“Investigating happiness at work along the organizational life cycle: Moderating role of locus of control”

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INVESTIGATING HAPPINESS AT WORK ALONG THE ORGANIZATIONAL LIFE CYCLE: MODERATING ROLE OF LOCUS OF CONTROL

Abstract

This study used business units in different stages of the organizational lifecycle (OLC) and tested employee job satisfaction, affective organizational commitment, and work engagement to understand the relationship between OLC and happiness at work. Furthermore, this study investigated Person-Organization (P-O) fit by testing for a locus of control (LOC) as a moderator to this relationship. Based on the significance of LOC for accountants, online surveys were launched in an accounting firm across twelve locations in South Africa. For the first survey, 32 partners (91%) positioned their business units onto specific stages of the OLC. In the second survey, employees (62%) completed self-evaluations of their level of job satisfaction, affective organizational commitment, work engagement, and their LOC. Spearman's rank-order correlations revealed the range of ρ of –1.22 at a 10% significance to –1.67 at a 5% significance, concluding earlier stages of OLC to support greater levels of happiness at work.

Additionally, hierarchal regression found R-squared changes of 2% to 4%, confirming LOC as a moderator. Simulation tests found the strongest correlations with early stages of OLC for externals (range of ρ of –0.374 to –0.352 at 5% significance), moderate for internals (range of ρ of –2.12 at 10% significance to insignificant), and no relationship for those with a balanced expectancy (all insignificant). Contrary to dominant voices in the literature that support internality as a superior expectancy, this study concludes that those with a balanced LOC are more resilient to organizational factors for their happiness at work.

Keywords accounting firm, core self-evaluation personality trait, employee, person-organization fit, South Africa

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INTRODUCTION

Given the link between happy employees and positive outcomes for organizations as well as facets of employee well-being (Zelenski et al., 2008), this study has focused on identifying organizational characteristics that optimize employee happiness at work. However, a significant degree of variation can exist between individual preferences of organizational characteristics and thresholds for tolerating organizational characteristics that are disliked. Instead of claiming universality of 'best' organizational characteristics, a nuanced and personalized match can be sought between personal preferences and organizational characteristics known as the Person-Organization (P-O) fit (Farooqui & Nagendra, 2014). However, P-O research has long been criticized for exclusively addressing organizational characteristics (Lofquist & Dawis, 1969) since such characteristics do not exist independently in an organization. Addressing this long-standing criticism, more recent studies have attempted to test a collection of organizational characteristics, where despite taking a holistic view, the selection criterion

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is criticized (Mosca et al., 2021). Therefore, this study aimed to provide empirical evidence for P-O fit by avoiding a nuanced study or selecting organizational characteristics to test naturally existing characteristics of organizations that co-exist in organizations depending on their development along the organizational life cycle (OLC).

It is known that the OLC models greatly emphasize the need for a change in the extent and nature of control as an organization progresses along the stages of development. Thus, this study chose the employees' locus of control (LOC) (Rotter, 1966) out of a host of personality traits such as the big five personality traits (openness, conscientiousness, extraversion, agreeableness, and neuroticism) or the big four core-self-evaluation traits (self-esteem, generalized self-efficacy, locus of control (LOC), and neuroticism). LOC provides a long-studied and theorized core self-evaluation personality trait with valid measurements (Boone et al., 2005). To test P-O fit based on LOC of the employees and organizational characteristics that are typically associated with any stage of development of the OLC, employees' happiness at work was used as indicative of an optimal P-O fit.

1. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Research increasingly recognizes shortcomings of idealizing generic characteristics of the 'best' jobs or organizations. Instead, an alternative perspective aims to match employees' preferences and personality attributes to organizational factors that are best suited to yield benefits to the organization and the employee. "The importance of this approach… is that it focuses attention on the *relationship* between a person and a situation, rather than either one or the other in isolation" (Maslach & Goldberg, 1998, p. 72). This has led to increased interest around the concept of person-environment (P-E) fit. By doing so, not only does the perspective embrace both environmental and personal drivers, expecting benefits to the employee as well as the organization to emerge from an alignment of personal preferences and thresholds with those experienced in the environment, it also acknowledges the extent of variation in individual preferences.

