Testing the "Side-Bet Theory" of Organizational Commitment: Some Methodological Considerations

John P. Meyer and Natalie J. Allen
The University of Western Ontario

According to the side-bet theory of organizational commitment, commitment (referred to here as continuance commitment) increases with the accumulation of side bets or investments. Two studies were conducted to demonstrate that both the instruments used to measure commitment (viz., Ritzer-Trice, R-T, and Hrebiniak-Alutto, H-A, scales) and the side-bet indexes (viz., age and tenure) used in previous tests of this theory are inappropriate for that purpose. In Study 1 subjects read scenarios in which an employee was described as being high or low in continuance commitment and high or low in affective commitment (i.e., emotional attachment) and responded to several commitment instruments as they felt the employee would respond. As expected, the continuance commitment manipulation accounted for a relatively small portion of the variance in the R-T and H-A scale scores, whereas the affective commitment manipulation accounted for a substantially larger portion. The continuance manipulation did, however, account for a large portion of the variance in scores on an author-developed continuance commitment scale (CCS).

In Study 2, 130 employees from several administrative departments of a large university completed the same commitment instruments. As predicted, the R-T and H-A scales correlated significantly with measures of affective commitment but not with the CCS. Also as predicted, age and tenure correlated with the R-T and H-A scales and with the affective commitment measures but not with the CCS. The results are discussed in terms of their implications for future investigation of the side-bet theory.

Considerable attention has been given to examining the relationships between employee commitment to the organization and several organizational and employee characteristics. In this research, commitment has been conceptualized in a variety of ways (see Mowday, Porter, & Steers, 1982). One of the views of commitment that has been the focus of a number of studies is Becker's (1960) side-bet theory. Several of these studies have been interpreted as providing some support for the theory (Alutto, Hrebiniak, & Alonso, 1973; Hrebiniak, 1974; Hrebiniak & Alutto, 1972; Shoemaker, Snizek, & Bryant, 1977; Stevens, Beyer, & Trice, 1978). Others have been less supportive or have provided contradictory evidence (Aranya & Jacobson, 1975; Ritzer & Trice, 1969). Because of certain methodological problems, however, it is questionable whether these studies can in fact be considered adequate tests of the theory. In this article, an alternative interpretation of the findings is offered and the results of two studies designed to test the competing interpretations are reported.

Becker (1960) described commitment, in general, as a disposition to engage in "consistent lines of activity" (p. 33) as a result of the accumulation of "side bets" that would be lost if the activity were discontinued. When used to explain commitment to the organization, the consistent line of activity refers to maintaining membership (i.e., employment) in the organization. The term side bet has been

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1 An individual is considered to have made a side bet when his or her "decision with regard to some particular line of action has consequences for other interests or activities not necessarily related to it" (p. 35). Becker uses the example of the man who bets a friend that he will not pay more than his first offer for a house. To pay more, then, would result in a substantial loss, the possibility of which commits him to his initial bid.
applied quite loosely in this context. Generally, it has been used to refer to anything of value the individual has invested (e.g., time, effort, money) that would be lost or deemed worthless at some perceived cost to the individual if he or she were to leave the organization. Such investments might include contributions to nonvested pension plans, development of organization-specific skills or status, use of organizational benefits such as reduced mortgage rates, and so on. The perceived cost of leaving may be exacerbated by a perceived lack of alternatives to replace or make up for the foregone investments. At any rate, it is the threat of loss that commits the person to the organization.

This and similar views of commitment can be labelled “continuance commitment” (i.e., commitment to continue a certain line of action). Continuance commitment is generally believed to develop on the basis of an “economic rationale” (Stevens et al., 1978, p. 381). Clearly, however, this is not the only way to view commitment. Other investigators (Buchanan, 1974; Porter, Crampon, & Smith, 1976; Porter, Steers, Mowday, & Boulian, 1974; Steers, 1977) conceptualize commitment as an affective or emotional orientation to an entity, in this case, the organization. We will refer to this as “affective commitment.” Affectively committed employees remain with the organization “for its own sake, apart from its purely instrumental worth” (Buchanan, 1974, p. 533). The importance of this distinction will become apparent in the proposed reinterpretation of the findings. It should be noted that these two forms of commitment are conceptualized here as being independent. That is, the extent to which one is affectively committed does not affect the degree of continuance commitment and vice versa.

