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## Comparing Continuance Commitment in a Project Oriented Organization.

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### Abstract

Organizational commitment is recognised as having a positive relationship with employee retention and performance, yet the nature of commitment in a project-oriented organization is unknown. Project oriented organizations are complicated by temporary teams, varying workloads and inability to guarantee future projects. To date, research in project oriented organizations treats employees as an homogenous body. Adopting a case study methodology, this research explored organizational commitment within a project organization, comparing staff within the organization. Employees were asked to complete an online instrument measuring affective, normative and continuance commitment. Analysis compared results from project managers, project staff and support staff. The research found that project managers reported stronger affective commitment; support staff reported the strongest normative and continuance commitment. The concept of self-investment by employees in the organization is explored as a possible cause of high continuance commitment amongst support staff. Project organizations can use this information to enhance their management of employees. It is important for an organization with project and non-project employees to understand and meet the needs of different roles. The research concludes that the projectification of organizations has wider human resource management and productivity implications and requires further investigation.

*Keywords:* Commitment, organization, project.

## 1 Introduction

Increasingly, organizations are adopting a project based structure, known as “projectification” (Bredin and Soderlund, 2011). Project oriented organizations are different to non-project organizations because of their varying workloads, temporary teams and irregularity of future projects (Turner, Huemann & Keegan, 2008). The nature of organizational commitment in an organization with project characteristics is unknown, yet commitment is recognised as having a positive relationship with employee retention and performance (Meyer and Allen, 1997). Therefore understanding the nature of commitment in a project organization is a pre-requisite to improving these desirable behaviours. Adopting a case study methodology, this research explored organizational commitment within a project organisation, comparing project and support staff within the organization.

This paper reviews current knowledge in the field of organizational commitment. It explains the increasing popularity of project oriented organizations. Data comparing project managers’ commitment to other staff within the case study organization is presented, before the discussion centres on the major theme found: continuance commitment in the organization.

## 2 Literature review

Organizational commitment is often referred to as the measuring of employee’s attitudes and behaviours (Morris, Lydka & O’Creivy, 1993). To measure organizational commitment Allen and Meyer (1996) developed the Three Component Model (TCM). Although it still relates to measuring attitudes and behaviours, they identified three types of commitment: affective commitment, continuance commitment and normative commitment. Affective commitment relates to whether the person chooses to work at the organization because they want to work there. It also relates to the employee's connection to the values and beliefs of the organization (Allen & Meyer, 1990). Continuance commitment occurs where the employee works at the organization because of the perceived cost or losses associated with leaving, or because there are no alternatives to current employment (McGee and Ford, 1987). Normative commitment refers to whether the employee works at the organization because they feel obligated to have loyalty to their organization (Allen & Meyer, 1996). Ideally, an employee would have strong affective commitment with lower normative commitment and weak continuous commitment. Allen and Meyer (1996) found that employees with higher affective commitment and normative commitment were less likely to have an intention to leave the organization.

The trend to measure commitment has not decreased with time. This is attributed to the association between commitment and organization performance, the vast number of antecedents and outcomes, and the perceived continued lack of clarity around the concept of commitment (Suliman and Iles, 2000). Analysis of literature published between 2010 and 2014 shows breadth in application of commitment research, including moving into previously unexamined cultures such as the Middle East region (eg. Suliman and Iles, 2000; Yousef, 2002) and China (eg. Newman and Sheikh, 2012). Aside from cultural exploration, there continue to be opportunities to examine the nature of specific antecedents and outcomes of different forms of commitment, and the nature of commitment development (Bergman et al., 2013).

Continuance commitment is different to affective and normative forms. It is associated with external regulators of work behaviour (Meyer, Becker and Vandenberghe, 2004). Its positive relationship with productivity is doubtful (although this is reflective of local culture, as reported by Sulliman and Ilse's (2000) in research in Jordan), and it is thought to be an indicator of an employee's intention to leave; high continuance commitment should not be interpreted as a positive achievement. Three specific causes of continuance commitment are thought to include longer tenure in the organization, having value to the organization recognised and individual negative affectivity leading which is thought to lead to perception of few alternatives (Iverson and Buttegieg, 1999).

