GSTF Journal on Business Review (GBR) Vol.3 No.4, November 2014

# The Flexibility, Isolation, and Vulnerability of Agency Working A Qualitative Psychological Study

Dr Simon Toms

Abstract - In recent years, temporary agency work has received increased attention in the realms of media, academia, and politics. Supporters of the industry cite fast access to flexible working opportunities for individuals and organisations, yet critics have highlighted disparities with permanent counterparts in relation to pay, treatment, and job security. Previous psychological research has forwarded a series of findings that have frequently conflicted, and the article will begin by exploring the previous literature in the area. Particular focus has been given to variables relating to job satisfaction, organizational commitment, and job security. The key objective of the study is to understand the psychological impact this form of employment can have upon individuals in relation to perceptions of flexibility, isolation, and vulnerability. The study adopted a qualitative research design that incorporated twenty-five semi structured interviews with agency workers, recruitment consultants, and representatives from third party employers. Secondary sources of data included ethnography analysis in the form of a researcher diary, and a longitudinal element resulting from follow-up interviews with the agency workers of the sample. Findings indicated the significant role of motive in the formulation of positive and negative perceptions that individuals hold towards their employment. The minimal tenures and lack of obligation associated with the contracts were also found to isolate agency workers from their permanent colleagues, increase vulnerability, and decrease job security and organizational commitment.

Keywords - Agency working; Temporary employment; Flexible staffing

## Introduction

In 2009, the BBC reported upon a sudden and significant loss of employment at BMW's Mini manufacturing plant in Cowley, Oxford. As further details emerged, it became clear that 850 temporary agency staff had been told one hour before

the end of their shift that they had been laid off with immediate effect, leading several workers to throw fruit at the members of the Unite union who gave the news. Incidents of redundancy resulting from economic recession were common at this time, but the manner in which these workers were treated sparked national interest in the vulnerability of temporary agency staff. The lack of protection inherent in the contract often fails to prevent such treatment, yet advocates argue that temporary agency working can provide individuals with fast access to a large number of wide-ranging and flexible employment assignments that demand fewer obligations and reduced responsibility towards employers. Such claims are counteracted by critics who view these opportunities as an inferior and poorly-protected form of employment, citing low pay [1], poor treatment [2], and little chance of development [3].

Agency workers are not a new phenomenon, as they have existed in Europe since at least the 18th century, although the modern temporary work industry did not emerge until the late 1940s and early 1950s [4]. Agency workers fall into the category of 'temporary worker' as their tenure within a company is for a limited period of time [5]. When looking to apply a definition to this temporary worker category, the unusual contractual agreement that agency workers possess becomes prominent, as agency workers can be defined as individuals "... who are employed by or have a contract for services with the employment business and who work on assignment with a third party hirer." [6, pp. 15].

Establishing the number of agency workers has proven problematic for national surveys, most notably due to the short-term nature of contracts and the likelihood that individuals will be signed with multiple agencies. After defining these individuals as a subgroup of temporary employment, the Labor Force Survey (LFS) estimated that 0.94% of the UK workforce

DOI: 10.5176/2010-4804\_3.4.341

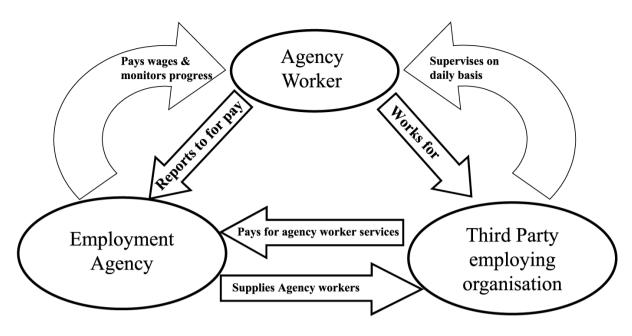


Fig. 1 The Triangular Relationship of Agency Working [5; pp. 131].

were agency workers [7]. This form of employment is considered distinct from other forms of temporary labor due to the unique 'triangular' contract held between the individual, agency, and third party employer, yet the peripheral position typically held by individuals within the organization often means that many of the issues they faced are also present in other forms of temporary employment. This unique triangular employment arrangement is illustrated in Figure 1 above. The format of this triangular contract has led to confusion [4, 8], as this employment arrangement can make it difficult to establish whether the individual is an employee of the client company or the temporary employment agency that supplied them [9, 10]. The significant distinction in UK employment law between 'employee' and 'worker' has previously resulted in exclusion from several employment rights like unfair dismissal and redundancy protection afforded to 'employees', as agency workers are classified as the latter [11]. Recent EU legislative development in the form of the Agency Workers Directive has attempted to redress this disparity in treatment. The Directive became UK law in October 2011, and outlines the need to provide comparable employment rights with permanent staff once the temporary agency worker has surpassed a 12-week qualifying period in a single assignment.

The adoption of the Directive has been hotly debated, as critics have cited the need for organisations to remain flexible in order to remain competitive in an unpredictable economic climate. Temporary workers often reside upon the periphery of the workforce, which ensures that they represent a useful tool for companies that are keen to remain flexible. However, this can often translate into insecure and vulnerable positions for individuals, as the opening example demonstrates. Research by [12] cites examples where temporary agency workers have been employed to protect the pre-existing permanent workforce from financial uncertainty, as these workers can be laid off without the risk of strikes or other types of protest. Another

study by [13] suggests that organizations may be actively segmenting their workforce along these lines for this very reason, ensuring that permanent staff are protected at the expense of temporary worker security.

The previous paragraphs have defined temporary agency working and highlighted some of the key characteristics resulting from this form of employment. Perhaps most notable has been the unique form that the contract takes, as this can have a significant impact upon the degree of flexibility and vulnerability experienced by temporary agency workers. In some cases, it can even be used to isolate these workers from their permanent counterparts, allowing contrasting levels of pay, treatment, and security to be applied. The current study will continue by assessing the psychological impact of these characteristics. Particular focus will be given to motive, the psychological contract, job satisfaction, job security, and organizational commitment, as research into these variables has resulted in several significant findings.

