Making Sense of Employee Ownership:

An Institutional Logics Perspective

Submitted for the requirements of a PhD

Wits Business School

DECLARATION

I, Tessa-Ann Murray, declare that the entire body of work contained in this thesis is my own, original work, that I am the sole author thereof (save to the extent explicitly otherwise stated), that reproduction and publication thereof by University of The Witwatersrand will not infringe any third party rights and that I have not previously in its entirety or in part submitted it for obtaining any other qualification.

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ABSTRACT

This grounded theory study explored the perspectives, attitudes and behaviours of individual employee-owners within organisations that had implemented share-ownership schemes as a mechanism to address the persistently elevated levels of inequality in South Africa. The study articulates how employee-owners make sense of their dual roles as employee and owner of the organisation, and how they integrate ownership into their work experience.

While the motivation for implementing employee-ownership schemes may often be aligned with shareholder capitalism, increasing awareness of the alternative of stakeholder capitalism to address inequality highlights employee ownership as a way of including employees in financial participation and decision-making in the workplace. Implementing employee ownership provides an opportunity for organisations to balance and meet their financial and social commitments.

The grounded theory approach utilised in-depth interview data from 18 individuals from previously disadvantaged population groups.

The key findings of the study indicated that the assimilation of employee ownership is an individual, temporal, situational process that comprises progressive levels of integration. During this process, the orientations of management and employee-owners towards employee ownership influence the individual's momentary readiness to integrate ownership into their work experience.

An institutional logics interpretation of the findings revealed the influence of macro-, meso- and micro-contexts on how employee-owners perceive management's orientation towards employee ownership and their own perceptions and expectations of inclusion as employee-owners in the workplace. As its theoretical contribution, the study clarifies the individual's integration of ownership and proposes a model for the integration of ownership into the work experience of the collective of employee-owners over time and the institutionalisation of employee ownership in the workplace.

Keywords: employee ownership, grounded theory, institutional logics, ownership integration, sensemaking

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LIST OF ABBREVIATIONS AND ACRONYMS

AGM	Annual General Meeting
ANC	African National Congress
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
C1, C2	Company 1, Company 2
CGT	Constructivist Grounded Theory
CME	Coordinated Market Economy
CODESA	Convention for a Democratic South Africa
EO	Employee Ownership
ESO	Employee Share Ownership
ESOP	Employee Share Ownership Plan
ESR	Enactment (E), Selection (S) and Retention (R)
EU	European Union
HRM	Human Resource Management
IAR	Integrated Annual Report
INT*n*	Interviewee *n*
JSE	Johannesburg Stock Exchange
L1, L2, L3	Location 1, Location 2, Location 3
LME	Liberal Market Economy
MME	Mixed-market Economy
NUM	National Union of Mineworkers
PO	Psychological Ownership
SENS	Stock Exchange News Service
SDG	Sustainable Development Goal
SMME	Small, Medium and Micro-enterprises
UK	United Kingdom
US	United States
WEIRD	Western, Educated, Industrialised, Rich, and Democratic
WIPIG	Work is a place I go
WISID	Work is something I do

1 CHAPTER 1: INTRODUCTION

This chapter aims to orient the reader to the purpose and context of the study. It starts by stating the purpose of the study. This is followed by an outline of the context, which includes: an introduction to South Africa, the country in which the research was conducted; the global problem of inequality and the call for stakeholder capitalism; the development of employee ownership theory and research; and employee ownership in South Africa. The research problem, research question and the approach to addressing the research question are then clarified. The significance and delimitations of the study are noted, terms used in the study are defined and the underlying assumptions of the study are stated. The chapter concludes with descriptions of the remaining chapters.

1.1 Purpose of the study

The purpose of this study is to gain an understanding that is grounded in the perceptions and accounts of individual employee-owners of how the individual experiences and makes sense of employee ownership. The purpose is, furthermore, to contribute to the understanding of whether and how employee-owners integrate a sense of ownership – by identifying as and feeling and behaving like an owner – into their work experience.

Employee-ownership initiatives have been used globally as a means to include employees as shareholders to encourage employees to 'think and act like owners' and benefit from enhanced firm performance. Employee ownership has, furthermore, received support from governments through legislation and tax concessions for firms that adopt employee financial participation schemes.

There appear to be clear incentives for establishing employee-ownership schemes, such as inculcating changes in the attitudes and behaviours of employees who have an interest in the ownership of the organisation as internal shareholders. The costs and practicalities of implementing these schemes may, however, limit their success in achieving gains in firm performance, and thus shareholder value. Employee-owners, in turn, are presented with the ambiguity of a dual identity and role as both employees, who need to fulfil their employment contract, and co-owners, who have the perceived rights and responsibilities associated with formal ownership.

Research on the effect of employee ownership on firm performance leans towards positive but remains inconclusive. Studies on the emergence and consequences of a sense of ownership have similarly not produced conclusive evidence.

The purpose of furthering understanding of how employee-owners experience employee ownership and make sense of the duality of their identity and role is thus to add to the body of research that explores the effect of employee ownership on employee attitudes and behaviours. This understanding can, in turn, be applied to assist managers in implementing, sustaining and understanding the limitations of employee-ownership initiatives and the integration of ownership attitudes and behaviours into the workplace.

1.2 Context of the study

The context within which the study was conducted comprises several components that contribute to understanding how individuals make sense of employee ownership of their employer organisation. The first component is the political, social and economic environment of South Africa before and in 2018/2019 when the research commenced, the country's high levels of inequality and how this environment requires the redistribution of income and wealth and endorses the inclusion of employees in the ownership of the organisation. The second component shows how inequality is legitimised globally by institutions and organisations, highlights the call for stakeholder capitalism as an alternative to shareholder capitalism and introduces employee ownership as a form of employee participation. The third component shows what is already known about employee ownership and the trends in employee-ownership research. The fourth and final contextual component shows the relevance of employee ownership to South Africa and directs the need for and approach to the study.

1.2.1 Introduction to South Africa

South Africa, with its history of over three centuries of colonialism, segregation and apartheid (Terreblanche, 2002), followed by the peaceful transition to democracy in 1994, presents a unique context for exploring how individuals experience the distribution of income and wealth through employee ownership.

Capital has played an integral role in determining policy throughout the country's history and, therefore, the socio-economic development of the country and its citizens.

An alliance between corporations and government prior to the 1994 transition, and enforcement of an ideology of territorial, political, educational and workplace segregation, protected the white working class and kept production costs low (Terreblanche, 2002). Racial capitalism concentrated capital in the hands of the white population, deprived the other population groups of political and economic power, reduced them to various forms of exploitable labour (Terreblanche, 2002) and condemned them to social and economic impoverishment. By the time power was transferred to the democratically elected African National Congress (ANC) government under Nelson Mandela, racial capitalism had been institutionalised by the apartheid government and had entrenched inequality, unemployment, poverty and lack of competitive capacity.

The promise of democratic capitalism (Terreblanche, 2002) in a just and equal society presented the newly elected government with the problem of stimulating economic growth while simultaneously redistributing income and wealth (Hirsch, 2005) to the previously disenfranchised population groups.

Prior to South Africa's transition to political democracy in 1994, the Freedom Charter of 1955 had been the ANC's only broad statement of social and economic policy (Hirsch, 2005) and called for nationalisation of mines, banks and monopoly industry. The Convention for a Democratic South Africa (CODESA) negotiations to end apartheid led to a compromise and acceptance of a mixed-market economy (Bernstein, De Kadt, Roodt, & Schirmer, 2014).

What followed was the adoption of a liberal constitution that protected property rights (Bernstein et al., 2014) and neo-liberal macroeconomic policies rather than the more coordinated and social democratic political-economy that the ANC had envisioned for post-apartheid South Africa (Nattrass, 2014). The tension between government, labour and business from the early years of the country's democracy has continued and resulted in a South African variety of capitalism that has elements of both liberal market economies (LMEs) and coordinated market economies (CMEs) and the policy incoherence and lower growth rates associated with mixed-market economies (MMEs) (Nattrass, 2014).

Ideological contestation has occurred over LME principles of trade liberalisation, competitive markets, flexible labour markets and skills mobility (Nattrass, 2014) and the CME principles of institutional support, collaboration between firms, industrial democracy, generous welfare policies and commitment to skills development (Hall & Gingerich, 2009; Jones, Kalmi, Kato, & Mäkinen, 2017; Nattrass, 2014). This contestation has led to the inability to find synergy between the two opposing views, with negative consequences for the country and the wellbeing of the majority of its citizens.

While the ANC government inherited one of the most unequal societies in the world (Hirsch, 2005), inequality and redistribution remain a deterrent to South Africa's growth and development potential (Leibbrandt, Ranchhod, & Green, 2021). Economic growth has been problematic since the last years of the apartheid era and remains well below what is required for employment and redistribution (Arndt, McKay, & Tarp, 2016; Bernstein et al., 2014; WorldBank, 2018). The annual growth rate increased from a negative growth in the early 1990s to up to 5.6% in 2007. Growth declined after the 2007/2008 global financial crisis to 1.35% in 2017, leaving South Africa lagging behind in the subsequent global economic recovery (Hundenborn, Woolard, & Jellema, 2019; WorldBank, 2018).

During this time, South Africa's diverse population grew from 40.58 million in 1996 to 58.43 million in 2019. In 2019, the population comprised four population groups: Black African (81.22%) people of African descent; Coloured (8.7%) people with indigenous ancestry; Indian/Asian (2.5%) people of Asian descent; and White (7.6%) people of European descent (Leibbrandt & Shipp, 2019; STATSSA, 2011, 2019).

Since coming to power, the ANC government has been actively committed to transforming South African society with interventions such as the policies on employment equity, land reform, skills development, preferential procurement and redistribution through Black Economic Empowerment (BEE) (Back, Lowry, & Cartier, 2018; du Plessis & Pretorius, 2017; Lindsay, 2016). While some progress has been made in reducing inequalities, the limitations on the individual's access to opportunities and resources, the persistence of poverty and the constraints on the middle class point towards a mandate for the redistribution of income and wealth. This, in turn, suggests the relevance of democratic capitalism and the role of employee ownership in contributing to reducing inequality and poverty. These limitations and constraints and the potential role of employee ownership are explored below.

i. Access to opportunities

While low growth continues to constrain the country's development potential, access to education had increased by 2019. In this year, participation in education up to the age of 15 was at 96.6% and individuals who had at least completed secondary school and those who had some post-school education increased respectively from 30.7% and 9.2% in 2002 to 46.7% and 15.4% in 2019 (STATSSA, 2019). Although 72.9% of students enrolled at higher education institutions in 2019 were Black Africans, the Black African (4.3%) and Coloured (4.6%) participation rates remained proportionally low when compared to those of the White (20%) and Indian/Asian (17.4%) population groups (STATSSA, 2019).

Notwithstanding the gains in access to education, the country's system of primary and secondary schooling was described as one of the worst in the world in The Economist (2017), with the education system limiting the opportunity to acquire the skills necessary for employment. The official unemployment rate, which excludes discouraged work seekers, increased from 19.3% in 1996 (Meth, 2006) to 27.1% in the fourth quarter of 2018. The youth were disproportionately affected, with an unemployment rate of 54.7% (SARB, 2019, March). Unlike the CMEs, South Africa's welfare system does not provide support for the unskilled or unemployed, which emphasises the limitations on the individual's access to resources.

ii. Access to resources

Social grants, remittances, labour market income and investment income are the main sources of household income in South Africa. Income inequality, as measured by the Gini coefficient, increased from 0.68 to 0.69 during the growth phase up to 2008 and decreased to 0.66 in 2014 following the decline in growth since 2008 (Leibbrandt et al., 2021). Each of the four main income sources had an impact on income inequality throughout the two growth phases (Hundenborn, Leibbrandt, & Woolard, 2018).

Social grants became an important source of income for many households, and households that received grants increased from 23.5% in 1993 (Leibbrandt et al., 2021) to 45.5% in 2019. For some households (20.4%), grants became the main source of income, while for others grants became the second most important source of income after salaries (STATSSA, 2019).

Remittances, which include transfers from the employed to the unemployed, although increasing from 4.6% to 6.1% of household income by 2014, contributed to the lower half of the income distribution and had a small but positive effect on reducing inequality (Leibbrandt et al., 2021).

Labour market income, the largest component of household income, increased from 60.5% to 72.6% of household income and, along with investment income, had the largest effect on overall inequality (Hundenborn et al., 2018; Leibbrandt & Shipp, 2019), drawing attention to the interaction between access to opportunities and resources. During the growth phase, labour force participation rates outpaced the creation of new jobs and changes in skills requirements resulted in a decline in jobs for unskilled workers (Leibbrandt et al., 2021). An excess of unskilled workers and the demand for skilled workers, who constituted less than a fifth of the population and earned almost five times the average wage of unskilled workers, subsequently widened the distribution of earnings (WorldBank, 2018).

While employment may provide the most promising escape from poverty in South Africa (WorldBank, 2018), earnings inequality among the employed increased to a real wage Gini coefficient of 0.73 in 2014 (Leibbrandt & Shipp, 2019), the highest in the world (Leibbrandt et al., 2021). Although racial inequality declined (Nattrass, 2014), disparity in earnings of the population groups remained large (Leibbrandt et al., 2021). The decrease in inequality of earnings at the lower end of the distribution could be explained by minimum wages and collective bargaining. There was, however, an increase in inequality between median and top earners at the higher end of the distribution (Wittenberg, 2018).

Racial disparity, the wage premium for skilled workers, particularly for individuals with tertiary qualifications (Leibbrandt, Ranchhod, & Green, 2018), and investment income benefited income earners at the upper levels and, by 2014, the incomes of the top 2.5% of earners contributed to a 5.5% increase in the real wage Gini coefficient (Leibbrandt et al., 2021). Although labour market income remained the main driver of changes to inequality overall (Hundenborn et al., 2018), the Gini coefficient for investment income was 0.98 (Leibbrandt & Shipp, 2019), indicating the significance of investment income in income inequality and the accumulation of wealth.

The rise in the value of equities since 2008 has been a significant driver of within-country wealth inequality (Gradín, Leibbrandt, & Tarp, 2021). In South Africa this has led to the owners of capital accruing wealth more rapidly than those who rely on other income sources only. While the percentage of households with investment income grew from 3.5 in 1993 to 23 in 2014 (Leibbrandt et al., 2021), investment income declined to a 4.5% share of household income on average in 2015 (Leibbrandt & Shipp, 2019).

Employee participation in employee ownership implies expanding access to investment income and wealth accumulation to the households of both unskilled and skilled workers. The concentration of wealth from investment income in the top percentile of earners and the exclusion of most South Africans from this source of income, in contrast, highlight the persistence of poverty as a consequence of inequality and the responsibilities of the employed in an environment of high unemployment.

iii. Poverty persistence and the constraints on the middle class

In 1995, an estimated 58% of all South Africans were living in poverty (Hoogeveen & Őzler, 2006). While the South African government's policies that are targeted at the poor are considered to be quite progressive, their impact has diminished over time (Gradín et al., 2021).

From their 2008 to 2017 study on poverty in South Africa, Schotte, Zizzamia, and Leibbrandt (2022) identity five socio-economic classes according to their existing poverty level and risk of transitioning into poverty. The elite (3.6% of the population), who earn a significant amount from investment income, and the stable middle class (20.8%) are able to sustain their socio-economic class. The vulnerable middle class (15%) and transient poor (11.8%) are heavily dependent on labour market income and are at risk of falling into poverty while the chronic poor (48.8%) live in persistent poverty (Schotte et al., 2022).

The historically disadvantaged 'Black population', a generic term for South Africans from the Black African, Coloured and Indian/Asian population groups, gained a modest share in the elite and stable middle classes between 2008 and 2018 against the disproportionately high White representation in these classes (Schotte et al., 2022). The Black population, however, earned lower wages, had fewer skills and assets, and were more likely to be unemployed than their White counterparts (WorldBank, 2018).

While Black Africans remained predominant in the vulnerable middle class, transient and chronic poor classes, the rapid increase of Black Africans from 47% to 64% of the middle class (Schotte et al., 2022) highlights the social, personal and economic significance of *ubuntu* and ‘black tax’.

The African philosophy *ubuntu*, which holds that “A person is a person through other human beings” (Khoza, 1994, p. 123), underlies African cultures. Ntibagirirwa (2009) describes *ubuntu* as both an ontology and morality of individuals that reflects their interdependence rather than individual self-interest. Mboti (2015), however, argues that some interpretations of *ubuntu* suggest that the moral and ethical goodwill to share is defined by the community. Instead, Mboti (2015) proposes Africans as good citizens of independent thought and action, with or without community, as an alternative view of *ubuntu*.

Divergent views on the social responsibility associated with *ubuntu* are similarly reflected in the controversial colloquial term ‘black tax’. This term refers to a financial contribution made by emerging middle-class Black Africans to their economically disadvantaged direct and extended families and involves negotiating a combination of individualism and traditional collectivism (Mangoma & Wilson-Prangley, 2019). Where family members may view these transfers to be the individual’s duty once gainfully employed, the individual may feel a sense of obligation and emotional responses such as anger and guilt. Others may, however, be willing to abide by their perception of the traditional culture of support (Mangoma & Wilson-Prangley, 2019) as reflected in *ubuntu*.

Although the remittances may be essential, considering the limitations of the social security that government provides, they may also be considerable (Carpenter & Phaswana, 2021) and hinder the individual’s ability to save and invest (Mangoma & Wilson-Prangley, 2019). This, in turn, constrains the employed middle-class Black African’s upward social mobility towards the stable middle class or elite and underscores the significance of redistribution in this study.

iv. A mandate for the redistribution of income and wealth

South Africa’s achievements through social grants and more inclusive educational attainment have not had a sustained impact on reducing inequality. In contrast to other middle-income countries where gains are widespread, only the top third of the income distribution has gained from South Africa's slow growth (Levy, Hirsch, & Woolard, 2014). This has had the effect of maintaining the country's status as one of the most unequal in the world (Hundenborn et al., 2019; Leibbrandt et al., 2021; WorldBank, 2018).

The earnings divide between the White and Black population groups has narrowed. However, structural unemployment, earnings inequality between the skilled and unskilled workforce, and the constraints on the employed middle class to acquire assets and derive income from capital have maintained a society that is polarised by socio-economic class. The concentration of wealth among the elite suggests a continuation of the alliance between the state and capital and is a manifestation of the global trend of institutionalising inequality.

1.2.2 Inequality and a global call for stakeholder capitalism

Economic inequality, as reflected in income inequality and the concentration of wealth, is increasingly at the forefront of debate on policy and economic stability. While global income and wealth inequality declined prior to 2008, income inequality has subsequently maintained its downward trend while wealth inequality has increased with disproportionate gains for wealthy individuals (Davies & Shorrocks, 2021).

According to the World Social Report 2020 on inequality by the Department of Economic and Social Affairs of the United Nations Secretariat (UN, 2020), income inequality has declined relatively among countries, yet more than two-thirds of the world's population live in countries where economic inequality has increased within the country over the past three decades. High levels of inequality constrain growth and effective poverty reduction, concentrate political influence among the more affluent and erode trust in government. These, in turn, create societal discontent, intensify political discord and may lead to conflict, highlighting the importance of appropriate policies and institutions (UN, 2020). Institutions and organisations may thus play a key role in creating and sustaining inequality.

Greenwood, Oliver, Suddaby, and Sahlin (2008, pp. 4-5) offer a broad view of an institution as "*more-or-less taken-for-granted repetitive social behaviour that is underpinned by normative systems and cognitive understandings that give meaning to social exchange and thus enable self-reproducing social order*". As organisational structures are influenced by their institutional contexts (Meyer & Rowan, 1977), organisations may reproduce the inequality in their institutional environment by perpetuating the compensation practices and power asymmetry associated with shareholder capitalism (Amis, Munir, Lawrence, Hirsch, & McGahan, 2018; Bapuji, Husted, Lu, & Mir, 2018). Institutionalised norms and beliefs related to the legitimacy of shareholder capitalism, such as the justifications for high levels of executive and shareholder compensation and bargaining power, may thus legitimise inequality. Individual perceptions that inequality is inevitable and collectively perceived as valid may overrule individual beliefs to the contrary and sustain economic inequality (Haack & Sieweke, 2018).

The growing imperative for governments and organisations to address inequality, as reflected in the Sustainable Development Goals (SDGs) for 2030 (UN, 2020), has disrupted the institutional environment, the primacy of shareholder value creation and the legitimation of economic inequality. Organisations are confronted with institutional pluralism, which describes the complexity that organisations face in straddling the multiple normative, cultural-cognitive and regulative elements in the institutional environment (Kraatz & Block, 2008, 2017).

While institutional pluralism involves complexity, it does not assume conflict. Rather, it suggests that organisations are capable of accommodating the multiple purposes and responsibilities of their stakeholders (Kraatz & Block, 2008, 2017) to balance and meet the financial and social expectations of their constituents and address inequality. Stakeholder capitalism, which includes employee participation, has thus been suggested as an alternative for addressing inequality and eroding the hegemony of shareholder capitalism.

i. Stakeholder capitalism

Although South Africa provides a unique context of complexity and institutional pluralism, the clarion call for an alternative to Milton Friedman's doctrine of shareholder primacy that has prevailed since the 1970s is gaining momentum globally. Quoting from his seminal book Ca*pitalism and Freedom* in an essay in the New York Times in September 1970, Friedman stated, "there is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game" (Friedman, 1970: online).

In March 2019, at a Columbia Law School symposium on corporate purpose, Prof. Colin Mayer from the Said Business School, University of Oxford, stated, “The purpose of business is not to produce profits. The purpose of business is to produce profitable solutions to the problems of people and planet” (Millstein et al., 2019, p. 15). In January 2020, 50 years after Friedman’s influential essay, the 50th Annual Meeting of the World Economic Forum endorsed an alternative to shareholder primacy by aiming to articulate a tangible meaning for stakeholder capitalism (WEF, 2020). The renewed and accelerating focus on stakeholder capitalism appears belatedly to support the arguments of stakeholder theorists, who have, for several decades, proposed stakeholder capitalism as a democratic way of organising to meet societal needs.

In their exposition of thought on capitalism, Freeman, Martin, and Parmar (2007) depart from the assumptions of competition, resource constraints and self-interest in the traditional narratives of capitalism to offer stakeholder capitalism as a form of capitalism focused on the concepts that underpin stakeholders. Donaldson and Preston (1995) propose that stakeholders are identified by their legitimate interests in the functioning of the organisation. They argue that the normative use of stakeholder theory, which entails interpreting the function of the organisation and identifying the moral and philosophical guidelines for managing organisations, is the definitive justification for the theory. Stakeholder capitalism, furthermore, implies “restraining the moral hazard of self-serving managers” through management’s actions taken to acknowledge and respond to stakeholder interests within a framework that is mutually supportive (Donaldson & Preston, 1995, p. 87).

Friedman and Miles (2002) distinguish different stakeholders, based on the explicit and implicit contractual relationships between the stakeholder and the organisation. Employees are legitimate and necessary (but incompatible) stakeholders, as their relationship with the organisation involves the contradiction that advancing the interests of one party may diminish the interests of the other party. Freeman et al. (2007), in turn, argue that stakeholder capitalism entails voluntary agreements through which individuals with rights and responsibilities work together to create and sustain relationships that uphold their obligations and responsibilities in respect of value creation.

While stakeholder capitalism is not a novel concept, the urgent need for organisations to commit to drawing back from external shareholder primacy towards a more equitable form of capitalism is steadily gaining traction. Employee share ownership (ESO), where employees participate as internal shareholders of the organisation, appears to be a compromise aimed at benefitting both the organisation and its employee stakeholders.

ii. Employee participation

‘Employee participation’ describes a broad concept that varies in meaning, form and terminology across multiple theoretical traditions (Frege & Godard, 2010; Strauss, 2006). It encompasses financial participation in the performance of the firm, and direct and indirect participation in decision-making or ‘voice’ (Bryson, 2004; Kessler, 2010), and reflects the ideologies of economic and industrial democracy.

a. Economic democracy

Political theorist Robert Dahl (1915–2014), a noteworthy proponent of economic democracy as a means to address inequality, proposed “a system of economic enterprises collectively owned and democratically governed by all the people who work in them” as an alternative to corporate capitalism, the prevailing system of ownership and control of the modern corporation (Dahl, 1985, pp. 4, 91).

The ideology of economic democracy was evident in the producer cooperatives in Italy that grew rapidly in the 1940s (Jones & Svejnar, 1985), the Mondragon Co-Operative Movement of worker-owned firms that emerged in the Basque region of Spain in the 1950s (Ellerman, 1982) and the Yugoslavian experiment with labour-managed firms in the 1960s (Furubotn & Pejovich, 1973). Although firms that are wholly owned and controlled by employees are what Strauss (2006, p. 792) calls “organisational nirvana”, this organisational form has survived into the 21st century (Hanson Schlachter, 2017).

Employee share-ownership schemes, broad-based stock options and profit-sharing payments in the form of company shares are based on the principles of economic democracy. However, rather than wholly owning and controlling the firm, a broad cross-section of employees owns a share of the firm. These forms are differentiated from other forms of shared capitalism, such as gainsharing and profit sharing, in that they provide employees with a stake in the equity of the firm (Kruse, Freeman, & Blasi, 2010; Richter & Schrader, 2017a). These forms are referred to as Employee Share Ownership (ESO) for clarity.

Prominent among early ESO initiatives were Employee Share Ownership Plans (ESOPs) in the United States (US), founded by Louis Kelso in 1956 to broaden capital ownership and enable households to participate in the creation of wealth (Kelso & Adler, 1958). While initially not gaining much support, ESOPs became the dominant form of ESO in the US following a series of tax concessions, some of which are still in place today (Blasi, Kruse, & Freeman, 2017).

Support from government has similarly contributed to the diffusion of ESO throughout the world (Lowitzsch, 2009; Poutsma & de Nijs, 2003). Legislation and tax concessions have encouraged the adoption of various forms of financial participation in the United Kingdom (UK), Europe (Kaarsemaker, Pendleton, & Poutsma, 2010; O'Boyle, Patel, & Gonzalez-Mulé, 2016; Poutsma, de Nijs, & Poole, 2003) and Australia (Landau, Mitchell, O'Connell, & Ramsey, 2007). A notable exception is Germany with its tradition of co-determination, where ESO uptake has been low when compared to other European Union (EU) countries. This is ascribed to the scepticism of both employers and trade unions and the lack of adequate legislative support (Lowitzsch, Spitsa, & Hanisch, 2009; Ortlieb, Matiaske, & Fietze, 2016).

b. Industrial democracy

The German example brings industrial democracy, or employee participation in decision-making, to the fore. The rationale for industrial democracy finds its roots in the ideology of Jean-Jacques Rousseau's 1762 book *The Social Contract*, which has over time been adopted by trade unions and proponents of participatory democracy in the workplace. The ideal of individuals having the autonomy and voice to participate in decisions that affect them was propagated in the 1960s and 1970s, initially evolving to become management practices to motivate employees, but, more recently, to further democratic values and procedures (Pausch, 2014).

These management practices, often associated with Strategic Human Resource Management (HRM), include employee involvement practices such as the various forms of representative participation, downward communications and upward problem-solving in addition to financial participation (Ackers, 2010; Poutsma & Ligthart, 2017). It can thus be argued from an industrial relations perspective that the ideology of economic democracy has become a system of HRM practices (Poutsma et al., 2003), with a more pragmatic view of how participation models function (Matiaske, Pendleton, & Poutsma, 2016).

Strauss (2006) distinguishes between employee involvement and influence and argues that although financial participation may involve employees, it does not provide them with influence. He adds that making participation work is difficult and cannot be undertaken superficially. As research shows, there appears to be more to employee participation than financial incentives and a 'bundle' of HRM practices.

1.2.3 Employee ownership research and theory development

Research on employee ownership increased along with the rise in ESO schemes in the 1970s and 1980s (McHugh, Cutcher-Gershenfeld, & Bridge, 2005) and was focused on the effect of ESO on firm performance. By the mid-1980s, some studies had found evidence that ESO had a modest positive impact on firm performance (Conte & Tannenbaum, 1978; Long, 1980; Rosen & Klein, 1983) while others found no positive relationship between ESO and performance (Conte & Svejnar, 1988; Livingston & Henry, 1980; Long, 1982).

Although the findings were inconclusive, managers and researchers remained interested in the possibility of improving firm performance through ESO initiatives (Buchko, 1993). Researchers, therefore, started exploring factors and conditions that might explain the relationship between ESO and employee attitudes and behaviours (French, 1987; French & Rosenstein, 1984; Klein, 1987; Long, 1980, 1982).

Echoing Long's (1980, p. 728) observation that "employee ownership is more appropriately conceptualized as a continuous, rather than a discrete, variable", Pierce, Rubenfeld, and Morgan (1991) maintained that integrating the findings described in the existing literature was problematic because of variations in the context, motivations, forms of ESO and research designs. Attributing the conflicting findings to inconsistent conceptualisation of the ownership construct and lack of a well-developed theoretical explanation of how employee attitudes and behaviours are influenced by ESO, Pierce et al. (1991, p. 124) proposed the ownership construct as both "a formal (objective) and a psychologically experienced phenomenon". This initiated a new stream of research that focused on psychological ownership (PO) of the firm. For clarity, the term 'Employee Ownership' (EO) refers to the dual concept of ESO and PO.

EO research since the early 1990s can thus be grouped into two overarching, interconnected themes: research based on ESO and research based on PO. An underlying assumption in both approaches is that employee-owners can be transformed to think and act like owners (Basterretxea & Storey, 2018; Kranz, Steger, & Hartz, 2016) through various organisational practices arising from the concepts of economic and industrial democracy. This implies changing their attitudes (e.g. satisfaction, commitment) and behaviours (e.g. motivation, performance, citizenship) (McConville, Arnold, & Smith, 2016) to become more customer focused, and willing to make sacrifices and exert effort beyond expectation (Basterretxea & Storey, 2018).

i. Formal employee ownership (ESO) research

Approaches to research on ESO are multidisciplinary and include agency theory, property rights theory, HRM, organisational behaviour, economics and industrial relations (Blasi & Kruse, 2010; Carberry, 2012; Harrison, Singh, & Frawley, 2018; O'Boyle et al., 2016; Richter & Schrader, 2017a; Whitfield, Pendleton, Sengupta, & Huxley, 2017). The focus of existing research is on firm performance and *whether* ESO has positive effects on employee attitudes and behaviours in the interest of firm performance. Measures of firm performance include productivity, profitability, growth, sustainability, management and labour relations, employment stability and employee benefits (Blasi, Freeman, & Kruse, 2016; Carberry, 2011; Kurtulus & Kruse, 2018).

While findings on the relationship between ESO and firm performance have leaned towards positive (Blasi et al., 2016; Carberry, 2011; Freeman, 2007; Kurtulus & Kruse, 2018), empirical results are still mixed (Basterretxea & Storey, 2018; Kim & Ouimet, 2014; Kim & Patel, 2017; O'Boyle et al., 2016; Richter & Schrader, 2017b).

ii. Psychological ownership (PO) research

In 2001, Pierce, Kostova, and Dirks (2001) proposed a theory of PO of the firm. Early research that contributed to the proposition of a theory was the “landmark” (Kaarsemaker et al., 2010, p. 325) study by Klein (1987) in which she finds no evidence to support intrinsic satisfaction, that is, satisfaction from formal ownership itself. Drawing on sociology, philosophy, human development, psychology and theories of possession, PO therefore attempts to explain *why* and *how* employees integrate ownership into their experience and begin to feel a sense of ownership (Pierce & Gardner, 2004; Pierce et al., 2001; Pierce, Kostova, & Dirks, 2003).

The theory proposes that individuals have latent motives for possession that can be activated by a possible target of ownership. When this occurs in the context of ESO, the individual may develop feelings of possession for the organisation if they also experience certain organisational processes. This sense of ownership then facilitates the desired attitudinal and behavioural outcomes of the ownership initiative (Pierce & Jussila, 2011; Pierce et al., 2001).

Studies have, however, not yet yielded conclusive evidence of the emergence and consequences of PO. While McConville et al. (2016) find that ESO has little effect on creating a sense of PO and that PO, in turn, has little effect on employee attitudes and behaviours, Dawkins, Tian, Newman, and Martin (2017) highlight that the development of PO and its influence on organisational outcomes remain a debate in the literature.

1.2.4 Employee ownership in South Africa

For this study, ESO is a group benefit where employees of the firm receive a share in the equity of the firm in addition to their salaries and other benefits (Klein, 1987). ESO is thus a mechanism for including wage and salary earners in the lower structures of the firm in the ownership of the firm. The following discussion focuses on ESO in South Africa, the context in this study for examining how employees experience ownership.

Variations in tax incentives; the political, social, regulatory and industrial relations regimes; and skills levels of a country have a significant effect on the diversity and success of ESO (Clark & Philippatos, 1998; Kim & Patel, 2017; Poutsma et al., 2003; Richter & Schrader, 2017b). For example, employee ownership outcomes may differ between LMEs with a shareholder orientation and CMEs that are more inclined towards a stakeholder orientation (Croucher, Brookes, Wood, & Brewster, 2010; Jones et al., 2017). As such, the limitation of EO research is often that findings cannot be extrapolated across the various institutional contexts.

In South Africa, EO research has thus far not attracted much interest, and little research has been undertaken to understand EO from the perspective of the employee-owner. Doctoral studies have examined ESO in the context of the phenomenon of BEE (Lindsay, 2016), Broad-Based Black Economic Empowerment (B-BBEE) compliance (Kilambo, 2016), and from a legal perspective (Botha, 2015). PO research has contributed to PO theory (Olckers & Du Plessis, 2012), developing an instrument for PO (Olckers, 2013; Olckers & Schaap, 2013), and employment equity and the emergence of PO (Olckers & Van Zyl, 2016).

South Africa, with its socio-economic, political and legislative history and environment, presents a distinctive environment in which to conduct a study that does not aim to generalise, but rather seeks to obtain an understanding of how individuals experience the ownership phenomenon.

The country's modest achievements in addressing income and wealth distribution highlight the continuation of the alliance between the state and capital and government's ongoing dilemma of balancing market pressures and societal imperatives. Early BEE initiatives for transforming society and changing the composition of ownership in South Africa resulted in only a few of the political elite benefitting from share-ownership deals (Bernstein et al., 2014; du Plessis & Pretorius, 2017; Kovacevic, 2007).

The B-BBEE Act of 2003 (RSA, 2004), followed belatedly by the Codes of Good Practice in 2007 (RSA, 2007), which provided guidelines on implementation, acknowledged that BEE benefits had to be more widespread (Bernstein et al., 2014; Nattrass, 2014). These guidelines were followed by the revised Codes of Good Practice (RSA, 2013) and the B-BBEE Amendment Act (RSA, 2014) in response to criticisms regarding the quality and outcomes of the policy, and conflicts with other legislation (Lindsay, 2016).

On 5 May 2015, as the revised Codes came into effect, a notice of clarification published in the Government Gazette significantly reduced the weighting of broad-based and ESO schemes on the B-BBEE compliance scorecard. Under its objectives, the Act explicitly states "increasing the extent to which communities, workers, cooperatives and other collective enterprises own and manage existing and new enterprises…" (RSA, 2004, p. 4). However, the rationale for diminishing the incentives for community and ESO schemes was the view that participation in these programmes was passive and that ownership by Black industrialists would involve more meaningful participation (Barron, 2015; Paton, 2015a; van Rensburg, 2015).

Prominent business leaders, lawyers and BEE verification agencies immediately criticised the change (Barron, 2015; Paton, 2015a), but it was the response of the

National Union of Mineworkers (NUM) that reflected how acceptance of ESO by employees had evolved.

Although ESO in the form of ESOPs was initially introduced to South Africa in the mid-1980s, uptake prior to the BEE interventions was minimal, partly because of resistance from the union movement (Mazibuko & Boshoff, 2003). The NUM response to the 5 May announcement was, however, that the downgrading was regressive and would undercut efforts to reduce poverty, inequality and unemployment (Paton, 2015b). On 12 May 2015, a revised notice of clarification withdrew the 5 May notice and restored ESO's trajectory of becoming an important contributor to transforming the racial composition of ownership, a priority element on the B-BBEE scorecard.

South Africa's variety of capitalism presents an unusual combination of incentives for adopting ESO. From an LME perspective, South African companies have a strong shareholder orientation and have produced high median returns on operating assets since the early 2000s, benefits that could be shared through inclusive ESO schemes (Kantor & Holland, 2014). Legislative compliance not only facilitates participating in government contracts directly or indirectly along the supply chain, but the effect of sharing the wealth created with the organisation's internal stakeholders may also establish moral legitimacy in the views of the organisation's constituency.

Investments through retirement funds, union investments, broad-based and ESO schemes have resulted in ownership representation on the Johannesburg Stock Exchange (JSE) becoming one of the broadest in the world (Schussler, 2014). However, in the absence of welfare for the unemployed, Netshitenzhe (2014) underscores the value of ESO by reminding us that the emergent Black middle class who support large and extended families have historically not had the opportunity to accumulate assets.

From a CME perspective, employee ownership appears to align with the stakeholder orientation of *ubuntu* (Woermann & Engelbrecht, 2019) and the argument that a community structures its economic development according to the ontology of its people (Ntibagirirwa, 2009). This includes the notion of *ubuntu* as moral and ethical citizenship that involves making independent and informed choices in context (Mboti, 2015). Sharing the benefits of high returns may break the cycle of legitimating inequality and employees' asymmetrical reciprocity of accepting unequal benefits for their contribution to the organisation's success (Hamann & Bertels, 2018) in an environment in which employed individuals carry some of the burden of high unemployment.

It can thus be concluded that it is not only South Africa's economic environment but also the nature of its employee-owners that presents an interesting and inimitable setting for exploring employee ownership from the perspective of the individuals themselves.

1.3 The problem statement and research question

Sustained inequality not only increases the risk of political, economic and societal instability but also prevents individuals from realising their full potential (Leibbrandt et al., 2021). As labour market income and income from investments are key drivers of changes in inequality, addressing inequality in earnings from these sources may have a significant impact on reducing income and wealth inequality.

South Africa's political, economic and social environment requires organisations to adopt both a shareholder orientation that attracts investment and facilitates high levels of growth and a stakeholder orientation that acknowledges the organisation's role in the broader community and the need to address the high levels of inequality. Netshitenzhe (2014) thus calls for an emphasis on broad-based and ESO schemes above all other forms of B-BBEE ownership to forge stakeholder capitalism that benefits the working class. In May 2019, Cyril Ramaphosa, the South African president, not only declared his support for broad-based worker ownership of companies but added that workers should participate in co-determining corporate strategy (Haffajee, 2019).

Battilana, Fuerstein, and Lee (2018) argue that democratic forms of organising, of which stakeholder capitalism is an example, may be better aligned to balancing an organisation's financial and social objectives than shareholder capitalism. When viewed as "a dual creation, part attitude part object, part in the mind, part 'real'" (Etzioni, 1991, p. 466), ownership reflects the ideologies of economic and industrial democracy and implies a new way of organising through a combination of organisational processes related to objective ownership and a subjective sense of ownership of the firm. The problem is that evidence of how these processes affect the desired attitudes and behaviours of employee-owners in the interest of both firm performance and employees remains unclear, with little understanding of employee ownership from the perspective of the employee-owner.

Despite the uncertainty as to whether, why and how employee ownership influences employee attitudes and behaviours and instils a sense of ownership, ESO has increasingly been adopted as a strategy for retaining human capital (Blasi, Kruse, & Bernstein, 2003; Blasi et al., 2017; Richter & Schrader, 2017a). It has also been linked to employment stability during economic downturns (Kurtulus & Kruse, 2018) and has created wealth for employees (Buchele, Kruse, Rodgers, & Scharf, 2010; Freeman, 2007).

Research to date has predominantly used uniform quantitative research methodologies aimed at testing existing theory rather than theory building and little is known about the views of employees (Guery & Pendleton, 2016; Heras-Saizarbitoria, 2014). Authors from both the formal and psychological streams of EO research call for methodological diversity and creativity, focused research and theory development to explore both the impact and less tangible aspects of employee ownership (Dawkins et al., 2017; Guery, 2015; Kaarsemaker, 2008; Kessler, 2010; Knyght, Kouzmin, Kakabadse, & Kakabadse, 2010; McConville et al., 2016; Pierce, 2014; Sengupta, Whitfield, & McNabb, 2007).

This study responds to this call. Rather than using the descriptive approach of explanation, or the instrumental approach of identifying and examining connections that dominate employee-ownership research, this study is informed by the normative approach of interpretation (Donaldson & Preston, 1995). The normative approach is used to understand how employee-owners experience employee ownership and make sense of being both an employee and an owner of the organisation in which they are employed.

The research question is therefore:

How do individuals make sense of their experience of a dual identity and role as both an employee and an owner of the organisation?

1.4 Approach to the research question

The research question encompasses two conceptual elements that guide the methodology and the approach to the data analysis, interpretation and theoretical integration of the study.

The first conceptual element is the context of the sensemaking process and entails what triggers and informs the sensemaking process. While Rousseau and Fried (2001) suggest that the geographic, temporal and cultural contexts of the organisation have an influence on research participants, Johns (2006, p. 386) argues that sensitivity to the context facilitates an understanding of “situational opportunities and constraints that affect the occurrence and meaning of organizational behavior”. As in the case of companies, individuals thus also face complexity and institutional pluralism and are influenced by their multiple situational contexts.

Acknowledging the influence of context on the individual’s sensemaking and placing the individual at the centre to gain an understanding of how employee-owners experience employee ownership has guided the selection of grounded theory rather than phenomenology as an appropriate methodology for the study.

A phenomenological study aims to understand the eidetic and originary meanings of a phenomenon from the experience in the moment it was lived (van Manen, 2017). Grounded theory focuses less on the originary experience of the individual and more on eliciting how, through these experiences or interactions, social processes influence thoughts and behaviours (Baker, Wuest, & Stern, 1992; Holloway & Todres, 2003; Starks & Trinidad, 2007; Suddaby, 2006). With its focus on the influence of social processes, grounded theory is therefore an appropriate methodology for exploring behaviour within both an individual and social context (Goulding, 1998).

In addition to guiding the selection of the research methodology, acknowledgement of context guides the selection of an appropriate lens that recognises the historical and cultural relationships between government, organisations and communities (Greenwood, Díaz, Li, & Lorente, 2010). The institutional logics perspective, as will be shown, recognises the influence of the compatibilities and contradictions in the macro-, meso- and micro-contexts on individuals’ perceptions and expectations of inclusion and empowerment in the workplace and thus how they make sense of their dual identity and role as employee-owners.

The second conceptual element can be described as an outcome or consequence of the contextual sensemaking process. The individual and their grounded, personal accounts of their experience are focused on to explore whether the implied change in their identity and role inculcates a sense of ownership, instils perceptions of an ownership responsibility to achieve organisational success for both their and the organisation's benefit, and fulfils their personal needs and aspirations.

The analysis and interpretation of the individual's sensemaking of their dual identity and role thus seeks to provide an understanding of how employee-owners individually integrate a sense of ownership into their work experience and thus by implication, collectively into the workplace.

By using a qualitative grounded theory approach, to explore without presupposition the perceptions and accounts of employee-owners' experience of employee-ownership, this study attempts to theorise how individuals integrate ownership into their work experience. This approach also facilitates the study aim of contributing to understanding how organisational practice can better facilitate an environment of meaningful and productive work that addresses enhanced firm performance while simultaneously benefiting employees.

A theoretical contribution in respect of how employee-owners integrate ownership into their work experience furthers understanding of the opportunities and limitations of ESO and can thus be of value to firms that implement and sustain ESO initiatives as they attempt to meet both their financial and societal commitments.

1.5 Significance of the study

EO traverses several disciplines that are integral to the objectives and practices of business management. These disciplines include: firm performance and productivity in finance and economics; employee engagement, productivity, involvement, motivation and wellbeing in HRM; employee representation and labour process in industrial relations; property rights in law (Wilkinson, Gollan, Marchington, & Lewin, 2010); and strategy in general management. Research on EO may thus further understanding of the employee's relationship with the firm across these multiple disciplines.

The focus of the study is, however, the individual's experience of employee ownership. While acknowledging the duality of the ownership construct, the approach of this study departs from focusing on objective ownership and an emphasis on firm performance, an outcome that can be achieved without formal ownership through other forms of shared capitalism, such as gainsharing and profit sharing. The approach, furthermore, departs from focusing on a subjective sense of ownership which, similarly, can be achieved without formal ownership, through HRM and industrial relations practices. By adopting the lens of institutional logics and sensemaking, this study rather focuses on examining how the context in which individuals become co-owners of the organisation influences their perceptions and experience of both the objective and subjective attributes of ownership.

In questioning the assumptions of economics, Thaler (2016) encourages studying *Homo sapiens* in a real, rather than *Homo economicus* in an abstract, economy. This statement encapsulates the significance of focusing on the experience of individuals in the context of a developing middle-income economy in contrast to the experience of individuals in developed economies as explained below.

In their review of research in the behavioural sciences, Henrich, Heine, and Norenzayan (2010) find that research is often generalised on the basis of the findings from Western, Educated, Industrialised, Rich and Democratic (WEIRD) societies, an unusual subpopulation rather than a representation of the human species. They argue for the recognition of variability, in contrast to the implied assumptions of little variation in, amongst other aspects, the motivation and behaviours of individuals across population groups.

The shift towards post-materialism in rich countries while materialism persists in poor countries (Pritchett, 2015) is one example of the variations between populations and highlights individual aspirations. Pritchett (2015) argues that although people in rich and poor countries may have the same underlying values, their priorities and the choices they make, such as economic growth over environmental protection, may differ because of the difference in their material circumstances. Loubser (2018) subsequently shows how South Africa is the only country, when compared against Western and BRICS countries, to show relatively large support for economic growth at the cost of damaging the environment.

South African society, as shown in the description of the context of this study, represents a society that predominantly contradicts the assumptions of WEIRD societies, although its elite population shows some consistency with these assumptions. The priorities and choices of South Africa's poor and middle-class citizens appear to be shaped by materialism and the socio-economic environment. The contradictory assumptions and the persistence of materialism not only provide an unusual context for examining employee ownership but also illuminate the priorities and choices of an organisation's employee-owners when implementing and maintaining an ESO scheme.

South Africa finds itself in flux in respect of politics, the economy, industrial relations, and the development and retention of skilled human resources. Successful implementation of ESO as a mechanism to distribute equity contributes to alleviating inequality and the tension between management and employees. The significance of this study in the context of South Africa is thus its contribution to advancing an understanding of the implementation of employee ownership of the firm.

The study is relevant not only to South Africa but also to all organisations responding to the global call for stakeholder capitalism. Theoretical insights gained from understanding whether and how employee-owners integrate a sense of ownership when participating in ESO initiatives in this context may contribute to broadening the dialogue and the body of knowledge on the practical implementation of employee ownership and organisational-change initiatives. More specifically, through advancing understanding, the study aims to make recommendations to general and human resource managers who are involved in implementing costly (Richter & Schrader, 2017a) employee ownership programmes to assist in sustaining these initiatives to the benefit of the organisation and, most importantly, its employees.

1.6 Delimitations of the study

The study had the following delimitations:

- The focus of the research is on the experience of ownership rather on the structure of the ownership scheme in which the individuals interviewed participated.
- Although psychological dimensions emerged from the data, this is not a psychological study. The psychological aspect entails understanding the sense of ownership in the context of an organisation.

- The focus on the individual as the unit of analysis and the change in their identity not only highlights psychology. It also acknowledges a multitude of concepts and fields of research in respect of change, motivation, self-determination and culture beyond the workplace, amongst others. This study is, however, focused on how the individual makes sense of the change in their identity within the context of the organisation while delimiting but remaining cognisant of the many facets of, and influences on, individuals and their identities.
- Organisational culture was interpreted from the participant accounts rather than the comprehensive literature and the profusion of concepts and theories that inform organisational culture and how individuals respond to, and act within, an organisational culture.
- Management sensemaking was implied and included only as perceived by participants from management sensegiving.

1.7 Definition of terms

Abbreviation	Term	Definition
	Black	A generic term for South Africans from the Black African, Coloured and Indian/Asian population groups
B-BBEE	Broad-Based Black Economic Empowerment	The concept as legislated by the B-BBEE Act of 2003, Codes of Good Practice of 2007, amended Codes of Good Practice of 2013 and the amended B-BBEE Act of 2014
BEE	Black Economic Empowerment	The overarching concept which includes all the legislation and programmes for empowering previously marginalised population groups
	employee ownership	A general term that means employee participation in the ownership of the organisation

Abbreviation	Term	Definition
EO	Employee Ownership	The dual concept of ownership of the firm which combines ESO and subjective, or psychological, ownership of the firm
ESO	Employee Share Ownership	Formal or objective ownership of the firm through employee share ownership schemes, broad-based stock options and profit-sharing payments in the form of company shares
	integration of ownership	A term used to describe that the individual identifies as an owner and feels and behaves like an owner of the organisation
	organisation	A general term used to refer to firms, corporates and companies, which, although these terms are sometimes used synonymously, are differentiated according to their characteristics (e.g. size, shareholding, public, private)
	psychological ownership	A generic term that means a subjective sense of ownership
PO	Psychological Ownership	The concept of psychological ownership of the firm as proposed by the Theory of Psychological Ownership (Pierce et al., 2001)

1.8 Assumptions

It is assumed that:

- Employee-owners are owners of the organisation and their experience of employee ownership includes their perceptions of the rights and responsibilities of formal ownership. Although there is debate on whether shareholders are owners of the organisation (Lok, 2010), ownership is premised on the widespread use and acceptance of the rhetoric of ‘ownership’ when referring to individuals ‘owning’ shares and employee participation in the shareholding of the organisation;

- A grounded theory approach leads to a deep understanding of the individual's experience of employee ownership and thus the development of a theoretical contribution on how individuals integrate ownership into their work experience;
- The sample was appropriate for accessing information-rich participants who would be able and willing to participate in the study and articulate their experience of ownership of the organisation in a way that could be meaningfully interpreted;
- The individuals who volunteered or were purposefully approached to participate in the study reflected on their experience during the interview process and were honest in their responses; and
- Being interviewed by a mature White woman may have moderated the participants' responses consequent to South Africa's historical and current racial tensions.

1.9 Chapter outline

The document comprises six chapters, including this chapter, the introduction. This chapter provides the context in which the concept of employees owning a stake in their employing organisation was studied. The research problem and question are stated, and the approach to the research question is outlined. The significance of the research to management disciplines in South Africa and globally is discussed. This is followed by the delimitations, definitions and assumptions that are relevant to the study.

Chapter 2, Sensitising Literature Review, presents the brief review of the literature on the duality of the ownership concept that was undertaken to sensitise the researcher prior to conducting the study. The chapter explains the purpose of the sensitising literature review, highlights the sensitising concepts, links formal and psychological ownership, and emphasises the individual employee-owner as the unit of analysis for the study.

Chapter 3, Methodology, presents a first-person account by the researcher that describes the research methodology and design and explains the rationale for the choice of methodology. The sample-selection, data-collection, and data-analysis and interpretation processes and procedures are then discussed in detail. Four theoretical categories and the theoretical direction of the study are presented for further analysis and interpretation in Chapters 4 and 5 respectively.

Chapter 4, Data Analysis, presents the further analysis of the four categories that emerged from the analysis described in Chapter 3. Chapter 4 examines each category's constituent sub-categories and code groups and presents a conceptual framework for interpretation and theory development in the following chapter.

Chapter 5, Theoretical Integration and Discussion, introduces the institutional logics perspective and sensemaking, the concepts that guide the interpretation of the findings of the study. The theoretical contribution is then developed by integrating the findings, the conceptual framework, and the institutional logics and sensemaking literature.

Chapter 6, Conclusion, explains the contribution of the study in respect of both the relevance of the theoretical contribution and its application in practice. The limitations of the study are articulated, and the chapter concludes with recommendations for further research.

2 CHAPTER 2: SENSITISING LITERATURE REVIEW

This chapter begins with a review of literature related to the timing of the literature review in grounded theory studies, with the purpose of articulating a position on the extent of an *a priori* review of literature on employee ownership. Sensitising concepts are explained and identified, and the concept of ownership as the primary sensitising concept is reviewed. A link between the two aspects of ownership that emerge from the review is explored, leading to identifying the employee-owner at the intersection between formal and psychological ownership and at the core of this study.

2.1 Timing of the literature review

The timing of the literature review, that is when and how existing literature is used, is a contentious and continuously debated matter for studies that use grounded theory, the chosen methodology for this study. A brief review of the views on the role of the literature review in grounded theory studies was therefore warranted to guide the position taken for this study.

Grounded theory has been gaining ground as a research methodology over the past 20 to 30 years and used across a multitude of disciplines in the social sciences (Bowen, 2006; Dunne, 2011). Founders Barney Glaser and Anselm Strauss defined grounded theory as “discovery of theory from data” (Glaser & Strauss, 1967, p. 1), suggesting that new theory emerges from the data rather than through testing hypotheses derived from existing theoretical frameworks (Dunne, 2011).

In their initial statement in 1967, Glaser and Strauss agreed that a review of literature in the substantive area prior to data collection should be avoided to prevent the researcher from imposing prior knowledge and extant theories on the research process (Birks & Mills, 2015; Dunne, 2011). Strauss’ opinion subsequently diverged from his initial stance (Strauss & Corbin, 1990) and the ensuing debate has become about when and how, not whether, existing literature is used (Dunne, 2011).

While Glaser (2016) and other purist grounded theorists (Holton, 2007; Nathaniel, 2006) acknowledge the need to integrate existing literature into the data-analysis process (Dunne, 2011; Thornberg, 2012), they contend that a prior literature review may, for example, unconsciously force researchers into hypothesis testing (Suddaby, 2006) and force the emergence of categories (Dunne, 2011).

Advocates of conducting an *a priori* literature review counteract these arguments by arguing that even before conducting a literature review, researchers have knowledge and perspectives related to their discipline (Charmaz, 2014; Haverkamp & Young, 2007) and that a preliminary literature review is a means of orienting the researcher to the field of study rather than defining a framework (Urquhart, 2007). Furthermore, without an understanding of extant theories and findings, a new idea may just be an indication of a researcher's ignorance (Goldkuhl & Cronholm, 2010) and may prevent a researcher from identifying conceptual and methodological problems (Thornberg, 2012).

Suddaby (2006) reminds grounded theorists that the methodology aims to achieve a balance between a theoretically encumbered view and unrestrained empiricism. Thornberg (2012, p. 249) proposes an "informed grounded theory" approach as a middle ground that fosters theoretical sensitivity, where the researcher uses theory in their reasoning (Birks & Mills, 2015). This approach acknowledges the researcher's ability to reflect critically on their knowledge and presumptions (Charmaz, 2014, 2017) and to take a theoretically agnostic (Henwood & Pidgeon, 2003; cited in Thornberg, 2012) stance.

The following sensitising review of the literature adopted the principles of informed grounded theory. However, in consideration of the above brief review on the role of the literature review, it was limited in depth and breadth (Birks & Mills, 2015). It aimed to contextualise the study (Dunne, 2011) and viewed extant theories and concepts as provisional, open to question and changeable (Thornberg, 2012).

2.2 Sensitising concepts

Sensitising concepts were first introduced by Blumer (1954) to distinguish between the definitive and prescriptive concepts of empirical science theory, and the perceived ambiguity and general sense of relevance of concepts in social science theory. Grounded theorists have subsequently adopted sensitising concepts to provide a theoretical starting point for guiding how they understand, interpret and develop ideas that emanate from the data collected (Bowen, 2006; Charmaz, 2014).

Ownership is the primary sensitising concept of this study. The duality of the ownership concept, as discussed below, gives rise to two further concepts – formal and psychological ownership of the organisation – that provide tentative ideas for pursuing an understanding of the experience of employee-owners rather than informing the research question. Cognisance was taken of theories related to formal and psychological ownership with an understanding that while they provided some initial ideas for the analysis of data, they should not divert attention from concepts that emerged from the data. It was, furthermore, acknowledged that the sensitising concepts might contribute to the development of a grounded theory, but might also be displaced by the emergent concepts (Bowen, 2006).

2.3 The ownership concept

Ownership, and the desire to own, is a natural phenomenon, part of the human condition (Pierce et al., 2001) and, as British jurist Anthony Honoré (1961, p. 107) states, is "one of the characteristic institutions of human society". The term 'ownership' is complex (Dan-Cohen, 2001; Rousseau & Shperling, 2003), however, and is conceived differently across countries, societies, cultures and disciplines.