P-E fit is founded on the fundamentals of individual preferences for varied organizational and job attributes. Research has distinguished between different types of P-E fit, such as an individuals' compatibility with their vocation (P-V fit), organization (P-O fit), job (P-J fit), and coworkers/group (P-G fit) (Lauver & Kristof-Brown, 2001). "Although these different types of fit have been distinguished at the conceptual level, there is little existing empirical evidence to indicate their distinctiveness to employees" (Lauver & Kristof-Brown, 2001, p. 59). This study aimed to contribute to the literature by providing empirical evidence of P-O fit. However, viewing the scholars' criticism for 'picking and choosing' organizational characteristics for their studies, claiming that exclusive organizational characteristics do not exist in real life, and a combination of some organizational factors may be solely theoretical due to their impracticality in achieving simultaneously, this paper aimed to enhance the practical use of a P-O fit study using organizational characteristics typical of organizations as they are born, grow, evolve, and die, to appreciate the naturally occurring organizational characteristics that co-exist. As such, the study leveraged the theory and models of the OLC.

Studies of organizational development investigate organizational changes as they are formed and grow. They conclude that organizations follow a typical path of development that is theorized as the OLC and is represented by OLC models. There is a consensus that organizations follow the familiar life cycle of an organism, from birth to death, with stages of development along with it. However, models developed over the years have lacked consensus regarding the specific number of stages. For example, Adizes (1979), who conceptualized the OLC, described ten stages. Quinn and Cameron (1983) analyzed nine models to typify the stages, and Lester et al. (2003) described five stages of the OLC: existence, survival, success, renewal, and decline. Despite this lack of consensus regarding the number of stages, there is an agreement on the

prevalence of similar organizational characteristics at different stages of development (Junior et al., 2021). These include leadership style, management hierarchy, employee autonomy levels, the sophistication of the human resources department, and strategic specificities such as a sales focus or cost controls, to name a few.

To successfully allow an organization to develop and grow, the OLC models agree regarding the benefits of different employee characteristics at different positions on the OLC, which emphasizes an optimal fit of the qualities of personnel at each stage of development. Even in early development of the model, the need for an alternative personality type at the entrepreneurial stage compared to that at bureaucratization was emphasized. "The company does not need someone like the founder. It needs an administrator who is a totally different animal…" (Adizes & Naiman, 1988, p. 49). Although OLC models, since their conception, have talked of the qualities of the employees (Junior et al., 2021), literature to date has still not empirically tested any specific personality traits that are optimally suited at different stages of development.

The models frequently refer to varied control requirements at each stage. For example, for the entrepreneurial stages of existence and survival: "decision making and ownership are in the hands of one or a few" (Lester et al., 2003, p. 5). On the other hand, the latter stages of the OLC, such as the third stage of maturity, as an environment require: "formalization and control through bureaucracy is the norm" (Lester et al., 2003, p. 6). As such, in respect of control, as an organization grows, it moves away from being controlled directly by the entrepreneurs to collaborative and process control measures. Consequently, there is a need to change the degree of personal control exercised, mimicking this shift in administrative control. Therefore, control perspectives that may be beneficial in the early stages, such as inclinations towards direct personal control, can become a weakness as the organization grows and changes.

LOC (Rotter, 1966) is a personality trait that refers to one's perception of the degree of personal control over one's life and the environment. Perception of control by oneself is referred to as internality, and a belief of a lack of control by oneself as externality. It is described by the Internal-External (I-E) scale as two polar opposite dimensions that depict the degree of one's belief that what happens to one is within one's control or outside of it.

Being a core self-evaluation personality trait (Judge & Bono, 2001; Ng et al., 2006), it leads to fundamental differences between individuals (Boone et al., 2005). For example, internals (people with a belief of control within themselves) see themselves as being in charge of their destiny and exhibit direct and personal control over the environment. Conversely, externals (people with a belief that control does not lie within themselves) see themselves as relatively passive agents. They regard external factors such as luck or powerful others as drivers of their destiny and show reluctance to control the direction of their own life and the environment. Alternatively, externals may feel that the world's complexity does not warrant the execution of control for directionally driving their lives or influencing their environment.

In investigating P-O fit, an early positive outcome for optimally matching the personality of the employees with attributes of the work environment is that it facilitates the employees to be happy at work, which is found to precede performance and success (Oswald et al., 2015; Walsh et al., 2018). As such, constructs operating within happiness at work present the markers of P-O fit.