To date, the basic strategy in testing Becker’s side-bet theory has been to demonstrate that commitment increases as the number or size of side bets increases. The measure of commitment used in this research was originally devised by Ritzer and Trice (1969) and later modified by other investigators (Alutto et al., 1973; Hrebiniak & Alutto, 1972). These instruments will be referred to as the Ritzer and Trice Scale (R-TS) and the Hrebiniak and Alutto Scale (H-AS), respectively. Both instruments require respondents to indicate the likelihood that they would leave their organization given various inducements to do so. The Ritzer and Trice version included inducements of no increase, a slight increase, or a large increase in five job features: pay, status, responsibility, job freedom, and opportunity to get ahead. In the modified and shortened version, the inducement conditions were reduced to slight increases in four job features: pay, status, job freedom, and coworker friendliness (see Alutto et al., 1973, and Hrebiniak & Alutto, 1972, for rationale).

Because side bets can be made in a variety of ways, as discussed above, it was necessary for researchers examining Becker’s theory to find a general index of the number and/or size of side bets. Ritzer and Trice (1969) reasoned that side bets should accumulate over time and that, age, therefore, should be the “best single indicator” (p. 476) of actions taken to stake something of value in the employing organization. Consequently, studies typically have been interpreted as supporting or not supporting Becker’s side-bet theory on the basis of the strength of the relationship between scores on the R-TS or H-AS and age, or a related variable, tenure in the organization.

It is these correlations that are subject to alternative interpretation. Rather than (or in addition to) indicating that older employees become increasingly “locked in” or continuance committed, the correlations may reflect an increase in affective commitment (i.e., attachment to the organization) with increasing age and experience. If so, the results would be consistent with previous research in which age (e.g., Arnold & Feldman, 1982; Steers, 1977) and tenure (e.g., Porter et al., 1974; Welsch & LaVan, 1981) have been found to correlate positively with scores on the Organizational Commitment Questionnaire (OCQ). The OCQ was developed by Porter and his associates (e.g., Porter et al., 1974; Porter et al., 1976; Mowday, Steers, & Porter, 1979) as a measure of organizational commitment, which they defined as “(1) a strong belief in and acceptance of the organization’s goals and values; (2) a willingness to exert considerable effort on behalf of the organization; and (3) a strong desire to maintain membership in the organization” (Mowday et al., 1979, p. 226). This corresponds closely to what was referred to above as affective commitment.
This alternative explanation is based on two basic assumptions that need to be tested. First, it is argued that the R-TS and H-AS measure affective rather than continuance commitment. The logic for this becomes apparent from an examination of the measure. Respondents are asked whether they would change organizations given various inducements (e.g., pay, status) that by their very nature might eliminate or reduce the threat of losing valued investments and provide a viable alternative to their current job and organization. Why would employees remain under these conditions? One explanation is that they are affectively committed. Second, it is argued that age and tenure are not particularly good indexes of accumulated investments. Even if investments do increase with age and tenure (and one can think of various examples where the relationship might be reversed), they are certainly confounded with other age-related variables. It cannot be taken for granted, therefore, that correlations with age and tenure reflect a relationship with accumulated investments.

Two studies were conducted to test these competing interpretations of the findings. In Study 1, students were presented with scenarios describing employees who were high or low in continuance commitment and high or low in affective commitment. After reading these scenarios, the subjects responded to several measures of commitment as they believed the employee in the scenario would respond. The commitment measures included the R-TS and H-AS, the OCQ, and two author-developed measures, one assessing continuance commitment (CCS) and the other affective commitment (ACS). The scale scores should be influenced by the continuance and affective commitment manipulations to the extent that they measure continuance and affective commitment, respectively. The effect of the manipulation on scale scores then can be taken as an index of construct (convergent and discriminant) validity.

