



Psychological ownership in small family firms: Family and non-family employees' work attitudes and behaviours



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ABSTRACT

Family and non-family employees' sense of attachment towards the firm and their job can have a number of positive pro-organisational attitudinal and behavioural outcomes, which are essential for family firms' success. While research interest in psychological ownership (PO) in family firms has increased, further research is still needed in understanding its impact on family firms. To address this gap, we investigate whether organisational-based and job-based psychological ownership (PO) has an impact on extra-role behaviours and employees' level of work engagement in family businesses. Moreover we look at whether the status of the employees (family or non-family) moderates these relationships. Based on a sample of 101 employees from small Malaysian Chinese family firms, we find significant effects of organisation-based and job-based PO on extra-role behaviours and work engagement. Moreover we find that the effects of job-based PO on vigour and absorption to be moderated by family status. Our findings offer valuable insights into the family business and overseas Chinese family business literatures.

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1. Introduction

Small family firms have often been characterised as founder-centric and paternalistic, with power often delegated only to family members and where ingroup-outgroup perceptions of non-family employees persist (Barnett & Kellermanns, 2006; Kelly, Athanassiou, & Crittenden, 2000; Padgett & Morris, 2005; Schulze, Lubatkin, Dino, & Buchholtz, 2001). Such unique characteristics can lead both family and non-family employees to experience different patterns of emotions (Morris, Allen, Kuratko, & Brannon, 2010). Understanding differences in emotions among family and non-family employees is critical for family firms, as they have important outcomes for employee identity, attachment, commitment, perceived fairness, harmony and family orientation (Memili & Welsh, 2013). Moreover, prior research has recognised that emotions affect the cognitive and decision-making processes,

attitudes, and pro-organisational work behaviours of employees (Baron, 2008; Mittal & Ross, 1998; Morris et al., 2010; Sharma & Irving, 2005; Stanley, 2010; Vallejo, 2008).

Although research on emotions in family firms and the positive outcomes associated with it have been increasing in recent years (Sharma & Irving, 2005; Vallejo, 2009), the progress of research in the area is still regarded as limited and this offers opportunities to better understand the behavioural consequences of emotions in family firms. We address this gap empirically by examining psychological ownership among employees in family-owned businesses and its pro-organisational outcomes. Pierce, Kostova, and Dirks (2001, 2003) define psychological ownership (PO) as "the state where an individual feels as though the target of ownership or a piece of that target is 'theirs'." (p. 86). Feelings of ownership can exist towards one's organisation or towards one's particular job within an organisation (Bernhard & O'Driscoll, 2011; O'Driscoll, Pierce, & Coghlan, 2006). Ownership feelings can also exist in the absence of formal ownership (Etzioni, 1991; Furby, 1991; Mayhew, Ashkanasay, Bramble, & Gardner, 2007) and can be differentiated by employee status (e.g. whether one is a family member or not) (Bernhard & O'Driscoll, 2011; Rantanen and Jussila, 2011; Zhu, Chen, Li, & Zhou, 2013). High levels of ownership feelings towards the family business has been described as the agent by which family business owners and employees are bound

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to the firm (Bernhard & O'Driscoll, 2011; Pieper, 2010). Having a strong personal commitment to the family firm has been cited as one major advantage of family firms over nonfamily firms (Sharma & Irving, 2005; Vallejo, 2008). Previous research on PO shows that employees' feelings of ownership have a number of positive effects on their attitudes, work behaviour, and performance (Avey, Avolio, Crossley, & Luthans, 2009; Luthans & Peterson, 2002; Mayhew et al., 2007; Pierce, Van Dyne, & Cummings, 1992; Van Dyne, Cummings, & Parks, 1995; Van Dyne & Pierce, 2004).

Such behaviours are of particular relevance in the context of small family firms who often rely on both family and non-family employees alike to engage in the value-creating attitudes and behaviours essential ensuring long-term prosperity (Bernhard & O'Driscoll, 2011; Chua, Chrisman, & Sharma, 2003; Sieger, Bernhard, & 2011; Zhu et al., 2013). In response to Bernhard and O'Driscoll's (2011) call to examine PO in finer detail, we add on to the literature on how PO may vary across various targets. Drawing on social identity and stewardship theories, we argue that employee status (whether they are family or non-family) has an impact on the degree to which organisation-based and job-based PO affects two specific pro-organisational behaviours (work engagement and extra-role behaviours).

We test our hypotheses on a sample Malaysian Chinese family business firms. Our findings broaden our understanding of the PO literature, particularly in the family firm context, and how PO's impact on pro-organisational attitudes and behaviours are affected by whether the employee is a family member or not. Our article is structured as follows: firstly, we present the concept of psychological ownership and its presence in family firms. We then develop specific hypotheses related to our key research questions. This is followed by a description of our methodology, as well as a discussion of our findings. Finally, we offer our main conclusions and some limitations.

