

## **INFLUENCE OF SOCIALIZATION ON COMMITMENT AND IDENTIFICATION OF OUTSOURCED EMPLOYEES IN COMPANIES LISTED AT THE NAIROBI SECURITIES EXCHANGE (NSE)-KENYA**

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### **Abstract**

*With the onset of outsourcing, employers and employees find themselves in a critical situation considering the multifaceted nature of the engagement. Newly employed members of an organization are taken through an orientation process, also referred to as socialization to enable them appreciate the values and cultures inherent in an organization. This process may lead to an employee developing a sense of belonging and engage in extra roles in an organization. This paper reports on whether socialization influences employees' attitude. The study was conducted in Kenya between September and October 2013. The study revealed that socialization has a positive influence on commitment ( $p=.039$ ) and identification ( $p=.006$ ) of outsourced employees to the agent and client organizations.*

**Key words: Socialization \*Commitment\* Identification\***

### **Introduction**

As Coyle-Shapiro, *et al* (2006) observes, organizations are increasingly positioning their human resources in work arrangements that create new forms of employment relationships. One of the fastest growing forms of engaging staff involves the use of external or contracted employees (George, 2003). This form of employment relationship, known as outsourcing, has grown in popularity over the years, but very little time has been devoted to its study, particularly with regard to the psychological processes. Liden *et al* (2003) points out that working for two organizations simultaneously make it more complex to understand contracted employees than the regular/conventional employees. The focus of this study was therefore to explore attitudinal constructs of such employees to the concerned parties.

In conventional employment systems, new employees are taken through a socialization process that may take different forms. Such processes, according to Ashforth, *et al* (2007), enable such

newcomers to discover what the organization is about and their place within it. Saks, *et al* (2007) state that individuals come to appreciate the values, abilities, expected behaviours and social knowledge essential for assuming an organizational role and for participating as a core member of the organization. Saks, *et al* (2007) further opine that socialization has an effect on employee commitment and intention to quit. Saks & Gruman (2010) posit that with increased need for talent management and employee retention the onboarding socialization process must involve much more than mere information and learning.

Eberl, *et al* (2012) is of the view that employees trust in the organization improves work-force commitment and motivation which in turn leads to a positive attitude towards organizational citizenship behavior (Mayer & Gavin, 2005).

### **Literature Review**

A closer look at socialization would enable us assess its influence on commitment and identification with regard to outsourced employees, hence the focus of the current research.

### **Socialization**

Outsourced employees enter into a reciprocal relationship with both the client organization and the employment agency. Both organizations offer support to the outsourced employees so that they can perform at the work place. According to Fisher, *et al* (2008), effective socialization process helps an employee transition to a new work place and learns how to function in the work environment. Bauer, *et al* (2007) views socialization as a process that is aimed at reducing uncertainty. Uncertainty theory, as espoused by socialization scholars, including Bauer, (2007), holds that newcomers desire to increase the predictability of interactions between themselves and within the organization. According to Louis (1980), Socialization practices that help provide newcomers with insider situation-specific interpretations and settings specific interpretative schemes should be developed. Saks *et al* (2007) views socialization as the process by which an individual comes to appreciate the values, abilities, expected behaviours and social knowledge essential for assuming an organizational role and for participating as a member of an organization. Even though temporary employees are 'temporary', they must also become part of the organization because they are required to work with permanent workers and, ultimately, pursue the same goals and objectives set forth by the organization (Slattery, *et al*, 2006). Temporary employees who are well adjusted to the organization's environment may have more positive work related attitudes and have more intentions to stay in the organization. Drucker (1996) castigates the employers' patronizing attitudes and advocates a flexible relationship between the organization and the employee. In another study, Drucker (2000) argues that agency workers do not have a formal contract of employment with the organization for which they work because they are not regarded as the organizations employees.

## Commitment and Identification

Much of the previous research on commitment focused on a single aspect. However, more recent research works (Becker, 2009, Redman and Snape, 2005) recognize the emerging organizational form and the rise of multiple agents. Mclean Parks, *et al* (1998) defined multiple foci of commitment as the situation where an act by an employee simultaneously fulfills the obligation of two or more entities with the full knowledge and sanction of both. Very little attention has, however been made to commitment foci that are external to the organization.