#### **Motive**

Temporary employment agencies aim to provide several key benefits for organizations and individuals, and these advantages may even increase during economic downturns. Companies may incorporate agency staff into their workforce to increase flexibility [9, 14], assess individuals for permanent roles [9], minimize costs from recruitment [15] or redundancy [11], and even protect permanent employees from uncertain external marketplaces [12, 13]. Research into individual motives has also highlighted the desire for flexible working practices as a strong attraction for prospective agency workers in a range of circumstances. This variety was demonstrated in qualitative research by [1], who's sample of 42 agency workers included first-time jobbers, long-haul travelers, individuals keen to obtain a second income, retirees, redundancy sufferers,

students, recent graduates, long term temporary workers, and individuals attempting to reposition themselves in the job market.

Effectively classifying and measuring this variety has proved problematic for quantitative research. Previous attempts establish basic dichotomies of choice 'voluntary/involuntary' variable) have been criticized by [45], who argued that they fail to take changing attitudes or multiple sources into account. A study by [17] aimed to address this variation by identifying twenty specific reasons for choosing temporary agency work, before grouping them into six specific categories. [17] cite these motives as a major contributor in both the formulation of agency worker attitudes towards their employment situation, and any resulting behavior that occurs. Research by [18] has also highlighted 'volition' as a variable of interest that can be linked with motive, choice, and purpose. [18] report that volition can help determine if a person desires temporary work or has difficulty finding permanent employment, and can be linked with satisfaction, commitment, and well-being. Whilst studies such as these demonstrate varying approaches to establishing aspects of motive, they do indicate consensus in the importance such variables possess.

## **Psychological Contract**

In a standard employment relationship, the theory of the psychological contract concerns the subjective beliefs that an employee associates with the exchange agreement they make with their employer. [19] highlighted one of the major features of the concept as the individual's belief that an agreement is mutual, as a common understanding exists that binds the parties involved to a particular course of action. Transferring findings from permanent worker samples proves problematic, as reductions in job security are less likely to contradict the psychological contracts dominant among individuals employed on a temporary basis [20, 21]. However, further research has addressed this concern distinguishing between relational (e.g. job security, organizational support) and transactional (e.g. pay, bonuses) contracts. These studies indicate that permanent workers may place greater emphasis upon relational entitlements when compared to their temporary counterparts [20, 21]. [20] cites shorter tenures as a key factor for the prominence of transactional tendencies, although [21] claimed that these tendencies did not prohibit relational aspirations forming within the temporary staff.

Research by [22] concluded that temporary workers displayed a preference for easy-to-monitor psychological contracts that were narrower and more transactional than relational contracts. Drawing this transactional/relational distinction is particularly useful in temporary employment research, as these workers may hold different expectations when compared with their permanent counterparts. This distinction also ties in strongly with motive, as these preconceived perceptions can significantly influence an individual's reaction to the treatment they receive from their employers.

Another barrier to the transference of findings is the arrangement of the agency worker contract. Research that has taken the dual employer situation into account concluded that the two organizations perceived their promises to have been

kept far more favorably than the individual [23]. Similar assertions were indicated in the findings of [1], as a discrepancy was also indicated between the high expectations of third party employers and the limited rewards they offer individual agency workers. One explanation could be the high markup resulting from the agency's cut of the hourly rate charged to the client company, as the individual does not receive the entire fee collected by the agency. When limited relational entitlements are combined with a clear wage disparity with permanent counterparts, the likelihood of a perceived 'breach' in the psychological contract is increased. Breaches can prove detrimental in a number of ways, and variables like job satisfaction can be used to assess the impact.

### **Job Satisfaction**

After studying a diverse group of agency workers in Australia, [2] concluded that participants possessed lower levels of satisfaction with skill utilization, pay, autonomy, empowerment, the work itself, and the job overall. The increased degree of flexibility is often cited as a form of compensation for these workers, but this claim was challenged by [2]'s findings, as the agency workers in the sample were no more satisfied with the level of flexibility in relation to working hours and balance of work and non-work commitments when compared with their permanent counterparts. This led [2] to conclude that the agency workers in the sample did, on average, exhibit the characteristics of marginal, peripheral workers. Research by [24] also found that agency workers reported significantly lower levels of satisfaction, and after controlling for their influence upon permanent staff, further analysis indicated that permanent participants who worked alongside agency staff reported significantly lower levels of satisfaction than the permanent participants who did not.

Results like these are not isolated, as findings from metaanalytical research into the broader group of 'contingent' workers by [25] demonstrate. After accessing findings from seventy-two studies from across the globe, [25] reported that contingent workers experience lower levels of job satisfaction when compared with permanent counterparts. In conclusion, [25] commented that the reported difference was small, but significant. Various studies have made similar assertions, but establishing whether these individuals desire their nonpermanent status has arisen as a key objective.

After distinguishing between voluntary and involuntary temporary help employees, [26] found that the higher levels of job satisfaction reported by the former group stemmed from intrinsic aspects, such as flexibility of work arrangements, social variety, and growth opportunities. This led [26] to conclude that the participants' attitude towards the job was greatly affected by whether they controlled their temporary status. An individual's future intentions can also prove significant. After finding no significant differences in job satisfaction between permanent and 'involuntary' contingent teachers, [27] argued that the latter group's perceptions may have been positively influence by the fact that they possessed positions in their desired career path.

## **Job Security**

The lack of contractual protection apparent in the working arrangement of agency workers has led many commentators to question the increased degree of vulnerability associated with this form of employment. Psychological research has sought to apply variables relating to job security in an effort to establish the impact of this alleged vulnerability. Qualitative interviews conducted by [1] highlighted a number of reported experiences in which participants had been brutally axed by the third party employer. Agency workers in other studies have also exhibited higher levels of anxiety about their positions [28], and significantly greater levels of job insecurity in comparison to their permanent counterparts [2]. The assignment-based nature of agency work can also prove problematic. After interviewing agency workers in the US, [14] reported that many participants voiced feelings of insecurity towards the unpredictable flow of temporary assignments.

