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## THE IMPACT OF EMPLOYMENT CLASSIFICATION ON ORGANISATIONAL COMMITMENT: A COMPARATIVE ANALYSIS OF PERMANENT AND OUTSOURCED SOFTWARE ENGINEERS USING MEYER AND ALLEN'S THREE-COMPONENT MODEL

#### B. Anne Kanchana Medhani Mendis<sup>i</sup>

PhD Candidate, University of Waikato, New Zeeland Associate Member, Chartered Institute of Personnel Management, Sri Lanka

#### Abstract:

The study examines the impact of permanent employment versus outsourcing on organisational commitment, focusing on three key dimensions: affective, continuance, and normative commitment. The research utilises descriptive statistics and an independent samples t-test to analyse data from 200 employees (100 permanent, 100 outsourced) in a multinational information technology organisation. The results reveal significant differences in commitment levels between permanent and outsourced employees, with permanent employees demonstrating higher levels across all three dimensions. For affective commitment, permanent employees reported a mean score of 4.70, significantly higher than the 2.40 reported by outsourced employees. Similarly, permanent employees exhibited more significant continuance commitment (3.75) and normative commitment (4.59) compared to outsourced employees (2.95 and 2.72, respectively). Low standard errors, high t-values, and significant p-values in hypothesis testing confirm these differences. The effect size analysis further highlights the magnitude of these differences, with Cohen's d values of 8.356 for affective commitment, 3.652 for continuance commitment, and 9.067 for normative commitment, indicating significant and moderate effects across all dimensions. These findings suggest that permanent employment fosters stronger emotional attachment, a greater sense of obligation, and higher perceived costs of leaving the organisation. In contrast, outsourced employment is associated with lower levels of commitment. The study contributes to understanding how employment type influences employee engagement and loyalty, offering insights for organisational policies to improve retention and foster stronger connections with employees.

<sup>&</sup>lt;sup>i</sup> Correspondence: email <u>am1736@students.waikato.au.nz</u>, <u>kanchana.mendis@gmail.com</u>

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#### 1. Introduction

Today's business organisations operate in environments characterised by unlimited change and transformation through change management. Due to paradigm shifts, the traditionally held views and metrics of business attainment are given less focus, with people being placed at the centre as the most pressing factor. Mendis and De Silva (2017), aligned with many observers, contend that today's businesses rely more on the vision, development, and management of their people resources than on the products and services they offer. Organisations should consider employees as critical resources who should be passionate about the organisation's purpose and pull together to achieve the best outcomes (Mendis & De Silva, 2017).

The restructuring of employment relations through outsourcing is among the most significant changes that have reshaped human resource management systems. Referring to Mullins and Millard, Clot (2004) notes anthropological knowledge of global outsourcing, which enables one hired by one firm to work under another company. Many industries have adopted such measures and been able to focus on their core competencies due to increased productivity and decreased costs. Bidwell *et al.* (2013) point out that contracting out core business functions has increased, and such models appear to be more acceptable with the technological changes, which has made it commonplace to seek specialised skills and do short or project work across all industries.

Employing outsourced workers in Sri Lanka's IT industry has become increasingly common. The SLASSCOM Salary & Benefits Survey (2020) points out that the demand for outsourcing services within the Sri Lankan IT sector exists primarily because of managing fluctuations in project needs without committing to employing full-time personnel. While these positive elements have found their way to the industry, there are some adverse effects, such as those on employee turnover, which impact the organisation concerning time and costs. High attrition rates in the industry espouse the chronic problem faced in retaining employees in the sector (Bhattacharya *et al.*, 2008).

In Sri Lanka, IT multinational business enterprises have been known to incorporate outsourcing, including, in some instances, the core functions of the enterprise. This is particularly evident when considering the distinct value contributed to specialised projects. This allows these companies to rapidly scale their superfluous capacity on demand and meet the needs of specific projects without hiring full-time employees. Furthermore, one of the significant advantages of outsourcing for short-term projects is that the organisation can lawfully dissolve these contracts when the specified duration of the project has finished without further financial or legal commitments.