However, an initial challenge for investigating happiness at work is defining it. Research from various disciplines has used many terms and constructs that overlap and encompass various constructs that formulate the concept of happiness at work. Fisher (2010, 2014), reviewing the concept of well-being and happiness at work, concludes it as a larger concept that includes objective and subjective measures (Pagán-Castaño et al., 2020). Within well-being at work, primarily subjective measures form a sub-set defined as happiness at work. This sub-set includes job satisfaction and similar attitudes, and positive and negative affect. Scholars have used multiple constructs to gauge the levels of happiness at work. For example, Harrison et al. (2006) used job satisfaction and affective organizational commitment as powerful latent predictors. Meta studies have proven strong cor-

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relations between P-O fit and job satisfaction and organizational commitment (Kristof-Brown et al., 2005). However, Fisher (2010) suggests that adding engagement to Harrison et al.'s (2006) use of job satisfaction and affective organizational commitment would result in a better predictor by capturing the vital facets of happiness at work. It was tested by Dharani (2021) and concluded to capture different facets of happiness at work.

Generalized preferences of organizational characteristics that support subjective well-being at work have concluded supportive autonomy (Deci & Ryan, 2000), bounded flexibility (Thompson, 1993), the degree of freedom (Verme, 2009), a lack of strict rules, restrictive management policies (Blank, 2001), and excessive bureaucracy (Valentine et al., 1999) to facilitate happiness at work. Many of the antecedents relating to happiness at work, such as organizational stability, leadership style, and human resource practices (Morgeson & Humphrey, 2006; Warr, 2007), can easily be assigned to the stages of organizational development. Associating some of these characteristics that can be assigned to the OLC stages, higher levels of happiness in organizations in the earlier stages of the OLC can be expected. For example, entrepreneurs representing organizations in earlier stages of OLC are found to be happier at work than employees in companies (Dharani & April, 2021).

However, other antecedents of happiness at work, such as organizational culture (e.g., trust levels, respect, fairness (Dirks & Ferrin, 2002), relationships with others in the organization (including relationships with colleagues (Dutton & Ragins, 2007), and the supervisor) are challenging to attribute to any specific stage of development. An analysis of these (such as 11 categorized work factors of job satisfaction by van Saane et al. (2003)) is difficult to assign to specific stages of the OLC (Dharani, 2019). As such, which stages of organizational development promote happier employees remains an open question, which is tested in the first hypothesis.

The choice to test LOC out of a host of psychological traits was related to both the stages of development and happiness (as suggested in the literature). First, OLC models frequently refer to changes in controls within an organization required for successful growth, making it the preferred trait to test for the complexification of the OLC models (Shepherd & Suddaby, 2017). Second, control perceptions are found to be salient in explaining subjective well-being. While this is long known for externals, a trait associated with helplessness, hopelessness, and even depression, April et al. (2012) linked lower subjective well-being to internality as well.

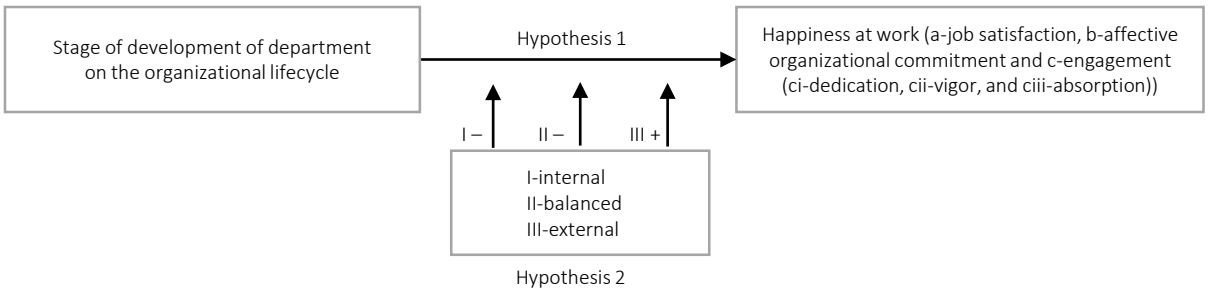
Regarding happiness at work facets of job satisfaction, affective organizational commitment, and work engagement, Judge and Bono (2001) conducted a meta-analysis of personality traits with job satisfaction and performance where internals significantly correlated with both variables. Regarding LOC and commitment, internality is associated with commitment arising from emotions or affect, while externality is associated with commitment due to the need for continuance (Coleman et al., 1999). Since affective commitment is a facet of happiness at work, positive repercussions for performance are associated with it. Lastly, the results of Leiter and Maslach (2017) on burnout (regarded as opposite of engagement) confirm externals to be more prone to it (Maslach et al., 2001); thus, it was expected that a negative relationship between LOC and engagement would exist. While hierarchal regression can conclude the moderating role of LOC, since scores on the I-E scale can split the participants in various ways, an additional simulation study was deemed appropriate.

