

6-2006

Organizational and client commitment among contracted employees

Jacqueline A-M. Coyle-Shapiro
London School of Economics and Political Science

Paula C. Morrow
Iowa State University, pmorrow@iastate.edu

Follow this and additional works at: http://lib.dr.iastate.edu/management_pubs

 Part of the [Business Administration, Management, and Operations Commons](#), and the [Human Resources Management Commons](#)

The complete bibliographic information for this item can be found at http://lib.dr.iastate.edu/management_pubs/19. For information on how to cite this item, please visit <http://lib.dr.iastate.edu/howtocite.html>.

This Article is brought to you for free and open access by the Management at Iowa State University Digital Repository. It has been accepted for inclusion in Management Publications by an authorized administrator of Iowa State University Digital Repository. For more information, please contact digirep@iastate.edu.

Organizational and client commitment among contracted employees

Abstract

This study examines affective commitment to employing and client organizations among long-term contracted employees, a new and growing employment classification. Drawing on organizational commitment and social exchange literatures, we propose two categories of antecedents of employee commitment to client organizations. We tested our hypotheses using a survey collected from employees in four UK contracting organizations delivering a service on behalf of a government entity. The results suggest that perceived client organizational support and attractiveness of the client organization relate positively to employees' affective commitment to the client organization. Furthermore, affective contractor commitment explained unique variation in client affective commitment beyond that accounted for by the client-based predictors, suggesting that employees' commitment to their own contracting organization is important to explaining employees' commitment to the client organization. We suggest that a greater reliance on social exchange theory may provide a basis for understanding commitment in its different forms and foci.

Keywords

Contracted employees, Organizational commitment, Client commitment, Affective organizational commitment, External commitment, Social exchange theory, Psychological contract fulfillment, Perceived organizational support, Organizational attractiveness

Disciplines

Business Administration, Management, and Operations | Human Resources Management

Comments

This article is from *Journal of Vocational Behavior* 68 (2006): 416–431, doi:[10.1016/j.jvb.2005.10.002](https://doi.org/10.1016/j.jvb.2005.10.002). Posted with permission.

Rights

This manuscript version is made available under the CC-BY-NC-ND 4.0 license
<http://creativecommons.org/licenses/by-nc-nd/4.0/>

Organizational and Client Commitment among Contracted Employees

Jacqueline A-M. Coyle-Shapiro
Department of Industrial Relations
London School of Economics and Political Science
Houghton Street
London WC2A 2AE
UK
j.a.coyle-shapiro@lse.ac.uk
Tel: +44 207-955-7035
Fax: +44 207-955-7424

Paula C. Morrow
Department of Management
2350 Gerdin Business Building
Iowa State University
Ames, IA 50011-1350
USA
pmorrow@iastate.edu
Tel: 515-294-8109
Fax: 515-294-7112

Coyle-Shapiro, J. A-M., Morrow, P. (2006) Organizational and Client Commitment among Contracted Employees. *Journal of Vocational Behavior*, 68, 416-431

Organizational and Client Commitment among Contracted Employees

Abstract

This study examines affective commitment to employing and client organizations among long-term contracted employees, a new and growing employment classification. Drawing on organizational commitment and social exchange literatures, we propose two categories of antecedents of employee commitment to client organizations. We tested our hypotheses using a survey collected from employees in four UK contracting organizations delivering a service on behalf of a government entity. The results suggest that perceived client organizational support and attractiveness of the client organization relate positively to employees' affective commitment to the client organization. Furthermore, affective contractor commitment explained unique variation in client affective commitment beyond that accounted for by the client-based predictors, suggesting that employees' commitment to their own contracting organization is important to explaining employees' commitment to the client organization. We suggest that a greater reliance on social exchange theory may provide a basis for understanding commitment in its different forms and foci.

Keywords: contracted employees, organizational commitment, client commitment, affective organizational commitment, external commitment, social exchange theory, psychological contract fulfillment, perceived organizational support, organizational attractiveness

Many new employee-employment relationships are presently evolving and one of the newest and fastest growing forms involves the use of third parties who place employees with client organizations on a long-term basis (Connelly & Gallagher, 2004; George, 2003; Lepak, Takeuchi & Snell, 2003). In this study we focus on such an employment relationship where a contractor (e.g., a professional employer organization) agrees to handle a set of work responsibilities on a long-term basis for a client organization at their work location. The contractor supplies the employees and is the legal employer of record. In other words, the contractor and the client organization formulate a shared employer relationship vis-à-vis the contracted employee, creating a triangular system of employment relations (Kalleberg, Reskin & Hudson, 2000; McKeown, 2003). Such arrangements have proven to be confusing even to employees themselves as some will regard their contractor as their employer while others see their client organization as the main point of reference (Rubery, Carroll, Cooke, Grugulis, & Earnshaw, 2004).

Organizational commitment to an employer is a well-established construct in the literature, with antecedents and consequences of organizational commitment relatively well known. However little is known about organizational commitment among employees working under contracted conditions. In some ways these employees resemble temporary workers but their expectation of employment with a single client over an extended time makes their situation unique but increasingly common. In addition, there is evidence to suggest that contracted employees develop feelings of commitment toward the client organization but that the antecedents and consequences of client-based organizational commitment are not well understood (McElroy, Morrow, & Laczniak, 2001). This paper seeks to fill this void in our understanding. More specifically, the purpose of this paper is to examine (a) how affective organizational commitment and affective client commitment are interrelated and (b) to identify antecedents of client affective commitment among contracted employees.

We propose two broad categories of antecedents to explain client affective commitment: how contracted employees regard their formal employer, the contractor, and, second, contracted employees' perceptions of the client organization. With respect to the first category, we theorize that contractor organizational commitment relates positively to client commitment and that contractor organizational commitment mediates the effects of how employees feel they are treated by the contracting organization (i.e., the extent to which their psychological contract is fulfilled) on their client affective commitment.