However, outsourcing must not be regarded as a permanent solution. Some organisations adopt a more long-term strategy, offering contracts to outsourced

employees with the potential for permanent roles, contingent upon possessing the requisite skills and aligning with the organisation's culture. This approach enables organisations to avoid the risk posed by the permanent employment of individuals by using the non-permanent employment model. As a result, the employees obtain a prospect for full-time employment, but they are under sufficient performance constraints during the contract period.

This paper focuses on the outsourcing phenomenon in IT services in Sri Lanka and puts it in a broader context. Outsourcing as a business model would not be successful without factors like flexibility, cost control, and availability of skilled workforce. However, there are strategic challenges, such as high levels of employee attrition and effective workforce planning in both short – and long-terms. One major challenge these firms contend with is the commitment level of the firm with culturally embedded organisations, especially for permanent and outsourced employees, although they perform similar roles. Employees who are permanent and, above all, transferred into a division where they have job stability and the prospect of advancement are much more loyal than outsourced ones who are, at best, on a temporary contract and who have far fewer privileges. These differences in commitment levels will naturally affect the firm's overall effectiveness as the employees who are outsiders will hardly, if ever, be involved in the organisation and affect the organisation emotionally. Hence, the question of whether employee status determines the level of organisational commitment is worth investigating alongside how such gaps can be resolved so that all employees live up to their organisational expectations and commitment.

#### 2. Literature Review

Several studies have indicated that organisational commitment is a concept that several scholars have investigated from several angles, as it can be of great importance in critical areas such as employee turnover, performance, and retention. Those employees who are willing to commit themselves fully are the ones who bring the needed strategic objectives, vision and mission to the organisations (Riaz et al., 2007). However, it is essential to note that organisational commitment lacks a universally accepted definition. As Allen and Meyer (1996) expound, this basic idea was developed to express a link between those working for an organisation and the organisation in question. In turn, and consequently, this will contribute to employee retention as well as enhance getting work per given employee. From an employee perspective, it pertains to performance levels, turnover rates within the organisation, the degree of employee commitment, and the extent of employee engagement within the organisation (Doering et al., American Psychological Association, 136, 781-789; Morris & Sherman, 1981). This multilayered property of the construct also provided the basis for Meyer and his colleagues to formulate a model positing that organisational commitment has three legs: affective commitment, continuance commitment and normative commitment.

The term affective commitment refers to an employee's emotion toward the company and its strategy for achieving its goals. As previously highlighted by Allen and Meyer (1990), an emotional attachment or identification to the organisation is determined primarily by an individual's subjective positive orientation to the organisation, which ensures that an individual becomes affiliated with the organisation and pursues its objectives. This dimension itself can be subdivided into three parts:

- 1) A motivational emotion or feeling that one has towards the organisation,
- 2) The level of an individual's engagement within the organisation, and
- 3) The orientation to the organisation and its activity for a progressive period.

Most of the employees who mainly possess affective organisational attachment are the ones who believe that the organisation's achievement and individual purposes are the same. As a result, they are very likely to endorse the organisation's beliefs and goals (Allen & Meyer, 1990). Such an attachment changes employees' perceptions; Mowday, Steers, and Porter (1979) describe them as customers of the organisation who actively interact with its parameters and who are not just passive clients or targets who become motivated merely because the organisation appreciates them. The affective commitment also develops the relational aspect of the employee-employer relationship, contributing to the employee's sense of the organisation to which he or she is attached with positive emotions.

Employees wish to remain in the organisation of their own volition rather than due to external or internal pressures such as the economy or society. It has been established that this commitment is linked with better job satisfaction, increased employee involvement, and less turnover intention (Meyer & Allen, 1997). It is also the type of commitment most preferred by the organisation's management since it makes the employees aim to achieve more than necessary for the organisation's benefit.

According to Becker's (1960) side-bet theory, continuous commitment pertains to an individual's perspective on the consequences of exiting the organisation. It differs from the above desire because it is rooted in today's rationalism that seeks to evaluate the value of staying over the cost of leaving. According to Becker's hypothesis, employees 'side bet resources in job-specific skill set development, workplace relationships or future benefits make it difficult for them to exit the organisation. In this instance, continuity commitment is the extent to which employees commit themselves to the organisation due to the associated costs of exiting it.

