



Dual support in contract workers' triangular employment relationships

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ABSTRACT

This study investigated the interplay between perceived investment in contract worker development by the *client* organization and contract workers' perceived organizational support from their temporary employment *agency*. A study among 2021 contract workers from three temporary employment agencies in Norway showed that the relationships between perceived investment in contract worker development and task and contextual performance were moderated by contract workers' perceived organizational support from the agency. The form of the moderations revealed no positive relationships between perceived investment in contract worker development and performance unless the perceived investment by the client organization was accompanied by higher levels of perceived support from the temporary employment agency. These findings suggest that client organizations, which hire from temporary employment agencies that provide support to their contract workers, will get the most out of their investments in these contract workers' development.

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Introduction

As a response to the constant demands faced by organizations to increase the flexibility, effectiveness, and productivity of their workforce (Schmidt & Hunter, 1998), the use of contract workers has increased in contemporary organizations (Slattery, Selvarajan & Anderson, 2006). This increase occurs not only in areas commonly associated with the use of contract workers, such as construction and personnel supply services, but also in industries employing highly skilled knowledge workers (Neumark & Reed, 2002). The use of contract workers can reduce labour costs, as well as the time spent on hiring, training, and evaluating employees, and provide the organization with immediate and specific access to specialized skills and knowledge that may not be available within the organization or needed on a long-term basis (Gallagher & Sverke, 2005). On the other hand, organizations have been found to invest substantially less in their contract workers than in their standard workers (e.g., Connelly & Gallagher, 2004; Lautsch, 2002; Redpath, Hurst & Devine, 2009). The use of contract workers can thus run counter to 'best practice' human resource management practices, aiming at creating a highly committed and motivated workforce (Hall, 2006; Kuvaas & Dysvik, 2009b). However, as pointed out by several authors (e.g., Kuvaas & Dysvik, 2009b; Moorman & Harland, 2002), this dilemma can be overcome by providing the contract workers with higher levels of organizational support, inducements and obligations, which, in turn, promote more positive attitudes and behaviours (Coyle-Shapiro, Morrow & Kessler, 2006). This argument is supported by recent reviews of nonstandard employment, demonstrating that nonstandard employees, such as contract workers, will usually respond with positive behaviours and attitudes when invested in by the client organization (Connelly & Gallagher, 2004; De Cuyper et al., 2008).

However, and as argued by Liden, Wayne, Kraimer and Sparrowe (2003), contract workers form perceptions of their exchange relationships both with their client organization *and* with their temporary employment agency. These perceptions may in turn affect the behaviours and attitudes towards both organizations, indicating some form of dual commitment on behalf of the contract workers (Coyle-Shapiro et al., 2006; Liden et al., 2003). Despite the fact that existing research indicates that perceived

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organizational support or investment from both the client organization *and* the temporary employment agency should relate positively to favourable behaviours and attitudes in the client organization (Coyle-Shapiro et al., 2006; Moorman & Harland, 2002), this area of inquiry has received scant attention (Slattery et al., 2006). To our knowledge, no study has investigated the possible interplay between perceived support or investment from both the client organization *and* the temporary employment agency on contract workers' behaviours in the client organization. This may be unfortunate, since appropriately managing contract workers has the potential to produce 'win-win' scenarios for both the temporary employment agencies and the client organizations alike (Coyle-Shapiro et al., 2006).

As pointed out by Liden et al. (2003) and echoed by Coyle-Shapiro et al. (2006, p. 562) "working for two organizations simultaneously makes understanding contracted employees more complex than the study of standard employees." Although existing evidence suggests that contract workers should respond positively to the perception of being invested in by the client organization, we propose that perceived support from the temporary employment agency will accentuate the relationship between perceived investment in contract worker development (PICWD) and in role and contextual performance.