The derivation of the hypotheses is represented in Figure 1.

With the aim of testing person-organization fit based on locus of control at different positions on the OLC, first, the study tested the relationship between OLC and facets of happiness at work, and second, the moderating role of LOC on the relationship using the following hypotheses:

H1: There is a negative relationship between the OLC and (a) job satisfaction, (b) affective organizational commitment, (c) engagement (i-dedication, ii-vigor, and iii-absorption)).

H2: The relationship between the OLC and (a) job satisfaction, (b) affective organizational



Note: Predicted relationships between stage of development of the department on the organizational lifecycle and constructs of happiness at work. Hypothesis 2 represents the moderating effect of an employee's locus of control.

Figure 1. Conceptual framework

commitment, (c) engagement (i-dedication, ii-vigor, and iii-absorption) is moderated by employee's LOC, such that the relationship is negative for internals (I), negative for bi-locals (II), and positive for externals (III).

2. METHODS

Two online surveys were created. Firstly, organizational leaders were requested to complete a survey to place their respective business units to a stage of the OLC. Secondly, employees completed self-evaluated LOC, as well as job satisfaction, affective organizational commitment, and work engagement which are recommended as a measure for the umbrella concept of happiness at work and empirically justified (Dharani & April, 2021).

The online surveys used academically created and validated scales. The leaders' survey used Lester et al.'s (2003) five-stage model, which was triangulated using additional questions from the original business life cycle model (Adizes, 1979). The employees' survey was created after reviewing the scales available for measuring each construct (Dharani, 2019). The survey included The Abridge Job in General Scale for job satisfaction (Russell et al., 2004) that meets the same high internal consistency, validity, and compatibility standards in the full-length version (Ironson et al., 1989). It also included Meyer et al.'s (1993) measure of organizational commitment as it dissects commitment to that driven by affect. The paper uses Utrecht Work Engagement Scale (Schaufeli & Bakker, 2004), which was found to be stronger than both Shirom (2003) and Britt et al.'s (2006) measures in predicting work outcomes such as turnover intentions in a comparative study of engagement scales (Wefald et al., 2012). Lastly, in respect of happiness at work, an open-ended question regarding happiness at work was included in the survey to encourage free responses from the participants to be used for qualitative analysis and triangulation of the data with the quantitative findings. To test the employees' LOC, the abbreviated version of Rotter's I-E scale (Valecha & Ostrom, 1974) was preferred over the full-length version to minimize the time to complete the survey while retaining the reliability and validity of the full-length scale. This scale assigns a LOC score ranging from zero to eleven to each participant; lower scores relate to internality, and higher to externality.

A pilot study was conducted on postgraduate students, revealing valuable information in drafting the surveys. Compared with the LOC survey data available from the classroom, the results from the pilot study revealed that having one questionnaire for collecting data for constructs of happiness at work first, followed by the I-E scale, did not alter the reported LOC expectancies of the participants. Since combining the happiness at work and LOC surveys posed a risk for common methods variance (Podsakoff et al., 2003), LOC expectancies and explanations were reported to the participants of the final study those who had waived anonymity and provided an email address (145 of the 369 research participants, i.e., 39%). The email queried their agreement with the analysis of their control perspective based on their LOC scores. Six comments of further inquiries were received (4%), but no disagreements with the reported expectancy were noted from the participants (0%). There are minimal concerns regarding common methods bias in the survey created.

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Even in the early conceptualization of LOC, Spector (1988) had concluded the significance of LOC in accounting firms. This has supported significant research on the trait to be conducted in accounting firms (Hyatt & Prawitt, 2001; Reed et al., 1994; Tsui & Gul, 1996). Similar is considered the case for teachers, with ample empirical research conducted in respect of LOC. However, for happiness at work, a strong association of eudaimonic happiness with teaching could deviate from addressing happiness at work since scholars have narrowly defined the core concept of happiness at work (Fisher, 2014). As such, this study sampling strategy had prioritized accounting firms as the target sample.