Turning to the second category of antecedents, we have already noted that antecedents of client commitment have seldom been studied. This component of our research is thus more exploratory in nature. McElroy et al. (2001) proposed that favorable impressions of a client organization would be positively related to client organization commitment. Three such perceptions were selected for examination in this study. The first is the extent to which a client organization is perceived to value contracted employees' contributions and care about their well-being, generally referred to as perceived organizational support (POS; Eisenberger, Huntington, Hutchison & Sowa, 1986). The second is the perceived attractiveness of a client organization (i.e., the extent to which it is seen as a good place to work), and the third is how favorable the nature of the relationship between the contractor and the client organization is perceived to be. We hypothesize that perceptions of client organizational support, attractiveness of the client organization and favorableness of the perceived working relationship will each relate positively to client affective commitment.

Lastly, we will examine the relative predictive utility of contractor-based antecedents (i.e., psychological contract fulfillment, affective organizational commitment) to explaining client affective commitment in comparison to the more proximal perceptions of the client organization (i.e., client POS, attractiveness of the client organization, perceived favorableness of working relationship).

Literature Review and Hypotheses

Commitment research has long recognized that commitment can take different *forms or bases* (e.g., affective, continuance, normative) and be directed toward different *targets or foci* such as organizations, occupations, unions and supervisors (Meyer, Becker & Vandenberghe, 2004; Meyer & Herscovitch, 2001). In this study, only one *form* of commitment is considered, affective organizational commitment. There is general agreement that this is the most frequently studied form of commitment and that it entails identification with the relevant target, agreement with the target's values, and personal involvement (Meyer & Allen, 1997). This form of organizational commitment is also the most practically relevant, with established links to job performance, turnover, absenteeism, and organizational citizenship behaviors (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002). This research focuses on commitment to two organizational *targets*, a contractor and a client. Such co-employment relationships are increasingly common in the United States (Klass, McClendon, & Gainey, 2002; National Association of Professional Employer Organizations (NAPEO), 2005), Australia (McKeown, 2003), and Europe (Kalleberg, 2000).

Contractor-based Antecedents of Client Commitment

Practicing managers and academics have periodically expressed concern as to whether employees can maintain commitment to multiple organizational targets. As previously noted, empirical studies have documented that multiple commitments are possible. For example, it has been amply demonstrated that employees can have independent levels of commitment to their employers and the unions, which represent them (e.g., Bamberger, Kluger, & Suchard, 1999; Redman & Snape, 2005). Employees who formally work for a contractor but are assigned to a client organization similarly ought to be able to recognize, and differentiate, their commitment levels to their two distinct organizational targets. Accordingly, we hypothesize:

H1: Affective organizational commitment and affective client commitment are independent of one another.

The scant research specifically devoted to contracted employees is surprising in that the opportunity to develop multiple allegiances is increasingly common with the growth in the number of organizational representatives who serve in boundary spanning roles vis-à-vis client organizations (e.g., accounting organizations, advertising agencies, supply chain partnerships). Indeed contemporary business practices emphasize the advantages of forging long-term interorganizational relationships, as evidenced in the growth of relationship marketing and other business-to-business alliances that promote cooperation in distribution channels (Dyer & Singh, 1998). It is in both the contractor and client organizations' best interests to create co-employment situations where employees are favorably disposed toward both targets (i.e., the contractor and the client). Whether the contractor and client organizations are successful or not in this regard, the long-term, embedded, nature of the contracted employees' work experiences would likely influence commitment levels such that attitudes toward the contractor and the client are likely to positively co-vary. Meyer et al. (2004) suggest that heightened commitment can be expected to manifest itself in terms of greater willingness to accept organizational goals on behalf of the contractor. Stated differently, commitment to the contractor may itself be an antecedent of client organizational commitment. For these reasons, we hypothesize:

H2: Affective organizational commitment relates positively to client affective commitment.

A growing strand of research on organizational commitment is based on social exchange theory (Shore & Wayne, 1993). Social exchange theory views the content of exchange relationships as encompassing the exchange of resources. The process of the exchange is governed by the norm of reciprocity (Gouldner, 1960) where an individual is

obligated to return favorable treatment received from a donor – there is an expectation that in providing another with benefits, an obligation has been created that the recipient will reciprocate the benefits received. This initiates an exchange process between employee and employer that is continually re-balancing through the ongoing conferring of benefits and discharging of obligations. One framework that is grounded in social exchange theory is psychological contracts, which capture an individual's perception of the mutual obligations that exist between him/her and his/her employer (Rousseau, 1989). Underlying is the norm of reciprocity whereby employees reciprocate their employer based on the extent to which they perceive their employer has having fulfilled obligations to them. Empirical studies have found that employees' perception of contract fulfillment relates positively to affective commitment (McDonald & Makin, 2000).

As the psychological contract captures the exchange relationship, we would expect that how an individual feels that they are treated by their employer to affect their commitment to their employer, which in turn would affect their commitment to the client organization. Without a strong sense of psychological contract fulfillment, favorable levels of affective-based organizational commitment are not likely to be forthcoming, which in turn will adversely effect the development of client commitment. Stated differently, psychological contract fulfillment may affect client commitment through its effects on the affective organizational commitment associated with the employing organization. Accordingly, we hypothesize that:

H3: Affective organizational commitment mediates the effects of psychological contract fulfillment on client affective commitment.

Client Organization-based Antecedents of Client Commitment

While we expect that the nested nature of the employment relationship to promote a positive relationship between contractor and client targets of commitment, we also recognize

that client specific factors represent a broad class of potential antecedents of client commitment. Three perceptual areas were selected for examination.

