How Perceptions of One's Organization Can Affect Perceptions of the Self: Membership in a Stable Organization Can Sustain Individuals' Sense of Control

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Organizations have a strong stake in their employees' sense of self-efficacy; that is, in their subjective sense of self-control and their capacity to act effectively and achieve desired outcomes in their personal lives, as well as on the job. Studies show that a strong sense of self-efficacy contributes to a host of favorable psychological and behavioral outcomes, including the tendency to set stretch goals, work hard, persist on difficult tasks, experience less stress, and bounce back in the face of adversity. Relatively little, however, is known about the factors that foster perceptions of self-efficacy in the first place. There is some theory and research to suggest that participation in stable collectives may play a major role. Stable groups, for example, engender an aura of control and efficaciousness that their participants often internalize which, in turn, strengthens their sense of control. Conversely, the insecurity and doubt associated with unstable groups are likely to have the opposite effect. These relationships appear to be particularly robust among members who have strong affective ties with their groups. Interestingly, stable collectives also may play a role in restoring members' sense of self-efficacy when it is threatened, even when the challenges lie outside the collectives' domains. That is, when group members encounter situations over which they have little or no control, they tend to seek out stable social structures to help restore the balance which, in turn, enhances their identification with the group (and by extension serves to restore their sense of self-esteem). Notice that most of these suppositions rest on research conducted with small groups and teams. The central question of interest here is whether the same dynamic occurs in the context of work organizations.

