for work compared to the substantive employees of the organisation. It was expressed that, although they acknowledged that the organisation benefited from the use of temporary staff, they expressed in doing so the organisation often compromised the engagement of their own employees. This was described to occur due to an increase of errors made by temporary staff because of lack of experience and or training. Some participants described that such occurrences disengaged them as they could see that quality was being compromised and they understood that these errors had a wider effect on the organisation. It was suggested that temporary staff could create further operational strains, and ultimately reduce profit margins. Participants expressed that in their experience temporary staff were often unaware that the organisation was employee-owned. As a result of this, it was suggested that temporary workers should undergo a brief induction so they were aware that the organisation was employee-owned, in addition to being made aware of what was required and expected of them. Reflecting on Kruse *et al.* (2003), the family culture of the organisation is understood to drive the ownership culture forward. Therefore, temporary staff should be made to

feel that they are a part of the organisation and an informative induction is one method that could facilitate this. In sum, participants felt that temporary staff needed to be more involved in the organisation to achieve the desired performance and behaviours.

The existence of ownership itself on occasions was presented by participants as being an obstacle for their engagement. In W T Innovations, a participant described that he was aware of some individuals, including himself, who desired to physically invest further in share ownership. However, it was claimed that limited opportunities to do this were available and that such opportunities often required a high financial commitment, beyond the scope of their financial capability. An alternative perspective was shared by participants at Uniformity where it was described that there were occasions where employees wanted to sell some of their additional shares but were unable to do so. In this organisation, share sale was mediated by the limited number of shares that could be purchased back by the EBT at a set time each year. Furthermore, such share sales were also agreed as determined by priority reasons for sale to ensure that the share sale market was fairly managed. At Optimum, all shares were held on behalf of the employees in an EBT so they did not have such issues. Participants who experienced as well as witness these situations felt disheartened, and described that they became emotionally disengaged with the organisation. It was suggested by the participants concerned that there needed to be more flexibility in regards to the sale and purchase of additional shares to overcome this obstacle. However, the participants acknowledged that this could only be achieved through a constitutional change of the EBT, which could have a wider impact on the organisation.

8.3.4 How does employee engagement support and sustain ownership?

From the findings of the EOCs presented, it has been identified that employee engagement can provide a pillar of support for employee ownership. In this context, employee ownership was reflected as a facet of engagement as participants attributed many of their engagement experience and perspectives as being related to ownership. Participants described that they continued to be engaged through good times and bad, although their level of engagement reflected these occurrences. Such occurrences were particularly evident in Optimum and Uniformity during redundancy situations. Participants described that through engagement they felt that the visions and values

of ownership were mobilised, which in turn created a collective culture to strive for success. This potentially suggests that whereas ownership is ultimately an organisational model that entitles employees to information, control, and returns, employee engagement is dynamic, reactive, and strategic. In the EOCs explored, management facilitated the drive for engagement by creating an environment for support, prosperity, and participation. Although, it was identified by some participants that management could do more to further harness engagement.

The culture within each organisation was suggested by the participants to not only be shaped by ownership, but that it was also supported and sustained through engagement. This finding supports the opinion of the CIPD (2012) which argues that organisational culture provides opportunities for engagement. Participants identified that the opportunities available in their organisation for participation and involvement, on occasions were introduced as a direct result of employee ownership such as employee-led boards. Overall participants described that, through involvement and participation initiatives, they felt that they were able to further contribute to the organisation by engaging socially and intellectually. Harter *et al.* (2002) and MacLeod and Clarke (2009) suggest that engaged employees are committed to their work and the organisation. Throughout the data collection process, participants indicated to varying extents that they were committed to the organisation. The participants often expressed affective engagement and spoke with great pride about *their* organisation. Some participants described that they felt that they were able to make positive changes to the organisation through their job role, as well as through being an employee-owner. Others reflected that how they felt employee ownership contributed to their meaningfulness of work and the organisation culture, which helped to harness their engagement. In Optimum, as a result of involvement initiatives such as knowledge sharing events, participants who attended these expressed that through their engagement they felt that they were able to invest themselves psychologically and intellectually further in the organisation. It was described that this benefited themselves and the organisation, as they felt driven to be creative and innovative by their colleagues. Participants indicated that ownership provided another opportunity for them to engage with the organisation, beyond what they had experienced in non-EOCs.

As Table 1 identifies, ownership was understood to be influential in securing employee engagement in the three EOCs explored. However, it has been identified that ownership does not work alone in securing engagement. Instead it is understood that ownership is one of several factors that help to secure it. Ownership is not just one single facet but is related intrinsically to the other facets of engagement in EOCs as the findings presented indicate that, ownership is engrained throughout the organisation. Reflecting on Alfes *et al.* (2004), this research study agrees with their findings and provides further evidence for two additional facets of engagement. In the EOCs explored, the findings provide evidence to suggest that motivation, communication, management, participation, environment/culture, reward, ownership, and person-fit are integral to employee engagement. However, ultimately in EOCs it has been shown that ownership also has a defined role in engagement as ownership is deeply embedded in these organisations.

8.7 Summary

In this chapter, the findings of the three EOCs explored have been summarised to present an overall view of employee engagement in EOCs. Using thematic analysis, Table 1 has captured the findings to illustrate factors discussed during data collection, and how these relate to overarching themes, which are understood to be facets of employee engagement in EOCs. The findings of this research study provide answers to the four research questions originally identified by the gaps presented in the existing two bodies of literatures. This chapter has provided a summary of the core findings in relation to each research question by comparing and contrasting data from the three research organisations.

It was found that employee ownership did not mobilise employee engagement independently. Although ownership was acknowledged by participants as inducing a right to information, control, and returns, participants described that through engagement practices and processes these rights were mobilised. Participants described that how they engaged with the organisation, the role of being an employee-owner, and how the organisation engaged with them, has the capability to change their behaviour in the organisation. Ultimately, employee ownership was described as providing a further facet of engagement because, in the EOCs explored, ownership was embedded in mind-set of the participants and had the ability to not only harness

engagement but also encourage effectiveness and efficiency. However, as the findings suggest, ownership as a standalone facet is not sufficient to harness engagement. Participants described that through ownership, they often felt that they were engaged further with the organisation, when in comparison to working in a non-EOC as a result of social exchange theory. Each EOC explored provided evidence to suggest that to successfully operate within the organisations vision and values, they needed more than just ownership to facilitate this.

It was found that participants across all three EOCs identified a variety of practices that they expressed as being effective in securing high levels of engagement from them. The effectiveness of these practices were found to be influenced by an individual's personal desires and needs. To engage in this social exchange successfully, it was suggested by participants that management needed to have a deep understanding of their employees. Ultimately, this could be achieved by building strong line manager relationships to aid awareness of what drives their workforce. Significant to this study was the role that organisational culture played in shaping engagement. Participants identified that by having a clear vision and above all, a shared vision, they were able to add value to the organisation's success because their role had meaning. Communication was continually discussed throughout the various data collection stages as helping to secure high engagement levels. Participants reflected deeply on their right as employee-owners to information suggesting that, there is a need in EOCs in particular for communication to be transparent and frequent. Cascading information downwards and facilitating participation for the upwards mobility of communication was understood to be good practice. One of the most practical aspects identified for securing engagement was ensuring that there was a person-organisation fit. Participants suggested that by addressing values and employee-owner responsibilities throughout the recruitment processes and reinstating these constantly through inductions, training, and meetings, this would help to ensuring that this fit was obtained to enable the organisations to succeed. Participants felt that if individuals were recruited into the organisation who did not reflect the organisational values, live the culture, and shared goals, then these individuals could have a detrimental effect on organisational success. Participants described that they did not only find meaning in work at the job role level, but also at an organisational level as a result of ownership as work meant being an employee-owner, and acting with a manner of responsibility

beyond that experienced in non-EOCs. Participants claimed that by engaging with ownership, they felt a heightened level of engagement.

Obstacles to engagement were identified by participants often as a result of inconsistencies between motives of their colleagues. The participants of each EOC continually reflected on working for their organisation that they felt they were 'in this together' and that it was *their* organisation. However, some participants identified that they felt that there were some individuals did not share this opinion, and the participants perceived that they had different agendas. In particular, participants identified such individuals as temporary staff and poor performers who could potentially be identified as free-riders. Participants suggested that ensuring person-fit, having an effective performance management system to deal with under-performers, and educating temporary staff would help to resolve this situation. Management participants acknowledged they were aware that they did not manage performance effectively, and suggested that further training would help them to handle such potentially difficult conversations. However, these were not the only obstacles that participants identified. It was found that the nature of the ownership model itself often hindered employees' engagement because on occasions it was inflexible which hindered engagement. Unclear and in-existent communications on occasions disengaged employees as participants felt that it prevented them from engaging intellectually at an organisational level in particular. Further training and effective communication strategies were expressed by participants as potential solutions to overcoming this. Participants also cited that they were also often frustrated with lengthy decision-making processes. Although they accepted that this was being part of employee ownership, it still existed as an obstacle for engagement.

The findings suggest that what employee ownership does to support and sustain employee ownership is that it connects with employees on a psychological level. Engagement in these organisations, ultimately invited employees to participate and in return for perceived rewards. In these EOCs examined, engagement was reflected up as a variety of practices and strategies, which supported ownership values and culture. Through these strategies and practices, engagement appeared to mobilised a relationship between the organisation and the employee, facilitating an understanding that they were 'in this together'. Engagement acted to provide a pillar of support to employee ownership as it upheld the values of ownership, and it provided a

connection relating to social economic theory. Furthermore, engagement was found to foster an ownership culture. Although organisations exist successfully without employee-ownership, the value that ownership brought to these organisations provided another opportunity for employees to engage. In these EOCs, the relationship between employee ownership and employee engagement was entwined, as well as engrained in the organisation. Participants strongly believed that they were able to add value to the organisation's success. Ultimately, these beliefs were nurtured by engagement, and this encapsulates how employee engagement supports and sustains employee ownership.

