



LEARNED HELPLESSNESS DURING ORGANIZATIONAL CHANGE

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Abstract

Exposing organisms to aversive events which they cannot control might result in motivational, cognitive, emotional, and self-esteem deficits. These deficits are called symptoms of helplessness and are the core part of learned helplessness theory. Many studies have empirically analysed the theory on the individual level. The current study focuses on the learned helplessness in the context of organisational change. The object of the study is one media company in Estonia, which conducted a large restructuring during the 2008 economic crisis. The result shows that there exists an organisational gap when it comes to the estimates of top management and employees. The key to the problem appeared to be the middle management, who were unable to effectively manage their subordinates as they were busy themselves coping with the change.

Keywords: learned helplessness, organisational change, middle management, control in organisations

JEL classification: M14

1. INTRODUCTION

Changes in any organisation may cause learned helplessness (LH) among the employees. One of the reasons that employees become helpless is the situation where the changes happen regardless of the efforts from the employees, i.e. employees don't perceive dependency between their activity and the changes affecting them. The employees who have symptoms of LH are usually demotivated to participate in the change process and sometimes may even become depressed. As the employees are usually the value adding factors in the organisation, as they have direct contacts with the clients and/or produce the goods the company sells, it is crucial to keep them motivated and happy. Although there are many studies conducted on the theory of learned helplessness on the individual level, there are very few that concentrate on the organisational level and especially on the area of organisational change. The current paper elaborates the framework of learned helplessness for organisations. It uses the survey method proposed by the author of the paper, interviews and open-ended questions to illustrate the correlation of different factors of the phenomenon. The possible solutions are also discussed to solve the problems discovered.

2. THEORETICAL FRAMEWORK OF LEARNED HELPLESSNESS

In 1967, Overmier and Seligman found that dogs exposed to inescapable and unavoidable electric shocks in one situation later failed to learn to escape shocks in a different situation where escape was possible. Shortly thereafter Seligman and Maier demonstrated that this effect was caused by the uncontrollability of the original shocks (Maier *et al* 1976). The cornerstone of the hypotheses is that learning that outcomes are uncontrollable results in three deficits: motivational, cognitive and emotional (Abramson *et al*, 1978; Alloy, 1982). The motivational deficit consists of retarded initiation of voluntary responses and is seen as a consequence of the expectation that outcomes are uncontrollable. Second, the learned helplessness hypothesis argues that learning that an outcome is uncontrollable results in a cognitive deficit since such learning makes it difficult to later learn that responses produce that outcome. Finally, the learned helplessness hypothesis claims that depression is a consequence of learning that outcomes are uncontrollable (*Ibid*).

Jackson developed a causal model showing the relationships between the perceived influence, overall job satisfaction and turnover intention. Based on her study the participation in decision making process had a causal relationship on both individual and organizational outcomes (Jackson, 1983). Bazerman in his study added an extra dimension to this outlook. He claimed that on one hand it is important how much control has been provided to an individual, however, the individuals' capacity to use the control is equally important (Bazerman, 1982). The ability to provide the right amount, not too little, nor too much, is the key to the problem. Greenberger and Strasser added that personal control is a cognitive construct, and as such, may be subjective, potentially non veridical, and influenced by the attitudes and behaviours of others (Greenberger *et al* 1986). Thus, personal control is not a stable and enduring personality attribute (Bazerman *et al* 1986).

In elaborating the original theory of learned helplessness, Abramson *et al* pointed out three inadequacy of the old theory, namely they distinguished personal helplessness versus universal helplessness, global versus specific helplessness, and stable versus unstable helplessness. Personal helplessness occurs when the person expects that the outcome is in accordance with a response in the repertoire of a relevant other, whereas universal helplessness is the state where the person expects the outcome is not in accordance with a response in the repertoire of any relevant other (Abramson *et al* 1978). Universally helpless individuals make external attributions for failures, whereas personally helpless individuals make internal attributions.

When helplessness deficits occur in a broad range of situations, they are called global, when the deficits occur in a narrow range of situations, they are called specific. The third range of inadequacy – helplessness is called stable or chronic when it is either long-lived or recurrent and unstable or transient when short-lived and non-recurrent.

