

Marco CARAMELLI

Teaching and Research Assistant
Institute of Business Administration
University of Montpellier II, France

Business Phone: +33 04 67 99 08 78
Cell Phone: +33 (0)6 64 33 28 09
E-mail: caramellim@yahoo.it

“A cross-cultural study of the attitudinal effects of employee stock ownership (EO) plans.”

We have analysed a large literature about the effects of different kinds of EO plans on several attitudinal and behavioural variables considered as relevant for corporate performance. This literature suggests some conditions for the plans to be successful in developing positive attitudes and behaviours in employees. The relationships suggested by the literature can be summarised in the following conceptual model (Appendix 1) presented in the spirit of Pierce, Rubinfeld and Morgan's one published in 1991¹. This model shows 2 sorts of “key success factors” labelled “internal” and “external key success factors”.

The “external key success factors” refer to the actors' perception of the EO plan. Is it considered just as a tax or financial tool or as a way by which implementing a participative management in the corporation? We suggest that whether the EO plan is perceived in a way or another has an impact on the kind of plan implemented. This refers to what we call the “internal key success factors” namely (1) the amount of shares allocated to employees (percentage of the whole capital or the number of shares per employee) (2) the financial value of the shareholding and (3) the level of participative management implemented with the EO plan. The theoretical model shows finally the relationships found in the literature between the “key success factors” and some relevant attitudinal and behavioural variables.

Giving a look at the literature published in relevant management journals and used in our review (Appendix 2), we can see that the large majority (if not the entirety) of these studies have been made by Anglo-Saxon researchers, using Anglo-Saxon theories and are based on Anglo-Saxon companies and employees.

According to the comparative cross-cultural management literature, this suggests that the state of the art in the attitudinal and behavioural effects of EO **is valid only for Anglo-Saxon employees**. Since more and more multinational corporations are or have implement(ing)ed “global” stock ownership plans and since in general, there has been a growth of EO plans since the mid-80s in many industrialized and emerging countries in the world, an important issue is **to what extent the state of the art on the attitudinal and behavioural effects of EO is relevant to non-Anglo-Saxon employees**.

To try to answer this question, we suggest that national culture is likely to play an important role on the perception and effects of EO. Using the model of cultural dimensions developed by the Dutch scholar G. Hofstede, we therefore suggest some different relationships in the model (Appendix 1), according to employees' national culture.

To test the theoretical hypotheses, we would like to find a corporation with a global stock ownership plan, to measure (by questionnaires) the extent to which the same EO plan in the same corporation can be perceived and can have different attitudinal effects according to employees' nationality.

¹ PIERCE J.L., RUBENFELD S.A., MORGAN S. (1991) “Employee Ownership: A conceptual Model of Process and Effects.” *The Academy of Management Review*, Vol. 26, No.2

The choice of studying only one corporation is interesting because people working for the same multinational, but in different countries, represent very well-matched samples from the populations of their countries, similar in several respects except nationality. Therefore the differences measured can be easily attributed to national culture rather than other variables like corporate culture for example.

