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The psychological impact of agency worker utilisation

Simon Toms and David Biggs, School of Natural and Social Sciences, University of Gloucestershire, Cheltenham, UK

Abstract

Purpose – Agency work represents a unique form of employment that has received increased attention in recent years. Supporters of the agency employment industry have cited increased accessibility and flexibility at an individual and organisational level, yet critics have highlighted disparities in treatment and the limited protection afforded by the contract. Previous psychological studies into the working experiences of these employees have forwarded a series of findings that have frequently conflicted, so this paper begins by exploring research into the areas of motive, job satisfaction, job security, and organisational support. The purpose of this paper is to better understand how this form of employment can psychologically affect agency workers by focusing upon these key areas.

Design/methodology/approach – The study’s research design incorporated 25 semi-structured interviews with agency workers, recruitment consultants, and representatives from third-party employers. These interviews were then supplemented by longitudinal data from follow-up interviews conducted with agency workers from the initial sample. During the study, the researcher undertook a number of agency working assignments, and ethnographic analysis of diary extracts represented a third source of data.

Findings – Results highlighted the importance of motive, as it was found to influence how agency workers viewed their employment. The lack of obligation in temporary contracts was perceived to lead to isolation from permanent colleagues, increase vulnerability, and reduce job security and organisational commitment.

Research limitations/implications – Findings strongly supported the claim that the pre-assignment motives of individuals had a significant impact upon their resulting experiences. Agency workers employed in longer-term assignments reported greater integration into the organisation, resulting in increased commitment towards the third-party employer, and improved relationships with permanent staff.
Originality/value – The current research incorporated multiple perspectives to create an increased understanding of the agency employment industry and its impact upon individuals.

Keywords: Job satisfaction, Temporary workers, Organizational commitment, Employee relations, Job security

Paper type Research paper

The Psychological Impact of Agency Worker Utilisation

Introduction

Agency workers are not a new phenomenon, as they have existed in Europe since at least the 18th century, although the modern temporary work industry did not emerge until the late 1940s and early 1950s (Storrie, 2002). Agency workers fall into the category of ‘temporary worker’ as their tenure within a company is for a limited period of time (Biggs & Swailes, 2006). When looking to apply a definition to this temporary worker category, the unusual contractual agreement that agency workers possess becomes prominent, as agency workers can be defined as individuals: “…who are employed by or have a contract for services with the employment business and who work on assignment with a third party hirer.” (BERR, 2009; p. 15).

The number of agency workers in the United Kingdom (UK) is significant. The Labour Force Survey (LFS) divides workers into permanent and temporary; and agency workers represent a subgroup of the latter. The LFS indicates that 0.94% of the UK’s total workforce (LFS, 2009) can be placed in this category, although the relatively short-term nature of agency work ensures that estimates are often varied. Despite their unique contractual arrangement, their position on the periphery of the workforce means that the issues facing agency workers are often shared by temporary workers in general. The employment contract is of a triangular nature which is a key characteristic of this worker group; as illustrated in figure 1 below.

Figure 1. The Triangular Relationship of Agency Working (Biggs & Swailes, 2006; p. 131).
As a result of their triangular contract, the employment status of agency workers can be rather complex and often not clear (McMullen, 2007; Storrie, 2002), as it can become uncertain whether the individual is a member of the third party employer or the employment agency that supplied them (Forde & Slater, 2005; Williams, 2004). In UK employment law, there is an important distinction between ‘employees’ and ‘workers’, and the classification of many agency staff as ‘workers’ means they are excluded from the entitlement to important employment rights, like unfair dismissal and redundancy protection, which are only available to ‘employees’ (TUC, 2007). Recent legislative change has attempted to address this disparity. The Agency Workers Directive (or Agency Workers Regulations) came into force as UK employment law in October 2011, and seeks to provide these workers with equal treatment in relation to the pay and employment rights of comparable permanent workers after completion of a twelve-week qualifying period in a given assignment.

The roles of employees on the periphery of the workforce are often dependent upon levels of demand and economic fluctuation, and the global financial difficulties over recent years have only increased the insecurity of these positions. Research in the Netherlands found that: “In economic downturns, people with a temporary contract can be laid off without having to be paid premiums to laid off personnel and without the risk of strikes or other types of protests.” (de Gilder, 2003; p. 589). De Gilder (2003) went on to claim that: “In times of economic recovery, organisations that are uncertain about the strength of the recovery may hesitate to employ people on a permanent basis, whereas others can adapt to the situation by hiring temporary employees until it is clear that expansion is permanent.” (de Gilder, 2003; p. 589). Research by Felstead and Gallie (2004) argued that the continued growth of non-standard working arrangements throughout the developed world suggested that organisations may be segmenting their workforces along these lines in order to use non-standard workers as a buffer to protect the privileges enjoyed by those in the ‘core’ of the organisation. Such employment practices may well protect organisations in times of economic uncertainty, but this protection comes at the expense of the job security afforded to temporary staff, a situation that other research has also highlighted (e.g. de Gilder, 2003; Golden & Appelbaum, 1992).

