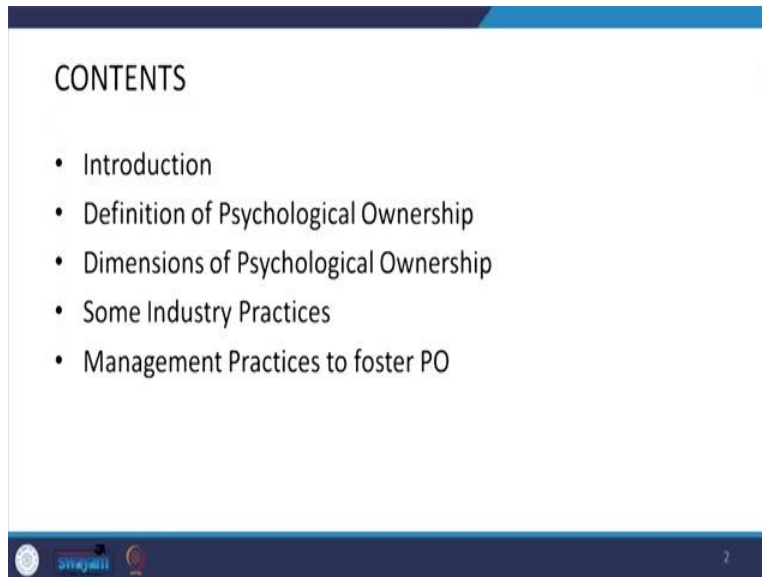


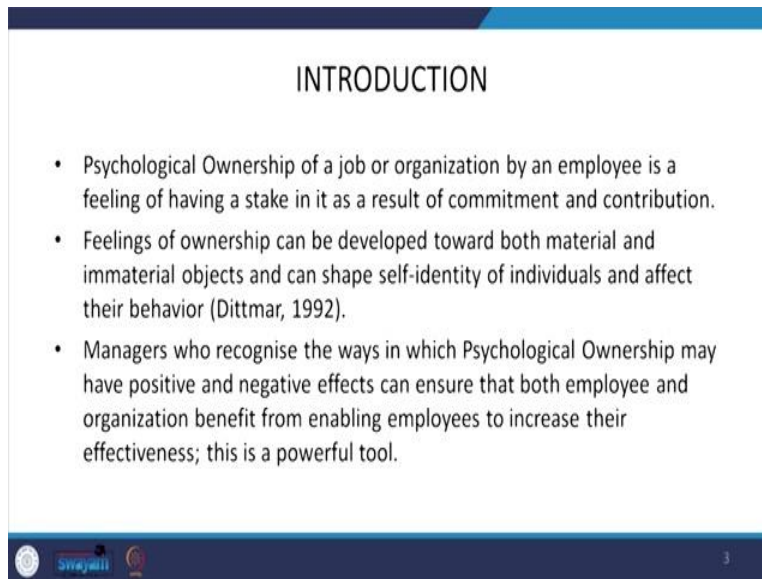
Managerial Skills for Interpersonal Dynamics
Prof. Santosh Rangnekar
Department of Management Studies, IIT
Indian Institute of Technology, Roorkee
Lecture 15: Psychological Ownership 1

(Refer Slide Time: 0:46)



In this session, I will take another interesting dimension that is the Psychological Ownership, we will try to understand that is the ‘What is the psychological ownership?’, the different definitions given by the different experts in the psychological ownership, dimensions of the psychological ownership, some industry practices in psychological ownerships, management practices to foster the psychological ownerships that I will discuss in this particular sessions.

(Refer Slide Time: 0:59)



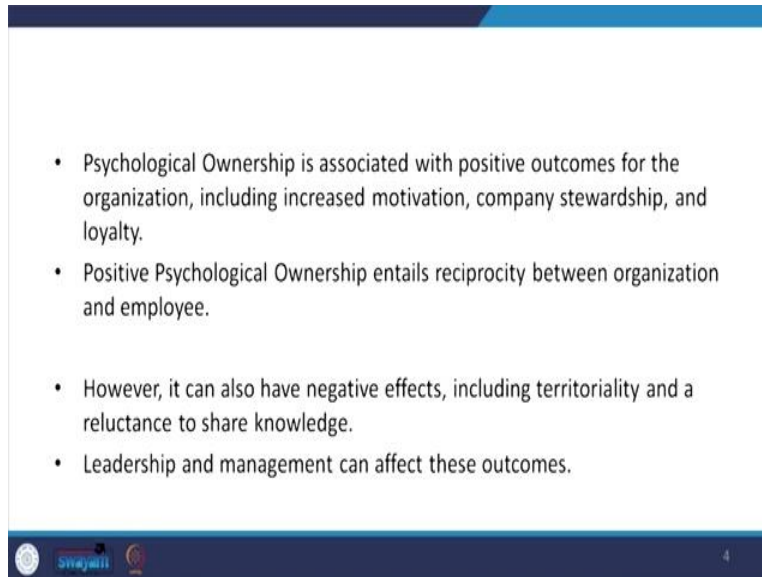
Psychological Ownership of a job recognition by an employee is a feeling of having a stake in it is a result of commitment and contribution. So, therefore, it is for an employee, as a feeling that is the ‘Yes, wherever I am working, I am also having the stake in this organization’. And therefore, that sort of feeling is giving him the ownership. Feelings of ownership can be developed toward both material and immaterial objects. For example, and we can shape it self-identity of the individuals and affect their behavior.

