UNIVERSIDADE DE LISBOA
FACULDADE DE PSICOLOGIA

KU LEUVEN
FACULTEIT PSYCHOLOGIE EN
PEDAGOGISCHE WETENSCHAPPEN

HUMAN RESOURCE MANAGEMENT IN TRIANGULAR EMPLOYMENT RELATIONSHIPS

Ana Rita Ramos Fontinha

Doctoral Thesis in Co-tutelle in Psychology
in the specialty of Psychology of Human Resources, Work and Organisations (University of Lisbon) and in the specialty of Work, Organisational and Personnel Psychology (KU Leuven)

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Promoters:
Prof. Dr. Maria José Chambel
Prof. Dr. Nele De Cuyper

2012

Learn from yesterday, live for today, hope for tomorrow.
The important thing is not to stop questioning.

Albert Einstein

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DECLARATION

According to Article 41 of the Regulation for Post-Graduate Studies at the University of Lisbon, approved by the Rector Deliberation number 1506/2006, this Doctoral Thesis includes scientific papers that have been accepted or submitted for publication in peer reviewed international journals, in collaboration with other authors. The author declares that she was responsible for the data collection and analysis, interpretation of the results, as well as writing, submitting and reviewing the manuscripts accepted and submitted for publication in international journals.

September 2012

Ana Rita Ramos Fontinha

ABSTRACT

This dissertation concerns the triangular employment relationships of agency workers and outsourced workers. In particular, the aim was to investigate the relationship between employees' perceptions and attributions of human resource management (HRM) practices and their dual affective organisational commitment, i.e., their commitment towards both the agency/outsourcer and the client organisation. We developed three empirical studies. In the first study, we found that commitment-focused HRM attributions are positively and control-focused HRM attributions are negatively related to the two *foci* of affective commitment among a sample of outsourced IT workers. Affective commitment to the outsourcer mediates the relationships between HRM attributions and affective commitment to the client organisation. In the second study, we used a longitudinal design and contrasted the employment relationships of temporary and permanent agency workers. We found that a permanent contract with an agency is negatively related to employees' HRM perceptions, to their psychological contract fulfilment and ultimately to their affective commitment to the client organisation. A permanent contract with the agency is not perceived as an inducement, since it decreases the chances of a direct contract with the client. In our third study, we contrasted temporary agency workers and outsourced workers from the manufacturing sector. We found that for temporary agency workers, affective commitment to the client mediated the relationship between commitment-focused HRM and performance. For outsourced workers, affective commitment to the contractor mediated this relationship, reflecting the different salience in organisational roles. Overall, our results provide evidence on the

heterogeneity of the contingent workforce, regarding contractual arrangements (permanent vs. temporary agency workers) and externalization strategies (temporary agency work vs. outsourcing). Although some previous management theories claim that contingent employees are more expendable, our results also hint at the relevant role of HRM practices as antecedents of favourable employee attitudes and behaviours.

Keywords: Agency Work; Outsourcing; Human Resource Management; Affective Organisational Commitment

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PART I

CHAPTER 1. INTRODUCTION

1.1 – Introduction

People are one of the most important assets in organisations. Therefore, the strategic management of Human Resources is a key concern shared by practitioners and researchers. The overall goal is to implement Human Resource Management (HRM) practices that are perceived positively by employees, and foster favourable attitudes and behaviours in the organisation, which then ultimately contribute to business performance (e.g., Paauwe & Richardson, 1997).

The current economic context, however, creates several challenges for HR managers, researchers and policy-makers. In particular, contemporary organisations face increasing pressure for flexibility, which influences the use of personnel in numerical or functional terms (Moorman & Harland, 2002). The most common organisational response is the externalisation of employment to outside companies, which led to a worldwide growth in contingent labour (e.g. Kalleberg, Reynolds, & Marsden, 2003). This research project addresses two forms of contingent labour: Agency work and outsourcing. Both agency workers and outsourced workers are part of triangular employment relationships. The other parties in this type of relationships are the contractor (the agency or the outsourcer) and the client organisation where they are assigned (see 1.2).

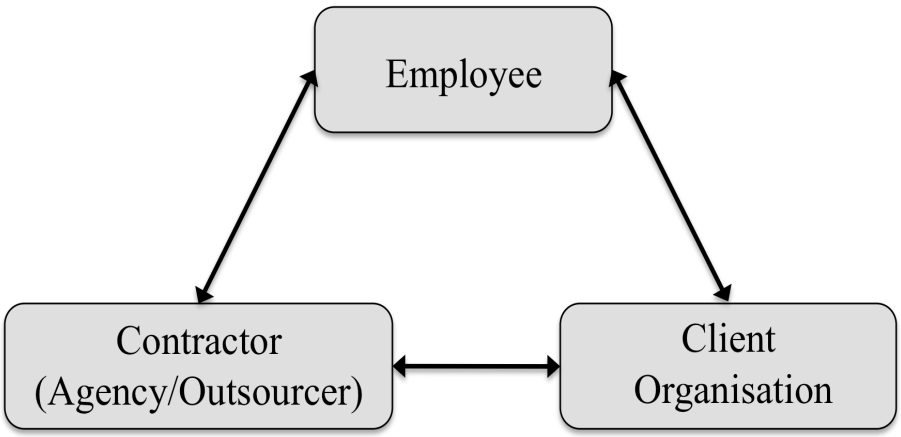
The triangular employment relationship brings more complexity to the management of agency workers and outsourced workers. It is our aim to analyse this complexity, through an integrative theoretical/research model, which addresses employee contractual arrangements, key HRM practices (i.e., selection, training, performance appraisal, and rewards), psychological contract fulfilment, (dual)

affective organisational commitment, and self-rated performance (see 1.3 for specific research questions). Deriving from this model, we present three empirical studies, which bring new insights to the literature on the topic of contingent employment, as well as relevant insights for practitioners.

1.2 – Triangular Employment Relationships

Both agency workers and outsourced workers are hired by a third party (their *de juro* employer) to work at a client organisation (their *de facto* employer; De Cuyper et al., 2008). These particular work arrangements encompass triangular employment relationships, which are presented in Figure 1 (Biggs, Senior & Swailes, 2002; Davidov, 2004; Druker & Stanworth, 2004; Gallagher & Futagami, 1998; Purcell, Purcell, & Tailby, 2004; Theodore & Metha, 1999; Vosko, 1997).

Figure 1. The Triangular Employment Relationship



Triangular employment relationships involve: (1) a commercial relationship between agency/outsourcer and client organisation; (2) a contractual relationship between employee and agency/outsourcer, which can be permanent or temporary; and (3) an employment relationship between employee and client organisation, which has a fixed-term depending upon the duration of the assignment. This research project will put particular emphasis on the employees' perspective: The dual employment relationships of agency workers and outsourced workers. These two types of contingent employees are involved in what McLean Parks, Kidder, and Gallagher (1998) characterise as a "multiple agency relationship", so that they form perceptions about the way both their contractor and their client organisation treat them (e.g., Benson, 1998; Lapalme, Simard, & Tremblay, 2010; Liden, Wayne, Kraimer, & Sparrowe, 2003).

Agency workers and outsourced workers' dual employment relationships encompass two simultaneous perceptions, assessments and attitudes, which ultimately reflect in employees' behaviour at the client organisation. In particular, previous evidence on contingent employment demonstrates the existence of two *foci* of perceived organisational support (e.g., Buch, Kuvaas, & Dysvik, 2010), psychological contract (Chambel & Fontinha, 2009; Claes, 2005; Druker & Stanworth, 2004; Lapalme et al., 2010; McLean Parks et al., 1998), and affective organisational commitment (e.g., Benson, 1998; Chambel, *in press*; Coyle-Shapiro & Morrow, 2006; Connelly, Gallagher, & Gilley, 2007; Gallagher & McLean Parks, 2001; Liden et al., 2003; Van Breugel, Van Olffen, & Olie, 2005). Positive assessments of the two simultaneous employment relationships lead to favourable behaviours at the client organisation (Buch et al., 2010; Coyle-Shapiro & Kessler, 2002; Lapalme et al., 2010; Van Dyne & Ang, 1998).

1.3 – Research Questions

1.3.1 – Does Affective Organisational Commitment to the Contractor relate to Affective Commitment to the Client and *vice versa*?

The key aim of this research project is to shed light on agency workers' and outsourced workers' two *foci* of affective organisational commitment. Affective organisational commitment is defined as an emotional attachment to, identification with, and involvement in the organisation (Allen & Meyer, 1990; Meyer, Allen, & Smith, 1993). Affective organisational commitment is a relevant attitude, since it triggers several positive outcomes. In particular, it has been negatively related to withdrawal cognition and turnover, and positively related to organisational citizenship behaviours, employee well-being, reduced work-family conflict, attendance, and ultimately performance (e.g., Meyer, Stanley, Herscovitch, & Topolnytsky, 2002; Vandenberghe, Bentein, & Stinglhamber, 2004).

The two simultaneous commitments have been addressed in three forms of contingent employment with triangular employment relationships: long-term contract work (Coyle-Shapiro & Morrow, 2006; Coyle-Shapiro, Morrow & Kessler, 2006), temporary agency work (Chambel, *in press*; Connelly et al., 2007; Connelly, Gallagher, & Webster, 2011; Galais & Moser, 2009; Lapalme et al., 2010; Liden et al., 2003; Moorman & Harland, 2002; Slattery, Selvarajan & Anderson, 2006; Slatterry, Selvarajan, Anderson, & Sanderssai, 2010), and outsourcing (Benson, 1998).

Recent research on temporary agency work additionally found that commitment to the contractor and to the client organisation is reciprocally related (Lapalme et al., 2010). Liden et al. (2003) developed an explanation for the

relationship between the two *foci* of commitment of temporary agency workers. They based their reasoning on Heider's Balance theory (1946, 1958): Individuals seek balance in their relationships. In particular, in triadic relationships, attitudinal relationships can be considered balanced when all three of them are positive. Accordingly, the triangular employment relationships in agency work and outsourcing are balanced when the three of them benefit and have positive attitudes regarding them. In particular, workers who are committed to the contractor are likely to also recognize the commercial relationship it has towards the client, and therefore seek a balance in the relationship by also committing to the client (Lapalme et al., 2010; Liden et al., 2003). Earlier empirical studies provide evidence supporting the previous reasoning: Contractor-directed attitudes can 'spill over' and translate into favourable client-directed attitudes, commitment in particular (Connelly et al., 2007; Coyle-Shapiro & Morrow, 2006), and behaviours (Connelly et al., 2011). The opposite is likely to be true as well: A worker committed to the client should also be committed to the agency (Chambel, *in press*; Lapalme et al., 2010; Liden et al., 2003). We will now assess this reciprocal relationship with lower-skilled agency workers (temporary and permanent), as well as with outsourced workers. We will analyse the role of each type of organisation (agencies or outsourcing companies) in HRM and the way it influences the salience each *foci* of commitment. Furthermore, we will compare the two groups regarding the way commitment to the agency and commitment to the client relate to each other (Chapters 6 and 8). We will also relate the two *foci* of commitment to self-rated performance at the client site (Chapter 8).

1.3.2 – Does a favourable opinion on Human Resource Management practices relate to the Dual Affective Commitment?

Human Resource Management practices have been considered a crucial antecedent of performance (see Boselie, Dietz & Boon, 2005). However, in between this link there is a so-called "black box": Because we know little about what happens between HRM practices and performance (Wright & Gardner, 2003). In order to analyse the content of this "black box", researchers have often focused on employees' perceptions and attitudes, in particular, satisfaction, involvement, climate, and commitment (Paauwe & Richardson, 1997). In this research project we introduce affective organisational commitment as a mediator between HRM practices and performance (e.g., Gong, Law, Chang, & Xin, 2009).

The link between HRM practices and commitment is widely investigated in the literature on permanent / direct-hire work (see Wright & Kehoe, 2007). As regards contingent employment, some studies on temporary agency work merged in one key idea: HRM practices that involve a high investment are likely to lead to positive outcomes among temporary agency workers (Koh & Yer, 2000; Koene & Van Riemsdijk, 2005). In particular, they are positively related to affective commitment to the client organisation (Forde & Slater, 2006).

We now focus on both agency workers' and outsourced workers' dual affective commitment. We analyse whether HRM practices and HRM attributions (Nishii, Lepak, & Schneider, 2008) also relate to outsourced workers' and agency workers' two *foci* of affective organisational commitment (Chapters 6, 7, and 8). We will additionally analyse if dual affective commitment is positively related to self-rated performance (Chapter 8).

1.3.3 – Do Exchange and Reciprocity have a mediating role between Human Resource Management practices and Dual Affective Commitment?

We believe that the positive relationship between a favourable interpretation of HRM practices and employee dual affective commitment can be explained through social exchange mechanisms (Blau, 1964), in particular by the reciprocity norm (Gouldner, 1960). In an organisational context, employees reciprocate according to the inducements they perceive to receive from the organisation. Exchange relationships can take different forms on a continuum: from predominantly economic to predominantly relational exchanges. In predominantly economic exchanges, it is likely that the employee minimizes his/her contributions to the organisation, whereas in predominantly relational exchanges, the organisation is likely to provide the employee more inducements, so he/she will reciprocate accordingly with more involvement and loyalty (Chambel & Castanheira, 2007).

Social exchange and the reciprocity norm have been used to explain contingent employment relationships, through theoretical frameworks such as the psychological contract (e.g., Van Dyne & Ang, 1998) and perceived organisational support (e.g., Buch et al., 2010). In this research project, we focus on psychological contract fulfilment. We believe that when contractors or client organisations provide valuable inducements, employees will perceive that they are fulfilling their obligations, which will consequently enhance employee affective commitment (Chapters 6, 7, and 8).

1.3.4 – What distinguishes different Triangular Arrangements?

There is a vast heterogeneity of non-standard work arrangements (Kalleberg, 2000): Examples are part-time work, temporary agency work, outsourcing, direct-hire temporary work and independent contracting. The expression "contingent employment" is often used in US and Canadian literature, while temporary, fixed-term or non-permanent employment is used interchangeably in European research (Connelly & Gallagher, 2004; De Cuyper et al., 2008). In this research project, we focus on two non-standard arrangements, which are "contingent" to organisational needs and share the characteristic of involving triangular employment relationships: agency work and outsourcing. These arrangements are not necessarily classified as temporary work: Both outsourced workers and agency workers are placed at a client organisation for a limited period of time. However, the actual contracts between agency/outsourcer and employees may be temporary or permanent.

In this research project we will compare agency work and outsourcing (Chapter 8). Workers in these arrangements both develop dual employment relationships. We further anticipate that the salience of these two relationships (i.e., with the contractor and with the client) will be different for outsourced workers and agency workers. This salience would be related to the role of each organisation in HRM. Outsourcing companies would have a more salient role in the management of their employees, compared to the client organisation. In agency work, the major managing role would be with the client organisation.

We will additionally focus on specific contracts within agency work. In particular, we will contrast temporary and permanent agency workers. Permanent agency work is emerging in Portugal as well as in other European countries, and it involves open-ended contracts with the agency, which pays part of the workers'

salaries in between assignments at client organisations (see Chapters 2 and 7; Article 183 of the Portuguese Labour Code, 2009; Official Journal of the European Union L327/9, 2008). This is a comparison that has not previously been established in the literature.

1.4 – Relevance

In previous research projects there was a concern in explaining the perceptions, attitudes and behaviours of employees in non-standard employment relationships. There is a wide array of studies in direct-hire temporary work, and the number of studies in temporary agency work is also increasing (see De Cuyper et al., 2008, for a review). Previous research has focused on the positive outcomes of investment HRM strategies among temporary agency workers (Koh & Yer, 2005; Koene & Van Riemsdijk, 2005). We now aim to contribute to this body of research by focusing on the relationships between positive HR perceptions and attributions, and the dual *foci* of commitment of both agency workers and outsourced workers. We were unable to find earlier studies linking employees' HRM perceptions / attributions and the two *foci* of affective commitment, which brings an innovative character to our research project. Furthermore, we will be among the first to compare the processes underlying the employment relationships of agency workers and outsourced workers. Additionally, we will address the particular situation of permanent agency work, which occurs in some European countries, such as Portugal, Germany and Sweden. Although some studies used samples with permanent agency workers (e.g., Svensson & Wolvén, 2010), we could not find any previous research comparing permanent and temporary agency workers. We intend to fill this gap in research and compare these two types of agency workers, in a Portuguese call centre.

1.5 – Structure of the Thesis / Research Project

We intend to respond to the formerly presented research questions with three empirical studies. These studies derived from survey data that we retrieved between January 2009 and August 2011 in Portuguese organisations. Outsourcing and agency work now involve a wide scope of jobs: Not only areas that are commonly externalized, such as construction and personnel supply services, but also industries employing highly skilled knowledge workers (Newmark & Reed, 2002). As such, we decided to investigate three different sectors in which the use of outsourcing and agency work is widespread. In particular, we analyse Information Technology (IT) outsourcing, agency work in Call Centres, as well as agency work and outsourcing in blue-collar workers from Manufacturing Industries.

This research project is organised in three parts. Part I includes the first five chapters and provides an introductory framework, analysing in detail the legal setting and state of the art concerning research on contingent work. Part II includes chapters six to eight, which are the three empirical studies we developed, all accepted or submitted in international peer-reviewed journals. Part III encompasses chapter nine, which presents the integrative discussion of our main results, as well as a description of the practical implications of this work.

CHAPTER 2. TRIANGULAR EMPLOYMENT RELATIONSHIPS: AGENCY WORK AND OUTSOURCING

2.1 – Contrasting Direct-hire and Intermediated Employment Arrangements

During the twentieth century the "normal" or "standard" work arrangement was (a) full-time, (b) open-ended, and (c) performed at the "employer's" place of business under the employer's supervision (Kalleberg, 2000). However, there has been a growth in nonstandard forms of employment, such as part-time work, temporary work, as well as agency and outsourced work (Kalleberg, 2000). We will focus upon the distinction between employees who are directly hired by the organisation for which they work (which relates to point c above), and employees with intermediated employment arrangements.

Direct-hire contracts can be permanent (the most traditional work arrangement) or instead temporary (Connelly & Gallagher, 2004). Researchers have contrasted permanent and temporary direct-hire arrangements. There is evidence that temporary direct-hire workers are in more unfavourable positions than their permanent colleagues due to: (1) the lower inducements they receive from their employer; (2) their lower autonomy, voice, and responsibility at the organisation; (3) and their higher job insecurity (for a review see De Cuyper et al., 2008). However, the results regarding temporary vs. permanent direct-hire workers' attitudinal, behavioural and health outcomes are fairly heterogeneous (De Cuyper et al., 2008).

In this research project we focused exclusively on employees with intermediated employment arrangements: agency workers and outsourced workers, in particular. Both groups of employees are hired by a third party and perform their jobs

at a client organisation's premises. Intermediated employment arrangements involve a fixed-term contract between contractor and client organisation, which means "temporary" in that sense. Nevertheless the contracts between agency/outsourcer and the employee can be temporary or permanent.

2.1.1 – Agency Work: a Definition

Agency work has been traditionally associated to temporary contracts. In 1991, the European Commission defined temporary agency work as a "temporary employment relationship between a temporary work agency, which is the employer, and a worker, where the latter is assigned to work for, and under the control of an undertaking and/or establishment making use of his or her services" (Clauwaert, 2000). Although this seems to be an accurate general definition, the reality is that legislation on agency work varies from country to country. In Europe, there is a huge heterogeneity in country-specific legislation, which culminates in the fact that agency work may not necessarily be temporary. As such, a more updated definition states that agency workers have a "contract of employment or employment relationship with a temporary work agency and are assigned to user undertakings, to work temporarily under their supervision and direction" (Official Journal of the European Union L327/9, 2008). This definition addresses assignments at another organisation as temporary, but not necessarily employee contracts with the agency as temporary.

2.1.2 – The Legal Framework:

2.1.2.1 – General European Laws

The most recent European document that sets the fundamental rights for temporary agency workers in the E.U. member states is the European Directive for

Temporary Agency Work 2008/104/EC (Official Journal of the European Union L327/9, 2008). This directive aims to "ensure full compliance with Article 31 of the Chapter which postulates that every worker has the right to working conditions which respect his or her health, safety and dignity, and to limitation of maximum working hours, to daily and weekly rest periods and to an annual period of paid leave". It establishes a "protective framework for temporary agency workers, which is non-discriminatory, transparent and fair, while respecting the diversity of labour markets and industrial relations".

The principle of equal treatment should be applied among member states. This means that the basic working and employment conditions of agency workers "shall be, for the duration of their assignment at a user undertaking and equal to those that would apply if they had been recruited directly by that undertaking to occupy the same job". The Directive additionally states that all temporary workers should have the right to basic protection from the first day of employment in the user undertaking, together with the right to benefit from labour law, equal pay and social protection available to directly employed workers. They additionally have the right to representation (Article 7 - Official Journal of the European Union L327/9, 2008).

Despite the Directive's overall laws, there are *considerable differences* in the use of agency work and in the legal situation, status and working conditions of agency workers within the European Union. For this research project, we emphasize agency workers on open-ended contracts who are paid between assignments in some member states, including Portugal, Germany and Sweden (Eurofond, 2006).

2.1.2.2 – Portuguese Laws and Temporary vs. Permanent Agency Work

The Portuguese laws on agency work are displayed in the Subsection VI of the Portuguese Labour Code (Articles 172 to 192). Table 1 presents the type of contracts involved in agency work in Portugal.

Table 1

Types of Contracts involved in Agency Work in Portugal

	Types of Contracts involved in Agency Work Article 172nd from the Portuguese Labour Code
Between Agency and Client Organisation	**Contract for Use of Temporary Work** "Contract with a fixed-term between a temporary-work agency and a client organisation, in which the temporary-work agency is paid to provide the client organisation one or more employees".
Between Agency and Employee	**Temporary Work Contract** "Work contract with a fixed-term between a temporary-work agency and an employee, in which the employee commits to perform his/her work in client organisations, being contractually linked to and paid by the temporary-work agency". **Open-ended/Permanent Contract for Temporary Assignments** "Work contract without a fixed-term between a temporary-work agency and an employee, in which the employee commits to develop his/her work in client organisations, being contractually linked to and paid by the temporary-work agency".

Contracts for use of temporary work can be established for one of the following reasons (Articles 175 and 176 of the Portuguese Labour Code):

- Direct or indirect replacement of a worker that (1) is temporarily unable to perform his/her work, (2) is on an unpaid permit, (3) will be working part-time for a limited period of time, or (4) is getting fired, but the process is under external legal assessment;
- Seasonal activity;
- Unexpected growth in the organisation's workload;
- Occasional task or service;
- During the process of selection for a new vacancy;
- Sporadic need of workforce, determined by oscillations in production during several days or parts of the day;
- Sporadic need of replacement of a worker that will provide direct family support during several days or parts of the day;

These contracts have a fixed-term with either a specific ending date or until the activity is completed (defined or undefined term). However they cannot exceed the duration of the justification cause of the assignment, neither the maximum limit of two years (Article 178 of the Portuguese Labour Code).

Temporary work contracts must have a fixed-term, which can be defined or undefined, under the allowed conditions for contracts for use of temporary work – it cannot exceed the duration of the contract for use of temporary work between the agency and the client organisation. Temporary work contracts cannot exceed 6 months (if their occur during the process of selection for a new vacancy), 12 months (in the case of unexpected growth in the organisation's workload), and 24 months (in the remaining situations - Articles 180 and 182 of the Portuguese Labour Code).

Open-ended contracts for temporary assignments are characterized by the fact that workers are compensated by the agency, even if they are not assigned to a client. If so, the agency will pay the employees according to one of the following options: (1) what the "Instruments for Collective Regulation of Work" dictate, (2) two thirds of the last salary, *or* (3) two thirds of the national minimum salary. The option chosen should be the one that is more favourable to the employee.

In between assignments in client organisations, employees can also work directly for the agency. In this particular case, the salary must be adequate to the job that is being performed, but no less than what the employee earned in his/her previous assignment (Article 184 of the Portuguese Labour Code).

The Portuguese legal descriptions of temporary work contracts and open-ended contracts for temporary assignments respectively match the descriptions of *temporary agency work* and *permanent agency work* in the European Directive for Temporary Agency Work 2008/104/EC (Official Journal of the European Union L327/9, 2008). For a better international acknowledgement of the content of each type of contract, we chose to use the European terms throughout this research project.

2.1.3 – Prevalence of Temporary Agency Work:

2.1.3.1 – General Numbers and Sector Distribution

According to the most recent Economic Report from the International Confederation of Private Employment Agencies, the number of temporary agency workers in 2010 was 10.4 million, based on data from 43 countries (CIETT, 2012).

Table 2.

Evolution of the agency work rate in Europe, Retrieved from CIETT 2012

Evolution of the Agency Work Rate in Europe (%)												
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Austria	0.7	0.8	0.9	0.8	1.0	1.2	1.2	1.5	1.6	1.6	1.4	1.6
Belgium	1.6	1.7	1.7	1.6	1.6	1.8	1.8	2.1	2.2	2.1	1.6	1.9
Bulgaria	-	-	-	-	-	-	-	-	-	0.1	0.2	0.3
Czech Rep.	-	-	-	-	-	-	-	-	-	0.7	0.7	0.7
Denmark	0.3	0.3	0.4	0.4	0.4	0.5	0.6	0.7	0.7	0.7	0.7	0.8
Estonia	-	-	-	-	-	-	-	-	-	-	0.5	0.5
Finland	0.3	0.4	0.5	0.4	0.5	0.6	0.7	0.7	1.1	1.3	0.8	0.9
France	2.2	2.5	2.5	2.3	2.2	2.3	2.3	2.4	2.5	2.3	1.7	2.0
Germany	0.7	0.9	0.9	0.9	0.9	1.1	1.2	1.5	1.9	1.9	1.6	2.0
Greece	-	-	-	-	-	-	-	-	0.2	0.0	0.1	0.1
Hungary	-	-	-	0.8	1.0	1.3	1.4	1.4	1.4	1.4	1.2	1.8
Ireland	0.6	1.5	1.4	1.4	1.4	1.3	1.3	1.5	1.7	1.7	0.9	1.9
Italy	0.1	0.3	0.3	0.4	0.6	0.7	0.7	0.8	1.0	0.9	0.7	0.9
Latvia	-	-	-	-	-	-	-	-	-	-	0.2	0.3
Lithuania	-	-	-	-	-	-	-	-	-	-	0.2	0.2
Luxembourg	1.7	2.2	2.1	2.1	2.1	2.1	2.0	2.5	2.4	1.9	1.9	1.9
Macedonia	-	-	-	-	-	-	-	0.4	0.3	0.3	0.8	0.8
Netherlands	2.4	2.3	2.2	2.1	1.9	1.9	2.2	2.5	2.8	2.9	2.4	2.5
Norway	0.5	0.5	0.5	0.5	0.4	0.5	0.6	1.0	1.0	1.0	0.8	0.9
Poland	-	-	-	-	0.1	0.2	0.2	0.2	0.4	0.5	0.5	0.7
Portugal	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.6	1.6	1.7
Romania	-	-	-	-	-	-	-	-	-	0.3	0.3	0.5
Russia	-	-	-	-	-	-	-	-	-	-	0.1	0.1
Slovakia	-	-	-	-	-	-	-	-	-	0.6	0.6	0.8
Slovenia	-	-	-	-	-	-	-	-	-	0.3	0.3	0.5
Spain	0.9	0.7	0.7	0.6	0.6	0.7	0.7	0.7	0.8	0.6	0.4	0.5
Sweden	0.6	1.0	0.9	0.8	0.7	0.7	0.7	0.8	1.3	1.3	1.0	1.3
Switzerland	0.9	1.0	1.0	0.9	0.9	1.0	1.2	1.5	1.7	1.7	1.4	1.6
UK	2.8	3.7	3.7	3.7	3.9	4.1	4.2	4.3	4.7	4.1	3.7	3.0

The worldwide economic crisis also impacted the temporary agency work sector, especially in 2008 and 2009. The industry recovered in 2010, when most markets began to show a positive growth. This trend continued throughout 2011, however as the year progressed, the growth rate slowed down markedly in Europe (CIETT, 2012).

The agency work penetration rate was 1.5% in Japan, 1.6% in Europe, and 1.8% in the USA, in 2010. Most agency work assignments were more than one month long, and on average agency workers work half as many hours as full-time permanent employees (CIETT, 2012). Table 2 presents the penetration rate of agency work in different European countries from 1999 to 2010. In Portugal, this rate was 1.7% in 2010, a remarkable growth since 2007, when the rate was 0.9 % [1]. The Portuguese agency work penetration rate is higher than the European average, being topped by the UK, the Netherlands, Belgium, France, Germany, Luxembourg, Hungary and Ireland. Eighty seven thousand Portuguese agency workers were employed by a total of 265 agencies licensed by the Institute of Employment and Professional Training, in 2010 (CIETT, 2012). The larger multinational agencies have the largest market share in Portugal, which causes difficulties for smaller agencies, jeopardizing their ability to stay in the market (IEFP, 2011).

Concerning the profile of European agency workers, 57% are aged less than 30 and 77% have at best finished their secondary education. The majority of agency workers are in the services or the manufacturing sectors (CIETT, 2012). This is the reason why we chose to assess these two sectors in our research project.

In Portugal, agency work is mostly male (58%) and 71.1% of agency workers are between 25 and 54 years old. Most agency workers are placed in organisations located in Lisbon and the Tagus Valley (66%). Agency workers' salaries in Portugal are generally low: 25.2% earned the minimum national salary fixed for 2010 (€475), 49% earned salaries between €475 and €600, and 16.1% earned salaries between €600 and €750. Merely 2.9% agency workers received salaries above €1000. More than half of the agency contracts lasted for less than three months (56.1% - IEFP, 2011).

[1] However note that Portuguese numbers for agency work from 1999 to 2007 were estimations.

2.1.3.2 – Stepping-Stone into Permanent/Direct-hire Work

Across Europe, agency work often serves as a first professional experience for first-time entrants into the labour market (from 92% of population in the UK and 86% in Belgium to 71% in Italy and 59% in Germany). Temporary agency work provides them a valuable initial experience or it serves as a stepping-stone to permanent employment (from 90% in the UK and 78% in the Netherlands to 43% in Germany and 40% in Italy - CIETT, 2012; Eurociett, 2011). In fact, an estimated 12 million workers in Europe each year use the services of private employment agencies to enter the labour market, change jobs, upgrade skills or move toward permanent positions. By identifying where employment needs exist and matching them with labour supply, private employment services provide a stepping-stone function that enables people to transition from education to work, from unemployment to employment and from job to job. They also enable people to transition from part-time work to full-time work (and vice-versa) and between sectors in line with economic demands (Eurociett, 2011).

