A qualitative investigation of employee business awareness

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Abstract

Purpose – This paper aims to examine the content domain of employee business awareness, individual non-managerial employee realization, perception or knowledge of the employing organization’s business environment as demonstrated when involved in decision making or problem solving.

Design/methodology/approach – Interviews with 20 employees from two organizations yielded 81 critical incidents in which employees participated in workplace decision making or problem solving beyond their immediate task environment. These were examined using interpretative analysis.

Findings – This inductive approach generated 35 indicators of EBA organized according to three themes: the external environment, business strategy, and business processes.

Research limitations/implications – EBA may represent a valuable knowledge resource worthy of further study.

Originality/value – EBA is a new construct that presents opportunities for innovation in research and practice.

Keywords EBA, Employees participation, Employees attitudes

Paper type Research paper

Introduction

In order to survive in a demanding environment, organizations must leverage all of their knowledge resources. Thus, organizations are increasingly demanding the full contribution of an engaged workforce exercising their judgment to solve work-related problems (Moore et al., 1998) and functioning on the basis of partnership and collaboration (Pfeffer, 1998). This employee engagement model, embedded in mutual investment employment relationships with broad obligations on the part of both parties, entails mechanisms such as high performance work systems that distribute initiative and responsibility widely. Innovation, achieved through creativity, experimentation, initiative-taking, and knowledge-sharing (Van de Ven, 1986), also thrives in such participative systems.

Employee engagement, however, can only deliver its promised benefits when all those involved in decision making and problem solving demonstrate a keen awareness of their business environment. Employees who have a deep and extensive understanding of how their organization functions and the context within which it operates are in a better position to make effective decisions. To the extent that team or organizational performance is a function of the individual decisions that people make on an ongoing basis, then employee business awareness (EBA) may serve to guide these decisions.
This paper examines the content domain of EBA, a construct of critical importance to organizations that rely on employee heedful participation in decision making and problem solving. We first consider how the extant literature addresses the construct of EBA. Next, we examine EBA in the context of mutual investment employment relationships. We then delimit the conceptual boundaries of EBA by differentiating it from other constructs found in organizational research. Next, the results of a qualitative field study are reported.

**EBA: a nascent construct**

High performance work systems refer to a set of practices such as self-managing work teams, flexible job assignments, and problem-solving groups that lead to superior organizational performance by increasing employee involvement (Appelbaum *et al.*, 2000). Research in this area suggested that improved performance results from the implementation of such practices and from employees’ understanding of business strategy and how their jobs contribute to organizational success (Becker *et al.*, 2001). In particular, Moore *et al.* (1998) posited that employees needed information about changes occurring in the firm’s external environment and the firm’s strategic goals as well as an understanding of the impact of their work on the achievement of these goals. Access to information about a firm’s strategic goals and the changes occurring in its external environment allows employees to see the “big picture” and creates the buy-in needed for ongoing improvements in the business.

In order to benefit maximally from such discretion-granting structures, employees must have the knowledge resources needed to make effective decisions. For example, teamwork requires that employees cooperate in work planning and engage in effective behaviours with little or no supervision (Osterman, 2000). In such empowering work settings, where success depends on the thousands of little decisions that are made each day, all employees must demonstrate good judgment and be aware of shifting financial, social, political, technological, and environmental forces. They must be cognizant of the business context in which their organization operates and be able to leverage this knowledge in daily work activities. Thus, in order to empower employees, organizations should identify and develop the business awareness that they require (Houtzagers, 1999).

EBA may also be considered as an outcome of employee involvement practices. According to Athanasia’s (2006) literature review, self-managing teams reduce costs and improve competitiveness primarily by increasing employees’ understanding of how their organization functions. Given that the members of such teams have the discretion to make decisions about how to perform their work (Cohen *et al.*, 1996), they improve their knowledge of the critical features of their environment in the process. Similarly, in Mohsin’s (2008) study, empowerment practices improved revenue management, due partly to the business awareness that employees developed. Moreover, as suggested by Moore *et al.* (1998), employee empowerment programs foster greater business awareness which, in turn, prompts employees to continuously improve work processes. In the absence of such knowledge, few creative ideas ensue.