So, feelings of ownership is there for either for these materialistic things. So, in that case, whatever the items are there for that the person is having the feeling of ownership, or it can be the immaterial objects, and then can shape the self identity of individuals and affect their behavior. So, not necessarily material, but psychological ownership is for doing something for this organization and that can, we will discuss in detail later on.

Managers who recognize the ways in which the psychological ownership may have positive and negative effects can ensure that both employee and organization benefit from enabling employees to increase their effectiveness, this is a powerful tool and really, I have seen that whenever an employee who is having these particular feeling of the ownership for that particular organization, both employees and organizations get a lot of benefit. Because they feel this is my organization, they feel that is the my bread and butter and therefore, the take care of that particular place that is the organization as that it

is of their own and therefore, the psychological ownership enabling employees to increase their effectiveness at their workplace, they will ensure that there nothing goes wrong.

(Refer Slide Time: 3:16)



Psychological ownership is associated with the positive outcomes for the organization including the increased motivation. The motivation of employees, that increase a lot and therefore, in that case, they find that is the ‘Yes, it is belonging to’, they are belonging to this organization and they are emotionally connect. Like if somebody says ‘I am working in this organization’, not necessarily he is emotionally connect with the organization. So, to get emotionally connect to that organization, the high level of motivation, that is becoming very, very important and therefore, the employees, they get highly motivated. Then, another very important concept that is the companies stewardship, service to the company.

It is not the job of the individual, but rather than it is the stewardship that is the service to the company that is making the person more and more concerned about that organization and developing the loyalty about that organization. So, here are three factors, that is the motivation, that is how is the motivation, willingness is increased, the company's stewardship, that is a service to the company and the loyalty to the company, employees loyalty that will be becoming very, very important factors.

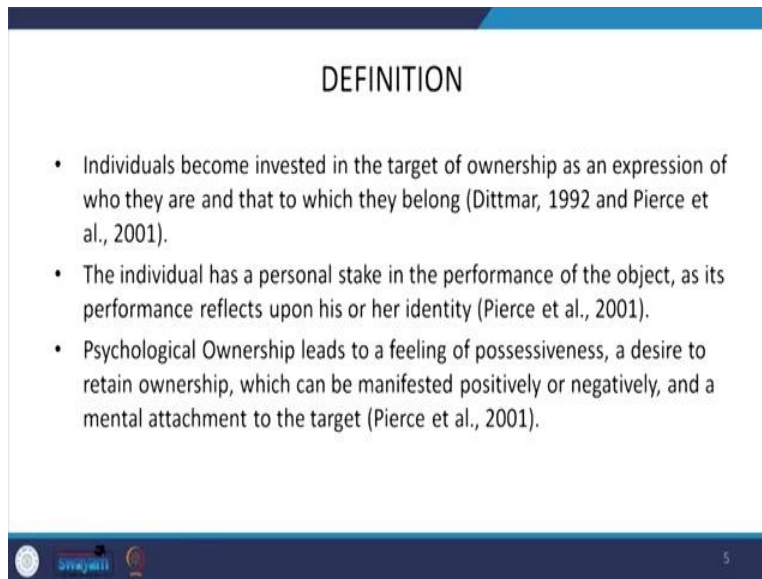
Positive psychological ownership entails reciprocity between organization and employees and therefore, it becomes very, very important that is whenever there is a relationship of the organization and employees concern about the having the ownership, then there will be a positive effect on their performance. However, it can also have a negative effects when including territoriality and reluctance to share knowledge.

So, it is another dimension, then in the psychological ownership, you will find that if a person takes that I am the owner, so, that possessiveness will be there and if the possessiveness is there, he may refuse to share the knowledge and therefore, in that case it will become a very, very negative effect, that is the if because of the sharing the knowledge the person is not want to lose that knowledge because of the psychological ownership and as a result of which he may, the other employees, the peers, they will not get benefited by this particular sort of the attitude, not to share the knowledge because of the psychological ownership.

So, this is a negative dimension of psychological ownership, leadership and management can affect these outcomes and if this type of the outcomes are there, whether it is a positive or negative, you will find that is a leadership and management can affect, will get affected by these outcomes are there.

Now, we will see further more definitions and understanding in the psychological ownership, individuals become invested in the target of ownership as an expression of the who they are and to what they are belonging to, and therefore, when they try to get the answer for this, that is why, where they have tried belonging to and then in that case, they find that they belonging to this particular organization and whatever they are today, it is because of that organization.

