

Psychological Ownership: An Emerging HR Strategy to Retain Talent

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Abstract

Psychological ownership can act as a positive resource for impacting human performance in organizations, and promote staff retention. It increases the ability to predict and understand organization-based self-esteem behavior in the work organizations and moving beyond from demographic characteristics, commitment, and satisfaction. Paper focuses that in an organization management act as a mirror in which employees visualize the entire organization and proper psychological ownership support can produce positive ripple effect in the work force.

Introduction

With the growth of knowledge based industries in India. It becomes extremely important for firms to retain talent in the organizations and make them productive. Psychological ownership is one such strategy which is widely accepted in the European world. It has also started getting importance among Indian HR fraternity. HR people are working to develop the sense of psychological ownership among employees of the organization and not restricting themselves to merely internal branding for employees. Psychological ownership refers to feelings of possession towards a target object. It is a sense of “mine.” among the employees of the organization (Ozler, Yilmaz, & Ozler, 2008). It refers to possession links feelings of ownership with positive attitudes about ownership, self-concept and a sense of responsibility to the organization. Pierce *et al.* (2001) concluded that psychological ownership is the feeling of ownership that is innately human. It develops feeling of ownership of both for tangible and intangible objects of the organization. Psychological ownership focuses on relationship between an employee and an object in which the object is experienced as connected with the self or becomes a part of

the "extended self" (Dittmar, 1992). Ownership can be also felt toward nonphysical entities, such as ideas, words, creations, academic products or information (Psychology & Duluth, 2016). According to Chirico (2008), psychological ownership refers to the emotional feeling possessed by the employee towards strong sense of identity, residence, responsibility and control over it. Pierce *et al.* (1991) suggest that, regardless of the type of ownership (social ownership, worker-producer cooperatives, direct ownership and ESOPs), psychological ownership will lead to the integration of the employee-owner with the organization and the ownership experience. When employees feel ownership in an organization, they tend to engage in positive behaviors driven by the sense of responsibility accompanying feelings of ownership. The transactional exchange between employees and their organization is such that the organization satisfies the needs of participants, who in turn reciprocate by developing feelings of ownership and a corresponding sense of responsibility. Psychological ownership refers to the relationship between an individual and an object in which the object is experienced as connected with the self (Wilpert, 1991), or becomes a part of the "extended self" (Dittmar, 1992). Exchange theory (Blau, 1964) asserts that people maximize gain through a series of such exchanges. According to Fernandez and Rainey (2006), the change literature indicates that getting members of the organization involved in the process of change decreases change resistance. The participation of employees in the change process builds psychological ownership, enhances distribution of crucial information, and encourages employees to provide feedback for the fine-tuning of change during its implementation. Pierce *et al.* (2001; 2003) offer three routes or mechanisms through which psychological ownership emerges. The first of these relates to control, whereby control of an object produces feelings of ownership towards the object. Second, feelings of ownership develop with greater knowledge and familiarity of an object. Finally, it is suggested that ownership develops for an object when it is created or involves significant investment of the self. Based on our practical design work in the context of Interaction Design, Sheldon *et al.*'s (2001) study suggested set of six components of psychological ownership namely autonomy, competence, relatedness, popularity, stimulation, and security (refer to Table 1). It leads to positive experience among the employees, leading to efficiency and the effectiveness of the work force (Hassenzahl *et al.*, 2010).

Table 1.

Components of Psychological Ownership

Need	Description
Autonomy	Feeling that you are the cause of your own actions rather than feeling that external forces or pressure are the cause of your action.
Competence	Feeling that you are very capable and effective in your actions rather than feeling incompetent or ineffective.
Relatedness	Feeling that you have regular intimate contact with people who care about you rather than feeling lonely and uncared for.
Popularity	Feeling that you are liked, respected, and have influence over others rather than feeling like a person whose advice or opinion nobody is interested in.
Stimulation	Feeling that you get plenty of enjoyment and pleasure rather than feeling bored and understimulated by life.
Security	Feeling safe and in control of your life rather than feeling uncertain and threatened by your circumstances.

Source (Hassenzahl et al., 2013)

Types of Psychological Ownership

Psychological ownership can be categorized in two types:

(a) Organization Based Psychological Ownership

Organizationbased psychological ownership is concerned with individual members’ feelings of possession and psychological connection to the organization as a whole. This state may be influenced by any number of different characteristics, including, perhaps, organizational culture and climate, attitudes of senior management, corporate goals and vision, reputation of the organization, and corporate policies and procedures. (Psychology & Duluth, 2016)

(b) Job Based Psychological Ownership

It is related to an individual’s feelings of possession towards his or her job exclusively. Accordingly, psychological ownership is context-specific and is a reflection of the current position in regards to both the present organization and the existing job. (Psychology & Duluth, 2016).

