# Dealing with temporariness: Generational effects on temporary agency workers' employment relationships

#### Abstract

**Purpose** - A major trend in the changing nature of work is the increasing use of temporary workers. Although common among students, older employees have joined the ranks of temporary workers as they extend their work lives. Temporary workers tend to report lower affective commitment and consequently poorer work outcomes, however, different generations of workers may conceive temporary work different from each other. This study explores how different generations of temporary workers -- respond to human resource practices (HRP) -- which in turn influences their affective commitment and work performance.

**Design/methodology/approach** – The sample is comprised of 3,876 temporary agency workers (TAWs) from seven temporary employment agencies in Portugal. We undertook multiple group SEM analyses to test a moderated mediation model that accounts for TAWs' affective commitment (toward the agency and the client company) across three generations (Baby Boomers, Generation X, and Millennials) in the relationship between human resources practices and overall perceived performance.

**Findings -** After controlling for gender, age, and tenure, we find generational differences in the perceptions of HRP and perceived performance. Our results support the moderator effect of generations in the direct and indirect relationships -- through both affective commitments -- between TAWs' perceived HRP and perceived performance.

**Research limitations** – The cross-sectional design limits the possibility to make causal inferences.

**Originality/value** - This study contributes to a better understanding of how different generations respond to temporary employment relationships. Our findings suggest important differences in the way in which the same HRP system relates (directly and indirectly thorough affective commitment toward the client) with their perceived performance across different generations.

Keywords: Temporary/Contingent Work, Generations, Human Resources Practices,

Affective Commitment, Perceived Performance, Social Exchange.

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### Introduction

Over the past few decades our understanding of temporary or contingent employment has changed. Since the 1980s, contingent work arrangements were associated with economic expansion and short term increases in production (Zimmerman, Gavrilova-Aguilar, & Cullum, 2013). Subsequently the number of contingent workers has grown exponentially ( 2019; Organization for Economic Co-operation and Development, 2018) particularly with the use of Temporary Agency Workers (TAW; World Employment Confederation, 2018). TAWs are no longer confined to an activity or sector (Buch, Kuvaas, & Dysvik, 2010). Working alongside those who are directly hired (Burgess & Connell, 2006), TAWs are now considered a regular component of many organizations' labor sourcing mix (Koene, Garsten, & Galais, 2014), and their work attitudes and performance are equally critical for a firm's success.

The changing nature of work also shapes the work attitudes and expectations across different generations of workers (Ng & Parry, 2016). Since the 1990s, contingent workers were no longer just working-students or individuals seeking a supplement to their main activity (Feldman, Doerpinghaus, & Turnley, 1994). For younger generations, contingent work may represent their first job opportunity, while for older workers it may represent a reentry into the labor market. Both developments - the growth in contingent work and differently motivated workers across generations - affect how workers perceive (human resource practices) HRP in their employment relationships.

The growth of temporary work and the emergence of TAWs, makes it critical to assess the extent to which the existing theories, built upon the framework of standard employment, are applicable to new work arrangements (Gallagher & Connelly, 2008). Research tradition in management has emphasized the link between HRP and the business strategy (Ulrich, Younger, & Brockbank, 2008). New HRP, such as high-performance work systems, require a high degree of employee identification and commitment for these practices to be effective (Boselie, 2010). In this respect, the greatest disadvantage of temporary employment is a lack of worker loyalty and commitment to the employer (e.g., Pfeffer, 1994). However, some researchers claim that this disadvantage might be diminished through HR policies that integrate these workers, and in the long run increase their effort and dedication (Zimmerman, et al., 2013). However, the emergence of TAWs creates additional complexity. The engagement of an intermediary third-party - the temporary agency - establishes a triangular employment relationship in which workers have to connect with whom they have a formal contract (i.e., the temporary agency) and with whom they actually work for (i.e., the clientcompany) (Kalleberg, 2009). Consequently, the challenge of making TAWs feel they belong is even greater since this involves more than one organization.

Secondarily, the presence of multiple generations of workers within the workplace entails different and often conflicting demands for management (Lub, Bal, Blomme & Schalk, 2015; Costanza, Badger, Fraser, Severt, & Gade, 2012). In this regard, research on generational differences can inform us on the relevant work values and attitudes motivating different generations at work (e.g. Lub, et al., 215; Costanza, et al., 2012; Lyons, Schweitzer, Ng, & Kuron, 2012). Employers recognize that generational differences influence motivations, needs, learning styles, career expectations, and work values (e.g., Cogin, 2012,; Gursoy, Maier, & Chi, 2008; Ng, Lyons, & Schweitzer, 2012). As Ng and Perry (2016) note,

the evidence on generational differences allows us to infer various attitudes and outcomes related with their career and workplace expectations. For example, older generations have stronger work ethic and job involvement than younger generations (Egri & Ralston, 2004), while the younger generations are less loyal and committed to their employers than older generations (D'amato & Herzfelt, 2008; Twenge & Campbell, 2008).

If the workplace becomes more age diverse (Cogin, 2012), the generational differences is amplified for TAWs, not only because different age groups might form different perceptions of contingent work arrangements, but also because this arrangement fulfills different needs for different workers (i.e., a first job opportunity for the younger workers and an alternative to unemployment for the older). The present study seeks to examine how generational effects (i.e., Baby Boomers, Generation X, and Generation Y or Millennials) may influence the work outcomes for TAWs who experience same HRP. Figure 1 summarizes the research model.