The above need is oriented towards the financial aspects of security, job security, and other exogenous circumstances that cannot be easily transferred or adopted in other institutions. Employees with a high sense of continuance may lack an effective norm towards the organisation, but the exit cost benefits from leaving outweigh the benefits. For instance, Allen & Meyer (1990) argue that long-term financial reward structures, e.g. retirement, pensions, and job-specific skills training, tend to enhance one's continuance commitment. High continuance level employees may remain in the institution due to other extrinsic motivation factors.

While it is true that turnover is often prevented through continuance commitment, it is still confident that turnover will take place, and its implications may not be pleasant. Employees who stay in an organisation primarily out of someone's high continuance commitment are also negatively affected in job satisfaction and involvement relative to highly effectively committed employees (Meyer & Herscovitch, 2001). Such people think they are caged, which significantly affects their morale and sanity at the workplace in the long run. Thus, while turnover may be resisted through continuance commitment, it appears not as beneficial as projected for employees' well-being and organisational outcomes.

Normative or obligational commitment is characterised by the employee's desire to be in the organisation and their social pressure toward the task. Some employees are deeply embedded within an organisation due to their high levels of normative commitment, which makes them want to be part of the organisation out of moral obligation. Such a level of affective commitment is shared by Allen and Meyer (1990) and Randall and Cote (1991), who note that there is one demand for the normative commitment that others do not include an overview, and that demand is about moral obligation. For instance, in the case of the employees, some may feel such formidable pressures towards the normative commitment of the organisation that they perceive the organisation as investing in them through training or educational programs. In that case, they believe this unspoken promise should be adhered to and that it is impossible to leave the organisation. (Allen & Meyer, 1990).

Such work can also be drawn from the instruments of socialisation, which seek to establish an organisational culture where employees formulate expectations about the organisation, thus determining their willingness to help achieve its goals (Jaros *et al.*, 1993). In such recipients, the normative commitment creates such an internalised selfimage that the members share common values with the organisation's values, making them impervious to the thought of leaving the organisation. In this instance, a sense of emotional attachment is not as strong, even though some commitment is more consistent with "I have to". An employee is made to feel that he cannot leave the organisation because of some responsibilities he has to the organisation, significantly if the organisation has invested a lot in developing the employee's career. Even though it is given less importance than the other two types of commitment, normative commitment is essential for employee retention.

Employees strongly oriented towards contextual commitment may be able to secure an employment position within the organisation even in the presence of other competing jobs since loyalty and duty exist. In contrast, normative commitment can also be viewed from a negative perspective, just like continuance commitment (which does not create genuine attachment in an employee) because it binds the employees to the organisation without their desire to be in such an organisation. This may decrease job satisfaction and engagement, which harms the organisation. As per Becker (1992), there is no need to worry about the construct of organisational commitment because its components can be quantified or understood through their presence. Becker mentioned how some of the distinctions of affective, utilitarian and normative commitments are different undermining targets used for different purposes and therefore, individuals being differentiated can also have diverse levels of commitments, which may, however, have adverse effects. An example is an employee who may be successfully assimilated into the host organisation and accept their norms and obligations but may not readily accept being utilitarian. That is, if a worker does not believe that he/she should spend any resources to stay in a particular place of work, that person can still be there.

Few employees may be inclined to commit to multiple strategic approaches. Consequently, specific commitments may be exclusive to some employees while overlapping for others. The presence of overlapping belief levels within the hierarchy of convictions highlights the complexity of employees' emotional attachment to a particular organisation. Such contributions would require multifaceted efforts, ensuring that these dimensions exhibit no skewness. While some organisations may not perceive affective commitment as a positive factor, others acknowledge the importance of all three commitment forms across various levels and types.

In addition, understanding how the different groups of employees are committed helps organisations define the practices that can fuel worker interest, maintain or bring down the turnover rate, and improve general productivity.