Since continuance commitment is reflective of the cost of leaving, it could be managed by above average pay, flexible hours and other fringe benefits which might make it very difficult for an employee to leave; however whilst the employee continues to fulfil responsibilities, they might not be performing at their best. Research suggests that benefit plans increase employee commitment and reduce intention to quit (Ayache and Naima, 2014). However, Ayache and Naima used the combined measure of commitment – the OCQ – in their research and are therefore unable to eliminate the possibility that the employer in their research was “buying” continuance commitment from the employees and that high commitment scores were false.

The nature of continuance commitment being influenced so strongly by external factors which are under the control of the employer has not been overlooked. Coleman, Irving and Cooper (1999) describe the importance of the external locus of control and Vandenberghe and Panaccio (2015) explored the role of locus of control in influencing continuance commitment. However the presence of these external factors cannot disregard the individual perception of a factor's value, which will in turn be influenced by personal variables. It is possible, then, that employees in similar roles might be influenced by similar variables such as career stage and family priorities.

There has been a shift in the 21st century, known as “projectification”, in which organizations adopt structures which have co-existing and temporary parts (Arvidsson, 2009). Heumann, Keegan and Turner (2007) defined project oriented organizations as organizations that manage both internal and external projects; have an organizational strategy and a corporate structure that is designed for working on projects including project management teams. Employees within project oriented organizations have to deal with fluctuating workloads and uncertainties around future projects, locations, and roles. Due to these issues Turner et al. suggest that the requirements of HRM within project oriented organizations are different compared to non-project oriented organizations. They also highlight that there is a lack of research into the complexities of HRM in project oriented organizations. Bredin and Soderlund review HRM in project organizations (2011); they approach HRM systems as collective, configurational and complementary. All three forms recognise the different roles in a project-oriented organization: line managers, project managers and the influence of HRM designed for one role when directed towards a different role. A limitation of Bredin and Soderlund's HR quadriad is that support staff are not explicitly identified. Whilst their definition of the HR quadriad is that the four roles have an interest in common, and therefore the exclusion of support staff is logical because they do not share the same interest in projects, this research argues that there is still a role for support staff in project organizations.

Challenges in project oriented organizations include the promotion of work life balance for employees and career development. Issues with career development arise in project oriented organizations because often project members do not know what future projects are coming up after the completion of their current project (Turner, Huemann & Keegan, 2008). Hobday adds that project oriented organizations do not prioritise formal training and staff development (Hobday, 2000); again,

it is unclear if this characteristic applies across the whole organization – if PMs don't get sufficient development, do support staff get any either?

Despite the added issues around project teams, project oriented organizations have been found to have a higher retention rate of staff compared to non-project oriented organizations (Turner et al., 2008). It is believed that this is because project oriented organizations provide their employees with more challenging work opportunities.

Whilst research into project-oriented organizations has progressed in the last 10 years from exploration and development of concepts, to testing of theories, all the research published to date relates to project staff in an organization. Van Emmerik and Sanders (2005) wrote that “previous studies that have examined the relationship between mismatch and employee outcomes for different groups of employees are sparse” (p.713). This research agrees: the nature of interaction of project and non-project staff within a project oriented organization has not been explored.

### 3 Research design

After extensive investigation into methods currently used in organizational psychology, the research adopted a case study methodology as an appropriate method from which to build a theory. Welch et al. (2011) review the four approaches to theory building from case studies; they describe Eisenhardt's (1989) and Yin's (2009) arguments for the role of case studies in developing a hypothesis prior to testing. Generalization of the theory is less important during this early stage. Since this research is exploring the possibility of a relationship between continuance commitment and job role that has not previously been investigated, a case study approach is considered suitable. Further support for the use of a case study method can be found in Yin (2009) who regards case studies as particularly useful where the data is collected from an environment which cannot be controlled by the researcher, as is the case here. The researcher is an observer of the organization and has no intention to intervene.