#### Insert Figure 1 about here

# TAW HRP perceptions: a social exchange approach

Social exchange theory is helpful in providing an explanatory framework that clarifies how perceived HRP and employee behaviors are related to each other (Alfes, Shantz, Truss, & Soan, 2013). Accordingly, employees adjust their attitudes based on their perceptions of what organizations provide them (i.e., the norm of reciprocity; cf., Alfes, et al., 2013; Bowen & Ostroff, 2004). Workers' reactions to employer investments, such as those made through HRP, are a result of a broader exchange between employers and employees (Jackson, Schuler, Lepak, & Tarique, 2012). The fit between HRP with employee and individual needs (i.e.,

values, goals, and expectations) determines the effectiveness of employer investment into employees (Boon, Hartog, Boselie, & Paauwe, 2011). Bowen and Ostroff (2004) suggest that HRM is essentially a communication method, in which practices are used to send certain messages and evoke certain behaviors. It is through these messages, embedded within a HRP system, that employers convey the workers values, leading the workers to reciprocate their efforts to their employers (Chambel, Sobral, Espada, & Curral, 2015).

Past research has shown that HRP are positively related to affective commitment and performance (e.g., Takeuchi, Lepak; Wang & Takeuchi, 2007). Additionally, commitment is an antecedent of other workplace outcomes, such as self-rating of performance (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002). Affective commitment is conceived as a "mindset that binds an individual to a course of action" (Meyer & Herscovitch, 2001). It provides a context within which motivation and performance will increase (Armstrong, 2006), through an emotional link and identification with an organization's values and goals (Chambel, et al., 2015b). In this respect, organizations should invest in HRP to gain their workers' commitment (Shahnawaz & Juyal, 2006).

Although TAWs are in a three-way relationship, and create "dual allegiances" (Bonet, Cappelli, & Hamori, 2013), their perceptions of the exchange relationships (i.e., with the agency and with the client; Giunchi, Chambel & Ghislieri, 2015) are not independent (Chambel, *et al.*, 2015a; Castanheira & Chambel, 2010). On one hand, the HRP influence each other and, in the case of TAWs, these workers perceive the HRP system regardless of the organization or employer providing such practices. On the other hand, the perception that each of these company generates in the individual, can spread to the perception that the worker has regarding the other company (Sobral, Chambel, Castanheira, & Cesário, in press).

According with the findings of Connelly, Gallagher, and Webster (2011), there is a

'spillover' effect between the context of the agency and the context of the client company. Therefore, the perceptions formed in one context may 'spillover' and potentially produce a 'win–win' situation for both companies (Sobral, et al., in press). For example, TAWs perception of fair treatment coming from their client organizations, can positively impact on their behaviours toward the agency. They valorise the agency because it was the agency that provided them that specific assignment (Connelly, et al., 2011). Buch and colleagues (2010) concluded that the social exchange instruments might be extended to a triangular relationship and confirmed that TAWs relation with the agency can influence their behaviours towards the client company. Several studies demonstrate that these investments contribute to an increase of TAWs' affective commitment both with the agency and client company (Chambel & Sobral, 2011; Chambel, et al., 2015a, Chambel, et al., 2015b), which in turn influences their employment relationships (Buch et al., 2010; Liden, Wayne, Kraimer, & Sparrowe, 2003).

By creating shared and complementary strategies for managing TAWs, each company can contribute to the success of the other. Altogether, the development of a positive perception over a joined HRP system, will lead to a positive reinforcement of TAWs outcomes towards both companies (Sobral, et al, in press) and possible their overall perceived performance.

### **Generational Cohorts: Moderation Effect**

The influence of age, as a potential moderator on the relationship between HRP and workers' attitudinal outcomes, especially in relation to TAWs, has been understudied (Kooij, Jansen, Dikkers, & De Lange, 2010). Prominent studies (e.g., Conway, 2004; Finegold, Mohrman, & Spreitzer, 2002) that considered age as a moderator, investigate life span (age effect) rather than generational explanations. While age effects are directly connected with the physiological growth and accumulation of experience, generational effects are connected with a phenomenon of shared experiences amongst a specific group and during a specific time period (Kowske, Rasch, & Wiley, 2010).

According to Mannheim (1952), generational membership is based on age in relation with a historical time and individuals do not change their membership in a generation group (Kowske, et al., 2010). Individuals belong to a generation because they interact and move together with others in the same time period, influencing and being influenced by a variety of critical factors (Brown, 2012). Thus, generations are constructed through a set of historical events that produce shared values, attitudes, beliefs, and behaviors, which in turn create distinctive cohorts of workers (Kupperschmidt, 2000). The members of a particular generation are "born, start school, enter the workforce, have children, and retire at about the same time and age" (Kowske, et al., 2010), and together they share unique experiences (Noble & Schewe 2003) that may influence their life and values, including their employment relationship (Jurkiewicz, 2000). Globalization, technological advancement, and the media also helped create a much more global concept of a generation that transcends national borders (Ng, Lyons, & Schweitzer, 2012).

Some scholars note that there is insufficient empirical evidence on generational differences, making it difficult for organizations to manage them (Arsenault, 2004). In reality, these studies have been unable to detect true generational differences vis-à-vis aging effect (i.e., maturation) owing to poor research design (Ng & Parry, 2016; Parry & Urwin, 2011). If differences are observed after controlling for age, we can then ignore the effects of aging and attribute the differences to generational or cohort effects.

### **Generational Differences**

In this study, we focus on three generations presently working along side each other and experiencing contingent work. Based on research conducted in the US (e.g., Howe & Strauss, 1991; Lancaster & Stillman, 2002), Baby Boomers are those born between 1945-1965, Gen Xers are those born between 1966-1980, and Millennials are those born between 1981-1995. Although the present study was conducted in Portugal, the exact location and cut off years matter less particularly in a globalized era where technology and media facilitated a shared historical perspective that shape the value, attitudes, and expectations across the three generations.

