PERCEIVED CAUSES AND CONSEQUENCES OF PROPERTY RIGHTS TO JOBS

E. Kevin Kelloway
University of Guelph

Julian Barling
Anthony E. Carroll
Queen's University

ABSTRACT: We report two studies of property rights to jobs. Perceptions of having or not having a property right were manipulated in a vignette in the first study. Having a property right was viewed as being associated with increased commitment, organizational citizenship behaviors, willingness to sue for wrongful dismissal and decreased absenteeism and turnover in a sample of 202 undergraduates. In a second, self-report study property rights were associated with increased organizational commitment, increased perceptions of control at work, and organizational tenure in a sample of 95 clerical employees.

While largely ignored in the behavioral science literature, perceived property rights to jobs have gained increasing importance for organizations and labor unions. Union contracts commonly enshrine a property right based on seniority (Barling, Fullagar, & Kelloway, 1992) whereby individuals gain both increased job security and access to promotion opportunities with increased organizational tenure; i.e., competitive seniority benefits (Gordon & Johnson, 1984). Even in non-unionized firms, the potential for wrongful dismissal lawsuits arises when employees' perceptions of an entitlement to their jobs are violated. Thus, a property right to a job reflects a sense of entitlement to, and control over, one's job (Gordon & Lee, 1990). The focus of our research is to provide an initial empirical evaluation of the hypothesized correlates of perceived property rights to jobs.

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Address correspondence to E. Kevin Kelloway, Psychology Department, University of Guelph, Guelph, Ontario, Canada, N1G 2W1.
Although there is relatively little empirical evidence (Gordon & Lee, 1990), the available anecdotal evidence suggests that perceived property rights might be associated with a wide array of outcomes including higher organizational commitment, higher job performance, increased willingness to train new workers, greater trust in management, lower absenteeism rates and higher employee involvement and job satisfaction (Gordon & Lee, 1990). In general these suggestions are consistent with the notion of a "psychological contract" (Schein, 1980) between an employee and the organization. The individual gives more to the organization and, in return, expects the organization to vest a property right in the individual. The first goal of our research was to explore the correlates of property rights to jobs in a vignette study that maximizes internal validity. Second, to assess the external validity of the construct, we develop a measure of perceived property rights to jobs and examine its correlates among a sample of actual employees.

STUDY 1

Based on their theoretical review, Gordon and Lee (1990) suggest that property rights to jobs will be associated with a variety of personal and organizational correlates. For example, they suggest that individuals with a perceived property right will evidence higher organizational commitment, job performance, willingness to train other employees, trust in management, job involvement, and job satisfaction. Conversely, individuals believing that they hold a property right to their job would display lower absenteeism (Gordon & Lee, 1990).

In the current study, we operationalize six potential correlates of perceived property rights. First, we predict a relationship between perceived property rights and willingness to sue for wrongful dismissal with the specific prediction that having a property right would result in increased willingness to take legal action upon dismissal. Second, we suggest that one of the perceived benefits of organizational membership is a property right to a job and that increased organizational commitment would be associated with the perception of having such a right. Third, since property rights to jobs are include a high level of control over the job (Gordon & Lee, 1990), we suggest that having a property right would be associated with a sense of job security. Fourth, organizational citizenship is defined as individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and promotes the effective functioning of the organization (Organ, 1990). We assessed whether property rights are associated with increased willingness to engage in organizational citizenship behaviors. Finally, absence
behaviors and intent to turnover are suggested to be related to property rights (Gordon & Lee, 1990).

METHOD

Subjects

Undergraduate business ($N = 155$) and arts ($N = 49$) students participated in the study. The mean age of the sample was 20.37 years ($S.D. = 4.59$) and 125 of the participants were female.

Materials and Procedure

All respondents read one of the two versions (property right vs. no property right) of a vignette describing a youth worker at the Children's Aid Society (vignette is available from the first author). After reading the vignette, respondents were asked to rate the extent to which the individual described would be likely to manifest a series of attitudes and behaviors.

