# Economic Dependency on Work: Testing the Direct and Indirect Effects on Commitment and Citizenship in a Volatile Economy

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We examined the effect of three indicators of economic dependency on work on citizenship, and the mediating role of commitment on these relationships. MANOVA analysis of data from 471 employees in southern U.S. showed that, even in an uncertain labor market, individuals with low financial requirement and those with low job mobility experienced a high level of OCBI. Similarly, those with high employment security reported a high level of attitudinal commitment. Mediated regression further revealed that attitudinal commitment completely mediates job mobility and OCBI, and employment security and OCBI relationships. These outcomes have implications for managing the employment relationship in volatile economic conditions.

# INTRODUCTION

Economic factors are known to have significant impact on organizations and individuals on the job, including employee attitude and behavior (Brett, Cron, & Slocum Jr., 1995; Datta, Guthrie, Basuil, & Pandey, 2010). It is almost two decades since Brett and colleagues examined the effect of economic dependency on commitment and performance, following the recommendation by Mathieu and Zajac in 1990. Employing financial requirement as a dependency construct, the authors found that the relationship between commitment and task performance was stronger for individuals with low financial requirement

than for those with high financial requirement. However, the research on the effect of economic factors on attitudes and its outcomes seem to have stagnated until the recent economic downturn which has heightened the effect of economic conditions on organizations and their members. Thus, research on the influence of economic factors has increased lately, in response to the downturn.

With respect to employees, researchers have investigated the effects of the downturn on attitudes and outcomes, including workplace violence, absenteeism, and employee wellbeing among other factors (De Cuyper, Notelaers, & De Witte, 2009; Krischer, 2010; Ma, Wei, Showail, Jiao, & Wang, 2010). One of the effects of the downturn is the low availability of jobs, and economic dependency of work—which constrains employees' choices—may have also been heightened in the current economic conditions, with implications for work related attitudes and behavior. However, there is a dearth of research on the effect of economic dependency on work outcomes, despite the changing employment relationships and the dynamics of the global workforce. According to the Corporate Leadership Council which surveyed company executives right after the recession, the average job footprint increased during the recessionary period, but compensation levels were frozen (The Economist, 2010). The council also reported that corporate loyalty may have waned while the number of employees willing to put in discretionary efforts may have reduced. These together signal the need for further examination of the influence of economic dependency factors on employee attitude and work outcomes, including extra-role performance.

This study, therefore, replicates the dependency conceptualization (Brett et al., 1995) by examining its influence on commitment and citizenship behavior. Specifically, the objectives of this study are: 1) to examine the effect of work dependency factors—financial requirement, job mobility, and employment security—on organizational commitment and citizenship dimension of performance, and 2) to test the potential process influence of commitment on the link between work dependency factors and the citizenship outcome. We extend the conceptualization of the economic dependency of work by examining the influence of job mobility—the ability to secure comparable job or the lack thereof—as a dependency construct. Investigating the influence of economic dependency constructs on citizenship behavior is essential since discretionary performance is critical to organizational effectiveness. Recent works have demonstrated the importance of organizational citizenship behavior to total organizational productivity (Podsakoff, Blume, Whiting & Podsakoff, 2009). It has also been asserted that engagement and discretionary efforts are vital sources of innovation and creativity for the organization (The Economist, 2010). This study, therefore, adds to the literature and increases our understanding of the influence of economic factors on workplace attitudes.

#### THEORETICAL BACKGROUND AND HYPOTHESES

Cognitive dissonance—a form of cognitive consistency theory—is a discomfort due to the concurrent conflicting belief, attitude, or behavior. The theory postulates that individuals have the motivational drive for consistency and, therefore, reduce dissonance by altering existing cognitions or adding new ones (cf. Brett et al., 1995; Festinger, 1957). Thus, individual's cognition and behavior may lead to induced compliance (state of dissonance), when one is forced to internalize the attitude or have external justification. The alternative, however, is availability and freedom of choice which may lead to a state of high consistency. These theoretical postulations form the framework for examining the influence of the economic dependency constructs—financial requirement, job mobility, and employment security on commitment and citizenship outcomes. Below, we expound on the dependency and the outcome variables.