A specific example of this lack of protection occurred in early 2009, when reports emerged over the loss of employment for a substantial number of workers from BMW’s Mini Cowley plant in Oxford. Eight hundred and fifty agency workers were told an hour before the end of their shift that they had been laid off with immediate effect. The lack of protection inherent in the employment
arrangements of these staff was cited as a key contributor to this occurrence, yet opponents cite job insecurity as just one of several problems faced by those employed as agency workers. For some, temporary agency work provides individuals with fast access to flexible and wide-ranging types of employment that demands fewer obligations and reduced responsibility to the employer. For critics, it represents an inferior and poorly-protected form of work that encompasses low pay (Druker & Stanworth, 2004), poor treatment (Hall, 2006), and little chance for development (Wiens-Tuers & Hill, 2002).

To facilitate an increased understanding over the impact that such characteristics may have, the current study poses the following research question: How are individuals psychologically affected by working as temporary agency workers, and what are the implications? In order to investigate this question, the study’s research design will incorporate semi-structured interviews with a variety of perspectives involved with the agency working industry. Follow-up interviews with agency workers and ethnographic analysis of research diary extracts will represent secondary sources of data, enabling the study to provide an original and multi-faceted examination of the industry. The literature review will continue by exploring findings in some of the key areas highlighted by previous research.

Motive

When faced with uncertain economic conditions, temporary employment agencies can provide an avenue of staffing support with limited obligation. Engaging these services can help companies to increase their flexibility and protect their permanent staff, but the benefits of flexibility can also extend to the individual agency workers. Research into the motives possessed by individuals employed as agency workers has cited the desire for flexible working arrangements as a strong attraction. Druker and Stanworth’s (2004) sample of forty-two agency workers presented a variety of different reasons for engaging the services of a temporary employment agency. Among the sample were first-time jobbers who enjoyed the flexibility, people who were planning, engaged in, or who had recently returned from long-haul travel, and people who were seeking, or had just been offered, permanent employment.

The sample also contained participants who had changed their employment situation due to impending marriage, citing a desire for the extra security that an extra source of income would provide. Several other individuals were experiencing career transitions, and viewed ‘temping’ as a method of repositioning themselves in the labour market, whilst others had been made redundant or had taken early retirement. Despite voicing a preference for permanent employment, the
redundancy sufferers in the sample also spoke well of the opportunities offered by agency work. Several other participants, including students and recent graduates waiting to see what the market has to offer, voluntarily rejected the pursuit of permanent employment, instead voicing a preference for the opportunity agency employment provided. Research into the intent of individual engaging with agency work has also highlighted ‘volition’ as a variable of interest, which can be linked with motive, choice, and purpose. Research by Connelly, Gallagher, and Webster (2011) states it can help determine whether an individual desires temporary work or has difficulty finding permanent employment, and can be linked with satisfaction, commitment, and well-being.

Psychological Contract

When applied to a standard employment relationship, the theory of the psychological contract concerns the subjective beliefs that an employee associates with the exchange agreement they make with their employer. Rousseau (2001) highlighted one of the major features of the concept as the individual’s belief that an agreement is mutual, as a common understanding exists that binds the parties involved to a particular course of action. Transferring findings from permanent worker samples proves problematic, as reductions in job security are less likely to contradict the psychological contracts dominant among individuals employed on a temporary basis (De Cuyper & De Witte, 2006; Mauno, Kinnunen, Mäkikangas, & Nätä, 2005). However, further research has addressed this concern by classifying types of psychological contract into relational (e.g. job security, organisational support) and transactional (e.g. pay, bonuses), in order to better represent the expectations held by individuals towards their employers.

Resulting research into temporary worker samples has claimed that the psychological contracts of permanent staff may include more relational entitlements when compared with the psychological contracts of temporary staff (De Cuyper & De Witte, 2006; Millward & Brewerton, 1999). De Cuyper and De Witte (2006) cite shorter tenures as a key factor for the prominence of transactional tendencies, although Millward and Brewerton (1999) claimed that these tendencies did not prohibit relational aspirations forming within the temporary staff. Research by Guest (2004) concluded that temporary workers displayed a preference for easy-to-monitor psychological contracts that were narrower and more transactional than relational contracts. Drawing this transactional/relational distinction is particularly useful in temporary employment research, as these workers may hold different motives and expectations towards their employers.

When focussing upon agency workers, the triangular nature of the contract has been a source of further complication. After applying the concept of the psychological contract to the three parties
involved in the employment of agency workers, Claes (2005) concluded that temporary employment agencies and the third party employers perceived their promises made and kept to be more favourable than the individual agency workers did. Comparisons can be drawn with the findings of Druker and Stanworth (2004), as they also suggested the existence of a discrepancy between the high expectations of third party employers and the limited rewards they offer individual agency workers. This may be a result of the typical mark-up caused by the additional fee of the agency, as the worker will not receive the entire fee charged for their services. When a wage disparity with permanent counterparts is combined with the perception of reduced relational entitlements, the likelihood of a perceived ‘breach’ in the psychological contract is increased.