As with other variables, applying quantitative measures of job security to agency workers can prove problematic. Anticipation of unemployment, created by the threat of job loss, is the core element of an objective conceptualization in permanent worker research, yet temporary employment by its very definition is typically limited in duration, and could be viewed as an indicator of job insecurity as a result [29]. Extending the implications of insecurity from permanent worker research can also prove difficult. This is demonstrated by several studies, which found that high job insecurity was associated with raised job induced tension for permanent workers, but not temporary participants [20, 29, 30]. These findings have been perceived by [31] in the context of the psychological contract, as high insecurity could be viewed as a breach of relational aspects that are more prevalent in the beliefs held by permanent workers. Such research highlights the role that motives, expectations, and intentions can play in the resulting views agency workers formulate towards their employment arrangements.

## **Organizational Commitment**

Organizational commitment is one of the most studied variables in both the practitioner and academic literature [32] but, as with previously discussed variables, translating findings

into the context of temporary employment can prove problematic. The validity of these measures may be influenced by the emphasis placed upon transactional rewards, the variation in motives, shorter tenures, the dual employer relationship, and the future intentions of the individual. The influence of the latter is demonstrated by [33], who found that agency workers hoping to gain a permanent transition into the third party organization displayed greater commitment to the company, yet no similar effect was reported towards the temporary employment agency. Findings from other research accounting for the dual employer relationship indicated that individuals who pursued temporary employment voluntarily were more likely to formulate feelings of affective commitment towards their agency.

Comparisons on the topic of commitment between permanent and temporary staff have also been conducted. A study assessing feeling of commitment and trust exhibited by contingent and core permanent Dutch hotel workers reported that levels were significantly lower in the contingent worker sample [12]. Similar findings have been presented in the UK, with [5] reporting significantly lower levels of organizational commitment in comparison to permanent workers. Research by [28] concluded that their sample of British agency workers possessed little loyalty to, or pride in, the company they were working for, and were less likely to report a strong desire to remain with that organization. However, consensus in this area has not been reached, with the role of future intentions cited as a possible cause. After finding no significant difference in the levels of commitment between their permanent and temporary agency worker samples, [34] argued that many of the agency workers had been using the temporary experience to achieve permanent employment.

# Research Design

### Sample

A sample of 25 participants took part in the study, including 12 agency workers and 13 individuals from other interested parties. The latter group was divided into recruitment consultants from temporary employment agencies (6), and representatives from third party employers (7).

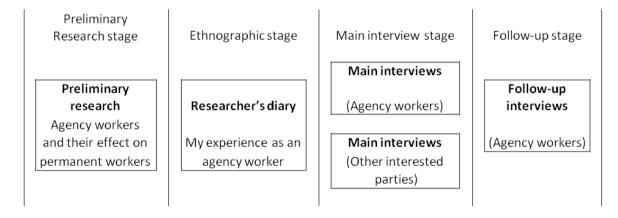


FIG. 2. THE FOUR STAGES OF THE RESEARCH

The sampling method of the research incorporated a mixture of two approaches, which have been categorized as 'purposive' and 'snowball' [35]. The former is often used when clearly defined samples are required, and represents the primary approach of the sampling. This method was used to secure the cooperation of individuals who possessed different perspectives associated with the agency working industry, including agency workers, recruitment consultants, and permanent counterparts. Snowball sampling represents the secondary approach, and was used when initial contacts identified further individuals who would be interested in participating. Interviewing people with a range of perspectives enabled the research to establish a well-rounded view of the UK labor market.

#### Design

The current research incorporates a preliminary MSc study, ethnographic analysis of a researcher diary, main interviews with all participants, and follow-up interviews with agency workers. Figure 2 above presents the four stages of the study.

## **Preliminary Research Stage**

Preliminary research was conducted in the form of an MSc study into the psychological impact that agency working could have upon agency workers and permanent staff. A sample of ninety-six participants were used, which included 21 agency workers, 33 permanent workers who did not work with agency staff, and 33 permanent staff who did work with agency counterparts. The participating organizations included a small silver-service company, a medium sized silver-service company, a large retail-based organization, and a small office-based company.

A forty-five item survey was used to assess several psychological variables, including 'Worker Relations' [36], 'Organizational Commitment' [37], 'Job Security' [38], and 'Job Satisfaction', 'Skill Variety', and 'Autonomy' [39]. Special care was taken when selecting the survey variables, as items used to assess traditional working arrangements often depend upon a two-way employee-employer dynamic. The survey's findings are displayed in Table I below:

TABLE I.
DESCRIPTIVE FINDINGS OF THE PRELIMINARY RESEARCH

Variable	Agency (21)		Perm w/ Temp (33)		Perm w/o Temp (42)	
	M	SD	M	SD	M	SD
Relations w/ Co-Worker	4.26	1.19	3.8	1.38	4.61	1.59
Relations w/ Supervisor	5.1	0.86	5.32	0.96	5.62	1.28
Relations w/ Organisation	4.49	0.75	4.11	1.23	4.63	1.34
Job Satisfaction	4.63	0.54	4.16	1.26	4.55	1.27
Skill Variety	4.13	0.79	4.57	1.66	4.41	1.64
Job Security Perceptions	4.15	0.92	3.99	1.3	4.84	0.83
Organisational Commitment	4.61	0.53	4.66	1.04	4.93	1.07
Autonomy	4.78	0.81	4.58	1.42	5.1	1.12

Results suggested that agency workers and permanent staff that did not work with them reported lower levels of job security, whilst differences in organizational commitment were not significant.

