

# They don't want to be temporaries: similarities between temps and core workers

MARIA JOSÉ CHAMBEL\* AND FILIPA CASTANHEIRA  
*University of Lisbon, Lisbon, Portugal*

## Summary

This study investigated the impact of employment status (temporary/regular) on the employee–organization relationship in samples from two firms employing both temps ( $n = 234$ ) and regular or core ( $n = 204$ ) workers. Temps and regular workers held similar beliefs regarding the nature of their employment relationship. However, among those temps for whom temporary work was their preferred status, the employment relationship was less socioemotional and more economic than was the case for other workers. When these temps preferred regular employment, their relationships were high socioemotional and low economic, comparable with that of core workers. A employee–organization relationship high on socioemotional terms was positively related to satisfaction with the organization, an attitude which in turn mediated the relationship between employment relationship and employees' performance and civic virtue behaviors (behaviors as assessed by their supervisors). Copyright © 2007 John Wiley & Sons, Ltd.

## Introduction

Contemporary firms are increasingly characterized by high variation in the employment status of their workers. Core employees with a more traditional relationship work alongside others who are part-time, temporary or independent contractors and consultants. Differences in their employment status can alter not only the principal parties to which workers related (employing organization, hiring firm, local team or occupation), but also the nature of their employment relationship (closeness and mutual impact) and its duration (short or long term, fixed term or indefinite; Rousseau & Wade-Benzoni, 1995).

Beliefs regarding resource exchanges are central to any employment relationship, defined in part by the employment contract. Nonetheless, many critical resources are part of a more implicit agreement between the parties. This exchange relationship can take many forms from a predominantly economic exchange to a more socioemotional exchange, with many combinations of these in between (Blau, 1964; Gouldner, 1960). In the case of a wholly economic exchange, the employee is expected to regard his or her involvement in the organization as limited. Because it provides only material resources, the

\*Correspondence to: Maria José Chambel, Faculty of Psychology and Education, University of Lisbon, Alameda da Universidade, 1649-013 Lisbon, Portugal. E-mail: mjchambel@fpce.ul.pt

employee is expected to minimize contributions to the organization by fulfilling the stipulated tasks and hours and no more. Conversely, in a strongly relational exchange, the organization is expected to provide the employee with opportunities for learning, personal development and support. These in turn engender greater employee involvement with and loyalty to the organization.

Our objective in this research is first to investigate whether the extent to which an employee's employment status is voluntary plays a crucial role in explaining employee beliefs and attitudes regarding their employer. In particular, the voluntariness of workers' employment status is expected to affect their beliefs regarding the nature of their exchange relationship with the employer. Thus, for example we expect that directly hired temporaries (they are directly hired by the organization and not by a temp employment agency) will have different attitudes toward their employment relationship depending upon whether they prefer that status to regular employment. Second, we aim to show that, to explain the behaviors of employees having different employment contracts, it is essential to take account of their perception of the employment relationship. Insofar as contract is related to worker behavior, its effects are expected to be mediated by worker beliefs regarding their employment relationship.

This study goes beyond previous research on workers with different employment contracts in four ways. First, it compares *core* workers with *direct-hire temporary* workers with similar functions in the same organization. Only by comparing workers with different statuses but identical functions in the same organization is it possible to distinguish the influence of the type of status from that of the nature of the job or the characteristics of the organization. Second, it introduces voluntariness as a moderator in the relationship between employee status and employee–organization relationship. Third, by factoring in both the nature of the exchange relationship and voluntariness this study enhances understanding of the underpinnings of attitudes and behavior across workers with different employment status. More specifically, this research proposes that it is the employees' motives and involvement with the organization that influences satisfaction with the organization, and that this attitude, in turn, affects job performance and civic virtue behavior. Fourth, by locating our investigation in Portugal it provides a distinct context in which to study the role of employment status and its voluntariness in contrast to previous research conducted in Asia and North American. (e.g. Van Dyne and Ang, 1998, etc.)

## Voluntariness

Contemporary forms of contingent employment tend to create a largely transactional or economic exchange in contrast with more traditional employment based upon relational or socioemotional resources that regular employees enjoy (Millward & Hopkins, 1998; Rousseau, 1995). This view is open to criticism because contingent work can take many forms (McLean Parks, Kidder, and Gallagher (1998). The present study compares *direct-hire temporary* workers with *core* workers. In Portugal, these two types of employment status differ in their specificity. The former have contracts for a minimum of 6 months but renewable three times and with a maximum duration of 3 years, while the latter have contracts for an indefinite duration. Nonetheless we expect few other differences as a functional Portuguese law and employment custom attenuate the effect of status difference on the employee exchange relationship. Specifically, *direct-hire temporary* workers stay with the organization for a certain period and may succeed in extending it through a new temporary contract or a permanent contract with the organization. Second, these temporary workers are often treated identically with core workers in their day-to-day work because they perform the same functions, respond to comparable

productivity demands, while sharing the same work space, hours and manager. We posit that these characteristics facilitate the emergence of a socioemotional employment relationship on the part of *both* temps and regular employees creating comparable attitudes toward organizational membership, identification with the organization's stated goals and expectations for training and professional growth (Millward & Brewerton, 2000).

