

Face the future – *fearlessly*

How harnessing the locus of control creates future-ready organizations



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I want to start a new business, but the market's just too volatile right now.

“

I feel like I deserve that promotion, but maybe I'm just not good enough to get noticed.

“

I can't wait to travel internationally. But what if I can't ever master a new language?

“

No one I know has ever achieved that much success... I obviously can't either.

We tell ourselves myriad stories, ones that often couple big dreams with seemingly insurmountable obstacles. There are goals we have in mind and accomplishments we hope to call our own, but is that enough to make what we hope will happen a reality? The answer is due in part to whether we believe we can, and that specific type of belief has a name: **locus of control**.

Every organization consists of people whose life experiences have contributed to their sense of control, and that perception affects how they approach challenges, opportunities, and business imperatives. In our rapidly changing global economy, with workplace dynamics shifting daily, uncertainty and change are increasingly becoming the rule, not the exception. This means that even the most steadfast, unflappable assets of an organization will at some point become affected by disruptive market forces and complex challenges to business as usual.

Companies must use every opportunity to support employees through the uncertainty that will continue to persist. That support begins with addressing how and if people process, internalize, and innovate when confronted with challenges and change... or, in other words, how they leverage their locus of control.

So, if you've ever wondered why:

- You can't seem to stop ruminating on a past mistake
- Some colleagues are quick to blame co-workers for their failings
- Managers sometimes seem to struggle with ambiguity and bouts of burnout
- Many organizational leadership teams try to navigate trying economic and social times — but can't seem to move past looming issues, deadlines, and obstacles...

It's not simply a matter of willpower, toxic negativity, or other workplace symptoms — it's far deeper than that.

The data¹ has a different story to tell.

1. All analyses in this report draw from the Onboarding and Reflection Point data from BetterUp between July 2019 - October 2020. Only individuals who completed all Locus of Control Items in Onboarding and Reflection Point Assessments were included, leaving us with a total sample size of 7,157.

What is the
locus of control?

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In broad terms, locus of control can be used as a proxy to measure the extent to which one feels they have agency over their environment, decision space, opportunities, and future. Within the field of psychology, an individual's locus of control is considered a personality trait.

Researchers often categorize individuals as “internals” and “externals” in reference to the set of beliefs with which they navigate their world. An individual's locus of control plays a strong role in the things they find stressful,² their psychological and physiological experience of stress,³ and the strategies they employ when faced with stressful situations.⁴

These beliefs impact behavior because repetitive thoughts become deeply ingrained perspectives, and those tend to become patterns. As time goes on, those patterns become habitual actions, which can affect how employees react to challenges in an evolving workplace. This is an especially important understanding now, given the collective uncertainty and instability communities and organizations are navigating. The locus of control will be a key trait that employees, managers, teams, and leadership all need to strengthen.

Locus of control is especially important right now, given the uncertainty and instability organizations are facing.

2. Marino KE, White SE. Departmental structure, locus of control, and job stress: the effect of a moderator. *J Appl Psychol.* 1985 Nov;70(4):782-4. PMID: 4086418.

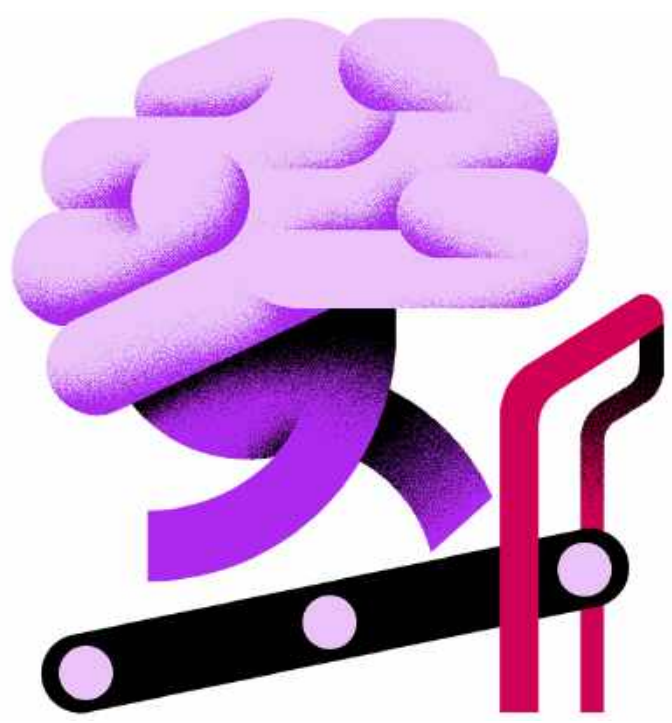
3. Chen, J. C., & Silverthorne, C. (2008). The impact of locus of control on job stress, job performance and job satisfaction in Taiwan. *Leadership & Organization Development Journal*, 29(7), 572–582. <https://doi.org/10.1108/01437730810906326>

4. Hahn, S. E. (2000). The effects of locus of control on daily exposure, coping and reactivity to work interpersonal stressors: a diary study. *Personality and individual differences*, 29(4), 729-748.



1. The internal locus of control

(or iLoC), where one perceives that the main events in their life are controlled by internal forces like their own decisions, actions, goals, and desires. When confronted with a challenge, this person may immediately think of how they could overcome the obstacle to achieve what they want. An orientation of action, energy, and determination are their default.



