Public sector organizations within multi-ethnic settings are facing the challenge of ethnic tension. One of the measures adopted globally to mitigate these tensions in the public sector is the implementation of representative bureaucracies that mirror ethnic composition within society. Although this measure has been successful to some extent, studies suggest that there is increasing tension arising from ethnic discrimination. This review paper charts a new course in psychological ownership perception and representative bureaucracy theories by attempting to establish a link between ethnic representation and employee ownership perception. Propositions based on a critical review of existing literature are presented to enable further empirical investigations.

INTRODUCTION

Public sector organizations are contending with issues of promoting employees’ perception of organizational ownership in multi ethnic societies (Ng & Sears, 2014). This is premised on the fact that monetary incentives alone are no longer the driving force for employees perception (Olckers & Enslin, 2016). Irrespective of monetary incentives, employees who perceive themselves as being discriminated against as a result of their ethnicity tend to feel demoralised and lose confidence in the system (Brown, 1999). Although this problem persists for both public and private sectors, the implications tend to be more severe in public sector bureaucracies (Oberfield, 2016).

Private sector organizations can initiate organizational ownership schemes that may improve employees’ shared interest in an organization (Wagner et al., 2003). This is because the structure of private sector organizations allows managers to make certain formal commitments that bestow certain rights and responsibilities on the employees (Wagner et al., 2003). This is usually not the case for public sector bureaucracies; they are established and managed on behalf of the public by the government (Gera, 2016), and may be unable to implement formal employee ownership schemes. This has led to the problem
of how to influence employees’ perception of organizational ownership in the public sector (Brown, 1999).

Employee ownership perception refers to an employee’s personal attachment to an organization which results in employees’ feeling and behaving like they own the organization (Peng & Pierce, 2015). Such feelings result in positive behavioural outcomes such as job satisfaction, increased commitment, and lower job turnover (Olckers & Enslin, 2016). As a way of promoting employee ownership perception in the public sector, some governments, especially in the USA, Canada and UK have resorted to diversity management strategies aimed at recruiting employees who mirror the demographic composition of the society where they are located (Andrews & Ashworth, 2015; Choi & Rainey, 2014; Ng & Sears, 2014). These diversity management strategies are important not only for improved performance, but for fostering a socially responsible and inclusive organization (Pepple, 2016).

The relevance of this review paper is emphasised because of continued conflict in public-sector organizations that are linked to ethnic rivalry (R. Andrews & Ashworth, 2015). Thus, this raises questions whether implementing a representative bureaucracy in itself, especially ethnic diversity will influence employees perception of organizational ownership (Andrews & Ashworth, 2015). This study posits that one of the ways to influence ownership perception is the ‘mirror organization’ climate. The concept of ‘mirror organization’ is a terminology introduced by this study to diversity management discourse to represent an organization that reflects the social characteristics of the society in its employee composition (Marvel & Resh, 2015; Meier, 1975). Mirror organization climate encompasses relational processes within an organization that engenders a sense of belonging and psychological attachment amongst employees to their organization (Milliken, Schipani, Bishara, & Prado, 2015).

This review paper extends Pierce, Kostova, and Dirks’ (2003) psychological ownership theory by linking employee ownership perception to representative bureaucracy. Psychological ownership theory is used to explain the component of employee ownership perception. The mirror organization climate perspective makes propositions as to how support from colleagues, interpersonal fairness, and leader-member exchange provide a linkage between employee ownership perception and perceived ethnic representation.

This review paper is structured as follows: first, a brief discussion is presented on the existing strategies that governments across the world are taking to ensure representative bureaucracy. Second, the paper presents discussions on the theoretical underpinning. This provides a literature review on the meaning of psychological ownership and it contributes a unique perspective on how employee ownership perception emerges using social exchange theory. In the third section, this paper establishes the rationale for linking perceived ethnic representation to employee ownership perception. Finally, the paper discusses limitations of this review and make recommendations for further empirical research.

