

# Impact of Employment Status on Service Oriented OCB; Intervening Roles of Job Satisfaction and Organizational Commitment in Information Technology Environment

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## Summary

The purpose of the current research was to study the effect of employment status (ES) on service-oriented organizational citizenship behavior (OCB). Intervening roles of job satisfaction and organizational commitments were also investigated in relation with employment status and organizational citizenship behavior. Data was collected using a survey method. For that purpose, a questionnaire was distributed among the employees of IT sector based in Lahore. By using simple random sampling technique a set of 350 employees were selected for the study. Multiple mediating models were applied for statistical analysis by using SPSS. The outcomes of the study revealed that temporary employee status negatively relates to service oriented Organizational Citizenship Behavior in I.T. environment. Furthermore, Job satisfaction and organizational commitment intervenes between the employment status and service oriented organizational citizenship behavior. Selection of contract based temporary employees from IT sector of Lahore was the limitation of the study. Generalization of findings on other occupational contexts and regions may not be exactly the same. Future research efforts should focus on obtaining a larger and more representative sample of employees from other sectors including IT. Selection of other types of employees to improve the outcomes of the current research can also be done. Findings of current research highlights the fact that organization must be attentive about the relationship between OCB and employment status. As service oriented OCB might be vigorous for logistic progress in the service sector and specially for IT firms. Administration should consider the paybacks and overheads while hiring employees on temporary status. Management may provoke the teams to present higher level of OCB while making their expectancy from the organization.

## Key words:

*Employment status (ES), Organizational citizenship behavior (OCB), Job satisfaction (JS), organizational commitment (OC) Information Technology (IT).*

## 1. Introduction

In order to be sustainable, viable and competitive in a globalized economy, several IT business groups have been using temporary work appointments to reconstruct and restructure the labor force to increase flexibility and

decrease the related costs. To enlarge business firms' flexibility and decrease cost complementary associated with workforce various types of short-term work arrangements are used, for instance temporary, contract, part-time and ephemeral agency work. Among all the ephemeral workforce, is a most extensively adopted form of non-permanent employment, it refers to employment with slighter span of agreements and lesser hopes of being everlasting and stable employment. Flexibility in work or job can be a strong wish of a personal, whereas this wish cannot be enjoyed by all workforce that it would adversely affect their behavior and attitude as well as approach towards organization. So the weak commitment and engagement of temporary workers in organization may make the logic of particulars' rejection from the organizational communal system. Social exclusion is interconnected to decrease in pro-social behavior. Ever changing Labor market trends in the field of information technology (IT) field have increased career opportunities for I.T professionals all over the world. Consequently, all those organizations who hire these professionals are facing challenges of recruitment and retention. Therefore, retention and OCB of temporary employees in the I.T environment have received a considerable attention of the researchers in past 20 years.

Organizations are increasingly stating that employees are their most important asset. Therefore, they are constantly striving to create an employment brand that is captivating for both existing employees and potential talent, while competing in a "war for talent". This has led researchers to emphasize on the importance of reviewing the factors that affect individuals' JS and OC within the I.T environment, particularly in an emerging economy like Pakistan (Akbar, Butt, & Chaudhry, 2018).

## 2. Literature Review

The term "Temporary employees" states to those who do not work on a static and fixed, permanent (full-time) schedule under a proprietor's direct administration on a

plausible unfixed basis (Kalleberg, Reskin, and Hudson 2000); thus, it includes part-time work force, independent contractors, employment agency hires, and temporary or contingent workers. The use of such appointments is normally advocated as a way of providing organizations with greater recruitment flexibility, so allowing them to respond more efficiently, effectively and effectually to price competition in product markets, prompt variations and changes in technology, restructuring in capital markets, and enhancing instabilities in labor demand ( Qian, X., Li, Q., Wu, Q., & Wu, Y. 2017). In regards to the growing use of temporary work force, researchers are conducting experimental as well as hypothetical study on this aspect of the phenomena. Some researches emphasis on the variances among permanent means standards and non-standard personnel on-the-job related approaches, along with cantonment, committal, reliability, and in-role and extra-role behaviors, i.e. OCB, turnover and work performance (Thorsteinson, 2003). With the exception from permanent recruitment, Comparing with the extensive acceptance in management practices, researchers have claimed that there are a few drawbacks of short-term employment. Some researchers reported that temporary jobs are linked with inferior work status, categorized with low-remuneration, low-prosperity and high-stress (Johnson, Messe , Crano, 1984). Researchers also perceived that non-standard workers often put in less effort than permanent workers, therefore, alternative work arrangements exceed the difficulty in human resource management (Stamper and Dyne, 2003). Job satisfaction might be reflecting satisfaction and gratification with both financial as well as non-financial profits and diverse workers can give different meanings to things while they value their commitment, loyalty and satisfaction with their occupation (Bianchi, 2011). Organizations have curiosity in the temporary form of employment because of its flexibility. Business Groups have to hire nonstandard workers to achieve the ambiguous and uncertain variation in supply of products and services. Employing of non-standards employees generally supported for organizations because of its flexibility, it is also a reason of knowledge inside the organization, and temporary employees are not financed by the organization for their growth, training as well as development, (Virtanen, kivimaki, Joensuu, Virtanen, Elovainio, & Vehtera, 2005). The flexibility only benefited for the organizations because it have lot of problem for the employees such as absence of training, lack of benefits, high demand of work performance without career growth (Virtanen, Kivimaki, Joensuu, Virtanen, Elovainio, & Vehtera, 2005).