State of Psychological Ownership

Several factors influence the emergence of psychological ownership. The potential for developing psychological ownership resides in both targets and employees and situational forces influence its emergence and manifestation.

(a) Target factors

Pierce *et al.* (2001) suggest that targets must be visible and attractive to employees in order to capture their interest and attention. Targets must also have particular characteristics that fulfill the motives for efficacy and effectance, self-identity, and/or the need for a place or home. Organization could reveal their goals and expectations in their newsletters and display them in posters on notice boards in break rooms, display their mission statements at workplace and talk regularly to employees about them. This will have dual benefits: when organizations establish and monitor their goals, employees see visible achievements and feel that their organizations acknowledge and recognize them.

(b) Individual factors

According to Pierce *et al.* (2003), there are differences in the strengths of the motives over time. Personality also has an effect. Winter, Steward, Klohen and Duncan (1998) point out those personality traits affect how employees express motives in their behavior.

(c) Process factors

The processes through which psychological ownership emerge link to complex interactions between the 'roots', the 'routes', target factors and individual factors. The three roots of psychological ownership (efficacy and effectance, identity and having a home) depend to some extent on each other. Ownership may emerge as the result of any one, or any subset of, these needs (Pierce *et al.*, 2003). Similarly, the three routes to psychological ownership (control, intimate knowledge and self-investment) are complementary, additive and distinct. Any single route may result in feelings of ownership that are independent of the others. (Olckers *et al.*, 2012)

(d) Contextual Factors

Although many contextual elements affect the emergence of psychological ownership, the focus in this review was on two aspects: structural and cultural aspects. It include the structural aspects of the social context, like norms, rules, laws and hierarchies, might promote or prevent employees from developing feelings of ownership, whilst the cultural aspects of the social context also have a significant influence on the phenomenon of psychological ownership (Pierce *et al.*, 2003). Therefore, states of psychological ownership, whilst they could be latent in each

employee, do not necessarily always occur and are not equally strong across employees, targets and situations. Complex interactions between a number of intra-individual, object-related and contextual factors determine psychological ownership (Olckers et al., 2012).

(e) Outcomes

Employees' behavior leads to particular outcomes for organizations. Ownership inculcates a sense of pride in employees and acts as a motivator of greater performance'. Therefore, it is likely that ownership will encourage employees to think and behave like owners. This will improve the performance and effectiveness of organizations. (Olckers et al., 2012)

Levels of Psychological Ownership

The relationship between the self and an object alters on various levels of psychological ownership (shown in Figure 1) circles represent the individual's self and the object and the psychological ownership between them. The more the individual feels psychological ownership toward the object, the more the circles (representing self and object) overlap. (Kare, 2015)

Relationship between self and object given various levels of psychological Ownership

