The Relationship between Psychological Ownership and Subjective Happiness of the Employees: Mediating Role of Work Engagement

Kamran Khan¹, Mahvia Gul²

Abstract

The study investigates the relationship between psychological ownership with subjective happiness of the employees. The study also examines the mediating role of work engagement in order to explain the relationship between subjective happiness and psychological ownership at workplace. The purposive sampling techniques have been used with cross sectional design in order to collection data. Mediation analysis was conducted on SPSS by using sample of 271 employees from leading telecommunication companies working in Pakistan. The results showed that psychological ownership has significant positive association with subjective happiness of the employees. Further, work engagement significantly positively mediates this relationship. The present research contributes on the literature of psychological ownership and subjective happiness and provides possible solutions for maintaining positive atmosphere of psychological ownership that ultimately increase the subjective happiness of the employees.

Keywords: Employees, Psychological Ownership, Subjective Happiness, Work Engagement

Introduction

Ownership in organizations has mainly consisted of forms of decision making, recognition, and stock sharing. An employee works for both financial and non-financial benefits and also needs a role in decision making. Organizational base ownership included factors of decision making, leadership, profit sharing, and psychological ownership (Martin et al., 2017). Psychological ownership is possessions of position, values of investment, and participation in decision making (Javed, 2019). The atmosphere of ownership has directly or indirectly linked with the performance of individual employees as well as team-based performance that finally resulted in overall organizational performance. Organizational performance has associated with employee ownership (Smith & Bititci, 2017). Productivity, profitability, and employee attitudes have a relationship with employee ownership. Employee ownership provides a cooperative culture, high productivity employment stability, greater employment security, and financial strength. Employee psychological ownership increases commitment and willingness to work. Psychological ownership, flexibility, and participatory decision-making identification are combining factors for an organization survival (Maghraoui & Zidai, 2016).

An employee in the organization first thinks, later works. Feelings of attachment with the organization enhance performance and make the wellbeing environment (Passmore & Oades, 2016). Organizational ownership and employee attitude are interlinked. Most types of ownerships have positively affected the employee’s attitudes and as a result, productivity increased.
Workplace activities and employee attitudes have influenced by participatory
decision making. Job satisfaction, job
strain, and work engagement have directly
affected by psychological ownership and
information sharing (Yousef, 2017).

Literature Review
Subjective Happiness and Psychological
Ownership
Psychological ownership has
been distinguished from financial ownership and
it is defined as an individual state of
possessiveness feelings towards the
organization (Chai et al., 2020). It has
contained factors like self-identity, self-
efficacy, accountability, and sense of
belongingness. Psychological ownership is
promotion-focused, positively oriented,
and prevention-focused (Adil & Kamal,
2018). Prior research further described job
base psychological ownership as job
autonomy, job complexity, work
environment structure, emotional and
spiritual understanding of employees, and
decision-making opportunities (Dawkins et
al., 2017). Psychological ownership is
a sense of possessiveness that creates an
atmosphere of work of me, us, our and
mine, (Potdar, 2018). The study of Pierce et
al (2003) elaborated on the four
characteristics of psychological ownership
at the workplace which are associated with
mine and ours. The culture of
collectiveness has developed due to the
collaborative environment. Individuals feel
that organizational tasks are the extension
of themselves (Paundra et al., 2017).

Happiness of the employees defined as
continuous positive emotions like gratitude,
joy and consistent enjoyment of work.
Many researches describe the subjective
happiness of the employees as related to
cognitive satisfaction (Layous, 2019).
Subjective happiness of the employees has
importance and priorities for the
management. On the contrary, various
quantitative reviews provide evidence that
subjective happiness of the employees are
enhanced by sense of autonomy at
workplace and they contribute more in the
organization success (Paundra et al., 2017).
Subjective happiness of the employees is
positively correlated with level of
satisfaction and sense of organizational
occupation (Kim, 2019). Employee work,
wellbeing behaviors, and happiness have
associated with psychological ownership.
Research indicated three routes, firstly, it is
the intrinsic route (inner satisfaction of
employees to feel ownership) (Ockers &
Koekemoer, 2017). Secondly is the
instrumental route that described an
indirect relationship to participation in
decision making. Finally is the extrinsic
route that described a clear line in which the
employee receives the financial return of
his/her efforts in sense of psychological
ownership (Dassanayake, 2017).