### ***Background of the study***

A particular employee pick out a specific service agreement because of less availability of permanent opportunities and personal preference or sometimes employees are not willing for commitment that comes with permanent employment and they prefer liberty and independence to choice the work they like to do, so the consequences also different for each individual (DeCuyper, Jong, Witte, Issaksson, Rigotti, & Schalk, 2008). Moorman and Harland (2002) revealed that service-oriented OCB of temporary or nonstandard employees rises when they have extraordinary intensities of commitment to the workplace and reflect favorable and optimistic activities taken by the customer service groups, individuals improve the extra role or citizenship behaviors. Job satisfaction interconnects toward the workers' by and large affective judgment of the essential and external characteristics of the job. Empathy values reveals, that Job Satisfaction provide confidence to workforces to contain in positive, committed and extra role engagements which are valued by the firm (Bateman & Organ, 1983). Most of the observed predictors of OCB are JS and OC, Williams and Anderson, (1991) and Bateman and Organ (1983) argue that there is a reason of thinking that JS and OC influence OCB. Workers' JS and OC positively related to the development of employee OCB. Social exchange theory reinforces the relationship, the fundamentals (base) of the association lies in the "exchange statute": A satisfied and committed worker interchanges OCB with the organization because he has benefit from it (Bateman and Organ, 1983). Social exchange theory proposes that employees' want to respond to conditions that value them and benefit them. If the individuals' does not have the capability or opportunity to return with greater work output, he responds via OCB.

The purpose of this study is to give fact about this type of individual behavior. Such study is valuable for securing high achievements in the organization but it has not been noticed in the earlier whereas the worker's performance was intended (Barroso, Martin, & Martin, 2004). The present research has support and backing for the "partial" exclusion theory to suppose communally or generally deprived group (i.e. temporary employees). It has a lesser tendency to be promised in service oriented OCB. Modern research has tried to find out the implications of ES on service oriented organizational citizenship behavior. Furthermore, JS and OC have taken into consideration the vibrant forces of the association among ES and service oriented OCB.

### Problem Statement

Modern era of firms' maneuvering is in sought of tractability and competitiveness. Progressively, firms' have hired more temporary worker as a substitute of traditional lasting workers' (Vidall & Tiggess, 2009). Leading tantamount to this effort has been an increment body of research that has focalized on the impression of work status on worker job conduct, for instance OCB (Angg, Vann Dynne, Begley, & T.M, 2003). In modern era, I.T is the lifeblood of business and being the backbone of the business will be ruined only by such meager percentage of less satisfied, less committed people. Because less committed and less satisfied employees shows lower level of OCB. If less commitment and less job satisfaction of workers were not cared for then it would automatically lead to low level of OCB. A few number of researches have centered on why temporary workers might be exhibit less OCB than the permanent workers do. This study objects to close this research opening by mean that organizational consignment and line of work gratification have vital arbitrate influence in the relationship of ES and worker's service-orientated OCB.

### Research Objectives

The study sought to:

1. Examine the relationship between Employment Status and Service Oriented OCB in I.T environment.
2. Examine the intervening role of Job Satisfaction between Employment Status and Service Oriented OCB in I.T environment.
3. Examine the intervening role of Organizational Commitment among Employment Status and Service Oriented OCB in I.T environment

### Research Methodology

The respondents of the present research consisted of the consumer service workforce of IT sector from Lahore, Pakistan. As this sector generally hire more client contact workforce with short-term employment status than other industries. The employees of I.T. sector of Lahore are the population of the current research. Data has been collected from the employees of M/s Netsol, Systems, M/s TRG, M/s Arbisoft. Keep Truckin etc. Respondents were approached through direct interactions and personal visits. Current study is based on quantitative approach and individuals were the unit of analysis. As proposed by Comfrey and Lee (1992), the sample size of 300 respondents is sufficient for fair research. However, more than 350 questionnaires were circulated and 345 questionnaires were collected in return. Out of which 325

responses are useful. As data was collected through personal visits, therefore the response rate was good.