Country-, society- and culture-specific differences include the recognition or rejection of private ownership, individual or collective ownership, who may own and what can be owned. State rather than private ownership of land (Hodgson, 2013), collective rather than individual ownership in the early kibbutzim (Etzioni, 1991) and the LME perspective of the right to private ownership (Honoré, 1961) are examples of these divergent views on ownership.

The interchangeable use of the terms 'ownership', 'property' and 'possession' is an indication of the various perspectives of the ownership phenomenon and the multitude of research disciplines that have investigated ownership since the late 1800s (Rudmin, 1986). In "a classic statement on the concept of ownership" (Hodgson, 2013, p. 223) in which he defines the rights associated with ownership, Honoré (1961) clarifies the three interrelated concepts from a legal perspective. He refines the meaning of ownership to an overarching concept that includes the rights and responsibilities associated with property and rightful possession. Property and possession entail the rights to, and control of, the target of ownership respectively. Furthermore, the meaning of ownership shifts depending on the thing that is owned. The nature of, and the rights associated with, the thing that is owned determines the relationship between the thing and the owner, and the relationship between the owner and other persons (Honoré, 1961).

The relevance of Honoré's (1961) statement with respect to employee ownership brings two considerations to the fore. The first is the nature of the thing that is owned. Snare (1972) notes confusion in understanding what ownership of the organisation, an intangible entity in itself, means. Ownership of shares in the organisation is not ownership of the organisation. Ownership of shares gives the owner limited rights such as income and voting rights, but does not afford the owner the right to "give orders to workingmen" (Snare, 1972, p. 205). Conversely, ownership of the organisation suggests a sense of ownership, with or without having legal claim, of the intangible entity, the organisation. This view is supported by the psychological process of ownership by association (Beggan & Brown, 1994) and feelings of ownership towards the organisation (Pierce et al., 2001).

The second consideration is the nature of the relationship between the thing that is owned and the owner. Dan-Cohen (2001) maintains that in addition to the associated rights, an ontological relationship based on possession exists between the owner and the thing that is owned. An owner will value ownership only if the thing that is owned is perceived to be valuable. Value, however, is a combination of the objective value, being the economic value, and ownership value. Ownership value is the value that an owner ascribes to a thing, not because it has economic value, but because the owner owns it (Dan-Cohen, 2001). The notion of ownership value is further explained by the *mere ownership effect*, where individuals view ownership of the thing owned as self-enhancing (Beggan, 1992) and where the owner is the psychological self as the individual's experience with the thing owned has led to it becoming part of the extended self (Pierce & Jussila, 2011).

It can thus be argued that employee ownership has both a tangible, objective or formal component and an intangible, subjective or psychological component. The former is the economic component that comprises ownership of shares in the organisation to which the employee-owner attaches an objective value. The latter is an employee-owner's sense of ownership of the organisation that arises from a psychological attachment to the organisation and to which the employee-owner attaches subjective value.

2.4 Linking formal and psychological ownership

Several theories that are familiar to scholars and practitioners in the management discipline arise from the brief review of the concept of ownership and the context of this study. A few of these were noted, rather than reviewed, as they could introduce both theoretical sensitivity towards analysing concepts that emerged from the data and could equally introduce assumptions or biases that might impinge on the theoretical agnosticism that is necessary for constructing theory grounded in the data.

Agency theory and property rights in the context of the organisation (Alchian & Demsetz, 1972; Berle & Means, 1932; Coase, 1937; Fama & Jensen, 1983; Hansmann, 1996; Hart & Moore, 1990; Jensen & Meckling, 1976) and stakeholder theory (Donaldson & Preston, 1995; Freeman, Wicks, & Parmar, 2004) emerged as sensitising concepts from the employee-owner's dichotomous role as both agent and formal owner (Rousseau & McLean Parks, 1993) and patron of the organisation (Hansmann, 1996).

The theory of PO (Pierce et al., 2001, p. 301) posits processes or "routes" through which the property rights associated with formal ownership can lead to the development of PO of the organisation. Furthermore, two effects can lead to the association of formal ownership with PO. The first is the endowment effect or divestiture aversion (Carmon & Ariely, 2000; Kahneman, Knetsch, & Thaler, 1990), which suggests that individuals value things that they own more than things that they do not own. The second is the related mere ownership effect of self-enhancement through ownership (Beggan, 1992). Both of these are concepts described in behavioural economics (Kahneman & Tversky, 1979; Thaler, 1980; Thaler, 2016) that appear to associate formal ownership with psychological ownership.

PO of the organisation is a distinct concept that is differentiated from attitudes such as organisational commitment (Meyer & Allen, 1991) and identification, in that it reflects a feeling of possessiveness where individuals feel tied to the organisation and feel that it is "MINE" individually or "OURS" collectively (Van Dyne & Pierce, 2004, p. 443).

Possessiveness is a phenomenon that pervades human behaviour, and possessions are seen as "an extension of the individual" (Furby, 1978, p. 59). In addition to the "routes" that lead to PO of the organisation, the theory of PO thus also proposes "roots" or motives related to the self that may be activated through the interactions that the employee has with the organisation and fulfilled by PO of the organisation (Pierce et al., 2003, p. 87).

Numerous theories in management, psychology and sociology are associated with possession, motivation and the self and the effect on the individual's attitudes and behaviours in the context of the organisation. This in itself points to the value of grounded theory as a methodology for exploring how employees experience ownership of the organisation, as the data, rather than presupposition, elicits the core theoretical concepts. It was, however, worth noting a few theories that might have been relevant to this study to reflect the diversity of concepts and assumptions. These include theories of possession and the self (Belk, 1988; Furby, 1980; James, 1890; Litwinski, 1947), the psychological contract (Rousseau, 1989), expectancy theory (Vroom, 1964), identity theory and social identity theory (Stets & Burke, 2000). They also include equity theory (Adams, 1963) and organisational justice (Greenberg, 1987), and labour process theory (Braverman, 1974) in the discourse on meaningful participation and work.

These theories thus provided tentative ideas for the initial phases of analysis of data and suggest a focus on the nature of the employee-owner.

2.5 The employee-owner

At the core of the intersection between formal and psychological ownership is the employee-owner and the assumptions about the ontology of the individual who experiences employee ownership. From the economic perspective, these assumptions concern the idea of *homo economicus*, or 'economic man' as rational, self-interested and utility-maximising (Tomer, 2001). The individual is also associated with *homo sociologicus*, who is both a product of, and constructs, social processes (Ng & Tseng, 2008), and *homo reciprocans*, who engages in reciprocal behaviours driven by reciprocal motivations (Dohmen, Falk, Huffman, & Sunde, 2009). In South Africa, the assumption, although contested by some, relates to the humanness of *ubuntu* (Ntibagirirwa, 2009).

In the field of employee ownership, it is assumed that employee-owners are consumers with stable preferences (Kranz et al., 2016). Organisational democracy's assumption of the employee as Aristotle's *zoon politikon*, which means political animal or social being (Gintis, Schaik, & Boehm, 2015; Tunçel, 2012), relates to employees gaining power through voice and participation in decision-making (Kranz et al., 2016).

Finally, it is the suggestion that through ownership – whether formal, psychological or a combination of the two – an employee may change their attitudes and behaviours from those of passive subordinate to active contributor (Kranz et al., 2016) that forms the basis of this inquiry. An understanding of ownership from the perspective of the employee thus aimed to isolate new insights that contribute to (Goldkuhl & Cronholm, 2010) or contest the multiple perspectives, assumptions and theories related to the phenomenon of employee ownership.

2.6 Conclusion

A review of literature on the timing of the literature review in grounded theory studies established an argument for embracing informed grounded theory in this study. The broad concept of ownership was therefore reviewed and the duality of the concept of ownership was established. The review then focused on establishing the meaning of ownership in the context of employees as owners and showed that ownership of shares in the organisation and psychological ownership of the organisation as an intangible entity reflect the duality of the ownership concept.

Flowing from employee ownership as a dual concept, sensitising theories were noted, with the purpose of creating awareness of concepts that may emerge during data analysis. Theories linking objective and subjective ownership were suggested and the employee-owner was identified as core to understanding how employee ownership is manifested in the organisation. The following chapter describes how this understanding was explored.

3 CHAPTER 3: METHODOLOGY

This chapter begins by describing the philosophical orientation of the study and explains how this informed the selection of a qualitative methodology. It then introduces Constructivist Grounded Theory (CGT) and provides the rationale for this choice of methodology for researching how the individual experiences and makes sense of employee ownership, and for constructing theory. This is followed by a description of how the sample was selected and a detailed account of how the CGT data-collection methods and procedures were applied in analysing and interpreting the data to establish the theoretical direction of the study. The chapter concludes with noting how the study meets the trustworthiness criteria required for a qualitative study.

3.1 Research approach

My approach to this study, and the selected methodology, was guided by the seminal work (Birks & Mills, 2015; Mills, Bonner, & Francis, 2006; Thornberg, 2012) of Kathy Charmaz and specifically her 2014 guide to CGT. The rationale for the selection of CGT to explore how employee-owners understand or make sense of their experience as owners is found in the intersection between the purpose of the study and the researcher's philosophical orientation (Haverkamp & Young, 2007). In this section, I show how the assumptions that underlie qualitative research and the constructivist paradigm align with the research question and my worldview.

Social scientists face three sets of assumptions related to the philosophical orientation underlying the various approaches to social science. These assumptions are ontological, or how we perceive social reality; epistemological, or how we understand social reality and communicate this understanding as knowledge (Denzin & Lincoln, 2011; Duberley, Johnson, & Cassell, 2012); and the assumptions related to the nature of human beings, and their relationship with the external world (Burrell & Morgan, 1979). These assumptions inform the distinct methodological strategies adopted by the researcher to investigate the social world (Burrell & Morgan, 1979; Denzin & Lincoln, 2011). The selection of a qualitative methodology for this study was substantiated by an understanding of the characteristics and assumptions of qualitative research.

Qualitative research is characterised by understanding experience as it is lived (Sherman & Webb, 1988) and how people make sense of and ascribe meaning to their world. For this reason, I considered a qualitative methodology to be appropriate for investigating the question: ‘How do individuals make sense of their experience of a dual identity and role as both an employee and an owner of the organisation?’

A qualitative methodology is also appropriate for developing theory that is grounded in the perceptions and accounts of individuals. Qualitative research allows for a flexible design that responds to findings that emerge throughout the progress of the study to deepen understanding of the participants’ perspectives (Creswell, 1998; Denzin & Lincoln, 2005; Merriam, 1998). While quantitative researchers aim to test and confirm existing theory through deductive reasoning, qualitative researchers employ inductive reasoning and intuition to build toward theory (Bryant & Charmaz, 2007).

I recognised several assumptions that underpin qualitative research before attempting to understand and explain how employee-owners experience employee ownership. These assumptions were that reality is subjective; that multiple realities, such as the reality of the researcher and the realities of the various participants in the study, exist (ontological); and that individuals construct their reality through their interactions with others and their environment (epistemological). I also recognised the premise of inductive reasoning that the truth is probable rather than certain (methodological strategy) (Creswell, 1998).

Mills et al. (2006) argue that a researcher must select a research paradigm that is consistent with their beliefs regarding the nature of reality. I selected constructivism as the guiding inquiry paradigm for this study as there is a strong alignment between my personal beliefs and the assumptions of constructivism and qualitative research. These are the assumptions of subjectivity, relativism and multiple realities that are socially constructed through our understanding and interpretations of the meaning of our social worlds.

These assumptions also informed the topic of this study. Ownership is a social construct (Etzioni, 1991; Kamleitner & Dickert, 2015) and it is assumed that the interactions, actions and processes associated with objective ownership and the workplace itself have implications for how employees experience, reflect on, understand and create meaning of the ownership phenomenon. The aim of a constructivist approach is to understand human experience, along with the meanings humans draw from, or assign to, what they experience, and to interlink these meanings or construct theory (Lincoln, Lynham, & Guba, 2011; Mackenzie & Knipe, 2006). I thus considered a constructivist approach to be appropriate for constructing knowledge of how ownership affects employee-owners, by exploring and interpreting how employees themselves construct meaning from their ownership experience.

In the same way that I, as primary research instrument (Charmaz, 2014; Merriam, 1998), brought my personal beliefs, assumptions and values to the research interaction, participants in the study brought theirs. This suggests a co-construction of meaning in which I and the participants affected one another's perceptions (cf. Haverkamp & Young, 2007) and the need for a reflexive stance in every aspect of applying my selected research methodology.

In addition to the assumptions of qualitative research, the constructivist paradigm, the researcher and the participants, the area of research brought its own set of ontological assumptions in respect of the nature of human beings. These included the assumptions of *homo economicus*, *homo sociologicus*, *homo reciprocans*, *ubuntu*, the consumer with stable preferences, *zoon politikon* and the assumption that employees can be transformed by objective ownership to become psychological owners of their organisation, as mentioned in the previous chapters.

These multiple and contrasting assumptions required an approach that took cognisance of multiple realities and a methodology that allowed for the emergence of theory based on human experience rather than confirmation of theories based on the assumptions within a discipline. I therefore selected CGT to explore the experience of the employee-owner without presupposition and make a theoretical, rather than a generalisable, contribution. In the following section, I introduce CGT and highlight the advantages and disadvantages of using the CGT methodology.

3.2 The Constructivist Grounded Theory (CGT) methodology

CGT provides a way of doing grounded theory that takes into consideration half a century of theoretical and methodological developments. In 1967, at a time when quantitative methodologies and positivist conceptions of knowledge dominated research, sociologists Glaser and Strauss (1967) challenged the hegemony and introduced grounded theory as a process for generating theory inductively from qualitative data rather than the quantitative approach of deducing and testing hypotheses from extant theories (Charmaz, 2014; Thornberg, 2012). Grounded theory evolved subsequent to its initial introduction, with noteworthy contributions from Strauss and Corbin (1990), who developed technical procedures for grounded theory research. However, it was Charmaz who, in 2000, first articulated a constructivist approach (Mills et al., 2006).

Charmaz (2014, p. 13) argues that while her approach adopts some of the key characteristics of the original work by Glaser and Strauss (1967), it differs in that rather than being a “neutral observer and value-free expert”, the CGT researcher: is part of the process of inquiry; is reflexive; and acknowledges subjectivity and that observations and interpretations are value-laden. The researcher also constructs theory by drawing on experience of interacting with humans and their perspectives and of the research problem itself.

The constructivist approach, as has been shown, allows for understanding the social construction of ownership and how owners construct meaning from their experiences. Expanding on the ontological relationship between the owner and the thing that is owned, Dan-Cohen (2001) highlights the use of personal (I and me) and possessive (my and mine) pronouns while PO emphasises, “It is MINE!” (Pierce et al., 2001, p. 299). These concepts are abstract and multifaceted, and all suggest a subjective, value-laden, personal view informed by individual experience. CGT equips a researcher to explore how individuals make sense of abstract phenomena and, as Charmaz (2014) explains, provides guidelines that show the researcher how to proceed.

Despite CGT’s clear advantages for exploring abstract phenomena, the methodology has its disadvantages. Using CGT could have implications for how the outcomes of my study are received, as techniques such as constant comparison, theoretical sampling and reflexivity along with the flexibility, ontology and epistemology of CGT are in direct contrast to positivist approaches (Kenealy, 2012).

Proponents of CGT highlight the quality of the researcher as paramount for conducting successful CGT studies. Criticisms of CGT studies include using the methodology as a template and forcing categories (Gioia, Corley, & Hamilton, 2013), superficial results because the researcher is unable to elevate data analysis to high levels of abstraction (Suddaby, 2006), and the ethical and legal considerations of informed consent, privacy and confidentiality (Christians, 2011).

Finally, grounded theory's unique approach can make it difficult to use (Dunne, 2011). I thus had to rely on my creativity and intuition and the experience (cf. Suddaby, 2006) that I gained through practice and using the method (cf. Kenealy, 2012) to explore the employee-owner's experience while simultaneously establishing the trustworthiness of the study. In the following sections I explain in detail how this was achieved.

3.3 The sample

Unlike quantitative studies that aim for generalisation, I used non-probability and purposeful sampling to select a sample of "information-rich" (Patton, 1990, p. 169; cited in Merriam, 1998) participants, from whom the most can be learned (Merriam, 1998). Although critics regard purposeful sampling as biased, Morse (2007) emphasises that the random selection of samples may hinder CGT's critical requirement of saturation.

The sample selection procedure is set out below. It entailed: identifying and approaching organisations for participation in the study; selecting employees within participating organisations; and purposefully selecting individuals for expert interviews during the theory-building phase of the study.

3.3.1 The participating organisations

The population for conducting the study was delineated as follows:

i. Employees of South African firms that have implemented ESO schemes; and
ii. Individuals at all levels from middle management and below who have an ownership stake in the organisation in which they are employed.

The following steps were taken to identify organisations with ESO schemes where participants that would provide rich data were likely to be found. As the JSE had over 400 listed companies, and, acknowledging that amongst these B-BBEE compliant organisations would be most likely to have some form of distribution of ownership to employees, I started with the Empowerdex 2017 list of most empowered companies. My approach was based on the rationale that I would be more likely to find ESO in the most empowered companies. I supplemented this list with the B-BBEE commission 2017 list of empowerment deals, the Intellidex 2015 research on the value of BEE deals, and an internet search of the various 'top empowerment' awards for 2017.

From 109 companies listed on the JSE that appeared to have ESO schemes, 31 were identified for further investigation based on the information provided on the company websites, in the Integrated Annual Reports (IARs), from the Stock Exchange News Service (SENS) announcements and articles in the media. As the structure and funding of the schemes differed, intensive investigation resulted in a shortlist of nine companies to approach, based on criteria that employee-owners participating in the scheme:

i. Did not pay for their stake in the ESO scheme;
ii. Received dividends; and
iii. Had voting rights.

In addition to the listed companies, I reviewed 26 unlisted companies that appeared in internet searches and identified seven for further investigation. Only one among the seven companies appeared to have an ESO scheme that met the criteria for approach. My approach to the company did not, however, yield a response.

My approaches to two of the nine listed companies progressed to providing detailed information on participation in the study. While awaiting confirmation of participation from the two companies, I had informal discussions with several individuals in my network of contacts to recommend companies that would offer variability in the sample and provide ‘information-rich’ respondents. My contacts included senior managers at a bank, two consultants who were involved in ESO implementations and two independent management consultants. They also included an executive in a listed company where the ESO scheme had matured, the owner of an unlisted organisation that was considering expanding the management share ownership scheme to all employees, and a board member of an unlisted organisation that had implemented a broad-based ESO scheme. The discussions with my contacts were informative and provided referrals, and I subsequently approached the executives of two private small, medium and micro-enterprises (SMMEs).

The executives of each of the two listed and two private organisations agreed to participate in the study. One listed and one private organisation returned their signed approval for participation in the study, offering the opportunity to select participants from diverse contexts and from whom the most could be learned about their experience of employee ownership. For purposes of anonymity, the term ‘company’ is adopted to name and describe the two organisations, which are referred to as ‘Company 1’ or ‘(C1)’ and ‘Company 2’ or ‘(C2)’.

Contextualisation of research involves the choice of organisations, sites and participants selected for participation and needs both variability and specifying how variability is reduced (Rousseau & Fried, 2001). Johns (2006), furthermore, distinguishes between a broad or *omnibus* context and a lower-level *discrete* or particular context both of which influences attitudes and behaviours.

Chapter 1 describes the omnibus contexts (policy regime, historical factors, socio-economic and cultural environments) and provides an understanding of the exogenous factors that may have influenced the responses of the individuals in this study. While documents were not included in the sample for analysis, websites, annual reports and my communications with executives and managers related to introducing, implementing and maintaining the ESO scheme provided contextual information. Drawing on this contextual information, the following brief descriptions, enriched by my observations during interviewing, provide some insight into the discrete contexts of the two participating organisations and the variability and compatibilities offered by the two contexts.

i. Company 1 (C1)

Company 1 (C1) is a large company in the retail sector listed on the JSE. The annual revenue is approximately R20 billion and C1 employs over 18 000 employees. Employee ownership in the company is one of the core values of C1 and goes back to the introduction of a share-purchasing scheme in the early 1990s. This has subsequently been expanded to various tiers of share schemes that range from schemes for entry-level staff to those for the executive schemes. The entry-level scheme is ongoing and is identified as a B-BBEE scheme. Employees receive their free share allocation after completing a year as a permanent member of staff. Employees receive dividends every six months and the shares vest on retirement. In addition to the B-BBEE scheme, the company also offers employees at all levels the share-purchasing scheme, where all permanent staff, including those who do not yet qualify for free shares, may purchase shares. Managers of units participate in a higher-tier scheme and are allocated shares that vest over five years.

Employees from units in three locations in and around the city of Johannesburg participated in the study.

Location 1 (L1) is situated in close proximity to an industrial area and a ‘township’ or urban area that was reserved for Black residents prior to 1994. L1’s customers are low- to middle income and predominantly Black. L1 can be described as focused on utility as, on entering, the unit appears to be over-stocked rather than aesthetically pleasing. L1 is an extremely busy unit that meets its targets and consistently receives group incentives for performance. In addition to the free share allocation, staff in this unit are acutely aware of, and participate actively in, the share-purchasing scheme.

Location 2 (L2) is situated in one of Johannesburg’s major shopping centres in a middle-income suburb of the city. L2 is one of C1’s flagship outlets. Unlike L1, this unit is aesthetically inviting and, although C1’s merchandise is targeted at the middle- to lower-income market, the unit has the feeling of an upmarket outlet. Although employees reported receiving the group performance incentives, it appears that targets are not as easily met at this unit. Some staff purchase shares, but the share-purchasing scheme does not seem to be as enthusiastically promoted among the staff themselves, as occurs at L1 and L3.

Location 3 (L3) is situated in an affluent area of Johannesburg near established, up-market residential areas. Participants reported low customer volumes and meeting targets is a challenge for this unit. Employees are continually looking for ways to grow their customer base and increase sales to individual customers.

Despite the size of the company, C1 employees do not have a representative union. Furthermore, participants appeared to be unaware of how they were represented through the share trust and only acknowledged representation through the channels for communicating to, and involving, employees.

ii. Company 2 (C2)

C2 is a small, private consultancy in the services sector that employs permanent and contract staff. The founders had already contributed a portion of the shareholding, to individuals rather than employees, in the mid-2000s for BEE purposes. In 2015, the founders established, and contributed shares to, two trusts: a trust for permanent white employees with a shareholding of 10%; and a trust for permanent Black employees with a shareholding of 26%. Black employees have also received shares in recently established, affiliated companies specialising in aspects of C2's core business.

Employees are awarded shares after working for the company for a year and subject to meeting minimum performance requirements. Employees may also be fast-tracked onto the share scheme at the discretion of the executive. The size of the allocation is based on the employee's level within the organisation. The shares vest after seven years from date of receipt of the shares.

The two trusts hold their annual general meetings (AGMs) independently and the company has an annual dividend event where employees receive a letter stating the estimated value of their shares on maturity and the amount of the annual dividend. All permanent employees meet with the executive several times a year for information-sharing, feedback and to raise any concerns and suggestions. The staff complete a survey prior to the meeting and the results are discussed at the meeting.

iii. Variability and compatibility of the discrete contexts

The descriptions of the two organisations from which participants were drawn highlight distinct differences in the two contexts. While C1 is a large, JSE-listed organisation in the retail sector, C2 is a small, privately owned concern in the services sector. The executive of C2 know every employee by name and interact personally with all employees. At C1, employees are identified by a staff number and personal interaction occurs when members of the executive and senior management visit the units and engage in impromptu conversations with individuals. C1, furthermore, provided the context of an ESO scheme where individuals derive benefits at retirement in contrast to the seven-year vesting period at C2.

As shown in the study findings presented in Chapter 4, participants in both organisations were extremely positive about what they described as the culture of the organisation. Executives in both companies appeared to view their ESO scheme implementations as successful. Their willingness to be included in the study and interest in an opportunity to evaluate employee ownership may thus be an indication of similarities in establishing a culture that is conducive to employee ownership.

Reminded of the individual as the unit of analysis, and acknowledging the influence of discrete context on individuals within the organisation (Lawrence, Suddaby, & Leca, 2011), I describe the process that I used for identifying participants and the participant sample in the following section.

3.3.2 The participants

Selecting participants involved an initial meeting with the manager or contact person at each site to provide information about the study, agree on the most convenient times and venues for interviews, and identify employees for participation in the study. While some participants were nominated by the manager or contact person on the basis of the selection criteria listed below, some volunteered rather than being nominated. At C2, all employees who participated in the scheme for permanent Black employees were selected for participation in the study.

The following criteria were applied for selecting participants:

i. Individuals at all levels from middle management and below who had an ownership stake in the organisation in which they were employed at the time of their selection I considered to be the primary criterion. This was because the focus of the study was to understand how employees who would typically not have the incentive of an ownership stake in the organisation experienced employee ownership.

ii. In consideration of the South African context of the study, the initial and ongoing purposive and theoretical sampling was restricted to South Africa's Black population.

A further two criteria facilitated the trustworthiness of the study:

iii. The participants' fluency in English, although not their first language, facilitated understanding of the questions posed and confidence in responding. Furthermore, as the researcher and thus the "main instrument in data collection and analysis" (Thornberg, 2012, p. 254), I was able to understand and code responses more effectively and feel confident that meaning had not been lost in translation.

iv. All participation was voluntary. This criterion was based on the assumption that employees who participate voluntarily, rather than being 'told' to participate, would be more likely to be eager to discuss the topic of interest openly.

In designing the study, and in acknowledgement of the South African context, I considered the insights of early to mid-career Black employee-owners to be the most valuable in informing theory that could contribute to the future successful implementation of ESO schemes. As shown in Table 3.1 below, all the participants were from the Black population and the majority were in their 20s or 30s. However, the inclusion of the older participants and the diversity of the levels of education introduced a wider spectrum of perceptions, which contributed to insights gained from the interviews.

Table 3.1 Participant demographic attributes

	Company 1	Company 2	Total
Age			
<30	6	4	**10**
<40	3	1	**4**
<50	1	2	**3**
<60	0	1	**1**
Gender			
Female	8	7	**15**
Male	2	1	**3**
Race			
Black	10	6	**16**
Coloured	0	1	**1**
Indian	0	1	**1**
Education			
below Matric	1	0	**1**
Matric	5	3	**8**
Diploma	1	0	**1**
B Degree	1	4	**5**
Hons degree	0	1	**1**
Unknown	2	0	**2**

Owing to the flexibility and iterative nature of the CGT methodology, sample size depends on the quality of useable data obtained from each participant (Morse, 2000), appropriately selected participants, and the identification and saturation of the emergent categories (Cunningham & Carmichael, 2017). Rich data were collected from the 18 participants, and the data and categories that emerged from the analysis were saturated, indicating sampling adequacy and that no further sampling was required (Bowen, 2008; Charmaz, 2014; Mason, 2010). The steps taken in sampling and how the saturation of data and categories was achieved are discussed in detail in Section 3.4, Concurrent data collection and analysis.

3.3.3 Expert interviewees

During the theory-building phase of the research, I held informal discussions with two White, male, retired former company secretaries who had been involved in the administration of early ESO initiatives in South African companies and had expressed interest in discussing the topic of this study. The purpose of these discussions was to evaluate the theoretical contribution of this study against their understanding, experience and recommendations for ESO implementations. The data from these interviews were not included in the findings but added to the practical contributions of the study.

3.4 Concurrent data collection and analysis

Grounded theory is an inductive process in which theory emerges from the data through concurrent data collection and analysis. This means that data analysis starts as soon as the first data are collected and the analysis, in turn, guides the selection of further participants in the study (Merriam, 1998; Morse, 2007; Rudestam & Newton, 2014). The concurrent and iterative CGT process involves interviewing, coding, comparative analysis and memo writing to develop theory that is grounded in the data. In a sequential description of how this iterative process was applied in the collection and analysis of data, I first describe the procedures for conducting the interviews. This is followed by the procedures for evaluating, coding and categorising the data, and theory building.

3.4.1 The interviews

Grounded theory and intensive interviewing are complementary data-collection and -analysis techniques (Charmaz, 2014; Price, 2002). The focused yet open-ended and flexible nature of intensive interviewing creates an interactional space in which the interviewer can improvise and control or direct the course of interaction while the participant relates their experience freely. Intensive interviewing includes following up on issues that arise from the interaction, probing for detail on interesting issues and moving the discussion away from irrelevant issues while continuously observing how the participant responds to the interaction (Charmaz, 2014).

Criticisms of interviews (Roulston, 2016) include concerns about the accuracy of the data gathered, the authenticity of the experiences that participants relate, the subjectivity of the interviewer and participant, and lack of consideration for the conditions and the social, cultural and historical contexts in which the research is taking place (Charmaz, 2014).

Despite the criticisms, interviews are the most common method used for qualitative data collection and the most effective for addressing research questions that require the interviewer and participant to construct and reconstruct meanings (Charmaz, 2014). I thus remained aware of, and attempted to mitigate, the above concerns in my scheduling, format, processing and evaluation of the interviews throughout the concurrent data collection and analysis, as discussed below.

i. Scheduling of interviews

While all the participants at C2 were located at a single site, C1 offered the opportunity to interview participants at multiple sites. Selecting the sample from a single site has the advantage of a homogeneous sample of participants who have experienced employee ownership in the same environment (Creswell, 1998; Guest, Bunce, & Johnson, 2006). Selecting from multiple sites has the advantage of positively influencing perceptions of the rigour and trustworthiness of the research, and enabling analysis of contrasts and/or confirmation (Creswell, 1998) of the theoretical direction that emerges.

Interviewing across four sites thus created opportunities to make the dynamic changes in sampling required for CGT studies (cf. Morse, 2007). While I conducted three initial interviews at L1 in C1, interviewing across the remaining two sites at C1 and at C2 concurrently facilitated focused coding and constant comparative analysis of the data from multiple heterogenous sites.

I engaged with the contact person at each site to schedule interviews. Meeting with participants in their natural setting enables observation in the context of their work environment, and familiarity with the setting enhances the participant's sense of safety and comfort (Creswell, 1998; Krauss, 2005; Merriam, 1998; Price, 2002; Suddaby, 2006). As all participants worked in open-plan environments, interviews were conducted privately in on-site offices or meeting rooms that were familiar to the participants and were scheduled to minimise disruptions to the participant's daily workflow. Interviews were, where possible, scheduled to allow for sufficient time between interviews to accommodate processing each interview as discussed below. Participants received information outlining the purpose of the study, their contribution and commitment, and the interview protocol, as shown in Appendix 1: Participant information sheet, ahead of their interview.

ii. Format of interviews

Charmaz (2014) describes the technique of intensive interviewing as a conversation that is guided by the interviewer to explore what the interviewee's experience with the research topic means to them. Interviews were thus open-ended, in-depth and unstructured and aimed to explore the perceptions of employee-owners without imposing preconceptions and prior knowledge on the data-collection process following Haverkamp and Young (2007).

Interviews commenced with an introduction in which some of the important issues mentioned in the information sheet provided in advance of the interview (Appendix 1: Participant information sheet) were restated, as outlined in the interview protocol (Appendix 2: Interview protocol). All prospective participants accepted the terms of the interview. This allowed me to proceed with conducting the interview, guided by the interview guide (Appendix 3: Interview guide), observation, participant responses and, in the case of focused interviewing, the theoretical direction. Interviews varied in length but were approximately one-and-a-half hours in duration.

The CGT objective of drawing on the experience of participants without presupposition to gain understanding and construct theory implies that questions are neither informed by extant literature nor do they attempt to investigate specific concepts or ideas. I therefore used an interview guide (Appendix 3) rather than a questionnaire to guide my thinking about questions that would elicit thoughtful and meaningful responses (Charmaz, 2014; Kelle, 2007; Rossman & Rallis, 2003). I used the guide to consider responses and the framing of follow-up questions to probe deeper into concepts and ideas that emerged (Charmaz, 2014) and to guard against asking questions that were insensitive or introduced preconceptions (Charmaz, 2014; Rossman & Rallis, 2003).

Questions were designed to encourage the participant, rather than the researcher, to dominate the conversation and present their ideas without explicit probing (Charmaz, 2014; Rossman & Rallis, 2003; Roulston, 2010). Where probing was necessary, questions in the form of “tell me more” were used to invite further discussion (Price, 2002, p. 276).

CGT is characterised by initial interviews and focused interviews (Wimpenny & Gass, 2000) that differ in their purpose, and thus their questions. The questions for the initial interviews were broad and open-ended so that participant responses determined areas of possible theoretical interest. As I gained experience and analysed the responses, questions were modified to elicit richer data (Charmaz, 2014; Creswell, 1998; Gioia et al., 2013). Questions used in the focused interviews thus aimed to explore and develop tentative categories as they started to emerge and confirm theoretical direction (Charmaz, 2014).

While I viewed interviews as the primary source of data, by personally conducting and recording all the interviews I could maximise my engagement in observation and exploring the meanings of each participant’s employee ownership experience (cf. Charmaz, 2014).

Although data from observations are primary data, observation plays an integrated (Rossman & Rallis, 2003) but secondary role when data is collected from interviews (Creswell, 1998). While I acknowledge that observation is value-laden (cf. Charmaz, 2014), it provided valuable nonverbal data and assisted me in conducting intensive interviews successfully.

Observation and note-taking of body language, variations in tone of voice, pace of speech, and the timing and length of periods of silence increased my understanding of the meaning of participants’ comments (Onwuegbuzie, Leech, & Collins, 2010). Observation also alerted me to the participant’s interests, authenticity, emotions, attention and fatigue during each interview (Rossman & Rallis, 2003). By observing the participant, I was thus able to restructure the interview and questions where necessary to facilitate collecting relevant and rich data.

I had found, in my experience of interviewing prior to this study, that note-taking is intrusive and can distract my attention from the participant’s comments and divert the participant’s attention from their train of thought. For this reason, I limited note-taking to short reminders for follow-up questions in the current or subsequent interviews (cf. Charmaz, 2014; Price, 2002) and brief notes on observations of the interview, the participant and the environment (Gioia et al., 2013; Rossman & Rallis, 2003). I expanded on these brief notes directly after concluding the interview by capturing handwritten and, in some instances, audio-recorded memos so that important data and ideas were not lost.

iii. Processing the interviews

Data analysis started immediately following the first interview and involved a rigorous process that entailed the following steps:

1. *Anonymising* the participant by initially assigning a sequential pseudonym. The pseudonyms were subsequently randomised to enhance the anonymity of the 18 participants.

2. Personally *transcribing* the interview. Transcribing interviews allowed me to reflect on how I had conducted the interview (cf. Rossman & Rallis, 2003; Roulston, 2010), how questions were received by the participants, and ways to improve or follow up on questions (Charmaz, 2014).

3. *Verifying* the interview and transcript. I reviewed each transcript by listening to the audio-recording and verifying that I had captured the data accurately. By adopting this approach, I not only confirmed the accuracy of the transcript but could also identify new and reoccurring concepts raised during the interview and use them to refine the interview guide.

4. *Coding* of the transcript and *constant comparison* with codes assigned to previously collected data to determine congruency or differences in individual perceptions and perception within and across the multiple sites. I elaborate on the process in section 3.4.2 below.

5. *Memo-writing*. I used memo-writing to capture my interpretations, questions and ideas while transcribing, verifying, coding and comparing the data.

6. *Reviewing and refining the interview guide*. I reviewed and refined the interview guide to focus on eliciting richer data related to the emerging concepts (Charmaz, 2014).

This process was applied in respect of all interviews. Coding and categorisation were, however, delayed for some interviews as I explain in detail in the discussion of coding and categorisation below.

iv. Evaluation of data collection

My evaluation of the interviewing process commenced with a proposed pilot study and continued as I reflected on the interviews and my interactions with the participants throughout the data-collection and -analysis process.

a. A pilot interview

I initially proposed conducting a pilot study to establish whether my interviewing skills, proposed sample-selection criteria and interview guide would yield the rich data that I required to contribute to theory. While preparing to approach companies for a pilot study or for inclusion in the main study, a search for some 'best practice' guidelines led me to questioning what I hoped to achieve and vacillating between conducting a pilot or not. A further literature review on pilot studies helped me to think through my concerns, develop an argument and convince myself of the integrity of my choice.

Views on the use of pilot studies in qualitative research studies over the past few decades have varied from the suggestion that they are "underdiscussed, underused and underreported" (Prescott & Soeken, 1989, p. 60) to the idea that pilot studies are inappropriate and may encumber inquiry (Morse, 1997). A middle-ground view argues that as long as the objectives for conducting a pilot study are clear (Brooks, Reed, & Savage, 2016; Ismail, Kinchin, & Edwards, 2017), it may be worth heeding de Vaus' warning to avoid risk by first pilot testing (1993; cited in Nunes, Martins, Zhou, Alajamy, & Al-Mamari, 2010).

The more pressing debate, however, concerns the use of pilot data in the main study. Ethical and practical reasons are among the reasons for and against including pilot data. For example, after successfully collecting rich pilot data, Morrison, Clement, Nestel, and Brown (2016) felt ethically bound to recognise the contribution by the pilot participants equally with that of participants in the main study. Realising that the pool of possible participants was limited, they included the pilot data in their main study (Morrison et al., 2016).

After review of the limited authoritative guidance on conducting pilot studies in published literature and systematic reflection on the arguments for and against conducting pilot studies in qualitative research, I decided to adopt a middle-ground. I therefore set out to conduct an internal pilot study, which allows for inclusion of the pilot data in the main study (cf. Arain, Campbell, Cooper, & Lancaster, 2010).

The first interview, however, exceeded my expectations and I found myself aligned with Morse (1997), who argues that the characteristics of flexible design, broad interview questions and ambiguity regarding anticipated results of a qualitative study make pilot studies in qualitative research inappropriate. In my handwritten memo directly after the interview, I noted, “A really insightful discussion that brought the ownership concept to the fore.” The first interview, furthermore, yielded rich data and 115 codes and I subsequently acknowledged it as the first interview of the study.

b. Reflecting on the data-collection process

Interviewer skill is the most important determinant of the quality of data, which in turn affects the size of the sample and the ability to achieve saturation and construct theory (Guest et al., 2006; Roulston, 2010). As the researcher, I was aware of the need to maintain a reflexive stance, continually guarding against introducing my assumptions, beliefs and prior knowledge (Charmaz, 2014) into the discussion.

Despite cognisance of subjectivity – which Kumar (2011) describes as the way we are conditioned to think in contrast to the deliberate motive of bias – and as reflected in the assumptions of the study prior to starting data collection, I was concerned about how participants would receive me, a mature White woman, as the researcher and whether they would be willing to speak freely and engage in a level of conversation that would yield rich data. Furthermore, knowing that English is at best a second language for many Black Africans, I was concerned about whether they would express their ideas comfortably and adequately when not conversing in their mother tongue. These concerns emphasised the importance of bracketing, or suspending, my subjectivity while reflecting on the influence of social, cultural and historical context on my interpretations (Creswell & Miller, 2000).

Both these concerns were instantly dismissed and the elation that I experienced during the first interview endured throughout the data-collection process. That which I had approached with some trepidation transformed into enriching and moving interactions as the participants enthusiastically told their stories, considered the questions and offered insights. I emphasised at the start of every interview that the purpose of the interview was for me to learn from them, which might have encouraged participants to share their views willingly. Co-construction of meaning was reflected by some participants' acknowledgement that they had not previously considered what ownership meant to them and in comments such as "*your questions, it's like a psychology session*" (INT11). Notably, when given the opportunity to ask questions at the end of the interview, most participants wanted further information on why I was conducting the research. I experienced their responses to my explanation of being a student as both humorous and affirming: "*But what I can say is I **love** what you are doing. You know in my black community there are few people actually studying at your age. And that kind of motivates me to go back to school and maybe do something*" (INT6), and "*It is encouraging. You are an inspiration to you know, the youngsters that are coming … if someone is doing this at this age*" (INT10).

While not always explicitly stated by some participants, participant sensitivity to the context of the various forms of inequality in the workplace and South Africa was implied in comments such as, "*I think that at general staff level, um, they consider people to be, how do I put it in a nice way, like they are easy to replace*" (INT12), and a deeply moving comment by a participant, "*Thank you for recognising us*" (INT1), after we had concluded the interview.

By observing body language and facial expressions, I noticed that some participants might have moderated their responses to avoid offending me. I had anticipated that the young Black participants, in particular, would be quite explicit about racism, as they were born into a 'previously disadvantaged' population group. I interpreted their caution in making racially explicit statements as a manifestation of their experience of interactions with White persons and assumptions about my views or age- and race-related prejudices. Other participants were forthright in raising the country's racial complexities in their responses. They were explicit in distinguishing themselves as Black and appeared to be more assertive in respect of authentic restoration of their rights and acknowledgement of their equality with the White population. During my interpretations of individual responses, it thus seemed to me that participants migrated towards one of two broad groupings, which I named 'the Philosophers' and 'the Critics'. These groupings reflect the influence of the omnibus context of the study and were present in both organisations. I briefly describe the two groups as I perceived them.

The Philosophers are typically, but not exclusively, the less skilled participants and may be classified among the vulnerable middle class. They are grateful to have jobs and select their employer based on the availability of jobs rather than the attributes of the employer. They enter the organisation with low expectations, are highly appreciative of everything that the organisation provides beyond their expectation of a salary, and they value the employer.

The Critics are a smaller group of more qualified, assertive individuals who have far greater expectations of the work environment, and specifically the expectation of empowerment. These individuals were possibly born into or have risen to the stable middle class and aspire to consolidating their position of financial stability. Owing to the limited employment opportunities, the critics may feel that they have been forced into accepting lower salaries and thus accept employment with no intention of remaining with the organisation in the long term. As in the case of the philosophers, the critics value the organisation and work environment.

Although the two groups emerged gradually from the concurrent data collection and analysis, their overarching characteristics provided insight into the analysis of the data and development of the theoretical contribution. My reflections on the two groups highlighted the importance of individual perspectives, situational identities and cognition, and that each experience is personal and is influenced by the individual's perception of their contexts within in the workplace and in broader society.

3.4.2 Coding and categorisation

Data analysis and interpretation in CGT comprise three overarching phases: initial coding and categorisation; focused coding and categorisation; and theory building (Birks & Mills, 2015; Charmaz, 2014). A small initial sample is identified to start the concurrent data-collection and -analysis process. The data are coded in a process of breaking up the data and labelling the data segments to define what each data segment represents (Charmaz, 2014). As new data are collected and analysed, constant comparison with previously collected and analysed data occurs. A category is a group of related codes (Birks & Mills, 2015), and categorisation entails identifying patterns and common themes from and between the codes (Charmaz, 2014). Theoretical sampling develops the properties of the emerging theoretical categories

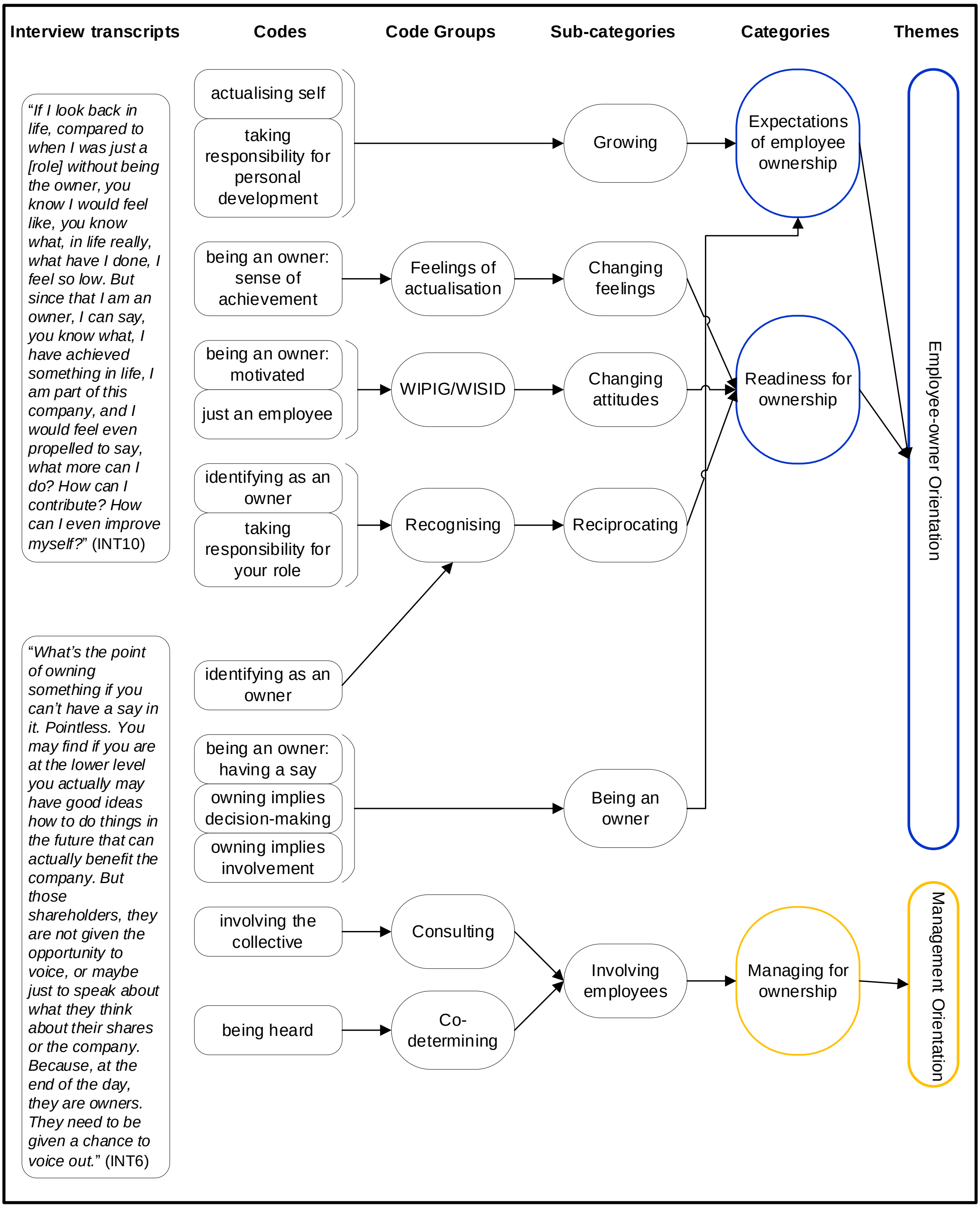
(Charmaz, 2011). These steps proceed iteratively until both the data and the emerging categories are saturated and the steps conclude with constructing theory.

Software is available to assist the researcher in organising and analysing data and aids the cognitive research task (Morse, 2007; Suddaby, 2006). I used Atlas.ti, a software program that assists in tasks such as coding, memo-writing and defining categories, for analysing all data collected for the duration of the sampling, data-collection, coding and categorisation phases of this study. While software can assist the researcher to analyse qualitative data, data analysis is an interpretive process that requires “flexibility, creativity, insight, and intuition” (Leech & Onwuegbuzie, 2007, p. 578). I thus found it effective to complement the functionality of Atlas.ti with handwritten memos and diagrams to facilitate the data analysis and theoretical integration of the study.

Sampling, interviewing, coding and categorisation unfolded in three ‘phases’ that were determined by my developing skills, the need to intermittently evaluate and focus on coding and categorisation, and participant availability. The first phase comprised the concurrent interviewing and coding of the interviews from the initial sample of three participants. In the second phase, I interviewed four participants and coding and categorisation occurred after the last of the four interviews. In the third phase, I applied concurrent interviewing, coding and categorisation for the first two participants. Thereafter, I concentrated on conducting focused interviews with nine participants. Focused and theoretical coding and categorisation followed the final interview of the third phase. A fourth phase of theoretical development or theory building followed the three phases of interviewing, coding and categorisation.

Figure 3.1 illustrates the process of coding and categorisation that I followed across the four phases. The process is based on Saldaña’s (2016) codes-to-theory model for abstracting data to theory. It illustrates how: a data segment was coded; codes with common attributes were grouped into code groups; and related code groups were grouped into sub-categories or elevated to a category where a code group uniquely described an analytic concept. Next in the process, sub-categories were grouped into theoretical categories and the theoretical categories were combined into the overarching themes for abstraction into the theoretical contribution.

Figure 3.1 Progression from data to theoretical concepts



The four phases, and the rationale for diverging from the strict application of concurrent data collection and analysis, are set out in detail below.

i. Phase 1: initial coding and categorisation

I started with an initial sample of three participants from a single site, L1 in C1, for conducting the initial interviews. During each of these interviews, I concentrated on the participant's view by asking open, exploratory questions. Following Charmaz (2014), as researcher I remained in the background to allow the participant's thoughts and ideas to emerge . I transcribed the interview dialogue and verified and coded the transcriptions after each interview and before proceeding with the following interview.

I coded the interviews by breaking down the data into segments, based on ideas or concepts rather than words or sentences (Charmaz, 2014; Glaser, 1978; Silverman, 2017). I labelled the segments with codes and wrote memos prompted by the notes I had taken during the interview, during the verification process as I listened to the audio-recording, and from my thoughts while assigning the codes to the data segments. While coding, I constantly compared the codes against existing codes in an attempt to assign a discrete meaning to each code and avoid duplication.

As a novice in applying the grounded theory method, I found the initial coding and categorisation to be a valuable learning experience. First, by transcribing the interview dialogues and verifying the transcripts of the interviews, I became familiar with the data and found that coding clarified what I 'heard' during the interview and what the participant was telling me. Coding, furthermore, highlighted areas where I could improve my interviewing technique; for example, as I noted in my research diary, "when they interrupt, stop talking". Transcribing, verifying and coding also guided me in revising the sequence and specificity of questions to improve the flow of the interview and encourage both comprehensive and focused responses.

The comparative analysis highlighted the duplication of codes and nuances in the meanings. This directed me to continually revisiting previously coded transcripts to establish whether I had overlooked any data or concepts or had interpreted them correctly: I noted, "Know your codes really well (and name them well)". As more codes emerged, grouping of codes facilitated finding codes and understanding their meanings and relationships to other codes. This alerted me to the emergence of focused codes and tentative categories that would guide me to more abstract concepts.

The initial coding and constant comparison of the data was not only an opportunity to learn how to apply CGT but also facilitated my approach to coding. After experimenting with coding "quickly and spontaneously" (Saldaña, 2009, p. 83), I concluded that coding thoughtfully as new ideas and concepts appeared in the transcripts was more effective.

The intensive process thus gave me the practice of a pilot study but also yielded 181 codes and 12 code groups that formed the foundation of what would eventually determine the categories. On concluding the first three interviews, I acknowledged appreciation for Charmaz's (2014) assertion that CGT shows researchers what to do by noting, "I am not directing it. It is sort of directing itself. It tells me where to go next." I adopted a mantra, 'listen to the data', to guide me through the further data collection and analysis.

Before conducting the fourth interview, I paused to reflect on how to proceed. First, the organisation's culture was emerging as a code group. I thus decided to alternate the sites for interviewing, where possible, to determine whether the contextual compatibilities and contradictions in C1 and C2 influenced the responses. Second, as several participants had agreed to and were anticipating an interview, I was concerned that delaying interviews might undermine their willingness to participate. After the rigour of transcribing and verifying the transcripts and memo-writing between interviews, I considered my familiarity with data to be sufficient for recognising new ideas and concepts, identifying emerging concepts to explore in more depth and reviewing the interview guide. I thus considered it feasible to accelerate the pace of interviewing, but delay coding and categorisation, without undermining the integrity of the research.

ii. Phase 2: focused coding and categorisation

The second phase of sampling and interviewing involved alternating the selection of two participants from L2 in C1 and two participants from C2. Although I fully transcribed and verified each of the four interviews before conducting a further interview, I delayed the coding of the transcriptions to after transcribing and verifying the last of the four interviews. While interviewing, transcribing the interviews and verifying the transcriptions, I observed that participants consistently raised the reoccurring concepts that had previously formed groups, which facilitated more focused questions during interviewing.

A cycle of intensive coding, constant comparative analysis and categorisation of codes confirmed the emerging tentative categories, and a core concept, related to participants' expectations of employee ownership, started to emerge. While executing this process, I noticed that the constant comparison directed me away from exclusive initial coding towards more focused coding by linking some of the groups that were forming and gradually developing into tentative categories (cf. Birks & Mills, 2015). I had, however, not yet achieved data saturation, where no new codes emerge and all codes fit into existing categories (Birks & Mills, 2015). This was evident in the increase to 293 codes and 26 code groups, or tentative categories, from data across both companies and at two locations in C1.

iii. Phase 3: focused and theoretical coding and categorisation

In the final phase of interviewing, I followed the cycle of transcribing, verifying, coding and comparative analysis after each interview and prior to conducting the following interview for the first two interviews of the phase or the eighth and ninth interviews of the study. As tentative categories were emerging, interviews became more focused to explore and develop the tentative categories and confirm theoretical direction (Charmaz, 2014).

While multiple interviews are sometimes conducted with participants to explore emergent categories in depth, recoding the original transcript of an earlier participant can also elicit codes that emerged later in the coding process (Cunningham & Carmichael, 2017). I chose to continue with new participants rather than returning to previous participants for focused interviewing, as data saturation had not yet been achieved. I simultaneously revisited previously coded transcripts during the ongoing comparative analysis as new codes emerged from the focused interviewing.

After an intensive review of the codes and the emerging categories following the concurrent data collection and analysis of the first two interviews of this phase, it appeared that the data were approaching saturation and that the properties of the emerging categories were approaching delineation. Theoretical ideas related to 'becoming an owner' had started to emerge, and I prepared for theoretical sampling by adapting the interview questions to refine and explore the relationships between the categories (cf. Butler, Copnell, & Hall, 2018; Charmaz, 2014) and extending interviews to the fourth site. Theoretical sampling entailed selecting and interviewing a further four participants across L2 and L3 at C1 and five participants at C2, with the aim of defining the properties of the tentative theoretical categories.

In anticipation of difficulty in accessing participants during peak season in the retail sector and the uncertain availability of participants in the approaching holiday season, I reverted to accelerated interviewing, transcribing and verifying the transcriptions and postponed coding. I had continued improving my skills throughout the process of data collection and analysis and was familiar with the gathered data as a consequence of the intensive review of the codes and the emerging categories. I felt confident that deviating from strict adherence to the process of concurrent data collection and analysis by accelerating interviewing, maintaining the accompanying rigorous process of transcribing, verification of transcripts and memo-writing, but delaying coding and categorisation would not compromise the integrity of data collection and analysis. In the first among the accelerated interviews, with a vocal ‘Critic’, some of the tentative categories gained prominence and my evaluations of a further eight focused interviews, transcriptions and verifications indicated that both data- and category saturation might be achieved in the analysis of the interviews.

The analysis of the data on completion of all the interviews entailed two distinct cycles of analysis. The first cycle was an analysis of each transcript and comprised coding, comparative analysis and categorisation of the codes, a procedure that was similar to the previous analyses of transcripts. The difference, however, was that through comparative analysis I aimed to: evaluate for consistency within each code; elicit codes from earlier transcripts that I might have missed while coding; and revisit the coding of the current transcript and make the necessary amendments immediately.

During this process, I added codes and deleted obsolete codes by gradually clarifying the code attributes. This proved to be valuable as it deepened my understanding, and as the codes became more focused in their definitions, data saturation was achieved. Although the categories were tentative, I simultaneously evaluated them for consistency and refined their attributes.

The second cycle of analysis thus started with 33 conceptually valid preliminary categories in place for further development. Being familiar with the codes from recent transcripts, I extended the comparisons of the first cycle to all transcripts, codes and categories. The second cycle thus comprised focused coding, partial re-coding, comparative analysis and categorisation across all 18 interviews, with the aim of developing the categories fully, establishing the connections between the categories and exploring the emergent areas of theoretical interest (cf. Birks & Mills, 2015).

Focused coding, partial re-coding and comparing the codes involved further refining the codes by reviewing them in the context of the coded data segments and their relationships with co-occurring codes to confirm that I had defined the meaning of each code accurately. My initial decision to code by ideas or concepts thus highlighted the nuances of the codes and facilitated refining their attributes. It was during this process that I detected two overarching themes: the orientation of the employee-owner and management's orientation as perceived by employee-owners.

The exhaustive process of questioning or confirming my interpretations resulted in: eliminating duplications; recombining or splitting codes; renaming codes for clarity and differentiation; and highlighting the links between codes. The process allowed me to gain a conceptual understanding for categorising codes and developing the categories, which were still at the level of code groups at this stage in the progression of data to theoretical concepts, as shown in Figure 3.1.

By refining and categorising the codes I could, therefore: reorganise the tentative categories by combining overlapping categories and removing redundancies; fully describe the attributes of the categories; identify the complexity of the relationships between the categories; and establish the theoretical plausibility of the tentative categories that had emerged (Charmaz, 2014).