Our underlying premise is that differences in the employee–organization relationship for workers with temporary and regular status can be attributed to the extent to which that status is voluntary. Voluntariness means the extent to which the worker prefers his or her current employment status. It is greater when the worker chose that status and lower where he or she feels forced or pressured to accept this type of status. Some temporary workers prefer and are satisfied with this type of status because it gives them greater flexibility, freedom and variety. In this case, their voluntariness is high and we expect their satisfaction to be commensurately high as well. Other temporary workers might accept this type of contract because they see no other employment alternative and thus are dissatisfied. Insofar as the latter workers prefer another employment contract their employment status is low on voluntariness (Ellingson, Gruys & Sackett, 1998).

Past research has examined employment status in relation to employee attitudes and behaviors. However, Van Dyne and Ang (1998) acknowledge the importance of voluntariness in accounting for that relationship, especially among temporaries. Where workers elect to be temporary to reconcile their work with family life or studies, their pursuit of flexibility is expected to make them less committed to organization and more motivated to view it as an economic exchange. Moreover, Shore and Tetrick (1994) note that employees' employment goals would also shape the employment relationship. Employees seeking to build a career with the organization are more likely to seek an extensive relationship involving an array of resources while conversely those with a shorter term interest are more likely to limit their involvement to an economic exchange. In the present study, we suggest that the voluntariness of the status of *direct-hire temporary* workers influences the employee–organization relationship they pursue. Voluntary *direct-hire temporary* workers will develop a more economic and less socioemotional relationship, because they seek to limit their involvement with the organization and have little incentive to go beyond a strictly economic relationship (Stamper & Van Dyne, 2001). Hypothesis 1: *Voluntariness moderates* the relationship between employment status and employment relationship, in that *direct-hire temporary* workers with *high voluntariness* will have a more economic and less socioemotional relationship than do *direct temporary* workers with *low voluntariness*.

## Satisfaction as Mediator

The nature of the employment relationship is long associated with worker commitment to the firm, extra-role contributions to it (Rousseau, 1995; Rousseau & Wade-Benzoni, 1995; Schein, 1980), as well as worker absenteeism (Brewerton & Millward, in Millward & Brewerton, 2000, p. 37). Similarly, the nature of the employment relationship appears to matter more in shaping the attitudes and behaviors of temporary and permanent employees than does their employment status *per se*. Where temporary employees have a relationship largely based upon socioemotional resources, high satisfaction and commitment result (McDonald & Makin, 2000), accompanied by greater organizational citizenship behaviors (Kidder, 1998; Moorman & Harland, 2002). The levels achieved in attitudes and behavior among temporaries with a socioemotional relationship to the firm are comparable to those of regular employees: 'When organizations treat contingent workers with respect and do not view them as

peripheral, some contingent workers will have high commitment to the organization, positive views of their psychological contracts and will engage in organizational citizenship behaviors, just like regular employees' (Van Dyne & Ang, 1998, p. 700–701).

Though the impact of the employment relationship behavior has often been described as direct (e.g. Blau, 1964), organizational psychologists suggest that the influence of the organization's characteristics on the behavior of its employees is mediated by the influence of the employees' attitudes (Konovsky & Pugh, 1994; Kopelman, Brief, & Guzzo, 1990). Need–satisfaction explanations of employee attitudes operate on the premise that the correspondence between the outcome desired, needed or wanted by an individual and the outcome that is supplied by the work situation or organization determines the effective employee reaction. When the organization enables employees to achieve the desired outcomes (Locke, 1976; Porter & Lawler, 1968) and, more importantly, when employees consider that they have the opportunity at work for new learning, the opportunity to use valued skills and abilities, a degree of responsibility, non-arbitrary pressure for performance (Locke, 1976) or when they consider that the work itself is personally interesting and meaningful (Strong, 1943), they have greater levels of satisfaction with their work. Accordingly, we can posit that, when employees consider that they have a socioemotional relationship, they will feel more satisfied and when, conversely, they have an economic relationship with the organization, their satisfaction is less because fewer needs are met. The importance of employee satisfaction in explaining their organizational citizenship behavior has been demonstrated (Organ & Ryan, 1995; Smith, Organ & Near, 1983) and Moorman and Harland (2002) have shown that favorable attitudes by temporary employees towards the client organization favored the emergence of citizenship behaviors on the part of such workers.

Hypothesis 2: The relationship between the nature of the employment relationship and employee performance is mediated by satisfaction.

Hypothesis 2a: The relationship between employment relationship and employee citizenship behavior is mediated by satisfaction.

We expect this mediation to be partial since there should be a direct influence between the nature of the employment relationship and employee behavior in that employees' perception of the way the organization treats them obliges them to treat it in a reciprocal way (Gouldner, 1960). However, we think that the influence could also be exerted indirectly through satisfaction. The nature of the employment relationship influences the type of needs that the employee satisfies, thereby determining his or her overall satisfaction in that context, which in turn will influence his or her behavior.

## Organizational Context

The most recent statistics indicate that, in 2002, Portugal had 9.887 million inhabitants, and that 4.892 million were employed workers (IEFP, 2003). Regular paid employment occupied 3.568 million individuals in 2002 and accounted for 72.9 per cent of total employment. Of these, around 22 per cent of employees were non-permanent, with direct-hire temporary employees accounting for 16.2 per cent, showing that temporary workers have become an important source of labor supply in Portugal. (The other temps are hired by temp employment agencies.) Between 2001 and 2002, there was an increase of 40 000 new temporary employment contracts (+7.4 per cent) while employment under indefinite duration contracts declined (–1.1 per cent), corresponding to the loss

of 27 100 jobs. This trend significantly accentuated the precariousness of employment in Portugal, which continues to have one of the highest rates of non-permanent employment contracts in the European Union. Meanwhile, according to Eurostat figures, *direct-hire temporary* contracts affected around 13.4 per cent of salaried employees in the European Union in 2001. In the USA, although it is known that *direct-hire temporary* workers account for a significant percentage of contingent workers, this category does not appear to be distinguished in the official statistics of the Bureau of Labor Statistics (Polivka, 1996). In terms of the sectors from which our samples were drawn, the *Industrial* sector accounts for approximately 34.1 per cent of workers, a slight fall (0.3 per cent) over the previous year. In 2002, the relative importance of the *Services* sector increased, rising from 52.3 per cent in 2000 to 53.6 per cent in 2002. According to ICEP, the call center sector (from which our first sample was drawn) is expected to create around 40 000 to 60 000 new jobs up to 2010, constituting an area of strong expansion in the Portuguese labor market. Both sectors are increasingly making use of temporary employment, in particular direct-hire employees.