CHAPTER 9: DISCUSSION

9.1 Introduction

This research study has provided an opportunity for employee engagement to be discussed in the context of EOCs. A review of the existing literatures suggested that there was a theoretically weak relationship between the two bodies of literatures as much of the engagement research has been conducted in non-EOCs. As a result of the lack of research of exploring employee engagement in EOCs, this created a research opportunity for employee engagement to be explored in this context. At a time when interest in employee ownership has gathered momentum in the public sphere as a result of Government's support for ownership being a viable business model, a need has arisen to understand how when an employee is also an owner, this affects their level of engagement with their job role and organisation. Having recognised this gap in the current literature, and understanding the importance of these two bodies of literature, four interpretivist research questions were identified. The purpose of these questions was to understand how employee engagement exists and functions, when the employees concerned also have an ownership stake in their employer. The key focus of the research questions has been to identify; if there is a need for employee engagement in EOCs, to understand what organisations can do to harness engagement as well as understanding what is understood to hinder engagement, in addition to understanding the capabilities of employee engagement in supporting employee ownership.

Through this research study, it was identified in Chapter 2 that employee engagement is understood to be multi-faceted management strategy. Engagement has received a growing volume of interest from both practitioners and academics, as organisations seek to enhance working relations. Arguably, depending on the critical perspective shared, this could be sought purely for the organisation's benefit, the employee's benefit, or both. The engagement literature acknowledges that as there is no universal definition for employee engagement (Masson et al., 2008). This often creates a tangle of terminology and misunderstanding of engagement with other managerial concepts (Gallup, 2008). Academics suggest that there is uncertainty as to whether engagement is a behaviour, an attitude, or perhaps both (Macey and Schneider, 2008). Engagement is understood to occur at both job and organisational level (Saks, 2006). It concerns

how an individual uses their “hands, head, and heart” (Ashford and Humphrey, 1995:110) in relation to their role and organisation. Engagement is characterised by vigour, dedication, and absorption (Schaufeli et al., 2006), and it can take form at social, affective, and intellectual levels (Alfes et al., 2010).

The current literature concerning employee ownership was discussed in Chapter 3. It was understood that employee ownership could occur directly, indirectly, or as a combination of these (ACAS, 2013; Oliver, 1990). Additionally, ownership is shaped through a variety of ownership models such as ESOPs, co-operatives, and employee ownership/co-ownership (Oliver, 1990; Pendleton et al., 2001). The affect that employee ownership can have on employee-owners is mediated by the type, and stake of employee ownership within the organisation (Toscano, 1983; Klein, 1987; Hammer et al., 1982; Keef, 1994). It is identified that ownership occurs through three core rights (right to information, control, and possession/financial returns) (Pierce et al., 2001). Additionally, employee ownership concerns psychological ownership, which relates to how an individual feels that something is theirs (Baer and Brown, 2012; Van Dyne and Pierce; 2004). It is understood in EOCs that, employees have a heightened sense of psychological ownership because they are able to provide influence to the organisation (Long, 1978b; Blasi, 1988). Studies claim that employee-owners are satisfied through extrinsic and instrumental models of satisfaction (Klein, 1987; Buchko, 1992). Participation and involvement strategies are frequently used by organisations to acknowledge their rights as owners (French and Rosenstein, 1984; Buchko, 1993), but also to mobilise an ownership culture (Postlethwaite et al., 2005; Pierce et al., 1991). EOCs are claimed to perform financially better than non-EOCs as a result of ownership (Klein and Hall, 1988; Burns, 2006; Conte and Svejnar, 1990; Kruse and Blasi, 1995). Furthermore, due to ownership, employees are suggested to work more effectively and efficiently (Long, 1987a).

Both literatures suggest that employee ownership and employee engagement can benefit both the organisation, and the individual. Michie *et al.* (2002) suggest that EOCs can only become more productive when ownership is combined with participatory practices. Employee participation is one facet of employee engagement (MacLeod and Clarke, 2009; Alfes et al., 2010; Robinson et al., 2004). However, such participatory and involvement practices, which invoke employee voice do not identify with employee engagement in its entirety (Purcell and Hall, 2012). EOCs have more to

achieve from harnessing employee engagement, as employee ownership does not concern itself with individual voice. Ownership utilises democratic participatory mechanisms such as voting and employee-led boards to channel employee voice in a collective manner (Pierce et al., 1991). Both employee ownership and employee engagement seek to identify with the pluralist managerial perspective, as both the organisation and the workforce can benefit from their existence. However, there are also some arguments that both identify with unitarism, because engagement and ownership remain somewhat driven by management of the organisation (Hammer and Stern, 1980). In supporting of the pluralist perspective, employee ownership is understood to balance the interests between management and employees (Michie et al., 2002). This is claimed to create a non-authoritarian way of working (Carnforth, 1989). Ownership represents fairness of equality (Lampel et al., 2012), and utilises various channels of communication to acknowledge employee voice (Davies, 2009). Employee engagement requires engaging managers and a vision that is driven by leadership to create a strategic narrative (MacLeod and Clarke, 2009). Engagement utilises a two-way relationship to achieve mutual benefits (Robinson et al., 2004). This is understood to be fostered by employees having an inspired feeling from within, and a desire to work (Cook, 2008). However, engagement is discretionary (Macey and Schneider, 2008). Both employee engagement and employee ownership benefit the employee, as well as the organisation.

Chapters 5, 6, and 7 presented the findings of the data collated through a variety of qualitative research collection methods including; semi-structured interviews, focus groups, and reflective diaries. The inductive research style of this research study utilised an interpretivist perspective in line with a social constructivist epistemology, is discussed in Chapter 4. Data was collected from a total of 39 participants across three EOCs that had differing models of employee ownership as well as ownership maturity, in addition to varying in organisation size, industry, and financial performance. The participants who volunteered to participate in this study included but, is not limited to; directors, managers, production operatives, clerical workers, and professionals. During the various stages of data collection, the researcher explored the experiences and perceptions of employee engagement and employee ownership in each organisation, from an organisational, managerial, non-managerial, and individual perspective. The case study chapters present the findings that emerged from collating data in each organisation. These findings have been collated in Chapter 8 to

understand the overall findings of employee engagement in the three EOCs explored. Table 1 summaries the findings as identified through narrative and thematic analysis that identified 58 factors, which participants described as mediators of their engagement. The occurrence of these factors in the data has been thematically analysed to understand that they represent 8 facets that signify employee engagement in the EOCs explored. These facets are described as; motivation, communication, person-fit, participation, management, environment/culture, ownership, and reward. Findings of the case studies were compared and contrasted to identify key findings in relation to the research questions.

This discussion chapter will address the research questions by identifying key findings from the data. These findings will be discussed in the context of the existing literature to evaluate the factors contributing to successful employee engagement in employee ownership. New evidence will be provided to create a link between the currently separate literatures of employee engagement and employee ownership, to provide an understanding of how employee engagement occurs in such organisations. Implications for organisations based on the findings of this research study will be given consideration. The chapter will reflect upon the limitation of this research study before providing a conclusion of this thesis. Finally, the chapter will close by discussing suggestions for future research.

9.2 Contributions to Existing Literature

In response to Postlethwaite *et al.* (2005); “employee-owned companies are now arguably setting the pace on at least one of the most prized yardsticks for competitiveness: the ability to harness the true commitment and creativity of their employees. Employee ownership, not surprisingly, is good for employee engagement” (p.5); it has been shown through this research study that employee ownership adds to employee engagement. It has also been found that employee engagement provides support to employee ownership.

As discussed in Chapter 8, several key findings have been identified as a result of this research study. Whilst some of these findings provide further evidence to existing literatures, others provide new evidence of the occurrence of employee engagement in EOCs. These findings will be discussed in relation to each research question to

evaluate how they add to the existing literatures, and provide evidence to bring together the two bodies of literature.

9.2.1 Is ownership sufficient to secure engagement or do organisations need to do something more?

Key studies of employee engagement describe that for engagement to be actualised, organisations should seek to have a strategic narrative, engaging managers, employee voice, and integrity (MacLeod and Clarke, 2009). It is understood that engagement can be secured through meaningfulness of work, employee voice and upward dialogue, vision and communication from senior management, line management style, a supportive work environment, and achieving a person-job fit (Alfes et al., 2010). Employee engagement is an individual occurrence (Saks, 2006), whereas it is understood that employee ownership identifies with a collective voice (Postlethwaite et al., 2005). As a result of this fundamental difference, the literatures suggested that ownership, in its own entity, is insufficient to secure employee engagement. The findings of this research study support this understanding.

Whilst employee ownership was found to encompass a variety of employee engagement factors and facets, there was no evidence to suggest that employee ownership could solely secure employee engagement. Burns (2006) suggests that employee ownership enhances employee relations. Furthermore, employee ownership is understood to balance the interests between management and employees (Michie et al., 2002). However, this balance requires management initiatives to harmonise between both parties (Cleverly and Goyder, 2001). Employee engagement literature acknowledges that a two-way relationship is required for engagement to be secured (Robinson et al., 2004; MacLeod and Clarke, 2009). This relationship also further facilitates a shared vision (Alfes et al., 2010; MacLeod and Clarke, 2009). Ownership seeks to achieve shared vision and create meaningfulness of work (Levine and Tyson, 1990; Pierce et al., 1991; Long, 1987a; Bartkus, 1996). Long (1978a, 1978b) suggests that shared vision is created through the intrinsic model of satisfaction which proposes that ownership can independently increase one's commitment and satisfaction with the organisation. This understanding is disputed by Klein (1988) and Buchko (1992). Alternatively, Klein (1987) and Buchko's (1992) studies provide evidence for the extrinsic model of satisfaction; when employee satisfaction

and commitment increase as a result of employee ownership being financial rewarding; and the instrumental model of satisfaction which suggests that employee commitment can be increased by an employee's ability to influence decision-making. However, the instrumental model identifies that ownership cannot increase employee satisfaction (Tannenbaum, 1983).