Organisational commitment refers to the effort that a worker gives to their role, which includes the willingness to leave, the time and productivity they are having, and the outcome of the success of that worker. There are three main types of psychological attachment: affective, continuance, and normative commitment, which reflect the individual orientation of the worker towards the organisation emotionally, logically, or morally. Even though Affective commitment has been regarded as the best of the three forms, it is prudent for managers to cultivate all these three forms to manage employees correctly. The rejuvenation and maintenance of employees' norms, continuity, and affective commitment guarantee the organisation a successful and long-term engagement with its employees, which benefits the firm in the long run.

#### 2.1 Literature Gap

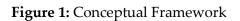
Research undertaken on the facet model of organisational commitment has indicated that individual variables like age, sex, tenure, and organisational variables like work experience and corporate culture are some of the factors that help in the retention of employees (Meyer & Allen, 1997). Still, there remains a gap in the literature on how permanent employment versus outsourced employment changes organisational commitment. Many published works are directed at understanding the factors influencing employee commitment. However, most do not concern employment status. Hence, this paper focuses on classifying employment and determining its association with organisational commitment. Given the current upward trend of outsourcing employment, this research provides information regarding how different forms of employment may shape employees' organisational commitment, further broadening the body of knowledge.

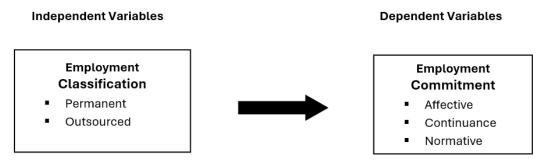
### 3. Methodology

The methodology was decided after reviewing the existing literature on employee commitment. The conceptual framework was designed based on Meyer and Allen's (1997) three dimensions of organisational commitment. According to Sekeran and Bougie (2014), hypotheses are established with existing theories and tested in a deductive manner. Therefore, the study was conducted as a Quantitative Research study. The interference to this study was minimal, and the study setting was identified as non-contrived. The time horizon" was considered cross-sectional, and the data collected was primary data for the measurement.

#### 3.1 Conceptual Framework

The Conceptual Framework was designed based on a literature review. It takes employment classification, which is permanent and outsourced, as the independent variables and the three dimensions of organisation commitment, which are affective, continuance, and normative commitment, as the independent variables.





## 3.2 Hypothesis

**Hypothesis 01:** Employment classification (permanent vs. outsourced employees) does not statistically impact affective commitment.

**Hypothesis 02:** Employment classification (permanent vs. outsourced employees) does not statistically impact continuance commitment.

**Hypothesis 03:** Employment classification (permanent vs. outsourced employees) does not statistically impact normative commitment.

#### 3.2 Research Questionnaire

This study assessed employees' affective, continuance, and normative commitment using Bagraim's (2004) adaptation of Meyer and Allen's (1997) 18-item three-dimensional commitment measure. Furthermore, six questions were added to examine participants' perceptions of their employment classification. Responses to the questionnaire were collected using a 5-point Likert scale; the weighted values were 1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree nor Disagree, 4 = Agree, 5 = Strongly Agree.

#### 3.3 The Sample

The research was carried out at one of the leading IT companies operating in Sri Lanka, and the company's workforce exceeds 1000. The workforce mainly comprised software engineers. Software engineers with 3- 4 years of experience represent 40% of the workforce; the highest number of outsourced employees represent this group. This cluster was selected for the sampling. Using a random selection method, the researcher selected 100 permanent and 100 outsourced employees from the cluster. All software engineers have a bachelor's degree in software engineering or a related field. The age group of the sample is between 25 to 30.

#### 3.4 Methods of Data Analysis

Several statistical methods were employed to analyse the data. Cronbach's alpha coefficients were calculated to assess the internal consistency reliability of the Organisational Commitment Questionnaire (OCQ) across three dimensions: Affective, Continuance, and Normative Commitment. These values met or exceeded the accepted threshold of 0.7, indicating satisfactory reliability. Descriptive statistics provided an overview of commitment levels, highlighting mean differences and variability between permanent and outsourced employees across all commitment dimensions. Independent samples t-tests, including Levene's Test for Equality of Variances, were conducted to test the hypotheses, determining whether the differences in mean commitment levels were statistically significant between the two employment types. Effect size estimates, such as Cohen's d, Hedges' correction, and Glass's delta, were calculated to evaluate the practical significance of these differences.