(Refer Slide Time: 6:48)



The slide is titled "DEFINITION" and contains three bullet points. The first bullet point states that individuals become invested in the target of ownership as an expression of who they are and that to which they belong, citing Dittmar (1992) and Pierce et al. (2001). The second bullet point states that the individual has a personal stake in the performance of the object, as its performance reflects upon his or her identity, also citing Pierce et al. (2001). The third bullet point states that Psychological Ownership leads to a feeling of possessiveness, a desire to retain ownership, which can be manifested positively or negatively, and a mental attachment to the target, again citing Pierce et al. (2001). The slide has a blue header and footer with a small logo in the bottom left corner and the number "5" in the bottom right corner.

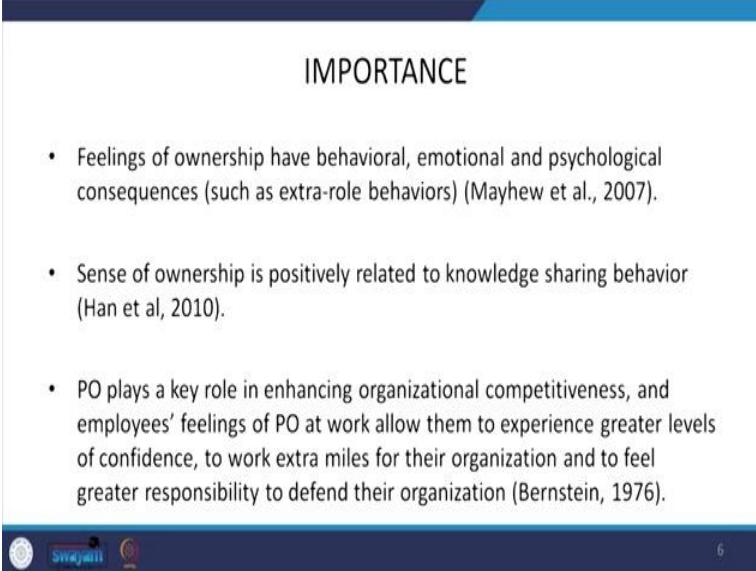
DEFINITION

- Individuals become invested in the target of ownership as an expression of who they are and that to which they belong (Dittmar, 1992 and Pierce et al., 2001).
- The individual has a personal stake in the performance of the object, as its performance reflects upon his or her identity (Pierce et al., 2001).
- Psychological Ownership leads to a feeling of possessiveness, a desire to retain ownership, which can be manifested positively or negatively, and a mental attachment to the target (Pierce et al., 2001).

The individual has a personal stake in the performance of the object as its performance reflects upon his or her identity and therefore, the identity of the individual that comes through that particular personal stake in the performance of the individual. Psychological ownership leads to a feeling of possessiveness, a desire to retain ownership and therefore, which can be manifested positively or negatively and a mental attachment to the target.

So, therefore, in that case it becomes very, very important, that is the as soon as this possessiveness comes, then there will be always desired to retain the ownership and this may come as a negative aspect also. So, therefore, if the ownership, feeling of ownership comes with the positive approach, then definitely the possessiveness will not be that high rather than the sharing will be high and in that case that this psychological ownership will be a positive strength.

(Refer Slide Time: 7:52)



IMPORTANCE

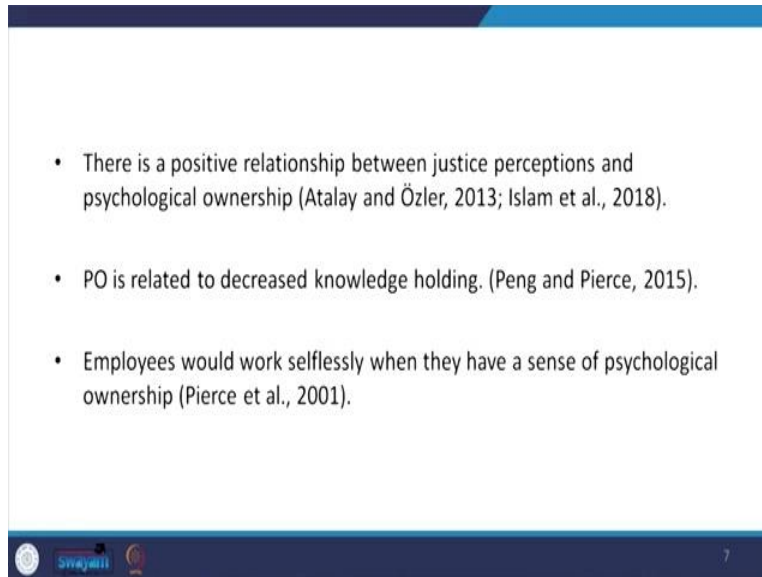
- Feelings of ownership have behavioral, emotional and psychological consequences (such as extra-role behaviors) (Mayhew et al., 2007).
- Sense of ownership is positively related to knowledge sharing behavior (Han et al, 2010).
- PO plays a key role in enhancing organizational competitiveness, and employees' feelings of PO at work allow them to experience greater levels of confidence, to work extra miles for their organization and to feel greater responsibility to defend their organization (Bernstein, 1976).