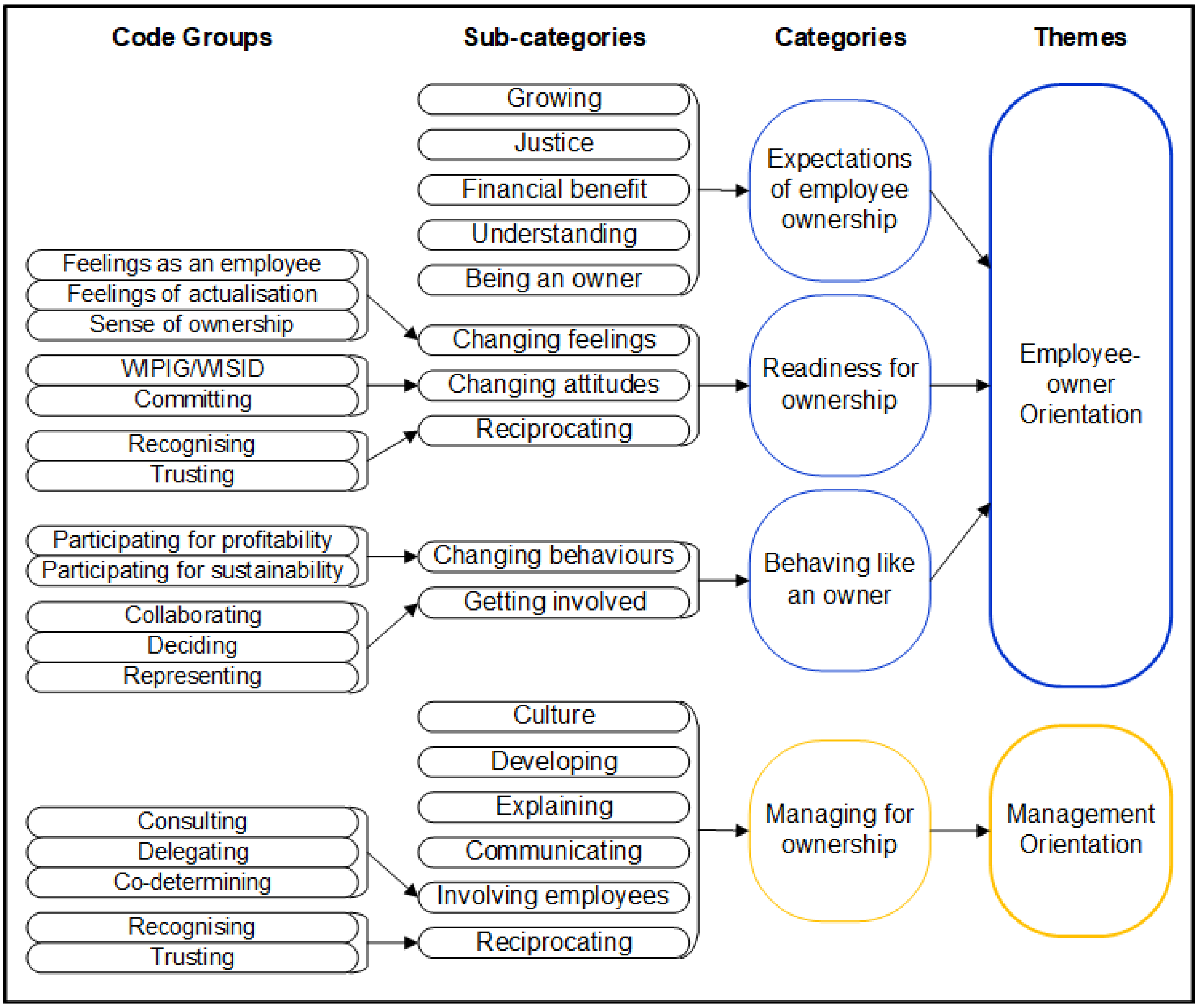
Through heightened theoretical sensitivity and by fully developing the categories, I achieved category saturation. The combination of rich data, rigorous data analysis, and data and category saturation indicated that the findings were dependable and credible, and I concluded that no member checking or further interviews were required. I had, furthermore, confirmed a theoretical direction related to the notion of 'becoming an owner'. My note in a memo, "Employee ownership: journey or big bang?", however, indicated that the adequacy and centrality of the theoretical direction and a core category for theory building (Birks & Mills, 2015; Charmaz, 2014) were not yet clear.

iv. Phase 4: theoretical development

I followed the process set out by Saldaña (2016) to differentiate between categories, sub-categories and code groups. Differentiation entailed an iterative process of linking and relinking the categories, based on how they were related to one another. During this process, code groups were elevated to sub-categories or grouped to form a sub-category as shown in Figure 3.1. The sub-categories were then grouped to form four discrete, robust theoretical categories aligned with two overarching themes that depicted the orientations of employee-owners and management. The categories are: **Expectations of being an owner**; **Readiness for ownership**; **Behaving like an owner**; and **Managing for ownership.**

The four theoretical categories are supported by sub-categories, and, in some instances, the sub-categories retain explanatory code groups that elaborate on the attributes and reflect the complexity and key concepts of the associated sub-category. Figure 3.2 shows the links between the themes, categories, sub-categories and code groups.

Figure 3.2 Themes, categories, sub-categories and code groups



I was initially ambivalent in defining the core category, as the theoretical categories appeared to be interdependent. **Readiness for ownership**, which reflects the identity of the individual at a moment in the integration of ownership, was not only complex but also reflected key concepts that informed the theoretical direction. After consideration, I identified **Expectations of being an owner** as the core category, as the other three categories appeared to influence meeting expectations and were, in turn, influenced by whether expectations are met or not. **Expectations of being an owner**, furthermore, appeared to link the two themes as is shown in Chapter 4.

Linking the categories and the effect of the four categories on the individual's orientation reinforced the theoretical direction and led to proposing a plausible theoretical explanation through an "imaginative leap" (Charmaz, 2014, p. 341; Roulston, 2010). The insight was gained that 'becoming an owner' is a journey of gradually integrating ownership rather than an immediate transition to feeling and behaving like an owner. This insight resulted in recognising an employee-to-owner continuum as a plausible theoretical explanation of how individuals make sense of their experience of the change in their identity and role from employee to that of employee-owner of the organisation. This concluded the data analysis and the findings of the study, which are discussed in detail in Chapter 4.

In Chapter 5, I describe how, through abductive reasoning and the lens of institutional logics, I considered all possible theoretical explanations to abstract the effect of the individual's sensemaking of employee ownership on the integration of ownership and, thus, make a contribution to existing knowledge (Birks & Mills, 2015; Charmaz, 2014; Heath, 2006). The informal discussions with experts concluded the theoretical integration and informed the practical contribution of the study.

3.5 Trustworthiness

In qualitative research, validity and reliability are demonstrated by trustworthiness, which implies authenticity (Lincoln et al., 2011) and rigour (Haverkamp & Young, 2007) in the research process. Trustworthiness includes four criteria: transferability, dependability, credibility and confirmability (Guba & Lincoln, 1989; cited in Symon & Cassell, 2012).

The study does not aim to be generalisable, as qualitative research acknowledges researcher subjectivity (Kumar, 2011); rather, it aims to demonstrate transferability to other contexts (Symon & Cassell, 2012) and theoretical plausibility (Charmaz, 2014). This has been achieved through acknowledging my assumptions, through triangulation (Leech & Onwuegbuzie, 2007) with extant literature (Eisenhardt, 1989) and publicly available contextual information on the participating organisations, and through thick descriptions in the development of the theoretical contribution. The emphasis on the influence of the macro-, meso- and micro-contexts of the research highlights the transferability to omnibus and discrete contexts with similar relevant characteristics.

I have attempted to demonstrate dependability and credibility by appreciating the philosophical underpinning of CGT (Johnston, 2014) and applying the methodological rigour of CGT (Creswell, 1998; Kenealy, 2012) by using multiple data sources and techniques such as sampling, constant comparison, memo-writing and reflexivity. Achieving data and category saturation, furthermore, shows confirmation and congruence of the perceptions of the participants, which suggests credibility and dependability in the findings of the study. By using Atlas.ti, which keeps a record of the data and the analysis, and my handwritten and audio-recorded memos, I have created an audit trail of evidence that shows that the research is dependable and credible (Roulston, 2010) and confirmable (Merriam, 2002).

The final component of the study's trustworthiness is that the research was approved by the Human Research Ethics Committee at the University of Witwatersrand and adhered to ethical practice in accordance with the University's guidelines.

3.6 Conclusion

In this chapter I showed that CGT, and its philosophical underpinning, is an appropriate methodology for investigating how individuals experience employee ownership and for developing a theoretical contribution in respect of how employee-owners integrate ownership into their work experience. I also discussed sampling by describing where I anticipated finding information-rich individuals for participation in the study and how I identified and approached organisations. Acknowledging the role that the micro-context may have on employee perceptions, I then described the two participating organisations. The process for selecting individual participants was outlined and the sample of 18 participants described. An additional sample of two expert interviewees, who were consulted during the theoretical integration with the findings of the study, followed to conclude the description of the sample.

The data collection and analysis, although a concurrent process, were set out sequentially, starting with detailed descriptions of interviewing, the evaluation of the interviews, and coding and categorisation of the data. Four distinct 'phases' of concurrent sampling, interviewing, coding, and comparative analysis and categorisation were determined by the availability of participants and guided by the CGT method. These phases were set out in detail to explain how the analysis of the data culminated in data saturation, category saturation and the theoretical direction of the analysis. A detailed description of the findings of the first three phases follows in Chapter 4. The description of the final phase introduced the finding of two overarching themes, four interrelated theoretical categories and the recognition of an employee-to-owner continuum as a plausible theoretical explanation of how individuals make sense of their experience of employee ownership. The theoretical development of the themes, categories and the continuum follow in Chapter 5. This chapter then concluded with a description of how the research has demonstrated trustworthiness.

4 CHAPTER 4: DATA ANALYSIS

Chapter 3 details how the data were analysed through the processes of initial, focused and theoretical codes to produce sub-categories and categories. In this chapter, each of the four categories that emerged from the analysis – **Expectations of employee ownership**, **Readiness for ownership**, **Behaving like an owner** and **Managing for ownership** – are described by examining each category's constituent sub-categories and code groups, illustrated with comments from the participants in the study. This is followed by an analysis of how the categories interact to influence the integration of ownership into the employee-owner's work experience, which is defined as: the individual identifies as an owner and feels and behaves like an owner of the organisation. A conceptual framework for further development in Chapter 5 is then proposed.

Figure 4.1 introduces **Expectations of employee ownership** as the core category and shows that both the employee-owner and the management of the organisation contribute to meeting the expectations of ownership and thus the integration of ownership into the individual's work experience. On receiving an allocation of shares, the individual may experience changes in their expectations of the workplace. These changes may lead to changes in their feelings, attitudes and relationship with the organisation (**Readiness for ownership**) and changes in their behaviours and involvement in the organisation (**Behaving like an owner**). The organisation's contribution to meeting expectations (**Managing for ownership**) may similarly lead to changes in the individual's readiness for ownership and ownership behaviours.

Figure 4.1 Interaction between categories

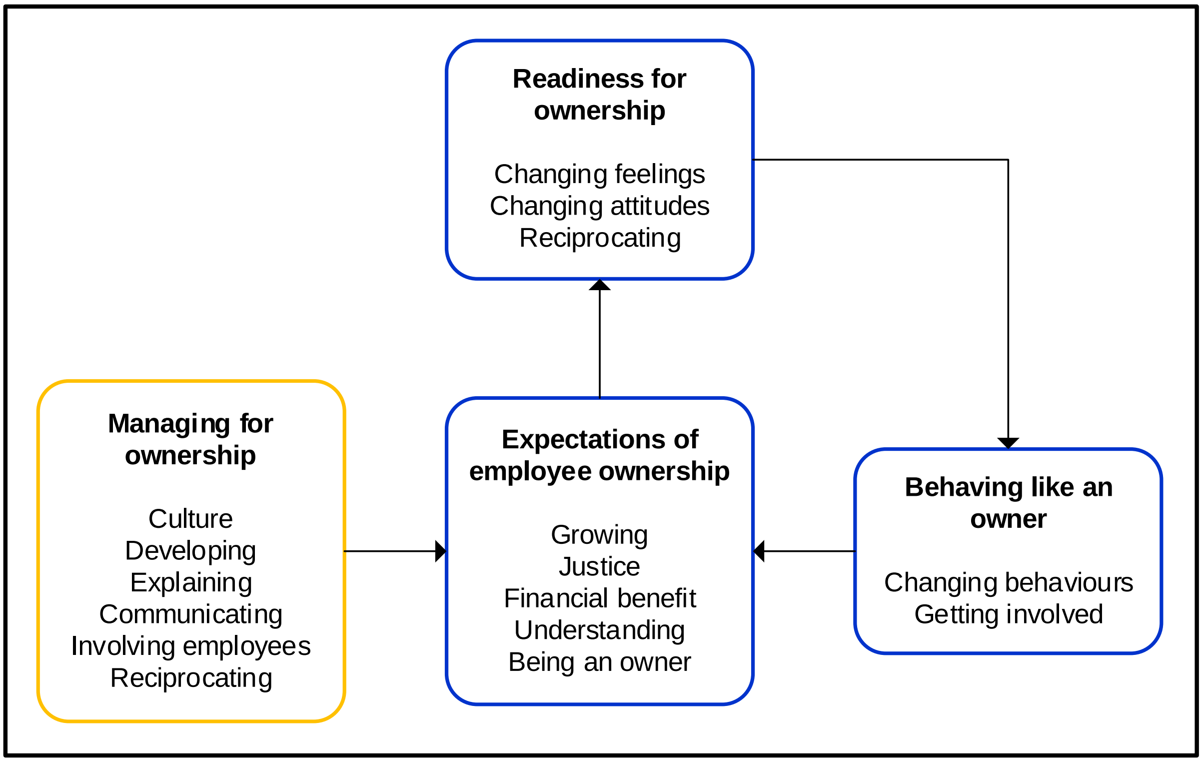


Figure 3.2 shows the themes, categories, sub-categories and code groups within the categories. References to categories are hereafter shown in **Bold** with the first letter capitalised, e.g **Expectations of employee ownership**. References to sub-categories within the categories are shown in **bold**, e.g. **understanding**, and references to the code groups within the sub-categories are ***bold italic***, e.g. ***feelings of actualisation***.

4.1 Expectations of employee ownership

The category **Expectations of employee ownership** represents the expectations of the individual in their dual role as employee and employee-owner. Individuals, as *employees* of the organisation, expect to have the opportunity to develop new skills or **growing** in the workplace and organisational **justice**. As *employee-owners*, individuals expect to derive **financial benefit** from receiving a share allocation. As they become more familiar with their status as employee-owners, they also expect to have an **understanding** of the share scheme, ownership and the organisation and that their perceptions of what it means to participate in the ownership of the organisation, or **being an owner**, are realised.

4.1.1 Growing

The sub-category **growing** represents personal development and what employees expect in terms of developing their careers. It is derived from the comments made by participants that appear to be related to their expectations of the workplace, or being employed, rather than their expectations regarding their role as employee-owners.

Participants in both companies highlighted how, through the practices of the organisation (**developing**) and being employed, they had acquired and were continuing to acquire new skills. For example, a participant who did not see the company as fulfilling their career aspirations acknowledged, "*it has equipped me with skills that I will use for the rest of my life and career*" (INT13).

Leveraging growth opportunities appears, however, to be closely related to the individual's orientation towards their job and role (**changing attitudes**) and whether they are willing to take responsibility for personal development. In contrast to one participant's observation, "*I don't think it's limited, but you need to kind of make it happen for yourself. This is the type of environment where you need to spot the opportunity for yourself*" (INT12), another described some of their colleagues as, "*not willing to learn. They just here to work, get paid, done*" (INT1).

Despite acknowledging the existing practices of the organisation, taking responsibility for personal development and ***collaborating*** (Section 4.3.2, Getting involved) to achieve goals, "*we teach one another, basically. This is how we do it, and actually get it right*" (INT2), participants indicated that growing in terms of their job skills is an expectation of the workplace if they are to fulfil their career aspirations:

> "*some of the staff raised that they need to learn everything. It is not supposed to be part of management only*" (INT5)
>
> "*I am not too happy that I am unable to advance in pursuing or getting a job that suits my qualification within the company, so I always have to look elsewhere*" (INT13).

The opportunity to acquire new skills and develop their career may thus influence the individual's commitment to remaining with the organisation (***committing***) and integrating ownership into their work experience, as shown in Section 4.2.2, Changing attitudes. The prioritisation of the individual's expectation of growing in their role as an employee of the organisation may, furthermore, be influenced by receiving an allocation of shares and the expectations of **financial benefit**, **understanding** and **being an owner** that arise from having an ownership stake in the organisation.

4.1.2 Justice

Justice represents employee expectations of the fairness of rules (procedural justice) and the fairness of resource allocations (distributive justice). While organisational justice may be seen as an expectation of employees regardless of employee ownership, in this study **justice** includes the employee's expectation of justice in respect of the procedures and distribution of the share allocation for employees prior to assuming their role as employee-owners.

Organisational justice was not widely raised during the interviews, which can possibly be explained by the overwhelmingly positive comments about the organisational culture by the participants in both companies (Section 4.4.1, Culture). A participant explained that when joining the organisation, employees "*know what they there for, they know what they signed for*" (INT4).

Some participants, however, mentioned expecting equal treatment and opportunities in the work environment. A participant argued that employees and employee-owners should be treated equally, adding, "*The person who hasn't been allocated shouldn't feel more less*" (INT3), while another described the company practices on flexible working hours as unfair and stated, "*I feel like everyone should have the same opportunities as a director or a manager because at the end of the day, if you do your work, you'll see it*" (INT11).

Participants in both companies furthermore appeared to be unclear about the criteria for receiving a share allocation and suggested that the process for identifying qualifying employees and awarding an allocation is inconsistent: "*I waited I think about three years*" (INT15), "*I got it very quickly … there was a part of me back then that thought I was being used for my colour*" (INT9), and "*you need to be in the company for about 6 months or more. If it's less, then at the discretion of [the executive]*" (INT16).

The lack of understanding about how shares are allocated is reflected not only in the uncertainty over the timing but also in the lack of clarity over the size of the allocation. Participants were aware that the allocations differ in size, and rather than questioning the rules, appeared to accept these differences in a way similar to accepting the confidentiality associated with variations in salaries:

> "*Whatever you get is confidential, you don't tell anyone. I got this, how much, no. Cause we believe you may cause conflict. Why are you getting more, why am I getting less. That will be questions. So whatever you get, you get*" (INT2)
>
> "*the shares, it is such a* ***private*** *thing in this company. It's* ***your*** *knowledge, it's* ***your*** *thing* (holding closely onto an envelope to show how they keep the notification of dividend payments to themselves – similar action to participants in other interviews). *It's not a thing that's out there, it's personal, it's private, you know. Ja. We don't have meetings about it, it's not something that's spoken of*" (INT8).

Participants thus appeared to accept disparities, which suggests that employees do not expect justice, or may not be aware of injustice, in the timing or the size of the allocation of shares. When considering the expectation of **understanding** the share scheme, however, and that participants suggest the organisation can contribute towards meeting their expectation by **explaining** the share scheme and **communicating** eligibility for a share allocation, the expectation of justice in the allocation of shares seems to be implied. Furthermore, a participant stated, "*I say the rules should be stricter. As much as it's a benefit for the employees, it should be a benefit for the company as well…. so instead of saying if you stay here for a year, you can join the scheme, it should be if you perform to this level*" (INT12). This comment suggests that those who do the work should reap the benefits.

4.1.3 Financial benefit

On receiving an allocation of shares, deriving **financial benefit** appears to be the first and immediate expectation, as illustrated in the following comment. When asked what ownership means to them, a participant responded:

> "*At this stage, the money.... I am self-motivated, yes, I work hard, but another motivation is the money. Because we need money to do things. It is not that I am money obsessed. I need money to live out my dreams*" (INT11).

Emphasising the importance of this expectation, participants described the financial benefit as "*something for me*" (INT6) that is "*playing a huge role in our life. You can do something with that money*" (INT5). For some participants, the focus is on the immediacy of the short-term benefit of receiving dividends, as expressed by a participant who said, "*You don't really care how much is it as long as they give it to you*" (INT3). This reflects not only the urgency of meeting the financial needs of some of the participants but also that financial benefit is one among several considerations for ***committing*** to remaining with the organisation. A participant explained:

> "*I guess that's the reason why they were looking at the dividend pay-out because that's in the short-term. They're not thinking long term because they might be thinking I won't be around then, so I won't benefit from it*" (INT12).

Others, however, are focused on the benefit that lies in the vesting of the shares and evaluate the value of the shares against their commitment to the organisation. A participant expressed concern about relying on the value of the shares on vesting, saying, "*it's very amazing, the thought of having so much money after seven years, right, but then is that money guaranteed*" (INT18) and adding later, "*Cause you are planning for that money already. The money that doesn't exist yet*" (INT18).

While some participants, as shown in the comment above, understand the risks associated with holding shares, others are less informed and appear to assume that the expectation of financial benefit will always be realised. "*Since I started there's never been a time when they say we not gonna pay out cause the company's not making money*" (INT3), a participant stated. Furthermore, when asked how they would feel if the share scheme no longer existed, the following responses underscored the expectation of financial benefit and its influence on the changes in the individual's feelings and attitudes towards their role in the organisation:

> "*It will be bad. We'll feel bad cause now we are used to them. We are used to that we get shares and we are part of [the company]*" (INT2)
>
> "*It would definitely [change the way I feel about my job]. It would because it is always that thing, what is in it for me? That always comes cause you want to work, put in your effort towards something that is going to benefit you*" (INT10).

The emphasis on the short-term financial benefit among some participants and what appears to be a limited understanding of holding shares and the risks associated with being a shareholder highlight the need to understand more about the share scheme to integrate ownership into the work experience. Participants appeared to be aware of this need as reflected in the expectation of **understanding** more about their ownership stake in the organisation.

4.1.4 Understanding

Understanding, similar to **growing**, represents the expectation of personal development. However, rather than being related to acquiring job-related skills, **understanding** represents the expectation of understanding the share scheme and ownership.

For most participants, receiving an allocation of shares was their first exposure to holding shares: "*It was quite something new to us, something that we all had to ask questions about because you know you are not clued up or you are not educated on these things in life*" (INT16). A participant who was familiar with the concept of equity investment explained, "*everyone will have a different level of understanding, but I think they need to learn as much as possible about what it means for them, and ask as many questions as they can about it*" (INT12).

The levels of understanding may differ among employee-owners, and the importance of understanding the share scheme was raised by 17 of the 18 participants. Some participants remarked that initially they just appreciated receiving the share allocation and the financial benefits and were not concerned about understanding the share scheme or what holding shares means. "*I really didn't bother to ask … it is fine with me to take what they give me*" (INT14) one participant stated. Another participant explained, "*We are just happy for free shares. It is like we're in high school, getting free lunch. Something like that. So no one takes it seriously. It is only few people who take that seriously*" (INT1).

Among those who take it seriously, some wait for the company to explain the share scheme: "*I didn't really understand what they meant by you are a part owner, so for me it was like okay, I'll wait until they tell me more*" (INT11). Others, however, realise that they need to actively start finding out for themselves about the share scheme, "*I do want to know more about it so that I can at least know why are we receiving them*"

(INT2). They also want to know about the company: "*I know that I will be keen to check now and then how the company is doing, and the share, how is the economy as a whole, you know*" (INT6). Participants also described attempting to learn from colleagues and the information available on the organisation's information system, "*we normally educate ourselves. We never had that thing that they would tell you now this is the training for the shares*" (INT15).

INT15's comment reflects participants' acknowledgement that as employee-owners they need to take some responsibility for meeting their expectation of understanding more about the scheme and that in which they have a stake. At the same time, the comment suggests that participants also expect that the company will contribute to their understanding by **explaining** the share scheme and **communicating** information about the share scheme and the company's performance, as shown in Section 4.4, Managing for ownership. The following comment reflects the level of contribution that the organisation may need to make to meet employee-owners' expectation of understanding:

> "*if you gonna give somebody something um, tell them exactly what it's about you know and make sure they understand. Speak to them like they're in grade 1 because it's new to them*" (INT8).

Although employee-owners may have a limited understanding of being a shareholder, participants were confident in articulating what it means to be an owner, as shown in the final expectation, **being an owner**, which appears to be pivotal in integrating ownership into the individual's work experience.

4.1.5 Being an owner

Being an owner represents the expectation that participant perceptions of what it means to be an owner are realised: being an owner means that the employee-owner expects to "*be involved*" (INT16) in the organisation and "*have a say*" (INT17).

Being involved includes being aware of what is happening in the organisation: "*it is pointless to be an owner but you don't know what's happening. It doesn't make you a rightful owner*" (INT6). Being involved, furthermore, encourages employee-owners to "*take ownership*" of their place of work: "*if there is something that is going wrong with* *something that you own, you actually take responsibility because now it's yours*" (INT6).

Exclusion from knowing what is happening in the organisation may render being an owner pointless and, according to participants, so does exclusion from decision-making. "*It's **my** company, yes. So I would also like to have a **say** since I am a shareholder. Otherwise, what's the point*" (INT17), a participant stated. Participants emphasised participation in decision-making as the most important expectation arising from what it means to be an owner, as ownership means "*you can stand for yourself*" (INT3), "*make your own decisions*" (INT3), "*being in charge*" (INT2) and "*You can influence the course of the company*" (INT10).

Some participants did, however, acknowledge that there is a limit to the role of employee-owners in decision-making. "*Control is also very important, but then you need to think as well the **extent** of the control*" (INT13), a participant said. For some participants, the expectation of involvement in decision-making may thus be more focused on control over the employee's immediate work environment or "*the day-to-day running of the company or you know, not necessarily what is discussed in the board meetings*" (INT17). For others, however, the expectation of being an owner and their role in meeting their expectation may be more comprehensive and extend to changes in their feelings, attitudes and relationship with the organisation (**Readiness for ownership**) and the expectation of having some influence over the success of the organisation. This is reflected in the following comment:

> "*Being an owner, to me means that I have something, I value it, and then I always want to see it improve. I don't want it to deteriorate. I want it to grow and keep doing well because I acquired this, I have this, and then I always want better to add onto that*" (INT13).

4.1.6 Summary of expectations of employee ownership

Although the expectations of **growing** and **justice** may reflect the expectations of employees of an organisation, these expectations appear to play a role in the integration of ownership in the employee-owner's work experience. Participants raised growing by acquiring new skills as an expectation as an employee. Yet the expectation of personal development appears to be broader and includes growth both in terms of career development and knowledge related to their role as employee-owners of the organisation (**understanding**). "*I didn't know nothing about shares and it was not in my mind. So as soon as I got them then it was okay, now I am taking the next step of my life, I am growing now so I need to learn more things about life*" (INT1), a participant said. Receiving an allocation of shares, when seen as an opportunity for personal development, may influence the individual's commitment to remaining with the organisation when the expectation of **understanding** is met. Understanding the share scheme similarly contributes to the perception of **justice** in the allocation of shares.

The analysis of participant responses reflects that on receiving an allocation of shares, the first expectation of employee-ownership to emerge is the expectation of **financial benefit**. However, as employees gain experience in their role as employee-owners, they may expect to have a better **understanding** of the share scheme, ownership and the organisation. Employees may, furthermore, expect the involvement in decision-making associated with **being an owner** to integrate ownership into their work experience and to contribute meaningfully as an owner.

Section 4.2, Readiness for ownership, and Section 4.3, Behaving like an owner, explain how the employee-owner contributes to meeting the Expectations of employee ownership and integrating ownership. Section 4.4, Managing for ownership, explains the role of the organisation.

4.2 Readiness for ownership

Readiness for ownership represents the individual's receptiveness to adopting and embracing their role as an owner of the organisation. This category reflects a continuous process in which the individual's feelings and attitudes, as they relate to the workplace, change, depending on how they receive, experience and respond to the change in their status from being an employee to being an employee-owner.

An individual's readiness for ownership thus reflects that as an individual's expectations of employee-ownership are met to varying degrees over time, the individual may experience **changing feelings** about themselves and the organisation, and **changing attitudes** towards their tasks, their role and their commitment to the organisation. The individual may also experience changes in their relationship with the organisation (**reciprocating**) as ownership is integrated into the workplace and the individual's work experience over time.

4.2.1 Changing feelings

Participants in both companies were extremely positive about the **culture** of the organisation as reflected in the working environment, incentives and the leadership of the organisation. This led to some ambiguity in the initial coding of the interviews as participant comments appeared to intermingle positive feelings about the culture and positive feelings about employee ownership. Focused coding of participant feelings resulted in differentiating between the feelings associated with the culture of the organisation (***feelings as an employee***), the individual's feelings about being an employee-owner (***feelings of actualisation***) and feelings of ownership of the organisation (***sense of ownership***).

The code group ***feelings as an employee*** represents how it feels to be an employee of the company. Participants in both companies described feeling valued, "*I think the company appreciates us a lot*" (INT5), recognised "*I am here to work and it's nice knowing that I've got a job to do every day and that people look up to you here at work. And your work is being recognised whatever that you doing*" (INT2), and included. Emphasising the role of culture in making employees feel part of the company, a participant stated, "*I feel [included] all the time. But I can't say that I can attribute it to having a stake. No. It's how everyone treats each other or how the company treats you that will make you feel that way*" (INT12).

In addition to feeling valued, recognised and included, several participants described being happy in their work environment. A participant attributed the sense of wellbeing in the workplace as follows: "*I love the culture. Being a shareholder it's a big thing, and believe me when I say I appreciate and love the fact that I am a shareholder. I've got those little benefits in my life, but the culture of the company is the way forward*" (INT4).

Feelings of actualisation depicts the individual's feelings on receiving an allocation of shares and how it feels to be an employee-owner. Participants described feeling excited and happy and described surprise on receiving an allocation, "*wow*" (INT4), "*unheard of*" (INT10), "*I wasn't really expecting to join a company and suddenly own a bit of it*" (INT12), and on receiving the first dividend payment, "*out of the blue …* ***just*** *before the end of business day, I think about five pm, then I got a sms. Money in. (laughs) What? You know, because it was so unexpected. I wasn't even aware*" (INT13).

Several participants indicated that by allocating shares, the company was signalling that it recognised them, "*That you are to be a shareholder is a recognition on its own*" (INT10), and that the company valued them. "*They considered me as an asset to them. They gave me shares, they want to keep me here longer you understand, so that we continue towards that common goal of growth*" (INT13), a participant explained.

Participants' descriptions of how it feels to be an employee-owner appear to augment the positive ***feelings as an employee*** and receiving an allocation of shares. Expanding on their sense of wellbeing, participants described being an owner as uplifting, "*I am over the moon*" (INT5), "*It lifts up your spirit*" (INT10) and "*too good to be true*" (INT11). Furthermore, besides feeling valued, "*They appreciate us, they know that we are working hard*" (INT1), and recognised by the company, participants added feeling important. A participant elaborated on how ownership makes them feel:

> "*Very, very important. I thought wow, so I can have a say. Obviously, I don't sit at the board meetings* (giggle)*. But I felt very important, recognised, and ja. I can't think of better words to put. I felt very important and recognised in the company*" (INT17).

In addition to feeling validated, participants expanded on feeling included as employees. They explained that they felt "*like you're part of the company*" (INT3) as owners. As one participant described their experience, they even felt as if the company becomes part of the employee-owner: "*You live it, eat it, you breathe it. You become one with the company. That's how it feels*" (INT4).

Furthermore, participants extended the feeling of inclusion to a sense of belonging. They suggested a formal connection, "*Even though I was working here, it never felt official. And now that I have this I am part owner and I have these shares, suddenly my mind is like, you are official*" (INT11), and an emotional attachment to the company and colleagues: "*It is my home. It's like a home from home. It is my home too here*" (INT17) and "*I feel like I am **really** part of the company, it's like a family, it doesn't feel like, ah, it's just a job*" (INT11).

Some participants described feelings of actualisation, empowerment and self-determination when describing how it feels to be an employee-owner: "*like you're getting a promotion*" (INT1), "*I can do anything*" (INT5), "*very powerful*" (INT2) and “*own manager*” (INT1). A participant related why being an employee-owner gives them a sense of pride and achievement:

> “*To me, I think, being an owner for me it gives me pride, it makes me proud that I am an owner. It makes me that, you know, it gives me a sense of achievement in a way. A sense of achievement…. My father was an employee and my mother was an employee and my grandmother was an employee, so there is this perpetuation of this thing of just being employees for others. But now when you are an owner, you are part of the decision making. You can influence the course of the company. You know, that kind of a thing. It's really, it makes me proud*” (INT10).

In contrast to the mostly positive responses, some participants were more reserved in their assessment of the effect of employee ownership on their feelings. As a participant stated when asked whether they had similar feelings of importance and achievement:

> “*I don't feel the same way. Because I feel like I haven't, I haven't done anything. It is a benefit that was given to me. I haven't done anything to achieve it. So I don't feel that way. I don't feel important because of it*” (INT12).

The descriptions and illustrations of ***feelings as an employee*** and ***feelings of actualisation*** suggest that changes may occur to an employee's feelings about themselves and the organisation as their expectations of employee ownership are realised over time. As a participant stated, “*So it's a bond between you and [the company], actually. You connect with them*” (INT15). This connection is depicted in the individual's ***sense of ownership*** of the organisation.

Sense of ownership reflects a connection where the individual feels like an owner of the organisation. Participant responses suggest that the connection with the organisation may vary from a feeling of possession, or psychological ownership (PO), where the participant described the company as “MINE” (Van Dyne & Pierce, 2004, p. 443), to affective commitment, or the individual's “emotional attachment to, identification with, and involvement in the organization” (Meyer & Allen, 1991, p. 67).

For some participants, receiving a share allocation instils a feeling of possession: "*as soon as I became a shareholder, I was conscious of that. No man, this is my company*” (INT10) and “*Who is going to give you shares? No-one. Like that is why I am saying it* *is **my** company*" (INT5). For others, the sense of ownership and the feeling of 'mine' is related to affective commitment rather than possession:

> *"*Do you get that feeling, it is mine? *Ja. Because I think that is the way we are all made to feel, so regardless of the fact that you are given shares, but that is how you speak about the company because of the environment that it is and that is how you are made to feel within the company*" (INT12).

Not feeling like an owner does not necessarily suggest a lack of connection to the organisation. While the connection may be affective commitment rather than feeling like an owner, "*I didn't really have that feeling. I just, more or less, that like I **belong***" (INT11), developing a sense of ownership of the organisation appears to be contingent upon ***identifying*** as an owner, "*Like they are not mine. If I leave, the shares they here so do I really own them?*" (INT18) and involvement in decision-making (**being an owner**): "*there are times that I don't feel like a 100% owner because you know, owners don't ask permission*" (INT9) and "*I'm an owner here. Here.… But if I can have a control at [management level], I can say now I own [the company]. But now I own [the unit]*" (INT14), participants explained.

The suggestion of control highlights the influence of the size of the organisation and the size of the individual's stake in the organisation on the individual's connection to the organisation. A participant observed that the size of the organisation plays a role in meeting the expectation of **being an owner** and developing a sense of ownership, saying, "*you get to look at the owners in their eye and know that these are the people that when we are making a decision, these are the people that we actually need to hold accountable*" (INT9). The size of the ownership stake may, however, be less important than the ***feelings of actualisation***, "*if you are the owner, it doesn't matter how much of the company, you are the owner, that's how important you are*" (INT10) and ***sense of ownership***, "*them giving me the shares, it was the same mentality that I had. You know what, no matter how small it is, who would give you?*" (INT4), on receiving an allocation of shares.

The connection with the organisation is, furthermore, reflected in participants' responses when asked how they would feel if they were no longer owners either because the ESO scheme had matured and they had sold their share allocation, or if the scheme no longer existed. While some participants indicated that they would "*feel* *bad*" (INT7, INT2) as they had become accustomed to receiving dividends, others suggested that their ***feelings of actualisation*** and ***sense of ownership*** would not change:

> "*With me the shares, even if they take the shares away, even if they, maybe there will be a year or a certain year that we don't get any [dividends], I wouldn't feel bad*" (INT4)
>
> "*The reason why I don't think it would change is because even though those shares are mine, they are not really **mine**, because when I leave, if I should leave now, it's not mine.... So the fact that they are not really mine now hasn't stopped me from having the ownership thought in my mind. And it hasn't stopped me from doing what I needed to do*" (INT9).

Changing feelings thus shows that the change in status from employee to employee-owner may introduce ***feelings of actualisation*** and a ***sense of ownership*** and that these feelings may be sustained and developed as the employee-owner's expectations are realised. **Changing attitudes** reflects how the change in status may introduce changes in the individual's attitudes towards their work and the organisation.

4.2.2 Changing attitudes

As an employee changes from being "*just an employee*" (INT10) to being an employee-owner, they may experience a change in their attitudes towards their job, their role in the organisation, the organisation and their commitment to remaining with the organisation. Repeated reminders from participants that individuals differ in their willingness to become active participants in the workplace highlights two contrasting attributes, 'Work is a place I go' (***WIPIG***) and 'Work is something I do' (***WISID***). These attributes may be inherent in individuals and represent the individual's attitude towards executing their tasks and how they perceive their role in the organisation.

'Work is a place I go' (***WIPIG***) denotes lack of motivation in the workplace. This is what participants described as just being present at work, doing what is required to keep your job and not getting involved regardless of what is happening around you as the employee sees no benefit in doing more than what their job description prescribes. The following quotes illustrate ***WIPIG***:

> "*you find those that doesn't care, they just come to work, hang around and wait for the knock off time*" (INT6)
>
> "*there are a lot of people who get by, who'll just do the job and then be gone. If it is not within their scope of what they need to do, then it's not their problem*" (INT12).

In contrast to ***WIPIG***, 'Work is something I do' (***WISID***) depicts integrating your values, beliefs and actions with your work through, for example, work ethic, being proactive rather than requiring close management, and caring about your job and how you execute it. The following quotes illustrate ***WISID***:

> "*I am dedicated to my work and I love what I am doing. No one forces me to do anything and I know when I come here, I know what I'm here for*" (INT2)
>
> "*I am very consistent. So I am always hard working, I am always pushing and I am more self-motivated than motivated by things around me*" (INT11).

Furthermore, the findings suggest that the attributes ***WIPIG*** and ***WISID*** are not static and that an individual may change between a ***WIPIG*** and a ***WISID*** orientation as a result of the influence of their **changing feelings** and the realisation of their **Expectations of employee ownership**. Similar to feeling different about themselves and the organisation when crossing the threshold between being an employee and being an employee-owner, some participants described a change in their attitudes towards their jobs and their role in the company. One participant stated: "*because all along you felt like you were just an employee but now here you are, you are part of this, you are gonna be an owner*" (INT10). The same participant added:

> "*Before I was an owner, cause I knew that my only thing was the salary that I get at the end of the month, and that's it. So it was very different. You are working for someone. The attitude that I had was I am working, I am making someone rich, basically*" (INT10).

On receiving the share allocation, participants described changes in their enthusiasm for work, "*Like when I come to work in the morning, when I wake up, I've got this spirit that I am going to work. I get excited. Even when I'm off…. But that's how work driven I am*" (INT2). They also described thinking differently about their role in the company:

> "*if you participate more in the company just to see, if the company grows, you know you gonna grow too. So that's how I felt. Like you become passionate about your job*" (INT3)

> "*But now, now that I am a shareholder I think my way of thinking has changed a bit. You understand? Cause whatever I am doing I am doing this, yes, as the [designation] as expected, but again as an owner of a certain percentage of the company*" (INT6).

In addition to acknowledging their role as active contributors to the organisation's success, participants described changes in their attitudes towards the organisation. For some, the change in attitude is an enhancement of an already positive attitude as an employee: "*I was much more positive. I was happy and positive before, but then it just helped change. It just changed, what, my attitude for the better*" (INT17); "*we get shares, okay sharp, we get incentives. I was like, mm, I am in the right place, I think I will grow into this*" (INT2). Other participants, however, described a distinct change in their attitude and becoming more concerned with the organisation's performance:

> "*It does change. Cause like when you don't have shares, like most of the things like you just take it for granted. Like you don't take things serious, but when you have shares you start to open your eyes like seeing things from different ways*" (INT7)

> "*Your interest is whereby you need to see this company succeed because I'm the owner now, so you know whatever I do affects whatever revenue that at the end of the day we have*" (INT10).

In contrast, some participants described reflecting on the share scheme and questioning the organisation's motive and their role as co-owners of the organisation after their initial excitement on receiving an allocation of shares. A participant elaborated on why they were "*not as excited*", explaining:

> "*when you start settling in the company and you start understanding more of your position in the company and why they do certain things, then it kind of raises like, I wouldn't say it went flat, but a question mark, I'd say … that was now starting to be my understanding of it, that I am not actually a shareholder, um I don't make any decisions as a shareholder, it doesn't make me an owner much, well depends how you define being an owner,*

and what it means to be a shareholder you know. I think for me it is purely for the colour of my skin” (INT8).

For another participant, after initially questioning the motive, “*In the beginning I thought it was a BEE motive*” (INT9), their attitude towards the organisation and their sense of ownership developed over time: “*But as I have grown into my role and into the company, I realised it is definitely more than just a colour motive. It was really a now you are part of the ownership*” (INT9).

The individual’s commitment to remaining with the organisation similarly depends on more than simply receiving an allocation of shares. ***Committing*** emerged as an interesting and important concept early in the concurrent data-collection and -analysis process as participants described weighing up the benefits of their ownership stake against a number of factors in their work environment before committing to short-, medium- or long-term employment at the organisation.

Although participants described that by allocating shares, the organisation indicates that it recognises and values employees (***feelings of actualisation***) and “*they see that there’s potential for you to be here long-term*” (INT11), only four participants indicated that they intended to stay with the organisation in the long term. Table 4.1 shows a breakdown of participants’ commitment to remaining with their current employer.

Table 4.1 Analysis of participants’ commitment to remaining with current employer

Age	+ve Commitment	Maybe	-ve Commitment	Total
50 – 59	1			1
40 – 49	1		2	3
30 – 39		2	2	4
20 – 29	2	2	6	10
Total	4	4	10	18

Age may contribute to ***committing***, with older workers more inclined to stay with the organisation. "*I actually have no reason to be looking out somewhere else for another job*" (INT17), one of the participants said, adding "*It's been worth being here this long*" (INT17). In contrast, participants' descriptions of new entrants and early career workers suggest that younger employees are more inclined to seek new career opportunities and may see their current employment as transitory. As a participant in their mid-20s stated:

> "*Maybe it is because of age and because I am still young. There are so many things that I want to do now, that I am not willing to wait for, so should I get an opportunity elsewhere and I am leaving the company, it is a consideration that I do own shares and they could be worth this much, but, if it's good enough, I would still be willing to forgo*" (INT12).

Despite the expectation of **financial benefit** from employee ownership, according to some participants money is not a primary driver for staying with the company. Participants appear to evaluate the opportunity costs of the organisational culture, career-development opportunities, salary, and the benefits of a share allocation when considering remaining with the company.

The **culture** of the organisation, "*because of that culture and how we do things here, if you don't fit in with any of that, then you don't stay long*" (INT12), and opportunities for growth within the company appear to be important in retaining employees. Working in an environment where employees are comfortable and feel they belong may result in some hesitation to pursue new career opportunities outside the organisation. "*I really don't think I would be as happy in a working environment as I am here, but at the same time, there's also that personal development that I need to think about as well*" (INT12), a participant explained. However, leaving the company for better growth opportunities appears to outweigh the benefits of employee ownership:

> "*It's not about the money. It's about being independent and learning new things. It's about learning…. Because if anything comes, if I get better offer, I'm gonna leave*" (INT14)
>
> "*at the end of the day, people want to grow. They don't want to wait for seven years until they get their shareholding and then you know look for work elsewhere, and grow from there*" (INT16).

Yet, for other participants, money is a driver of ***committing***. For the less skilled and thus less mobile workers where opportunities for employment are limited, job security and the benefits of employee ownership are important for survival. A participant explained that losing the benefit of dividends to supplement their salary may drive them to seek other employment opportunities:

> "*when you start working at [C1] you are not saying you are staying, you say it's like you're passing, but you end up being here cause like how many people you've got like they are not working.… I'll feel bad because I am used to, like I am used to getting dividends every year, twice a year. So if now I'm not getting it, yo.* Do you think that might make you say I need to go and find a job somewhere else? *Yes. Cause now I will only be depending on my salary*" (INT7).

Another participant, however, did not tolerate the idea of the benefits of ownership being a substitute for an adequate basic salary. They explained that while the **culture** and the future vesting of the shares are strong motivations for staying, they would consider forfeiting the value of the shares on vesting for a better salary, saying:

> "*we are all young, we are mostly female. Um, is the rest of our lives here, no, not the way we are being paid. Cause we can't raise a child with that…. Literally right now the only reason I would leave is purely money*" (INT18).

Similarly, some participants, including older participants, in both C1, where shares vest on retirement, and C2, where shares vest after seven years from allocation, indicated that they were willing to forfeit their shares to progress their careers:

> *"it is not something that I have paid for. It is something that has been allocated to me so at the end of the day I have nothing to lose but more to gain…. I might decide to do something else so obviously I'll forfeit*" (INT6)
>
> "*I always just think that if [opportunity to fulfil career aspirations] should ever come before the vesting of the shares, then that is where I wanna be, you know…. I would actually forfeit to go out there*" (INT9).

There are, however, others who are reluctant to make the sacrifice. As a more mature participant who, in addition to their share allocation, actively purchases shares explained:

"*That will be lovely if maybe I can leave this [company] and go to another [company] and you take your shares and continue investing. That will be nice, and then maybe I would have left a long time ago … the shares they really, really making my life different, improving*" (INT15).

While having a stake in the organisation may not retain employees, none of the participants who joined the organisation after the introduction of the share scheme were aware of the scheme when applying for a position, which suggests that an ESO scheme in itself does not attract employees. In contradiction, however, several participants indicated that, having experienced employee ownership, a share scheme would now be among their expectations of an organisation when considering future employment. A participant explained, "*the most important thing that I learned is that there is something like this out there*" (INT11).

Furthermore, rather than ownership encouraging commitment to remain with the company, it appears from participants' responses that the longer employees stay with the organisation, the more they may integrate ownership into their work experience. Whether it is because it was always their intention to stay or whether they have found a temporary home where some, if not all, of their short-, medium- or long-term financial, work environment, or personal growth needs are met, remaining with the company appears to inculcate a sense of ownership of the organisation:

"*So I do feel that the ownership has sunk in and does on a daily basis. And I've seen it by the way from everybody, in the beginning it was just a paper and you could see that it was a paper, and **now** with the way people are, you know, it really is an ownership thing*" (INT9)

"*at first I was like, mm-mm, this is not the place that I wanna see myself in the long term. I am here just to fix there and there and there then I quit. But going on with [C1], like being with them, then suddenly I've just changed my mind. I think I'll grow big in here. I'll grow here…. Everything I thought about [C1] has changed*" (INT2).

Changing attitudes shows that, for some participants, receiving an allocation of shares may change their attitudes towards their jobs and role, and their attitude and commitment to the organisation. It appears, furthermore, that as for **changing feelings**, the changes in attitudes may be sustained and developed as the employee-owner's expectations are realised. **Reciprocating** reflects how the change in the relationship between the employee-owner and the organisation influences the individual's readiness for adopting their role as an employee-owner of the organisation and integrating ownership into their work experience.

4.2.3 Reciprocating

Reciprocating represents changes in the relationship between employee-owners and the organisation as a consequence of the allocation of shares to employees. As individuals respond through changes in their feelings, attitudes (**Readiness for ownership**) and behaviours (**Behaving like an owner**), their expectations may evolve. The organisation, as represented by management and the executive, hereafter referred to as 'management', may also have expectations of employees in their role as employee-owners. **Reciprocating** thus reflects how employee-owners and management signal a relationship of mutual recognition of employees as co-owners with a shared interest in the organisation (***recognising***) and trust (***trusting***) to meet their evolving expectations.

Reciprocating thus straddles the categories **Readiness for ownership** and **Managing for ownership** and the findings are combined for coherence in the explanation in Section 4.4.6, Reciprocating.

4.2.4 Summary of readiness for ownership

The analysis of the employee-owner's feelings, attitudes and relationship with the organisation shows that individuals vary in their response to employee ownership. It appears that the initial response on receiving an allocation of shares is extremely positive and may encourage the individual to adopt attitudes and behaviours that suggest that they are aware of how they may benefit. As the individual becomes accustomed to their status as an employee-owner, however, they may start questioning what it means to be an owner of the organisation. This, in turn, gives rise to changes in their expectations that, whether met or unmet, may influence their feelings, attitudes and relationship with the organisation and thus the integration of ownership.

Readiness for ownership therefore reflects the individual's progress in adopting their role as an owner of the organisation. The changes in the individual's **Readiness for**

ownership may lead to changes in how they execute their tasks, where they focus their attention and how they involve themselves in the organisation to realise their expectations. A participant captured **Readiness for ownership** and the changes in behaviours in the following statement:

> "*now you come to work with that mentality I am going to **my** [unit], to **my** company…. The minute I walk in I am okay, I **own** this [unit] so obviously you need to behave like an owner not like just an employee who is expecting to get a salary at the end of the month*" (INT6).

Following on this comment, the findings on how individuals contribute to meeting their expectations and "*behave like an owner*" (INT6) are presented in the following section.

4.3 Behaving like an owner

Behaving like an owner represents the actions that individuals take in response both to how they see their role as employee-owners and to how they realise their expectations of employee ownership. Analysis of employee-owners' actions shows two overarching responses. The first, **changing behaviours**, is focused on how, and with what intention, they execute their individual tasks. The second, **getting involved**, represents what individuals may do as part of a collective to fulfil their role as employee-owners.

4.3.1 Changing behaviours

Readiness for ownership and **changing behaviours** are connected by the changes in the individual's attitude towards their job, role and commitment to the organisation. While **changing attitudes** represents changes in the employee's approach that may drive a change in behaviours, **changing behaviours** represents changes in how employees *do* their jobs with the intention of achieving desired outcomes. It also concerns where their focus lies, that is, for personal benefit only or whether their focus includes concern for the short-, medium- or long-term success of the organisation.

The individual attributes described in Section 4.2.2, Changing attitudes, namely 'work is a place I go' (***WIPIG***) and 'work is something I do' (***WISID***), represent the individual's attitudes towards their work and how they execute their tasks regardless of employee ownership. The sub-category **changing behaviours** reflects 'work is something I do *because* I am an owner'. The following statement, in which a participant describes the behaviours of co-workers, illustrates the change represented by **changing behaviours**:

> “*when they become an owner, they no longer looking at the time, to say you know what, I need to come at eight and by five I must be gone. But you find people coming even on weekends. Not because the manager said. Because self-commitment that the person has put into the company, that I am part of this thing*” (INT10).

Among the participants who acknowledged a change in their attitude to their role in the organisation, some reported working harder, “*you go extra mile for the company*” (INT3), “*put more effort*” (INT6) and "*you know this is yours…. You want it to be successful. So that sense of ownership, you always want to do more*” (INT13). Other participants described doing “*extra things for [the company] … You are driving yourself*” (INT5) such as tasks not included in their job descriptions. A participant explained, “*whether it is somebody else’s job, or something menial…. it goes beyond just being a responsibility. It is an ownership thing…. You know there isn’t a this is not my job, I am not going to do it thing*” (INT9). A participant also described how their colleagues started introducing changes in the way that they work as a result of the change in their approach to their role: “*they were going to do things by the book.… But they are actually adding their own creativity*” (INT6).

Some of the participants who reported no change in their attitude to their jobs stated that receiving a share allocation had no effect on their behaviour in respect of how they do their work. “*I have been doing my job perfectly before I had the shares, before I knew about the shares*” (INT1), “*I always do my best*” (INT14), “*I know that I am already putting in my 110% kind of thing*” (INT11), “*it hasn’t really influenced me how I do my job*” (INT16), the participants said.

Although participants described their own work orientation at the time of the interview as being aligned with ***WISID***, they noted that some of their co-workers maintain a ***WIPIG*** orientation despite receiving a share allocation. Elaborating on employees not understanding the share scheme and being “*just happy for free shares*”, INT1 explained that the share allocation has not changed the work orientation of all of their co-workers, adding, “*So they are like normal employees.*” Participants, however, also acknowledged that for some of their co-workers and new entrants to the organisation,

understanding the benefits of being an employee-owner is "*kind of encouragement for them to work a little bit harder*" (INT12) and that being an employee-owner would make them "*more alert with whatever is happening around them*" (INT6). Adding to this, INT6 explained that a sense of ownership and a ***WISID*** orientation is manifested in their colleagues' work performance, saying, "*I am sure some of them do feel like that. I own the [unit], I own the company. Cause if it wasn't like that they wouldn't be the way they are.*"

Changing from a ***WIPIG*** to a ***WISID*** orientation and **behaving like an owner**, however, depends on the individual, "*Everyone is different. So I think it will affect people differently*" (INT11). The level and priority of the individual's contribution towards meeting their **Expectations of employee ownership** may also be the impetus for the transition. "*It motivates you, but in terms of working, it's up to each individual, you want to do this or you don't want to. It's your, it's your future that you are building, not for just [the company]*" (INT15), a participant said.

Changing behaviours is therefore not only about how an individual executes their assigned tasks. This concept also includes where employee-owners focus their attention to achieve the outcomes they desire and is related to the employee's intention of remaining with the organisation (***committing***). Individuals may focus their attention on the short-term benefits (***participating for profitability***), "*I always want to protect the assets, being protect the stock, make sure that we make the maximum profit, and then we decrease expenses*" (INT13). They may also focus on the medium- to long-term benefits (***participating for sustainability***), "*my behaviour should be always to make sure that there is growth in the company, there is progress, we always better and better*" (INT13).

Although **financial benefit** is only one consideration in the individual's **Expectations of employee ownership**, participants emphasised the significance of financial benefit and 'something for me' to their financial wellbeing. The initial reaction on receiving a share allocation is, therefore, to focus on the dividends: "*they were excited to know that every year they were going to get that little extra that they never had*" (INT16) and "*I was very happy when I was told that you would get dividends. Cause it gets you, it gives you an understanding that when the company does well, it means that you also do well*" (INT13), participants explained.

Participants, furthermore, commented that as the share scheme had not been adequately explained to them, recipients focus on the short-term benefits. "*People ended up getting interested in the dividends but not in the shares*" (INT6), a participant stated, while another participant observed that "*the only thing that makes us happy is the pay-out*" (INT3).

Although expecting the organisation to explain ownership and the share scheme (**explaining**), similar to acknowledging that they have a role in meeting their expectation of **understanding** the share scheme, participants acknowledged a role in meeting the expectation of **financial benefit**. ***Participating for profitability*** thus represents the employee's focus on the immediate contribution that they can make by proactively identifying problems and attempting to address them, "*There's no profit, actually what can I do? It's like that, I can change that, do like that, you know*" (INT15).

A participant related how, "*unlike somebody who is working for a company who says, you know what, I don't care how much it is gonna cost them*", their procurement practices changed to careful evaluation of the running costs and prices of consumable items. The participant explained:

> "*This is mine, so I need to choose the best, effective, cost effective I mean whatever action that I do so that it serves the interests of the company…. And someone else who has become an owner is probably doing the same thing that I am doing. So at the end of the day you find that the turnover of the company or the revenue that you make, you are contributing so much*" (INT10).

In addition to reducing costs, participants emphasised their focus on increasing turnover and monitoring performance. "*If the sales are down that means there's something we not doing good. So when the company makes profit, then we get a payout…. Our participation contributes to the company's profit*" (INT3), a participant said. Another described that they had learned the importance of "*keeping a pulse on are we on budget for the month … instead of waiting for the year end, realising things are actually falling apart*" (INT18).

Participating for profitability therefore reflects the actions taken as a result of a change in attitude, "*I'll say with those that own something, the way they talk, it's more, their mind is more about profits while others they just don't care about stuff like, I mean,* *profits, how is the company doing, how have we done as a [unit]*" (INT6). It also reflects an increased awareness of the implications of the organisation's annual performance for the short-term benefits of employee ownership: "*The more money you bring in, the more you will be given. That's how it works. It's a cycle. So if you don't make money, don't expect to get more*" (INT4).