There is evidence of EBA in daily workplace interactions, such as in the following conversation at Valero Energy:

Back in the control center – a room full of beeping monitors and ten guys in blue flame-retardant suits swapping fishing stories – talk turns to Valero’s stock. Each of these workers knows the price (a split-adjusted $53.44) and has an opinion about where it’s going.
“I’m going to wait until it drops into the mid-40s, then buy as it goes up with Exxon Mobil and Conoco,” says Denny Weikleenget, 49, a former commercial fisherman. “Yeah, it will float with Exxon,” says shift superintendent Don Thierry, 54 (Roth, 2006, p. 126).

These workers are not only aware of stock prices, but also of market forces that affect them. Such business awareness may be leveraged in decision making, as in the next example:

Members of the design team have been required to start their careers at Starbucks by working behind the counters. Knowing how store design interfaces with the needs of customers and baristas allows partners to develop workspaces that are both aesthetic and functional (Michelli, 2007, p. 50).

Some traces of EBA are also found in engagement surveys that typically assess the extent to which employees understand the company’s strategy or see a connection between it and their job (Robinson et al., 2004). The employee engagement survey used by Sears, for example, includes the following items:

- Sears is making the changes necessary to compete effectively;
- I understand our business strategy; and
- do you see a connection between the work you do and the company’s strategic objectives? (Rucci et al., 1998).

Although, such surveys are rarely used for scholarly research, their items that relate to EBA apparently reflect a need to investigate something of importance.

Despite the foregoing, the construct of EBA does not appear to have been defined explicitly in the organizational literature. Most references to this construct in the literature address needed skill and knowledge sets on the part of organizational specialists. For example, in a survey of human resource professionals, Way (2002) found participants considered organizational awareness, defined as understanding the business’ issues, plans, and culture, to be especially important for senior human resource specialists and managers. Moreover, other organizational members expect human resource professionals to possess organizational awareness, industry understanding, and general business knowledge (Ulrich et al., 1995). While pointing to a need for business awareness, the foregoing did not examine the construct of business awareness.

In the field of management, business awareness is associated with the executive level of decision making (Chia, 2005). But, at this level, executive leaders not only draw on business awareness, they also manage and shape the components of the business environment. By establishing a collective purpose or managing culture, executive leaders influence the context in which work is performed. We propose that, in mutual investment employment relationships, which thrive on high levels of employee contributions, individuals at all levels of the organization need to be aware of the organizational context in order to fully participate in decision making and problem solving and, thereby, improve organizational performance.

**EBA in mutual investment employment relationships**

Organizations that nurture mutual investment employment relationships expect employees “to contribute broadly to their organization instead of focusing only on performing their own jobs” (Tsui and Wu, 2005, p. 48). The mutual investment
employment relationship (Tsui et al., 1997; Tsui and Wu, 2005) is analogous to the high-involvement approach advocated by Lawler (1986) and the employee commitment work system described by Arthur (1992), which rely on employees’ voluntary input of ideas and information in the decision making process. Managers trust employees to carry out tasks in ways that are consistent with organizational goals and encourage employee participation on a wide range of issues (Arthur, 1992).

Such approaches foster much broader employee contributions than the primarily task-related technical expertise cultivated within control systems or quasi-spot contractual employment relationships. Mutual investment employee-organization relationships include expectations about employees contributing within permeable and expandable work roles and, thus, demonstrating knowledge of a broad range of business realities, including what the company is about (e.g. brand, corporate values, mission, vision, strategy), internal processes and sources of operational effectiveness, and external forces, including competitive pressures that may impact the organization (e.g. growth opportunities, overseas markets, the needs of local markets, demographic shifts). Such an employment relationship calls on broad contributions to the organization and points to the need for employees to engage in citizenship-type behaviours such as offering suggestions to improve the organization. Contextual performance also includes supporting organizational objectives (Borman and Motowildo, 1993), which again implies employee awareness of business realities.

When faced with competitive pressures, firms often rely on mutual investment relationships that require EBA. Since varying levels of EBA may be required from one employment relationship to another, employment relationships may serve as a lens for the study of EBA and as a boundary condition for the development of the construct. The employment relationship framework also provides a foundation for making critical distinctions between business awareness at the executive (Chia, 2005) and employee levels of decision making. At the executive level, this knowledge resource is critical to effective functioning, whatever the employment relationship, since strategy formulation is an executive-level function and a core component of in-role performance. Moreover, at the executive level, the outlook is quite unique as it integrates various elements and trends into a “big picture” of the business environment.