6

Importance, feelings of ownership have behavioral, emotional and psychological consequences. So, whenever we are having this feeling of ownership, then there will be the according to the Mayhew et al., 2007 studies, there will be the extra role behaviors, extra role behaviors means what is expected from an employee, it is more than that and then a sense of ownership is positively related to knowledge sharing behavior. This is another study has been done by the Hn et al, 2010 and then here the findings are that is the sense of ownership will be having more attitude towards the knowledge sharing. Psychological ownership plays a key role in enhancing organizational competitiveness.

Naturally, when as I mentioned it is a positive emotion, positive emotions will be having the more focus on the work and if the more focus on the work is there, then definitely increasing the organizational competitiveness and employees feelings of the psychological ownership at work allow them to experience greater levels of confidence and naturally it is my own organization. So, a different level of confidence is there to work extra miles for their organization and to feel greater responsibility to defend their organization and therefore, they will defend the organization because it is their own organization.

(Refer Slide Time: 9:15)



There is a positive relationship between the justice perceptions and the psychological ownership is there. So, always because there is the psychological ownership, so, employees feel that they are the owner and therefore, they perceive the justice accordingly, whatever decisions are taken in the organization at the different levels, they will perceive it in a very positive way. Psychological ownership is related to the decreased knowledge holding, this is the finding which is confirming with the earlier finding also. So, there are different findings are there, sometimes the employees because of the psychological ownership, they feel this is my organization, shows they share the knowledge, sometimes many organizations they feel that ‘No, this is my organization, my job and then I should not share with others’, and therefore, then in that case, it will decreased the knowledge holding.

Employees would work selflessly when they have a sense of psychological ownership, then in that case, the positive side, the positive side is that that is they have a sense of there is selfless, they have to work. Knowing there is no biasness, there is no hidden agenda and therefore, in that case, they are having the psychological ownership as a positive attribute.

(Refer Slide Time: 10:42)

THEORITICAL FRAMEWORK	
Author	
Helga, 1992	When individuals have a sense of ownership, they feel connected with each other in achieving several tangible and intangible targets
Druskat and Pescosolido (2002)	PO is the cognitive and emotional connection between the object and people, which affects their conduct and self-perception.
Mattila and Ikävälko, 2003	PO comprises "ambition, goals, commitment, motivation, responsibilities and other things in the mind of owner that relate him/her with the target of owning".
Avey et al., 2009; Li et al., 2015	Psychological ownership represents the sense that employees have ownership of the organization

Now, in this particular concept, the theoretical framework if we see the Helga in 1992 has talked about 'When individuals have a sense of ownership, they feel connected with each other in achieving several tangible and intangible targets are there' for example, the productivity target is there for example, the behavior norms are there. So, they will find that they are connected with this particular organization. Druskart and Pescosolido has done in 2002 study and said that 'It is the cognitive and emotional connection between the object and people'.

So, it is the emotional connect, it is a emotional connect to the employees, which affects their conduct and therefore, they because of they feel their ownership is there so, they have a very positive conduct and there is a perception for the self in that is the highly recognized one, that is the 'Yes, we are the part of this particular family', and therefore, they are giving the more ownership, Mattila and Ikavalko in 2003 they comprise a psychological ownership, as ambitions, goal, commitment, motivation, responsibilities and other things in the mind of owner that relate him or her with the target of owning.

And we find that is all positive emotions are there for example, the organizational commitment, organization commitment will increase, the motivation will be high motivation and taking the more responsibilities and so, therefore, according to the Mattila and others this will become a very, very important aspect whenever they are talking about

the psychological ownership of the organization, their positivity, the employees positivity that becomes very high. Avey et al 2009 and Li et al, they have talked in 2015 ‘There is a psychological ownership represents the sense that employees have ownership of the organization’ and they feel is their own organization.

(Refer Slide Time: 12:44)

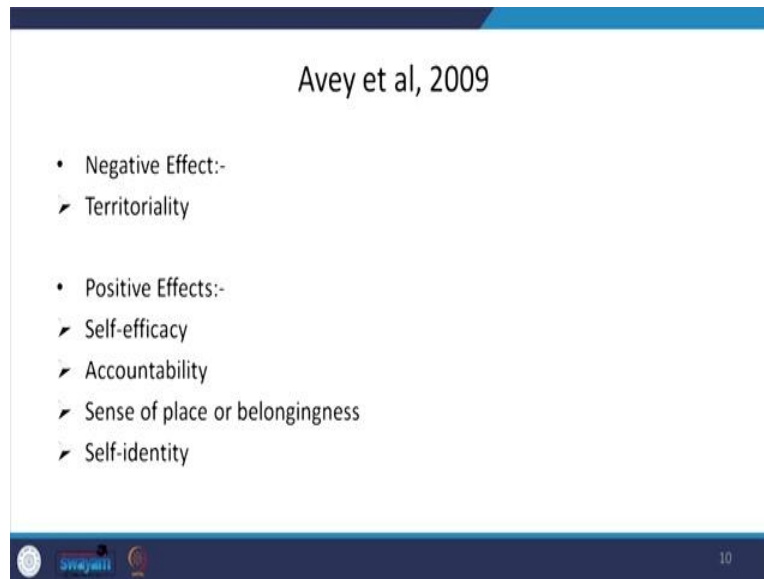
DIMENSIONS

- Pierce et al. (2001), identified three “roots” that contribute to an individual’s fundamental desire for ownership:
 - Efficacy,
 - Self-Identity,
 - Belonging;

- Three “routes” of how psychological ownership is formed:
 - Control,
 - Investment of self,
 - Intimate knowledge of the target.