Job insecurity was assessed with two items (i.e., “To what extent would Peter be experiencing a sense of job insecurity” and “To what extent would Peter be feeling stress attributable to the impending layoffs”; $r = .52$) as was willingness to sue for wrongful dismissal (i.e., “To what extent would Peter be likely to contest a decision to lay him off” and “To what extent would Peter be angry at management for considering layoffs”; $r = .57$). Affective commitment was measured by four items taken from Allen and Meyer's (1988) scale (alpha = .81). Based on a hypothesized outcomes of property rights to jobs (Gordon & Lee, 1990), we created a four-item index of organizational citizenship behaviors (e.g., help train a new worker, help other workers with their duties, willing to put in extra effort to help out, willing to plan recreational activities on his own time; alpha = .82). Respondents also rated the vignette character’s likelihood of absenteeism (four items, alpha = .89) and intent to turnover (four items, alpha = .81).

RESULTS

Given the correlations between the outcome measures, we conducted a multivariate analysis of variance that indicated a significant multivariate effect of perceived property rights ($F(6, 181) = 26.55, p < .001$). A series of univariate analyses of variance were undertaken to isolate the effect of perceived property rights. Individuals possessing a strong property right were seen as being significantly more likely to sue
for wrongful dismissal \( (M = 14.72, S.D. = 3.40) \) than were individuals without such a right \( (M = 8.80, S.D. = 4.08; F(1, 186) = 113.53, p < .01) \). Individuals with a property right were rated as being more committed to the organization \( (M = 29.58, S.D. = 5.13) \) than those without a property right \( (M = 23.67, S.D. = 7.70; F(1, 186) = 41.94, p < .01) \). A property right was also associated with a greater likelihood of engaging in organizational citizenship behaviors (Property Right: \( M = 27.04, S.D. = 6.42 \); No Right: \( M = 24.60, S.D. = 7.71; F(1, 186) = 6.06, p < .02 \)). Finally, individuals with a property right were seen as less likely to leave the organization \( (M = 19.44, S.D. = 7.36) \) than those without a property right \( (M = 22.63, S.D. = 7.07; F(1, 186) = 8.67, p < .01) \). Neither absenteeism nor job insecurity were significantly associated with a property right \( (p > .05) \).

**DISCUSSION**

The results of this first study offer general support for our hypotheses. To the extent that these findings generalize from laboratory to field settings, they offer initial support for the centrality of property rights in understanding organizational behavior. Although promising, our findings are potentially limited by the use of a vignette procedure and an undergraduate sample. While the vignette methodology increases internal validity, external validity (i.e., the extent to which our findings generalize to samples of currently employed workers) remains to be assessed. This was the goal of the second study.

**STUDY 2**

The examination of property rights in a field setting requires the development of measurement procedures that adequately reflect the construct. The initial goal of our second study was the development of such a measure. The main purpose of the second study was to test the relationships identified in study one in a more naturalistic setting.

We also extend our analysis by examining the hypothetical predictors of property rights identified by Gordon and Lee (1990) based on their model of individual investment in the organization. In essence, they suggest that the more an individual invests in the organization, by foregoing other employment opportunities (thereby accumulating seniority), increasing job-related education, and taking responsibility for the work, the greater that individual's sense of entitlement to the job.
METHOD

Subjects

Participants in the current research were clerical employees \((N = 91; 80\% \text{ female})\) of two universities in Nova Scotia \((N = 64)\) and an airline \((N = 27)\). The average age of the sample was 32.81 years \((S.D. = 8.78)\). Employees had an average of 4.95 years \((S.D. = 4.04)\) organizational tenure and had completed an average of 13.14 years of formal education \((SD = 1.51)\). Only seven of the respondents had supervisory responsibilities.

Measures

Property Rights. Respondents completed 15 items written to represent Gordon and Lee's (1990) definition of property rights to jobs. Responses to the 15 property rights items were subjected to an exploratory principal components analysis and rotated to a varimax solution. After eliminating items that did not clearly load on any factor and those items that formed one-item factors, a two component solution (9 items) was retained for further analysis. The varimax rotated solution for these items is presented in Table 1.