While some participants acknowledge a change in their work behaviour to meet their expectation of benefitting financially, "*it makes you feel that I want to work harder cause it shows that there benefits*" (INT3), it appears to be "*worth it*" (INT5) when their efforts lead to success. "*It's very hard. It's not easy, but when you get that money you forget all those things that, you know what, it was hard*" (INT15), a participant explained. Along with the **financial benefit**, a participant alluded to ***feelings of actualisation*** in ***participating for profitability***: "*A whole year's of work has made a company declare profits. So it is a good feeling to feel that anything you have done in the year counts for something*" (INT18), the participant said.

Participating for sustainability reflects that in addition to adopting behaviours that contribute to the profitability of the organisation, an individual's actions may be motivated by a long-term view, "*sharing in the wealth*" (INT10), of the organisation's ongoing success. As one participant explained, "*You must look forward. You must be positive all the time. Cause the company can be worth more. Even if it's not now*" (INT5).

Repeating the importance of management's role in **explaining** so that employees have a better **understanding** of the share scheme and the implications of holding shares, participants emphasised that this understanding is necessary for taking the focus beyond the short-term view. "*I don't know the benefits of selling, or the benefits of holding onto, I am not sure*" (INT11), a participant said, while another explained:

> "*they don't share that information with their people. Because obviously if someone can tell me that, okay, these are your shares, obviously I will want to keep them forever. But now people will just want to get their hands on them and because they don't have information*" (INT6).

Among those participants who *have* developed a level of understanding from explanations, questioning or experience, having a long-term view of deriving benefits in the future means, "*I have to take care of what I have*" (INT6) and "*I look after the* *company*” (INT17). Taking care of the company and focusing beyond the immediate benefits involves acknowledging that your role is “*part of something bigger*” (INT13) and that your actions contribute to the ongoing success of the company into the future:

> “*I feel like we have links to a broader chain as the organisation. So when I do well, and the next [unit] does well, the next [unit] does well, we all grow and it benefits everybody*” (INT13)
>
> “*Take care of it like your own ship. If it sinks, it is not cause that [unit] or maybe this one didn’t make it. No, the whole ship sinks*” (INT4).

Participating for sustainability does not, however, necessarily translate to ***committing*** to remaining in the employ of the company. Some participants indicated that they are willing to forfeit their share allocation to pursue other opportunities. However, while evaluating the opportunity costs, they may see their contribution to the ongoing success of the company as maximising their **financial benefit** on the vesting of the shares. For some participants, receiving the value of the shares on vesting is “*a step change…. So, getting that money would make that world of a difference*” (INT18) and an opportunity to “*sell it and then move on*” (INT16). For other participants, realising the value on vesting may be the impetus for retaining their shares and possibly remaining with the company beyond the vesting date:

> “*That depends where I am at that point in time. If I am still at [the company] at that point in time, I think I would hold onto them. It’s a growing company, so I think they would be worth more if I just held onto them*” (INT12)
>
> “*it’s more about ownership. Should [vesting date] come and I am still here, I don’t think I would easily just vest them. I think I’ll maybe keep them*” (INT9).

Participating for sustainability suggests that through their actions in their dual role as employees and co-owners of the organisation, employee-owners have some influence over the success of the organisation. Although not all participants believe that they have any influence, “*I don’t think we can control the success of it … it is left in the directors’ hands*” (INT16), some suggest that as insiders they have a contribution to make in influencing the success of the company. A participant explained: “*here I have made this contribution…. If I can study and improve my education, I think I will be making even more productive decisions for the company than probably I am now*”

(INT10). A participant illustrated how they see their role in the long-term success of the company by describing their preference for investing in the company as an employee-owner rather than investing in a company where they are not an employee:

> "*I am moving forward with the company and I am buying shares and I know, okay, I know where I am headed. You do not buy a train ticket if you are not gonna be inside the train to see where it is headed. So I am the guy with the train ticket inside the train thinking, ah, this is where I am going…. I know where I am headed with this train*" (INT4).

Although employee-owners may feel that despite changing their individual behaviours they may not have much influence over the success of the organisation, the following section shows their attempts to influence the success as a collective.

4.3.2 Getting involved

Employee involvement in the workplace entails two facets: the employer involves employees through ***consulting*** employees on their suggestions and concerns and ***delegating*** and ***co-determining*** decisions (Section 4.4.5, Involving employees), and employees involve themselves in the workplace. **Getting involved** reflects the interdependence between employees as they collaborate to accomplish their tasks (***collaborating***), make decisions related to their immediate environment (***deciding***) and represent their voice at the higher levels of the organisation (***representing***).

Participant comments suggest an association between employee involvement in the organisation, the individual's **Expectations of employee ownership**, and **Readiness for ownership**. In describing what it means to be an owner (**being an owner**), participants identified the expectation of being involved in the organisation. This includes being "*aware of any changes that happen in the organisation*" (INT18) and, as a participant articulated, "*I wanna be involved in the process. I wanna be given feedback on certain things. I wanna be involved in decision making*" (INT16).

Involving employees not only makes employees feel included (***feelings of actualisation***) but also inculcates feeling like an owner (***sense of ownership***) of the organisation. As the same participant reiterated, "*get [employees] involved and that is how you feel that you are a part of, or that you are an owner of the company*" (INT16). Feeling like an owner, in turn, makes employees want to involve themselves in the organisation and work beyond their job description (***WISID***). "*I wanna show them what I can do. I can bring, I can come up with this, I can bring new ideas to the company*" (INT2), a participant explained.

Participants described ***collaborating*** with co-workers as both part of the **culture** of the organisation and for the profitability of the company. In the case of C1, collaborating for profitability is pronounced. Employees involve themselves, "*some of it they tell us to do obviously, but most of it we do it on our own*" (INT2), and describe an interdependence where co-workers work together, "*we work as a group. You don't do things individually*" (INT3), to reach targets and receive the short-term financial benefits of incentives and dividends. A participant said, "*as [the unit], we need to make sure that we minimise stock loss, we maximise profits, we make sure that we try and reach targets*" (INT13).

Participants in both organisations, however, described ***collaborating*** by sharing knowledge and information, and valuing, encouraging and monitoring one another. Relating how they encourage their co-workers by sharing knowledge on how to execute their tasks and the implications for the organisation, participants with work experience in the company elaborated:

> "*we always have a meeting in the morning, first thing in the morning, just to inspire ourselves, you know, talk through our problems, and everything. Then if you struggling, you tell us, hey guys, I can't cope here. So please assist me, show me this. Then we work together. So we uplift one another. Say, no, okay, if you can't do this, then I'll do it, you'll come, I'll teach you how to do it, I'll show you how … we are happy to share that knowledge cause obviously it shows improvement. You growing into the business*" (INT2)
>
> "*I explain to them … so that they can understand what we are doing…. Cause if you don't share information, that is why you just receive a share and they don't understand where it is coming from. They have to learn a lot about the company so that they can grow in this company*" (INT5).

In addition to learning task-related skills from one another, finding out for themselves, as mentioned in Section 4.1.4, Understanding, is reflected in how employees share information about the share scheme. It thus appears to reflect a focus on the short-term benefits: "*We don't really have the time to talk about those things. We only have time to talk about the dividends only, not the other parts*" (INT6). Finding out about the share scheme is often about overhearing conversations and asking colleagues to explain,

> "*I heard people in the office talking about it or I actually asked and people kind of spoke to me a little bit about it … the most important part was that you might get a dividend each year depending on how the company performs*" (INT12).

However, a participant recognised the shortcomings in the information they were receiving from colleagues about the share-purchasing scheme:

> "*amongst us we just sharing knowledge that we know nothing about … somebody told me that if the share price is high then you can buy. It's not something that we **know** or have knowledge of*" (INT3).

Despite the limited, and possibly inaccurate, knowledge and lacklustre information sharing about the allocated shares, at C1 sharing information about the share-purchasing scheme is vibrant. A participant explained that "*they don't talk about the shares.... Soon we'll get shares, what shares, free shares. Okay, did you buy shares. Yes. How many percent. Ah, we'll talk about that*" (INT1).

Working together and sharing knowledge and information reflect a work environment and relationships between colleagues where, as INT18 explained, "*it is comforting to know that you are coming to a very nice place where you actually want to see the people*" (INT18). Several participants reinforced this sentiment, emphasising appreciation for their co-workers: "*we need each other in this company*" (INT11), "*You must appreciate the people you are working with ... and the impact they bring to your life*" (INT14).

Appreciation for your colleagues does not, however, exclude recognising the interdependence of individual performance. Participants stressed engaging in direct peer monitoring, saying, "*if you are not doing your job I am going to start questioning you. Why are you not doing that?*" (INT14) and "*if you do something that is out of order you get called to task immediately by your peers*" (INT9).

Collaborating thus reflects the actions employee-owners take towards meeting their expectations of **growing**, **understanding** and **financial benefit**. Furthermore, through their actions as co-owners of the organisation, "*I don't have a manager who sit on the office the whole day. I've never had one.* ***Everybody is involved****. Everyone*" (INT5), participants alluded to the expectation of **justice** in respect of the equal treatment and status of the employees of the organisation. With employee ownership, "*you tend to somehow eliminate the idea of hierarchy"* (INT10) as "*each and every one of us you've got an important role to play*" (INT2), participants said.

Deciding and ***representing*** reflect the employee-owners' contribution to their expectation of **being an owner**, that is, involvement in 'having a say' over their jobs, teams, units and the company, within the existing structures for direct and indirect participation (see ***consulting*** in Section 4.4.5, Involving employees).

Although employees at C2 appear to have more job autonomy and voice at executive level, participants from both companies described similar experiences in respect of decision-making over their immediate environment. The experiences of individuals within the companies are, however, contradictory. While participants described ***deciding*** how they execute their tasks and, through ***collaborating***, make decisions for the team or unit, they expressed some frustration about the limitations on individual voice.

Having a ***WISID*** orientation to work or changing the way they do their jobs suggests some job autonomy, "*by doing my job well, that's where I can say I have control*" (INT14), "*you would be in control of your workflow*" (INT18). This orientation also suggests creativity in executing their tasks, "*there are basic principles that you need to adhere to. But do your own thing … and do what you think is right*" (INT6). Participants also indicated having some control over their immediate environment by collaborating on decision-making as teams and units. A participant described how they make decisions:

> "*We talk, you talk about how you feel, then we just don't go with a person's point. Like, we come up with different ideas … the decision that we make is not based on our manager or whoever. We combine all our ideas then we come up with a solution*" (INT3).

While making decisions may make employee-owners feel that they have control over their immediate work environment, "*I feel like I am the manager*" (INT5), "*You feel so in charge*" (INT2), this does not necessarily translate into being in control. A participant described the meaning of ownership as taking the initiative to make the necessary changes within their unit: "*It's that feeling that you can [make changes] even though you have to report some other things*" (INT15), the participant said.

Participants, however, described several ways in which individual voice and taking the initiative, and thus having some control, is curtailed. Working together and collaborating on decision-making, for example, has its disadvantages. A participant explained: "*you tell your fellow staff, I was thinking if we can do this and that. But like if they don't agree with what you saying cause majority rules, then your idea fails*" (INT3). A further constraint is decisions from higher up in the hierarchy, "*the rule of the company says the customer is always right. Even if the customer is wrong…. You don't make rules. You follow the rules*" (INT14). Participants also articulated their frustration at not being able to influence decisions that affect them directly: "*I get to say this is what I think, here's what I'm suggesting but I can't say, this is what I am doing*" (INT12) and "*here I am given the title owner, but I am in no way making a decision. What I say doesn't really matter*" (INT8).

The frustrations that participants expressed thus suggest that receiving an allocation of shares on its own may neither instil an enduring ***sense of ownership*** nor encourage employees to involve themselves in the workplace beyond participating for the potential financial benefits of employee ownership. Decision-making and a sense of control over your immediate environment, as articulated in participants' definitions of what it means to be an owner, appear to be important contributors to **getting involved** and reinforcing the initial ***feelings of actualisation*** and ***sense of ownership***.

Furthermore, the frustration that participants articulated may, in part, explain their involvement in direct and indirect participation in decision-making beyond their immediate environment. As suggested in **changing behaviours**, how employees involve themselves in the workplace is determined by their individual attributes. Although they have expectations, not all individuals want to participate in "*shaking the table*" (INT18). "*I would like to be involved but I am also, I am a very reserved person*" (INT11) and "*I'm not a person that likes to get involved in all these big things regarding the company and decision-making*" (INT16), participants explained.

Despite feeling limited in their ability to influence decisions that affect them directly, participants appear to be ambivalent about how to achieve the control that they associate with ownership through the channel of collective representation for decision-making at higher levels in the organisation (***representing***).

In C1, some participants appear to be satisfied with the structures for direct participation in the unit and indirect representation through regional managers (***consulting***) and trust both the individual and collective processes (*see* ***trusting*** in Section 4.4.6, Reciprocating) for involvement. Suggesting procedural **justice** in raising their suggestions and concerns, a participant explained, "*From my side, I don't need a union … when you sign your contract, there's a policy and procedure. There's everything. You can speak for yourself*" (INT5). Several participants, however, appear to doubt whether their suggestions and concerns are actually considered by management. Among these participants, some elaborated on the need for a representative union:

> "*having a union is good sometimes.... Then they gonna go to the head office and tell them our members want this and this and this and this. But if us, we go to the head office directly and say we want one, two, three and four, they won't listen to us*" (INT14)
>
> "*one of the things is you can be heard what your views are, that is maybe where the union comes in*" (INT15).

At C2, some participants appear to be satisfied with the structures for direct participation while others are reluctant to speak out at meetings. When asked if there is an opportunity to raise issues and influence decisions, one participant responded, "*The opportunity is definitely there, but not taken*" (INT18). The opportunity for indirect participation is similarly not effectively taken.

Although the ESO trusts are represented at board level, members of the trust for permanent Black employees do not hold regular meetings and appear to have been dismissive of the selection and quality of their representatives on the board. Disparities in **understanding** representation, "*I feel like we all have a different understanding of what this really is*" (INT18), and indifference are reflected in the comments on the selection of representatives, "*we nominate one person*" (INT18), "*we need to nominate* *two people*" (INT16) and the rigour of the process, "*we'll say, who volunteers first, and of those people, then we'll vote*" (INT12).

The lack of engagement in the selection of representatives does not necessarily lead to a poor selection: "*not only does she get the issues ... but she's got quite a strong voice*" (INT8). A participant who is reluctant to become the representative, "*I didn't feel that I knew enough to represent everyone at that level … the person that we selected does not know anything as well*" (INT12) expressed concern over the role of the representative in decision-making at board meetings. When asked whether they would feel more like an owner if they attended board meetings as the representative, the response, after a long pause, was:

> "*it might help, but not completely. Because your role as the representative is you are, you are basically relaying messages, so you are communicating on behalf of the group and you are communicating to the group this is what happened at this meeting, this is what was said at this meeting, so you are not making any decisions. You are not. You are a communicator*" (INT12).

The frustrations over participating in decision-making are, furthermore, reflected in that participants from both companies were eager to use the interview as an opportunity to speak about their concerns. Their expectation is not for every individual voice to be heard, but rather that their collective voice is considered (see ***co-determining*** in Section 4.4.5, Involving employees):

> "*they cannot take each and every one point through for consideration. But they can actually maybe take those opinions per [unit] and maybe put them down and see which one actually can benefit more than the other.*" (INT6)
>
> "*these are people who are owners and who have voices and have voiced their concerns … but who are still saying things don't change*" (INT8).

Frustration about whether their collective voice is heard may contribute to participants' hesitancy to raise concerns and demand responses. Furthermore, participants attributed their reticence to the organisation's generosity and that they will be perceived as not appreciating the allocation. This is reflected in the following comments:

> "*I didn't see the reason to ask. It's a gift from them, so if I go and ask, it would look like I am not appreciating what they are doing for us. So, as long as I have my share, and I am doing my best to improve the company, I'm fine*" (INT14)
>
> "*you need to think of how everything is going to be perceived…. Now you are giving Black people a share of your company for free, and now they are still complaining. And saying they don't understand and saying they want their money*" (INT18).

The apparent reluctance to participate actively in decision-making beyond the immediate work environment may also be a consequence of the lack of **understanding** of the share scheme and ownership. This is particularly evident at C1, where participants appear to be unaware of their voice, albeit limited, that they have through the trust. Access to decision-makers, ignorance of their ownership rights and reverence for their employer may explain what appears to be acceptance, despite some dissatisfaction, of limited voice within the organisation.

Although a ***sense of ownership*** may lead to employee-owners feeling as though they have some control, having some control may similarly instil a ***sense of ownership***. INT12 alluded to a relationship of shared interest and argued that to instil a ***sense of ownership***, employee-owners need to understand the share scheme and their role in decision-making:

> "*if you are given some decision making, your decision making will be how you would like to improve **your** working experience, or **your** work life, which will benefit the company.... But I'd like to think that you would be encouraged to make decisions that would better the company through whatever you are doing*" (INT12).

While the initial motivation for involvement may be the short- and medium-term benefit, an **understanding** of the share scheme and ownership may have a positive effect on employee-owners' confidence and interest in involving themselves more actively in decision-making without, as a participant quipped, appearing as if *"we're starting a cult*" (INT18).

4.3.3 Summary of behaving like an owner

Individuals may respond to how they perceive their role as employee-owners and their **Expectations of employee ownership** by changing how they execute their tasks from meeting the requirements of their job description to behaving like owners and focusing on the profitability and sustainability of the organisation. Acknowledging that as individuals they may have a limited effect on the organisation's success, employee-owners appear to collaborate with colleagues towards meeting their expectations as both employees and employee-owners.

While participants specified that **being an owner** means playing a role in decision-making at all levels of the organisation, they also conceded that they are hesitant to assume a more active role in influencing both the decisions that affect them directly and those that may contribute to the success of the company. The uncertainty of their role in decision-making and control suggests that the actions of the management of the organisation play an essential role in enabling employee-owners to integrate ownership into their work experience and commit to their role and responsibilities as co-owners of the organisation.

4.4 Managing for ownership

Managing for ownership reflects participant accounts of how the organisation capacitates individuals to fulfil their dual role as employee and employee-owner in the workplace and facilitates the process of integrating ownership into the functioning of the organisation and thus the employee's work experience. **Managing for ownership**, moreover, reflects participant recommendations on how the organisation could further enhance the implementation of ESO schemes and the integration of employees as co-owners.

The **culture** of the organisation may provide an enabling environment in which the organisation contributes to meeting the **Expectations of employee ownership** and advances the integration of ownership. Within this environment, the organisation may achieve this by **developing** the employee's skills; **explaining** the share scheme and the implications of employee ownership; **communicating** employee ownership and firm performance; **involving employees** in decision-making; and **reciprocating** in a relationship of trust and recognition of employees as co-owners of the organisation.

4.4.1 Culture

Culture reflects participant perspectives on what the organisation does to create an enabling environment in which employee-owners not only execute their tasks as employees but are also encouraged to assume the role that they may expect to play as employee-owners.

The analysis in the three categories that focus on the employee (**Expectations of employee ownership, Readiness for ownership** and **Behaving like an owner**) reflects that participants from the two companies represented in the sample perceive their work environment as enabling in respect of their role as employees. Although this suggests a boundary to the findings, in this study the participants' perceptions are interpreted as suggestions on how an organisation provides an environment that may facilitate the integration of ownership into employees' work experience.

References to the culture of the organisation are embedded in many of the participant responses. However, when directly asked, participants clarified their responses by attributing their comment to either the culture or employee ownership or to both the culture and employee ownership. The organisational culture described by participants includes "*a friendly working environment*" (INT3) in which employees are incentivised by leadership that is seen as generous and concerned about employee wellbeing.

Feelings as an employee in Section 4.2.1, Changing feelings, reflects that the participants attributed feelings of being happy, recognised, included and valued in the workplace to the culture of the organisation. A participant elaborated on the positive work environment by explaining how employees respond when joining the organisation, "*Everyone seems happy, I have noticed that. And they say this is a great company to work for … especially the incentive scheme, the incentive that we get once or twice a year. It is encouraging, they say*" (INT17). Another participant described how the culture influences ***committing*** to remaining with the organisation: "*it is the opportunity cost of being happy and comfortable but not earning much, whereas other people in big corporates are unhappy but they are earning a lot*" (INT18).

Participants, furthermore, attributed the feelings of being recognised and included to the generosity of the leadership in respect of employee wellbeing, "*your birthday, the company is doing something for you. Christmas party, they do something for you. You don't put your money from your own pocket. They do everything for you*" (INT5).

Leadership generosity was also associated with the financial incentives for meeting targets, "*It is **your** job. It is part of your job. But they reward you*" (INT5) and saving costs "*the company does have an incentive scheme. Once, maybe it was twice a year, for saving the lights and the paper*" (INT17).

Participants, however, attributed their satisfaction with their work environment to the contributions of both the financial incentives and the share allocation. They described being happy, "*Because of the shares, because of the reward, everything. I am happy with everything*" (INT5) and appreciative, "*when you get shares, you feel excited. And, yeah, you are appreciating what they give you. And, December, you get bonuses*" (INT14). Furthermore, receiving an allocation of shares may, in itself, contribute to the work environment. A participant described the atmosphere when qualifying employees who are aware of their share allocation anticipate the first dividend payment, saying, "*when you know that you gonna get a payout and you are new staff. The working environment, it just have that vibe. People, they are all happy*" (INT3).

The embeddedness of **culture** in participant responses suggests that the perception of the generosity of financial incentives may inculcate an awareness in employees of their role in contributing to the short-term profitability of the organisation. When combined with the realisation of short-term benefits from receiving an allocation of shares and the enhancement of the ***feelings as an employee*** to ***feelings of actualisation***, it appears that organisational **culture** may facilitate **reciprocating** by **behaving like an owner** to deliver a return to the organisation. Reflecting on discussing work with friends, a participant countered feeling "*good*" about working for the organisation, with their friends' response: "*you guys you don't rest, you always work*" (INT15).

The findings in the sub-category **culture**, while emphasising the relevance of organisational culture in facilitating the integration of ownership, do not suggest that an enabling culture is a prerequisite for implementing an ESO scheme. Instead, they indicate that the leadership of the organisation may need to consider the working environment and their orientation towards including employees as co-owners of the organisation when considering an ESO implementation.

4.4.2 Developing

Developing reflects participant perspectives on what the organisation does to meet their expectation of **growing** in their role as employees by acquiring skills that may contribute to developing their careers. As shown in Section 4.1.1, Growing, participants in both organisations appear to be satisfied that the practices of the organisation enable skills development, but for some individuals, these practices may be limited in fulfilling their career aspirations.

While some participants talked about not being developed, "*maybe I have a hidden talent…. If we can be given, all given chances*" (INT3), others described how they have the opportunity to acquire skills in the workplace, "*I would say I was developed under [C1] … I have learned a lot from the company and I am still learning*" (INT4). A participant described being recruited from the company training programme for developing potential employees and, once an employee, "*they offer bursaries if you want to study, but you must study something connected to business*" (INT14). Others described being recruited despite having no work experience and that the company was "*willing to teach the person up to where they can do the job*" (INT12).

In addition to formal training and ***collaborating*** by sharing knowledge on how to execute their tasks, participants described ongoing training in the workplace, "*At [C1] we have touring. We work everywhere. We learn each and every thing*" (INT1), that develops staff for succession: "*when I leave this place, [unit] manager is not gonna struggle to get someone who can replace me immediately.... We take from the floor to replace*" (INT5).

These comments suggest that skills development is related to **developing** employees with the skills required to fulfil their role and meet the needs of the organisation. These opportunities may, however, only meet employee expectations in the short-term, "*you can progress horizontally. You can get more skills. So, to me like a job title is not that important, but if I know how to do a lot, that's fine with me*" (INT18). Participants acknowledged that there are limitations to what the organisation can offer and that it may therefore not be able to accommodate their personal career goals. Describing a goal of working in an unrelated field, a participant explained, "*as the years go on, we always want to do different things … if something comes up then we'll see about that…. unfortunately you'll forfeit the shares*" (INT16).

Developing appears to underscore ***committing*** to the organisation, which shows that employees weigh up personal development and career progression against the **culture** and their allocation of shares when deciding whether to remain with the organisation. **Developing** thus reflects that the individual's short-, medium- or long-term growth expectations will influence how long they will remain committed to the organisation.

An employee-owner's personal development appears to extend beyond acquiring job-related skills and career progression to **understanding** the implications of receiving an allocation of shares. **Explaining** may therefore also influence an individual's commitment to the organisation and facilitate the integration of ownership.

4.4.3 Explaining

Explaining reflects participant perspectives on what the organisation does to contribute to meeting their expectation of **understanding** the share scheme and the implications of employee ownership. As shown in Sections 4.1.4, Understanding, and 4.3.2, Getting involved, although some participants described finding out for themselves from the information provided by the organisation and from colleagues, participants emphasised that the organisation needs to explain the share scheme to employee-owners, with most participants indicating that receiving an allocation of shares was something they had not experienced before.

The level of explanation that is required appears to differ between participants in C1 and those in C2. The synonymous use of the terms 'shares' and 'dividends' in C1 and not understanding why employees receive an allocation of shares highlights the need to explain the share scheme. This is reflected in the following comment:

> "*So we like curious. Shares, what for? Like, why are we getting shares [dividends]? … we receiving the money but we don't really know why or how … they are not explaining to me where are the shares coming from. Why am I receiving them? They should explain it to us so we can have much better understanding*" (INT2).

Where participants described receiving information on the share scheme, their comments suggest that the information is inadequate, "*They did send some pamphlets…. You know nothing about shares so you just go through something, you* *read it, but you don't have an understanding of what is going on there*" (INT3). Their comments also suggest that employee-owners gain most of their understanding through experience of the share scheme, "*it's more understood by the people who have been here longer than it is by the new staff because when you join in the company they are not explained properly*" (INT13).

At C2, where explaining the share scheme at the time of allocation of shares is personalised, participants appear to be more concerned about understanding the vesting of the shares, "*you don't have enough information to tell you that this is exactly what's going to happen after seven years*" (INT12), and the implications of holding shares. "*I am not sure exactly what's like the bigger picture, and fully how we are benefitting from it*" (INT8), a participant said, while another maintained, "*I have been here for the longest compared to everybody else and I still don't know what it actually entails to be a shareholder*" (INT16).

Although employee-owners at C2 appear to understand the concepts of shares and dividends, a participant who had previously participated in an ESO scheme explained why colleagues may have difficulty in understanding ownership and the implications of holding shares:

> "*I don't think that they have been* ***exposed*** *to it enough, or in their lifetime, to understand how important it could be for them.… I think it is about the fact that it isn't tangible. It is not something I can take home and place on my mantle at home, especially if you don't understand it and you haven't been exposed to it before*" (INT9).

Participants in both companies, however, indicated that "*it should be their [organisations] responsibility*" (INT16) to explain how shares are allocated, "*our shares are not the same. I don't know how*" (INT2), and how dividends are calculated, "*they don't know about that shares, where they come from, how the percentage [is calculated] and everything*" (INT5). Participants recommended that the organisation could contribute to their expectation of **understanding** employee ownership by providing training on the functioning and benefits of the share scheme to make employee-owners aware of what it means to be a shareholder:

> "*They must also do training and explain to everyone how does the share scheme work and how they going to benefit from it and all those kind of*

> *stuff. They must be aware, not just to receive shares, not knowing where they come from, what are the reasons why they are giving them shares*" (INT14)
>
> "*we need to have workshops to attend to teach us more about the shares, to understand everything about shares cause we just know we have shares, we have a word called shares, but we don't know what the meaning of those shares*" (INT1).

Explaining what it means to be a shareholder includes explaining the rights and responsibilities of employee ownership, "*above and beyond this is the value of the share and you get this money, but what does it enable you to do*" (INT12), and the risks associated with holding shares. The comment "*Obviously shares increase in value*" (INT17) and the perception that purchasing shares delivers guaranteed benefits, "*before three years, you gonna bonus yourself*" (INT15), reflect that participants do not fully understand the risks associated with holding shares. A participant recommended maintaining the employee's trust in the organisation (***trusting***) by explaining these risks:

> "*fully disclose all the risks involved because as much as investing is important, don't let me go in blind. Let me know that certain things could go wrong…. if something goes wrong I am not going to blame you because you communicated and I took a calculated risk myself. So I'd want them to communicate that to the potential shareholders*" (INT13).

Facilitating **understanding** of the share scheme therefore includes **communicating** information about the organisation's performance and **explaining** the effect on the value of shares and dividends. An understanding of the share scheme and the impact of firm performance may encourage employee-owners to shift their focus beyond dividends and ***participating for profitability***, "*because nobody knows about it. They only know their pay out dates*" (INT14), "*You just getting this money and you don't even care where it came from*" (INT6). Their understanding could also contribute to integrating ownership to the benefit of both the employee-owner and the organisation. A participant explained:

> "*if we were told more about the share scheme programme and explained it to us properly and we get a bigger sense of understanding that when the*

> *company does well I also do well. Then you'd care more and be assertive more, you'll be a greater asset knowing that this is the, all this, I am a part of it. I have a piece in it*" (INT13).

The organisation's contribution to realising employee-owners' expectation of **understanding** by **explaining** the share scheme and the implications of ownership may be complemented by regularly **communicating** employee ownership and providing information to employee-owners.

4.4.4 Communicating

Communicating reflects participant perspectives on what the organisation does to inform employee-owners of the share scheme, their status as owners and the performance of the organisation. **Communicating** the share scheme includes informing employees that the share scheme exists and of their eligibility for receiving an allocation of shares. **Communicating** the performance of the organisation includes sharing information about the organisation's strategy, performance, and the share price or value of the shares.

At C1, some employees become aware of the share scheme and their eligibility for receiving a share allocation from colleagues rather than receiving information through formal communication channels, "*To be honest, we weren't told. Let me say I wasn't told…. we heard them talking about shares*" (INT2). Alternatively, they learn about their share allocation unexpectedly, which may, in part, account for the surprise on receiving an allocation. Describing how they became aware of their eligibility, a participant explained, "*I received an sms that dividends are, share participants have been allocated dividends.... But then, at the back of my mind I am like but I don't have shares. Okay this is not meant for me*" (INT13).

Information about the share scheme and the organisation's performance is available to employee-owners from informed colleagues, "*You can call the guys from the share scheme…. Or usually there's some managers and area managers that have an idea*" (INT4), or on the organisation's information system:

> "*Most of the time I will rely on the [system] ... On a daily basis they tell you the share price…. Every Monday, like, our managers tell us how the*

> *company is doing today, ... the profit, if we have a loss and stuff like that*" (INT3).

Some participants, however, indicated a lack of confidence in using the system and that employees have difficulty in accessing reliable information about the share scheme, "*Everything is there. But they don't like to go there and check*" (INT5), and the organisation's performance, "*The last time I actually heard from a customer*" (INT13). Ignorance and concern about the veracity of the information received may have consequences for individual employees. A participant reflected on only receiving a free share allocation three years after becoming eligible: "*I didn't know about the shares and all that.… I was sad*" (INT1). To mitigate the effect of ignorance on meeting the expectation of **justice**, a participant suggested that **communicating** employee ownership is an executive responsibility, saying, "*I think it has to be up there first, going down to management. Cause I don't think they also get much information out of [the executive], the share scheme people*" (INT6).

At C2, where there is a personal relationship between employees and the executive owing to the limited size of the organisation, sharing information about both the share scheme and company performance occurs during individual and staff meetings. A participant described how the executive introduced the ESO scheme, saying, "*CEO called a meeting with most of the staff, all the staff and everything and discussed that this is what we are doing*" (INT16). Participants also described how receiving an allocation of shares entails a personal interaction with an executive who "*tells you all about the scheme, what the rules are, how it works*" (INT12).

Information about the share scheme is provided at meetings where employee-owners receive notification of their annual dividend, a participant explained:

> "*they'll always explain the company share price is this, this is what it means if the company share price increases, this is what it means for you, so they do try to have those to explain more than they usually would, knowing that the audience is people who aren't that financially literate as others*" (INT12).

The company's performance is communicated more frequently and a participant commended the executive on the communication of information, saying, "*they're very good now at including where the company is going and the growth of the company* *and the ideas that they have and the changes that would be coming in the company*" (INT8).

Although both organisations appear to communicate information on the share scheme and the organisation's performance, participant responses suggest that individual employee-owners may differ in their expectations of information sharing and in how they receive the information. **Communicating** regularly may, however, contribute to meeting the individual's expectations.

Several participants in both companies mentioned that communication about the share scheme occurs primarily when dividends are paid out. They stressed the need for regular communication about the company and the share scheme for fostering **changing attitudes**, and entrenching **Behaving like an owner** and a ***sense of ownership*** of the organisation:

> "*I think employees would be happier, because they constantly have that instilled in their minds that I am an owner, I own this company so let me work hard so that we can get more money in the following year or when the shares vest*" (INT11)
>
> "*I think, because of the way we are struggling at the moment about money and stuff, the **mine** feeling, I think it comes when you are getting dividends, let me put it that way. I think again the reason **why** it is like that is because, from my point of view, because no one actually has come forward and communicated more about these share schemes, okay, how can you be more involved. How can it be beneficial for you apart from the dividends being paid out to you*" (INT6).

Elaborating on fostering a ***sense of ownership*** through communication, another participant emphasised the importance of communicating regularly as a way to involve employees, saying:

> "*No one really reminds you that you are an owner in the company and I think because you are not reminded and you are not involved in certain things, that's why you feel that okay you're going to somebody else's company…. I think that is quite an important thing that you make them, you know, get them involved and that is how you feel that you are a part of, or*

> *that you are an owner of the company or whatever. Cause other than that you just gonna feel like you're just an employee*" (INT16).

Communicating thus reflects that sharing information about the share scheme and firm performance and reminding individuals of their status as employee-owners may contribute to meeting the expectations of **justice**, deriving **financial benefit** and **understanding** more about the individual's role in **being an owner**. **Communicating** may, furthermore, involve employees in the workplace and advance the integration of ownership.

4.4.5 Involving employees

Involving employees reflects participant perspectives on how the organisation contributes to individuals feeling that they are part of the organisation and, as co-owners of the organisation, are included in decision-making. **Involving employees** comprises including employee-owners by ***consulting*** them through trustworthy structures for involvement, ***delegating*** some decision-making, and involving employee-owners in ***co-determining*** by considering their suggestions and concerns.

When asked how the organisation involves employee-owners in decision-making, participants elaborated on the structures that the organisation provides for employees to communicate their suggestions and concerns, and for ***consulting*** employees and providing feedback on the employee contributions. At C1, where the units are dispersed, direct participation takes place within the unit in the form of daily and weekly meetings and management visits to the units, where, as one participant pointed out, "*[CEO] didn't ask the manager, he didn't ask, he asked a normal [staff member]*" (INT4). Periodic surveys and meetings, "*There is this thing called a fireplace chat. We talk*" (INT3), with unit, area and regional managers serve as the channel for consulting employees. "*That is when you've got to discuss everything that worries you. And anything that you can do to improve the company as well*" (INT14), a participant explained.

As employees, participants thus appear to be satisfied with the existing structures and the authenticity of the process for direct employee participation. They described feeling included and recognised when the organisation consults employees: "*whatever [C1] chooses to do, they speak to us first…. Our opinions mean something to them*" (INT2), a participant said. As employee-owners, however, participants appear to be less confident that the organisation considers their collective voice.

Employees at C1 do not have a representative union and indirect participation appears to occur informally; that is, regional managers relay ideas and concerns to senior management. A participant described the frustration of a cycle of proposing alternatives to decisions that affect their immediate work environment, "*they promise to deliver [on the suggestions], but they don't deliver…. we inform our [unit] manager, then he take the message to her boss, then like that through stages until it gets to that level.*" Receiving feedback was equally frustrating: "*They can't do this because of this. Then we have to understand*" (INT14).

In contrast to the distance between employees and the executive at C1, participants in C2 described an "*open door policy*" (INT17) where employees may raise concerns and make suggestions directly to the executive: "*you could go to a director, you can go to a manager, you can go to absolutely anyone and start a conversation*" (INT18), a participant said.

There are, however, also formal structures for direct and indirect participation. In addition to regular staff meetings throughout the year for sharing information, consulting and providing feedback, surveys are conducted periodically, followed by a meeting to discuss the outcome of the survey. Participants described these as focused meetings "*about your satisfaction here at work and we get to handle it* ***there*** *and speak about it* ***there***" (INT9) and "*the platform to say what are you unhappy with, what should we be discussing as a company*" (INT12).

The structure for indirect participation entails representation at the AGM. Representatives of the ESO trust attend the AGM and, as shown in Section 4.3.2, Getting involved, the members of the ESO trust do not appear to use this channel to their advantage.

Although participants appear to be satisfied with the formal structures for direct and indirect participation, in the same way as participants at C1 some participants from C2 appear to have misgivings about how their collective voice is received and considered by management. A participant explained, "*at this point it's just we are raising this, but I don't know if they are going to discuss it, they discussed it*" (INT12).

Despite the misgivings reflected in some of the responses, participants in both organisations recommended that management consults employee-owners at all levels of the organisation, "*if you are at the lower level you actually may have good ideas how to do things in the future that can actually benefit the company*" (INT6). To do this, they recommended that a trustworthy process be employed in which all employees, "*the driver or the cleaner or anybody*" (INT10), can raise suggestions and concerns and "*have immunity, we [the executive] are here to listen to ideas that you have and all those things. It would make such a difference*" (INT10).

While the structures for raising suggestions and concerns may be in place, participants highlighted ***delegating*** decision-making over their immediate environment and ***co-determining*** through representation in decision-making at management level as requirements for nurturing changes in attitudes and behaviours and instilling a sense of ownership.

Participants acknowledged that they have job autonomy and that management delegates some responsibility for decision-making to individuals and units: "*you can do your thing, work, but what they are interested in is just the outputs…. Some decisions I do have complete control over. But some I obviously speak to [the CEO]*" (INT17); "*The decision, it's like, it's about within your [unit]*" (INT15).

Accounting for the decisions can, however, be contentious: "*when they come they are like, who said you must do this and you have to answer*" (INT15). Participants therefore described feeling constrained in taking the initiative to innovate and involve themselves in their immediate environment.

> "*I don't think we have the room to say, how about we do it this way, I think it will work this way*" (INT13)
>
> "*there are things that we are not allowed to do as staff, but at the very same time, they backfiring on us because they don't experience what we are experiencing…. We are the ones who are dealing with the customers, so I think we should also do the decisions here*" (INT2).

Emphasising the limitations on employee-owner agency and control over the immediate environment, a participant described their frustrations when policy and the "*huge decisions*" determine how they execute their tasks. When things go wrong, "*There's nothing we can do about it. But they can do something about it. Not us*" (INT14), the participant said.

Involving employees in the organisation by ***delegating*** and ***co-determining*** decisions may thus contribute to the expectation of **being an owner**, as captured by the following statement: "*What's the point of owning something if you can't have a say in it. Pointless*" (INT6). When asked what would make employees feel a ***sense of ownership*** of the organisation, a participant said, "*discussion of the share prices and involved in the shareholder meetings*" (INT16), while another said, "*more authority…. And I get to influence the direction of the company*" (INT12).

As shown in Section 4.3.2, Getting involved, employee-owners do not expect every individual voice to be heard: "*everyone has different opinions. Now do you have to take everyone's opinion as an owner? I mean that's quite difficult*" (INT8). However, they do expect that the contributions submitted through the structures for collective participation are considered: "*even if my suggestion was not there but I know some are actually from other [Members]…. At the end of the day, I have a say*" (INT6), a participant said. (The inclusive terms used by C1 for the various levels of participation, as explained below in Section 4.4.6, Reciprocating, are substituted with the term 'Member' for anonymity.)

The sincerity of their interactions with the organisation, therefore, appears to be an indicator of the authenticity of the consideration given to employee contributions. Describing their interaction with the CEO on a visit to the unit, a participant said, "*He shows us that you know what, I do care*" (INT4). Others expressed confidence that their contributions are considered, "*there are things that are heard and yes, there are things that are not heard. But I also understand why it can't be heard*" (INT9), and that the feedback is sincere, "*If they cannot fulfil it, they do say this is the reason why we can't do it*" (INT16). For some participants, sincerity of the interactions is indicated when their suggestions are implemented: "*That's how you feel like we're part, we're part of [C1]. So when we have a complain, or when we are just having a suggestion or something, that is being taken seriously*" (INT2).

Among those who question whether they are being heard by management, several offered recommendations for improving interactions between employees and the organisation that may restore employee-owner confidence and contribute to their

sense of ownership. The recommendations include feedback from represention and the opportunity to respond to the feedback, "*it must be back and forth thing cause only one person can go there*" (INT18) and more immediate engagement with the decision-makers:

> "*if they can maybe come to us and talk to us about our problems, the challenges we are facing in the [unit], ya, I can say I own [C1], they attend our problems quickly. So now they don't*" (INT14)
>
> "*if you are a [Member] with them, you need to be heard…. You can put proposition and they have to maybe see those points that you gave them. This actually can work. They can sit down with you and this actually can work and discuss this actually can't work*" (INT15).

These responses suggest that overcoming the distance between the decision-makers and employee-owners may contribute to employee-owners feeling that their voice is heard and acted upon and to integrating ownership, as reflected in the following comment:

> "*I feel like there is a hierarchy with everything, you know, and it's the strategic team you know who are your directors who can be defined as owners because they sit up there and they make the rules…. We have, the owners have the right to speak, have the right to voice our opinions, you know, but will it be considered?*" (INT8).

Involving employees shows that the management of the organisation can contribute to meeting the employee-owner's expectation of **being an owner**. This would involve using effective and trustworthy channels for ***consulting*** employee-owners, ***delegating*** some decision-making and facilitating the employee-owner's confidence that their voice is heard in ***co-determining*** the decisions that may affect their immediate environment and the success of the organisation. The following comments capture the essence of involving employees:

> "*you may give them shares, but they may not really pick it up that they are an owner of the company if you don't involve them in the decision making. Cause if you involve them in the decision making, that's when they are going to come with ideas, that's when they are gonna really feel that, you know what, I matter*" (INT10)

> "*if we pulling in different directions, we are not gonna go anywhere. So it is best to put our energy to achieving the same goal, when you have a common goal and work together towards that goal, I think you are more likely to be successful in what you are trying to achieve*" (INT13).

In addition to augmenting the individual's ***sense of ownership***, **involving employees** thus underscores the role that the organisation plays in developing a reciprocal relationship of mutual recognition of the employee-owner's integral role as co-owner with a shared interest in the success of the organisation and trust between management and employee-owners.

4.4.6 Reciprocating

Reciprocating is introduced in Section 4.2, Readiness for ownership, where it represents how participants perceive changes in the relationship between employee-owners and the organisation as a consequence of the allocation of shares to employees. Within **Managing for ownership**, **reciprocating** represents management's contribution to the changes in the relationship. **Reciprocating** accordingly represents participant perspectives of the two distinct sides of a relationship of ***recognising*** employee-owners as co-owners of the organisation and ***trusting*** and being trusted by the organisation. Reciprocity in the relationship between employee-owners and the organisation is thus the culmination of how meeting the **Expectations of employee ownership** through the orientation and actions of the employee-owner (**Behaving like an owner**) and the orientation and actions of management (**Managing for ownership**) influence the individual's **Readiness for ownership**.

The individual's ***feelings as an employee*** and ***feelings of actualisation*** are respectively associated with the culture of the organisation and the allocation of shares and may encourage some individuals to behave like owners and deliver a return to the organisation.

Some participants attributed their work behaviour to the work environment, "*it has just become engrained in the culture where really deliver over and above expectation*" (INT9). However, other participants expressed a deep sense of gratitude for what is perceived as the generosity of the employer and described receiving an allocation of shares as the motivation for changing their behaviours:

> "*Nobody can give you shares for free and you don't have to pay any cent afterwards. That is a huge, even if you don't feel like an owner, but they must appreciate. It is very easy to appreciate the company. You must deliver good results*" (INT14)
>
> "*these are the guys who have put in whatever resources to make this company what we are today and given my position, in my current situation, what contribution, positive contribution can I make to the company*" (INT10).

The culture of the organisation and the allocation of shares thus appear to be catalysts for changes in the relationship between employee-owners and the organisation. It is, however, the change in expectations as a consequence of receiving an allocation and how these expectations are realised that advances a reciprocal relationship of recognition and trust.

Recognising employee-owners as owners entails both management and the individual identifying employee-owners as owners with agency over the shared interest in the success of the organisation.

Participants described how, through inclusive terminology or explicitly calling employees 'owners', management signals to employees that they have a vested interest in the organisation beyond receiving a salary and incentives.

At C1, rather than explicitly calling employees 'owners', the organisation uses inclusive terminology which participants perceive as indicating that they are owners of the organisation, "*Cause remember what they say is that we are [Members]. [Members]* ***in****, so you are a [Member in C1]*" (INT15). In contrast, at C2, employee-owners are explicitly told that they are owners of the company on receiving a share allocation, a participant explained:

> "*they explained that okay, it means you are the owner of the company. A shareholder means you are just like us in the company. Although there is a certain percentage that one owns, and all those things, but you are the owner of the company*" (INT10).

Although the organisation may identify employee-owners as owners, not all participants referred to themselves as owners. A participant's questioning whether participation in an ESO scheme is ownership and further explanations for not identifying as an owner suggest that an individual's **understanding** of the share scheme and the implications of employee ownership contributes to identifying as an owner. This is illustrated in the following comments:

> "*I've got a problem with that owner word, cause we are members [of the trust], we participate, we are members…. That needs a definition and it needs to be communicated. And you are an owner needs a definition and it needs to be communicated. And then the differences need to be shown and they need to say which one are you*" (INT18)
>
> "*I think I consider people who are shareholders, the ones that actually buy them. So this whole time I wasn't in that mindset that I am actually an owner*" (INT13)
>
> "*I've never seen myself as being in [the company] for this long … I didn't think about it as something that may be of value to me*" (INT3).

However, among the participants who identify themselves as owners, some take this identity further by associating their success with the success of the organisation. The following quotations illustrate how two participants described identifying as owners and identifying with the organisation intermittently throughout their interviews:

> "*Be the company. Company is a part of me now. And as a shareholder, I feel even more proud, when they ask me where do you work … I am excelling for the company. I am for the company. I am not an individual … all I can say is that being an owner of a company, it is amazing…. I tell my managers I am the brand of the company*" (INT4)
>
> "*I am part of this company, I am the owner of this company … you feel proud to tell someone that I work for [the company] because you are not just an employee here. You are a shareholder … your interests should be to improve the company to probably be the spokesperson for the company wherever you go*" (INT10).

Regardless of whether they identified as owners, participants described themselves as agents in the shared interest of the success of the organisation. While accepting that external shareholders are valued investors in the organisation who may have a significant shareholding, "*that person is more valuable to the company than us*" (INT3), participants differentiated themselves from external shareholders who do not "*sustain* *the business, to make sure it reaches profit. They just buy and then wait for dividends*" (INT18).

As internal shareholders, "*The difference is that we are working"* (INT15), "*I am here*" (INT14, INT13), working at the frontline, "*We have a bond together with the customer…. You connect with them, and you interact with them*" (INT15), they take responsibility for their contribution to the workplace and the organisation. "*I have to do it because it's my part of work, so there is not any other way that any other person can do it for me*" (INT15) and "*I feel the need to be accountable and responsible for things that happen here*" (INT9), participants explained.

Taking responsibility includes taking ownership by preventing things from going wrong in your immediate environment, "*we come together, regroup and solve it to make sure that it doesn't happen again*" (INT13) and acknowledging responsibility when they do, "*If anything happens ... I must come up with answers. I can't say I don't know*" (INT14). Participants furthermore equated their responsibility to taking care of the organisation, "*They must look after their company*" (INT17), as if they were running their own business. As a participant explained:

> *"[it's like] running spaza shop, you know you need to do stock count, check it, do stock count, check it. Every day so that you can make money. You can't even eat one sweet cause you know at the end you short with that one sweet to make your profit*" (INT7).

Participants also suggested having a better understanding of their immediate environment than management and, as they represent the company in their role, they should therefore have agency in the workplace and be involved in co-determining organisation-level decisions:

> "*They don't make money at the head office. We do…. I don't make like huge decisions. I make just minor decisions. As I am here, I know what's happening here*" (INT14)
>
> "*they do not know what we experience here cause they are there … we are the ones who experience them, the troubles that we encounter in the [unit], like things that are happening in the [unit]. We are the ones who are part of it. So I think we should be making decisions up there*" (INT2).

By recognising their role as owners and agents who take responsibility for their workplace and the organisation beyond their responsibilities as employees, individuals may contribute to their expectation of **being an owner**. "*So it is no longer this is what the company do. It's this is what **we** do. We. This is what **we** do*" (INT10), a participant said. Management may accordingly reciprocate by recognising employee-owners as owners and encouraging agency.

Management reciprocity, however, appears to extend beyond identifying employee-owners as owners through inclusive terminology and the term 'owner' and **involving employees** in decision-making. As a participant stated, management may need to consider "*What can we as a company do differently?*" (INT16).

The following comment, although made in the context of South Africa and B-BBEE, captures the expectation of true, rather than false, empowerment in management's reciprocity:

> "*am I actually being empowered here. Or am I just in a good company with a good culture where I am productive at work, and I'm helping, I'm putting in my piece to make this company grow…. Am I **truly** being empowered, is my mind being empowered, is my career being empowered?*" (INT8).

As employee-owners expect to have agency in fulfilling their role as employee-owners, the management of the organisation may need to adapt their orientation and actions to reflect an understanding of how employee-owners interpret their dual role. As one participant said, "*if you are going to call me an owner, what does that mean for me you know. So as much as we are learning what that means, there are two learnings. What it means to give us that title*" (INT8). Management may, furthermore, need to value employee-owners' sense of agency, "*Cause that means like your voice counts.… Our opinion, it really matters to them*" (INT2), and treat them with, "*I would imagine respect*" (INT16), as owners with a shared interest. Participants pointed out:

> "*The way you talk to me, the way you address me, it should be in the right manner so I can also respect and love what I am doing. Cause the minute I don't love my job, there won't be any work that I'll do that will make you happy*" (INT2)
>
> "*employees are a company's greatest asset. So if they're happy, an employee will kill for you if you treat them right…. Just treat them well*

enough and they will want to stay and they will want to see you succeed” (INT13).

Explaining how management may reciprocate by understanding and valuing how individuals interpret their role as owners and agents of the organisation, a participant observed, “*They definitely are learning and they definitely are paying more attention to it. They are seeing us, you can put it that way*”, adding “*I suppose if it is like a give and take thing, we can work together about it”* (INT8).

Recognising ownership and agency in a relationship in which management delegates responsibility to employee-owners who, in turn, act responsibly in the interest of the organisation, suggests a relationship of mutual trust. ***Trusting*** reflects participant perceptions of feeling trusted by the organisation and how management may earn the trust of the employee-owners.

Mutual trust between the organisation and employee-owners is implied in how participants described the **culture** of the organisation and their perceptions of a generous and valued employer. Highlighting the observation, “*The culture has got to start from the top*” (INT9), a participant described the orientation of management as fostering mutual respect, “*It's how everyone treats each other or how the company treats you*” (INT12). Another participant suggested management advanced the integration of ownership as *“[when management] come here they, like you feel like you are a owner cause the way they talk to you*” (INT7).

For some participants, trust in the company is unequivocal: “*I think [the company] has this genuine face. It comes to you as it is*” (INT4), “*It makes me feel great. All the time. I don't doubt anything about them*” (INT5). However, as employees gain experience in their role as employee-owners and their expectations evolve, the participant reflections on the integrity of the share allocation, delegation of responsibility, and processes for individual and collective voice suggest that employee-owners may start questioning the trustworthiness of the organisation.

The authenticity of the motive for an ESO implementation highlights the complex environment in which ESO schemes are introduced in South Africa when there may be an ownership intention, but where the organisation simultaneously derives benefits by complying with legislation. The following statement by the only participant to explicitly describe the allocation of shares as wealth distribution captures how the participant received the motive for the ESO initiative as ownership:

> "*they set up a meeting and they told us this is what we are planning, that you guys, you need to share in the wealth of the company…. So it's really, sharing in the wealth, it's really, cause all along, you know, mainly and there is this talk obviously about, among Black people, that you know what, the wealth of this country, 90% is owned by white people. You know that kind of a thing. And that thing, it really, somehow it's a drag on the people's emotions. Honestly. But now you are an owner. With these guys you are part of it. It lifts up your spirit and even gives you a better perspective of life and you begin to think that, you know what, there is what you call it, light at the end of the tunnel, moving in the right direction. Unlike, when you just an employee*" (INT10).

It is noteworthy that misgivings over the organisation's motive for introducing an ESO scheme emerged from the comments made primarily by more skilled participants, who appear to have high expectations of BEE, frequently raised the topic and were frank in voicing their perceptions. In contrast, less skilled participants appear to be more accepting of what the organisation and BEE offer.

Participant perceptions of the motive for implementing an ESO scheme appear to erode trust in the organisation and inhibit the integration of ownership. Participants may not identify as owners if they do not equate participation in an ESO scheme with ownership. A participant described a conversation among colleagues "*where it was like a debate whether you really do own or are you just participating*" (INT18). Furthermore, the emphasis on the short-term benefits of employee ownership and participants' comments that relate to receiving dividends on their share allocations appear to suggest that profit sharing may achieve the same ends as employee participation in an ESO scheme. Participants made comments such as, "*You are saying guys we have made so much profit, this is what I am giving back to you guys*" (INT4), "*I feel like it's like a 13th cheque*" (INT18) and "*it closes the gap of the bonus that you receive*" (INT15). A participant confirmed when asked about profit sharing, "*I think it would be the same. For me it would have the same effect*" (INT12).

Perceiving the motive for an ESO scheme as B-BBEE compliance rather than ownership may similarly affect trust and the integration of ownership. On the suggestion that the motive was ownership rather than B-BBEE compliance, a participant responded, "*I think that is a matter of opinion…. It definitely helped that there was a BEE benefit*" (INT12). Another participant clarified, "*It was a BEE deal that we did … [CEO] was very transparent about it.… [Ownership] was also discussed … it was also like a retention scheme as well for the company*" (INT16).

Both companies offer shares to employees of all races in addition to the scheme focused on B-BBEE. When presented with the possibility that the ownership scheme was introduced for B-BBEE compliance, INT2 scowled and stated that this would change how they felt about the scheme. The integrity of the motive may therefore be brought into question by how the organisation's share schemes are presented to employees. A participant highlighted sensitivity to the consistency of the motive and naming of the various share schemes as performance- or B-BBEE-related:

> "*You're getting shares cause of your performance. You're recognised for what you do, your thinking, your contribution…. Am I just gonna go around achieving because of the colour of my skin all the time?*" (INT8).

As the individual's **understanding** of the ESO scheme progresses and management gains an understanding of how employee-owners interpret employee-ownership, the relationship of trust and the integration of ownership may advance. A participant explained that both the organisation and the individual may learn from their experience:

> "*I know that the thinking of top management has changed because it is definitely an ownership thing now…. If money is your complete driver you will be thinking ah you know what it's definitely my colour, my colour, my colour. But if you go beyond that and you realise that I'm, you know what, I'm incentivised because of my colour, not being used, but I am being incentivised*" (INT9).

Participants acknowledged that the profitability of the organisation justifies a B-BBEE compliance motive, "*Do you want to make money for your company or do you just want to make people owners to be happy? I think the primary thing is to make money* *for your company*" (INT8). At the same time, they emphasised honesty in the motive and implementation of the ESO scheme:

> "*people are more at ease and you could literally get people to do anything for you if you just get their buy-in through communication, honesty.… instead of people talking about it in the corners, just be honest about it*" (INT18)
>
> "*I would probably be angry if you're quite blunt about using me for the colour of my skin … let's be honest about it and let's all benefit and move forward*" (INT8)
>
> "*whoever came up with this BEE thing they also wanted the black people, to empower them, to have, to own something, but some companies what they do they just buying off people to just be the face of the company. And at the end of the day they are just paid off a certain amount, just keep quiet and pretend as if you own something while you don't. It is just a face…. Do they really want to give those shares to their employees? Not just complying*" (INT6).

Honesty in **explaining** and **communicating** ownership as central to the motive for implementing an ESO scheme appears to be important for integrating ownership, developing a relationship of mutual trust and managing the employee-owner's expectation of **being an owner**. While the financial benefits of a share allocation may contribute to the economic empowerment of employee-owners, empowerment through involvement in decision-making appears to underlie the expectation of **being an owner** and employee-owners' trust in the organisation. Management's orientation towards ownership is thus demonstrated in the integrity of the delegation of responsibility and sincerity of the participation processes.