It was essential to assess what constitutes an organization for the study. Organizations are first defined based on their ability to be independently positioned on the OLC. It meant that they should be able to enter and exit the market and evolve or regress along the stages of the OLC. Departments in large consulting firms act as separate business units, which entrepreneurial partners form. Second, since the study researches happiness at work, the definition of organizations was based on the level at which business unit performance is managed and measured. In large organizations, such as accounting firms, performance is measured at a departmental level (Harter et al., 2002). Last, a globalized partnership structure limits extreme variation between departments that can exist between different enterprises. The similarities can facilitate this study in terms of comparability, and identify and specify differences between the work environments, as many aspects are homogenous across the sample. The use of business units in accounting firms to position on the OLC provides a relevant and logical sampling technique for this study.

Due to the expectations that internals are more proactive (Ellis et al., 2017) and unlikely to remain in jobs where they are unhappy (Ahn, 2015), a disproportionate distribution of expectancies was expected between departments. To ensure normal distribution, Spearman's rank-order correlation analysis (a non-parametric, rank-based correlation measure that does not rely on an assumption of a normal distribution of data) was used. Additionally, a hierarchal regression was conducted to test LOC as a moderator to the relationship between stages of development of the business units and the constructs operating within the concept of happiness at work. Furthermore, a simulation study split the employees based on their LOC.

For all hypotheses, the decision to accept or reject the null hypothesis was based on the significance level (p-value); at 1%, 5%, or 10% levels. Additionally, Spearman's rank-order correlation coefficient (ρ) was used to assess the strength of the relationship ($0 < \rho < \pm 0.2$ weak relationship, $\pm 0.2 \leq \rho < \pm 0.35$ medium-strength relationship, $\pm 0.35 \leq \rho < \pm 0.5$ strong relationship).

3. RESULTS

The data for this study were drawn from one of the largest ten international accounting firms, having 12 different national locations, with a total of 35 departments or business units. The online surveys were created, and the link to the survey was sent to all firm partners by the human resources department. Data for the leader's survey were collected from 32 out of 35 departments (91%) in all 12 locations (100%). 369 out of 591 (62%) employees responded to the employees' survey. Due to the inbuilt restrictions that did not permit incomplete surveys to be submitted, all employee surveys were accepted for data analyses, and triangulation with the open-ended question did not justify the deletion of any participant for data analysis. However, fifteen employees who completed the survey belonged to business units that the partners did not assess. Data from these participants were omitted for testing the hypotheses (N = 334).

Departments had an average of 17 members (s.d. 12; range 5-59) with an average response per department of 11 (s.d. 7; range 2-35). The smallest department of 5 members in the sample had a response rate of 2 members. Therefore, the analyses were performed excluding this group, and the results were very similar to those reported.

Cronbach's alpha of 0.88 for job satisfaction, 0.84 for affective organizational commitment, and 0.94 for engagement, with combined happiness at work Cronbach's alpha of 0.95 confirmed validity of the scales. Spearman's rank-order correlations between the constructs that are statistically signif-

icant at 1% level of very strong strength, and the correlations with the OLC of all constructs and sub-components of happiness at work provide confidence that the constructs and their sub-components can be viewed collectively for gauging an understanding of happiness at work (Dharani & April, 2021).

For H1, the null hypothesis was rejected to confirm a relationship between the OLC and constructs contributing to happiness at work, indicating an optimal P-O fit in departments in the early stages of the OLC. For hypotheses 1a and b, the null hypotheses were rejected for a relationship between the OLC and job satisfaction and affective job commitment at a 5% significance level. This concludes a negative relationship between the OLC and job satisfaction and affective job commitment.

For hypotheses 1ci, cii, and ciii, the null hypothesis was rejected for all components of job engagement (vigor, dedication, and absorption) at a 1% significance level. This concludes that there is a relationship between the department's position on the OLC and the employees' level of engagement and all its components.

For H2, hierarchical regression analysis conducted showed positive changes in the R-square values confirming that the introduction of the variable of LOC adds predictability value to the model. Changes in the R-Square value of the model and amended model were 4% for affective commitment, 3% for engagement, and 2% for job satisfaction.