The data were collected during March and April 2003. In both samples, the workers, irrespective of whether they had temporary or permanent status, had the same working conditions, carrying out similar tasks during an identical working day and at the same place, and were managed by the same supervisor. In addition, despite the fact that the sample was composed of manufacturing workers and call center operators, the work carried by both can be described as simple and routine, with low task variety, low task complexity and consequential low utilization of qualifications. Moreover, in both these contexts, all workers exercise relatively 'low influence on one's own work in terms of work-related resources such as job control, not only over work pace, but also with regard to planning and organizing one's own work' (Grebner, Semmer, Faso, Gut, Kalin, & Elfering, 2003, p. 342). However, in terms of benefits, temps suffer economically (temps have lower income than core workers) as well as in terms of employment stability.

In these two firms, it is likely that temps will become regular employees. Whenever possible, managers prefer to employ workers they already know instead of recruiting them in the labor market. However, the likelihood of temps becoming core workers is dependent on the economy. When economy is not growing, there are less employment opportunities and therefore fewer temps will become core workers. The likelihood of temps becoming core workers is also dependent on the size of the firm and the percentage of temps. For example the electrical cable factory has more employees and less temps than the call center, thus more temps will have the opportunity to become core workers. In these situations, the belief that temps will become core is higher for the temps in the electrical cable factory.

## Method

### *Procedure*

The data were gathered by contacting the employing organizations of participants. Workers completed a questionnaire before or after work. Individuals participated in the study voluntarily and all participants were assured their individual responses would remain confidential. Supervisors, who were all *core* workers of the organizations, completed surveys in a separate room. Employee and manager surveys were matched via identification numbers on the surveys. This procedure, relying as it did on

codes, ensured the anonymity of each participant's responses. Several employees (*core* workers and *direct-hire temporary* workers) reported to the same supervisor.

*Core* workers and *direct-hire temporary* workers provided data on their demographic characteristics, perceptions and attitudes. Supervisors provided data on their demographic characteristics, employee job performance and organizational citizenship behavior.

### *Respondents*

A total of 436 workers and their respective supervisors participated in this research. The overall response rate represented 81.3 per cent of the total workers in the first sample and 82.5 per cent in the second. This high response rate in both firms was facilitated by advance meetings between the research team and company management where we explained the objectives of the research and its benefits. Questionnaires were administered in the presence of the researchers, encouraging workers and supervisors to fill them out at that time. Fifty three per cent of these employees were full-time *core* workers and 47 per cent were full-time *direct-hire temporary* workers. Data were collected from two samples of employees and all respondents who had been employed by the company for less than 6 months were eliminated. The first sample consisted of 191 call center workers from a telecommunications enterprise, of whom 149 (78 per cent) were *direct-hire temporary* workers and 42 (22 per cent) were *core* workers. Average tenure in the company was 33 months ( $SD = 16.68$ ). Of these participants, 45 (24 per cent) were male and their average age was 26.89 years ( $SD = 0.76$ ). A total of 22 supervisors of these workers participated in the survey, of whom 16 were female (73 per cent), with an average age of 28.85 years ( $SD = 4.67$ ). These supervisors had been employed by the company for an average of 23.51 months ( $SD = 9.53$ ) and had been managing these workers for an average of 14.36 months ( $SD = 7.88$ ). They supervised, on average, 9 employees, with a maximum of 12 and a minimum of 6.

The second sample comprised 245 employees at an electrical cables factory, of whom 55 (22 per cent) were *direct-hire temporary* workers and 192 (78 per cent) were *core* workers. Their average tenure in the company was 77.64 months ( $SD = 57.84$ ). Of these participants, 100 (41 per cent) were male. Their average age was 31.16 years ( $SD = 6.67$ ). A total of 19 supervisors of these workers participated in the survey, supervising an average of 13 employees, with a maximum of 15 and a minimum of 6. Twelve of these supervisors (63 per cent) were female, with an average age of 33.85 years (4.65). These supervisors had been employed by the company for an average of 98.4 months ( $SD = 59.76$ ) and had been managing these workers for an average of 46.32 months ( $SD = 34.8$ ).

### *Measures*

We obtained information on employment status from organizational records (0 = *core* workers; 1 = *direct hired temporary* workers).

#### **Employment relationship**

Employment relationship was assessed using an adaptation of the Millward and Hopkins scale (1998). A confirmatory principal components analysis was applied to the measure and structural equation modeling methods were implemented and the criterion of *Maximum Likelihood* (Russell, 2002) was adopted. Two structures were then analyzed: (1) a one-factor model that assumes one latent variable that includes all items; (2) a two-factor model that represents the structure proposed by Millward and Hopkins (1998). The overall goodness-of-fit of the model was derived from the various fit indices.