Some recent empirical studies with longitudinal data focused on temporary agency workers' subsequent career advancement (e.g. Amuedo-Dorantes, Malo & Muñoz-Bullón, 2008; Galais & Moser, 2009; Kompier, Ybema, Jansen, & Taris, 2009). Evidence shows that temporary agency workers predominantly prefer security and lifelong employment, meaning that boundaryless careers are unattractive (Galais & Moser, 2009). Kompier et al. (2009) contrasted "Upward" transitions (i.e. into permanent work) with "Downward" transitions (i.e. towards temporary employment) and found that the first type of transitions was related to a better quality of working life and a better psychological health, whereas the opposite was true for the second

type of transitions.

Although some employees might prefer temporary arrangements - the so-called boundaryless or career temporary workers (Marler, Milkovich & Barringer, 1998; Silla, Gracia & Peiró, 2005) – we acknowledge that they might be a particular niche, which is *not representative* of the worldwide temporary agency workforce (Cohany, 1998; De Cuyper & De Witte, 2009). As such, in this research project, we anticipate that a transition to a permanent job would be an *upward* transition (De Cuyper, Notelaers, & De Witte, 2009b; Kompier et al., 2009). Moreover, we believe that employees tend to prefer the transition to a direct contract with the client organisation (even if it is a fixed-term contract), instead of being in a triangular employment relationship involving an agency. A direct contract with the client organisation is likely to enhance employees' career development opportunities.

2.1.4 – Direct-hire Temporary Work and Temporary Agency Work

Regarding the heterogeneity of temporary arrangements, most researchers distinguish between workers who are directly hired by the organisation and those who are involved in a tripartite employment relationship (see De Cuyper et al., 2008). Direct-hire temporary workers are assumed to be most similar to permanent workers, while temporary agency workers may occupy the most peripheral positions (Aronsson, Gustafsson, & Dallner, 2002; Bernhard-Oettel, Sverke & De Witte, 2005; Chambel & Castanheira, 2006). This notion is supported by previous empirical data: Temporary agency workers are less satisfied with their jobs, compared to both direct-hire temporary and permanent workers (Guest, Davey & Patch, 2003). Moreover, Klein Hesselink et al. (1998) found that temporary agency workers were less

committed to the client organisation than both permanent and fixed-term contract workers. Chambel and Castanheira (2006) additionally found that permanent and fixed-term contract workers engage in more organisational citizenship behaviours than temporary agency workers do. Regarding the possibility of a stepping-stone into permanent work, Amuedo-Dorantes and her colleagues (2008) found that agency workers endure a lower likelihood of being hired on a permanent basis following their temporary assignment than their direct-hire counterparts.

2.2 – Outsourcing: a Definition

Outsourcing has been defined as the act of obtaining goods or services from individuals or organisations outside of a firm's boundaries (Brown & Wilson, 2005). Outsourcing can involve a range of activities, from those peripheral to a firm's primary business (e.g., cleaning or maintenance services) to those that could be considered core competencies (e.g., new product or process development, management of customer service and information technology - Kalleberg & Marsden 2005). Outsourcing has been widely investigated by economists and managers, since it is likely to involve the transfer of jobs between firms and between nations (Sallaz, 2004). At a national level, outsourcing may involve the inter organisational transfer of jobs (Davis-Blake & Broschak, 2009) and the development of triangular employment relationships (Hall, 2000), since employees are placed at the client organisation, working together with direct-hire workers, but being supervised by representatives of the outsourcer.

Another issue that arises in the literature concerns the processes of organisational change resulting from the transition to outsourcing: The externalization of processes that the main organisation and its employees used to be in charge of.

When direct-hire employees are transferred to outsourcing companies, this process often results in a transition from high-wage firms with strong internal promotion systems to lower-wage firms with less secure employment (Kalleberg, 2000). The transition to outsourcing also generates several inter- and intra-organisational changes, such as the nature of tasks, the design of jobs, and the design of subunits and inter-unit relationships, thus changing the experience of employment. It additionally changes the tasks that individuals perform, whom individuals interact with when performing their work (and the nature and frequency of that interaction), and the compensation individuals receive (Davis-Blake & Broschak, 2009). In general, transitions from direct-hire work to outsourcing are likely to be problematic (Hall, 2000).

2.2.1 – The Legal Framework

In Portugal, Article 1154 of the Civil Code (1999) regulates the so-called contracts for service rendering (direct translation), i.e. outsourcing contracts. In an outsourcing contract, "one of the parties commits to provide services to the other party, which may result from their intellectual or their manual work, with or without pay".

There is no specific legislation for contracts between outsourcing companies and their employees, meaning that the general articles of the Labour Code, updated by law 7/2009 (February 12th) rule the contracts. The core rules determine that (Article 12 of the Labour Code):

- The worker is included in the organisational structure of the organisation that profits from his/her activity. This organisation must supervise his/her work;

- The work is performed in the organisation that profits from his/her activity or at some other organisation's premises, always under the contractor's supervision, and following a pre-determined schedule;
- The worker has to be paid according to the time spent on the activity or according to the situation of economic dependence he/she is in;
- The majority of the work equipments must be provided by the organisation that profits from the activity;
- Work must be performed for a minimum continuous period of more than 90 days.

The previous legal statements emphasize the idea that the full responsibility regarding the employee and his/her supervision and work conditions lays in the hands of the outsourcer (i.e., the organisation that profits from the activity).

Outsourced workers are then equivalent to traditional workers who happen to work for an organisation that provides services to other organisations. This may imply their placement at client organisations that are hiring the services of the outsourcer. Their contracts can be permanent or temporary.

The Association Portugal Outsourcing, which gathers several outsourcing companies in the IT area, has a Code of Conduct, which sets some ground rules regarding this activity (Portugal Outsourcing, 2012). These rules determine the contractual relationships between the outsourcer and the client organisation, and also address some of the workers' responsibilities and rights. We are particularly interested in workers' responsibilities and rights - Article 6 of the association's Code of Conduct:

- Outsourcing organisations that are members the Association must follow all their legal obligations towards both national and international employees;

- Outsourcing organisations must conceive equal opportunities to all employees paying them fair salaries according to their tasks and performance, as well as valuing gender equality, and rejecting abusive and discriminating practices;

- The outsourcing organisations must assure the best working conditions possible, in particular concerning health, safety and hygiene at the workplace, both during employees' assignments at client organisations and between assignments at the outsourcer's headquarters;

- The outsourcing organisations must promote employees' human and professional development through continuous professional training, which is considered a privileged instrument for innovation and progress;

- Regarding the appropriate rendering of outsourcing services, the outsourcing organisations should also demand rigour and responsibility from their employees while performing their tasks, as well as mutual respect, loyalty and civic behaviours, both during employees' assignments at client organisations and between assignments at the outsourcer's headquarters;

- While hiring employees, outsourcing organisations must respect the Portuguese legal framework regarding types of contracts, social security and professional qualification;

- Outsourcing organisations must respect the legislation concerning privacy and treatment of employees' personal data.

2.2.2 – Prevalence of Outsourcing:

2.2.2.1 – General Numbers and Sector Distribution

Outsourcing has been implemented for years and is becoming increasingly popular (Logan, Faught, & Ganster, 2004).

Outsourcing statistics show that the largest percentage of jobs being outsourced is in Information Technology, by around 28%. The next largest field is human resources taking 15% of the outsourcing market, followed closely by sales and marketing outsourcing with 14% and financial services outsourcing at 11%. The remaining 32% is made up of other different processes (Outsourcing Articles, 2012).

In Portugal, the outsourcing business represented 4.9% of the business value in the overall national economy. 43.739 companies were registered as service providers for other companies, employing more than 275.000 workers in 2010. 7.4% of these workers performed their daily tasks in a client organisation (Statistics Portugal, 2011).

2.3 – Similarities and Differences between Agency Work and Outsourcing

The previous paragraph demonstrated an important similarity between agency work and outsourcing: the existence of triangular employment relationships (e.g., Liden et al., 2003; Hall, 2000).

Table 3.

Contrasting Agency Work and Outsourcing

	Agency Work	Outsourcing
How does it work?	An *employee* is contracted through an agency to work at a client organisation.	A client organisation externalizes for a fixed period of time the full management of a *task, process, department or business area* to an outsourcing organisation.
Employee Management and Supervision	The client organisation supervises and evaluates the work of agency workers. The agency has a disciplinary role over agency workers and has to make sure they are paid and treated fairly, according to the articles 172 to 192 of the Portuguese Labour Code.	The outsourcer has a disciplinary and a supervisory role over outsourced workers. The outsourcer is fully autonomous in the management of the service that is being provided to the client organisation, as well as the management of the employees assigned to that project (according to the general laws of the Portuguese Labour Code).
Contract Specifications	In the contract between the agency and the client organisation, there should be mentioned a fixed number of hours that the agency worker should perform.	In the contract between the outsourcer and the client organisation, there should be described the specificities of the service that is being provided, including its cost and duration.
What is provided	The agency provides *workers*.	The outsourcer provides a *service*.

Both agency workers and outsourced workers are assigned to work at a client organisation's premises, for a limited period of time. However there are important legal differences between agency work and outsourcing, in particular different supervisory roles, which are reflected in different management structures. Table 3 presents the differences between agency work and outsourcing. These different management structures are associated with different strategic reasons behind client organisations' choices for contingent work. For instance, using internal labour market

theory, Lautsch (2002) identifies systematic differences in contingent jobs across organisational contexts that are due to strategies and practices of management. In particular, she found that when client organisations' intentions were cost-reduction, agency workers' productivity was lower, in contrast with agency workers whose client organisations' intended more flexibility.

In this research project we also consider that there are differences regarding client organisations' intentions behind the choice for agency work or outsourcing. We believe that these intentions are three fold: cost reduction, flexibility and replacement of peripheral tasks (Lautsch, 2002; Lepak & Snell, 1999). While cost-reduction is a common logic reason behind client organisation's choice for agency work and for outsourcing, we might state that agency work is more associated with the need for flexibility, whereas outsourcing is more related to the replacement of peripheral tasks (Davis-Blake & Broschak, 2009). Moreover, the business sector where outsourced workers and agency workers are involved is also a relevant variable. In particular, outsourcing the IT function is an increasingly common strategy, where the client organisation is focusing on their core business and externalizing a set of very specific tasks that are highly needed but are outside of their core business. Although this may also be true in the call centre sector and the manufacturing sector, client organisations' reasons for outsourcing this type of services are strongly more related to cost-reduction. The use of agency workers in these last two sectors is more related to the need for flexibility, due to extra work floatation.

For our research project, it is important to establish the similarities and the differences between agency work and outsourcing. In our third empirical study

(Chapter 8), we will contrast the two types of arrangements regarding HRM, dual commitment and ultimately self-rated performance. The main idea one should acknowledge is that providing an employee (agency work) and providing a full service (outsourcing) is remarkably different as regards the managing role of the agency or the outsourcer, particularly their role in managing human resources.

CHAPTER 3. HUMAN RESOURCE MANAGEMENT PRACTICES AND EXCHANGE PROCESSES

3.1 – Human Resource Management

Human Resource Management has been defined as a strategic and coherent approach to the management of people who individually and collectively contribute to the achievement of organisational objectives (Armstrong, 2006). A strategic approach to HRM implies the adoption of a holistic perspective that ensures that the HRM policy aligns with organisational goals. This involves designing and implementing a set of internally consistent policies and practices that ensure an organisation's human capital (employees' collective knowledge, skills, and abilities) and contribute to the achievement of its business objectives (e.g., Huselid, Jackson, & Schuler, 1997). More specifically, strategic HRM has been categorised along three types: A vertical integration between people strategy and business goals; a horizontal integration between individual HRM practices; and finally an integration dimension to represent the degree to which the HRM strategy is put into effect through the day-to-day experiences of employees and the behaviour of line managers (Gratton & Truss, 2003). All forms of integration between organisational strategy and HRM are relevant: From day-to-day life of the organisation to developing good people strategies in the first place (Gratton & Truss, 2003).

Dyer and Reeves (1995) identified four levels of outcomes of HRM practices: employee, organisational, financial, and market. Employee outcomes consist of employee perceptions, attitudes and behaviours related to the workplace. Organisational outcomes focus on operational performance measures such as quality,

productivity, and customer satisfaction. Financial outcomes derive from organisational outcomes and include accounting profits. Finally, market outcomes consist of measures of the market value of firms based on stock price (Dyer & Reeves, 1995). In our research project, we focus on employee outcomes, in particular on HRM perceptions and attributions, psychological contract fulfilment, dual affective organisational commitment, and self-rated performance.

It is relevant to study employee outcomes, since they may help to explain the link between HRM practices and organisational performance. The prevalent idea is that there is a "black box" of individual and collective processes, attitudes and behaviours that affect the relationship between HRM practices and organisational performance (Batt, 2002; Wright & Gardner, 2003). Although we do not assess organisational performance *per se,* our research project focuses on this "black box" in terms of employee perceptions, attitudes and behaviour related to the workplace. In Table 4, we review some of the most relevant theoretical and empirical papers regarding the link between strategic HRM and performance, in order to frame the empirical analysis in our research project.

Table 4.

Literature Review on Strategic HRM (chronological order)

Authors / Year	Theoretical Approach
Fombrun, Tichy & Devanna, 1984	These authors are among the first to link describe the processes between HR activities and organisational performance: Human Resource Activities → Individual Performance → Productivity → Organisational Performance These authors additionally stated that the cycle of human resource activities is interdependent. Main HR Activities: - Matching executives to strategic plans - Reward system according to strategic objectives - Changing staffing patterns to help implement strategies - Appraising key personnel - Conducting development programmes **Paper Type:** Theoretical **Conceptualisation of HRM:** HR activities
Evans, 1986	Strategic Human Resource Management leads to: - Equity and favourable human relations (internal focus); - Competitive performance (external focus); - Innovation and flexibility (organisation-environment boundary focus); - Corporate integration (inter-unit focus). Advanced the need to develop a balanced scorecard in order to assess the outcomes of strategic HRM. **Paper Type:** Theoretical **Conceptualisation of HRM:** Strategic HRM

(continuation of Table 4)

Schuler, 1992	Relationship between strategic needs and the structure of a HRM system. HR programs are coordinated HR efforts specifically intended to initiate, disseminate, and sustain strategic organisational change efforts necessitated by the strategic business needs. HR practices that were analysed: - Human resource planning - Staffing - Training and development - Performance appraisal - Compensation **Paper Type:** Case Study (Retail Sector) **Conceptualisation of HRM:** Strategic HRM
Arthur, 1994	This author focused on the relationship between high performance work systems and organisational performance. He advanced the idea that HR practices should be assessed as a bundle and compared two different HR systems (control vs. commitment). Commitment HR systems were characterised by: Narrowly defined job tasks; Very little employee influence over management decisions; No formal employee complaint / grievance mechanisms; Little communication / socialisation efforts; Low skill requirements; Intense supervision / control; Limited training efforts; Limited benefits; Relatively low wages; Incentive based - These systems led to higher productivity, lower scrap rates, and reduced turnover Control HR systems were characterised by: Broadly defined jobs; high level of employee participation / involvement; Formal dispute resolution procedures; Regularly shared business/economic information with employees; High percent of skilled workers; Self-managing teams; More extensive, general skills training; More extensive benefits; Relatively high wages; All salaried / stock ownership - These systems led to lower productivity, higher scrap rates, and more turnover - The type of HR system moderated the impact of turnover on manufacturing performance. **Paper Type:** Empirical / Case Study **Conceptualisation of HRM:** High Performance Work Systems

(continuation of Table 4)

Dyer & Reeves, 1994	Integrative perspective on HR systems. These authors claimed that bundles or configurations of HRM practices may be more important than single activities. The best bundles are: - The ones that provide several ways for employees to acquire needed skills (e.g., careful selection, on- and off- the job training) - The ones with multiple incentives to enhance their motivation (e.g., peer pressure, monetary and non-monetary rewards) **Paper Type:** Theoretical / Literature **Conceptualisation of HRM:** HRM Systems/Bundles
Huselid, 1995	High performance work systems → Reduced Turnover → Productivity → Corporate Financial Performance High performance work systems included: - Comprehensive employee recruitment - Selection procedures - Incentive compensation - Performance management systems - Extensive employee involvement - Training **Paper Type:** Empirical (1000 organisations) **Conceptualisation of HRM:** High Performance Work Systems / Bundles
McDuffie, 1995	HR bundles were defined as interrelated and internally consistent HR practices. An HR bundle or system must be integrated with the firm's overall business strategy to be effective (i.e., the contingency perspective). HR bundles → Employee motivation and skill acquisition → Organisational productivity and quality of the products Main HR policies in the bundle: - Recruitment and hiring; - Contingent compensation; - Status differentiation; - Training of new and experienced employees; Flexible production plants consistently outperformed mass production plants. **Paper Type:** Empirical (62 international organisations) **Conceptualisation of HRM:** HRM Systems/Bundles

(continuation of Table 4)

Huselid, Jackson, & Schuler, 1997	These authors took a different approach from the studies mentioned so far and focused on the capabilities of HR managers. They contrasted technical (recruiting, selection, performance measurement, training, and the administration of compensation and benefits) vs. strategic (designing and implementing a set of internally consistent HR practices that ensure a firm's human capital contributes to the achievement of its business objectives). Technical HRM effectiveness was not related to employee productivity, cash flow, and market value. However, strategic HRM effectiveness was positively related to employee productivity, cash flow, and market value. **Paper Type:** Empirical (293 organisations) **Conceptualisation of HRM:** Technical and Strategic HRM Effectiveness
Tsui, Pearce, Porter, & Tripoli, 1997	These authors developed the idea that individual organisations may have multiple HR systems, which may yield different outcomes. Four different types of employee–organisation relationships: - *Quasi-spot contract* (the employer offers short-term, purely economic inducements in exchange for well-determined employee contributions) - *Mutual investment* (open-ended and long-term investment in each other by both the employer and the employee) - *Underinvestment* (the employee has broad and open-ended obligations, while the employer reciprocates with short-term and specified rewards) - *Overinvestment* (employee with well-specified job-focused activities, but the employer offers open-ended and broad rewards) Findings: Employees in both the overinvestment and mutual investment systems had higher performance on core tasks, higher citizenship behaviour, and higher affective commitment than employees in quasi-spot and underinvestment systems. **Paper Type:** Empirical (976 employees in 10 organisations) **Conceptualisation of HRM:** Multiple HR Systems
Matusik & Hill, 1998	They focused on the HR practice of using *Contingent Workers*. Contingent workers can contribute to an organisation's knowledge resources and potentially to competitive advantage. Public vs. Private Knowledge While the use of contingent workers can add to an organisation's knowledge resources, it can also be a pathway for leakage of private knowledge. **Paper Type:** Theoretical **Conceptualisation of HRM:** Knowledge, HRM and Contingent Workers

(continuation of Table 4)

Pfeffer, 1998	This author described a set of seven best HRM practices, due to their likely positive influence on organisational performance Seven preferred HRM practices: - Employment security - Selective hiring - Self-managed Teams - High compensation contingent on performance - Training - Reduction of status differentials - Sharing information **Paper Type:** Theoretical **Conceptualisation of HRM:** Best HRM Practices
Lepak & Snell, 1999	Multiple HR systems based upon two dimensions: 1. Uniqueness of human capital (firm-specificity of skills) 2. Value of human capital (strategic importance of skills) Commitment HR Configuration = Jobs with high uniqueness and high strategic value Collaborative HR Configuration = Jobs with high uniqueness and low strategic value Market-based HR Configuration = Jobs with high strategic value and low uniqueness Compliance HR Configuration = Jobs with low uniqueness and low strategic value For these authors, not all jobs and employees are equally valuable to an organisation and the use of multiple HR systems may reflect these differences and yield better outcomes. **Paper Type:** Theoretical **Conceptualisation of HRM:** HRM Architecture (Jobs with different values)

(continuation of Table 4)

Khatri, 2000	Strategy → HR practices → Organisational Performance HR practices studied: - Recruitment and selection - Training and development - Rewards Results showed that the overall organisational strategy affects HR practices, HR practices have a direct effect on organisational performance, and business strategy moderates the relationship between HR practices and organisational performance. **Paper Type:** Empirical (200 organisations) **Conceptualisation of HRM:** HRM practices
Richard & Johnson, 2001	Strategic HRM → Reduced Turnover → Market performance assessment A strategic HRM is constituted by: - Team based job designs - Flexible workforces - Employee empowerment **Paper Type:** Empirical **Conceptualisation of HRM:** Strategic HRM
Kulkarni & Ramamoorthy, 2005	Strategic HRM and *Contingent Work* New perspective on components of HR systems: Interplay among firm and usage specificity of human assets, potential for value creation, and types of uncertainty determine different modes of employment contracts. Eight different types of employment mode contracts. Each dimension is seen as a continuum (in contrast with Lepak & Snell, 1999). Types of flexibility in employment contracts: - Internal development - Acquisition - Contracting - Alliance **Paper Type:** Theoretical **Conceptualisation of HRM:** HRM Architecture - Continuum

Kinnie, Hutchinson, Purcell, Rayton, & Swart, 2005	Intended policies → Actual practices → Practices as experienced → Employee outcomes → Employee reactions → Unit level outcomes This paper examines the links between employees' satisfaction with HR practices and their organisational commitment. HR practices: - Training - Career Opportunities - Appraisal - Performance Pay - Rewards and Recognition - Teamwork - Communication - Openness Satisfaction with some practices is an employee outcome, while satisfaction with other practices varies between employee groups. These findings pose a challenge to the universalistic model of HRM and have implications. **Paper Type:** Empirical **Conceptualisation of HRM:** HRM practices (universalistic vs. specific)
Green, Wu, Whitten, & Medlin, 2006	Strategic HRM → HR professionals' individual performance, organisational commitment, and job satisfaction → Organisational performance These authors took a different perspective and focused on HR professionals' attitudes and performance, relating them to organisational performance. **Paper Type:** Empirical (269 HRM professionals) **Conceptualisation of HRM:** Strategic HRM

(continuation of Table 4)

Lepak, Taylor, Tekleab, Marrone, & Cohen, 2007	These authors tested the assumption that high-investment HR practices are used almost solely for core employees and not with *contingent employees*. Measures: - Employment Groups (peripheral / core) - Employee Centred HR Philosophy - Innovative Business Strategy - High Investment HR system index: - Selective staffing - Comprehensive training - Integrative performance appraisal and management - Results-based and equitable compensation - The key assumption of the study was not supported (except for manufacturing organisations). While strategy and HR philosophy were positively related to the use of high-investment HR practices, they did not affect their use on core vs. support employees. **Paper Type:** Empirical (420 organisations) **Conceptualisation of HRM:** High Investment HRM Practices
Takeuchi, Lepak, Wang, and Takeuchi (2007)	High Performance Work Systems → High level of Collective Human Capital → High Degree of Social Exchange within the organisation → Organisational Performance High Performance Work Systems: - Selection - Employee Participation - Training - Performance Appraisal - Incentives and Compensation **Paper Type:** Empirical (76 business establishments) **Conceptualisation of HRM:** Manager assessed and Employee assessed Strategic HRM

(continuation of Table 4)

Nishii, Lepak & Schneider, 2008	These authors introduce the construct of HR attributions, which refers to the attributions that employees make about the reasons why management adopts certain HR practices. Typology of 5 HR attribution dimensions: Service quality; Employee well-being; Cost-reduction; Employee exploitation; Union compliance HR Attributions about: - Training - Benefits - Selection - Pay - Schedules HRM practices → HRM attributions → Employee Commitment and Satisfaction → Unit-level Organisational Citizenship Behaviours and Customer Satisfaction **Paper Type:** Empirical (4208 employees) **Conceptualisation of HRM:** Employee HR Attributions

Table 4 demonstrates the existence of multiple theoretical approaches to strategic HRM. Given the multi-disciplinary nature of research into HRM, an eclectic range of possible focal points of interest, assumptions, conceptualisations and analytical methods was to be expected (Boselie et al., 2005). However, among all the perspectives we addressed in Table 4 the common idea is that HRM practices should encompass individual practices or a carefully designed combination of practices geared towards improving organisational effectiveness and hence better performance outcomes. Although there is no consensus about which are the best HRM practices, a set of HRM practices appeared in many of the studies and across theoretical perspectives: selection, training, performance appraisal and rewards. These practices are likely to have strong strategic value, being potential antecedents of employee attitudes and behaviour, and ultimately organisational performance (Wright & Gardner, 2003). This is the reason why we focused on these specific practices in our research project. Some other HRM practices that have been widely addressed include decentralisation, as well as employee voice and participation in decision-making (e.g., Arthur, 1994; Kinnie et al., 2005). One of the reasons why we did not include this type of practices relates to the fact that they are usually not implemented with contingent employees, due to their more peripheral status facing organisational knowledge (Matusik & Hill, 1998). Moreover, the great majority of Portuguese organisations implements the same HRM practices with direct-hire and with contingent employees. However, decentralisation, employee voice and participation in decision-making are practices that are only rarely implemented with both types of workers (direct-hire and contingent).

3.1.1 – HRM and Contingent Employment

Research on the management of agency workers or outsourced workers is still sparse. Contingent employment contracts are characterised by ambiguity regarding the triangular employment relationship: The main question concerns the responsibility of the parties involved. In particular, there is often some uncertainty regarding where the employment contract and employment responsibilities reside (Connell & Burgess, 2002). The prevailing idea among client organisations is that contingent workers are peripheral (Atkinson, 1984), which makes them a more expendable workforce (Lepak & Snell, 1999). However, a relevant question that has been emphasized is whether the short-term benefits of using this expendable workforce lead to long-term risks that will jeopardize employee performance (e.g., Forde & Slater, 2006). This is a major topic of concern since in our research project contingent workers are mainly used as a way to respond to market oscillations (Lautsch, 2002). They perform identical tasks as permanent workers, which means that client organisations cannot take the risk that these contingent workers have unfavourable attitudes, which eventually lead to unfavourable behaviours (including decreased performance). Following this concern, some studies found that HRM practices that involve a bigger investment in contingent workers lead to more positive behavioural outcomes (Connell & Hannif, 2009; Koene & Van Riemsdijk, 2005; Koh & Yer, 2000).

Koh and Yer (2000) found that temporary agency workers under mutual investment and over-investment relationships have better job performance, a higher level of affective commitment to the agency, an improved overall job satisfaction, a higher perception of fairness, a higher perception of work options and lower turnover intentions. Koene and Van Riemsdijk (2005) analysed two case studies: one with a

more expendable approach to temporary agency workers and another with a special attention approach by the agency. These authors found that a special attention approach (characterized by a serious selection, tailored benefits, conditional but clear opportunities for permanent contracts, extensive training, extensive socialization, support, focused communication and feedback) relates to more positive objective behavioural outcomes, such as a longer tenure, and less absenteeism. Concerning outsourcing, Connell and Hannif (2009) recently compared an in-house public-sector call centre and an outsourced private-sector call centre, which held very distinct HRM practices. They found that employees from a more professionalized outsourced private sector call centre (with more career and skill development opportunities and worker voice) reported better quality of work life.

As regards the relationship between HRM practices and the dual employment relationship of agency workers and outsourced workers, Chambel (*in press*) found a positive relationship between employee experiences of HRM practices (training for internal and external employability, socialisation and performance appraisal) and the dual affective commitment of temporary agency workers in industrial settings. Furthermore, Slattery, Selvarajan, Anderson and Sanderssai (2010) found that certain job characteristics, such as skill variety, task identity, task significance, autonomy and feedback, were positively related to job satisfaction and commitment, and negatively related to turnover intentions (regarding the two *foci* of the employment relationship: contractor and client organisation).

3.1.2 – HRM in our Research Project

In our research project, we were interested in assessing how HRM practices relate to agency workers' and outsourced workers' attitudes and behaviours. Although some of the previous researchers (e.g. Connell & Hannif, 2009; Koene & Van Riemsdijk, 2005; Koh & Yer, 2000) found a positive link between HRM practices and employee favourable outcomes, they focused on managers' descriptions of HRM practices. Chambel (*in press*) and Slaterry et al. (2012) focused on particular HR experiences and job characteristics and established positive relationships between these variables and temporary agency workers' favourable outcomes. We now aim to contribute to this area of research by focusing on agency workers and outsourced workers' perceptions and on the specific construct of HR attributions regarding four particular groups of HRM practices: training, performance appraisal, payroll, recruitment and selection.

We follow the theoretical guidelines of Bowen and Ostroff (2004), Nishii and Wright (2008), and Nishii, Lepak and Schneider (2008), who stated that the "black box" in the relationship between actual HRM practices and performance might be more complex than previously thought. They suggest that in order for HRM practices to exert their desired effect on employee attitudes and behaviours, they first have to be perceived and interpreted by employees. Their subjective evaluation will then engender their attitudes and behaviours. Bowen and Ostroff (2004) argued that both the content and processes of communicating HR practices influence employee interpretations. Recent research demonstrated that a favourable perception of HRM practices is positively related to organisational identification, procedural and distributive justice, discretionary work effort and co-worker assistance (Frenkel, Restubog, & Bednall, 2012). Furthermore, Takeuchi, Wang, Lepak, and Takeuchi

(2007) found that employees' perceptions of a rigorous selection, extensive training and development, a merit based performance appraisal, competitive pay and extra rewards promote affective commitment and employee performance.

In our research project, we developed a measure in order to assess employees' *perceptions of HRM practices* in a context of contingent employment. We used this measure in our second empirical study (see the description of the measure in Chapter 7).

In a next step, and in line with Nishii et al. (2008), we advance the idea that the effect of HRM practices is not automatic and always as expected; instead, their effect will reside in the meanings that employees attach to those practices. Nishii et al.'s (2008) core idea is that employees respond in terms of attitudes and behaviours to HRM practices based on the *attributions* they make about management's purpose in implementing the actual HRM practices. The notion of attributions derives from social attribution theory, which states that people can attach different meanings to social stimuli (Fiske & Taylor, 1991). According to Nishii et al. (2008, pp. 505), "when this logic is applied to the study of HR practices, it follows that the relationship between HR practices and employee attitudes and behaviours, and ultimately organisational performance, may depend on the attributions employees make about the motives underlying the HR practices they experience". These authors identified five types of attributions, which are presented in Table 5.

Table 5.