## **Ethnographic Stage**

In order to fund my studies, I engaged with a range of temporary agency assignments. The resulting first hand experiences were identified as potentially valuable to the research, and were recorded in a researcher diary as a result. Written notes were obtained during assignments from a range of industries, shift patterns, and locations. The analysis of the recorded experiences, incidents, and opinions represented a secondary source of data to be used in conjunction with data gathered from the main interviews.

#### **Main Interviews**

Interview prompt sheets were prepared prior to the interview process, and were partially informed by the psychological variables incorporated into the quantitative survey questions of the preliminary research. Further questions that addressed motivation, demographics, and recent legislative change were also incorporated. The length of interviews varied between thirty to sixty minutes, with resulting responses recorded and transcribed. Interview transcripts were analyzed using 'Interpretative Phenomenological Analysis', which considers the individual's experienced construction of reality alongside what they say in the interview [40].

#### **Follow-up Interviews**

The short-term cyclical nature of the employment led many agency workers to discuss ongoing developments expected to

occur in the near future. To further explore and conclude these developments, follow-up interviews with this sample group 3 to 6 months after initial the interviews took place. These interviews provided a longitudinal element to a predominantly cross-sectional study.

## **Findings**

#### **Motive**

Whilst exploring the psychological consequences of temporary agency working represents the key objective of the current study, previous research demonstrates the need to consider the role that motive, expectation, and intention can play [e.g. 17, 18, 26, 27, 34]. The most prominent finding on this topic was the sheer variety of motives present in the study's sample, an example of which becomes immediately apparent in the researcher diary:

"In the relatively small pool of people I met, underlying reasons for taking an agency role varied greatly. In one assignment alone, I encountered individuals possessing many wide-ranging motives. One had a long-term and well paid career as an airline pilot lined up in a matter of weeks, whilst another had left their employment after thirty-six years, with the desire to experience a variety of employment situations before resettling into another permanent role. Two students were there just to earn extra money to allow them to travel one to travel the world before returning home to Australia, and the other looking to move to America in order to marry her boyfriend. Several individuals had recently migrated, and possessed varying higher education degrees, despite the relative simplicity of the role. One agency worker needed short-term work whilst recuperating from an injury that occurred during army officer training at Sandhurst, whilst another had simply failed to locate a suitable permanent role, and perceived agency employment as her best chance of achieving a permanent transition" (Researcher's diary).

The extract above relates to a single assignment with one small group of agency workers from the same temporary employment agency, yet the assortment of motives that led each individual into this identical role varied greatly. This variety has been mirrored in previous literature [e.g. 1, 41], and increasingly complex measures have been utilized in an attempt to account for it [e.g. 17]. These findings represent strong evidence for the role that temporary employment agencies can play in providing flexible employment opportunities to individuals from a range of circumstances. Further findings suggest that agency work is particularly well suited to short-term gaps in employment, as James indicates:

"The agency work was a stopgap whilst I looked for something more permanent. This came up and it was going to pay me money straight away, so it was a stopgap before I could get something more permanent and do better."

The significance that participants like James placed upon obtaining fast access to paid work coincides with research into the psychological contract, as emphasis upon transactional benefits like monetary exchange and reward is more likely to occur in short-term contracts [20]. Examples of this benefit recurred throughout the interviews, and tie in strongly with the

flexible working arrangements cited by industry advocates. Flexibility is a strong attraction for prospective agency workers, and a key objective of the study was to establish the degree to which participants perceived it existed.

## **Flexibility**

Advocates of the agency employment industry highlight several examples of flexibility by claiming that individuals possess greater control upon the acceptance and length of assignments, the number of hours worked, the ability to leave undesirable roles early, and the potential opportunity for making a permanent transition into the organization. The draw of these characteristics often meant that levels of satisfaction were strongly influenced by the extent to which individuals perceived the fulfilment of these claims. Assignment rejection is an undoubted option for agency workers, but participants like Tom understood the consequences:

"If you turn down a couple of assignments you can really be looked at negatively. I think that people just don't call you anymore, and that's something you've got to remember."

The potential damage that assignment rejection could reap upon the relationship between the individual and their agency led many to voice a fear for saying 'no'; a finding also noted in previous research [e.g. 14, 42]. Unsurprisingly, motive was prominent, as several participants focused upon basic transactional rewards will place short-term incentives like pay above long-term goals like relationships. An example of this was given by Mike, who was asked what motivated his pursuit of agency employment:

"At the time I would have looked for whatever better jobs were going... companies offering better salary or better hourly wage... I was really just chasing money. I didn't really care what job I was doing, I just needed to earn a day's worth of work almost every day so I could pay my way. So, yeah, money was the only real incentive for me."

In contrast to many permanent workers, the desire to establish a strong relationship with the employer was not considered by Mike to be a priority. Mike thought little of exercising his flexibility by prematurely ending an assignment if an alternative and better paid option arose, as penalties for doing so were typically absent. However, an increased degree of flexibility was also apparent in the actions of third party employers. During an assignment, a sudden and unexpected drop in available work led Rejani's company to send her home for the day without pay. Interviewed soon afterwards, Rejani argued that such treatment should not occur:

"When they say temporary work, they should be sure that's it's for like a week or two weeks. It should not be that they could terminate it at any time. Even if it's a temporary job it should have a timeframe saying that 'we will hire you for one month and we will pay you for one month.""

The experiences of Rejani and Mike above highlight the potential implications that increased levels of flexibility in the agency working industry can lead to. Temporary employment agencies seek to fulfil the needs of the individual and the company, and basing their service upon greater flexibility can often come at the cost of stability for at least one of these

parties. Acceptance of the resulting trade-off will often depend upon the circumstances of those affected. Yomi described how his role as an agency worker has had wider ramifications upon his life:

"Now, with the flexibility comes the lack of compensation... It's a little bit disappointing. It's just that, with that comes the inability to plan, medium to long-term. Because of the uncertainty that comes with it."