This research study found evidence to suggest that employee ownership does not always secure employee commitment. In the case of W T Innovations, it was suggested that because of the introduction of employee ownership, some employees left the organisation because they did not wish to be employee-owners. Furthermore, it was identified at Optimum that professional employees were understood to be more engaged with their job, than opposed to with the organisation. These findings dispute the intrinsic model of satisfaction. Evidence has been provided in relation to Robinson *et al.*'s (2004) study that reflects that individuals in occupational roles are more engaged with their job, as opposed to with their organisation.

The findings identified that psychological ownership is an important aspect of employee ownership, which supports Van Dyne and Pierce (2004). It was found in W T Innovations and Uniformity, that the introduction of employee ownership did little to change the employment relationship as it was seen as a process to merely formalise working practices. This therefore suggests that formal employee ownership is supported by psychological ownership. The feeling of ownership is understood to result from a combination of formal ownership rights and psychological ownership (Pierce *et al.*, 1991). This combination is claimed to create social-psychological and behavioural outcomes (Pierce *et al.*, 1991; Long 1978b). Such outcomes of psychological ownership include increase organisational commitment (O'Driscoll *et al.*, 2006; Brown *et al.*, 2005), and a heightened sense of possessiveness when the organisation becomes threatened (Brown *et al.*, 2005). However, Pendleton *et al.* (1998) argue that employee participation and involvement are more important to employees, than feeling like an owner. EOCs are understood to rely on having mechanisms for participation and involvement to enact a degree of employee control (Ben-Ner and Jones, 1995). Through participatory practices, the full potential of employee ownership can be identified (Conte and Svejnar, 1990; Logue and Yates, 2001; Levine and Tyson, 1990). Employee-owners are understood to have an increased focus on organisational success. As a result of this, it is suggested that employee-

owners display heightened commitment, productivity, and efficiency (Kruse and Blasi, 1995). Whilst the employee engagement literature suggests that employee voice, participation, and involvement, help to secure engagement (Alfes et al., 2010; MacLeod and Clarke, 2009) which the findings of this study support, EOCs needs to do more than this to successfully harness engagement in its totality.

Whilst the EOCs in this research study did much to encourage the participation and involvement of their workforce, employee ownership also functioned to maintain open communications. This reflected employee-owners right to information (Pierce et al., 2001). Furthermore, a culture of ownership was found to help facilitate shared vision and organisational values, which supports Postlethwaite *et al.*'s (2005) claim that the success of employee ownership is mediated by ownership culture. The employee engagement literature suggests that culture is a driver to harnessing engagement (MacLeod and Clarke, 2009; Kular et al., 2010; Alimo-Metcalfe and Bradley, 2008; Denison, 2010). However, whilst the findings of this study support the importance of ownership culture in these organisations, the presence of a family-culture created some obstacles to engagement for participants. This finding did not support the claim of Kahn (1990) who suggested that family-culture increases engagement, as a result of the increased presence of safety.

It was found that as ownership created a shared vision and acknowledged employees as owners, managers often found it hard to have difficult conversations with individuals' regarding performance, due to fear of negative implications amongst the wider workforce. Kruse *et al.* (2003) and Long (1978a) suggests that ownership culture should work to combat against those who do not share the visions and values of the organisation. However, there was no evidence found to support this as participants suggested that managers did not necessarily appropriately respond in their duty as a manager, nor as an employee-owner, to actively manage such issues. Throughout the data collection process, discussions formed around the affect that such individuals had on their own engagement. These individuals could potentially be described as free-riders in accordance with Conte and Svejnar (1990) and Kruse *et al.* (2003). It was understood that the perceived existence of free-riders hindered engagement, as it was suggested that they did not share the same vision. This was perceived to ultimately cost the organisation, as well as the workforce. Whilst employee ownership in its own entity could do little to support this, line management style and a supportive work

environment could tackle such issues to develop engagement. These factors are understood to be facets of engagement (Alfes, et al., 2010), therefore suggesting that EOCs need more than ownership to harness engagement.

Innovation in EOCs is led by organisational culture (Stack and Burlingham, 2002). Through actualising engagement, creativity and innovation are understood to thrive (Alfes et al., 2010). In this research study, it was identified that employee ownership mobilised organisational values and vision through ownership culture, which created engagement. Particularly in W T Innovations, as a market-leader innovation was crucial to the success of the organisation. Innovation was deeply embedded in the culture and through ownership, participants felt empowered to work in such manner. The research findings describe that employee ownership provided a heightened meaning in work because employees were able to understand how their conduct affected upon the wider organisation, and ultimately how this affects the reward that they receive. In the EOCs explored, there appeared to be a culture to go beyond the requirements of the role, which supports Stack and Burlingham (2002). Evidence was also found to support Burns (2006) who claimed that employee-owners were typically keen to take on extra responsibility. These behaviours were witnessed as a desire and passion for work. Truss *et al.* (2006) and Cook (2008) describe engagement in this way. However, engagement is purely discretionary (Macey and Schneider, 2008), and it is mediated by identification and subsequent satisfaction of psychological needs (Kahn, 1990; 1992).

It has been found that there is no evidence to suggest that employee ownership in its own entity, can harness employee engagement. The findings of this research study provide further evidence to support Burns' (2006) claim that employee ownership supports employee relations, as it was found that ownership contributed to shared vision and values in agreement with Levine and Tyson (1990), Pierce *et al.* (1991), and Bartkus, 1996). This finding complimented the claims in the engagement literature by MacLeod and Clarke (2009), that employee engagement is harness by such shared vision and values. Whilst it was acknowledged that participation and involvement was influence by employee ownership, it was established that EOCs needed to do more to secured employee engagement, which supports Purcell and Hall (2012). However, it was established that ownership functioned to provide a platform for a two-way relationship to transpire through such mechanism. This supports the understanding in

the engagement literature that engagement requires a two-way relationship for it to be actualised (Robinson et al., 2009; MacLeod and Clarke, 2009). The findings were also found to provide further evidence to agree with Robinson *et al.*'s (2004) claims that individuals in occupational roles tend to be more engaged with their role, as opposed to their organisation. Furthermore, the paramount role of organisation culture was identified to support both the ownership and engagement literatures. However, the findings dispute Kahn's (1990) perspective that the presence of family culture increases engagement as this was found on occasions to hinder engagement. No evidence was also found to support Kruse *et al.* (2003) and Long (1978a) who suggested that organisational culture in EOCs is able to battle against individual's who do not share the organisation's vision and values. Finally, whilst it was identified that ownership contributed to meaning in work, in agreement with Alfes *et al.* (2010), this was found to be a factor which contributed to engaged, and was not able to independently secure it.

Whilst the findings of this study suggest that employee ownership is influential to employee engagement, it was evident that individuals chose to engage with different aspects ownership. Employee ownership identifies with the rights of employee-owners through a collective understanding. However, using engagement enablers which seek to identify with individuals' needs, the culture, vision, and values, of ownership can be actualised. Ultimately, EOCs need more than just ownership to secure employee engagement.

9.2.2 Which company practices are most effective in securing high levels of engagement? What is good practice? Which measures are most practical?

Despite the lack of a unified definition of employee engagement (Masson et al., 2008), the literature identifies a variety of drivers and enablers to how it can be achieved. MacLeod and Clarke (2009) suggest that engagement can be secured through a strategic narrative, engaging line managers, organisational integrity, and employee voice. Alternatively, Alfes *et al.* (2010) identify drivers of engagement to be; meaningfulness of work, employee voice and upward dialogue, vision and communication from senior management, line management style, a supportive work environment, and achieving a person-job fit. There is lack of appreciation in the current literatures that understands how employee engagement is utilised in EOCs.

Postlethwaite *et al.* (2005) describe that employee ownership is good for employee engagement but fail to identify how this can be achieved. This research study has identified that employee ownership is an integral facet of employee engagement in EOCs. It has also established that facets of engagement such as those described by MacLeod and Clarke (2009) and Alfes *et al.*, (2010) reflect elements of employee ownership in EOCs, which helps to facilitate their positive presence in these organisations.

Through employee ownership, work is understood to have an enhanced meaning above what may be experienced in non-EOCs (Levine and Tyson, 1990; Pierce *et al.*, 1991; Long, 1987a; Bartkus, 1996). This research study has presented evidence to support this understanding as participants identified that they understood how their behaviour and performance could directly affect upon the organisation and the wider workforce. Meaningfulness was actualised as employees had the opportunity to express themselves, which made work meaningful, supporting Brief and Nord (1990). Additionally, effort was understood to be directly related to reward, because through organisational success employee-owners received financial returns such as dividends and or profit-shares. The ability for employees to increase their own financial returns also influenced culture (Rosen *et al.*, 2005, which was reflected in the EOCs explored through employees' commitment to working effectively and efficiently. Despite the extrinsic model of satisfaction suggesting that satisfaction and commitment are increased when ownership is financial rewarding (Klein, 1987), the findings of this research study would suggest that mere prospect of financial returns aids employee engagement. This was identified as a lack of financial returns did not disengage employees.

The presence of a supportive work environment is understood to harness employee engagement (Alfes *et al.*, 2010; Chaudhary *et al.*, 2012). Such an environment in the EOCs explored was facilitated by the existence of employee ownership. As a result of ownership, it was found that organisations promoted a culture of shared values and vision. Postlethwaite *et al.* (2005) describe that culture in EOCs is fostered by employee involvement and voice. Furthermore, managerial commitment to ownership also shapes organisational culture to develop a shared vision (Pierce *et al.*, 1991; Bartkus, 1996; Stack and Burlingham, 2002; Rosen *et al.*, 2005). Findings of this research study

support the understanding that culture is achieved through a shared vision and managerial commitment to ownership.