For employees involved in front-line customer interactions or production activities, business awareness is most relevant when they are expected to contribute beyond their proximal task requirements. Moreover, when employee participation in decision making and problem solving is expected, the employee view of the business environment naturally differs from that of the executive. For employees directly involved in production or service delivery, the business environment would primarily include those elements that surface in decision making and problem solving relating directly to their tasks and duties.

**Conceptual boundaries of EBA**

EBA can be defined as having or showing realization, perception, or knowledge of the business realities of the employing organization. It relates somewhat to sensemaking within organizations whereby “reality is an ongoing accomplishment that emerges from efforts to create order and make retrospective sense of what occurs” (Weick, 1993, p. 635). Thus, although sensemaking reflects an intended process of creating awareness, EBA represents a knowledge state achieved and applied on an ongoing
basis. Consequently, EBA is akin to access consciousness (i.e. information in our minds is accessible for verbal report, reasoning, and the control of behavior), context relevant and representational rather than experiential (Block, 2002).

To further distinguish EBA from other organizational concepts, we will establish its boundaries. In doing so, we first address concepts that have incorporated the notion of awareness, but from different perspectives. We then relate EBA to employee engagement and commitment.

The notion of awareness is embedded in the organizational literature. For example, in the field of strategy, awareness of interfirm relationships and action implications is considered a driver of competitive behaviour (Chen et al., 2007). In marketing, the concept of brand awareness, the buyer’s ability to identify and remember a brand, is a critical predictor of consumer behaviour (Laurent et al., 1995). Neither of these forms of awareness, however, singularly represents EBA: an awareness that structures employee participation in everyday decisions that ultimately drive strategy.

Situational awareness is “the perception of the elements in the environment within a volume of time and space, the comprehension of their meaning, and the projection of their status in the near future” (Endsley, 1995, p. 36). This term has been employed in the specific context of human-machine systems that involve dynamic decision-making in an operational task environment (e.g. pilots using a new avionics system; Wright et al., 2005). Individuals’ awareness of their resources and factors that hinder or enhance effort to achieve their goals is a component of psychological empowerment (Zimmerman, 1990). The focus of psychological empowerment, however, is not the company or its business environment but rather the individual’s internal and external proximal resources, with an emphasis on achieving individual rather than collective goals. Similarly, although highly engaged employees are present in their work role (Kahn, 1992) and, thus, potentially aware, engagement is more about employees bringing their personal selves to their roles than it is about having knowledge of business realities. Moreover, although engaged employees get immersed and fully involved in their work activities, this does not imply awareness.

Organizational commitment is the degree to which people identify with and are interested in remaining with their organization (Meyer and Allen, 1991). Individuals with strong affective commitment endorse what their organization stands for and are willing to help in its mission. Thus, both organizational commitment and EBA have broader referents than the immediate task environment. However, they differ in scope in that organizational commitment relates to the organization, whereas EBA links employees to their organization’s business environment. Moreover, EBA, being cognitive in nature does not include the affective dimension of organizational commitment or its behavioural outcomes such as organizational citizenship behaviour.

In sum, several constructs have incorporated the notion of awareness but not with the individual non-managerial employee as the main unit of analysis. Other constructs are not directly relevant to employee ongoing participation in decision-making and problem solving. Given these distinctions, we define the construct of EBA as individual non-managerial employee realization, perception, or knowledge of the organization’s business environment in the context of work-related decision making or problem solving. An employee with a high level of business awareness would both perceive relevant elements in the business environment and consider them in decision making and problem solving in light of organizational goals.
Methodology
Because EBA is a nascent topic, rich qualitative data are needed to shed light on the phenomenon (Edmondson and McManus, 2007). Interpretative phenomenological analysis (IPA) is used as a means of understanding the subjective experiences and perceptions of research participants regarding a given phenomena (Brocki and Wearden, 2006). The phenomena in this study are instances of employee participation in workplace decision making or problem solving. As is typical of IPA research, semi-structured in-depth interviews were conducted with participants being viewed as subject matter experts. The aim of each interview was to generate a number of individually-salient accounts of some richness and depth.