Brett and colleagues defined financial requirements as factors that influence people's economic need to work. Hence, financial requirement is the financial pressure for one to continue in one's current job, influenced by high economic need and or non-availability of resources. In this study, we focus on financial assets available to an individual from job-related income, marital status and number of dependents for whom the worker is responsible for. Job mobility, on the other hand, is the ability to secure comparable or better job than the current one, which is dependent on the individual's skill set and the labor market conditions. Employment security is the perception that work employment is guaranteed

for the foreseeable future. It is the likelihood that an individual will remain in their current job for as long as the organization exists.

Organizational commitment and citizenship behavior are the outcome variables examined in this study. The affective component of the Allen and Meyer's three component model of commitment was used. Attitudinal commitment is the desire to remain with the organization—an emotional attachment (Allen & Meyer, 1996). We focused on attitudinal commitment because it has been the most utilized commitment construct, and research shows that it is the most positive predictor of work outcomes. Similarly, two general forms of organizational citizenship behavior (OCB) were employed: OCBI—helping behaviors directed at individuals in the organization and OCBO—helping behaviors directed at the organization itself (Williams & Anderson, 1991).

# **Financial Requirement on Commitment and OCB Outcomes**

Financial requirement has been operationalized as a dependency construct in the investigation of economic factors on employee attitude and performance (Brett et al. 1995; Doran, Stone, Brief, & George, 1991; George and Brief, 1990). Financial requirement involves factors that influence workers need to work, born out of the financial pressure on employees to remain in their current job. George and Brief (1990) reported that financial requirement moderates pay and life satisfaction relationship. Doran and colleagues also found in their study that employees with low financial requirements had low externally imposed pressure, with a resultant positive effect on job satisfaction and low intention to leave. Brett et al. (1995) also operationalized financial requirements as an index comprising marital status, spouse's employment status, the number of children age 21 and under, the percentage of total household income derived from the focal individual's job, and the person's perception of his or her ability to find a job comparable to the one presently held. The authors found a moderated effect on the relationship between organizational commitment and task performance, with stronger relationships for those with low financial requirements than for those with high requirements.

Research has shown that workers with many dependents identify with their organizations (Gould & Werbel, 1983; cf. George & Brief, 1990). It has also been reported that individuals who are the sole support of households or those who have many dependents are more concern about the economic aspects of their jobs than those without dependents (George & Brief, 1990). Hence, one will expect that individuals with high financial requirements will be more committed than those with low financial requirements. However, financial requirements create the presence or absence of choice based on the theoretical perspective of dissonance. Perceived choice is construed as the absence of externally imposed constraints or pressures to stay on the job (Doran et al., 1991). Workers with higher financial requirements may be more economically dependent on their job-related income and feel obligated to work—a constraining influence. Conversely, workers with low financial requirements may perceive more choices in employment-related decisions—because their economic circumstances are less of a constraint. Thus, the need to maintain cognitive consistency between attitudes and behaviors are more likely when people perceive themselves as having choices—low financial requirement—than when they have no choices—high financial requirement. This theoretical argument has been supported empirically in past studies (Brett et al., 1995; Doran et al., 1991) and should hold in a volatile economic context. Hence, in line with prior research and using the cognitive consistency-dissonance theoretical perspective, we argue that individuals with low financial requirement will show high levels of attitudinal commitment and willingness to perform extra-role behaviors.

H1: Employees with low financial requirement (low dependency) will display high levels of attitudinal commitment than those with high financial requirement.

H2: Employees with low financial requirement will display high levels of (a) OCBI and (b) OCBO than those with high financial requirement.

# **Job Mobility on Commitment and OCB**

We extend the dependency conceptualization to include job mobility in view of the high unemployment level in the country, which implies limited job opportunities. Job mobility involves factors that limit employees' ability to leave their current job or increase the ability to secure a comparable one (akin to employability). The construct is derived from one of the indicators of the economic dependency measure employed by Brett and colleagues; 'the perception of one's ability to find a job comparable to the one presently held.' However, unlike the measure by Brett and colleagues, we employ three demographic variables; age, organizational tenure, and education to represent an index of mobility. Research has shown that demographic composition is important in understanding attitude differences on the job (Gelfand, Erez, & Aycan, 2007). For instance, individuals with high education level may have more options outside their present job, hence, high job mobility than those with low level of education. Similarly, individuals who are relatively young may be more mobile than those who are older and have high tenure because they have lower economic and social ties to the organization and its members. Grant, Dutton and Rosso (2008) assert that employees of the current generation are more mobile, more autonomous, and less dependent on their organizations for employment than ever before.