The nature of the work environment in EOCs is described to reflect a knowledge community (Levine and Tyson, 1990). Understood to be an outcome of a supportive work environment, knowledge sharing has the capacity to harness employee engagement (Nahrgang et al., 2011). In support of Burns (2006), knowledge sharing was found to contribute towards increased innovation and creativity. Furthermore, there was a willingness to share ideas amongst the workforce, which supports the work of Levine and Tyson, (1990). It was found that intellectual and social engagement was enhanced as a result of knowledge sharing, which in turn increased employee involvement and participation. The findings suggest that knowledge communities in EOCs can be fostered through project groups, presentations, and databases. However, the practicality of such is mediated by the nature of the organisation. For instance, due to Optimum's size and industry, it was able to host a variety of presentations because its work was so diverse. In the case of Uniformity, there was little scope for such due to the restricted nature of its business.

Knowledge communities rely on communication to be fostered to enable them to thrive. Employee ownership literature acknowledges communication as an important feature of ownership because employees have a right to information and control (Pierce et al., 1991). Furthermore, ownership culture is increased through communications (Silcox, 2012). This research study provides evidence to suggest that to help secure employee engagement in EOCs, it is good practice for communications to be honest, open, and two-way. Such practices are also practical for EOCs due to the employee ownership element. Robinson *et al.* (2004) and, MacLeod and Clarke (2009) support this perspective and describe such as mechanisms needed to actualise engagement. Good practice for communication strategies in the EOCs explored was suggested to be informative and entice employee involvement. Employee involvement and influence are understood to increase employee satisfaction in EOCs (Buchko, 1993; French and Rosenstein, 1984). This study would suggest that involvement and influence could secure, as well as heighten, employee engagement. Participation, involvement, and voice, are integral aspects of employee engagement (MacLeod and Clarke, 2009; Alfes et al., 2010; Robinson et al., 2004). However, there are other aspects of engagement that need to be fulfilled in order for engagement to be secured

(Purcell and Hall, 2012). Evidence was found to support this perspective as person-fit, talent management, and the role of line managers were also identified to be effective in securing engagement in the EOCs explored.

Both the engagement and ownership literatures acknowledge the fundamental role of management to success. In EOCs, managers are understood to develop culture through management philosophy and design of HR strategies (Pierce et al., 1991). Furthermore, management commitment to the principles of employee ownership, organisational vision, and values is understood to mediate employee attitudes (Pierce et al., 2001; Klein, 1987; Goddard, 2001). The engagement literature resonates that management vision, rapport, and effectiveness mediate engagement levels (MacLeod and Clarke, 2009). This research study found evidence to support both literatures as managers were found provide strategic direction, facilitate culture, and be mentors who provided support and guidance. The implications of managers not facilitating the culture were found to hinder employee engagement.

As employee engagement is discretionary (Saks, 2006), crucial to securing engagement in EOCs was found to reside in achieving a person-fit. Oliver (1990) suggests that employee ownership itself may secure the interest of individuals to join such an organisation. By recruiting individuals who identify with organisational values, organisations can expect to achieve an appropriate person-fit (Woodruffe, 2006, Alfes et al., 2010). It was found that good practice in all the EOCs explored focused on a rigorous recruitment process that reflected organisational values, vision, and culture to ensure that person-organisation fit could be achieved.

Each EOC explored was found to deploy different practices for employee engagement to be secured. However, these practices sought to achieve the same aim. Through practices which sought to; motive employees, achieve effective communications, resonate person-fit, create an environment and culture for ownership, mobilise participation, reward appropriately, establish influential management, encompass ownership physically as well as psychologically; engagement had the potential to be harness. However, this potential could only be actualised if an individual's psychological needs were satisfied as described by Kahn (1990) and May *et al.* (2004).

In summary it was found that, the drivers and enablers as identified in the engagement literature by MacLeod and Clarke (2009) and Alfes *et al.* (2010), were supported by this study. However, it was identified in these EOCs that ownership and reward also functioned as facets of engagement. These facets were identified as it was acknowledged that they both had central roles to shaping employee engagement in EOCs. Meaning in work was found to be actualised through the ability for employees to express themselves supporting Brief and Nord (1990). However, ownership was understood to be somewhat accountable for such meaning. As argued by Rosen *et al.* (2005), evidence was found to support that ownership increased effectiveness as participants acknowledged that they were able to influence their own financial returns. This suggests that reward is integral to engagement in EOCs. Advancing Klein's (1987) study reflecting upon the extrinsic model of satisfaction, it was found that the mere prospect of increased financial returns influence employee engagement. In support of Levine and Tyson (1990), it was identified that in EOCs there is a willingness to share information to facilitate knowledge sharing, which was understood to heighten engagement. Whilst communication was acknowledged as being important due to ownership (Pierce *et al.*, 1991), involvement and influence were identified as being capable of increasing employee engagement. This finding adds to the literature which suggests that involvement and participation increases employee satisfaction (Buchko, 1993; French and Rosenstein, 1984), as well as agreeing with the arguments presented in the engagement literature that such is fundamental to securing engagement (MacLeod and Clarke, 2009; Alfes *et al.*, 2010; Robinson *et al.*, 2004). Evidence was found to support Oliver's (1990) claim that ownership attracts a certain person-fit, and the findings confirmed that psychological needs to be met in order for engagement to be harnessed supporting Kahn (1990) and May *et al.* (2004).

9.2.3 Are there any obstacles to securing engagement, and how might these be overcome?

Despite the fact that the literature does not suggest that employee engagement has any negative consequences, it is understood that a disengaged workforce can lead to high levels of sickness absence, employee turnover, and low levels of organisational advocacy (MacLeod and Clarke, 2009). When disengagement exists, burnout is likely to occur. Burnout is suggested to reflect three aspects; inefficacy, exhaustion, and cynicism; whereas engagement is understood to reflect; efficacy, energy, and

involvement (Maslach et al., 2001). Whilst this research study did not reflect upon burnout, it attempted to understand if employees in the EOCs explored incurred any obstacles to securing their engagement.

It is understood that as a result of employee ownership, EOCs may encounter some issues concerning employee relations. Whilst these issues are not necessarily unique to EOCs, they exist to a degree, due to the presence of employee ownership. Burns (2006) identified that in EOCs there is often a reluctance to make unpopular decisions, slow decision-making, issues with raising capital, and conflict of enabling managers to manager. The findings of this research study supports these issues to an extent, as it was found that participants felt frustrated on occasions by a lack of management concerning poor performers. This was described to hinder their engagement. Whereas the literature suggests ownership culture battles against such behaviours (Kruse et al., 2003; Long, 1978a), this was not entirely evident in these organisation. To an extent the ownership culture, which resonated a family culture, was described to fuel avoidance with such issues. Participants sought managers to be accountable for overcoming poor performance issues with their fellow colleagues. Management participants particularly at Optimum acknowledged that there was a lack of effective performance management. However, they described that they found it difficult to manage performance because they were concerned that such management could have further implications on the workforce. To overcome this obstacle, managers suggested that training on how to have difficult conversations could be beneficial.

The research study found evidence to suggest that in EOCs there is a lack of opportunities for upward progression due to high employee retention. Whilst the literature does not discuss this as an issue for EOCs, it does describe that an outcome of employee ownership is heightened commitment (Postlethwaite et al., 2005; Burns, 2006; Klein 1987; Buchko, 1992). In these EOCs, employees appeared to have heightened organisational engagement, which was displayed through organisational commitment. Yet, such commitment was also shown to have the capacity to hinder engagement. Participants identified that to potentially overcome this obstacle, performance management systems should be deployed which could ultimately generate vacant posts that could enable progression and opportunities for development. Alternatively, from an engagement perspective, personal development could be used to facilitate engagement (Robinson et al., 2004). At Optimum,

participants identified with this obstacle to a lesser extent. They described that employees often left the organisation to develop their career further. It was found in Optimum, that on occasions employees were described to be more engaged with their job than opposed to their organisation. The employee engagement and employee ownership literatures offer different perspectives for this. Robinson *et al.*'s (2004) work highlights that those in occupational roles are more engaged with their job than their organisation. This provides some understanding to this occurrence at Optimum due its professional workforce. Alternatively, Keef (1994) explains that EOCs can expect increased employee commitment when they purchase shares. Further to this, Kaarsemaker *et al.* (2009) suggests that when shares are not purchased, employees do not fully appreciate the role of being an employee-owner. At Optimum, employees were not required to make a financial commitment to ownership as all shares were held by a trust on behalf of the employees. This provides evidence to understand why employees at Optimum may be more engaged with their job role, than with their organisation. Optimum attempted to harnesses employees' engagement with the organisation by offering international secondments to seek further organisational commitment, in an effort to harness their organisational engagement. However, this was understood to be a short-term solution to the problem.

EOCs are characterised by having lengthy decision-making processes (Carnforth, 1989; Burns, 2006; Long, 1978b), as a result of a need to involve employees in decision-making (Pierce *et al.*, 2001). The findings provide evidence for such occurring in the EOCs explored, and suggest that this sometimes provided an obstacle for engagement. Whilst participants acknowledged that this was a frustration, which at times was an obstacle to their engagement, they also understood that this was a result of employee ownership and continued to seek involvement in decision-making. Klein's (1987) study reflecting the instrumental model of satisfaction describes that employees are more committed to an EOC if they have the ability to influence decision-making. The instrumental model of satisfaction is representative of this research study. EOCs can do little to overcome this frustration, which is understood to hinder employee engagement. Pendleton *et al.* (1998) mitigates that employee-owners are understood to feel a greater degree of psychological ownership from being involved in decision-making than from ownership itself, which suggests that little could be achieved by involving employees less in decision-making. Furthermore, consultation with employees regarding workplace issues that affect them is understood to help secure

employee engagement (Alfes et al., 2010). The EOCs explored were aware of this obstacle and attempted to make the decision-making process efficient by striving for a flat organisational structure and utilising collective employee voice. Whilst such measures were helpful at W T Innovations and Uniformity, it was difficult to maintain a flat structure at Optimum due to its size and international presence.

