



The experience of psychological ownership of the non-profit organization:

Can it be predicted by self-investment and intimate knowledge of the non-profit organization and does it influence future donating behaviour and word of mouth?

Matea Fogec

Master thesis Psychology, specialization: Economic and Consumer Psychology

Institute of Psychology

Faculty of Social and Behavioral Sciences – Leiden University

Date: 15/02/2017

Student number: s1773984

First examiner of the university: Dr. Edwin Boezeman

Second examiner of the university: Dr. Welmer Molenmaker

Abstract

This study focuses on psychological ownership of the non-profit organization and examines its potential antecedents and outcomes, i.e. donating in the future, future relationship intentions and positive word of mouth. A two times 2x1 factorial ANOVA between subjects experimental design was used; with university students participating in the study as potential donors. Participants ($N=176$) were randomly assigned to a condition and presented with scenarios describing a fictional non-profit organization. Logistic regression analysis showed that psychological ownership of the non-profit organization was a significant predictor of participants' willingness to donate to the organization in the future, but also that it did not significantly predict future relationship intentions. Further, multiple regression analysis indicated that psychological ownership of the non-profit organization did not predict positive word of mouth. In addition, a set of one-way ANOVAs showed that intimate knowledge of the non-profit organization and self-investment in the non-profit organization did not affect psychological ownership of the non-profit organization as predictors. Participants in the experimental groups did not differentiate in the amount of experienced psychological ownership from the ones in the control group. The paper discusses theoretical and practical implications of these findings, limitations of the research, and gives suggestions for future studies.

Keywords: psychological ownership of the non-profit organization, donating behavior, non-profit organization, self-investment in the non-profit organization, intimate knowledge of the non-profit organization.

Introduction

Charitable donations can be considered as gifts made by an individual or an organization to a non-profit organization, charity or a private foundation. Donations are commonly presented in the form of cash, but can also take the form of a real estate, motor vehicles, appreciated securities, clothing and other assets or services (Charitable Donation, 2016). Until now, a significant amount of research has been conducted in order to investigate the mechanisms underlying donating behavior and strategies which can motivate people to donate (Bekkers & Wiepking, 2012; Burt & Strongman, 2005; Green & Webb, 1997; Sargeant, 1999; Strahilevitz & Myers, 1998). Even though many valuable insights have been delivered, Peltier, Schibrowky, and Schultz (2002) suggest that most organizations still do not have full knowledge of why their donors contribute as they do and what can be done to sustain those behaviors, with this matter being especially salient in the case of long-term donating (Snipes & Oswald, 2010). With that being the case, new research is always welcome, as non-profit organizations do not only need monetary donations in the present moment, but also in the future, so that they can continue successfully promoting humans' wellbeing. Furthermore, research of new concepts can help deliver fresh and functional strategies for motivating charitable giving behavior, for most attempts wear out after being used for a certain period of time, no matter how efficient they were in the first place (Naik, Mantrala & Sawyer, 1998). Donors usually get accustomed to familiar strategies and also do not build long-lasting bonds with the non-profit organization, what makes them less sensible and attentive towards the promoted cause. Therefore, strategies which are new and oriented towards building a bond with the non-profit organization will get people's attention more easily and have a higher efficiency rate. Finally, the literature

on charitable donating has to be constantly updated, for the science behind it changes with different political, social and economical circumstances; only after taking all relevant factors into consideration we can really help the ones who are truly in need.

In this research we propose that “psychological ownership” of the non-profit organization (later referred as PO), a fairly new construct mainly connected to organizational psychology (Pierce, Kostova & Dirks, 2001), could contribute to our understanding of donation behavior. Because psychological ownership is considered to be an universal experience and has been connected to many beneficial behaviors for the organizations, including commitment and performance (Pierce & Van Dyne, 2004), we believe that it could also successfully motivate desired behaviors in different domains. One of the main benefits of PO is that it helps build stable bonds with the organization, which then preserve positive behaviors towards it. Indeed, psychological ownership consists of a psychological attachment to the organization that exceeds the mere cognitive evaluation of the firm (Pierce & Van Dyne, 2004). This also means that PO could help sustain strategies used to motivate donating behavior, because of the long-lasting relationship with the non-profit organization created upon the experience. Therefore, the research question we want to answer is: “Will individuals who get psychologically involved with the non-profit organization in terms of PO be willing to donate and continue performing this behavior in the future?”. In this study, the predictors of psychological ownership will also be addressed, since this may help in the development of interventions aimed at fostering donating behavior. Our research will focus on two goals – one of a practical nature, which aims at developing a new strategy in order to help

organizations to get future donations, and other of a theoretical nature, which involves adding new insights to the literature of financial donating.