Job base psychological ownership and
organizational base psychological
ownership are positively related. If job base
psychological ownership increases, it will
automatically raise the organizational base
psychological ownership (Hameed et al.,
2019). Feelings of ownership come in
employees through job design and
organization design. Job base authority,
structure, employee’s wellbeing have risen
by the sense of ownership. In the same way,
job satisfaction, organizational citizenship
behavior, turnover intention, and
participation in decision making create a
sense of psychological ownership
(Rahman., 2016). Subsequently, Kim and
Patel (2016) elaborated that employee
ownership activities not only statistically
improve the result of the company but also
significantly increase performance and
workforce productivity in the organization
(Bonsteel, 2012). Furthermore, Boguslaw
& Taghvai-Sorou (2018) discussed that
strengthening financial and human capital
is possible by implementing employee base
ownership policies. These psychological
ownership opportunities make an attractive
working environment and shape positively
capabilities of workers. Further succession
planning (financial sustainability),
relationship building (relation of workers
and supervisors good), and feedback/input
(effective communication) from the worker side are possible by developing employee psychological based ownership (Schrage et al., 2020). A multidimensional framework of psychological ownership was adapted from Olckers and Du Plessis (2017).

**The Psychological Ownership and Work Engagement**

Work engagement is a positive and fulfilling state of mind characterized by dedication, absorption, and vigor (Borst et al., 2019). Employees who have more psychologically connected with the organization devote more energy and engage with work. Psychological ownership has included the right to know, right to manage, and right to benefit that impact on organization-based self-esteem (organizational behavior and work engagement) (Lu et al., 2017). Psychological ownership directly affects the positive feelings and behavior of employees in the workplace. The psychological ownership has linked to the perception of employees to work engagement and overall organizational commitment. Every individual perceives the organization as mine, not yours by the sense of psychological ownership (Zhang et al., 2020). Psychological ownership has ominously positively related to workplace trust and negatively linked with turnover intent. Psychological ownership creates workplace trust (trust of inter employees and management) and reduces turnover (Chai et al., 2020). Employee’s attitudes and partnership activities are positively related. Workplace activities and employee attitudes are influenced by participatory decision making. Attitudes of employees toward job satisfaction, job strain, and organization commitment directly affected by employee ownership and information sharing (Elfering et al., 2017).

Accordingly, Warren (2003) explained different types of ownership models which have a positive effect on employee’s behavior and attitudes: first is an instrumental satisfaction model, in which employees increasingly participate in decision making. Secondly, the intrinsic satisfaction model in which employees feel inner satisfaction toward ownership and it makes them happy and increases their commitment. Thirdly is the extrinsic satisfaction model in which employees see rewards in respect of share ownership schemes (Kordzadeh & Warren, 2017). According to Gillespie and Dietz (2009), employee ownership has linked with intra organization and interpersonal trust. Adoption of partnership policies in workplace Deterrence-based trust, Calculus-based trust, Knowledge-based trust, Relational-based trust come into existence and these have an impact on employee performance, enhance the efficiency of work, make low transaction cost. Employee ownership and employee representation have implied linkage with efficiency and effectiveness of work and make employee voice better in the conduct of high performance and productivity (Kwon & Farndale, 2020). Management support and motives provide structure for employee representation that helps to increase the performance of the organization.