Job Satisfaction

After completing a study into a diverse group of Australian agency workers, Hall (2006) concluded that participants reported lower levels of satisfaction with skill utilisation, pay, autonomy, empowerment, the work itself, and the job overall. In contrast with industry claims, Hall (2006) also found that the surveyed agency workers were no more satisfied than their permanent counterparts in regard to the degree of flexibility they possessed with their working hours, and their balance of work and non-work commitments. Hall (2006) concluded that the workers studied did, on average, exhibit the characteristics of marginal, peripheral workers. Biggs (2003) also discovered that agency workers had significantly lower levels of job satisfaction when compared with permanent staff when their influence was taken into account.

Wilkin (2012) performed a meta-analysis on 72 studies that examined the broader term of contingent workers with permanent workers. Wilkin (2012) used studies from across the globe gaining access to key studies in the area. Her research found that contingent workers experience lower job satisfaction than permanent workers although she commented that the difference was small although significant.

Several studies have linked the difficulties experienced by agency workers with feelings of dissatisfaction, but understanding whether these individuals desire their non-permanent status has proven significant. After distinguishing between voluntary and involuntary temporary help employees, Krausz, Brandwein and Fox (1995) found that the higher levels of job satisfaction reported by the former group stemmed from intrinsic aspects, such as flexibility of work arrangements, social variety, and growth opportunities. Consequently, Krausz et al (1995) conclude that an individual’s control over whether they worked in a non-standard employment setting greatly affected their attitude to the job. Research by Feather and Rauter (2004) found no significant
differences in job satisfaction between permanent and ‘involuntary’ contingency teachers, but argued that these perceptions may have been positively influenced due to possessing positions in their desired career path.

**Job Security**

When assessing the levels of job security perceived by agency workers, the lack of contractual protection outlined above could be identified as a strong negative influence. Findings from qualitative interviews performed by Druker and Stanworth (2004) included a number of reported experiences of participants being brutally axed by the third party employer. Forde and Slater (2006) reported similar findings during their study into UK agency employment, as their agency worker participants exhibited higher levels of anxiety about their positions. Agency workers in Hall’s (2006) sample reported significantly higher levels of job insecurity in comparison to their permanent worker counterparts. For such workers, the flow of future assignments can also be a source of insecurity. Rogers (2000) found that many US agency workers interviewed demonstrated feelings of insecurity about the unpredictable flow of temporary assignments.

Despite these findings, difficulties arise when attempting to assess the security of individuals engaged in temporary employment. Anticipation of unemployment, created by the threat of job loss, is the core element of an objective conceptualisation in permanent worker research, yet temporary employment is typically limited in duration by its very definition, and could be viewed as an indicator of job insecurity as a result (De Witte & Näswall, 2003). Differences between permanent and non-permanent staff may also extend to the implications of insecurity. Studies from several researchers concluded that high job insecurity was associated with raised job induced tension for permanent workers, but not temporary participants (Bernhard-Oettel, Sverke, & De Witte, 2005; De Cuyper & De Witte, 2006; De Witte and Näswall, 2003). De Cuyper and De Witte (2007) perceived findings like these in the context of the psychological contract, arguing that high levels of job insecurity were considered a breach of the relational elements that were more likely to be inherent in the understanding possessed by permanent workers. Such research highlights the influence that motives, expectations, and intentions can have upon how agency workers view their employment arrangements.

**Organisational Commitment**

Organisational commitment is one of the most studied variables in both the practitioner and academic literature (Gallagher & Parks, 2001), yet translating findings into the context of temporary employment can prove problematic. Varying individual motives, shorter tenures, the ‘dual’ employer
situation, and the increased emphasis that agency workers may place upon transactional rewards in the psychological contract may influence the validity that traditional measures of commitment possess. A study by Von Hippel, Mangum, Greenberger, Heneman, and Skoglund (1997) reported that individuals hoping to gain a permanent job displayed greater commitment towards the third party employer, yet no systematic change was demonstrated in their commitment to the temporary employment agency. Research into the motives of agency staff by Connelly, Gallagher, and Gilley (2007) also accounted for the dual employer relationship, indicating suggesting that individuals who pursued temporary employment voluntarily were more likely to formulate feelings of affective commitment towards their agency.