Baby Boomers are post-war children who entered the labor market during periods of low unemployment and they go on to build stellar careers which is characterized by upward linear career moves (Lyons, Schweitzer, & Ng, 2015). Baby Boomers display strong work ethics by working long hours, and work is a salient aspect of their lives (Gursoy, et al., 2008). Within organizations, Baby Boomers seek loyalty, respect, and a well-defined hierarchy (Chi, et al., 2013). They commit strongly to their employers (Karp, Fuller, & Sirias, 2002) and aspire to a career with the same company (Chi, Maier, & Gursoy, 2013). Most enjoy relative career stability and dealt with economic uncertainties and job insecurity only later in their careers (cf. Lancaster & Stillman, 2002; Lyons, Schweitzer, Ng, & Kuron, 2012).

In contrast, Gen Xers face significantly greater challenges than the Baby Boomers during their entry into the labor market. They experience poor economic trends, weak job growth, and a trend towards outsourcing. Gen Xers are much more likely to "job hop" and change jobs and employers to maintain employment (cf. Lancaster & Stillman, 2002; Lyons, et al., 2012). Gen Xers also perceive poor employer commitment to employees from the layoffs and dismissals of Baby Boomers who have given so much of their lives to work (Jurkiewicz, 2000). As a result, Gen Xers are skeptical with institutions in general, and are

cautious about investing into their own work lives (Brown, 2012). They are also the first generation to have "modern careers" (i.e., boundaryless, protean careers) characterized by mindset and physical mobility with short-term employer commitments (Baruch, 2004.

Millennials enter the labor market during the global financial crisis and major shifts in the economy (Archer, 2017). Long-term, permanent employment is less common while precarious and non-standard work is the norm. Although Millennials are said to have high expectations of themselves and their careers, many of their career aspirations have not materialized, as youth unemployment is at record highs for Millennials (Ng, Lyons, & Schweitzer, 2017). Millennials value career growth and opportunities for advancements, and they are constantly looking for opportunities to develop their skills and competencies (Ng & Burke, 2006). As a result, we expect that Millennials will value the HRP employers invest in them.

In light of the foregoing discussion, we propose two pathways in which HRP can affect work outcomes. First, a direct relationship between HRP and perceived work performance is expected to be stronger for Millennials than for the other generations. Second, an indirect relationship, mediated by double employment relationships of TAWs (i.e., their affective commitment toward the agency and client company), is expected to be stronger for Baby Boomers than for the other generations. We anticipate that social exchange will play a less dominant role for Baby Boomers as work is a central part of their lives. In other words, HRP will have a lesser effect Baby Boomers' perceived work performance than for younger generations of workers. On the other hand, we expect HRP will have a (stronger) direct effect on Millennials' perceived performance, because they may expect an employer's investment, in their skill acquisition and development (HRP), to attain their career aspirations.

**H1.** The direct relationship between TAWs' perceived HRP and their perceived performance is stronger for Millennials than for Gen Xers and Baby Boomers.

**H2.** The indirect relationship between TAWs' perceived HRP and their perceived performance, when mediated by the affective commitment (with both the agency and client company), is stronger for Baby Boomers than for Gen Xers and Millennials.

#### Method

#### **Response process & Sample characteristics**

The sample is composed of TAWs (N = 3.876) from seven temporary employment agencies, in several industries in Portugal. These participants all worked for clients who employed TAW to adapt to current market needs. This decision enabled the organizations to adjust to fluctuations in client requests or services. The response process was designed to eliminate or at least maximally control for all potential sources of error that were connected to administering the instrument (Downing, 2003). The data collection and analysis process used clear instructions and disclosed the research aims, team, and technical procedures' to increase quality assurance.

The respondents completed an online questionnaire. Data were collected using SurveyMonkey, which is a commercial survey service. The agencies emailed a link to the survey to their workers. This email included a message from the research team that explained the purpose of the project, the voluntary nature of participation, and the procedure. Respondents were assured that their answers were confidential and anonymous. Participants were informed that they would have the opportunity to receive the overall results. These instructions were written on the questionnaire's cover letter. The instructions explained that the questions were directly related to several parts of their daily work, specifically their

perceptions of employment relationships. Participants were informed that the questionnaire was not a test and that there were no right or wrong answers. Workers were also assured that the companies would only have access to a final report and not to the raw data, as the data were used exclusively for academic research. The lead researcher's email address was included in the cover letter in addition to a website address where respondents could find more information about the research project, including the involved academic organizations, its goals, outcomes, partners and other researchers included in the process. There was no incentive (cash or otherwise) for participating in this project. Because participation was voluntary and anonymous, participants did not sign an informed consent form.

Participation rate ranges between 42% and 58% at each company (client employer). The sample is comprised of Baby Boomers (4.3%), Gen Xers (32.2%), and Millennials (63.5%). There are more women (54.1%) and the average age is 31 years old. An overwhelming majority also attended university (71.6%).

### Measures

### Perception of HRP

Perceptions of the HRP system was measured using a 20 item scale that measured TAW's socialization, recruitment, training (i.e., promotion of internal and external employability), and performance appraisal (following Takeuchi, et al., 2007; Zacharatos, Barling, & Iverson, 2005). This scale was adapted, tested and validated with TAW by Sobral and colleagues (in press), and was previously tested with Portuguese TAW (Chambel, et al., 2015a). According with the authors (Sobral, et al., in press), because each HRP is not independent, this scale examines how TAW's perceive HRP regardless of the company providing the practices (i.e., agency or client company). It is believed that the agency and the

client are jointly responsible for the HRP system; thus, TAW's overall perceptions were measured.