Typology of HRM Attributions (retrieved from Nishii et al., 2008)

	Internal Attributions		**External**
	Business/strategic goal underlying HRM	Employee-oriented philosophy	**Attribution**
Commitment-focused	*Service quality*	*Employee well-being*	Union
Control-focused	*Cost reduction*	*Exploiting employees*	compliance

In our research project, we relied on Nishii et al.'s (2008) framework presented in Table 5. These authors distinguished between internal and external attributions (the columns in bold). Internal attributions refer to the idea that the implementation of certain HRM practices is motivated by the organisation's internal choices. External attributions are mostly concerned with union compliance. We did not assess external attributions, given that the great majority of contingent employees are non-unionised.

Within the set of internal attributions, a distinction is made based on two dimensions: control-focused or commitment-focused. HRM practices focused on commitment can derive from a strategic goal represented by *service quality*, or by an employee-oriented philosophy of respect, valorisation and a concern with *employee well-being*. HRM practices focused on control have a strategic goal of *cost reduction* and an employee-oriented philosophy of *exploitation*. Commitment-focused and control-focused HRM attributions lead to different employee outcomes. *Commitment*-focused HRM attributions connote positive consequences for employees (i.e., service quality and employee well-being HR attributions), which may engender a

felt obligation to reciprocate in positive and beneficial ways. In contrast, a more cost-driven *control*-focus (i.e., cost reduction and exploiting employees HR attributions) leads to lower levels of commitment and job satisfaction (Nishii et al., 2008). In our first empirical study (Chapter 6), we distinguished between commitment and control-focused HRM attributions regarding selection, training and performance appraisal, and assessed their relationships with the dual affective commitment of outsourced IT workers. In our third empirical study (Chapter 8), we focused on commitment-focused HRM attributions and contrasted agency workers and outsourced workers regarding these perceptions.

In this research project, we assessed employees' perceptions and attributions about four major HRM practices: selection, training, performance appraisal, and rewards. These practices have a strong strategic value, since they have been consistently associated with positive employee and organisational outcomes (Boselie et al., 2005; Guest, Conway, & Dewe, 2004). As demonstrated in the previous literature review, strategic practices have been called high involvement (Lawler, Mohrman, & Ledford, 1998), high commitment (Walton, 1985), high performance work systems (Appelbaum, Bailey, Berg, & Kalleberg, 2000) and high performance HRM (Becker & Huselid, 1998; Pfeffer, 1994). Throughout this research project, we use the terms high performance HRM.

We conclude this section by highlighting the proximity of the concepts of HRM *perceptions* and *attributions*. We chose to use the labels perceptions and attributions, since we used two different measures: To assess high performance HRM perceptions we used the measure described in Chapter 7 and to assess HRM attributions we used Nishii et al.'s (2008) measure, described in Chapters 6 and 8.

However, we believe that both measures evaluate the same underlying construct. This means that by assessing HRM practices as high performance practices employees are already attributing them a meaning: The meaning that the organisation is implementing these practices out of a concern with employee high performance. This is the same inherent idea as in Nishii et al.'s (2008) construct of HRM attributions, which refers to employees' evaluations of organisational motivations behind HRM practices (service quality, employee well-being, cost-reduction and employee exploitation). In this research project, we continue using the two terms in order to distinguish the measure we used and we chose to adopt the term *employee assessed HRM practices* during our current literature review. The reason concerns the heterogeneity of employee assessed HRM measures of HRM, which converge in the idea that favourable employee assessments of HRM practices lead to positive outcomes.

3.2 – HRM, Attitudinal and Behavioural Outcomes

We now focus on the relevant outcomes that derive from employees' positive interpretations of HRM practices: affective organisational commitment in particular (e.g. Conway & Monks, 2009; Edgar & Geare, 2005; Guest, 1997). We address HRM practices as exchange terms according to which employees reciprocate with their attitudes and behaviours (Kinnie, Hutchinson, Purcell, Rayton, & Swart, 2005). We first describe the nature of these exchange mechanisms and their theoretical value in explaining the link between HRM perceptions/attributions and affective organisational commitment. We then present a detailed description of the concept of affective organisational commitment, which is the key variable in this research project, and address its dual nature in contingent employment relationships.

3.2.1 – Social Exchange Theory and the Reciprocity Norm

Employment relationships between organisations and their employees are characterized by the existence of several exchange processes. According to Blau (1964), economic exchange is based exclusively on a specific contractual relationship, requiring specific performance of contractual obligations: There is no expectation of performance beyond the terms specified in the contract. In an economic exchange, employees reciprocate the economic inducements they receive from their employer with the performance of the tasks specified in their contract. However, employment relationships are also characterised by social exchange mechanisms. Social (as opposed to economic) exchange involves imperfectly specified terms with a more subjective nature (Blau, 1964). This type of exchange also involves reciprocity (Gouldner, 1960), such that the exchange partner returns the discretionary benefits provided to him/her, in a discretionary way in the longer term (Blau, 1964). Gouldner's (1960) norm of reciprocity is a universal principle to guide behaviour such that an individual is obligated to return favourable treatment received from a donor, and it is this mechanism that strengthens the relationship over time.

Social exchange is one of the most influential frameworks for understanding employee perceptions, attitudes and behaviour in organisations, since it involves a series of interdependent interactions that generate an obligation to reciprocate (Cropanzano & Mitchell, 2005). In the context of the employment relationship, employers provide a range of material and nonmaterial rewards in exchange for employee loyalty and effort (Aselage & Eisenberger, 2003). In particular, HRM practices may be seen as an input into the social exchange process, as suggested by evidence on the positive effects of bundles of 'high performance' or 'high

commitment' work practices on employee attitudes and behaviour (Snape & Redman, 2010). In our research project, we will rely on the social exchange theory and on the reciprocity norm to explain the relationships between perceptions and attributions of HRM practices and employees' psychological contract (see Chapter 4) and affective organisational commitment (see the following topic).

3.2.2 – Affective Organisational Commitment

Consistent with social exchange theory, employees reciprocate by enhancing their attitudes and behaviour toward the organisation when they are recipients of favourable treatment from their employer. A relevant attitude with which employees reciprocate favourable treatment is organisational commitment, affective commitment in particular (e.g., Rhoades, Eisenberger, & Armeli, 2001).

Affective organisational commitment has been defined as an "emotional attachment to, identification with, and involvement in the organisation" (Allen & Meyer, 1990, p.1). This type of commitment contrasts with continuance commitment, which encompasses the perceived costs associated with leaving the organisation, and with normative commitment, which reflects a perceived obligation to remain in the organisation (Allen & Meyer, 1990). Earlier research has also addressed other *foci* of commitment, such as commitment to more than one organisation or to the profession (e.g., Kinnie & Swart, 2012; McLean Parks et al., 1998).

In our research project, we will focus on affective organisational commitment, which has been considered an important determinant of dedication and loyalty. Affectively committed employees are seen as having a sense of belonging and identification that increases their involvement in the organisation's activities, their willingness to pursue the organisation's goals, and their desire to remain in the

organisation (Meyer & Allen, 1991; Mowday, Porter, & Steers, 1982). Affective commitment encompasses social exchange mechanisms, meaning that it is an attitude through which employees reciprocate favourable organisational inducements, and that reflects on positive behavioural outcomes. Normative commitment may also involve social exchange mechanisms, while continuance commitment is more strongly grounded in an economic exchange (Meyer & Allen, 1997). The reason why we do not focus on these types of commitment relates to their small impact on individual performance, compared to affective organisational commitment (Meyer & Allen, 1997).

One question that might arise when one addresses agency workers' and outsourced workers' affective commitment is the following: "Is it desirable that agency workers and outsourced workers develop a high affective commitment?". As assignments are temporary, the question as to whether or not it is positive that they are very committed arises. Nevertheless, a question that might be missing is "Commitment to whom?". In fact, Galais and Moser (2009) found that workers who were highly committed to the agency reported increased well-being when they were reassigned but reported decreased well-being when they were not reassigned. If employees are highly committed to the client organisation, a reassignment might decrease their well-being. However if they are highly committed to the agency a reassignment represents an inducement from the agency, which reinforces employee commitment and well-being. Accordingly, commitment to the contractor might be the key here, especially when employees have permanent contracts (with their agency or with their outsourcer). That is, if employees have permanent contracts with an agency or an outsourcer, it is crucial that they are strongly committed to them, especially in a situation of reassignment. In our research project, we investigate

agency workers' and outsourced workers' dual *foci* of commitment, and assess their salience, as well as the relationship between the two commitments.

3.2.2.1 – Dual Affective Commitment

The fact that agency workers and outsourced workers work for two organisations simultaneously (the contractor and the client organisation) makes commitment research more complex than is the case with direct-hire workers' commitment. The reason lies in the fact that these employees form dual commitments: commitment to the contractor and commitment to the client organisation (e.g., Connelly & Gallagher, 2004; Gallagher & McLean Parks, 2001).

Most research on dual commitment has focused on temporary agency workers (e.g., Connelly et al., 2007; Lapalme et al., 2010; Liden et al., 2003). However there are also some studies focusing on long-term contracted workers (e.g., Coyle-Shapiro & Morrow, 2006) and outsourced workers (e.g., Benson, 1998).

Table 6 presents a literature review on empirical studies addressing the dual *foci* of commitment. This literature review aims to give a detailed overview on the studies that assessed dual commitment either as an antecedent or outcome of other variables, across different samples of temporary agency workers, outsourced workers and contracted workers. In general, we observed that dual commitment usually shows as an outcome of variables indicating positive inducements from both the client and the contractor, such as employee development practices, procedural justice, perceived social and organisational support, and psychological contract fulfilment. We also observed that dual commitment leads to lower turnover intentions and to favourable behaviours in the client organisation, such as organisational citizenship behaviours. We additionally found connections between the two *foci* of commitment, which are

often significantly correlated, due to employees' need to seek a balance in their simultaneous employment relationships (Liden et al., 2003).

Table 6.

Literature review on empirical studies analysing the dual commitment (chronological order)

Author(s) and Year	Type of Contingent Employees	Antecedents	Outcomes	Main Conclusions
Angle & Perry, 1986	Direct-hire Workers	- Labour-Management Relationship Climate - Union Participation	- Organisational Commitment - Union Commitment	- Dual commitment was higher in cooperative climates than in less cooperative ones. - The extent of members' participation in the union moderated this relationship: Dual commitment was stronger for more active participants.
Benson, 1998	Outsourced Workers	- Previous Employer - Union Membership - Stress - Training - Role Ambiguity - Role Conflict - Resource Adequacy - Co-worker Support - Supervisor Support	- Affective Organisational Commitment to the Outsourcer and to the Client Organisation	- Supervisor support is positively related to affective commitment to both the outsourcer and the client organisation. - Higher stress is negatively related to affective commitment to the outsourcer.
Barringer & Sturman, 1999	Temporary Agency Workers	- Social Support - Volition	- Affective Organisational Commitment to the Agency and to the Client Organisation	- Social support from the focal organisation explains a significant amount of the variance in commitment to both agency and client organisation. - Preference for temporary work is negatively associated to affective commitment to the client organisation.

(continuation of Table 6)

Author(s) and Year	Type of Contingent Employees	Antecedents	Outcomes	Main Conclusions
Moorman & Harland, 2002	Temporary Agency Workers	- Affective Organisational Commitment (Client and Agency)	- Organisational Citizenship Behaviours	- The two *foci* of commitment are positively related to organisational citizenship behaviours at the client organisation.
Liden, Wayne, Kraimer, & Sparrowe, 2003	Temporary Agency Workers	- Procedural Justice (Client and Agency) - Perceived Organisational Support (Client and Agency) - Affective Organisational Commitment (Client and Agency)	- Managers' perceptions of employees' Organisational Citizenship Behaviours at the Client - Managers' perceptions of employees' affective commitment to the client	- Dual Procedural justice → dual perceived of organisational support → dual affective organisational commitment. - Affective commitment to the client organisation is positively related to managers' perceptions of organisational citizenship behaviours and of employee commitment to the client. - Affective commitment to the agency "spills over" and is positively related to managers' perceptions of affective commitment to the client.
Slattery & Selvarajan, 2005	Temporary Agency Workers	- Job Satisfaction	- Affective Organisational Commitment (Client and Agency) - Turnover Intentions (Client and Agency)	- Job satisfaction → Affective organisational commitment → Turnover intentions (all variables regarding the client and the agency). - Affective commitment to the client organisation further mediated the negative relationship between job satisfaction at the client and turnover intentions regarding the agency.

(continuation of Table 6)

Author(s) and Year	Type of Contingent Employees	Antecedents	Outcomes	Main Conclusions
Coyle-Shapiro & Morrow, 2006	Long-Term Contracted Workers	- Psychological Contract Fulfilment - Perceived Organisational Support (Client) - Attractiveness of the Client Organisation - Affective Commitment to the Contractor	- Affective Commitment to the Client Organisation	- Psychological contract fulfilment → Affective commitment to the contractor → Affective commitment to the client organisation. - Client-based perceived organisational support and attractiveness of the client are positively related to affective commitment to this organisation.
Coyle-Shapiro, Morrow, & Kessler, 2006	Long-term Contracted Workers	- Perceived Organisational Support (Client and Contractor) - Felt Obligation to the Client and to the Contractor	- Affective Commitment to the Contractor and to the Client Organisation - Organisational Citizenship Behaviour (Service Delivery, Loyalty and Participation)	- Dual perceived organisational support → Felt obligation to the client or to the contractor → Dual affective organisational commitment. - Perceived organisational support → Client felt obligation → Participation dimension of citizenship behaviour.
Slattery, Selvarajan & Anderson, 2006	Temporary Agency Workers	- New Employee Development Practices (Client and Agency)	- Organisational Commitment (Client and Agency) - Job Satisfaction (Client and Agency) - Turnover Intentions (Client and Agency)	- Dual new employment development practices (e.g. access and supervisory support to receive training) → Dual organisational commitment and dual job satisfaction → Dual turnover intentions.

(continuation of Table 6)

Author(s) and Year	Type of Contingent Employees	Antecedents	Outcomes	Main Conclusions
Connelly, Gallagher & Gilley, 2007	Temporary Agency Workers	- Perceived Organisational Support (Client and Agency) - Volition (Voluntariness and Involuntariness)	- Affective and Continuance Commitment to the Agency and to the Client Organisation	- Perceived organisational support from the client organisation → Affective and continuance commitment (client and agency). - Employees' desire to pursue temporary work → Affective commitment to the agency - Preference for permanent employment → Continuance commitment to this organisation.
Veitch & Cooper-Thomas, 2009	Temporary Agency Workers	- Perceived Organisational Support (Client and Agency) - Placement Variables (duration and number of placements)	- Affective, Continuance and Normative Commitment to the Agency and to the Client Organisation	- Perceived organisational support by the client organisation → affective and normative commitment to the client, as well as normative commitment to the agency. - Employee's commitments did not differ across the two organisations.
Galais & Moser, 2009	Temporary Agency Workers	- Commitment to the Agency and to the Client Organisation (Time 1)	- Reassignment (Times 2 and 3) - Well-being (Times 1, 2 and 3)	- This is a longitudinal study that addresses whether it is important or not for agency workers to be committed to their agencies and their client organisations. - Cross-sectional commitment towards the client organisation had positive effects on workers' well-being, whereas commitment towards the agency had no effects. - However, when employees experienced reassignment to another client, high levels of commitment to the client were detrimental for their well-being.

(continuation of Table 6)

Author(s) and Year	Type of Contingent Employees	Antecedents	Outcomes	Main Conclusions
Lapalme, Simard, & Tremblay, 2010	Temporary Agency Workers	- Psychological Contract Breach (Agency and Client) - Trust (in the Agency and in the Client)	- Affective Commitment to the Agency and to the Client (reciprocal relationship) - Discretionary Behaviours and the Client Site	- Dual psychological contract breach → Dual trust → Dual affective commitment. - Affective commitment to the agency → Affective commitment to the client organisation → Discretionary behaviours at the client's site.
Slattery, Selvarajan, Anderson & Sandersai, 2010	Temporary Agency Workers	- Job Characteristics (skill variety, task significance, task identity, autonomy, feedback)	- Organisational Commitment (Agency and Client) - Job Satisfaction (Agency and Client) - Turnover Intentions (Agency and Client)	- Skill variety, task significance, task identity, autonomy and feedback are positively related to employees' commitment and job satisfaction regarding both the agency and the client organisation. - Most of these job characteristics were negatively related to employees' turnover intentions regarding the client (except for skill variety) and regarding the agency (except for skill variety and task significance).
Connelly, Gallagher, & Webster, 2011	Temporary Agency Workers	- Desire to Pursue Temporary Work - Agency and Client Justice - Perceived Difficulty in Finding Permanent Employment	- Organisational Citizenship Behaviours (Agency and Client) - Counterproductive Workplace Behaviours	- Dual perceptions of interpersonal justice → Organisational citizenship behaviours. - Dual perceptions of interpersonal justice → Counterproductive workplace behaviours. - Employees' desire to pursue temporary agency work is positively related to agency-directed organisational citizenship behaviours. In contrast, a preference for permanent employment is positively related to client-directed organisational citizenship behaviours.

(continuation of Table 6)

Author(s) and Year	Type of Contingent Employees	Antecedents	Outcomes	Main Conclusions
Kinnie & Swart, 2012	Professional Knowledge Workers	- Commitment to the Professional Service Organisation - Commitment to the Client Organisation - Commitment to the Profession	- Discretionary Behaviour - Turnover	- Qualitative analysis regarding the interaction between three types of commitment in a cross-boundary setting (professional knowledge workers). – Interactions between commitment to the professional service organisation, to the client organisation and to the profession. - These interactions can involve tensions that may reduce commitment and lead to less discretionary behaviours and to increased turnover.
Chambel, *in press*	Temporary Agency Workers	- Employees' perceptions of HRM practices	- Affective Commitment to the Client Organisation - Affective Commitment to the Agency	- Employees' favourable perceptions of HRM practices are positively related to affective commitment to the client organisation. - Affective commitment to the client organisation is positively related to affective commitment to the agency. - The positive relationship between employees' perceptions of HRM practices and affective commitment to the agency was mediated through affective commitment to the client organisation.

3.2.2.2 – Measuring the Affective Organisational Commitment

In our research project, we measure affective commitment to the contractor (the agency or the outsourcing organisation) and affective commitment to the client organisation using a Portuguese translation of Meyer et al.'s (1993), which had already been used in previous Portuguese research (e.g., Chambel & Castanheira, 2012; Chambel & Sobral, 2011). Employees were asked to think about either their contractor or their client organisation. Six items were measured on a seven-point scale, ranging from 'Strongly Disagree' (1) to 'Strongly Agree' (7). High scores indicate high levels of affective commitment.

Affective commitment was the variable that was present in all the studies in this research project. In our first (Chapter 6) and third (Chapter 8) empirical studies, we assessed agency workers' and/or outsourced workers' affective commitment to their contractor and to the client organisation where they were placed at the moment. In our second empirical study (Chapter 7), we focused on affective commitment to the client organisation, but not in affective commitment to the agency, due to the less salient role of the agency in this particular situation.

3.3 – Summary

In this chapter we focused on the main variables in our research project: HRM perceptions/attributions and affective organisational commitment. We described these variables in detail and provided two literature reviews. First, we reviewed the literature addressing the strategic role of HRM and its link to organisational performance. We also put particular emphasis on a literature review about the dual affective commitment of different types of employees such as temporary agency workers, outsourced workers and long-term contracted workers. Affective organisational commitment was the tool we elected to assess

the dual employment relationships of agency workers and outsourced workers throughout our research project. In particular, we will focus on the antecedents (HRM perceptions and attributions) and consequences (self-rated individual performance, in Chapter 8) of dual affective commitment, as well as on the interactions between the two *foci*, which are related to the salience of each employment relationship.

CHAPTER 4. SOCIAL EXCHANGE AND THE PSYCHOLOGICAL CONTRACT

In the previous chapter, we addressed the social exchange theory and the reciprocity norm as mechanisms that explain the relationship between HRM practices and employees' attitudes and behaviours (Blau, 1964; Gouldner, 1960). In particular, we advanced the idea that employees will first perceive and attribute a meaning to the HRM practices that are being implemented, and then reciprocate the perceived inducements with favourable attitudes and behaviours. However, according to previous research, this relationship does not appear to be direct: It seems to be mediated by several variables that are built upon social exchange theory, such as psychological contract fulfilment/breach (Sturges, Conway, Guest, & Liefhooghe, 2005), perceived justice (Paré & Tremblay, 2007; Wu & Chaturvedi, 2009) and perceived organisational support (Meyer et al., 2002). Employees who positively assess HRM practices are likely to (1) perceive that their psychological contracts are being fulfilled, (2) that there is procedural justice in the organisation, and (3) that they receive support from the organisation, which will be reciprocated with affective organisational commitment and individual performance.

In our research project, we chose the psychological contract (fulfilment) in order to further explain the relationship between HRM perceptions/attributions and contingent workers' affective organisational commitment. The psychological contract is distinct from other social exchange constructs that focus exclusively on the inducements received in the exchange relationship. This relates to its *prospective nature*: The anticipation of future inducements is important in explaining employees' attitudes, as well as their willingness to engage in behaviours beyond the motivational influence of present inducements (Coyle-Shapiro, 2002).

4.1 – Exchange, Reciprocity and the Psychological Contract

The psychological contract was first introduced by Argyris (1960), and was further developed by other authors as a framework for understanding the employment relationship. One of the leading authors in this field is Rousseau (1989, 1995), who defined the psychological contract as "individual beliefs, shaped by the organisation, regarding terms of an exchange agreement between individuals and their organisation" (Rousseau, 1995, p. 9). Psychological contracts include the "belief that a promise has been made and a consideration offered in exchange for it, binding the parties to some set of reciprocal obligations" (Rousseau, 1989, p. 123). From these definitions, it follows that the norm of reciprocity represents the key explanatory mechanism that underlies the psychological contract theory (Coyle-Shapiro & Morrow, 2002). However, the psychological contract is a construct that actually adds to social exchange theory, due to the fact that it encompasses a prospective nature, allowing us to foresee future attitudes and behaviours towards the organisation (Coyle-Shapiro, 2002).

The psychological contract can be investigated from the perspective of content or fulfilment/breach. The content of the psychological contract refers to promises made between the employee and the organisation. The fulfilment of the psychological contract refers to the extent to which the promises are kept (employees' or organisation's promises). In other words, perceived obligations set the parameters of the exchange whereas fulfilment of obligations captures perceptions of behaviour within the exchange (Coyle-Shapiro & Morrow, 2002).

4.1.1 – The Content of the Psychological Contract

Rousseau (1995) advanced four forms of psychological contracts based on their content: transactional, transitional, balanced and relational. Transactional psychological contracts are of limited duration with well-specified performance terms. Transitional psychological contracts reflect the absence of commitments regarding future employment, as well as a little or no explicit performance demands or contingent incentives. Relational psychological contracts encompass an open-ended membership in the organisation and also incomplete or ambiguous performance requirements. Balanced psychological contracts combine an open-ended and relationship-oriented employment relationship with well-specified performance terms subject to change over time (Rousseau, 1995). Most studies focusing on employees' psychological contracts have focused on their relational and transactional forms (e.g., Chen, 2010). Considering the fact that in our research project we are dealing with agency workers and outsourced workers, for whom employability development is a must (e.g., Kluytmans & Ott, 1999; Forrier & Sels, 2003), we decided to also address the balanced features of the psychological contract. Table 7 presents Rousseau's (2004) distinction of three general forms of the psychological contract: relational, transactional, and balanced.

Table 7.

Relational, Transactional and Balanced Psychological Contracts (Rousseau, 2004, p. 122)

Psychological Contract Content		
Relational	**Transactional**	**Balanced**
- Loyalty and stability; - Open-ended duration; - Workers tend to be more willing to work overtime whether paid or not;	- Narrow duties; - Limited or short-term duration; - Workers' contributions are less critical for the organisation's competitive advantage.	- Mutual concern and renegotiation; - Open-ended duration; - Workers exchange job security for the opportunity to continually learn valued skills and make contributions that benefit both the employer and themselves.

Several authors have advanced the idea that workers with different employment arrangements are likely to have psychological contracts with different characteristics. The psychological contract of temporary workers compared with permanent workers is narrower in terms of number and quality of content items (e.g. Chambel & Alcover, 2011; Coyle-Shapiro & Kessler, 2002; De Cuyper & De Witte, 2006; Rousseau, 1995; Rousseau & Schalk, 2000; Van Dyne & Ang, 1998). In particular, contingent workers are likely to develop a mostly transactional psychological contract based on the fact that their contract with the organisation is limited in time (Coyle-Shapiro & Kessler, 2002; McLean Parks et al., 1998; Millward & Hopkins 1998; Millward & Brewerton, 1999; Rousseau, 1995). Some studies found that, unlike permanent employees, temporary workers are likely to perceive their psychological contracts as more transactional than relational (e.g., Millward & Hopkins, 1998). Lee and Faller (2005) additionally showed that temporary agency workers' psychological contracts develop from a generally transactional orientation to become more relational with increased time spent in the client organisation (Lee & Faller, 2005). However,

the evidence also suggests that the behaviour of temporary employees may be more sensitive to variations in the content of the psychological contract than that of permanent employees (Guest, 2004). In particular, fixed-term and temporary agency workers tend to focus upon inducements that could unfold in the future (Chambel & Castanheira, 2006).

4.1.2 – Psychological Contract Fulfilment

Psychological contract fulfilment (vs. breach) occurs when an employee perceives that his or her organisation has fulfilled (vs. breached) one or more of the obligations in their psychological contract (Robinson, 1996). In our research project, we focus on psychological contract fulfilment, rather than content. The reason lies in the fact that employee positive attitudes have been more strongly related to delivered inducements than promised inducements (e.g., Lambert, Edwards, & Cable, 2003).

We focus on psychological contract fulfilment. In the studies that have been conducted on psychological contract breach, little has been done to provide a clear description of the process by which fulfilling the psychological contract affects work outcomes (Cheung & Chiu, 2004). The exceptions are the work of Robinson (1996), Turnley and Feldman (2000), Johnson and O'Leary-Kelly (2003) and Chambel and Castanheira (2012). These studies employ a measure of psychological contract fulfillment that captures the full range of potential responses – from under-fulfillment to over-fulfillment (Turnley, Bolino, Lester, & Bloodgood, 2003) – for each of the content forms of the psychological contract examined here.

Psychological contract fulfilment is positively related to organisational commitment (Coyle-Shapiro & Kessler, 2000), and in-role performance and organisational citizenship behaviours (Turnley et al., 2003). In the context of contingent employment relationships, a recent study found that temporary agency workers' psychological contract fulfilment is

positively related to affective commitment and negatively to work exhaustion (Chambel & Castanheira, 2012). Another study showed that this variable is positively related with dual affective commitment and discretionary behaviours at the client's site (Lapalme et al., 2010). Given the triangular employment relationships of both agency workers and outsourced workers, some authors focused on the notion of a dual psychological contract fulfilment/breach (Chambel & Fontinha, 2009; Lapalme et al., 2010). According to Gallagher and McLean Parks (2001, p. 185), a triangular employment relationship "involves the situation where a worker simultaneously fulfils obligations to more than one employer through the same act or behaviour". Chambel and Fontinha (2009) demonstrated that the perceived fulfilment of client's obligations relates positively to the perceived fulfilment of agency's obligations. Psychological contract fulfilment by the agency was negatively related to job insecurity. Additionally, Lapalme et al. (2010) found that psychological contract breach by the agency and by the client related negatively to discretionary behaviours at the client. More exactly, they established a causal chain: dual psychological contract breach → dual trust → dual affective commitment → discretionary behaviours at the client organisation.

In our research project, we will focus on psychological contract fulfilment by the client organisation. The reason why we did not analyse the two *foci* of the psychological contract relates to the characteristics of the sample we used in our second empirical study (see Chapter 7), the study in which we investigated the psychological contract. This is a sample of call centre agency workers who are almost entirely managed by their client organisation (the call centre), meaning that the agency's role is limited to initial recruitment and to sending employees letters with their payroll receipts. The absence of direct contact with the agency led us to the choice not to assess their psychological contract with the agency and to focus our analyses on affective commitment to the client organisation.

4.1.2.1 – Measuring Psychological Contract Fulfilment

Throughout the literature, one can find numerous different measures of the psychological contract (see Freese & Schalk, 2005, for a review). According to Freese and Schalk (2005) there are six specific criteria that apply to psychological contract measurements: (1) theory-based and inductively developed; (2) assess mutual obligations/promises; (3) psychometric characteristics known and appropriate for the sample; (4) measurement at an item level; (5) direct assessment; (6) distinction between fulfilment, breach or violation. In our research project, we chose to use a Portuguese translation of Rousseau's (2000) Psychological Contract Inventory, which had already been used in previous Portuguese research (e.g., Chambel & Alcover, 2011; Chambel & Castanheira, 2012). Rousseau's (2000) Psychological Contract Inventory comprises all the criteria defined by Freese and Schalk (2005), except for the distinction between fulfilment, breach and violation, which makes it a recommendable measure for the assessment of the content and the fulfilment of different forms of the psychological contract. In this research project, we focused on psychological contract fulfilment.

We used a 14-item Portuguese translation of this measure. Five items were balanced (e.g., "Help me have a better performance"), five items were relational (e.g. "Concern with my personal well-being") and four were transactional (e.g., "Perform only required tasks"). We used these items to assess psychological contract evaluation/state/fulfilment in our second empirical study (Chapter 7). Respondents were asked to consider their relationship with the client organisation, and to identify if it had fulfilled those particular obligations towards them. Items were scored on a five-point Likert scale, where (1) represented "The organisation has not fulfilled its obligation at all", (2) "The organisation has somehow not fulfilled its obligation", (3) "The organisation has fulfilled this obligation", (4) "The organisation has fulfilled more than its obligation" and (5) "The organisation has fulfilled much more than its

obligation". Lower scores indicate psychological contract under-fulfilment, the mid-level (3) represents psychological contract fulfilment and higher scores indicate psychological contract over-fulfilment (e.g., Turnley et al., 2003).

4.2 – Summary

In this chapter our aim was to detail the exchange mechanisms that underlie the relationship between HRM perceptions/attributions and employees' attitudes and behaviours, described in Chapter 3. We focused specifically on the psychological contract, which represents a relevant construct based on social exchange principles. The psychological contract adds a prospective dimension that allows us to foresee employee attitudes and behaviours, which is why we chose it instead of other social exchange based constructs. We described the psychological contract construct in terms of its content and fulfilment. As we specifically evaluate psychological contract fulfilment, we revised some of the latest empirical findings analysing this variable in contingent employment. Although we acknowledge the relevant role of the two *foci* of the psychological contract, we only assessed psychological contract fulfilment by the client due to the very limited role of the agency in the sample we used for out third empirical study (Chapter 7). We additionally described the way we measured psychological contract fulfilment.