Research context
Two organizations known for their mutual investment employment relationships were invited to participate in a qualitative study. Given that little is know about the concept under investigation, the decision to conduct this study in the context of such employment relationships was deemed appropriate as it would permit a much richer descriptive and interpretative analysis.

The head of the human resources department within each organization was interviewed in person. We enquired about the nature of the employment relationship that they had established with their non-managerial employees, and we asked them the following questions: Does your organization:

- Provide long-term career opportunities to its non-managerial employees?
- Expect a strong commitment from its non-managerial employees to the organization’s overall success?
- Offer many training activities to its non-managerial employees?
- Have a formal or informal job security policy for its non-managerial employees?
- Encourage non-managerial employees to contribute to the organization beyond their individual job?

Their responses to these questions as well as the examples and company documentation that were provided revealed that both organizations favoured employment relationships based on social exchange, with an emphasis on employee involvement and high levels of employee contributions.

The first organization, “Manufac” (fictitious name), is a plant with approximately 250 employees in a privately owned company. It specializes in manufacturing components for equipment manufacturers such as tracked vehicles, tracks, and undercarriage components. Its stated values are: entrepreneurship, integrity, discipline, and teamwork. Manufac employees are considered to be equal (i.e. few status symbols) with only their roles differing. The second organization, “Paperfac,” produces, transforms, and markets packaging products, tissue papers and fine papers, composed mainly of recycled fibres. Respect and commitment are the central values of Paperfac’s stated culture. This company is known for its entrepreneurial spirit and its commitment to training. The company employs 15,600 people in 140 production units located in North America, Europe, and Asia.
Sample and data collection procedure
The head of the human resources department from each organization helped the researchers identify a convenience sample of ten non-managerial employees from different units and roles to participate in the study. They all had at least two years of company tenure. Their average age was 42 years, and 60 per cent were men.

One-hour interviews with the 20 non-managerial employees were held on company time. Participants were informed of the objectives of the study, that their participation was voluntary, that they would not be identified by name, and that they could end the interview at any time without providing a motive. All participants agreed with our request to audiotape the interview.

Using the critical incident technique (Flanagan, 1954), participants were asked to identify two or three incidents in which they had participated in workplace decision making or problem solving and to describe them in as much detail as possible. Specific probing questions were used to obtain as much information as possible about each incident. Open-ended questions were developed to uncover situational elements.

Data analyses
The critical incidents were content analyzed and coded for indications of EBA. After one researcher coded one interview, the coding scheme was discussed with another researcher and any discrepancies were resolved. Then both researchers independently coded a second interview and compared their results. Again, any discrepancies were resolved and the coding scheme was revised. Another interview was then independently coded by the first researcher and a third researcher. After comparing their results, any discrepancies were resolved, and the coding scheme was perfected. Next, the first researcher coded all of the interviews, modifying the coding as needed.

Two graduate students performed a second content analysis of the critical incidents. They sorted the 35 statements that revealed distinct elements of EBA into three domains: external environment, organizational strategy, or business processes, which were drawn from the strategic management literature (Ray et al., 2004). Although there were some discrepancies between their categorizations, these were ultimately arbitrated by the researchers.

In addition to the content analysis performed to identify elements of EBA, the data analysis also included an interpretative phenomenological analysis (IPA), conducted independently by two researchers. This additional step deepened the analysis by providing new insights into the subjective experiences and perceptions of the workers.

Findings
Participants described a total of 81 distinct incidents of participation in workplace decision making or problem solving. The incidents included instances where employees helped to resolve technical problems, participated in a training needs assessment, evaluated supplier performance, decided to increase paper width to improve efficiency, found the optimal location for certain equipment, or identified ways to reduce waste. The content analysis of these incidents identified 35 elements of EBA.

All participants showed concern for their business environment when involved in decision making or in problem solving. Moreover, every critical incident included at least one mention of an element of the business environment, as illustrated in the following examples. Participant 1 (Manufac) recalled a decision about the choice of a
supplier. He had analyzed the advantages and disadvantages of selecting an Asian supplier and had initiated a benchmarking analysis of the suppliers doing business with other similar companies. These concerns about such contextual factors reflect the participant’s awareness of the business environment. Participant 3 (Manufac) described a problem regarding the storing of mechanical components. To find a solution, he gathered information from the suppliers and users of these components and safety experts. By taking into account this information, he was able to rearrange the storage room in a way that users may work more effectively. This participant demonstrated awareness of various stakeholders, namely users, suppliers, and content experts. Participant 2 (Paperfac) described an intervention that was made to reduce workplace noise levels. In considering the practices used to control noise levels in other parts of the company, this participant demonstrated an awareness of the business environment, extending to the practices of other units within the organization. These critical incidents provide evidence of the exercise of employee discretion.