The first component was defined by items reflecting a sense of ownership of the job (e.g., "I believe that my current job belongs to me." and "I feel a strong sense of ownership of my job") and was labelled Job Ownership (5 items, alpha = .77). The second component was defined by items referring to a right to continued employment (e.g., "The decision to leave this job should be mine and mine alone" and "My employer does

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<th>Item</th>
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<tr>
<td>1.</td>
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<tr>
<td>3.</td>
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<td>9.</td>
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not have the right to take away any part of my job") and was labelled Perceived Right to Continued Employment (4 items, alpha = .76). Individual scores on each dimension were constructed with unweighted summation and scores on the scales were minimally correlated (r = .19, p < .05).

Organizational Attitudes. Respondents also completed the measures of affective (8 items, alpha = .82) and continuance (8 items, alpha = .73) commitment developed by Allen and Meyer (1988). The job importance (10 items, alpha = .91) and control at work (3 items, alpha = .73) subscales of Ashford et al.'s (1990) job insecurity scales were also completed. Respondents completed a two-item measure of their likelihood of suing their employer for wrongful dismissal (i.e., "If I was fired without just cause I would sue my current employer." and "I would be very upset if a more senior, or more qualified person was assigned to do some or all of my job.", r = .27).

Demographic information provided by respondents included age, education, organizational tenure, and supervisory responsibilities.

RESULTS

A sense of ownership of the job was positively associated with affective commitment to the organization (r (87) = .34, p < .01) and perceived control at work (r (87) = .27, p < .01). The perceived right to continued employment was negatively associated with both affective commitment (r (87) = -.20, p < .01) and perceived control at work (r (87) = -.19, p < .01) and positively associated with both organizational tenure (r (87) = .35, p < .01) and continuance commitment to the organization (r (87) = .29, p < .01).

To refine these relationships we conducted a series of multiple regressions, the results of which are presented in Table 2. First, we regressed the willingness to sue for wrongful dismissal against both of the property rights subscales. The perceived right to continued employment was moderately associated with the criterion (β = .22, p < .05) while perceived ownership of the job was not.

Next we considered the unique contribution of all predictors to the prediction of property rights to jobs. The results of these analyses support, and refine, the results of the bivariate correlation analyses. Thus, only affective commitment emerged as a significant predictor of perceived ownership (β = .29, p < .01). Organizational tenure (β = .32, p < .05) and age (β = -.23, p < .05) both made a unique contribution to the prediction of the right to continued employment.
Table 2
Standardized Regression Weights for the Prediction of Willingness to Sue,
Ownership, and Right to Continued Employment

<table>
<thead>
<tr>
<th>Variable</th>
<th>Willingness to Sue</th>
<th>Sense of Ownership</th>
<th>Right to Continued Employment</th>
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<tbody>
<tr>
<td>1. Sense of Ownership</td>
<td>.22*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Right to Continued Employment</td>
<td>.07</td>
<td></td>
<td></td>
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<tr>
<td>3. Affective Commitment</td>
<td></td>
<td>.29*</td>
<td>-.11</td>
</tr>
<tr>
<td>4. Continuance Commitment</td>
<td>-.03</td>
<td>.14</td>
<td></td>
</tr>
<tr>
<td>5. Control at Work</td>
<td>.10</td>
<td>-.17</td>
<td></td>
</tr>
<tr>
<td>6. Importance of Job</td>
<td>-.01</td>
<td>-.04</td>
<td></td>
</tr>
<tr>
<td>7. Org. Tenure</td>
<td>.17</td>
<td></td>
<td>.32**</td>
</tr>
<tr>
<td>8. Age</td>
<td>-.20</td>
<td>-.28*</td>
<td></td>
</tr>
<tr>
<td>9. Sex</td>
<td>.07</td>
<td>-.09</td>
<td></td>
</tr>
<tr>
<td>10. Education</td>
<td>-.16</td>
<td>-.09</td>
<td></td>
</tr>
<tr>
<td>R-Square</td>
<td>.06*</td>
<td>.18*</td>
<td>.22**</td>
</tr>
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*p < .05; **p < .01.