Although there are many individual and group level studies conducted on learned helplessness, there are only some that concentrate on the organisational context. Martinko and Gardner developed a model to explain organisationally induced helplessness. It has, however, not been validated in organisational research (Martinko *et al* 1982). Bordia *et al* has demonstrated in their study that communication is a crucial element of reducing uncertainty among employees of an organisation and consequently increasing the sense of control. Reducing the uncertainty and therefore increasing the sense of control also decreased psychological strain among respondents and increased job satisfaction (Bordia *et al* 2004).

As a result, learned helplessness in an organisational context has not been thoroughly studied. This article tries to fill this gap and explain the learned helplessness among employees during an organisational change.

3. DESCRIPTION OF THE STUDY

The object of the study is one media company in Estonia. The reason for choosing this sample is that in a way this is an exemplary organization in Estonia. It has been on the market since 1993, well established in its market segment, very profitable (net profit margin on average 15-20%). If there would have been chosen a benchmark for service companies in Estonia, it would be one of the strongest candidate. It has a very strong organisational culture and they are very proud of it. The CEO of the company has repeatedly pointed out that their philosophy behind the management of the company is: the stronger the organisational culture, the less formal rules and bureaucracy are needed. They had worked out a set of values that they really believed in and all the newcomers had a meeting in a group with the CEO within months of their hiring where the values and organisational philosophy were discussed. Formal managerial hierarchy was said to be as small as possible. The middle management was very much empowered to make their own decisions based on the overall company strategy and largely they were not interfered with by top management. Therefore, although the study is based on one company only, the results of the study can be generalized on the service sector as a whole. Of course every caution should be made regarding applying the results of this study directly on other companies without analysing the target and sample companies first.

In 2007 the company boomed. The turnovers were a record high and the profits exceeded the owners' expectations. In 2008, however, the economy in Estonia started to fall and it could be seen very clearly in the advertisement sales for the forthcoming months. At the same time the media sector in general faced its structural problems. The paper media slightly lost its attractiveness and Internet media grew quite rapidly. The existing organisational structure, however, was not suited for this kind of development and even without the economic downturn the company needed restructuring. Facing these challenges, the CEO of the company undertook quite a radical downsizing already in spring 2008 when most of their competitors were still waiting. The second restructuring happened in autumn 2008 and the third at the end of 2008. As a result, almost a third of the employees were laid off and most parts of the company, except for one product out of ten, had to face restructuring. The survey was conducted at the end of 2008. Some interviews were also conducted at the beginning of 2009.

The survey has been built up by the author of the current paper and it consists of 35 main statements, 5 additional statements and 2 open-ended questions. The 35 statements have been previously factor analysed using data from three different organisations – a private, a state and public organisation. As a result, 4 factors emerged. Factor 1 – personal control over the past changes; factor 2 – perceived level of control of him/herself and others; factor 3 – job satisfaction; factor 4 – external vs. internal locus of control. Details about the factors can be found in annex 1. In addition, 2 open-ended questions were used to analyse the results. The same questions were asked during the interviews. Those questions were - "what kind of changes have you faced during the past 12 months?" and "what kind of influence/control did you have on the changes affecting your work?"

The survey had been given to all the employees of the organisation. 70 respondents filled it out, which accounted for about 30% of the total number of employees. The average

age was 35, ranging from 22 to 59. The respondents have worked for this company on average 5,5 years, ranging from 0 to 16. By position the respondents were divided: 16 managers, 47 subordinates, 7 didn't indicate their position. There were 14 men and 54 women among the respondents. 2 respondents didn't indicate their gender. In general, the sample represented the proportions in the organisation quite well.

In addition, 10 structured interviews were conducted with various employees in this company, including the CEO, the chief editor, director of advertisement sales but also some employees from middle management and first level employees. Cluster sampling methodology was used to get respondents from the following clusters: top level managers, middle managers, line workers and laid-offs.

It should be mentioned that as the size of the sample was relatively small, the results of the study should be validated by subsequent studies.