The short answer is yes. Over the course of four studies – one survey and three quasi-experiments – involving 1,033 working adults in a wide variety of occupations and industries, the analysis clearly showed a strong positive relationship between organizational stability and employees' sense of self-efficacy. As expected, the relationship between organizational stability and perceived self-efficacy was particularly robust among employees who had the strongest affective ties to their organizations (see Figure 1 on page 2). Further, as shown in Figure 2 on page 3, even when faced with threats to their self-efficacy, employees in stable organizations were significantly more likely to maintain their solid affective ties to their organizations than were those in unstable organizations. Which, by extension, reinforces the overall conclusion that stable organizations are much better than unstable organizations at attaining and sustaining a strong sense of self-efficacy among their employees.
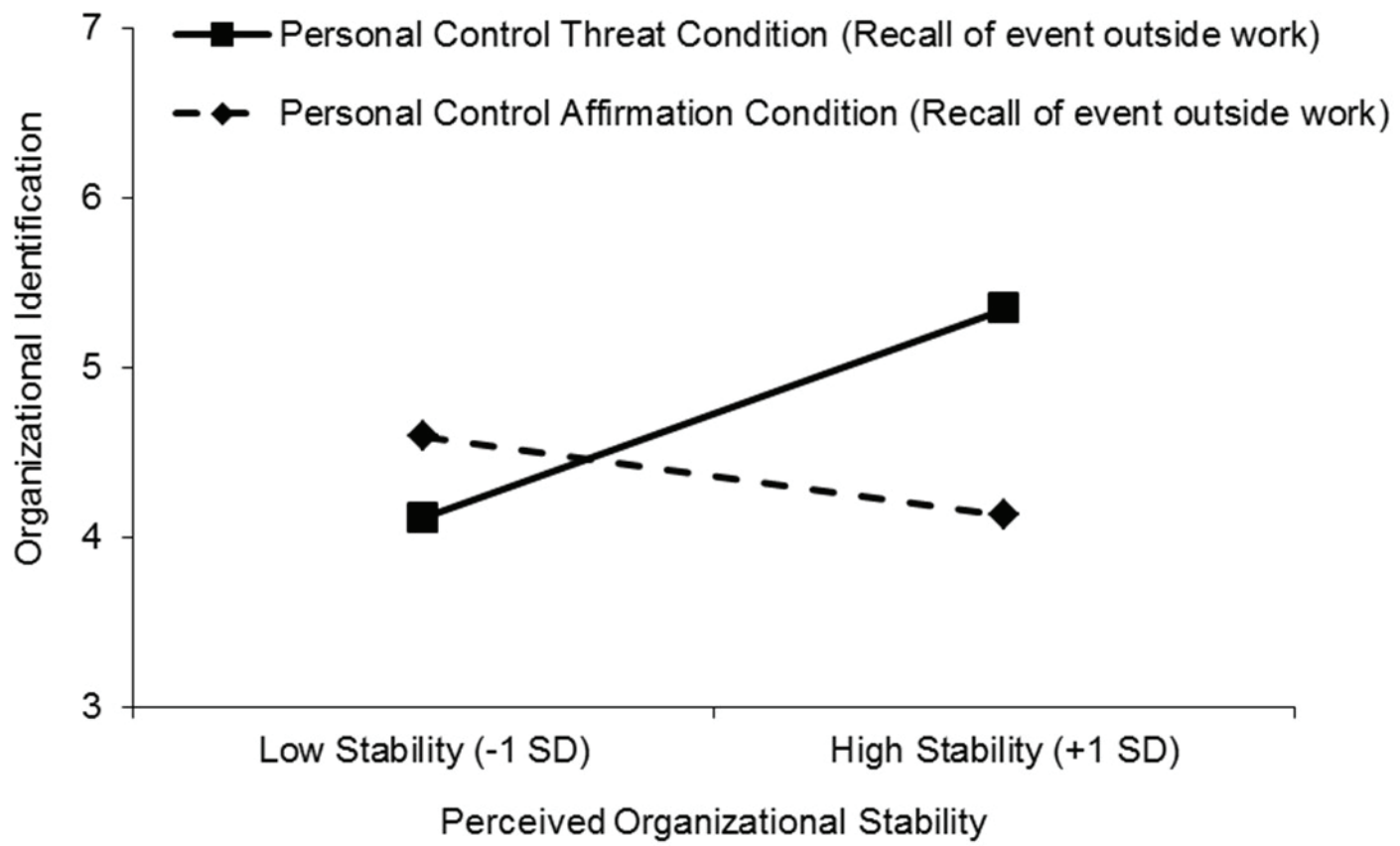
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Figure 1
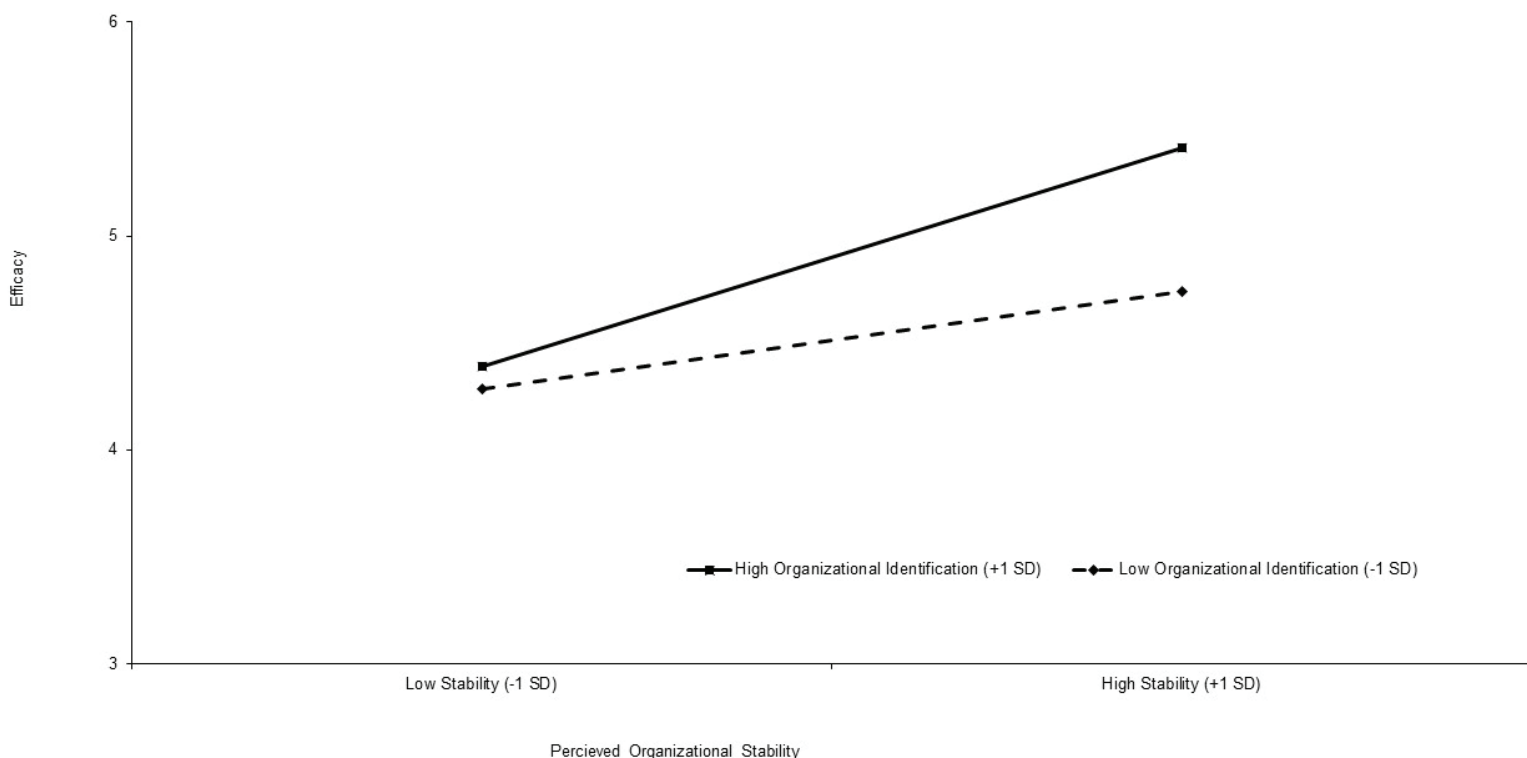
Alas, these are not stable times for most organizations. What are they to do? A full answer to this question remains for another time. The brief answer, though, lies in what academics and consultants call the agility-stability paradox (or as McKinsey puts it, "Agility: It rhymes with stability"). The basic idea is that agility in the marketplace requires not only organizational adaptability and flexibility, but also a core of stability – a well-defined vision, clearly articulated core values, reliable processes (especially for performance assessment and reward allocation), and the like – that employees can count on. A reliable core not only provides space for employees to innovate and maneuver but, as shown here, also likely serves to bind them more closely to their organizations while simultaneously providing them with a strengthened sense of personal control.

All studies are subject to limitations, In this case, the results emanate from a wide swath of employees absent any particular organizational context. It would be interesting to know, for example, whether the stronger influence on employee self-efficacy stems from the organization as a whole or from the work group(s) in which employees participate. And to know which of the actions dynamic organizations take to instill stability exert the strongest influence on the formation and sustainability of organizational attachment and employee self-efficacy. Herein lies an opportunity. CAHRS actively encourages those who are interested in these issues to get in touch with Professor Devon Proudfoot at the ILR School. She is well versed on this topic and always happy to provide useful advice, as well as to become involved in additional studies to provide answers to the many unanswered questions that remain.

Figure 2

Researchers: Devon Proudfoot, Assistant Professor of HR Studies, ILR School, Cornell University, coauthored this paper with Aaron C. Kay.

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