The dissonance theoretical perspective is advanced in arguing the influence of the mobility construct on the outcome variables, with consistency of cognition possibly induced by internal (organization) or external (labor market) factors. High job mobility (low dependency) means individuals have high ability to secure comparable job to the present (high external job options), which is also dependent on the labor market conditions. Therefore, individuals with high job mobility—low tenure, relatively young, and highly educated—will have the skill set and propensity for securing a more favorable job than those with low mobility. This depends on the availability of choices; hence, based on cognitive consistency theory, they should exhibit high levels of commitment and citizenship. However, under volatile economic conditions, especially characterized by limited jobs due to high unemployment, their external choices may become limited, and the uncertain labor market will acts as external constraining force. Hence, such individuals may feel frustrated (dissonance) and show low levels of commitment and citizenship in justifying the externally imposed need for cognitive consistency; feeling compelled to stay in current job for lack of choices (job alternatives).

On the other hand, individuals with low job mobility—who may be relatively older and have high job tenure—will be limited in their external employment choices and highly dependent on their current job. They may not have the necessary career transferable skills required for the jobs of the techno-globalized world. Ng and Feldman (2012) have found empirical evidence supporting the assumption that older workers are less willing to participate in career development activities. These imply very low job options externally, which may be compounded by the high unemployment level and the increased competition in the labor market for available job opportunities. However, their organization specific skills and experience will make them relevant in the current employment setting—current position. Research has shown that organizational tenure and age are positive predictors of job attitudes including commitment (Kim & Rowley, 2006; Tsui, Egan, & O'Reilly, 1992). Such individuals may have limited job options but may have opportunities internally—for instance promotion. Thus, the perceived internal job options, though limited, may outweigh the external challenges. Therefore, they will show high commitment and involvement in maintaining cognitive consistency.

H3: In an uncertain labor market, employees with low job mobility (high job dependency) will display high levels of attitudinal commitment than those with high job mobility.

H4: In an uncertain labor market, employees with low job mobility (high job dependency) will display high levels of (a) OCBI and (a) OCBO than those with high job mobility.

# **Employment Security on Commitment and OCB**

In view of the uncertain economic conditions, we examined the level of employment security and how it relates to the other dependency constructs and the outcome variables. Today's work place is

increasingly marked by job insecurity (Krischer, 2010), the opposite of employment security. Job insecurity is uncertainty in terms of the continuity of one's job or aspect of one's job (De Cuyper et al., 2009). Contrary to job insecurity, employment security is the perception of certainty in continuing one's present job. Research has shown that employment security is positively related to organizational commitment (Ogilvie, 1986; Gaertner & Nollen, 1989). In the current economic environment of widespread layoffs and high unemployment, the pressure to remain in one's job is enormous. The perception of low security coupled with the externally induced fear of job uncertainty may lead to reduced employee options. This will lead to reduced commitment and involvement in citizenship in justifying the need to rectify the externally imposed inconsistency. High employment security implies that individuals are expected to stay since their jobs are guaranteed. Security in employment is offered by the organization leading to the feeling choice—accepting an offer. The perception of choice may even be more so in an uncertain labor market, which imply satisfying a need—assurance of consistent income. Hence, those with high job security should experience high loyalty and involvement in citizenship.

H5: In an uncertain labor market, employees with high employment security will display high levels of attitudinal commitment than those with low employment security.

H6: In an uncertain labor market, employees with high employment security will display high levels of (a) OCBI and (b) OCBO than those with low employment security.

# **The Mediating Effect of Commitment**

Although the empirical findings indicate inconsistent relationship (Mathieu & Zajac, 1990; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002), commitment has been postulated as a predictor of performance (Organ, 1988; Meyer & Allen, 1997). Given the history of the relationships between commitment and performance (e.g. Meyer et al., 2002), the potential process influence of the attitudinal commitment on the link between the dependency constructs and the OCB outcomes were further examined. We argue that the commitment construct (attitudinal variable) will mediate the relationship between the economic constructs (perceptual or demographic profile) and the performance measure (behavior). The theory of reasoned action and planned behavior posit that perception precede attitude, which eventually leads to behavior. Empirically, organizational commitment, especially the attitudinal dimension, has been found to be positively related to organizational citizenship. Hence, the process effect of the attitudinal commitment on the link between the economic factors and the OCB outcomes are hypothesized.