One-factor model shows a poor fit and therefore its fit indexes result in its rejection (RMRS = 0.21; AGFI = 0.68; NFI = 0.64; TLI = 0.63; CFI = 0.67; RMSEA = 0.12). The two-factor model shows an overall good fit, supporting the hypothesized factor structure (RMRS = 0.08; AGFI = 0.92; NFI = 0.90; TLI = 0.91; CFI = 0.91; RMSEA = 0.06).

The item-weighting cutoff point was set at a stringent figure of 0.40. We selected the eight items loaded on the first factor and the 12 items loaded on the second factor (represented in bold in Appendix I). The first factor comprised items that were largely job, task and contract-oriented, while the second factor comprised items that were largely relationship and development oriented. This pattern was consistent enough with the conceptual *economic relationship* for factor 1 (eight items), and *socioemotional relationship* for factor 2 (12 items). Each resulting factor was treated as a subscale and checked for reliability. All of the economic items were internally consistent, obtaining a Cronbach's alpha of 0.79. All of the socioemotional items were also reliably interrelated yielding a Cronbach's alpha of 0.87. Economic items included economic employee motives for working for the organization, with an example of an item being 'I do this job just for the money', and lack of involvement in work by employee, with an example of an item being 'I only carry out what is necessary to get the job done'. Socioemotional items included socioemotional motives for working for the organization, with an example of an item being 'I expect to develop my skills in this company' and identification with the organization's stated goals in employee inducements, with an example of an item being 'I am heavily involved in my place of work'.

Items were scored on a five-point Likert scale, ranging from 'Disagree' (1) to 'Agree' (5). High scores on this scale indicate high levels of economic or socioemotional employment relationship.

### **Voluntariness**

Voluntariness was assessed by a six-item scale, constructed for this research, that measures the extent to which workers perceive that they voluntarily defined the nature of their status and satisfaction with that. An example of item is 'I have the type of contract with the company that I want'. We performed a confirmatory principal components analysis to this measure and evaluated the overall goodness-of-fit of the model based on the fit indices described earlier. The indicators enable us to conclude that this model has a good fit (RMRS = 0.07; AGFI = 0.94; NFI = 0.98; TLI = 0.97; CFI = 0.92; RMSEA = 0.08). The model did not contain negative error variances, correlations of one or greater, extremely high (0.95 or greater) or extremely low parameter estimates and all items loaded on the factor above 0.40.

Items were scored on a five-point Likert scale, ranging from 'Disagree' (1) to 'Agree' (5). High scores on this scale indicate high levels of voluntariness.

### **General satisfaction**

Satisfaction was assessed by a seven-item scale, constructed for this research, that measures general satisfaction with the organization. An example of an item is 'In general, I like working here'. To evaluate the goodness-of-fit of this model, a confirmatory principal components analysis was performed to this measure and we used the same fit indices described earlier. The results fit (RMRS = 0.07; AGFI = 0.91; NFI = 0.95; TLI = 0.93; CFI = 0.93; RMSEA = 0.08) indicates a good correspondence between the data and the conceptual model. Evaluation criteria were all acceptable: the model did not contain negative error variances, or extreme parameter estimates (either high or low) and all items loaded on the factor above 0.40. Respondents answered on a five-point Likert scale, ranging from 'Disagree' (1) to 'Agree' (5). High scores on this scale indicate high levels of satisfaction.

### Performance

We measured performance using an adaptation of the Williams and Anderson scale (1991). The measure contained six items with responses on a 1–5 scale ranging from ‘*Almost Never*’ to ‘*Almost Always*’. An example of an item is ‘He/she carries out the tasks that are given to him/her’. Performance was evaluated by the worker’s supervisor and high scores indicate good performance.

### Organizational citizenship behaviors

We followed the recommendation of Van Dyne, Graham and Dienesch (1994) to focus on the specific type of organizational citizenship behavior relevant to the focus of the research. As the psychological contract consists of a set of beliefs about the mutual relationship of the individual and the organization, we posited that its influence would be reflected in the organizational citizenship behaviors related to the organization rather than those related to supervisors or colleagues. Of the five dimensions of organizational citizenship behavior identified by Organ (1988), we posited that civic virtue (behavior by the individual indicating that he/she participates responsibly and is involved in the life of the organization) was the dimension most directly related with the organization (Robinson & Morrison, 1995). We used the items of this dimension used by Morrison (1994). The measure contained six items with responses on a 1–5 scale ranging from ‘*Almost Never*’ to ‘*Almost Always*’. An example of an item is ‘He/she thinks about what is best for the company’. Civic virtue behaviors were evaluated by the worker’s supervisor and high scores indicate the presence of these behaviors.

### Control variables

Age, gender and organizational tenure can be related to work status (Stamper & Van Dyne, 2001) or to OCB (Morrison, 1994). Accordingly, we controlled for tenure (in months), and demographic variables (gender was coded ‘0’ if the respondent was male and ‘1’ if the respondent was female); age (in years).

In the two companies in which the research was conducted, we established through prior interviews with human resources managers that there was a high degree of similarity both in the reasons for hiring and in the form of management of these temporary workers. In both companies, these temporary workers were hired to economize on costs, to respond more readily to customers’ fluctuating demands and uncertainties and to facilitate the recruitment of new staff, as the practice enabled the companies to hire as permanent employees those temporary workers with the best performance. Also in both companies, there was no distinction between these temporary workers and core workers, with both performing similar functions, subject to the same requirements and working in the same area under the same supervisor. Whenever possible, the contracts of the temporary workers with the best performance were renewed, or a new temporary contract was issued, or they were given a permanent contract. However, the percentage of temporary workers in the two companies was very different, and since we thought that these differences could influence the results of our research, we controlled for the effect of the company (with electrical cables factory coded ‘0’ and the call center coded ‘1’).