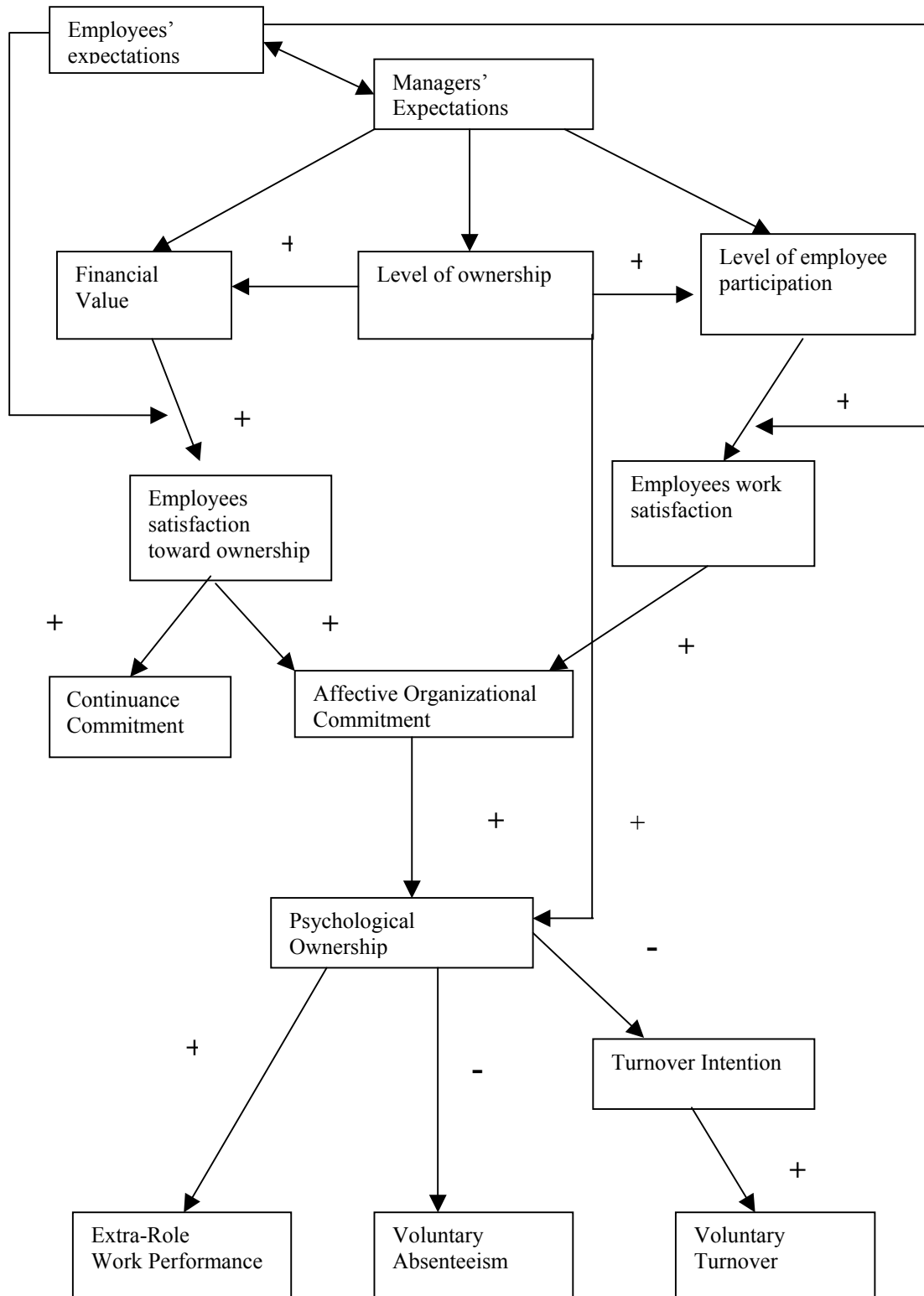
Note some advantages of doing such a study:

- this would be a high quality study (monitored by several scholars in our research laboratory and other research conferences)
- this would be a virtually free study
- the study could integrate also other issues you consider relevant for your business
- the published results of the study would not mention your company's name, keeping it anonymous.

If you are interested in doing such a study in your corporation, if you know a corporation likely to be interested in it or if you just need further information, please contact me by E-mail. We would be able to talk about practical issues and I could give you all the information you may need.

Marco CARAMELLI

Appendix 1: The attitudinal and behavioural effects of employee stock ownership plans: a state of the art summary



Appendix 2: The literature used

BARTLETT W., CABLE J., ESTRIN S., JONES D.C. and SMITH S.C. (1992) " Labor-Managed Firms in North Central Italy: an Empirical Comparison." *Industrial and Labor Relations Review*, Vol. 46 Issue 1

BARUCH Y. (1998) "The Rise and Fall of Organizational Commitment." *Human Systems Management*, Vol.17, pp.135-143

BEN-NER A. JONES D.C. (1995) " Employee Participation, Ownership, and Productivity: A Theoretical Framework." *Industrial Relations* Vol. 34, No 4

BLASI Joseph R (1988) " Employee Ownership: Revolution or Ripoff?" Ballinger Publishing Company, USA

BLASI Joseph (1992) "What Should the Role of Employee Ownership in Russian Privatization be ? Some Lessons from the US Experience." Paper presented at the Conference on Employee Ownership sponsored by the Foundation for Enterprise Development at the Gorbachev Foundation in Moscow, July 1-3 1992.