# 3.5 Measuring Consistency and Validity of Organisational Commitment Questionnaire (OCQ)

Different research activities have assessed the Inter-item Consistency in Terms of Internal Consistency reliability of the Organisational Commitment Questionnaire using Cronbach's Alpha Coefficient. Allen and Meyer (1990) reported that the affective commitment scale had a consistency of 0.87, the continuance commitment scale had a consistency of 0.75, and the normative commitment scale had a consistency of 0.79. Dunham *et al.* (1994) found alpha coefficients from their studies on the affective commitment that the lowest was 0.74 and the highest was 0.87, for the continuance

commitment 0.73-0.81, and 0.67-0.78 for normative commitment. Alphas for affective commitment has been reported as 0.79, while continuance is 0.69 and normative commitment is 0.65 by Cohen (1996). In 2002, several meta-analyses were conducted by Meyer, Stanley, Herscovitch, and Topolnytsky, who reported studies using the 6 and 8 versions of OCQ. Their review also provided data on these studies, which spanned 15 years, from 1985 to 2000. On average, the reported means from these studies were 0.82 for the affective, 0.73 for the continuance, and 0.76 for the normative dimension. These results suggest that the three dimensions of organisational commitment are consistently measurable and can be evaluated by the same observer over time.

#### 3.6 Cronbach's Alpha Scores for Organisational Commitment Questionnaire (OCQ)

For this study, Cronbach's alpha coefficients were calculated to assess the Organisational Commitment Questionnaire's (OCQ) consistency. The consistency coefficients for the OCQ are shown in Table 1. For permanent and outsourced employees, the average Cronbach's alpha consistency coefficient for the OCQ instruments is 0.80, reflecting a satisfactory level of consistency.

#### 4. Analysis and Results

Table 1: Measurem	ents for Cr	onba	nch's A	lpha C	Consistency	<sup>v</sup> Coeffi	cients
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Variables	Cronbach's Alpha	Number of Items
Affective Commitment	0.79	6
Continuous Commitment	0.74	6
Normative Commitment	0.76	6

The reliability shows the internal consistency of the questionnaire items, and Cronbach's alpha values are reported in Table 1. In contrast, the threshold value for Cronbach's Alpha is 0.7 in social sciences. Therefore, the values were considered acceptable as all variables were recorded above the threshold values.

Group Statistics								
Commitment Type	Employment Type	Ν	Mean	Std. Deviation	Std. Error Mean			
Affective Commitment	Permanent Employment	100	4.70	.225	.022			
Affective Commitment	Outsource Employment	100	2.40	.318	.032			
Continues Commitment	Permanent Employment	100	3.75	.087	.009			
	Outsource Employment	100	2.95	.297	.030			
Normative Commitment	Permanent Employment	100	4.59	.186	.019			
	Outsource Employment	100	2.72	.225	.023			

Table 2 highlights interesting data gaps regarding the level of commitment of permanent and outsourced employees on three dimensions:

• Affective Commitment,

- Continuity Commitment, and
- Normative Commitment.

The means of the two groups are significantly different, where permanent employees report a mean score of 4.70 on affective commitment compared to 2.40 for outsourced employees. From such findings, it can be stated that more than outsourced employees, permanent employees have better emotional connections with the organisation, as the latter strongly relate to affective commitment. Based on comparison with standard deviation, it can be stated that both the groups show quite a high level of equal responses, considering 0.225 for permanent employees and 0.318 for outsourced employees. Regarding standard errors, the means previously mentioned approximate these values: 0.022 and 0.032; reliability must be assumed for the stated mean differences.

Continuance commitment: The values reflect the costs associated with making the 'exit' decision from the organisation. The highest reported value was 3.75 for permanent employees, compared to 2.95 for outsourced employees. However, in both cases, the commitment level toward the organisation was lower than that observed for affective commitment. Notably, the lowest standard deviation, 0.087, was recorded for permanent employees, indicating high coherence and consistency within this group. In contrast, while the outsourced group demonstrated an average commitment level of 0.297, this suggests a greater spread and inconsistency within the group.

