ORGANIZATIONAL COMMITMENT, ORGANIZATIONAL SUPPORT AND SOCIAL SUPPORT: DUAL EFFECTS FOR CONTRACT WORKERS

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ABSTRACT

A major trend in current employment practices is to employ workers in contract positions. Against this background, the study reported in this paper investigated the dual commitment of contracted employees to their employing agency and to the client firm for whom they were contracted to work. One hundred and four employees in the Australian building industry were surveyed about their commitment to both their employing agency and the client building organization for which they were currently working. Organizational commitment (affective, continuance and normative), was measured using Allen and Meyer's (1990) scale. The study also investigated the effects that perceived support from supervisors, co-workers and organizations had on employees' commitment to the employing and client organizations. The results indicate that employees can feel committed to both the organizations although this commitment is engendered by different factors.

Keywords: Organizational commitment, organizational support, social support, contingent workers

INTRODUCTION

As a response to competitive pressures for increased flexibility and reduced costs, many industries are

now employing contract workers in place of full time traditional positions (Kalleberg and Shmitt,

1997; Stamper and Van Dyne, 2001). This trend has introduced important changes into the work

relationships that have traditionally existed between employers and employees. One such difference

lies in the potential for these workers to form a dual commitment - to the employing agency and to the

client organization – in replacement of the single organizational commitment that normally

characterises traditional working arrangements (Linden, Wayne and Kraimer, 2003).

Developing a deeper understanding of the nature and the effects of dual commitment is important

since employee commitment itself has been shown to affect key aspects of organisational operations.

Examples include voluntary turnover (Mowday, Steers and Porter, 1982), employee performance

(Meyer, Paunonen, Gellatly, Goffin and Jackson, 1989), organisational citizenship (Shore and Wayne,

1993), absenteeism (Mowday et al. 1982), motivation and involvement (Farrell and Rusbult, 1981;

Stumpf and Hartman, 1984) and acceptance of change (Iverson, 1996). Understanding and utilising the

commitment of employees is therefore vital to the effectiveness of organisational operations. To date however, research on dual commitment between employing agency and client organization has only investigated its effects within the manufacturing industries (Benson 1998, Linden et al., 2003) and the professions (McKeown, 2003).

The purpose of this paper is to report on a study that investigates some of the factors that affect dual commitment in a sector that is a major employer of contracted workers, the Australian building industry. Many of the workers this sector for instance, electricians, plumbers and plasterers, are normally fully employed by an agency which provides labour to building firms when required. The study analysed some of the key factors affecting the commitment of contracted building workers both to their employing agency and to the particular building firm concerned. Specifically, the study investigated the effects of contracted employees' perceptions of organizational, co-worker and supervisor support on their commitment to their agency and the client building firm.

LITERATURE AND HYPOTHESES DEVELOPMENT

Organizational Commitment

Organisational commitment has attracted extensive attention and numerous researchers have attempted to identify its role within the organisational environment, including how commitments develop and how they help shape attitudes and behaviours. It has been established that highly committed employees are less likely to be absent from work and to voluntarily leave the organization (Meyer and Allen, 1993). However, within the relevant literature there is no consensus as to what constitutes organizational commitment (Shore, Barksdale and Shore, 1995) making it difficult to fully understand the construct (Mowday et al., 1982). This confusion has led to differing opinions over whether organizational commitment is productive or not, stable or in decline (Meyer and Allen, 1997). In attempting to reconcile the various definitions, Meyer and Allen (1991) identified the following three broad themes:

- affective attachment to the organization

- perceived cost associated with leaving the organization and

- commitment as a moral obligation to remain in the organization.

Affective commitment refers to employees that remain with an organization because they *want* to. Allen and Meyer (1990) define this as an attachment to the organization, along with the identification and involvement in the organization. Employees that have affective commitment are likely to attend work regularly, perform assigned tasks to the best of their ability and make an extra effort to help out beyond the realms of their specified job roles and form an attachment to the goals and values of the organization (Herscovitch and Meyer, 2002).

Continuous commitment refers to the employee's awareness that costs are associated with leaving the organization. Employees tend to remain with the organization because they feel they *need* to. The level of continuance commitment is determined by an employee's lack of viable alternative forms of employment and high investment of time and effort they have put into the organization (Meyer, Allen and Smith (1993).

Normative commitment refers to the employee's feeling of an obligation to remain with the organization. Employees remain with the organization because they feel they *ought* to. The responsibility they feel they have to the organization is based on the belief that they must exhibit positive behaviours for the organization because it is the right and moral thing to do (Wiener, 1982).

This multi-dimensional perspective on commitment is adopted for this study on the basis that employees are likely to experience varying degrees of commitment across all three components. Insights into this variation should provide a broader perspective and understanding of the reasons behind why employees become committed to both their employing agency and the particular building firm they are contracted to provide work for.