**Representative Bureaucracy**

Public sector organizations are constantly seeking ways to ensure representation of diverse groups of the population in its employees’ composition (Lippert-Rasmussen, 2008). Their aim is to ensure proportional representation of the diverse groups of the population in their employee composition. Evidence of this is the US federal workforce which has over 44% of its population as minorities (Choi & Rainey, 2014). As another illustration, the local authorities of Birmingham in the UK have continued to make conscious efforts to reflect the demographic composition of its population in the employment outlay (Lippert-Rasmussen, 2008). In Nigeria, the government introduced the Federal Character Commission to manage issues of under representation of various states in the Federal Civil Service (Mustapha, 2009). Similarly, the Scottish parliament has recently introduced a Race Equality Framework to mitigate racism and promote representativeness in public sector organizations (Robertson, 2016).

Prior studies on organizational representation in the public sector have focused on ethnic diversity implementation as an affirmative action activity (Lippert-Rasmussen 2008; Turgeon & Gagnon, 2013), others have explored its influence on perceptions of organizational justice and language abstraction (Roberson & Stevens, 2006), organizational performance (Choi & Rainey, 2010), and inclusion (Andrews & Ashworth, 2015). Other studies on ethnic diversity focus on how ethnic stratification influences
employees’ attainment to authority (Smith & Elliott, 2002), and organizational commitment (Messarra, 2014).

Whereas one of the major reasons for ensuring a representative bureaucracy is to foster an inclusive climate where everyone feels a sense of belonging (Pepple, 2016), there is currently no literature explaining the relational perspectives upon which such can occur. This study contributes to existing organizational representation literature by highlighting a relational perspective for linking perceived ethnic representation to employee ownership perception.

Theoretical Underpinning

This study uses psychological ownership theory to examine whether perceived ethnic representation (PER) (i.e. equal numerical representation of the various ethnic groups within the employee composition of the organization) will influence employees’ ownership perception. Psychological ownership theory posits that ownership is a means of defining one’s self, one’s possession, and territorial boundary, and the ability of an individual or group to control a target results in the feeling of sense of ownership (Pierce, Tatiana, & Dirks, 2003). Psychology of possession is experienced by people; such that people sometimes define themselves by what they possess (Hou, Hsu, & Wu, 2009; Peng & Pierce, 2015). Possession may be material or immaterial and the effect of ownership perception may be reflected in people’s behavioural, emotional and psychological patterns (Peng & Pierce, 2015).

Psychological Ownership Theory

Psychological ownership perception is rooted in employee efficacy, self-identity, and having a place (Peng & Pierce, 2015). Employee efficacy is used to explain the need for the individual to have control over his possession, while self-identity underpins that possessions serve as a means of self-identity; this is because of the value placed on such object or possession (Peng & Pierce, 2015). Having a place explains the need for individuals to own a territory (Peng & Pierce, 2015). In order to use psychological ownership theory, the object or organization should be controllable by the individual (Peng & Pierce, 2015). Also, the individuals should be able to invest themselves in what they feel that they own and as a result, become emotionally attached to their possession (Peng & Pierce, 2015).

There exists a cause and effect relationship between perception of ownership and the target object (Jussila, Tarkiainen, Sarstedt, & Hair, 2015). This is summarised by Jussila et al. (2015) as the stimulation and activation effect. For Jussila et al. (2015, p. 124), 'need activation and arousal are among the motivational forces that drive individuals to use possessions, think of them, observe them, care for them, and when required, to defend them'. In this review paper, the roots to psychological ownership are conceptualised as employee perception in line with Peng & Pierce (2015) as follows: efficacy, as employee’s self-efficacy; self-identity, as employee’s self-identity; and having a place or territoriality, as employee’s voice.

Dimensions of Employee Ownership Perception

Psychological ownership is evidenced by employees’ self-efficacy, self-identity and voice. This study provides a conceptual model that suggests that psychological ownership evolves from three components such as the cognitive, affective and behavioural components (Wagner, Parker, & Christiansen, 2003). The study posits that all three components are required for ownership perception to emerge. The cognitive component may lead to the affective, and the affective component to the behavioural component. Cognitive and affective levels are more covert, while the behavioural are overt.

Linking the conceptual model of organizational ownership perception dimensions to the psychological ownership components, the cognitive component is located at the self-efficacy level in Figure 1. Employee cognitions are feelings that they are able succeed in their task as a result of the support system within the organization (Hsieh & Wang, 2016). The affective component is used to explain self-identity; it highlights employees’ identification with the organization as a result of their feelings of being treated fairly at work (Hsieh & Wang, 2016). Employees’ cognitive and affective feelings lead them to behave as owners of the organization (Wagner et al., 2003). One of such actions
includes employees’ willingness to make constructive contributions to the progress of the organization otherwise referred to in this study as employee voice. In summary, employees that feel like owners of the organization believe that support is available, feel like that they are treated fairly, and make positive contributions for the improvement of their work.