There is an established human trait that human beings attempt to relate to, and be accepted by others. Identifying with a collective can help provide a sense of belonging (Meyer, *et al*, 2006). The longer an individual remains a member of a collective, the more confident he or she becomes and the more positive the individual can feel about himself or herself through association (Meyer, *et al* 2006). Organizational identification reflects the extent to which organizational membership is incorporated within the individual's self-concept and therefore entails a strong cognitive component (Herrbach, 2006). Most of the definitions of identification share much in common in that they both imply that an individual 'has linked his or her organizational membership to his or her self-concept, either cognitively by internalizing organizational values, or emotionally through pride or both (Riketta, 2005; Herrbach, 2006). This paper broadly looks at both the cognitive and affective (emotional) aspects of identification. It recognizes the fact that outsourced employees have personal needs in the form of belonging, pride, and other attitudinal aspects which they expect to satisfy as well as being aware of the fact that they belong to a particular group within the organization (outsourced employees who are prototypical group members.

Most researchers in the area of employee psychological processes, (Mowday *et al*, 1982, Miller *et al* 2000; Meyer, *et al*, 2004; Meyer, *et al*, 2006; Ellemers & Rink, 2005;) generally agree that there is a close relationship between commitment and identification, while Riketta and Van Dick (2005) support the theory by referring to commitment and identification as two kinds of closely related 'attachments' between workers and their organizations or work groups. Pratt (1998), however, strongly feels that the two should be differentiated because of the cognitive basis of identification. Further, Riketta (2005) observes that organizational commitment, instead of organizational identification, is especially relevant to predicting employees' behavior and behavioural intentions. This paper has adopted the latter approach and to express the influence of socialization on commitment and identification, a hypothesis was developed as follows:

H<sub>0</sub> Socialization does not influence commitment and identification of outsourced employees to the agent and the client organizations

H<sub>a</sub> Socialization influences commitment and identification of outsourced employees to the agent and the client organizations

## Methodology and Data

The study was carried out in Kenya between September and October 2013 and it targeted all companies listed at the Nairobi Securities Exchange (NSE). Primary data was used in the study. An exploratory survey research design was adopted and questionnaires were designed for the different categories of respondents.

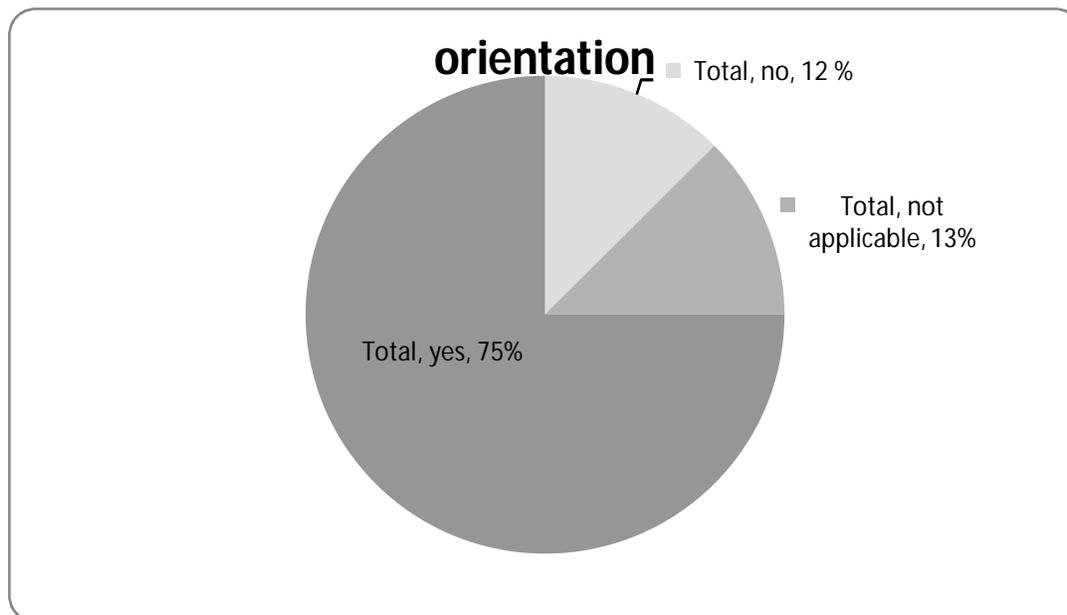
A sample of 23 companies was used in the study with one respondent each from the employer/agent and the clients' side while for employees, there were three respondents from the organizations identified for the exercise.