Dual Commitment

There have been very few studies into the dual commitment of employees to the agency they are employed by and the organization they perform the work for (Benson 1998, Linden et al., 2003; McKeown, 2003). However, this area is an increasingly important one to study owing to the greater casualization of the workforce and the subsequent reliance on contract workers who may experience dual loyalties. It is possible but as yet largely unexplored that commitment to one organization need not be at the expense of another (McKeown, 2003).

Studies into dual commitment have found that employees that are responsible to two different parties tend to become committed to each for different reasons. Indicators of commitment to both an employing agency and a client organization that have been identified include perceived organisational support (Linden et al., 2003) and social support - including that from supervisors and co-workers - (Benson, 1998).

In order to examine the nature and influence of commitment on both the employing agency and the host companies (the building firms in this study), the following hypotheses were developed. Given the exploratory nature of the study these are stated in the null form:

Differences in the types of commitment between the agency and the client firm
This hypothesis explores an area that has to date received little research attention – whether contracted employees experience varying degrees of commitment across all three components of commitment.

> *H1: There will be no significant difference in employee affective (H1a), normative (H1b) and continuance commitment (H1c) between the agency firm and the client firm.*

Perceived Organizational Support

Perceived organizational support has been defined as "the global belief held by an employee that the organization values his/her contributions and cares about his/her contribution" (Eisenberger, Stinglhamber, Vandenberghe, Sucharski and Rhoades, 1986, p357). Perceptions that they are supported are imperative if employees are to be inspired to become committed and attached to a firm's goals and objectives. This reasoning is based on the theoretical framework created by the social exchange theory (Blau, 1964) and the norm of reciprocity (Gouldner, 1960). Underlying both is the concept of unspecified obligations. These arise when one party does a favour for another and there is an expectation of some future return, although exactly when and in what form is not always clear (Wayne, Shore and Linden, 1997). The concept of perceived organizational support is one method by which perspectives of unspecified obligations develop in employees. The social exchange theory explains how perceived organizational support increases an employee's hope that the organization will compensate larger efforts towards meeting the organizational goals (Eisenberger, et al, 1986). Employees reciprocate the perceived support they have received which may also come in the form of praise for good work, by being a competent organizational citizen and being committed to the organization (Graham, 1991).

Linden et al. (2003) investigated the concept of perceived organizational support from two sources as a way of inspiring dual commitment. The researchers found that organizational support could be perceived simultaneously from both the employing agency and the client firm. As such, it sets the basis for exploring the notion of dual commitment encapsulated in the following hypothesis;

> *H2: There will be no significant difference in employee perceived organizational support between the agency firm and the client firm*

Social support

It is likely that there is relationship between how much an employee perceives support from supervisors and co-workers and the level of commitment they have towards the organization. Cobb and Kasl (1976) (in LaRocca and Jones, 1978) report that perceived social support from both groups is positively correlated to favourable job attitudes and better health. Benson (1998) found that contract workers could perceive that they were simultaneously supported by their agency and by co-workers in their host organization although the levels were higher for the latter. Because of the absence of any research into the notion of dual support (from supervisors and co-workers) from two organizations (agency and host firm) the following is hypothesised in order to explore this aspect of commitment more fully;

> *H3: There will be no significant difference in employee perceived supervisor support and co-worker support between the agency firm and the client firm*

Affective Commitment and Organization/Social Support

Given the importance of employees' perceptions of organizational and social support for their commitment to their employing organisations, the study also sought to identify among the building industry employees, whether these perceptions were antecedents to affective organizational commitment.

Of the two, the relationship between organizational support and affective commitment has received the greatest research attention. Based on the social exchange theory and norm of reciprocity, a number of studies have shown that employees who feel supported by the organization develop a stronger sense of commitment than those who perceive that they receive little or no such support (Masterson, Lewis and Goldman (2000); Rhoades and Eisenberger, 2002; Settoon, Bennett and Liden, 1996; Shore and Wayne, 1993; Wayne, Shore, and Linden, 1997).

Of relevance here is Linden et al's (2003) study which found that perceived organizational support is an important generator of affective commitment and that this can be held for two different organizations simultaneously. The relationship between social support and affective commitment has received less research attention although Benson (1998) identified both perceived supervisor and co-worker support as an important initiator of affective commitment to the organization. While both studies suggest that perceived organizational and social support may be instrumental in generating affective commitment to two different organizations simultaneously no-one has yet explored this aspect within the building industry. Therefore, the following hypothesis is included as part of this study;

H4: There will be a positive association between affective commitment and perceived organization support, supervisor support and perceived co-worker support for both agency firm and client firm.