## Results

Descriptive statistics and zero-order correlations for all variables are shown in Table 1.

Correlations show that socioemotional relationship is negatively related to economic relationship ( $r = -0.50$ ,  $\rho < 0.001$ ). Workers with higher socioemotional relationship tend to exhibit higher levels of satisfaction with the organization ( $r = 0.55$ ,  $\rho < 0.001$ ) and better performance ( $r = 0.34$ ,  $\rho < 0.001$ ).

Table 1. Descriptive statistics and zero-order correlations for all variables ( $N = 436$ )

	Mean	SD	1	2	3	4	5	6	7	8	9	10	11
1. Organization	0.44	0.50											
2. Status	0.53	0.50	0.55 <sup>a</sup>										
3. Gender	0.67	0.47	0.18 <sup>a</sup>	0.02									
4. Tenure	58.80	50.40	-0.44 <sup>a</sup>	0.63 <sup>a</sup>	0.08								
5. Age	29.31	6.50	-0.32 <sup>a</sup>	0.39 <sup>a</sup>	0.12	0.53 <sup>a</sup>							
6. Socioemotional relationship	3.5	0.90	-0.20	0.09	-0.12 <sup>c</sup>	0.08	0.15 <sup>c</sup>	(0.87)					
7. Economic relationship	2.4	0.94	0.02	-0.06	0.13 <sup>b</sup>	-0.08	-0.14 <sup>c</sup>	-0.50 <sup>a</sup>	(0.79)				
8. General satisfaction	4.12	0.98	-0.20 <sup>a</sup>	0.18 <sup>a</sup>	-0.09	0.21 <sup>a</sup>	0.23 <sup>a</sup>	0.55 <sup>a</sup>	-0.57 <sup>a</sup>	(0.90)			
9. Civic virtue behaviors	3.55	0.89	-0.20 <sup>a</sup>	0.25 <sup>a</sup>	-0.01	0.17 <sup>b</sup>	0.12 <sup>c</sup>	0.16 <sup>b</sup>	-0.29 <sup>a</sup>	0.34 <sup>a</sup>	(0.87)		
10. Performance	4.20	0.89	-0.21 <sup>a</sup>	0.23 <sup>a</sup>	-0.03	0.17 <sup>b</sup>	0.17 <sup>b</sup>	0.34 <sup>a</sup>	-0.40 <sup>a</sup>	0.61 <sup>a</sup>	0.58 <sup>a</sup>	(0.90)	
11. Voluntariness	2.97	1.14	-0.46 <sup>a</sup>	0.52 <sup>a</sup>	0.00	0.44 <sup>a</sup>	0.29 <sup>a</sup>	-0.001	0.10 <sup>c</sup>	-0.10 <sup>c</sup>	0.02	-0.08	(0.85)

Alpha coefficients are in parenthesis in diagonal.

<sup>a</sup>Correlation is significant at the 0.001 level (two-tailed).<sup>b</sup>Correlation is significant at the 0.01 level (two-tailed).<sup>c</sup>Correlation is significant at the 0.05 level (two-tailed).

and civic virtue behavior evaluations ( $r = 0.16$ ,  $\rho < 0.01$ ). Workers with higher economic relationship tend to exhibit lower levels of satisfaction with the organization ( $r = -0.57$ ,  $\rho < 0.001$ ) and worse performance ( $r = -0.40$ ,  $\rho < 0.001$ ) and civic virtue behavior evaluations ( $r = -0.29$ ,  $\rho < 0.001$ ). Workers' satisfaction with the organization is related to their performance in that higher levels of satisfaction with the organization are associated with better performance ( $r = 0.61$ ,  $\rho < 0.001$ ) and more civic virtue behaviors ( $r = 0.34$ ,  $\rho < 0.001$ ).

Hypothesis 1 posited that voluntariness would moderate the relationship between employment status and employee–organization relationship, namely employee motives for working and employee involvement. To test this hypothesis we performed regression analyses for economic relationship and for socioemotional relationship. We used the product variable approach (Baron & Kenny, 1986), thereby regressing economic relationship on employment status, on voluntariness and on the cross-product variable (employment status  $\times$  voluntariness), along with the control variables, and regressing socioemotional relationship on employment status, on voluntariness and on the cross-product variable (employment status  $\times$  voluntariness), along with the control variables. To reduce the multi-collinearity, many experts recommend that, before creating the interaction terms, the independent variables be centered around zero by subtracting each value from its respective mean (Aiken and West, 1991, cited by Robinson & Morrison, 2000). This transformation does not affect the correlations among the variables, yet it allows for better estimates of the interaction terms (Table 2).

As shown, employment status had a significant effect on economic relationship ( $\beta = -0.13$ ,  $\rho < 0.05$ ), voluntariness had a significant effect on economic relationship ( $\beta = 0.20$ ,  $\rho < 0.01$ ) and on socioemotional relationship ( $\beta = -0.13$ ,  $\rho < 0.05$ ) and, more important, the employment status by voluntariness interaction term had a significant effect on economic relationship ( $\beta = -0.23$ ,  $\rho < 0.001$ ) and on socioemotional relationship ( $\beta = 0.16$ ,  $\rho < 0.001$ ) and the addition of this interaction term explained a significant amount of the additional variance in economic relationship ( $\Delta R^2 = 0.05$ ,  $p < 0.001$ ) and in socioemotional relationship ( $\Delta R^2 = 0.06$ ,  $p < 0.001$ ).