The case study organization was a Melbourne based high density residential construction company that had been operating for 28 years and has two departments: development and real estate. The development department has 43 employees who are responsible for designing, building and managing the construction of large apartment buildings in Melbourne. The real estate department has 22 employees who are responsible for marketing, sales and customer relations in order to sell the spaces within the large buildings.

Data was collected from employees via an online survey. Commitment was measured using Allen and Meyer's (1996) Three Component Model. In order to investigate any differences in commitment across the organization, employees were grouped according to their position as a project manager, a member of a project team, or support staff. The results were analysed using SPSS with the aim of identifying any potential relationships between commitment and role.

### 4 Results

Of the 65 employees that were emailed the questionnaire, 35 employees responded. The data was analysed in two stages, stage 1 using descriptive analysis and stage 2 using t-tests to test the relationships between variables for significance. Three job roles were defined: project managers,

project staff and support staff. Within the organization, project managers managed the implementation of the documented project, usually from a site office. Project staff were assigned a project to work on, which could mean they were in charge of design, documentation or customer relations for the project. Support staff were not assigned to a project but worked to support the administration tasks required for the general running of the organization; they were located in the head office.

The results of the analysis is presented by job role group: project managers (n=8), project staff (n=12) and support staff (n=15). Staff that completed the survey assigned themselves to one of the three roles.

The project managers had the highest affective commitment of 34.13, followed by support staff with 33.76 and the lowest being 33.25 for the project staff (see Table 1). There were large differences in the results between the roles when it came to measuring continuous commitment. Support staff showed the highest results with 38.27 followed by project staff with 33.33 and lowest from project managers being 29.88. Support staff had the highest score for normative commitment being 30.20, followed by project staff with 29.75 and project managers with 29.63.

	<b>Project Manager</b>	<b>Project staff</b>	<b>Support staff</b>
AC	34.13	33.25	33.76
NC	29.63	29.75	30.20
CC	29.00	33.33	38.26

**Table 1: Commitment**

Initial examination of the data shows each of the roles has one form of commitment higher than the others. For project managers, affective commitment is the strongest form of commitment, suggesting they are emotionally engaged with the organization. For project staff, normative commitment is much lower than affective or continuance commitment, indicating a lack of obligatory commitment. Viewed in conjunction with the reasonable affective commitment result, this is a positive trend. Support staff reported a higher continuance commitment score than affective or normative commitment; this is initially thought to be a concern, since continuance commitment is indicative of remaining at an organization due to potential losses associated with leaving. It is not associated with an increase in productivity or retention.

Of the three forms, only continuance commitment reported statistically significant differences between the three roles. Cronbach's alpha co-efficient for internal consistency for continuance commitment was 0.764.

On the advice of Pallant (2004) an independent samples t-test was conducted to compare the mean continuance commitment scores for project managers and support staff. The difference was significant for project managers (M=29.88, SD=10.59) and support staff (M=38.27, SD = 7.19;  $t(20)=-2.421, p=.025$ ). The difference between mean continuance commitment scores for project staff (M=34.1, SD=5.70) and support staff is not significant, although shows a similar trend to that shown between project managers and support staff.

Several items in the continuance commitment scale show a significant result when project managers and support staff are compared. The item “if I had not already put so much of myself into the organization I might consider working elsewhere” is of particular interest. This item has a significant difference between project managers ( $M=1.67$ ,  $SD=.500$ ) and project staff ( $M=3.00$ ,  $SD=1.33$ ;  $t(11.711)=-2.941$ ,  $p=.013$ ), project managers and support staff ( $M=3.67$ ,  $SD=1.29$ ;  $t(-4.420)=-2.2$ ,  $p=.000$ ) and between all project employees ( $M=2.37$ ,  $SD=1.212$ ) and support staff ( $t(32)=-3.014$ ,  $p=.005$ ). Project managers scored this item weakly albeit with a greater standard deviation, compared to support staff who scored the item strongly.