Additionally, following the example of research participants split into internals and externals by April et al. (2012), a simulation study was conducted to achieve the highest strength of correlations. LOC significantly accounted for variations in happiness at work along the OLC when the participants split was based on internal (scores of 1-4, N = 123), balanced LOC (scores of 4-7, N = 196), and external (scores of 7-10, N = 75). Since none of the participants scored a 0 or an 11 on the I-E scale, the data is evenly split into 3 categories of intervals of 4 each. Table 1 shows the negative correlations observed.

For H2a and c for internals, the null hypothesis was rejected at a 5% significance level, concluding a statistically significant relationship between the OLC and job engagement and job satisfaction for internals. In examining the components of engagement, it is noted that the null hypothesis was rejected for vigor and accepted for dedication and absorption for internals, highlighting that hypothesis I2c was accepted for internals due to vigor as the contributing component of engagement. For hypothesis I2b for internals, the null hypoth-

Table 1. Spearman's rank-order correlation coefficients

Hypothesis 1 Organizational life cycle v	**a–Satisfaction**	**b–Commitment**	**c–Engagement**	**ci–Dedication**	**cii–Vigor**	**ciii–Absorption**
Correlation coefficient (ρ)	–.122*	–.125*	–.167**	–.144**	–.162**	–.146**
Sig. (2–tailed)	0.026	0.023	0.002	0.009	0.003	0.008
N	334	334	334	334	334	334
Hypothesis 2 Organizational life cycle v	**a–Satisfaction**	**b–Commitment**	**c–Engagement**	**ci–Dedication**	**cii–Vigor**	**ciii–Absorption**
I – Locus of control 1–4 (internals)						
Correlation coefficient (ρ)	–.212*	–0.103	–.206*	–0.153	–.226*	–0.163
Sig. (2–tailed)	0.019	0.258	0.022	0.092	0.012	0.071
N	123	123	123	123	123	123
II – Locus of Control 4–7 (balanced)						
Correlation coefficient (ρ)	–0.085	–0.044	–0.119	–0.122	–0.095	–0.100
Sig. (2–tailed)	0.237	0.542	0.097	0.088	0.187	0.163
N	196	196	196	196	196	196
III – Locus of Control 7–10 (externals)						
Correlation coefficient (ρ)	–.355**	–.374**	–.352**	–.301**	–.360**	–.295*
Sig. (2–tailed)	0.002	0.001	0.002	0.009	0.002	0.010
N	75	75	75	75	75	75

Note: Significance (p-values: * $p < .05$; ** $p < .01$) and number of research participants (N) for hypotheses 1 and 2.

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esis was accepted, concluding that there is no relationship between the OLC and affective job commitment for internals.

For H2a, b, ci, cii, ciii for those with a balanced LOC, the null hypotheses are accepted, concluding that there is no relationship between the department's position on the OLC and happiness at work (for any of its constructs and components).

For H2a, b, ci, cii, ciii for externals, the null hypothesis was rejected, concluding that there is a relationship between the department's position on the OLC and all happiness at work constructs for externals at a 1% significance level. Furthermore, strengthening the relationships in simulations where scores for externals were analyzed based on scores on the I-E scale of 6 to 11, 7 to 11, and 8 to 11 further supports a negative relationship between the OLC and happiness at work. This is contrary to current literature that suggests a P-O fit for externals towards work environments that characteristically are more closely associated with the latter stages of the OLC.

4. DISCUSSION

The study confirms higher job satisfaction, affective organizational commitment, and work engagement of the employees working in business units in the early stages of the OLC, suggesting higher levels of happiness at work where business units are in the early stages irrespective of their LOC. This finding is unique, as previous studies regarding P-O fit are more nuanced and reveal relationships to specific organizational characteristics. Therefore, research supports the findings where organizational factors are typically associated with a stage of the OLC, such as flexibility and a lack of strict rules, restrictive management policies (Blank, 2001) that are typical characteristics of organizations in earlier stages of the OLC are found to be associated with happier employees and excessive bureaucracy (Valentine et al., 1999) and typical of organizations in the latter stages of the OLC that is associated with lower employee happiness. However, organizational stability and well-established human resource practices promote employee happiness (Morgeson & Humphrey, 2006; Warr, 2007) but are typically associated with organizations in the latter stages of the OLC. As such, unlike other studies, this study reveals the outcome of a host of organizational characteristics that naturally exist in commercial entities and their resulting relationship with employee happiness.