Psychological ownership of the non-profit organization

People have got needs which they try to meet and satisfy via objects in their social environment, by taking ownership of those objects (Pierce et al., 2001). Should an object been assigned to the self, then the interaction with that object determines a sense of psychological ownership of it. The interaction with an object can be expressed in parameters of control, intimate knowledge and self-investment, which determine an overall sense of PO (Pierce et al., 2001). Psychological ownership of a material or non-material object refers to “the state in which an individual feels that an object (i.e., material or immaterial) is experienced possessively (i.e., it’s ‘MINE’ or it is ‘OURS’)” (Pierce & Van Dyne, 2004, p. 442). When PO is experienced, people will highly agree with statements like: “I feel personal ownership of X” or “I sense X is mine” (Asatryan & Oh, 2008). Once psychological ownership emerges, people feel like protecting and contributing to the target more, because it has become self-relevant (Pierce et al., 2001).

As an applied theory, psychological ownership of the organization has not been around for more than fifteen years. However, the effects of PO have been noticed a long time ago – Bond (1952) describes a case of World War II pilots who formed close bonds with their planes (which were legally owned by the army), regarding them as important assets to their lives; they even experienced real grief when the planes were lost. This example illustrates how the feeling of psychological ownership is distinct from formal ownership (i.e., legal ownership) and why it should be studied as a separate entity.

The „pilots & planes“ example also describes another important feature of PO – it can be experienced by every human being and in many different occasions. Psychological ownership is not an enduring trait of personality (Pierce & Van Dyne, 2004), but rather an experienced state. This means that it does not depend on someone’s personality, age, ethnicity, or other individual characteristics (Pierce & Jussila, 2011). Therefore, stable individual differences like dispositional or personality factors mainly act as boundary conditions (Pierce & Jussila, 2011) or moderators (Wang et al., 2006) of the development of ownership feelings.

Theory implies that the core of PO is the feeling of possessives and being psychologically tied to an object (Pierce et al., 2001). When the self starts interacting with objects and using them to fulfill its needs, individuals become more concerned about their wellbeing, what makes them act in a protective and nurturing way towards the object (Belk, 1988). This can be seen in both past research and social practice, which show that feelings of ownership have important behavioral, emotional and psychological consequences. In organizational psychology PO has been connected to various beneficial processes – employees experiencing it are more committed and satisfied with their jobs and tend to make positive, proactive contributions to the organization (Pierce & Van Dyne, 2004). This construct also seems to be influential in other domains – restaurant costumers who experience PO are more willing to repurchase the same brand in the long-run, pay premium prices to maintain the relationship with it and resist competition in a higher rate (Asatryan & Oh, 2008). They also tend to speak more positively about the restaurant and share their excitement about it with their colleagues, relatives and friends. In the case of social media platforms, people who experience PO tend to use them more

continuously, are willing to pay more for their contents, and are generally more satisfied with them (Zhao, Chen & Wang, 2016).

We believe it would be interesting to see if the mentioned benefits would also occur in the context of non-profit organizations, since psychological ownership is a fairly “young” construct and still has not been researched in the domain of charitable giving. In our opinion, inducing psychological ownership of the non-profit organization would be an efficient donating strategy, for its effects may be long-term – people may repeat their donations throughout longer time spans, just like they tend to revisit social media platforms they psychologically own (Zhao et al., 2016). Furthermore, people who psychologically own the non-profit organization may also stimulate its development, with actively participating in its business, what has already proven to be correct in the case of employees and their companies (Pierce & Van Dyne, 2004). Finally, people who experience psychological ownership of the non-profit organization could be more inclined to spread positive word of mouth about the non-profit organization. Consequently, this can also motivate others to donate or connect with the non-profit organization (Asatryan & Oh, 2008). Hence, psychological ownership of the non-profit organization may be a solid motivator for favorable behaviors towards the non-profit organization and we believe that researching this matter could have great end results.

Some may ask why PO should not be immediately induced in real life situations, without the necessity of the current research, in order to get donations. Unfortunately, we are uncertain whether its benefits would actually occur in non-profit scenarios, for donating is different from other spending behaviors, and in most cases people do not get any products or services in return. Therefore, to prevent our strategies from failing, we

need to gather relevant data which will make clear whether that PO functions positively when it comes to financial donating. In line with this, we propose:

H1a: "Psychological ownership of the non-profit organization is positively and directly related to the intention of an individual to donate money to the organization more than once"

H1b: "Psychological ownership of the non-profit organization is positively and directly related to the intention of an individual to favorably talk about the organization."

Routes leading to PO

We will target two conditions, namely *intimate knowledge* about the organization and *self-investment* into the organization, in order to examine if they can enhance the experience of psychological ownership of the non-profit organization. Within past research, it has been reasoned that these are predictors of psychological ownership of the profit organization (Pierce et al., 2001). In the next paragraphs we will introduce these mechanisms and discuss how they theoretically influence PO.

Pierce et al. (2001) reasoned that *intimate knowledge* about an object may lead to a sense of ownership of that object. The more information and the better the knowledge an individual has about an object, the deeper the relationship(s) he will have with this particular object, what will consequentially lead to a stronger feeling of psychological ownership (Pierce et al., 2001). Just like in relationships with other people, once individuals expand their knowledge about an object they become more familiar with it. Because intimate knowledge makes individuals holders of information that is usually not enclosed to everyone, they may start to feel like they have a stake in it and they own it.