Normative commitment refers to commitment due to a sense of inherent obligation. This variable was again in favour of permanent employees, who carried a stronger sense of obligation, with a mean score of 4.59. In contrast, the outsourced employees showed a mean of 2.72. These observations were made without deviation, indicating that all the groups remained about the means defining a range for this type of commitment, with 0.186 and 0.225 for permanent and outsourced employees, respectively.

These discrepancies are additionally confirmed by the low standard errors, namely 0.019 for permanent and 0.023 for outsourced. Overall, the dissolved staff persistently demonstrate lower levels of dedication in all three dimensions than permanent staff, who have never been contracted on an outsourcing basis. This is a notable difference, with affective commitment dominating and being more pronounced, with normative commitment trailing but still being high, meaning permanent employees typically have more emotional and active involvement with the organisation. Nevertheless, the most moderate difference is noted in the case of continuance commitment, which allows us to conclude that the two groups can acknowledge the possible expenses that may arise from severing ties with the company. However, its impact is less compared to emotional and normative aspects. Such employee characteristics as employment type (permanent, outsourced) seem to determine the level of the employee's commitment to the organisation to a considerable extent.

#### 4.1 Hypothesis Testing

An independent samples test was conducted to test the hypotheses regarding differences in commitment levels (affective, continuous, and normative) between permanent and outsourced employees. This test comprises Levene's Test for Equality of Variances and the t-test for Equality of Means. Levene's Test assesses whether the variances for each commitment type are equal between groups, which informs whether the t-test should assume equal or unequal variances. The t-test for Equality of Means then evaluates the significance of the mean differences in commitment levels between the two employment types, determining if the observed differences are statistically meaningful. In this analysis, significance values, mean differences, standard error, and confidence intervals provide insights into the effect of employment type on each commitment dimension. The results allow us to rigorously evaluate the hypotheses, with findings indicating substantial variance in commitment levels across employment types.

Independent S	Samples Test				pender						
Levene's Test for Equality of Variances			t-test for Equality of Means								
		F Sig.	t	df	Significance		Mean	Std. Error	95% Confidence Interval of the Difference		
						One- Sided p	Two- Sided p	Difference	Difference	Lower	Upper
Affective Commitment	Equal variances assumed	49.500	<.001	59.088	198	<.001	<.001	2.300	.039	2.223	2.377
	Equal variances are not assumed.			59.088	178.200	<.001	<.001	2.300	.039	2.223	2.377
Continues Commitment	Equal variances assumed	112.814	<.001	25.825	198	<.001	<.001	.800	.031	.739	.861
	Equal variances are not assumed.			25.825	115.848	<.001	<.001	.800	.031	.739	.861
Normative Commitment	Equal variances assumed	31.747	<.001	64.113	198	<.001	<.001	1.873	.029	1.815	1.930
	Equal variances are not assumed.			64.113	191.066	<.001	<.001	1.873	.029	1.815	1.930

Table 3: Independent Samples Test

The Independent Samples Test results indicate significant differences in commitment levels (Affective, Continuance, and Normative) between permanent and outsourced employees. Levene's Test for Equality of Variances reveals significant variance differences in each commitment type, with F values of 49.500, 112.814, and 31.747 for

Affective, Continuance, and Normative Commitment, respectively, each with a significance level of <.001. For Affective Commitment, the t-test for Equality of Means yields a t-value of 59.088 (df = 198) and a p-value of <.001, with a mean difference of 2.300 and a 95% confidence interval of 2.223 to 2.377. This indicates that permanent employees report significantly higher affective commitment than outsourced employees. Similarly, Continuance Commitment presents a t-value of 25.825 (df = 198) with a p-value of <.001, reflecting a mean difference of 0.800 and a confidence interval of 0.739 to 0.861. Finally, for Normative Commitment, the t-test yields a t-value of 64.113 (df = 198) with a p-value of <.001, with a mean difference of 1.873 and a confidence interval of 1.815 to 1.930. These findings indicate that permanent employees exhibit significantly higher levels of commitment across all three dimensions, with the most significant differences observed in affective and normative commitment. The consistent statistical significance and tight confidence intervals underscore the impact of employment type on organisational commitment, highlighting that permanent employment across all dimensions.