These interactions effects are graphically represented in Figures 1 and 2.

As shown in Figure 1, *direct-hire temporary* workers exhibit higher levels of economic relationship when they have high voluntariness. On the other hand, as shown in Figure 2, these workers exhibit

Table 2. Interactive effects of voluntariness and employment status on economic and socioemotional relationship

Outcome	Economic relationship		Socioemotional relationship	
Predictors	$\beta$		$\beta$	
Step 1				
Organization	−0.05	−0.09	−0.20**	−0.14*
Gender	0.15*	0.16*	−0.10*	−0.10*
Tenure	−0.05	−0.06	−0.00	−0.05
Age	−0.14*	−0.12*	0.12*	.010*
Employment status	−0.13*	−0.18*	−0.00	−0.06
Voluntariness	0.20**	0.14*	−0.13*	−0.08
Step 2				
Employment status × voluntariness		−0.23***		0.26***
<i>F</i>	5.06***	7.72***	4.66***	7.98***
Adjusted <i>R</i> <sup>2</sup>	0.07	0.12	0.07	0.13
<i>R</i> <sup>2</sup> Change	0.07***	0.05***	0.07***	0.06***

\* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .

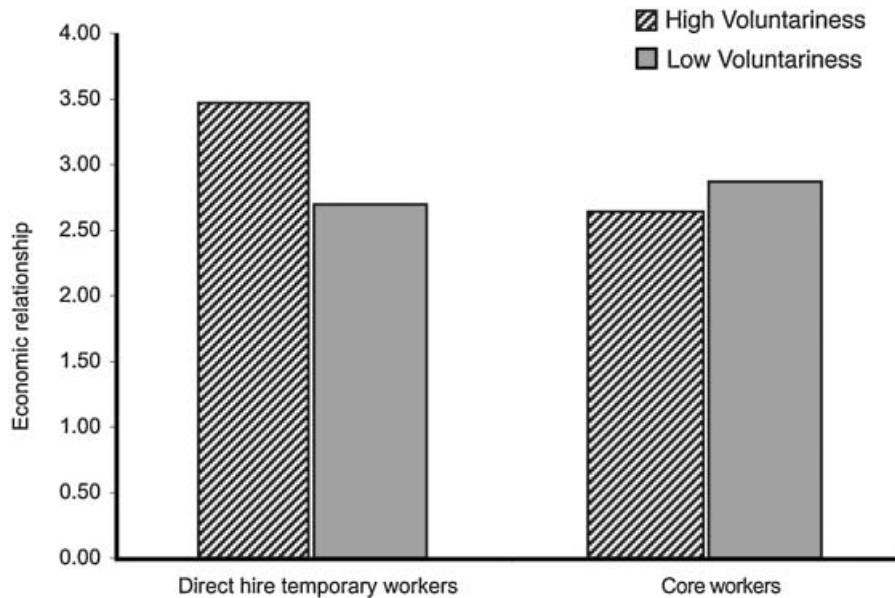


Figure 1. Relationship between employment status and economic relationship under different voluntariness levels

lower levels of socioemotional relationship when they have high voluntariness. Thus, Hypotheses 1 is supported by the results. However, our results show that where these direct hired temporary workers would prefer not to have this formal contract (low voluntariness), they tend to have a higher socioemotional relationship and a lower economic relationship.

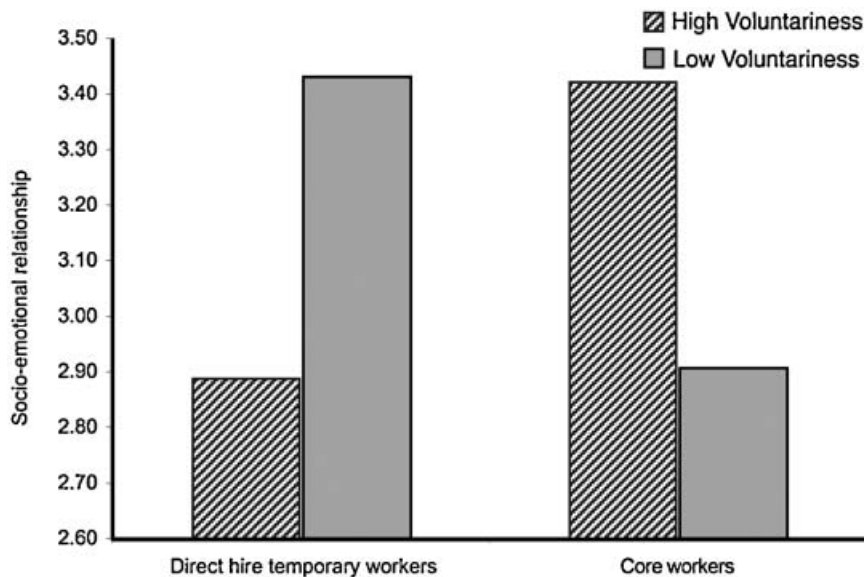


Figure 2. Relationship between employment status and socioemotional relationship under different voluntariness levels

Table 3. Mediation effect of satisfaction on relations between employment relationship and performance and civic virtue behaviors

Outcome	Satisfaction	Performance	Civic virtue behaviors		
	$\beta$	$\beta$	$\beta$	$\beta$	$\beta$
Step					
Organization	-0.09*	-0.16*	-0.10*	-0.16*	-0.13*
Gender	0.00	0.04	0.04	0.04	0.04
Age	0.09*	0.01	0.00	-0.01	-0.04
Tenure	0.04	0.03	0.01	0.04	0.05
Economic relationship	-0.45***	-0.34***	-0.06	-0.30***	-0.16*
Socioemotional relationship	0.29***	0.14*	0.04	0.14*	0.07
Satisfaction			0.62***		0.22***
<i>F</i>	60.08***	18.24***	38.82***	8.48***	10.95***
Adjusted <i>R</i> <sup>2</sup>	0.48	0.22	0.41	0.11	0.16
<i>R</i> <sup>2</sup> change	0.49***	0.23***	0.20***	0.12***	0.05***

\* $p < 0.05$ ;  $p < 0.01$ ; \*\*\* $p < 0.001$ .