Here we will talk about the different dimensions in the psychological ownerships, Pierce et al, identified three routes that contribute to an individual's fundamental desire for ownership, one is the efficacy, second is the self identity and third is the belongingness. The three routes of how psychological ownership is formed, that is about the control, investment of self and the intimate knowledge of the target.

(Refer Slide Time: 13:08)

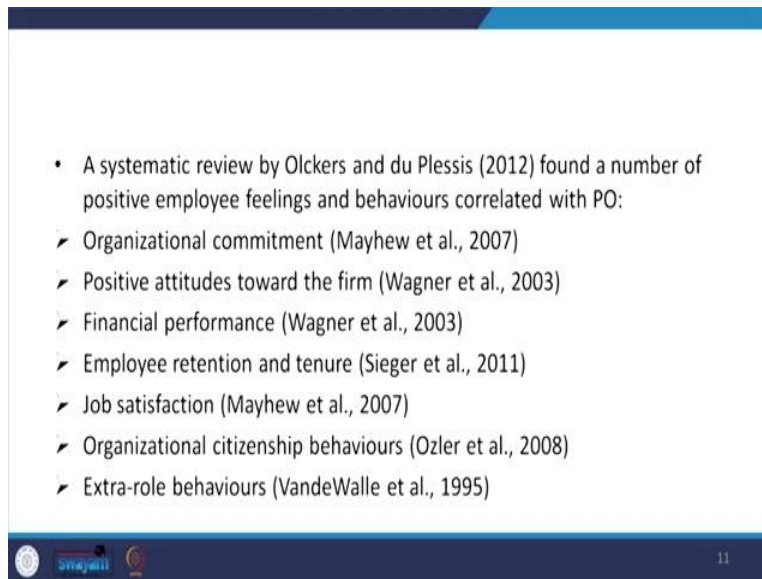


While Avey et al, in 2009 they have talked about the different dimensions and they have talked about the negative effect, that is a territoriality, territoriality means that is this is my territory and therefore, in this territoriality nobody is allowed to enter.

So, if this type of feeling will be there, as I have given example in earlier slide like sharing of the knowledge are not sharing of the knowledge. So, if somebody enters in your territory, what you will do? You will oppose and when you will oppose then ultimately effect will be on the organization. So, organization will suffer. So, what is important is this that there has to be a positive effect and not the negative effect is there.

So, what will be the positive effect? Positive effect will be self efficacy, lacking for self, I belong to this organization. This organization is very much recognized organization and therefore, I am having the liking for this particular organization, I am having that ownership, second is accountability, whatever job I am supposed to do, I am doing it for the sake of not only my job, but also for as a contribution, contribution to this organization. So, therefore, I have the high accountability is there, then sense of place or belongingness and therefore, in that case, it becomes very, very important that is 'I am having the highest sense of these belongingness to this particular organization and I make my identity', self identity, the self identity with the organizational identity, organizational identity is my self-identity and therefore, in that case that will have the positive effect.

(Refer Slide Time: 14:50)

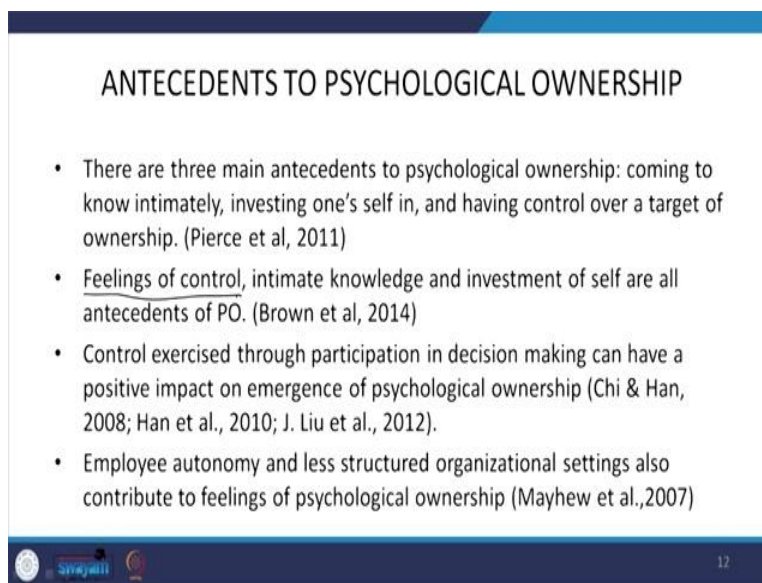


A systematic review by the Olckers and du Plessis found a number of positive employee feeling and behavioral correlated with the psychological ownership, organizational commitment that has become by the Mayhew et al., 2007, and they find, that is this commitment, that is a cognitive commitment is high with this particular organizational commitment into the psychological ownership. Positive attitudes towards the firm and therefore, in that case, because of the ownership, the person will take care that he is supporting to others and making the clear that is the related to any responsibility, he is ready to take that responsibility and that will be the positive attitude towards the firm.

