



Contexts of the commitment–citizenship link: A test of economic volatility in a dual organization setting



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ABSTRACT

Research interest on the commitment–performance link persists, and recent efforts have focused on investigating the contextual factors due to the mixed outcome of the empirical studies. However, very limited study has examined the influence of economic factors including economic volatility, and none in the dual setting of the organization and the union. This study investigated the contextual influence of perceived inflation—an economic volatility construct—on commitment and extra-role performance. Exchange theory, with support from psychological contract and equity theories, was used to postulate two parallel, but competing models of the organization and the union. Using a sample of 247 unionized employees in southern U.S.A., the study tested the moderating effect of perceived inflation on the relation between commitment and citizenship intent. The results revealed three-way interactive effects in both models, in a dual commitment setting. Thus, the economic volatility construct acts as a situational constraint on the link between the attitudinal-based commitments and citizenship intent, but in the contexts of obligation and cost-based commitments to the organization and the union respectively. The implications of these mitigated effects are discussed.

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1. Introduction

The causal link between commitment and the various dimensions of performance, including citizenship in the organization and the union settings has received considerable attention and is well documented in the literature (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002; Riketta, 2002, 2008; Snape & Redman, 2007; Tetrick, Shore, McClurg, & Vandenberg, 2007). However, the overall empirical outcome with respect to the organization has been described as weak and inconsistent (e.g. Meyer et al., 2002; Muse & Stamper, 2007; Riketta, 2002), and according to Johns (2001), such anomalous outcomes imply the existence of contextual factors. Conversely, the relationship with respect to union commitment and citizenship has been consistently strong and positive (Aryee & Chay, 2001; Chan, Snape, & Redman, 2004; Chan, Tong-Qing, Redman, & Snape, 2006; Snape & Redman, 2007; Tan & Aryee, 2002; Tetrick et al., 2007). This stark differential empirical outcome further highlights the importance of the context of this relationship, which may manifest as situational constraints or opportunities (Johns, 2006). Hence, the question still remains as to the contexts or conditions under which this relationship is most likely to be supported. This is important for managers to understand when to employ resources and strategies to maximize these effects for total organizational productivity, especially in an era where organizations have to do more with less.

Although the literature on this stream has advanced, the continued interest and research have focused on examining the context of the relationship (e.g. Riketta, 2002), including multi-foci of commitment, including the union (e.g. Snape & Redman, 2007). However, extant research has not examined the simultaneous influence of conditional factors on dual foci of commitment to the organization and the union, given that unions operate within the context of the employing organization. It has been said

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that commitment to specific collective may be influenced by other foci of commitment (Meyer, Becker, & Van Dick, 2006). On the other hand, prior research has shown that economic conditions (dependency) can moderate the relationship between commitment and focal performance (Brett, Cron, & Slocum, 1995), but extant research has not explored the contextual influence of economic volatility on either focal or extra-role performance. Hence, this study investigates the contextual influence of perceived inflation, the economic volatility measure, on the commitment–citizenship link in a dual organization setting. Specifically, the study tests the conditional influence of perceived inflation on the predictive effect of commitment on citizenship intent, with respect to the organization and the union. Thus, two parallel but competing models are examined simultaneously.

The rationale for the parallel design is that commitment and citizenship are exchange-based and economic factors are fundamental to the exchange relationship (Snape & Redman, 2007). However, economic factors can also create distributive bargaining issue for labor and management, which can lead to competing exchanges. It is, therefore, plausible that economic volatility—measured as perceived inflation in this study—may exacerbate the competing exchanges with the organization and the union, manifesting in levels of commitment and citizenship intent. The parallel design is derived from the integrative framework by Snape and Redman (2007), who examined the commitment–citizenship relationship in a dual organization setting, asserting that the organization–employee exchange may be distinct from the union–member exchange. This study focused on citizenship intent since performance in the union is primarily voluntary. Hence, measuring citizenship intent enables the comparative test of similar performances in the parallel design.

This study makes two key contributions to the literature. First, the study adds to research on contextual factors of the commitment–citizenship link by testing the contextual effect of perceived inflation—an economic volatility construct. For decades researchers have been edged to examine the context of this relationship, including economic factors, in view of the mixed outcome (e.g. Mathieu & Zajac, 1990), which was reiterated recently (Ricketta, 2008). However, very limited research has examined the influence of economic factors and none on perceived inflation, although research has revealed the negative effect of changing economic conditions on employees (Kanai & Wakabayashi, 2004). Upon extensive search, only a single study was found to have examined the effect of economic conditions (financial requirement) on the relationship between commitment task performance (Brett et al., 1995). This study, should, therefore, extend our understanding of the influence of economic factors beyond economic dependency by showing that economic volatility can create a context for the commitment–extra-role performance relationship. This should also add to the generalizability of the perceived inflation construct, which has recently been operationalized in the management literature. Unlike its initial test which focused on commitment (Akoto & Stammerjohan, 2009), this study examines its influence beyond work commitment by providing further information on its effect on citizenship outcome. This should also advance research on the psychology of inflation in the management literature.

Second, this study seeks to add to research on the commitment–citizenship relationship, by highlighting the complexity of the relationship due to the nested commitments in the organization setting—multi-foci and multi-bases. The idea of multi-foci or multiple commitments is not new (e.g. Becker, 1992; Becker, Billings, Eveleth, & Gilbert, 1996), but research examining the contextual factors of the commitment–citizenship link has failed to focus on this multi-foci perspective, thus, lacking a complete view of these relationships. Unions and organizations may have competing goals and the presence of unions as nested organizations in the broader employment setting can create a context for the employee–organization relationship, as a unique focal point for employees' attachment. These relationships may also be complicated by economic conditions, which may increase the competing exchanges with respect to the organization and the union. Hence, in addition to emphasizing the economic volatility context, this study's contribution includes its focus on and highlighting of the complexity of this relationship, providing an insight into the combined influence of both an internal psychological context (union foci) and the external (economic) contextual factor. Thus, this study is unique in its simultaneous examination of the conditional effect of the volatility factor on two consequential foci of commitment and their effects on citizenship.

2. Background and hypotheses

In the following section, I present brief descriptions of the study constructs. Since the commitment–citizenship link has been tested extensively in the literature, they are not formally hypothesized. However, these relationships will be examined, including possible interactions among the commitment constructs prior to testing the effect of the moderator.

2.1. Organizational commitment and citizenship

Organizational commitment is the perceived bond or psychological attachment to the organization (Klein, Brinsfield, & Molloy, 2006; cf. Klein, Molloy, & Cooper, 2009), and may take different mindsets such as desire (affective), perceived cost (continuance), or obligation (normative). The three-component model (TCM) of organizational commitment has been studied widely and received extensive empirical support in the work context (Lee, Allen, Meyer, & Rhea, 2001; Meyer et al., 2002). On the other hand, organizational citizenship behavior (OCB) is an extra-role dimension of performance undertaken voluntarily and may not be formally recognized by the reward system. The two broad dimensions conceptualized by Williams and Anderson (1991) are citizenship behavior directed at the organization (OCBO) and citizenship behavior directed at individuals (OCBI).

The different bases of commitment have been employed in the prediction of citizenship behaviors. According to Organ (1988), individuals with strong attitudinal commitment will be more likely to engage in organizational citizenship than those with normative commitment. Hence, affective commitment has been the most positive predictor of organizational citizenship followed

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