

# Looking back key to moving forward: study

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Despite modest economic gains, gloomy unemployment numbers and low workplace morale still loom large within corporate America. Whether or not companies can capitalize on the momentum of this fragile financial revitalization is dependent on more than enhancing consumer confidence or introducing new products to the marketplace—it falls largely on employees working for organizations and their level of commitment to corporate success. Researchers from the Kellogg School of Management at Northwestern University and the Haas School of Business at the University of California, Berkeley have discovered that building a more committed workforce can be as simple as asking employees to reflect on their company's history.

"Institutions that can communicate a compelling historical narrative often inspire a special kind of commitment among employees. It is this dedication that directly affects a company's success and is critical to creating a strong corporate legacy," said author Adam Galinsky, Morris and Alice Kaplan professor of ethics and decision in management.

Galinsky, along with Kellogg professors Hal Ersner-Hershfield (visiting assistant professor of management and organizations) and Brayden King (assistant professor of management and organizations) and Haas professor Laura Kray (associate professor, Harold Furst Chair in Management Philosophy and Values) explored how reflecting counterfactually on an institution's origins—that is, thinking about "what if" scenarios—can influence employees' actions and commitment. Their findings demonstrate that when employees are asked to think about an alternative universe where their company did not come into being, they

come to see their company's current circumstance and future trajectory in a more positive light. This "near-loss" mentality increases their commitment toward the institution and overall morale.

The researchers point to FedEx as an example. The courier service successfully positions its origin story by leading people to reflect on what would have happened had FedEx founder Fred Smith chosen not to fly to a Las Vegas casino one fateful night in 1973 to help his troubled company meet payroll.

"The result for FedEx is a deep employee appreciation and the recognition by top magazines as one of the best companies to work for," said King. "The key to generating these sentiments is reminding employees how things could have turned out differently for their company."

"Businesses can better position themselves to prosper when they clearly articulate their origin stories to employees," said lead author Ersner-Hershfield. "In order for companies to effectively communicate their narrative, they should ask themselves whether there were key meetings, events or people during the economic crisis, without which the company's outlook would have taken a turn for the worse. Focusing on how things could have turned out differently fosters a positive view of the current circumstances among employees and thus generates an increased sense of commitment."

The researchers demonstrated that this is a very general phenomenon by finding the link between counterfactual reflection and increased institutional investment among its members regardless of the company involved, and even showed that this relationship extended to countries (i.e., counterfactual reflection of country origins increased patriotism).

To demonstrate the importance of counterfactual reflection on enhanced

employee commitment, the study's authors developed a series of experiments. Two of the experiments explored whether counterfactual thoughts produce a greater sense of commitment to organizations and whether these thoughts are of greater significance than pro-social activities offered by a company such as employee support programs.

Participants who engaged in counterfactual reflection and were asked to describe all the possible scenarios resulting in the company not coming into being demonstrated a higher commitment to their organization compared to participants who thought about the ways that their company actually came into being. In the same respect, when the company was described as pro-social and in counterfactual terms, counterfactual reflection remained a significant factor in organizational commitment. Furthermore, it was found that the relationship between counterfactual reflection and organizational commitment is driven by a sense that an employee's connection to the company was fated or meant to be.

"Our study demonstrates that this process is a universal one, applying also to countries and personal connections", said Ersner-Hershfield. Galinsky added that these results suggest "that this link is an endemic aspect of the human mind: Ruminating on origin stories and reflecting back on what might have happened rather than what actually took place leads to increased commitment."

Once a business (or even a country government) identifies key turning points, it should make reference to them in its origin story with a focus on how things could have turned out differently. The result is a renewed sense of devotion that is an inherent factor in an institution's overall success and crucial to its ability to prosper within the current, fragile state of the economy.

"Company, country, connections: Counterfactual origins increase organizational commitment, patriotism and social investment," will

appear in a forthcoming issue of *Psychological Science*.

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