**Awareness of the external environment**

The external environment includes market conditions, competitors, and other such factors that might represent opportunities or threats to the organization. Of the 35 elements of EBA, eight are related to the external environment; namely, external clients, suppliers, competitors, external rules and regulations, new technology, corporate reputation in the community, ecological environment, and external subject matter experts. The consideration of external clients is illustrated by statements such as “we need to prepare the packaging in advance because each client has a specific packaging” or “we considered client requests for different cuttings.” The company’s suppliers reflect another facet of the external environment and were mentioned by a participant who was involved in assessing the products offered by different suppliers to replace a defective component of a vehicle. Another participant mentioned cost-based competition from Asian countries, which reflects an awareness of competitors and their business strategies. The external environment also comprises numerous rules and regulations, including the safety rules mentioned by a participant in the context of a workplace accident prevention initiative. Another participant was aware of a new tool for more rapidly wrapping a pallet, which exemplifies an awareness of new technology in the external environment. In another incident, where electricity production was a key issue, the safety of the local population was a salient concern because a mishap could have eroded the company’s reputation. The external environment may also include the weather, as in the critical incident where the effects of frost on power lines was a critical concern. External subject matter experts represent agents in the external environment that were mentioned by a participant who had consulted an expert to assess the quality of the material provided by a supplier.

**Awareness of business strategy**

The domain of business strategy was defined quite broadly in this study as the guidance that aligns managers’ and employees’ actions. Seven distinct facets relate to the domain of strategy; namely, financial performance, cost control, quality standards, delivery time, process efficiencies, corporate values, and top management preferences. A participant, quite aware of the importance of financial performance, stated that “profits are important; without them our company would not exist.” The need to control costs is
exemplified by a participant involved in a decision to acquire new information technology who mentioned his company's lean production system. The strategy domain also encompasses the organization's quality standards that were mentioned by a participant who strove to apply the principles of a total quality program. Another participant made a plan to rearrange an engineering workroom in order to reduce delivery time, which exemplifies a keen awareness of this facet of strategy. Another facet of strategy, process efficiencies, was revealed by one participant faced with the challenge of optimizing a machine start-up procedure. An awareness of corporate values was revealed by a participant who considered these values in the choice of a training program. Finally, top management preferences were taken into account by a participant who was involved in the reorganization of his department.

Awareness of business processes
The interviews also revealed several indications of employee awareness of internal business processes. Internal organizational activities represent critical elements of the business environment; at least from the perspective of non-managerial employees. These elements are internal to the organization, but beyond the immediate task environment or job activities. They express the larger production or service delivery process in which job activities are performed. Seven facets relate to the domain of business processes; namely, product/service production processes, production rhythms, employees from other units (teams, departments), internal clients, personnel availability, material resources, and the work climate. A participant who mentioned the difficulties of integrating purchasing operations across administrative units portrays an awareness of business processes. Another participant provided an indication of the awareness of production rhythms by describing an incident that involved replacing computer equipment so that the back-end operations would not slow down operations on the front end. Employees from other units are agents related to business processes that may be considered when making a decision. Internal clients were considered by a participant involved in the development of a business software database. Another participant demonstrated an awareness of the availability of personnel by explaining the development of a safety plan that required the involvement of other employees. Material resources were taken into account by a participant who helped to develop a new machine that was responsive to the need to improve the availability of material resources. The work climate was considered by a participant involved in the rearrangement of a storage room.

Interpretative analysis
The content domain of EBA includes several elements organized around three poles (Figure 1). An interpretative analysis of the latent content revealed a strong presence of business processes in the concept of EBA. More statements revealed by the content analyses fit into this domain than in either the external environment or strategy domains. As such, internal organizational activities represent critical elements of the business environment from the perspective of non-managerial employees. For non-managerial employees, it would appear that the proximal business environment is found in such elements as: the needs of other teams, departments, or units, available resources, delivery deadlines, production rhythms, efficiencies, and other elements embedded in internal organizational activities. These elements are beyond the
immediate task environment or job activities, but internal to the organization. They express the larger production or service delivery process in which job activities are performed.