DISCUSSION

The results of this study support the conceptual definition of property rights advanced by Gordon and Lee (1990) and the results of study one. Exploratory factor analysis resulted in the identification of two components defining property rights to jobs; a sense of ownership of the job and the right to continued employment. Exploratory correlational and regression analyses support the distinctiveness of the two components. First, the two scales were only moderately correlated with each other (r = .19). More importantly, differential patterns of correlations were noted between the property rights scales and other criteria.

Gordon and Lee (1990) identified three predictors of property rights to jobs; tenure, job related education, and discretionary control at work. Our results partially support these hypotheses. The perceived right to continued employment was significantly associated with organizational tenure and decreased control at work. A sense of ownership of the job was also associated with control at work. Neither scale was significantly associated with employee education. It is worth noting that Gordon and Lee (1990) identified job-relevant education as a predictor of property rights. In our study, we consider the number of years of total education. Thus, the influence of job specific training or education on the development of property rights remains open to question.

As in our first study, property rights to jobs were significantly associated with organizational commitment. Using more precise definitions
of both property rights and commitment in the current study offered considerable refinement to this association. Thus, the perceived right to continued employment was negatively associated with affective commitment to the organization and positively associated with continuance commitment. These findings support the proposition that individuals develop the perception that the organization "owes them" a job based on their investment in the organization (i.e., through foregoing other job opportunities). In contrast, affective commitment to the organization was positively associated with a sense of ownership of the job.

As in our first study, property rights were associated with the willingness to sue an employer for wrongful dismissal. Given the pattern of correlations noted above, it is important to note that only one dimension of property rights, the right to continued employment, was associated with the willingness to sue for wrongful dismissal. A sense of job ownership had no such negative organizational consequences.

GENERAL DISCUSSION

When taken together, the results of our two studies offer considerable support for the Gordon and Lee's (1990) interpretation of property rights. In study one, having a property right was associated with the likelihood of expressing increased commitment, engaging in organizational citizenship behaviors, an increased likelihood of taking legal action for wrongful dismissal, and a decreased likelihood of voluntarily leaving the organization. In study two, we developed a scale reflecting two primary dimensions of property rights to jobs; a sense of ownership of the job and the right to continued employment. The two dimensions were only modestly correlated and were differentially related to external criteria. Thus, a sense of ownership was positively associated with affective commitment. The right to continued employment was positively associated with both organizational tenure and continuance commitment to the organization. Finally, the perceived right to continued employment, but not a sense of ownership, was associated with employees' willingness to sue for wrongful dismissal. Given the lack of empirical research on property rights, our research offers both support to Gordon and Lee's (1990) conclusions and a foundation for future empirical research.

There is an extensive empirical and theoretical literature focusing on the loyalty or attachment offered by an individual to the organization (e.g., Allen & Meyer, 1988; Mowday, Porter, & Steers, 1987). There has been much less attention given to what employees expect as a result of their commitment to the organization. Yet, the prevalence of wrongful dismissal actions (Gordon & Lee, 1990), the focus of labor unions on job
security provisions (Barling et al., 1992), and layoff research incorporating a justice perspective (Brockner, Grover, & Blonder, 1988) all suggest that such expectations are an important influence on organizational behavior. As Gordon and Lee (1990) point out, a property right is essentially a reward expectation that is predicated on the exchange between the organization and the individual. The results of our research support this interpretation of property rights to jobs and further suggest that organizations may benefit directly from a focus on such rights.

More explicitly, our results suggest the need to reconsider the psychological contract (Schein, 1980) that exists between employees and organizations. While most of the empirical literature has focused on the commitment of individuals to organizations, it is generally recognized that organizations also make a commitment to individuals. Our examination of property rights suggests that employees expect organizations to vest property rights to jobs in individuals in exchange for their commitment to the organization. When organizations refuse to do so, employees are willing to take legal action to assert their rights. Our study suggests that it is time for behavioral scientists to pay closer attention to the development and consequences of such property rights to jobs particularly at a time when downsizings are continuing unabated and organizations are moving toward shorter terms of employment.

REFERENCES