Yomi was keen to secure employment that was long term and stable, and regarded the apparent flexibility inherent in an assignment-based form of work as potentially detrimental to this objective. An inability to plan is a recurring experience for agency workers who remain uncertain about their future, as a desire to remain available for further employment is a key concern. Similar findings were reported by [42], as participants described the avoidance of commitments and responsibilities that could make them temporarily unavailable to their agencies and risk sacrificing their access to future assignments. The tradeoff between stability and flexibility may suit certain individuals well, but those who place greater value upon the former will gain little from the latter. As Yomi's manager, Cynthia was asked whether she thought the tradeoff between stability and flexibility was fair:

"No, it's probably not a fair trade, but in some cases it's the only choice they have... Some people come in with the thought that 'I'm not important, so I like that fact that I can walk out of here' and, that's happened, quite a bit. It depends upon the caliber of the person being sent in your direction."

Shorter tenures and limited 'organization-specific' knowledge will often restrict the number of responsibilities that agency workers possess, and may prevent the individual from embedding into the company. The agency working contract expects little obligation from the individual, and this was found to create negative perceptions, regardless of whether they were exercised.

#### **Isolation**

One example of such a perception emerged during the research. Pre-existing members of staff associated the comparatively low level of obligation inherent in temporary contracts with reduced levels of organizational commitment. An example of this was documented in an extract from the researcher diary:

"At the end of my shift, the amount of remaining work led the manager to ask workers to stay late and help. The agency staff working with me left at the allotted time despite this request, as they were not obligated to work beyond the hours agreed with the agency. I decided to stay a little longer to help finish the job I had begun, causing one of the departing agency workers to remark that I was 'mad'. My decision was met with considerable surprise and confusion from the permanent members of staff, who by then knew I was agency worker" (Researcher's diary).

The reaction of the permanent staff suggests that they were unaccustomed to witnessing this level of commitment in their agency counterparts. These actions may have conflicted with the stereotype that [42] also referred to, when claiming that

permanent staff considered their agency colleagues as less committed, less qualified, and less principled workers. Examples of this perception also became apparent in interviews with the permanent workers in the sample. After he was asked whether the agency workers that his company utilized demonstrated similar levels of commitment than their permanent counterparts, Ben responded:

"I'm not sure to be honest. I guess not as much with agency staff. Easy come easy go."

The perception of agency workers as a disposable, exchangeable, and inferior component of the workforce arose in many of the interviews, and frequently contributed towards the manner in which a company chooses to utilize their services. In his permanent role with a silver service company, Ben had witnessed sudden and significant influxes of agency staff that were tasked with setting up, running, and/or disassembling large service events. The variation in personnel, along with the minimal tenures they possessed, made integration incredibly difficult for the agency workers, and often contributed to the perception that they possessed little loyalty or pride towards the company.

When agency workers were given the opportunity to build relationships with co-workers and management, feelings of commitment towards the organization were often voiced, but participants frequently cited minimal tenures, sporadic assignment distributions, and irregular shift patterns as barriers to integration. Dan had worked in a number of assignments as an agency worker, and was asked whether he felt committed to his current third party employer:

"I do here, yeah. I've been here for over a year with [TPE] off and on, so you do you feel a commitment to do the job properly. You sort of get to know a few people in the organization too."

The benefit of greater commitment resulting from improved integration and increased tenure was described by several participants, yet temporary assignments are far more likely to exclude these benefits. Permanent staff are far more likely to attribute perceptions of unreliability towards agency workers engaged in short-term assignments, often regardless of the motives and behavior of the individual. During our interview, Barry reported the initial permanent worker reaction to his recruitment, and described how this changed over time:

"To start with, it wasn't great, because a lot of the full-time people who were permanent didn't really want to get to know you, because they thought you were a temp, so you wouldn't be there that long so they weren't going to bother... But now I've got to know everyone a bit better, I don't mind the job ... I think they do consider me a member of the team even though I'm only a temp. I mean some people didn't even realize I was a temp until recently."

The surprise exhibited by Barry's permanent colleagues upon finding out he was an agency worker resulted from the typically short tenures possessed by the agency staff employed within the organization. Barry's improved integration coincided with his lengthening tenure, and the resulting increase in feelings of commitment and satisfaction that Barry voiced towards his employer mirrors previous research into

tenure [e.g. 21]. However, this example also demonstrates the difficulties that many agency workers initially encounter in their assignments, and several other problems were also voiced. Low pay and limited freedom characterized many of the employment experiences of the sample's agency workers, whilst poor treatment was also an issue. Jamie compared two assignments to demonstrate the difficulties he faced:

"When I look at it now, I really wasn't treated well. The pay was absolutely horrendous. I think you learn from that, so it definitely helped me choose the right agency to go to later on when I did progress onto the airport, and then into full-time employment. It's definitely more steady, and you know you're going to be there one day and you could be gone the next."

For Jamie, the assignment's inherent uncertainty significantly and negatively impacted upon his feelings of satisfaction, and were only fully resolved when he made the transition into permanent employment. The lack of job security referred to by Jamie led to the consistently recurring belief that agency working represented a less desirable long-term career path, and this view has been highlighted in previous research [e.g. 14, 43].

The perception that agency working was inferior to permanent employment was voiced by all participants, and the most significant contributing factor to this was the greater degree of vulnerability resulting from the level of insecurity present both within, and between, assignments.

#### **Vulnerability**

A strong association with flexibility is often well publicized by agencies that are keen to attract individuals and organizations to their business. The former may often be motivated by promises of fast access to paid work, whilst the lack of contractual obligation described earlier will often prove a key incentive to companies. The outcome of this is an employment arrangement that could be considered relatively precarious in nature for all parties. As a recruitment consultant, Jason described the need to clarify the increased degree of vulnerability to prospective agency workers:

"You live and die by the sword. You know you are going to an agency and you know you are going to be a temp, so you shouldn't think that you've got guaranteed security in your job, because at the end of the day you are just a temp. As soon as we go through the rules and regulations of what you're signing up to, you know that this contract could finish any day, rather than 'oh at least I've got a guaranteed six month contract'. You haven't."

