

CHAPTER V LOCUS OF CONTROL

5.1 INTRODUCTION

In this chapter locus of control as an important personality trait is defined and its effect in the work environment is discussed. Through the discussion it becomes clear that locus of control could have a significant effect on organizational behaviour.

5.2 INDIVIDUAL DIFFERENCES IMPACT ON ORGANIZATIONAL BEHAVIOUR

Individual differences evident in our work environment include race, age, gender, culture, social status, personality, abilities, learning capacities, skills, experience, qualifications, perceptions, attitudes, and attributions. Gibson *et al.* (2000:100) define attribution as the cognitive processes, particularly perception of the causes of behaviour and outcomes.

According to Luthans (1998:182-183) the attributions people make impact on work motivation, and these attributions are based on the perceptions of the actual internal and external forces on behaviour. Ivancevich and Matteson (1999:131) and Gibson *et al.* (2000:92) agree that these individual differences (including locus of control attributions) impact on the work environment, work behaviour, work satisfaction, work motivation, relationships, personal development, and performance outcomes.

5.3 A DEFINITION OF LOCUS OF CONTROL

According to Rotter (1966) locus of control refers to a stable personality trait that describes the extent to which people attribute the cause or control of events to themselves (internal orientation) or to external environmental factors such as fate or luck (external orientation). Locus of control describes the degree to which people believe they are masters of their own fate (Robbins, 1998:56); the extent to which a person feels able to affect his or her own life. Locus of control describes the degree to which individuals accept personal responsibility for what happens to them (Kren, 1992:992). Internal locus of control describes people who believe that what happens to them is determined by their abilities, efforts and their own actions (Spector, 1982:486). External locus of control describes people who believe that fate, luck or outside factors (out of their control) are responsible for what happens to them (Spector, 1982:486).

5.4 **LOCUS OF CONTROL AND ETHNICITY**

Riordan (1981:159) explains that the process of socialization involves both the acquisition of behaviour and the development of expectancies and values attached to the rewards and outcomes of individual performance. Theron (1992:91) argues that the most instances of pervasive social differentiation are along ethnic and/or racial lines. Riordan's research (1981) elicits proof of significant differences between ethnic groups in South Africa on locus of control. The Asians, the Coloureds, the Africans and the English-speaking Whites measured high on the external dimension of the locus of control, expected to be controlled by luck, fate and powerful others. The Afrikaans-speaking Whites measured high on internality. Theron (1992:91) explains that these differences may perhaps be ascribed to the political environment of the past, where the Afrikaans group upheld the political status quo. Riordan (1981:165) argues that socio-economic status also has a powerful influence of the locus of control, where the lower status groups have expectancies of external control.

5.5 **THE EFFECT OF LOCUS OF CONTROL IN THE WORK ENVIRONMENT**

From the discussion earlier it is evident that individual differences and specific personality attributes including locus of control have been found to be powerful predictors of behaviour in organizations. The conviction that one exerts personal control over one's life and events in the environment also has a direct and powerful bearing on organizations. According to Robbins (1998:56-57) internals are more satisfied with their jobs, have lower absenteeism rates, are less alienated from the work setting, and are more involved on their jobs than are externals. Internals believe that health is substantially under their own control through proper and responsible habits, and this is reflected by lower absenteeism (Robbins 1998:58). Spector (1982:485) explains that internals attempt to exert more control than externals in the work setting in specific areas, viz. work flow, task accomplishments, operating procedures, work assignments, relationships with superiors and subordinates, working conditions, goal-setting, work scheduling, and organizational policy. Theron (1992:93-94) argues that control should be perceived by internals to lead to desired outcomes and rewards. "If the appropriate performance-reward contingency(ies) is absent, the internal's inclination to control shouldn't differ from the external's". Theron (1992:93-94) point out that externals are more likely to be followers than leaders because they are more conforming and compliant than internals, and hence easier to supervise. Ivancevich and Matteson (1999:128-129) agree with Theron saying that internals usually do not require as much supervision as do externals, because they are more likely to believe their own work behaviour will influence outcomes such as performance, promotions, and pay. According to Ivancevich and Matteson

(1999:128-129) some research suggest locus of control is related to moral and ethical behaviour, with internals demonstrating more ethical behaviour than externals.

Locus of control has been widely researched in order to determine the effect within the working environment. The relationship between locus of control and different performance dimensions; locus of control and motivation; the effect of locus of control on performance incentives and participation; and the effect of locus of control and task difficulty on employees' attitudes are discussed next.