Client-based perceived organizational support (POS). POS, as developed by Eisenberger and colleagues (1986), captures perceptions about the degree to which an organization values contributions and cares about employee well being. Supportive of the underlying norm of reciprocity, meta-analysis indicates that there is a strong positive relationship between POS and affective organizational commitment (Rhoades & Eisenberger, 2002). Although this conclusion was reached primarily using studies based on standard employee samples, one could presume that a contracted employee's commitment to a client organization would be similarly affected by perceptions of the extent to which the client organization demonstrated support toward the contracted employees.

A few studies have examined the effects of client POS on client commitment among temporary employees and reported evidence of a positive relationship (Connelly, Gallagher, & Gilley, 2003; Liden, Wayne, Kraimer, & Sparrowe, 2003). This suggests that individuals reciprocate the foci of the support received and at the same time recognizes that the basis of the support may differ from that received by full time employees from their employing organization. Based on this these two research literatures we thus propose:

H4: Client-based POS relates positively to client affective commitment.

Attractiveness of client organization. In this research, attractiveness of the client organization refers to contracted employees' perceptions of the client organization as a potential employer. It could be regarded as an employee's potential to "go native" and leave the contractor, should such an opportunity present itself. Contracted employees, like temporary employees, are afforded a unique opportunity to experience a realistic job and organizational preview (and vice versa, from the client organization's perspective). Working for a potential employer also gives contracted employees time to gauge whether their values

are congruent with those of the organization. Perceived value congruence has been shown to affect organizational attractiveness through job seekers' perceptions of person-organizational fit (e.g., Cable & Judge, 1996; Judge & Bretz, 1992), and such fit, in turn, has been shown to be a reliable predictor of organizational commitment ($\rho = .51$, Kristof-Brown, Zimmerman & Johnson, 2005). Hence perceptions of attractiveness should enhance perceptions of commitment. For these reasons we anticipate:

H5: Attractiveness of client organization relates positively to client affective commitment.

Contractor-client working relationship. As the burgeoning research literature on outsourcing attests (Benson, 1999), the conditions under which and relations that evolve between contracted and client organization employees play a major role in the commitment levels of contracted (and focal organization) employees. In other words, the working relationship between a contractor and the client organization may play a major role in determining if and when commitment to the client organization among contracted employees evolves. While there has been little research expressly on contractors and clients, insight into these relations may be borrowed from studies of business-to-business (e.g., suppliers and customers) relations and research seeking to identify antecedents of dual organization and union commitment. Gournaris (2005), for example, found that mutual trust and commitment are the core elements in forging favorable relations between service providers and clients. Specifically, he reports that the more client organizations trust contractors providing services, the more affectively committed to the contractor the client organization becomes. Success in achieving simultaneously high levels of employee commitment to organizations and unions has been noted when employees attribute behaviors supportive of favorable labor relations to both parties (Magenau & Martin, 1984). Collectively these studies suggest that when employees perceive that their employer (the contractor) and the client organization are

working well together, that cordial work environment reduces any adversarial feelings of loyalty and allows contracted employees to develop feelings of affective commitment toward the client. Thus we propose:

H6: Favorableness of the contractor-client working relationship positively relates to client affective commitment.

Comparative Analyses

The last step in this study is to examine the relative utility of contractor-based and client organization-based antecedents of client affective commitment. McKeown (2003: 172) asserts that the client organization "...appears to have the greatest ability to influence commitment, either in terms of creating and/or increasing it, as most work tends to be done at their location. They can thus exercise considerable control over how and when work is performed". McKeown's empirical findings supported this contention, albeit weakly. Moreover, his qualitative results indicated that contractors could enhance commitment to themselves by providing training and social events to contracted employees that client organizations seldom provide. This leaves the relative importance of commitment to the contractor and the client organization rather equivocal and thus we not offer a specific hypothesis. We are also reluctant to do so since in contrast to the McKeown study using short term contractors working for an agency, the present study involves long term assignments where the contractor rarely re-assigns employees.

Method

We selected an organization, in this case a city government administered by a city council that had contracted out a number of services for this study. Specifically, local governments were put under pressures to outsource traditionally performed by in-house employees to private contractors. In this organizational setting, contracts were rendered for refuse collection and street cleaning services, management of leisure centers, parks patrol, and

grounds maintenance. Four separate contracting companies provided these services that can be characterized as partnerships (i.e., where the external provider assumes responsibility for a particular domain over a long period of time; Lepak, Bartol & Erhardt, 2005).

The refuse and street cleaning services contract runs for seven years and was secured by a foreign-owned multi-national company, which entered the UK waste management market in 1990. The contract for running the council's four indoor leisure centers and two outside facilities is held by another multi-national company. It has held the contract with the council since the late 1980s and operates more along 'partnership' lines. The current contract, which was signed in 1999 and employs 320 full time equivalent employees, runs for fifteen years, until 2014. The 'partnership' dimension is reflected in the fact that both parties, the company and the council, have made a significant initial capital investment in the leisure services. The contractor has invested £4million matched by a council investment of £10 million. The length of the contract is designed to help ensure that the contractor company has an opportunity recover the cost of its investment.

The parks patrol and grounds maintenance contracts are held by two companies, with each company providing some patrol and grounds maintenance activities depending on geographical location. One is a Dutch owned company formed in 1989, with a total workforce of 800 and claims to 'invest' heavily in its workers so guaranteeing that they are 'fully experienced' and helping to ensure 'quality assurance' and ISO 9002 registration. The other company is much smaller. It is UK owned and was formed in 1999. It has a compact workforce of only 75, most of whom have 'more than 10 years industry experience', and also has quality assurance accreditation under ISO 9001. The current contracts with these companies were signed in April 2000, is for five years. The same partnership principles apply to these contracts with a high level of self-monitoring and an annual joint audit.