4. RESULTS

Factor 1 represents the experiences that employees have taken with them from the last changes. Based on the theory, people who didn't perceive dependency between their actions and the outcome demonstrated a higher degree of learned helplessness than the persons who had control over the outcome. In the present survey there were two statements, which represent the symptoms of learned helplessness (LH), which didn't fall into any factor. The first one represents a very low degree of LH – "I will participate actively in the possible future changes and make proposals for changes"; the second represents a high degree of LH – "in possible future changes I will rather leave all the decision making to the managers, as nobody would listen to my opinion anyway". The Pearson correlation between factor 1 and the first statement is strongly positive ($r = 0,436$) at the same time as the correlation between factor 1 and the second statement is strongly negative ($r = -0,575$). Both correlations are significant at the 0.01 level. Therefore, the result supports the theoretical framework.

Those respondents who had a higher degree of LH also had lower job satisfaction and willingness to work for the company in the future ($r = -0,439$) contrary to the respondents who had a lower degree of LH and had higher job satisfaction and willingness to work for the company in the future ($r = 0,398$). Both correlations are significant at the 0.01 level. The respondents who had a low degree of LH estimated the reason for changes as coming from the external environment ($r = 0,254$). This correlation is significant at the 0.05 level.

Factor 2 didn't have a significant correlation to any statements of LH. Therefore, it can be assumed that LH is not affected by the overall estimates of the controllability of the situation, but rather by the very personal experience.

The table 1 summarises the results of correlation analyses.

Table no. 1 The results of correlation analyses between the LH and factors

Parameters	Low degree of LH	High degree of LH	Factor1	Factor2	Factor3	Factor4
Low degree of LH	1	-,579**	,436**	,120	,398**	,254*
High degree of LH	-,579**	1	-,575**	,162	-,439**	,081
Factor1	,436**	-,575**	1	-,167	,421**	,147

Factor2	,120	,162	-,167	1	-,283*	-,195
Factor3	,398**	-,439**	,421**	-,283*	1	,163
Factor4	,254*	,081	,147	-,195	,163	1

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Another dimension to analyse the results was the area where employees felt they wanted to collaborate. 5 additional statements were included in the survey to measure it. These 5 areas were: strategic questions; structural questions; work environmental questions; departmental questions; and personal questions. Only the first two areas had significant correlations on the 0.01 level with the LH statements. The interest in personal level issues didn't have any correlation with neither the LH statements nor any of the factors. The interest in work environmental issues and departmental issues had a correlation on the 0.05 level with factor 2 and factor 4 respectively. The table 2 illustrates the outcome of the correlation analyses.

Table no. 2 The results of correlation analyses between the areas of collaboration and the LH and factors

Areas of collaboration	Low degree of LH	High degree of LH	Factor1	Factor2	Factor3	Factor4
Strategic questions	,526**	-,457**	,286*	,094	,121	-,058
Structural questions	,292*	-,375**	,225	,105	-,012	-,233
Personal questions	,102	-,081	,131	,124	-,040	-,134
work environmental questions	,153	-,085	-,053	,303*	-,197	-,131
Departmental questions	,197	-,223	,176	,114	,001	-,300*

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Those respondents who wanted to collaborate on strategic questions also had the highest scores on factor 1 ($r = 0,286$), i.e. those in mainly managerial positions who were empowered to make changes in his/her department. Those respondents who felt they wanted to collaborate on work environmental questions had the highest scores on factor 2 ($r = 0,303$), i.e. those respondents were probably hierarchically from the lower level and they felt that the managers could have done a better job during the change process.

The results from the open-ended questions and from interviews showed a clear divide between the respondents regarding their subjective feeling of controllability of the process. The management level, including top and middle management, felt that they had enough control of the process and even where they didn't, they estimated it as normal. Those

respondents also felt that the changes made matched the overall strategy of the company. Even a middle manager who himself was laid off, didn't express anything different from the middle managers who succeeded in keeping their jobs. Being managers themselves, they understood the logic of the conduct of the top management. The laid off middle manager even pointed out that he himself might have done the same thing, meaning that the top management created their own vision of what to do in a rapidly changing environment and then started to implement. Basically the role of the middle management was to go with the flow. They had their instructions regarding whom to lay off in their respective division but they couldn't alter the direction of the change.

