

Internal Control And Organizational Success¹

Arnie Dahlke
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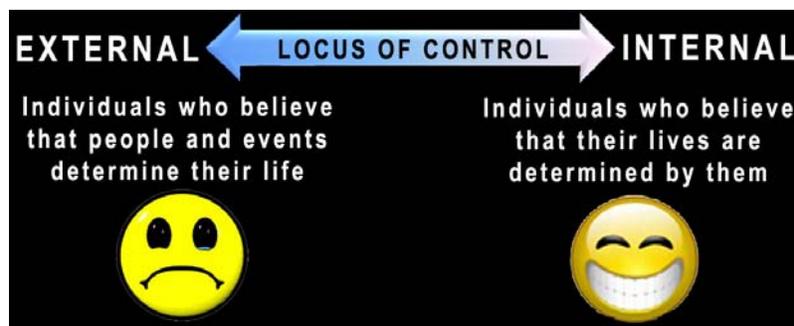


People are happiest when they feel they have some control over their lives. The more things happen to them that they cannot control, the more stressed and frustrated they feel. This is true both at home and in the workplace.

This notion of being in control is very familiar to social scientists. In particular, a concept called *locus of control* has been around for over a half-century. It refers to the degree to which people believe that their personal actions can influence their life outcomes.

More broadly stated, it refers to the belief that people have about whether the outcomes of their actions are contingent on events outside their personal control (*external* control) or whether their actions are a result of personal choices they make (*internal* control).

Locus of control is conceptualized as a continuum, ranging from *external* to *internal* locus of control:



People who perceive themselves as having internal control are usually more confident and more assertive. They see themselves as responsible for their successes. They take responsibility for their own failures.

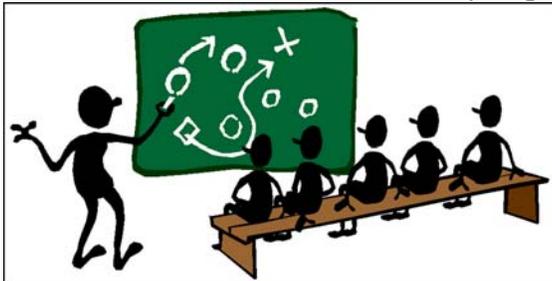
In the workplace, research has demonstrated that *internal* locus of control is positively related to higher morale and performance. Internally oriented individuals are more self-motivated and satisfied with their jobs. They experience greater psychological growth satisfaction from their jobs.

¹ From: <http://arniedahlke.com/timelytips.htm>

A person's locus of control at work is related to the organization's culture. Organizational culture refers to the collective way people do things in the organization, as determined by interpersonal norms, policies, and processes. It is strongly influenced by managerial behaviors. In other words, the behavior of managers has a great deal to do with an employee's locus of control.

Old style managers who manage from an authoritarian, hierarchically rule-bound stance are more likely to have employees who feel externally controlled at work. These managers believe that their job is to control, to organize, to plan, and to direct.

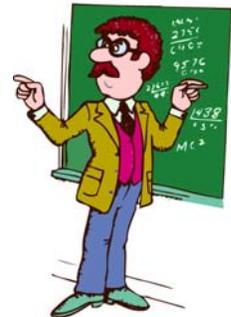
As I noted in an earlier Timely Tip (July 31, 2009), today's managers are taught a different focus. Rather than the *authoritarian* focus on carrying out orders from above and passing them on to those below in order to make things happen, new managers focus on *coaching* employees, guiding them, helping them become self-directed, self-controlled, and self-organized. Newer managers help employees become the very best they can be.



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The newer coaching manager is seen as a facilitator, a teacher, a counselor, a source of help and support. This approach reinforces an employee's feeling of ownership of his or her job—an *internal* locus of control.

When employees come to a coaching manager with a problem, the manager doesn't tell them how to solve it, but asks them things like "What do you think?" or "What would you do?" As a *coach*, the manager is a helpful mentor to his or her employees, guiding them in their work by helping them reach solutions to problems on their own.



Coaching managers promote a learning environment. This approach requires managers to allow people to make mistakes and not simply punish them when they do. Instead of seeing every mistake as a punishing opportunity, they see it as an opportunity for the employee to learn. In turn, this increases employee feelings of self-confidence and self-efficacy. The more employees feel self-confident about what they are doing, the more they will feel ownership of and take responsibility for their work. Again, the more they will experience an *internal* locus of control.

This ultimately drives people to perform at higher levels. They become more self-motivated and more self-directed. They end up being more innovative and more productive.

Feeling an *internal* locus of control, *they own what they do*.



The more employees *own* what they do, the more likely the organization will flourish.