

New data show employee owned businesses deliver an 8 to 12% productivity boost

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New research suggests the fast-growing UK employee ownership sector is markedly outperforming the UK's national productivity trend while simultaneously contributing to employee well-being, fair pay,

community resilience and commitment to net zero.

In the most ambitious study of its kind, independent researchers surveyed over 9% of the UK's 1,650+ Employee Owned Businesses (EOBs) and compared results to a control group of non-EOBs. They found that EOBs are 8-12% more productive based on Gross Value Added (GVA) per [employee](#).

The study links that productivity uplift to a range of powerful additional findings, including:

- EOBs return twice as much in bonuses and dividends to employees
- EOBs were five times less likely to make people redundant in the last three years
- EOBs tend to pay higher minimum annual wage by roughly £2,900 and are over twice as likely to hold accreditation for fair pay
- EOBs provide more supported access to private health care, mental health resources and flexible working
- EOBs invest on average 12% per annum (£38,000) more in on-the-[job training](#) and skills
- 83% of EOBs reported increased employee motivation since adopted an EO model and 73% reported increased [job satisfaction](#).

The commissioners of the report, the sector's trade body the Employee Ownership Association (EOA) argues that by investing more in their people these businesses are driving the kind of growth the UK is in desperate need of—growth that promotes a stronger and fairer [economy](#), more resilient communities and a cleaner planet:

- Economy: EOBs create more good jobs, are more likely to

generate profits and invest more in research and development (R&D). EOBs make up just 0.1% of UK businesses but drive 0.8% of direct GVA and 1.7% to 2.1% of overall economic activity (combining direct, indirect and induced GVA)—a £32bn–£41bn contribution.

- **Communities:** EOBs are almost three times as likely to offer volunteering days and in aggregate contributed over £500m more to community causes than non-EOBs.
- **Planet:** EOBs are more likely to have a Net Zero strategy and wider environmental sustainability accreditations in place.

People-powered growth: The rapid rise of employee and worker [ownership](#) in the UK is the first output from the EO Knowledge Program, a two-year project to create a new baseline for understanding the impact of EOBs in the UK economy. That program has been led by independent think tank Ownership at Work (OAW), who together with the EOA are calling on policymakers to work with the sector to accelerate the growth and impacts of employee ownership across the economy.

Dr. Juliette Summers of the University of Stirling Management School and an academic adviser to the project, said, "This is an exciting piece of research which demonstrates both the strong growth in employee and worker owned businesses and the significant impact they are making to UK society and economy. These companies are the ones to watch in terms of performance, productivity and decent work."

James de le Vingne, chief executive of the EOA, said, "This is a new baseline in our understanding of the scale and impact of employee and worker ownership in the UK, contrasting EOBs with non-EOBs for the first time across economic, social and environmental outcomes. The findings are remarkable.

"They clearly show that this small section of the UK economy is punching above its weight across multiple dimensions of impact on individuals, businesses, communities and the wider economy. We urge [policy makers](#) to work with us to super-charge this responsible productivity our country so sorely needs."

Campbell McDonald, chief executive of Ownership at Work, said, "What we found is a rapid rise in employee and worker owned businesses that is driving a quiet revolution in responsible and sustainable productivity. This is a supply side phenomenon that deserves more attention in an economy crying out for a better kind of growth.

"Large or small, in every corner of UK, employee and worker owned businesses are clearly doing something very right. If we want to see more of it, we need of an industrial strategy that does more to explicitly and actively accelerate levels of employee and worker ownership."

Provided by University of Stirling

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