In Study 2, these same measures were administered to a sample of full-time employees. The author-developed CCS and ACS were included as indexes of the two types of commitment and were correlated with the remaining measures and with age and tenure. If the R-TS and H-AS measure continuance commitment, and if age and tenure are appropriate indexes of accumulated side bets, each should correlate significantly with the CCS but not (necessarily) with the ACS.

Study 1

Method

Design

The study was conducted as a 2 × 2 between-subjects design. The factors were continuance commitment (high or low) and affective commitment (high or low)

Subjects

The subjects were 64 male and female introductory psychology students who volunteered to participate in the study as part of a course requirement

Materials

Four scenarios were written, one for each experimental condition. Continuance commitment was manipulated by providing information about the investments (side bets) the individual had accumulated and the extent to which he perceived alternatives to his present job. In the high-continuance-commitment condition, the individual was described as having worked for the organization for 12 years, as having spent considerable time training, as having acquired largely organization-specific skills and experience, and as recognizing that few other organizations would be interested in an individual with his particular background. In the low-continuance-commitment condition, the individual was described as having worked for the organization for 2 years, as having spent little time in training, as having acquired fairly general skills and experiences, and as recognizing the availability of opportunities in several other organizations.

Affective commitment was manipulated by describing conditions as providing or not providing a sense of personal comfort and personal importance—conditions similar to those found in previous research (Buchanan, 1974, Steers, 1977) to promote affective commitment. In the high-affective-commitment condition, the employee was described as feeling very comfortable with supervisors and coworkers, as being fairly treated, as receiving assignments that were clearly defined and challenging, and as feeling very much a "part of the organization." In the low-affective-commitment conditions, the employee was described as feeling uncomfortable with coworkers and supervisors, as being treated unfairly, as receiving assignments that were not clearly defined or challenging, and as not feeling at all a part of the organization.

Commitment Measures

Ritzer-Trice and Hrebiniak-Alutto Scales Both the 15-item Ritzer and Trice (1969) and the 4-item Hrebiniak and Alutto (1972) scales were included on the questionnaire. Items common to both scales were presented only once. The index uses a 3-point response format. Respon-
Table 1
Cell Means and Standard Deviations for Commitment Measures Study 1

<table>
<thead>
<tr>
<th>Commitment measure</th>
<th>Experimental conditiona</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low–Low</td>
</tr>
<tr>
<td>ACS</td>
<td>2.38</td>
</tr>
<tr>
<td>CCS</td>
<td>3.52</td>
</tr>
<tr>
<td>OCQ</td>
<td>2.50</td>
</tr>
<tr>
<td>R-TS</td>
<td>1.53</td>
</tr>
<tr>
<td>H-AS</td>
<td>1.25</td>
</tr>
</tbody>
</table>

Note: Responses to the Affective Commitment Scale (ACS), Continuance Commitment Scale (CCS), and Organizational Commitment Questionnaire (OCQ) items were made on 7-point scales. Responses to the Ritzer-Trice Scale (R-TS) and Hrebniak-Alutto Scale (H-AS) items were made on 3-point scales. Total scores were computed by averaging across items.

a Conditions are labeled with affect level first and continuance level second.

Students indicate the likelihood that they would leave their organization given each inducement (definitely would [1], uncertain [2], definitely would not [3]).

Organizational Commitment Questionnaire This 15-item measure was developed by Porter and his associates (Porter et al., 1974; Porter et al., 1976, Mowday et al., 1979) to assess an affective orientation to the organization, as described earlier. The OCQ uses a 7-point Likert-type response format (strongly disagree to strongly agree). It has been used widely in research and has been shown to have acceptable psychometric properties (see Mowday et al., 1979).

Affective Commitment Scale This 8-item measure was developed by the authors using the construct approach to scale construction (see Jackson, 1970) to assess commitment characterized by positive feelings of identification with, attachment to, and involvement in, the work organization. The ACS uses a 7-point Likert-type response format (strongly disagree to strongly agree) and includes items such as “This organization has a great deal of personal meaning for me” and “I do not feel 'emotionally attached' to this organization” (reversed).