CHAPTER 5. DEVELOPING A GLOBAL RESEARCH MODEL

5.1 – The Global Research Model

This chapter integrates the previous chapters. Our aim is to describe the general theoretical model we designed to frame the three empirical studies presented in this volume (Figure 2). Our studies are theoretically consistent with each other and the variables follow a causality pattern. We built our research model based upon the existing literature on the link between high performance HRM practices and organisational performance (explained by social exchange mechanisms). Deriving from our global research model, we present sub-models representing each of our studies and provide a brief description of their structure and objectives (Figures 3, 4, and 5).

Figure 2. Global Research Model

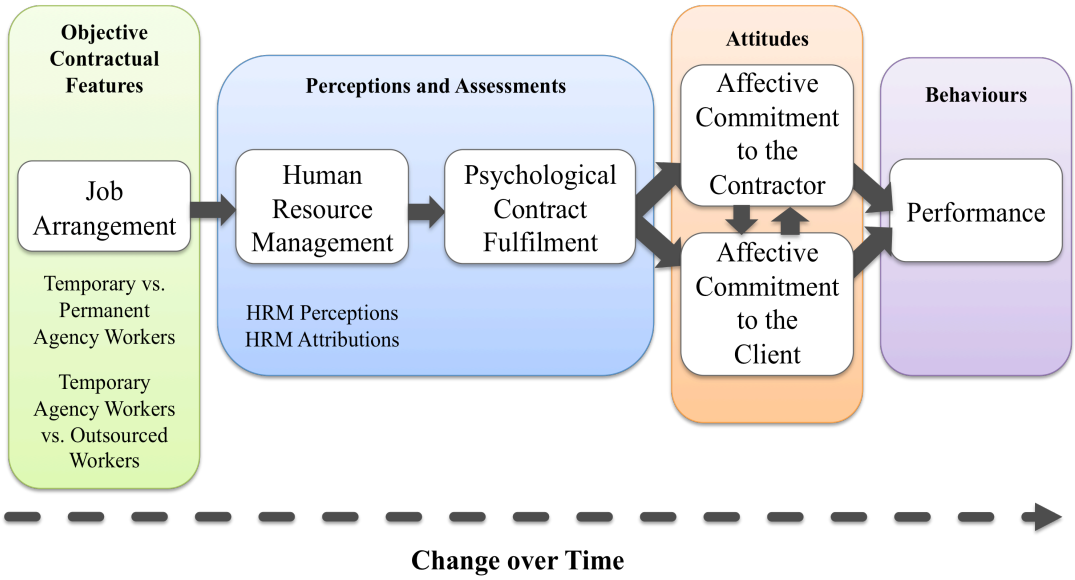
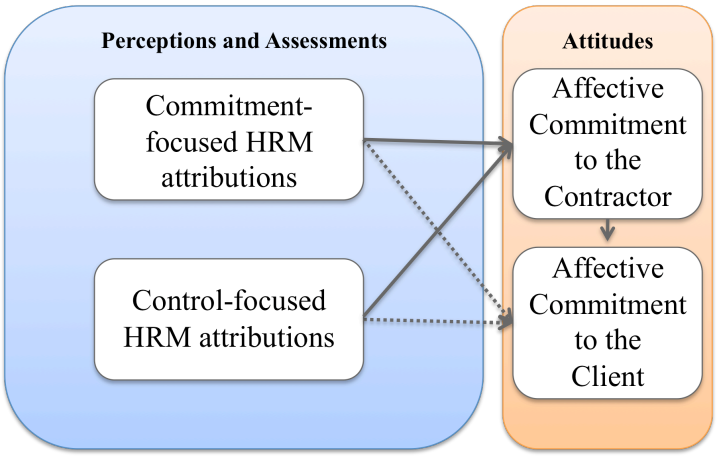
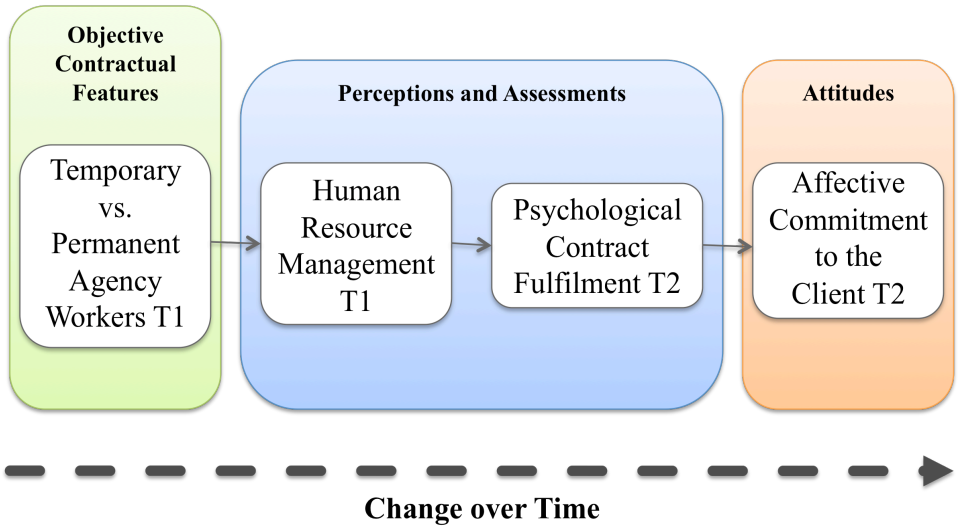


Figure 3. First empirical study (Chapter 6)



The order of presentation of our empirical studies is not random. Figure 3 represents the structure of relationships assessed in our first empirical study, with a sample of outsourced IT workers. Our objective is to assess the dual employment relationships of outsourced IT workers through the affective commitment they establish with both the outsourcer and the client organisation. We further assess how commitment-focused and control-focused HRM attributions relate to these two *foci* of affective commitment and the mediating role of affective commitment to the outsourcer. We present this study first because it combines the two central dimensions of this research project: HRM and the dual employment relationship of contingent workers.

Figure 4. Second empirical study (Chapter 7)



Second, we present a more complex study with a longitudinal design and a sample of permanent and temporary agency workers (all medium-skilled call centre workers – Figure 4). In this study, we address more variables than in our first study, either as antecedents or mediators in the relationship between HRM and affective organisational commitment. In this study, we focus on the relationship with the client organisation due to the limited role of the agency, not allowing the establishment of a commitment to it. As such, we investigate the relationship between contract type Time 1 (being a permanent agency worker – 1 – or a temporary agency worker – 0), HRM perceptions Time 1, psychological contract fulfilment Time 2 and affective commitment to the client Time 2. We anticipate that having a permanent contract with an agency might be perceived as a career downgrade due to the greater unlikelihood of being directly hired by the client organisation. Thus, we analyse a mediation model, where being a permanent agency worker is negatively related to the perception of receiving high performance HRM practices (T1). This perception will then result in a lower psychological contract fulfilment (T2) and less affective commitment to the client organisation (T2).

Figure 5. Third empirical study (Chapter 8)

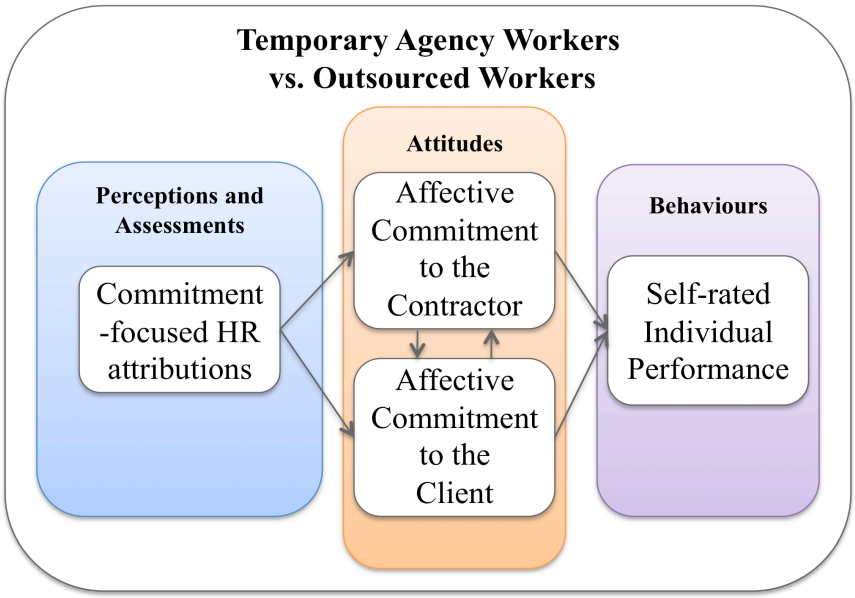


Figure 5 presents our third empirical study, which has the main objective of comparing temporary agency workers and outsourced workers. In these two groups, we compare a mediation model linking commitment-focused HRM attributions, the two *foci* of affective commitment and self-rated individual performance. We anticipate that the relationships involving the contractor will be the main referential for outsourced workers, due to the more salient role of the outsourcer in their employment relationships. The relationship with the client organisation will be the main referential for temporary agency workers, due to the more salient role of this organisation in their employment relationships. We present this study last because we now introduce a behavioural variable (self-rated performance), which is an addition compared to the latest two studies.

In our last chapter we aim to integrate as discuss the results of the four empirical studies we present in this research project.

5.2 – Cohesiveness and Complementarities among Studies

In our research project, we establish two comparisons between employees with different work arrangements: one between permanent and temporary agency workers (Chapter 7) and another between temporary agency workers and outsourced workers (Chapter 8). We presented this variable first in our causal chain (Figure 2), since this is a contextual variable (an objective feature and not a subjective perception), which "sets the stage" for the adoption of certain HRM practices and for the development of particular employee perceptions, attitudes and behaviours.

Studying types of job arrangements has been an important trend in contingent work research. In particular there has been a wide array of studies comparing permanent vs. temporary workers. These studies led to mixed results regarding the attitudinal and behavioural differences between permanent and temporary workers (for a review see De Cuyper et al., 2008). There have also been some studies comparing permanent workers and agency workers (e.g., Torka & Schyns, 2010) and also direct-hire temporary work and temporary agency work (e.g., Chambel & Castanheira, 2006). We now aim to establish comparisons between different types of contingent workers regarding employees' HRM perceptions and attributions. In Chapter 7, contract type (permanent vs. temporary agency work) is assumed to lead to employees' perceptions about high performance HRM practices. In Chapter 8, we perform a multigroup SEM analysis, where we compare the links between commitment-focused HRM attributions → dual affective commitment → self-rated performance among temporary agency workers and outsourced workers.

The next step in our research model refers to employees' perceptions and assessments: (1) HRM perceptions and attributions, and (2) psychological contract fulfilment.

As regards HRM practices, we first gathered information about the actual HRM practices that are being implemented in each contractor and client organisation through interviews with managers. However, we were mostly interested in employees' perceptions and attributions about the HRM practices. These perceptions and attributions are stronger determinants of employees' attitudes and behaviours in the organisation (Edgar & Geare, 2005; Nishii et al., 2008). As described in Chapter 3, we assessed employees' perceptions about whether HRM practices are motivated for high performance (Chapter 7) and we also assessed HRM attributions through Nishii et al.'s (2008) scale (Chapters 6 and 8).

The next step in our causal chain presents psychological contract fulfilment. The idea of psychological contract fulfilment at this stage was based on previous literature, which states that HRM practices are one of the main variables shaping the content and the fulfilment of the psychological contract (e.g., Guzzo & Noonan, 1994; Sonnenberg et al., 2011). Psychological contract fulfilment is addressed in our second empirical study (Chapter 7) and acts as a mediator between HRM perceptions and affective commitment to the client organisation.

The following step in our global research model includes a relevant and widely researched attitude: affective organisational commitment. In our second empirical study we investigated affective commitment to the client organisation (see Chapter 7). However, in the remaining empirical studies we focused on affective commitment to both the contractor and the client organisation. Besides analysing the relationships between HRM attributions and the two *foci* of affective commitment, we also assess possible reciprocal relationships between affective commitment to the agency and to the client organisation. This means that affective commitment to the contractor may "spill over" (e.g., Lapalme et al., 2010) and may relate to commitment to the client organisation, and *vice versa*. The reason why we see affective

organisational commitment at this place in our global research model is that it has been widely addressed as an outcome of psychological contract fulfilment: an attitude towards the organisation(s) based upon the perception that it has been fulfilling its obligations (e.g., De Cuyper & De Witte, 2006). Furthermore, affective organisational commitment is an attitudinal response that has been multiple times addressed as an antecedent of desirable work behaviour, including attendance, citizenship, lower turnover, lower turnover intentions, higher job satisfaction and higher performance (Meyer & Allen, 1997; Mowday, 1998; Riketta, 2002, 2008).

The last step in our global research model represents employees' behaviours. In particular, we assessed employees' self-rated performance (Chapter 8). Although we acknowledge that it would have been preferable to have an objective performance measure or a supervisor assessment, we were unable to retrieve this type of data due to the organisations' confidentiality concerns. Nevertheless, recent research suggests that the amount of bias in self-rated performance measures does not seem to vary across performance levels (Sharma, Rich & Levy, 2004). The reason why we present performance at this stage relates to the fact that is has been widely addressed as an outcome of affective organisational commitment (Meyer et al., 2002).

We additionally present an arrow at the bottom of our global research model representing time progression. This representation relates to the fact that we have an empirical follow-up study: a longitudinal study with two waves of data collection (Chapter 7).

5.3 – Summary

In this chapter, our aim was to provide a general overview concerning the studies we developed in this research project. We integrated them in a global theoretical model comprising work arrangements as initial contextual variables that may influence employees' perceptions and assessments regarding HRM practices. Favourable HRM perceptions and assessments are reciprocated with employees' psychological contract fulfilment, with their (dual) affective organisational commitment, and ultimately with their individual performance (self-rated). We additionally represented the time variable, referring to the longitudinal study we present. The presentation of our studies follows a *crescendo* of complexity in the relationships between variables and types of arrangements assessed. We start with our core idea that HRM attributions relate to employees' dual *foci* of affective commitment (Chapter 6). We then move to the notion that these relationships can be influenced by employees' contractual arrangements with an agency and further explained through psychological contract fulfilment (Chapter 7). We ultimately introduce a more complex method of analysis and we compare agency workers and outsourced workers, focusing on differential management roles and introducing the variable of individual self-rated performance (Chapter 8). Overall, these studies allow us a greater comprehension of the phenomena occurring in the triangular employment relationships of agency workers and outsourced workers.

PART II

CHAPTER 6. HR Attributions and the Dual Commitment of Outsourced IT Workers

6.1 – Authorship and Paper Status

Fontinha, R., Chambel, M. J., and De Cuyper, N.

This paper is now published at the Personnel Review.

Reference: Fontinha, R., Chambel, M. J., & De Cuyper (2012). HR attributions and the dual commitment of outsourced IT workers. *Personnel Review, 41*, 832-848. doi: 10.1108/00483481211263773

6.2 – Conference Presentations

June 2010. Paper presented at the **Conference of the Scientific Committee on Work Organisation and Psychosocial Factors (WOPS) of the International Commission on Occupational Health (ICOH),** Amsterdam, Nederland.

6.3 – Abstract

Purpose - Outsourced IT workers establish two different employment relationships: one with the outsourcing company that hires them and another with the client organisation where they work daily. The attitudes that an employee has towards both organisations may be influenced by the interpretations or attributions that employees make about the reasons behind the human resource (HR) management practices implemented by the outsourcing company. We propose that commitment-focused HR attributions are positively and control-focused HR attributions are negatively related to the affective commitment to the client organisation, through the affective commitment to the outsourcing company.

Design/methodology/approach - These hypotheses were tested with a sample of 158 highly skilled outsourced employees from the Information Technologies sector. Data were analysed with SEM.

Findings - Our hypotheses were supported. We can conclude that, if an employee interprets the HR practices as part of a commitment-focused strategy of the outsourcing company, it has clear attitudinal benefits. We found that the relationship between HR attributions and the commitment to the client organisation is mediated by the commitment to the outsourcing company.

Practical Implications - These findings hint at the critical role of outsourcing companies in managing the careers of these highly marketable employees.

Originality/Value - This paper is the first to apply the concept of HR Attributions to contingent employment literature in general and to outsourced IT workers in particular.

Keywords - Outsourced IT Workers; Double Employment Relationships; HR Attributions; Affective Organisational Commitment

Paper type - Research paper

6.4 – Introduction

More and more organisations are outsourcing their activities in order to achieve the flexibility needed to respond to changes in labour demands (Kalleberg, Reskin & Hudson, 2000). Outsourcing is one of the most notable human resource trends in the past fifteen years (Marler, Barringer, & Milkovitch, 2002). The growth of outsourcing is particularly visible in the context of Information Technologies (IT) (Xie et al., 1995). In fact, IT workers are highly skilled knowledge workers who are the pioneers of new flexible patterns of working styles (Castells, 2000).

Outsourcing involves the emergence of a tripartite employment relationship between the

outsourcing organisation, the client organisation and the worker (Barling & Gallagher, 1996; Connelly & Gallagher, 2004; Druker & Stanworth, 2004; Galais & Moser, 2009; Purcell et al., 2004). Client organisations desire immediate access to specialised skills and knowledge that may not be available within the organisation and/or that are not needed on a long-term basis (Gallagher & Sverke, 2005). Outsourcing companies respond to this need by sending workers to different client organisations, where they perform their daily work. In this triangular employment relationship, employees face a unique situation in which they identify with two organisations: the client organisation where they are assigned to work (their *de facto* employer) and the outsourcing company that is their *de juro* employer (De Cuyper et al., 2008; Slattery et al., 2006). This leads to two *foci* of commitment (Liden et al., 2003).

In this study, we focus upon a critical factor that promotes the dual commitment of outsourced IT workers: HR management practices. We advance that the way these practices are interpreted by the employees is crucial to their affective organisational commitment. We rely on the idea that HR management practices can be viewed as ways of communication from the employer to the employee (Guzzo & Noonan, 1994) that are differently interpreted by employees. The way in which employees interpret the HR practice is of major importance, implying that attribution theory may offer some valuable insights (Bowen & Ostroff, 2004; Fiske & Taylor, 1984; Kelley, 1973). More specifically, we will rely on Nishii et al.'s (2008) construct of HR attributions: The idea is that employee's perceptions of the reasons why an organisation adopts certain HR practices are related to their affective organisational commitment. We will apply this theory in the context of outsourced IT workers. That is to say, we will verify how the meanings that outsourced IT workers attribute to the outsourcing company's HR management practices are related to their affective commitment to both the outsourcing and the client company. The outsourcing company is the main responsible for implementing HR practices, which makes us anticipate a strong role of the employment

relationship with this company. Likewise, we foresee that this relationship will have an impact on the relationship with the client organisation. Accordingly, we will investigate if the affective commitment to the outsourcing company acts as a mediator in the relationship between HR attributions and the affective commitment to the client organisation. This is the first study to probe the role of HR attributions and commitment in a sample of contingent workers.

6.4.1 - HR Attributions and Affective Organisational Commitment

The strategic interest in HRM has stimulated much research in the area, for instance on the relationship between HRM and organisational performance (*e.g.* Huselid, 1995; Arthur, 1992; see Boselie, et al., 2005, for a review). In order to understand how HR practices and performance relate, researchers focused on the so-called 'black box' that explains the processes between them (Bowen & Ostroff, 2004). Scholars converged in their belief that HR practices are associated with organisational outcomes through their influence on employee attitudes and behaviours (e.g., Huselid, 1995; Chang & Chen, 2002**)**. Traditional HRM literature measures HR practices in three ways: by their presence (*ie* a dichotomous scale for whether it is actually in effect 'yes' or 'no'), by their coverage (*ie* a continuous scale for the proportion of the workforce covered by it) or by their intensity (*ie* a continuous scale for the degree to which an individual employee is exposed to the practice or policy) (Boselie et al., 2005). However, in order to disentangle the content of the 'black box' between HR practices and performance, more recent approaches (see e.g. Nishii & Wright, 2008) suggest that HR practices should also be measured through the way they are interpreted by employees. Accordingly, the causal chain between HR practices, attitudes and behaviours, and organisational outcomes would be more complex in that employees' perceptions of HR practices are likely to precede the employee attitudes and behaviour links in the causal chain

(Nishii & Wright, 2008; Bowen & Ostroff, 2004). That is, in order for HR practices to exert their desired effect on employee attitudes and behaviours, they first have to be perceived and interpreted subjectively by employees in ways that will engender such attitudinal and behavioural reactions (Nishii et al., 2008). The authors rely on attribution theory, namely that individuals can make confident attributions about cause-effect relationships depending on the degree of distinctiveness, consistency, and consensus (Kelley, 1973). Distinctiveness of HR practices represents the perceived relevance of HRM to attain a certain goal; consistency refers to the internal consistency or the internal alignment among HR practices; and consensus in HR management concerns the agreement among policy makers about the event-effect relationships (see Bowen & Ostroff, 2004; and Sanders, Dorenbosch, & de Reuver, 2008).

Nishii and her colleagues (2008) emphasised the role of HR attributions, which describe employee's perceptions about management's purpose in implementing the actual HR practices. They suggested a model with five types of HR attributions: four of them internal (internal intentions of the organisation) and one of them external (practices related to union compliance, such as issues concerning working hours and salaries at the level of sectors). Nishii et al. (2008) expect internal attributions to be differentiable based on whether they connote positive or negative implications for employees, with the expectation that the underlying valence of these attributions will dictate their relationship with employees' attitudinal responses. In line with social exchange principles, *commitment*-focused HR attributions (*ie* service quality and employee well-being HR attributions) connote positive consequences for employees, who are then likely to engender a felt obligation to reciprocate in positive and beneficial ways (Torka, Looise, & van Riemsdijk, 2005). However, when employees perceive that the intended goals of HR practices connote lower levels of concern for employees and a more cost-driven *control*-focus (*ie* cost reduction and exploiting

employees HR attributions), negative outcomes are likely to ensue, such as lower levels of commitment (Nishii et al., 2008).

In our study, we will focus on three HR practices that may be particularly relevant in the context of IT outsourcing: staffing, training and performance appraisal. Staffing is an important HR practice for IT outsourcing companies, due to the high competition for specialised workers in the IT sector. These companies are concerned with attracting, retaining and managing employees who can successfully navigate the often complex landscape that exists at the intersection of two organisations (Fisher, Wasserman, Wolf, & Weans, 2008). Training is also particularly relevant for IT outsourcing, which is a sector of rapid technological change requiring adaptability (Adams & Demaiter, 2008). Training is crucial for outsourced IT workers, who need to develop their skills in order to enhance their employability (Kunda et al., 2002). It is also important to focus on performance appraisal as a crucial HR management practice in IT outsourcing, since previous research showed that a higher quality of the performance appraisal experience was significantly related to higher job satisfaction and commitment and to lower quit intentions (e.g., Brown, Hyatt, & Benson, 2010). Previous research on regular employment has shown a significant relationship between providing HR practices such as development, promotion and training opportunities (e.g. Benson, 2006), transmitting procedural justice at performance appraisal (e.g. Tang & Sarsfield-Baldwin, 1996) and implementing attractive staffing procedures (e.g. Wanous, 1992), and affective organisational commitment. Although Nishii et al., (2008) also assessed pay, benefits and scheduling, we chose not to focus on these HR practices. The reason is that outsourcing companies within the IT sector tend to pay high salaries, and offer the same type of benefits and scheduling. Additionally, in a US survey among 35000 employees, competitive based pay only ranked six in retaining employees and did not make it to the top ten in terms of motivating employees (Towers Perrin, 2003), meaning that career

development based inducements were considered more relevant. This is why we chose staffing, training and performance appraisal as the most relevant HR practices for IT Outsourcing.

Considering the relevance of these HR practices, we are interested in the HR attributions employees make of the staffing, training and performance appraisal practices. Nishii et al. (2008) found that, when HR practices are attributed a meaning related to a commitment-focused HR strategy, they are associated with positive outcomes, such as affective organisational commitment. In contrast, when HR practices are attributed a meaning related to a control-focused HR strategy, they associate to negative outcomes, such as a lower affective commitment. However, we could not find any previous research on contingent employment assessing the relationship between HR attributions and affective organisational commitment. We will then rely on Nishii et al.'s (2008) findings concerning the positive outcomes of commitment-focused HR attributions and the negative outcomes of control-focused HR attributions, and see if they are also true in the context of contingent employment. In particular, we will investigate if the attributions that employees make of these HR practices are also related to affective organisational commitment in the context of IT outsourcing.

H1a). Commitment-focused HR attributions are positively related to outsourced IT worker's affective commitment to the outsourcing company.

H1b). Control-focused HR attributions are negatively related to outsourced IT worker's affective commitment to the outsourcing company.

6.4.2 - Affective Commitment to the Outsourcing Company and to the Client Organisation

In contrast to regular workers, outsourced IT workers have to deal with two

organisations: the outsourcing company and the client organisation. Outsourced workers operate in a triangular employment relationship (Barling & Gallagher, 1996; Connelly & Gallagher, 2004; Druker & Stanworth, 2004; Galais & Moser, 2009; Purcell et al., 2004), in which also the outsourcing and the client organisations establish a relationship among them (e.g. Kunda et al., 2002). The IT outsourcing company and the client organisation formulate a shared employment relationship vis-à-vis the outsourced IT worker, creating a triangular system of employment relations (Kalleberg et al., 2000; McKeown, 2003). This leads to two simultaneous commitments to the organisations (Connelly et al., 2007; Coyle-Shapiro & Morrow, 2006; Coyle-Shapiro et al., 2006; Lapalme et al., 2010; Liden et al., 2003; Moorman & Harland, 2002; Slattery & Selvarajan, 2005; Veitch & Cooper-Thomas, 2009).

According to the principles of social exchange (Blau, 1964), it is in both the outsourcing company and client organisations' best interests to create situations in which employees develop an affective commitment towards both of them (Coyle-Shapiro & Morrow, 2006). A social exchange – as opposite to transactions in economic exchange – involves exchanges in an interdependent relationship that creates future unspecific obligations, trust, commitment, and enduring social patterns. Thus, it is desirable that the outsourced IT worker establishes a strong commitment to the outsourcing company. Commitment is known to relate to lower turnover, lower turnover intentions, higher job satisfaction and higher performance (Meyer & Allen, 1997; Mowday, 1998; Riketta, 2002, 2008): All crucial outcomes for outsourcing companies that want to retain their highly skilled and well performing employees. On the other hand, commitment of outsourced IT workers to the client organisation is important given that commitment is strongly related to organisational citizenship behaviours and to higher performance (e.g. Riketta, 2002, 2008). These behaviours are relevant since these client companies rely on external help to take care of their IT system and make considerable financial investments in such help.

We believe that a strong commitment to the organisation in charge of HR management, here the IT outsourcing company, signals that the employee reciprocates excellent treatment by the organisation. One important inducement for outsourced workers is the assignment to an attractive client organisation, where they would work daily. If outsourced IT workers have a positive perception of the client organisation, they not only reciprocate in terms of their commitment to the outsourcing company but also to the client organisation. Although we could not find research on the double commitment of outsourced IT workers, research on long-term contracted employees and on regular temporary agency workers shows that the commitment to the contractor can influence employees' commitment to the client organisation (Connelly et al., 2007; Coyle-Shapiro & Morrow, 2006; Lapalme et al., 2010). Drawing on the findings in related areas of contingent employment, we believe that the relationship between the two simultaneous commitments will be true for outsourced IT workers as well. Accordingly, we hypothesise:

H2. Affective commitment to the IT outsourcing company is positively related to affective commitment to the client organisation.

6.4.3 - Commitment to the IT Outsourcing Company as a Mediator

Employees feel obliged to respond positively to the inducements they receive from their employer (Gouldner, 1960). In the case of IT outsourcing, there co-exist two employment relationships, meaning that the way exchange and reciprocity work may be more complex than in traditional employment. Previous research on contingent employment provides us with evidence that the relationship established with the contractor is related to attitudinal and behavioural outcomes vis-à-vis the client organisation (Coyle-Shapiro & Morrow, 2006; Coyle-Shapiro et al., 2006). The outsourcing company implements the HR management

practices (Fisher et al., 2008; Kunda et al., 2002). An important part of their management and a crucial inducement is assigning them to "good clients", so they have career enriching experiences (Chambel & Fontinha, 2009). Due to the high skills and high marketability of the employees, it is in the best interest of the IT outsourcing companies to keep the expensive workers, so that they can be placed in client companies at high revenue. HR practices implemented by the outsourcing company may "spill over" and influence the affective commitment to the client organisation (Connelly et al., 2011). Following this data from temporary agency workers, we anticipate that HR management practices, implemented by the outsourcing company, will relate to the commitment to the client organisation. This means that, by placing employees in clients where they can have career enriching experiences and by providing them several inducements while there, IT outsourcing companies create the necessary conditions for an affective commitment to develop with the client. Accordingly, in order to apply Nishii et al.'s (2008) conceptual model to IT outsourcing we need to consider the impact of HR attributions on employee's attitudes towards the client organisation.

Considering the fact that the IT outsourcing company is the main manager of outsourced IT workers and that HR attributions are built upon their practices, we believe that the effect of these attributions on the attitudes towards the client organisation may not be direct. Instead, HR attributions may first have an impact on employee's attitudes towards the IT outsourcing company, which will then influence their attitudes towards the client organisation. Accordingly, we anticipate that the relationship between HR attributions and the affective commitment to the client organisation will be mediated by the affective commitment to the IT outsourcing company. First, the outsourced IT worker would perceive the HR practices implemented by the outsourcing company and attribute them a certain meaning, which would be related to their affective commitment to this company, which in turn would be related to the commitment to the client organisation. This reasoning leads us to

two hypotheses:

H3a). The relationship between commitment-focused HR attributions and outsourced IT worker's affective commitment to the client organisation is mediated by their affective commitment to the outsourcing company.

H3b). The relationship between control-focused HR attributions and outsourced IT worker's affective commitment to the client organisation is mediated by their affective commitment to the outsourcing company.