The relationship of mutual trust may be jeopardised by both delegating and *not* delegating responsibility to employees. Participants described feeling trusted by the delegation of responsibility, "*If you are doing well, they won't bother you. They won't even come to you*" (INT14), and "*they depend on you, they gave you a [unit] to look after, so you supposed to give them results so that they can trust you*" (INT15). However, the participants also acknowledged that lack of performance has an influence on the relationship of mutual trust, adding that if the unit is not performing, "*that's when you are going to see the [management] full at the [unit], asking questions*" (INT14), and "*then it means they cannot trust you*" (INT15).

While these perceptions suggest that lack of performance may result in losing management's trust, it may also result in a change in responsibility over the immediate environment: "*it's the kind of leadership that is a dictatorship. You tell me what to do, I do it. You see. Even though you don't agree or you don't think it will work*" (INT13). Participants described losing trust in management when abiding by rules that are not applied consistently. Using the example of "*the customer is always right*" (INT14), a participant explained, "*they put the rules, we follow it, and when the customer comes, they change it*" (INT15).

A further illustration of how the relationship of mutual trust is affected lies in the integrity of the processes for voicing ideas and concerns. As shown in ***deciding*** and ***representing*** in Section 4.3.2, Getting involved, some participants expressed frustration regarding decision-making over their immediate environment, yet showed reticence about engaging actively in the processes for representation. There is some confidence in the integrity of the processes for raising ideas, "*if your idea or whatever is valid, it gets taken and put into how things are done*" (INT18) and "*I can see it's a good idea so you can go ahead*" (INT7). However, there appears to be less confidence in the integrity of the direct and indirect participation processes for raising concerns or the "*burning topics*" (INT12).

Some participants suggested trustworthiness in the process of individually raising concerns during staff meetings where, "*you have immunity to say whatever what you wanna say. No one is going to hold a grudge*" (INT10). This also applied to escalating individual concerns through the structures, with a participant adding, "*I can take it far.... I never have a problem*" (INT5). Some participants also expressed confidence that the collective voice is considered: "*everyone is heard. And they take it back and they make changes or improve where we need to improve things*" (INT16).

In contrast, however, participants raised concern over the trustworthiness of the process for both individual and collective voice. A participant explained that while surveys may be anonymous, discussion of the outcomes of surveys expose individual responses, saying, "*It's not the same as where I am bringing an idea to board level. This is not an idea. You're saying I am unhappy with this*" and elaborated:

> "*the reason why everyone is quiet, is because you are not asking us, you are repeating the question that was asked anonymously. The answer has been given, so now it needs to be resolved. If we now have to participate in another conversation, you now get to see the faces that are unhappy*" (INT12).

Concurring with this concern, a participant added, "*just to make my life more comfortable, I'd rather not say anything*" (INT18). This suggests that although employee involvement may inculcate feelings of being included or part of the organisation, these feelings may, in turn, make some individuals reluctant to participate actively and openly through the structures for ***consulting*** employee-owners where they fear being identified by their contributions.

While power distance and individual characteristics may influence employee engagement in the individual and collective processes for voicing concerns, management may contribute to nurturing a relationship of mutual trust by meeting the expectation that individual and collective voice, where offered, is heard. Describing feedback from the collective voice process, a participant queried, "*we are being taken serious or what? But some [decisions] we can see, but some we don't*" (INT5), while another said "*we don't see any changes. Maybe in the future we will see changes, but I'm not sure*" (INT14). A participant expressed frustration and misgiving over access to information about how the company will manage and provide funds for the vesting of shares and said, "*those are answers we are not getting. So is it a way to keep people here? … We sent [representative] to raise the question…. The question wasn't answered*" (INT18). It is, however, INT12's comment, "*Thank you for raising your concerns*", on describing the feedback from the collective voice process that encapsulates the misgivings over management's orientation towards consulting employee-owners and the perception that employee voice may not be given satisfactory consideration.

Reciprocating thus suggests that although organisational culture and the allocation of shares may influence the employee-owner's ***changing feelings***, they are also catalysts for developing a reciprocal relationship between management and employee-owners. Through their own actions (**Behaving like an owner**) and the actions of management (**Managing for ownership**) to meet the employee-owner's **Expectations of employee ownership**, management and employee-owners may, over time, establish a relationship of mutual recognition and trust. This, in turn, may augment the individual's **Readiness for ownership** and the integration of ownership into the individual's work experience.

4.4.7 Summary of managing for ownership

Managing for ownership denotes management's contribution to meeting the **Expectations of employee ownership**. An organisational **culture** that reflects management's orientation towards creating an enabling work environment, concern for employee wellbeing and including employees as co-owners of the organisation may facilitate the integration of ownership. By **developing** the individual's work-related skills that may enable them to fulfil their career aspirations, **explaining** the share scheme and the implications of ownership, and **communicating** employee ownership and sharing information with employee-owners, management may encourage employee-owners to commit to the organisation and involve themselves in the workplace as owners. Management may, furthermore, facilitate a relationship of mutual recognition and trust by implementing the ESO scheme with integrity by **involving employees** in decision-making through trustworthy structures for direct and indirect participation and **reciprocating** by recognising employee-owners as owners with agency and valuing their involvement in decision-making. By **Managing for ownership** to meet the **Expectations of employee ownership**, the organisation thus contributes to the integration of ownership and enhances the individual's **Readiness for ownership**.

In the following section, the four categories, **Readiness for ownership**, **Expectations of employee ownership**, **Behaving like an owner** and **Managing for ownership** are integrated to show how the contributions of employee-owners and management advance the integration of ownership.

4.5 Becoming an owner: integrating ownership

This section presents the integration of the four theoretical categories and how they interact and may affect the integration of ownership into the individual's work experience. The aim of this section is thus to propose a conceptual framework of employee ownership as experienced by employee-owners for further development in the theoretical integration presented in Chapter 5. In order to achieve this aim, **Expectations of employee ownership** is restated as the core category and a continuous process of interactions between the categories is explained. The continuous process of interactions is then reflected in an employee-to-owner continuum along which individuals may be positioned, depending on the extent to which ownership is integrated into the employee-owner's work experience.

4.5.1 Expectations: the fulcrum of employee ownership

As shown in Figure 4.1, which shows the interaction between categories, the expectations of the employee-owner (**Expectations of employee ownership**) in their dual role as employee and employee-owner of the organisation is the core category and fulcrum for the interaction between the individual's changing feelings, attitudes and relationship with the organisation (**Readiness for ownership**); the individual's changing behaviours and involvement in the organisation (**Behaving like an owner**); and the organisation's role in capacitating individuals to fulfil their dual role and facilitating the integration of ownership in the workplace (**Managing for ownership**).

Figure 4.1 illustrates that integrating ownership into the individual's work experience, rather than occurring as a result of the event of receiving an allocation of shares, may occur in a continuous and iterative process. In this process, the individual's expectations (**Expectations of employee ownership**) not only have an effect on their receptiveness to becoming an owner (**Readiness for ownership**) but may also be affected by how the actions of the employee-owners (**Behaving like an owner**) and of the management of the organisation (**Managing for ownership**) contribute to meeting the individual's **Expectations of employee ownership**. During this process, the individual makes sense of the implications of receiving an allocation of shares and the change in their status from employee to employee-owner, and the role that both the individual and the organisation play in meeting their expectations. The following section thus elaborates on the process of integration.

4.5.2 From employee to owner: a process

The proposed process for the integration of ownership consists of three phases: the catalysts for ownership; the role of the individual in meeting expectations; and the role of the organisation in meeting expectations. The first phase, the catalysts, is the initial impetus for integration while the second and third phases occur continuously and concurrently. Throughout this process, the individual may evaluate their commitment to the organisation.

i. Phase 1: the catalysts

This phase reflects the transition of the individual's status from employee to employee-owner and is illustrated in Figure 4.2.

Figure 4.2 Phase 1: catalysts for integration

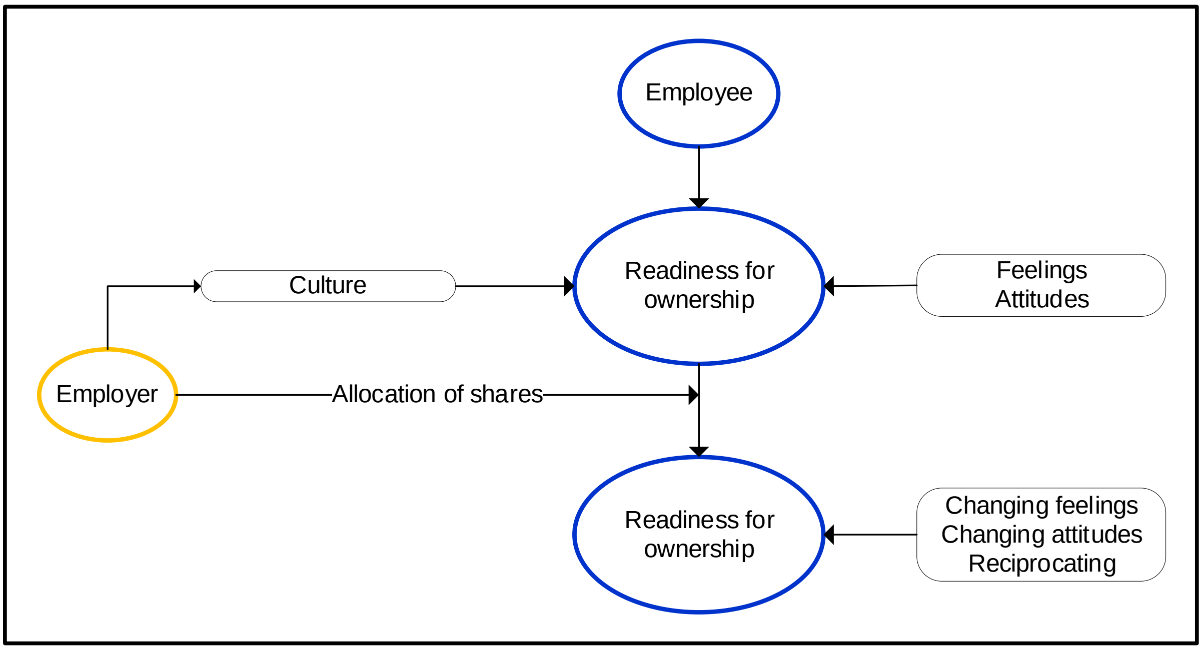


Figure 4.2 shows that, prior to the allocation of shares, the individual may have feelings about being an employee of the organisation (***feelings as an employee***) and attitudes towards their job, their role in the organisation, the organisation and their commitment to remaining with the organisation. The individual's feelings and attitudes as an employee may be attributed to the **culture** of the organisation and the individual's inherent work orientation and commitment to remaining with the organisation. The **culture** of the organisation provides a context in which management's orientation towards creating an enabling work environment, incentivising employees, expressing their concern for employee wellbeing and including employees as co-owners of the organisation may facilitate introducing an ESO scheme and influence the individual's **Readiness for ownership**.

The culture of the organisation and the individual's feelings and attitudes are, however, not static. Management's initiative of allocating shares to employees reflects an event that signals a change in the individual's status to employee-owner. The initial response to the change in status and the orientation of the management towards the implementation of an ESO scheme may affect the individual's feelings (**changing**

feelings), attitudes (**changing attitudes**) and relationship with the organisation (**reciprocating**) and may augment the individual's **Readiness for ownership**. The individual's ***feelings of actualisation***; possession of, or affective commitment to, the organisation (***sense of ownership***); work orientation and role in the organisation (***WIPIG*** and ***WISID***); attitude towards the organisation; and commitment to remaining with the organisation (***committing***) may thus start to develop. The event may also trigger the individual's propensity for ***reciprocating*** by delivering and signalling a return to the organisation. These initial responses may, furthermore, change the individual's expectations as an employee and introduce new **Expectations of employee ownership**.

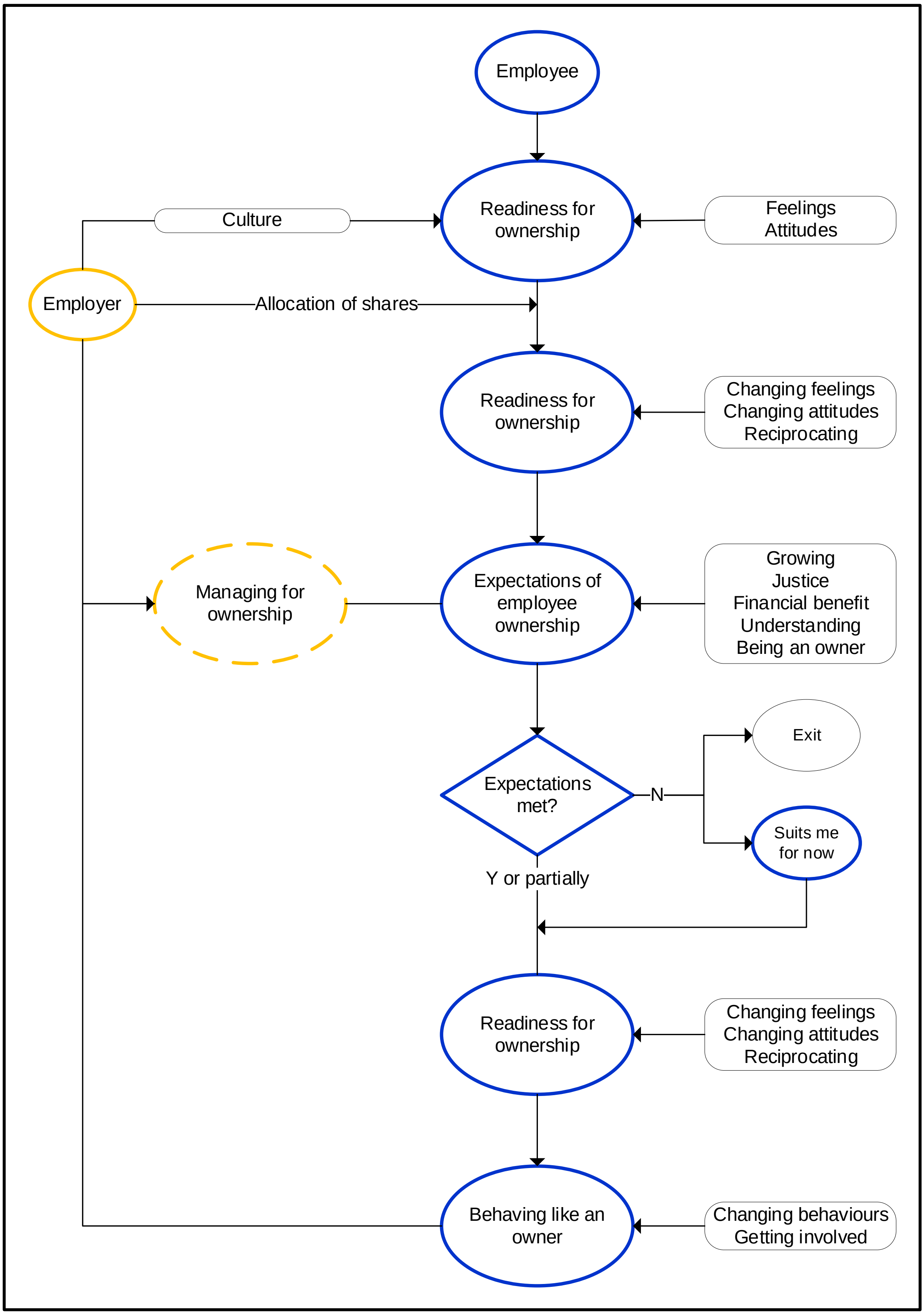
This phase thus denotes a threshold between being an employee and being an employee-owner, as illustrated by INT10's comment, "*you were just an employee but now here you are, you are part of this, you are gonna be an owner*". Consequently, what follows in the concurrence of the second and third phases denotes how the individual adopts the role of employee-owner and responds to the orientation and actions of the management of the organisation over time.

ii. Phase 2: role of the individual in meeting expectations

In contrast to the first phase where the status of the individual changes, this phase reflects a continuous and iterative process. During this process, the employee-owner, as a shareholder who receives dividends, may experience further changes in their **Readiness for ownership** as they change their behaviours and involvement in the organisation (**Behaving like an owner**) to meet their **Expectations of employee ownership**.

Following on the initial changes in **Readiness for ownership** and the **Expectations of employee ownership** on receiving an allocation of shares, the individual may evaluate whether their expectations are met and may, as a result of any changes that have occurred in their **Readiness for ownership** on their change in status, take actions to realise their expectations. Changes in the individual's expectations in this phase, therefore, reflect the changes that occur as the individual, through their *own* actions, contributes to meeting their expectations. In this way, the individual's actions may augment their readiness for ownership. Figure 4.3 illustrates the continuous and iterative process of changing expectations, readiness and behaviours in which the individual participates in meeting their **Expectations of employee ownership** and integrating ownership into their work experience through their behaviours.

Figure 4.3 Phase 2: role of the individual in meeting expectations



Individual employee-owners may have different experiences of this process as the level and priority of their expectations may vary, as may their responses, which include the changes in their readiness for ownership and their behaviours and involvement in the organisation. The process of integrating ownership through the responses and actions of the employee-owners is illustrated in the following example.

In the first iteration of the employee-to-owner process, the excitement of receiving an allocation of shares and feeling included and valued by the organisation (***feelings of actualisation***) and the expectation of financial benefit may lead to changes in the individual's affective commitment to the organisation (***sense of ownership***). This affective commitment may see the individual responding to what is perceived as the organisation's generosity by **reciprocating** and changing their attitude towards their tasks and the organisation (**changing attitudes**) to deliver a return. The individual may thus start **Behaving like an owner** by putting more effort into executing their tasks (**changing behaviours**) and **getting involved** by ***collaborating*** with their co-workers to reach targets.

While the employee-owner receives dividends regularly in further iterations of the process, "*Since I started there's never been a time when they say we not gonna pay out cause the company's not making money*" (INT3), the expectation of short-term **financial benefit** is met. This may reinforce ***trusting*** the organisation and the individual's ***feelings of actualisation*** and ***sense of ownership***, "*I think, because of the way we are struggling at the moment about money and stuff, the* ***mine*** *feeling, I think it comes when you are getting dividends*" (INT6). The individual's enhanced **Readiness for ownership** may, in turn, drive further changes in the individual's behaviours and involvement in the organisation (**Behaving like an owner**) and the individual may change or reprioritise their expectations as they integrate ownership into their work experience over time.

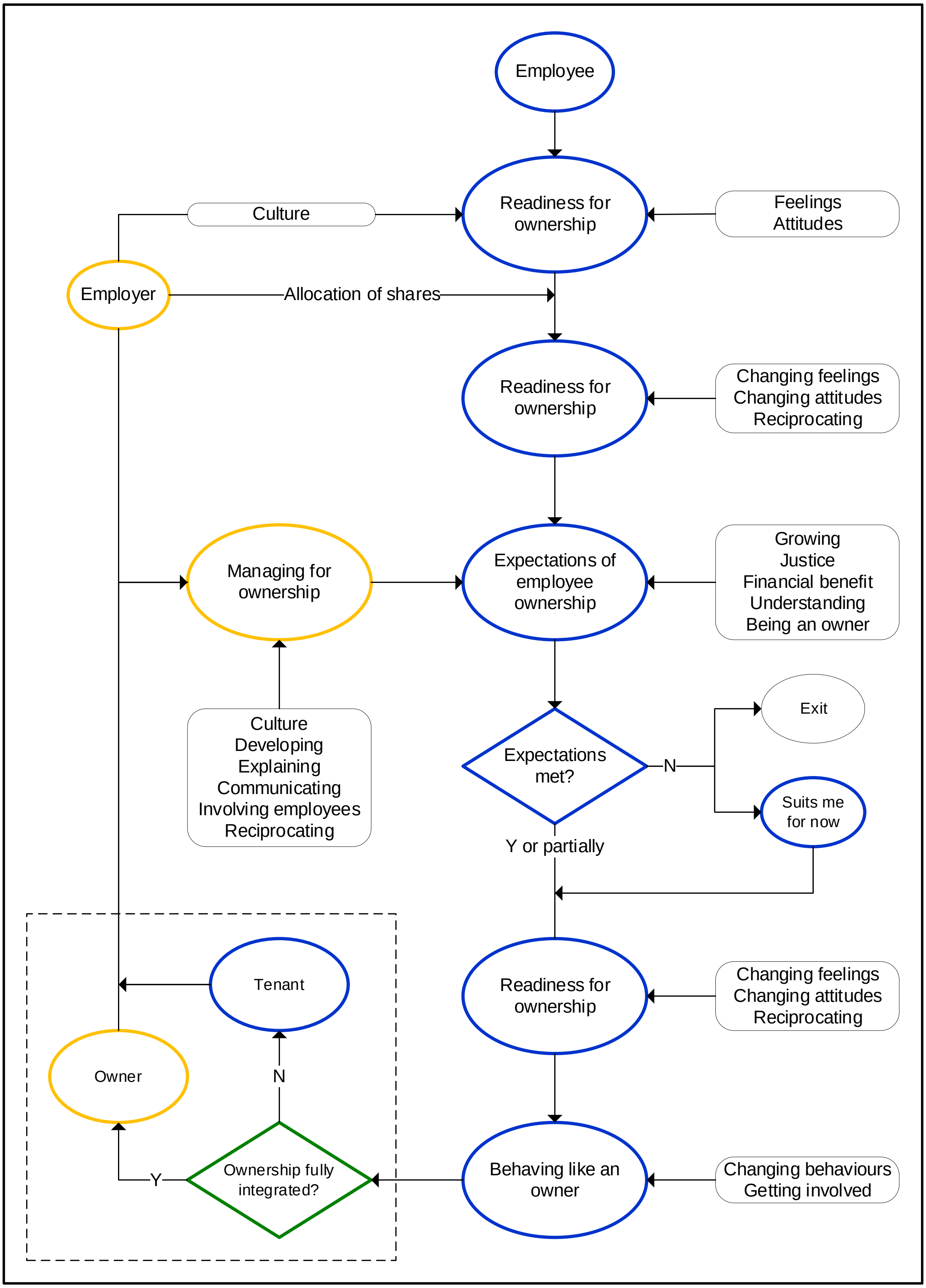
When the individual's expectation of **financial benefit** is not met, or there is uncertainty over the financial benefit, "*is that money guaranteed*" (INT18), the expectations of **understanding** and **being an owner** may become more prominent. This is as the individual seeks clarity on their role as an employee-owner and control over the impact of their contribution to the profitability of the organisation and, therefore, their expectation of financial benefit. The individual may also start evaluating whether to 'exit' the organisation because their expectations are not being met or to remain with the organisation to continue contributing to meeting their expectations as it ‘suits me for now’. During this evaluation, the individual may reflect on their own and their colleagues’ contribution to realising their expectations or may question the organisation’s role in realising their expectations and the reciprocity in their relationship with the organisation (***reciprocating***).

iii. Phase 3: role of the organisation in meeting expectations

The organisation’s contribution to the integration of ownership reflects a second aspect of the continuous and iterative process of changing employee-owner expectations. **Managing for ownership** reflects what the organisation does to capacitate employee-owners for ownership and facilitate the integration of ownership. The organisation’s contribution to integrating ownership may thus run concurrently with the individual’s contribution to meeting their expectations, as management acts independently of the employee-owner’s contribution. Management may, however, also respond to the messages it receives from the changes in employee-owners’ feelings, attitudes and relationship with the organisation (**Readiness for ownership**) and changes in their behaviours and involvement in the organisation (**Behaving like an owner**).

Figure 4.4 shows that management’s contribution (**Managing for ownership**) to realising employee-owner expectations initiates an iteration similar to that in the second phase. In this initiated iteration, the employee-owner responds to the impact of management’s actions on their expectations and may consequently experience further changes in their **Readiness for ownership** and their behaviours and involvement in the organisation (**Behaving like an owner**).

Figure 4.4 Phase 3: role of the organisation in meeting expectations



The process of integrating ownership through management's actions is illustrated in the following example. Employee-owners raise their concern about how dividends are calculated through the channels for ***consulting*** employee-owners on their suggestions and concerns. Management responds by introducing workshops on holding shares and regular, accessible communication on the share scheme and the company's performance. This may contribute to meeting the individual's expectation of **understanding**; affect their attitude and commitment to remaining with the organisation (**changing attitudes**); and further their trust in the organisation (***trusting***). It may also contribute to meeting their expectation of **being an owner**. Through their actions, management may thus nurture the individual's ***feelings of actualisation*** and ***sense of ownership*** as management has not only considered, but also acted on, their concerns. Employee-owners may, furthermore, interpret these actions as management ***recognising*** employee-owners as having a shared interest in the success of the organisation, thus strengthening the reciprocal relationship between management and employee-owners. With a better **understanding**, employee-owners may respond by **changing behaviours**, focusing on both the profitability and the sustainability of the organisation, and **getting involved** in decision-making through the structures for participation.

This illustration does not imply that all these changes will occur in response to an action by the management of the organisation, but rather presents a range of changes that may occur, depending on the individual, the level and priority of their expectation, and their progress in integrating ownership.

iv. Closing the loop: owner or tenant?

The final part of the process of integration of ownership is shown in the box within Figure 4.4. This part reflects that employee-owners may, over time, be asking: are my expectations being met?; how do I feel about working for this organisation?; is my role fulfilling?; do I feel empowered?; is my relationship with the organisation such that I can commit to this organisation?; is this where I can achieve what I aspire to in respect of my personal goals?; and, the pivotal question, do I feel like an owner and, if so, am I *truly* an owner?

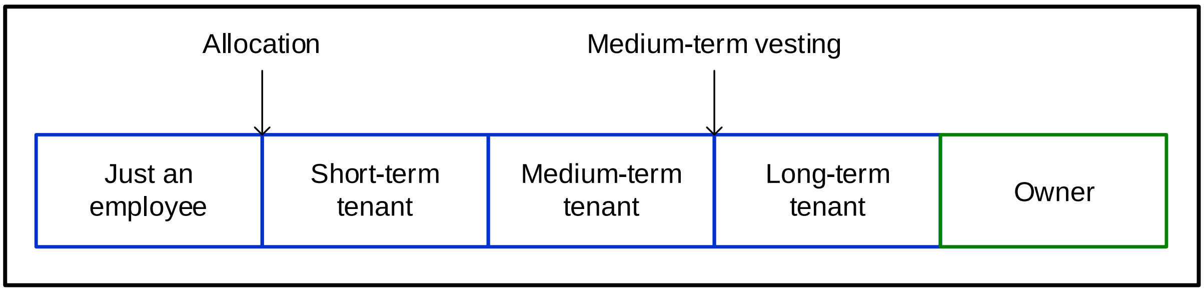
These reflections may lead to changing responses while the employee-owner remains with the organisation and experiences employee ownership. Accumulating affirmative responses to some questions, but not others, suggests that the employee-owner may find themselves crossing thresholds over time. These thresholds and the temporality of the integration of ownership are reflected in an employee-to-owner continuum. This is introduced in the following section.

4.5.3 An employee-to-owner continuum

The proposed employee-to-owner continuum shown in Figure 4.5 represents five stages delineated by thresholds. Each threshold determines the individual's positioning and the level at which ownership is integrated into their work experience through their own contribution and the contribution of the organisation to meeting employee-owner expectations. Crossing a threshold thus reflects changes in the **Expectations of employee ownership**, **Readiness for ownership** and **Behaving like an owner** that lead to the repositioning of the individual on the continuum.

The continuum starts with the individual as 'Just an employee' and culminates with the individual as an 'Owner'. At this stage, ownership is fully integrated into their feelings, attitudes, relationship with the organisation and behaviours. The stages that lie between 'Just an employee' and 'Owner' represent the partial integration of ownership where the individual periodically evaluates their expectations and considers their commitment to remaining with the organisation. In these interim stages, the individual is thus represented as a 'tenant'. Figure 4.5 shows the five stages along the continuum.

Figure 4.5 Employee-to-owner continuum



The diversity of participant accounts suggests that every individual's experience of employee ownership is unique and is influenced by their individual attributes, responses and expectations, and how they receive and interpret the changes introduced by their own and the organisation's contribution to integrating ownership into their work experience. The employee-to-owner continuum attempts to capture these variations by proposing that the level at which an individual has integrated ownership is manifested in how they prioritise their expectations at a juncture in their employee-ownership experience.

A medium-term tenant, for example, may evaluate their financial expectations as met and commit to being a long-term tenant. In contrast, realising that their expectation will not be met, the medium-term tenant may reposition as a short-term tenant who is willing to forfeit their shares and actively look for alternative employment. The level at which individual expectations are met may also differ. For some tenants, the expectation of involvement in decision-making is only met when their voice is considered, while others may feel validated by having the opportunity to raise suggestions and concerns. In this case, repositioning is determined by their other expectations.

The employee-to-owner continuum therefore does not imply that individuals necessarily move sequentially through the various stages, but rather that, as an individual, an employee-owner may reflect a level of integration that is illustrated by a location on the continuum. The descriptions below are composites of each stage and are drawn from the analysis of the data.

i. Just an employee

The first stage reflects the employee prior to receiving an allocation of shares. The allocation of shares may initiate the integration of ownership for some individuals, "*I'll go and work, go home, go and work, go home, tomorrow I'll go back to work. But when you get shares you like, yo, you become more excited. You start enjoying your work*" (INT7). These individuals may cross the threshold between being an employee and being an employee-owner and reposition as a tenant. Others, however, may remain as 'just an employee': "*They just here to work, get paid, done*" (INT1).

ii. Short-term tenant

The second stage of the continuum reflects the individual who has received an allocation of shares and enjoys the short-term benefit of regular dividend payments. These individuals are initially both excited and motivated as, for now, their focus is financial security, and the financial benefit of receiving dividends may exceed their expectation. As one participant stated:

> "*let's say you just started at [C1], you are not an owner. You just take things lightly but if you start becoming an owner, you know July you getting money, twee-twee, December you getting money, twee-twee and if you've got good stock loss you getting money, twee-twee. That's how we getting money from [C1]*" (INT7) ("twee-twee" is the sound of the text notification of receiving a payment).

They value the organisation as they see it not only as generous but as having provided employment and a temporary home where they have the opportunity to earn more than just their salaries to address their urgent needs. As one participant put it: "*We work very hard for them because we know that they help. Especially, I've got kids, I depend on those shares, I depend on the incentives, cause that's when I get to do most of the things that I have to do. It helps, so we push*" (INT2).

Short-term tenants are, however, always on the lookout for opportunities that offer greater financial benefit and career advancement, "*These kids … I am here, for now, I am gonna leave…. But when they grow they actually maybe they stay long, they actually realise … [C1] is better than that other company*" (INT15). Initially, the culture of the organisation, their growth opportunities and their contribution to the organisation may inculcate a sense of belonging, job autonomy, confidence and self-worth. "*I am here to work and it's nice knowing that I've got a job to do every day and that people look up to you here at work. And your work is being recognised whatever that you doing*" (INT2). As the individual settles into their new role and receives some satisfaction of their expectation of financial benefit, this may lead them to re-evaluate their expectations and role in the organisation.

The distinction between the short-term and medium-term tenant represents the second threshold in the integration of ownership. In addition to the expectations of **growing**, **justice** and **financial benefit**, the individual expects to have an **understanding** of their ownership status and more control over their immediate environment to remain with the organisation and contribute to the workplace: "*I think if we can just have more knowledge about it, more information about it … they'll get more involved in it, feel like owners*" (INT2).

iii. Medium-term tenant

In the third stage of the continuum, the individual is a satisfied *employee* of the company, but the realisation that they have a shared interest in the performance of the organisation means that their focus is on the medium- to long-term financial benefits of being an employee-owner. The short-term benefits provide some security, but the medium-term tenant is more concerned about what the organisation has to offer for them to advance financially and in terms of their personal development. As they consider their commitment to remaining with the organisation, they may be evaluating the role that they play, not only in their immediate environment but also in the organisation in which they have an interest. In addition to the expectation of **financial benefit**, they may turn their attention to their expectations of **understanding** their ownership stake, the meaning and implications of **being an owner** and whether the organisation provides the opportunities for them to continue **growing** to meet their career aspirations:

> "*You need to explain things to me, you need to involve me in conversations, you know. I need to understand how things work, you know. I need to be able to think for myself. I mean when I leave here I need to be able to start my own company, in a way, because I know how things work. You know that, for me is another source of empowerment…. And I think with a lot of black people we're in that situation you know that hey, there's that thing, to make you guys, you know, three steps ahead because you guys have been through this, so here's this, here's that, here's that, you know. You're empowered, there you go. Is that really? Are we?*" (INT8).

The medium-term tenant expects to have a better understanding of the share scheme and "*the ins and out goings of the company*" (INT14) to assess the medium- to long-term success of the organisation as they evaluate their financial and career opportunities and commitment to remaining with the organisation. As a participant commented: "*Cause **again**, it goes down to information … people just want to sell and keep the money and spend the money.... It is because they don't have the information in their hands*" (INT6). A deeper understanding, "*information is power*" (INT6), is also needed to participate confidently and effectively in decisions over their immediate environment and for the sustained success of the organisation in which they have an interest.

For the medium-term tenant, the opportunity to advance their career is an important consideration in their decision to remain with the organisation. Participants explained: "*I am not too happy that I am unable to advance in pursuing or getting a job that suits my qualification within the company, so I always have to look elsewhere*" (INT13); "*I don't see myself working for [C1] forever. If I have to lose [my shares], so be it*" (INT3). Where the horizon for the vesting of shares lies in the medium-term, the integration of ownership may be minimal. Individuals may just wait for vesting before seeking new career opportunities, "*you feel I wanna stay at the company longer because when the shares vest I might get a portion, you know. You have something to look forward to*" (INT11), or relinquish their status as employee-owner while seeking new career opportunities, "*if I am here by year seven I am definitely cashing it up and getting a house*" (INT18).

While the vesting of shares is an event that may conclude the individual's status as employee-owner, it may also affect the individual's expectation of involvement in decision-making as they take control of the shares that "*are not really **mine***" (INT9).

The level to which the expectations of **understanding**, **being an owner** and **growing** are realised may reinforce the reciprocal relationship of ***recognising*** employee-owners as co-owners of the organisation and ***trusting*** and being trusted by the organisation. The threshold between the medium- and long-term tenant lies in the individual's perception of this relationship with the organisation. For the medium-term tenant, involvement in decision-making is having the opportunity to voice suggestions and concerns. For the long-term tenant, it is knowing that the structures for participation are trustworthy and that their participation is acknowledged.

iv. Long-term tenant

The fourth stage of the continuum reflects the individual who sees the company as providing a place where they can, for the foreseeable future, best fulfil their financial and career aspirations.

The long-term tenant has a strong sense of belonging, "*It gave me that feeling I am a part of something bigger than I am right now. I am a part of something huge*" (INT4). This suggests that the tenant is not actively evaluating other opportunities: "*there is a future here. So I see it that way. Okay, I would rather improve here than try to move somewhere else because here I am the owner*" (INT10).

The long-term tenant is concerned about the long-term success of the organisation and perceives their role as contributing to, and having some influence through their involvement in sustaining, the organisation's success:

> "*you working hard for it, so maybe you want this company to grow, you don't want to fail*" (INT15)
>
> "*If I look back in life, compared to when I was just a [role] without being the owner, you know I would feel like, you know what, in life really, what have I done, I feel so low. But since that I am an owner, I can say, you know what, I have achieved something in life, I am part of this company, and I would feel even propelled to say, what more can I do? How can I contribute? How can I even improve myself?*" (INT10).

Long-term tenants include individuals who have retained some, if not all, of their shares or have the prospect of shares vesting in the long-term. Having a stake in the ownership of the organisation matters to them as they wish to retain their status as employee-owners, "*I hope I'll be allowed that, and not sell everything and just take part of it and leave some*" (INT17). They may also see it as part of their legacy: "*Cause if I am going to own something, why would I want to cash it out? … shares is something that you can give to your kids, you can die with them or you can kind of leave a legacy for your kids*" (INT6). Retaining their status as employee-owners, however, does have a proviso: "*I think I'll keep them as long as I see they are serving my interests, they are for my benefit*" (INT10).

In evaluating their commitment to the organisation, the long-term tenant's priority is thus the expectation of **being an owner**, that is, the ability to influence the sustainability of that in which they have a vested interest. Rather than being reluctant to participate, where "*The opportunity is definitely there, but not taken*" (INT18), being an owner means actively engaging in involvement in decision-making. Receiving "*Thank you for raising your concerns*" (INT12) as feedback may be acknowledgement of concerns, but ownership means that the management of the organisation gives due consideration to suggestions and concerns. It is only when this expectation is met that the individual may fully integrate ownership to become an 'owner'.

v. Owner

The final stage in the employee-to-owner continuum reflects the individual who has fully integrated ownership. From their perspective, this individual identifies as an owner and feels and behaves like an owner. They also have a reciprocal relationship with the organisation that confirms that "*A shareholder means you are just like us in the company. Although there is a certain percentage that one owns and all those things, but you are the owner of the company*" (INT10).

For the individual, being an owner thus means that the relationship of recognition and trust carries responsibilities:

> "*It actually means that it's my company.... You know, your company, you own, you sit down and you decide. This actually not right, you have to fix it. It's actually, am I giving a profit*" (INT15)
>
> "*you know this is yours. You want it to succeed. You want it to be successful. So that sense of ownership, you always want to do more*" (INT13)
>
> "*I am part of this company, I am the owner of this company. So which means I have to look at the interests of the company*" (INT10).

In conclusion, the employee-to-owner continuum thus completes the process shown in Figure 4.4, which reflects that the individual remains a tenant until their expectations are met. The process of the integration of ownership, furthermore, reflects that the individual may only perceive themselves as an 'owner' while their expectations are met.

As the context may influence **Expectations of employee ownership**, **Readiness for ownership** and **Behaving like an owner**, the high unemployment levels, skills levels and financial wellbeing of many South African employee-owners may affect the integration of ownership and positioning on the continuum. In this context, employees may accept available employment to meet their financial needs and may view their employment as transitory while they seek better opportunities, as shown in Section 4.2.2, Changing attitudes. However, it appears that the longer employees remain with an organisation where some, if not all, of their expectations are met, the more likely they are to develop a sense of ownership of the organisation and integrate ownership into their work experience. As certain participants remarked:

> "*at first I was like, mm-mm, this is not the place that I wanna see myself in the long term. I am here just to fix there and there and there then I quit. But going on with [C1], like being with them, then suddenly I've just changed my mind. I think I'll grow big in here. I'll grow here…. Everything I thought about [C1] has changed*" (INT2)
>
> "*I've never seen myself as being in [C1] for this long, that's why maybe I didn't feel like um, maybe I should be part of [C1] and ownership and stuff like that … if I was unemployed I wouldn't know what it is to own something*" (INT3).

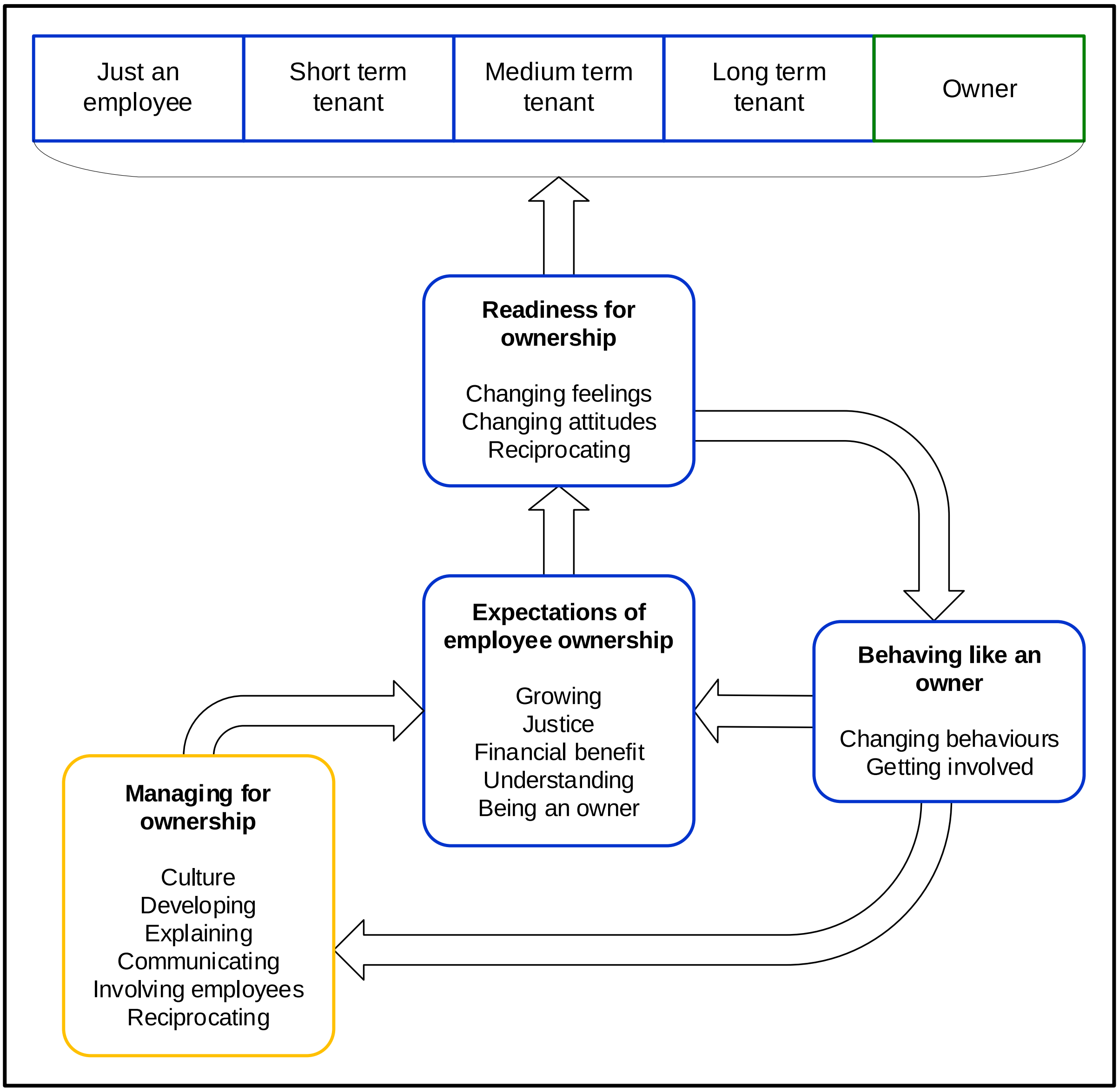
In addition to addressing the urgent expectation of **financial benefit**, integrating employee ownership may be a journey of actualisation for some employee-owners. This is reflected in the following comments: "*A **good** journey, cause I've done a lot of things for myself that I never thought I would do*" (INT3), "*I have learned so much to a point where it gave me the ability to be who I am*" (INT4) and "*someone who is an owner working at a company and having shares at the company is something that was foreign to me, but now I know that I am worthy and I can question going forward*" (INT8).

Integration of ownership may be personal, but as the contributions of the employee-owner and management establish a reciprocal relationship of recognition of a shared interest and trust, this may lead to advancing the individual's sense of ownership to the benefit of both the individual and the organisation.

4.5.4 From employee to owner: the conceptual framework

The conceptual framework shown in Figure 4.6 represents the integration of the relationships between the four categories **Expectations of employee ownership**, **Readiness for ownership**, **Behaving like an owner** and **Managing for ownership**, and the employee-to-owner continuum. The conceptual framework provides the framework for the discussion in Chapter 5.

Figure 4.6 From employee to owner: the conceptual framework



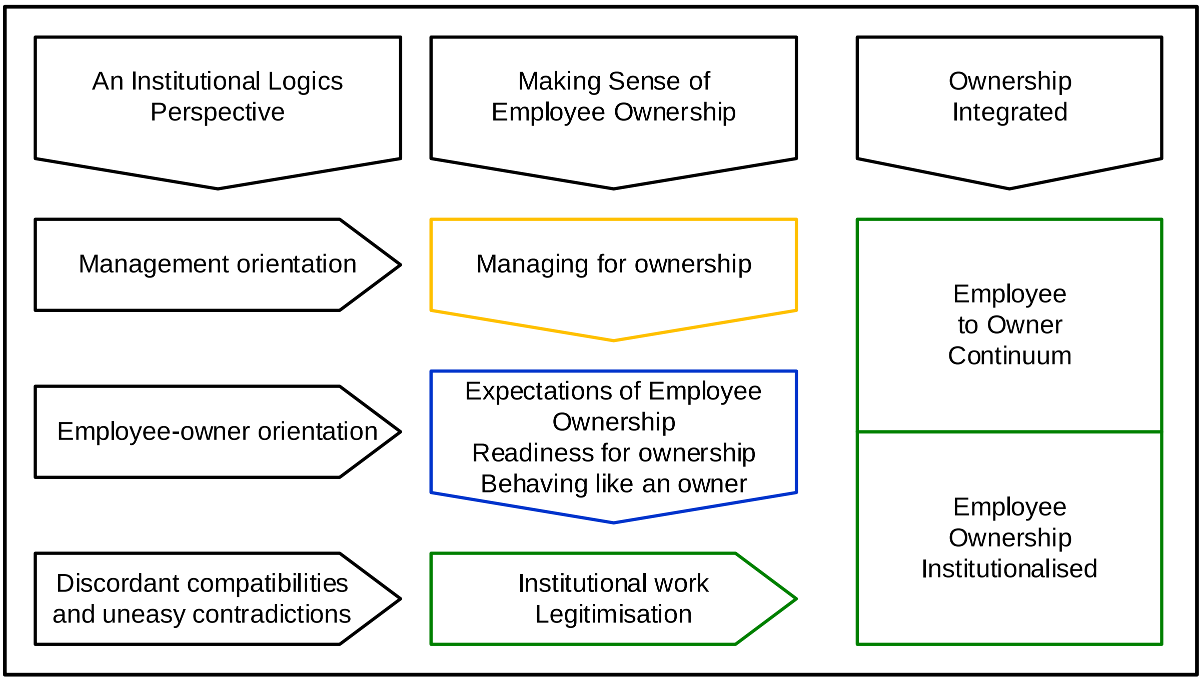
4.6 Conclusion

This chapter detailed the findings of the concurrent data-collection and -analysis process as set out in Chapter 3. The attributes of the four interrelated theoretical categories were described by explaining each category's constituent sub-categories and, where applicable, the code groups. The explanations were, furthermore, illustrated and substantiated by direct quotations from the participants in the study. The interaction of the four categories around the core category demonstrated the theoretical direction of integrating ownership by 'becoming an owner' and highlighted the overarching themes of the role of the employee-owner and management orientation in the integration of ownership. The employee-to-owner continuum was presented as a plausible theoretical explanation of the integration of ownership into the individual’s work experience, and the stages that reflect the level at which ownership is integrated into their work experience were described. The chapter concluded with a conceptual framework that represents the interactions between the theoretical categories and the employee-to-owner continuum. This is used as the basis for the theoretical integration of the themes, categories and the employee-to-owner continuum that follows in Chapter 5.

5 CHAPTER 5: THEORETICAL INTEGRATION AND DISCUSSION

This chapter interprets the findings of the study from the perspective of the influence of structure on employee-owners' perceptions of agency and how this affects the individual's propensity to integrate ownership into their work experience. Figure 5.1 situates the findings of the study, which are shown in Figure 4.6 in Chapter 4, in relation to the presentation of the interaction between the concepts of institutional logics and sensemaking in this chapter.

Figure 5.1 Structure of the chapter



The first section of the chapter introduces the institutional logics perspective to provide an understanding of the approach to the interpretation of the findings. The institutional logics perspective provides an interesting and contextual framework for interpreting the compatibilities and contradictions in employee-owner perceptions that emerged from the data analysis. Two competing logics, which are derived from participant comments, are presented. The first logic, 'You are now one of *us*', denotes management's orientation towards employee ownership as perceived by employee-owners. The second logic, 'Thank you, but only while it suits me', denotes employee-owners' orientation towards employee ownership. The section concludes by presenting the compatibilities and contradictions between the two logics as the framework for interpreting how individuals make sense of their experience as employee-owners.

The second section of the chapter introduces sensemaking. The section explores how receiving an allocation of shares creates an initial event for making sense of the change in the individual's identity from employee to co-owner of the organisation and the possibility of benefitting from the change in their relationship with the organisation. The effect of ongoing and recursive sensemaking of the individual's experience in meeting their expectations of employee ownership highlights the salience of cues to which individuals direct their attention for creating meaning and evaluating the legitimacy of the change over time. The section concludes by presenting the interrelatedness of the logics, sensemaking and legitimacy judgement formation as the backdrop for discussing the orientations of management and employee-owners in the following sections.

The third and fourth sections of the chapter isolate the discussions of the 'thinking and doing' of management and employee-owners respectively to reflect how the institutional logics frame the ongoing cycle of sensemaking, sensegiving and legitimacy judgement formation. The findings, as shown in Figure 4.6, are then linked to the two derived logics of employee ownership. These logics represent the frames of reference that shape the assumptions, values, beliefs and actions (Thornton, Ocasio, & Lounsbury, 2012) that reflect how individuals perceive management's orientation (**Managing for ownership**) towards employee ownership and determine employee-owners' orientation (**Expectations of ownership**, **Readiness for ownership** and **Behaving like an owner**) towards their dual identity and role as both employees and owners of the organisation.

Section five juxtaposes management's orientation and employee-owners' orientation. Interpretation of the compatibilities and contradictions between the two logics highlights the interaction of structure and agency in the integration of ownership. The section then identifies how institutional work by both employee-owners and management facilitates the integration of employee ownership into the individual's work experience and legitimates employee ownership in the workplace.

The theoretical contribution in the final section clarifies the employee-to-owner continuum as a continuous process of integrating ownership that comprises progressive levels of integration. The section then proposes a framework of an ideal-type owner for comparative analysis. The individual integration represented by the employee-to-owner continuum is then incorporated into a model for institutionalising employee ownership in the workplace. The section concludes by acknowledging both the constraints and opportunities presented by institutionalising employee ownership in the workplace.

5.1 An institutional logics perspective

Chapter 1 highlights the evolving political economy of the context of this study and identifies that the complexity in the business environment into which employee ownership initiatives are introduced is both a local and global phenomenon. The contradictions in the findings of this study draw attention to institutional complexity, which refers specifically to how organisations and individuals respond to the incompatibilities in the prescriptions from multiple institutional logics (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011); the interrelatedness of multiple logics; and the impact on legitimacy in terms of organisational aims, actions and outcomes (Bertels & Lawrence, 2016).

The following section introduces the institutional logics perspective, which recognises the importance of the institutional context for how organisations and individuals create meaning and perceive and experience rationality (Friedland & Alford, 1991; Greenwood et al., 2008; Thornton et al., 2012; Weber & Glynn, 2006).

5.1.1 Introducing institutional logics

Institutional theory, which comprises an extensive body of empirical and theoretical work, has become a dominant approach for the study of organisations (Greenwood et al., 2008). The conceptualisation of institutions has varied throughout the expansion of institutional theory from its origins in the 1950s (Parsons, 1956; Selznick, 1957), to neo-institutionalism (DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Zucker, 1977), and subsequently in multiple diverse research streams, which include the institutional logics perspective.

A common understanding in institutional theory throughout its expansion is that rather than pursuing interests in a manner that is purely intentional and rational, organisations are influenced by their institutional context, a socially constructed understanding of what is rational, appropriate and meaningful behaviour (Greenwood et al., 2008; Greenwood & Suddaby, 2006; Meyer & Rowan, 1977; Suddaby, Elsbach, Greenwood, Meyer, & Zilber, 2010; Zucker, 1983).

An ongoing debate in institutional theory, despite this common understanding, relates to the primacy of either agency or structure. ‘Old’ institutionalism privileges agency over structure; that is, organisational actors have agency and can reflect on and exercise agency over their actions, although institutions *limit their choices* in respect of both the means and ends of individual behaviour. Neo-institutionalism places more emphasis on the role of institutions, proposing that institutions *prescribe* compatible and legitimate organisational practices, which results in organisational isomorphism. Subsequent research streams have built on neo-institutionalism and attempted to reconcile these arguments and the “paradox of embedded agency” (Seo & Creed, 2002, p. 223), which asks how actors can change, maintain and disrupt (Lawrence et al., 2011) the contexts in which they are embedded. More recently, Cardinale (2018) argues that these disparate views appear to be converging and proposes that structure constrains and enables but also orients actors’ actions. Contributing to the debate, and prominent among the research streams built on neo-institutionalism, is the strand of institutional logics (Friedland & Alford, 1991; Jackall, 1988), which provides a link between agency and structure (Thornton & Ocasio, 2008).

The introduction of the institutional logics perspective to institutional theory is attributed to the seminal contribution (Thornton & Ocasio, 2008) by Friedland and Alford (1991), who aimed to explain the relationship between society, organisations and individuals. Friedland and Alford (1991) proposed a view of Western society that comprises multiple institutional orders – each characterised by its own distinctive logic – which shape organisations and individual action (Greenwood et al., 2008; Ocasio, Thornton, & Lounsbury, 2017).

Integrating the insights from the early development and building on the contribution from Friedland and Alford (1991), Thornton and her colleagues (1999; 2008; 2012) extend the interinstitutional system to seven orders. Four among these, namely the community, state, market and corporation institutional orders, are relevant to this discussion and are shown in Table 5.1 below. The “elemental categories or building blocks” within each order prescribe organising principles that stipulate how an institutional order influences the identity, preferences and interests of organisations and individuals and provide a framework for analysing and comparing logics (Thornton et al., 2012, p. 54). In addition to extending the interinstitutional system, Thornton et al. (2012) separate institutional orders and institutional logics, allowing for multiple logics to exist within an organisation and for a single logic to emanate from multiple institutional orders. Thornton et al. (2012) also explicate four premises for the institutional logics perspective that are highlighted for the purposes of providing an understanding of and informing the discussion on the logics of employee ownership.

First, Thornton et al. (2012) argue that the relationship between *agency and structure*, being that identities, values, interests and assumptions of individuals and organisations are embedded in the prevailing institutional logics, may be the most important premise of the institutional logics perspective. The assumption is that individuals are only partially autonomous in respect of opportunities for action, as society, which consists of individuals, organisations and institutions, is viewed as nested. Individuals are therefore constrained by organisations, which, in turn, are constrained by institutions. Institutions are, however, socially constructed through the actions of individuals and organisations. Embedded agency therefore suggests that although individuals are constrained by institutions, they also change institutions through their actions.

The second premise is that institutional logics are both *symbolic and material* (Friedland & Alford, 1991; Thornton et al., 2012). This implies that as institutional logics are cognitive constructs or shared understandings, they are communicated symbolically (language, culture) and manifested and observed in material practices. These practices, in turn, shape the institutional logics (Ocasio et al., 2017; Thornton et al., 2012).

The third premise, which is consistent with institutional theory, is that institutions are *historically contingent*. It is thus assumed that the logics associated with institutions evolve over time as they may be affected by the current economic, political, structural, cultural and normative environment (Thornton et al., 2012).

The fourth and final premise put forward by Thornton et al. (2012) is that *institutions operate at multiple levels of analysis*. These are the societal level (macro), the organisational, industry or field level (meso) and the individual level (micro). As the institutional logics perspective views these levels as nested, the assumption is that the interplay between the three levels may result in cross-level effects.

The interinstitutional system ideal types (Table 5.1) represent an abstract model for comparing observations against examples of ideal forms of societal-level logics

(Ocasio et al., 2017; Thornton et al., 2012). The ideal types reflect both the cultural symbols (x-axis) and material practices (y-axis) of the institutional logics perspective and represent how institutional orders may influence organisational and individual perceptions of legitimacy and identity (Thornton et al., 2012).

Table 5.1 Interinstitutional system ideal types

Y-Axis	**X-Axis: Institutional Orders**			
Categories	**Community**	**State**	**Market**	**Corporation**
Root Metaphor	Common boundary	State as redistribution mechanism	Transaction	Corporation as hierarchy
Sources of Legitimacy	Unity of will Belief in trust and reciprocity	Democratic participation	Share price	Market position of firm
Sources of Authority	Commitment to community values & ideology	Bureaucratic domination	Shareholder activism	Board of directors
Sources of Identity	Emotional connection Ego satisfaction & reputation	Social & economic class	Faceless	Bureaucratic roles
Basis of Norms	Group membership	Citizenship in nation	Self-interest	Employment in firm
Basis of Attention	Personal investment in group	Status of interest group	Status in market	Status in hierarchy
Basis of Strategy	Increase status & honor of members & practices	Increase community good	Increase efficiency profit	Increase size & diversification of firm
Informal Control Mechanisms	Visibility of actions	Backroom politics	Industry analysts	Organization culture
Economic System	Cooperative capitalism	Welfare capitalism	Market capitalism	Managerial capitalism

Extract from Thornton et al. (2012, p. 73)

From an institutional logics perspective, the context in which individuals make sense of their dual identity as employees and owners is thus influenced by multiple and potentially contradictory societal logics (Friedland & Alford, 1991; Thornton & Ocasio, 2008). Consideration for both the cultural symbols and material practices suggests that this perspective is not biased towards Western culture and practices (Thornton et al., 2012). The societal-level ideal types, therefore, provide a framework for analysing the findings of this study and exploring the nature of, and the relationships between, the multiple logics associated with employee ownership and how employees respond to and apply these contextual frames of reference when making sense of employee ownership.