Those with a **stronger internal locus of control** (decisions, actions, goals, desires) often have better cognitive and physical health. These people view stressors as controllable but may struggle when unpredictable or turbulent situations prove to be outside of their control.

2. The external locus of control

(or eLoC), where one perceives that the main events in their life are controlled by external forces like fate, God, or societal structures. When confronted with a challenge, this person may wonder why the situation is happening to them or feel under attack. A sentiment of paralysis or of choicelessness are common.



Those with a **stronger external locus of control** (fate, God, societal structures) often have worse cognitive and physical health outcomes. These people avoid known stressors to avoid negative emotions, and this perspective is associated with learned helplessness.



Essentially, some people believe they don't have control over their actions and what happens to them. Others believe they have full agency over their actions and outcomes.

At first glance, it may appear that internal locus of control tendencies are inherently positive and external ones are not. However, it's imperative to understand that *people with both types of locus of control can be successful*. An internal locus of control isn't automatically good; an external locus of control isn't automatically bad. Context, however, does matter. In the workplace, internal locus of control intuitions are deeply helpful. Viewing stress as controllable as well as taking agency, ownership, and accountability are attributes that drive positive impact at work. Though those attributes align more closely with the internal locus of control, they are still ones that all employees can strive to strengthen. Additionally, those with external locus of control may be more sensitive to their surroundings and more perceptive of others on the team, potentially making them better team players.

If maximizing impact at your organization is your goal, understanding and nurturing the strengths of both locus of control perspectives is imperative.

Understanding our locus of control is key to unpacking our perception of our power and possibility.