MacLeod and Clarke (2009) suggest that effective communications contribute to employee voice, which is understood to drive engagement. As highlighted by this research study, when communications are ineffective, this hindered employee engagement. Communication difficulties were described in particular by participants at W T Innovations. They cited that there were often difficulties in understanding financial information concerning the organisation, and on occasions, some experienced a lack of understanding regarding employee ownership. Furthermore, they described that there was great confusion regarding the organisation's relationship with their sister company, Movements Plus. A lack of clear and coherent communications was perceived to contribute to frustrations with communications, which affected upon employee engagement. Participants invited enhanced communications from management to attempt to overcome this obstacle. Uniformity was able to maintain effective channels of communication through a series of frequent organisational updates, and team meetings. The organisation monitored the effectiveness of these through quarterly culture surveys that enabled management to remain aligned with the workforce. Optimum was able to maintain effective communications through organisation presentations, project groups, and organisational literature. Through such proactive management of employment relations, engagement can be secured (Salamon, 1998).

Long (1987a, 1978b) supports the intrinsic model of satisfaction which suggests that commitment and satisfaction can increase entirely as a result of employee ownership. Findings of this study dispute this model supporting Klein (1988) and Buchko (1992). Ownership itself was identified as an obstacle to engagement at times as reported in W T Innovations and Uniformity. Whilst the advantages of having a combination of direct and indirect share ownership identify flexibility for those wishing to purchase additional shares (EOA, 2010), this was not always the case as experienced at W T Innovations. Employees were required to purchase a minimum amount of shares and on occasions, they were invited to purchase additional shares. However, frustration

occurred as result of inflexibilities with additional share purchases that prescribed a defined financial stake. Flexibility with such purchases needed to be available to overcome this obstacle of engagement, which would benefit both the organisation and employee. Purchasing additional shares is understood to enhance organisational commitment (Keef, 1994; Hammer et al., 1982); therefore, it is in the best interests of the organisation for this to be achieved. At Uniformity, inflexibilities concerning share sale hindered engagement. Such occurrences negatively affected not just the employee who wished to sell their additional shares, but because of the family culture, it affected a wider circle. Whilst the prospective of enhancing flexibility could help to overcome this obstacle, it was acknowledged that in doing so it could change the nature of employee ownership. This was understood to potentially have a detrimental effect on the organisation as a whole. The existing employee ownership literature fails to identify how direct share ownership can negatively impact upon employee engagement, and how it has the capacity to create frustrations amongst employees.

The ownership literature does not concern itself with how temporary staff can affect employee satisfaction nor engagement. Findings of this research study provide evidence that the use of temporary staff can be an obstacle to securing employee engagement. It was found that whilst temporary staff were employed to help EOCs achieve operational targets, in doing so employees engagement became compromised because temporary staff did not share the organisation's vision or values. To overcome this obstacle, temporary staff needed to become aware of the EOCs visions and values. Although the literature does not identify with such an issue, it does suggest that organisations should utilise peer pressure to help demonstrate ownership culture in an attempt to seek conformity to expected behaviours (Long 1978a).

Whilst each EOC reported varying obstacles to engagement, they were largely aware of the issues and already sought practices to attempt to effectively overcome these. When obstacles had not been previously identified in the organisation, this appeared to result from a lack of managerial awareness. Ultimately, engagement requires a two-way relationship to for it to be secured (Robinson et al., 2002; MacLeod and Clarke, 2009). Therefore, there is a fundamental need for managers to fully and wholly identify with the workforce to fully enable engagement to be achieved. Although engagement can be achieved to an extent despite some obstacles being present, an individual's

intellectual, social, and affective engagement will fluctuate as a result of experiences and perceptions.

Whilst factors has been identified which are understood to contribute to securing high levels of employee engagement, the research study also identified factors which are understood to present obstacles to engagement. This thesis has found in support of Burns (2006) that in the EOCs explored, there was a reluctance to make unpopular decisions and that ownership inhibited manager's ability to manage. The presence of a family culture as a result of employee ownership was perceived to contribute to this, which disputes the claims of Kruse *et al.* (2003) and Long (1978a). Furthermore, in support of Burns (2006), it was found that participants identified that ownership contributed to lengthy decision-making process, which hindered engagement. However, whilst it was acknowledged that this could negatively affect engagement, it was also understood as supported by Alfes *et al.* (2010) that such involvement in decision-making also functioned to harness engagement. It was established from the findings that poor communication had the capability to hinder engagement, which reflects on MacLeod and Clarke's (2009) claim that communication helps to facilitate engagement. The findings contributed new evidence to suggest that the use of temporary staff can hinder engagement, which has not been previously considered in either literatures. Furthermore, the findings also presented a claim that ownership itself can be an obstacle to engagement. The findings support Kaarsemaker *et al.*'s (2009) suggestion that gifting shares reduces ownership identification, whilst presenting that such could decreased an individual's organisation engagement. Additionally, the ownership literature acknowledges how ownership can encourage employee behaviours. However, it fails to acknowledge how the presence of ownership can potentially hinder engagement.

9.2.4 How does employee engagement support and sustain ownership?

This research study has identified that employee engagement in EOCs helps to maintain the values and vision of employee ownership. Little is currently known regarding how engagement contributes to employee ownership. However, it is understood that employee ownership increases employee commitment and satisfaction (Klein, 1987; Postlethwaite et al, 2005; Kruse and Blasi, 1995). Furthermore, commitment is also understood to be enhanced through share purchase

(Keef, 1994), ownership stake (Hammer et al., 1982; Keef, 1994), as well as through culture (Rosen et al., 2005). The engagement literature acknowledges the role of commitment and satisfaction, although insist that engagement goes above these, in addition to encompassing other factors (Robinson et al., 2004).

It is understood that through psychological ownership, employees feel like owners. Psychological ownership contributes towards an ownership culture (Rosen et al., 2005). Culture influences behaviours and creates norms, which in turn drives conformity (Torrington et al., 2008). Therefore, culture is not only able to mediate the work environment, but also influence how individuals perceive fairness (Lok and Crawford, 2004). The culture in the EOCs explored was shaped by the rights associated with ownership and how these were actualised in the organisation. Different EOCs had different processes for share transactions, participatory mechanism, and reward. However, ultimately the practices that were instilled by management were accepted by the workforce to form agreed norms and expectations. In support of the CIPD (2012), this culture provided the opportunity for employees to engage. As employees engaged with this culture, it is understood that they engaged with ownership, because as presented by Baer and Brown (2012) ownership is engrained in the culture. Culture in EOCs is understood to be key to innovation (Stack and Burlingham, 2002), as the nature of the culture facilitates a willingness to share (Levine and Tyson, 1990). The findings of this research study support such perspectives as engagement was shown to drive positive change, which was fostered by the responsibilities and capabilities of ownership. It was identified that participants felt that they were able to participate and be involved at a job level, as well as at on organisational one, enabling social and intellectual engagement. Participation and involvement are not only understood to be a driver of engagement, but the engagement with such in EOCs is understood to drive performance (Cleverly and Goyder, 2001).

Ownership created shared purpose for employees and enhanced their identification with the organisation because it was perceived to be theirs. Psychological ownership was present, and in support of Pierce *et al.* (2001), this mediated individual and organisational outcomes. Engagement is understood to be a psychological construct (Kahn, 1990) which is shaped by work relations, supervisor relations, and co-worker norms (May et al., 2004). Furthermore, it can produce individual and organisational outcomes in what Saks (2006) describes as job and organisational engagement.

Engagement was shown to be embedded in psychological ownership thereby delivering organisational engagement. It was found that psychological ownership was achieved through mechanisms that mobilised employees' rights to information, control, and returns. This finding support the work of Pierce *et al.* (1991) who suggests that satisfaction of such rights can enhance employee satisfaction, but ownership in its own entity cannot. Evidence from this research study suggests that ownership is dependent upon employee engagement to return positive outcome.

The CIPD (2013) describe that employee engagement involves a willingness for employees to contribute intellectually. Additionally, engagement is understood to concern an individual going above and beyond the remit of their job role, through discretionary effort, energy, and intellectual ability (Ditchburn, 2009). Such intellectual engagement not only contributes to employee engagement, but it also functions to share knowledge. Alfes *et al.* (2010) describes such intellectual engagement as encouraging innovative work as an outcome of employee engagement. The employee ownership literature identifies that an outcome of ownership is increased innovation and creativity (Burns, 2006; Levine and Tyson, 1990). This research study identified that through ownership, participants were given the opportunity to make positive changes for mutual benefit. Such opportunity encouraged participants to be innovative, and this in turn further drove their engagement with their job as well as the organisation, providing enhanced support for ownership.

Engaging managers are identified in the engagement literature as enablers of engagement (MacLeod and Clarke, 2009). Additionally, how these managers create a strategic narrative is understood to help secure engagement (*ibid*). It was found in this study that management helped to secure employee engagement, which in turn upheld the vision and values of ownership, thereby supporting and sustaining ownership. Arguably, ownership could engage managers in the first instance to enable them to be engaging managers. However, ownership does not mobilise engagement independently because ownership is reliant on management initiatives as argued by Cleverly and Goyder (2001). Engagement seeks for psychological needs to be satisfied before engagement can form in accordance with May *et al.* (2004). It is suggested that as managers actualise organisational and job engagement, they are able to proactively manage the employment relationship through their commitment to employee ownership. According to Pierce *et al.*, (1991) this has the capacity to influence positive

employee attitude. Such attitude according to Robinson *et al.* (2004) is employee engagement.