The other group of respondents had an opposite view on the situation. They were mainly working on the first level and didn't have any managerial responsibilities. Their message was as one respondent pointed out – the employees are just costs for the top management. They didn't understand why such radical changes were undertaken. They felt that they never had a say in the change process that directly affected them therefore they didn't feel any desire to cooperate with this change either. As one interviewed person pointed out – the choice was to agree with your superior or to leave the company. They also felt that the lay offs were conducted hypocritically by the management, informing them with their final words how good employees the laid offs were and still sending them away.

5. DISCUSSION

In its core findings the results of the study on the organisational level supports the theoretical concept of learned helplessness, i.e. respondents who had positive experiences regarding the subjective feeling of control over the processes that affected them, also had a lower level of LH and vice versa. Those who felt they had control over the change process were also more satisfied with their job and willing to contribute to the organisational development in the future. Those respondents who made external attributions to the cause of organisational change also had a lower level of LH than the respondents who believed that the causes for change were initiated from within the organisation. The theory states that universally helpless individuals who make external attributions for failures are less likely to experience the symptoms of LH than the personally helpless individuals who make internal attributions for failures.

These findings are important from the theoretical point of view as it suggests that the theoretical concept of learned helplessness, which has been worked out for the individual level diagnoses, can also be applied on the organisational level. An organisation can be viewed as an entity, which has its psychological traits through its members and therefore obeys the same logic of behaviour.

The result from the survey is in accordance with the results obtained from the interviews and open-ended questions. It shows an organisational gap between the managers and employees. It is not surprising that any restructuring in any organisation may cause bad feelings and disappointment. It is also clear that in some cases it is difficult for the managers to negotiate with employees regarding the possible layoffs. Sometimes the managers just have to make the decision and employees should accept it. Otherwise the company might end up in an ongoing discussion and therefore might even endanger its own existence in the long run as the markets are dropping rapidly. In addition, usually the top management has a more comprehensive and analysed understanding of the situation, i.e. in some situations the employees have to trust the information and explanations provided by the top management. However, in this case it seems like there is something more than just a struggle in the

change process. The first level employees seem very far from accepting what's going on. It is not something they wanted to control beforehand, it seems like there is something they wanted to understand but they didn't. Middle management estimate their level of control also as quite low, however, they mostly stated that it's OK, i.e. they didn't feel any motivational deficit after the change. Therefore there should be other reasons to explain the dissatisfaction of the employees as well.

This situation might be explained by the learned helplessness theory stating that people who perceive non-contingency between their actions and the outcome will finally stop trying to solve the problem and stay passive instead. Based on the theory the learned helplessness results in three deficits: motivational, cognitive and emotional. It is difficult to properly diagnose these deficits based only on the responses from open-ended questions and interviews. However, some preliminary conclusions can be drawn. Statements like "I've lost any will to cooperate because they (managers) have never listened to what we have to say. Why should we hit our head against the wall", or "I haven't felt any opportunity to cooperate. ... I would rather look around for a new job than to tie my future to this one" might point to the motivational deficit. Statements like, "The willingness to listen to us is practically zero. Nobody actually cares about the opinion of an employee", or "There is no possibility to cooperate on any level. You can't even talk about it, or hope for it" might indicate the cognitive deficit. Statements like "the previous changes clearly illustrate the top management's attitude towards the employees – the employees are nobody, management don't care about their opinion and in practice the employees are just a cost for a company", or "I hope to understand at least something about what they (management) are planning for the next week, next month...". Information gap, communication problems and the loss of direction – this is what's going on" might indicate the emotional deficit that the employees experienced.

The key to this problem seems to be the middle management who are supposed to forward and mediate the top level decision. They should have explained the necessity of the forthcoming change, as it had been explained to them by top management. However, it seems like the amount and quality of information that went through the middle management to the employees wasn't sufficient for the employees to come to the same conclusion as the top management and consequently to support the change.

Middle managers, however, were already overstretched with all the structural changes and the lay off plans they had to make. They had to adapt themselves to the new situation and therefore had to make choices where to save their time. Unfortunately it seems like they did it where it was the least painful – talking to their employees. As everybody wanted to keep their job, employees didn't complain to their superior about the information gap they were in. Probably it was also assumed by the middle management that the changes were self-explanatory and self-evident, so that the question "why" might have been taken as an attack on the company itself.