The scale was previously tested with Portuguese TAW (Chambel, et al., 2015a). Items on the recruitment process and performance appraisal were obtained from Zacharatos et al. (2005) and Takeuchi et al. (2007). Items that measured training to promote TAW's employability (e.g., acquiring transferable skills that can be used inside or outside the current organization) were adapted from Chambel and Sobral (2011). The socialization items were obtained from Ashforth and Sak (1996). To evaluate the goodness-of-fit from the models behind the variables under investigation, a confirmatory principal components analysis was performed for each model. Sample items include "When I started working in this company, my job goals were clearly explained to me" and "The criteria for performance evaluation are clear at this company." The items were answered on a 7-point Likert-type scale. The results (SRMR = .06; IFI = .92; TLI = .90; CFI = .92; RMSEA = .08) indicate a good fit between the data and the conceptual model. To examine the factor structure of these items, a factor analysis with principal axis factoring extraction with a single-factor solution was performed. The resulting 20-item scale had a reliability of .94, which is comparable to the results obtained by Lepak and Snell (2002;  $\alpha = .89$ ) and by Takeuchi and colleagues (2007;  $\alpha = .90$ ) for their HRP measure.

#### Affective Commitment

TAW's affective commitment toward the agency ( $\alpha = .90$ ) and the client-company ( $\alpha = .90$ ) was measured using a Portuguese translated scale by Meyer, Allen, and Smith (1993). Sample items include "I would be happy if I developed the rest of my career in this company" and "I do not feel emotionally attached to this company" (inverted). The items were measured

on 7-point. This measure has previously translated and tested with Portuguese TAWs (Chambel, et al., 2015a; Chambel & Sobral, 2011). Lastly, the model fit results indicate a good fit between the data and the conceptual model, for both the agency commitment (SRMR = .01; IFI = .99; TLI = .99; CFI = .99; RMSEA = .03) and client commitment (SRMR = .02; IFI = .99; TLI = .99; CFI = .99; RMSEA = .06).

#### Perceived Performance

TAWs' overall perceived performance was measured using 14 items ( $\alpha$  = .89), from Williams and Anderson (1991). The use of this scale intended to examine how TAW's perceive their overall performance over the tasks that are assigned to them. A sample item is "I perform adequately the tasks that are assigned to me." The items were measured on 5-point scale and the measure was also previously used in TAWs research (Chambel & Castanheira, 2007). The results indicate a good fit between the data and the conceptual model (SRMR = .06; IFI = .94; TLI = .91; CFI = .94; RMSEA = .08).

# Analyses

Our data analysis plan involved several phases. First, we performed a confirmatory factor analysis (CFA) to assess the discriminant validity of all the self-report measures, and address concerns with common method bias by comparing our model with a one-factor model (Podsakoff & Organ, 1986). Analyses were computed with the AMOS 17.0 software (Arbuckle, 2008), and the Maximum Likelihood Estimation Method and the covariance matrix were used. Following established steps (Arbuckle, 2008; Hu & Bentler, 1999), the evaluation of the overall goodness of fit of the models was based on the combination of several indices. Models were compared based on (a) chi-square differences; (b) standardized

root mean square (SRMR); (c) Bentler comparative fit index (CFI); (d) Tucker–Lewis fit index (TLI); and (e) the root mean square error of approximation (RMSEA). For CFI and TLI, values greater than .90 represent a good model fit; for SRMR and RMSEA, values less than .07 indicate a good model fit.

For measurement models, the full model was first tested (Anderson & Gerbing, 1988). This four-factor model included all observed items loading on their respective latent variables (HRP, affective commitment to agency, affective commitment to client, and perceived performance). The latent variables were allowed to correlate with each other. The full measurement model indicates a good fit ( $\chi^2$ (955) = 12767.97,  $\rho$ < .001; SRMR = .06; IFI = .91; CFI = 0.91; RMSEA = .06), and all standardized regression coefficients were significant at the 0.001 level.

To test for common method variance, a Harman's single-factor test (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003) was conducted. This test involves a CFA in which all variables are allowed to load onto one general factor (one-factor model). This model demonstrates a poor fit to the data ( $\chi^2$ (959) = 32568.21,  $\rho$ < .001; SRMR = .11; IFI = .75; CFI = .75; RMSEA = .09), indicating that a single factor does not account for the majority of variance in the data. A second test was performed, as recommended by Podsakoff et al. (2003), in which an unmeasured latent methods factor was added to the four-factor model, allowing all items to load on their theoretical constructs, as well as on the latent methods factor. The methods model obtained a good fit ( $\chi^2$ (909) = 9270.44,  $\rho$ < .001; SRMR = .04; IFI = .93; CFI = 0.93; RMSEA = .05). Since the "methods" model cannot be nested within the four-factor model, but both have the same observed variables, the comparison of the goodness-of-fit of these models was calculated by CFI difference. The change of CFI between

the two models was .02, which is below the suggested rule of thumb of .05 (Bagozzi & Yi, 1990). Therefore, we conclude that including the method factor in the model does not significantly improve the overall fit of the model.

Finally, another nested model was computed to test alternative combinations of observed variables. In this model a three-factor model was explored in which affective commitment to agency and affective commitment to client's observed items were loaded onto a latent variable and the remaining observed items were loaded onto their respective latent variables (HRP and perceived performance). This model indicates an acceptable fit ( $\chi^2(957) = 17554.07$ ,  $\rho < .001$ ; SRMR = .07; IFI = .87; CFI = 0.87; RMSEA = .07), with IFI and CFI slightly below the minimum of .90 (Arbuckle, 2008). This model shows a significantly poorer fit to the data when compared to the full measurement model ( $\Delta \chi^2(2) = 4786.10$ ,  $\rho < .001$ ). Taken together, these analyses show that the factor structures of the research variables were consistent with the conceptual model and the manifest variables loaded onto the latent variables, as intended.