Independent Samples Effect Sizes								
		Standardise	Point Estimate	95% Confidence Interval				
			Point Estimate	Lower	Upper			
Affective Commitment	Cohen's d	.275	8.356	7.487	9.223			
	Hedges' correction	.276	8.325	7.459	9.188			
	Glass's delta	.318	7.237	6.191	8.279			
Continues Commitment	Cohen's d	.219	3.652	3.196	4.104			
	Hedges' correction	.220	3.638	3.184	4.089			
	Glass's delta	.297	2.691	2.223	3.154			
Normative Commitment	Cohen's d	.207	9.067	8.131	10.000			
	Hedges' correction	.207	9.033	8.100	9.962			
	Glass's delta	.225	8.310	7.119	9.496			

 Table 4: Independent Samples Effect Sizes

The effect size estimates in the Independent Samples Effect Sizes table reveal substantial differences in affective, continuance, and normative commitment between permanent and outsourced employees, offering insights into the practical significance of these differences. For affective commitment, the effect size measured by Cohen's d is 8.356 (95% CI: 7.487 to 9.223), indicating a vast difference between groups. Hedges' correction, which adjusts for sample size, produces a similar effect size of 8.325 (95% CI: 7.459 to 9.188). Glass's delta, which focuses on the group with lower variance (permanent employees in this case), yields a slightly smaller effect size of 7.237 (95% CI: 6.191 to 8.279) but still points to a significant difference. Together, these values indicate a strong impact of employment type on affective commitment, with permanent employees showing much higher commitment levels.

For continuance commitment, the effect sizes are slightly smaller but still substantial. Cohen's d is 3.652 (95% CI: 3.196 to 4.104), suggesting a moderate difference in commitment levels. Hedges' correction is similar at 3.638 (95% CI: 3.184 to 4.089), while

Glass's delta, which accounts for the standard deviation of the permanent group, is 2.691 (95% CI: 2.223 to 3.154). These moderate effect sizes suggest that, while continuance commitment differs between employment types, the gap is less pronounced than for affective commitment.

For normative commitment, the effect sizes are again large, highlighting a notable disparity between the groups. Cohen's d is 9.067 (95% CI: 8.131 to 10.000), indicating a powerful difference. Hedges' correction provides a similar value of 9.033 (95% CI: 8.100 to 9.962), while Glass's delta yields an effect size of 8.310 (95% CI: 7.119 to 9.496). These results confirm a substantial gap in normative commitment, with permanent employees displaying considerably higher levels than outsourced employees.

In summary, the effect size estimates for all three types of commitment underscore significant differences between permanent and outsourced employees, with the most considerable differences observed in affective and normative commitment. These findings highlight the impact of employment type on organisational commitment, suggesting that permanent employees experience a more profound sense of attachment and obligation to the organisation than outsourced employees. This has notable practical implications for organisational practices and employment policies.

#### 5. Discussion of Results and Conclusion

The findings of this study provide compelling evidence that the type of employment, permanent versus outsourced, significantly influences the levels of organisational commitment exhibited by employees, particularly in the dimensions of affective, normative, and continuance commitment. These results have important implications for understanding how employment categorisation impacts employee attachment to the organisation, loyalty, and overall work attitudes.

Affective commitment reflects employees' emotional attachment to the organisation; permanent employees consistently scored significantly higher than their outsourced counterparts. This suggests that permanent employment, which typically offers greater job security and long-term career prospects, fosters stronger emotional bonds between employees and the organisation. Permanent employees are more likely to develop a sense of belonging, attachment, and identification with the organisation, leading to higher engagement, motivation, and job satisfaction. The emotional commitment observed among permanent employees may stem from the stability and security associated with their roles and the opportunities for career development and advancement within the organisation. These factors likely contribute to a deeper investment in the organisation's mission and goals, further strengthening their emotional connection to the workplace.