Figure 1 reveals the presence of different stakeholders as distinct elements of the business environment. Mentions of external clients or of the preferences of employees in other units indicate the relational nature of the business environment that influence decision making or problem solving. Hence, it would seem that EBA is a relational construct. When considering material resources, for example, employees might concurrently address the preferences of employees in other units. As such, EBA extends beyond the technological elements in the business environment to the needs and preferences of various stakeholders. That is why it may be relevant to study EBA in contexts with varying levels of task or outcome interdependence.

Another observation underscores the challenges involved in applying a theoretically-derived categorization to data generated by an inductive research approach. The domain of strategy, for instance, is quite clearly defined in the academic literature. Our data, however, did not provide many clear references to a specific competitive strategy (e.g. differentiation). Could the mention of the satisfaction levels of external clients be considered strategy, one based on service leadership? Our findings suggest that non-managerial employees perceive many elements of their business environment, but express these elements in the context of their work, from their unique perspective, in “fuzzier” terms. Without clear statements regarding their company’s business strategy, our findings were more indicative of the requirements of strategy than of actual strategy. Using an airline analogy, the manager in the control tower has a clear view of the landing aircraft. The employee in the cockpit receives landing instructions based on that plan, but must also deal with a host of other issues including
fuel levels, engine performance, and altitude. Their perspectives of the landing plan are quite different, but complementary nonetheless.

Our integrated overview of the data also revealed the collective nature of decision making or problem solving in which our respondents were involved. The typical critical incident involved three or four people from different units and levels of the hierarchy. This is consistent with theorizing that underscores the influence of social relations on knowledge creation (Kang et al., 2007) and suggests that EBA develops within a context of social interactions.

The collective nature of decision making or problem solving that was typical in our field study is consistent with the principles of mutual investment employment relationships. Consistently, our analyses of the interviews found numerous mentions of tasks involving teamwork and consensus building and a strong emphasis on communication. Although several critical incidents provided evidence of information sharing, most striking were the numerous mentions of upward information flows in the form of consulting, listening, and being responsive to the needs and concerns of employees. Mentions of decision latitude or autonomy and employee involvement were also quite frequent. Taken together, the foregoing suggests that evidence of EBA may be found in decision making or problem solving in the context of mutual investment employment relationships.

The critical incidents also revealed a strong emphasis on cost control and efficiencies. Although this might be viewed as a necessity in private sector manufacturing organizations dealing with intense cost-based competition from abroad, taken in the context of this study, this emphasis may be a factor contributing to the development of EBA. In the absence of this emphasis, employees might simply focus their cognitive resources on their prescribed tasks.

**Discussion**

EBA is likely to be important in work settings that thrive on employee participation in decision making or problem solving. Thus, organic, flattened, flexible, innovative, quality-oriented, and team-based organizations probably have the most to gain from EBA. Moreover, EBA may be most beneficial in organizations with mutual investment employment relationships, in which employees “are expected to contribute broadly to their organization instead of focusing only on performing their own jobs” (Tsui and Wu, 2005, p. 48).

Although EBA appears to be an important construct in many modern business settings, it has been overlooked by scientific research. This paper developed an operant definition of this construct and explored its conceptual distinctiveness from other constructs such as awareness of interfirm relationships and action implications, brand awareness, situational awareness, psychological empowerment, and employee engagement and organizational commitment. An employee with high business awareness perceives relevant elements in the business environment and also considers them in decision making or problem solving in light of relevant goals.

Having established these conceptual boundaries, our qualitative study examined how EBA was expressed in the “real world.” The content analysis of critical incidents provided evidence of EBA’s existence in participants’ minds, especially regarding employee awareness of the company’s internal business environment. Thus, this study helped to establish EBA as an element of employee contributions in mutual investment
employment relationships. This work may be the starting point for future scale development.

**Theoretical significance**

Taken together, the results point to some interesting possibilities for further theoretical work and empirical validation. If indeed EBA is a distinctive construct, it may fill some voids in models relating employee cognitions to employee participation.