The intended contribution of our study is threefold. First, by examining the interplay between two sources of perceived support and investment, we seek to contribute to the contingent employment literature by providing a potential explanation for the mixed and seemingly contradictory findings on both commitment and organizational citizenship behaviour (OCB) within the realm of contingent employment research (Connelly & Gallagher, 2004). Second, our study should contribute to research and practice on contract workers by extending our knowledge of conditions under which investment in contract workers may be a particularly effective predictor of their performance. Third, we aim to contribute to social exchange research by extending social exchange mechanisms from the dyadic employee–organization relationship to a triangular relationship consisting of the contract worker, the client organization, and the temporary employment agency. By doing so, we respond to calls for (i) investigating potential interdependency in networks of exchanges (Coyle-Shapiro & Conway, 2004), (ii) research considering the possible interactions of exchange mechanisms (Song, Tsui & Law, 2009), and (iii) research on possible predictors of contract worker performance (Connelly & Gallagher, 2004).

Theory and hypotheses

Perceived investment in employee development (PIED) refers to employees' appraisal of their organization's commitment to their professional and personal growth, through helping them obtain, learn, and identify new skills and competencies (Lee & Bruvold, 2003). Based on social exchange theory (Blau, 1964), it is typically argued that PIED should create a condition under which the employees believe that the organization values their contributions and well-being, which, in turn, should facilitate a greater felt obligation to reciprocate by way of increased effort and organizational commitment (e.g., Lee & Bruvold, 2003). Recent research demonstrates convincingly that not only standard workers but also contract workers respond by way of positive behaviours and attitudes when the client organization invests in them, or when contract workers perceive high levels of investment in the standard workers of the organization (Connelly & Gallagher, 2004; De Cuyper et al., 2008; Kuvaas & Dysvik, 2009b). In fact, and as indicated by a study by Van Dyne and Ang (1998), contract workers may, under certain conditions, engage in organizational citizenship behaviours at levels even above standard workers. Accordingly, prior research suggests that contract workers should react positively to perceived investment in contract worker development (PICWD):

Hypothesis 1. There will be a positive relationship between perceived contract worker development and (a) work effort, (b) work quality, and (c) organizational citizenship behaviour.

Contract workers may engage in dyadic exchanges with the client organization where socioemotional benefits, such as support and investment from the organization are exchanged in return for demonstrating commitment and work performance. Still, Blau (1964) recognized that treating such exchanges in isolation was far too simplistic and that exchanges are a part of a broader matrix of social relations. Since contract workers are formally employed by the temporary employment agency but work at the client organization in which they are assigned, the relationship between the contract employees, the client organization, and the agency is, in fact, triangular (Burgess & Connell, 2006; Kalleberg, Reskin & Hudson, 2000). This distinct form of work arrangement is differentiated from other employment arrangements by the multiple-agency aspect of the work, wherein a worker at the same time fulfils obligations in exchange relationships with both the client organization and the agency through the *same* act or behaviour (Coyle-Shapiro et al., 2006; Gallagher & McLean Parks, 2001).

Coyle-Shapiro and Conway (2004, p. 24) argued that "the extent to which any single exchange relationship operates may be contingent upon prior successful interchange of resources in another exchange." That is, the successful interchange of resources in the exchange relationship with the client organization could depend on the 'state' of the exchange relationship with the temporary employment agency. Thus, although contract workers may feel obligated to respond to perceived investment by way of productive behaviours and positive attitudes, this felt obligation might be stronger the more they perceive to receive organizational support from their temporary employment agency. Higher levels of perceived support from the temporary employment agency probably imply that contract workers would not only repay the client organization for its investment but also repay the temporary employment agency by being a good representative or ambassador for the agency. Accordingly, contract workers' felt obligation to repay both organizations should make the obligation stronger, which may increase their work effort, work quality, and organizational citizenship behaviours.

Research suggests that contract workers are more committed to their temporary employment agencies than to their client organizations (Druker & Stanworth, 2004), and that they perceive promises made by the agency as more favourable than promises

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