When administered to a previous sample, this measure was shown to have acceptable reliability (coefficient alpha = .87) and to correlate highly with the OCQ (r = .78).

Continuance Commitment Scale This 8-item measure, also developed by the authors, assesses the extent to which employees feel committed to their organizations by virtue of the costs that they feel are associated with leaving (e.g., investments and/or lack of attractive alternatives). As such, the CCS is considered a measure of organizational commitment of the sort Becker describes. The measure uses a 7-point response format (strongly disagree to strongly agree). It was found, in a previous sample, to have acceptable reliability (coefficient alpha = .77). Moreover, it was found to be uncorrelated with the two affective measures, the OCQ (r = -.06) and the ACS (r = .01). Sample items in this scale include “It would be very hard for me to leave my organization right now, even if I wanted to” and “It would not be too costly for me to leave my organization in the near future” (reversed).

Procedure

All subjects were tested in one session. Subjects were assigned to conditions through the random distribution of the experimental booklets. The booklets included instructions asking subjects to read the scenario and then to respond to the accompanying questionnaires as they felt the individual in the scenario would respond. These instructions were repeated verbally by the experimenter following which the subjects completed the assignment. On completion, subjects were given written feedback describing the purpose of the study and providing background information about organizational commitment.

Results and Discussion

Analyses of Variance

Two-way analyses of variance (ANOVAs) were performed on the commitment measures to determine the effects of the affective and continuance commitment manipulations. The cell means and standard deviations are reported in Table 1. As expected, only the continuance commitment manipulation had an effect on the CCS, F(1, 58) = 27.95, p < .001, and only the affective commitment manipulation had an effect on the ACS, F(1, 60) = 259.25, p < .001. This, then, provides some evidence for the convergent and discriminant validity of the two scales.

Examination of the effects of the manipulation on the R-TS and H-AS revealed sig-
Table 2
Correlations Between the Commitment Measures
Study 1

<table>
<thead>
<tr>
<th>Measure</th>
<th>ACS</th>
<th>CCS</th>
<th>OCQ</th>
<th>R-TS</th>
<th>H-AS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACS</td>
<td>.88</td>
<td>.25</td>
<td>.86**</td>
<td>.72**</td>
<td>.73**</td>
</tr>
<tr>
<td>CCS</td>
<td>.73</td>
<td>.32*</td>
<td>.73**</td>
<td>.70**</td>
<td>.90**</td>
</tr>
<tr>
<td>OCQ</td>
<td>.93</td>
<td>.68**</td>
<td>.72**</td>
<td>.89</td>
<td>.89</td>
</tr>
<tr>
<td>R-TS</td>
<td>.90</td>
<td>.90**</td>
<td>.89</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H-AS</td>
<td>.89</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note Internal consistencies (coefficient alphas) are presented on the diagonal ACS = Affective Commitment Scale, CCS = Continuance Commitment Scale, OCQ = Organizational Commitment Questionnaire, R-TS = Ritzer-Trice Scale, H-AS = Hrebimak-Alutto Scale

*p < .05 **p < .001

significant main effects of affective commitment on both, $F(1, 57) = 65.07, p < .001$, and $F(1, 59) = 76.09, p < .001$, respectively, as well as a significant Affective Commitment × Continuance Commitment interaction for the R-TS, $F(1, 57) = 4.57, p < .05$. These findings are consistent with the view that these scales reflect primarily affective commitment rather than continuance commitment.

Finally, the OCQ, which was considered a measure of affective commitment, was influenced by the affective commitment manipulation as expected, $F(1, 59) = 187.60, p < .001$, although there was also a much smaller but significant effect of continuance commitment, $F(1, 59) = 6.88, p < .05$.

Correlations Between Measures

The correlations among the various scale scores are reported in Table 2 along with the scale reliabilities. Consistent with the results of the ANOVAs, the OCQ, R-TS, and H-AS all correlated significantly ($p < .001$) with one another and with the ACS. They also correlated significantly ($p < .05$) with the CCS, although the relationships were considerably weaker. The CCS and ACS did not correlate significantly.