A further item, “It would not be too costly for me to leave my organization in the near future” was also significantly different between project managers ( $M=3.0$ ,  $SD=1.414$ ) and support staff ( $M=4.40$ ,  $SD=1.454$ ;  $t(24)=2.453$ ,  $p=.022$ ). The results of this reverse item on the scale shows that project managers believe, more than support staff, that it would be costly to leave the organization.

The mean tenure of support staff was less than for project oriented staff which was also less than for project managers, however this was not significant. The only significant demographic difference in roles was the gender: support staff are more likely to be women. However there was no significant association between gender and continuance commitment variables.

## 5 Discussion

The purpose of the research is to explore the nature of commitment in a project oriented organization, such that a theory around commitment in a project oriented organization could be proposed and tested in later research. With insignificant results, it is not appropriate to suggest a theory relating to affective or normative commitment. However the presence of a significant result for continuance commitment warrants further exploration.

The results noted the significantly higher continuance commitment for support staff than for project managers. Continuance commitment scores are underpinned by the perception that there are few alternatives to the current employment situation, and by the perception that leaving the current organization would be costly in terms of losses. One conceivable cause which might fit with the different job role of the two groups is the locus of control theory. Coleman, Irving and Cooper (1999) found continuance commitment to be positively associated with an external locus of control. Support staff might perceive that the benefits they receive are a result of an external control. Vandenberghe and Panaccio (2015) find that locus of control only has a moderating impact on the costs of leaving sub dimension of continuance commitment, not on the perception of alternatives. They also associate the sense of impact (ie. the employee’s ability to influence decisions in a work context) with locus of control, and this research supports this notion. In our case study organization, project managers might be more likely to have a greater sense of impact at work, thus bringing the locus of control internally and this has the effect of lowering continuance commitment. There is evidence to support this notion: project managers reported the highest influence over their job compared to the project orientated staff and support staff. They also reported the highest satisfaction with the amount of influence they have over their job.

The discussion will explore the two continuance variables with significant results: “If I had not already put so much of myself” and “it would not be too costly”.

**If I had not already put so much of myself into the organization I might consider working elsewhere**

The continuance commitment variable “If I had not already put so much of myself” suggests the respondent feels they have given themselves to the organization, or invested themselves in the organization. Meyer and Allen describe continuance commitment as a result of a combination of the size and number of investments (ie. time and energy) made (Meyer and Allen, 1990). It seems logical therefore to refer to this item as the self-investment item.

The results showed that the support staff perceived that they invested themselves in the organization, and that project managers perceived they invested relatively little of themselves in the organization. Self investment is not a common phrase in the organizational psychology field. Faunce describes self investment as “a commitment to an activity based on the relevance of that activity for self esteem” (2003, p.4). His model shows individuals will tend to increase the self-investment they make towards their employing organization only where they see an increase in self esteem as an outcome, and where self esteem is a valued concept. Although support staff score this item highly it does not indicate that this group of employees actually do invest themselves in the organization. However it might indicate that this group of employees perceive that they do. The perception of self-investment in your employing organization is relative to how much you expect to self-invest; perhaps this group did not expect to invest themselves in the organization, but since they have done, they perceive this to be a strong investment. Whereas the project managers always expected to self-invest in the organization – maybe because their role is more senior, and also because they recognise that the profitability and success of the organization relies, in part, upon the project managers successfully completing projects. Since they expect to self-invest, maybe they don’t rate it such a strong item. If we have no expectation to give, then a little sacrifice might be felt as a large self-investment.

If this explanation were to be further investigated and found to be true, expectations about self-investment might play an important role in continuance commitment.