Other research has drawn comparisons between the levels of commitment exhibited by permanent and non-permanent staff. One such study was completed by De Gilder (2003), who assessed the feelings of commitment and trust that contingent and core permanent Dutch hotel workers exhibited towards their employing organisation. Findings indicated that levels of commitment and trust were significantly lower in the contingent worker sample. Biggs and Swailes’s (2006) study into UK-based agency workers reported similar findings, as participants exhibited significantly lower levels of organisational commitment in comparison to permanent workers. Research by Forde and Slater (2006) concluded that their sample of British agency workers possessed little loyalty to, or pride in, the company they were working for, and were less likely to report a strong desire to stay with that organisation. Like other psychological variables, research into the organisational commitment of agency workers has forwarded contrasting findings, with one possible explanation being the future intentions of the individual. After reporting no significant difference between the levels of organisational commitment reported by the agency and permanent worker sample, McClurg (1999) argued that many of the agency workers were using the temporary help service (employment agency) experience to achieve permanent employment.
Research Design

Sample

Initial categorisation of participants placed individuals into two groups. The first of these groups consisted of agency workers and totalled twelve, and the second group represented other interested parties and encompassed thirteen participants from temporary employment agencies and third party employers. In order to obtain participants for both major groups, the research relied upon a mixture of two main sampling techniques, which Clark-Carter (2004) categorised as ‘purposive’ and ‘snowball’ sampling. Purposive sampling occurs when the researcher wishes to study a clearly defined sample, and was utilised during my efforts to secure participants who represented several different perspectives within the agency employment industry, including agency workers, recruitment consultants, and representatives of the third party employers. Snowball sampling was used far less frequently, and occurred when initial contacts identified further participants who would be interested in taking part in my research. By interviewing individuals possessing varying perspectives of the agency employment industry, a more rounded view on the implications of agency worker utilisation in the present-day UK labour market was gained.

Design

The current study incorporates four main stages, which include preliminary research, ethnography, main interviews, and a follow-up stage. Figure 2 below presents each stage of the research, and is followed by summaries of each.

Figure 2. The Four Stages of the Research

<table>
<thead>
<tr>
<th>Preliminary Research stage</th>
<th>Ethnographic stage</th>
<th>Main interview stage</th>
<th>Follow-up stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preliminary research</td>
<td>Researcher’s diary</td>
<td>Main interviews</td>
<td>Follow-up interviews</td>
</tr>
<tr>
<td>Agency workers and their effect on permanent workers</td>
<td>My experience as an agency worker</td>
<td>(Agency workers)</td>
<td>(Agency workers)</td>
</tr>
</tbody>
</table>

Preliminary Research Stage

The preliminary research stage consisted of a study which explored the psychological effects of agency working and the potential impact that a company’s utilisation of agency workers may have
upon its permanent workforce. Ninety-six participants from four organisations were placed into three categories: agency workers (21), permanent workers that worked with agency workers (33), and permanent workers that did not work with agency workers (42). The organisations consisted of one large retail-based organisation and one medium sized silver-service company from the West Midlands, and one small office-based company and one small silver-service company based in the south east.

A quantitative 45-item survey was used to assess a number of psychological variables, which included Worker Relations (Biggs, Swailes, & Baker, In press), Organisational Commitment (Cook & Wall, 1980), Job Security (Oldham, Kulik, Stepina, & Ambrose, 1986), and Job Satisfaction, Skill Variety, and Autonomy (Hackman & Oldham, 1975). Many survey items demand a traditional employee/employer situation, so variables that could equally be applied to agency workers were chosen. The findings of the survey are displayed in Table A below:

<table>
<thead>
<tr>
<th></th>
<th>Agency (21)</th>
<th>Perm w/ Temp (33)</th>
<th>Perm w/o Temp (42)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
<td>M</td>
</tr>
<tr>
<td>Relations w/ Co-Worker</td>
<td>4.26</td>
<td>1.19</td>
<td>3.8</td>
</tr>
<tr>
<td>Relations w/ Supervisor</td>
<td>5.1</td>
<td>0.86</td>
<td>5.32</td>
</tr>
<tr>
<td>Relations w/ Organisation</td>
<td>4.49</td>
<td>0.75</td>
<td>4.11</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>4.63</td>
<td>0.54</td>
<td>4.16</td>
</tr>
<tr>
<td>Skill Variety</td>
<td>4.13</td>
<td>0.79</td>
<td>4.57</td>
</tr>
<tr>
<td>Job Security Perceptions</td>
<td>4.15</td>
<td>0.92</td>
<td>3.99</td>
</tr>
<tr>
<td>Organisational Commitment</td>
<td>4.61</td>
<td>0.53</td>
<td>4.66</td>
</tr>
<tr>
<td>Autonomy</td>
<td>4.78</td>
<td>0.81</td>
<td>4.58</td>
</tr>
</tbody>
</table>

Findings indicated that agency workers and permanent workers who worked with them recorded lower levels of job security when compared with the responses of the third sample group, although reports of organisational commitment did not differ significantly between the three participant sample groups.

**Ethnographic Stage**

Whilst the majority of data would be collected during the main interview stage, first-hand experience was also identified as a valuable insight into the agency employment industry. In order to obtain this data, Simon decided to seek employment as an agency worker, incorporating resulting experiences into the study. Over the course of the thesis, Simon experienced employment in several assignments that varied considerably in their content, shift patterns, location, and working practices.
During these assignments, Simon kept in-depth written notes in diary form that described perceptions, opinions, and incidents encountered.