BLASI J. CONTE M. KRUSE D. (1996) "Employee Stock Ownership and Corporate Performance among Public Companies." *Industrial and Labor Relations Review*, Vol. 50, Issue 1.

BLASI J. R. and KRUSE D. L. (1991) " The New Owners: The Mass Emergence of Employee Ownership in Public Companies and what it means to American Business." New York: Harper Business

BROWN S., FAKHFAKH F. (1999), " Absenteeism and Employee Sharing: an Empirical Analysis based on French panel data, 1981-1991." *Industrial and Labor Relations Review*, Vol. 52, Issue 2.

BUCHKO A.A. (1992a) "Employee Ownership, Attitudes and Turnover: an Empirical Assessment." *Human Relations*, Vol.45, No.7

BUCHKO A.A. (1992b) " Effects of Employee Ownership on Employee Attitudes: a test of three theoretical perspectives." *Work and Occupation*, Vol. 19 No.1

BUCHKO A.A. (1993) " The Effects of Employee Ownership on Employee Attitudes: an Integrated Causal Model and Path Analysis." *Journal of Management Studies*, Vol. 30 Issue 4.

BUCHKO A.A., WEINZIMMER L.G., and SERGEYEV A.V. (1998) " Effects of Cultural Context on the Antecedents, Correlates and Consequences of Organizational Commitment: A Study of Russian Workers." *Journal of Business Research*, No. 43

CONTE M. and TANNENBAUM A. (1978) "Employee-Owned Companies, is the difference measurable?" *Monthly Labor Review*, July, pp.23-28

COTTON J.L. and TUTTLE J.M. (1986) " Employee Turnover: A Meta-Analysis and Review with Implications for Research." *The Academy of Management Review*, Vol. 11, Issue 1.

CURRIVAN Douglas B. (2000) "The Causal order of Job Satisfaction and Organizational Commitment in Models of Employee Turnover." *Human Resource Management Review*, Vol.9, No.4, pp.495-524

DALTON D.R. and TODOR W.D. (1982) "Turnover: A Lucrative hard Dollar Phenomenon." *Academy of Management Review*, Vol.7, pp.212-218

DOUCOULIAGOS Chris. (1995) " Worker Participation and Productivity in Labor-Managed and Participatory Capitalist Firms: A Meta-Analysis.", *Industrial and Labor Relations Review*, Vol. 49, Issue 1.

ESTRIN S. and JONES D.C. (1992) " The Viability of Employee-Owned Firms: Evidence from France.", *Industrial and Labor Relations Review*, Vol. 45, Issue 2.

FRENCH L.J. and ROSENSTEIN J. (1984) "Employee Ownership, Work Attitudes, and Power Relationships." *The Academy of Management Journal*, Vol. 27, Issue 4.

FRENCH L.J. (1987) " Employee Perspectives on Stock Ownership: Financial Investment or Mechanism of Control?" *The Academy of Management Review*, Vol. 12, Issue 3

GAMBLE J.E., CULPEPPER R. and BLUBAUGH M. (2002) "ESOPs and Employee Attitudes: The Importance of Empowerment and Financial Value." *Personnel Review*, Vol.31, No.1, pp.9-26

GRIFFETH R.W., HOM P.W. and GAERTNER S. (2000) "A Meta-Analysis of Antecedents and Correlates of Employee Turnover: Update, Moderator Tests and Research Implications for the Next Millennium." *Journal of Management*, Vol.26, No.3, pp.463-488

HAMMER T.H., STERN R.N. (1980) "Employee Ownership: Implications for the Organizational Distribution of Power." *The Academy of Management Journal*, Vol. 23, Issue 1

IVERSON R.D. and BUTTIGIEG D.M. (1999) "Affective, Normative and Continuance Commitment: Can the Right Kind of Commitment be Managed?" *Journal of Management Studies*, Vol.36, Issue 3.