For example, senior managers have larger access to organizational information than employees in junior positions, what then also makes them experience PO in a greater way (Mayhew, Ashkanasy, Bramble & Gardner, 2007). Furthermore, in a mediated model of the indirect effects of job complexity on PO (Brown, Pierce & Crossley, 2014), intimate knowledge was found to be a significant predictor of PO. Unfortunately, no research has directly examined the effect of intimate knowledge about the organization on PO in the context of donating behavior. In line with theory (Pierce et al., 2001) and recent findings (Brown et al., 2014; Mayhew et al., 2007; Zhao et al., 2016) we predict:

H2: “Individuals who experience intimate knowledge of a non-profit organization will also feel greater psychological ownership towards that organization.”

The theoretical prediction of PO (see Pierce et al., 2001), *investment of self*, comes in many forms and can include one’s time, ideas, skills, and physical, psychological or intellectual energy. Once individuals invest themselves into certain products, it is more likely that they will experience PO. This is quite similar to legal ownership, where investing money in to objects equals owning them. In the case of PO we are just talking of a different, intangible type of investment (i.e. spending one’s free time helping someone), which will then lead to an ownership experience on a psychological level. Overall, it is believed that the most powerful means for an individual to be invested into a product is by creating it. Asatryan and Oh (2008) found that customer participation in the restaurant service has got positive effects on PO. The research of Pierce, O’Driscoll, and Coghlan (2004), which included employees participating in the organizational decision-making process, showed the same results. The

mediated model of the effects of job complexity on PO (Brown et al., 2014) showed that self-investment is the strongest predictor of PO. No research has directly examined the effects of self-investment on PO in the context of donating behavior. In line with theory (Pierce et al., 2001) and recent findings (Asatryan & Oh, 2008; Brown et al., 2014; Pierce et al., 2006) we predict:

H3: “Individuals who experience self-investment in the non-profit organization will also feel greater psychological ownership towards that organization.”

Method

Participants

Participants were potential donors to non-profit organizations; 176 students at Leiden University (69 male and 107 female), with the mean age of 20.7 ($SD = 3.01$) years. 21% had an International background, while the rest (79%) were Dutch. Most of the students were involved in a bachelor (80.1%) or pre-master (15.9%) study program. The majority reported of donating in previous occasions (74.4%), but only 25% donated money on regular basis. 80.7% indicated they were familiar with volunteer work and 63.6% had a job beside their studies.

Design and procedure

Participants were recruited at the university buildings and by the use of SONA, an electric portal for research participation. Upon their arrival to the laboratory they were presented an information letter and informed consent form. In case they agreed to participate in the study, the participants were seated in separate cubicles, where they were

randomly assigned to one of the following conditions: knowledge ($N = 60$), self-investment ($N = 58$) or control group ($N = 58$) (*two times 2x1 factorial ANOVA between subjects design*). The research materials were either in English or Dutch, depending on the participants' nationality.

During the experiment all research participants were presented with the same fictitious non-profit organization, and the research participants assigned to the experimental conditions subsequently received additional information containing the manipulations. The participants allocated to the control group did not receive any additional information. The fictional non-governmental organization was named "Blue Africa", and all groups were informed about its aim of providing sustainable water access in dry, remote areas of Africa, as for its dependence on monetary donations. The participants allocated to the "intimidate knowledge" of the organization condition received exclusive information about the organization, where it was emphasized that this information is only available to them as potential donors. The additional information explained why the organization was founded (i.e., history of the organization), its future goals and aims, and the personal background of the CEO of "Blue Africa". The information was followed by a quiz, and finally, some fun facts. The participants allocated to the "self-investment" condition received information that Blue Africa intends to launch a campaign aimed at heightening its visibility. Subsequently, the participants were asked to be creative in developing an appealing name and slogan for the campaign. The participants were also asked to sketch a drawing to be sold at an auction for the organizations fund raising. Finally, they were presented with mathematical tasks, which they had to solve in order to raise extra money for Blue Africa. After being exposed to

the manipulations all the participants completed a set of questionnaires containing the dependent variables and specific manipulation checks. In the case of the control condition, the participants first filled out the questionnaires and were then presented with filler tasks which contained the same information as in the knowledge condition. The total research lasted for 25 minutes, and after the participation, the participants were fully debriefed, thanked, and paid in money or credits.

Measures

Before presented with the manipulation materials the participants filled in a general data questionnaire considering their gender, age and studies (type, year and field). They were also asked about their previous donating behavior and whether they donate on regular basis, as well if they have got a side job or have volunteered in the past. By using the theoretical article of Pierce et al. (2001) we especially designed the manipulation checks for this research. A total of six items (three items per antecedent), anchored with a 5-point response scale from 1 = *not at all* to 5 = *very much*, measured the amount of *intimate knowledge* ($\alpha = .80$), and *self-investment* ($\alpha = .76$), for example, “I feel like I possess intimate knowledge about Blue Africa” or “I feel personally invested into Blue Africa and its activities”. *Psychological ownership* of the organization was measured with an adapted version of the 5 item scale ($\alpha = .63$), previously used in the research of Asatryan and Oh (2008), for example, “I sense Blue Africa is mine”. A brief instructional paragraph was followed by the items anchored with a 7-point response scale ranging from 1 = *strongly disagree* to 7 = *strongly agree*. To inspect whether psychological ownership of the organization explained a unique variance in willingness to donate in the