Sample

A survey was distributed to a total of 392 employees in the four contracting organizations with a cover letter indicating that completion was voluntary and responses would be kept confidential. In the refuse and street cleaning organization, only one third of employees were sampled because of poor English language proficiency employees. In the other organizations, all employees were surveyed that were involved in the provision of the contracted services.

Overall, 131 surveys were returned (an overall response rate of 30%) and this was reduced to 99 fully completed surveys due to missing data. 170 surveys were sent to employees in the leisure centers (70 returned yielding a response rate of 40%), 131 were sent to refuse collection employees (31 returned, response rate of 24%), 50 surveys were sent to the Dutch owned parks patrol/grounds contractor (22 returned, a response rate of 44%) and 37 were sent to the UK parks patrol/grounds contractor (8 returned giving a response rate of 22%). The overall sample consisted of 64% male with mean job tenure of 6.6 years. 90% of respondents interacted directly with end service users. 85% of respondents were on a permanent contract, 10% on a fixed term contract and 5% temporary contract with their employing organization.

Measures

Affective commitment to contractor. Five items were developed for this study based on the scale developed by Meyer and Allen (1997). Respondents were asked to indicate the extent of their agreement/disagreement along a 7-point Likert scale. The alpha coefficient for this five point Likert scale is .91.

Psychological contract fulfillment. Three items were taken from a six-item scale developed by Robinson and Morrison (2000) to capture a global measure of employee perceptions of how well their psychological contracts had been fulfilled by their employer. The authors report an alpha coefficient of .92 and Tekleab, Takeuchi and Taylor (2005) report

an alpha coefficient of .83 for their three-item scale taken from Robinson and Morrison. Accordingly, the shortened measure was adopted in this study. The alpha coefficient for this three-item scale used in this study is .96.

Client perceived organizational support. We selected six high loading items from the Survey of Perceived Organizational Support developed by Eisenberger et al. (1986). Prior studies have shown evidence for the reliability and validity of the short POS scale (Shore & Wayne, 1993). The items were adapted so that the focus of the items was on the client organization rather than the employing organization. The alpha coefficient is .92 for this six-item scale.

Attractiveness of the client organization. We developed a three-item scale to capture respondents' perceptions of the attractiveness of the client organization as a potential employer. The alpha coefficient for this three-item scale is .91.

Perceived contractor-client working relationship. We developed a three-item scale for this study to capture the extent to which respondents viewed the relationship between their employing organization and the client organization favorably. The alpha coefficient for this three-item scale is .77.

Affective commitment to the client organization. This five-item scale based on a scale developed by Meyer and Allen (1997) was modified such that the contractor organization was replaced with the client organization. The alpha coefficient is .93 for this scale.

Results

Descriptive statistics for all study variables are reported in Table 1. None of the variables was marked by excessive restriction in range and the Cronbach alphas for all multi-item scales exceeded .7. Table 2 presents the results of the factor analysis of the items capturing affective commitment to the organization, client-based perceived organizational support, client-based affective commitment, psychological contract fulfillment, attractiveness

of client organization, contractor-client working relationship. The results yielded a six-factor solution corresponding to these six constructs. This provides support for the independence of affective commitment and affective client commitment thereby supporting hypothesis 1.

We tested the remaining hypotheses using hierarchical multiple regression controlling for job tenure and organization. We controlled for job tenure since many factors that predict organizational commitment covary with length of service (Mowday, Porter & Steers, 1982). As the four organizations have different contracts in terms of duration with the client organization, we controlled for contractor in our analyses. Dummy variables were created for the contractor organizations and entered with job tenure in Step 1 of all equations. Hypothesis 2 predicted that affective organizational commitment would relate positively to client affective commitment. As shown in Table 3, this hypothesis is supported ($\beta = .52, p < .01$).

To test hypothesis 3, we followed the procedures recommended by Baron and Kenny (1986) to test mediation. First, the mediator (affective organizational commitment) is regressed on the independent variable (psychological contract fulfillment); second, the dependent variable (client affective commitment) is regressed on the independent variable (psychological contract fulfillment); and third, the dependent variable (client affective commitment) is regressed simultaneously on the independent (psychological contract fulfillment) and mediator (affective organizational commitment) variables. Mediation is present if the following conditions hold true: the independent variable affects the mediator in the first equation; the independent variable affects the dependent variable in the second equation and the mediator affects the dependent variable in the third equation. The effect of the independent variable on the dependent variable must be less in the third equation than in the second. Full mediation occurs if the dependent variable has no significant effect when the mediator is in the equation and partial mediation occurs if the effect of the independent variable is smaller but significant when the mediator is in the equation. The first condition is

met whereby psychological contract fulfillment ($\beta = .55, p < .01$) relates positively to affective organizational commitment (Table 3). The second condition requires that psychological contract fulfillment be significantly related to client affective commitment ($\beta = .29, p < .01$). The third condition stipulates that the effect of psychological contract fulfillment must be less ($\beta = .00, ns$) when affective organizational commitment is in the equation than when it is not. The results suggest that affective organizational commitment fully mediates the effect of psychological contract fulfillment on client affective commitment thereby supporting hypothesis 3.

Hypothesis 4 predicted that client-based POS would relate positively to client affective commitment. As indicated in Table 4 (column 3), client-based POS ($\beta = .49, p < .01$) relates positively to client affective commitment providing support for hypothesis 4. Hypothesis 5 is supported as attractiveness of the client organization ($\beta = .19, p < .05$) relates positively to client affective commitment. Favorableness of the client-contractor working relationship is not significantly related to client affective commitment ($\beta = .09, ns$) thus providing no support for hypothesis 6.