To find out the relationship between Independent variables and dependent variable regression analysis has been used. Andrew F. Hayes Process was also used to test the mediation. The reliability was tested using Cronbach's Alpha.

### 3. Tables,

Table 1: Frequencies Distributions

<i>Gender distribution of the Respondents (N= 325)</i>		
Category	Frequency	Percent
M	238	73.3
F	87	26.8
<i>Age distribution of the Respondents (N= 325)</i>		
≤ 25	119	36.6
26-40	165	50.8
≥ 40	41	12.6
<i>Distribution of the Respondents with respect to employment status (N= 325)</i>		
Temporary	116	35.7
Permanent	209	64.3

Table 1 displays the distribution or dispersal for the participants through gender, Age and employment status. It shows that 238 males (73 %) and 87 females (26.8 %) and distribution of particulars by age is 37% of participants has been observed in the age group of < = 25y old. Fifty-one percent of the participants have been observed in the age group of 26-40, and 13% of the respondents have been observed in the age group of equal or above 40. Dispersion of respondents for temporary and permanent employees' outcomes shows that, 116 (35.7%) temporary workers as well as 209 (64.3%) permanent personnel.

Table 2: Cronbach's Alpha for the composite scale

	Cronbach's Alpha	No of Items
SOCB	.90	18
OC	.82	6
JS	.79	5

Table 2 shows the Cronbach's Alpha for the composite scale. The extreme value of Consistency Coefficient is for SOCB (0.91), whereas, the least value is for JS (0.79). The Cronbachs' alpha for the organizational commitment in the current study is 0.82. Direct relationship of employment status and SOCB has been checked by using the regression statistics hence the service oriented OCB unstandardized partial slops (2.1) and standardized partial slops (.90) are statistically significantly different from 0

( $t=38.8$ ,  $df=1$ ,  $p=0.05$ ). Here is outcomes describe that the liaison between employment status and service oriented OCB has been positive.

Table 3 displays the results of Andrew F. Hyes Process. Whereas for JS un-standardized partial slop 2.06 statistically significantly different from 0 ( $t=32.8$ ,  $p< 0.05$ ). It describes that relation of ES and JS has been significant.

Table 3

			B	SE	T	P
Impact of employment status on JS(Model)	Constant		2.0172	.0507	39.7993	0.0000
	Employment Status		2.0689	.0632	32.7330	0.0000
Where ( $R^2=0.76, F=107.1$ )						
Impact of employment status on OC(Model)	Constant		-.0083	.0280	-.2968	0.7668
	JS		.9741	.0127	76.9017	0.0000
	Employment Status		.1278	.0299	4.2762	0.0000
Where ( $R^2=0.78, F=140.5$ )						
Impact of employment status on OCB through JS & OC(Model)	Constant		.8963	.0905	9.9016	0.0000
	JS		-.1010	.1800	-.5613	0.5750
	OC		.6161	.1799	3.4242	0.0007
	Employment Status		1.0878	.0992	10.9638	0.0000
Where ( $R^2= 0.82, F = 8$ )						
Impact of employment status on OCB(Model)	Constant		1.8980	.0455	41.7235	0.0000
	Employment Status		2.1991	.0567	38.7676	0.0000
Where ( $R^2= 0.82, F =15.02$ )						

Table 3-displays the Impact of employment status on OC. whereas for JS un-standardized partial slop statistically significantly different from 0 ( $t=76.8$ ,  $p< 0.05$ ). It reveals that relationship of ES and OC is significant

Table 3 also displays the Impact of employment status on OCB through JS and OC. For JS standardized partial slop is 0.10 insignificantly different from 0 ( $t=0.56$ ,  $p> 0.05$ ), For OC standardized partial slop is “0.61” statistically different from “0( $t=3.42$ ,  $p<0.05$ )”, for ES standardized partial slop is 1.08 significantly different from 0( $t=10.9$ ,  $p<0.05$ ).

Table 3 also displays the impact of ES on services oriented OCB. Thus it is statistically significantly different from “0 where  $f= 15.02$ ,  $p= 0.000$ ”. For ES standardized partial slop is 2.19 significantly different from 0 ( $t=38.7$ ,  $p<0.05$ ). It is easy to say that total effect is 2.19 whereas ( $t=38.7$ ,  $p<0.05$ ), direct effect is 1.08 whereas ( $t=10$ ,  $p<0.05$ ). Total effect and direct effect is significant, so the results

demonstrate that OC partially intercede the ES and service oriented OCB.