JONES D. C., KATO T. (1993) "The Scope, Nature and Effects of Employee Stock Ownership Plans in Japan." *Industrial and Labor Relations Review*, Vol. 46, Issue 2.

KALMI P. (1998) "Ownership Change in Employee-Owned Enterprises in Poland and Russia. " *Russian and East European Finance and Trade*. Vol. 34 No.

KAMINSKI M., KAUFMAN J.S., GRAUBARTH R. and ROBINS T.G. (2000) "How do People become Empowered ? A Case Study of Union Activists." *Human Relations*, Vol.53, No.10, pp.1357-1383

KANUNGO, R.N. (1982) "Measurement of Job and Work Involvement." *Journal of Applied Psychology*, Vol.67, No.3, pp.341-349

KEEF S.P. (1998) "The casual association between employee share ownership and attitudes: a study based on the long framework." *British Journal of Industrial Relations*, Vol.36, Issue 1.

KLEIN K. (1987) "Employee Stock Ownership and Employee Attitudes : A Test of Three Models." *Journal of Applied Psychology*, Vol.72, pp.319-332

KLEIN K. and ROSEN C. (1986) "Employee Stock Ownership in the United States." in *International Yearbook of Organizational Democracy*, Vol.3, New York, J. Wiley.

KRUSE D.L. (1993) "Profit-Sharing : does it make a difference? : the productivity and stability effects of employee profit-sharing plans " Kalamazoo, Mich. : W.E. Upjohn Institute for Employment Research

KUVAAS Bard, (2002) "Employee Ownership and effective Organizational Commitment: Employees' Perceptions of Fairness and their Preference for Company Shares over Cash." *Scandinavian Journal of Management*, Article *In Press, Uncorrected Proof, Available online 6 January 2002*

LONG Richard J. (1978a) "The Effects of Employee Ownership on Organizational Identification, Job Attitudes and Organizational Performance: a Tentative Framework and Empirical Findings." *Human Relations*, No.31, pp.29-48

LONG Richard J. (1978b) "The Relative Effects of Share Ownership versus Control on Job Attitudes in an Employee-Owned Company." *Human Relations*, No.31, pp.753-763

LONG Richard J. (1980) "Job Attitudes and Organizational Performance under Employee Ownership." *The Academy of Management Journal*, Vol. 23, Issue 4.

LONG Richard J. (1981) "The Effects of Formal Employee Participation in Ownership and Decision-Making on Perceived and Desired Patterns of Organizational Influence: A longitudinal Study." *Human Relations*, No.34, pp.847-876

LONG Richard J. (1982) "Worker Ownership and Job Attitudes: a field Study." *Industrial Relations*, Vol.21, No.2, pp. 196-215

MEYER J.P. and ALLEN N.J. (1991) "A Three-Component Conceptualization of Organizational Commitment." *Human Resource Management Review*, Vol.1, pp.61-89

MEYER J.P. and ALLEN N.J. (1997) "Commitment in the Workplace." SAGE, Thousand Oaks, CA., USA.

MEYER J.P., HERSCOVITCH L. (2001) "Commitment in the workplace: Toward a general model." *Human Resource Management Review*, Vol.11, Issue 3.

MEYER J.P., PAUNONEN S.V., GELLATLY I.R., GOFFIN R.D. and JACKSON D.N. (1989) "Organizational Commitment and Job Performance: It's the Nature of the Commitment that Counts." *Journal of Applied Psychology*, Vol.74, No.1, pp.152-156

MEYER J.P., STANLEY D.J. HERSCOVITCH L. and TOPOLNYTSKY (2002) "Affective, Continuance and Normative Commitment to the Organization: A Meta-Analysis of Antecedents, Correlates and Consequences." *Journal of Vocational Behavior*, Vol.61, pp.20-52

MOWDAY Richard T. (1998) "Reflections on the Study and Relevance of Organizational Commitment." *Human Resource Management Review*, Vol.8 No.4, 387-401

MOWDAY R.T., STEERS R.M. and PORTER L.W. (1979) "The Measurement of Organizational Commitment." *Journal of Vocational Behavior*, Vol.14, pp.224-247

PENDLETON Andrew (2001) "Employee ownership, participation and governance: a study of ESOPs in the UK" London; New York: Routledge,

PENDLETON A. WILSON N. and WRIGHT M. (1998) " The Perception and Effects of Share Ownership: Empirical Evidence from Employee Buy-Outs." *British Journal of Industrial Relations*, Vol. 36 Issue 1. 99-123

PIERCE J.L., KOSTOVA T. et DIRKS K.T. (2001) "Towards a Theory of Psychological Ownership in Organizations." *The Academy of Management Review*, Vol. 13, Issue 1.