To examine the predictive utility of contractor-based and client-based antecedents of client affective commitment a usefulness analysis (Darlington, 1968) was conducted. Usefulness analysis provides the incremental change in explained variance that is attributable to the set of independent variables that goes beyond the contribution to explained variance of all the other variables in the equation. This analysis compares the change in R^2 associated with a set of independent variables while controlling for the effects of the other variables in the equation. Each set of independent variables (contractor based and client based variables) are entered into a hierarchical equation in separate stages, in each possible ordering to examine the unique variance explained by each set of independent variables in the dependent variable. The results of the usefulness analysis are shown in Table 4. When client-based

antecedents are entered in subsequent step to contractor based antecedents, they explain an additional 24% variance in client affective commitment ($\Delta R^2 = .24$, $\Delta F 17.06$, $p < .01$). When contractor-based antecedents are entered in a subsequent step to the client-based predictors, the incremental variance explained reduces considerably. However, the amount of additional variance explained by the contractor based antecedents is significant ($\Delta R^2 = .09$, $\Delta F 9.61$, $p < .01$).

In summary, the results suggest that employees' affective attachment to their employing organization mediates the effects of psychological contract fulfillment on client affective commitment. Furthermore, employees' perceptions of perceived client support and the attractiveness of the client organization relate positively to the development of client affective commitment. Usefulness analysis reveals that the basis of client affective attachment is not solely grounded in employees' perceptions of the client organization but that their commitment to the contracting organization explains unique variance in client affective commitment.

Discussion

The study makes three specific contributions to the study of commitment: (1) it identifies and explicates a heretofore largely unexamined target of commitment, that toward a client organization (i.e., external commitment), (2) suggests that commitment may be fruitfully approached using a social exchange framework, and (3) identifies specific antecedents of client organizational commitment and, by extension, how contracted employees might be more effectively managed. These contributions will hopefully result in a better understanding of the vocational behavior of individuals in the new employment classification we term "contracted employees".

This study bears testimony to the assertion of Gallagher and McLean Parks (2001) that organizational commitment is rendered more complex when considered in the context of

alternative or non-traditional employment contexts. As Connelly and Gallagher (2004) note, organizational commitment may need to be recast under some contingent employment relationships and that client commitment may evolve into a more useful construct. To this end, our study contributes by examining the notion of client affective commitment amongst a group of long term contracted employees.

Consistent with the results of Bishop, Scott, Goldsby and Cropanzano (2005), employees differentiated between nested forms of commitment, specifically between contractor and client affective commitment. Our findings support the proposition that contracted employees develop attachments to both their employers and their client organizations. As such, our research highlights the importance of capturing different foci of commitment relevant to employees that work across organizational boundaries. As employment relationships become more complex and the nature and meaning of contracted employees becomes increasingly diverse, researchers will have to become more inclusive in terms of examining the nature of commitment in these nonstandard employment relationships.

A second contribution of this study supports the argument that social exchange presents a key mechanism to understanding the development of client affective commitment. Prior empirical evidence supports a positive relationship between an individual's perception of organizational supportiveness and their affective commitment (Rhoades & Eisenberger, 2002). Magenau, Martin and Peterson (1988) used exchange theory to explain how individual employees were able to integrate their feelings of commitment toward both entities (i.e., dual commitments are possible so long as an employee perceives a satisfying exchange relationship with both the organization and the union). Our findings suggest that the same mechanism (i.e., reciprocity) holds true when contracted employees feel that the client organization is supportive; they are likely to reciprocate through enhancing their affective attachment to the client. More broadly, our findings support the emerging idea that there are

different foci of perceived supportiveness in an organizational context. This study, in line with Liden et al. (2003), supports the contention that supportiveness can be conceptualized at the level of client organizations. As such, social exchange and the norm of reciprocity may underpin both intra-organizational and interorganizational relationships.

In addition to the norm of reciprocity underpinning the development of client affective commitment, employees' perceptions of the attractiveness of the client organization as a potential employer also exerts a positive influence. This result is consistent with Kristof-Brown et al.'s (2005) meta-analytic findings that person-organizational fit is highly correlated with both organizational commitment and pre-entry organizational attractiveness. The potential downside to these interrelations already alluded to is that a contracted employee might well react to high perceptions of client organization attractiveness, which have contributed to the development of strong affective commitment toward the client, by quitting the contractor and joining the client organization.

Notwithstanding the effects of these proximal, shared referent correlates, our study suggests that an employee's own affective commitment attachment to his or her employer also influences their affective commitment to the client organization. Furthermore, how an employee feels their employer has treated them not only has a direct effect on their affective commitment to their employer, but also indirectly affects their commitment to the client organization. This finding is consistent with empirical research on the psychological contract whereby employees reciprocate their employer contingent upon how well they perceive the employer as having fulfilled its obligations to him/her (Robinson, 1996). It is also consistent with organizational citizenship literature showing that employees who have strong affective attachments to their organization have a desire to help the organization in meaningful ways, which in this case could manifest itself in commitment to the organization's clients.

Limitations

As with all cross-sectional studies, not only were we unable to rule out relationships based on reverse causality, we were also unable to empirically demonstrate our causal inferences. However, there is longitudinal evidence to support POS as an antecedent of affective commitment (Rhoades & Eisenberger, 2002). Other possible limitations entail our relatively small sample size and inability to assess non-response bias. Another possible limitation of this study is that all the variables were measured with self-report survey measures. Consequently, the observed relationships may have been artificially inflated as a result of respondents' tendencies to respond in a consistent manner. However, more recent meta-analytic research on the percept-percept inflation issue indicates that the magnitude of the inflation of relationships may be over-estimated (Crampton & Wagner, 1994).