6.5 – Method

6.5.1 – Research Context

Data were collected among outsourced employees from five Portuguese outsourcing companies in the information technologies sector. These organisations are the ones responsible for managing this workforce. The managers at the client companies are not particularly involved in the management of these IT outsourced employees, due to the specificity of their tasks: These clients operate in areas such as finance and retail, meaning that their core business is not IT. The market in which IT outsourcing companies operate is highly competitive and is characterised by inflated salaries, extended career development opportunities and a relatively high turnover. This relatively high turnover develops from the high marketability of IT workers, and the associated job offers. In a context of competition for workers, IT outsourcing companies need to invest in their commitment, as part of a retention strategy, and as way to maintain their market position.

6.5.2 – Procedure and Participants

Human resource managers from these IT outsourcing companies were interviewed in order to assess the human resource management practices relevant for outsourced IT workers. We also acknowledged the roles of the outsourcing companies and the client organisations on these management practices. The outsourcing companies do all the staffing procedures, from recruiting to evaluating and selecting the new employees. Concerning training, the outsourcing companies provide regular formal and certified training in specific software's, whereas client organisations only provide minor skill development opportunities through on-the job training/experience. The outsourcing company is also in charge of performance appraisal, especially because there is usually a leader from the IT outsourcing company supervising the work of each team at the client organisations. The managers from the IT outsourcing companies are the ones who decide on the relationship between performance and rewards. E-mail with the link to the on-line questionnaire was sent to 371 outsourced IT workers of these five outsourcing companies. Of these, 164 were returned: a response rate of 44%. 158 responses were useful to our analyses.

Regarding the characteristics of the sample, more men (57%) than women (43%) participated in the study. In terms of age, 13% of the respondents were younger than 25; 25% were between 26 and 30; 29% were between 31 and 35; 22% were between 36 and 40; and 11% were older than 40 years. Concerning education, 11% had finished secondary school; 19% had been to college but have not finished it yet; 56% held a college degree and 14% held a post-graduate degree. The tenure with the outsourcing company was longer (65% of the respondents were there for more than 2 years), while tenure with the client organisation was shorter (64% were in that client company for less than two years).

6.5.3 – Measures

Commitment-focused HR Attributions. To assess positive HR attributions, we utilized 6 items from Nishii et al.'s (2008) HR attributions scale. We relied on these authors' idea that HR practices that are interpreted as reflecting a quality HR strategy and a concern with employee well being are part of a commitment-focused strategy by the IT outsourcing company. We focused on three HR practices that were found relevant in the context of contingent labour, namely staffing procedures and criteria, performance appraisal and training. For each of these HR practices, two statements were presented concerning the perceived organisational intentions behind these human resource practices. It is important to recognise that the commitment-focused HR attributions scale is different from commitment: HR attributions, unlike commitment, involve the perception of the organisational reasons behind several HR practices and the attribution of a certain meaning to them (see also our CFA below). In order to verify if employees regarded HR practices as being part of a quality HR strategy we used items such as "*This outsourcing company makes the hiring choices that it does in order to help employees deliver quality service to customers*". To assess if employees regarded HR practices as representing a concern with employee well-being we used items such as "*This outsourcing company provides the employees the training that it does, so that they feel valued and respected*". Items were measured on a five-point scale, ranging from 'Strongly Disagree' (1) to 'Strongly Agree' (5). High scores indicated positive HR attributions. Cronbach's alpha for this scale is 0.77.

Control-focused HR Attributions. To assess control-focused HR attributions we also used 6 items from Nishii et al.'s (2008) scale. We are still focusing on staffing procedures and criteria, performance appraisal and training, but we now try to assess if the employees regard these HR practices as being motivated by a control intention. More specifically, we used items such as "*This outsourcing company uses the performance appraisal system that it does*

to try to keep costs down" in order to verify if these practices are interpreted as being part of a cost-reduction strategy and items such as "*This outsourcing company makes the hiring choices that it does in order to get the most work out of employees*" in order to assess if these practices are seen as a way of exploiting employees. Items were measured in a five-point scale, ranging from 'Strongly Disagree' (1) to 'Strongly Agree' (5). High scores indicated negative HR attributions. The alpha for this scale is 0.65.

Affective Commitment - Outsourcing Company. We assessed employee's affective commitment to the outsourcing company, using Meyer et al.'s (1993) measure. Six items were measured on a seven-point scale, ranging from 'Strongly Disagree' (1) to 'Strongly Agree' (7). An example item included '*I feel a strong sense of belonging to (organisation name)'*. High scores indicate high levels of affective commitment. Alpha was 0.88.

Affective Commitment – Client Company. We used the exact same 6-item scale from Meyer et al. (1993), but now referring to the client company where the outsourced IT worker is currently placed. The alpha for this scale was also 0.88.

Control Variables. We controlled for tenure with both the IT outsourcing company and with the client organisation, since many factors that predict organisational commitment covary with length of service (Mowday et al., 1982).

6.5.4 – Statistical Analysis

We employed structural equation modelling (SEM) techniques using IBM SPSS AMOS software package to test for the hypothesised relationships. In investigating mediation, SEM offers certain advantages over multiple regression analysis, especially because it allows assessing and correcting for measurement error, thus providing a more reliable test for mediation effects (Frazier, Tix & Baron, 2004). As a confirmatory approach, SEM simultaneously tests the relationships among an initial variable, a mediator and an outcome variable. To test the mediation relationships, we computed a SEM model, which

included a path from commitment-focused HR attributions to affective commitment to the IT outsourcing company, a path from control-focused HR attributions to affective commitment to the client organisation, and a path from affective commitment to the IT outsourcing company to the affective commitment to the client organisation.

Model fit was assessed by inspecting several types of indices. The Root Mean Square Error of Approximation (RMSEA), the Comparative Fit Index (CFI), the Tucker Lewis Index (TLI), and the Standardized Root Mean Square (SRMR) were assessed.

6.6 – Results

6.6.1 – Measurement models

Four measurement models were fitted to the data. First, in order to check the factor structure of our model, we designed a one-factor model, in which all items loaded on a single latent variable. Second, we created a two-factor model where all items from HR attributions loaded on one factor and all items concerning affective organisational commitment loaded on another factor. Third, we designed a three-factor model, where the items from commitment-focused HR attributions loaded on one factor, the items from control-focused HR attributions loaded on another factor and all items related to affective organisational commitment loaded on another factor. In the fourth measurement model, our hypothesised model, all observed items were grouped in their respective latent variables (four factors). Correlations between the latent variables were allowed. These models did not have a satisfactory fit [One factor model: χ^2 (239) = 927,16, $\rho < .001$; SRMR = .15; TLI = .63; CFI = .68; RMSEA = .14; Two factor model: χ^2 (238) = 818,04, $\rho < .001$; SRMR = .14; TLI = .69; CFI = .73; RMSEA = .13; Three factor model: χ^2 (236) = 789,91, $\rho < .001$; SRMR = .14; TLI = .70; CFI = .75; RMSEA = .12; Hypothesised model: χ^2 (237) = 600.95, $\rho < .001$; SRMR = .11; TLI = .81; CFI = .83; RMSEA = .09].

We then inspected possible reasons for this low fit. The modification indices suggested eliminating one item from each of the affective commitment scales (*'I really feel as if this organisation's problems are my own'*, which was present in both scales). These items had low factor weights (below .50 in both cases) and there was substantial covariation between the error terms of two items from affective commitment to the client organisation. Accordingly, we implemented these modifications in the four models. The fit for the modified models was: one-factor $\chi^2(199) = 831.44$, $\rho < .001$; SRMR = .15; TLI = .62; CFI = .67; RMSEA = .14; two-factor $\chi^2(198) = 722.32$, $\rho < .001$; SRMR = .14; TLI = .68; CFI = .73; RMSEA = .13; three-factor $\chi^2(196) = 694.13$, $\rho < .001$; SRMR = .14; TLI = .69; CFI = .74; RMSEA = .13. The final modified hypothesised model fitted the data better than the other models (see Table 8) [$\chi^2(193) = 310.04$, $\rho < .001$; SRMR = .09; TLI = .93; CFI = .94; RMSEA = .06]. All fit indices were acceptable, except perhaps the SRMR, which was rather high, possibly due to our fairly small sample size: Indeed, SRMR is biased by sample size (Marsh, Hau & Wen, 2004).

Table 8.

Modified measurement models

	χ^2	SRMR	TLI	CFI	RMSEA	Model Comparisons
Modified Hypothesised Model	$\chi^2(193) = 310.04$***	.09	.93	.94	.06	
Modified One Factor Model vs. Modified Hypothesised Model						$\Delta\chi^2(6) = 521.40$***
Modified Two Factor Model vs. Modified Hypothesised Model						$\Delta\chi^2(5) = 412.28$***
Modified Three Factor Model vs. Modified Hypothesised Model						$\Delta\chi^2(3) = 384.09$***

* $\rho < .05$; ** $\rho < .01$; *** $\rho < .001$.

6.6.2 – Descriptive statistics

Information about means, standard deviations and correlations between variables is reported in Table 9.

Table 9.

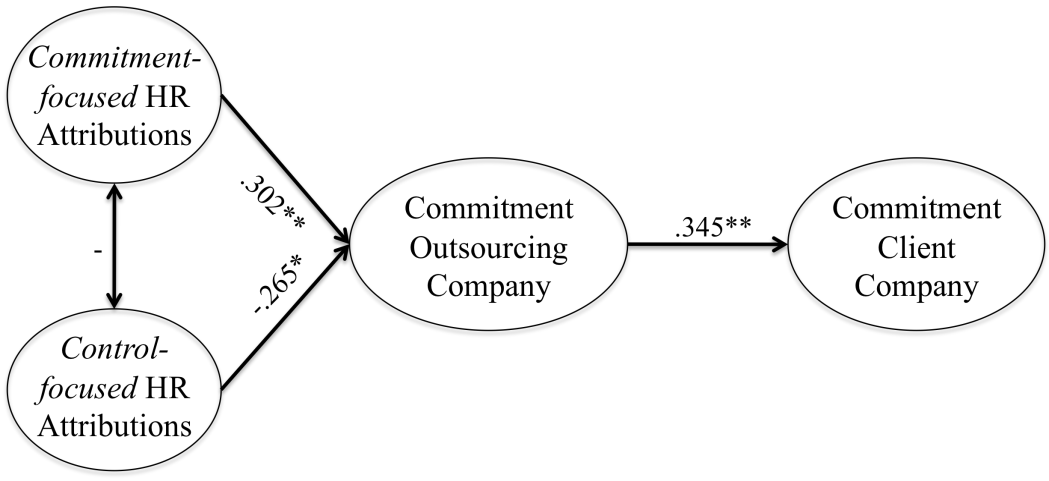
Descriptive statistics and correlation matrix for all variables (N = 158)

	Mean	SD	1	2	3	4	5
1.Tenure Outsourcing Company	4.43	.95	1				
2.Tenure Client Company	3.60	1.40	.37**	1			
3.Commitment-focused HR Attributions	3.06	.93	-.10	-.11	1		
4.Control-focused HR Attributions	2.30	.83	-.03	-.18*	.19*	1	
5.Commitment Outsourcing Company	4.81	1.22	.02	.11	.41**	-.15	1
6.Commitment Client Company	3.85	1.42	-.11	.28**	.17*	-.16*	.36**

* ρ < .05; ** ρ < .01.

6.6.3 – Hypotheses Testing

Figure 6. The mediation model



In order to test for mediation we have designed the model shown in Figure 6 [$\chi^2(235)$ = 410.21, $\rho < .001$; SRMR = .09; TLI = .90; CFI = .91; RMSEA = .07]. Considering ease of presentation, we did not present the effects of the control variables in Figure 6. However, our results indicated that only tenure with the client company was significantly related to affective commitment to this organisation (β= .251; $\rho < .01$).

We established a significant positive relationship between commitment-focused HR attributions and affective commitment to the IT outsourcing company (β= .302; ρ <.01), and a significant negative relationship between control-focused HR attributions and affective commitment to the client organisation (β= -.265; $\rho < .05$), supporting our hypotheses H1a) and H1b). We also found support for our second hypothesis, with a significant positive path between affective commitment to the IT outsourcing company and affective commitment to the client organisation (β= .345; $\rho < .01$).

We compared the full mediation model shown in Figure 6 to a partial mediation model with a direct path from commitment-focused HR attributions to commitment to the client organisation, and a second direct path from control-focused HR attributions to commitment to the client organisation. We found a significant χ^2 difference between the two models [$\Delta\chi^2_{(1)}$=16.88; $\rho < .001$] which shows that the full mediation model is significantly better than the partial mediation model. The direct paths added between commitment and control-focused HR attributions and the commitment to the client organisation were not significant (β=.13, *n.s.* and β=-.15, *n.s.*, respectively, *versus* β=.22, ρ<.01, and β=-.20, ρ<.05, before adding the mediator). This suggests a full mediation: Affective commitment to the outsourcing company fully mediated the positive relationship between positive HR attributions and the affective commitment to the client organisation. The indirect or mediated effect was tested with a Sobel test, which was significant (Z = 2.05, $\rho < .05$). Similarly, we also found a full mediation through affective commitment to the outsourcing company

concerning the relationship between negative HR attributions and the perceived fulfilment of client organisation's obligations ($Z = -1.88$, $\rho < .05$). These results provided support for our hypotheses 3a) and 3b).

In order to rule out a possible situation where the commitment to the client organisation would be the one mediating the relationships between commitment and control-focused HR attributions and the commitment to the outsourcing company, we created another model. Since this type of relationship between variables would be plausible for other forms of contingent employment, we would also like to test it with outsourced IT workers. We found that the model fit was not acceptable [$\chi^2(236) = 441.64$, $\rho < .001$; SRMR = .11; TLI = .88; CFI = .89; RMSEA = .07]. This rules out an alternative mediation pattern.

6.7 – Discussion

In this study, we tested the relationship between the way outsourced IT workers interpret human resource management practices and their affective organisational commitment towards the IT outsourcing company. We found that commitment-focused HR attributions are positively and control-focused HR attributions negatively associated with affective organisational commitment to the outsourcing company. We furthermore established that there is a positive relationship between affective commitment to the IT outsourcing company and affective commitment to the client organisation. Affective commitment to the outsourcing company mediates the relationships between commitment-focused and control-focused HR practices and affective commitment to the client organisation.

This pattern of results supports the idea that commitment-focused HR attributions, *ie* interpreting HR practices as being motivated by a quality strategy and a concern with employee well-being, are positively associated with affective organisational commitment. In

contrast, control-focused HR attributions, which comprise interpretations of HR practices as being motivated by a cost-reduction strategy and an intention of employee exploitation, showed a significant negative relationship with affective organisational commitment, as expected. These findings replicate the results obtained by Nishii et al. (2008), by using now the HR attributions theory to assess the dual employment relationships of outsourced IT workers. This is consistent with previous research on HR management in the broad area of contingent employment (e.g. Koene & Van Riemsdijk, 2005; Torka & Schyns, 2010). The negative relationship between control-focused HR attributions and affective commitment to the outsourcing company is also consistent with these indicators in a reversed way. By using a non-common sample within the contingent employment research, this study allows us to broaden our knowledge on the topic and further generalise the idea that non-standard employees will usually respond with positive behaviours and attitudes when invested in by both the client organisation (Connelly & Gallagher, 2004; De Cuyper et al., 2008) and the contractor, which in this case is the outsourcing company (Connelly et al., 2007; Coyle-Shapiro et al., 2006; Lapalme et al., 2010; Liden et al., 2003; Moorman & Harland, 2002; Slatterry & Selvarajan, 2005; Veitch & Cooper-Thomas, 2009).

Our results also supported hypothesis 2, which predicted a positive relationship between affective commitment to the IT outsourcing company and affective commitment to the client organisation. These results are consistent with previous research on temporary agency workers and long-term contracted workers (Connelly et al., 2007; Coyle-Shapiro & Morrow, 2006; Lapalme et al., 2010). This allows us to conclude that, although the two commitments are different, they are strongly related to one another, which adds an extra relevance to the adequate management of each of these attitudes.

Support was also found for our hypotheses 3a) and 3b), which stated that affective commitment to the outsourcing company would act as a mediator in the relationship between

commitment-focused HR attributions and affective commitment to the client organisation and in the negative relationship between control-focused HR attributions and the affective commitment to the client organisation. This mediating role of commitment to the outsourcing company is consistent with previous research on contingent employment (Coyle-Shapiro & Morrow, 2006; Connelly et al., 2007; Lapalme et al., 2010) and reinforces the idea that the contractor/agency/outsourcing company plays a major managing role within this triangular employment relationship. According to social exchange theory (Blau, 1964), employees and organisations establish an exchange relationship and each part tends to reciprocate according to its perception of what the other part is giving them. The dynamics of outsourcing, that involves placing highly skilled workers in different clients for a certain period of time, represents a major way to provide to the employees different career enriching experiences in each client organisation (Chambel & Fontinha, 2009). This can be particularly relevant for the establishment of a strong commitment to the outsourcing company, since it is perceived as the fulfilment of an organisational obligation and the employee will tend to reciprocate. It makes sense, then that the affective commitment to the client organisation is influenced by the commitment to the outsourcing company: One responds to certain inducements by the outsourcing company (commitment-focused HR practices) by committing to it and to the client organisation (which is a part of this set of inducements in the IT outsourcing context). Commitment-focused HR attributions and their positive impact on affective commitment will probably lead to reciprocity behaviours, meaning that not only do outsourced IT workers repay the client organisation for its role in providing them the stage for developing their experience, but they may also repay the outsourcing company by being a good representative or a good ambassador for the company (Buch et al., 2010). This aspect is crucial in IT outsourcing because this is a highly competitive business where several companies want to establish contracts with the same client. Likewise, the market value of an outsourcing

company and even the maintenance of its contract with a certain client depend greatly on the external and internal market value of their outsourced IT workers, not only in terms of skills and performance, but also in terms of other positive organisational behaviours (*ie* being good ambassadors).

The present research has some limitations. First, this study is cross-sectional, which means that we are unable to empirically demonstrate causal inferences. Although we cannot prove that the causal relationship goes from HR attributions to affective commitment to the two organisations, instead of the other way around, we have a strong theoretical framework that supports this causality direction. Longitudinal studies are needed for the assessment of these causal relations. Nevertheless, the problem of high turnover among the contingent workforce may hamper the realisation of a longitudinal design. Second, another possible limitation of this research may be the relatively small sample size. However, a small sample is not uncommon in the area of contingent employment research (Benson, 1998; Liden et al., 2003; Claes, 2005; Coyle-Shapiro & Morrow, 2006) and our sample is very specific even within this group. Finally, our data relied on self-reports, which can increase the risks of inflated relationships as a result of respondents' tendencies to respond in a consistent manner. Meta-analytic research on the percept-percept inflation issue, however, indicates that the magnitude of the inflation of the relationships may be over-estimated (Crampton & Wagner, 1994).

Future research is needed to replicate and extend these findings. Additional research could focus on a better understanding of the way in which HR attributions, trough their effect on affective commitment to both the outsourcing and the client organisation, will influence outcomes such as organisational citizenship behaviours, turnover, absenteeism, individual performance, and consequently organisational performance. Future research is also needed to

explore the differences or similarities between outsourced IT workers and regular temporary agency workers concerning the dynamics of HR attributions and its impact on the relationships between the two employment relationships. The question of what influences HR attributions should also be addressed on future research. Some hints can be derived from the theory that when a HRM system is perceived as highly distinctive, highly consistent and when there is consensus between the policy makers it can be expected that they contribute to the development of positive attitudes (Bowen & Ostroff, 2004) and lately influence organisational climate (Sanders et al., 2008).

Concerning the practical implications of this research, both IT outsourcing companies and the managers from the client organisations who use their services can draw some useful conclusions. We found that commitment-focused HR attributions are positively related to commitment to both organisations. Managers can act on the communication of the HR practices (Guzzo & Noonan, 1994) so that interpretations are more positive. Top managers and direct supervisors may influence HR attributions by adequately communicating the reasons behind HR practices when an employee enters the organisation and by reinforcing those statements while the HR practices are being implemented. In particular, transmitting the ideas of preoccupation with service quality and concern with employee well-being, while staffing, training and at the key moments of performance appraisal, may lead to some attitudinal benefits: Employees will be more committed to both the outsourcing company and the client organisation. Previous research has shown that this attitude encourages lower absenteeism, turnover and turnover intentions, as well as a higher job satisfaction, organisational citizenship behaviours and job performance (e.g.: Mathieu & Zajac, 1990; Meyer & Allen, 1997; Mowday, 1998, see Harrison, Newman, & Roth, 2006, and Riketta, 2008, for a meta-analysis). Accordingly, outsourcing companies might experience a lower

turnover, which is remarkably positive considering that IT workers are hard to recruit and have a high value in the labour market. A high commitment to the client organisations might also make them profit from a better performance by this expensive labour force. We can also anticipate that a good performance by the employees in the client organisations may also be an important benefit for outsourcing companies, since their own market value depends on the skills and reputation of their outsourced IT workers.

CHAPTER 7. TEMPORARY VS. PERMANENT AGENCY WORKERS: LONGITUDINAL DATA ON HR MANAGEMENT AND ATTITUDINAL OUTCOMES

7.1 – Authorship and Paper Status

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Paper submitted at an international peer reviewed journal.

7.2 – Conference Presentations

May, 2011. Being Permanent in a Temporary Employment Agency: Longitudinal data on Psychological Contract Fulfillment and the role of Human Resource Management. Paper presented at the **15th Conference of the European Association of Work and Organisational Psychology**, Maastricht, Nederland.

7.3 – Abstract

We investigate affective organisational commitment to the client organisation between two types of agency workers: Temporary and Permanent Agency Workers. We start from the assumption that permanent agency workers might have expected a transition from a temporary contract with the agency to a direct contract with the client. By becoming permanent with an agency, employees may feel that the client organisation did not make sufficient HR investments and hence failed to fulfil the employees' expectations. Temporary agency workers may still anticipate a permanent contract with the client and hence may not have experienced breach of their expectations. Accordingly, we hypothesise that being permanent at an agency will be negatively related to the perception of client's high

performance HRM practices (T1) → psychological contract fulfilment (T2) → affective organisational commitment (T2). Data from a follow-up study in a Portuguese call centre were analysed with SEM and results supported this hypothesis. We conclude that, although a permanent agency contract is established to provide a certain form of protection and thus to help the worker, permanent agency work may have unintended negative consequences.

Keywords: HRM practices; Agency Workers; Psychological Contract Fulfilment; Affective Organisational Commitment

7.4 – Introduction

The growth of the temporary work agency industry has caught the attention of policy makers and academic researchers in the last decades. From 1999 to 2009, the number temporary agency workers increased by over 3.8 million worldwide. In Portugal, there were over 45000 temporary agency workers in 2009, 40% of them working in the services sector (CIETT, 2011). Temporary agency workers are involved in a tripartite employment relationship: They are employed by a staffing agency that sends them to different client organisations on whose premises they work on a daily basis (Gallagher & McLean Parks, 2001; Kalleberg, 2000; McLean Parks et al., 1998; Storrie, 2002). Responsibility (i.e., risk and administrative control) lies with the agency, while managerial control (i.e., supervision and coordination) lies with the client organisation. This is a very common type of work arrangement in contact centres, due to the frequent changes in work volume (De Grip, Sieben, & Van Jaarsveld, 2005).

Temporary agency workers have been compared to direct-hire temporary and permanent workers. Results showed that temporary agency work relates to more negative

attitudinal and behavioural outcomes at the client organisation (Chambel & Castanheira, 2006; Guest et al., 2003; Klein Hesselink & Van Vuuren, 1999). What is lacking in the literature to date is a comparison between temporary agency workers and permanent agency workers. The latter group is of particular interest as it combines aspects of permanent employment (i.e., an open-ended contract) and aspects of agency work (i.e., a tripartite employment relationship). Permanent agency work is allowed in some European countries, including Portugal.

The Portuguese labour law determines that agency work is limited to two types of contracts: "temporary work contracts" and "work contracts with an undetermined duration for temporary assignments" (direct translation). The first matches the European definition of *temporary* agency work: Workers are hired by a temporary work agency for a defined period of time and are assigned to user undertakings to work under their supervision (Article 172 of the Portuguese Labour Code, 2009; Official Journal of the European Union L327/9, 2008). The second type of contracts matches what the European Directive for Temporary Agency Work 2008/104/EC refers to as *permanent* agency work. Permanent agency workers are hired by agencies to work in temporary assignments at user firms, but they will continue being paid between assignments (they earn two thirds of their last salary or the minimum salary, depending on what is more favourable to them; Article 183 of the Portuguese Labour Code, 2009; Official Journal of the European Union L327/9, 2008). Permanent contracts are very common in outsourcing or contract work (e.g. Coyle-Shapiro et al., 2006), but they are not so often seen when the agency is still the contractor.

In this study, we will investigate the potential differences between permanent and temporary agency workers, from the lens of social exchange theory (Blau, 1964). When the client organisation invests in agency workers, they reciprocate with positive attitudes and behaviours (Connelly & Gallagher, 2004; De Cuyper, Notelaers, & De Witte, 2009a; Kuvaas

& Dysvik, 2009; Lapalme et al., 2010). Relying on social exchange principles, we investigate if the type of contractual arrangement is related to both psychological contract fulfilment and affective organisational commitment. We assume that psychological contract fulfilment and affective organisational commitment are triggered by employees' perceptions of the human resource management (HRM) practices implemented by the client. Although these employee's contracts are established with the temporary employment agency, we assessed psychological contract fulfilment and affective commitment to the client company, because all HRM practices (except for selection and payroll) are implemented by this organisation.

7.4.1 – Contract Type and Psychological Contract Fulfilment

One of the dominant frameworks used to define employment relationships is psychological contract theory (Shore & Tetrick, 1994). The psychological contract refers to an individual's belief regarding the terms and conditions of a reciprocal exchange agreement between that focal person and the organisation for which he or she works (Rousseau, 1995). The content of the psychological contract refers to promises made between the employee and the organisation. The fulfilment of the psychological contract refers to the extent to which the promises are kept.

Concerning the type of promises perceived by the employees, we are focusing on three general forms of the psychological contract: relational, transactional, and balanced (Rousseau, 2004). Relational psychological contracts include the employee's perceptions that the organisation owes them stability and a concern with their well-being and their job security. Transactional psychological contracts include the organisational obligations of settling narrow duties and a limited involvement. Balanced or 'hybrid' psychological contracts encompass obligations on the part of the employer to develop employees' skills while anticipating that they will be flexible and might look for other job opportunities

(Rousseau, 2004). Employees reciprocate according to their perceptions of obligations' fulfilment (or breach) (Coyle-Shapiro & Kessler, 2002).

Research shows that temporary agency workers' psychological contract fulfilment relates to positive attitudinal and behavioural outcomes (Claes, 2005; Chambel & Fontinha, 2009; Lapalme et al., 2010). However, employees establishing a permanent contract with a temporary employment agency might have a different interpretation of their psychological contract fulfilment. When agencies establish permanent contracts with their employees, their intention is to provide them a bigger job security: They are permanent with the agency and they can be reassigned in different client organisations. However, in a situation of transition from temporary agency work to permanent agency, employees may not perceive this transition as an advantage. In our study, permanent agency workers started in the client organisation with temporary contracts. As such, they expect a traditional stepping-stone process, from a temporary position with an agency to a permanent position with the client organisation (e.g. Amuedo-Dorantes et al., 2008; De Cuyper et al., 2009b). Likewise, although permanent agency work has objective benefits while compared to temporary agency work, employees might have expectations that are not met: Becoming permanent with the client. Since having a permanent contract with an agency means that they will probably never be able to be directly hired by the client organisation, it might be perceived as a downgrade in terms of individual career development. This would result in a lower perception of psychological contract fulfilment by the client organisation. As such, we anticipate that having a permanent contract with an agency is negatively related to psychological contract fulfilment. This would contrast with temporary agency workers, whose expectations are likely to be quantitatively and qualitatively different: They are likely to have fewer and narrower expectations (due to their shorter tenure), and thus making it easier for the client organisation to fulfil them (De Jong, Schalk, & De Cuyper, 2009). As such, having a

temporary agency contract may easier lead to psychological contract fulfilment.

7.4.2 – The Mediating Role of HRM Practices

We believe that the negative relationship between having a permanent contract with an agency and psychological contract fulfilment may not be direct. Instead, we anticipate that employee's perceptions about HRM practices may have a mediating role in this relationship.

A substantial body of research has been focusing on human resource practices that are valued for their strategic quality. They have been called high involvement (Lawler et al., 1998), high commitment (Walton, 1985), high performance work systems (Appelbaum et al., 2000) and high performance human resource management (Becker & Huselid, 1998; Pfeffer, 1994). We relied on the idea that HRM practices that imply high investment and signal care might bring positive outcomes. In particular, we focused on the high performance HRM theory (Becker & Huselid, 1998; Pfeffer, 1994) in order to analyse the role of three high performance HRM practices on agency workers' employment relationships. We selected HRM practices that are implemented by the client organisation: training, performance appraisal and rewards.

High performance HRM practices lead to positive outcomes with temporary agency workers (Koh & Yer, 2000; Koene & Van Riemsdijk, 2005). However, client organisations still tend to minimize their management efforts when it comes this workforce: Investments in temporary agency workers may not yield a return (Lepak & Snell, 1999). A direct contract with the client organisation relates to more career progression opportunities in this organisation. Without a direct contract, temporary agency workers might perceive that their career opportunities in the client organisation are impaired. Having a permanent (vs. a temporary) contract with an agency might emphasize this perception. By not providing them a direct contract and keeping employees permanently with the agency, workers may perceive

underinvestment on the part of the client organisation and few possibilities for career progression. This might lead to the overall less favourable perception about the bundle of HRM practices (e.g., McDuffie, 1995) among permanent agency workers.

Additionally, we anticipate a positive relationship between the perception of high performance HRM practices and psychological contract fulfilment. In fact, according to psychological contract theory as defined by Rousseau (1995) the terms of a psychological contract are conveyed to the individual by organisational policies and HRM practices, as well as by organisation's past behaviour. Thus, psychological contracts can be treated as employees' beliefs stemming from the HR system (Wright & Boswell, 2002).

Actually, HRM practices are proposed as one of the most potent factors determining the nature and state of the psychological contract (Guest, 1998; Rousseau & Greller, 1994). Accordingly, the interpretations employees make of HRM practices are relevant to their assessments concerning the fulfilment of their psychological contracts (Guzzo & Noonan, 1994). High performance HRM practices such as an extensive training (Rousseau & Greller, 1994), a clear performance appraisal system and rewards such as merit pay incentives have a profound impact on an employee's psychological contract (Suazo, Martínez, & Sandoval, 2009). As such, we believe that when such practices are perceived as high performance HRM practices, they will be positively related to psychological contract fulfilment.