To analyze whether the constructs in the model were distinct from each other, a test of the scales' discriminant validity was performed following Fornell and Larcker (1981). The average variance extracted for each scale variable was calculated. According to Fornell and Larcker (1981), scale variables are sufficiently different from one another if a scale's average variance extracted is greater than its shared variance with any other scale variable in the model. This condition was met, and therefore we conclude that all scales were distinct from one another. The values are reported in Table 1 along with composite reliability, inter-scale correlations, and descriptive statistics for all variables across sub-samples.

#### Insert Table 1 about here

After controlling for gender, age, tenure in the agency, and tenure in the client, analyses of covariance indicates there was no significant difference in the average perceptions of HRP among Baby Boomers (M = 4.85), Gen Xers (M = 4.92), and Millennials (M = 4.90; F (2,3869) = 0.81,  $\rho$ < .45). However, for affective commitment with the agency, analyses of covariance (F (2,3869) = 6.51,  $\rho$ < .01) indicate that Baby Boomers report the highest levels of affective commitment to the agency (M = 4.52), followed by Gen Xers (M = 4.13), and Millennials (M = 3.93). For affective commitment with the client (F (2,3869) = 4.68,  $\rho$ < .01), Baby Boomers (M = 4.64) and Gen Xers (M = 4.70) report similar levels of affective commitment, which are significantly higher than Millennials (M = 4.43).

In order to quantify the size of the differences between groups, the 'effect size' was measured for each pair of generations where significant differences were found. Following Coe (2002) interpretations of effect sizes, was also possible to understand the percentage of each group that was below the average of the other group. Regarding the levels of affective commitment to the agency the effect size between: (a) Baby Boomers and Gen Xers was 0.25, indicating that 62% of the Gen Xers were below the Baby Boomers average; (b) Baby Boomers and Millennials was 0.38, meaning that 66% of the Millennials were below the Baby Boomers average; and (c) Gen Xers and Millennials was 0.12, revealing that 54% of the Millennials were below the Gen Xers average. When analyzing the levels of affective commitment to the client the effect size between a) Baby Boomers and Millennials was 0.14, meaning that 54% of the Millennials were below the Baby Boomers average; and (b) Gen

Xers and Millennials was 0.18, revealing that 58% of the Millennials were below the Gen Xers average.

Correlations (Table 1) show that perceived HRP is positively associated with affective commitment to the agency and client, and these, in turn, are positively associated with TAW's overall perceived performance.

### Results

#### Structural Models

In order to test our hypotheses, we performed multiple group analyses following Byrne (2001, p. 173-199). Affective commitment to the agency and to the client were allowed to interact in the model. Additionally, demographic variables were controlled in order to rule out alternative explanations for the findings. Thus gender, age and tenure with the agency, and tenure with the client were introduced in the models as observed variables to control for potential confounding effects. First, a full-mediation model was fitted to the data. This model included direct structural paths from HRP to affective commitment to the agency and to the client, and from affective commitment to the agency and to the client to the overall perceived performance. The full-mediation model showed an adequate fit to the data ( $\chi^2(1129) =$ 13577.88,  $\rho$ <.001; SRMR = .06; IFI = .90; CFI = .90; RMSEA = .05). Second, a direct structural path from HRP to perceived performance was added to test the partial-mediation model. The partial-mediation model indicates a good fit to the data ( $\chi^2(1128) =$  13554.76,  $\rho$ <.001; SRMR = .06; IFI = .91; CFI = .90; RMSEA = .05), and significantly better than the full-mediation model ( $\Delta\chi^2(1) = 23.12$ ,  $\rho = .001$ ).

The partial-mediation model was then tested in a multiple group analysis with each pair of generations with a view to inspecting invariance across the samples. A bootstrap approach (using 5.000 bootstrap samples) was used to calculate 95% bias-corrected bootstrap Confidence Intervals (CI) of standardized indirect effects. For each pair of generations, the fit of the partial-mediation model was then compared to two alternative models. In the constrained path coefficients model, we constrained all coefficient paths from the latent variables to the manifest variables to be equal; and in the constrained structural paths model, we constrained the structural paths between the latent variables to be equal in the two subsamples to test invariant structural relationships. Finally, we performed tests for invariance to inspect the location of this non-invariance. We set up an iterative process to assess invariance for each of the structural paths separately. A partial-mediation model in which a particular loading was constrained equal across the samples was fitted the data, and then compared with the original model. When the fit did not deteriorate (i.e., when the chi-square difference was not significant), this constrained loading was included in the next model, which included another constrained structural path. This was repeated until we reached the final partialmediation model for each pair of generations.

### Insert Table 2 about here

#### Insert Figure 1 about here

Figure 1 shows the results for the three generations. As for the direct relationships between HRP and the perceived performance (H1), results demonstrate that HRP is positively associated with perceived performance for both Gen Xers ( $\beta = .10$ ,  $\rho < .05$ ) and Millennials ( $\beta$ 

= .12,  $\rho$ < .001), but not for Baby Boomers ( $\beta$  = .14,  $\rho$ < .23). Furthermore, multiple group comparisons indicated that this direct effect is significantly higher for Millennials (direct effect = .04; 95% CI from .02 to .06). Hypothesis 1 is thus supported.