future and word of mouth, *participant–organization identification* was measured with a visual measure as a control variable (Asatryan & Oh, 2008; see also Bergami & Bagozzi, 2000; Aron, Aron, & Smollan; 1992). This variable reflected the extent to which the participants’ own identity was overlapping with the organization’s identity and was measured on an 8-point scale. *Willingness to donate in the future* was assessed with two questions which were also designed especially for this research. The first item measured *future donating intentions*: „Would you be willing to donate to Blue Africa if it needed your donation in the future?” and was followed by a simple “Yes” or “No” answer choice. The second item measured *future relationship intentions*: “Are you interested in to receiving more information about Blue Africa in the future? If so, please write down your e-mail address”, and was a more direct measure of the participants intention to continue a relationship with Blue Africa in the future. *Word of mouth (WOM)* was measured with an adapted version of a 3 item scale (Asatryan & Oh, 2008; see also Jun & Baloglu, 2003; Kim & Cha, 2002; Oh, 1999), anchored with a 5-point response scale (1 = very unlikely; 5 = very likely). The scale contained items like “I will recommend BlueAfrica to others” and had an internal reliability of $\alpha = .89$.

Results

Correlation and factor analysis

As can be seen from Table 1, most model variables correlated significantly, with knowledge and self-investment ($r(176) = .41, p < .01$), psychological ownership and identification ($r(176) = .36, p < .01$), and psychological ownership and self-investment ($r(176) = .29, p < .01$) having the greatest correlation coefficients.

A principal components analysis with varimax rotation was conducted in order to investigate if the manipulation check items differentiated according to the variables they were supposed to measure. As expected, self-investment and intimate knowledge items fell into separate clusters; “*self-investment into the non-profit organization*” and “*intimate knowledge about the non-profit origination*”. The same analysis was also run on the items intended to measure the outcome and control variables, resulting with four different components, where Willingness to donate in the future and Word of mouth items fell into two separate clusters, “*future donating behavior*” and “*favorable word of mouth*”, while the positive PO items and Identification fell into a joint cluster, indicating that these two constructs may not be completely independent. After inspecting the items that formed the joint cluster, we decided to call it “*positive relationship with the non-profit organization*”. Finally, the residual and negative PO items formed a completely separate cluster, which we named “*negative relationship with the non-profit organization*”.

In conclusion, the analysis showed that both our predictor and outcome variables were measured as separate constructs; however, there was a significant overlap between psychological ownership and identification with the non-profit organization, what makes us question whether these constructs can be differentiated when it comes to the context of charitable donating. For conceptual reasons, and in line with previous studies (Pierce et al., 2001) the scales nevertheless were used in their original format.

Table 1. *Descriptive statistics and correlations between all research variables*

	<i>M</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>	<i>%(Yes)</i>	1	2	3	4	5	6	7
1. Knowledge	6.58	2.8	3	14	-	-						
2. Self-investment	6.53	2.65	3	14	-	.41**	-					
3. PO	7.6	2.67	5	17	-	.15*	.29**	-				
4. Identification	2.89	1.36	1	7	-	.26**	.3**	.36**	-			
5. WOM	8.58	2.87	3	15	-	.08	.28**	.14	.26**	-		
6. Future donating	-	-	-	-	64.2	.17*	.2**	.16*	.16*	.21*	-	
7. Relationship intention	-	-	-	-	23.9	-.08	.09	.06	.16*	.18*	.25**	-

Note. $N=176$; * $p < .05$, ** $p < .01$.

Manipulation checks

In order to investigate whether the participants differentiated on the manipulation check scores due to the assigned condition, we performed multiple one-way analyses of variance (ANOVAs) with two levels. First, we checked if the participants assigned to an experimental condition experienced more self-investment and knowledge than the participants in the control condition. The results indicated that participants in the *knowledge condition* scored higher on the knowledge items ($M = 8.88$, $SD = 2.51$), $F(1, 117) = 107.05$, $p < .01$, $\eta^2 = .48$, than the participants in the *control condition* ($M = 4.66$, $SD = 1.88$). Furthermore, in the *self-investment condition*, the participants had a higher average score on the *self-investment items* ($M = 8.14$, $SD = 2.55$), $F(1, 115) = 42.72$, $p < .01$, $\eta^2 = .27$, than the participants in the *control group* ($M = 5.22$, $SD = 2.25$).

Second, we examined whether participants in the experimental conditions achieved different scores on the manipulation check items according to the triggered experience (self-investment or knowledge). The results showed that participants in the *knowledge condition* in average scored higher on the knowledge items ($M = 8.88$, $SD = 2.51$), $F(1,117) = 41.42$, $p < .01$, $\eta^2 = .26$, than the participants in the *self-investment condition* ($M = 6.13$, $SD = 2.14$). Further, in the *self-investment condition*, the participants had a higher score on the *self-investment items* ($M = 8.14$, $SD = 2.31$), $F(1,117) = 17.5$, $p < .01$, $\eta^2 = .13$, than the participants in the *knowledge condition* ($M = 6.27$, $SD = 2.31$).