Relying on the previous assumptions, we anticipate that having a permanent contract with an agency will first be related to an overall more negative perception of the HRM practices bundle. This unfavourable perception of HRM practices will then lead to a lower psychological contract fulfilment.

Hypothesis 1. High performance HRM practices mediate the negative relationship between having a permanent agency contract and psychological contract fulfilment.

7.4.3 – HRM Practices and Affective Commitment: The Mediating Role of Psychological Contract Fulfilment

Taking the hypothesis on step further, we believe that high performance HRM practices are positively related to affective commitment to the client organisation. This is a widely verified finding in permanent employment research. Numerous relationships between practices such as training, performance appraisal and rewards, and affective organisational commitment (e.g., Meyer & Smith, 2000) have been demonstrated. These results were further replicated with temporary agency workers (Koh & Yer, 2000; Koene & Van Riemsdijk, 2005). We are now aiming to replicate these results in a sample of permanent and temporary agency workers.

Previous research showed that psychological contract fulfilment is related to organisational commitment (Coyle-Shapiro & Kessler, 2000; Johnson & O'Leary-Kelly, 2003; Lester, Turnley, Bloodgood, & Bolino, 2002; Sturges et al., 2005; Turnley & Feldman, 2002). Specific research on temporary agency workers replicated the relationship between the two variables (De Cuyper & De Witte, 2006; De Jong et al., 2009). We will now assess the relationship between psychological contract fulfilment and affective organisational commitment in a sample of permanent (vs. temporary) agency workers.

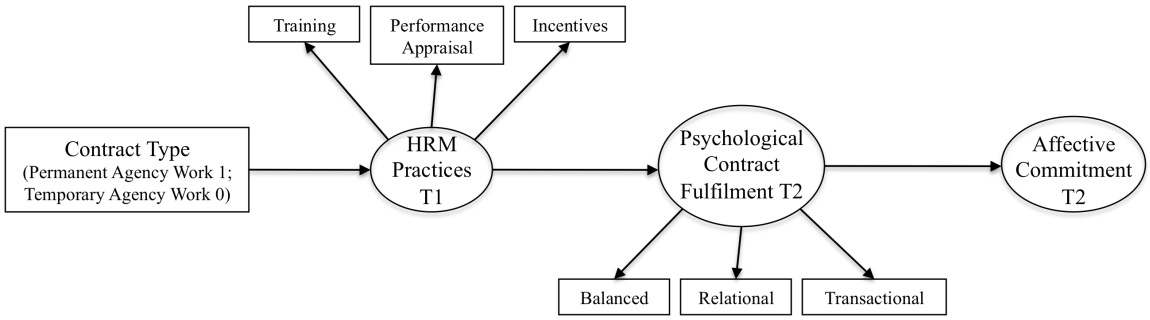
Hence, we hypothesise:

Hypothesis 2. Psychological contract fulfilment mediates the positive relationship between high performance HRM practices and affective commitment to the client organisation.

We decided to test our hypotheses with a two-wave longitudinal framework. As such, we assessed how contract type and high performance HRM practices from Time 1 influenced psychological contract fulfilment and affective organisational commitment at Time 2. We believe that this longitudinal design is an advantage: Employees' perceptions of psychological

contract fulfilment are formed over time, namely through the progressive knowledge of and experience with various HRM practices (Guzzo & Noonan, 1994). After perceiving the fulfilment of the psychological contract, attitude development is immediate, which is why we assessed psychological contract fulfilment and affective organisational commitment at Time 2. The theoretical model we want to assess in this study is graphically represented in Figure 7.

Figure 7. Theoretical Model



7.5 – Method

7.5.1 – Research Context

For the current study we recruited agency workers that were placed in a single client: a Portuguese call centre. We interviewed three top managers from this client organisation, which was the main responsible for implementing HRM practices. From the client organisation's managers' perspective, agency work is a solution to make them face their need for flexibility. Temporary employment agencies were responsible for recruiting and paying these employee's salaries (the value of the salaries and incentives was determined by the client). Due to the minor role of agencies in managing the employees, we focused on the

contact centre's main high performance HRM practices: training, performance appraisal and rewards. From the interviews with the managers, we learned that employees receive an intensive initial training, which acted as a second form of selection, as well as continuous training based upon their performance and on the new products or services of the company. They have a very structured performance appraisal system, with standardized quantitative and qualitative criteria. They also have a steady salary each month, which is complemented by incentives that depend on monthly performance. All employees start working for this client organisation as temporary agency workers and some of them transition to a permanent contract with the agency depending upon their performance at the client organisation.

7.5.2 – Sample and Procedures

In the first wave of the study, in October 2009, we delivered 350 questionnaires and collected 289: a response rate of 82.57%. In the second wave, which took place in May 2010, we also delivered 350 questionnaires and 231 were returned, resulting in a response rate of 66%. In order to match responses from the first to the second wave and to guarantee confidentiality, we asked participants to write on the questionnaires a code that only they would know: The first letter of their father's name, the first letter of their mother's name and finally the two last digits of their birth year. Due to the voluntary and involuntary turnover that is common in call centres, we could match 120 questionnaires from time 1 to time 2. We inspected other possible reasons for the dropout from Time 1 to Time 2 and we found that women and employees with a shorter tenure dropped out more ($\beta = .22$, $p < .05$, and $\beta = .13$, $p < .001$, respectively). Dropout was not significantly related to age, education, contract type, training, rewards, performance appraisal, balanced, relational and transactional psychological contract fulfilment, nor commitment ($\beta = -.10$, $p = .12$; $\beta = .01$, $p = .86$; $\beta = .07$, $p = .27$; $\beta = -.01$, $p = .94$; $\beta = .01$, $p = .94$; $\beta = .07$, $p = .37$; $\beta = -.06$, $p = .53$; $\beta = .02$, $p = .80$; $\beta = .10$, $p =$

.22; β = .06, p = .40, respectively). We deleted the responses with more than 25% of missing values and where the employment legal contract had changed (*i.e.* from temporary to permanent agency arrangements, which happened in 4 cases).

Data were analysed with a sample of 113 call centre agency workers (22 male and 91 female). The average age of the respondents (T1) was 29 years (SD = 6.76, minimum = 19, maximum = 49). In terms of education, 66 respondents attended or finished secondary school (from 9 to 12 years of schooling), 18 attended or are attending classes at the University, 26 held a University degree and 3 held a master, a MBA or an equivalent degree. Concerning contract type, 64 had permanent contracts with an agency and 49 had temporary contracts. Temporary and permanent agency workers did not differ significantly regarding their gender (t = 1.83, p = .07) and their education (t = .05, p = .96). However, permanent agency workers had a longer tenure at the client organisation (t = 5.53, p < .001), which is consistent with the reason why they transitioned to this contract type.

7.5.3 – Measures

Contract Type. Permanent agency contracts were coded as 1, temporary agency contracts as 0. This measure was taken from time 1, however it is equivalent to time 2, since we only considered responses of workers whose contracts did not change between waves.

High Performance Human Resource Management Practices - Time 1. We developed a new measure based upon the theory described earlier and upon expert opinions of knowledgeable researchers and professionals. Nine items were developed and some HR practitioners assured that all items were familiar and unambiguous for these employees. Three items concerned performance appraisal (e.g., *In this organisation, the performance appraisal criteria are clear*; Cronbach's Alpha = .83); three items represented employees' perceptions about the training they receive (e.g., *All of us have the same opportunity to*

receive training; Cronbach's Alpha = .70); and three items assessed rewards (e.g., *The rewards I receive are associated with my performance*; Cronbach's Alpha = .80). Responses were scored on a 5-point Likert scale, ranging from (1) 'Strongly Disagree' to (5) 'Strongly Agree'. High scores on these scales indicated more training for high performance, a fairer and clearer performance appraisal and more performance related rewards.

Psychological Contract Fulfilment – Time 2. Employee's psychological contract fulfilment by the client organisation was assessed using a 14-item Portuguese translation of Rousseau's (2000) scale, which had already been used in a previous research (omitted reference for blind review purposes). This scale includes three forms of the psychological contract: balanced, relational, and transactional. Among all the 14 items of the scale that we have used, 5 were balanced (α = .90; e.g. *Help me have a better performance*), 5 were relational (α = .92; e.g. *Concern with my personal well-being*) and 4 were transactional (α = .73; e.g. *Perform only required tasks*). Respondents were asked to consider their relationship with the contact centre and to identify if it had fulfilled the following obligations towards them. Items were scored on a five-point Likert scale, ranging from 'has been fulfilling much less than what it had promised' (1) to 'has been fulfilling much more than what it had promised' (5). High scores on this scale indicate high levels of transactional, balanced and relational psychological contract fulfilment.

Affective Organisational Commitment – Time 2. We assessed employee's affective commitment to the client company using Meyer, et al.'s (1993) measure. Six items were measured on a seven-point scale, ranging from 'Strongly Disagree' (1) to 'Strongly Agree' (7). An example item is '*I feel the problems of this organisation as my own'*. High scores indicate high levels of affective organisational commitment. Alpha was 0.88.

Control Variable: Tenure with Client Organisation – Time 2. We controlled for the duration of the employment relationship with the client organisation, since many factors that

predict organisational commitment covary with length of service (Mowday et al., 1982). Tenure was measured with the number of months that an employee had been placed at this client.

7.6 – Results

In order to analyse our data, we used a two-step procedure, suggested by Anderson and Gerbing (1988). First, we performed confirmatory factor analyses to test the distinction between the various constructs. Then, we verified our research hypotheses using structural equation modelling with the IBM SPSS AMOS program. Given the small size of our sample, we had to use single scale score indicators for two of the latent variables to obtain a recommended sample size-to-parameter ratio of 5 to 1 (Bollen, 1989). In the case of a small sample like ours, it is an option to create composite or aggregate variables where all the items are averaged into a single variable (Landis, Beal, & Tesluk, 2000). Likewise, we represented the balanced, relational and transactional dimensions of the psychological contract as observed variables. We did the same for training, performance appraisal and rewards, which derived from the high performance HRM practices' latent variable.

Model fit was assessed with χ^2, the Comparative Fit Index (CFI), the Tucker–Lewis Index (TLI), the Root Mean Square Error of Approximation (RMSEA), and the Standardized Root Means Square Residuals (SRMR). Levels of .90 or higher for CFI and TLI indicate good fit. RMSEA of .05 or lower in combination with SRMR values below .09 indicate excellent fit, whereas values below .08 and .10, respectively, indicate good fit (Byrne, 2010).

7.6.1 – Confirmatory Factor Analyses

We began by comparing various factor structures to test the distinctiveness of the constructs used in this study. In our first model, we grouped the scale items under the three latent variables that represented the constructs of high performance HRM practices (T1), psychological contract fulfilment (T2), and affective organisational commitment (T2), and represented type of contract as a separate observable variable [χ^2 (60) = 97.83, $p < 0.001$; TLI = .93; CFI = .95; RMSEA = .08; SRMR = .06]. We then compared this first model to three competitive models, beginning with one in which all the study items were grouped under a single factor [χ^2 (65) = 346.96, $p < 0.001$; TLI = .53; CFI = .61; RMSEA = .20; SRMR = .16]. We also compared our first model to a two-factor model, where the items from affective organisational commitment (T2) and from psychological contract fulfilment (T2) loaded on one factor and the items from high performance HRM practices (T1) loaded together with contract type in another factor [χ^2 (64) = 275.79, $p < 0.001$; TLI = .64; CFI = .71; RMSEA = .17; SRMR = .15]. Finally, we tested a three-factor model, where we created two separate factors for psychological contract fulfilment (T2) and affective organisational commitment (T2), and kept together in one factor high performance HRM practices (T1) and contract type [χ^2 (63) = 152.93, $p < 0.001$; TLI = .85; CFI = .88; RMSEA = .11; SRMR = .09]. Table 10 shows the results of our analyses: Our first model provided the best fit for the data, and was significantly superior to the other models (significant χ^2 differences).

Means, standard deviations, correlation coefficients, and alpha reliability coefficients for each of our constructs are shown in Table 11.

Table 10.

Results of Confirmatory Factor Analyses

	χ^2	SRMR	TLI	CFI	RMSEA	Model Comparisons
Hypothesised Model	$\chi^2(60) = 97.83$***	.06	.93	.95	.08	
One-Factor Model	$\chi^2(65) = 346.96$***	.16	.53	.61	.20	
Two-Factor Model	$\chi^2(64) = 275.79$***	.15	.64	.71	.17	
Three-Factor Model	$\chi^2(63) = 152.93$***	.09	.85	.88	.11	
One Factor Model vs. Hypothesised Model						$\Delta\chi^2(5) = 249.13$***
Two Factor Model vs. Hypothesised Model						$\Delta\chi^2(4) = 177.96$***
Three Factor Model vs. Hypothesised Model						$\Delta\chi^2(3) = 55.10$***

* $p < .05$; ** $p < .01$; *** $p < .01$.

Table 11.

Descriptive statistics and correlation matrix

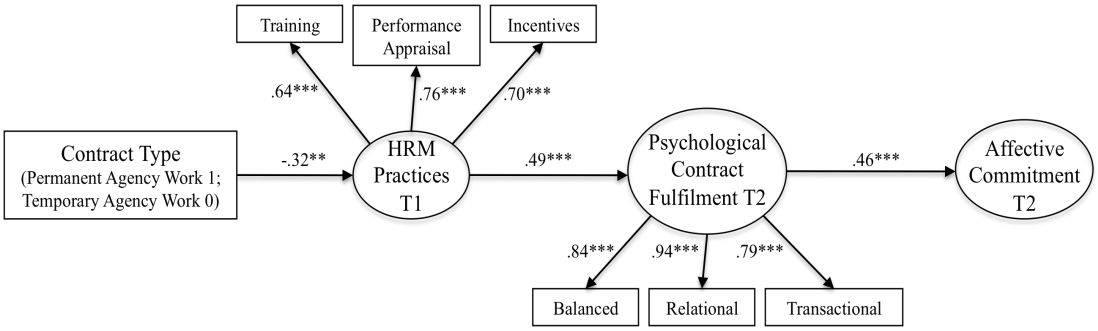
	Mean	SD	1.	2.	3.	4.	5.	6.	7.	8.
1. Tenure T1	26.25	12.89	1							
2. Tenure T2	33.63	12.93	.94***	1						
3. Contract Type (1 Permanent Agency Work; 0 Temporary Agency Work)			.57***	.55***	1					
4. HRM Practices T1	3.26	.75	-.23*	-.18	-.25**	1				
5. HRM Practices T2	3.32	.67	-.17	-.11	-.33***	.56***	1			
6. Psychological Contract Fulfilment T1	2.52	.58	-.33***	-.28**	-.31**	.62***	.44***	1		
7. Psychological Contract Fulfilment T2	2.56	.57	-.25**	-.17	-.30**	.39***	.60***	.49***	1	
8. Commitment T1	4.77	1.22	-.05	-.01	.02	.28**	.20*	.29**	.25**	1
9. Commitment T2	4.33	1.27	.22*	.24*	.08	.22*	.29*	.23*	.35***	.54***

* $p < .05$; ** $p < .01$; *** $p < .001$

7.6.2 - Structural Equation Modelling

We used structural equation modelling to test our hypotheses. We included in our model tenure with the call centre (T2) as control variable, with a regression path to affective organisational commitment (T2). We tested our theoretical model, which provided a good fit for the data [χ^2 (74) = 119.90***; TLI = .93; CFI = .94; RMSEA = .07; SRMR = .07]. All the paths in the model were significant (Figure 8).

Figure 8. Final Model



We additionally compared our theoretical model with a partial mediation model that added a direct path from contract type to psychological contract fulfilment (T2), a second direct path from contract type to affective organisational commitment (T2), and a third direct path from high performance HRM practices (T1) to affective organisational commitment (T2) [χ^2 (71) = 115.23***; TLI = .93; CFI = .94; RMSEA = .08; SRMR = .06]. The non-significant χ^2 difference between the two models ($\Delta\chi^2 = 4.67$, $\Delta df = 3$, $p = 0.19$) suggests that the partial mediation model is no better that the full mediation model. We also verified that none of the added direct paths were significant. We found that high performance HRM practices (T1) fully mediated the relationship between contract type and psychological contract fulfilment (T2). This mediation was further tested with a Sobel test, which was

significant ($Z = -2.32$; $\rho < .05$). We also found that psychological contract fulfilment (T2) fully mediated the relationship between high performance HRM practices (T1) and affective organisational commitment (T2), and we further tested this mediation with a Sobel test, which was significant ($Z = 2.81$; $\rho < .01$). These results provided support for our hypotheses.

7.7 – Discussion

In this paper, we contrasted temporary and permanent agency workers. A bundle of high performance HRM practices (T1) were analysed as a mediator between contract type and psychological contract fulfilment (T2). Psychological contract fulfilment (T2) was also assessed as a mediator between high performance HRM practices (T1) and affective organisational commitment (T2). Our results showed that permanent agency workers interpreted HRM practices as of less investment, drawing a reduced perception of psychological contract fulfilment and consequently a lower affective commitment to the client organisation.

First, our results supported the hypothesised mediating effect of high performance HRM practices in the relationship between permanent (vs. temporary) agency contracts and psychological contract fulfilment. There is a large volume of studies showing that temporary workers, compared to directly hired permanent workers, have narrower psychological contracts in terms of number and quality of content items (see De Cuyper et al., 2008, for a review). Permanent agency workers receive more inducements and they experience more job security than temporary agency workers. However, there is a significant aspect to account for in this particular case: the fulfilment of career expectations. Despite the contract advantages of permanent (vs. temporary) agency contracts, employees might regard being hired by a temporary employment agency as a way of precariousness. The use of temporary agency work as a stepping-stone for a transition to a permanent contract with the client organisation

is quite common (CIETT, 2011) and it might be part of temporary agency worker's expectations, concerning their psychological contracts. After establishing a permanent contract with an agency, their chances of a career in the client organisation are limited, meaning that a significant part of the expectations that form their psychological contracts might not have been fulfilled.

Nevertheless, the negative relationship between contract type and psychological contract fulfilment (T2) was not direct. Instead, it was mediated by high performance HRM practices (T1): one of the most relevant antecedents of psychological contract fulfilment (Guzzo & Noonan, 1994). By not having been directly hired by the client organisation, permanent agency workers might regard the global set of HRM practices from the client organisation, as being of underinvestment. An agency worker with a temporary contract can be positively impressed with high performance HRM practices being implemented with him/her, resulting in positive outcomes (Koh & Yer, 2000; Koene & Van Riemsdijk, 2005). However, a permanent agency worker lived a situation where he/she was already "neglected": Not being directly hired by the client organisation. This not so favourable interpretation of HRM practices resulted in a lower perception of psychological contract fulfilment.

Data also supported our hypothesis that psychological contract fulfilment (T2) would mediate the relationship between high performance HRM practices (T1) and affective commitment to the client organisation (T2). The positive relationship between psychological contract fulfilment and affective organisational commitment is consistent with previous literature both in the context of traditional and temporary work (Coyle-Shapiro & Kessler, 2000; De Cuyper & De Witte, 2006; De Jong et al., 2009; Johnson & O'Leary-Kelly, 2003; Lester et al., 2002; Sturges et al., 2005; Turnley & Feldman, 2002). Affective organisational commitment is a relevant attitudinal outcome of high performance HRM practices (e.g. Meyer & Smith, 2000; Koh & Yer, 2000; Koene & Van Riemsdijk, 2005). However, we showed

that this relationship was not direct. High performance HRM practices first influenced psychological contract fulfilment, which then elicited an attitudinal response towards the company that has the main managing role.

7.7.1 – Limitations, Strengths and Directions for Future Research

Our study has some limitations. The main limitation that should be acknowledged is the small size of the sample. However, this is a non-common sample with permanent agency workers. Moreover, this is a longitudinal study, which is quite rare in the case of temporary agency work, due to high turnover rates. As such, we considered a sample of 113 employees as adequate in order to perform our analyses. Second, we could not compare agency workers with directly hired workers. The reason lies on the fact that this is a relatively new call centre, with a small number of directly hired workers, compared to other call centres from the same business group. Furthermore, our data relies on self-reports, which can increase the risks of inflated relationships as a result of respondents' tendencies to answer in a consistent manner. Meta-analytic research on the percept-percept inflation issue, however, indicates that the magnitude of the inflation of the relationships may be over-estimated (Crampton & Wagner, 1994). Another limitation could be the fact that we did not assess the employment relationship with the agency. However, in our particular case, the agency's role was limited to selection and payroll, which means that employee's did not have enough contact with it for the development of a psychological contract or an affective organisational commitment. Thus, it would not have made sense to assess this employment relationship in our particular case. Finally, this research would have become stronger if we had had the possibility of obtaining information on hetero-measured variables such as organisational citizenship behaviours, turnover, and temporary agency workers' performance. Further research is

needed in order to replicate and enlarge these results, for instance by adding these types of variables.

7.7.2 – Conclusions and Practical Implications

In this paper, we showed that having a permanent contract with a temporary work agency (vs. a temporary contract) leads to negative outcomes *vis-à-vis* the client organisation. In particular, it is negatively associated with the perception that HRM practices are of high performance, with psychological contract fulfilment and ultimately with affective organisational commitment.

As practical application is the key engine of academic research, we believe that this paper has implications for practitioners. In particular, we investigated a type of contingent employment that may tend to increase due to more and more frequent strategies of business externalization (Kalleberg et al., 2000). Especially in the current context of economical crisis, companies will tend to avoid temporary agency work as a selection mechanism and continue working with the same employees without providing them a direct contract. However, having a permanent contract with an agency leads to negative perceptions and attitudes, since employees might understand that they are "permanently precarious". This might be a reason of concern, particularly because poor attitudes lead to decreased performance, less organisational citizenship behaviours, more absenteeism, and more turnover (e.g. Meyer et al., 2002).

CHAPTER 8. TEMPORARY AGENCY WORKERS VS. OUTSOURCED WORKERS: A MODERATED MEDIATION CONSIDERING HR ATTRIBUTIONS, DUAL COMMITMENT AND 'SPILL OVER' EFFECTS

8.1 – Authorship and Paper Status

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8.2 – Conference Presentations

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July 2012. Presentation at the **28th EGOS Colloquium**. "HR attributions and the dual commitment of temporary agency workers and outsourced workers: Implications on Performance". Sub-theme/workshop 55: Inequality by Design? The Impact of Organisational Practices on Individual Employment Outcomes, Helsinki, Finland.

8.3 - Abstract

Research has shown that HR-attributions, particularly those focused upon increased commitment, may affect employees' commitment and ultimately their performance. A critical question concerns these relationships among workers who have two potential *foci* of commitment, for example temporary agency workers and outsourced workers: They develop commitment vis-à-vis their contractor *and* their client. In reply, we test separately in the two

groups the idea that commitment-focused HR-attributions are positively related to these two *foci* of commitment. Our hypothesis is that the relationships between variables would be stronger for outsourced workers compared with temporary agency workers due to the fairly strong role of the contractor. In contrast, the links to and from affective commitment to the client would be stronger among temporary agency workers compared with outsourced workers. Survey data from 365 manufacturing workers was analysed through multiple group analysis. Results showed that affective commitment to the *contractor* for outsourced workers and to the *client* for temporary agency workers mediated the positive relationship between commitment-focused HR attributions and self-rated performance. Furthermore, for both groups, affective commitment to the contractor was positively related to affective commitment to the client. Our conclusion is that it is important to account for dual commitments.

Keywords: Temporary Agency Work; Outsourced Work; HR Attributions; Dual Commitment

8.4 – Introduction

Contemporary organisations depend on their capacity to increase adaptability and responsiveness in view of versatile markets and shifting consumer demands (Flecker, Holtgrewe, Schönauer, & Gavroglou, 2009). The need for flexibility influences the use of personnel in numerical or functional terms. The most common strategy is the externalization of employment, which led to a worldwide growth in contingent labour (Kalleberg et al., 2003), outsourced work and temporary agency work in particular. CIETT (2011) estimates that the number of temporary agency workers has risen by 3,8 million since 1999, up to 9 million agency workers worldwide in 2009. The agency work penetration is 1.7% in Japan, 1.3% in the USA, 1.5% in Europe and, 0.9% in Portugal. Outsourcing is also very popular

(Logan et al., 2004). In Portugal, 43.739 companies were registered as service providers for other companies, employing more than 275.000 workers in 2010. 7.4% of these workers performed their daily tasks in a client organisation (Statistics Portugal, 2011).

Both temporary agency workers and outsourced workers provide services to the client organisation, but are not their employees. They are the legal employees of the temporary work agency or of the outsourcing organisation, which we will refer to as 'the contractor' (Erickcek, Houseman, & Kalleberg, 2002). The contractor hires the workers and then places them at a client organisation where they perform their daily work. Because three parties are involved, a unique triangular employment relationship among the employee, the contractor and the client organisation is formed (e.g., Connelly & Gallagher, 2004; Druker & Stanworth, 2004).

In light of the triangular employment relationship, a notable body of research has examined the workers' dual commitment, i.e. towards the contractor and client organisation (e.g., Connelly et al., 2007; Coyle-Shapiro & Morrow, 2006; Coyle-Shapiro et al., 2006; Liden et al., 2003; Moorman & Harland, 2002; Lapalme et al., 2010; Slattery & Selvarajan, 2005; Veitch & Cooper-Thomas, 2009). In contrast, relatively few studies (e.g., Benson, 1998) have examined dual commitment among outsourced workers. Accordingly, our aim is to add to this body of research and probe important correlates of dual affective commitment among outsourced workers and, by way of comparison, temporary agency workers. In particular, we advance Human Resource (HR) attributions (Nishii, Lepak & Schneider, 2008) as an antecedent of dual affective commitment, and self-rated performance as a potential consequence. We selected HR attributions because temporary agency workers and outsourced workers are not only managed differently, but HR practices may also be perceived differently, given differences in the formal employment relationship. This may reflect in the workers' attitudes, and ultimately performance (e.g., Boselie et al., 2005). In particular, the

contractor has relatively stronger authority over outsourced workers compared with temporary agency workers.

We achieved this aim through a multiple group analysis, in which we probed the relationship HR attributions → dual affective commitment → self-rated performance separately for temporary agency workers (N = 138) and outsourced workers (N = 227). We aim to contribute to contingent employment research by focusing in a variable that was not yet addressed in this context: HR attributions. We also investigate reciprocity between the two affective commitments in outsourced workers, which was never done before. Another particular feature of this study is that, though outsourcing is usually associated with higher-skilled and more specialized jobs (Fisher et al., 2008), our study compares outsourced workers and temporary agency workers with low-skills, similar types of contracts (all of them have fixed-term contracts), similar work and similar objective work outcomes.

8.4.1 - HR Attributions and their Outcomes

Researchers in the area of HR share an interest in explaining the relationship between HR practices and performance (e.g., Huselid, 1995; Pfeffer, 1994). They tend to converge in the idea that HR practices will first be perceived and interpreted by employees, and then elicit certain attitudes, which ultimately affect performance. Therefore, recent approaches (e.g., Nishii & Wright, 2008) suggest that HR practices should also be measured through the way they are interpreted by employees: Indeed, employees' perceptions and interpretations of HR practices are likely to precede employee attitudes and behaviour in the causal chain (Nishii & Wright, 2008; Bowen & Ostroff, 2004). That is, in order for HR practices to exert their desired effect on employee attitudes and behaviours, they first have to be perceived and interpreted subjectively by employees in ways that will engender such attitudinal and behavioural reactions, including performance (Nishii et al., 2008).

Nishii and her colleagues (2008) analysed the role of HR attributions in this respect, i.e., the employee's perceptions about management's purpose in implementing the actual HR practices. They see two broad classes of HR-attributions. *Commitment*-focused HR attributions (i.e. service quality and employee well-being) connote positive consequences for employees, whereas cost-driven control-focus HR attributions (i.e. cost reduction and exploiting employees) connote negative outcomes (Nishii et al., 2008). We focus on commitment-focused HR attributions concerning training, performance appraisal and rewards. We selected commitment-focused HR-attributions because of our interest in affective commitment and self-rated performance, indeed both positive outcomes. Our choice for training, performance appraisal and rewards was inspired by earlier studies that showed significant relationships between these HR practices and both affective organisational commitment and performance (Benson, 2006; Kuvaas, 2006; Meyer & Allen, 1997; Tang & Sarsfield-Baldwin, 1996).

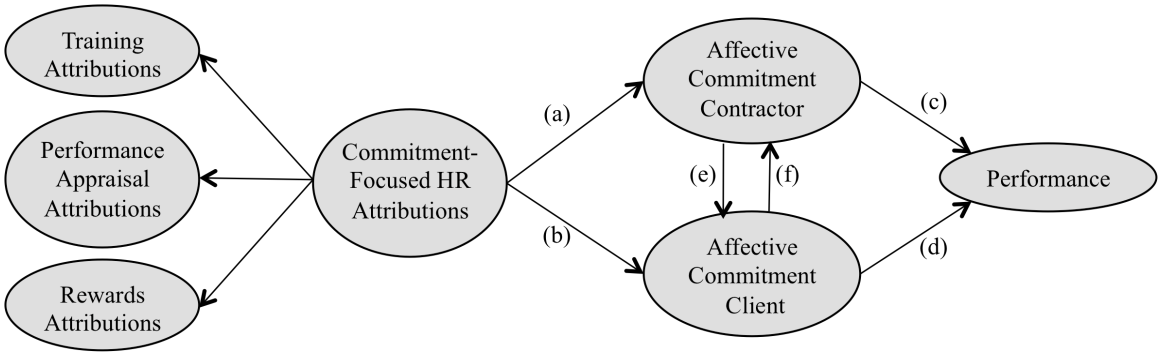
A first step in the causal chain is the link between commitment-focused HR attributions and affective commitment to each organisation. Note that commitment-focused attributions differ from commitment, since they represent the perception of the company's reasons for implementing certain HR practices. Empirical data from a sample of permanent workers showed that commitment-focused HR attributions are positively associated with affective commitment (Nishii et al., 2008). The situation of temporary agency workers and outsourced workers is more complex given the triangular employment relationship and the associated dual commitment (Connelly et al., 2007; Coyle-Shapiro & Morrow, 2006; Coyle-Shapiro et al., 2006; Lapalme et al., 2010; Liden et al., 2003; Moorman & Harland, 2002; Slattery & Selvarajan, 2005; Veitch & Cooper-Thomas, 2009). We hypothesise (1) that commitment-focused HR attributions will be positively related to affective commitment to both the contractor and the client, and (2) that affective commitment to the contractor and

affective commitment to the client are mutually related. These hypotheses are consistent with earlier evidence that contractor-directed attitudes of contingent workers can 'spill over' and translate into favourable client-directed attitudes (Connelly et al., 2007; Coyle-Shapiro & Morrow, 2006), and behaviours (Ellingson, Gruys, & Sackett, 1998; Moorman & Harland, 2002). Recent evidence on temporary agency work additionally showed that employee's perceptions and attitudes towards the client 'spill over' and influence attitudes and behaviours towards the contractor (Connelly et al., 2011). We test whether these relationships hold also among outsourced workers.