#### 4. Findings, Recommendations and Conclusion

Present research was aimed to measure the interceding role of JS and OC amongst ES and service oriented OCB. Previous researches reveal that OCB in the middle of restricted employees would be enthusiastically linked to the uncertainty so it is a part of their provisional job status (De Witte H. , 1999). This research reveals the significant outcome of employment status and service oriented OCB. Statistical results showed that relationship among independent variable and dependent variable i.e. employment status and services oriented OCB respectively has been significant. Processes by Andrew f. Hayes have been applied to find the interceding roles of JS and OC between employment status and service oriented OCB. Furthermore statistical results reveal that JS has not been arbitrated the association of employment status and services oriented OCB. While the OC arbitrates the relation of ES and services oriented OCB. The results of this research are aligned with the findings of Moorman, Niehoff, and Organ (1993); the influence of JS and OC on OCB as well as its objectivity and fairness. Current research prove its objective by assessing intervention of workers’ JS and OC in the relationship of employment status and services oriented organizational citizenship behavior in I.T sector of Lahore, Pakistan. Model of the current study can be useful to assess the OCB of other workforces, so that the result can be generalized in all organizations of Pakistan

#### Recommendations

In terms of directorial inferences, in a period of increasing employment of temporary employees, this study reveals that organization must be alert and aware of why temporary employees have slighter intensities of service-oriented OCB. By giving attention with the objective of service oriented OCB, it is essential for organizational effectiveness in the service viewpoint, organization should ponder the settlement and disbursement even though taking into service, temporary workers (Colwell, Hogarth, Jiang, & Joshi, 2009). As service-oriented OCB is significant for organizational attainment in the service perspective, administration should deliberate the welfares when contracting temporary workers. Besides this, administration may stimulate and encourage temporary workers to show higher service-oriented OCB by determining their beliefs from the organization. Executives must take useful actions to develop OC and JS to

encourage and increase OCB. Management practices can also be implemented to reinforce the revolutionary role of organizational support in increasing organizational commitment, such as increasing job independence, increasing sovereignty of decision making through service happenstances, increasing job abilities as well as skills. Furthermore, future researches can be enriched by having comparison over time; and relationship with culturally dissimilar organizations. In the same way validation of the findings might be pursued by assessing workforces from different areas of service business like hospitals and banks etc.

## 5. Conclusion

The results of the present research revealed that the behavior of temporary workforce is inversely linked to service-oriented OCB. Results also revealed that OC intercedes the relationship between predictor variable i.e. ES & service oriented OCB. Organizational commitment reinforces and supports the relationship because consequences are substantial and considerable. Whereas job satisfaction was also tested as an intervening variable, but the results were insignificant. So, for the current study JS has failed to strengthen the relationship between predictor variable and dependent variable. Furthermore, results proves that employment status and service oriented OCB have a direct & significant relationship.

Current study formulates two contributions in the obtainable model of the impact of employment status on OCB. The outcome of the present research reveals that short-term temporary or non-standard employees contain insufficient service-oriented organizational citizenship behavior as compare to standard and permanent employees. These results align with Foote, (2004). The outcomes of this investigation are also dependable with the “partial exclusion theory” to suppose the socially rejected group i.e. “temporary employees” tending to be limited involvement on workplace showed minor Service-oriented OCBe (Twenge, Baumeister, De, Naun, & Bartels, 2007).

Current research adds to the literature by accumulation two important relations “JS and OC” to elucidate why temporary hiring might direct to insufficient extra-role behavior. From the investigation, it exposed that this study proposes and expands the existing literature on ES “employment status”, JS “job satisfaction”, OC “organizational commitment” as well as service oriented OCB. It also observed the significant and substantial liaison exist among ES, JS, OC and service oriented OCB. Research objectives of this study are met accordingly. There is a strong, clear and logical implication in findings. I.T. is the most important industries of Pakistan. Thus, the findings help the managers of the industry to

enhance the extra role behavior of employees. If employees’ perceive a positive opinion about their workplace as compared to opponents, it will make employees more reliable, accountable, faithful enthusiastic and devoted for organization. This opinion depends on the status of employment and on the incentive, reinforcement and motivations that is provided to the employees from organization. Organization can as well take on supervisory practices to decrease or moderate temporary employees’ opinion of job insecurity to improve the service-oriented OCB. Only those business firms would increase abilities, confidence and aptitudes into the workplace with regard to employment, which will mature persuasive work arrangements in the exact way of time with rareness and distinctiveness on the behalf of competition in industry. Information Technology is the focal businesses of Pakistan backing on the way to societal structure as well as economic and financial sector, apprehending a most essential market segment can be beneficial, valuable and profitable by executing the model of present study. Organizations might increase the production, competence, productivity and invention by making an optimistic image of their achievement in the thoughts of their workforces. It might be followed the effective implementation of predictable HR practices and by generating a valued, loyal and obliging atmosphere for temporary and stable personnel. Further, the comfortable, happy and relaxed personnel from their employments are more profitable as well as satisfactory for firms.

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