FIGURE 1
DIMENSIONS OF EMPLOYEE OWNERSHIP PERCEPTION BASED ON THE LITERATURE REVIEW IN THIS STUDY

Social Exchange Theory (SET) and the Emergence of Employee Ownership Perception

Building on the above definitions of employee ownership perception, influencing employees’ ownership perception requires an understanding of between employee and colleagues, as well as supervisor or manager. Employees’ ownership perception results as a trade-off between the employee, colleagues and supervisor or manager (Cook, Cheshire, Rice & Nakagawa, 2013). Employees are regarded as members of the organization, while supervisors and managers are regarded as leaders (Wang, Gan, & Wu, 2016). Thus, employees’ ownership perception involves a social trade-off between member vs member and leader vs members. The leader provides an enabling environment that fosters open communication in exchange for employees’ contribution to the growth and development of the organization. While members or colleagues provide supportive work environments for their team mates.

Social exchange theory (SET) provides literature on various actions and relationships that influence employees’ role on their job (Wang et al 2016), and hence appropriate for explaining the relationship between perceived ethnic representation at work and employees’ ownership perception. SET is used to explain actions and relationships that are interdependent and conditioned on the actions of another (Emerson, 1976). Within workplace settings, SET explains employees’ reaction as a result of organizational antecedents such as rules and norms of exchange, resources exchange, and relationships that emerge exchange (Cropanzano & Mitchell, 2005).

For Cropanzano and Mitchell (2005), rules and norms of exchange explain the reciprocal relationship that may occur such as trust, loyalty and mutual commitments as a result of the rules, guidelines that are agreed by parties in the relationship. The resources of exchange consider how employees’ reactions are
influenced by socio-economic exchange such as love, status, information, money, goods, and services (Cropanzano & Mitchell, 2005; Foa & Foa, 1974). The third foundation of social exchange relationships emanates from employees when they perceive that their employers initiate programmes that care for the employees (Cropanzano & Wright, 2001).

**Member-member Exchange and Employee Self-efficacy**

Self-efficacy perception relates to the employee’s feeling of importance to the organization (Galvin, Lange, & Ashforth, 2015), and creative ability or competence as a result organizational context and individual values (Rice, 2006). Creativity refers to the employees’ perceived ability to initiate and implement new and useful ideas (Heinze, Shapira, Rogers, & Senker, 2009), and it may sometimes be founded upon life, society, and culture (Furlong, 2009). Employee self-efficacy in this study focuses on efficacy as a social construct that examines employees’ responses to the organization’s environment (for example ethnic and religious composition (Rice, 2006). This is because organizational environment is a key influence for employee creativity (Gumusluoglu & Ilsev, 2009).

In explaining the emergence of self-efficacy, this study suggests that the perception of support from colleagues is important to the extent that the amount of effort or contribution an employee makes to improve the organization (Pajares, 2002). In the light of the conceptualisation of employee ownership perception in this paper, member-member exchange explains the extent to which support from colleagues affects employees’ efficacy.

**Proposition 1:** Support from colleagues is positively related to an employee’s perception of self-efficacy.

**Leader-member Exchange and Employee Self-identity**

The self-identity component of employee ownership perception studies the employees’ sense of belongingness to the organization (Asatryan & Oh, 2008). In satisfying self-identity perception need, employees desire in-group inclusion while maintaining their ethnic identity (Chattaraman & Lennon, 2008; Sorrentino, Seligman, & Battista, 2007). Self-identity therefore, requires an optimal distinctiveness (Sorrentino et al., 2007), where the employee sees themselves as being part of the organization, and yet as a representative of their various ethnic groups (Johns, 2004; Ries, Hein, Pihu, & Armenta, 2012). Recognising that employees’ ethnic groups share common characteristics among themselves also forms part of self-identity (Weisskirch, 2005). It has been argued that ethnic identities are significant sources of self-identification (Doan & Stephan, 2006), and self-identification may result in ownership psychology (Asatryan & Oh, 2008).