For Jason, the agency assignments he offered represented an uncertain and vulnerable form of employment, and making this clear to individuals from the outset was a key responsibility of his role. For organizations, the lack of obligation inherent in the contract represents a significant 'selling point' when engaging the services of these workers, but as the opening example in the article demonstrates, individuals are not always fully aware of the potential ramifications of their status. When the agency workers in the sample were fully informed by their agencies on the risks associated with their assignment, the negative aspects of their ensuing experiences were often reported in a far more

favorable manner. This may contrast with permanent workers, for whom a loss of employment typically represents an unexpected and highly problematic development in their careers. During his agency working assignment, Ivan discussed his understanding of the greater risks inherent within his role:

"I'd be the first to go, obviously because I don't have any employment rights. I would say in general that agency workers will only be in a role for the short term so they'd obviously be the first to go if the work subsides. That said, the agency might find you more work, and in a permanent role you might be made redundant in any case."

As with other agency workers of the sample, Ivan expected to be the first recipient of redundancy if his third party employer encountered financial difficulties. He based this belief upon his rights as an employee and his value to the company, which he considered to be significantly lower than his permanent counterparts. However, the redundancy he had experienced as a permanent worker had served to increase his awareness of the threat. The financial gain of placing a worker into an assignment is mutually beneficial for the individual and their agency, suggesting that agency workers may find alternative offers of work more forthcoming in the event of job loss. In some instances, agency workers described a sense of security resulting from the agency, who they regarded as a potential 'support network' that their permanent counterparts lacked. Whilst the support may be welcomed, the employment agency's presence will not remove the threat of job loss. When comparing his agency role with permanent employment, Baz emphasized job security as his greatest concern:

"I like the job I'm doing, but like I said, there's no security there. They could say that, when it came to the end of January, that could have been it, whereas if you were in an equivalent but same job, the security is there."

For agency workers like Baz, the uncertainty that can exist during and between assignments can represent a form of employment limbo that is a constant source of anxiety and vulnerability. Permanent roles were frequently associated with reliability and peace of mind by participants, and regarded as far more preferable to agency work when long-term and unbroken employment was desired. This may encourage many agency workers to seek a permanent transition into the third party employer, and this is cited as a potential outcome by the industry. Whilst some companies may only engage temporary agency workers in short term roles, others may use assignments as an opportunity to assess the suitability of individuals for permanent vacancies [9, 15]. In some cases, agency staff motivated by such a transition may find themselves in close competition with their colleagues over indefinite periods of time. As a permanent worker who had made such a transition, Sam understood the fears that his agency worker colleagues were experiencing:

"They're not actually sure if they're being taken on or not... I guess they're unsure, so that makes them a bit worried about what they're going to do if they don't get a contract. I suppose that's down to their satisfaction. If they know they've got a job in the next couple of weeks then they'll be happier." For Sam's company, agency worker utilization typically represented the initial stage in the recruitment of permanent staff, yet the financial difficulties occurring at the time of the interview reduced the likelihood of these transitions taking place. Consequently, the agency workers remained in a position of uncertainty, and Sam was able to empathize with the sense of vulnerability it instilled. Sam reacted positively when he secured his relatively stable permanent position, and the desire to obtain stability represents a significant motive that agency work is not always able to fulfill. In his role as a recruitment consultant, Jason described the importance of guaranteed employment in relation to the happiness of individuals:

"Agency workers are satisfied if it's ongoing work... I can't guarantee them work. I phone them up one day [and say] 'there's work for one day this week, nothing for the next couple of weeks'. They always want ongoing work... When I can't guarantee them work, they're never going to be always happy, so it's fifty-fifty to be honest."

The scarcity of long-term and on-going assignments described by Jason is a key contributor to the insecurity associated with agency work, even though longer-term assignments may be relatively unstable when compared with permanent contracts. The sporadic provision of short-term work translates into a varied experience of employment with an unpredictable wage, and will be viewed by many agency workers as highly strenuous, uncertain, and unrewarding.

#### **Discussion**

The variety and importance of motive has been a recurring theme throughout the literature [i.e. 1, 18, 33], and findings from the current study strongly support the need to establish the reasons that individuals engage with temporary agency employment. The study's flexible methodology was well suited to exploring the wide-ranging and nuanced role that motive played in the resulting perceptions of participants, and this led to an improved understanding of the area.

Findings of the research strongly supported the claim that the pre-assignment motives possessed by individuals can have a significant impact upon the how resulting employment experiences are perceived. Agency workers frequently described negative experiences and poor treatment, yet those who were only interested in short-term employment and noncontinuous assignments considered these shortfalls as a fair trade in return for the minimal obligations that they were required to make. In contrast, agency workers motivated by long-term continuous employment or permanent transition into their third party employers found the negative aspects of their status as more problematic and difficult to accept. The apparent flexibility in relation to early assignment termination or the ability to refuse undesirable offers were not regarded as adequate compensation, as these workers were less likely to exercise these options. This demonstrates that whilst temporary employment agencies can provide assignments that fulfill the various motives of individuals, significant care must be taken when 'pairing' the two.

Perhaps the most significant finding of the research was the perceived inferiority attributed to agency working when

compared with permanent employment. Participants frequently highlighted feelings of isolation, insecurity, and limited flexibility, yet often regarded these as unavoidable and acceptable characteristics of the employment arrangement. These findings tie in strongly with the transactional/relational distinction suggested by research into the psychological contract of temporary workers [e.g. 20, 21, 22]. However, agency workers employed in longer-term assignments were more likely to report greater integration, increased commitment, and improved relationships with permanent staff.