Practical implications

There are many implications that could be drawn from this research but we will limit ourselves to one. These findings speak to the importance of a new employment classification: long-term contracted employees. Contracting firms who seek to grow their businesses are advised to familiarize themselves with dual commitment issues and then to implement strategies where the client organization is seen as a partner and not an adversary. Our results suggest that they start with inculcation of strong organizational commitment to themselves before stressing the importance of commitment to the client.

Future Research

A number of avenues could be explored with future research. First, considerable empirical work exists that examines the antecedents of POS in the context of the conventional employee-organization relationship. However, little is known about the factors that influence the development of *external* perceived organizational support. We would hypothesize that the creation of external perceived organizational support may be influenced by the terms of the contract in terms of the benefits and working conditions provided to contracted employees

(i.e., are contracted employees treated comparably to client employees). Additionally, given that the delivery of service is monitored by the client organization, how the contracting organization views the monitoring activity may influence how contracted employees' react to events in the service delivery process. Second, additional research is needed on the antecedents of external affective commitment and also the context in which this cross-organizational boundary relationship develops. A number of potential antecedents were proposed by McElroy et al. (2001). They emphasized that drivers of external commitment are likely to entail individual characteristics of the contracted employees, as well as attributes of the employing and client organizations. Context is also likely to function as an important moderator in that asymmetrical power relations between two organizations are likely to invoke different reactions from employees in comparison to joint venture types of interorganizational relationships. For example, our sample consisted of private sector contracted employees delivering a public service and future research could examine the extent to which these employees identify with the public service and whether this identification influences their commitment to the client organization. In addition, studies of employees working for a single contractor but assigned to different clients should be undertaken.

Conclusions

The study of commitment, especially the study of its flagship target, organizational commitment, has matured considerably in recent years. Meta-analytic work speaks to a firmer understanding of its antecedents and consequences and explications of its nomological net abound (e.g., Becker, 1992; Cohen, 2003). Theoretical explanations detailing how commitment is related to other work related behaviors such as motivation are also evident (e.g., Meyer et al., 2004). We seem to know a great deal about *what* is related to commitment, a fair amount about *how* commitment can be influenced, but we still do have a good understanding of the underlying processes that ignite commitment. We propose that the

next frontier for commitment research should entail efforts to achieve a better understanding of *why* commitment is linked to certain work related attitudes and behaviors. Furthermore, this may provide the opportunity to revisit social exchange theory and assess its contribution to understanding commitment in its different forms and foci.

Elements of exchange have always permeated commitment thought, going back to, among others, Howard Becker's (1960) articulation of calculative commitment and Rousseau's (1989) resurgence of the psychological contract and all it entails. We are suggesting a more intense look at social exchange constructs such as organizational justice, POS, and psychological contracts, which have been independently linked to affective commitment by drawing on the explanatory mechanism of the norm of reciprocity, may further advance our understanding of commitment. In other words, fair treatment, organizational supportiveness and fulfilled promises are thought to create an obligation that employees seek to reciprocate. Specifically, employees can reduce their indebtedness by enhancing their affective attachment to the organization. What is less known is which of these social exchange constructs are better predictors of affective commitment and, more broadly, the extent to which social exchange theory *explains* the development of affective commitment, for as Coyle-Shapiro and Conway (2004) note, the nature and process of reciprocation is not well understood. We look to our colleagues to help us unravel the complex relations that give rise to commitment.

References

- Bamberger, P. A., Kluger, A. N. & Suchard, R. (1999). The antecedents and consequences of union commitment: A meta-analysis." *Academy of Management Journal*, 42, 304-318.
- Baron, R. M. & Kenny, D.A. (1986). The moderator-mediator distinction in social psychological research: Conceptual, strategic and statistical considerations. *Journal of Personality and Social Psychology*, 51, 1173-1182.
- Becker, H. S. (1960). Notes on the concept of commitment. *American Journal of Sociology*, 66, 32-42.
- Becker, T.E. (1992). Foci and bases of commitment: Are they distinctions worth making? *Academy of Management Journal*, 35, 232-244.
- Benson, J. (1999). Outsourcing, organizational performance, and employee commitment. *The Economic and Labour Relations Review*, 10(1), 1-21.
- Bishop, J.W., Scott, K.D., Goldsby, M.G. & Cropanzano, R. (2005). A construct validity study of commitment and perceived support variables. *Group & Organization Management*, 30(2), 153-180.
- Cable, D.M. & Judge, T.A. (1996). Person-organization fit, job choice decisions, and organizational entry. *Organizational Behavior and Human Decision Processes*, 67(3): 294-311.
- Cohen, A. (2003). *Multiple commitments at work: An integrative approach*. Hillsdale, NJ: Lawrence Erlbaum.
- Connelly, C. E., & Gallagher, D. G. (2004). Emerging trends in contingent work research. *Journal of Management*, 30, 959-983.