Naturally, when employees are positively associated with the organization, financial performance according to the Wagner et al., in 2003 that he will talk about, that is this positive attitude towards a firm that will increase the financial performance of the organization also and you will find that is they are both are associated. Employee retention and tenure, as I mentioned the psychological ownership is a positive attitude and therefore, they will have the more and more employee retention, they will not leave the organization because they feel it is their ownership, they are concerned with this organization and therefore, they will have the more retention and they will spend more tenure according to Sieger et al., 2011, the tenure of the employees where the culture is if ownership is more so, they will be the more retention will be there.

According to the Mayhew et al., 2007 the psychological ownership will create more job satisfaction and in the job satisfaction because they are having the contributed a lot because of their own organization they will have the high job satisfaction, organizational citizenship behavior, OCB Ozler et al., has given that whenever there is a psychological ownership there is a very positive relationship with the OCB, organizational citizenship behavior, in organizational citizenship behavior, the person thinks they follow the rules, regulations, the norms of that particular organization and extra role behavior is there, VandeWalle et al., 1995 and not only they will do that what is expected from them, but they will do more than that, and it is called the extra role behavior. So, they will have the extra role behavior in this case of the psychological ownership.

(Refer Slide Time: 17:29)



The slide is titled "ANTECEDENTS TO PSYCHOLOGICAL OWNERSHIP" and contains four bullet points. The first bullet point states that there are three main antecedents to psychological ownership: coming to know intimately, investing one's self in, and having control over a target of ownership, citing Pierce et al., 2011. The second bullet point states that feelings of control, intimate knowledge, and investment of self are all antecedents of PO, citing Brown et al., 2014. The third bullet point states that control exercised through participation in decision making can have a positive impact on the emergence of psychological ownership, citing Chi & Han, 2008; Han et al., 2010; and J. Liu et al., 2012. The fourth bullet point states that employee autonomy and less structured organizational settings also contribute to feelings of psychological ownership, citing Mayhew et al., 2007. The slide has a blue header and footer with a logo on the left and the number 12 on the right.

ANTECEDENTS TO PSYCHOLOGICAL OWNERSHIP

- There are three main antecedents to psychological ownership: coming to know intimately, investing one's self in, and having control over a target of ownership. (Pierce et al, 2011)
- Feelings of control, intimate knowledge and investment of self are all antecedents of PO. (Brown et al, 2014)
- Control exercised through participation in decision making can have a positive impact on emergence of psychological ownership (Chi & Han, 2008; Han et al., 2010; J. Liu et al., 2012).
- Employee autonomy and less structured organizational settings also contribute to feelings of psychological ownership (Mayhew et al.,2007)

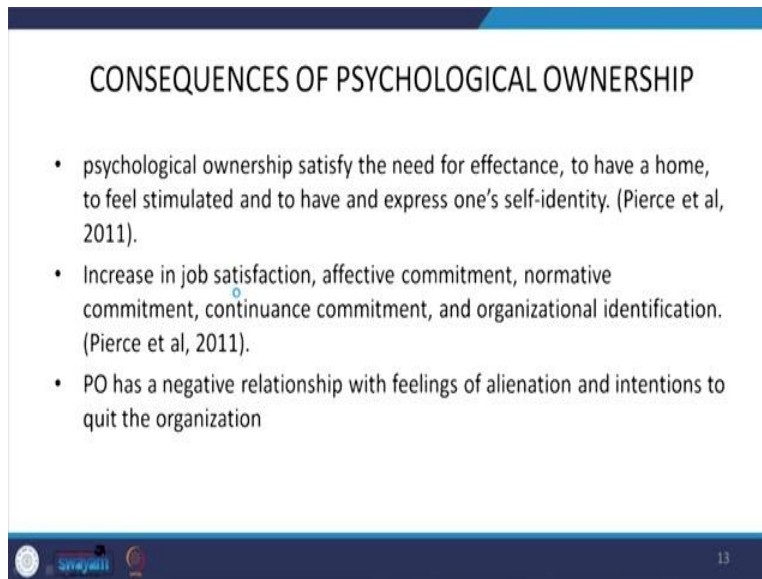
So, what are the antecedents to psychological ownership? There are three main antecedents to psychological ownership, coming to know intimately about the organization, investing oneself in and having control over a target of the ownership and therefore, these are the two parameters according to Pierce et al, is there that is the intimations to connected to the organization and as a result of which the what is there is the control over a target of ownership that will be developed. Feelings of control, intimate knowledge and investment of self are all antecedents of the psychological ownerships are there.