Main Interviews

Before beginning the interview process with participants, specific question scripts were created for each of the sample groups. The composition of the scripts was partially informed by survey-based questions from the four previous psychological studies discussed above, although a series of further interview questions and prompts were also used to collect data on participants’ basic demographic information, motivation over their employment, and reaction to recent legislative development. Interview length was typically between 30-60 minutes, and responses were recorded and transcribed. The interview transcripts were analysed using interpretative phenomenological analysis whereby the experiences of the individual’s construction of reality are considered along with what they say in the interview (Smith, Flowers & Larkin, 2009).

Follow-up Interviews

Follow-up interviews with agency workers from the sample took place three to six months later, enabling the participant to conclude some of the developments that were ongoing during the initial discussion. The short-term nature of assignments ensured that beneficial information was able to be gathered during this stage. These interviews provided a longitudinal dimension to a predominantly cross-sectional study.
Findings

Motive

Assessing the psychological consequences of agency working is a key objective of the research, yet the findings of the current study suggest that the motives which lead individuals and organisations to seek the services of temporary employment agencies can play a significant role in the resulting perceptions. During the current study’s investigations, the sheer variety of agency worker motives was a clear and recurring theme throughout. This variety has been reported in previous literature (e.g. CIETT, 2000; Druker & Stanworth, 2004), and understanding the motives of agency workers has become a challenging and complex process as a result. An example of the variety can be seen in an excerpt from Simon’s ethnographic field notes:

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

Despite experiencing an identical role provided by the same employment agency, the assortment of motives which led this small number of agency workers to the same assignment varied greatly. This variation demonstrates that temporary employment agencies can provide opportunities to individuals experiencing a range of circumstances, and is especially suited to short-term gaps in employment. James possessed a similar point of view during his agency role:

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

Like many participants, James was keen to stress the immediate benefits of the flexible working arrangements supplied by the agency, most notably the quick access to funds. The significance that participants placed upon obtaining fast access to paid work also coincides with research into the psychological contract, as emphasis upon transactional benefits like monetary exchange and reward is more likely to occur in short-term contracts (De Cuyper & De Witte, 2006). The perception that agency work represented an inferior form of employment to permanent work was also voiced by James, and this view was shared by the vast majority of participants. When comparing his agency role with permanent employment, Baz emphasised job security as his greatest concern:

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

For agency workers like Baz, the uncertainty that exists during and between assignments represents a form of employment limbo that was a constant source of anxiety. Permanent roles were frequently associated with reliability and peace of mind, and regarded as far more preferable to agency work when long-term and unbroken employment was desired. The findings above demonstrate the complexity of individual motives, and highlight the importance of understanding them as precursors to the ensuing employment, and the psychological perceptions that result.

**Job Satisfaction**

Reported levels of job satisfaction varied throughout the sample of agency workers. This degree of variation became the subject for Nick P, who was asked to assess the levels of agency worker satisfaction that he observed as a recruitment consultant:

> It’s about sixty-forty. Sixty are really satisfied, [but] because they are not their ideal roles they’re not one hundred percent satisfied... If you probably really got down to the nitty gritty with them, it would probably be, yes they are satisfied, but they feel they could always be something better. The pay could be better, the management could be better, there could be more incentives.

By drawing a comparison with the permanent labour force, Nick suggested that the varying levels of satisfaction agency workers experienced were similar to those of permanent workers. However, Nick also argued that agency employment often represented a second choice to permanent work, and that this was reflected in the varying levels of satisfaction that he witnessed in his role. The motives and future employment prospects possessed by individuals prior to the commencement of their assignment can prove significant to the levels of satisfaction they attribute to their roles. When asked whether he was happy in his agency working role, Dan N replied:

> I actually am happy, even though it is a bit repetitive we can listen to music, we can pace ourselves, it’s not too rigidly enforced. I wouldn’t want to do it for a living full time.

Dan’s agency assignment was scheduled to last for approximately two months, and despite the mundane nature of the tasks, the presence of an end date limited the effect that the assignment’s negative elements had upon Dan’s job satisfaction. If Dan had possessed an equivalent permanent role, his feelings of job satisfaction may have been far more negative, as he would have found himself in an undesirable role over a long-term period of time.

Shorter tenures may limit the impact of poor satisfaction and could prove ideal for individuals keen to gain job experience in a variety of roles, but findings also indicated several negative outcomes. Participants described instances in which agency workers were perceived by permanent staff to be
uncommitted to the organisation. During our interview, Barry reported the initial permanent worker reaction to his recruitment, and described how this changed over time:

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

The surprise exhibited by permanent members of Barry’s organisation upon finding out he was an agency worker resulted from the reduced tenure they had frequently witnessed during their company’s utilisation of agency staff. The greater integration into the workforce that accompanied Barry’s increased tenure was central in the formulation of satisfaction he felt in the job. However, this also demonstrates the difficulty that many agency workers can initially encounter in their assignments. Low pay and reduced freedom also characterised many of the employment experiences of the sample’s agency workers, whilst poor treatment was also an issue. Jamie reported similar problems after comparing two previous agency working assignments:

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

For Jamie, the uncertainty inherent in his agency roles significantly damaged his job satisfaction that was only addressed when he transitioned to permanent employment. The belief that agency work represented a less desirable long-term career path was frequently voiced by participants, and has been highlighted in previous research (e.g. Hesselink & Vuuren, 1999; Rogers, 2000). A lack of continuity between assignments was a source of anxiety, and ensured that a preference was typically voiced for the security resulting from long-term assignments and permanent employment.