RESEARCH METHODS

Sample and data collection

The data for the study was collected through the use of a questionnaire. Participants in the study consisted of contracted employees working for various small to medium building organizations in Melbourne, Australia. Participants were recruited by firstly selecting a convenience sample of building organizations and secondly requesting permission from the head of the organization to distribute the questionnaires to their sub-contractors. After permission had been obtained, an appropriate number of questionnaires were sent and distributed to their sub-contractor staff. The questionnaire contained an explanation of the reason for and objectives of the study. The cover sheet also emphasised that participation in the research was voluntary and all individuals' responses would remain confidential and were anonymous. Each participant was requested to return the questionnaire in a reply paid addressed envelope to the researcher. The response rate for the survey was 57% (180 sent and 104

returned with 2 unusable questionnaires). It should be noted that each contracted worker may be employed by a different agency since all builders do not use the same agency. We did not ask the name the agency for confidentiality reasons.

Measures

Organizational commitment was measured using 12-items from the Allen and Meyer (1990) scale. All three components of organizational commitment were included: affective, continuance and normative commitment. The items were presented on a 5-point Likert scale with anchors strongly disagree (1) to strongly agree (5). Respondents were instructed to answer each item firstly in relation to the sub-contractors agency and then the client (building) firm. Following factor analysis (principal components with Varimax rotation) the study employs 3 items for normative commitment, 3 items for continuance commitment and 6 items for affective commitment

Perceived organization support was measured using Eisenberger, Huntington, Hutchinson and Sowa, (1986) 14-item instrument; however, we did not use two items because they did not appear relevant to the building industry. Responds were given a 5-point scale ranging from strongly disagree (1) to strongly agree (5). Supervisor and co-worker support was measure using the House (1981) social support questionnaire. Three items were used to measure perceived co-worker support and three items for perceived supervisor support on a 5-point Likert scale with anchors strongly disagree (1) to strongly agree (5). Consistent with the above, respondents were instructed to answer each item of the support scale for both the agency firm and the client firm

Demographic variables collected for the study shows that he sample consisted of 100% males; electricians 14%, carpenters 16%, bricklayers 10%, plumbers 11%, painters 7% and others 30% (cabinet makers, tilers, roof tilers, concreters); 42% were <30 years old, 54% between 30 and 59 years old and 4% >59 years of age; 16% completed Year 9 of secondary school, 26% completed secondary

school, 58% had completed an apprenticeship; 14% had been employed with their agency for < 1year, 48% between 1 year and 5 years and 38% >5 years employment with the agency firm.

RESULTS

The hypotheses developed for the study were tested by comparing the difference in the means between the agency and client firm samples. As shown in Table 1, the difference between the means for both Affective Commitment and Normative Commitment were statistically significant (F=3.83, p<.01 and F=4.49, p<.01, respectively), providing support for the rejection of the null hypotheses H1a and H1b. The results demonstrate that the commitment (both affective and normative) of contract workers is higher for the agency firm. There was not statistically significant difference in continuance commitment between the two firms.

Again, referring to Table 1, the difference between the means for Organization Support, Supervisor Support and Co-worker Support were statistically significant (F=5.24, p<.01, F=5.23, p<.01, F=6.13, p<.01, respectively), providing support for the rejection of the hull hypotheses H2, H3 and H4. Clearly contract workers perceived support from the organization, supervisor and co-workers is higher for the agency firm compared to the client firm.

Table 1: Descriptive statistics, Cronbach alpha and statistical significance of mean differences for commitment and support between agency (A) and client (C) firms

	Cronbach Alpha	Minimum	Maximum	Mean	Standard deviation	*F*
Affective commitment (A)	0.89	11.00	28.00	20.64	4.55	
Affective commitment (C)	0.92	6.00	28.00	12.27	4.12	3.83**
Normative commitment (A)	0.73	6.00	15.00	11.00	1.77	
Normative commitment (C)	0.79	4.00	14.00	7.39	2.22	4.49**
Continuance commitment (A)	0.70	4.00	13.00	8.07	1.99	
Continuance commitment (C)	0.81	4.00	13.00	8.07	1.99	ns
Organization support (A)	0.84	33.00	57.00	48.03	4.53	
Organization support (C)	0.86	25.00	55.00	35.21	5.09	5.24**
Supervisor support (A)	0.89	8.00	15.00	11.90	1.70	
Supervisor support (C)	0.94	3.00	15.00	8.33	2.53	5.23**
Co-worker support (A)	0.91	3.00	15.00	10.25	2.67	
Co-worker support (C)	0.90	3.00	14.00	6.45	2.19	6.13**

* $p < .05$
**$p < .01$

The regression results in Table 2 show that both organization support and co-worker support are positively associated with affective commitment for the agency firm, while only organization support is positively associated with affective commitment in the client firm. It should be noted that organization support for both agency and client firms was the most important form of support affecting affective commitment. These results provide partial support for H4.