5.5.1 **THE RELATIONSHIP OF LOCUS OF CONTROL TO DIFFERENT PERFORMANCE DIMENSIONS**

According to Spector (1982), internals find direction themselves, while externals depend on outside factors such as their supervisor or organizational rules. Concerning the implications of locus of control for individual job performance, Spector (1982:486) predicts that when tasks or organizational demands require initiative and independence of action, the internal would be more suitable; when the requirement is for compliance, however, the external would be more appropriate. Robbins (1998:58) argues that internals generally perform better on their jobs, depending on the nature of the job. According to Robbins (1998:58) internals search more actively for relevant information before making a decision, are more motivated to achieve, and make a greater attempt to control their environment, where externals are more compliant and willing to follow directions. Therefore, internals should do well on complex tasks associated with managerial and professional jobs – that require initiative, complex information processing, learning, and independence of action. “In contrast, externals should do well on jobs that are well structured and routine and in which success depends heavily on complying with the direction of others” (Robbins, 1998:58).

5.5.2 **MOTIVATION AND LOCUS OF CONTROL**

Theron (1992:94-95) argues that “internals are more motivated to work than externals. Internals perceive themselves as exerting greater control over their work environment and organizational setting, exhibiting more task-orientated and goal-orientated behaviour, therefore displaying greater job motivation towards acquiring rewards”. Rewards have to follow performance otherwise internals may adopt a more external stance (Theron, 1992:95). Spector (1982:487) and O’Brien (1983:15) agree that internals are not only more motivated to work than externals, but also tend to attain higher occupational status than externals. Internals seek jobs that have a greater autonomy and status, which require more effort, and offer better

rewards (O'Brien, 1983:16). Motivation is related to the expectancy theory. This theory holds that effort will lead to good performance on the job and good job performance will lead to valued outcomes (O'Brien, 1983:29-30). Theron (1992:95) and Spector (1982:488) agree that internals with their strong sense of personal effectiveness and competence, believe that their own efforts will lead to good performance, and that performance will lead to valued outcomes or reinforcements. Externals view performance and its outcomes as contingent on factors beyond their control (Theron, 1992:95). Spector (1982:488-489) argues that internal's efforts-to-performance expectancy leads to greater job effort for monetary rewards and other incentive systems, while externals are insensitive to pay incentives. Spector (1982:490) gives reasons for the direct effect of locus of control on job satisfaction, viz. because internals are generally better performers than externals, their actions result in the expected rewards and reinforcements, therefore internals advance and get promoted more quickly, and are more successful in their careers than externals. Because internals perceive greater controllability of events in the work environment, and tend to take action more frequently than externals, they are more likely to quit a dissatisfying job/situation.

5.5.3 **THE EFFECT OF LOCUS OF CONTROL ON PERFORMANCE INCENTIVES AND PARTICIPATION**

According to Kren (1992:991-992) evidence suggests that objective job attributes and the organization's social environment determine employees' responses to job duties, shape their perceptions of work-related tasks, and affect individual effort and performance. A performance management system is needed to motivate employees to pursue organizational goals, and should be focused on the organizational strategy, specific goals, objectives, performance outputs and standards, as well as the organizational culture and subcultures. Employees should clearly see and understand their role in the organization, they should be valued for their diversity and potential, and as team members. Specific individual needs should be catered for in the work environment to make it a fulfilling experience to come to work and to pursue the organizational goals – the performance incentives should be flexible and applicable to diverse people and groups in the organization. A number of decisions must be made about the performance management system attributes. According to Kren (1992:991-992) two of the more important attributes include the use of economic incentives contingent on performance goals, and participation in setting those performance goals. The performance effects of performance-contingent incentives and participation would depend significantly on individual/group differences in the organization. Kren (1992:991-992) argues that matching individual needs and capabilities with task expectations and requirements lead to improved

performance. Kren (1992:991-992) explains that locus of control interact significantly with both participation and incentives. In addition, the interaction was found for different dimensions of performance. Incentives interacted with locus of control to affect effort but not performance, while participation and locus of control interacted in their effects on performance but not effort (Kren, 1992:1005). The substitute interaction relationship of locus of control with incentives indicated that the relationship of effort to incentives was significantly stronger for the internal group than the external group. Not only did the presence of incentives motivate greater effort from internals, but also when incentives were absent, the internal group's effort was less significant than the external group's effort (Kren, 1992:1006).

From the discussion it is evident that the motivation to exert effort in completing the task, was dependent on internal resources (locus of control orientation) and external resources (incentives compensation). The implication is that the benefits of expending organizational resources on performance incentives may not always be realized if personal orientation is external. Kren (1992:1007) suggests that for effective performance management, supervisory behaviour should be shaped by individual subordinate differences, and some organizational resources must be devoted to changing employees' personal orientation. Kren (1992:1006) notes that the interaction of locus of control with incentive significantly impacted only on effort but not on performance. This may be related to the process by which incentives impact on behaviour. According to the expectancy model of Vroom (1964), maximum effort will be directed toward the performance level that will result in the largest reward (path-goal). Therefore, if incentives primarily affect performance via the effort dimension, then, as shown by Kren, locus of control will moderate that relationship. Participation is effective regardless of locus of control orientation, although it is more effective with internally oriented subordinates (Kren, 1992:1007).

