

Abstract

Financial strain is defined as an individual's perception of economic stress and/or lack of resources (Adams et al., 2016). Although it has been linked to a multitude of negative well-being outcomes (Son & Wilson, 2015), there is little research regarding its impact on work-related attitudes, including organizational and occupational commitment. Several studies have found that financially-related variables, such as income, pay satisfaction, and extrinsic organizational rewards are positively related to organizational commitment (Cohen and Lowenberg, 1990; Mathieu and Zajac, 1990; Malhotra et al., 2007). Though occupational commitment and organizational commitment tend to be positively related (Lee et al., 2000), less research has focused on the relationship between occupational commitment and extrinsic rewards. As commitment and turnover or intent to turnover can often stem from job stressors (Jha, 2009), there is likely a relationship between financial strain, which serves as a source of stress, and both organizational and occupational commitment.

In the present study, we examined relationships between financial strain and four types of commitment (affective organizational, continuance organizational, affective occupational, and continuance occupational). Data was gathered using an online survey from early career professionals who had graduated college in the past 10 years. Respondents received a \$5 gift card for participating, along with entry into a raffle for one of several \$50 gift cards. The final sample of 255 respondents was composed more heavily of women (59.4%) and was predominately White (59%).

Hierarchical linear regression analyses were used to test our hypotheses, controlling for age, tenure, occupational tenure, and negative affect. Financial strain had a significant negative

relationship with affective organizational commitment, $b = -.25$, $p = .001$, $sr^2 = 4.2\%$ and a significant positive relationship with continuance organizational commitment, $b = .31$, $p < .001$, $sr^2 = 8.3\%$. Financial strain also had a significant negative relationship with affective occupational commitment, $b = -.14$, $p = .04$, $sr^2 = 1.6\%$ and a significant positive relationship with continuance occupational commitment, $b = .27$, $p < .001$, $sr^2 = 8.6\%$.

These findings suggest that financial strain may impact employee's commitment to their organization and occupation. This knowledge can help provide employers a better understanding of the employee's experience, especially for early career professionals. It may also encourage organizations to curate benefits and resources that assist in alleviating employees' financial strain.

References

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