H7: Attitudinal commitment will mediate the relationship between:

- (a) Financial requirement and OCBI
- (b) Financial requirement and OCBO
- (c) Job mobility and OCBI
- (d) Job mobility and OCBO
- (e) Employment security and OCBI
- (f) Employment security and OCBO

## **METHODS**

#### Sample and Procedures

Respondents were employees drawn from organizations in the education, telecommunication and construction industries, in a major city, in southern USA. The data collection was undertaken through the unions of the target institutions, as part of a broader project to examine the influence economic factors on workplace attitudes. The data was collected in late 2010 and early 2011, using both mail and email surveys from a random sample of 1643 employees. Prior research has successfully combined these modes

of data collection (e.g. Manfreda, Bosnjak, Berzalek, Hass, & Vehovar, 2006). Using repeated reminders and after deleting non usable responses—such as retired employees—a total of 471 questionnaires with complete information were obtained, representing 28.6% response rate. Of the 471 respondents, 70% were female. The respondents reported an average age of 45.61 years (SD = 12.07), an average organizational tenure of 12.64 years (SD = 8.61), and an average monthly income of \$3479.91 (SD =\$2016.88). Fifty-eight (58) percent of the respondents were married, with majority (63.5%) having a bachelor or master's degree.

### **Measures and Constructs Operationalization**

The measure of economic dependency included two additive indices that were operationalized using respondents' demographic profiles following prior research (Brett et al., 1995). Financial requirement index (FR) comprised of monthly household income (coded 0 for income at '\$6,900 or more' to 9 for income 'at \$1,000 or below'), marital status (coded 0 for 'single or divorced' and 1 for 'married'), and the number of dependents (coded 0 for 'no dependent' and 1 for 'each additional dependent' to a maximum of 10). The summated score from the three indicators should range from 0 to 20, with a higher score indicating high financial requirement (high dependency). Job mobility index (JM) was also operationalized with three indicators: age (coded from 0 for '60 years or older' to 8 for '25 years and under'), organizational tenure (coded from 0 for '24 years or more' to 9 for 'one year or less'), and education (coded from 0 for 'high school or below' to 5 'masters or above'). The summated score from the three indicators should range from 0 to 22, with a higher score indicating high job mobility (low dependency). On the other hand, employment security was measured with two perceptual items adapted from Sun, Aryee, and Law's (2007) high-performance human resource practice measure; 'Employees in this job can be expected to stay with this organization for as long as they wish' and 'Job security is almost guaranteed to employees in my organization.' The alpha reliability of the scale was .76.

The attitudinal commitment items were adapted from the multi-dimensional scale by Lee et al. (2001), which is a refinement of the Allen and Meyer's (1990) scale. The scale is comprised of 5 items and reported alpha reliability of .82. For OCB, the two broad dimensions by Williams and Anderson (1991) were adapted for this study. The scales included 7-item OCBI and 6-item OCBO with alpha reliabilities of .81 and .80 respectively.

#### **Overview of Analysis**

Exploratory factor analysis (EFA) procedure was used in the preliminary analyses, with respect to the factor structure of the OCB construct. EFA technique was rather adapted to find the best fit model to the data and to capture potential error in measurement (Child, 1990) due to the use of two different modes of data collection. The EFA outcome shows acceptable fit of the organizational citizenship behavior model to the data, explaining 59.42% of the variance. The items loaded significantly on their respective factors, with factor loadings ranging from .66 to .85.