5.1.2 The logics of employee ownership

An institutional logics view of the findings of the study exposes two distinct logics associated with employee perceptions of employee ownership. These logics are an organisational logic of 'You are now one of *us*' that reflects management's orientation towards employee ownership, and an employee-owner logic of 'Thank you, but only while it suits me'. Table 5.2, which presents a summary of the logics of employee ownership, juxtaposes the two logics, highlighting contradictions and compatibilities in the macro- and meso-level influences on the two logics. The elemental categories (y-axis) are aligned with three related and influential societal-level ideal types from the model proposed by Thornton et al. (2012). These are the community, market and corporation ideal types as shown in Table 5.1.

Table 5.2 Summary of the logics of employee ownership

Root metaphor	You are now one of *us*	Thank you, but only while it suits me
Sources of legitimacy	Share price, market position of the firm, growth	Incentives, dividends, vesting and retention of shares
Sources of authority	Board of directors, top management	Shareholder activism: representation at all levels
Sources of identity	Emotional connection, ego satisfaction & reputation	Emotional connection, ego satisfaction & reputation
Basis of norms	Group membership	Self-interest
Basis of attention	Status in the market	Status in the market
Basis of strategy	Increase efficiency and profit	Increase financial wellbeing and increase status, employability
Informal control mechanisms	Organisation culture	Visibility of actions
Economic system	Stakeholder capitalism	Market capitalism

Key	Community	Market	Corporation

The following introductions to the two logics of employee ownership provide brief explanations of the influence of the macro- and meso-level institutional logics as shown in Table 5.2. Sections 5.3, Management orientation, and 5.4, Employee-owner orientation elaborate on these influences in more detailed discussions of the two logics.

The first introduction describes the ‘You are now one of *us*’ logic shown in Table 5.2 and the perceived change in management’s orientation from market or corporate capitalism to stakeholder capitalism. This is followed by the micro-level response to the perceived change in management’s logic. The introduction to the ‘Thank you, but only while it suits me’ logic shown in Table 5.2 describes employee-owners’ orientation towards employee ownership.

i. ‘You are now one of *us*’

‘You are now one of *us*’ reflects a logic that attempts to reconcile the prescription of the state for a more inclusive economy, the resultant empowerment expectations of the broader community, and the prevailing logic of the business environment.

At the macro-level, both the state and organisations face balancing the complexity and influence of the multiple contradictory societal logics of the state, community and the market. The introduction of a state regulatory logic or policy regime aimed at balancing economic expansion and firm success, while simultaneously addressing empowerment through wealth distribution and democratic participation in the workplace, provides the “exogenous jolt” for organisations to consider alternative logics (Greenwood & Suddaby, 2006, p. 28) to maintain legitimacy and performance.

At the meso-level, Thornton and her colleagues (2008; 2012) describe a recursive relationship between markets and institutional logics in which market forces influence the formation of institutional logics, which, in turn, shape economic reasoning and market structures. Multiple societal logics influence the social construction of the market and therefore the instantiation of variants of the market logic (Ocasio et al., 2017) as organisations respond to institutional pluralism and complexity through their strategic choices, goals, objectives and recognition of stakeholder expectations (Ocasio & Radoynovska, 2016).

This study draws on participants from two distinctly different organisations and combines the findings from these organisations, with the focus being on the individual although the context of the employee’s experience is acknowledged. The taken-for-granted dominance of the market and corporation logics in many economies over the past few decades (Ocasio & Radoynovska, 2016; Ocasio et al., 2017) provides the foundation for assuming a blended logic that comprises the material practices of Thornton et al.'s (2012) ideal-type market and corporation logics. The dominant logics of the two organisations from which the participants were drawn could thus be described as having characteristics of both the market and the corporation ideal types, with neither conforming to either of the ideal types. The assumption of a generic dominant logic based on a fusion of the market and corporation ideal types aims purely to create a context against which the logic of 'You are now one of *us*' can be compared.

The allocation of shares to employees, advanced by the state policy regime, suggests a shift from pure shareholder capitalism associated with the market/corporation logic towards a form of inclusive stakeholder capitalism. This equates to the logic of "*enlightened* shareholder value" adopted in company law reform in the UK in 2006, which takes stakeholder interest and the organisation's reputation into account while maintaining the pre-eminence of shareholder value creation (Lok, 2010, p. 1309). Of concern, however, is how employees receive this change in the organisation's logic.

ii. Micro-level response to changing logics

Individuals across all levels in organisations play a role in the instantiation of the institutional logics of the organisation, and therefore in expressing, interpreting, sustaining and transforming the logics and the enactment of organisational change (McPherson & Sauder, 2013; Powell & Colyvas, 2008; Powell & Rerup, 2017; Seo & Creed, 2002; Smets, Jarzabkowski, Burke, & Spee, 2015; Thornton et al., 2012). The acquisition of formal ownership in the organisation not only raises expectations but also provides cues for making sense of the shift in the organisation's logic and the extent to which the instantiation of the new logic is compatible with, or contradicts, employee expectations of employee ownership. 'You are now one of *us*', rather than representing the view of the management of the organisation, is thus derived from participant comments and represents how participants in the study interpret the logic of the organisation on receiving an allocation of shares. Appendix 4: Illustration of the logics of employee ownership, expands the summary of the two logics with quotations from the participants in the study. The appendix illustrates the derivation of the logics of employee ownership from participant comments and the micro-level response as a consequence of the enactment of the shift in the organisational logic towards stakeholder capitalism.

iii. ‘Thank you, but only while it suits me’

As in the case of the management of the organisation, employees are influenced by the state policy regime, the dominance of the market and corporation logics, and the societal logics of community. Individuals within organisations are participants in the broader public discourse, which directs and infuses the attention, norms, values and meanings of organisations (Suddaby et al., 2010; Weick, Sutcliffe, & Obstfeld, 2005).

‘Thank you, but only while it suits me’ reflects a process of bricolage (Douglas, 1986) of the normative assumptions and expectations drawn from this public discourse, the logics of the various institutional orders and the organisation itself. Rather than being passive consumers (Lok, 2010) of an apparent shift from shareholder to stakeholder capitalism, individuals recombine the legitimate concepts, models and scripts that are available in their institutional environment (Campbell, 1998) while making sense of the shift. In this way, they assume agency over the prescriptions of any single logic or combination of logics.

The employee-owner logic is thus an outcome of sensemaking of employee ownership and the finding that employees are highly appreciative of their ownership stake, yet only remain with the organisation for as long as their interests are served, that is, for as long as the employee’s expectations both as an employee and as an owner are met. Overall, the logic reflects the norms and values associated with the market logic (Thornton et al., 2012) and appears to contradict the collectivist, community logic of the social environment of the participant group (as discussed in Chapter 1). This brings to the fore the impact of the contradictions and compatibilities both within and between the two logics on the individual’s relationship with the organisation and thus the integration of employee-ownership.

5.1.3 Coexistence, conflict or an uneasy truce?

Besharov and Smith (2014) propose that organisational outcomes are affected by the degree of *compatibility* between logics, or the extent to which the logics prescribe actions that are consistent, and the *centrality* of the logics, or the extent to which the logics are core to the functioning of the organisation. At first glance, the compatibilities represented in the sources of legitimacy, basis of attention and basis of strategy elemental categories reflect a degree of centrality in the logics consistent with the market ideal-type logic of competitive firms. The fourth compatibility, sources of identity, while not central to the functioning of the organisation, represents a shift away from the prevailing fused market/corporation logic towards community and stakeholder capitalism. These compatibilities underscore the ‘now’ (on receiving a share allocation), and the ‘*us*’ (as a co-owner and financial beneficiary of co-ownership) in ‘You are now one of *us*’.

The contradictions between the logics of management and employee-owners represented in the sources of authority, basis of norms and informal control mechanisms suggest the potential for unmet expectations and unease in how employee-owners experience identity and the legitimacy of the organisational aims, actions and outcomes. These contradictions thus denote ‘only while it suits me’ in the logic of employee-owners. The interrelatedness of the elemental categories within each of the logics and the compatibilities and contradictions between the logics allude to the authenticity of the ESO initiative. They also point to the perception that rather than being a shift towards stakeholder capitalism, the organisational logic arising from the allocation of shares is a bricolage of market, corporation and community logics masquerading as stakeholder capitalism.

Institutional logics are, however, historically contingent and change over time (Greenwood & Suddaby, 2006). Thornton et al. (2012) maintain that Friedland and Alford’s (1991) most important contribution to the institutional logics perspective is that the interinstitutional theory is recursive and involves organisations and individuals. Institutions and organisations are inhabited (Hallett & Ventresca, 2006) by “real people, in real contexts, with consequential past experiences of their own” (Binder, 2007, p. 568). The two logics show that employee-owners may combine the institutional logics with embedded organisational meanings during routine activities and social interactions (cf. Binder, 2007; Powell & Rerup, 2017) to potentially shape their environments (Lawrence, Suddaby, & Leca, 2009) through a continuous process of sensemaking (Powell & Rerup, 2017).

The question then is: how do employee-owners experience the multiple logics associated with employee ownership? Is it a case of acquiescent co-existence, conflict or what Reay and Hinings (2005, p. 364) describe as an “uneasy truce”? An understanding of sensemaking and how employees make sense of employee ownership provides insight into the effect of the contradictions and compatibilities on the integration of ownership or, in sensemaking terms, responds to the question, "'what's the story?'" (Weick et al., 2005, p. 410).

5.2 Making sense of employee ownership

Making sense of employee ownership describes an ongoing process, framed by the institutional logics, during which individuals: experience a change in their identity when receiving an allocation of shares; direct their attention to cues from the changing environment; and create meaning by enacting their interpretations. As part of this process, individuals evaluate the legitimacy of the relationship that is established between employee-owners and the management of the organisation through their respective contributions to realising expectations and integrating employee ownership into the individual's work experience.

This section introduces sensemaking and clarifies the key assumptions of this study. The discussion then focuses on how the change in the individual's identity from employee to employee-owner may serve as a catalyst for sensemaking of employee ownership and how the salience of cues directs attention. The processes of creating meaning and forming legitimacy judgements are then introduced to inform the discussion of the outcomes of the ongoing interplay between sensemaking and the institutional logics.

5.2.1 Introducing sensemaking

Sensemaking in the context of organisations has its foundation in the work of Karl E. Weick (1979; 1995) and has subsequently become an influential perspective that has developed considerably. Sensemaking continues to attract attention in organisation studies as a framework for explaining how individuals assign meaning and take action in situations that are novel, unexpected or ambiguous (Brown, Colville, & Pye, 2015; Colville, Pye, & Brown, 2016; Introna, 2019; Maitlis, 2005; Maitlis & Christianson, 2014; Mills, Thurlow, & Mills, 2010; Tsoukas, Patriotta, Sutcliffe, & Maitlis, 2020).

Weick (1979; 1995) conceptualises sensemaking in organising as a process initiated by ecological change followed by a cycle of enactment (E), selection (S) and retention (R) that feeds back into the environment in a reciprocal relationship between ecological change and enactment. According to Weick (2015), this conceptualisation emerged by adapting and mapping Donald Campbell's model of sociocultural evolution (1965; 1997; cited in Weick et al., 2005) onto the sensemaking recipe, “How can I know what I think till I see what I say?”, attributed to Graham Wallas (1926, p. 106; cited in Weick, 1995, p. 12). As Weick (2015, p. 190) explains:

> Saying was enacting, seeing was selecting, thinking was retaining. And further adapting meant that subsequent saying and seeing had to be both similar to and different from what had been retained.

Noticing *ecological change*, being anomalies or changes that capture attention, raises the first sensemaking question, “what is it that’s going on here?” (Goffman, 1974, p. 8) and brings an event into existence (Weick et al., 2005). The creation of an event with multiple meanings raises the second sensemaking question, “now what should I do?” (Weick et al., 2005, p. 410). *Enactment* involves reducing equivocality by bracketing interpretations that seem plausible, based on previous action and past experience, for action and further attention (Weick et al., 2005).

Equivocality is reduced further through the *selection* of reasonable interpretations by comparing the interpretations against what has occurred, as illustrated in the question, “What do those actions mean?” (Weick, 1979, p. 260). “What should we conclude?” (Weick, 1979, p. 260) illustrates *retention* of the interpretation that is plausible, because it has been shown to be reasonable in past experience and relates to identity. Retention then informs interpretation (selection) and action (enactment) and contributes to providing an “enactable environment” (Weick, 1979, p. 130; 2015; Weick et al., 2005). The ESR (enactment, selection, retention) sequence thus reflects the three key processes of sensemaking: creation, interpretation and enactment. The processes occur in an ongoing cycle in which interpretations are revised on the basis of the consequences of the actions taken (Maitlis & Christianson, 2014; Sandberg & Tsoukas, 2015; Thomas, Clark, & Gioia, 1993; Weber & Glynn, 2006; Weick, 1995).

Arguing that sensemaking is unique, Weick (1995) identifies seven properties that provide a framework for understanding the process of sensemaking. These are that sensemaking is: grounded in identity construction; retrospective; enactive of sensible environments; social; ongoing; focused on and by extracted cues; and driven by plausibility rather than accuracy (Weick, 1995).

Although Weick’s ideas remain an influential and unifying force in research on the sensemaking perspective, the literature is characterised by diverse theoretical orientations, multiple definitions, and conceptual tensions and ambiguities (Brown et al., 2015; Maitlis & Christianson, 2014; Powell & Rerup, 2017; Sandberg & Tsoukas, 2015). In applying the sensemaking framework to individuals' experience of employee ownership, some key epistemological and ontological assumptions are therefore considered.

Maitlis and Christianson (2014) and Sandberg and Tsoukas (2015) highlight several disparities in their reviews of the literature on the sensemaking perspective. Among these are approaches to the influence of the context in which sensemaking takes place (Brown et al., 2015; Elsbach, Barr, & Hargadon, 2005; Nigam & Ocasio, 2010; O'Leary & Chia, 2007; Sandberg & Tsoukas, 2015; Taylor & Van Every, 2000; Weber & Glynn, 2006). A further disparity concerns whether sensemaking takes place as a cognitive process within the individual (Elsbach et al., 2005; Gioia & Chittipeddi, 1991; Labianca, Gray, & Brass, 2000; Louis, 1980) or as a social and discursive process between individuals (Boje, Haley, & Saylors, 2016; Brown, Stacey, & Nandhakumar, 2008; Maitlis, 2005).

While authors are agreed on sensemaking as ongoing and inherently retrospective, there are different approaches to sensemaking. Sensemaking is viewed as episodic (Balogun & Johnson, 2004; Brown, 2005; Maitlis, 2005; Weick, 1988; Weick et al., 2005). It is seen as occurring as a result of subtle cues in routine activities (Cunliffe & Coupland, 2012; Gephart, Topal, & Zhang, 2010; Gioia & Mehra, 1996; Introna, 2019; Patriotta & Brown, 2011; Powell & Rerup, 2017). Lastly, it is seen as prospective or future-oriented (Corley & Gioia, 2011; Gephart et al., 2010; Kaplan & Orlikowski, 2013; Sandberg & Tsoukas, 2020; Stigliani & Ravasi, 2012; Wiebe, 2010).

Recent suggestions for coherence in sensemaking studies (Sandberg & Tsoukas, 2020; Schildt, Mantere, & Cornelissen, 2020) highlight the effect that epistemological and ontological assumptions may have on construct clarity (Suddaby, 2010). The key assumptions for this study are therefore clarified.

First, an institutional logics perspective of how individuals experience employee ownership, combined with how individuals make sense of their experience, acknowledges the interaction between the context, the construction of meaning and the actions of individuals. This is reflected in Weber and Glynn's (2006, p. 1657) statement that "people make sense *with* institutions".

Second, sensemaking is seen as occurring through both cognitive and discursive processes. Cognitive sensemaking occurs at the individual level as “sensemaking-for-self” (Gioia & Chittipeddi, 1991, p. 444) and discursive sensemaking occurs as individuals collaborate to understand and take action in response to their status as co-owners of the organisation.

The findings of this study are, however, an etic or second-order view of first-order cognitive and discursive sensemaking, as represented by participants during interviews (Cornelissen, 2012; Gioia & Chittipeddi, 1991; Sandberg & Tsoukas, 2015, 2020). The discussion is focused on the abstraction of the first-order sensemaking as presented by the participants. This, however, acknowledges that representational sense (Sandberg & Tsoukas, 2020) of their sensemaking in the workplace was elicited from participants in a process of discursive sensemaking between the participant and the researcher, and the co-construction of meaning that is inherent in the CGT methodology (Haverkamp & Young, 2007).

Third, sensemaking is seen as both episodic, as individuals respond to the ambiguity arising from the allocation of shares, and immanent, where individuals respond to cues in routine activities (Sandberg & Tsoukas, 2015). Prospective sensemaking, or future-oriented sensemaking, is viewed from the Weickian perspective of making sense of an envisioned event retrospectively (Weick, 1979).

Finally, the institutional logics perspective provides insight into how individuals perceive their environments and how these contexts influence their view of rational behaviour. Sensemaking provides an explanatory mechanism (Maitlis & Christianson, 2014) for how individuals interpret and enact these perceived environments.

The individual’s perception of a change in management’s logic on receiving an allocation of shares may be noticed as a change in their identity from employee to employee-owner. The interaction between the change in the context of their employment and the individual’s historical understanding of their identity and role as an employee may, therefore, initiate sensemaking of the change to a dual identity and role as both employee and owner of the organisation.

5.2.2 Changing identity

Identity, as reflected in the sensemaking question *who am I?*, lies at the core of sensemaking (Bévort & Suddaby, 2016; Mills, 2003; Weber & Glynn, 2006). Weick (1995) argues that sensemaking is grounded in the identity construction of a sensemaker who is concerned with establishing and maintaining their identity to define a 'self' that is appropriate for an environment. Sensemaking is thus self-referential as the meanings assigned to events in the environment inform and constrain the sensemaker's identity and their actions (Weick, 1995; Weick et al., 2005).

The integration of ownership into the employee-owner's work experience can be viewed as a personal journey during which the individual interacts with the environment to make sense of the change in their identity from employee to employee-owner. The individual's experience is unique as it is framed by the interaction between the institutional context and the cognitive frameworks that guide the construction of meaning, and thus commensurate behaviour, and connect the broader institutional contexts with sensemaking (Bévort & Suddaby, 2016; Elsbach et al., 2005; Patriotta & Lanzara, 2006; Thornton & Ocasio, 2008).

Three aspects underpin embarking on the journey of ongoing sensemaking of the change in identity and integrating ownership. These are: the individual's identity as an employee that is framed by the prevailing market/corporation logic; the salience of receiving an allocation of shares; and the arising ambiguity in respect of their relationships and identity within the organisation.

i. The identity and logics of 'just an employee'

As an employee, the individual's perception of their identity and role in the organisation is guided by cognitive templates, or schemas, that give meaning to, and carry knowledge of, their experience in specific situations (Elsbach et al., 2005; Labianca et al., 2000). Common forms of schemas that guide how the individual thinks and behaves include self-schemas to establish and maintain their personal or social identity, and role schemas that guide the individual in their role as an employee (Elsbach et al., 2005).

The employee's schemas in respect of their identity and role within the organisation are prescribed by the employment contract, an institution in itself, which is influenced by the broader societal logics and the logics of the organisation. Weber and Glynn

(2006) argue that the logics prime the employee's role and actions by framing the individual's situational identity and scripting the frames into situational action. The institutional logics, therefore, shape sensemaking and what the employee perceives as legitimate in respect of both their identity and behaviour and those of the employer as represented by the management of the organisation (Bévort & Suddaby, 2016; Greenwood et al., 2011; Suddaby & Greenwood, 2005; Thornton et al., 2012). The logics, furthermore, inform the employee's knowledge structures and expectations in the workplace (Schildt et al., 2020; Weber & Glynn, 2006).

The employee-owner logic has an overall market orientation, in contrast to the collectivist, community logic of the social environment of the participant group (as discussed in Chapter 1). This suggests that employees selectively adopt some of the assumptions and expectations of the dominant meso-level market logic on entering the work environment over the individual's personal and community assumptions, values and beliefs. As an employee of the organisation, the institutionalised market/corporation logic of the organisation may thus influence the individual's assumptions and expectations of the workplace through the taken-for-granted organisational frames and scripts (Barley & Tolbert, 1997; Weber & Glynn, 2006) that are manifest in the implied beliefs of the psychological contract between the employer and the employee (Rousseau, 2004).

Prior to receiving an allocation of shares, the individual's situational identity and expectations are thus guided by the interaction between the cognitive frameworks and the prevailing logics to reflect 'who am I?' and shape their tacit knowledge of the practices of the organisation. This situated cognition (Elsbach et al., 2005), furthermore, influences what the individual notices as salient cues and how they make sense of the anomalies and changes (Balogun & Johnson, 2005; Cornelissen, Mantere, & Vaara, 2014; Elsbach et al., 2005; Louis, 1980; Smets et al., 2015; Weber & Glynn, 2006; Weick, 1995).

ii. Salience of an event brought into existence

Receiving an allocation of shares provides the cue that raises the question, "what is it that's going on here?" (Goffman, 1974, p. 8) and the *creation* of a sensemaking event in respect of employee ownership. As employees receive their allocation when qualifying for participation in the share scheme, the findings suggest that the salience of the cue appears to vary among individuals, influenced by their prior knowledge of the share scheme, how their participation is communicated and their expectations of the workplace. The salience of the cue, in turn, influences how the individual perceives the change in identity and where they focus their attention in sensemaking.

Participants who received a share allocation when the ESO scheme was introduced did not anticipate the event and described the introduction as being accompanied by a celebration at which it was communicated that recipients of a share allocation were now being included in the ownership of the company. This represents the start of a planned change initiative in which qualifying employees receive their share allocation simultaneously and unexpectedly, triggering sensemaking (Balogun & Johnson, 2004; Gioia & Chittipeddi, 1991) by the individual and collectively by all recipients of the share allocation. Maitlis and Sonenshein (2010) argue that shared identity, expectations and emotions underlie sensemaking in planned change initiatives. This does not necessarily imply that the individual recipients of a share allocation will make sense of it in the same way, but rather that there may initially be more emphasis on collective, discursive sensemaking.

In contrast, employees that receive their allocation when qualifying for an existing scheme may have prior knowledge of the existence of the share scheme. Making sense of the surprise that triggers the need for understanding the event (Louis, 1980) and the change in the individual's circumstances relative to past experience (Colville, Brown, & Pye, 2012) may thus be a more subdued, personal, cognitive process of sensemaking.

Regardless of the effect of the timing of the share allocation on how the individual perceives the salience of receiving an allocation of shares, participant expressions of excitement, happiness and surprise on receiving an allocation reflect that emotion contributes to the salience of the event. While it is acknowledged that emotion influences and may trigger sensemaking (Maitlis, Vogus, & Lawrence, 2013), negative emotions may constrain sensemaking. Positive emotions can, however, facilitate sensemaking (Maitlis & Sonenshein, 2010) as shown by the emotional contagion (Cornelissen et al., 2014) that occurs between the employees qualifying for their share allocation and the existing employee-owners.

The perception of employer generosity is a further indication that emotion may play a role in making sense of employee ownership. Cunliffe and Coupland (2012) argue that sensemaking is an embodied process in which individuals evaluate their identity, actions and experience relative to others and respond to the reactions of their colleagues. Emotion can, therefore, not only change the relationship between individuals and between the organisation and the employee-owner but also influence where the individual directs their attention after receiving an allocation (Maitlis et al., 2013).

Individuals' emotional response to receiving an allocation of shares is depicted by 'Thank you' in the logic of employee-owners, which reflects a change in the relationship between the individual and the organisation. As an emotional state is transient (Maitlis et al., 2013), the more significant change in relationships relates to the individual's change in identity as they perceive a change in the logics of the organisation.

iii. Change in relationships and identity

The individual's perception of the change in their identity and relationships is affected in two ways. First, directing attention to the possibility of sharing in the financial success of the company disrupts the individual's perception of the logics of the organisation, shifting from strict market capitalism (Thornton et al., 2012) to an inclusive form of stakeholder capitalism. Second, the use of inclusive terms such as 'Member' and 'owner' implies a shift from the norm of self-interest that characterises a market economy (Thornton et al., 2012) to the perception of being part of a group with a shared interest.

For the individual joining an ESO scheme, becoming a member of the scheme implies a change in their identity and their relationships with colleagues. The move from 'outsider' to 'insider' leaves non-qualifying colleagues behind as employees, as the employee-owner joins colleagues who are included in the ownership of the organisation. The inclusive terminology, furthermore, signals to the individual that 'you are now one of *us*', reflecting a change in their relationship with the organisation.

Organisations have their own languages (Weick, 1995) or institutional vocabularies (Suddaby & Greenwood, 2005) that convey underlying assumptions, values and beliefs and can be employed to legitimate change. As persuasive language can change an institutional logic (Suddaby & Greenwood, 2005), through the use of inclusive terminology, the perceived logic, ‘you are now one of *us*’, may become a frame for the individual’s sensemaking and sense of self and identity (Thornton et al., 2012) within the organisation.

The persuasive language of inclusive terminology, furthermore, triggers evaluative schemas such as the self- and role schemas, to produce momentary situated cognitions of the individual’s perception of who they are, and perceptions of cause and effect that focus their attention (Elsbach et al., 2005). In this way, the constraints of the prevailing institutional logic (Weber & Glynn, 2006) are diluted.

The perceived shift in the logic of the organisation therefore introduces uncertainty over their historical understanding of their identity and behaviours as employees within the organisation’s blend of market and corporation logics. The loss of understanding reiterates the question ‘who am I?’ and adds “what is my personal role to be in this new mode of organizing?” (Bévort & Suddaby, 2016, p. 18). The loss of understanding is thus the impetus for the restoration of meaning (Weber & Glynn, 2006) in respect of the individual’s identity and their taken-for-granted role in the organisation.

Arguably, not every individual will initially perceive the cue of receiving an allocation as a change to the status of employee-owner. All recipients of an allocation will, however, notice the possibility of financial benefit. It is this distinction in respect of salience, and the extent to which ownership is integrated, that directs the individual’s attention to cues that relate to their evolving expectations in the ongoing sensemaking following the creation of the initial event.

5.2.3 Directing attention and evaluating the expectations of employee ownership

Making sense of employee ownership is a dynamic, temporal process (Cunliffe & Coupland, 2012) that is triggered by the initial, and noteworthy, event of receiving an allocation of shares, which is followed by smaller, momentary cues from ongoing individual (**Behaving like an owner**) and social (**getting involved** and **Managing for ownership**) actions.

During this process, sensemaking may be deliberate or immanent (Sandberg & Tsoukas, 2020) as the individual pays selective attention (Schildt et al., 2020) to an ongoing stream of cues. These cues arise from routine activities and the individual's experience of the legitimacy of individual and social actions, their changing relationship with the organisation and their changing expectations, identity and behaviour. By asking "what is it that's going on here?" (Goffman, 1974, p. 8), the employee-owner brackets cues from their past experience, simultaneously raises the question, "what do I do next?" (Weick et al., 2005, p. 412), and focuses their attention on creating meaning from salient cues and enabling further action (Nigam & Ocasio, 2010).

The salience of cues for sensemaking, however, changes as the individual integrates ownership and repositions on the employee-to-owner continuum. As shown in the findings, individuals' expectations may evolve as they become more familiar with their status as co-owners of the organisation. Continually establishing and maintaining their identity, 'who am I?', the employee-owner evaluates, prioritises and revises their expectations as they consider their past experience and possible future action, 'what is my role?', and their relationship with the organisation, 'which I am I?' (Coopey, Keegan, & Emler, 1997; Weick, 1995).

The prioritisation of expectations, and the extent to which expectations are met, therefore, influence when the employee-owner notices and attends to a cue from the environment. Attention is directed to what their greatest concern is, or has become, which might be concern about what they have experienced, what they are currently experiencing, or their projections for future short-, medium- or long-term experiences (Dawson & Sykes, 2019).

While prioritised expectations direct attention to cues, expectations are, in turn, shaped by the individual's perception of their identity and rational behaviour. A cue will thus be noticed and attended to when it is discrepant not only from their expectations but also from their identity and what they see as rational behaviour. The individual's perception of the legitimacy of the employee-ownership arrangement and the relationships between individuals and the organisation, therefore, underlie directing attention and evaluating expectations.

Identity and legitimacy thus appear to pivot on the evolving expectations of the individual employee-owner as the boundaries of identity and legitimacy shift across moments of situated cognition in the integration of ownership. Making sense of employee ownership is therefore a process of directing attention, reducing equivocality, creating meaning and judging legitimacy that is informed by the interaction of the individual’s cognitive frameworks and the institutional logics.

5.2.4 Creating meaning and judging legitimacy

Creating meaning is an attentional process (Weick, 1995) that involves *interpretation* and *enactment*, two of the three key processes of sensemaking (Daft & Weick, 1984; Rudolph, Morrison, & Carroll, 2009; Thomas et al., 1993; Weber & Glynn, 2006). Employee-owners’ interpretations and actions may change as their understanding, identity, the social context and the cues that attract their attention change over time (Gioia & Chittipeddi, 1991; Maitlis & Sonenshein, 2010). This means that creating meanings that are plausible involves continually redrafting interpretations so that they are likely to withstand criticism (Weick et al., 2005) and contradictions from further observations (Schildt et al., 2020), and are seen as both credible and socially acceptable (Weick, 1995).

Legitimacy, according to a review of the construct by Suddaby, Bitektine, and Haack (2017), can be viewed as a property, a process or a perception. At the individual level, legitimacy judgement formation echoes the three key processes of sensemaking. Tost (2011) proposes a recursive process of *judgement formation*, the *use* of the judgements to guide behaviour and *judgement reassessment*.

The creation of meaning through legitimacy judgement formation is, similar to sensemaking, a process that is influenced by the individual’s cognitive frameworks and the institutional logics (Bitektine, 2011; Bitektine & Haack, 2015; Haack, Schilke, & Zucker, 2021; Scott, 2014; Suchman, 1995; Tost, 2011). The process unfolds over time (Haack et al., 2021; Suchman, 1995; Tost, 2011) and is both cognitive and discursive (Bitektine, 2011; Bitektine & Haack, 2015; Deephouse, Bundy, Tost, & Suchman, 2017; Jahn, Eichhorn, & Brühl, 2020; Suchman, 1995). Legitimacy judgement formation, akin to sensemaking that provides a “springboard for action” (Taylor & Van Every, 2000, p. 40), may lead to action as individuals evaluate the legitimacy (Tost, 2011) of, and create meaning from, their experience of management’s contribution and their own contribution to meeting their expectations of employee ownership.

Weber and Glynn (2006) draw attention to the intersection between the institutional and sensemaking theoretical streams and their shared concern with the connection between meaning and action. Responding to Weick's (1995, p. 36) statement, "sensemaking is the feedstock for institutionalization", Weber and Glynn (2006) argue that by priming, editing and triggering sensemaking, institutions may, in turn, be the source material for sensemaking. Institutions therefore influence meaning-making by providing frames to experience a situation and act in certain ways, regulating action through social feedback processes, and triggering sensemaking through institutional uncertainty and contradictions.

The interrelatedness of institutional logics, sensemaking and legitimacy judgement formation in creating meaning and guiding actions provides the framework for discussing the effect of structure on the individual's perceptions and agency as an employee-owner. Reframing the sensemaking questions to include the legitimacy of the individual's changing identity in the framework poses three questions to guide the discussion in the following three sections of this chapter:

The first question, 'what do you want me/us to be?', relates to the sensemaking question 'which I am I?' and reflects evaluation of the legitimacy of management's orientation towards employee ownership. Section 5.3, Management orientation, explores the influence of the external logics on management's actions to capacitate individuals for their dual role and facilitate the integration of ownership (**Managing for ownership**). The perceived ambiguity of management's actions creates uncertainty over whether management views employee-owners as employees or co-owners of the organisation and thus uncertainty over the legitimacy of management's commitment to co-ownership by employees.

The second question, 'is this what I want to be?', relates to the sensemaking question 'who am I and what is my role?' and reflects the legitimacy of the change in the individual's identity and role in serving their interests. Section 5.4, Employee-owner orientation, explores the influence of the external logics and management's orientation on the individual's willingness to adopt the identity and role of an employee-owner (**Readiness for ownership** and **Behaving like an owner**).

The third question, 'what do you allow me/us to be?', relates to the sensemaking question "how can I know who we are becoming until I see what they say and do with our actions?” (Weick et al., 2005, p. 416) and reflects the legitimacy of the relationship between employee-owners and the organisation. Section 5.5, Discordant compatibilities and uneasy contradictions, juxtaposes management’s orientation and employee-owners’ orientation. An exploration of both coherence and conflict between the two logics of employee ownership reveals the opportunity for institutional work to legitimate a reciprocal relationship and integrate ownership into the individual’s work experience and the workplace.

5.3 Management orientation

Management orientation toward employee ownership represents the individual’s perception of the legitimacy of the ‘thinking and doing’ of management in respect of implementing and maintaining an ESO scheme. Individuals’ perception of management’s orientation towards employee ownership is manifest in the ‘you are now one of *us*’ logic, which reflects the individual’s sensemaking and evaluation of how the organisation is **Managing for ownership** through management’s sensegiving. Management sensegiving is defined as “the process of attempting to influence the sensemaking and meaning construction of others toward a preferred redefinition of organizational reality” (Gioia & Chittipeddi, 1991, p. 442). **Managing for ownership** thus reflects the attempt to legitimise the ESO scheme among the organisation’s internal constituency of employee-owners, capacitate individuals for their changed identity and role, and facilitate the integration of ownership.

Management orientation, furthermore, captures the dilemma of maintaining the legitimacy of the organisation by adopting the values and interests of the organisation’s constituents (Kraatz & Block, 2008) in the market while simultaneously establishing and maintaining socio-political (Aldrich & Fiol, 1994), regulatory and moral (Deephouse et al., 2017) legitimacy by distributing wealth through employee ownership.

5.3.1 Establishing and maintaining legitimacy

Legitimacy is acquired through the social judgements of the constituents of the organisation (Ashforth & Gibbs, 1990). Maintaining and establishing legitimacy in the market and through employee ownership is therefore subject to multiple views, and legitimacy depends on which of the organisation’s constituents is evaluating the legitimacy of the organisation. Constituents include societal evaluators, such as the government, judicial system, media, external shareholders, groups and individuals within society, and, specifically, future and current employees of the organisation.

From an institutional logics perspective, it can be argued that cognitive, or taken-for-granted, legitimacy (Suchman, 1995; Suddaby et al., 2017) in the market is established and maintained in the share price and market position as reflected in the prevailing market/corporation logic. The employee entering the workplace may thus expect and accept a management orientation that is focused on establishing legitimacy in the market as valid (Bitektine & Haack, 2015; Tost, 2011) in accordance with the collective evaluation of legitimacy. This evaluation may be consonant with, or contradictory to, their propriety (Bitektine & Haack, 2015; Tost, 2011), or individual, evaluation of organisational legitimacy.

Pragmatic (Suchman, 1995) or instrumental (Tost, 2011) legitimacy, which reflects the norm of self-interest in the market logic, is established through regulatory compliance. The integration of ownership may, however, be influenced by the extent to which the motive for introducing an ESO scheme includes establishing other types of legitimacy. These are moral legitimacy, or "whether the activity is 'the right thing to do'" (Suchman, 1995, p. 579), and relational legitimacy, which reflects the constituent's relationship with the organisation (Tost, 2011). Although employee ownership may establish socio-political and moral legitimacy in broader society, the findings notably suggest that employee ownership is neither an attractor nor an expectation of future and current employees who have not experienced employee ownership. Experience of employee ownership may, however, attract employees and provide the impetus for making sense and evaluating the legitimacy of management's orientation, and posing the question, 'what do you want me/us to be?' among individuals who are employee-owners.

5.3.2 Compatibilities between the prevailing logic and 'you are now one of *us*'

The influence of the cognitive legitimacy associated with compliance in the external environment is manifest in the compatibilities between the prevailing market/corporation logic and the perceived logic. Individuals' acceptance of the validity of the dominant market/corporation logic suggests that employee-owners may also accept compliance as a legitimate motive for introducing an ESO scheme.

The compatibilities between the market/corporation and 'you are now one of *us*' logics accentuate the expectation of **financial benefit** and the instrumental basis of the legitimacy of a compliance motive for an ESO scheme. The compatibility of the sources of legitimacy, being share price, market position and growth, in the market/corporation logic and perceived management logic is supported by attention to the organisation's status in the market and the perceived strategy to increase efficiency and profit that aligns with the ideal-type market logic (Thornton et al., 2012).

Firm performance as central (Besharov & Smith, 2014) to the functioning of the organisation is, furthermore, reinforced by management sensegiving in respect of **communicating** firm performance and an organisational **culture** in which employees are incentivised for meeting targets and saving costs. Management's adherence to institutional vocabularies (Suddaby & Greenwood, 2005) to script the organisation's strategy and basis of attention into action, furthermore, indicates the extent to which compliance is the focus of the motive for introducing an ESO scheme. Management scripts that are focused on **communicating** the financial performance of the organisation in terms of the short-term financial benefit to employee-owners encourage ***participating for profitability***. In contrast, scripts that include communicating enduring performance and articulate a long-term vision may inculcate ***participating for sustainability*** and ***committing*** to the organisation. The **culture** of incentivising performance similarly affects **Readiness for ownership** and **Behaving like an owner** by providing a social context that conveys norms and expectations, and influences the individual's beliefs about appropriate attitudes and behaviours (Salancik & Pfeffer, 1978; Weick, 1995) in meeting the expectation of **financial benefit**.

The corporation-oriented informal control mechanism of organisational **culture** in the perceived logic appears to resonate with the community-oriented identity. In addition to encouraging participating for financial benefit, the **culture** of apparent generosity may instil an emotional connection.

The influence of the external logics on management's sensegiving by **communicating** firm performance and inculcating a **culture** of incentivising and including individuals to encourage attitudes and behaviours in support of firm performance thus appears to legitimate a compliance motive and inform the perception of 'you are now one of *us*'. As individuals make sense of the perceived shift in management's orientation, cognitive legitimacy (Suchman, 1995) and the expectation of **financial benefit** interact to offer a plausible (Weick, 1995) and rational (Suddaby & Greenwood, 2005) explanation. This suggests the primacy of context over the individual's schema

(Elsbach et al., 2005). It is, however, the compatibility of the entrenchment of authority with the board of directors and senior management that leads to individuals questioning management's orientation and highlights the contradictions in the 'you are now one of us' logic.

Cognitive legitimacy and the market/corporation logic prime sensemaking (Weber & Glynn, 2006) in respect of compliance. However, as the individual experiences their identity as an employee-owner, prioritises their expectations and integrates ownership, their sensemaking of management's orientation may become deliberate (Sandberg & Tsoukas, 2020) in their attempt to reduce the equivocality of the meanings of the change in their identity and role. The management orientation that individuals perceive as legitimate, rational and plausible may differ (Mills et al., 2010), depending on where they are positioned on the employee-to-owner continuum. Legitimacy becomes propriety and is determined in the ongoing processes of sensemaking and evaluative judgement formation (Suddaby et al., 2017; Tost, 2011).

5.3.3 Contradictions in the 'you are now one of *us*' logic

The contradictions between the market/corporation logic and 'you are now one of *us*', and within the latter, suggest ambiguity in individuals' perception of management's commitment to ownership and stakeholder capitalism. The importance of ownership in the motive for employee ownership is captured in management's sensemaking, sensegiving and enactment and their "conscious intentionality" in reflecting on the extent to which the prevailing market/corporation logic constrains their and employees' embedded agency (Gioia & Chittipeddi, 1991; Lawrence et al., 2011, p. 55) and thus their ability to change the logic of the organisation through their actions.

The shift to stakeholder capitalism appears to be implied by management's sensegiving of a community-oriented identity and norm of group membership rather than consciously recognised by individual employee-owners, who may still maintain a strong market orientation. Management, however, wittingly or unwittingly, engage in the institutional work (Lawrence et al., 2009) of disrupting the dominant market/corporation logic and creating the perception that 'you are now one of *us*' through persuasive rhetoric and actions (Lawrence et al., 2011; Maitlis & Sonenshein, 2010; Thornton et al., 2012). Rhetorical strategies, such as ***recognising*** and ***consulting*** employee-owners and **communicating**, signal inclusion and participation in workplace decision-making. These strategies also provide legitimating accounts (Creed, Scully, & Austin, 2002; Suddaby & Greenwood, 2005) that may influence the individual's sensemaking of management's orientation and change the institutionalised scripts for appropriate action (Mills et al., 2010; Weber & Glynn, 2006) in support of the notion of stakeholder capitalism and an ownership motive.

The findings, however, show that the institutional work to convey ownership in the motive for introducing an ESO scheme may be selectively given and received subject to management's orientation towards employee ownership and the individual's **Readiness for ownership**. Participant perceptions of inadequate institutional work to facilitate **understanding**, reinforced by perceptions of management's disposition toward ***recognising*** employee-owners as owners and agents, suggest that ownership may be subordinate to compliance in the motive for introducing an ESO scheme.

The perception of corporation-oriented authority remaining with the board and senior management and informal control through the **culture**, in contrast to the community-oriented identity and norm of group membership and an inclusive and participatory work environment, similarly suggests possible shortcomings in management's institutional work in respect of the individual's role as an employee-owner. The possible shortcomings in institutional work are explored further in Section 5.5.2, Uneasy contradictions.

While management sensegiving in respect of the expectations of **understanding** and **being an owner** remains selective, the individual may experience uncertainty over their identity and role as an employee-owner. Management's intentionality and effort (Lawrence et al., 2011), or the lack thereof, may therefore account for perceptions of ambiguity in a change in management orientation towards stakeholder capitalism.

5.3.4 Ambiguity in managing for ownership

The perceived ambiguity in management's orientation toward employee ownership is a reflection of management's dilemma of establishing and maintaining legitimacy in the views of all the organisation's constituents. In addition to maintaining legitimacy while diverging from the institutionalised societal norms, values and validity judgements (Bitektine & Haack, 2015; Haack et al., 2021), the management of the organisation also needs to establish and maintain propriety legitimacy among its internal constituents of employees and employee-owners through both its symbolic and material actions (Bitektine & Haack, 2015).

As the success of the ESO initiative depends on achieving financial success, the organisation needs to maintain, or even augment, firm performance. A socially responsible employee-ownership initiative as a means to maximise profits may thus attract both favourable instrumental and moral validity judgements (Pache & Santos, 2013; Thornton et al., 2012).

Employees may, in turn, perceive legitimacy in their identity, role and relationship with the organisation in accordance with Dutton and Dukerich's (1991) observation that the individual's beliefs about how others view the organisation influence their self-concept and identity. The findings on the reciprocity of the relationship between *employee-owners* and the organisation, however, suggest that as individuals make sense of their changing identity, evaluative judgements of relational legitimacy, being the effect of management's actions on the individual's identity and self-worth (Tost, 2011), may occur.

The intentionality and effort of management's actions in support of an ownership motive suggest that management may wittingly or unwittingly reconcile the conflicting expectations and multiple logics in the institutional environment (Greenwood et al., 2011) by engaging in loose coupling. Meyer and Rowan (1977) propose that this is when organisations include socially legitimate elements in their structures, yet, in order to maintain the efficiency of the organisation's activities, fail to adopt the practices associated with these elements fully.

The conflicting norms and logics and the loose coupling between what management conveys and does are evident in the bricolage of market, corporation and community logics. Management's actions in respect of the compatibilities between the dominant market/corporation logic and the perceived management logic, and within the latter, legitimate a compliance motive and create a promise and vision of participation in the ownership of the organisation. In contrast, perceptions of management's actions in respect of the contradictions suggest a violation of the promise and erosion of the individual's propriety evaluations of the legitimacy of management's commitment to ownership and stakeholder capitalism. This may create uncertainty over their identity, role and relationship with the organisation.

The ambiguity that results from loose coupling highlights the equivocality of interpretations of management's orientation. Does 'you are now one of *us*' signify that employee-owners should align their 'thinking and doing' with the elements of the market/corporation logic in support of a legitimate compliance motive? Is this stakeholder capitalism or a form of profit sharing? How committed is management to the transition from 'just an employee' to an owner in an institutionalised, reciprocal relationship of recognition and trust? The individual's experience and sensemaking of 'which I am I?' and the ambiguity of management's orientation thus pose the question 'what do you want me to be?'.

Successful adoption of a new logic over time requires future-oriented sensegiving and sensemaking of an envisioned future that individuals are willing to commit to (Bévort & Suddaby, 2016; Gioia & Chittipeddi, 1991; Gioia & Thomas, 1996; Sandberg & Tsoukas, 2015). Management sensegiving may, however, be received and interpreted differently by individual employee-owners at the same time (Maitlis & Lawrence, 2007) and the impact of sensegiving depends on the individual's sensemaking (Monin, Noorderhaven, Vaara, & Kroon, 2013). The salience of cues that direct attention for sensemaking and the prioritisation of expectations in moments of situated cognition in the integration of ownership thus inform the individual's propriety beliefs of the legitimacy of management's orientation. These beliefs not only influence their **Readiness for ownership** and how they make sense of their identity but may also influence their behaviours or **Behaving like an owner**, and thus their orientation towards their dual role as both employee and owner.

5.4 Employee-owner orientation

Employee-owner orientation represents the 'thinking and doing' of employee-owners in the process of making sense and evaluating the legitimacy of the dual role that is implied by the change in their identity from employee to employee-owner. The employee-owner logic 'thank you, but only while it suits me' reflects the ongoing process of integrating ownership by creating meaning from, and evaluating the legitimacy of, the actions of management (**Managing for ownership**) and the actions of individuals (**Behaving like an owner**) towards meeting the **Expectations of employee ownership**.

This process unfolds in moments of **Readiness for ownership**, framed by the social context of the external societal logics (Weber & Glynn, 2006), the logics of the organisation, and the cognitive frameworks that connect the institutional contexts with sensemaking (Elsbach et al., 2005) and legitimacy judgement formation (Tost, 2011).

5.4.1 Structure and the logic of employee-owners

The overarching market orientation and the associated norm of self-interest in the employee-owner logic reflect the influence of the external environment, and specifically market capitalism, on the individual's expectation of the workplace. Suchman (1995) argues that organisations gain legitimacy because their activities and beliefs are congruent with those of their cultural environment and the organisation is therefore understandable to the society in which it exists.

The individual's understanding of the workplace is reflected in their selective adoption of the assumptions and expectations related to the market logic in their orientation towards their dual role as stakeholder, as an employee, and shareholder, as an employee-owner. The legitimacy of the financial success of the organisation is echoed in the legitimacy of **financial benefit** in the employee-owner logic. The market-oriented elemental categories, furthermore, suggest that the individual may understand the norm of self-interest and attention to their status and employability in the market, supported by a strategy to realise financial wellbeing (**financial benefit**) and personal growth (**growing**), as the means for achieving self-actualisation.

It is, however, not only the validity of the market logic that primes, edits and triggers (Weber & Glynn, 2006) the individual's sensemaking and instrumental (Tost, 2011) and socio-political (Bitektine, 2011) legitimacy judgements of what is socially appropriate and rational behaviour. The context of this study introduces substantial influence by the state and community in the individual's expectations and their interpretation of their role in the workplace.

The legitimacy of democratic participation from the perspective of the state ideal-type logic (Thornton et al., 2012), which includes both political and economic participation, reinforces the market-oriented authority of shareholder activism and employee-owner representation. The cognitive legitimacy of participation in decision-making may therefore not only be a valid societal expectation of employee-ownership but also influence the individual's propriety legitimacy evaluation of their role within, and relationship with, the organisation.

The persistence of materialism in developing economies, as discussed in Chapter 1, may explain the instrumental legitimacy of the norm of self-interest. The context of the study, however, informs what appears to be the reconciliation of self-interest to fulfil individual goals and aspirations, and the individual's commitment to their community. Several participants, for example, described providing financial support to a cross-generational group of dependants (parents, siblings, children) as the primary or sole income earner in an environment of high levels of unemployment. Community-oriented informal control through the visibility of actions may similarly be in the interest of materialism and/or a means to safeguard the necessity of financial wellbeing.

The equivocality of meaning is also apparent in the community-oriented identity. In addition to the participative logic of the state, the redistributive intent of the B-BBEE legislation suggests participation by **being an owner** and gaining **financial benefit**. While the individual may therefore deem compliance with the state's prescription as legitimate, recognition based on their race rather than their abilities appears to contradict their perception of self-worth and distinctiveness (cf. Elsbach et al., 2005). In contrast to impersonal sources of identity in the state, market and corporation ideal types (Thornton et al., 2012), an organisational culture of inclusiveness may unite rather than differentiate identities across social and economic groupings. The individual's orientation towards their identity and role as employee-owner is thus influenced by both the prevailing external logics and their perception of management's orientation towards employee-ownership.

Perceptions of management's orientation appear to augment both the market orientation of the employee-owner logic and the sense of community, where present, within the organisation. **Communicating** firm performance and a **culture** of incentivising employees entrench a market orientation and the expectation of **financial benefit**, prime the individual for a compliance motive, and may be received by the individual as being recognised, included and valued, as described by the ***feelings as an employee.*** While the prospect of **financial benefit** from dividends and the value of shares on vesting reinforces the individual's market orientation, the rhetoric of inclusive terminology in ***recognising*** individuals as co-owners and ***consulting*** employees on decisions bolsters the sense of community rather than displacing the existing logic (Suddaby & Greenwood, 2005), and encourages ***feelings of actualisation*** and a ***sense of ownership***.

There thus appears to be some consonance in the market and community elemental categories of the employee-owner logic, which may be attributed to management's reinforcement of an organisational **culture** that emphasises a community orientation to achieve firm success. The employee-owner logic, therefore, appears to draw on the assumptions and expectations of the market and community logics.

The institutional logics of the external environment and the organisation provide a contextual influence for the individual's sensemaking (Weber & Glynn, 2006) and cognitive legitimacy evaluations (Bitektine & Haack, 2015). They also provide the taken-for-granted knowledge that becomes encoded in the cognitive and behavioural scripts that guide identity and action, and is internalised by individuals in the workplace (Barley & Tolbert, 1997; Berger & Luckmann, 1966 (reprint 1991)). Management's promise of participation in the ownership of the organisation, however, implies a change in the environment and reinforcing or disruptive changes to some of the institutionalised or "stable schemas" (Elsbach et al., 2005, p. 422) that are associated with the logics of the external environment, the organisation, and the individual's orientation towards their identity and role in the workplace as an *employee*.

The apparent reinforcement of the existing cognitive frameworks, as reflected in the market-orientation of the employee-owner logic, could be ascribed to internalised constraint (Weber & Glynn, 2006) in the individual's sensemaking. The individual may thus draw on their tacit knowledge of the historically shaped identity and actions that are encoded in the existing self- and role-schemas, rather than considering alternatives. An example is the clarity that participants appear to have in their role in meeting the expectation of short-term **financial benefit**. The reinforcement of a community-oriented organisational **culture** by identifying employees as co-owners similarly suggests primacy of context over schema, as the individual may feel compelled to align their self-concept and work orientation to management's prescriptions (Alvesson & Willmott, 2002).

The change in their identity and loose coupling in management's actions and commitment to employee ownership may, however, disrupt the schemas that guide the individual's identity and behaviour in the workplace. As the individual makes sense of the ambiguity by prioritising and directing their attention to their expectations of **understanding** their identity, role and responsibilities in **being an owner** and realising medium- and long-term **financial benefit** over time, they may thus question the legitimacy of the disruptions to their institutionalised frameworks.

As the institutional logics guide interpretations and behaviours in social contexts (Greenwood et al., 2011), ongoing changes in the external environment and the context within the organisation highlight the temporality of both sensemaking (Weick, 1995) and legitimacy judgement formation (Tost, 2011). Creating meaning from management's influence and actions and from the individual's own understanding and actions occurs in the ongoing cycle of sensegiving and sensemaking (Gioia & Chittipeddi, 1991). In the transitory moments of situated cognition where sensemaking connects the existing schemas with the organisational contexts (Elsbach et al., 2005), the employee-owner may thus attempt to resolve the sensemaking questions 'who am I?' and 'what is my role?' by enacting their situational identity (**Readiness for ownership**) and role (**Behaving like an owner**) and evaluating the legitimacy, 'is this what I want to be?', of their dual identity and role in the organisation.

5.4.2 Momentary readiness for ownership

The individual's concern with establishing, maintaining and continually redefining their identity to present an appropriate self is, according to Weick's (1995) formulation of sensemaking, the core concern of sensemaking. Citing Mead's (1934) insight that an individual is "a parliament of selves", Weick (1995, p. 20) explains that the mutability of an individual's identity is a consequence of sensemaking. The situational identity presented to the sensemaking process, in turn, influences the outcome of sensemaking.

The employee-owner thus presents their personal or self-identity, being their own belief of who they are, and their social-identities, which include the institutional notions of who they are or might be (Watson, 2008), to the sensemaking process. Guided, but not defined, by the logics (Thornton et al., 2012), the individual may thus select a situational role or "actor-in-situation" from a "constellation" (Weber & Glynn, 2006, p. 1644) of their self-identity and their multiple social-identities – as employee, employee-owner and member of a collective of employees and/or employee-owners – when confronted with cues for sensemaking.

The retrospective property of sensemaking (Weick, 1995) suggests that making sense of ecological change in the workplace is contingent upon the individual's previously held cognitive frameworks of their identity and their role within the organisation. The reinforcement or disruption of the individual's existing self- and role-schemas (Elsbach et al., 2005) and internalised identity scripts that guide action (Barley & Tolbert, 1997; Bévort & Suddaby, 2016) provide the cues for sensemaking. In addition, the individual's expectations of the workplace and the level of integration of ownership influence directing attention and the selection of a situational identity and role in response to the cues.

Reinforcement of the internalised cognitive frameworks, or the "'this-is-how-we-do-it-here' formulae" (Sandberg & Tsoukas, 2015, p. S17), where the individual may be unaware that they are enacting scripts (Bévort & Suddaby, 2016), may, for example, endorse the individual's identity and role as an *employee* and what they perceive as subjectively real (Berger & Luckmann, 1966 (reprint 1991)). The individual's evaluation and prioritisation of expectations, in contrast, illustrate the selection of a situational identity and role in response to cues that disrupt previously held cognitive frameworks and attract attention for sensemaking. Met and unmet expectations of **understanding** and **being an owner**, for example, may bring the situational role of *employee-owner* to the fore.

The situational identity and role that the individual adopts thus appears to be a reflection of their experience and the level of integration of ownership in the workplace. The individual's **Readiness for ownership** is thus not only a consequence of sensemaking but also influences sensemaking. Previously experienced **changing feelings**, **changing attitudes** and level of **reciprocating** influence further sensemaking in response to the ongoing cues from the actions of management, the individual, and the collective of employees and employee-owners.

The integration of ownership, when viewed as a personal journey of adopting and embracing the role of employee-owner over time, highlights the ambiguity that the individual faces, as themselves or as a representative of a collective (Chatman, Bell, & Staw, 1986), when selecting an appropriate situational identity and role. As the expectations, priorities and momentary **Readiness for ownership** of individuals within the social grouping of employees and employee-owners may be incongruent, the situational identity and the enactment of identity may vary between individuals.

Sensemaking of management's norm of group interest, for example, suggests a change in the emphasis of the organisation's measures of performance from individual to collective performance. For some individuals, this may create conflict between their self-identity and distinctiveness (Elsbach et al., 2005; Weber & Glynn, 2006) and their commitment to their identity as an employee-owner in the social group.

Sensemaking of reinforcements of the cognitive frameworks, and thus reinforcement of taken-for-granted situational identities and roles, may be immanent. Disruptions to the cognitive frameworks may, in contrast, lead to deliberate sensemaking to steer 'what do I do next?'. Creating meaning from the implied changes to the individual's identity and role may thus encourage "mindful agentive behavior" (Thornton & Ocasio, 2008, p. 113) commensurate with their situational identity and focused on actions to realise their prioritised expectations and the norm of self-interest.