So, now, you see self awareness, self regulation, that will be very high in this particular type of the psychological ownership, because what they are doing, they are making the self regulation, in self regulations, whatever will be the negative emotions, they will not allow to come and therefore, in that case, they will control, they will control their negative emotions, they will not express their negative emotions, so, feelings of control that will become very high in case of the psychological contract.

Next is intimate the knowledge and investment of self. So, whatever the knowledge base is there with the employee, he will try to be the hundred percent honest with the organization to share that particular knowledge and investment of self will be hundred percent so, therefore in that case, because there is a positive approach towards the psychological ownership, they will have this attitude towards the creating these antecedents of this psychological ownership.

Control exercised through participation in decision making can have a positive impact on emergence of psychological ownership is there. So, therefore, in that case, the leadership style, what is the leadership style? Leadership style is the participation, leadership style is in the decision making process and therefore, in that case, it becomes very, very important, that is they can have a positive impact on emergence of the psychological ownership. Employees autonomy and less structured organizational settings because, as I said that is the ownership is there, so, they will have the more autonomy and their settings are also contribute to the feelings of psychological ownership will be there, with the antecedents now, we will talk about the consequences of psychological ownership.

(Refer Slide Time: 20:04)



The slide is titled "CONSEQUENCES OF PSYCHOLOGICAL OWNERSHIP" and lists three bullet points. The first bullet point states that psychological ownership satisfies the need for effectance, to have a home, to feel stimulated and to have and express one's self-identity, citing (Pierce et al, 2011). The second bullet point states that there is an increase in job satisfaction, affective commitment, normative commitment, continuance commitment, and organizational identification, also citing (Pierce et al, 2011). The third bullet point states that PO has a negative relationship with feelings of alienation and intentions to quit the organization. The slide has a blue header and footer with a small logo on the left and the number 13 on the right.

CONSEQUENCES OF PSYCHOLOGICAL OWNERSHIP

- psychological ownership satisfy the need for effectance, to have a home, to feel stimulated and to have and express one's self-identity. (Pierce et al, 2011).
- Increase in job satisfaction, affective commitment, normative commitment, continuance commitment, and organizational identification. (Pierce et al, 2011).
- PO has a negative relationship with feelings of alienation and intentions to quit the organization

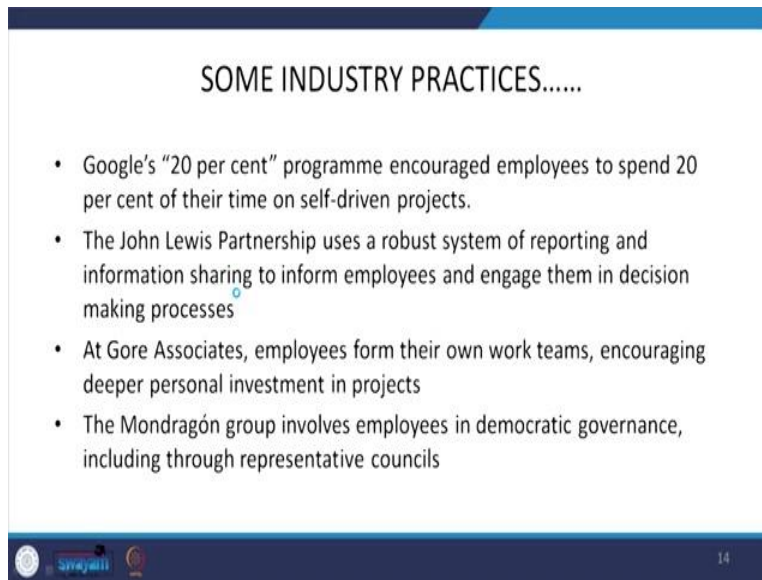
Psychological ownership satisfy the need for the effectance, to have a home to feel stimulated and to have an express oneself identity. So, what they start? They start feeling like a home, because they are into an organization. So, therefore, they feel that is the they are at home only. And therefore, in that case they stimulated to have the express oneself identity will be more and more high and high.

Increase in job satisfaction, so because they now they are delivering the best, if they are delivering the best, then definitely in that case, there will be the increase in the job satisfaction, there will be effective commitment. So, it is not the judicious commitment rather that it is the effective commitment is there. So, they are doing that commitment is not because they are paid, not because they are supposed to do as per their wage agreement, but they are doing it is for the making the effective commitment, then the normative commitment and continuous commitment will be there. And organizational identification will be there. So, all these effective, normative and continuous commitment that will help into the organizational identification.

PO has a negative relationship with feeling of the alienation and intentions to quit the organization, so, psychological ownership that will we have a negative relationship with the feeling of alienation. So, therefore, it means that that is the more the psychological

ownership will be there, more will be the feeling of the to the retention, feeling of the ownership, feeling of to continue with that particular organization.