A second step in the causal chain concerns the link between affective commitment and self-rated performance. According to an extensive set of theoretical and empirical studies in the context of traditional direct-hire employment (see Riketta, 2002, 2008 for a review), employee organisational commitment is positively related to performance. Evidence also shows that this attitude is more likely to influence performance than vice versa (Riketta, 2008). Literature on temporary agency work also showed a positive association between employee favourable attitudes and job performance (Koh & Yer, 2000; Subramony, 2011). In this paper, we probe whether this relationship goes also for outsourced workers and their self-rated performance at the client firm.

Bringing all relationships together, we advance a mediation model, in which affective commitment to the two organisations mediates the relationship between HR attributions and self-rated performance. Affective organisational commitment is a commonly used variable when studying the link between HR management and performance (Boselie et al., 2005; Paauwe & Richardson, 1997). Our model is shown in Figure 9.

Figure 9. Research Model



8.4.2 - Differences between Outsourcing and Temporary Agency Work

Both temporary agency work and outsourcing imply triangular employment relationships, but they are built with a view on a different output: Temporary work agencies provide workers, and outsourcers provide full services to their clients. The client is subcontracting an employee who is integrated in their core business in the case of agency work, and he/she is paying for a full service that is usually peripheral to the core business in the case of outsourced work (Lepak & Snell, 1999). By using outsourcing companies, client organisations are externalizing (for a certain period of time) a whole task, department or even business area to a specialized provider. These differences have implications for operational HR management styles.

In the group of temporary agency workers, the agency recruits, selects, pays the workers and provides them with the work equipment needed at the client at the beginning of the hiring process (e.g., working boots and a uniform with the agency's name and logo): The agency is the *de juro* employer. While at the client organisation, workers are directly managed by internal supervisors from this company, having little contact with agency's representatives, so that the client is the *de facto* employer. Workers are employed and paid by an agency, but perform their work-related duties in the client's worksite without significant

performance monitoring by their *de juro* employers. The client assumes the main management tasks, which are usually similar to the ones used with directly hired workers.

In contrast, in our study, supervisors from the outsourcer work together with the client's supervisors. Even though the client organisation is paying for a full management service provided by the outsourcer, outsourced workers still interact, albeit scarcely, with client organisation staff. We believe the HR strategy vis-à-vis outsourcing in this study is characteristic for outsourcing in general, though evidence is limited to IT outsourcing or organisational changes encompassing transitions to outsourcing (Logan et al., 2004; Roe, Smeelen, & Hoefeld, 2005).

In sum, the main difference between agency work and outsourced work is that the role of the contractor in operational HR management is significantly more prevalent in the case of outsourced work (Logan et al., 2004), whereas the role of the client is more prevalent in temporary agency work. This is consistent with previous empirical research: Studies with temporary agency workers mostly focused on the relationship with the client (e.g., Blatt, 2008), whereas studies with contract or outsourced workers predominantly focused on the relationship with the contractor (e.g., Coyle-Shapiro & Morrow, 2006).

8.4.3 - The Research Model and the Moderating Role of Type of Contingent Work Arrangement

Overall, the question to be addressed in this study is whether the type of triangular employment relationship, be it temporary agency work or outsourced work, moderates the hypothesised relationships between HR attributions, dual affective commitment and self-rated performance (Figure 9).

Nishii et al.'s (2008) provide evidence that commitment-focused HR attributions relate to affective commitment to the organisation that implements the HR practices.

However, for outsourced workers HR practices are mostly implemented by the contractor, and by the client for temporary agency workers. This reasoning leads us to the assumption that, the positive relationship between commitment-focused HR attributions and affective commitment to the contractor will be significantly stronger for outsourced workers compared with temporary agency workers (path a). This would contrast with path (b), which would be significantly stronger for temporary agency workers, due to the more prevalent role of the client in their management. Empirical studies from contingent employment found commitment to the client organisation to be higher than commitment to the contractor (e.g., Benson, 1998; Blatt, 2008).

In a similar vein, we hypothesise that the path between affective commitment to the contractor and self-rated performance will be stronger for outsourced workers (path c). Path (d) between affective commitment to the client and self-rated performance will be stronger for temporary agency workers.

As for paths (e) and (f), we hypothesise a reciprocal relationship between affective commitment to the contractor and affective commitment to the client. However, the relationship from affective commitment to the contractor to affective commitment to the client (path e) will be stronger for outsourced workers: The role of the contractor is more salient, and hence the directionality of the path is likely to be from this to the 'secondary' employment relationship. The reverse would occur for temporary agency workers, whose relationship with the client is likely to be stronger, thus setting the path directionality from this to the more 'secondary' relationship with the contractor. As such, path (f) would be stronger for temporary agency workers.

8.5 - Method

8.5.1 - Sample

Data were collected among blue-collar workers from the Portuguese manufacturing sector. As the sector is vulnerable to frequent changes in production needs, temporary agency work and outsourcing are frequently used. Temporary agency workers were employed by two agencies and were placed in eight client organisations. Three outsourcing companies participated in our study and their employees were placed in six client organisations. All outsourced workers had temporary contracts.

We asked temporary work agencies and outsourcing companies to deliver 500 questionnaires to employees who were assigned to manufacturing jobs. 373 questionnaires were returned, resulting in a response rate of 74.6%. Overall, 365 questionnaires were useful to our analyses: 227 from outsourced workers and 138 from temporary agency workers. The age of the respondents ranged from 18 to 58 years, with a mean age of 33.61 years (SD = 8.63). Outsourced workers were on average older (M = 34.9; SD = 9) than temporary agency workers (M = 31.48; SD = 7.55) (t (363) = 3.74, $p < .001$). The sample was composed of 65.2% men. There were more men than women in the outsourced workers' group, which contrasted with the temporary agency workers' group (t (363) = -13.12, $p < .001$). One point one percent of the respondents completed elementary school, 61.6% completed junior high school, 34% completed senior high school and 3.3% frequented or completed college. Hence, our participants have low formal education levels and have jobs that require low skills. Overall, outsourced workers went to school for fewer years than temporary agency workers (M = 3.36, SD = .07 and M = 3.06, SD = .06, respectively; t (363) = -3.15, $p < .01$).

8.5.2 - Measures

Commitment-Focused HR Attributions. To assess commitment-focused HR attributions, we used six items adapted from Nishii et al.'s (2008) HR attributions scale. In this study we focused on the meaning employees attribute to training (e.g., 'The training employees receive helps them deliver a quality service'), performance appraisal (e.g., 'The way employees are evaluated is meant to make them feel valued and respected') and rewards (e.g., 'The way employees are rewarded is meant to motivate them deliver a quality service'). Though Nishii et al. (2008) did not assess performance appraisal, we adapted the items to this HR practice, regarding its relevance as an antecedent of affective organisational commitment (e.g., Meyer & Allen, 1997). Items were measured in a five-point scale, ranging from 'Strongly Disagree' (1) to 'Strongly Agree' (5). High scores indicated the attribution that a certain HR practice represented a commitment-focused strategy by the agency. Reliabilities were satisfactory for training attributions (α=.87), performance appraisal attributions (α=.68) and rewards attributions (α=.76).

Affective Commitment – Contractor. We assessed employee's affective commitment to the contractor (temporary work agency or outsourcing company) using Meyer et al.'s (1993) measure, which was already used in previous Portuguese studies (omitted references for blind review purposes). Six items were measured on a seven-point scale, ranging from 'Strongly Disagree' (1) to 'Strongly Agree' (7). High scores indicate high levels of affective commitment. Alpha was .84.

Affective Commitment - Client Organisation. We used the same 6-item scale from Meyer et al. (1993), but now referring to the client company where the worker is currently placed. This measure was already used in previous Portuguese studies (omitted references for blind review purposes). Alpha was 0.86.

In order to assure that affective commitment to the contractor and to the client are

different variables, we performed an exploratory factor analysis, in principal components, with Kaiser Normalization and Varimax rotation, which explained 58.54% of the variance. As shown in Table 12, two factors emerged, clarifying the fact that employees really differentiate affective commitment to the agency and to the client.

Table 12.

Exploratory Factor Analysis for Affective Commitment to Contractor and Client

Items for Affective Commitment to Contractor and Client	1 ACContractor	2 ACClient
1. 'I would be very happy to spend the rest of my career in this contractor/client'	.75	.65
2. 'I really feel as if this contractor's/client's problems are my own'	.69	.76
3. 'This contractor/client has a great deal of personal meaning for me'	.75	.82
4. 'I do not feel a strong sense of belonging to this contractor/client'	.65	.76
5. 'I do not feel like part of the family at this contractor/client'	.80	.75
6. 'I do not feel emotionally attached to this contractor/client'	.78	.78

Note: Each item of Meyer et al.'s scale was used twice: once referring the contractor and a second time to the client. Items were only described once for ease of presentation. Each column presents the loadings of the items of each factor (ACContractor = Affective Commitment to the Contractor; ACClient = Affective Commitment to the Client).

Self-rated Performance. Job performance was measured with four items retrieved from a self-evaluated in-role behaviour performance scale developed by Williams and Anderson (1991). This measure was already used in previous Portuguese studies (omitted references for blind review purposes). A sample item is 'I adequately complete assigned duties', which was measured in a five-point scale, ranging from 'Strongly Disagree' (1) to 'Strongly Agree' (5). Alpha was .81.

Control Variables. We controlled for tenure with both the contractor and the client organisation, since many factors that predict organisational commitment covary with the time spent in an organisational setting (Mowday et al., 1982).

8.5.3 - Statistical Analysis

As suggested by Anderson and Gerbing (1998), we first performed confirmatory factor analyses to test the distinction between the various variables and then we tested our research hypotheses using structural equation modelling with the IBM SPSS AMOS program (Arbuckle, 2010).

We performed multiple group analyses to compare the two groups, following Byrne's (2010) instructions. First we tested the measurement model separately for temporary agency workers and outsourced workers. A measurement model with seven factors (HR attributions, affective commitment to the contractor, affective commitment to the client, self-rated performance, as first order factors, and training, performance appraisal and rewards attributions, as second order factors) was fitted to the data. Two items loaded on each of the commitment-focused HR attributions (training, performance appraisal and rewards attributions), six items loaded on each of the affective commitment measures (commitment to the contractor and to the client), and four items loaded on self-rated performance. Each of the HR attributions derived from a global latent variable named 'commitment-focused HR attributions'. The reason why we chose to aggregate these attributions into a higher order latent variable relates to the idea that studying HR as an architecture of cohesive systems or bundles of practices may be preferable to focusing on HR practices individually (e.g., Becker & Huselid, 1998; Boselie et al., 2005; Huselid, 1995; Lepak & Snell, 1999; McDuffie, 1995).

Second, we ran the structural models, which were first tested separately for the sample of outsourced ($Model_{Outs}$) and temporary agency workers ($Model_{Temp}$). These models

included direct structural paths from commitment-focused HR attributions to affective commitment toward the contractor and to affective commitment toward the client. There were also direct structural paths from these last two variables to self-rated performance. Two structural paths linked reciprocally the two affective commitments (non recursive model). Tenure with the contractor and tenure with the client were inserted in the model as observed variables: Regression paths linked them to the two affective commitments.

In a next step, we created a baseline structural model for multiple group comparisons ($Model_{MG}$) and fitted it to the data. We ran a multiple group analysis in order to assess invariance across the samples. The fit of this model was then compared to two alternative models. In $Model_{MG2}$, we constrained to equality all coefficient paths and all structural paths between the latent variables. In $Model_{MG3}$, we constrained all coefficient paths to be equal in the group of outsourced workers and in the group of temporary agency workers.

Model fit was assessed with various indices. First, we assessed χ^2. Since χ^2 is sensitive to sample size (Hu & Bentler, 1995), we additionally inspected the Comparative Fit Index (CFI), the Tucker–Lewis Index (TLI), the Root Mean Square Error of Approximation (RMSEA), and the Standardized Root Means Square Residuals (SRMR). Levels of .90 or higher for CFI and TLI indicate good fit. RMSEA of .05 or lower in combination with SRMR values below .09 indicate excellent fit, whereas values below .08 and .10, respectively, indicate good fit (Byrne, 2010). The different competing nested models were compared by means of the χ^2 difference test.

8.6 - Results

8.6.1 - Means, Standard Deviations and Correlations

Table 13 presents the means, standard deviations and correlations between the variables for outsourced workers and temporary agency workers.

Table 13.

Means, standard deviations and correlations among variables for outsourced workers (below the diagonal) and temporary agency workers (above the diagonal)

	Mean Outs.	SD Outs	Mean TAW	SD TAW	1	2	3	4	5	6	7	8
1. Tenure Contractor	15.48	16.86	27.28	30.36	1	.78***	.13	-.04	.01	.14	.27***	.25**
2. Tenure Client	15.11	17.23	18.24	28.13	.84***	1	.15	-.12	.00	.07	.24**	.28**
3. Training Attributions	3.89	.74	3.53	.77	-.06	-.06	1	.53***	.32***	.16	.44***	.28**
4. Performance Appraisal Attributions	3.52	.68	3.42	.79	.01	-.00	.47***	1	.35***	.14	.21*	-.00
5. Rewards Attributions	3.23	.76	2.57	.93	-.02	-.02	.27***	.33***	1	.04	.31***	.16
6. Affective Commitment Contractor	4.80	.83	4.05	1.04	.14*	.09	.28***	.20**	.15*	1	.43***	.11
7. Affective Commitment Client	4.37	.94	4.55	1.21	.19**	.21**	.04	.20**	.01	.38***	1	.38***
8. Performance	4.09	.57	3.90	.53	.02	.11	.15*	.18**	.08	.25***	.24***	1

p <.05; ** p <.01**; p <.001***

Mean Outs. = Mean values for Outsourced Workers; SD Outs. = Standard Deviations for Outsourced Workers; Mean TAW = Mean values for Temporary Agency Workers; SD TAW = Standard Deviations for Temporary Agency Workers

8.6.2 - The Measurement Model

The hypothesised seven-factor measurement model did not have a satisfactory fit, $Model_{Outs}$ $\chi^2(199) = 846.67$, $p < 0.001$; *TLI* = 0.71; *CFI* = 0.75; *RMSEA* = 0.12; *SRMR* = 0.10 and $Model_{Temp}$ $\chi^2(199) = 565.53$, $p < 0.001$; *TLI* = 0.72; *CFI* = 0.76, *RMSEA* = 0.12; *SRMR* = 0.11. We then inspected possible reasons for this low fit. The modification indices suggested eliminating three items from each of the affective commitment scales ('I really feel as if this contractor's/client's problems are my own', 'I would be very happy to spend the rest of my career in this contractor/client', and 'This contractor/client has a great deal of personal meaning for me', which were present in both scales). These items had low factor weights and there was substantial covariation between their error terms. Two additional correlations were established between items representing HR attributions. One correlation was established between item 1 ('The training employees receive helps them deliver a quality service') and item 4 ('The way employees are rewarded is meant to make them feel valued and respected'), and the other between item 4 and item 6 ('The way employees are evaluated is meant to make them feel valued and respected'). These correlations are consistent with the notion that HR practices should be seen as bundles, with connections between the training, performance appraisal and rewards systems (e.g., Boselie et al., 2005). The modified seven-factor model had an acceptable fit in both samples, $Model_{Outs}$ $\chi^2(92) = 165.68$, $p < 0.001$; *TLI* = 0.95; *CFI* = 0.96; *RMSEA* = 0.06; *SRMR* = 0.05 and $Model_{Temp}$ $\chi^2(92) = 185.61$, $p < 0.001$; *TLI* = 0.87; *CFI* = 0.90, *RMSEA* = 0.09; *SRMR* = 0.08. For $Model_{Temp}$ the TLI level was low, however we accepted the model, since we have a rather complex model and TLI values depend on model complexity (Marsh et al., 2004). The modified seven-factor measurement model was compared to a one-factor model in which all items loaded on a single latent variable. The one-factor model did not provide a good fit in the group of outsourced workers, $\chi^2(99)=$

802.96, $p < 0.001$; *TLI* = 0.52; *CFI* = 0.60, *RMSEA* = 0.12; *SRMR* = 0.14, and in the group of temporary agency workers, $\chi^2(99) = 481.12$, $p < 0.001$; *TLI* = 0.49; *CFI* = 0.58, *RMSEA* = 0.17; *SRMR* = 0.13. The modified seven-factor model fitted the data significantly better than the modified one-factor model, $\Delta\chi^2$ (7) = 637.28, $p < 0.001$ for outsourced workers and $\Delta\chi^2$ (7) = 295.51, $p < 0.001$ for temporary agency workers.

8.6.3 - Structural Models

We drew a baseline model with paths from commitment-focused HR attributions to affective commitment to the contractor and to the client; from the two affective commitments to self-rated performance; and with two reciprocal paths between the two affective commitments. Our baseline model provided a good fit in both groups: $\text{Model}_{\text{Outs}}$ $\chi^2(120) = 197.38$, $p < 0.001$; *TLI* = 0.95; *CFI* = 0.96; *RMSEA* = 0.05; *SRMR* = 0.06 and $\text{Model}_{\text{Temp}}$ $\chi^2(120) = 219.12$, $p < 0.001$; *TLI* = 0.88; *CFI* = 0.91, *RMSEA* = 0.08; *SRMR* = 0.09. We tested an additional model with a path from commitment-focused HR attributions to performance: $\text{Model}_{\text{Outs}}$ $\chi^2(119) = 193.71$, $p < 0.001$; *TLI* = 0.95; *CFI* = 0.96; *RMSEA* = 0.05; *SRMR* = 0.09 and $\text{Model}_{\text{Temp}}$ $\chi^2(119) = 221.55$, $p < 0.001$; *TLI* = 0.88; *CFI* = 0.90, *RMSEA* = 0.08; *SRMR* = 0.08. The model did not provide a significant improvement over the baseline model: Outsourced workers $\Delta\chi^2$ (1) = 3.67, $p = 0.06$; temporary agency workers $\Delta\chi^2$ (1) = 2.43, $p = 0.12$. We then introduced the baseline model in a multiple group analysis, which showed an acceptable fit: Model_{MG} $\chi^2(242) = 440.43$, $p < 0.001$; *TLI* = 0.92; *CFI* = 0.94, *RMSEA* = 0.05; *SRMR* = 0.06.

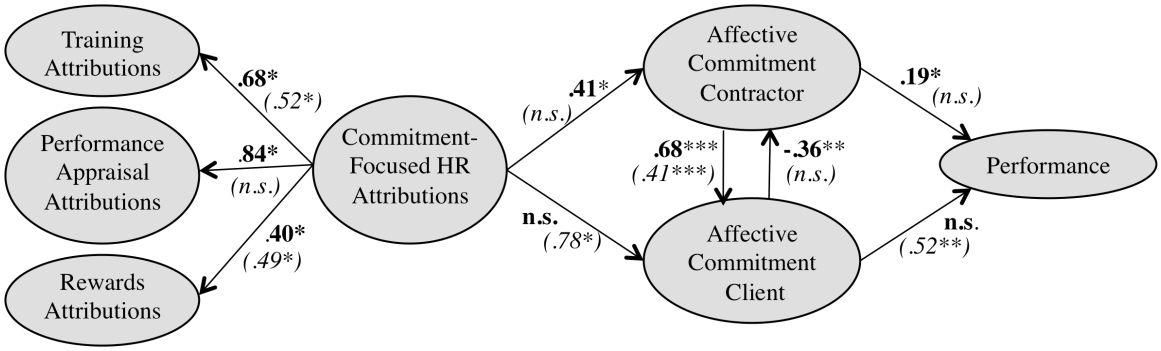
Following Byrne's (2010) suggestion, we added some equality constraints to assess invariance across the groups. We compared the unconstrained model and the constrained models. In $\text{Model}_{\text{MG2}}$, all coefficient paths and structural paths were constrained: $\chi^2(257) = 470.26$, $p < 0.001$; *TLI* = 0.92; *CFI* = 0.93, *RMSEA* = 0.05; *SRMR* = 0.07. In $\text{Model}_{\text{MG3}}$, all

coefficient paths were constrained to be equal in the two groups, but not the structural paths: $\chi^2(249) = 444.30$, $p < 0.001$; *TLI* = 0.92; *CFI* = 0.94, *RMSEA* = 0.05; *SRMR* = 0.07. The fully unconstrained model explained our data better than the fully constrained model ($Model_{MG}$ vs. $Model_{MG2}$: $\Delta\chi^2$ (15) = 29.83, p <0.05). However, the model in which only the coefficient paths between the observable and the latent variables were constrained was not significantly different from the fully unconstrained model ($Model_{MG}$ vs. $Model_{MG3}$: $\Delta\chi^2$ (7) = 3.90, p =0.79). This means that the underlying structure of the latent factors is somehow equivalent for outsourced workers and temporary agency workers, but there are significant differences between the structural paths between the latent factors in the two groups.

Finally we performed an iterative process to assess invariance for each of the paths separately. We individually constrained to equality each path and assessed model fit. We then compared it to the original model ($Model_{MG}$) and when the chi-square difference between the two models was not significant this constrained loading was included in the next model, where another path would be constrained. This was repeated until we reached the final model, with the following fit: $\chi^2(250) = 453.49$, $p < 0.001$; *TLI* = 0.92; *CFI* = 0.93, *RMSEA* = 0.05; *SRMR* = 0.06. Only two coefficient paths were different for the two groups: 'I attain the performance levels that my job requires' and 'Regardless of the circumstances, I have been developing high quality work'. All structural paths were different for the two groups.

Figure 10 shows the results for outsourced workers (in bold) and temporary agency workers (in italic and between parenthesis).

Figure 10. Structural Model for Outsourced Workers (in bold) and Temporary Agency Workers (in italic and between parenthesis)



For outsourced workers, the paths between commitment-focused HR attributions and affective commitment to the client, as well as between this variable and self-rated performance were not significant. Affective commitment to the contractor mediated the positive relationship between commitment-focused HR attributions and self-rated performance ($Z = 6.73$, $p<0.001$). Commitment-focused HR attributions were positively related to affective commitment to the contractor, which was then positively related to affective commitment to the client. Sobel test was not significant ($Z = 0.95$, $p=0.34$), which means that the indirect effect of the independent variable on the dependent variable is not significant. Unexpectedly, we found a negative path between affective commitment to the client and affective commitment to the contractor ($\beta = -.36$, $p < .01$). For temporary agency workers, the paths between commitment-focused HR attributions and affective commitment to the contractor, as well as between this variable and self-rated performance were not significant. Affective commitment to the contractor was positively related to affective commitment to the client ($\beta = .41$, $p < .001$), however the inverse relationship was not significant. Affective commitment to the client mediated the positive relationship between

commitment-focused HR attributions and self-rated performance (Z = 9.41, p<0.001). Control variables are not in the figure for ease of presentation. For outsourced workers, tenure in the contractor (β = .16, p = 0.07) was marginally related to affective commitment to this company. The same happened for temporary agency workers' tenure in the contractor and affective commitment to this organisation (β = .05, p = 0.60). As for tenure in the client, this variable was not significantly associated with affective commitment to this company for none of the groups (outsourced workers: β = .07, p = 0.32; temporary agency workers: β = -.12, p = 0.50).

8.7 - Discussion

The main objective of this study was to test the path commitment-focused HR attributions → dual affective commitment → self-rated performance among temporary agency workers and outsourced workers. Both groups are hired by an external organisation and work at a client organisation's site. However, the contractor plays a critical role in the management of outsourced workers, whereas the client holds that role for temporary agency workers. This led to the hypotheses that affective commitment to the contractor would mediate the relationship between commitment-focused HR attributions and self-rated performance among outsourced workers, whereas affective commitment to the client would mediate this relationship among temporary agency workers.

The results supported our hypotheses. First, commitment-focused HR attributions were positively associated with affective commitment to the client organisation, but not to the contractor among temporary agency workers, and vice versa for outsourced workers. This pattern of results suggests that the two groups have different perceptions as to whom is their 'main' employer: Outsourced workers see the contractor as their main employer, and temporary agency workers see the client organisation as 'their' employer.

Second, outsourced workers' affective commitment to the contractor but not the client was positively related to self-rated performance. The opposite occurred for temporary agency workers. That is to say, workers appear to reciprocate positive attitudes to which they see as their main employer. Third, and bringing all results together, we established that affective commitment to the client mediated the relationship between commitment-focused HR attributions and self-rated performance among temporary agency workers, whereas affective commitment to the contractor mediated the relationship between commitment-focused HR attributions and self-rated performance among outsourced workers. These results can be interpreted in light of social exchange theory (Blau, 1964) and the reciprocity norm (Gouldner, 1960). Temporary agency workers attribute a positive meaning to HR practices implemented by the client organisation and they reciprocate these inducements with positive attitudes (affective commitment to the client), which then will lead to positive behaviours. For outsourced workers, this result suggests that contractor-directed attitudes can 'spill over' and translate into favourable client-directed attitudes and behaviours (Connelly et al., 2007; Coyle-Shapiro & Morrow, 2006; Subramony, 2011). By showing high performance levels at the client organisation, outsourced workers are also reciprocating their contractor's positive inducements: They are repaying the outsourcing company by being a good representative or a good ambassador for the company (Buch, et al., 2010).

Finally, we hypothesised a reciprocal positive association between commitment to the contractor and commitment to the client in both groups, based on the study by Connelly et al. (2011). We established a positive relationship between affective commitment to the contractor and affective commitment to the client in both groups. However, the path from affective commitment to the client to affective commitment to the contactor was non-significant in temporary agency workers. This means that, although a strong commitment to the agency may be positive for the relationship with the client, the opposite is not necessarily

true. An explanation could be that the contractor is seen as 'secondary': The agency is a vehicle for continuing working at that client. Another surprising finding was that the path between affective commitment to the client and affective commitment to the agency was negative. A possible explanation could be that outsourced workers with a strong commitment vis-à-vis the client desire a direct contract with the client. This then could weaken the ties with the contractor. The same reasoning could also be true to temporary agency workers. These findings highlight the complex interactions in dual employment relationships and indicate possibly more complex spill over effects affecting employee attitudes and behaviours.

8.7.1 - Limitations

The present research has some limitations. First, given the use of cross sectional data, no causal inferences can be made, although all relationships were based on prior theorizing (e.g., Huselid, 1995; Nishii et al., 2008, Connelly et al., 2007, Lapalme et al., 2010; Liu, Wu, & Hu, 2010). Second, our data relied on self-reports, which can increase the risks of inflated relationships as a result of respondents' tendencies to respond in a consistent manner. Meta-analytic research on the percept-percept inflation issue, however, indicates that the magnitude of the inflation of the relationships may be over-estimated (Crampton & Wagner, 1994). Third, we assessed affective commitment with three items, and not with the six items from the original scale (Meyer et al., 1993). However, contingent employment represents a different setting than the one where the original scale was validated, which might have influenced employees' interpretations of some items. Nevertheless, note that the items with low factor weight were the same for temporary agency workers and outsourced workers. Finally, the fact that performance was evaluated by the worker him/herself represents a subjective appraisal. Recent research suggests that self-rated performance tends to be upward biased,

but also that the amount of bias does not seem to vary across performance levels (Sharma et al., 2004). It is therefore not unlikely that the employees in the present study may have overestimated their performance levels, but that such overestimation has not heavily affected the results. Nevertheless, future research should try to replicate these findings, by using hetero-assessed or technologically appraised performance data.

8.7.2 - Future Research Directions

Our findings provide interesting triggers for further research. We should focus on our latest results showing that for outsourced workers, the path between affective commitment to the client and affective commitment to the agency was negative. We claimed that the desire to be directly hired by the client organisation could be a possible explanation for this negative relationship. However, in order to clarify this issue, future research should consider the possible effect of client organisation attractiveness (Coyle-Shapiro & Morrow, 2006) and contingent employee's desire to be directly hired by this company.

Future research should additionally focus on the large heterogeneity that characterizes the contingent workforce (e.g., De Cuyper et al., 2008). Different contingent assignments in different business sectors are likely to set the stage for contrasting management strategies. We focused on low-skilled employees from the manufacturing sector and compared them based on their type of contingent arrangement. By comparing traditional temporary agency work, where the managing role of the agency is minor, to outsourcing, where the contractor implements most management practices, we analysed the two poles of contingent practices in this sector. However, we believe there is a whole spectrum of management strategies that future research should address. As an example, some temporary work agencies have representatives in the client's site providing them with professional HR services. Additionally, under a vendor managed service contract, a third-party provider organisation is

commissioned specifically to manage the procurement of agency (and other contingent) workers at the client's site (Hoque, Kirkpatrick, Lonsdale, & De Ruyter, 2011). The impact of these practices on employee's attitudes and behaviours should be further explored.

8.8 - Conclusions and Practical Implications

We found that temporary agency workers' HR attributions relate positively to affective commitment to the client and to higher self-rated performance levels. We also found that a strong affective commitment to the agency relates to a strong affective commitment to the client organisation. In a competitive temporary agency market, it is in the agency's best interest to attract, motivate and retain better quality temporary workers that would help the agency differentiate (Liu et al., 2010).

Outsourced workers' HR attributions related to affective commitment to the contractor and to self-rated performance. This evidence showed that a positive employment relationship with the outsourcing company results in a high self-rated performance at the client. Employees reciprocate the inducements from the outsourcing by exhibiting good performance levels at the client, being good representatives of their employer. Our results additionally showed that although affective commitment to the contractor related positively to affective commitment to the client, the reversed relationship was negative. This hints at critical aspects for outsourcing companies: When commitment to the client is stronger, they might desire to leave the company and use the assignment as a 'stepping-stone' to a direct contract with the client, as commonly happens in agency work (Suazo et al., 2009).

Our results are consistent showing that if employees attribute a positive meaning to HR practices, i.e. if they develop commitment-focused HR attributions, positive outcomes attitudes and behaviours will ensue. Practitioners from both the contractor and the client should then focus on the appropriate communication of HR practices. In addition our

findings show that dual employment relationships work differently for different types of contingent employment relationships.