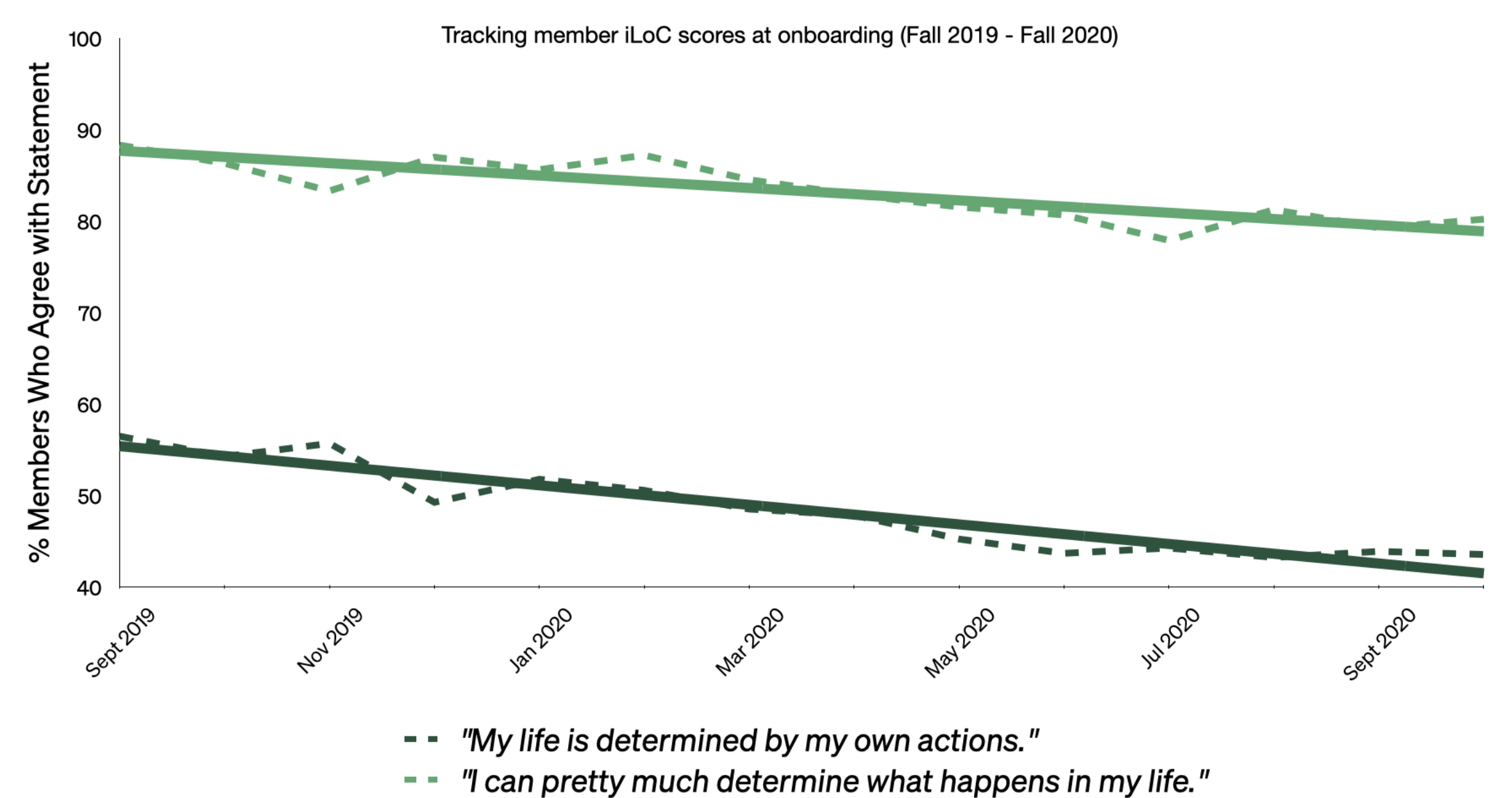
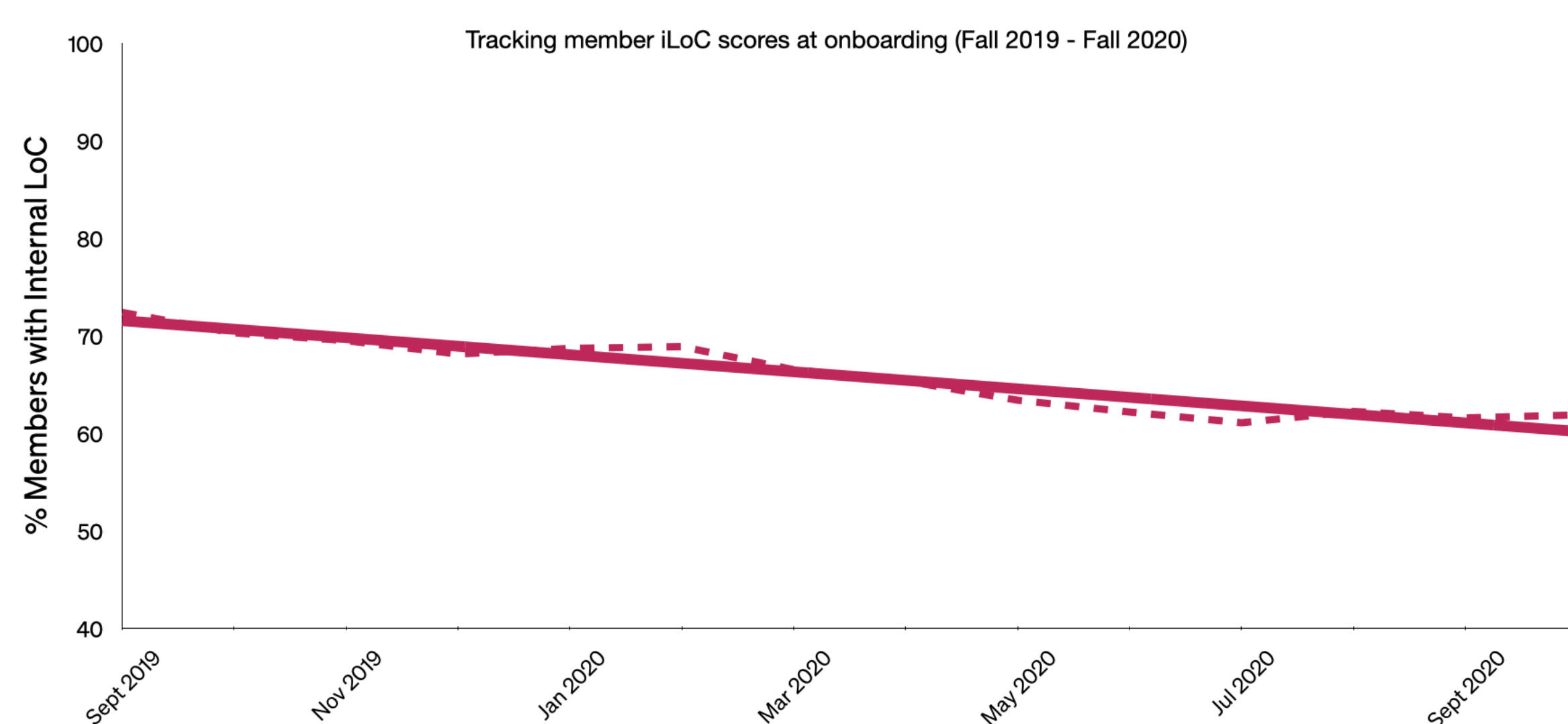


So, yes — we all have control issues, but some can be leveraged to your organizational benefit. It's important to understand that our locus of control isn't fixed, and employees with an external locus of control can increase their internal locus of control tendencies, which can lead to positive impacts on mental health and well-being. Additionally — as evidenced by the charts below — if internal locus of control tendencies aren't nurtured, they can decrease over time.

Understanding the locus of control of a person can tell us a good deal about an individual's ability to rebound from setbacks, manage everyday stress, and navigate unpredictable situations. The distinction between the internal and external locus of control proves immensely important for an individual's sense of opportunity and the energy they can bring to your organizational mission. Productivity, resilience, and a willingness to stay at one's organization rely on how much control people believe they have over their lives. Let's discover why and how harnessing the power of locus of control can influence how your employees see the world and are motivated to take action.



Internal LoC over time



How does the locus
of control show up
in the workplace,
and why does it matter?