(Refer Slide Time: 21:49)

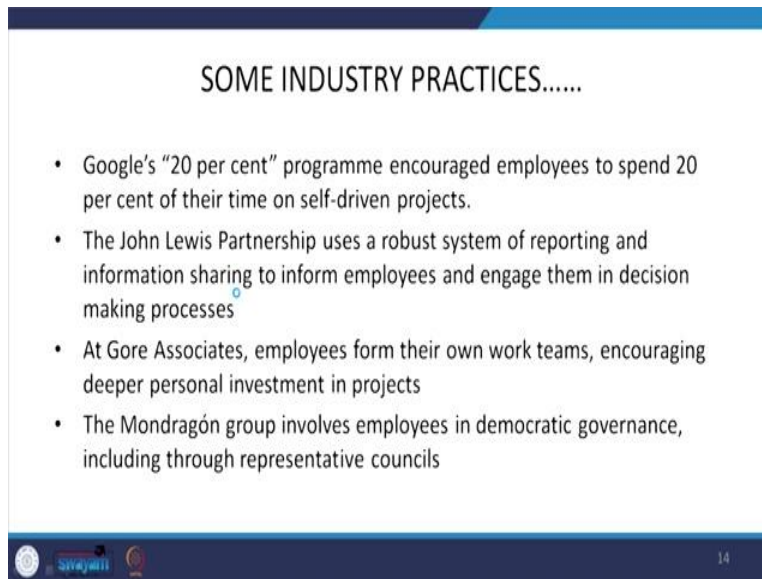


The slide is titled "SOME INDUSTRY PRACTICES....." and lists four bullet points. The first bullet point describes Google's "20 per cent" programme. The second bullet point describes the John Lewis Partnership's reporting and information sharing system. The third bullet point describes Gore Associates' work teams. The fourth bullet point describes the Mondragón group's democratic governance. The slide has a blue header and footer with logos and the number 14.

- Google's "20 per cent" programme encouraged employees to spend 20 per cent of their time on self-driven projects.
- The John Lewis Partnership uses a robust system of reporting and information sharing to inform employees and engage them in decision making processes
- At Gore Associates, employees form their own work teams, encouraging deeper personal investment in projects
- The Mondragón group involves employees in democratic governance, including through representative councils

Now, let us see certain some industry practices, Google's twenty percent programs encourage employees to spend twenty percent of their time on self driven projects, highly motivational practice. They ask employee to start their own projects, think about their own projects and when they think about their own projects, the twenty percent programs, that is those which are started by themselves, then there will be the twenty percent of their time twenty – twenty, concept of twenty- twenty and therefore, this twenty percent of their time will be on self driven projects will be there.

(Refer Slide Time: 22:25)



The slide is titled "SOME INDUSTRY PRACTICES....." and lists four bullet points. The first point is about Google's "20 per cent" programme. The second point is about the John Lewis Partnership's reporting and information sharing system. The third point is about Gore Associates' work teams. The fourth point is about the Mondragón group's democratic governance. The slide has a blue header and footer with logos and the number 14.

SOME INDUSTRY PRACTICES.....

- Google's "20 per cent" programme encouraged employees to spend 20 per cent of their time on self-driven projects.
- The John Lewis Partnership uses a robust system of reporting and information sharing to inform employees and engage them in decision making processes
- At Gore Associates, employees form their own work teams, encouraging deeper personal investment in projects
- The Mondragón group involves employees in democratic governance, including through representative councils

The John Lewis partnership uses a robust system of reporting and information sharing to inform employees and engage them in decision making processes. So, there will be a very highly robust system therefore, for example, for the reporting and information sharing, so, that the employees will be engaged them in more and more because they are having that ownership so, they will be involved into in decision making processes. At Gore associates employees from their own work teams encouraging the deeper personal investments in the projects and they are at the personal level because they are doing the projects at their own level and therefore, in that case what they are doing? They are encouraging the deeper personal investments in the projects so, they are taking the more and more participation in their projects.

The Mondragon group involves employees in democratic governance including through representative councils and therefore, they are becoming the participants, they are becoming that how to overcome the weaknesses and the problems of the organizations and becoming the part of the governance into the organization.

So, this is all about, we talk about the psychological ownership, psychological ownership, we can also connect with the more and more individualistic approach to the collectivist approach. If they are going for the more towards the from the individual approach to the collectivistic approach that will take them to have a more and more people together, it

will also lead and dynamic leadership in the case of the psychological ownership, that is, they will be able to perform in a very, very visionary way, they will talk about that is the how, that when I have these ownership, the new ideas, new creativity, new innovations, new product developments, new practices, and working together that type of collectivism or that type of the concept that will be developed into the this particular psychological ownerships.

So, finally, what I can say is, that is whenever we are talking about the psychological ownership, the psychological ownership is a positive emotion that will bring the high retention of the employee, high productivity, high initiatives, more creativity and a dynamic relationship at the workplace. This is all about the psychological ownership. Thank you.