The substantive analysis involved multivariate analysis of variance (MANOVA) to examine the effect of financial requirement index (FR), job mobility index (JM), and employment security (ES) on the commitment and OCB outcomes. MANOVA allows the examination of the simultaneous effect of the dependency factors on the commitment and OCB outcomes. The follow-up univariate models for testing high and low levels of each predictor on the outcomes were examined. The grouping of the predictors into low and high scores was based on the respective median (FR = 11.0; JM = 10.0; ES = 4.5). Mediated regression analysis was then conducted, with commitment as the explanatory variable for the relationship between the dependency constructs and the OCB outcome. Following the work of Baron and Kenny (1986) and MacKinnon, Fairchild, and Fritz (2007), a 3-step mediation demonstration was utilized; the independent variable predicts the mediator, the independent variable again predicts the dependent variable, and in the same model the mediator predicts the dependent variable, but not the independent variable (or reduced effect on the dependent variable).

#### **RESULTS**

# **Descriptive Statistics**

Table 1 reports the descriptive statistics and correlation matrix of the study variables. The result of the zero-order correlations shows that job mobility only correlated with financial requirement (r = -.21, p<.01), and the negative correlation coefficient provides some support for the construct validity of the mobility index. Both financial requirement and job mobility are dependency constructs, but the operationalization of the job mobility index means that a low score indicated high dependency, compared to the financial requirement index. Thus, low JM and high FR both indicate high dependency. The level of employment security was moderate (M = 4.21, SD = 1.70) and positively correlated with attitudinal commitment (r = .33) and OCBI (r = .11). The level of employment security is indicative of the uncertainty in the labor market, including both public and private sectors. The attitudinal commitment construct was also significantly related to OCBI (r = .33) but not OCBO.

TABLE 1
DESCRIPTIVE STATISTICS AND CORRELATIONS

Variables	1	2	3	4	5	6	7
1. Gender	n/a						
2. Financial Requirement	.03	n/a					
3. Job Mobility	.00	21**	n/a				
4. Employment Security	11*	.06	.00	.72			
5. Affective Commitment	19**	00	.06	.33**	.82		
6. OCBI	.06	10*	.08	.11*	.33**	.80	
7. OCBO	.23**	02	.06	08	03	.22**	.81
Mean	1.71	9.43	10.92	4.21	4.23	5.70	6.07
SD	0.45	3.97	4.65	1.70	1.58	0.89	1.16
Range	-	20.0	17.00	6.00	6.00	5.29	6.00

N = 471. OCBI = Organizational citizenship behavior towards individuals; OCBO = Organizational citizenship behavior towards organization. Gender (male = 0, female = 1). \* p < .05 \*\*p < .01

### **Test of Hypotheses**

Reported in table 2 is the outcome of the MANOVA test conducted to examine the simultaneous effect of the dependency constructs on the level of commitment and OCB. The three predictors were financial requirement index (FR), job mobility index (JM) and employment security (ES). The overall MANOVA outcome shows that the model for financial requirement index (Low FR versus high FR) (lambda = 9.71,  $F_{4, 397} = 2.757$ , p = .028), job mobility index (Low JM versus high JM) (lambda = 9.70,  $F_{4, 369} = 3.121$ , p = .015), and employment security (low ES versus high ES) (lambda = 9.10,  $F_{4, 445} = 22.03$ , p = .000) were all significant. The estimation of potential interactive effects amongst the predictors was not significant. The follow-up univariate outcomes are, therefore, presented.

#### Financial Requirement on Commitment and OCB

The univariate ANOVA outcome reported in table 3 shows that only the association between financial requirement and OCBI was statistically significant ( $F_{1, 400} = 6.945$ , p = .009). The effect of financial requirement on attitudinal commitment was not significant. This does not provide support for hypothesis 1. Hypothesis 2 states that respondents with low financial requirement will exhibit high levels of OCBs. In support of hypothesis 2a, the respondent group with low financial requirement reported high

OCBI (M = 5.83, SD = 0.834) than the group with high financial requirement (M = 5.59, SD = 0.977). No significant effect was found for OCBO, providing no support for hypothesis 2b.