The results of both sets of analyses are consistent with the view that the R-TS and H-AS, like the OCQ, largely tap affective commitment to the organization. The obvious limitation of this study is its nonparticipative nature. Study 2 was conducted to investigate the relationships between the commitment measures with a sample of employees expressing their own feelings about their organization. The relationships between commitment, as assessed by the various measures, and age and tenure were also examined. The ACS and CCS, which were shown in Study 1 to have convergent and discriminant validity, were used as the indexes of affective and continuance commitment, respectively.

Study 2

Method

Subjects
Data were collected from a sample of full-time employees, at various job levels, in four administrative departments in a large Canadian university. Questionnaires were distributed to all employees in these departments. Of the 229 questionnaires distributed, a total of 130 were completed and returned (a 56.7% response rate). All responses were made anonymously.

Measures

Commitment The commitment measures were the same as those used in Study 1.

Age Respondents were asked to indicate whether they were under 30, 30 to 39, 40 to 49, or over 50 years of age.

Tenure Respondents were asked to indicate how long they had been working for their current organization—less than 5 years, 5 to 9 years, 10 to 19 years, 20 to 30 years, or more than 30 years.

Results and Discussion

Correlations Between the Commitment Measures

The means and standard deviations for the commitment measures are reported in Table 3. The scale reliabilities and correlations between the scales are presented in Table 4. As expected, the R-TS and H-AS correlated significantly with the ACS and OCQ but not with the CCS. Neither the ACS nor the OCQ correlated significantly with the CCS.

Correlations With Age and Tenure

Correlations between age and tenure and the four commitment measures are reported in Table 5. It will be noted that, as in previous research, age and tenure correlate positively with the R-TS and H-AS. They also correlated positively with the ACS and OCQ but did not correlate significantly with the CCS.
Table 3
Means and Standard Deviations for Commitment Measures Study 2

<table>
<thead>
<tr>
<th>Measure</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACS</td>
<td>4.18</td>
<td>1.23</td>
</tr>
<tr>
<td>CCS</td>
<td>4.36</td>
<td>1.11</td>
</tr>
<tr>
<td>OCQ</td>
<td>5.00</td>
<td>1.04</td>
</tr>
<tr>
<td>R-TS</td>
<td>2.15</td>
<td>39</td>
</tr>
<tr>
<td>H-AS</td>
<td>2.32</td>
<td>.59</td>
</tr>
</tbody>
</table>

Note: Responses to the Affective Commitment Scale (ACS), Continuance Commitment Scale (CCS), and Organizational Commitment Questionnaire (OCQ) items were made on 7-point scales. Responses to the Ritzer-Trice Scale (R-TS) and Hrebimak-Alutto Scale (H-AS) items were made on 3-point scales. Total scores were computed by averaging across items.

Table 4
Correlations Between the Commitment Measures Study 2

<table>
<thead>
<tr>
<th>Measure</th>
<th>ACS</th>
<th>CCS</th>
<th>OCQ</th>
<th>R-TS</th>
<th>H-AS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACS</td>
<td>.84</td>
<td>-.01</td>
<td>.78*</td>
<td>.50*</td>
<td>.54*</td>
</tr>
<tr>
<td>CCS</td>
<td>.74</td>
<td>-.06</td>
<td>-.03</td>
<td>-.03</td>
<td></td>
</tr>
<tr>
<td>OCQ</td>
<td>.89</td>
<td>.50*</td>
<td>.54*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R-TS</td>
<td>.87</td>
<td>.90*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H-AS</td>
<td>.85</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Internal consistencies (coefficient alphas) are presented on the diagonal. ACS = Affective Commitment Scale, CCS = Continuance Commitment Scale, OCQ = Organizational Commitment Questionnaire, R-TS = Ritzer-Trice Scale, H-AS = Hrebimak-Alutto Scale. * p < .001.