5.5.4 THE EFFECT OF LOCUS OF CONTROL AND TASK DIFFICULTY ON EMPLOYEES' ATTITUDES

Gul, Tshui and Mia (1994:971-972) argue that internals may have a more positive attitude because they believe in their own actions rather than in luck or fate, particularly when facing a difficult or stressful situation. External scorers, on the other hand, show less initiative and are inclined to adopt an indifferent or a less positive attitude facing a difficult situation, since they believe that whatever happens is beyond their control (Gul *et al.*, 1994:971-972). The authors agree that different task difficulty affected employees' attitudes more for externals than for internals. "When task difficulty was low, there was little difference between the two

groups, whereas when task difficulty was high, significant differences were found between internal and external-scoring employees with the externals showing a decline in attitudes when task difficulty was high” (Gul et al., 1994:976).

Management should attempt to identify perceptions of task difficulty and find ways of changing these perceptions by giving adequate skills training and coaching, or introduce new work methods/procedures to simplify tasks. If attempts to change perceptions of task difficulty are unsuccessful, then management should designate internals for these jobs (Gul et al., 1994:976).

5.5.5 **LOCUS OF CONTROL AND INCENTIVES IN SELF-MANAGING TEAMS**

In the research of Garson and Stanwyck (1997:247-257) employees working in self-managed teams were used to test the effect of locus of control and performance contingent incentives on productivity and job satisfaction. Expectancy theory predicts that internals would report more job satisfaction than externals (independent of incentive), and that having an incentive would lead to greater satisfaction for both internals and externals. The question is whether persons in self-managed groups respond similarly to those in individual jobs. Garson and Stanwyck (1997:255-257) argue that because internals prefer to work independently (being in control of the consequences of their own actions) they may not be very satisfied in group situations. Garson and Stanwyck (1997:256) found no significant differences in job satisfaction between teams of internals, whether or not they were given incentives. “A possible explanation is that internals’ satisfaction comes from within and is caused by challenging work rather than by an external incentive” (Garson and Stanwyck, 1997:256). It seems that externals are more satisfied and might perform better than internals in enriched job designs like self-managing teams. Knowledge of the LOC orientation, proper placement procedures, and suitable job assignments to cater for internals and externals may reduce costs usually attributed to absenteeism and turnover. It may also increase revenue as a result of higher productivity (Garson and Stanwyck, 1997:255-257).

5.6 **CONCLUSION**

This chapter discussed the relationship between locus of control and ethnicity and the effect of locus of control in the work environment. Externals are followers who tend to be more dissatisfied and less involved with their jobs. Internals are leaders and require less supervision. Concerning the implications of locus of control for individual job performance, it is predicted that when tasks or organizational demands require initiative, independence of

action and sophisticated tasks associated with managerial and professional jobs, internals would be more suitable. When the requirement is for compliance and routine work, however, externals would be more appropriate.

The relationship between locus of control and motivation was discussed. Internals tend to be more motivated to work, exhibit more task-orientated behaviour, goal-orientated behaviour and job effort with the appropriate rewards. Matching individual differences (needs and capabilities) with task expectations and requirements leads to improved performance. A performance management system is needed to motivate employees to pursue organizational goals, and should be focused on the organizational strategy, specific goals, objectives, performance outputs and standards, as well as the organizational culture and subcultures. Employees should clearly see and understand their role in the organization, they should be valued for their diversity and potential, and be valued as team members. Participation was found to be effective regardless of locus of control orientation, although it is more effective with internally oriented subordinates. Therefore, management style should differ depending on the subordinate's locus of control orientation. Because internals take action they tend to quit a dissatisfying job or situation much more readily than externals. For effective organizational control, some resources should be devoted to changing employees' personal orientation, depending on the specific organizational settings as discussed.

Managers should attempt to identify perceptions of task difficulty and find ways of changing these perceptions. If perceptions of task difficulty cannot be changed, it would be appropriate for management to designate internals for the job.

The effect of locus of control on individual job performance and job satisfaction might differ from job performance and job satisfaction in work groups like self-managing teams. It may also be useful to assess employee locus of control before placement in job designs like self-managing teams.

Locus of control, as an important individual personality trait, is one of many variables that have an effect on work-related needs and organizational behaviour. Management should understand that many variables including locus of control have an impact on employees' attitudes, participation, effort, motivation and performance.