The individual's momentary **Readiness for ownership** is thus not only a reflection of how they perceive their identity and role within the organisation, based on their experience and previous cycles of sensemaking. **Readiness for ownership** may, in a moment of situated cognition, also inform the individual's "actions-in-situations" (Weber & Glynn, 2006, p. 1644) or **Behaving like an owner** in an effort to execute their role, meet their expectations and realise their personal strategy.

5.4.3 Behaving like an owner

Ecological change in respect of employee ownership is not only a consequence of the actions of the management of the organisation but is also affected by the actions of individuals and the collective of individuals in the workplace. When directing their attention to cues from the changing environment, the individual's actions in respect of **Behaving like an owner** may be guided by their past experience (Mills et al., 2010) and the plausible and rational responses (Weick et al., 2005) retained in ongoing immanent and deliberate (Sandberg & Tsoukas, 2020) sensemaking. Three factors affect the individual's response to disruptions of the scripts for action: uncertainty over appropriate actions for executing their role, and the opportunity for agency; the intersubjectivity of meanings and the interdependence of individuals in the workplace; and the limitations imposed by intersubjectivity and interdependence.

i. Uncertainty and the opportunity for agency

The clarity that participants have in respect of actions required to realise **financial benefit** suggests that the scripts for action that prescribe *employee* behaviours associated with efficiency and profitability and the short-term benefits of ***participating for profitability*** may be institutionalised. As an *employee-owner*, positive past experiences of the effect of behaviours on financial wellbeing and the individual's **Readiness for ownership** may reinforce ***participating for profitability*** and extend to ***participating for sustainability*** to realise the additional benefits of dividends and the value of shares on vesting.

The institutionalised schemas or "relatively persistent knowledge structures" (Elsbach et al., 2005, p. 422) and action scripts for realising **financial benefit** may thus be consonant with appropriate behaviours for employee ownership. The disruptions of the role and responsibilities as an *employee* that result from the *employee-owner's* expectations of participating in the workplace through **understanding** and **being an owner** may, however, create both uncertainty and the opportunity for agency.

In their investigation on how institutional logics affect organisational activity, McPherson and Sauder (2013) found that individuals draw on the logics creatively to manage their daily work. Employee-owners similarly appear to apply the influences that the macro-level market, corporate and community logics have on the internal employee-ownership logic with discretion to guide their behaviours. Discretionary enactment (Weick, 2009) suggests a level of agency, albeit embedded in the macro-level and internal logics, in how individuals select appropriate behaviours to realise their expectations. **Getting involved** by ***collaborating*** to share knowledge of the share scheme and ownership, and participating in decision-making structures for direct and indirect participation in ***deciding*** and ***representing*** may thus be perceived as plausible and rational behaviours for contributing towards meeting their expectations.

ii. Intersubjectivity and interdependence

Sensemaking, however, occurs in a social context where actions are contingent upon the actions of others (Weick, 1995) and individuals attempt to create and sustain intersubjective meaning through both cognitive and discursive sensemaking of the disruptions to the institutionalised role frameworks (Balogun & Johnson, 2004; Gephart et al., 2010). As employees and employee-owners share the institutionalised, collective identity of *employee* of the organisation, individuals may identify with the prevailing logic of the collective of employees of the organisation (Thornton & Ocasio, 2008) and engage in shared actions. Interdependence and adherence to the institutionalised scripts associated with expectations of how individuals may enact their identity in a situation (Eliasoph & Lichterman, 2003) create common ground in which individuals can understand what is expected of them. This allows them to predict their colleagues' behaviours (Cornelissen et al., 2014) and makes their role in their social environment subjectively real (Berger & Luckmann, 1966 (reprint 1991)).

The reinforcement of and commitment to the institutionalised scripts suggest internalised constraint in determining what behaviours are appropriate (Weber & Glynn, 2006) and may also lead to a contraction of meaning (Cornelissen et al., 2014) that limits the effect that discursive sensemaking of their role has on the behaviours of individual employee-owners. The shared frameworks reflected in the shared experience and presumption of **financial benefit**, a shared emotional connection to the organisation, and the short-term benefits of receiving incentives and dividends for ***participating for profitability*** may prevail over their role as co-owners of the organisation and identification of behaviours associated with the medium- to long-term benefits of ***participating for sustainability***. Commitment to the expectation of institutionalised behaviours may similarly account for peer monitoring and informal control through the visibility of actions.

Conforming to the institutionalised frameworks suggests shared cognition (Elsbach et al., 2005) or groupthink that may entrench plausibility, determine where attention is directed and restrict collective sensemaking of the meanings of identity and expectations (Maitlis & Sonenshein, 2010; Weick, 1979) among the collective of employees and employee-owners. Although individuals judge their experience, sense of identity and actions relative to others (Cunliffe & Coupland, 2012), sensemaking of the disruptions to their internalised identity and realisation of their expectations of the workplace may be as discrepant among individuals as it is shared (Brown et al., 2008). The interdependence of a heterogenous group of individuals and shared activities that suggest ownership behaviours, therefore, do not necessarily imply that meaning is shared, but rather that collective action is shared (Glynn & Watkiss, 2020; Weick, 1995).

The meaning of identity and expectations and the plausibility and rationality of actions depend on the situational role that an individual selects from their constellation of self- and social identities. An employee-owner may select a situational role aligned with the 'insiders' who are included in the ownership of the organisation in a moment of **Readiness for ownership**. This suggests a change from the internalised constraint of commitment to the institutionalised frameworks to the priming of the individual's sensemaking by their perceptions of management's orientation (Weber & Glynn, 2006). Framed by the logic and the prioritisation of expectations, the meaning of **financial benefit** and the rationality of **changing behaviours** may thus indicate equivalence of meaning rather than shared meaning to facilitate shared activity (Brown et al., 2008).

The equivocality of meaning suggests that through individual and collective enactment, selection and retention of plausible and rational behaviours in respect of their perceived role, individuals provide new cues to their colleagues and management for sensemaking, and for their own further sensemaking. The prioritisation of expectations and the individual's momentary **Readiness for ownership** may, furthermore, influence the nature of the cues given and selected for sensemaking.

Employee-owners, through the extent to which they embrace **Behaving like an owner** and enact ownership attitudes and behaviours, may provide cues relevant to the promise of co-ownership to 'outsiders' or cues that may encourage 'insider' colleagues to adopt or strengthen ownership attitudes and behaviours. Realised or unmet expectations, and ownership behaviours or the lack thereof, may similarly provide cues for management. An explicit cue is in employee representation and if, and how, employees communicate their expectations in representative forums. Cues may also originate more subtly in the way that employees exhibit attitudes and behaviours as a consequence of their feelings about the organisation and how they perceive their role in the company. High employee turnover and employee-owner willingness to forfeit their shares, for example, may provide a cue for management sensemaking and sensegiving.

iii. Limitations of intersubjectivity and interdependence

Although new meanings may be constructed through the interactions between heterogenous individuals (Maitlis & Christianson, 2014), the relationships between the diverse identities affect behaviour (Weber & Glynn, 2006). The effect of actions in meeting the individual's prioritised expectations may thus have limitations, depending on how individuals, the collective of employees of the organisation and management receive and direct attention to cues in the ongoing process of ecological change and the enactment of the environment.

The distinctiveness of individual "actors-in-situation" (Weber & Glynn, 2006, p. 1645) implies variations in momentary self-perceptions, focus of attention, willingness to think as a member of a collective (Elsbach et al., 2005), expectations and **Readiness for ownership**. This, in turn, suggests variations in "action-in-situation" (Weber & Glynn, 2006, p. 1645) and willingness for shared action, commitment to employee ownership and **Behaving like an owner**. Individual contributions to meeting the expectations of **financial benefit**, **understanding** and **being an owner** may thus differ. Differences are subject to how individuals within the collective of employee-owners prioritise the **Expectations of employee ownership**, receive sensegiving by their colleagues and management, and either commit to their internalised frameworks or create new meanings to reconcile the ambiguity of their identity and role (Sandberg & Tsoukas, 2015; Weber & Glynn, 2006) and what they perceive as real.

Management's orientation towards **Managing for ownership** may similarly affect the impact of individual and collective behaviours on meeting the individual's prioritised **Expectations of employee ownership**. Management's attentiveness to cues may either reinforce the institutionalised identities and scripts or, alternatively, endorse new meanings and the enactment of employee-ownership behaviours.

The social context of the organisation, the distinctiveness of individuals within the collective and management's orientation towards employee ownership may, therefore, impose limitations on the impact of the individual employee-owner's agency and discretionary enactment in meeting their expectations. In a moment of **Readiness for ownership** in the ongoing process of evaluating their expectations and making sense of the disruptions to their internalised cognitive frameworks, the employee-owner may thus evaluate the legitimacy of their changing identity and role and ***committing*** to remaining with the organisation.

5.4.4 Is this real and is this what I want to be?

An individual's readiness for change reflects their cognitive and emotional proclivity to willingly accept purposeful change (Holt, Armenakis, Feild, & Harris, 2007). While the promise of participation in the ownership of the organisation disrupts the individual's internalised identity and expectations of the workplace, it may simultaneously instil a vision of a future in which the individual expects to have the agency associated with **being an owner**. The promise may, therefore, facilitate embracing their changing identity and role.

Emirbayer and Mische (1998) connect the temporality of sensemaking with the conceptualisation of agency as a temporal process of social action during which individuals adjust their orientations towards the past, future and present as the context changes. Projectivity, the future-oriented dimension, involves individuals distancing themselves from the constraints of social identities and institutions to imagine possible future actions (Emirbayer & Mische, 1998).

In keeping with Weick's (1979; 1988) view that individuals make sense of the envisioned event retrospectively and that action precedes cognition, experience may engender an understanding of the limitations of the impact of the individual employee-owner's envisioned agency and discretionary enactment in meeting their expectations. In ongoing, experiential sensemaking in which the individual's understanding evolves on the basis of their practical experience (Weiser, 2021), the employee-owner's experience, **understanding** and momentary **Readiness for ownership** may thus guide the selection of a situational identity to evaluate cues and judge the legitimacy of their employee-owner identity and their relationship with the organisation. As "reality is an ongoing accomplishment" (Weick, 1993, p. 635), evaluation of the question 'is this what I want to be?' captures the individual's momentary perception of reality and the legitimacy of the vision of adopting the identity and fulfilling the role of an employee-owner.

Tost's (2011) argument that a generalised legitimacy judgement is determined by evaluations of the instrumental, moral and relational dimensions of legitimacy appears to correlate with Klein's (1987) findings in her influential (Kaarsemaker et al., 2010) study that tested the extrinsic, intrinsic and instrumental models of the psychological effects of employee ownership. According to these models, extrinsic satisfaction from financial reward, intrinsic satisfaction from ownership itself and instrumental satisfaction from participation in decision-making may influence employee satisfaction with employee ownership, commitment to the organisation and turnover intentions. While her study found no evidence to support intrinsic satisfaction, Klein (1987) concludes that extrinsic and instrumental satisfaction appear to have a positive effect on employee attitudes.

The contradiction in the employee-owner logic reflects the correlation between perceptions of the legitimacy of the employee-ownership arrangement and employee-owner satisfaction with employee ownership and the organisation: 'Thank you' depicts the individual's initial positive legitimacy judgement and satisfaction with employee ownership. The phrase 'but only while it suits me' depicts recursive reassessment of legitimacy and ongoing evaluation of employee-owner satisfaction.

i. Thank you

Financial benefit as the source of legitimacy and the appreciation depicted by 'Thank you' reflect that in the individual's initial generalised legitimacy judgement, both instrumental legitimacy and extrinsic satisfaction may be derived from the prospect of financial reward from incentives, dividends and the value of shares on vesting. The sources of identity and authority and bases of attention and strategy in the employee-owner logic, as shown in the summary of the logics of employee ownership in Table 5.2, similarly appear to reflect appreciation as illustrated by the individual's initial perception of moral and relational legitimacy and the intrinsic and instrumental satisfaction derived from their projected vision of co-ownership.

The perception of moral legitimacy in introducing employee ownership may be accompanied by intrinsic satisfaction. As a consequence of being identified as an owner (***recognising***), the individual may experience ***feelings of actualisation***, such as enhancement of their ego (identity), status (attention and strategy) and reputation (identity), from their association with a socially responsible organisation that attracts favourable moral validity judgements.

Intrinsic satisfaction and the ***feelings of actualisation*** as a consequence of a moral legitimacy judgement are, furthermore, echoed in relational legitimacy. Being identified as an owner in a company where the individual may have an emotional connection (identity) because of the **culture** may lead to a positive relational legitimacy judgement. The individual's ***sense of ownership*** is not only, in itself, a relational legitimacy judgement but also a reflection of intrinsic satisfaction derived from the enhancement of their ego (identity) and status (attention and strategy).

The suggestion of intrinsic satisfaction from employee ownership, however, contradicts Klein's (1987) finding that employee ownership does not have a positive influence on intrinsic satisfaction. While the findings of this study are ambivalent on ***feelings of actualisation*** as a consequence of ownership, the context and the history of political and economic exclusion of Black South Africans from ownership may account for the contradiction. The past experience of exclusion may similarly augment initial and ongoing assessments of relational legitimacy and the impact of legitimacy evaluations on instrumental satisfaction.

The view of authority as representation at all levels of the organisation in the employee-owner logic and the expectation of **being an owner** suggest that the promise of inclusion by participating in decision-making may initially elicit instrumental satisfaction and a positive relational legitimacy judgement. It is, however, the extent to which this promise is realised that determines whether the individual remains a satisfied employee and whether their generalised legitimacy judgement remains positive. After an initial phase of emotional contagion, the individual's experience in the ongoing cycle of events and the impact of the actions of the management and employees on their expectations may either fortify or erode employee satisfaction and existing propriety legitimacy judgements. In a moment of **Readiness for ownership**, and in response to cues from contradictions and jolts, or reflexivity (cf. Tost, 2011), the individual may thus reassess their expectations of employee ownership and the workplace, their commitment to the organisation, and the legitimacy of their identity, role and relationship with the organisation.

ii. But only while it suits me

The phrase 'but only while it suits me' reflects the integration of ownership as an ongoing process of changes in the outcomes of sensemaking and perceptions of legitimacy. The individual's **Readiness for ownership**, which encompasses their momentary feelings about, and attitudes towards, their identity and role as an owner and their relationship with the organisation, is thus an indication of the extent to which they have integrated ownership into their work experience. Their **Readiness for**

ownership is then reflected in their positioning on the employee-to-owner continuum. The level of integration, in turn, determines the prioritisation of expectations and which cues attract the individual's attention.

The norm of self-interest and increasing financial wellbeing and employability as the basis of strategy in the employee-owner logic underscore the individual's concern with the expectations of **financial benefit** and **growing** in their evaluation of opportunity costs and their commitment to the organisation. At a moment in the ongoing cycles of experiential sensemaking (Weiser, 2021) and the recursive process of formation, use and reassessment of legitimacy (Tost, 2011), the individual may, therefore, evaluate whether their participation as an employee-owner contributes to their personal strategy.

In that moment, and subject to their situational identity and role, the individual may question whether: they have any control over realising **financial benefit**; employee-ownership provides an opportunity for **growing**; and they *want* to fulfil a dual role in the organisation. They may also question whether this is the organisation *where* they want to fulfil this role; and whether they are willing to commit to the organisation. In essence, the individual may evaluate their instrumental satisfaction and the legitimacy of their involvement in this new way of organising when considering ***committing*** to the organisation.

a. Control over realising financial benefit

While the informal control of visibility of actions and peer monitoring may be viewed as having some control over the realisation of the expectation of **financial benefit**, the individual may not anticipate the risks associated with being a shareholder. Their propriety beliefs may be based on validity beliefs, or the cognitive legitimacy of receiving financial benefit from dividends, vesting and retention of shares. Experience of a breach of, or uncertainty over, the expectation may thus erode the individual's extrinsic satisfaction and instrumental legitimacy judgement, and instrumental satisfaction may also be brought into question. Maintaining and enhancing extrinsic satisfaction and positive instrumental legitimacy judgements are therefore subject to the individual's **understanding** of the share scheme and ownership.

b. Opportunity for growing

The individual's experience of opportunities for **growing** as a consequence of their dual role may similarly enhance or diminish instrumental satisfaction and the perception of relational legitimacy. The individual's initial generalised legitimacy judgement and the accompanying intrinsic and instrumental satisfaction and ***feelings of actualisation*** suggest that the experience of employee ownership may, in itself, contribute to their personal development. **Understanding** the opportunities and limitations of being an employee-owner rather than 'just an employee' may, furthermore, mitigate breaches and uncertainty and facilitate **getting involved**.

In addition to understanding the share scheme and the financial risks and uncertainty of **financial benefit**, **growing** as an employee-owner implies understanding if and how the role and responsibilities of an employee-owner bolster their role as an employee. Cognisance of the impact of their actions and influence on organisational outcomes may moderate the expectation of **being an owner** and may, therefore, affect instrumental satisfaction and their propriety relational legitimacy judgement. As the individual's experience and understanding evolve over time they may prioritise instrumental satisfaction and thus the expectation of **being an owner**.

It is, however, not only their experience and understanding that contributes to their personal development and determines their instrumental satisfaction. The individual's propensity for accepting and capitalising on the opportunity presented by their dual role may also influence their evaluation of whether employee-ownership provides an opportunity for **growing** and whether to remain in the employ of the organisation.

c. The desire to fulfil a dual role

Sensemaking triggered by the individual's failure to confirm themselves (Weick, 1995) and by the subjective reality of adopting both the identity and role of employee and employee-owner in the course of a workday highlights work-identity integrity (Pratt, Rockmann, & Kaufmann, 2006). Uncertainty over their identity, and contradictions and limitations in executing the two roles, may lead the individual to place greater importance on one of their identities (Petriglieri, 2011), depending on their levels of integrating ownership and intrinsic satisfaction from their identity as an owner. They may, furthermore, view the uncertainty, contradictions and limitations as threats to the utility of their preferred identity (Petriglieri, 2011).

Where the preferred identity is that of an *employee*, the individual's **Readiness for ownership** and **Behaving like an owner** and, therefore, their instrumental satisfaction and relational legitimacy judgement remain guided by their understanding of their identity and role in the workplace as prescribed by the prevailing market/corporation logic and their psychological contract with the organisation. Selection of a preferred identity as an *employee-owner* and the accompanying enhancement of their emotional connection to the organisation suggest a change in how the individual perceives themselves in respect of their employment agreement with the organisation.

Individuals who experience some level of integration of ownership, described as 'tenants' on the employee-to-owner continuum, and who may derive intrinsic satisfaction from employee ownership, may perceive participating in responsibility for the success of the organisation as legitimate and necessary for instrumental satisfaction. As they oscillate between their role in respect of their employment contract and their role as a co-owner, they may have difficulty reconciling the contradictions in the logics and frameworks that prescribe their behaviours.

Ambiguity in management's orientation, the additional responsibilities implied by their status as co-owners, the limitations of the impact of their effort on their expectations and the temporal aspect of fulfilling two roles intermittently may be experienced as a threat to the individual's ability to confirm themselves. The individual may thus interrogate the reality of their dual role, its alignment with their personal strategy and ***feelings of actualisation***, and the legitimacy of being required or attempting to fulfil a dual role.

d. Where to fulfil a dual role

In addition to questioning whether they *want* the dual role of employee-owner, a further consideration in the employee's orientation towards employee ownership is whether this is *where* they can realise a dual identity and role as an employee-owner. Legitimacy, Suchman (1995) argues, denotes a relationship that influences how the individual acts towards, and understands, the organisation. The individual's evaluation of their relationship with the organisation may, therefore, include the predictability and trustworthiness (Suchman, 1995) of the organisation's interactions with the array of its constituents.

Tajfel and Turner (1979) propose that an individual's social identity, or the perception of belonging to a social group, may result in the alignment of their identity and self-concept with the values represented by the group. Tyler (1997) suggests that the relationship between an authority and an individual indicates the individual's status in the group, which, in turn, influences their social identity and self-concept. Tost (2011) argues that, in evaluating legitimacy, individuals with a low level of social identification place importance on instrumental legitimacy, and the moral and relational dimensions only have meaning to the extent that they serve the individual's interests. Individuals with high levels of social identification may prioritise moral and relational legitimacy over instrumental legitimacy, as the moral and relational dimensions of their legitimacy judgement affect their self-concept.

The contradiction of a community-oriented identity and an overarching market-oriented logic of self-interest and the legitimacy of financial benefit in the employee-owner logic illustrates the individual's social identification with the organisation and its **culture**. It also highlights the inconsistencies an individual may encounter in the evaluation of their expectations, satisfaction and generalised legitimacy judgement. It has been argued in previous sections that the bonds of emotional connection, ego satisfaction and reputation, which indicate a high level of social identification with the organisation, may account for an individual's initial positive relational legitimacy judgement. Maintaining social identification and the perception of relational legitimacy may, however, remain important to the individual when integrating ownership and assessing their commitment to the organisation, as shown by the inclusion of the **culture** in their evaluation of the opportunity costs of leaving the organisation.

e. Willingness to commit to the organisation

The sensemaking question 'do I feel like an owner and, if so, am I *truly* an owner?' illustrates Tost's (2011) assertion that affirmation of social identity and self-worth, and outcomes that correspond with perceived entitlement are indicators of relational legitimacy. Identifying individuals as owners and the consequential intrinsic satisfaction of identifying oneself as an owner and experiencing ***feelings of actualisation*** and a ***sense of ownership*** may affirm the individual's social identity and self-worth. The entitlement to 'having a say' as an employee-owner and the extent of commensurate acknowledgement of agency by management (***recognising***) may affect ***trusting*** and feeling trusted by management and, therefore, the individual's instrumental satisfaction and relational legitimacy judgement.

The individual's orientation towards ***committing*** to the organisation is, however, influenced by both their **Readiness for ownership** and their relationships within the organisation. They may experience a change in how they feel about themselves in respect of this identity and role and how they execute their tasks and participate in the success of the organisation. They may also experience a change in respect of their relationship with the organisation. A ***sense of ownership*** and the strengthening of their ***feelings as an employee*** reinforce social identification. The community orientation, however, also highlights the dilemma of satisfying their self-interest and their reliance on the heterogenous individuals among colleagues and management, when evaluating the opportunity costs of ***committing*** to the organisation.

It may, therefore, be **reciprocating** that determines a positive relational and generalised legitimacy outcome of the question 'am I *truly* an owner?'. Management's orientation towards ***recognising*** and ***trusting*** employee-owners as co-owners of the organisation may influence individuals' willingness to identify themselves as owners *with agency* and ***trusting*** management in return. ***Committing*** to the organisation and integrating ownership does not, however, merely involve complying with management's scripts and accepting their actions but may rather depend on the individual's propensity for challenging management's scripts and actions through the sensegiving of employee-owner actions, suggestions and concerns. ***Committing*** to the organisation and integrating ownership may thus require instrumental satisfaction and a positive propriety relational legitimacy judgement of the question 'what do you allow me/us to be?'. The answer to this question lies in the individual's sensemaking of the compatibilities and contradictions in the two logics of employee ownership.

5.5 Discordant compatibilities and uneasy contradictions

The juxtaposition of employee-owners' perception of management's orientation towards employee ownership and their orientation towards the change in their identity from employee to employee-owner captures the dynamics of structure and agency in the relationship between employee-owners and the organisation.

The compatibilities in the two logics of employee ownership illustrate an institutionalised understanding of what is required to achieve firm performance and thus little interest in, and opportunity for, agency. The contradictions suggest primacy of structure in conjunction with the individual's perception that they have, or should have, agency commensurate with ownership to realise their alignment with the market logic. The contradiction in the norm of group membership and self-interest underlies the confrontation between structure and agency and the conditions required for ***committing*** to the organisation. It is this contradiction in the basis of norms that appears to lead to discord in the compatibilities and unease in the contradictions.

5.5.1 Discordant compatibilities

The market-oriented alignment of the employee-owner's orientation and their perception of management's orientation suggests centrality (Besharov & Smith, 2014) in the two logics, and deeply embedded practices and an institutionalised understanding in respect of the sources of legitimacy and the bases of attention and strategy. These compatibilities not only highlight the importance of the financial success of the organisation but also draw attention to the influence of structure on sensemaking, legitimacy judgement formation and agency.

The centrality of the compatibilities, the immanent commitment to institutionalised schemas and scripts, and the individual's susceptibility to accepting the validity judgements associated with institutionalised norms, beliefs and values suggest that the market-oriented compatibilities in the two logics of employee ownership support the narrow view of the "iron cage" (DiMaggio & Powell, 1983, p. 147) of institutional constraint.

Habitual action is agentic as individuals have agency in how they select and apply the tacit and taken-for-granted schemas from their past experiences in the present (Emirbayer & Mische, 1998). This assertion, together with the assumption of the institutional logics perspective that individuals are partially autonomous in respect of opportunities for action (Thornton et al., 2012), implies that individuals can change their relationship to the structure in which they are embedded. The discord in the compatibilities between the two logics presents a situation in which some individuals may want to appropriate agency to meet their expectations and remain committed to the organisation.

The contradiction of the norms of group membership and self-interest in the two logics suggests that while there may be compatibility in the performance expectations related to the success of the organisation in the market, there is equivocality in the meanings assigned to the sources of legitimacy, and the bases of attention and strategy.

The perception of an organisational norm of group membership reinforces institutionalised behaviours in the interest of the organisation and its employees. It is, furthermore, endorsed by the compatibility of an inclusive community-oriented identity. The alignment of the sources of identity with group membership implies an alignment of organisational and individual goals; through employee ownership everyone is included not only in generating but also in sharing in the profitability and success of the firm. While this suggests a limited need for agency, the contradiction of self-interest indicates individual employee-owners' reflexivity despite the institutional constraints (Emirbayer & Mische, 1998).

While the individual may acknowledge instrumental legitimacy, status of the organisation in the market, and a strategy of efficiency and profitability, the contradictory norm of self-interest focuses on the benefit to the individual rather than the benefit to the organisation and the collective of employees. Gaining status in the market by virtue of their employment and participation in the success of an organisation in which they have an ownership stake, and realising a strategy of financial wellbeing, career progression and employability, not only leverages group membership for the individual's personal gain but also legitimises the institutionalised behaviours.

The meanings of the compatibilities, although discordant, thus appear to be mutually supportive in respect of both the organisation's goals and those of individual employee-owners. The interactions between the compatibilities and contradictions in the logics, however, indicate frustration of the individual's need for agency. Group membership and the implied limitations on agency are not only endorsed by the compatibility of a community-oriented identity but are also inculcated by the contradiction of the informal control of the organisation's culture.

5.5.2 Uneasy contradictions

The contradictions between the market/corporation and community elements *within* management's orientation and the contradictions *between* the two logics highlight how the individual's agency may be limited by their perceptions of management's orientation towards employee ownership. The first among these uneasy contradictions lies within the ‘you are now one of *us*’ logic, where the corporation-oriented informal control of organisational culture appears to support community-oriented group membership and facilitate integration. The second contradiction, authority remaining with the board and senior management, appears to conflict with the norm of group membership and the individual’s ability to serve their interests as a member of a group.

i. The power of organisational culture

Reminded of how participants from both participating organisations emphasised a positive **culture** and working environment that exists independently of employee ownership, this may not always be the case when employee ownership is implemented. The findings, however, show the influence of the organisational **culture** in catalysing **Readiness for ownership** and both facilitating and constraining **Behaving like an owner**.

The assumption of the institutional logics perspective is that the interplay between nested societal, organisational and individual levels may have cross-level effects (Thornton & Ocasio, 2008; Thornton et al., 2012). The culture of the organisation is nested within the broader context of the external environment and represents a discrete context that may mediate the effects of the broader context on organisational attitudes and behaviours (Johns, 2006). The informal control of organisational culture may, therefore, explain some of the effects of the institutionalised market/corporation logic on the individual’s sensemaking and propensity for integrating ownership.

An embedded **culture**, regardless of employee ownership, in which employees are recognised, included (***feelings as an employee***) and incentivised for the performance of the collective of employees alludes to an established community-oriented group membership and identity and shared interest in the success of the organisation. The associated institutionalised, routine interactions may thus prime the individual for the identity, role and performance expectations (Weber & Glynn, 2006) of employee ownership and may facilitate integration.

Employee-owner perceptions of management’s orientation towards employee ownership appear to accentuate the interaction between culture, group membership and community-oriented identity. Rhetoric and the perception of a generous employer reinforce group-oriented membership, identity and interest, which, in turn, bolster the perception of a culture that includes and values employees. Suddaby and Greenwood

(2005) demonstrate that rhetoric can be used to manipulate the meanings that underpin the institutional logics by selectively connecting meanings to broader understandings while remaining internally consistent. Through repetitions of the same "linguistic framing", the meanings may, over time, become a taken-for-granted and objective reality (Cornelissen et al., 2014, p. 728), constraining sensemaking and alternative interpretations. The persuasive use of inclusive terminology to reflect co-ownership may thus strengthen the perception of group membership and facilitate the alignment of a community-oriented identity and emotional connection in the two logics. It may also maintain the informal control of the embedded organisational culture.

The interpretation of generosity in allocating shares to employees appears, furthermore, to strengthen the perception of an inclusive culture and a community-oriented identity. The individual's ***feelings as an employee***, augmented to ***feelings of actualisation*** on becoming an employee-owner and a ***sense of ownership***, reflect the influence of **culture** in inculcating emotional or affective commitment (Meyer & Allen, 1991) and psychological ownership (Van Dyne & Pierce, 2004). Employee-owner perceptions of management's orientation appears, in effect, to reinforce the informal control of the culture of the organisation. This is reflected in the informal control of visibility of actions, such as **getting involved** and peer monitoring, which appears to support the congruence of culture, group membership and a community-oriented identity, and alludes to the embedded agency in reproducing the existing social structure, as argued by Everitt (2013).

Deeply embedded practices and the power exerted by organisational culture in facilitating integration may, however, also inhibit sensemaking, legitimacy judgement formation and agency.

Commitment to group norms and organisational culture may constrain noticing cues that contradict firmly held beliefs and consequently maintain established power relations (Salancik & Pfeffer, 1978; Schildt et al., 2020). The deeply embedded beliefs and practices associated with an institutionalised, inclusive **culture** may entrench the validity that is endorsed by the collective as individuals accept what others perceive as legitimate even when their propriety judgements differ (Tost, 2011). This suggests social influence and the coercive power of validity in legitimacy judgement formation (Haack et al., 2021). The institutional stability that is maintained by a **culture** of inclusiveness may thus inhibit deliberate evaluative propriety legitimacy judgements (Bitektine & Haack, 2015) of management's orientation.

The **culture** of the organisation may, therefore, mask loose coupling in management's orientation as the systemic power of the organisational culture provides contextual knowledge that may encroach on the creation of new meanings (Schildt et al., 2020). Sensemaking may be restricted by management's rhetoric, overarching accounts and limited effort to inculcate alternative understandings of the individual's inclusion, identity and role within the organisation (Maitlis, 2005; Rouleau & Balogun, 2011). Past experience of the **culture** and the rhetoric of inclusion may thus strengthen the individual's **changing feelings** and emotional connection to the organisation but may also inhibit their agency.

Friedland (2018) suggests that institutions, identity and emotions are closely linked and constitutive of one another as institutions influence not only what individuals think and do but also what they feel. The emotions induced by the institutional power of the congruence of culture, group membership and a community-oriented identity, and reinforced by the values-based rhetoric of inclusion, may influence sensemaking and enacting the institutional arrangements by obscuring noticing cues and imposing limitations on behaviours (Creed, Hudson, Okhuysen, & Smith-Crowe, 2014; Maitlis & Sonenshein, 2010; Maitlis et al., 2013; Voronov & Vince, 2012). The positive emotions expressed by participants in respect of their **changing feelings** may, therefore, constrain sensemaking and agency.

It is, however, noteworthy that the positive emotions generated by management's sensegiving may alternatively be interpreted as an opportunity to enhance wellbeing (Weick et al., 2005), encouraging sensemaking (Maitlis & Sonenshein, 2010; Maitlis et al., 2013) and encouraging agency despite its cognitive embeddedness (Lok, Creed, DeJordy, & Voronov, 2017).

The compatibilities between the two logics and the **culture** of the organisation thus appear to play a significant role in the individual's sensemaking and legitimacy judgement of the employee-ownership arrangement and, for this reason, the integration of ownership. While this underscores an 'iron cage' that may inhibit agency, both the threats to the employee-owner's self-interest to realise their personal strategy and the opportunity to enhance wellbeing may invoke a desire for agency and some control beyond the limited agency in habitual action to allow for the reflexivity that Emirbayer and Mische (1998) propose. This desire brings the contradiction in respect of where authority resides to the fore.

ii. Sources of authority

The contradiction of authority remaining with the board and senior management and employee-owners' expectation of meaningful representation at all levels as co-owners of the organisation suggests an interchange in the norms of group membership and self-interest. The employee-owner perception of corporate-oriented authority in contrast to a norm of group membership draws attention to the relationship between employee-owners and the organisation, and the legitimacy of employee ownership.

The expectation of agency as a consequence of **being an owner** and the agency required to realise personal strategy suggest that, rather than being a passive subordinate, the individual may aspire to being an active contributor (Kranz et al., 2016). This is supported by the arguments that institutions are inhabited by agentic individuals and their interpretations, actions and social interactions (Binder, 2007; Hallett, 2010; Hallett & Ventresca, 2006) and that contradictions in the logics provide opportunities for agency and institutional change (Friedland & Alford, 1991; Seo & Creed, 2002; Thornton et al., 2012).

Individuals thus use their own interpretations, combinations and adaptations of the institutional logics in different ways to serve their purposes in varying situations (McPherson & Sauder, 2013; Thornton et al., 2012). The individual's interpretive agency suggests that employee-owners may engage in identity work to construct a distinct, valued and coherent sense of self (Alvesson, Lee Ashcraft, & Thomas, 2008; Lok, 2010; Watson, 2008).

In attempting to reconcile their institutionalised identity as an employee, the ambiguity of their new, unfamiliar co-owner identity and their self-identity, and prompted by the question 'who am I?', individuals may engage in the identity work of ***recognising*** themselves as owners. By claiming and using an ownership role, employee-owners may thus visibly integrate their dual employee and owner roles to define themselves and assert agency (Callero, 1994; Creed, Dejordy, & Lok, 2010) .

When considered from the perspective of self-interest, **getting involved** demonstrates the individual's attempt to claim some of the agency and control implied in the logic of ‘you are now one of *us*’ towards achieving favourable outcomes from group effort to realise individual goals. The individual’s propriety assessment, in a moment of **Readiness for ownership**, of the validity of claiming a role as a co-owner of the organisation underlies their perception of the legitimacy of employee ownership and the relationship with the organisation. The validity of a co-owner role implies a reciprocal relationship where both management and individuals endorse employee-owners’ agency.

Establishing a reciprocal relationship may be the culmination of ongoing sensemaking and sensegiving by, and between, employee-owners and management, as reflected in the temporality implied in the sensemaking question “how can I know who we are becoming until I see what they say and do with our actions?” (Weick et al., 2005, p. 416). An established relationship suggests the accomplishment of management’s conveyed community-oriented norm and identity to legitimise employee ownership and employee-owners’ role in the organisation’s success.

Authority remaining with the board and senior management in contradiction to the individual’s view of their agentic role of participating in decision-making at all levels of the organisation may be interpreted as a violation of management’s promise of co-ownership. Resolving the contradiction may, therefore, require adaptive sensemaking that involves doubting commitments to existing frameworks and updating frameworks to accommodate alternative and new meanings (Cornelissen et al., 2014; Maitlis & Sonenshein, 2010). Resolving the contradictions within and between the logics of employee ownership may, furthermore, require goal-directed recurrent institutional work that involves adjusting, adapting and compromising to transform the existing logics (Lawrence et al., 2009) and legitimise employee ownership.

5.5.3 Institutional work: balancing structure and agency

A legitimate, established reciprocal relationship is indicative of the intensity of the ongoing institutional work (Lawrence et al., 2011; Maitlis & Sonenshein, 2010) by individuals and management to construct and transform the logics of employee ownership and the role of employee-owner. The findings of the study highlight two opportunities for institutional work that may be neglected in the implementation of ESO schemes. The first is the individual’s opportunity to embrace the empowerment that employee ownership offers. The second is management’s opportunity to capacitate employees for ownership and facilitate the integration of ownership. The combined institutional work of individuals and management implies a voluntary agreement to embed stakeholder capitalism in the logics of the organisation.

i. The individual's institutional work

The interpretive agency that individuals have in fulfilling their multiple social roles suggests that employee-owners both unwittingly, or wittingly and reflexively, engage in the institutional work of creating, maintaining and disrupting institutions through their daily activities (Berger & Luckmann, 1966 (reprint 1991); Lawrence & Suddaby, 2006; Lawrence et al., 2011; Powell & Colyvas, 2008). ***Recognising*** themselves as an owner with agency and the individual's willingness to take actions commensurate with **Behaving like an owner** can be interpreted as actions directed at earning management's trust as an active contributor aligned with the group of co-owners.

Despite the empowerment expected in **being an owner**, the influence of management's orientation and broader societal cultures, beliefs and practices in respect of authority may diminish the individual's willingness to claim their role as co-owner and participate in ***deciding*** and ***representing***. The power of the organisational **culture** in inhibiting agency and maintaining established power relations, and the emotional response to participating in the ownership of the organisation, may also engender reticence to engage in agentic behaviours to challenge the delegation of authority.

The combined effect of a **culture** that facilitates integrating ownership and the emotions on receiving an allocation of shares appears to support the notion of prosocial sensemaking in which the actions of management and individuals are interpreted as caring and individuals are enabled to give in addition to receiving (Grant, Dutton, & Rosso, 2008). While this suggests a desire to reciprocate, the internalised constraint of commitment to the institutionalised frames and scripts for action may confront the individual's willingness to leverage their embedded agency within a culture that they value to effect changes.

The influence of a valued **culture** and the individual's emotional connection to the organisation in ***committing*** to the organisation is shown in the consideration of the **culture** when evaluating the opportunity costs of remaining with the organisation. This may explain the individual's reticence to engage in agentic behaviours and suggests restricted sensemaking, actions aligned to management's sensegiving and reluctance to express propriety legitimacy judgements that deviate from the institutionalised validity judgements.

Employee-owners' expectation of actively contributing to decision-making over the efficacy of actions towards realising personal strategy in an inclusive and valued environment and the contradiction of reticence to engage in ***deciding*** and ***representing*** could be attributed to the deficit in **understanding** their role and responsibilities as co-owners. The contradiction could, however, also be ascribed to their concern about the visibility of their actions when raising controversial topics.

The contradiction in perceptions of where authority should reside and the coercive influence of the culture and emotion may thus result in "*resigned compliance*" (Ogbonna & Harris, 1998, p. 285) as opposed to engaging in the institutional work of **getting involved** to disrupt the prevailing logics and legitimise employee ownership. Resigned compliance and the perception that reciprocity may be achieved through compliance is also illustrated in what appears to be suppression of evaluation of distributive and procedural **justice** in the allocation of shares. Secrecy, and reluctance to interrogate the functioning of the share scheme and the size and timing of share allocations, underscores the significant effect that emotions have on the assessment of justice (Lok et al., 2017).

Reticence to participate as an agent may erode trust in management and the individual's proclivity for earning management's trust by **getting involved** in the execution of their day-to-day activities, taking initiative in the workplace, and voicing ideas and concerns individually or through representation. Reticence may also erode ***committing*** to the organisation and thus perceptions of the legitimacy of the relationship. This may, in turn, inhibit integrating ownership and moderate the individual's expectation of **being an owner**.

Although employee-owners may vary in their desire for agency, they do expect the collective voice to be heard. The possibility of management's orientation towards the delegation of authority and the **culture** of the organisation undermining, rather than reinforcing, a positive relationship between employee-owners and management emphasises the expectation of **understanding** employee ownership. It also underscores the institutional work required by management to embed the identity and routinise the actions of employee-owners.

ii. Management's institutional work

Managing for ownership reflects the opportunity to embed and routinise the promise of co-ownership through the institutional work of **developing**, **explaining** and **communicating** to capacitate individuals for their role and earn their trust. It also reflects an opportunity for ***recognising*** and **involving employees** to show that management trusts them in their role as co-owners of the organisation.

By disrupting their own commitment to their prior sensemaking (Christianson, 2019) in the ongoing institutional work required to maintain the dominant market/corporation logic, management can steer the meanings and actions that are embedded and routinised over time (Gioia & Chittipeddi, 1991). Engaging in the institutional work of editing individuals' sensemaking may encourage adaptive sensemaking that deviates from the institutionalised expectations and frames and overcomes the internalised constraint of deeply embedded practices (Cornelissen et al., 2014; Maitlis & Christianson, 2014; Maitlis & Sonenshein, 2010; Strike & Rerup, 2016; Weber & Glynn, 2006). This can be achieved by **developing**, **explaining** and **communicating** changes in management's behavioural expectations of employee-owners. Clarity and coherence in management's sensegiving through directed institutional work may, furthermore, align equivalent meanings and converge what management and employee-owners consider to be rational and legitimate (Lawrence et al., 2011; Schildt et al., 2020).

Neglecting to embed the promise of co-ownership, in contrast, perpetuates loose coupling between the structures and work activities (Meyer & Rowan, 1977). Management's intentionality, or the motive for implementing ESO, appears to underlie the effort of engaging in institutional work, as suggested by Misangyi (2016), who argues that the connections between decoupling and coupling practices from multiple logics reflect the intentions for adopting a programme and instantiating a logic. The regulatory compliance of an empowerment scheme, rather than including employees in existing share schemes, may explain the apparent subordination of ownership, and the loose coupling in facilitating **Readiness for ownership** and **Behaving like an owner**.

Management may, furthermore, assume that bridging the gap between identifying employee-owners as co-owners and entrusting them with co-ownership by ***delegating*** and ***co-determining*** may undermine management's control and strategy of efficiency. Weick (1988), however, argues that worker perceptions of management's assumptions may influence employee enactments and the assumptions may consequently become self-fulfilling prophecies. Employee-owner perceptions of the contradiction between their expectations and management's actions in relation to embedding and routinising employee ownership may thus have the unintended consequences of prolonging perceptions of the ambiguity (Balogun & Johnson, 2005; Bertels & Lawrence, 2016; Brown et al., 2008; Weick et al., 2005) of their identity and role. This may have the effect of sustaining their reticence to embrace empowerment and may undermine trust and compromise relational legitimacy.

The institutional work to earn employee-owners' trust involves resolving the uncertainty by embedding an institutionalised understanding of an employee-owner's role in the organisation. Influencing individuals to identify with an employee-ownership logic thus requires unambiguous frameworks and practices to guide sensemaking and facilitate coherent, collective understanding and enactment of the logic's values and beliefs (Bertels & Lawrence, 2016; Lok, 2010; Maitlis, 2005). Guiding sensemaking of employee ownership, therefore, involves clarity and transparency in **explaining** and **communicating** the motive for implementing ESO, the functioning of the share scheme, and the opportunities, risks and limitations of employee ownership.

Earning their trust also involves showing individuals that they are trusted by management to fulfil a role of employee-owner. While regulatory compliance and the anticipated economic empowerment of individuals may legitimise distributing shares to employees, individuals may interpret management reneging on the promise of empowerment through participation in decision-making as not being trusted by management. This feeling of not being trusted undermines the legitimacy of their identity as a co-owner of the organisation. ***Recognising*** and ***trusting*** employee-owners as co-owners suggests understanding how they interpret their dual role and valuing their expectation of having some control over the decisions and actions that affect their immediate work environment and the success of the organisation.

Involving employees and sustaining **getting involved** may, therefore, require relinquishing some power to employee-owners. The asymmetry of power is evident in the episodic power of the rhetoric and emotions associated with receiving an allocation of shares, and the systemic power of the **culture** and perceptions about where authority lies. The power relationship not only affects sensemaking (Brown, 2000) and subjugates individuals but can also be applied to empowering individuals (Schildt et al., 2020). Guiding sensemaking by dislodging the schemas that underpin the individuals' reticence to participate as agents (Elsbach et al., 2005; Labianca et al., 2000) and taking actions that are procedurally fair and acknowledge the views of the collective (Maitlis, 2005) may galvanise individuals into adapting their role and actions and ***collaborating*** with colleagues to construct a shared understanding (Gioia & Chittipeddi, 1991; Maitlis & Christianson, 2014).

To foster a relationship in which employee-owners feel trusted, management may need to recognise the benefit of including employee-owners' views in decision-making; create opportunities for divergent and disparate schemas to converge (Elsbach et al., 2005); and encourage evaluative legitimacy judgement formation and the expression of deviant judgements (Bitektine & Haack, 2015). **Recognising** and **trusting** employee-owners thus comprises **involving employees** in meaningful engagements that legitimise the norm of group membership and influence individual and collective situated cognitions, which may, in turn, advance decision-making, relational legitimacy and the integration of ownership. Relinquishing some power to show employee-owners that they are trusted implies that **involving employees** culminates in their 'being heard' rather than merely allowing employee-owners to voice their concerns.

Although the informal control of **culture** appears to facilitate institutional stability, integration and ***committing*** to the organisation, the expectation of empowerment from **being an owner** may determine individuals' propriety moral and relational legitimacy judgements. The findings show that even if individuals value the **culture** and accept the instrumental legitimacy of a compliance motive for introducing an ESO scheme, they expect both redistributive and participative empowerment.

Jahn et al. (2020) find that legitimacy judgements are negatively affected when individuals perceive an organisation's actions related to a social cause as motivated by financial gains rather than commitment to the cause. Incentives that induce conformance and selective information sharing may maintain institutional stability and silence evaluative legitimacy judgements (Bitektine & Haack, 2015). Neglecting opportunities for **involving employees** and management sensegiving that provides an “overarching framework for their empowered activities” (Maitlis, 2005, p. 47) suggests ongoing violation of the expectation of participative empowerment and obstruction of the opportunity for institutional change.

This may, in turn, reinforce reticence to participate and resigned compliance. Employee-owners may abandon the expectation of voice and **Behaving like an owner** and revert to being ‘just an employee’, consequently arresting integration and undermining ***committing*** to the organisation. Individuals may, furthermore, question management’s trust in identifying them as co-owners in their sensemaking of management’s commitment to ownership and the overarching contradiction of an apparent shift to an inclusive, employee-oriented form of stakeholder capitalism in the workplace.

iii. Stakeholder capitalism or market capitalism?

Stakeholder capitalism involves stakeholder cooperation and engagement to satisfy the needs of both management and employee-owners; stakeholders’ adherence to voluntary agreements and accepting responsibility for their actions; and fostering working together rather than self-interest in value creation (Freeman et al., 2007). This does not imply that involvement in processes and decision-making requires equal participation by all stakeholders (Donaldson & Preston, 1995). Neglect of the material actions to embed and routinise participative empowerment and relational legitimacy may, however, undermine the norm of group membership and the perception of influencing the success of the organisation. The result of neglect may be persistence of uncertainty over the authenticity of an employee-owner role and an employee-owner orientation that is based on market capitalism and self-interest.

The overarching signalling of employee ownership as a form of stakeholder capitalism suggests a compromise to address stakeholder concerns (Friedman & Miles, 2002). The community orientation of the ‘you are now one of *us*’ logic within the organisation implies a mutually supportive framework (Donaldson & Preston, 1995) that entails a shared identity as participants in the ownership of the organisation. In addition to maintaining regulatory and instrumental legitimacy, the legitimacy of employee ownership may thus be accomplished by establishing moral and relational legitimacy through material actions to prioritise group interest over self-interest, align management and employee-owner goals and interests, and inculcate mutual trust.

5.5.4 Legitimating employee ownership

Legitimating employee ownership within the organisation may be viewed as an ongoing process of the social construction of legitimacy involving individuals and groups of individuals (Bitektine, 2011; Suddaby et al., 2017). As legitimacy as a process is the product of social interactions rather than an outcome of institutional influences, agency plays an elevated role in legitimation when participants have dissenting views (Suddaby et al., 2017).

The transience and impermanence of sensemaking (Hernes & Maitlis, 2010; Weick, 1979) and the temporality of agency (Emirbayer & Mische, 1998) suggest that in moments of **Readiness for ownership** the individual's view of their agentic possibilities is informed by their past experience of their dual role, projections for the future and the practicalities of their actions in the present. Widely sanctioned validity may conceal or silence contradictory propriety legitimacy judgements (Bitektine & Haack, 2015; Haack et al., 2021; Suddaby et al., 2017). This may mean that employee-owners unwittingly maintain the established validity, and legitimise employee ownership and their relationship with the organisation, through their reticence to engage in agentic behaviours and express negative propriety legitimacy judgements. Resigned compliance could result in employee-owners reverting to the institutionalised judgements when the emotions that actuated the initial propriety moral and relational legitimacy judgements fade over time (cf. Huy, Corley, & Kraatz, 2014; Maitlis et al., 2013) and individuals moderate their expectation of **being an owner** or lose interest in employee ownership.

A legitimate, reciprocal relationship in which the individual can realise agentic possibilities may be seen as one in which individuals, colleagues and management are willing to engage in meaningful exchanges in mutual recognition of a shared identity as co-owners, mutual trust and a common goal. Such a relationship would also involve putting the interests of all members of the group at all levels of the organisation over the interests of individuals. Legitimation of employee ownership in the workplace may thus occur when the group of heterogenous individuals act as change agents, driving consensus in the diverse perceptions of legitimacy (Suddaby et al., 2017).

As more individuals revise their judgements, the perception of consensus in respect of the institutionalised validity judgements erodes (Bitektine & Haack, 2015; Haack et al., 2021) and individual doubts over taken-for-granted meanings become collective beliefs (Powell & Rerup, 2017). Consensus driven by an increasing number of favourable propriety legitimacy judgements may similarly turn new meanings into collective beliefs. The aggregation of favourable individual propriety legitimacy evaluations of management's willingness and ability to deliver on the promise of employee ownership may, consequently, promote a shift in validity towards a positive assessment of relational legitimacy and facilitate the integration of ownership in the workplace.

The gradual aggregation of favourable propriety legitimacy judgements may concurrently instigate a change in the individual's perceptions of the logics of employee ownership. As the influence of embedded agency, **culture** and emotions dissipates, new possibilities for agency, rather than resigned compliance, may emerge. Positive reassessments of legitimacy in response to management's cues allude to collaboration between management and employee-owners to support, balance and invoke co-existing logics in their day-to-day actions and interactions (McPherson & Sauder, 2013; Reay & Hinings, 2009; Smets et al., 2015).

The legitimation of employee ownership, therefore, implies that management and employee-owner actions become consistent with, and reinforcing of, the overarching message of stakeholder capitalism that 'you are now one of *us*' conveys. **Reciprocating** and incremental actions in response to agentic possibilities, such as active participation in decision-making as a result of being heard, may thus lead to the convergence of equivalent meanings, or a common **understanding** of employee ownership over time.

The heterogeneity of employee-owners in respect of their personal goals and propensity to integrate ownership, however, implies that the individual's propriety legitimacy judgements and orientation towards possibilities for agency are contingent upon their momentary **Readiness for ownership**. Although employee-owners may ascribe equivalent meanings to employee ownership, prioritisation of the expectation of **being an owner** and how the individual perceives their identity as an employee-owner as realised vary. For individuals, making sense of the contradictions in the logics in respect of group- and self-interest, and participation in decision-making may become more pronounced as their **Readiness for ownership** evolves. This, in turn, influences the legitimacy judgement of their identity, 'what do you allow me/us to be', and, therefore, their propensity for ***recognising*** their identity and participation as a member of the group of co-owners and ***trusting*** their relationship with the organisation.

Establishing and maintaining relational legitimacy may, therefore, be inhibited when employee-owners continually experience the logics as conflicting or acquiesce to the co-existence of the logics through resigned compliance. Resolving the conflicts between the logics of management's orientation and employee-owners' orientation through the gradual aggregation of the collective actions of management and employee-owners in ***recognising*** and ***trusting*** employee-owners as co-owners may, in contrast, facilitate positive relational legitimacy judgements. A truce, albeit uneasy for some individuals, in which management and employee-owners resolve the contradictions may promote relational legitimacy; a positive generalised legitimacy judgement; employee-owners' commitment to remaining with the organisation; and, thus, the integration of ownership into the individual's work experience and into the workplace overall.

5.6 Ownership integrated

Integrating ownership into the work experience, it has been argued in this chapter, is an ongoing journey of individual sensemaking of employee ownership in which the institutional context of the employee-ownership initiative and the individual's perception of ambiguity in management's orientation towards employee ownership affect the employee-owner's orientation towards the change in their identity and role. It has been shown, furthermore, that integrating ownership may be accomplished through institutional work to reconcile the compatibilities and contradictions between and within the two orientations to establish a reciprocal relationship of recognition of, and trust in, the employee-owner's identity and role.

Integrating ownership into the workplace, it has also been argued, involves the gradual aggregation of individuals' positive propriety legitimacy judgements of their experience of a dual identity and role to establish the validity of employee ownership in the workplace.

In gaining an understanding of how individuals make sense of their experience of a dual identity and role as both an employee and an owner of the organisation, this study contributes to theory in three ways. It proposes an employee-to-owner continuum; it describes an ideal-type owner that portrays the integration of ownership into the individual's work experience; and it puts forward a model for institutionalising employee ownership in the workplace. Each of these contributions is discussed below.

5.6.1 The employee-to-owner continuum

The integration of ownership into the individual's work experience, being the outcome of an ongoing process of making sense of a change in their identity and relationship with the organisation, is represented in the employee-to-owner continuum. Integrating ownership implies that the employee-owner needs to remain in the employ of the organisation, which draws attention to the individual's perception of the legitimacy of their identity and role as an employee-owner (**Readiness for ownership**) and their commitment to remaining with the organisation (***committing***).

In identity construction, the employee-owner authors and enacts their identity scripts. The process of identity construction involves reconciling the changes in their identity – resulting from their experience of multiple and contradictory logics and social interactions – to establish coherence and claim and use a role (Bévort & Suddaby, 2016; Creed et al., 2010; Mills et al., 2010).

The need for self-enhancement, self-efficacy and self-consistency that affect the individual's sensemaking and identity construction (Weick, 1995) may influence their decision to remain with the organisation. Rothausen, Henderson, Arnold, and Malshe (2017) find that individuals that experience ambiguity in their identity may enter a liminal identity stage, or "state of in-between-ness" (Beech, 2011, p. 285), in which their identity and wellbeing across life domains become salient when considering turnover intentions.

The proposed employee-to-owner continuum represents the individual's ongoing assessment of their identity, wellbeing and turnover intentions as a consequence of employee ownership. Figure 4.6 shows liminal identity stages of sensemaking and reconciliation of the contradictions between management's orientation (**Managing for ownership**) and the individual's orientation (**Expectations of ownership**, **Readiness for ownership** and **Behaving like an owner**) towards employee ownership and the perceived ambiguity of their identity, role and relationship with the organisation. The liminal identity stages denote levels of integration of ownership and are determined by the individual's momentary **Readiness for ownership** and their evaluation in respect of ***committing*** to the organisation.

i. Changing readiness for ownership

Readiness for change is influenced by the content, process and context of the change and the individuals who are involved in the change (Holt et al., 2007). Individuals' beliefs that have a significant effect on their readiness are that the change is appropriate for the organisation; that they feel capable of making the change; that it is beneficial to the individual; and that management is committed to the change and provides the necessary support (Holt et al., 2007). The continuum illustrates progressive levels of integrating ownership where each level reflects the individual's **Readiness for ownership** and where, in moments of situated cognition, the individual presents a situational identity to evaluate their **Expectations of employee ownership**.

Morin et al. (2016) suggest that organisations may need to combine a top-down and bottom-up approach to maintain commitment to change while empowering employees to enact the change. **Managing for ownership** through a learning culture that fosters trust and commitment (Choi & Ruona, 2011) and a change process that includes communication, participation and leadership may have a positive effect on the individual's confidence in their self-efficacy or abilities in respect of **Behaving like an owner**, self-concept and affective commitment to change (Rafferty, Jimmieson, & Armenakis, 2013; Vakola, 2014). This increased confidence may inculcate readiness for change. The individual's **Readiness for ownership** and positioning on the continuum is thus a reflection of the impact of management's actions and employee-owners' actions on the individual's expectations. It is, furthermore, an indication of the level of alignment with the individual's personal strategy of financial wellbeing, status and employability.