Findings from previous studies show that employees’ self-identity is influenced by their identifying with the organization when the organization’s corporate code of ethics supports the equal employee, and the responsible employee policies (Winkler, 2012). Irrespective of hierarchical structures within the organization and other categorisation, organizations that downplay differences between employees in their codes of ethics and communicates same, creates a sense of company community (Fairclough, 2003).

A common concept underpinning self-identity suggested by Yang, Johnson, Zhang, Spector, and Xu (2013) and Winkler (2012) is the issue of interpersonal fairness: a situation where an employee perceives the organization as treating everyone equally and with respect. Existing studies show that interpersonal fairness enables employees to focus attention on getting work done and reduces conflicts arising from attribution (Bies & Moag, 1986; Cropanzano & Mitchell, 2005; Eisenberger, Stinglhamber, Vandenberghhe, Sucharski, & Rhoades, 2002). In considering employee ownership perception conceptualisation in this review paper, employee self-identity emerges when the leader treats every member of the organization fairly. Such fair treatment is referred to in this paper as interpersonal fairness.

**Proposition 2:** Interpersonal fairness is positively related to an employee’s perception of self-identity.
Leader-member Exchange and Employee Voice

Contributions from employees are key to the survival of any organization, hence the need for organizations to foster a climate that will encourage employees to contribute voluntarily to policies and programmes, as well provide feedback (Milliken et al., 2015). Employee’ voice is defined as actions, principles, and practices that highlight the need for employees to constructively challenge with a view of improving rather than merely criticising work (Farh, Zhong, & Organ, 2004; Van Dyne & LePine, 1998; Wang et al., 2016).

The importance of employee’ voice for the sustainability of organizations have received increased attention in recent studies for example, Wang et al. (2016) suggests that leader member exchange influences employees’ voice. For Hsiung (2012), authentic leadership influences employees’ voice, while Janssen and Gao (2015) notes that responsive supervisors and perceived employee status are motivators of employee’ voice. Similarly, Bowen and Blackmon (2003) defined employees’ voice as opening the channel of communication within the organization to empower the employees to creatively and innovatively contribute to the success of the organization.

Although existing literature has examined the impact of leader-member exchange on employee perception, Wang et al. (2016) call for studies considering this relationship in the light of social exchange theory as against the role theory or leader-member theory used. This paper will contribute to existing literature in this regard; in addition to utilising social exchange theory, the paper introduces the component of member-member relationship as key in the formation of employee ownership perception. Within leader-member exchange relationship the leader and member shares ‘mutual trust, respect, reciprocal influence, loyalty, liking and sense of obligation to one another’ (Wang et al., 2016, p. 606).

Proposition 3: Leader-member exchange is positively related to an employee’ voice.

Establishing a Rationale for Linking Perceived Ethnic Representation to Employee Ownership Perception

Evidence from existing literature suggests that the relationship between perceived ethnic representation and employee ownership perception may be regarded as either inconsistent or mixed (Alesina & Ferrara, 2005). Thus, the need for establishing an alternative means to achieve employees’ ownership perception within representative organization has become essential. To establish this link, this paper calls for future studies that examine the mediating effects of support from colleagues, interpersonal fairness and leader-member exchange. Evidence from existing literature suggests that these variables have a strong positive relationship with employee psychological ownership perception. Therefore, this paper incorporates them as mediating variables.

Further rationale for introducing the mediating variables is that within diverse ethnic settings, cultural perspective supports highly collectivist values (Adisa, Osabutey, Gbadamosi, Nickson, & Nickson, 2016). Thus in line with Welbourne, Gangadharan, and Sariol (2015), employees within multicultural societies that support high collectivism, demonstrates greater social support for each other (Miner, Settles, Pratt, Hyatt, & Brady, 2012). Also, social support within an organization has been observed to prohibit other relational challenges such interpersonal unfairness, workplace incivility, and discrimination (Welbourne et al., 2015). This review paper, therefore, suggests that employees that perceive their organizations to be a fair representation of the various ethnic groups in the society may support each other, treat each other fairly, and have a supportive leader-member exchange. The rationale thus suggests the following propositions:

Proposition 4: Support from colleagues, interpersonal fairness, and leader-member exchange mediates the positive relationship between perceived ethnic representation (PER) and employee ownership perception (EOP), such that the relationship between PER and EOP is stronger when representation is perceived to be balanced.