Third party employers discussed the increased emphasis that agency workers placed upon transactional rewards like pay, whilst relational transactions between the two parties were less likely to take priority. This occasionally resulted in alienation and isolation from permanent staff, who perceived their agency counterparts as unreliable, non-committal, and less likely to demonstrate 'organizational citizenship behaviors' like staying late. These views were often enhanced by the increased likelihood that agency workers would terminate assignments prematurely, even though many of these individuals placed little value upon this ability. In these cases, the flexibility inherent in the employment arrangement often served to hinder integration and limit opportunities for training or permanent transitions. These workers gained little from the apparent flexibility, and instead frequently found their employment frustrating, problematic, and undesirable.

## Contribution to Knowledge

A heavy reliance upon quantitative method quickly became apparent when reviewing the psychological literature relating to temporary working arrangements, and several studies encountered difficulty when transposing psychological variables from permanent worker literature. Adopting a qualitative approach not only enabled the current study to avoid some of the resulting difficulties, but also allowed the creation of a methodological framework that incorporated various perspectives associated with the agency working industry. The flexibility inherent in the semi-structured interviews enabled findings to explore the perspectives of recruitment consultants and third party employer representatives alongside agency workers. This provided data that increased understanding around the variation in motive and the various interactions resulting from the triangular employment arrangement that characterizes agency work, allowing the study to contribute to the body of literature.

### **Implications and Future Research**

Temporary agency work can provide individuals and organizations with a valuable avenue of flexible employment, but findings indicate that contrasting motives and poor integration can result in difficulty for all parties involved. Ensuring flexibility in short-term assignments and successful integration during long-term assignments is a key recommendation of the current research, and a notable objective of recently adopted legislation in the form of the Agency Workers Directive (AWD). The 3-month qualifying period stipulated in the AWD aims to ensure flexibility remains in short-term assignments, whilst equal treatment occurs during long-term or open ended assignments. Successful

implementation of the legislation aims to meet the needs of individuals motivated by fast access to assignments with minimal duration, as well as those keen to obtain comparable working arrangements to permanent counterparts over the long-term. Critics have argued that further understanding of the Directive is needed before accepting these suggested benefits, and this coincides with the study's primary recommendation for future research.

The short-term and cyclical nature of agency working assignments was highlighted as a problematic characteristic that could hinder the level of understanding resulting from cross-sectional research methods. As a result, future research should consider adopting a longitudinal approach to gathering data, with one example being the collection of pre and post-AWD data to understand the impact of the legislation at a national level (e.g. UK agency worker numbers), and individual level (e.g. the effect of a worker 'activating' the clauses). The former could take the form of statistical analysis of the Labor Force Survey with datasets collected pre and post-adoption, whilst the latter could result from semi-structured interview data from agency workers and recruitment consultants. Collecting such data would enable research to establish the impact that these policy changes have had upon the UK labor market and the role of temporary employment agencies.

The study's second recommendation for future research relates to an increased focus into the impact that a company's temporary worker usage can have upon the pre-existing permanent workforce. A small number of quantitative psychological studies within the literature have explored this effect, but the current research demonstrates the potential success that a qualitative approach could achieve in furthering knowledge around this area. Potential motives for company usage include fast access to a pool of vetted workers, cover for permanent staff, or permanent worker recruitment, and a qualitative approach would be well placed in assessing the effect that these varying motives may have upon to core workforce.

## **Conclusions**

Matching the motives of individuals with the expectations of employers was regarded as an important, yet difficult, aspect of the recruitment consultants' jobs. However, agency workers frequently voiced disappointment over their assignments. Providing a clear and transparent understanding of the employment on offer will enable agencies to fulfill the motives of individuals and organizations to a greater extent, resulting in a better informed and more satisfied temporary agency workforce.

#### References

- [1] Druker, J., & Stanworth, C. (2004). Mutual expectations: a study of the three-way relationship between employment agencies, their client organisations and white-collar agency 'temps'. *Industrial Relations Journal*, 35(1), 58-75
- [2] Hall, R. (2006). Temporary agency work and HRM in Australia: "cooperation, specialisation and satisfaction for the good of all"? Personnel Review, 35(2), 158-174

- [3] Wiens-Tuers, B. A., & Hill, E. T. (2002). Do they bother? Employer training of temporary workers. *Review of Social Economy*, 60(4), 543-566
- [4] Storrie, D. (2002). Temporary agency work in the European Union. Dublin: European Foundation for the Improvement of Living and Working Conditions
- [5] Biggs, D.M., & Swailes, S. (2006). Relations, commitment and satisfaction in agency workers and permanent workers. *Employee Relations*, 28(2), 130-143
- [6] Implementation of the agency workers directive: a consultation paper (2009, May). Retrieved October 24, 2009, from www.berr.gov.uk/files/file51197.pdf
- [7] Data from the UK labour force survey (2009, January-March).