For the indirect relationship between HRP and perceived performance, results indicate that regardless of the generation, higher levels of perceived HRP are associated with higher affective commitment to the client (Baby Boomers:  $\beta = .64$ ,  $\rho < .001$ , Gen Xers:  $\beta = .59$ ,  $\rho < .001$ , and Millennials:  $\beta = .60$ ,  $\rho < .001$ ) and higher affective commitment to the agency (Baby Boomers:  $\beta = .61$ ,  $\rho < .001$ , Gen Xers:  $\beta = .51$ ,  $\rho < .001$ , and Millennials:  $\beta = .54$ ,  $\rho$ <.001). Multiple group comparisons indicated that these relationships were significantly different across generations, with Baby Boomers reporting the highest levels of affective commitment to the agency and to the client, followed by Millennials, with Gen Xers reporting the lowest levels of commitment. Furthermore, affective commitment to the client was positively associated with perceived performance, with significant differences across the three generations (Baby Boomers:  $\beta = .46$ ,  $\rho < .05$ , Gen Xers:  $\beta = .38$ ,  $\rho < .001$ , and Millennials:  $\beta$ = .37,  $\rho$ < .001). Results indicate that affective commitment to the client mediates the relationship between HRP and perceived performance for Baby Boomers (indirect effect = .03; 95% CI from .01 to .09), Gen Xers (indirect effect = .04; 95% CI from .03 to .06), and Millennials (indirect effect = .07; 95% CI from .05 to .08). Contrary to expectations, affective commitment to the agency was not significantly associated with perceived performance (Baby Boomers:  $\beta = -.19$ ,  $\rho = .14$ , Gen Xers:  $\beta = -.01$ ,  $\rho = .83$ , and Millennials:  $\beta = -.01$ ,  $\rho = .92$ ). Hypothesis 2 is only partially supported.

# Discussion

In this study, we seek to understand the extent to which the same set of HRP may trigger different responses among TAWs from different generations. To identify differences in the direct and indirect exchange relations that TAWs establish with both organizations in their employment relationship - agency and client company - our study builds on multiple group analyses to explore the effect of each generation as depicted in our conceptual model (see Figure 1).

Irrespective of the generation, and in response to the appeal of several authors (Ashford et al., 2007; Gallagher & Connelly, 2008; Zimmerman, Gavrilova-Aguilar, & Cullum, 2013), to deepen the research regarding contingent work relation, our results contribute to the overall literature regarding these work arrangements and specifically, the knowledge about TAWs. First, the analysis of the HRP as a global system, rather than isolated procedures, within organizational dynamics, showed that workers can feel these practices as a set of interconnected actions working together. In line with the literature, our results show that HRP influence each other (Wright & Boswell, 2002) and, in the case of workers in triangular work relationships, even if applied by different companies, are always associated with the same system (Sobral, et al., in press). Besides, when confronted with the challenge of assessing their overall perception of the HRP system (with no reference to any of the organizations involved in their work relation), TAWs answers confirm that the perception of this investment has an impact on their relationship both with the agency and the client company. Meaning that the perception each company creates in the individual overflows to the worker's perception over the other company (Buch, Kuvaas, & Dysvik, 2010; Connelly, Gallagher, & Webster, 2011; Coyle-Shapiro & Morrow, 2006). Thus, if working together companies can create a beneficial situation for both, where the development of a positive

perception over a joined HRP system will increase TAWs double affective commitment (Coyle-Shapiro & Morrow, 2006).

Moreover, the existence of a positive relationship between the perception of the HRP system and the double affective commitment confirms the ability of contingent workers in triangular work relationships to form a double perception of their employment relationship (Buch et al.; Connelly, et al., 2007), and a double affective commitment (Buch et al., 2010; Connelly, et al., 2007; Lapalme, Simard, & Tremblay, 2011; Liden et al., 2003). Nonetheless, the relationship between the HRP system and the affective commitment with the agency and the client company might be different. In line with previous, our results show a stronger relationship between the HRP and the affective commitment with the client than with the agency.

Our finddings also support the moderator effect of generations in the direct and indirect relationships - through both affective commitments - between TAWs' perceived HRP and perceived performance. Although all generations equally value and positively interpret the HRP investment in them, there were differences in the way different generations of workers develop their employment relationships. Results suggest that the same set of HRP evoke different responses, depending on the fit between the HRP and the generation in question. In this respect, our results demonstrate that HRP system was direct and positively associated with TAW's perceived performance for both Gen Xers and Millennials, but not for Baby Boomers. As expected, when comparing Gen Xers with Millennials, this direct effect was significantly higher for Millennials. Of note, both Gen Xers and Millennials value the employers' investments, even in temporary work arrangements. If TAWs recognize the investment made by employers, they are more likely to reciprocate the employers' investments though increased efforts (Chambel & Sobral, 2011). TAWs who perceive HRP

adapt and perform better (Slattery, Selvarajan, & Anderson, 2006), which is reflected in our sample of Gen Xers and Millennials. Indeed, both the younger generations form a higher sense of their own performance.

We know from past research that Millennials have a strong emphasis on selfdevelopment (Macky, Wong, Gardiner, Lang, & Coulon, 2008) and they actively seek out developmental opportunities (Lub et al., 2015). As a result, they are much more likely to respond to employer investments in them. Because Millennials have lower concerns for job security (Macky, et al., 2008), they may see temporary employment as meeting their lifestyle needs (i.e., in pursuit of more leisure time and work/life balance). Millennials are also keen to advance and are impatient to succeed in their careers (Ng, Schweitzer, & Lyons, 2010). In this respect, temporary employment can serve as a "stepping stone" in their career progression.

Regarding GY, we know that they have a focus on self-improvement (Macky, Wong, Gardiner, Lang, & Coulon, 2008) and development opportunities that are offered by their employers (Lub et al., 2015). They are also incessant learners who seek to progress and grow on a continuous basis (Downing, 2006). Although in a temporary situation, if they feel that the company is investing in them, they respond adequately. In addition, because GY have little concern for job security (Macky, et al., 2008) and seek greater compensation or purposeful work as a main goal (Zemke et al., 2000), they can see their temporary job as adequately fitting their proposes. For them, it can represent either a first step or one more step in their professional evolution, and they recognize it as being important. In the case of GX, it is true that they are system skeptical and noticeably independent, but also pragmatic (Brown, 2012), and equally seeking development opportunities that enhance their skills (Cook Ross, 2004).