Therefore, we can conclude that our manipulation was successful, as in comparison to other groups, the participants had significantly higher scores on the scales which corresponded to the condition they were assigned to.

Hypothesis testing

In the following paragraphs, we used regression analysis to examine the relations between PO and future donating intention, future relationship intention and word of mouth, for testing Hypotheses 1a: “Psychological ownership of the non-profit organization is positively and directly related to the intention of an individual to donate money to the organization more than once”, and Hypotheses 1b: “Psychological ownership of the non-profit organization is positively and directly related to the intention of an individual to favorably talk about the organization”.

Furthermore, we used one-way ANOVAs to test the direct effects of our experimental manipulations on PO as an intended outcome variable, in order to test Hypothesis 2: “Individuals who experience intimate knowledge of a non-profit

organization will also feel greater psychological ownership towards that organization”, and Hypothesis 3: “Individuals who experience self-investment in the non-profit organization will also feel greater psychological ownership towards that organization”. Additionally, we put identification into the prediction model and performed another set of regression analysis to check if psychological ownership explained an unique part of the variance in willingness to donate in the future and word of mouth.

Psychological ownership, Willingness to donate in the future, Future relationship intention and Word of mouth

In order to investigate if psychological ownership motivated individuals to donate money to the organization more than once, we conducted two logistic regression analyses. First we examined if PO of the non-profit organization predicted the participants willingness to donate in the future, and then the intention to continue a relationship with the non-profit organization. In the first case, PO was found to be a significant predictor of the participant’s willingness to donate in the future ($R^2 = .027$, $X^2(1) = 4.75$, $p < .05$). According to the odds ratio, if the PO of the non-profit organization increases, so does the chance of being more willing to donate in the future ($B = .14$, $Exp(B) = 1.15$, Wald $X^2(1) = 4.37$, $p < .05$). In the second case the intention to continue a relationship with the non-profit organization was not significantly predicted by PO, ($R = .003$, $X^2(1) = .59$, $p > .05$). The change in the odds of the future relationship intention was not affected by the change in the PO experience ($B = .05$, $Exp(B) = 1.05$, Wald $X^2(1) = .6$, $p > .05$). Due to these results we can conclude that *H1a* is partially supported. Multiple regression analysis did not support our prediction that participants will talk more positively about

the organization after experiencing PO ($R = .14$; $F(1,174) = 3.29$, $p > .05$). This suggests that in this case psychological ownership of the non-profit organization was not a significant predictor of WOM ($\beta = .14$, $p > .05$). Therefore, *H1b* is not supported.

Overall, the results indicate that participants who experience greater PO of the non-profit organization will be more willing to donate to the non-profit organization in the future, but will not be more ready to continue a relationship with it or speak positively about it with others.

The effects of Knowledge and Self-investment on Psychological ownership

To examine if the participants who experienced intimate knowledge about the organization felt greater psychological ownership towards it we performed a One-way analysis of variance. The analysis revealed that there was no significant difference ($F(1, 117) = 0.01$, $p > 0.5$; $\eta^2 = .001$) between the participants in the *knowledge condition* ($M = 7.53$, $SD = 2.79$) and the *control group* ($M = 7.57$, $SD = 2.97$). The same analysis was performed to investigate whether participants who experienced self-investment felt greater psychological ownership towards the non-profit organization. Once more, there was no significant difference ($F(1, 115) = 0.08$, $p > 0.5$; $\eta^2 = .001$) between the participants in the *self-investment condition* ($M = 7.71$, $SD = 2.22$) and the *control group* ($M = 7.57$, $SD = 2.97$). This results show us that all participants felt the same amount of PO of the non-profit organization, regardless to the condition they were assigned to (intimate knowledge, self-investment or control), so we can conclude that both *H2* and *H3* were not supported.

Effects of PO and identification on willingness to donate in the future, future relationship intentions and word of mouth

To examine whether psychological ownership of the non-profit organization explains an unique part of the variance in the outcome variables, we performed a set of regression analysis, where *participant-organization identification* was added to the model as a control variable, for its similarity to PO.

The hierarchical multiple logistic regression analyses analysis revealed that willingness to donate in the future was significantly predicted by psychological ownership of the non-profit organization ($B = .14$, $Exp(B) = 1.15$, Wald $X^2(1) = 4.37$, $p < .05$) ($R^2 = .027$, $X^2(1) = 4.75$, $p < .05$), but this changed once identification with the non-profit organization got included into the model ($R^2 = .04$, $X^2(1) = 2.14$, $p > .05$). Interestingly enough, not only did PO became an insignificant predictor ($B = .11$, $Exp(B) = 1.11$, Wald $X^2(1) = 2.32$, $p > .05$), but identification also did not predict the outcome in a significant way ($B = .19$, $Exp(B) = 1.21$, Wald $X^2(1) = 2.1$, $p > .05$).