PIERCE J.L., RUBENFELD S.A., MORGAN S. (1991) "Employee Ownership: A conceptual Model of Process and Effects." *The Academy of Management Review*, Vol. 26, No.2

RIKETTA Michael (2002) " Attitudinal Organizational Commitment and Job Performance: a Meta-Analysis." *Journal of Organizational Behavior* No.23, 257-266

ROS A.J. (2001) "Profits for All ? The Costs and Benefits of Employee Ownership." Nova Science Publishers, New York.

ROSEN C., KLEIN K.J. and YOUNG K.M. (1986) «Employee Ownership in America, The Equity Solution." Lexington Books, USA

- ROSEN C. and QUARREY M. (1985) "How well is Employee Ownership Working?" *Harvard Business Review*, Vol.65, pp.126-132
- SAGIE A. (1998) "Employee Absenteeism, Organizational Commitment and Job Satisfaction: Another Look." *Journal of Vocational Behavior*, Vol.52, pp.156-171
- SCARPELLO V. and CAMPBELL J.P. (1983) "Job Satisfaction: are all the parts there?" *Personnel Psychology*, Vol.36, pp.577-600.
- SOCKELL D. (1985) "Attitudes, Behavior and Employee Ownership: Some Preliminary Data." *Industrial Relations*, No.24, pp.130-138
- SOMERS Mark J. (1995) "Organizational Commitment, Turnover and Absenteeism: An Examination of Direct and Interaction Effects." *Journal of Organizational Behavior*, Vol. 16, No.1, pp.49-58
- TOSCANO D. J. (1983) "Toward a Typology of Employee Ownership." *Human Relations*, Vol.36, No.7, pp.581-602.
- TREWHITT Lisa (2000) "Employee Buyouts and Employee Involvement: a Case Study Investigation of Employee Attitudes." *Industrial Relations Journal*, 31:5
- TUCKER, J., NOCK, S.L. and TOSCANO D.J. (1989) "Employee Ownership and Perceptions of Work" *Work and Occupations*, No.16, pp.26-42
- VANDENBERG R.J. and NELSON J.B. (1999) "Disaggregating the Motives Underlying Turnover Intentions: When do Intentions Predict Turnover Behavior?" *Human Relations*, Vol.52, No.10, pp.1313-1336
- VANDEWALLE D., VAN DINE L. and KOSTOVA T. (1995) "Psychological Ownership: an Empirical examination of its Consequences." *Group and Organization Management*, Vol.20, Issue 2, pp.210-226
- VAN DYNE L. and PIERCE J.L. (2002) "Psychological Ownership: Feelings of Possession and Work Place Attitudes and Behaviors." Research Article not published yet.
- VISWESVARAN C. (2002) "Absenteeism and Measures of Job Performance: a Meta-Analysis." *International Journal of Selection and Assessment*, Vol.10, No.1/2, pp.12-17
- WICHMAN Ann (1994) "Occupational Differences in Involvement with Ownership in an Airline Employee Ownership Program." *Human Relations*, Vol.47, No.7
- WILLIAMS L.J. and HAZER J.T. (1986) "Antecedents and Consequences of Satisfaction and Commitment in Turnover Models: A Reanalysis using Latent Variable Structural Equation Methods." *Journal of Applied Psychology*, Vol.71, No.2, pp.219-231
- WILSON N. and PEEL M. J. (1991) "The Impact on Absenteeism and Quits of Profit-Sharing and Other Forms of Employee Participation." *Industrial and Labor Relations Review*, Vol. 44 Issue 3, pp.454-468