In contrast, Baby Boomers have a different employment experience from Millennials and Gen Xers. Baby Boomers are much more interested in establishing relationships and loyalty in employment (Chi et al., 2013; Karp et al., 2002). Our results demonstrate that Baby Boomers report the highest levels of affective commitment with the agency and the client, and reaffirm that Baby Boomers do value their employment relationships. Baby Boomers are often described as job focused and are motivated to work (Egri & Ralston, 2004; Smola & Sutton, 2002), and they value career steady progression (Chi et al., 2013; Karp, et al., 2002). However, when confronted with challenging economic realities, they are equally capable of creating the same relationship with temporary agencies and client companies. For Baby Boomers, temporary work presents an opportunity for them to return to the labor market.

Another important finding is that GX is the one with the lowest scores of affective commitment among the three generation cohorts. According to the literature, we could expect that this third place would be occupied by the GY, but there are also references in the literature to GX as a group with diminished expectations regarding their job relationship, and who experience feelings of alienation and cynicism (Brown, 2012). Hence, they are probably the generation for whom an affective relationship with their company has less meaning. Regarding GY, they have been described as hard to commit on a long-term basis (Eiser, 2009), though, that does not mean they cannot establish an exchange relationships with their needs are meet (Kim, et al., 2009).

Finally, regardless the generation, we did not find any significant relationship between TAWs' affective commitment with the agency and perceived performance. This is likely because the relationship is formed with the company where TAWs physically perform their jobs, which influences their perceived performance. In other words, we only find a

conditional indirect effect of perceived HRP on perceived performance via affective commitment toward the client company, but not toward the agency. Similar results have been reported by Lapalme, Simard, and Tremblay (2011). When testing the relationship between both commitments and TAWs' discretionary behaviors on the client's site, the researchers found that only the affective commitment toward the client was significantly related to such behaviors. Although TAWs show commitment toward two different organizations, it does not mean that this commitment has the same effect on the employees' behaviors (Lapalme, et al., 2011).

Overall, our study contributes to a better understanding of how different generations respond to temporary employment relationships. To our knowledge there has been no study that has examined generational differences among TAWs. Although we did not find any significant difference in the way the cohorts perceived and interpreted the HRP, we did detect significant differences in the way in which the same HRP system relates (directly and indirectly through affective commitment toward the client) with their perceived performance across different generations.

# Limitations and future directions

A few limitations should be noted, to put the findings in context. Concerning the data collection method (i.e., online questionnaires), and despite the considerable size of the sample (N = 3.876), this study cannot be generalizable to all workers. First, individuals who responded to the questionnaire had to have Internet access and informatic knowledge, which may have restricted the sample to younger and scholarly respondents, in a less-peripheral job position. Second, this study is based on a sample of Portuguese TAWs and is not representative. Cross-cultural interpretations or generalizations beyond Western Europe and

North America should take caution. As underlined, by the literature on generational differences, this concept is based on generational paradigms developed in North America and Western Europe who share similar historical references (Ng & Parry, 2016), and while globalization exerts a strong influence on shaping generational experiences, the advancement of technology and social media is relatively recent. Therefore, the results should be interpreted with this in mind. Third, self-reported data may raise concerns over common-method bias. To minimize this limitation, we followed several methodological and statistical recommendations of Podsakoff, et al. (2003).

The cross-sectional design also limits the possibility to make causal inferences. Thus, a longitudinal design should be developed for future research. By following TAWs over time, future studies could study the effects of temporary work and how it affects different generations across time. It would be interesting and important to explore if the role of affective commitment toward the agency would change as temporary work becomes the norm for future generations.

Finally, given that we only have self-reported perceive performance, we encourage future research to replicate our study with more objective measures of performance. This would assist with triangulating work outcomes.

### **Implications for practitioners**

Our study adds to the literature on generational differences and TAWs, and has important implications for practitioners. First, our finding shows that different generations of workers (TAWs) respond to the investment made by the agency and the client company. Accordingly, the resort to more flexible and temporary ways of hiring do not necessarily reflect poor work relations and the inability of workers to reciprocate. On the contrary, these

workers, as any other, can create and exchange work relation with their employers. However, in contrast with other workers, TAW create a double work relation and companies should be aware of that. The spill over effect that the relationship with one company can have on the other shows that companies must build a joined management strategy, which can lead to (a) a better perception of the work relation TAW create with both; and (b) better work outcomes. Also, the agency seems to be more distance from the performance TAW perceive to have. Although this might be explained by the desire of TAW to get a direct contract, should alert the companies to the need to be more present.

Furthermore, the direct and indirect relationship between the HRP perception and workers' commitment and perceived performance deepens our understanding of how TAWs across different generations respond differently, or in certain cases similarly, to the investments made by their organizations. Managers often face challenges in managing TAWs and this challenge is compounded by having multiple generations working alongside each other, each with their own values, attitudes, motivations, and expectations from the same employer (Westerman & Yamamura, 2007). HRP can be a valuable tool to convey an employer's investment to TAWs. Still, with younger workers this investment is more transactional and has a clear relation with the way they perceive their own performance. On one hand, this might happen because they do not need to create a close relation with their employer; and on the other hand, because they have grown in a time where flexible contracts are normalized. While older TAWs, even when facing a flexible/temporary contract, seek a more structured and close work relation. Thereby, when hiring and managing these workers, agencies and client companies should considerer the way each generation relates with their jobs, to better respond to the workers needs and expectations.