TABLE 2 OVERALL MANOVA FOR ORGANIZATIONAL COMMITMENT AND OCB OUTCOMES

Predictors	Lambda	<i>F</i> -value	<i>P</i> -value	<b>Observed Power</b>
Financial requirement	.970	3.121	.015	.815
Job Mobility	.971	2.757	.028	.757
<b>Employment Security</b>	.910	22.03	.000	1.00

### Job Mobility on Commitment and OCB

The univariate ANOVA outcome for this model is reported in table 4. No significant effects were found for attitudinal commitment, providing no support for hypothesis 3. The results indicate that the effect of job mobility on OCBI ( $F_{1, 372} = 4.345$ , p = .038) and OCBO ( $F_{1, 372} = 6.669$ , p = .010) were statistically significant. In support of hypothesis 4a, the respondent group with low job mobility reported statistically high level of OCBI (M = 5.76, SD = 0.885) than the group with high job mobility (M = 5.56, SD = 0.96). Similarly, the respondent group with low job mobility reported high level of OCBO (M =6.20, SD = 0.99) than the group with high job mobility (M = 5.88, SD = 1.38). The later suggest support for the predicted effect on OCBO (hypothesis 4b), although the Levene's test of equality of variance was not met (see table 4). The significant p-value (p = .000) for the Levene test indicates that the error variance between the two groups were not equal as such the outcome may not be robust. The overall outcome reveals information about the potential influence of the economic context. The volatile economic condition of high unemployment constrains job opportunities and choices. Thus, individuals with high job mobility may have the skill set and propensity for securing a more favorable job, but they may become frustrated due to the uncertain labor market—high unemployment level and increased competition for available jobs (fewer job opportunities) The lack of jobs, hence, choices due to the volatile labor market conditions may lead to low involvement in citizenship directed at the organization and its members, especially for those with high employable skills.

# Employment Security on Commitment and OCB

The outcome reported in Table 5 reveals a high significant univariate ANOVA outcome regarding the association between employment security and attitudinal commitment ( $F_{1,446} = 39.178$ , p = .000). The outcome shows that respondent group with high employment security reported high level of attitudinal commitment (M = 4.63, SD = 1.52) than the group with low employment security (M = 3.72, SD = 1.53). This finding provides support for hypothesis 5. The univariate outcomes for the OCBs indicate no significant difference in the levels of the performance variables at low and high levels of the predictor. This provides no support for hypotheses 6a and 6b.

TABLE 3 UNIVARIATE OUTCOME FOR FINANCIAL REQUIREMENT

<b>Dependent Variables</b>	F-value	<i>P</i> -value	Levene's Test
Attitudinal commitment	0.036	.849	.598
OCB-Individual	6.945	.009	.140
OCB-Organization	1.666	.197	.160

TABLE 4
UNIVARIATE OUTCOME FOR JOB MOBILITY

Dependent Variables	F-value	P-value	Levene's Test
Attitudinal commitment	2.267	.133	.669
OCB-Individual	4.345	.038	.265
OCB-Organization	6.669	.010	.000

TABLE 5
UNIVARIATE OUTCOME FOR EMPLOYMENT SECURITY

Dependent Variables	F-value	P-value	Levene's Test
Attitudinal commitment	39.17	.000	.852
OCB-Individual	1.913	.167	.088
OCB-Organization	1.714	.191	.016

# The Process Effect of Attitudinal Commitment

The outcome of the mediated effect presented involves the predictive effect of the economic factors (combined sample) on OCB through commitment. The first step in the mediation analysis was to conduct a preliminary test of the link between the economic predictors and the outcomes. As found in the MANOVA test, financial requirement was not significantly related to the commitment construct (mediator) and was excluded from the final mediation test (i.e. no support for hypotheses 7a and 7b). Also, the mediation analysis with respect to the OCBO outcome was also excluded from the final test since OCBO was not significantly related to the dependency constructs (no support for hypotheses 7d and 7f). This outcome further supports our assertion that the Job Mobility-OCBO result in the MANOVA analysis may not be robust. Given these outcomes and the historical relationship between commitment and citizenship, the mediating effect of commitment on employment security and job mobility, and their link with OCBI were examined. In the mediation analysis, the effect of employment security and job mobility on the OCBI outcome is expected to transmit through the mediator, attitudinal commitment. Thus, employment security and job mobility should have a direct effect on attitudinal commitment as well as OCBI. Then the commitment construct should have a significant effect on OCBI while the effects of employment security and job mobility on OCBI are lessened in the same model.