In contrast, outsourced employees exhibited significantly lower levels of affective commitment. Outsourced employees typically work under short-term contracts, with less job security and fewer opportunities for long-term career advancement. The transient nature of their roles makes it more difficult for them to form the same emotional attachment to the organisation. As their employment is often viewed as temporary and contract-based, outsourced employees are less likely to develop a sense of organisational loyalty. Their relationship with the organisation is often transactional, driven by the completion of specific tasks or contracts rather than an emotional desire to contribute to its long-term goals. This lack of emotional investment can lead to lower job satisfaction, reduced organisational engagement, and increased turnover intentions among outsourced workers.

Regarding normative commitment, which represents the employees' perceived obligation to remain with the organisation due to ethical or professional considerations, permanent employees again scored higher than outsourced employees. However, the difference was less pronounced than in affective commitment. This suggests that while permanent employees may feel a more vital moral or ethical obligation to stay with the organisation due to the investments made in their professional development, this sense of obligation is still not as powerful as their emotional attachment to the organisation. On the other hand, outsourced employees tend to develop a weaker sense of loyalty due to the short-term nature of their employment. However, some outsourced workers may feel a limited sense of responsibility toward the organisation, particularly if they have received training or been treated well during their tenure.

Finally, continuance commitment, which refers to the perceived costs of leaving the organisation, showed a weaker correlation with employment type than affective and normative commitment. While permanent employees reported higher continuance commitment levels, the difference between them and outsourced employees was less significant. This suggests that for permanent employees, job security and benefits play a role in their decision to remain with the organisation. However, these factors are less influential than emotional attachment and professional obligation. Outsourced employees, whose roles are inherently temporary, likely view the costs of leaving as minimal, as they do not have the same long-term career investment in the organisation.

These findings suggest that organisations must recognise the impact of employment type on employee commitment and take steps to address the potential commitment gaps between permanent and outsourced employees. While outsourcing offers flexibility and cost savings, it may also result in lower organisational loyalty and attachment levels, negatively affecting long-term performance, employee retention, and organisational cohesion. Organisations should consider implementing strategies that foster a sense of belonging and integration among outsourced employees to mitigate these effects. Providing career development opportunities, creating a welcoming and inclusive organisational culture, and offering incentives that align outsourced employees with the organisation's goals can help to enhance their commitment and engagement.

In conclusion, the study highlights the crucial role of employment type in shaping organisational commitment. It provides valuable insights for organisations seeking to improve employee retention, productivity, and overall organisational success. Organisations can enhance their long-term stability and performance by fostering a committed and motivated workforce, irrespective of employment status.

#### **Conflict of Interest Statement**

The author declares no conflicts of interest.

#### About the Author(s)

B. Anne Kanchana M. Mendis is a PhD candidate at the University of Waikato, specialising in labour studies focusing on female workforce participation in South Asia. With more than 15 years of experience as a Human Resources consultant and researcher, Mendis has worked alongside respected organisations, including PwC Sri Lanka, Ernst & Young Sri Lanka, and the United Nations Food and Agriculture Organisation in Sri Lanka. She holds a Master's Degree in Labour Studies from the University of Colombo, where her research on leadership styles and employee commitment received recognition and is frequently cited in academic circles. Currently, Mendis's research delves into the impact of gender stereotypes on occupational segregation and organisational commitment. Her work has been showcased at numerous international conferences. Furthermore, she has published several articles in peer-reviewed journals. Passionate about advancing gender equality and improving employee engagement, Mendis aims to offer valuable perspectives on labour market dynamics and the role of women in sustainable economic growth.

ORCID: 0009-005-2602-1015.

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#### B. Anne Kanchana Medhani Mendis THE IMPACT OF EMPLOYMENT CLASSIFICATION ON ORGANISATIONAL COMMITMENT: A COMPARATIVE ANALYSIS OF PERMANENT AND OUTSOURCED SOFTWARE ENGINEERS USING MEYER AND ALLEN'S THREE-COMPONENT MODEL

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