Pearson's correlation coefficient was used in the study as it is useful in identifying the relationship between variables. A two way analysis of variance was used to assess whether socialization had any influence on employee commitment and identification.

## Results and Discussions

### Task orientation

The research findings showed that both employers/agent and the client organization engaged the employees in task orientation which is a component of socialization.



**Figure 1: Task Orientation**

**Source: Field Survey**

Orientation programmes typically introduced new employees to their jobs, the people they will be working with, health and safety issues, terms and conditions of service and the organization itself (Saks and Gruman, 2010). While the study findings showed that the orientation programmes were initiated by the employer and the client organizations, Saks and Gruman (2010) indicate that insiders must be made aware of their important role in supporting new recruits.

An Analysis of variance test was carried out alongside a regression analysis model to test the significance level of effect of socialization on the aspects of commitment and identification. The outcomes of the tests are presented as below:

**Table 1: Regression Analysis of Variance**

<b>Tests of Between-Subjects Effects</b>					
Dependent Variable: Orientation					
Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	2.565 <sup>a</sup>	3	.855	6.647	.001
Intercept	50.574	1	50.574	393.116	.000
Membership_13	.597	1	.597	4.641	.039
Preference_18	1.125	1	1.125	8.748	.006
Membership_13 * Preference_18	.235	1	.235	1.825	.186
Error	4.245	33	.129		
Total	64.000	37			
Corrected Total	6.811	36			

a. R Squared = .377 (Adjusted R Squared = .320)

**Table2: Multiple Regression Output****Multiple Regressions: Influence of Socialization on Commitment and Identification Model****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.590 <sup>a</sup>	.348	.314	.344

a. Predictors: (Constant), .Extra roles, Membership

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2.458	2	1.229	10.389	.000 <sup>b</sup>
Residual	4.613	39	.118		
Total	7.071	41			

a. Dependent Variable: Orientation

b. Predictors: (Constant), .Extra roles, Membership

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.158	.245		4.718	.000
Membership	.479	.130	.513	3.681	.001
Extra roles	-.270	.070	-.540	-3.872	.000

a. Dependent Variable: Orientation

The R squared of the model is .348 and results from the model were summarized as in equation 1 below:

$$\hat{Y} = A + B_1(X_1) + B_2(X_2)$$

$\hat{Y}$  = Predicted value of the dependent variable

A = Constant

$B_1$  = Slope of variable 1     $X_1$  = Chosen Value of variable 1

$B_2$  = Slope of variable 1     $X_2$  = Chosen Value of variable 1

$$\hat{Y} = 1.158 + .479(\text{memebership}) - .270(\text{Extra roles})$$

Based on the analysis Tables 1 and 2 above, socialization was found to have a significant influence on identification at a p value of .039, while at the same time outsourced employees who have gone through orientation (socialization) exhibited very high levels of commitment (p value .006). This research outcome supports the findings of Fisher, *et al* (2008) that effective socialization process helps an employee transition to a new work place and learns how to function in the work environment.

Regression co-efficient shows that socialization influenced taking up of extra roles with a moderate negative correlation of -.270 and a p value of .000 meaning that as employees' exhibit high levels of commitment there is reduced need for socialization.

When employees stayed longer in an organization they exhibited high levels of membership with a coefficient of .479, implying that the variables here account for 47.9% of factors that affect identification as is shown in the regression coefficient Table 2 ( $p=0.001 < 0.05$ ).

It is significant to note that socialization has no influence on the variables of commitment and identification put together at a p value of .186 which is significantly higher than the set threshold of p value of .05.

## Conclusion

From the above findings, it can be concluded that an employee who is taken through the socialization process is likely to exhibit tendencies of commitment and identification. This helps outsourced employees develop a sense of recognition and insider status. With the feeling of insider status, it is likely that employees would not want to disappoint the employer, be it the client or the agent organization.

The study also found that socialization is not conducted as a structured exercise in most organizations. The existing structures are a total departure from the proposal of Louis (1980) that socialization should be carried out in a structured manner that can provide new comers with situation-specific interpretations and setting specific interpretative schemes. Moreover, such socialization was carried out without the full knowledge of the employee.

It is therefore recommended that organizations should have structured orientation processes. Further those new employees should be made aware of the need for the process. As was espoused by Ashforth and Johnson (2001), employees depend on the subjective importance of the identity to the individuals' sense of self, and its situational relevance.

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