Hypotheses 2 and 2a posited that the relationship between employment relationship and performance and civic virtue (our indicator of citizenship behavior) was mediated by satisfaction. These hypotheses were tested following the procedures outlined by Baron and Kenny (1986). They suggest that to test for mediation, the following three conditions should be satisfied. First, the independent variable must be significantly related to the proposed mediator. Second, the independent variable (employment relationship) and the proposed mediator (satisfaction) must each be significantly related to the dependent variable (performance for H2, and civic virtue behaviors for H2a). Finally, the relationship between the independent variable and the dependent variable should be significantly weaker (partial mediation) or non-significant (full mediation) when the proposed mediator is included in the regression equation. The results of these analyses are presented in Table 3.

As can be seen in Table 3, all three of these conditions are met with respect to employee performance. Economic relationship was negatively related to satisfaction ( $\beta = -0.45$ ,  $\rho < 0.001$ ) and socioemotional relationship was positively related to satisfaction ( $\beta = 0.29$ ,  $\rho < 0.001$ ) and economic and socioemotional relationships and satisfaction had independent effects on performance. More importantly, when performance was regressed on satisfaction, on economic relationship and on socioemotional relationship, satisfaction had a significant effect ( $\beta = 0.62$ ,  $\rho < 0.001$ ), and the effect for economic relationship and for socioemotional relationship were no longer significant ( $\beta = -0.06$ , n.s.;  $\beta = 0.04$ , n.s., respectively). This provides evidence that satisfaction with the organization fully mediated the relationship between employment relationship and employee performance, supporting Hypothesis 2.

All three of these conditions are also met with respect to civic virtue behavior. Economic relationship, socioemotional relationship and satisfaction had independent effects on civic virtue behavior. More importantly, when civic virtue was regressed on satisfaction, on economic relationship and on socioemotional relationship, satisfaction had a significant effect ( $\beta = 0.22$ ,  $\rho < 0.001$ ), economic relationship had a weaker effect ( $\beta = -0.16$ ,  $\rho < 0.05$ ) and the effect for socioemotional relationship was no longer significant ( $\beta = 0.07$ ; n.s.). This provides evidence that satisfaction with the organization fully mediated the relationship between socioemotional relationship and civic virtue behavior, and partially mediated the relationship between economic relationship and civic virtue behavior, partially supporting Hypothesis 2a.

## Discussion

The results of this research contribute to our understanding of the effects of a common phenomenon in today's organizations, differential employment status among workers in the same firm. We found that temporary contracts did not inevitably have negative effects on employee–organization relationship. We found that a socioemotional relationship is important to employee satisfaction, which in turn is related to their performance and the exhibition of organizational citizenship behaviors. We can also confirm the importance of voluntariness in explaining the employee–organization relationship for temporary workers.

Where temporary workers have a lasting relationship with the organization and have identical working conditions, as is the case with *direct-hire temporary* workers, they have a similar employee–organization relationship to *core* workers, namely high socioemotional motives and high involvement with the organization. However, this employment status has an effect on economic relationship, where those direct-hire temporary workers have greater economic motives and lower involvement with the organization when compared with *core workers*. On the other hand, the voluntariness of temporary workers' contracts is a crucial dimension for an understanding of employee–organization relationship (McLean Parks et al., 1998). Where *direct-hire temporary* workers would prefer to have this type of contract, they establish a more economic and less socioemotional employment relationship. As we expected, for these temporary workers, 'the organization is simply the place where individuals do their work and invest little emotional attachment or commitment to the organization. It is the place where they seek immediate rewards out of the employment situation, such as pay and credentials' (Millward & Brewerton, 2000, p. 13–14). Where temporary workers prefer this type of contract, their relationship with the organization centers on salary and they established a more economic and less socioemotional relationship (Van Dyne & Ang, 1998).

We observed, on the other hand, that where these temporary workers would prefer not to have this type of employment status, they had a more socioemotional and less economic employment relationship. This unexpected result could arise, we suggest, because these employees wished to be taken on as *core* workers and therefore established a relationship with the organization similar to that of core workers. In doing so, employees seem to be balancing future benefits from their employer with their inducements and concurrently maximizing the realization of future benefits from the employer (Coyle-Shapiro & Kessler, 2002). This is even more plausible, the more these temporary workers are able to change their employment status, with the possibility of organizations converting the *direct-hire temporary* workers with the best performance into *core* workers. So you might argue that temps are trying to signal to their employer that they would be good workers if they were made core. This hypothesis requires further research controlling for the effect both of the wish to be a permanent employee and of the expectation of achieving it on the part of temporary workers.