When it comes to future relationship intentions, in the first step ($B = .05$, $Exp(B) = 1.05$, Wald $X^2(1) = .6$, $p > .05$) PO of the non-profit organization was already an insignificant predictor ($R^2 = .003$, $X^2(1) = .59$, $p > .05$). This remained to be true ($B = -.003$, $Exp(B) = .96$, Wald $X^2(1) = .002$, $p > .05$) when identification with the non-profit organization was included into the model. However, the model itself became significant ($R^2 = .03$, $X^2(1) = 4.07$, $p < .05$), with identification significantly predicting future relationship intentions ($B = .28$, $Exp(B) = 1.33$, Wald $X^2(1) = 3.97$, $p > .05$).

Finally, word of mouth was not significantly predicted by PO of the non-profit organization ($\beta = .14$, $p > .05$) in the first step of the hierarchical multiple regression

analysis($R = .14$; $F(1,174) = 3.29$, $p > .05$), but in the second step the model became significant ($R = .26$; $F(2,173) = 6.24$, $p < .01$). This showed that, unlike PO ($\beta = .05$, $p > .05$), identification with the non-profit organization does predict the word of mouth ($\beta = .24$, $p < .05$).

As can be seen, psychological ownership of the non-profit organization does not explain a unique part of the variance in any of the outcome variables (willingness to donate in the future, future relationship intentions, WOM) for it was either an insignificant predictor in the first step of the analysis (in the case of future relationship intentions and WOM), or has become an insignificant predictor once identification with the non-profit organization was included in the last step of the analysis (in the case of willingness to donate in the future). Interestingly, in the case of future relationship intentions and WOM, identification with the non-profit organization was proven to be a significant predictor, with the models becoming significant only after this variable has been added.

Discussion

With this study we wanted to answer the research question whether individuals who get psychologically involved with the non-profit organization in terms of PO are willing to donate and continue performing this behavior in the future. In addition, we wanted to see if psychological ownership of the non-profit organization could lead to other beneficial behaviors towards non-profit organizations, like spreading the positive word of mouth. As can be seen in the results section, the answer to our research question is positive – psychological ownership was a significant predictor of participants' willingness to donate

to the organization in the future, meaning that people who experience higher levels of psychological ownership are also more open for future donations. Nevertheless, this was not true in the case of participants' willingness to continue a future relationship with the organization or talk positive about the organization (WOM), where PO was not a significant predictor of these outcomes. Furthermore, after using an additional analysis to examine if psychological ownership of the non-profit organization explains a unique part of the variance in the outcome variables, where we added identification to the prediction model because of its similarity to PO, it has been shown that there is an overlap between these variables, for PO lost its predictive power in the case of future donating behavior. Finally, after using two different routes to enhance psychological ownership of the non-profit organization (intimate knowledge and self-investment), it was found that participants in the experimental groups did not differentiate in the amount of experienced PO from the ones in the control group. These findings lead us to several important conclusions, which will be discussed in the following text.

Theoretical and practical implications

Psychological ownership is a fairly “young” construct that has been mostly studied by organizational psychologists. Past findings (Pierce & Van Dyne, 2004), indicate that both organizations and employees can benefit from the occurrence of PO in the working environment, with staff being more internally motivated, satisfied with their work and globally performing better (Pierce, Jusilla & Cummings, 2009). Nevertheless, PO is believed to be a universal experience (Bullock, 2015), and therefore, the focus of many studies is now being shifted towards other fields of human activities. As far as we know,

this was the first research investigating the effects of psychological ownership of the non-profit organization on donating behavior. Within this study we showed that PO can also benefit the context of charitable donating, where people usually do not receive any goods or services in return for their investments. Therefore, the experience of psychological ownership is not only advantageous for private parties, but also for the society as a whole. Furthermore, with this insight, a “green light” can be given to strategies which make people donate more by using PO – we will focus on this more in the next paragraphs. Nonetheless, before we can fully generalize our findings to real life settings, a couple of questions need to be raised.

The first issue that needs to be discussed is also one of the most surprising aspects of this study. Even though self-investment and intimate knowledge had significant zero-order correlations with PO of the non-profit origination, participants still did not experience greater psychological ownership after being presented with the stimuli. Unfortunately, with studies examining the predictors of PO being in their very roots, we cannot give a definite conclusion on what underlines this occurrence. It could be that this problem was already experienced by other researchers, but it remained unfamiliar due to the publication bias. It is also questionable if PO can be predicted by the same routes in all contexts, or they differ according to the owned target. Therefore, in order to answer these questions and make valid conclusions about PO and its antecedents future research is needed.

The second issue we want to address is the issue of psychological ownership versus identification with the non-profit organization. If we take a closer look at the correlation and factor analysis, which reveal that PO and participant-organization

identification overlap to a certain degree, we start to question if they can be considered as completely independent entities in this context. According to Pierce et al. (2001) identification can be described as a social classification or categorization in terms of what one believes; and is likely to coexist with PO in situations where the target is the whole organization or a central component of it. Pierce et al. (2001) also believe that because of the conceptual differences these constructs require separate research, as the feeling of possession is clearly different from using the characteristics of the organization to define oneself. For this reason we have decided to use PO as the main predictor variable, regardless of the overlap with identification. Still, future research should focus more on examining the relationship and differences between psychological ownership and identification with the non-profit organization, as well as their influence on different outcome variables. It could be that identification is a better predictor of behaviors that do not involve monetary exchanges, unlike PO. We suggest that researchers should make a clear distinction between PO and identification and their manifestation towards non-profit organizations before starting their research in the future.