Moreover, consistent with a broader view of employee performance as including employee citizenship behaviours or contextual performance (Borman and Motowildo, 1993), EBA relates to contributions beyond the immediate task environment or job activities. EBA may therefore enrich models of contextual performance and complement the motivational foundations of such performance constructs.

In considering EBA through the lens of the resource-based view of the firm (Barney, 1991), EBA may represent a valuable, rare, inimitable, and non-substitutable knowledge resource that leads to competitive advantage. In this light, the advantage stemming from a superior human capital pool might be a function of EBA and not just employee skills and behaviour as in conventional models of strategic human resource management. Thus, the success of different strategies and employment relationships may be partially dependent on EBA.

EBA may offer new ground for organizational analysis in the area of organizational socialization. Through the process of socialization, individuals acquire necessary information, make sense of the new environment (Haski-Leventhal and Bargal, 2008), and develop an understanding of the organization (Ostroff and Kozlowski, 1993). Future research could examine EBA as an outcome of organizational socialization, in addition to attitudinal outcomes such as organizational commitment.

Our study may contribute toward the development of a valid measure of EBA. This measure should include items that reflect an awareness of the external environment, business strategy, and business processes, with at least as much weight being given to business processes as to the external environment or business strategy. Business processes “are the ways that the competitive potential of a firm’s resources and capabilities are realized” (Ray et al., 2004, p. 26). For non-managerial employees, they are probably the most immediate or proximal expressions of the larger business environment. This measure would allow relationships of interest to be tested with the aim of validating a theoretical model of EBA. Considering that the referent of EBA is complex, involving cognitions of the organization’s social and economic environment, we would recommend a multivariate, multidimensional operationalization. We would also recommend adequate wording that is adapted to the context of the non-managerial employee. Our analysis found much evidence of EBA; not expressed with words like “institutional forces” or “stakeholder pressures,” but rather with words like “costs” or “suppliers.” Such elements of the business environment, expressed in employees’ own words, reflect an awareness that transcends their jobs, one that is leveraged when involved in a multitude of decisions that most likely generate efficiencies and organizational performance.

**Practical significance**

Lawler (1986) warned that employee influence without competence is a losing combination. Similarly, we argue that that employee influence without EBA might be
ill-fated. Thus, when participation is viewed as employee actual influence and not just feeling of influence (Strauss, 2006); business awareness may be regarded as a critical concern. The effective functioning of organizations is determined in great part by the multitude of actions of the larger human capital pool of non-managerial employees. If their actions are guided by a keen sense of business awareness, success is most likely. If their actions are guided by an impoverished sense of business awareness, inconsistencies and problems will likely arise.

This study may prompt some business leaders to reconsider the value of knowledge resources relative to motivational constructs. The diffusion of research has prompted companies to implement goal-setting and various other practices geared at strengthening employee commitment or self-efficacy. Although few would question the value of such motivational constructs, it may be necessary to recalibrate in favour of constructs that are more cognitive in nature. If engagement surveys are an expression of this need, we would argue that many business leaders not only want motivated employees; but they also value employees who understand the business.

**Limitations**

Our qualitative study had a number of limitations. First, data were obtained from only two private sector companies, which may limit our ability to generalize our findings to a wider spectrum of organizations. Compounding this limitation is the fact that the participating companies were both characterized by mutual investment employment relationships. They did not subscribe to a “great person” model of leadership, but rather to the principle of shared power. Consequently, it might not be appropriate to proclaim the same levels or contents of EBA in organizations with dissimilar employment relationships. Another limitation stems from the nature of qualitative data that derive from the participant’s perspective. The participant may have implicit theories or cognitive maps that are not readily accessible in an interview format. Moreover, some aspects of the business environment may be important, but rather tacit. The net effect would be an underreporting of some components of the business environment.

**Conclusion**

A broader view of organizational research over time suggests that there is a growing interest in enhancing the contributions of non-managerial employees. This interest is stimulated by the recognition that competitive advantage can be derived from internal resources (Barney, 1991), including knowledge resources (Kang et al., 2007). EBA may constitute a unique and possibly rare source of competitive advantage that deserves more attention. If, in fact, performance is an amalgam of many decisions, then EBA may indeed prove to be a valuable resource worthy of further study.

**References**


**Further reading**


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