In addition, we found that the factory temporary workers had a higher socioemotional relationship than the call-center temporary workers (averages of 3.72 and 3.35, respectively, and  $F(1,194) = 6.38$ ,  $p < 0.05$ ). As the proportions of the two statuses in the two companies were very different, we can posit that this difference is related to the perceived probability by the temporary workers of their becoming permanent employees. In the factory, the proportion of temporaries is much lower, which could encourage those temporary workers to think it more probable that they would become core workers. This probability, or its perception by employees, also needs to be controlled for in future research.

Our results also enabled us to confirm that the type of relationship established between the employee and the organization, namely socioemotional or economic, is related to the attitudes and behaviors of these employees.

Employee satisfaction is fundamental to the organization because this attitude mediates the employee–organization relationship and employee behaviors. A socioemotional relationship directly and positively influences the satisfaction of employees (Guzzo, Noonan, & Elron, 1994; McDonald & Makin, 2000; Robinson & Rousseau, 1994), which is in turn positively related with their organizational citizenship behavior and their performance (Ellingson et al., 1998). We also confirmed, to the contrary, that an economic relationship is negatively related with employees' organizational citizenship behavior and performance, both indirectly, in terms of the satisfaction of these employees, and directly, in terms of employees' organizational citizenship behavior. Contrary to what we expected, we found that satisfaction totally mediated the relationship between the employees' socioemotional motives and behaviors. This result suggests to us the need for further research in which, in addition to investigating the types of motives possessed by employees in their relationship with the organization, we would study the nature of their psychological contract. If, like Turnley and Feldman (2000), who found only one partial measure of dissatisfaction between breach of the contract and employee behavior, we were to find this partial measure in relation to the nature of the psychological contract, we would be able to confirm Rousseau's (1995) theory that the psychological contract is a concept that transcends those of expectations and the norm of reciprocity.

## Limitations

Our research has a number of limitations that need to be recognized. First, this research was carried out at a moment in time and with a correlational design, with the result that it does not allow causal relationships between variables to be established. The direction of the relations between variables that we have assumed could in fact be otherwise. For example it is plausible to assume relations from performance to satisfaction (Spector, 1997) and from that to employment relationship. Longitudinal studies are needed to enable these causal relations to be assessed. Second, our research focused on contingent workers with identical functions to *core workers* and with average tenure in the company equal to or greater than 6 months, raising the question of generalization of the results. However, selecting temporary workers who had been employed by the company for over 6 months seemed to us crucial to the development of some kind of link with the company (Liden, Wayne, Kraimer, & Sparrowe, 2003) and the similarity between work characteristics seemed to us fundamental in assessing the effects, with the differences in the status of employees excluded. Third, and also on the issue of generalization, this research involved workers with limited opportunities for promotion and off-the-job training. This aspect may favor similarity in the employee–organization relationship in employees with different statuses. Research is needed with workers with different types of jobs where the differences in long term benefits or promotion opportunities are more pronounced, to allow us to investigate the influence of formal contract in the employment relationship. Reinforcing this idea, we must also regard as a limitation the fact that this research only includes temporary workers with low levels of education and training. Marler, Barringer and Milkovich (2002) have shown that there is considerable heterogeneity among temporary workers, particularly between more traditional temporaries and boundaryless temporaries. These boundaryless temporaries show a high level of education and training and a majority prefer this employment status because they believe it allows them to accumulate knowledge and facilitates their transition between organizations. The authors found that this group of workers develops distinct attitudes and behaviors in organizations. We therefore believe that further research is necessary, comparing different groups of temporaries, including this class of boundaryless temporaries, and analyzing their employment relationship and its effects. Conversely, in our study,

temporary and core workers manifest comparable socioemotional relationships (averages of 3.45 and 3.60, respectively) and similar economic relationships (averages of 2.46 and 2.35, respectively). This result is in contrast to other studies, such as Millward and Hopkins (1998) where the relational subscale was significantly greater for regular or core workers than for temps. Further, their transactional subscale was greater for temps. We note, however, that the latter study employed a larger set of indicators for economic and socioemotional relationships (i.e. time-frame, formalization, stability, scope and tangibility) than did the present research (which used only focus and inclusion). Research is also needed to explore these different indicators of employment relationship. Fourth, in the type of enterprises studied, the best *direct-hire temporary* workers have some chance of having their contracts renewed or of becoming *core workers*. Future research should specifically control for *direct-hire temporary* workers' expectations of being able to remain in the organization, given that this variable may influence the effect of voluntariness.

## Practical Implications

Today's organizations choose to hire temporary workers for a number of reasons: to reduce fixed administrative costs; to reduce recruitment and selection costs by making the best temporary workers *core* employees; and to increase flexibility, or to adjust the number of workers to the productivity demands at any one time (Feldman, Doeringhaus & Turnley, 1994; Liden et al., 2003). The results of our research indicate that the decision to hire *direct-hire temporary* workers may not necessarily have negative effects for the organization provided that these workers develop a socioemotional relationship (Van Dyne & Ang, 1998). The development of such a relationship is possible and does not differ from the relationship of *core* workers. It is important to pay attention to the satisfaction levels of these temporaries as with permanent employees because, as a variable positively influenced by a socioemotional relationship and negatively by an economic relationship, this is crucial to promoting employees' organizational citizenship behaviors and performance.

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## Author biographies

**Maria José Chambel** is a Professor of Organizational Behavior at the Lisbon University. She received her PhD from that university. Her research interests include employment relationships, psychological contract and stress and well-being at work.

**Filipa Castanheira** is a PhD student at the Lisbon University. Her research interests include employment relationships, psychological contract and occupational health.

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