As a permanent worker, Sam understood the fears that his agency worker colleagues were experiencing at the time of our interview:

They’re not actually sure if they’re being taken on or not... I guess they’re unsure, so that makes them a bit worried about what they’re going to do if they don’t get a contract. I suppose that’s down to their satisfaction. If they know they’ve got a job in the next couple of weeks then they’ll be happier.

Sam had begun his time at the organisation as an agency worker, and was empathic towards the uncertain futures of his agency worker colleagues. Agency worker utilisation regularly represented the initial stages of the company’s permanent recruitment process, yet the financial difficulties occurring at the time of the interview reduced the likelihood of these transitions taking place. Consequently, the agency workers were kept in a form of employment limbo, and Sam identified this as an antecedent to negative feelings of job satisfaction. In his role as a recruitment consultant,
Jason described the importance of guaranteed employment in relation to the happiness of individuals:

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

The difficulty Jason experienced in placing agency workers into long-term and on-going assignments resulted in a great deal of variation in job satisfaction. Longer-term assignments may be relatively unstable when compared with permanent contracts, yet Jason reported the difficulty in securing these very assignments in the first place. The sporadic provision of short-term work translates into a varied experience of employment with an unpredictable wage, and will be viewed by many agency workers as highly strenuous, uncertain, and unrewarding.

Job Security

As highlighted in the introduction, the levels of security inherent within agency worker contracts are low when compared to permanent contracts. Penalties for immediately and prematurely ending an assignment are typically absent, making them an attractive prospect to employers attempting to remain flexible. During an assignment, Rejani’s employer encountered a sudden and unexpected drop in available work, which led them to send her home for the day without pay. Interviewed soon afterwards, Rejani argued that such treatment should not occur:

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

The measures Rejani described above are typically absent from an agency worker’s contract of employment. Increasing organisational flexibility is an important motive behind the utilisation of agency workers. By increasing agency worker security, the temporary employment agency would forfeit the client company’s flexibility, risking the loss of their custom. Yomi described how his role as an agency worker has had wider ramifications upon his life:

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

Yomi voiced frustration over the difficulty stemming from his role as an agency worker. The provision of flexible working opportunities for individuals is frequently voiced as a positive characteristic of agency working by the industry, yet Yomi’s experiences suggest that these levels of flexibility are not always present. An inability to plan is a recurring experience for agency workers who remain uncertain about their future, as a desire to remain available for further employment is a
key concern for many agency workers. Henson (1996) reported similar examples, as participants felt it necessary to avoid situations that would make them temporarily unavailable to their agencies and risk sacrificing their access to future assignments. In the excerpt above, Yomi argued that a perceived trade-off between flexibility and job security took place. As Yomi’s manager, Cynthia was asked whether she thought this trade was fair:

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

Shorter tenures and their limited experience of the organisation will often serve to restrict the number of responsibilities that agency workers possess, and may prevent the individual from embedding into the company. The agency working contract incorporates little obligation from the individual, enabling immediate withdrawal from the assignment without penalty. In her experience, Cynthia suggested that this degree of flexibility does exist, but is outweighed by the reduction in job security. In his role as a recruitment consultant, Jason argued the information provided to the individual agency worker makes it clear that their position remains precarious throughout their assignments:

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

For Jason, agency work undoubtedly represented a precarious and uncertain employment experience for the individual, and making this clear to his agency workers from the outset was important. Whilst agencies may find it difficult to control some of the less desirable characteristics of the employment opportunities they offer, they do possess a responsibility for fully informing the worker of this situation. When the agency workers in the sample were fully informed by their agencies on the risks associated with their assignment, the negative aspects of their ensuing experiences were often reported in a far more favourable manner. This may contrast with permanent workers, for whom a loss of employment will typically represent a highly problematic development in their careers. During his agency working assignment, Ivan understood the greater risk inherent within his role:

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

As with other agency workers of the sample, Ivan expected to be the first recipient of redundancy if his third party employer encountered financial difficulties. He based this belief upon his rights as an
employee, which he considered to be significantly lower than his permanent counterparts. However, the redundancy he had experienced as a permanent worker had served to increase his awareness of the threat. He felt his temporary employment agency would provide an alternative assignment as soon as possible, and that this represented a support network that permanent counterparts suffering the same fate would lack. For several of the study’s agency worker participants, the presence of their agency instilled a sense of employment security that would be lacking from a more traditional employee/employer arrangement.