Table 6 presents the result of the mediated role of commitment on the link between job mobility and OCBI. The outcome supports the contention of attitudinal commitment acting as a mechanism for the effect of the dependency factor on OCBI (hypothesis 7c). In the first equation, job mobility and attitudinal commitment rendered a significant relationship ( $\beta = -.098$ , p < .05), thus, the independent variable correlated with the mediator. In the second equation, regressing OCBI on job mobility also revealed a significant relationship ( $\beta = -.106$ , p < .05), indicating that the independent variable correlated with the dependent variable. These initial regression outcomes and the negative coefficients further confirm our postulated effects as reported in the MANOVA analysis. In the third equation, regressing OCBI on both job mobility and attitudinal commitment indicates a significant relationship for attitudinal commitment ( $\beta = .397$ , p < .001) but not job mobility ( $\beta = .023$ , p > .05). Following prior research (Baron & Kenny, 1986), both Sobel and Aroian statistics were calculated to test the significance of the mediation effect. Both tests were found significant (z = -4.7470, p < .001 and z = -4.7345, p < .001 respectively), confirming the mediating effect of attitudinal commitment on the job mobility-OCBI link.

The outcome of the mediation effect of attitudinal commitment on the employment security-OCBI link is reported in Table 7. In the first equation, employment security and attitudinal commitment rendered a significant relationship ( $\beta$  = .344, p < .01). In the second equation, regressing OCBI on

employment security also revealed a significant relationship ( $\beta = .104$ , p < .05). In the third equation, OCBI was regressed on both employment security and attitudinal commitment, revealing a significant relationship with the attitudinal commitment ( $\beta$  = .424, p < .01) but not employment security ( $\beta$  = -.049, p>.05). Thus, the dependent variable was shown to correlate with the mediator, but not the independent variable. Sobel and Aroian statistics were calculated, and both were found significant (z = 7.280, p < .001and z = 7.266, p < .001 respectively), confirming the mediated effect. This outcome provides support for hypothesis 7e.

**TABLE 6** MEDIATED REGRESSION ANALYSIS FOR JOB MOBILITY

	Path	$R^2$	F	β
Control	Gender			010
	Employer			219**
		.113	27.922**	
Step 1	Job Mobility   Attitudinal Commitment			098*
	•	.070	9.929**	
Step 2	Job Mobility→ OCBI			106*
	,	.055	7.577**	
Step 3	Attitudinal commitment → OCBI			.397**
	Job Mobility → OCBI			073
		.213	20.251**	

 $OCBI = Organizational\ citizenship\ behavior\ towards\ individuals.\ *p < .05\ **p < .01$ 

TABLE 7 MEDIATED REGRESSION ANALYSIS FOR EMPLOYMENT SECURITY

	Path	$R^2$	F	β	
Control	Gender			027	
	Employer			197**	
G. 1		.035	8.032**		
Step 1	Employment security   Attitudinal Commitment			.344**	
G. 2		.181	33.148**		
Step 2	Employment security→ OCBI			.104*	
		.045	7.062**		
Step 3	Attitudinal commitment → OCBI			.424**	
	Employment security→ OCBI			049	
		.189	21.177**		
$OCBI = Organizational\ citizenship\ behavior\ towards\ individuals.\ *p < .05\ **p < .01$					

# **DISCUSSION**

We investigated the influence of the economic dependency factors on commitment and discretionary performance, and the mediating role of the commitment construct. Three indicators of dependency; financial requirement, job mobility, and employment security were found to influence the level of attitudinal commitment and/or citizenship behavior directed at individuals in the organization. Moreover, we found that the attitudinal commitment completely mediates job mobility and OCBI, and employment security and OCBI relationships. The implications of these findings for theory and practice are discussed.

# **Implications**

This study adds to our understanding of the influence of economic dependency factors on employee attitude and performance. The study adds to this research by showing that financial requirement influences employees' level of commitment and the discretionary dimension of performance. We found that individuals with low financial requirement exhibited a high level of citizenship directed at individuals in the organization. Individuals with low financial requirement may not feel limited in their financial choices in spite of the harsh economic conditions. However, the desire or willingness to undertake discretionary performance is directed towards their colleagues (OCBI) but not at the organization. Under economic stress, employees may be more inclined to offer help to their fellow workers on the job, with whom they interact daily, instead of an abstract entity like an organization.