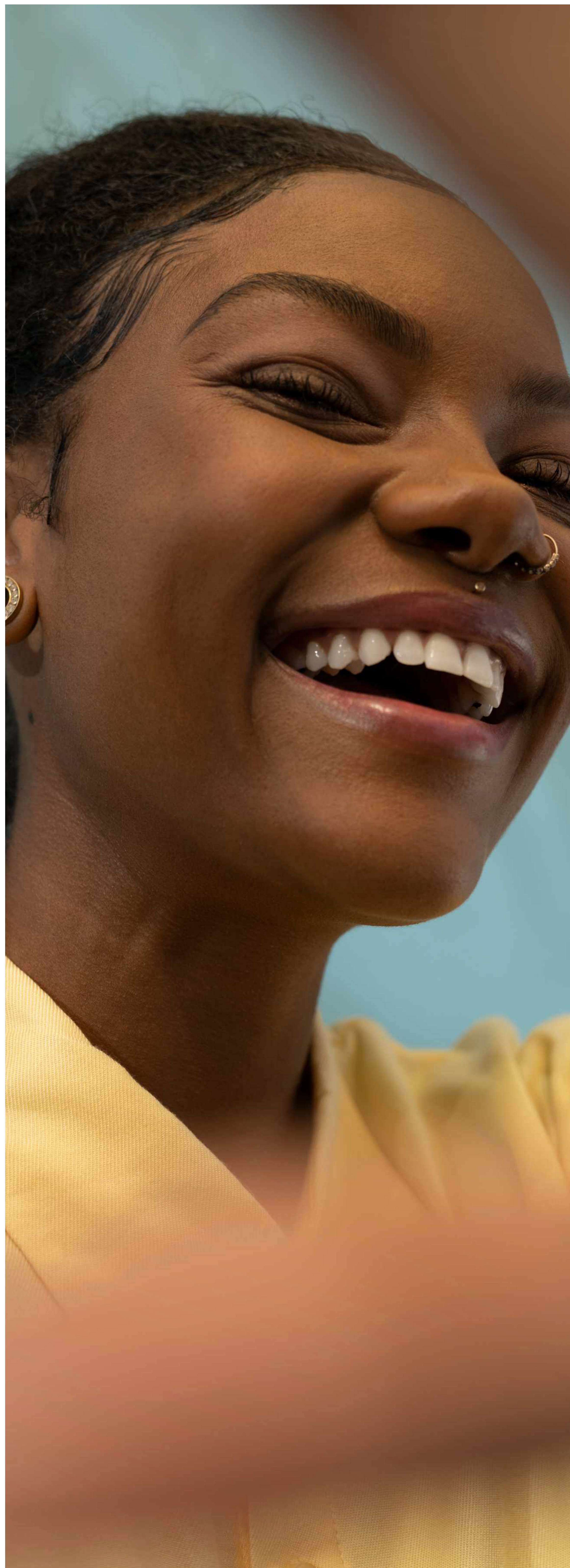
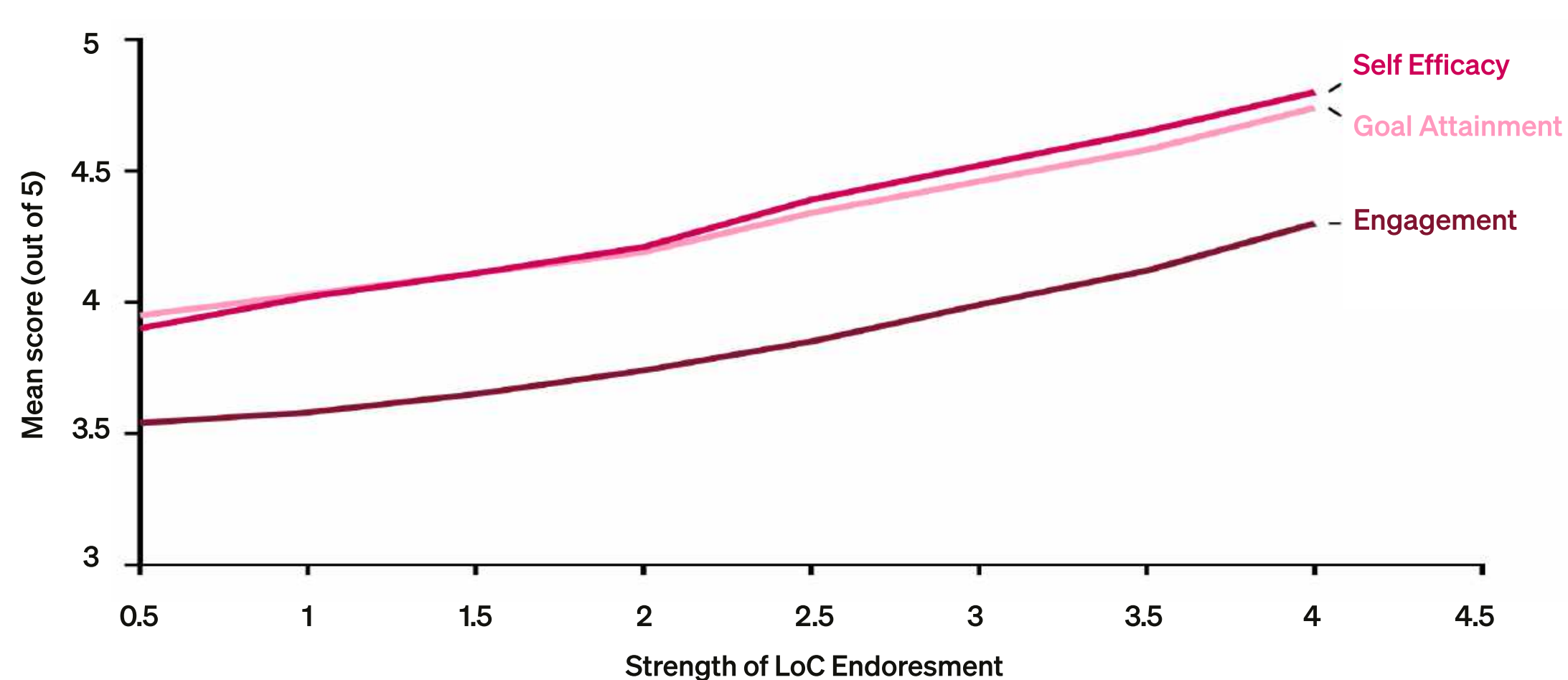
For our communities (both personal and professional) to operate at their best, it matters deeply who feels in control of their lives and the opportunities available to them. Without a sense of possibility and a drive to change unfavorable circumstances, a sense of control must exist. Those in positions of power and leadership must cultivate opportunities for all to access resources to develop the resilience to deal with external forces and grow past negative internal beliefs to achieve goals. But how?