When it comes to practice, non-profit organizations can surely take advantage of the fact that willingness to donate in future is predicted by psychological ownership of the non-profit organization. However, due to the results of the additional regression analysis, this insight has to be used with caution, for its validity still has to be fully examined. Furthermore, it has to be determined what kind of stimuli should be used to provoke psychological ownership, as our research showed that all researched groups felt the same degree of PO, regardless of the manipulation involved. Nevertheless, there are ways to create new strategies based on the experience of PO, which can get people to

frequently donate their money. For example, non-profit organizations can target their campaigns towards people who already experience psychological ownership – they can easily identify them by using a simple questionnaire on the organizations website and then also get a donation by those individuals experiencing high levels of PO. Until now, research has mainly focused on targeting routes towards PO, but maybe in this context psychological ownership of the non-profit organization could also be induced directly. This would include creating materials like ownership certificates or IDs, booklets with texts which point out how donors actually own the company and websites which display the profiles of all the donors/“psychological owners”. We believe that this way the campaigns would reach a high degree of effectiveness, for they are aimed at a group which is more ready to donate in the first place, and therefore stimulate people to donate to the non-profit organization repeatedly.

Limitations and future directions

There are several limitations considering this study, with the first one focusing on the artificial surrounding in which the experiment was held, what consequently threatens the external validity. The participants never donated real money to the non-profit organization, neither was the organization presented in the same way as it would be in real life (i.e. via website or ambassador), the students also could not investigate the non-profit organization from the comfort of their home or compare it to a similar foundation. Furthermore, we did not observe or measure any actual behavior in this study, but only the participants’ intention to perform it. Therefore, in order to generalize our findings, future research should be done with real non-profit organizations and actual behavior

towards them should be measured. However, because there was no prior research upon this matter, we believe it was necessary to start with a simulation, in order to make sure that no harmful consequences would occur in real life.

In addition, this study was done with students; a social group that could be more open towards helping non-profit organizations than the general population (Chrenka, Gutter & Jasper, 2003). Because of their level of education and positive attitudes towards non-profit organizations, students may be more ready to experience PO than other people and choose to donate to the organization in the future. Still, our decision was built on rational grounds, for non-profit organizations always target their campaigns towards potential donors, and this was taken into consideration during research design. Furthermore, we believe that our participants profile could not greatly affect the final results, as literature states that PO does not depend on someone's personality, age or other individual characteristics (Bullock, 2015). With that being said, it still has to be examined whether such traits will act as boundary conditions or moderators of the development of ownership feelings towards non-profit organizations.

It would be compelling to examine whether any other routes than the ones examined in this research could make participants experience greater psychological ownership towards non-profit organizations. This could be the answer to the first issue we raised in the previous section as well. Only after this research was conducted, Zhao et al. (2016) published the results of their study, where it was found that PO can be predicted by a route called *social influence*. This construct will occur when an individual's behavior is influenced by those around him or her (Qin et al., 2011; Zhou and Li, 2014, as cited in Zhao et al., 2016). It relates to being frequently rewarded for

behaving in accordance with the attitudes, opinions, and advice from social channels (Cialdini and Goldstein, 2004). In this case, participants could experience PO because they thought they would get rewarded for it by other people, as financial donating is generally believed to be a positive form of behavior within most social groups. Furthermore, if members of a social group emphasize how the group owns a non-profit organization (“this is our organization”), then a person belonging to that social group may be more inclined to experience PO as well. Hence, social influence should be included in future research designs as a potential predictor of PO of the non-profit organization.

Finally, in this study we mainly discussed the benefits of psychological ownership, but there is also a ‘dark side’ of PO that could potentially influence the behavior towards non-profit organizations in a negative way. The dark side of PO is mostly connected to people not just wanting to enhance their ownership, but also protect and defend what they hold (Bullock, 2015). This behavior is oftentimes called *territorialism* and is characterized by preoccupation with external parties infringing on the target and defensive thoughts and behaviors (Avey, Avolio & Luthans, 2009). In the context of this study, territorialism could be manifested in participants not wanting any other ‘troublesome’ parties (i.e. politicians) to invest in ‘their’ non-profit organization. Therefore, the “psychological owners” might be more inclined to behave towards those parties in a derogative way, which includes being less willing to spread the positive word of mouth or physically preventing undesirable donators from giving their money away. Again, this is another subject that should be addressed in future research, as it is important for non-profit organizations to build positive relationships with all potential donators, not only ones that are approved by the “psychological owners”.

Conclusion

In this study we examined whether psychological ownership is a concept that can positively impact different behaviors towards non-profit organizations, with a special emphasis on the willingness to provide monetary donations more than once. Results here indicated that PO is a predictor of future donating behavior. However, there are still many questions that need to be answered before we can generalize our results with full confidence. Nevertheless, we hope that this study will provide a platform and stimulation for further discussion about PO and financial donating, as well as have a positive influence on the literature on this research topic.