Organisational Commitment

The vast majority of research into organisational commitment has focused upon participants who have been employed by a single company. Primary focus was given to the interviewee’s emotional attachment to, identification with, and involvement in, the organisation (i.e. Affective Commitment), although obligation to remain with the organisation (i.e. Normative Commitment) was also considered. As figure one illustrates, agency workers interact with two sets of organisation: the third party employer (TPE), and the temporary employment agency (TEA). In order to better understand the perceptions of organisational commitment experienced, findings will be divided in order to account for this arrangement.

Third Party Employer

Building relationships with co-workers and management staff will often instil feelings of commitment towards the organisation within the individual, but participants frequently cited minimal tenures, sporadic assignment distributions, and irregular shift patterns as barriers to integrating with pre-existing staff. These difficulties were only exacerbated when individuals were employed on a part-time basis to plug gaps, or if the assignments placed these workers into larger companies, thereby further reducing the familiarity that individuals have with the staff or work environment. The familiarity inherent in longer term and consistent assignments may also prove beneficial, as Dan N reported when asked whether he felt committed towards his organisation:

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

As the experience of Dan demonstrates, improved integration and increased tenure can also prove highly beneficial for agency workers. The existence of these aspects can help to form increased commitment that the agency workers of the sample experience towards their employer and its workers. However, agency worker assignments are far more likely to exclude these benefits, and a detrimental impact on commitment may result. The opinion that agency workers lacked
commitment towards the organisation was expressed frequently by the permanent workers of the sample. This belief soon became apparent during one of my agency assignments, which contained repetitive and physically demanding tasks:

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

The reaction towards my behaviour suggested that the permanent workers were surprised by my decision to stay on, as this differed from the typical actions of agency staff. Unlike my permanent colleagues, the tenure of my agency contract prevented me from claiming overtime on the extra work. I wanted to finish the job I had started, but the permanent workers were clearly unaccustomed to witnessing this level of commitment in their agency counterparts. My actions may well have contradicted a stereotype that Henson (1996) also referred to, when claiming that permanent staff considered their agency colleagues as less committed, less qualified, and less principled workers. A negative perception of agency staff was also reported by other permanent participants who had worked alongside these workers. When asked whether he felt the agency staff that his company utilised demonstrated similar levels of commitment when compared with permanent staff like him, Ben replied:

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

The doubt voiced by Ben represents the permanent worker perspective resulting from infrequent and sporadic agency worker utilisation in the silver service industry. In his role with his company, Ben had witnessed large numbers of agency staff enter their company for short periods of time, often to set up, run, or disassemble the large service events held by the company. The workforce of agency workers frequently changed in personnel, and these staff typically worked shorter shifts that rarely merged with those of Ben and his permanent co-workers. The working opportunities provided by the third party employer may prevent the development of the agency worker’s organisational commitment, yet the individual’s intentions may also prove influential. When asked what motivated his pursuit of agency employment, Mike replied:

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

In contrast to many permanent workers, the desire to establish a strong relationship with the employer was not considered by Mike to be a priority. By highlighting money as the only real
incentive for his actions, Mike moved from one assignment to the next, rarely staying for more than a few days. The absence of responsibilities resulting from shorter tenures led Mike to report increased freedom in his agency status, yet these feelings were often offset by reduced levels of commitment towards his client companies.

**Temporary Employment Agency**

For many of the participants, commitment towards the employment agency often varied. A key characteristic which can negatively influence perceptions of commitment was highlighted during a discussion with Dan G during his time as an agency worker:

> I had barely any interaction with the agency, other than sending hours to them at the end of the week.

The lack of contact Dan G described above was typical of many of the relationships concerning agencies and their agency workers. Once placed into an assignment, communication between the individual and their agency was minimal. During the interviews, proximity and regular contact often emerged as integral to the formulation of commitment. Tom made this point when asked which organisation he felt more committed to:

> I’d say more to [TPE] because they’re the people I’m doing the task for. I do see [TEA] as a middle-man still... In terms of doing the job, total commitment to [TPE]. Much more so than to [TEA].

For Tom, the temporary employment agency represented a middle-man that had profited from finding him work, and this perception prevented him from formulating any strong feelings of commitment towards them. Agencies are responsible for placing their workers into assignments, yet once this has taken place, any further contact is often limited to the individual’s submission of timesheets, and little else. This is a recurring characteristic in agency employment that can often undermine the relationship between the agency and the worker.

The possession of low expectations may be common for agency workers, but when experiencing actions perceived to be above and beyond these expectations, individuals can respond in a grateful manner. It is fairly common for agency workers to experience different employment agencies in their search for work, and this can often lead to a variety of experiences. Individuals may well face poor treatment from some agencies, yet these difficult encounters may lead to increased feelings of commitment from agency workers when they interact with more caring and approachable agencies. A sense of loyalty towards the agency became apparent when Robert was asked whether an increased offer in pay from another temporary employment agency would cause him to move:

> Personally, I would probably be loyal to the people that have seen me right. Basically, I would probably say I’d stay, disregarding that if it’s for double or five times. But yeah I would be loyal I think.
The concept of loyalty occurred throughout the interviews with participants, yet for many agency workers, the decision to sign up with more than one agency occurred frequently.