2. Theoretical foundations and hypotheses development

2.1. The nature of psychological ownership

It is widely recognised that a sense of ownership towards an object can be attitudinal or psychological; that is, a feeling of ownership can be present even without formal ownership (Etzioni, 1991; Pierce, Rubinfeld, & Morgan, 1991). Grounded upon the theory of possessiveness, PO makes one feel that the object of ownership is an extension of the self (Pierce et al., 1991), and it is this sense of possessiveness that differentiates PO from other related constructs such as organisational identification, organisational commitment, internalisation, job involvement, and job satisfaction (Pierce et al., 2001; Van Dyne & Pierce, 2004). PO is rooted on the human motives of effectance, control, and self-identity (Pierce et al., 2001, 2003). It has been suggested that there are three routes through which PO emerges in the organisational context—controlling the target, gaining intimate knowledge of the target and investing oneself into the target (Pierce et al., 2001; Pierce, O'Driscoll, & Coghlan, 2004). Employees are likely to experience higher levels of PO for a target (i.e. the organisation or the job) when they perceive themselves to be able to manipulate the target, when they get to know the target better and devote more effort towards the betterment of the target (Pierce et al., 2004; Pierce & Jussila, 2010). When individuals perceive ownership of the target, it becomes part of their self-identity and is felt as extension of the self (Belk, 1988; Ditmar, 1992).

Feelings of ownership can be further differentiated into organisation-based psychological ownership (OBPO) and job-based psychological ownership (JBPO) (Bernhard & O'Driscoll, 2011; Mayhew et al., 2007; O'Driscoll et al., 2006). According to Mayhew et al. (2007), OBPO which, reflects one's sense of

ownership towards the organisation, may be influenced by organisational culture and climate, attitudes of senior management, corporate goals and vision, and corporate policies and procedures, whereas JBPO reflects more of one's ownership feelings towards their current position in his/her present organisation and their existing job. Because psychological ownership reflects a relationship between the individual and the target of ownership (O'Driscoll et al., 2006; Pierce & Jussila, 2010), how PO may affect outcomes is influenced by what is the target of the ownership.

The concept of psychological ownership has been linked to a number of positive pro-organisational attitudes, such as affective commitment (e.g., Avey et al., 2009; Mayhew et al., 2007; Van Dyne & Pierce, 2004), job satisfaction (Avey et al., 2009; Pierce et al., 1992; Van Dyne & Pierce, 2004), organisation-based self-esteem (Van Dyne & Pierce, 2004), and more recently work engagement (Luthans & Peterson, 2002; Luthans, Norman, Avolio, & Avey, 2008; Shuck, 2011). PO has also been associated with a variety of pro-organisational discretionary work behaviours which promote the effective functioning of the organisation, including organisational citizenship behaviour (extra-role behaviour) and individual performance (in-role behaviour) (Van Dyne et al., 1995; Van Dyne & LePine, 1998).

2.2. Outcomes of psychological ownership in family business

Recently, family business scholars have begun highlighting the importance of psychological ownership and its consequences in the context of family firms. An earlier study by Ikavalko, Pihkala, and Jussila (2006) focused on PO among owners of family firms, while Rantanen and Jussila (2011) extended this further to the collective PO of family over business. Previous studies have also examined the positive consequences of PO on job satisfaction, affective commitment, and extra-role behaviours among non-family employees albeit with mixed results (Bernhard & O'Driscoll, 2011; Bernard & Sieger, 2009; Sieger et al., 2011). Research has yet to validate these relationships however, with respect to JBPO and among both family and non-family employees.

2.2.1. Extra-role behaviour

Van Dyne et al. (1995) define extra-role behaviour as a positive action that provide (or intends to provide) benefits to the organisation, but are discretionary and go beyond existing role expectations. Helping behaviour in an interdependent work structure (i.e. small family business) facilitates cooperation among employees and improve work performance. Voicing out behaviour is essential in promoting continuous improvement in the work environment (Van Dyne & LePine, 1998).

According to Van Dyne and LePine (1998) extra-role behaviour encompasses two dimensions: helping extra-role behaviour (HERB), which refers to "promotive behaviour that emphasizes small acts of consideration", and voice extra-role behaviour (VERB), which refers to "promotive behaviour that emphasises expression of constructive challenge intended to improve rather than merely criticise" (Van Dyne & LePine, 1998; p. 109). When individuals feel ownership for a social entity (i.e. groups or organisations), they are likely to engage in citizenship behaviours towards that entity (Pierce et al., 2003). In their study among students living in a university housing facility, Vandewalle, Van Dyne, and Kostova (1995) found a positive relationship between PO and extra-role behaviours. Higher levels of PO could lead to a greater sense of responsibility, which could ultimately result in discretionary actions that benefit the organisation (Van Dyne & Pierce, 2004).

Such extra-role behaviours and discretionary actions can be of special relevance in the context of small family firms (Barnett & Kellermanns, 2006; Sharma & Irving, 2005). Within small family

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