- Connelly, C. E., Gallagher, D. G., & Gilley, M. K. (2003). Predictors of “organizational” commitment among intermediated temporary workers. *Society for Industrial and Organizational Psychology*, 18th Annual Conference, Orlando.
- Coyle-Shapiro, J. A-M. & Conway, N. (2004) The employment relationship through the lens of social exchange. In J. Coyle-Shapiro, L. Shore, M. S. Taylor & L. Tetrick (Eds.) *The Employment Relationship: Examining Psychological and Contextual Perspectives*. Oxford: Oxford University Press.
- Crampton, S.M. & Wagner, J.A. (1994). Percept-percept inflation in microorganizational research: An investigation of prevalence and effect. *Journal of Applied Psychology*, 79, 67-76.
- Darlington, R.B. (1968). Multiple regression in psychological research and practice. *Psychological Bulletin*, 69, 161-182.
- Dyer, J. H. & Singh, H. (1998). The relational view: Cooperative strategy and sources of interorganizational competitive advantage. *Academy of Management Review*, 23, 660-679.
- Eisenberger, R., Huntington, R., Hutchison, S., & Sowa, D. (1986). Perceived organizational support. *Journal of Applied Psychology*, 71, 500-507.
- Gallagher, D. G. & McLean Parks, J. (2001). I pledge thee my troth...contingently: Commitment and the contingent work relationship. *Human Resource Management Review*, 11, 181-208.
- George, E. (2003). External solutions and internal problems: The effects of employment externalization on internal workers’ attitudes. *Organization Science*, 14, 386-402.
- Gouldner, A.W. (1960). The norm of reciprocity. *American Sociological Review*, 25, 161-178.

- Gournaris, S.P. (2005). Trust and commitment influences on customer retention: Insights from business-to-business services. *Journal of Business Research*, 58, 126-140.
- Judge, T.A. & Bretz, R.D. (1992). Effects of work values on job choice decisions. *Journal of Applied Psychology*, 77, 261-271
- Kalleberg, A. L. (2000). Nonstandard employment relations: Part-time, temporary and contract work. *Annual Review of Sociology*, 26, 341-365.
- Kalleberg, A. L., Reskin, B. F., & Hudson, K. 2000. Bad jobs I America: Standard and nonstandard employment relations and job quality in the United States. *American Sociological Review*, 65: 256-278.
- Klass, B.S., McClendon, J., & Gainey, T.W. (2002). Trust and the role of professional employer organizations: Managing HR in small and medium enterprises. *Journal of Managerial Issues*, 14(1), 31-48.
- Kristof-Brown, A.L., Zimmerman, R.D., & Johnson, E.C. (2005). Consequences of individuals' fit at work: A meta-analysis of person-job, person-organization, person-group, and person-supervisor fit. *Personnel Psychology*, 58, 281-242.
- Lepak, D.P., Bartol, K.M., & Erhardt, N. (2005). A contingency framework for the delivery of HR practices. *Journal of Vocational Behavior*, 15, 139-159.
- Lepak, D. P., Takeuchi, R., & Snell, S. A. (2003). Employment flexibility and firm performance: Examining the interaction effects of employment mode, environmental dynamism, and technological intensity. *Journal of Management*, 29(5), 681-703.
- Liden, R. C., Wayne, S. J., Kraimer, M. L., & Sparrowe, R. T. (2003). The dual commitments of contingent workers: An examination of contingents' commitment to the agency and the organization. *Journal of Organizational Behavior*, 24: 609-635.

- Magenau, J. M. & Martin, J.E. (1984). Patterns of commitment among rank and file union members: A canonical analysis. *Proceedings of the 37th annual meeting, Industrial Relations Research Association series* (pp. 455-464). Dallas, TX.
- Magenau, J. M., Martin, J.E., & Peterson, M.M. (1988). Dual and unilateral commitment among stewards and rank-and-file members. *Academy of Management Journal*, 31, 359-376.
- McDonald, D. J. & Makin, P. J. (2000). The psychological contract, organizational commitment and job satisfaction of temporary staff. *Leadership & Organization Development Journal*, 21, 84-91.
- McElroy, J. C., Morrow, P. C., & Laczniak, R.N. (2001). External organizational commitment. *Human Resource Management Review*, 11, 237-256.
- McKeown, T. (2003). Commitment from a contractor workforce? *International Journal of Manpower*, 24, 169-186.
- Meyer, J.P. & Allen, N.J. (1997). Commitment in the workplace. Thousand Oaks, CA: Sage.
- Meyer, J.P., Becker, T.E., & Vandenberghe, C. (2004). Employee commitment and motivation: A conceptual analysis and integrative model. *Journal of Applied Psychology*, 89, 991-1007.
- Meyer, J.P. & Herscovitch, L. (2001). Commitment in the workplace: Toward a general model. *Human Resource Management Review*, 11, 299-326
- Meyer, J.P., Stanley, D.J., Herscovitch, L., & Topolnytsky, L. (2002). Affective, continuance and normative commitment to the organization: A meta-analysis of antecedents, correlates, and consequences. *Journal of Vocational Behavior*, 1, 20-52.
- Mowday, R.T., Porter, L.W., & Steers, R.M. (1982). *Employee-organization linkages*. New York: Academic Press.

- National Association of Professional Employer Organizations (NAPEO). (2005). PEO *industry facts*. <http://www.napeo.org/peoindustry/industryfacts.cfm?> Accessed March 31, 2005.
- Redman, T. & Snape, E. (2005). Unpacking commitment: Multiple loyalties and employee behavior. *Journal of Management Studies*, 42(2), 301-328.
- Rhoades, L. & Eisenberger, R. (2002). Perceived organizational support: A review of the literature. *Journal of Applied Psychology*, 87, 698-714.
- Robinson, S. L. 1996. Trust and breach of the psychological contract. *Administrative Science Quarterly*, 41: 574-599.
- Robinson, S. L., & Morrison, E. W. (2000). The development of psychological contract breach and violation: A longitudinal study. *Journal of Organizational Behavior*, 21, _____525-546.
- Rousseau, D. (1989). Psychological and implied contracts in organizations. *Employee Responsibilities and Rights Journal*, 2, 121-139.
- Rubery, J., Carroll, M., Cooke, F. L., Grugulis, I., & Earnshaw, J. (2004). Human resource management and the permeable organization: The case of the multi-client call centre. *Journal of Management Studies*, 41(7), 1199-1222.
- Shore, L., & Wayne, S. (1993). Commitment and employee behavior: Comparison of affective commitment and continuance commitment with perceived organizational support. *Journal of Applied Psychology*, 78, 774-780.
- Tekleab, A.G., Takeuchi, R. and Taylor, M.S. (2005). Extending the chain of relationships among organizational justice, social exchange, and employee reactions: The role of contract violations. *Academy of Management Journal*, 48: 146-157.