However, as has been stated in the literature overview, the sense of control is always subjective. Something being subjective means usually something being humanistic. Most probably all the workers had access to the information that the markets are dropping fast and therefore their company had to take radical decisions to save the company and subsequently help to keep the jobs of at least part of the personnel. Top management organised the whole company meeting to express that. It seems, however, that this was not the way to give employees a feeling of having some control over their specific job function. The communication gap was probably too big to reach to the subjective feelings of the

employees. This gap should have been filled by middle management. Probably they shouldn't have said anything new to employees; they just had to keep personal contact to their direct subordinates in order to ascertain the latter that despite the changes, they were still important to the company.

One middle manager in his interview also expressed this by saying that psychologically it is not that difficult to lay off his people. Once the decision is made, it's done. What is difficult is to retain good contact with the ones who remain. Another middle manager added that she has learned to listen to her subordinates more than ever. A manager may have good ideas but she doesn't know the details. Keeping the personal contact is one of the most important things when changes are happening fast. This was however partly a lesson learned rather than the way of conduct during that change.

6. CONCLUSION

The current paper elaborated the framework of learned helplessness for an organisation. It showed that the personal level theory can also be applied to an organisation in order to analyse the processes during organisational change. The results of the study demonstrated a strong correlation between the past experiences of the employees regarding the controllability of an outcome and the symptoms of learned helplessness. It also showed a strong correlation between the level of learned helplessness and job satisfaction. The results from interviews and open-ended questions demonstrated the organisational gap between the managers and employees regarding the level of learned helplessness.

The results confirmed that the sense of control, which is the key concept in the learned helplessness theory is a subjective feeling that cannot be quantified and generalised. It is unique for every situation and any organisation. However, one important element that should be there is the personal contact between the manager and his/her subordinates. This kind of face-to-face communication creates a positive atmosphere even when the changes demand unexpected efforts or result in an unfavourable state. That kind of humanism lessens the feeling that people in the organisation are just costs and can be cut similarly. Bearing that in mind leads to the second conclusion – middle management is the key to success. They have to cope with the change that is coming from above their heads and at the same time lead and motivate their subordinates through the process. In the current case the middle management seemed to become the weakest link in the chain and this might have caused quite a polarised view on the necessity of change as well as the willingness to cooperate throughout the process.

Basing the research on a single service sector company leads also to some research limitations, i.e. the results may not be appropriate for other business sectors because of the difference in organizational culture or business logic. Besides, although the sample company had been chosen because it represents a well-established service sector company, every caution should be made within the sector to apply the results directly on any other company without thorough analyses of target and sample company.

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Annex 1

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalisation.

Factor 1

- In the recent changes I was offered to collaborate on matters of great importance to me – 0,82;
- In the recent changes my opinion on matters of great importance was considered – 0,82;
- In the recent changes I actually had the opportunity to collaborate on matters of great importance to me – 0,76;
- The changes affecting my job were previously discussed with me and my opinion was considered – 0,74;
- In the recent changes my possibilities to collaborate exceeded my expectations – 0,72;
- I had a big input on the planning and execution of the recent change – 0,71;

Factor 2

- My colleagues would have wanted to collaborate more with the recent changes than they were offered – 0,83;
- I think the managers should have considered more the opinion of the employees on matters affecting them – 0,81;
- In the recent changes my expectations regarding the collaboration were higher than the reality – 0,81;
- In the recent changes the managers made decisions without considering the opinion of their employees – 0,76;

Factor 3

- In the next 3 years there will be mainly positive changes – 0,76;
- In the next 3 years my job conditions will improve – 0,76;
- In the next 3 years I will advance in my career – 0,64;
- I think my colleagues have enough possibilities to affect their job outcome – 0,46;
- In the next 3 years I will continue working for the organisation – 0,45;
- I believe that the organisational changes in our company rely on teamwork where each of the member has its role – 0,44;
- I believe I can influence my job outcome directly with my activities – 0,38;

Factor 4

- The initiative for the organisational changes came rather from the external environment rather than from the internal needs – 0,84;

- The recent organisational changes were inevitable due to changes in the external environment – 0,69;
- The initiative for the organisational changes came rather from the organisational needs than from the external environment – (-0,68).