It might be asked if self-investment is related to gender or tenure in this sample. This might suggest that female employees have different expectations relating to self-investment than male employees, or that they have different priorities such as family responsibilities. Given Faunce (2003) relates that greater self-investment occurs where self esteem is important, a female employee with family duties for whom self esteem is unimportant might perceive small sacrifices to be large self-investment, thus influencing continuance commitment. Unfortunately, the data provided no evidence to suggest that gender or tenure are significantly related to this continuance commitment item. Meyer, Allen and Smith reported in 1993 that this item reflected the time spent at the organization and the employment status achieved. However there was no significant relationship between tenure and continuance commitment. This research does not disagree with Meyer et al, but is unable to provide evidence to support the link between tenure, status and self-investment. In fact, Meyer et al. don’t mention that perceived self-investment could be influenced by personal factors outside the organization.

**It would not be too costly for me to leave my organization in the near future**

The second item to report a statistically significant result was “It would not be too costly for me to leave the organization in the near future”. This item reported a higher mean for support staff than project managers. Interpreting this result, it is suggested that support staff feel they have less to lose than project managers feel they would lose, if they left the organization.

Factors to consider as causes of this result are the nature and quantity of benefits offered to staff, and the ability of an employee to receive the same benefits at another employer. Also, where self-investment is an internal regulator of work behaviour, the costs associated with leaving the organization is an external regulator, although the strength of the control is moderated by an individual's values. Therefore an additional consideration is the value placed on these benefits by the employee.

The potential losses or costs of leaving are understood to focus on the tangible benefits paid in addition to basic salary. These may include superannuation, company car, health insurance, professional development and a formal career path within the organization. The results suggest that project managers get more benefits than support staff, and that these benefits are associated with tenure at the organization and are not transferable; if they left they would leave the benefits behind. Alternative explanations are that all staff receive the same benefits but support staff value them less, or that support staff are the recipients of different benefits that are transferable. Since the research aimed to compare commitment scores, the actual benefits awarded to employees were not investigated.

## 6 Conclusion

This research explored the nature of organizational commitment between employee groups in a project oriented organization. Affective and normative commitment were not found to experience significant results, but continuance commitment was significantly higher for support staff than for project managers. Two specific items on the continuance commitment scale were significantly different between project managers and support staff. The research explored the concepts of locus of control, self-investment and the provision of benefits as factors causing the difference.

This research supports the initial findings of Vandenberghe and Panaccio (2015) into the role of locus of control as a moderator of continuance commitment. The research found that different groups of employees perceive a different experience of self-investment, impact at work and perceived alternatives, simultaneously with experiencing different needs. These combine to demonstrate different levels of continuance commitment. The question must be asked if this is a unique finding in a project orientated organization, or if all organizations experience this difference between job roles to some extent? Perhaps projectification exacerbates the different experiences of groups of employees. Future research should consider comparing these findings with other organizations of various structures, including project orientated, to test the theory that employee groups experience significant differences in commitment and possible explanations.

Limitations of the research are that data were collected from one organization and the findings are not intended to be generalizable. The data collected was a single stage approach so explanations offered here are not able to be supported by empirical evidence; that is the role of future research.

In spite of the limitations the value of this research is twofold. Firstly, this organization presents as one which is in danger of losing support staff which will reduce the efficiency of the projects implemented, and will require significant investment of time and money in recruiting and training



replacement employees. The organization would benefit from supplementing the quantitative data collected with further conversations regarding employee commitment and what can be done to improve this should it be thought a problem. Secondly, the general value to the academic community is that it has been made clear from the statistically significant results, that groups of employees (according to job role, or function in the organization) cannot be treated as if they have the same needs. Further, Vandenberghe and Panaccio (2015) point out the obvious practical implications of any research into commitment: knowing what influences commitment facilitates an organization managing it proactively through interventions delivered to the right people at the right time.

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