In addition to directing their attention to cues that may facilitate or constrain integrating ownership in the ongoing cycle of sensemaking, **changing feelings**, **changing attitudes** and **reciprocating**, the individual may direct their attention to cues for sensemaking of the legitimacy and tenure of their relationship with the organisation. In these moments of situated cognition, which are framed by their **Readiness for ownership**, the individual may present their self-identity or social identity beyond the workplace to evaluate their prioritised expectations; the importance of employee ownership in realising their personal goals; and their short-, medium- or long-term commitment to remaining with the organisation. Sensemaking in these moments may be solitary and reflective to produce an action in the individual's interest (cf. Maitlis et al., 2013), and legitimacy judgement may be propriety as they evaluate whether the arrangement is legitimate in terms of their identity, wellbeing, personal life and aspirations.

ii. Committing to the organisation

The individual's evaluation and prioritisation of the opportunities for deriving **financial benefit** from employee ownership; **growing** through their identity and role as an employee-owner; and affective commitment – where the individual *wants* to remain (Meyer & Allen, 1991) – to an organisation with a positive work environment and inclusive **culture** appear to determine their continuance commitment. Continuance commitment is where the individual is aware of the costs of leaving the organisation and may *need* to remain (Meyer & Allen, 1991).

The expectation of participation in decision-making not only differentiates the employee-owner from an employee but may also be an indication of the importance of employee ownership to the individual when considering turnover intentions. These considerations underscore the legitimacy of the relationship and the interplay of the contradictions between the two logics of employee ownership in respect of decision-making, group membership and self-interest, and the informal control of organisational **culture**.

Reminded of the duality of the concept of ownership, the individual's evaluation of their commitment to the organisation reflects an interweaving of the rights and control associated with formal ownership (Honoré, 1961) and the feelings of possession, and thus the desire for control, associated with PO (Pierce et al., 2001). As internal shareholders, employee-owners may thus perceive a right to both indirect and direct participation in organisational decision-making.

In a recent review of the relationship between employee participation and psychological outcomes in democratic organisations, Weber, Unterrainer, and Höge (2020) find that the individual's perception of *actual* participation in organisational decision-making, or 'being heard' directly or indirectly through channels for ***involving***

employees, fosters commitment to the organisation. This highlights the importance of instrumental satisfaction. Their findings show, furthermore, that experience of frequent and direct participation in decision-making has a positive effect on the human needs of individual and collective efficacy, competency, autonomy, relatedness and a collective identity. The positive effect of participating in decision-making on these needs, in turn, has a positive effect on the individual's work orientations (**changing attitudes** and **changing behaviours**), democratic behaviours (**getting involved**) and the perception of a supportive climate (**changing feelings**, **reciprocating**, **culture**). Satisfaction of these needs may thus not only result in positive organisational outcomes but may also inculcate autonomous motivation (beyond the scope of this discussion) and PO (Weber et al., 2020).

The influence of instrumental satisfaction on perceptions of the legitimacy of the promise of co-ownership and identifying as, and feeling and behaving like, an owner may thus be an important contributor to the employee-owner's evaluation of committing to the organisation. Realisation of the expectation of **being an owner** confirms the individual's identity as an owner of the organisation, which, in turn, may have a positive effect on their self-identity within and beyond the organisation. Realisation of the expectation of **being an owner**, furthermore, contributes to meeting the individual's expectations as both an employee and employee-owner of the organisation of **growing** by acquiring knowledge and skills through participation; **understanding** the risks and opportunities of ownership, which facilitates perceptions of **justice**; and having some control over gaining **financial benefit**.

Management's role in instilling individual and collective employee-owner identities by **reciprocating**, **involving employees**, and **developing**, **explaining** and **communicating** to institutionalise the knowledge and skills required to fulfil the expectation of **being an owner** legitimises the relationship and may strengthen PO. Legitimate individual and collective employee-owner identities give individuals a sense of control over realising their personal strategy. These identities also contribute to inculcating a collaborative employee-ownership culture where individuals can leverage group membership in their own interest.

Employee ownership suggests that self-interest is served by the individual's commitment to group interest. This contradiction highlights the role of **culture** in the evaluation of relational legitimacy and commitment to the organisation. Although the culture may facilitate integration of ownership, the individual’s experience of a culture that constrains effective participation in decision-making, and thus frustrates the satisfaction of their basic human needs, may diminish the importance of employee ownership in their commitment to their own future. Such experience may also erode the alignment of their identity and self-concept with the values of the group and, consequently, their commitment to the organisation and its success. A culture of meaningful direct participation, however, not only provides individuals with learning opportunities but may also promote the integration of ownership.

It is, therefore, argued that the individual’s **Readiness for ownership** and the role of employee ownership in fulfilling their need for self-enhancement, self-efficacy and self-consistency in the construction of their self-identity influence their commitment to the organisation and to the identity and role of an employee-owner. The proposed employee-to-owner continuum is thus a representation of the extent to which the individual identifies as an owner, feels like an owner and understands themselves as an owner in the institutional setting of multiple and contradictory logics and social interaction.

Lack of congruence in their self-identity and their employee-owner identity, or the threat to their understanding of their current and future employee-owner identity arising from ambiguity, may result in identity restructuring that involves changing the importance or meaning of the identity or exiting the identity (Petriglieri, 2011). Readiness for change varies according to the individual’s perception of the costs and benefits of changing (Vakola, 2014). This means that identity restructuring may lead to maintaining their position, repositioning lower on the continuum, or abandoning their employee-owner identity and, when the opportunity arises, their commitment to the organisation. Augmentation of their self-identity by their employee-owner identity may, however, lead to committing to the organisation and repositioning higher on the continuum.

The ongoing process of changes in the individual’s **Readiness for ownership** and evaluations of committing to the organisation may culminate in the individual fully integrating ownership into their work experience and adopting the identity of ‘owner’. The owner ideal type provides an image of an ‘owner’ and a framework against which an individual’s level of integration of ownership can be compared.

5.6.2 An ideal-type owner

The proposed ideal type is a conceptual scheme of the most likely institutional logic to represent the identity, assumptions, values, beliefs and interests of an 'owner' on the continuum as a consequence of the effects of the processes that influence the integration of ownership. The employee-owner ideal type thus describes an employee who has fully integrated ownership into their work experience. The logic represented by the employee-owner ideal type, 'I am one of *us*', is premised on convergence of the orientations of management and individuals in respect of the identity and role of employee-owners in the workplace, as perceived by the individual. Table 5.3 contrasts the logics of management, employee-owners and the ideal-type owner.

Table 5.3 An ideal-type logic of employee ownership

Root Metaphor	**You are now one of *us***	**Thank you, but only while it suits me**	**I am one of *us* (Ideal type)**
Sources of legitimacy	Share price, market position of the firm, growth	Incentives, dividends, vesting and retention of shares	Sustainability of the organisation, trust and reciprocity
Sources of authority	Board of directors, top management	Shareholder activism: representation at all levels	Co-determination: having some influence
Sources of identity	Emotional connection, ego satisfaction & reputation	Emotional connection, ego satisfaction & reputation	Co-owner, actualising
Basis of norms	Group membership	Self-interest	Employee as owner and agent: interest in group and self
Basis of attention	Status in the market	Status in the market	Status in the market: actualised by company status in the market
Basis of strategy	Increase efficiency and profit	Increase financial wellbeing and increase status, employability	Vested interest: financial and contribution of own skills
Informal control mechanisms	Organisation culture	Visibility of actions	Sense of ownership: I am an owner and I know what it means
Economic system	Stakeholder capitalism	Market capitalism	Stakeholder capitalism

Key	Community	Market	Corporation

The ideal type is derived from the participants' comments that describe what is needed or has led them to identify, feel and behave like an owner of the organisation. Appendix 5: Illustration of an employee-owner ideal type, shows the culmination of the effects of the processes that inculcate the integration of ownership and influence how individuals are likely to understand their identity and self-image (Thornton et al., 2012) as ‘owners’. While the ideal-type owner may not conform to reality, it provides a framework for comparative analysis (Thornton & Ocasio, 2008).

The ideal type reflects an employee-owner who identifies as a legitimate owner and whose commitment to the organisation is not only affective but includes the sense of responsibility and possession associated with PO. They understand the organisation, their role as a participant in the ESO scheme, and the impact of their work towards achieving the goals and functioning of the organisation.

Active direct participation in decision-making, and the skills and knowledge that they have developed in their role and can contribute to the success of the organisation, gives them a sense of agency and control over their vested interest in the organisation. Appreciation of both their self-interest and the interests of the group to which they belong motivates the ideal-type owner to focus on both the short-term profitability and the long-term sustainability of the organisation.

The proposed ideal-type employee-owner appears to support the (contested) assumption that employees can be transformed to think and act like owners (Basterretxea & Storey, 2018; Kranz et al., 2016) through various organisational practices. However, an institutional logics perspective and cognisance of the influence of macro-, meso- and micro-level contexts in the analysis of individuals’ sensemaking and the construction of an ideal-type employee-owner assume that the individual’s rationality involves acting with awareness, competence, knowledge and reflexivity, and with the logics defined by institutions, to adapt to the environment (Lawrence & Suddaby, 2006).

Integrating ownership into the workplace, or the ‘transformation’ of active contributors (Kranz et al., 2016) towards an ideal-type owner, thus implies establishing a new, shared employee-ownership logic by institutionalising a context that is characterised by an employee-oriented form of stakeholder capitalism. In this context, identities and legitimacy converge, strengthened by an unwavering reciprocal relationship of recognition and trust.

5.6.3 Institutionalising employee ownership

Institutionalising employee ownership entails organisational learning in a process that involves the interplay of structure and action in which the behaviours scripted by the logics are enacted, revised or replicated, and are objectified and externalised to become taken-for-granted (Barley & Tolbert, 1997; Goodrick & Reay, 2011). Legitimation is similarly a process that evolves over time and reaches a point where legitimacy is established (Suddaby et al., 2017). This implies that at a moment in time, employee ownership may be perceived as objectively real and cognitively legitimate (Tost, 2011). Integrating and institutionalising employee ownership thus implies establishing cognitive legitimacy, which, Suchman (1995, p. 583) argues, is elusive, but renders the legitimated entity "unassailable by *construction*" once attained.

Institutionalising employee ownership, furthermore, suggests a commitment to the integration of the financial and social objectives of the organisation as the ends of the ESO initiative and, Battilana et al. (2018) argue, a new way of organising. Democratic organising, by engaging diverse perspectives in moments where nonoverlapping schemas meet to create collective mindsets (Elsbach et al., 2005), provides a means to overcome the tension between the social and financial objectives (Weber et al., 2020) while facilitating the integration of ownership into the workplace.

Institutionalising a context where employee ownership is perceived as objectively real and cognitively legitimate requires management sensegiving and the institutional work of embedding new institutional prerogatives in the **culture** (Ravasi & Schultz, 2006) and linking the inclusive culture to a deliberative ownership culture. This context may legitimise a socially responsible organisational identity and facilitate the integration of ownership into the work experience of a critical number of employee-owners. A collective identity is a consequence of the influence of individual interpretation on the sensemaking of others in collective sensemaking and the aggregation of new meanings into collective beliefs (Maitlis & Christianson, 2014; Stigliani & Ravasi, 2012; Weick, 1995; Weick et al., 2005). A collective identity, collective-level perceptions of legitimacy and social reality (Bitektine & Haack, 2015; Haack et al., 2021; Tost, 2011), and collective empowerment (Labianca et al., 2000) may lead to the institutionalisation of ownership in the workplace, collective PO (Pierce & Jussila, 2010) and a distinct new, shared logic (Jackall, 1988; Thornton & Ocasio, 2008) of employee ownership.

The ideal-type logic 'I am one of *us*', when viewed individually or collectively, is a representation of a deliberative ownership culture that permeates the organisation and may be established over time through the adaptation of the 'thinking and doing' of management and individuals within the organisation. The notion of 'one of *us*' does not suggest that individuals adopt management's orientation. Rather, it represents a synthesis and adjustment of the external logics, and the 'You are now one of *us*' and 'Thank you, but only while it suits me' logics, towards stakeholder capitalism and a focus on group rather than individual interest, as shown in the ideal-type logic of employee ownership in Table 5.3.

The ideal-type logic reflects the outcome of the ongoing process during which management and employee-owners balance the differences between the co-existing logics to benefit from their interdependence (McPherson & Sauder, 2013; Smets et al., 2015) and blend elements of the logics that are of interest to the stakeholders of the organisation and are accordingly considered legitimate (Pache & Santos, 2013). The successful integration of the logics over time implies enabling management and employee-owners to explain their views and motives and understand their practices. This they achieve by collaborating to reconcile conflicting demands and develop a reciprocal understanding of how to achieve objectives and by formalising the rules and procedures that embody the values associated with the logics (Ramus, Vaccaro, & Brusoni, 2017).

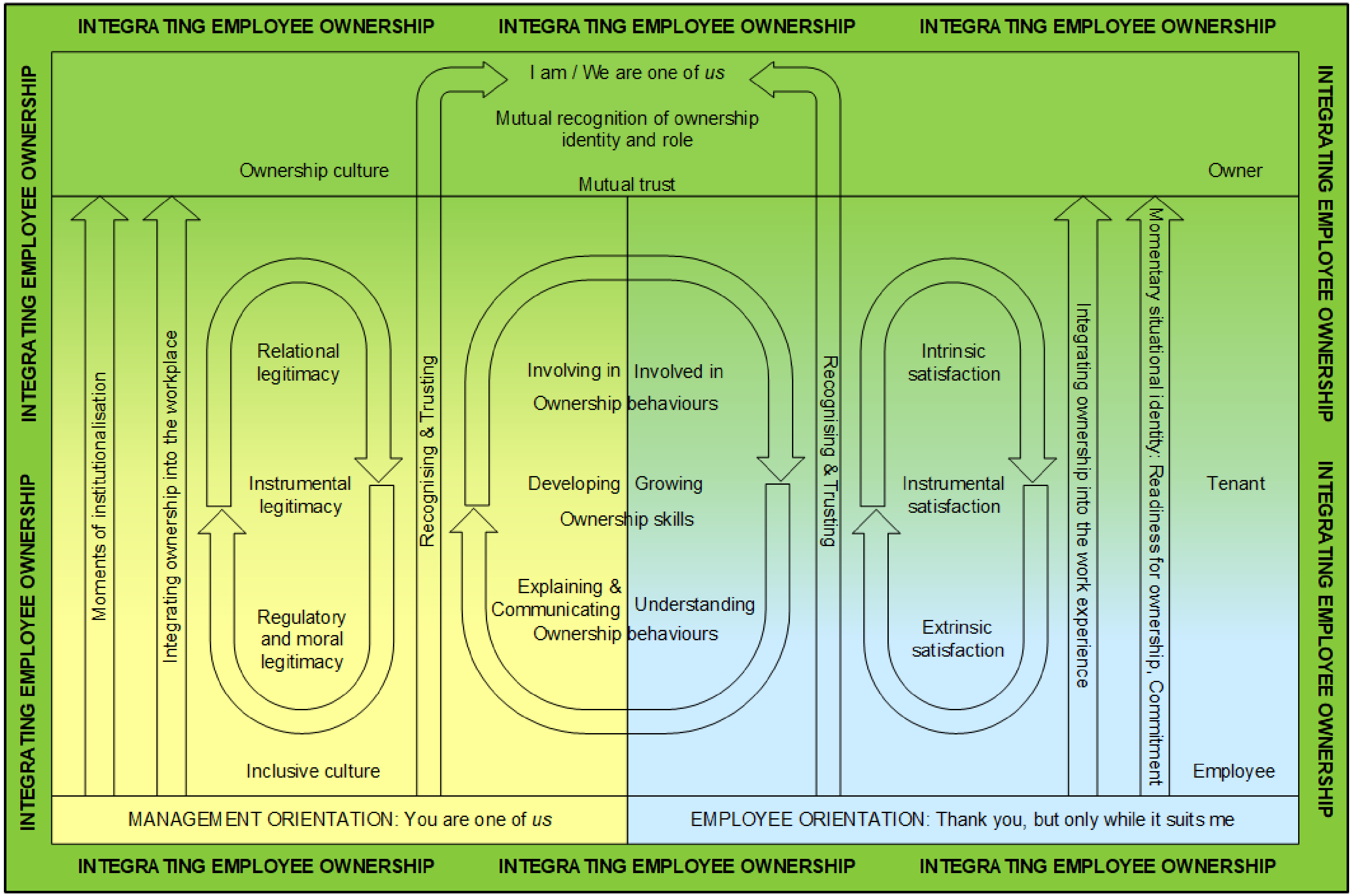
The ideal-type logic, furthermore, reflects that rather than aiming to make their logic dominant, employee-owners may instigate change through management's response to employee-owner sensegiving of their expectations of being 'one of *us*'. In the recursive process, where the logics shape daily routines and institutional work recreates structures and identities (Maitlis & Sonenshein, 2010), individuals with change-oriented agency that engage in identity work to transform their identities by enacting their institutional roles (Creed et al., 2010) reify the integrated logic. 'I am one of *us*', therefore, reflects the emergence of a logic that embodies principles from the external and internal logics by entrenching a deliberative culture and leveraging the opportunities for identity and institutional work to integrate employee ownership into the individual's work experience and the workplace.

5.6.4 Integrating employee ownership: a model

The model proposed in Figure 5.2 represents an ongoing process of balancing financial and social objectives to integrate employee ownership into the workplace over time. Figure 5.2 illustrates that during this process, management and employee-owners leverage the opportunities for institutionalising a deliberative ownership culture in the workplace.

At the individual level, employee-owners integrate ownership into their work experience by developing the knowledge, skills, attitudes and behaviours to fulfil, and feel actualised by, their identity and role as owners of the organisation. The integration of ownership into the work experience of the collective of employee-owners over time establishes an ownership culture and thus the institutionalisation of employee ownership in the workplace.

Figure 5.2 Integrating employee ownership



The model proposes a management orientation committed to establishing and continually maintaining regulatory, moral, instrumental and relational legitimacy in respect of employee ownership through practices that capacitate individuals for an ownership role. Employee-owners experience rising extrinsic, instrumental and intrinsic satisfaction from their identity and role within the organisation by increasingly embracing and internalising the benefits derived from management's practices and their commitment to the organisation.

The individual thus integrates ownership through their cumulative satisfaction and propensity for adopting an ownership identity and role and, over time, short-, medium- and long-term tenancy approaches commitment to remaining with the organisation as an owner. Integration of ownership into the workplace occurs as an increasing number of individuals accept the identity and behavioural scripts associated with the practices as taken-for-granted, culminating in an ownership culture, a reciprocal relationship built on collaboration between management and employee-owners, and the institutionalisation of an employee-oriented form of stakeholder capitalism.

Finally, it is worth noting that this model for institutionalising employee ownership in the workplace does not suggest an employee-ownership nirvana. Rather, it recognises both constraints and opportunities.

Battilana et al. (2018) assert that creating a deliberative democratic culture is difficult; it requires egalitarianism, a shared identity and the transaction costs of negotiating and integrating multiple, and at times conflicting, viewpoints. These difficulties may raise efficiency concerns in an environment where shareholder primacy prevails.

Integrating ownership into the workplace is similarly difficult. Triggering PO (Pierce & Jussila, 2011) and advancing from affective commitment to the organisation to embracing the attitudes, behaviours and responsibilities associated with a sense of possession needs to be undertaken as a deliberate process. It requires the commitment of a group of heterogenous individuals with diverse beliefs, values and priorities to a deliberate process of ongoing sensemaking, sensegiving and collaboration towards achieving a negotiated shared goal.

Battilana and Dorado (2010) find that focusing on operational excellence, such as through training, promoting and incentivising individuals, instils desired behaviours and values and may be more effective than an end-focused approach in facilitating a shared identity that combines co-existent logics. This finding, and the difficulty of establishing a culture and practices that facilitate the integration of ownership, highlights income distribution through equitable salaries and wages and profit-sharing as an alternative to wealth distribution and the transfer of risk to individuals through employee ownership.

Despite the constraints, introducing and maintaining an ESO scheme creates the opportunity for inculcating a mutually beneficial arrangement focused on sustainability while maintaining short-term profitability and the retention of institutionalised ownership attitudes and behaviours when individuals relinquish their formal ownership.

It may require institutional ambidexterity to manage the institutional complexity (Jarzabkowski, Smets, Bednarek, Burke, & Spee, 2013) of aligning government, market/corporate, community, and individual imperatives and expectations. A bottom-up process of changing the logics (Nigam & Ocasio, 2010) and a situation where organisations that have formed durable socially responsible identities by institutionalising employee ownership emerge as institutions themselves may, in turn, extend beyond the organisation to subtly transform institutions over time (Powell & Rerup, 2017).

5.7 Conclusion

This chapter focused on the integration of ownership into the work experience of individual employee-owners using an institutional logics perspective to interpret how individuals make sense of the change that they perceive in the organisational logic on receiving an allocation of shares.

Two logics of employee ownership, derived from participant comments, were presented. The first, representing employee-owners' perceptions of management's orientation towards employee ownership, highlighted the influence of the external environment on management's orientation. Contradictions within this logic reflected management's dilemma of balancing financial and social objectives to establish legitimacy when implementing and maintaining an ESO scheme. The perception of ambiguity in management's actions in respect of acknowledging employee-owners as owners of the organisation appeared to create uncertainty in how individuals understand their employee-ownership identity and role.

The second logic, representing employee-owners' orientation towards their dual role as both employee and owner, highlighted the influence of the external environment and management's orientation on the employee-owner's orientation towards identifying as an owner and feeling and behaving like an owner. The ambiguity that employee-owners perceive in management's orientation and the heterogeneity and interdependence of individuals in the workplace appeared to place limitations on the individual's control over realising their expectations of employee ownership and, therefore, the role of employee ownership in achieving their personal goals and commitment to the organisation.

The compatibilities and contradictions within and between the two logics elaborated on the limitations of the individual's control over leveraging participation in a group to serve their interests. The contradictions within management's orientation highlighted how an inclusive culture and perceptions of employer generosity on receiving shares may facilitate integrating ownership while simultaneously inhibiting agency. This, in combination with the perceived constraints on participation in decision-making that frustrate the need for agency, appeared to make employee-owners reticent to claim an ownership role.

The compatibilities and contradictions in the logics revealed opportunities for institutional work to overcome employee-owners' reticence to embrace the empowerment that employee ownership offers; capacitate employees for ownership; and facilitate the integration of ownership into individual's work experience and into the workplace overall. It was then argued that legitimating employee ownership involved resolving the overarching contradiction of an apparent shift to an inclusive, employee-oriented form of stakeholder capitalism by prioritising group interest over self-interest, aligning management and employee-owner goals and interests, and inculcating a relationship of mutual recognition and trust.

The final section of the chapter proposed the integration of ownership at the individual level as a continuous process during which the level of integration is determined by the individual's readiness for adopting an employee-owner role and by their commitment to the organisation. An ideal-type owner logic, derived from participant comments and representing the culmination of ownership integration, was proposed as a framework against which an individual's level of integration of ownership can be compared. A model for integrating ownership into the work experience of the collective of employee-owners and institutionalising employee ownership in the workplace was then presented. Some constraints and opportunities were highlighted in conclusion of the theoretical contribution of this study.

6 CHAPTER 6: CONCLUSION

This study emanated from a profound concern about inequality in South Africa and particularly as it relates to income and wealth inequality. After more than two decades of political democracy, it appeared that there had not been significant improvement in the lives of the majority of previously disadvantaged Black South Africans. This concern was further exacerbated by the perception that middle-class, employed citizens of all population groups were finding it increasingly difficult to maintain their standard of living while the ratio of worker-to-executive remuneration had escalated. The escalation showed no sign of abating despite the country's socio-economic challenges and was frequently justified rather than challenged by the media and in the reasoning of ordinary citizens. Advancing the understanding of employee participation in the financial success of the firm was thus considered a worthwhile endeavour.

This chapter concludes the study by delineating the theoretical contribution and its scholarly and practical relevance, listing the limitations of the study and recommending areas for further research that may enhance the role that stakeholder capitalism in the form of the successful implementation of ESO may play in transitioning to a just society.

6.1 Scholarly contributions

Theories related to employee ownership and the duality of the ownership phenomenon are diverse and cross multiple disciplines, some of which were noted in the sensitising literature review that was conducted prior to the start of the study. Among these are theories that concern formal and psychological ownership such as: agency theory and property rights (Alchian & Demsetz, 1972; Berle & Means, 1932; Coase, 1937; Fama & Jensen, 1983; Hansmann, 1996; Hart & Moore, 1990; Jensen & Meckling, 1976); stakeholder theory (Donaldson & Preston, 1995; Freeman et al., 2004); theories of possession and the self (Belk, 1988; Furby, 1980; James, 1890; Litwinski, 1947); motivation and self-determination theory (Gagné & Deci, 2005); theories of organisational commitment (Meyer & Allen, 1991); and the theory of PO (Pierce et al., 2001), which proposes that formal ownership may lead to developing a sense of ownership of the organisation.

While the contribution of this study alludes to several of these theories, PO and stakeholder theory have been significant in developing the contributions in respect of a model for the integration of ownership in the workplace and the contribution to the scholarly discourse on stakeholder capitalism.

6.1.1 Contribution to theory

This study has contributed to furthering understanding of how individuals integrate ownership into their work experience in its unconventional approach to the research question and the integration of ownership. In contrast to the predominantly quantitative research focused on exploring firm performance and used to explain the relationship between ESO and employee attitudes and behaviours, the combination of CGT, institutional logics and sensemaking is used to explore the individual's experience of employee ownership.

In a 2014 interview, Jon Pierce, who contributed to proposing the theory of PO (Pierce et al., 2001), highlighted identifying a triggering process and the boundary conditions of individual and situational forces as areas that could enhance the theory of PO (Pierce, 2014). In this study, the combination of methodology and perspective has facilitated proposing the integration of ownership as an individual, temporal process that is influenced by macro-, meso- and micro-contexts. The theoretical contribution of an employee-to-owner continuum, an ideal-type construct and a model for institutionalising employee ownership furthers understanding of employee ownership by proposing how the integration of ownership into the individual's work experience and the integration of ownership into the workplace unfolds over time.

Developing a sense of ownership by integrating ownership, defined in this study as occurring when an individual identifies as an owner and feels and behaves like an owner of the organisation, is proposed as a temporal, gradual, cumulative process with multiple catalysts or factors for the development. Developing a sense of ownership is, furthermore, subject to multiple inhibitors or the potential of reversal if the factors are not reinforced or sustained.

Reiterating Long's (1980) assertion that employee ownership should be viewed as a continuous variable, the employee-to-owner continuum reflects the individual and situational boundary conditions in that integration may proceed, halt or recede in moments of situated cognition informed by the individual's situational identity and the context. The employee-to-owner continuum contributes to understanding how changes in the organisational and external environment affect the changes in the individual’s expectations, needs and aspirations over time. Situated cognition and the propensity to feel a sense of ownership of the organisation thus construct momentary boundary conditions for the integration of ownership.

The proposed ideal-type owner aids in theorising the progression of integrating ownership, as ideal types are theoretical models that can be used for comparing and contrasting meanings and behaviours within determinable boundaries (Thornton & Ocasio, 2008). The analysis and interpretation of individual perceptions of their experience of employee ownership, furthermore, contribute to explaining how and why the context and the individual influence integration. The influence of the integration of ownership on context and individual expectations and perceptions, in turn, furthers understanding of micro-level institutionalisation and its influence on the macro-level institutionalisation of changes in organising. The cognisance of, and responsiveness to, context that characterises the institutional logics perspective, moreover, advances contextualised scholarly dialogue.

6.1.2 Contribution to scholarly discourse

The concern about generalising research that is based on the findings from WEIRD societies (Henrich et al., 2010) and the emergence of scholars and research from diverse settings and perspectives worldwide, as noted earlier by Rousseau and Fried (2001), have challenged the application of social science models across societies. Hamann et al. (2020, p. 2) encourage scholars in management and organisational studies to engage in “dialogical contextualism” to question and reflect on the assumptions that are embedded in their contexts and consider alternative forms of organising. This study offers an opportunity for contextualised dialogue in respect of employee ownership, its part in local and global efforts to overcome institutionalised inequality, and the discourse on the merits of alternative organising through stakeholder capitalism.

6.2 Practical contribution and relevance

In May 2021, Minister of Trade, Industry and Competition Ebrahim Patel announced that more than 150 000 workers were employee-owners and that companies were making provision for more employee ownership (DTIC, 2021). This suggests that the management of organisations may feel compelled to introduce employee ownership, or they may choose to adopt the principles of economic and/or industrial democracy and share the benefits of the organisation's success with their employees.

This is, however, not devoid of challenges. Employee-ownership implementations in South Africa have produced mixed results both prior to BEE and subsequent to the introduction of the legislation. The contribution of a model for integrating ownership into the workplace provides a framework for guiding the implementation of democratic organising that can be applied with, or without, formal ownership.

Democratising ownership in South Africa requires advancing toward equality of assets and wealth in the long term (Leibbrandt & Shipp, 2019). ESO facilitates equality in earnings by adding investment income to earnings and the creation of wealth. The initial informal discussions with knowledgeable individuals to assist with referrals to gain access to companies highlighted areas where the promise of ESO had not been realised. The expert interviewees with whom informal discussions were held during the theoretical integration phase of the study and who had experience of ESO, both before compliance was the motive and subsequent to the legislation, raised similar areas of concern. These are:

- Management commitment to developing the necessary understanding of risk and long-term wealth creation in addition to the emphasis on the short- and medium-term benefits;
- Minimal integration of ownership evidenced by insignificant changes in attitudes and behaviours and resignations when shares vest;
- The notion of 'once empowered, always empowered' and thus little incentive to replace schemes that have matured with new or enduring schemes; and
- The cost of broad-based ESO in contrast to profit-sharing through incentives.

The findings of the study show some consistency with these concerns and underscore employee-owners' concern with management's orientation towards employee ownership. The theoretical contribution seeks to apply these findings by providing guidelines for anticipating the factors that inhibit the integration of ownership and prompt innovative solutions and further scholarly research. The concept of an employee-to-owner continuum and the problem of skills retention, for example, suggest revisiting the structure of ESO schemes, and possibly the legislation, to accommodate hybrid schemes that facilitate: the short-term benefit of dividends;

partial vesting in the medium-term to enable asset acquisition; and retention of shares to retirement to derive the long-term benefit of wealth creation.

The integration of ownership is, however, an individual process. Participation in an ESO scheme will retain some employees but not others, emphasising recruitment of employees. Both skilled and the unskilled employees acquire skills while employed by the organisation and contribute individually to developing a collective sense of ownership of the organisation. Acknowledging that it is situated individuals who integrate ownership, rather than only the 'bundle of practices', may guide management in implementing an ESO successfully and in inculcating a culture that benefits the organisation and retains its internal stakeholders as owners rather than tenants.

The integral role of an established, inclusive organisational culture in participants' accounts of a sense of belonging and psychological ownership of the organisation suggests that the employee-to-owner continuum, the ideal-type owner and the model for the integration of ownership can be applied to enable democratic organising without formal ownership. This extends the relevance of the contribution and underscores the importance of equitable wages and profit sharing without equity to address income inequality. ESO, however, has the additional advantage of providing a vehicle for engendering an understanding of investment income and wealth creation in individuals who may be unaware, and institutionalising an ownership culture within and beyond the workplace.

6.3 Limitations of the study

The context, research design and methods employed to enable the study's contribution to theory, scholarship and practice can be seen as its limitations:

1. The distinctive South African context. While a limitation, the context has made the study "more interpretable and theoretically interesting" (Rousseau & Fried, 2001, p. 4). Notably, data collection occurred prior to the Covid pandemic and therefore does not reflect employee-owners' experience of threats to their ownership stakes, although it underscores the missed opportunity of inculcating an understanding of the risk of holding shares. Rousseau and Fried (2001) add that as research is a product of its time, the factors that affect the meanings of constructs may change over time. Perspectives may have changed because of South Africa's continued trajectory of slow economic growth, high unemployment, and persistent poverty

and inequality. This has been compounded by a further loss of trust in government as a consequence of corruption during Covid lockdowns, political volatility and the disruptions to the provision of electricity that remain a negative factor in the success of South African organisations. While the study does not aim to be generalisable, the findings are thus limited in their significance in other contexts.

2. A sample drawn from organisations that were willing to participate in the study. The positive organisational culture of the two organisations that were willing to allow their employees to participate in the study may be an indication that the management perceived their ESO schemes as successfully implemented. The sample was limited to the Johannesburg area, South Africa's economic hub, and may not have fully accounted for the diversity in the country's population and the socio-economic disparities, education levels and job opportunities across the country's nine provinces. Diversity in the sample was, however, attained by including participants from a listed and private organisation, and by diversity and commonalities in the unit of analysis, the individual participants.
3. The context and the individual as boundary conditions. The nature of the context and the individual are thus boundary conditions. Together they reflect the culture of the organisation and the individuals within the context of broader society. Ownership may be a human phenomenon, but multiple interpretations may occur, depending on the relationship between the individual and the thing that is owned. As Beggan (1992, p. 229) explains, perception about an object of ownership "is better determined by the nature of the perceiver's thoughts about the target object rather than by the nature of the object itself".
4. Acceptance by the broader research community. The level of acceptance of the findings of the study by the broader research community can be considered a limitation as the assumptions and techniques of CGT contradict positivist assumptions and hypothesis testing.

6.4 Recommendations for further research

The delimitations, limitations, assumptions and contribution of the study have alluded to potential areas for further research that may be of both scholarly and practical value. Some of these are enumerated below:

1. The temporality of the integration of ownership calls for longitudinal studies to enrich understanding of how integration unfolds over time. Examples include: the influence of changes in the macro-context on individual perceptions of employee ownership over time; and the influence of the structure of the scheme and vesting period on the integration of ownership, which may initiate practical application of a hybrid scheme to encourage retention of employee-owners.
2. Research on the perceived change in the individual's identity with an emphasis on the psychological dimensions of change and theories of possession, motivation and the self may complement theories in management, psychology and sociology as they pertain to employee ownership and stakeholder capitalism. These include the theories related to identity, readiness for change, self-determination, influence of social cultures, and behavioural economics, amongst others, and a greater focus on the interaction between PO and the integration of ownership as presented in the theoretical contribution of this study. Further insights into the perceived change in identity may be enriched by a phenomenological approach that captures the eidetic experience of the situated individual.
3. Organisational culture, and its influence on the individual's changing identity and the integration of ownership, alludes to theories related to organisation-based self-esteem, organisation citizenship behaviour and organisational identity, amongst others. Research that focuses on these links may advance understanding of ownership integration, particularly when conducted in organisations that do not have an enabling culture and financial incentives in place prior to implementing employee ownership.
4. The delimitation of management sensemaking creates an opportunity for research aimed specifically at how management makes sense of employee ownership and employee-owners' orientation towards their participation in the ownership of the organisation. A further understanding of management's orientation may enrich the theoretical contribution of this study by expanding on the compatibilities and contradictions in the two logics of employee ownership and highlighting further recommendations for practical application.
5. Quantitative research and hypothesis generation using the proposed ideal-type owner may advance understanding of the phases of tenancy and identify further limitations and opportunities for facilitating ownership integration.

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8 APPENDICES

8.1 Appendix 1: Participant information sheet

Participant Information Sheet: Research Study on Employee Ownership

Researcher:	Tessa Murray, Wits Business School Email tessa.murray.01@gmail.com
Supervisors:	Professor Terri Carmichael Email terri.carmichael@wits.ac.za Professor John Luiz Email j.m.luiz@sussex.ac.uk

1. What is the purpose of the study?

The purpose of the study is to understand, specifically from the perspectives of employees, how employees who participate in an Employee Share Ownership (ESO) scheme in their employer firm understand and experience their dual role as both employees and owners of their place of work. The study will explore how ownership has made employees think and feel about their experience and encourage employees to offer ideas they may have about employee ownership.

2. How are participants selected?

You have been invited to participate in this study due to your experience of being an employee-owner in this company for two years or more as an early or mid-career employee. Your employer was approached to facilitate identifying employees who qualify for inclusion in the study using the following criteria:

- Employees who are willing to participate voluntarily
- Employees who have been employee-owners for at least two years and who currently participate in an ESO scheme or who previously participated in an ESO scheme
- Employees up to and including middle management
- Employees who are black (African, Coloured and Indian) South Africans
- Early and mid-career employees
- Employees who are fluent (can discuss their thoughts comfortably) in English or Afrikaans

If you do not meet the criteria, please inform the researcher.

3. What does participation involve?

Participation involves an initial interview of approximately 60 to 90 minutes duration. A follow-up interview may be required later in the research process for clarification and further discussion of concepts that may emerge from the overall research process.

4. Where will the interviews take place?

The interviews will take place at your place of work at a time that is convenient for you. As the discussion is confidential, interviews will take place in the privacy of a meeting room or your office (where applicable).

5. How much time will it take?

Interviews are likely to take approximately 60 to 90 minutes. The actual duration of the interview will, however, vary with individual participants and the extent and depth to which you are willing to discuss your experience.

6. What happens during the interviews?

The research 'interviews' are voluntary, informal discussions in which the participant has an opportunity to tell their story about their experience as an employee-owner. During the discussion, the researcher and participant explore the participant's experience together. The researcher asks questions to encourage the participant to think about and discuss aspects of his or her role as an employee-owner that the participant may or may not have considered before. Participants may also offer new ideas that the researcher has not considered. The research 'interview' is, in summary, an interesting discussion which should lead to both you and I leaving the discussion with new ideas and understanding.

Prior to starting the discussion, I will explain the purpose of the research study and how the interview process will proceed. I will also explain the need for audio-recording and note-taking during the interview and discuss confidentiality, anonymity and any concerns that you may raise. Once you confirm your willingness to participate, you will be required to provide demographic information and sign the consent form. We will then proceed with our discussion.

7. Why is demographic information necessary?

Demographic information is important because it makes it possible to analyse how, for example, different population groups or employees at different salary levels or shareholding levels experience employee ownership.

8. What are the implications of signing the consent form?

Signing the consent form indicates that you understand what your involvement is and that you understand that I am committed to confidentiality, anonymity and the ethical use of the information that you provide.

Please note: You may refuse to answer any question and you may withdraw from the study at any time during the interview process, *even if you have signed the consent form*. The information you have provided will not be used for this research if you withdraw from the study.

9. Why is it necessary to audio-record the interviews?

I will require your permission to audio-record the interview. Audio-recording will allow our discussion to flow freely without the interruption of extensive note-taking to record the information you provide. After the interview, I will transcribe the discussion. This will make it possible for me to review the discussion and avoid misinterpreting the information that you provide.

10. What is meant by confidentiality and anonymity?

As mentioned under point 8 above, I am committed to confidentiality, anonymity and the ethical use of the information that you provide.

Confidentiality means that I will not disclose that you have told me certain things during our discussion. I will personally transcribe and analyse the interview which means that no other person will know what comments you made.

Anonymity means that your identity will not be disclosed. Where information or direct quotes from the interview are used in the research report, I will use a pseudonym (false name) to represent your participation. Even though your employer has assisted in identifying you as a possible participant, it will not be possible to associate comments in the research report with you.

11. How will the information that the company and participants contribute to the study be used?

The information will be analysed and interpreted and the results of the study will be included in a final report that will be published as a PhD research report at Wits University.

Information may also be used for producing further academic research articles for publication in scholarly journals and presentation at conferences. It will not be possible to identify participating companies or individual participants as all names and identities will remain anonymous.
12. What will happen to the information that the company and participants contribute to the study?
All correspondence, audio-recordings, transcriptions and notes, and all research material generated by the researcher throughout the study will be stored securely. All identifying particulars and details will be removed before storage so that all participants and companies remain anonymous. The information will not be shared with anyone, including your employer, except for the consolidated findings from all the interviews conducted with participants from a number of different organisations, which will be used for the PhD report, scholarly articles and conference presentations as mentioned above.
13. What are the advantages of participating in this research?
Participants will not receive any direct benefits from participating in this study. Your contribution to the research will, however, help us understand more about how to make employee ownership work to the benefit of both companies and individuals in South Africa. You will receive a copy of the report at the end of the research project on request. I also hope that you will enjoy participating in a research project and gain new ideas and insights that may be useful to you as an employee-owner.
14. What are the disadvantages of participating in this research?
No negative consequences are expected to result from participating in this research study.
15. Does this study comply with all the requirements and ethical standards of the university?
The Human Research Ethics Committee (HREC Non-Medical) at the University of Witwatersrand has approved the research proposal and has granted permission for the research to commence. If you have any queries, concerns or complaints regarding the ethical procedures of this study, you are welcome to contact: Wits University Human Research Ethics Committee (HREC Non-Medical) Telephone: +27(0)11 717 1408 Email: hrec-medical.researchoffice@wits.ac.za or Shaun.Schoeman@wits.ac.za

8.2 Appendix 2: Interview protocol

1. Thank participant for willingness to participate in the study.
2. Introduce the purpose of the study.
3. Confirm that the participant meets the selection criteria.
4. Introduce the purpose and the format of the interview.
5. Explain that the time required for the interview is subject to the depth of the discussion and the participant's availability and offer the option of scheduling a further interview if there are time constraints.
6. Explain the purpose of intrusive note-taking to prevent misinterpretation by the participant.
7. Explain why the interview will be audio-recorded and how the recorded data will be used and request agreement from the participant.
8. Reassure the participant of anonymity, and that I will not disclose what they tell me (confidentiality).
9. Explain the requirement of the consent form which can be seen as intimidating and elicit suspicion regarding the consequences of participation.
10. Confirm the participant's willingness to continue with the interview.
11. Complete signing of the consent form and gathering demographic data before proceeding with the interview following the interview guide.

8.3 Appendix 3: Interview guide

Introduction to the interview

I want to understand your experience of participating in *CoName's ESOScheme*.

Questions

1. Tell me your story: Tell me about what you do at *CoName*, how you came to do it, how you came to join the share scheme.

Participants that were employees at the time of the introduction of ESO: (could participate immediately or joined later)

2. Could you tell me about how employees became participants in *ESOScheme*?
3. Please describe what was happening in *CoName* at the time that *ESOScheme* was introduced?
4. Please describe how *CoName* communicated *ESOScheme* to employees?
5. Can you describe to me how employees initially responded to the offer of *ESOScheme*?
    a. Why do you think employees felt this way?
    b. How did your team members feel about *ESOScheme*?
    c. If you recall, what did you think about becoming part of the *ESOScheme*?

Participants who joined the company after the ESO scheme was introduced:

6. What were your thoughts about the *ESOScheme* when you were considering joining *CoName*?
    a. If you recall, why did you think this way about it?
    b. Explain why you chose to participate (where participation optional).

All participants:

7. What did you think and feel when you received your allocation of shares and became an owner of *CoName*?
    a. What are your thoughts about being an owner now?
    b. Why do you think your thoughts and feelings have changed or not changed?

THE COMPANY

8. How has *CoName* helped employees to understand more about *ESOScheme*?
    a. How do you feel about this?
    b. Please explain how you think it should be done.
9. How do find out more or stay current on what is happening in the company?
    a. How do you feel about this?
    b. Please explain how you think it should be done.
10. How have your thoughts / perceptions of the company changed since you became an owner?
    a. Why do you think your perceptions have changed?
    b. What about the organisation makes you feel that way?
11. As an owner, how do you think your thoughts and feelings about *CoName* differ from employees who are not owners?
12. As an employee-owner, how do you think you differ from other shareholders?
    a. Do you think other employees feel the same way that you do?

MANAGEMENT

13. How has management made you feel like you own or are an owner?
    a. How does management communicate that you are an owner?
14. Describe how managers have changed in the way they treat employees since employees became owners?

SELF, SOCIETY AND CO-WORKERS

15. What does being an owner mean to you?
    a. How has it changed the way you see yourself as an employee / a member of society?
16. Describe how you feel when you tell people about where you work.
    a. How has this changed since you became an owner?
17. Describe how you feel when you tell people about what you do.

a. How has this changed since you became an owner?

18. As an owner, how do you think you differ from other employees (non-owners)?

    a. Do you think other employee-owners feel the same way you do? Explain.

19. As an owner, how do you think your thoughts and feelings about your co-workers differ from employees who are not owners?

20. Please describe how you feel when new employees join *ESOScheme*?

21. What are your thoughts and feelings about all employees being offered the opportunity to become owners?

YOUR JOB

22. How has being an owner changed the way you think and feel about your job?

    a. Please explain why you think and feel differently (or don't) about your job.

23. How has being an owner changed the way you do your job?

    a. Please explain why being an owner has (has not) changed the way you do your job.

24. As an owner, how do you think your thoughts and feelings about your job differ from employees who are not owners?

DECISION-MAKING

25. Please explain how you and your co-workers get involved in making decisions about the company / unit.

26. Please explain how you get involved in making decisions about your job.

    a. How has this changed since you became an owner?

    b. How do you feel about these changes?

27. Please describe your thoughts and feeling about being involved in decision-making on matters that are not directly related to your job.

    a. How do you think you can become more involved in decision-making?

GENERAL CLOSING

28. If you recall your expectations when you became an owner, please describe how these have been met or not met.

a. Could you explain what could have been done differently to meet your expectations?

29. Could you describe some of the most important things you have learned from your experience as an owner?

30. After having this experience as an owner, how would you feel if you no longer had the opportunity to be an owner in the firm? Please explain.

31. What would you suggest to companies that are thinking about introducing employee ownership?

32. What would you suggest to employees in these companies?

    a. How would you advise them on what to expect?

33. Is there something that you might not have thought about before that occurred to you during this interview?

34. Is there something else you think I should know to understand your experience as an employee-owner better?

35. Is there anything you would like to ask me?

8.4 Appendix 4: Illustration of the logics of employee ownership

	You are now one of *us*	**Thank you, but only while it suits me**
Root Metaphor	"*A shareholder means you are just like us in the company. Although there is a certain percentage that one owns, and all those things, but you are the owner of the company.*" (INT10) "*they considered me as an asset to them. They gave me shares, they want to keep me here longer, you understand, so that we continue towards that common goal of growth.*" (INT13)	"*I said, yo, who's going to give me this money from nowhere. So I was so excited.*" (INT5) "*I was actually was very grateful for receiving that…. But if something comes up then we'll see about that … unfortunately you'll forfeit the shares.*" (INT16) "*this is my future up until I find something else*." (INT3) "*Honestly, I haven't really thought about staying that long in [Company] and not because of anything here, because of **me***" (INT9)
Sources of legitimacy	**Share price, market position of the firm, growth**	**Incentives, dividends, vesting and retention of shares**
	"*The way they introduced it to me, they wanted me know that I feel part of something big*" (INT4) "*they're very good now at including where the company is going and the growth of the company and the ideas that they have and the changes that would be coming in the company*" (INT8)	"*since I started there's never been a time when they say we not gonna pay out cause the company's not making money*." (INT3) "*we get shares, okay sharp, we get incentives. I was like, mm, I am in the right place, I think I will grow into this*" (INT2) "*I own this company so let me work hard so that we can get more money in the following year or when the shares vest*." (INT11) "*Cause you are planning for that money already. The money that doesn't exist yet*." (INT18)
Sources of authority	**Board of directors, top management**	**Shareholder activism: representation at all levels**
	"*decisions are made by I think [senior] leaders. Us we are followers*" (INT7) "*there are times that I don't feel like a 100% owner because you know, owners don't ask permission*" (INT9) "*Thank you for raising your concerns*." (INT12)	"*things that are happening in the [unit]. We are the ones who are part of it. So I think we should be making decisions up there*" (INT2) "*Because your role as the representative is you are, you are basically relaying messages, so you are communicating on behalf of the group and you are communicating to the group … so you are not making any decisions. You are not. You are a communicator*." (INT12) "*I don't make any decisions as a shareholder, it doesn't make me an owner much*" (INT8)

	You are now one of *us*	Thank you, but only while it suits me
Sources of identity	**Emotional connection, ego satisfaction & reputation**	**Emotional connection, ego satisfaction & reputation**
	"*It's a family, like it is a family group*." (INT14) "*It's like a home from home. It is my home too here*." (INT17) "*So it is no longer this is what the company do. It's this is what* **we** *do. We*." (INT10) "*So regardless of the benefit, I think on their side it was a really selfless gesture*" (INT12) *"It is out of the company's goodness that they have decided to allocate those shares to us"* (INT6)	"*we just purchase for the sake of owning shares in [Company]*" (INT3) "*Recognised. Um. And I feel like a VIP, you know, very important, and I can have a say*." (INT17) "*I tell my managers I am the brand of the company*." (INT4) "*But I find that people here would be talking about their work during the weekends. Not just because of the ownership, but because everyone knows that you need to be an ambassador for your company, whether you are an executive or not*" (INT12)
Basis of norms	**Group membership**	**Self-interest**
	"*for companies to actually allocate shares to their employees, it was actually a very wise move cause they also want to be part of the company and with that move everybody will be working towards one goal*" (INT6) "*I think that is quite an important thing that you make them, you know, get them involved and that is how you feel that you are a part of, or that you are an owner of the company or whatever. Cause other than that you just gonna feel like you're just an employee*" (INT16) "*ownership here goes beyond responsibility.... the one way to get fired is to say that that is not my job*." (INT9)	"*if you participate more in the company just to see if the company grows you know you gonna grow too*." (INT3) "*Cause like when you don't have shares, like most of the things like you just take it for granted. Like you don't take things serious, but when you have shares you start to open your eyes like seeing things from different ways*." (INT7) "*The more money you bring in, the more you will be given. That's how it works. It's a cycle. So if you don't make money, don't expect to get more.*" (INT4)
Basis of attention	**Status in the market**	**Status in the market**
	"*You must look forward. You must be positive all the time. Cause the company can be worth more. Even if it's not now*." (INT5) "*But I mean without [BEE], you wouldn't get the business and your people wouldn't get paid. And you wouldn't have profits to declare*" (INT18) "*This company is growing. With our technology … It is showing the future before you get there*" (INT4)	"*those things they kind of affect your income or maybe your profit per se. So obviously those are the things that I will be on the lookout for.... Because it's mine*." (INT6) "*A whole year's of work has made a company declare profits. So it is a good feeling to feel that anything you have done in the year counts for something, did something*" (INT18) *"cause it is pointless to be an owner but you don't know what's happening. It doesn't make you a rightful owner*." (INT6)

	You are now one of *us*	Thank you, but only while it suits me
Basis of strategy	**Increase efficiency and profit**	**Increase financial wellbeing and increase status, employability**
	"*it has just become engrained in the culture where really deliver over and above expectation*." (INT9) "*if we do not work hard, if we don't push one another, then no, uh-uh, remember that incentives, we get them as a [unit], so we need to work hard as a [unit]*." (INT2)	"*I do understand the value that it holds now, and not everyone gets this opportunity and I am grateful for the opportunity and what I do have offered now … but when I think about what I aspire to, or what I want for my future, in that comparison, it's different*." (INT12) "*You need to explain things to me, you need to involve me in conversations, you know. I need to understand how things work, you know. I need to be able to think for myself. I mean when I leave here I need to be able to start my own company, in a way, because I know how things work. You know that, for me is another source of empowerment*." (INT8)
Informal control mechanisms	**Organisation culture**	**Visibility of actions**
	"*Cause the minute I don't love my job, there won't be any work that I'll do that will make you happy as the manager or the supervisor. Cause whatever that I do I'll be like, ag, I just came to do this then I want to go*" (INT2) "*employees are a company's greatest asset. So if they're happy, an employee will kill for you if you treat them right*." (INT13) "*Honesty and communication. I think, um, people are more at ease and you could literally get people to do anything for you if you just get their buy-in through communication, honesty*." (INT18)	"*because of that culture and how we do things here, if you don't fit in with any of that, then you don't stay long*" (INT12) "*Nobody can give you shares for free and you don't have to pay any cent afterwards. That is a huge, even if you don't feel like an owner, but they must appreciate. It is very easy to appreciate the company. You must deliver good results*." (INT14) "*Here if you do something that is out of order you get called to task immediately by your peers*." (INT9)
Economic system	**Stakeholder capitalism**	**Market capitalism**
	"*I think the primary thing is to make money for your company if you're talking like on the real. You know. So you would do almost, you would comply with what you need to comply with to get the big money and the good business and whatnot. That will be your main priority, I would think*" (INT8) "*It [BEE motive] is a good thing. It brings you in business and it makes someone feel good that they will get money at some point in time. So it is good*." (INT18) "*remember, they depend on you, they gave you a [unit] to look after, so you supposed to give them results so that they can trust you*" (INT15)	"*People ended up getting interested in the dividends but not in the shares*." (INT6) "*the only thing that we wanna see is the money being paid on the 1st. You don't really care how much is it as long as they give it to you*." (INT3) "*Yeah, hang in there. You'll get that portion of your money. It might feel like it will take forever, but, yeah*." (INT11) "*I guess that's the reason why they were looking at the dividend pay-out because that's in the short term. They're not thinking long term because they might be thinking I won't be around then, so I won't benefit from it*." (INT12)

8.5 Appendix 5: Illustration of an employee-owner ideal type

	I am one of *us* (Ideal type)
Root Metaphor	"*Then [with a better understanding] you'd care more and be assertive more, you'll be a greater asset knowing that this is the, all this, I am a part of it. I have a piece in it*." (INT13) "*But now when I was told that now I've got shares, now this is ours, it is no longer something for CEO, this is mine and CEO and I am no longer working for CEO. Whatever I do, I am working for myself to make myself better. I am serving the interests of everybody*." (INT10)
Sources of legitimacy	**Sustainability of the organisation, trust and reciprocity** "*It's a win-win situation. You've gotta do for the company because the company is worth something to you*." (INT3) "*As much as it's a benefit for the employees, it should be a benefit for the company as well*." (INT12) "*Being an owner, to me means that I have something, I value it, and then I always want to see it improve. I don't want it to deteriorate. I want it to grow and keep doing well because I acquired this, I have this, and then I always want better to add onto that*" (INT13)
Sources of authority	**Co-determination: having some influence** "*But now when you are an owner, you are part of the decision making. You can influence the course of the company*" (INT10) "*Actually, as I am here, I can see how things work here. Then I can control everything here because that is how we make money. They don't make money at the head office. We do. And if I don't perform, we won't make money*." (INT14) "*It's **my** company, yes. So I would also like to have a **say** since I am a shareholder. Otherwise, what's the point*." (INT17)
Sources of identity	**Co-owner, actualising** "*To me, I think, being an owner for me it gives me pride, it makes me proud that I am an owner. It makes me that, you know, it gives me a sense of achievement in a way. A sense of achievement*." (INT10) "*someone who is an owner working at a company and having shares at the company is something that was foreign to me, but now I know that I am worthy*" (INT8) "*You are always working towards continuing being a reputable company*" (INT13)
Basis of norms	**Employee as owner and agent: interest in group and self** "*your interests are more than just waiting for a salary at the end of the month. Your interest is whereby you need to see this company succeed because I'm the owner*" (INT10) "*they do own something, but they are passing... But the mature ones they know, okay, I have to take care of what I have*" (INT6) "*I am an owner of the company and then my behaviour should be always to make sure that there is growth in the company, there is progress, we always better and better*." (INT13)
Basis of attention	**Status in the market: actualised by company status in the market** "*I mean if it belongs to me, the little that it may be, some of it belongs to me so you would work harder, you would encourage others to work harder, you would only want the best for your company*" (INT12) "*I feel like we have links to a broader chain as the organisation. So when I do well, and the next branch does well, the next branch does well, we all grow and it benefits*

	I am one of *us* (Ideal type)
	everybody. So that's how, so that's how I said I feel like I am part of something bigger, more than [unit], the company as a whole." (INT13) "*It's a growing company, so I think they would be worth more if I just held onto them*." (INT12)
Basis of strategy	**Vested interest: financial and contribution of own skills** "*But since that I am an owner, I can say, you know what, I have achieved something in life, I am part of this company, and I would feel even propelled to say, what more can I do?*" (INT10) "*It would be empowering in the sense that you get excited that all your efforts are paying off. All your efforts are paying off, you are making it happen, there is growth*." (INT13)
Informal control mechanisms	**Sense of ownership: I am an owner and I know what it means** "*But when you are part of, an owner of something, you commit yourself. You just make sure that everything goes right, you know. You drive towards perfection if you work*." (INT10) "*Because they can be so good at this, the happy productive side, you can forget, am I actually being empowered here. Or am I just in a good company with a good culture where I am productive at work*" (INT8) "*It actually means that it's my company... You know, your company, you own, you sit down and you decide. This actually not right, you have to fix it. It's actually am I giving a profit*" (INT15)
Economic system	**Stakeholder capitalism** "*So it's really, sharing in the wealth, it's really, cause all along, you know, mainly and there is this talk obviously about, among black people, that you know what, the wealth of this country, 90% is owned by white people. You know that kind of a thing. And that thing, it really, somehow it's a drag on the people's emotions. Honestly. But now you are an owner. With these guys you are part of it. It lifts up your spirit and even gives you a better perspective of life and you begin to think that, you know what, there is what you call it, light at the end of the tunnel, moving in the right direction. Unlike, when you just an employee*." (INT10)