Again this study extends the dependency concept by conceptualizing job mobility index as a dependency construct with significant effect on commitment and the discretionary performance. We found similar effect with respect to job mobility, where individuals with low job mobility—high dependency—experienced high level of citizenship directed towards individuals. Although this group of respondents may feel limited in their external employment choices due to the limited opportunities, they may have high internal organizational associations and network that may increase their options or choices internally (e.g. high promotability), hence, their willingness to undertake extra-role activities. Previous research has shown that age and tenure are related to commitment and performance (Kim & Rowley, 2006; Tsui, Egan, & O'Reilly, 1992), but the demographic variables have often been employed individually as control variables with very little theoretical underpinning. This study has examined the combined influence of the demographic variables, as an additive index while using cognitive consistency theory to provide the theoretical explanation of the effect of the construct on outcome variables. This suggests the need to use demographic profiles in our research analysis with some theoretical underpinning, rather than just employing demographics as control variables. In the second part of our analysis, we found that attitudinal commitment completely mediated the effect of employment security and job mobility on OCBI. In line with the postulation of the theory of reasoned action (Ajzen, 1991), attitudinal commitment is the means through which respondents perception of employment security influences the citizenship behavior. Similarly, the influence of job mobility—derived from respondents' demographic profile—on the outcome variable was transmitted through attitudinal commitment. This further highlights the importance of demographic profile as a dependency construct.

The outcome of this study has implications for organizations or managers. This study has empirically demonstrated the adverse effect of economic dependency of work on employee attitude and discretionary performance. Individuals with high financial requirement experienced low levels of discretionary performance in an uncertain labor market. The response by employers during periods of economic uncertainty may exacerbate employees' financial needs. It has been asserted that the current economic downturn may have had a greater impact on employees than before, since household finances are more intricately linked to the general economy (David, 2009; Zelizer, 2007). The strategy of pay cuts or frozen wages by organizations, though initially beneficial, may be counter-productive in the long run since these acts will increase financial pressures (financial need) on employees. The way employees are treated during tough times says a lot about employers, but also provides opportunities for employers to earn the loyalty of their employees. During volatile conditions, organizations will be best served by employing high performance HR practices, such as participation, incentives and results-oriented appraisals (Sun et al., 2007). Also, instituting non-financial programs or partnerships that provide consumer benefits, such as discounts on products and services may provide some relief and reduce financial burden. Finally, providing assurance of employment during volatile conditions will be useful and help maintain an effective workforce.

#### **Limitations and Future Research**

The major drawback of this study concerns the operationalization of the job mobility construct. The operationalization as an index comprising tenure, age, and education may not be entirely error proof. For instance, anecdotally, it has been said that the younger generation is more likely to have high educational achievements than the older folks. We have assumed that relatively younger employees are more likely to have higher educational achievements and may be well trained for the jobs of the new world compared to their older counterparts. However, these assertions have not been tested, affecting the validity of the mobility construct. This notwithstanding, younger workers are highly mobile since they have lower economic and social ties to the organization, providing some support for the face validity of this measure. Moreover, the correlation between job mobility and financial requirement supports the operationalization of job mobility as a dependency construct. Hence, this study has provided an initial test of this construct, and future research can build on this by developing a perceptual measure of job mobility.

We have shown in this study that the combined influence of demographic factors may be more meaningful in explaining employee attitudes and behavior. Individuals are defined by their demographic composition; hence, its use in research models should provide more information than is currently known. Future research should examine the influence of demographic profiles on models instead of the individual factors being employed as control variables. We have examined job mobility and its impact on discretionary performance in this study. However, prior research has examined the influence of financial requirement on focal performance (Brett et al., 1995; Doran et al., 1991). Hence, future research may extend this strain of research by examining the influence of the mobility construct on focal performance.

#### Conclusion

Although prior research has examined the influence of economic dependency on task performance, its influence on discretionary behavior, which may not be penalized for non-performance, is unknown. In line with prior research, and using cognitive consistency theory, the findings of this study suggest that individuals with low financial requirement and low job mobility experience higher levels of OCB while those with high employment security experience high level of attitudinal commitment. The study also revealed that attitudinal commitment acts as the mechanism through which job mobility and employment security influence the discretionary performance. This study has shed further light on a different perspective of dependency—mobility—and the findings together adds to our understanding of the influence of economic dependency on work attitudes.

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