**The Mediating Role of Work Engagement**

Employee work performance (openness to change and knowledge-seeking behaviors) has been positively related to the psychological ownership by the mediating effect of work engagement (Chai et al., 2020). Loyalty, co-fairness, willing to work hard, anti-shirking behaviors are possible by adopting employee ownership policies. Employees feel ownership and seek to improve status with the presence of ownership opportunities. Employee ownership is accompanied by high-performance work policies (Tittenbrun, 2016). Motivation level increases and these attitudes revealed by expression loyalty to their employer, they attempt to impress supervisors because they have insider knowledge to the organization (Warrick, 2017). According to Dyne and Pierce
work engagement and organizational commitment have linked with psychological attitudes of employees (organizational commitment, organization-based self-esteem) and behavior of work (organizational citizenship, performance) have connected with a sense of psychological ownership (Liu et al., 2018). Perception of psychological ownership without biasness creates organizational citizenship behavior and increase work engagement. Employee ownership is not only tangible benefits, it also affects employee performance by mediating the role of job engagement. Employee voice has turned into more performance, they feel job security and quality of working life. Employee perception exists with having partnerships they feel better trust and cooperation with management (Torp & Nielsen, 2018). In the same way, other studies also explained that employee ownership enables companies to economic stability and build a democratic environment, on the other side; it enables employees for joint commitment and responsibility. Moreover, Wong and Perry (2011) interlinked relations among employee empowerment, work engagement, and organizational commitment. When an employee participates in decision making, both engagement and job satisfaction rise (Wambugu, 2019). Employees spent much time at workplace and want to live with feelings of joy. Happiness at work comes through providing social support (Gallagher & Vella-Brodrick, 2008). Job engagement has induced by stable psychological state. Employees who are mentally connected with the organization are more engaged and produce better performance, (Bakker et al, 2008).

The main objective of current research is to investigate the relationship between psychological ownership on subjective happiness of the employees while work engagement plays mediating role between both of variables. The present study hypothesized that:

1. Psychological ownership will have positive relation with subjective happiness.
2. Psychological ownerships will have significant positive relation with work engagement.
3. Work engagement will mediate the relationship between psychological ownerships and subjective happiness.

Method
Sample and Procedure
Employees working in telecom companies’ i.e. Telenor, Mobilink, Zong and Ufone located in various cities i.e Rawalpindi, Islamabad, Lahore, Jhelum, Chakwal, Peshawar and Attock were included in the study sample. The study used cross sectional research design. The purposive sampling technique was used in order to complete the survey. The sample size is calculated to use of .05 margin of error which represent 95% of chances (confidence interval) (Gravetter & Wallnau, 2013). Total number of employees in telecommunication companies operating in Pakistan is above 1 million so finally 350 employees were finalized to be selected for current study.

Data was collected through online link as well as distributing hard forms. Employees from respective organizations were approached after getting permission of regional heads and total number of 350 questionnaire were distributed through online link as well as providing hard copies at their workplace. First, online link of the questionnaire was sent on their official email addresses. Secondly, hard copies of the questionnaires were personally distributed in these organizations. Finally, 100 responses were collected from online survey and 171 from hard copies and 271 respondents were finalized for final data analysis.

JPAP, 2(1), 10-20
Measures

Psychological Ownership
Six items Scale developed by Dyne and Pierce’s (2004) on Psychological Ownership was used which had likert scale (including strongly agree to strongly disagree). The Cronbach Alpha reliability of the scale was .70.

Subjective Happiness Scale
Lyubomirsky & Lepper (1999) scale on subjective happiness of the employees has been used which was 7 items likert scale (from not a very happy person to very happy person). The Cronbach’s alpha reliability of the scale was .76.

Utrecht Work Engagement Scale
The 17 items scale developed by Schaufeli et al. (2002) was used to measure work engagement. The Cronbach’s alpha coefficient of the scale was .94.

Results

Table 1
Correlation among Psychological Ownership, Subjective Happiness, and Work Engagement (N=271)

<table>
<thead>
<tr>
<th>Variables</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>PO</td>
<td>30.31</td>
<td>7.51</td>
<td>-</td>
<td>.27**</td>
<td>.27**</td>
</tr>
<tr>
<td>HP</td>
<td>18.92</td>
<td>4.09</td>
<td>-</td>
<td>-</td>
<td>.47**</td>
</tr>
<tr>
<td>WE</td>
<td>88.61</td>
<td>11.90</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*p < .01**  
*Note. PO=Psychological ownership, HP= Subjective happiness, WE= Work engagement*

The Table 1 showed a significant positive correlation of psychological ownership with both subjective happiness and work engagement. Both subjective happiness and work engagement were also significantly positively correlated.