Discussion

Studies into the motives individuals possess when approaching agency work have frequently displayed variety, and the current research was no exception. Findings suggest that the incentives temporary employment agencies can offer allow them to cater to individuals from a wide range of circumstances. The qualitative approaches applied when gathering findings were better suited to account for these variations, and ultimately, to improve the understanding in the area.

Findings strongly supported the claim that the pre-assignment motives possessed by individuals had a significant impact upon how they view their resulting experiences, most notably in relation to job satisfaction and job security. Whilst the vast majority of participants viewed permanent roles as superior, individuals who desired and obtained paid work that was short-term, temporary, and non-committal often viewed reductions in employment security and job satisfaction as a fair trade. These findings tie in strongly with the transactional/relational distinction of the psychological contract (Nelson & Tonks, 2007). Discussions with third party employers that regularly utilised agency workers suggested an increased emphasis upon transactional rewards, as permanent employees perceived agency staff as more unreliable and less likely to demonstrate organisational citizenship behaviours (e.g. staying late). This may lead us to conclude that a breach of the psychological contract was less likely to occur in agency workers compared with permanent workers due to this emphasis on shorter tenure and less perceived obligations. Nevertheless, Nelson & Tonks (2007) found the opposite with Australian casual workers where psychological contracts were often breached especially on the relational side leading to low job satisfaction and negative feelings towards managers and the employing organisation.

A preference for transactional rewards was also demonstrated by many of the sample’s agency workers. Feelings of dissatisfaction and insecurity were frequently voiced by participants, but the belief that agency working represented a short-term and flexible form of employment typically limited the negative consequences of these variables. Subsequently, perceived relational breaches were less likely to occur as a result. In contrast, individuals looking to gain ‘relational’ rewards by pursuing longer tenures, training opportunities, and permanent transitions gained little from the flexibility inherent in agency working, instead finding this form of employment frustrating, problematic, and undesirable. Findings also indicated the significant influence of tenure. Agency workers employed in longer-term assignments reported greater integration into the organisation,
resulting in increased commitment towards the third party employer, and improved relationships with permanent staff.

**Contribution to Knowledge**

The review of the psychological literature established that research typically utilises a quantitative survey-based approach to focus upon the experiences of individual agency workers. Incorporating representatives of third party employers and recruitment consultants enabled the current study to increase understanding of the agency employment industry, and contribute to the literature. The inclusion of multiple perspectives was facilitated by the qualitative approach encompassed within the semi-structured interviews, follow-up interviews, and researcher diary extracts. The flexibility inherent in these techniques was particularly suited to understanding the significant variation in motive and the alternative interactions resulting from the non-traditional triangular employment situation unique to agency work. Utilising these methods increased the study’s originality and enabled it to further contribute to a body of literature that is predominantly quantitative in nature.

**Implications and Future Research**

Increasing the integration of agency workers during long-term assignments whilst ensuring inherent flexibility over the short term represents a key policy recommendation of the current study, and recent adoption of the Agency Workers Directive (AWD) has attempted to address this. The three-month qualification period ensures that short-term assignments remain unaffected, although individuals motivated to secure fast access to short-term and flexible employment with limited obligation may view this as a fair trade. In contrast, those engaged over a long-term or open-ended assignments due to a preference for temporary work or inability to secure a permanent post or transition are more likely to experience the benefits. Concerns voiced by opponents of the legislation highlight the importance of fully understanding the impact of the AWD, and this coincides with the study’s first suggestion for future research; the increased reliance upon longitudinal methods.

Assessing the impact of assignments upon individual agency workers over an extended period of time may be hindered by the short-term ‘stopgap’ nature that characterises many placements. The most beneficial application of a longitudinal design would be to understand the impact of the AWD, as changes resulting from the adoption of such a significant piece of legislation may take several years to manifest in company utilisation and industry practice. Specific future research recommendations for assessing the regulations include LFS comparisons between pre and post-AWD adoption timeframes, and semi-structured interviews with recruitment consultants that possess
years of experience in the industry. Pursuing these avenues would help to build a picture of the influence these policy changes have had upon the UK.

Whilst several studies have applied quantitative research methods to assess the psychological impact upon agency workers, increased focus upon permanent staff is rarely seen, and this coincides with the study’s second recommendation for future research. The current research identified a variety of organisational motives for the employment of agency staff, including brief but fast influx of workers to fulfil temporarily high workloads, cover for absent permanent staff, and the assessment of individuals for potential permanent transitions. Qualitative approaches would increase understanding over company motive and the varying reactions that the permanent workforce may display towards each motive.

Conclusions

Ensuring that the motives which lead individuals into agency work matched the expectations of the role was regarded as central to the jobs of recruitment consultants, yet agency workers often voiced disappointment over their assignments. By providing individuals with clear and transparent presentation of the assignment, recruitment consultants will be better placed to fulfil the motives of the individual, resulting in a happier and better-informed temporary workforce.
References