Table 5
Correlations of Commitment Measures With Age and Tenure Study 2

<table>
<thead>
<tr>
<th>Measure</th>
<th>Age</th>
<th>Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACS</td>
<td>.31**</td>
<td>.37**</td>
</tr>
<tr>
<td>CCS</td>
<td>-.04</td>
<td>.06</td>
</tr>
<tr>
<td>OCQ</td>
<td>.28**</td>
<td>.26*</td>
</tr>
<tr>
<td>R-TS</td>
<td>.21</td>
<td>.27*</td>
</tr>
<tr>
<td>H-AS</td>
<td>.32**</td>
<td>.37**</td>
</tr>
</tbody>
</table>

Note: ACS = Affective Commitment Scale, CCS = Continuance Commitment Scale, OCQ = Organizational Commitment Questionnaire, R-TS = Ritzer-Trice Scale, H-AS = Hrebimak-Alutto Scale. * p < .05 ** p < .001.

General Discussion

Taken together, these results provide evidence that the instruments used in tests of the side-bet theory may not be measuring commitment as Becker conceptualized it. In Becker's view, individuals become committed to a course of action because the costs associated with behaving otherwise are too high, not because they have an affective attachment to the object of their commitment. The fact that the Ritzer and Trice (1969) and Hrebimak and Alutto (1972) scales were found to (a) be affected primarily by the affective rather than the continuance commitment manipulation in Study 1 and (b) correlate more strongly with measures of affective commitment than with a measure of continuance commitment in both studies suggests that they may not be appropriate for use in testing Becker's theory. This is not to suggest that the theory is incorrect. It does seem reasonable that the number and magnitude of one's investments in a particular activity decrease the likelihood that the activity will be discontinued. Indeed, the impact of investments on the development of commitment has been demonstrated recently in a variety of domains (Farrell & Rusbult, 1981; Rusbult, 1980). In order to test the validity of the side-bet theory, however, a commitment measure must be used that is congruent with Becker's conceptualization.

The results presented above also raise some questions about the usefulness of both age and tenure as side bet indicators. If, as Ritzer and Trice (1969) suggest, side bets increase with age and tenure, these variables should correlate significantly with the continuance Commitment Scale. These correlations, however, were negligible. Why might this be the case? Certainly it seems reasonable to suggest that some costs associated with leaving will increase over time (for example, nonvested pension plan contributions, seniority privileges, organization-specific training). Others, however, may actually decrease. Younger employees, for example, may be particularly sensitive to the fact that, with less work experience, they often have fewer job opportunities. As they obtain more experience, however, alternate employment opportunities may increase, thus decreasing the magnitude of one important cost associated with leaving—that of having no other job.

Given that some side bets may increase, while others may decrease over time, using age
and tenure as indexes seems less appropriate than directly obtaining employees' perceptions of the size and importance of investments they have made. This type of strategy would be consistent with Becker's theory. He suggests that side bets will not influence commitment unless the individual is aware that they have been made. Moreover, they must be perceived as sizeable enough that the individual "finds himself unwilling to lose them" (1960, p. 38).

Although they did not correlate with the continuance Commitment Scale, both age and tenure were significantly correlated with the affective measures, adding to a substantial body of literature suggesting that employees who are older and who have been employed longer with a particular organization have a stronger affective commitment to it (e.g., Porter et al., 1974; Steers, 1977) and are more satisfied with their jobs (e.g., Hunt & Saul, 1975; Quinn & Shepard, 1974). As Salancik (1977) points out, these relationships can be given various interpretations. It may be, for example, that these employees have received more rewards from the organization (e.g., are in better positions), that they represent a self-selected group, or that they have "justified" to themselves their long service to the organization by deciding they like it.

In summary, the results of the present study suggest that the measure used to test Becker's side-bet theory of commitment is saturated with affective commitment and, as such, does not allow the theory to be tested appropriately. Furthermore, they suggest that researchers examining this conceptualization of commitment should use measures that more directly assess individuals' perceptions regarding the number and magnitude of the side bets they have made.

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