Understand how locus of control drives accountability and responsibility.

Generally speaking, people with an internal locus of control take responsibility and accountability for their actions. They have greater expectations for themselves because they don't believe that luck will help them succeed. As a result, they tend to take control of their work, personal goals, and anything else that's important to them.

People with an external locus of control often feel like their success is experienced only because of luck or because others just weren't good enough. When experiencing setbacks, this group may believe it's because others were just too talented for them to have any chance of winning. The juxtaposition of these two perceptions can often mean employees with a higher iLoC are rewarded and others with higher eLoC are not, which often reinforces perceptions of power or inadequacy. However, widening the gap between people who have either external or internal locus of control is not ideal, nor does it have to be a reality — these mindsets can be strengthened to allow all employees to feel responsible for organizational goals and initiatives.

Internal LoC, self efficacy, goal attainment, & engagement



On the other hand, having an external locus of control can have several positive aspects. For instance, these people may be more sensitive to their surroundings and more perceptive of others on the team, potentially making them better team players. They're also able to let go of things more easily and can be happier because of that, especially when it comes to letting go of external factors that really are beyond their control. However, that "let go" attitude can be both good and bad. While it may lead to peace for some people, it can lead to apathy in others.

What's important to understand is that employees can be high-impact performers and possess traits from either an internal or external locus of control perspective. People with both LoC perspectives are present in every workplace, and the best of either LoC outlook can be strengthened and leveraged for the good of teams and the organization as a whole. By leaning into the best possible characteristics of each outlook while equipping employees with opportunities to build agency, colleagues and leaders can help everyone be successful.

Understand how to help your unengaged employees become impact players.

We all want high-performing teams, and we expect that employees see their worth and will work to win accordingly.

BetterUp member data shows that when present, belonging, employer support, and a positive work environment lay the foundation for members to increase in internal locus of control. In fact, people with an internal locus of control were more than twice as likely as those with an external locus of control to say they felt seen, heard, valued, and like their opinion matters at their organization. However, when these resources and attributes are lacking, members are susceptible to leaning into external locus of control tendencies instead of more self-reliant, resilient ones.

If you've ever heard the following:

“

Life events are all about luck and chance. Some people get lucky, and others don't. It's completely random and up to fate.

“

People don't have much control over what happens in the world. We can all strive to achieve something, but in the end, things will work out the way they were intended to.

“

I have little to no control over my own life.

You're probably dealing with a person with an external locus of control.