This paper focuses on employee perception of ownership using Pierce et al's. (2003) psychological ownership theory. According to Pierce et al. (2003), employees’ perception of psychological ownership is
achieved when they feel a sense of self-efficacy, self-identity, and voice in the organization. The reason for focusing on psychological ownership theory is because of its suitability to explain the relationship between perceived representativeness and employees’ perception of organizational ownership. Table 1 provides a relational framework explaining the relationship between PER and EOP.

### TABLE 1
RELATIONAL FRAMEWORK EXPLAINING THE RELATIONSHIP BETWEEN PER AND EOP BASED ON THE LITERATURE REVIEW IN THIS STUDY

<table>
<thead>
<tr>
<th>Employee Ownership Perception</th>
<th>Self-efficacy</th>
<th>Self-identity</th>
<th>Voice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support from Colleagues</td>
<td>Interpersonal fairness</td>
<td>Leader-member exchange</td>
<td></td>
</tr>
<tr>
<td>Willingness to share ideas</td>
<td>Procedural justice</td>
<td>Mutual trust</td>
<td></td>
</tr>
<tr>
<td>Task and target within employee capacity</td>
<td>Interactional justice</td>
<td>Mutual respect</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interpersonal justice</td>
<td>Reciprocal influence</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Loyalty</td>
<td></td>
</tr>
</tbody>
</table>

#### Perceived ethnic representation
- Greater support
- Lesser discrimination
- Workplace civility

<table>
<thead>
<tr>
<th>Low EOP</th>
<th>High EOP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**DISCUSSION AND CONCLUSION**

This review paper highlights the contribution of this study within two key theories of diversity management and organizational behaviour discourse. Within the diversity management literature, the study extends organizational representativeness theory by attempting to establish a relational for linking PER and EOP. This takes representativeness discourse from the normative perspective to the relational perspective.

The second contribution of this review paper is in the extension of psychological ownership theory discourse. In line with the existing trend of discussions on the antecedents of psychological ownership, this review paper adapts social exchange theory to explain the relational processes within a representative organization upon which psychological ownership may emerge. The propositions made in this review paper are novel, and provide the basis for further empirical analysis. Further analysis will determine the mediating roles of support from colleagues, interpersonal fairness, and leader-member exchange on the relationships between PER and EOP.

It is important to note that the presentation of discussions in the paper has focussed on how the mediators relate to the components of EOP that best suits their effects, for example, how support from colleagues interact with employee self-efficacy, how interpersonal fairness interact with employee self-identity and how leader-member exchange interact with employees’ voice. Findings from future empirical
analysis however will provide the overall effect of each of the mediators on EOP as well as the various other components of EOP.

The model presented in Figures 1 provides a unique insight into reconceptualising psychological ownership. It highlights the components of psychological ownership, and attempts to explain how it component relates to cognitive, affective and behavioural aspects of an employee. Thus, further contribution to existing psychological ownership discourse.

In addition, this paper further contributes to psychological ownership literature discourse by explaining how psychological ownership perception emerges on two levels. The levels are discussed under the member-member exchange and the leader-member exchange levels. The member-member explains relationships at the job level, while leader-member exchange explains relationship organization based levels. In addition, the relational perspectives enable the explanation of the relationships that results into the outcomes of employees’ psychological ownership (employee voice, organizational self-identity, and employee self-efficacy). Member-member exchange highlights a key aspect of the leader member exchange discuss that has not been given full attention in extant studies.

In discussing organizational diversity, this paper focuses on the component of ethnicity. This is premised on the fact that within empirical settings with diverse ethnicities, employees experience more organizational conflict as a result of societal ethnic struggles that have trickled into the organizations (Eposi & Oroch, 2012). The relational framework explaining the link between PER and EOP further provides insight into the need for organizations to understand the importance of PER to employees. Future empirical studies are solicited to determine the following: first, whether EOP is higher within organizations with higher PER, secondly, whether EOP is higher within organizations that implements employee ownership schemes than those without.

This review provides a foundation for empirical studies aimed at investigating propositions on the relationships between perceived ethnic representation and employee ownership perception. The trend of discussions has been presented within a global context. This is in line with ensuring that this review paper serves a wider audience. Presenting this review paper in this manner; makes it a valuable resource for future empirical studies within collectivist and diverse ethnic settings.

REFERENCES