The research findings have identified that employee engagement supports and sustains employee ownership through a number of avenues. Of considerable importance is the understanding that culture functions in EOCs to not only support the rights of employee-owners (Pierce *et al.*, 1991), but in agreement with the CIPD (2012), the existence of organisational culture provided an opportunity for employee engagement to be harnessed. This contribution is further supported by Baer and Brown (2012) claims that employee ownership is engrained in organisational culture. The findings provide evidence to support this perspective. Furthermore, evidence was identified to further the claims of Keef (1994) to present a new understanding that share purchase can enhance organisational engagement, whilst providing further support for employee ownership. It was found that engagement supported ownership because engagement was identified to encourage innovative behaviours in support of Alfes *et al.* (2010). It was identified that such behaviours facilitated intellectual engagement. Such willingness to share ideas is understood to be of benefit to EOCs (Levine and Tyson, 1990). Ultimately, contributions are made to the literatures as it was identified that engagement facilitated shared vision and values supporting MacLeod and Clarke (2009). In doing so, it was acknowledged that this functioned to sustain psychological ownership, which was present through organisational engagement.

Throughout the case studies explored, employee engagement appeared in various ways. Where obstacles to engagement occurred which hindered engagement to an extent, there were other factors which harnessed engagement. Through good and bad times in each organisation, an element of engagement prevailed. Engagement was shown to create a desire and passion for work (Truss *et al.*, 2006; Cook, 2008). This research study found that ownership culture and psychological ownership contributed to such passion as employees displayed affective engagement as they identified meaning in their work and were proud of what the organisation, as a whole, had achieved. In these EOCs, it was found that ownership was itself a facet that contributed to employee engagement. Therefore, ownership together with the other facets identified, shaped the employee engagement experience. However, employee ownership is defined by the organisation and is relatively inflexible in its nature.

Employee engagement is able to work with ownership by enticing individuals to participate in a two-way relationship that has mutual benefits for both parties. Once they desire to be a part of this relationship, an engaging relationship can be achieved, which supports and sustains employee ownership.

9.3 Implications for Organisations

The findings of this research study have different implications for different types of organisations. Although the findings reflect experiences and perceptions of participants from three EOCs in particular, the findings could also potentially have an impact on other EOCs as well as non-EOCs. The power of the managerial roles is undeniable to employee engagement. The EOCs explored have illustrated that whilst managers should continue to lead the organisation into the future, managers also need to ensure that they inform and update their employees regularly. Participants stressed that they felt it was important for managers to be connected at ground level with their employees to fully understand their perspectives and needs. By doing so, participants felt that this could potentially elevate any obstacles to engagement as managers could work proactively regarding anticipated workforce concerns.

As a result of employee ownership, it was understood that EOCs and employee-owners have responsibilities. Furthermore, it has been established that engagement helps to facilitate organisational values and culture. In the EOCs explored, it was apparent the strategic narrative of the organisation was important to the participants as they acknowledged the organisation as being *theirs*. This was a consistent theme amongst the EOCs in this research study, which would suggest that organisations should concern themselves with the narrative. The presence of psychological ownership; a feeling of everyone being in it together, that it is *their* company to keep going, one where *they* are accountable; was reverberated throughout the organisation as it was actualised through employee involvement and participation. Ownership is understood to be a powerful attribute and it is something that should not be regarded as anything less. Organisations that have employee-owners and those considering employee ownership, should understand that central to securing employee engagement is the establishment of ownership culture and psychological ownership.

Whilst some comparisons have been identified between the three EOCs explored, it is important to remember that each organisation is different. As experienced through this research study, only once you engage with the organisation and its workforce is it possible to develop an understanding of what factors secure employee engagement. Therefore, whilst existing literature and this research study describe good practice for harnessing engagement, it should not be expected that these practices could be universally applied to any organisation to achieve the same success.

9.4 Limitations of this Research

To make clear the contributions to literature and organisations that this research study concerns, it is important to clarify what this research has not covered. This is needed in order to present a clear understanding and reflective picture of this research study.

Findings of this research study represent three EOCs. The employee ownership sector in the UK has a combined annual turnover of approximately £30 billion (EOA, 2010). The EOA has in the region of 150 member organisations that are employee-owned. Therefore, this study is only representative of a small sample of EOCs in the UK. This sample size is a result of the research design and time constraints. Other EOCs may have different stories of engagement, and ownership may have a different role in how engagement is pursued in different EOCs. Additionally, if the parameters of the study widened to include international business units, it is possible for different comparisons to be sought from the findings of this research study. Furthermore, only EOCs have been studied in this research. The discussions presented are not representative of non-EOCs, nor does the research study provide comparable evidence between EOCs and non-EOCs.

A total of 39 participants contributed to the findings of this research study. Of these participants; 3 participants were involved in the HR interview, 9 participants contributed to the managerial focus groups, 16 participants contributed to the non-managerial focus groups, and 7 participants were involved in the reflective diaries (a full breakdown can be found in Appendix 3). Reflecting on this sample size further, it represents 0.33% of those employees who are employed by the three EOCs studied. Additionally, this sample only represented those based in the UK. Whilst W T

Innovations and Optimum have an international presence, this study does not consider engagement on an international platform.

A qualitative research method was adopted for this research study through the beliefs of the researcher identifying with an interpretative perspective, and a social constructionist epistemology. Due to the nature of the research, it is possible that how the researcher understands situations could be different from how they were intended. Furthermore, what was expressed by participants could have been a performance in itself, as they could have masked true feelings and experiences due to issues with security as identified by Goffman (1961). The researcher also could have unintentional and unconsciously demonstrated bias, which could have presented an obscured image of the realities in the organisations explored. This means that the researcher may not have identified the links between engagement and ownership correctly, or adequately as experience by the participants. Each type of research has its own implications. Through representing experiences and perceptions of others in a narrative manner, such limitations could have ensued.

9.5 Conclusion

This research study has explored the occurrence of employee engagement in EOCs. Chapters 5, 6, and 7 illustrate the findings of engagement in three EOCs and these findings have been summarised in Chapter 8 to create an overall understanding of the factors that successfully contribute to employee engagement. This chapter has explored the findings of this research study in conjunction with existence literature to providing further understanding for the occurrence of engagement, as well as identify new contributions to knowledge.

Exploring two separate bodies of literature, this research study has acknowledged how these literatures are entwined. Chapters 2 and 3 discussed these literatures and sought to understand links between engagement and ownership. Employee engagement was understood to be a discretionary construct that is mediated by psychological conditions. For engagement to be actualised there needs to be a two-way relationship between an individual and their organisation that delivers mutual benefits. Once this need is satisfied, individuals are understood to be absorbed in their role, and with their organisation through a positive state of mind. This state of mind is understood to have

positive outcomes for the individual, as well as the organisation. The employee ownership literature described that employee ownership occurs when an organisation is wholly or majority owned by its employees. It was understood that ownership can occur directly, indirectly, or through a combination of these. Employees may or may not be required to make a financial contribution towards ownership. Through ownership, employees have rights to information, control, and returns, which help to facilitate psychological ownership. The presence of employee ownership is understood to create a shared vision, encourage participation and involvement, enhance commitment, and increase satisfaction. Both employee engagement and employee ownership literatures acknowledge increased organisational performance as a result of their existence. Whilst Postlethwaite *et al.* (2005) and Matrix Evidence (2010) both claim that employee ownership can enhance employee engagement, the literatures do not present any substantial evidence to support such claim. Therefore, this research study aimed to explore; if ownership in its own entity was able to secure engagement, establish what practices are influential to secure employee engagement, understand if there are any obstacles to securing employee engagement in EOCs, and ultimately understand how employee engagement can support and sustain employee ownership.

Utilising an interpretivist approach to research, this research study collated data through qualitative methods including semi-structured interviews, focus groups, and reflective diaries. These methods were chosen to acknowledge independent voices. Much of the engagement and ownership research takes a quantitative approach. Therefore, it could be perceived that this research study utilised unusual methods. However, aside from the researchers own beliefs, these methods were chosen as engagement is understood to be an individual construct. It was understood that the experiences and perceptions of employees needed to be heard in totality to fully understand how engagement occurs in EOCs.

The research study has found that ownership alone cannot facilitate employee engagement as ownership requires management initiatives to affect the employee and the organisation. This finding supports Cleverly and Goyder (2001). However, the rights of employee-owners established through ownership generate avenues for engagement to transpire. Employees need to be willing to engage to achieve the advantages of these. Each EOC utilised a variety of practice to attempt to secure high levels of employee engagement. Whilst the exact nature of these practices varied, it

was found that participation, communication, management, culture, person-fit, reward, motivation, and ownership itself, helped to secure employee engagement. This added to the existing research conducted by Alfes *et al.* (2010) as it was found that in EOCs reward and ownership were contributing facets to engagement. When obstacles to engagement arose, employees were able to maintain a level of engagement as a result of identification with other factors and facets. However, on occasions when obstacles arose as a direct result of employee ownership, management were aware of such and actively sought to overcome such issues. Obstacles were also identified which the organisation was unaware of, which resulted from a breakdown of communication. To overcome such breakdown, managers needed to ensure that they were open and honest with the workforce and continually maintain open dialogue. In doing so, managers would be able to proactively manage employee relations in accordance with Salamon (1998), and enhance the two-way relationship which employee engagement requires to prosper, which supports perspectives of Robinson *et al.* (2004) and MacLeod and Clarke, (2009). Finally, this research study found that employee engagement supports employee ownership by seeking the psychological commitment of individuals to support ownership's vision, values, and culture. Such finding contributed new knowledge to the literatures as the role of employee engagement in EOCs had been previously unknown.