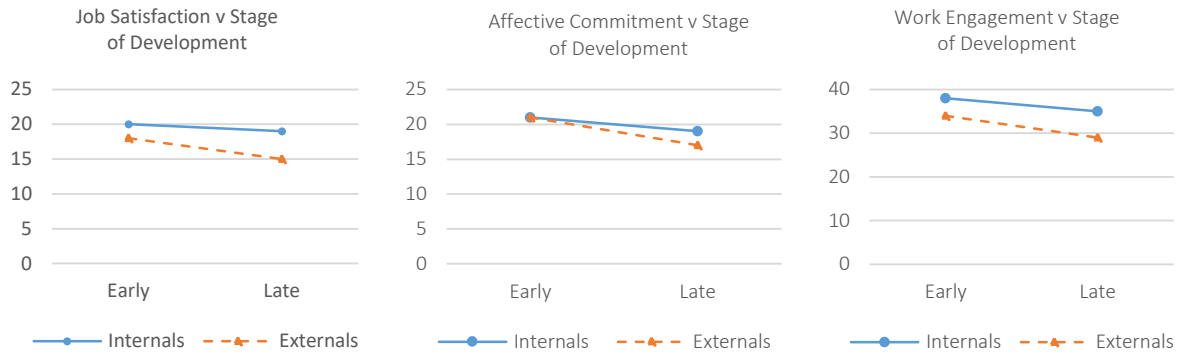
Since happiness at work and its influence on performance measurements is a well-established relationship (Oswald et al., 2015), with evidence that happiness is the independent variable and success is the dependent variable (i.e., happiness at work precedes performance and success in a job (Walsh et al., 2018)), the findings suggest that organizations in earlier stages of development are more likely to promote better employee performance by ensuring greater happiness at work. Therefore, a practical implication of the findings is that larger organizations are encouraged to have smaller departments or business units, incorporate a flat hierarchal structure, personalized and informal information dispersing. In addition, they should generally promote an informal environment, such as an open-door policy by the leader in charge, to reap similar benefits in the earlier stages of the OLC.

Hierarchal regression confirmed the moderating role of LOC to the above relationship, and simulation tests concluded the strongest correlations of happiness at work with early stages for externals, a moderate correlation for internals, and no relationship for those with a balanced LOC. Unlike most academic literature that has overwhelmingly promoted internality as the optimal expectancy, alluding to its suitability in all work environments (Chen & Silverthorne, 2008), the findings suggest the suitability of a balanced locus of control to a variety of organizational characteristics. However, recent literature has become more nuanced and has proven an optimal P-O fit based on LOC. For example, internals were said to match characteristics associated with organizations in the early stages of the OLC (Hyatt & Prawitt, 2001), particularly in stable industries (Wijbenga & van Witteloostuijn, 2007). Aligned to the literature, the study concludes higher happiness levels at work for internals in business units in the early stages of the OLC.

Current literature has not explored P-O fit for externals along the OLC. However, some research alludes to a better P-O fit to organizations in the latter stages of the OLC by investigating organizational characteristics that are typically associated with organizations in the latter stages of development (Hyatt & Prawitt, 2001; Prawitt, 1995). Contrary to the literature expectations, this study concluded that externals have a greater happiness level at work in the early stages of the OLC than those of other expectancies for all facets of happiness at work investigated in this study.

The difference in the findings is explained by the fundamental perception of control of externals, which regards control over aspects of themselves and their environment to be in the hands of powerful others or fate. Similarly, in respect of control over their happiness at work, it is believed to be controlled by factors outside their direct personal control (Carrim et al., 2006), either with powerful others, on chance, luck, fate, or attributed to the complexity of the world. Firstly, such a belief is grounded in a belief of self-inferiority. A competitive environment is perceived as differences in power, making externals more prone to feel inferior when faced with competition. Smaller organizations tend not to have many employees performing the same task. As such, competition is perceived to be lower, matching their personality attributes. Secondly, since externals believe that external forces determine the environment and organizational characteristics, proximity to these powerful others in smaller organizations, a typical characteristic of earlier stages of development, supports their well-being. For example, proximity to leaders who are regarded by externals to be in a controlling position to dictate their happiness at work presents a P-O fit (Halbesleben, 2006). Lastly, another organizational characteristic by externals associated with the early stages of the OLC is the degree of social support at work that is more typical of organizations in the earlier stages of development. While there is evidence of externals to prefer structured work environments that are not conducive to direct personal control, certain other characteristics associated with the early stages of development (such as personnel and leadership support and proximity to those seen as controlling elements in the work environment) result in a strong preference for early stages of the OLC.