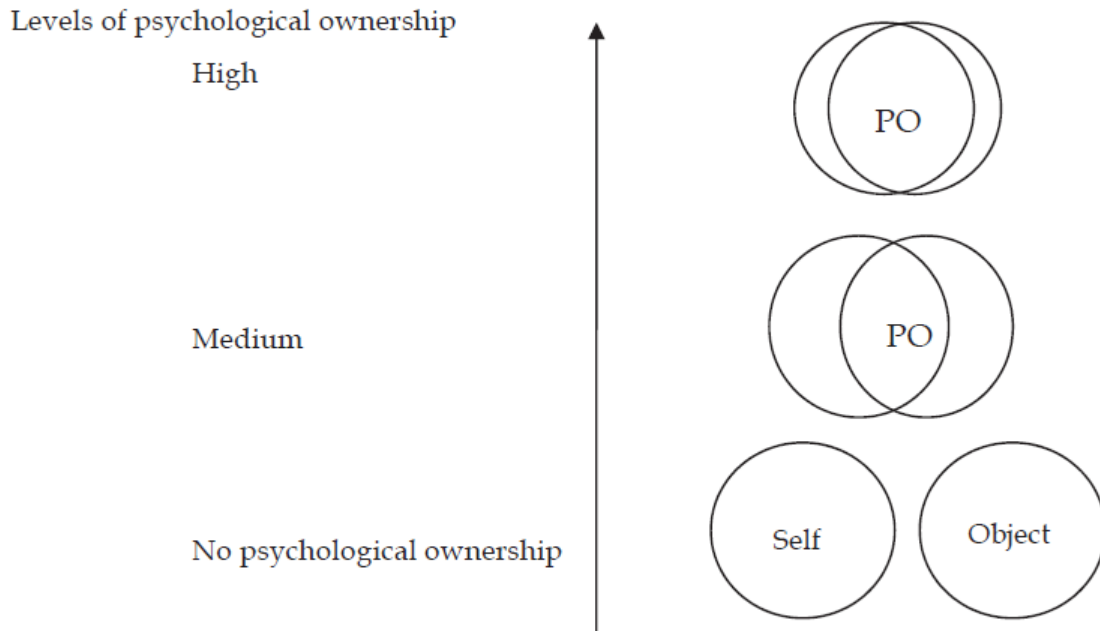


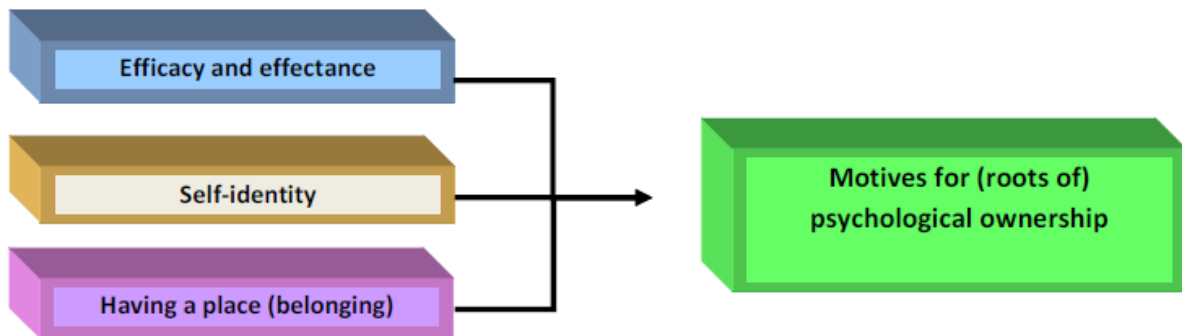
Figure 1

(Source:Kare, 2015)

Feelings of ownership may develop within both individual personal life and in organizational context, psychological ownership has been scrutinized, researched, and theorized actively only since the 20th century

Four motives (roots) for the existence of psychological ownership are the need for (1) self-identity, (2) home, (3) efficacy and effectance (Pierce et al. 2001, 2003) and (4) stimulation (shown in figure 2). The motives do not directly cause the development of psychological ownership, but they facilitate for the same. Only having one of these motives activated is sufficient to enable development of feelings of ownership regarding a particular target, but these feelings also need one or more routes to create psychological ownership (Pierce et al., 2010). Targets with attributes such as being visible, attractive, socially esteemed, accessible, and open may capture the interest or attention of the individual and thus serve to fulfill the motives of psychological ownership (Pierce et al. 2010).

Motives for the existence of psychological ownership



Source (Olckers, 2011)

Self-efficacy

Self-efficacy relates to people's belief that they can successfully implement action and be successful with a specific task. Early conceptualization of ownership and possession argued that one's feelings of ownership may be inextricably linked to the individual's need for effectance. Furby (1991) suggested that feelings of ownership emerge even in young children because of the motive to control objects and to be effectant with their application.

Belongingness

The human need for a home or a place to dwell has been articulated over the years by social psychologists as a fundamental need that exceeds mere physical concerns and satisfies the pressing psychological need to belong. Review reveals that people will take ownership of, and structure their lives around, possessions in an effort to satisfy their need for belonging.

Self-identity

Along with social identity are recognized as major parts comprising the self-concept domain. Researchers have noted that groups of people and possessions often act as symbols through which people identify themselves (Belk, 1988). Specifically, it has been noted that individuals establish, maintain, reproduce and transform their self-identity through interactions with tangible possessions (Dittmar, 1992) and intangibles such as an organization, mission or purpose.

Conclusion

Feelings of ownership allow individuals to fulfill three basic human motives: namely efficacy and effectance, self-identity; and having a place. These motives, therefore, are the reason for psychological ownership. Each motive facilitates the development of psychological ownership, rather than directly causing it to occur. (Olckers, 2011). This tight connection between possession and feelings of ownership can be directed at the organization (or workplace) as a whole or at specific aspects of the organization such as the group, job, worktools (i.e., a computer or production machine), or work itself. Different targets of ownership can vary in salience, depending on the individual and the situation. (Dyne & Pierce, 2004) Psychological ownership is a feeling of possession in the absence of any formal or legal claims of ownership and can be explored by HR for retaining the work force. Future researches can be explored the area regarding interrelationship of psychological ownership with the retention practices as the concept is still at nascent stage in Indian context.

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