  Retrieved August 7, 2009, from http://www.esds.ac.uk/government/lfs/
- [8] McMullen, J. (2007). Agency workers: three sides to every temp's story. *Law at Work*, 13(2), 19
- [9] Forde, C., & Slater, G. (2005). agency working in britain: character, consequences and regulation. *British Journal of Industrial Relations*, 43(2), 249-271
- [10] Williams, A. (2004). Fitting a square peg into a round hole appraising the employment status of agency workers. Business Law Review, Sep, 236-249
- [11] Agency workers: counting the cost of flexibility equality and employment rights department. Retrieved October 24, 2009, from http://www.tuc.org.uk/extras/sectorreport.pdf
- [12] De Gilder, D. (2003). Commitment, trust and work behaviour: the case of contingent workers. *Personnel Review*, 32(5), 588-604
- [13] Felstead, A. & Gallie, D. (2004). For better or worse? non-standard jobs and high involvement work systems. *International Journal of Human Resource Management*, 15(7), 1293 - 1316
- [14] Rogers, J. K. (2000). Temps the many faces of the changing workplace. Ithaca: Cornell University Press.
- [15] Biggs, D.M., Burchell, B. & Millmore, M. (2006). The Changing World of the Temporary Worker: The Potential HR Impact of Legislation. *Personnel Review*, Vol. 35(2), 191-206
- [16] Torka, N., & Schyns, B. (2007). On the Transferability of "Traditional" Satisfaction Theory to Non-Traditional Employment Relationships: Temp Agency Work Satisfaction. *Employee Relations*, Vol. 29(5), 440-457
- [17] Tan, H., & Tan, C. (2002). Temporary Employees in Singapore: What Drives Them? *The Journal of Psychology*, Vol. 136(1), 83-102
- [18] Connelly, C. E., Gallagher, D. G., & Webster, J. (2011). Predicting temporary agency workers' behaviors: justice, volition, and spillover. *Career Development International*, 16(2), 178-194
- [19] Rousseau, D. M. (2001). Schema, promise and mutuality: the building blocks of the psychological contract. *Journal of Occupational and Organizational Psychology*, 74, 511-541
- [20] De Cuyper, N., & De Witte, H. (2006). The impact of job insecurity and contract type on attitudes, well-being and behavioural reports: a psychological contract perspective. *Journal of Occupational and Organizational Psychology*, 79, 395-409
- [21] Mauno, S., Kinnunen, U., Mäkikangas, A., & Nätti, J. (2005). Psychological consequences of fixed-term employment and perceived job insecurity among health care staff. European Journal of Work and Organizational Psychology, 14(3), 209-237
- [22] Guest, D. (2004). Flexible employment contracts, the psychological contract and employee outcomes: an analysis and review of the evidence. *International Journal of Management Reviews*, 5/6(1), 1-19
- [23] Claes, R. (2005). Organization promises in the triangular psychological contract as perceived by temporary agency workers, agencies, and client organizations. *Employee Responsibilities and Rights Journal*, 17(3), 131-142
- [24] Biggs, D. M. (2003). Employment agency workers, their job satisfaction and their influence on permanent workers. Unpublished doctoral dissertation, University of Leicester. Available from http://hdl.handle.net/2381/4479

- [25] Wilkin, C. L. (2012). I can't get no job satisfaction: meta-analysis comparing permanent and contingent workers. Journal of Organizational Behavior. 34 (1), 47–64
- [26] Krausz, M., Brandwein, T., & Fox, S. (1995). Work attitudes and emotional responses of permanent, voluntary, and involuntary temporary-help employees: an exploratory study. Applied Psychology: An International Review, 44(3), 217-232
- [27] Feather, N. T., & Rauter, K. A. (2004). Organizational citizenship behaviours in relation to job status, job insecurity, organizational commitment and identification, job satisfaction and work values. *Journal of Occupational and Organizational Psychology*, 77(1), 81-94
- [28] Forde, C. & Slater, G. (2006). The nature and experience of agency working in Britain: what are the challenges for human resource management? *Personnel Review*, 35(2), 141-157
- [29] De Witte, H., & Näswall, K. (2003). 'Objective' vs 'subjective' job insecurity: consequences of temporary work for job satisfaction and organizational commitment in four European countries. *Economic and Industrial Democracy*, 24(2), 149-188
- [30] Bernhard-Oettel, C., Sverke, M., & De Witte, H. (2005). Comparing three alternative types of employment with permanent full-time work: how do employment contract and perceived job conditions relate to health complaints? *Work & Stress*, 19(4), 301-318
- [31] De Cuyper, N., & De Witte, H. (2007). Job insecurity in temporary versus permanent workers: associations with attitudes, well-being, and behaviour. *Work & Stress*, 21(1), 65-84
- [32] Gallagher, D. G., & Parks, J. M. (2001). I pledge thee my troth... contingently. Commitment and the contingent work relationship. *Human Resource Management Review*, 11, 181-208
- [33] Von Hippel, C., Mangum, S. L., Greenberger, D. B., Heneman, R. L., & Skoglind, J. D. (1997). Temporary employment: can organizations and employees both win? *Academy of Management Executive*, 11, 93-104

#### AUTHOR'S PROFILE



Simon is a Chartered Psychologist, published author, and PhD graduate from the University of Gloucestershire in the United Kingdom. One of Simon's key fields of interest lies in non-traditional working arrangements, most notably the employment of temporary agency workers. He has presented his research at various national and international conferences, and his PhD thesis can be found on Amazon.

Dr Toms is a Chartered Member of the British Psychological Society and Principal Member of the Association for Business Psychology. He can be contacted via LinkedIn (uk.linkedin.com/pub/simon-toms/67/39b/3bb/), or email (simontoms@outlook.com).

- [34] McClurg, L. N. (1999). Organisational commitment in the temporaryhelp service industry. *Journal of Applied Management Studies*, 8(1), 5-26
- [35] Clark-Carter, D. (2004). Quantitative psychological research: a students handbook. Hove: Psychological Press
- [36] Biggs, D. M, Swailes, S., & Baker, S. (in press). The measurement of worker relations: the development of a three-component scale. *Leadership & Organization Development Journal*
- [37] Cook, J., & Wall, T. (1980). New work attitude measures of trust, organizational commitment and personal need non-fulfilment. *Journal of Occupational Psychology*, 53, 39-55
- [38] Oldham, G. R., Kulik, C. T., Stepina, L. P., & Ambrose, M. L. (1986). Relations between situational factors and the comparative referents used by employees. *Academy of Management Journal*, 29(3), 599-608
- [39] Hackman, R. J., & Oldham, G. R. (1975). Development of the job diagnostic survey, *Journal of Applied Psychology*, 60(2), 159-170
- [40] Smith, J. A, Flowers, P. & Larkin, M. (2009). Interpretative phenomenological analysis: theory, method and research. London: Sage Publications
- [41] CIETT (2000). Orchestrating the evolution of private employment agencies towards a stronger society. Brussels: CIETT
- [42] Henson, K. D. (1996). *Just a temp*. Philadelphia: Temple University Press
- [43] Hesselink, D. J. K., & Vuuren, T. V. (1999). Job flexibility and job insecurity: the Dutch case. European Journal of Work and Organizational Psychology, 8(2), 273-293