References

- Asatryan, V. S. & Oh, H. (2008). Psychological Ownership Theory: An Exploratory Application In The Restaurant Industry, *Journal of Hospitality & Tourism Research*, 32, 363-386.
- Avey, J. B., Avolio, B. J., Crossley, C. D., & Luthans, F. (2009). Psychological ownership: Theoretical extensions, measurement and relation to work outcomes. *Journal of Organizational Behavior*, 30(2), 173–191.
- Bekkers, R. & Wiepking, P. (2012). Who gives? A literature review of predictors of charitable giving. Part Two: Gender, family composition and income, *Voluntary Sector Review*, 3, 217–45.
- Belk, R. W. (1988). Possessions and the extended self. *Journal of Consumer Research*, 15(2), 139.
- Bond. D. D. (1952). *The love and fear of flying*. New York:International Universities Press.
- Brown, G., Pierce, J. L., & Crossley, C. (2013). Toward an understanding of the development of ownership feelings. *Journal of Organizational Behavior*, 35(3), 318–338.
- Bullock, R. B., "The Development of Job-Based Psychological Ownership" (2015). *Industrial-Organizational Psychology Dissertations*. Paper 5.
- Burt, CBD. & Strongman, K. (2005). Use of images in charity advertising: Improving donations and compliance rates, *International Journal of Organisational Behaviour*, 8, 571-580.

- Chrenka, J., Gutter, M., and Jasper, C. (2003). Gender Differences in the Decision to Give Time or Money. *Consumer Interests Annual*,40.
- Charitable Donation (2016). In *Investopedia*. Retrived from <http://www.investopedia.com/terms/c/charitabledonation.asp>
- Cialdini, R. B., & Goldstein, N. J. (2004). Social influence: Compliance and conformity. *Annual Review of Psychology*, 55(1), 591–621.
- Green, C. L. & Webb, D. J. (1997). Factors Influencing Monetary Donations to Charitable Organizations, *Journal of Nonprofit & Public Sector Marketing*, 5, 19-40.
- Mayhew, M. G., Ashkanasy, N. M., Bramble, T., & Gardner, J. (2007). A study of the antecedents and consequences of psychological ownership in organizational settings. *The Journal of Social Psychology*, 147(5), 477–500.
- Naik, P. A., Mantrala, M. K., & Sawyer, A. G. (1998). Planning media schedules in the presence of dynamic advertising quality. *Marketing Science*, 17(3), 214–235. doi:10.1287/mksc.17.3.214
- Peltier, J., Schibrowsky, J., & Schultz, D. (2002). Leveraging Customer Information to Develop Sequential Communication Strategies: A Case Study of Charitable-Giving Behavior. *Journal of Advertising Research*, July-August, 23-33.
- Pierce, J. L., & Jussila, I. (2011). *Psychological ownership and the organizational context: Theory, research evidence, and application*. Northampton, MA: Edward Elgar Publishing, Inc.

- Pierce, J. L., Jussila, I., & Cummings, A. (2009). Psychological ownership within the job design context: Revision of the job characteristics model. *Journal of Organizational Behavior*, 30(4), 477–496.
- Pierce, J. L., O’Driscoll, M. P., & Coghlan, A. (2004). Work environment structure and psychological ownership: The mediating effects of control. *The Journal of Social Psychology*, 144(5), 507–534. doi:10.3200/socp.144.5.507-534
- Pierce, J. L. & Van Dyne, L. (2004). Psychological ownership and feelings of possession: three field studies predicting employee attitudes and organizational citizenship behavior, *Journal of Organizational Behavior*, 25, 439-459.
- Pierce, J. L., Kostova, T., & Dirks, K. T. (2001). Toward a theory of psychological ownership in organizations. *The Academy of Management Review*, 26, 298-310.
- Sargeant, A. (1999). Charitable Giving: Towards a Model of Donor Behaviour, *Journal of Marketing Management*, 15, 215-238.
- Snipes, R. L. & Oswald, S. L. (2010) Charitable giving to non-profit organizations: factors affecting donations to non-profit organizations. *Innovative Marketing*, 6(1), 73-80.
- Strahilevitz, M. & Myers J. G. (1998). Donations to Charity as Purchase Incentives: How Well They Work May Depend on What You Are Trying to Sell, *Journal Of Consumer Research*, 24, 434-446.
- Wang, Q. Y., Battocchi, A., Graziola, I., Pianesi, F., Tomasini, D., Zancanaro, M., & Nass, G. (2006). The role of psychological ownership and ownership markers in collaborative working environment. Paper presented at Proceedings of the Eighth International Conference on Multimodal Interfaces (ICMI), 2–4 November (pp. 225–232). Banff, Alberta: Canada.

Zhao, Q., Chen, C.D., & Wang, J. L. (2016). The effects of psychological ownership and TAM on social media loyalty: An integrated model. *Telematics and Informatics*, 33(4), 959–972.