Table 2: Regression results for affective commitment for both Agency and Client firms[a]

Model 1: Agency firm		
Variable	b (s.e.)	t
Organization support	0.29 (0.06)	4.44**
Supervisor support	0.06 (0.33)	0.17
Co-worker support	0.41 (0.20)	2.05*
Adjusted R^2 = 0.24; F = 11.5**		
Model 2: Client firm		
Variable	b (s.e.)	t
Organisation support	0.52 (0.07)	7.54**
Supervisor support	0.18 (0.18)	0.97
Co-worker support	0.08 (0.19)	0.44
Adjusted R^2 = 0.51; F = 36.65***		

*$p < 0.05$ (2-tailed)
**$p < 0.01$ (2-tailed)
[a]Tests on the adequacy of the regression models indicate that the assumptions of the models were satisfied by the data. Tests of normality indicate that the results of each model are fairly normally distributed. To diagnose multicollinearity, we examined the variance inflation factors (VIFs) for the predictors. The VIFs ranged from a low value of 1 to a high value of 1.47.

DISCUSSION AND CONCLUSION

This study suggests that contracted employees within the Australian building industry can have dual commitment and the relationship they have with each of the different parties is unique. The factors that engender commitment to the employing agency and to the client organization may be similar but they emerge for different reasons. The study found that two out of the three Meyer and Allen (1993) dimensions of commitment, affective and normative, were significantly higher in the employing agency compared to the building organization while continuance commitment was found to be quite similar. In order to create affective commitment to the employing agency, the significant creator variables were perceived co-worker organizational support whereas affective commitment to the building organization was created primarily by perceived organizational support. These findings illustrate the value of adopting a multidimensional approach.

As organizations strive to compete in a rapidly changing world, there is an increasing trend for companies to create flexibility and reduce costs by outsourcing non-core activities and

by employing contract workers to fill the void when extra work is required. This tendency is causing the traditional dyadic relationships within organizations to be significantly altered to the extent that employees are developing dual commitments to two different parties simultaneously. This study has provided some important insights into this relatively new construct and it is imperative that future research is conducted into different industries and the factors which have an affect on the development and management of dual commitment.

LIMITATIONS

One limitation of this study is the relatively small sample size. Although the rule of a 10:1 ratio of observations to predictors is satisfied, a larger sample size would have increased the statistical power and provide greater creditability to the overall results (Cooper and Schindler, 2000). Of the other major studies conducted in the dual commitment field, McKeown (2003) used 240 completed questionnaires, Linden et al. (2003) used 218 and Benson (1998) achieved a sample size of 55. All three of these studies using similar constructs and testing procedures achieved a higher sample size than the 51 achieved in this investigation and may have affected the significance levels of the results.

A second limitation is that the employees that were questioned throughout the surveys were all connected to different specialisations throughout the building industry and may have created a variation amongst results depending upon the unique relationship they may have with the building organizations. Additionally, many employees work for different builders simultaneously and may have led to a distorted perception of the support they receive from one building organization in comparison to others. It is conceivable that employees who move from job to job more rapidly than others would not have sufficient time to develop an attachment to the building organization. This also applies to employees who shift employment between employing organizations on a regular basis. Thus the validity of our results may be bounded by the temporal dimensions duration of employment at the building organization amongst the employees we studied (Zaheer, Albert and Zaheer, 1999).

DIRECTIONS FOR FUTURE RESEARCH

The interesting finding of this study is the significant relationship identified between perceived organizational support and perceived co-worker support. Given the results of this study and the lack of empirical research examining the link between dual commitment and the different predicted antecedents of commitment (perceived organizational, co-worker and supervisor support), future research should examine these relationships more thoroughly to highlight the importance of certain factors within the constructs.

It was also found by examining past research that there has been little or no research performed directly on the Australian building industry and the unique working relationships that occur within it. Given the importance of the building sector to the national economy, it is vital for future research to examine the relationships that occur throughout the building industry and how building organizations can inspire a more committed work force. When the questionnaires for this study were being given to the contract employees, they were very happy to participate and voice their opinions on how their relationship with the employing agency and building organization can be improved.

There has also been limited research conducted into the area of dual commitment and it is a relatively new construct. Due to the increase in the trend by organizations to outsource peripheral activities and concentrate on their core products and technologies (Cannon, 1989; James, 1992; Smith, 1991) there is likely to be more cases in which employees are becoming attached to different parties simultaneously for various reasons. This construct needs to be researched in more depth across a wider array of industries in order to establish a deeper understanding of the effects of dual commitment and the best way to manage employees are in this situation.

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