In summary, this research study has addressed the gaps between the employee engagement and employee ownership literatures. As a result of this research study, a bridge has now been formed illustrating the how employee engagement exists in EOCs. For employee ownership to ultimately succeed, the role of employee engagement is now understood to be paramount. Through communication, participation, person-fit, management, reward, and motivation; ownership is supported and sustained. However, in EOCs it has been found that ownership itself is a facet of engagement, which supports a variety of factors of employee engagement. If employee-owners rights and responsibilities were to be withdrawn, this could affect an individual's engagement in EOCs.

It is now understood that employee ownership functions successfully when employee engagement transpires. Ownership is not enough on its own to, induced and secure employee engagement. Prior to this research, this explicit connection remained undiscovered. Furthermore, through this research study practices have been identified

which organisations can utilise to harness high levels of employee engagement. This research study has added to the literature by exploring engagement practices in a type of organisation that has been previously under-researched. Awareness has been drawn as to how engagement obstacles occur in EOCs. This new knowledge can be shared amongst EOCs in particular, in an attempt to raise awareness of issues relating specially to such type of organisation. This has until now, remained unknown in the public sphere. Finally, it is now understood that, employee engagement has an integral role in sustaining and supporting employee ownership. Academics and organisations are now able to have an enhanced understanding of the factors contributing to the success of employee ownership. The new knowledge generated from this research study will help organisations add value to the meaning of work, with an ambition to maximise success for all.

9.6 Suggestions for Future Research

The literature reviews presented in this research study identifies numerous additional questions and points for consideration. As this research study was limited in time and scope this limited the questions that it could address. The research study has explored the relationship between employee ownership and employee engagement at a basic level, in order to provide a strong foundation for such future research. Now that the fundamental nature of the relationship between employee engagement and employee ownership has been addressed, this provides an opportunity for the existing literatures to be further expanded upon in a cohesive manner.

The fundamental lack of a unified definition of what employee engagement is creates avenues for further research itself. Although engagement and its outcomes are not universally defined and agreed, reflections of engagement in practice provide great insight as to how it occurs. Much of the literature aims to measure engagement by asking employees to rate a series of statements which as described in Harter *et al.* (2002) consist of actionable and controllable factors (by management). However, these factors may not necessarily be what employees determine to account to employee engagement. If what one perceives employee engagement to be, yet experiences something different, when asked if they are an engaged employee, their response will replicate this misunderstanding.

After consulting with the research organisations reflectively after data collection, a recurring theme emerged which may warrant further examination. Amongst EOCs, there was a curiosity concerning how different governance models could potentially affect employee engagement. There were also questions concerning reward for employee-owners, which essentially sought clarification regarding what type of reward is understood to be most effective in engaging employees whilst supplementing organisational values. Furthermore, the role of leaders in EOCs appeared to be significantly influential to the engagement experiences and perceptions of participants in this study. Leadership and the role of management are understood to help foster culture in any type of organisations. In EOCs, management facilitate the ownership culture and ethos whilst still acting within a business perspective. From these discussions, and now from having an awareness of employee engagement in EOCs, the following questions could be proposed:

Is there an optimum type of employee ownership, governance model, and reward structure for maximum employee engagement?

How do leaders foster a culture of employee engagement in EOCs, and what do they foresee their role to be in the organisation?

Reflecting on this research study further, the perceived existence of free-riders provided some interesting conversations. A potential line of enquiry could seek to identify these perceived free-riders to consider if they are indeed what Kruse *et al.* (2003) describe as free-riders, or if they are wrongly perceived by others. Understanding these individuals could lead to improvements in how such identifications could be dealt with. A potential further line of enquiry could be identified as:

Why do free-riders exist in EOCs? What makes them withhold their engagement? What can be done to address this issue?

Lastly, but not exhaustively, as a result of heightening talk regarding employee ownership in Government as privatisation of services is explored, the true power of ownership in terms of competitiveness can only be ultimately explored by comparing engagement levels in EOCs to non-EOCs. Now there is a firm understanding as to the

occurrence of employee engagement in EOCs, the following question can now be proposed:

How do EOCs and non-EOCs harness different levels of employee engagement? How do key business outcomes compare in these different types of organisations?

Appendix 1: Informed Consent Form

THE UNIVERSITY *of York*

The York Management
School

The Law and Management School
Building
Fenby Lane
University of York
Heslington
York, YO10 5GD, UK
Telephone (01904) 325032
Web: www.york.ac.uk/management

Consent Form

Employee Ownership: Evaluating the Factors Contributing to Successful Employee Engagement

Researcher: Heather Rowley, PhD Student Researcher, TYMS
Contact Details: heather.rowley@york.ac.uk

Before completing this form, please make sure that you have read the Participant Information Sheet. If you have any questions or queries, please ensure that you have raised these with the Principal Investigator and received satisfactory answers.

Please
initial to
confirm

I confirm that I have read and understood the Participant Information Sheet for the above study.

I confirm that I have had the opportunity to raise questions about the study and my role, and I am satisfied with the answers that I have received.

I am aware that my participation in this study is on a voluntary basis and I understand that should I wish to withdraw my participation, I am free to do so at anytime without any negative implications to myself or my organisation.

I agree/disagree to the interview/focus group being audio recorded. If I decline, I agree for notes to be taken.

I agree to the use of data and information that I provide to be used in an anonymised manner in publications.

I agree for direct quotations to be used to support the study in an anonymised manner.

I agree for any data and information collected in this study to be stored anonymously in a secure environment and permit the use of such to be used in future studies.

I, _____, confirm to agree to participate in the above study.

Participant's Signature _____ Date _____

Researcher's Signature _____ Date _____

Appendix 2: Participant Information Sheet

THE UNIVERSITY *of York*

The York Management
School

The Law and Management School Building
Fribourg Lane
University of York
Heslington
York, YO10 5GD, UK
Telephone (01904) 325032
Web: www.york.ac.uk/management

Participant Information Sheet

Employee Ownership: Evaluating the Factors Contributing to Successful Employee Engagement

Researcher: Heather Rowley, PhD Student Researcher, TYMS
Contact Details: heather.rowley@york.ac.uk

Purpose of the Study

This research study is concerned with how employee engagement exists and transpires in employee owned organisation. As a currently under-researched area, I am interested in the role of employee engagement in these organisations, how it is achieved, and the subsequent impacts this has on the organisation and the individual. The key aims of this research are to;

- define and operationalise employee engagement
- identify levels of engagement and undertake comparisons of organisations
- understand the main influences upon employee engagement in employee-ownership settings
- determine whether and how employee ownership offers the potential for higher levels of engagement, and in what respects
- identify obstacles to employee engagement
- assess if, how, and why employee engagement may contribute to all aspects of organisational performance

Data is being collected from mature, young, and emergent employee owned organisations in various sectors, to form a detailed analysis of employee engagement in different types of employee owned organisations. A qualitative research approach has been designed involving the use of interviews, focus groups, and reflective diaries. Analysis will take place at an organisational level as well as across the four research organisations where comparisons and differences can be drawn.

Participant's Role

Your role in this study is entirely voluntary. Should you decide to participate you will be asked to sign a Consent Form. If you later decide to withdraw from the study, you are free to do so without any implications to yourself or your organisation.

If you elect to take part in a focus group this will take approximately an hour of your time. If you wish to take part in the reflective diary, you will be asked to meet myself before issuing the diary to have a half an hour interview. You will be asked to make five diary entries over a two week period and attend a follow up interview lasting around 45 minutes.

Benefits of the Study

This study serves two benefits. Firstly at an organisational level, the profile of engagement of employees will be highlighted therefore information that you provide may implicate future strategy. Secondly, your contributions to this study will influence a wider debate amongst professionals and academics about the existence of employee engagement in employee owned organisations. Again, this benefit can implicate future strategies deployed by organisations as the understanding of the subject matter is further evident.

Confidentiality

All participants will be given fictitious names which correlate to a number that is assigned to them – this applies to *all work* including company reports, thesis, presentations, and subsequent publications. Details of participants' names will be kept in a secure digital file, accessible only by the Researcher. Company names will also be removed from the thesis and subsequent publications, and assigned fictitious names, with exception of the company specific report for which said company will be named.

All data will be kept for five years after the completion of the study in a locked cabinet in storage room in The York Management School. After five years, all data will be destroyed. All paper form data will be shredded using The York Management School's shredded machine. Audio files will be deleted from the audio device upon transfer to the file storage area.

Audio recordings will be sent to a third-party for transcription. All personal details will be removed and participants will be referred to as numbers. A professional transcriptionist recommended by the department will be used to facilitate this and a confidentiality agreement will be used as standard practice.

Outcome of the Research

The primary focus for data collection is to contribute towards my PhD in Management thesis. Company reports will also be generated specific to each participating organisation, and a report will also be published summarising key findings for the EOA (Employee Ownership Association). Subsequent publications may be made in academic journals and or conference presentations. Participants will remain anonymous throughout any publications. A full copy of the final thesis will be available through the British Library.

Support for the Study

This study is supported by your organisation and the Employee Ownership Association. Data is being collected as part of a three year PhD project at the University of York. The study is fully funded by the Economics and Social Research Council.