Our experiences
and identities affect
our locus of control

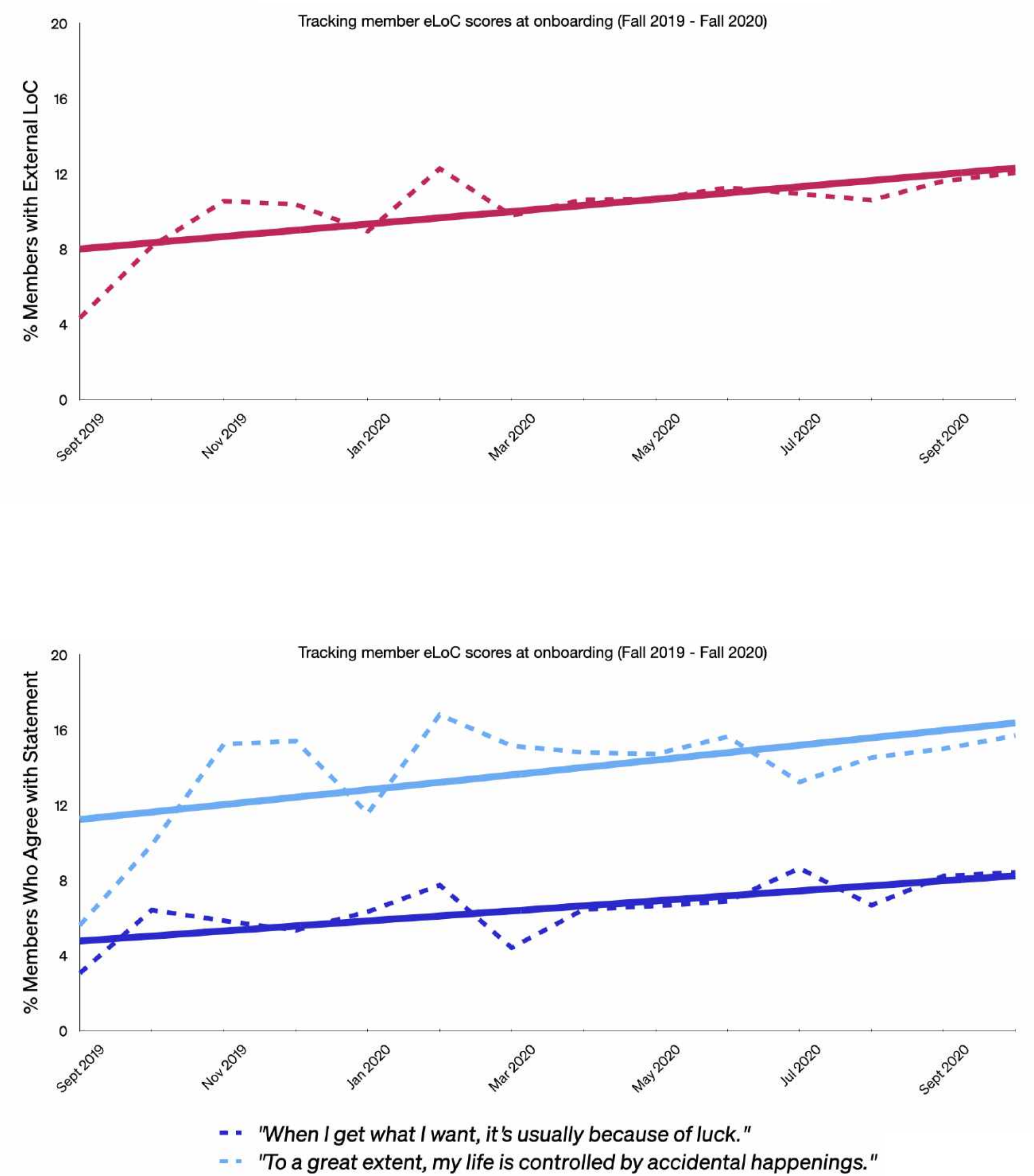


Awareness of how our experiences affect our locus of control is important to cultivating and maintaining a diverse workplace culture.

Your communities and organizations consist of individuals, each with unique backgrounds and experiences. When uncertainty and obstacles emerge, those people will respond based on how much control they feel over future outcomes. For this reason and many more, it's imperative that managers and leaders are attuned to LoC — it helps them invest in belonging and participation in their teams if they can meet individuals where they are. Believe it or not, some employee responses to challenges are predictable, and data shows that factors related to identity matter.

These patterns suggest that LoC perceptions may not be static but that many people's feelings of control can (and did) shift in response to increasing uncertainty in their external environment throughout 2020 (especially for those in the Black community).

External locus of control over time



The past few years of unrest have affected nearly all of us, but those effects are not felt similarly among folks of all identities. Marginalized communities often report feeling less control over their lives, leading to negative trends in hope, purpose, meaning, optimism, and resilience.

BetterUp member data suggests that majority group members report feeling much more agency over their lives (higher iLoC) than other groups, with men of color feeling they have the least amount of agency. In addition, minority racial group members and women are markedly more likely to report feeling a lack of control over their lives/futures (high eLoC) than other groups.

1. Historically advantaged/entitled/higher status groups such as racial/ethnic majorities, men, and those with more formal education typically report higher internal locus of control.⁵

2. Historically oppressed/marginalized groups such as racial/ethnic minorities and those with lower educational attainment report higher external locus of control.⁵

5. Shaw, B. A., & Krause, N. (2001). Exploring race variations in aging and personal control. *The Journals of Gerontology: Series B: Psychological Sciences and Social Sciences*, 56(2), S119–S124. <https://doi.org/10.1093/geronb/56.2.S119>



Essentially, complex societal factors can contribute to people from marginalized communities having a predisposition to external locus of control. To be clear, it is often the effect of traumatic events and adverse experiences that can present as a lack of agency and hope — which means that all people who have these experiences are susceptible to more of an external locus of control outlook.

These correlations majorly effect how colleagues from diverse backgrounds show up in professional spaces. If systemic oppression related to identity means some don't feel like they have the power to change their destinies, there are consequences both at an individual and collective level, especially in workplaces. It is every

organization's responsibility to refuse to hold those tendencies against underrepresented communities, and instead, help strengthen internal locus of control attributes so they can thrive in the workplace. Leveraging the data presented here is evidence of yet another effect of marginalization experienced by BIPOC people — and is a critical learning to ensure organizations invest heavily in support of under-resourced communities.

Though we all bring individual identities and perspectives to the actions we take and the issues we address, we all have the power to change. People can change their locus of control to become more resilient and successful — let's discover how.