Regarding a balanced locus of control, the concept is minimally acknowledged in the literature (April et al., 2011, 2012; Dharani, 2019). Therefore, it is unsurprising that it is not entirely understood how such a dichotomy of expectancies can co-exist within an individual. Wang et al. (2010) explain bi-locals using the hierarchical nature of LOC as a construct. The general LOC is said to exist at the top of this hierarchy. Several context-specific subdimensions (such as work LOC, health LOC, marital LOC, and parental LOC, to name a few) exist lower in the hierarchy. A shared expectancy was explained to arise from varied situation-specific LOC expectancies. However, the findings cannot be explained by combinations of context-specific expectancies since both internals and externals show greater happiness at work in organizations in the early stages of the OLC. However, those bi-local do not show a correlation with any constructs of happiness at work or their components, as illustrated in Figure 2.



Note: No relationship existed for those with a balanced locus of control.

Figure 2. Relationships between the stage of development of the department on the organizational life cycle and constructs of happiness at work

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Additionally, while the findings are supported by April et al. (2012), who found the highest levels of subjective well-being for those with a balanced LOC, the explanation of their findings does not help to explain the study's results. Employees with a balanced LOC harbor both traits of internality and externality simultaneously. They can shift their response to the environment accordingly to ensure self-well-being. This explanation would entail that the correlations reflected for internals and externals would be merged for those with a balanced LOC. So, if correlations were found to be as hypothesized (negative for internals and positive for externals for their level of happiness along the stages of the OLC), then a lack of correlation for those with a balanced LOC would explain the findings. However, since the correlations for both internals and externals are negative, with both showing more significant levels of happiness at work in the early stages of the OLC, the lack of correlations for those with a balanced LOC remains unexplained by this theory. However, it confirms the resilience of those with a balanced LOC.

In the absence of a practical explanation in the literature, the findings are supported by considering LOC to be a tri-polar construct, with distinct trait characteristics for internals, externals, as well as those with a balanced LOC. Linearity assumptions are one of the basic assumptions in investigating personality traits to build theory around them (Hjelle & Ziegler, 1976). This assumption also prevails for the I-E scale, where a linear scale joins internality and externality. As such, the findings challenge the fundamental linearity of the I-E scale.

Since the introduction of a balanced LOC significantly and consistently increased the explanatory power of the relationship in the study, an important theoretical implication is that it emphasizes the importance of simulation analysis for any research that uses linear scales. Regarding LOC, studies need to go beyond internal and external expectancies and conduct a simulation study, or at the least, include a position of a balanced LOC in empirical research on the subject. Unfortunately, most previous research does not utilize this technique. As a result, their findings may vary due to the omission of the critical, distinct psychological setpoint of a balanced LOC.

CONCLUSION

This study explored the relationship between OLC and facets of happiness at work, measured by job satisfaction, affective organizational commitment, and work engagement (Fisher, 2010). The findings reveal statistically significant correlations between business units in earlier life cycle stages and employee happiness at work. This finding contributes to theory by revealing how a combination of naturally co-existing organizational characteristics play out in real-life commerce and affect employees' level of happiness.

Additionally, this study explored P-O fit based on employee LOC to maximize employee happiness at work. The findings conclude statistically significant correlations for all facets of happiness at work externals and most facets of happiness at work for internals, but none of the facets correlated with employees with a balanced locus of control. This is interpreted as the resilience of a balanced LOC to organizational characteristics. The novelty of the findings is that it conflicts with a long-established preference for internality in the literature and the suggestion of a balanced locus of control as a separate position on the spectrum. This conclusion makes the need for P-O fit less applicable to employees harboring such a trait. For externals and internals, business structures that mimic attributes of smaller organizations, including flat hierarchal structures, personalized and informal information dispersing, and an informal environment, are conducive for promoting happiness at work to reap benefits associated with it.

AUTHOR CONTRIBUTIONS

Conceptualization: Babar Dharani.
Data curation: Babar Dharani.
Formal analysis: Babar Dharani.
Investigation: Babar Dharani.
Methodology: Babar Dharani.
Project administration: Kurt April.
Resources: Babar Dharani, Kurt April.
Supervision: Kurt April.
Validation: Babar Dharani.
Writing – original draft: Babar Dharani.
Writing – review & editing: Kurt April.

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