Further Information

If you have any questions about the study, please do contact myself via email at heather.rowley@york.ac.uk

Thank you

Appendix 3: Participant Key

In text referral	Organisation	Participant activity
Manager 1	W T Innovations	HR interview
Manager 2	W T Innovations	Managerial focus group
Manager 3	W T Innovations	Managerial focus group
Manager 4	W T Innovations	Managerial focus group
Manager 5	W T Innovations	Managerial focus group
Manager 6	W T Innovations	Managerial focus group
Manager 7	W T Innovations	Reflective diary
Manager 8	Optimum	HR Interview
Manager 9	Optimum	Managerial focus group
Manager 10	Optimum	Managerial focus group
Manager 11	Optimum	Managerial focus group
Manager 12	Optimum	Managerial focus group
Manager 13	Uniformity	HR Interview
Manager 14	Uniformity	Managerial focus group
Manager 15	Uniformity	Managerial focus group
Manager 16	Uniformity	Managerial focus group
Manager 17	Uniformity	Managerial focus group
Manager 18	Uniformity	Reflective diary
Employee 1	W T Innovations	Non-managerial focus group
Employee 2	W T Innovations	Non-managerial focus group
Employee 3	W T Innovations	Non-managerial focus group
Employee 4	W T Innovations	Non-managerial focus group
Employee 5	W T Innovations	Reflective diary
Employee 6	Optimum	Non-managerial focus group
Employee 7	Optimum	Non-managerial focus group
Employee 8	Optimum	Non-managerial focus group
Employee 9	Optimum	Non-managerial focus group
Employee 10	Optimum	Non-managerial focus group
Employee 11	Uniformity	Non-managerial focus group
Employee 12	Uniformity	Non-managerial focus group
Employee 13	Uniformity	Non-managerial focus group
Employee 14	Uniformity	Non-managerial focus group
Employee 15	Uniformity	Non-managerial focus group
Employee 16	Uniformity	Non-managerial focus group
Employee 17	Uniformity	Non-managerial focus group
Employee 18	Uniformity	Reflective diary
Employee 19	Uniformity	Reflective diary
Employee 20	Uniformity	Reflective diary
Employee 21	Uniformity	Reflective diary

Appendix 4: Semi-Structured HR Interview Questions

What is the companies view on employee ownership? Why is it their business model?

What is their vision for employee ownership at the organisation?

What is the current status of employee ownership? Percentage actually employee-owned (either held directly or indirectly through trust). Share price? Past three years dividend figures.

What is your HR strategy? Where does employee engagement fit in to it? What are the key benefits to working here?

How do you define employee engagement in your organisation? What do you do to encourage it? Manager training? Do you attempt to measure it? How if so?

What do you believe to be the biggest barriers to employee engagement? Why are these barriers? What are the organisation's biggest engagement strengths? How well engaged do you feel the workforce are?

What impact do you perceive that employee ownership has on employee engagement and vice versa? Is employee engagement still needed when you have employee ownership?

Do you think there are any organisational divides in engagement levels? If so, what and why?

If you could do one thing to improve employee engagement, what would it be and why?

If you could do one thing to improve employee ownership, what would it be and why?

What one thing would you do to improve both employee engagement and employee ownership?

Appendix 5: Focus Group Outline

Managers	Time	Non-Managers
<ul style="list-style-type: none"> ➤ Draw your managerial self ➤ Introduce yourself 	15	<ul style="list-style-type: none"> ➤ Draw yourself in your workplace ➤ Introduce yourself
<ul style="list-style-type: none"> ➤ What does it feel like to be an employee-owner? ➤ Does it mean anything? ➤ Do you feel the benefits for being an employee-owner? 	25	<ul style="list-style-type: none"> ➤ What does it feel like to be an employee-owner? ➤ Does it mean anything? ➤ Do you feel the benefits for being an employee-owner?
<p>[Map out employee engagement at the organisation]</p> <ul style="list-style-type: none"> ➤ What do you think employee engagement means? ➤ How does it thrive in the workplace? ➤ How do you engage your employees? What do you find are the most effective methods? ➤ Are there any obstacles to employee engagement? How do you overcome them? 	30	<p>[Map out employee engagement at the organisation]</p> <ul style="list-style-type: none"> ➤ What do you think employee engagement means? ➤ How does it thrive in the workplace? ➤ How do you engage your employees? What do you find are the most effective methods? ➤ Are there any obstacles to employee engagement? How do you overcome them?
<ul style="list-style-type: none"> ➤ What does employee engagement add to employee ownership? ➤ If you didn't have engagement practices, would ownership alone be sufficient in providing this? 	20	<ul style="list-style-type: none"> ➤ What does employee engagement add to employee ownership? ➤ If you didn't have engagement practices, would ownership alone be sufficient in providing this?
<p><u>Core Questions</u></p> <ul style="list-style-type: none"> ▪ Is ownership alone sufficient to secure engagement employee or do organisations need to do something more? ▪ Which company practices are most effective in securing high levels of employee engagement? What is good practice? Which measures are most practical? ▪ Are there any obstacles to securing employee engagement, and how might they be overcome? ▪ How does employee engagement support and sustain ownership? 		

Appendix 6: Example of Reflective Diary

Reflective Diary

THE UNIVERSITY *of York*

Employee Ownership: Evaluating the Factors Contributing to Successful Employee Engagement

The research

This research project explores the occurrence of employee engagement in employee owned organisations. School Trends is one of four organisations participating in this study. It is hoped that from analysing data generated through methods such as this reflective diary, evidence will emerge to illustrate the occurrence of employee engagement in employee owned organisations. The purpose of this reflective diary is to capture daily work life at the organisation in an attempt to understand what influences your engagement at work. For this reason, you are asked to be honest and open in your reflections to show a fair reflection of your experiences.

Your role

You are required to make five diary entries over a two week period. Ideally these will be made every other day. However, if you are unable to complete the diary in this manner due to other commitments, please make your entry as soon as possible. In your entries, please reflect upon your working day, any prior experiences that you feel are appropriate, and your activities outside of work. Once you have completed the diary, please return it to myself in the prepaid envelope provided. A follow-up interview will take place with two weeks of the diary being received where your reflections will be discussed.

Confidentiality

All information recorded (written and verbal) will be held in the strictest of confidence. The information that you provide will be used to analyse experiences in the workplace. Quotes may be used in the publication of my thesis and/or subsequent reports and papers, and your experiences will be described. In all occurrences, fictitious names will be used and roles will be generalised. Personal demographics (age, length of service, and or gender) may be used if these factors are presented as key trends.

Questions

Should you have any questions or queries at anytime about your role or the diary, please contact me as soon as possible via email at heather.rowley@york.ac.uk.

Name:	Age:
Department:	Position:
Length of Service:	Share level: Minimum / Additional

Reflection 1

Date:

Please write a reflection about your experiences at work today. Anything that you feel may have affected your engagement at work may be included. It is important to explain why you feel the way that you do, and where appropriate, what you feel could improve your experience. Below are some pondering points that may help you to write your reflection.

- How did you feel about coming to work today? What has influenced this?
- How has your day been today? What has happened today and yesterday?
- What highlights and lowlights can you reflect upon and why are these so? What made them good? What made it bad? What could improve them?
- What have you been doing in your personal time? Has anything outside of work impacted upon your experiences today?
- How do you feel about tomorrow? Do you have a busy day? Looking forward to a day off? How does this make you feel?

Draw something, describe a metaphor, or provide phrases or words to represent your engagement level today.

Reflection 2

Date:

Please write a reflection about your experiences at work today. Anything that you feel may have affected your engagement at work may be included. It is important to explain why you feel the way that you do, and where appropriate, what you feel could improve your experience. Below are some pondering points that may help you to write your reflection.

- How did you feel about coming to work today? What has influenced this?
- How has your day been today? What has happened today and yesterday?
- What highlights and lowlights can you reflect upon and why are these so? What made them good? What made it bad? What could improve them?
- What have you been doing in your personal time? Has anything outside of work impacted upon your experiences today?
- How you feel about tomorrow? Do you have a busy day? Looking forward to a day off? How does this make you feel?

Draw something, describe a metaphor, or provide phrases or words to represent your team.

Reflection 3

Date:

Please write a reflection about your experiences at work today. Anything that you feel may have affected your engagement at work may be included. It is important to explain why you feel the way that you do, and where appropriate, what you feel could improve your experience. Below are some pondering points that may help you to write your reflection.

- How did you feel about coming to work today? What has influenced this?
- How has your day been today? What has happened today and yesterday?
- What highlights and lowlights can you reflect upon and why are these so? What made them good? What made it bad? What could improve them?
- What have you been doing in your personal time? Has anything outside of work impacted upon your experiences today?
- How you feel about tomorrow? Do you have a busy day? Looking forward to a day off? How does this make you feel?

Draw something, describe a metaphor, or provide phrases or words that represent your manager.

Reflection 4

Date:

Please write a reflection about your experiences at work today. Anything that you feel may have affected your engagement at work may be included. It is important to explain why you feel the way that you do, and where appropriate, what you feel could improve your experience. Below are some pondering points that may help you to write your reflection.

- How did you feel about coming to work today? What has influenced this?
- How has your day been today? What has happened today and yesterday?
- What highlights and lowlights can you reflect upon and why are these so? What made them good? What made it bad? What could improve them?
- What have you been doing in your personal time? Has anything outside of work impacted upon your experiences today?
- How do you feel about tomorrow? Do you have a busy day? Looking forward to a day off? How does this make you feel?

When you think of your organisation what comes to mind? Draw something, describe a metaphor, or provide phrases or words to represent this.

Reflection 5

Date:

Please write a reflection about your experiences at work today. Anything that you feel may have affected your engagement at work may be included. It is important to explain why you feel the way that you do, and where appropriate, what you feel could improve your experience. Below are some pondering points that may help you to write your reflection.

- How did you feel about coming to work today? What has influenced this?
- How has your day been today? What has happened today and yesterday?
- What highlights and lowlights can you reflect upon and why are these so? What made them good? What made it bad? What could improve them?
- What have you been doing in your personal time? Has anything outside of work impacted upon your experiences today?
- How you feel about tomorrow? Do you have a busy day? Looking forward to a day off? How does this make you feel?

Draw something, describe a metaphor, or provide phrases or words that represent being an employee owner.

ABBREVIATIONS

CIPD	Chartered Institute of Personnel Development
EBT	Employee benefits trust
EOA	Employee Ownership Association
EOC	Employee-owned company
ESOP	Employee share ownership plan
ESOT	Employee share ownership trust
HR	Human resources
MD	Managing director
OCB	Organisational citizenship behaviour
SET	Social exchange theory

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