Change is possible
with help from
organizations
and managers

4

For workplaces to operate at their best, it matters who feels in control of their lives and the opportunities available to them. For those who feel less control over their lives (leading to negative trends in hope, purpose, meaning, optimism, and resilience), organizational leadership must cultivate opportunities for all to access resources to develop the resilience to deal with external forces and grow past negative internal beliefs to achieve goals.

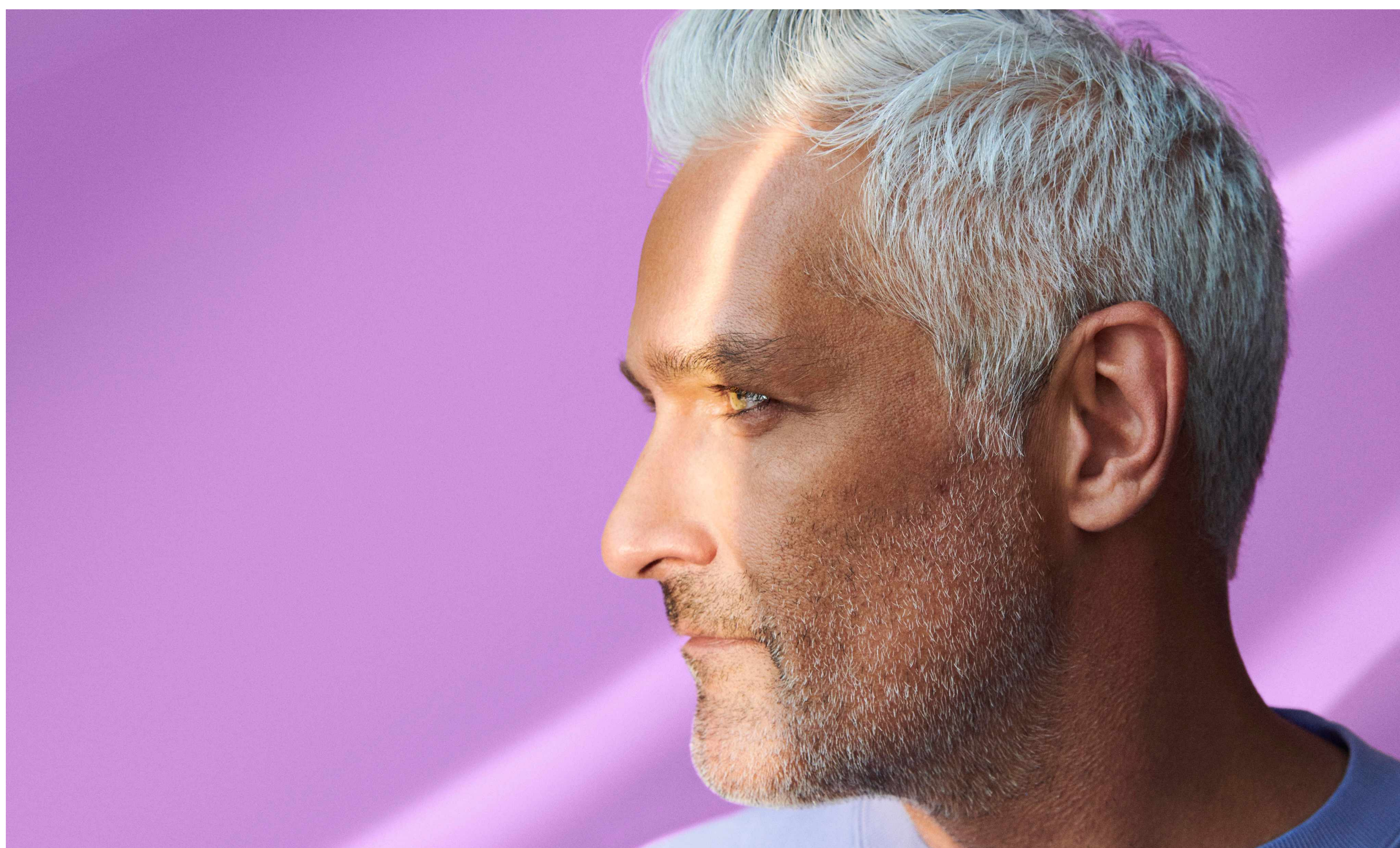
Our locus of control can either hinder our progress or be harnessed into boundless potential

We know that those with a higher internal locus of control are better able to deal with unforeseen challenges, while their colleagues with an external locus of control are less likely to feel agency in changing their futures. Everyone deserves to feel in control of their future, but we know that not all of us interpret our futures similarly.

When present, belonging, employer support, and a positive work environment lay the foundation for employees to increase in internal locus of control, but when lacking, workers are susceptible to leaning into external locus of control tendencies.

But it's not all on the individual: environment matters. The next time your managers, leaders, or colleagues identify performance issues, risk aversion, conflict avoidance, and other behaviors that are problematic for organizational success, you've been equipped with deep insight into why. But it's not solely on employees to change their perspectives overnight.

So, how can leaders make an impact within the context of locus of control?



1. Amplify opportunities for employees to lean into their agency

Ensure your organizational culture promises opportunities for people to take action, see results, and be accountable for their contributions. Trait-wise, it seems individuals with an eLoC are more reactive to, and reliant on, social resources (i.e. relationship building). Create opportunities to do just that in employee resource groups, team building activities, etc. People with iLoC traits are more aligned with independence (i.e. self-efficacy, growth mindset), and there are many opportunities to create projects and professional development tasks to engage those predispositions.