TABLE 1
Descriptive statistics and correlations

	Mean	S.D	1	2	3	4	5	6	7
1. Job tenure	6.38	(7.82)							
2. Psychological contract fulfillment	3.96	(1.57)	-.09	(.96)					
3. Affective commitment	3.30	(1.55)	-.11	.55	(.91)				
4. Perceived attractiveness of client	4.33	(1.62)	-.07	-.34	-.19	(.91)			
5. Client-based perceived org support	3.87	(1.67)	.04	.27	.36	-.01	(.92)		
6. Perceived working relationship	4.70	(1.08)	-.04	.34	.27	-.15	.24	(.77)	
7. Client affective commitment	3.52	(1.72)	-.05	.20	.45	.27	.61	.28	(.94)

Correlations > .25 are statistically significant at $p < .01$. Correlations > .20 are statistically significant at $p < .05$.
 Scale reliabilities on diagonal

TABLE 2
Results of factor analysis of study variables

Items	Factor					
	Client Pos	Client Aff C	Contr Aff C	Psych Con F	Client Attrac	Work Rel
___ really cares about my well-being	.88	.21	.18	.04	.04	.12
___ is willing to help me when I need a special favor	.83	.22	.16	.05	.03	.09
___ cares about my general satisfaction at work	.82	.33	.10	.07	.01	.00
___ strongly considers my goals and values	.82	.33	.13	.19	-.03	.07
___ cares about my opinions	.78	.32	.09	.11	.10	.07
___ shows very little concern for me Ψ	.69	.02	.01	-.11	-.20	.08
I feel that ___'s problems are my own	.17	.85	.07	-.03	.08	.04
Working on behalf of ___ has a great deal of personal meaning for me v56	.28	.79	.18	.08	.19	.16
I feel emotionally attached to ___	.32	.79	.22	.00	.08	.10
I feel like part of the family working on behalf of ___	.32	.78	.24	.10	.14	.06
I feel a strong sense of belonging, working on behalf of ___	.42	.77	.14	.04	.14	.17
I feel a strong sense of belonging to--	.27	.01	.85	.23	-.09	.10
I feel emotionally attached to--	.10	.22	.84	.20	.00	.09
Working for -- has a great deal of personal meaning for me	.24	.09	.82	.24	-.11	.11
I feel like part of the family at--	.10	.11	.77	.41	-.17	.06
I feel that --'s problems are my own	-.03	.36	.63	.00	.01	.11
So far, -- has done an excellent job of fulfilling its promises to me	.07	.06	.34	.87	-.19	.14
Almost all of the promises made by --'s during my recruitment have been kept	.03	.04	.23	.87	-.27	.12
I feel that -- has come through in fulfilling promises made to me when I was hired	.09	.02	.31	.86	-.20	.14
If I were offered a similar position at __, I would take it	-.09	.10	-.08	-.16	.92	-.03
From what I can see, __ would be a good place to work	.07	.17	-.01	-.15	.88	-.04
I would consider leaving -- for __	-.03	.18	-.17	-.27	.85	.01
The relationship between -- and __ is beneficial to both parties	.25	.11	.10	.07	-.01	.81
__ and -- have a good working relationship	.14	.09	-.01	.26	-.20	.77
-- and __ are equal partners in their business dealings	-.06	.12	.24	.04	.10	.73
Eigenvalue	8.87	4.71	2.41	1.59	1.21	1.10
Percent of variance explained	35.49	18.85	9.66	6.37	4.85	4.39

Ψ Reversed scored ___ name of client organization – name of employing organization

TABLE 3
Testing for Mediating Effects

Predictor	<u>Affective commitment</u>		<u>Client Affective commitment</u>	
Step 1: Controls				
Contracting organization				
CC ₂	-.04	-.09	-.08	
CC ₃	.01	.22*	.21*	
CC ₄	-.16	.21	.30**	
Job tenure	-.07	-.18	-.11	
Step 2: Contractor antecedents				
Psychological contract fulfillment	.55**	.29**	.00	
Affective commitment	---	---	.52**	
F	10.38**	3.69**	7.50**	
Adjusted R ²	.32	.12	.29	

* $p \leq .05$; ** $p \leq .01$

Table 4
Regression Analyses

Predictor	<u>Client Affective Commitment</u> (Usefulness Analysis #1)			<u>Client Affective Commitment</u> (Usefulness Analysis #2)		
	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3
<u>Controls</u>						
Contracting Organization						
CC ₂	-.08	-.08	-.02	-.08	-.02	-.02
CC ₃	.12	.21*	.05	.12	-.02	.05
CC ₄	.21	.30**	.19*	.21	.10	.19*
Job tenure	-.21	-.11	-.09	-.21	-.13	-.09
<u>Contractor antecedents</u>						
Psychological contract fulfillment		.01	-.01		---	-.01
Affective commitment		.52**	.37**		---	.37**
<u>Client antecedents</u>						
Client-based perceived org support		---	.49**		.61**	.49**
Attractiveness of client organization		---	.19*		.13	.19*
Perceived working relationship		---	.09		.13	.09
Change in F	1.94	18.12**	17.06**	1.94	24.54**	9.61**
Change in R ²	.08	.27	.24	.08	.43	.09
F	1.94	7.85**	13.88**	1.94	12.79**	13.88**
Adjusted R ²	.04	.31	.56	.04	.47	.56

* $p \leq .05$; ** $p \leq .01$