Table 2
The effect of psychological ownership on subjective happiness and work engagement in working employees (N=271)

<table>
<thead>
<tr>
<th>Variables</th>
<th>HP</th>
<th>WE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>β</td>
<td>SE</td>
</tr>
<tr>
<td>PO</td>
<td>.14</td>
<td>.037</td>
</tr>
</tbody>
</table>

***p<.01
*Note. PO=Psychological ownership, HP= Subjective happiness, WE= Work engagement*

Table 2 revealed that psychological ownership is positively significant predicting subjective happiness and work engagement in employees as determined by multiple linear regression model.
Table 3
The mediating role of work engagement between psychological ownership & subjective happiness in working employees (N=271)

<table>
<thead>
<tr>
<th>Predictors</th>
<th>B</th>
<th>SD</th>
<th>B</th>
<th>P</th>
<th>ΔR²</th>
<th>ΔF</th>
</tr>
</thead>
<tbody>
<tr>
<td>(constant)</td>
<td>3.18</td>
<td>1.96</td>
<td>.10</td>
<td>.07</td>
<td></td>
<td>15.64***</td>
</tr>
<tr>
<td>PO</td>
<td>.08</td>
<td>.03</td>
<td>.15</td>
<td>.02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WE</td>
<td>.15</td>
<td>.02</td>
<td>.43</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

***p < .000
Note. PO=Psychological ownership, HP= Subjective happiness, WE= Work engagement

The Table 3 revealed that psychological ownership was significantly positively predicting happiness (β=.08, p=.02) in employees. Results also revealed that work engagement was significant positively predicting (β=.15, p=.000) for happiness in employees.

Discussion
The purpose of the study was to highlight the relationship between psychological ownership and subjective happiness of the employees in the mediating role of work engagement. The result of the present research has shown that there is significant relation between psychological ownership and subjective happiness of the employees and work engagement plays mediating role between both variables. Given control, sense of autonomy and responsibility to the employees make them more happy and engaged at the workplace (Bakker et al., 2008). Psychological ownerships at the working place lead to employees retention and better performance, (Papa et al.,2018). Rothmann (2008) elaborated that autonomy creates responsibility that enable employees to stay in the organization with commitment. Work engagement has significant mediation relation between psychological ownerships and work outcomes (Kim & Beehr, 2018). Various literatures showed that employee’s performance and retention has been increased by sense of control and feelings of mine organization. Consequentially, there is positive correlation between work outcomes and psychological ownerships, which concluded that higher level of psychological ownerships resulted in more work outcome (Wang et al., 2019). The study of Bakker et al (2008) provide supporting results in the observation of psychological ownerships and its impact on work performance. In the environment of psychological ownership, employees have affective motivational state, hold work tasks strongly and satisfied. The present study has also shown the statistically significant result between psychological ownerships and subjective happiness of the employees. The individuals have many experiences in the organizations like challenging job and growth which are possible in case of the said employee’s happiness and his/her being engaged with the organization (Joo & Lee, 2017). To summarize the whole discussion, the present study has provided the empirical proof and theoretical evidence in the relationships of subjective happiness of the employees, psychological ownerships and work engagement.
Limitations
The study is limited in its scope and application as only employees working in telecom companies were sampled. We could only sample 271 employees instead of 350. Other relevant variables may be added to the study to study the impact of psychological ownership on employees’ overall performance and commitment to their work and organization.

Conflict of Interest
The authors declared no conflict of interest.

Source of Funding
The authors stated no source of funding.

Conclusion
The study concluded that it was practically possible to increase the work outcomes by providing sense of autonomy to employees. If the employees develop the thinking of ownerships in the current organization, then they value the organization and complete the work task happily. They add more contribution in order to fulfill organizational goals. Organizations need to set work environment human friendly and understand these psychological constructs.

References
Psychological Ownership & Subjective Happiness

Khan & Gul


Olckers, C., & Koekemoer, E. (2017). Linking psychological ownership with subjective career success and positive work-related outcomes. In Theoretical Orientations and Practical Applications of Psychological Ownership (pp. 3–20). https://doi.org/10.1007/978-3-319-70247-6_1


Psychological Ownership & Subjective Happiness

Khan & Gul