2. Build trusting managerial relationships

Providing autonomy, a safe space for navigating professional challenges, and empowerment for team members help improve conditions for a higher internal locus of control, as well as goal achievement. Data indicates that people with supportive managers score 30% higher in internal locus of control and 42% lower on external locus of control than their peers with unsupportive managers.

3. Incorporate locus of control research into DEIB resources

Awareness is the first step to change, and organizational leaders seeking more inclusive environments can and should equip themselves with information that can harness the unique strengths of employees with either locus of control tendency.

Employees require environments that enhance the traits of internal locus of control: self-reliance, agency, and decision-making. The suggestions above can address these traits.



Coaching can help
optimize our
locus of control



Changing the locus of control within each of your employees takes time, isn't a linear process, and requires diligent measurement and thoughtful resources and practices. What we already know about how coaching affects the locus of control is astounding.

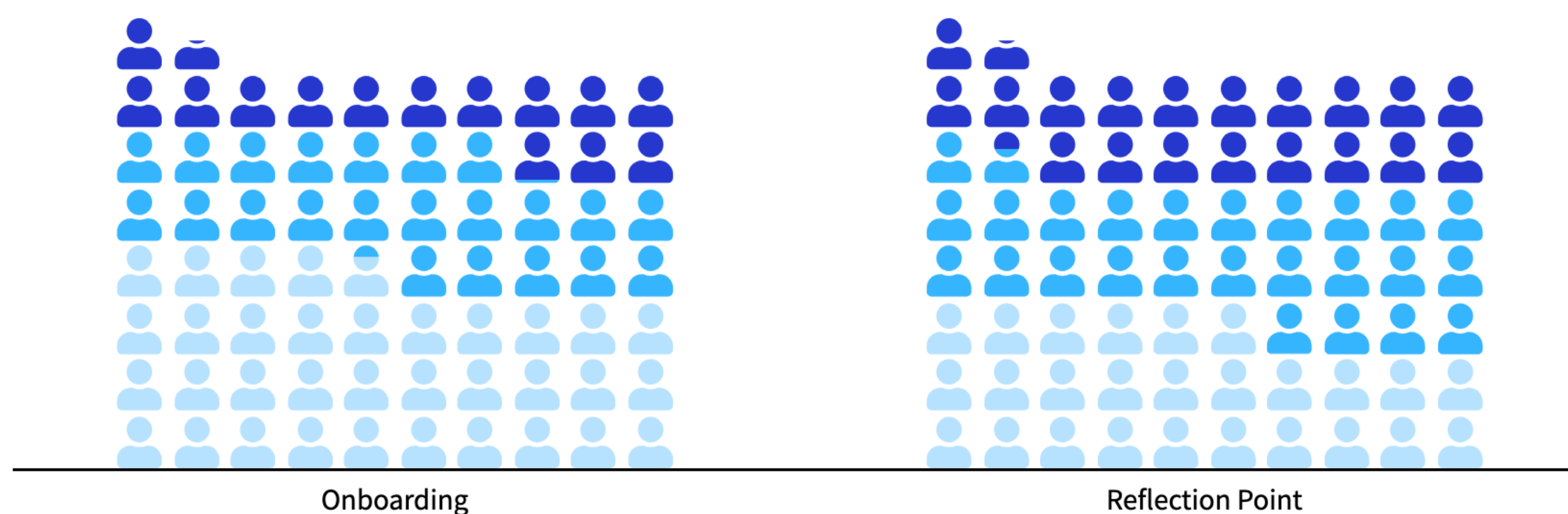
Our data show that 42% of members show an increase in their internal locus of control between onboarding and their reflection point, which was 3-4 months into their coaching journey... with no significant differences between demographic groups. On average, members who showed growth in this period reported a ~25% increase in their internal locus of control scores. In addition, 17% of our members show both an increase in iLoC and a decrease in eLoC between onboarding and reflection point.

The figure below displays major movement on internal locus of control measures over time on the individual level. Because more members increased attributes of iLoC between onboarding and their reflection point, what we see are people taking what they've learned with their coach and internalizing them, which is deeply encouraging for future members looking to improve their own locus of control.

Internal LoC changes by individual

Tracking individual iLoC scores from Onboarding to Reflection Point (3-4 Months Later)

■ High iLoC
■ Average iLoC
■ Low iLoC



Each Icon represents 100 members

In short, BetterUp® coaches help individuals build self-awareness around the various roles they play and the potential they possess. As a result, people show up in more effective ways, both in their personal and professional lives. Our coaching process adapts to individual circumstances, meeting people where they are, with what they need, and when they need it.

We designed our expert coaching to empower members to find their own answers within themselves. In the coaching partnership, the coachee, not the coach, sets the goals, defines the playbook, and determines what success means. The coach provides committed expertise, bringing insight, perspective, and a growth mindset to the coaching relationship. Why is this helpful for strengthening the locus of control? Coaching helps people tap into a strength they didn't know they had.

So, while coaching sessions are facilitated by a trained professional, they put the control squarely in the hands of the member.

Now that's the control we all deserve to have.

Cultivate your future-ready organization — starting today.

Schedule a demo