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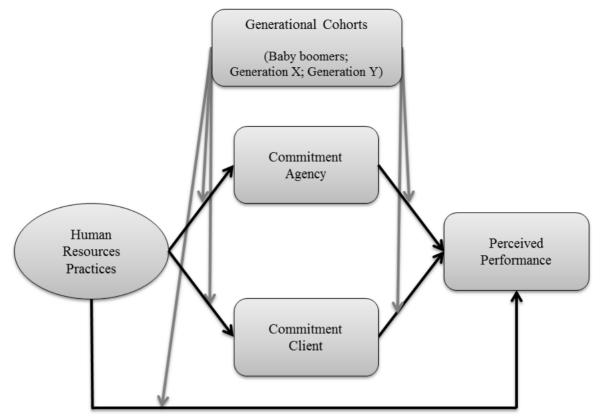
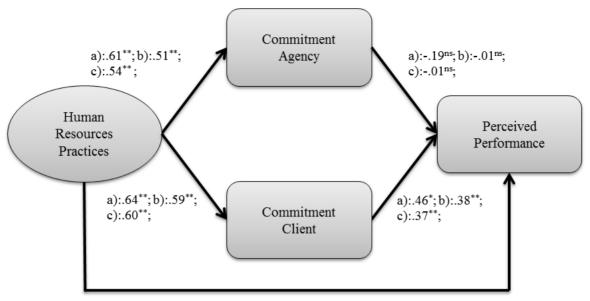


Figure. 1. Research Model



a):.14<sup>ns</sup>;b):.10\*;c):.12\*\*

Figure. 2. Research Model and Standardized path Coefficients *Note*. a) Baby Boomers; b) Generation X; c) Generation Y  $^* \rho < .05$ ;  $^{**} \rho < .001$ ; ns: non-significant.

	Mean	S.D.	C.R.	A.V.E.	A.S.V.	1.	2.	3.	4.	6.	7.	8.
1. Gender <sup>(1)</sup>												
2. Age <sup>(2)</sup>						09**						
3. Education <sup>(3)</sup>						.19**	17**					
4. Tenure Agency <sup>(4)</sup>						$.04^{*}$	.07**	05*				
6. HRP	4.91	1.17	.94	.44	.24	$.07^{**}$	01	10**	07**			
7. Aff.Com.Agency	3.93	1.53	.87	.54	.24	02	.12**	27**	09**	.64**		
8. Aff.Com.Client	4.52	1.50	.88	.56	.30	.01	.07**	13**	.00	.53**	.54**	
9. Perceived Performance	4.26	.58	.88	.36	.13	.01	.06**	05**	.09**	.26**	.21**	.35**

Table 1. Descriptive statistics and correlations.

*Note*. Aff.Com.Agency = Affective Commitment to Agency; Aff.Com.Client = Affective commitment to client; C.R. = Composite Reliability; A.V.E. = Average Variance Extracted; A.S.V. = Average Shared Variance;

<sup>(1)</sup> Dummy Variable coded 0 if Male and 1 for Female; <sup>(2)</sup> Age was coded as an ordinal variable with 1 representing from 19 to 29 years, 2 from 30 to 39 years, 3 from 40 to 49 years, and 4 more than 50 years old; <sup>(3)</sup> Education was coded as an ordinal variable with 1 representing less than the 9th year, 2 high-school, 3 undergraduate student, 4 graduation, and 5 Master or PhD; <sup>(4)</sup> Tenure in the agency was coded as an ordinal variable with 1 representing less than 3 months, 2 from 3 to 6 months, 3 from 6 to 9 months, 4 from 9 to 12 months, 5 from 12 to 60 months, 6 from 60 to 120 months, and 7 more than 120 months in the agency. \*  $\rho < .05$ ; \*\*  $\rho < .001$ 

## Table 2. Multiple groups analyses.

Models	$\chi^2$	$\Delta\chi^2$	SRMR	IFI	CFI	RMSEA
Baby Boomers- Generation X		Compare to baseline model:				
Baseline model	$\chi^2(2252) = 7053.26^{**}$		.08	.90	.90	.04
Constrained path-coefficient model	$\chi^2(2336) = 9454.55^{**}$	$\Delta \chi^2  (84) = 2401.29^{**}$	.12	.85	.85	.05
Constrained structural-coefficient model	$\chi^2$ (2262) = 9539.72**	$\Delta \chi^2 (10) = 2486.46^{**}$	.14	.85	.85	.05
Final model	$\chi^2(2260) = 7067.67^{**}$	$\Delta \chi^2(8) = 14.41 \ p = .07$	.08	.90	.90	.04
Baby Boomers- Generation Y		Compare to baseline model:				
Baseline model	$\chi^2$ (2252) = 11288.75 <sup>**</sup>		.06	.90	.90	.04
Constrained path-coefficient model	$\chi^2$ (2336) = 14981.49 <sup>**</sup>	$\Delta \chi^2  (84) = 3692.74^{**}$	.09	.86	.86	.04
Constrained structural-coefficient model	$\chi^2$ (2262) = 15921.71 <sup>**</sup>	$\Delta \chi^2 (10) = 4632.96^{**}$	.14	.85	.85	.05
Final model	$\chi^2$ (2258) = 11300,73 <sup>**</sup>	$\Delta \chi^2$ (6) = 11.98 <i>p</i> = .06	.07	.90	.90	.05
Generation X- Generation Y		Compare to baseline model:				
Baseline model	$\chi^2$ (2252) = 14164.31 <sup>**</sup>		.06	.90	.90	.04
Constrained path-coefficient model	$\chi^2$ (2336) = 19418.22 <sup>**</sup>	$\Delta \chi^2 (84) = 5253.69^{**}$	.12	.86	.86	.05
Constrained structural-coefficient model	$\chi^2$ (2262) = 20717.50 <sup>**</sup>	$\Delta \chi^2(8) = 6548.19^{**}$	.12	.85	.85	.05
Final model	$\chi^2$ (2258) = 14175.27 <sup>**</sup>	$\Delta \chi^2(6) = 1.96 \ p = .09$	.06	.90	.90	.04

\* ρ< .05; \*\* ρ< .001