PART III

CHAPTER 9. DISCUSSION OF THE MAIN RESULTS

The main goal of our research project was to provide an in-depth study into the triangular employment relationship of two types of contingent workers: agency workers and outsourced workers. In particular, we focused on employees' perceptions and attributions about HRM practices and on their affective commitment to the contractor and to the client organisation. In this chapter, we feel the need to discuss the results of our empirical studies in an integrated way, answering our initial research questions. Below, we present Figures 11, 12 and 13, which represent our three empirical studies. For this discussion, we will present the main conclusions of the research project and we additionally formulate implications for theory and research.

Figure 11. First empirical study

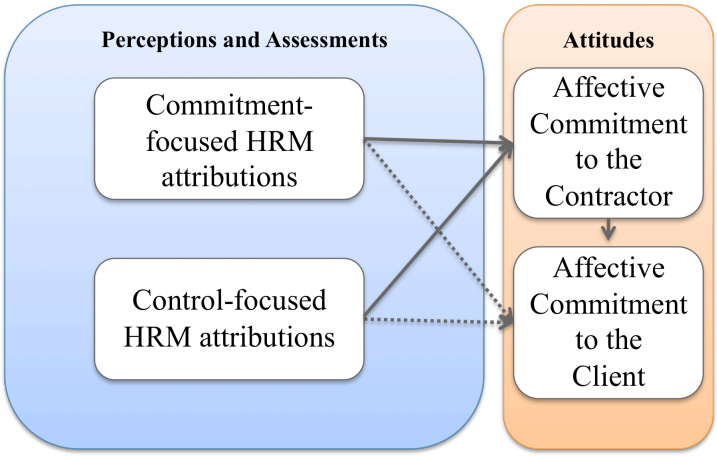


Figure 12. Second empirical study

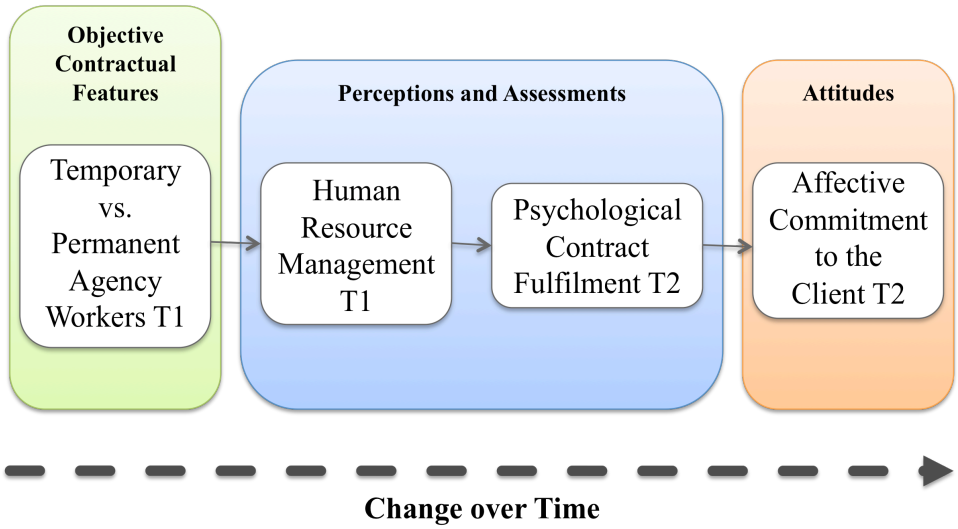
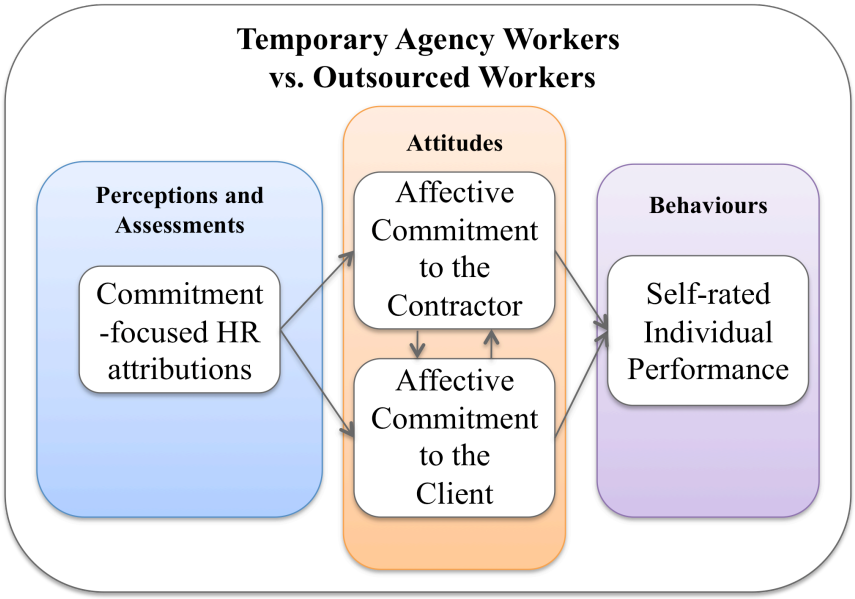


Figure 13. Third empirical study



9.1 – Answering our Research Questions

We decided to structure the discussion of our results by answering the research questions we presented in our first chapter. These questions address elements that are transversal to our empirical studies, such as the relationships between the two *foci* of commitment, the role of HR perceptions and attributions, the role of exchange and reciprocity, as well as the contrasts between different triangular arrangements. Our empirical studies allowed us to assess these topics and provide new insights on the triangular employment relationships of agency workers and outsourced workers.

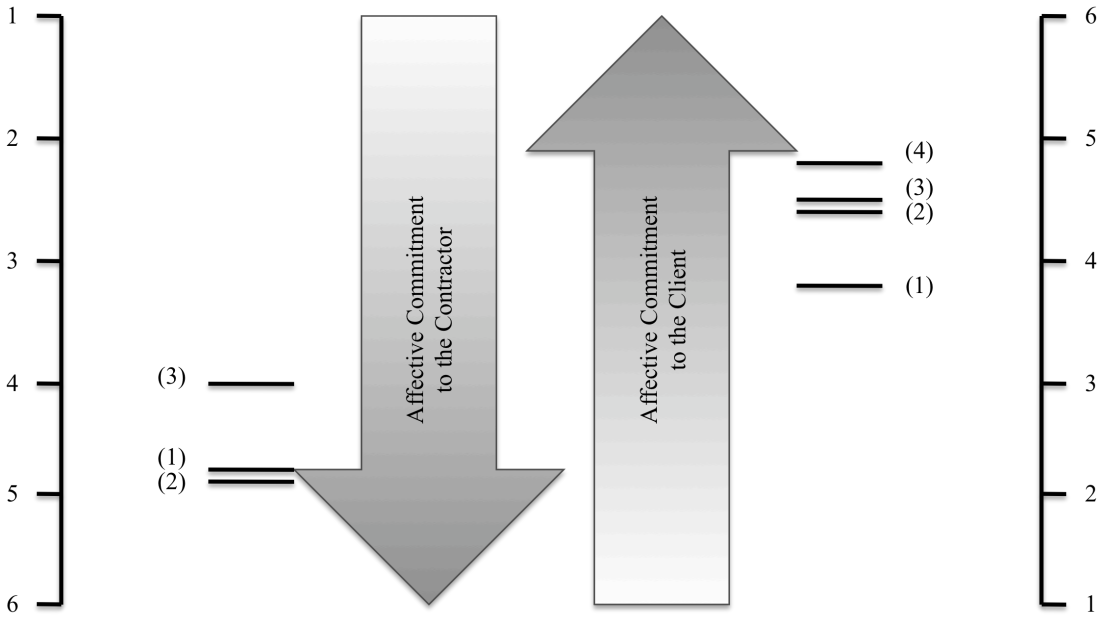
9.1.1 – Does Affective Organisational Commitment to the Contractor relate to Affective Commitment to the Client and *vice versa*?

We assessed agency workers' and outsourced workers' triangular employment relationships by focusing on their affective commitment to the contractor and to the client organisation.

Our overall conclusion is that the levels of commitment to each organisation are extremely heterogeneous among samples and largely depend on the salience of the contractor or the client organisation in the employment relationship. In some situations the role of the contractor is very limited and the client organisation is perceived as the "main" employer, whereas in other cases the contractor has clearly the major managing role and the client organisation is indeed perceived as a client. We found that the first situation is more common in temporary agency workers, which is consistent with previous research (e.g. Van Breugel et al., 2005), whereas the second is more common in outsourced workers.

Our results could be represented as a continuum of possible levels of affective commitment to the contractor and to the client organisation. The samples we investigated in this research project could be represented in different stages of this continuum, as demonstrated in Figure 14. At one end of the continuum (1), we could place outsourced IT workers, who have a significantly stronger commitment to the outsourcing organisation (M=4.81), compared to the client organisation (M=3.85; t=-8.09, p<.001; Chapter 6). We could then have (2) low-skilled outsourced workers, who have a strong commitment to the client organisation (M=4.37), but their commitment to the outsourcer is still stronger (M=4.80; t=6.56, p<.001; Chapter 8). At the following level we find (3) manufacturing temporary agency workers, with a stronger affective commitment to the client organisation (M=4.55) than to the agency (M=4.05; t=4.88, p<.001; Chapter 8). At the last stage of the continuum (4), we find call centre agency workers from Times 1 and 2 of our second empirical study (Chapter 7). Due to the absence of a regular direct contact with the agency (except for a letter received during payroll) we considered that an affective commitment with the agency was extremely unlikely, thus we did not assess this locus of commitment for this sample.

Figure 14. Employees' levels of commitment in different samples



(1) Outsourced IT workers

(2) Manufacturing Outsourced Workers

(3) Manufacturing Agency Workers

(4) Call Centre Agency Workers

Our results show that commitment to one organisation tends to be stronger than commitment to the other based upon the salience and the role of each organisation in HRM (see Chapter 8). However, consistent with previous research (e.g., Lapalme et al., 2010), we also found that the two levels of commitment are interrelated. This means that affective commitment to one organisation is likely to spill over and relate to the levels of affective commitment to the other organisation.

In our first empirical study (Chapter 6), we found that affective commitment to the IT outsourcer mediated the relationships between HR attributions and affective commitment to the client organisation. The positive relationship between affective commitment to the outsourcer and affective commitment to the client organisation had already been

demonstrated with long-term contracted employees and temporary agency workers (Connelly et al., 2007; Coyle-Shapiro & Morrow, 2006; Lapalme et al., 2010) and now we also demonstrated it with outsourced IT workers. The explanation lies in the fact that employees consider a positive employment relationship with the client as a positive inducement from the outsourcer (i.e., it is placing them in a "good" client). Accordingly, they might reciprocate (Gouldner, 1960) this perceived inducement by developing a strong affective commitment to the client organisation.

In our third empirical study (Chapter 8) we tested a non-recursive SEM model where we established reciprocal regression paths between affective commitment to the contractor and to the client organisation. The idea behind the reciprocal paths reflected the possibility of not only commitment to the contractor influencing affective commitment to the client organisation, but the other way around as well. The relevance of studying these reciprocal paths lies on the possibility that positive attitudes towards one organisation may be reciprocated trough attitudes to the other organisation, which might then influence employee outcomes in each organisation (e.g., Lapalme et al., 2010).

In our third study (Chapter 8), we compared agency workers and outsourced workers regarding the reciprocal links between affective commitment to the contractor and to the client organisation. For outsourced workers, we observed a positive significant regression path from affective commitment to the contractor to affective commitment to the client organisation. We additionally found a reversed path indicating a negative relationship from affective commitment to the client organisation to affective commitment to the contractor. The positive link from affective commitment to the contractor to affective commitment to the client relates to the fact that employees reciprocate the inducements they receive from the contractor with a stronger commitment to it, and thus to the client organisation (e.g., Lapalme et al., 2010). The negative path from affective commitment to the client and affective

commitment to the agency was rather unexpected. However, a possible explanation could be that outsourced workers with a strong commitment vis-à-vis the client desire a direct contract with the client. This could then weaken the ties with the contractor.

For agency workers, we found a positive significant path from affective commitment to the contractor to affective commitment to the client organisation and a non-significant regression path regarding the reversed relationship. This non-significant path could be explained by the fact that the role of the contractor is less salient in the employment relationship: The agency is probably seen as a vehicle for continuing working at that client. Our results hint at the complexity of patterns that one may find when analysing the dual *foci* of commitment of agency workers and outsourced workers.

Our overall conclusion regarding the relationships between the two *foci* of affective commitment is that a positive relationship with one organisation tends to be associated with a simultaneous positive relationship with the other organisation. As Liden et al. (2003) postulated this might be associated with Heider's Balance theory (1946, 1958), which states that individuals seek balance in their relationships. Our results supported the idea that attitudinal responses to the relationships with either the contractor or the client organisation can be considered balanced if both are positive.

The direction of the paths linking the two affective commitments depends on the salience of each organisation in the triangular employment relationship. This salience results from the contractors' or the clients' role in management. The strength and valence of the paths also depend on employees exchange perceptions and on their future career intentions. Our studies contribute to the research on agency workers' and outsourced workers' dual affective commitment by emphasizing the possible different ways in which affective commitment to the client organisation and to the contractor are interrelated.

9.1.2 – Does a favourable opinion on Human Resource Management practices relate to Dual Affective Commitment?

We had a common ground in all our studies: The relationship between employees' perceptions or attributions about HRM practices and affective organisational commitment.

In our first empirical study, we assessed outsourced IT workers' commitment-focused and control-focused HR attributions referring to three relevant HRM practices: recruitment and selection, training and performance appraisal. All these HRM practices were implemented by the IT outsourcing organisation. We found that commitment-focused HR attributions were positively related to affective commitment to both the outsourcer and the client organisation. In contrast, control-focused HR attributions were negatively related to outsourced IT workers' two *foci* of affective organisational commitment.

In our second empirical study, we focused on call centre agency workers' perceptions about high performance HRM practices. In particular we assessed whether employees' interpretations of the high performance HRM practices implemented by the client organisation (training, performance appraisal and rewards) were related to affective commitment to this organisation. We found a positive relationship between employees' perceptions of high performance HRM practices and affective commitment to the client organisation, which was mediated by psychological contract fulfilment.

In our third empirical study, we focused again on HR attributions, commitment-focused HR attributions in particular. We compared agency workers and outsourced workers from the manufacturing sector regarding the link between commitment-focused HR attributions (training, performance appraisal and rewards) and dual affective commitment. As regards outsourced workers, we found that the outsourcing organisation is the main responsible for HRM practices. This contrasted with agency work, where the main responsible was the client organisation. We found that, for outsourced workers, there was a

positive link between commitment-focused HR attributions and affective commitment to the outsourced, which was then related to affective commitment to the client organisation. The direct link between commitment-focused HR attributions and affective commitment to the client organisation was not significant. For agency workers, we found that commitment-focused HR attributions were related to affective commitment to the client organisation. The links between commitment-focused HR attributions and affective commitment to the contractor, and between affective commitment to the client organisation and affective commitment to the contractor were not significant. This reflects the less salient role of the agency for this type of employees, compared to the client organisation, which is the main responsible for their management.

Our overall conclusion is that agency work and outsourcing may differ in terms of who is responsible for implementing HRM practices. However, they share the fact that when HRM practices are perceived favourably and attributed a positive meaning, they result in positive employee attitudinal responses. In particular, they elicit employee affective commitment to both the contractor and the client organisation.

9.1.3 – Do Exchange and Reciprocity have a mediating role between Human Resource Management practices and Dual Affective Commitment?

Social exchange theory had previously been used to explain the dual affective commitment of outsourced workers and agency workers. In particular, the dual affective commitment of outsourced workers has been addressed as an outcome from supervisor support and from reduced stress levels (Benson, 1998). The dual affective commitment of temporary agency workers has been shown to derive from social support (Barringer & Sturman, 1999), procedural justice (Liden et al., 2003), perceived organisational support

(Connelly et al., 2007; Coyle-Shapiro & Morrow, 2006; Coyle-Shapiro et al., 2006; Liden et al., 2003; Veitch & Cooper-Thomas, 2009), psychological contract fulfilment/breach (Coyle-Shapiro & Morrow, 2006; Lapalme et al., 2010), felt obligation to the agency/client (Coyle-Shapiro et al., 2006), and new employee development practices (Slattery et al., 2006). The inherent idea behind these studies is that employees reciprocate with positive attitudes according to the perceived inducements they receive from either the client organisation or the contractor. In our research project, we focused on the same premises, but we now established a relationship between employees' HRM perceptions and attributions, and their two *foci* of affective commitment. In our first and third empirical studies (Chapters 6 and 8) we demonstrated that employees reciprocate the perceived inducements they receive from both their contractor and their client organisation with a high dual affective commitment.

Nevertheless, we additionally argued that the link between employees' HRM perceptions and their affective commitment might not be direct. In our second empirical study (Chapter 7), we relied on previous research and hypothesised that employees' perceptions of high performance HRM practices were positively related to employees' psychological contract fulfilment (e.g., Guzzo & Noonan, 1994). We also anticipated that psychological contract fulfilment was positively related to employees' affective commitment to the client organisation (e.g., Lapalme et al., 2010). In our sample of call centre agency workers (Chapter 7), we found that psychological contract fulfilment mediated the positive relationship between employees' perceptions of high performance HRM practices and affective commitment to the client organisation. If employees perceive positive inducements from their main managing organisation, they are likely to perceive that the organisation is fulfilling the obligations inherent to their psychological contracts (e.g., Sonnenberg et al., 2011), and then to reciprocate with positive attitudes towards it (i.e., affective commitment to the client organisation).

Our overall conclusion is that the positive relationship between high performance HRM practices and commitment-focused HR attributions, and affective organisational commitment can be explained by social exchange mechanisms (Blau, 1964), in particular by the reciprocity norm (Gouldner, 1960). When employees receive organisational inducements, they tend to feel that the organisation is fulfilling their expectations, so they reciprocate through positive attitudes directed both to their "primary" and their "secondary" organisations.

9.1.4 – What distinguishes different Triangular Arrangements?

In our research project, our aim was to analyse the heterogeneity that characterizes contingent employment in more detail, by comparing two different contractual arrangements in the context of agency work, as well as comparing outsourcing and agency work.

9.1.4.1 – Temporary vs. Permanent Agency Workers

In our second empirical study (Chapter 7), we compared temporary and permanent agency workers. Permanent agency work is a particular type of arrangement used in some European countries, including Portugal, Germany and Sweden. It is characterized by the fact that employees are paid two thirds of their last salary in between assignments at client organisations. A Swedish study by Svensson and Wolvén (2010) included permanent agency workers in their sample, and suggested that their psychological contracts might be different from the ones of temporary agency workers, however they did not compare them. We now compared permanent and temporary agency workers using a Portuguese sample of call centre employees, all performing the same type of tasks. We found that having a permanent contract with an agency is negatively related to employees' perceptions of high performance HRM

practices, to psychological contract fulfilment and ultimately to their affective commitment to the client organisation. Our explanation lies in the fact that employees who are hired temporarily by an agency are likely to expect a direct contract with the client organisation. The client organisation transmitted a message of underinvestment by not contracting them directly and having them transitioned to a permanent contract with the agency. As such, the client organisation failed to fulfil their stepping-stone expectations. This led to a lower affective commitment to the client organisation. This contrasts with temporary agency workers, who have not yet lived a breach of their expectations. Our main conclusion is that becoming permanent in an agency objectively brings more security, but is perceived less favourably since it is not seen as a career improvement: Employees likely feel that they are permanently precarious.

9.1.4.2 – Agency Workers and Outsourced Workers

In our third empirical study (Chapter 8), we compared agency workers and outsourced workers from the manufacturing sector. We now have employees with identical contracts in terms of duration (all fixed-term), but subject to different forms of management. In outsourcing, the major managing role is with the outsourcer and the client organisation has a minor role. The outsourcer is hired by the client organisation to provide a full service, which means that the outsourcer implements all HRM practices, although (in our case) outsourced workers perform their tasks at the clients' premises. In contrast, in agency work, the agency has a minor role in HRM, meaning that supervisors from the client organisation manage the employees. We performed a multiple group comparison with SEM and found differences between agency workers and outsourced workers in between the links: Commitment-focused HR attributions → dual affective commitment → self-rated performance. Our results showed

that affective commitment to the contractor for outsourced workers and to the client organisation for temporary agency workers mediated the positive relationship between commitment-focused HR attributions and self-rated performance. For both groups, affective commitment to the contractor was positively related to affective commitment to the client. These results are consistent with the idea that agencies and outsourcing organisations are different in terms of their salience in the employment relationship, due to their different roles in HRM.

9.2 – Limitations and Implications for Future Research

Despite the strengths of this research project, one must also acknowledge its limitations. Some of them have been individually described in each empirical study, however we now feel the need of analysing the limitations of the research project as a whole.

First, we should acknowledge common method variance. Common method variance is the variance that is attributable to the measurement method rather than to the constructs the measures represent (Podsakoff, MacKenzie, Lee, & Podasfoff, 2003). This means that the results of our studies derive from a single way of data retrieval: questionnaires with self-report measures. Method variance and its effects are an ongoing debate in organisational science. Podsakoff et al. (2003) synthesize potential sources of common method bias, such as consistence, social desirability or mood state, among several others. However, Doty & Glick (1998) assessed the level of common method bias in a large set of multitrait-multimethod correlation matrices published over a 12-year period and found that the level of bias does not invalidate most research findings. Furthermore, according to Siemsen, Roth and Oliveira (2010), common method variance tends to attenuate rather than boost the strength of interaction effects. The reason why we chose to collect our data trough self-report

questionnaires has to do with organisations' concern with confidentiality: Organisations were reluctant to provide performance data linked to the questionnaires. However, according to Doty and Glick's (1998) and Siemsen, Roth and Oliveira's (2010), we have reasons to believe that common method variance *does not affect our results significantly*. Furthermore, we followed Podsakoff et al.'s (2003) suggestions on questionnaire design, which reduce potential risks associated with common method variance, such as anonymity and instructing the participants that there are no correct or wrong answers. We additionally used confirmatory factor analysis (CFA) in every study, in order to test the factorial distribution of the items. CFA in which items had different loadings than the ones we predicted theoretically (e.g., all items loading in a single factor) fitted our data poorly. Nevertheless, to strengthen our conclusions, future research may benefit from collecting and comparing multi-method data. Examples are including managerial reports or scores from third party (e.g. researchers) observations.

Second, it is relevant to address the issue of the generalisation of our results. Generalisation traditionally is seen as a central aim of science, as a process of theory development for further applications (Mayring, 2007). In our research project, we limited our data collection to Portuguese samples. We gathered data from the sectors with larger amounts of outsourced workers (IT outsourcing, call centres and manufacturing) and agency workers (call centres and manufacturing). However, we cannot claim that the results of our empirical studies can be generalised for all employees with this type of tasks worldwide, or even in Portugal, since the samples are not representative. Nevertheless, we used three different samples, different research designs and different methods of data analysis, and we got to the same global conclusion: Employees' favourable HRM perceptions and attributions lead to higher levels of commitment in the complex employment relationships of agency workers and outsourced workers. Future Portuguese and international research should be performed in

order to further analyse the heterogeneous contingent workforce and see if our main results also hold in different contingent samples, working in other business areas.

Third, we should also acknowledge the fact that we have two cross-sectional studies (Chapters 6 and 8), which do not allow us to establish causal relationships between variables. Although structural equation modelling (SEM) is occasionally referred to as "causal path modelling", this is misleading: It is not possible to infer causation from the results of these two studies. Nevertheless, the relationships between the variables we present are theoretically well supported by some studies in traditional forms of employment (see Chapters 3 and 4). Furthermore, social cognition research (e.g., Feldman & Lynch Jr., 1988) supports the notion that employees' perceptions (about HRM practices or psychological contract fulfilment) precede their attitude formation (e.g. dual affective commitment). We additionally have one other study with two-wave longitudinal data each, which is a strong element of this research project, due to the reduced number of longitudinal studies in contingent work research.

While this dissertation has contributed to our understanding of the employment relationships of agency workers and outsourced workers, there are additional avenues that still need to be explored.

First, we believe it would be relevant to extend and replicate our studies, now including hetero-measured variables such as organisational citizenship behaviours, as well as "harder" variables, such as objective performance or absenteeism and turnover data. These hetero-measured variables and "harder" variables would minor the risks of common method variance, since they would not be entirely focused on employee self-rated survey data.

Second, additional research could focus on a better understanding of HRM attributions. On one hand, it would be relevant to examine the differences and similarities between agency/outsourced workers and traditional direct-hire workers. On the other hand,

we should also increase our understanding of the way in which HR attributions are formed. Some ideas would be to analyse if they are influenced by employees' personality traits or perhaps by the way HRM practices are implemented directly by team supervisors. Personality traits have been used to predict important work outcomes including task and contextual performance, leadership and career success (for a review see Wright & Boswell, 2002). Following the same perspective, we believe that personality traits can also shape employees' perceptions and judgements regarding HRM practices. Previous studies also addressed the relevance of the supervisors as vehicles of communication and implementation of HRM practices (e.g. Cunningham & Hyman, 1995). Accordingly, we believe that the way supervisors communicate and implement these practices might also be a relevant aspect to consider as a predictor of HRM attributions.

Third, future research could analyse a variable advanced by Coyle-Shapiro and Morrow (2006): client organisation attractiveness. This variable could help in explaining agency workers' and outsourced workers' levels of affective commitment to the client organisation and the intensity of their possible desire of a direct contract with this organisation. We believe that if a client organisation is considered attractive, either by the value of its brand in the market or by its reputation of being a good employer, a contingent employee might desire a direct contract. We further suggest an analysis of the agency's or the outsourcer's attractiveness. Especially in the case of IT outsourcing, the attractiveness of the outsourcer may be a relevant factor to account for while addressing these employees' dual affective commitment. Indeed, for IT engineers, belonging to an outsourcer with a salient brand and a good reputation might be more relevant than the client for which they work at a certain moment.

Finally, we suggest that future research should focus on the large heterogeneity that characterizes the contingent workforce (e.g., De Cuyper et al., 2008). The heterogeneity in

contingent employment leads also to a large heterogeneity in the way employees are managed, which is then likely to influence their attitudes and behaviours in the organisation. Our suggestion is that researchers analyse more types of contingent workers regarding the way they are being managed and the impact of these HRM practices.

9.3 – Implications for Practice

The major goal behind our dedication to this research project has to do with its applied nature. Contingent workers have often been characterised as of relatively low value and easily replaceable (Lepak & Snell, 1999). Our research project contributed to decline that idea and reinforce the notion that contingent workers should not be treated as expendable. Similarly to authors like Koh and Yer (2000), and Koene and Van Riemsdijk (2005), we demonstrated that agency workers' and outsourced workers' favourable perceptions and attributions of HRM practices lead to positive attitudes regarding both their *de facto* and their *de juro* employers. We particularly focused on their affective commitment, which promotes lower absenteeism, turnover and turnover intentions, as well as a higher job satisfaction, organisational citizenship behaviours and job performance (e.g.: Mathieu & Zajac, 1990; Meyer & Allen, 1997; Mowday, 1998, see Harrison et al., 2006, and Riketta, 2008, for a meta-analysis). This has strong practical implications: Managers are advised to invest in HRM practices that represent a high investment and a concern with service quality and employee well-being. These should start at the early stages of staffing and newcomer hosting, and continue through training, performance appraisal and rewards' attribution. In particular, one may argue that positive attitudinal and behavioural outcomes are likely to ensue from: (1) a field-oriented recruitment, a careful selection by means of complete assessment centres and an integrative process of hosting newcomers (e.g., Bauer, Bodner,

Erdogan, Truxillo & Tucker, 2007; Chapman, Uggerslev, Carroll, Piasentin & Jones, 2005); (2) an extensive training that really develops employees' skills and enhances their internal and external employability (e.g., Chambel & Castanheira, 2012; Forrier & Sels, 2003); (3) an unambiguous performance appraisal that reflects procedural and distributive justice (e.g. Tang & Sarsfield-Balwin, 1996); and (4) a fair merit-based rewards system (e.g., Meyer & Allen, 1997).

For agencies and outsourcers, it is equally important to develop an adequate set of high performance HRM practices, working together with client organisations. We found that the implementation of this type of practices by the contractor relates to employees' favourable attitudes, which are likely to enhance their performance levels at the client organisation. As regards agencies, the renewal of their contracts with the client organisations depends on the quality of the employees they provide to the client organisation. The same is true concerning the services provided by outsourcing companies: Most of the services provided strongly depend on the way outsourced workers perform their job in the client organisation. In the particular case of IT outsourcing, outsourcers need to have employees with a highly specific set of skills, which represents a relevant asset for the outsourcing organisation, since their own market value depends on the skills and reputation of their outsourced IT workers.

We shall also emphasise that our results hint at the relevance of the career management of contingent workers. Most employees have the expectation that their temporary status in a client organisation represents a transitory stage of their careers. This means that they are likely to interpret a temporary contract as a stepping-stone, not necessarily to a more secure job, but especially to a position that represents a career enhancement. Thus we underline the practical relevance of the results in our second empirical study, which showed that having a permanent contract with an agency leads to negative perceptions and attitudes, since employees might interpret that they are "permanently

precarious". This might be a cause for concern for managers, particularly because poor attitudes lead to decreased performance, less organisational citizenship behaviours, more absenteeism, and more turnover (e.g. Meyer et al., 2002). This leads us to the idea that special attention is needed in situations of organisational change, especially when they represent a detachment from what is perceived as a career aim (usually being directly hired by the client organisation).

In sum, a high performance HR management implemented with agency workers and outsourced workers and a balance in their dual *foci* of commitment leads to positive outcomes for themselves, as well as for both the contractor and the client organisation.

RESUMO (SUMMARY IN PORTUGUESE)

O presente trabalho de investigação norteou-se pelo objectivo fundamental de analisar as relações de emprego dos trabalhadores temporários de agência e dos trabalhadores em regime de *outsourcing*. A prevalência deste tipo de trabalhadores tem aumentado consideravelmente ao longo das últimas duas décadas, tanto a nível nacional como internacional. Este crescimento prende-se com a corrente necessidade de flexibilidade das organizações, no que concerne ao número de trabalhadores e à diversidade de tarefas desempenhadas (Kalleberg, 2000).

As relações de emprego dos trabalhadores temporários de agência e dos trabalhadores em *outsourcing* apresentam a particularidade de serem triangulares. A designação "relações de emprego triangulares" associa-se ao facto destas relações envolverem três intervenientes: quem contrata (a agência ou o *outsourcer*), a empresa cliente e o trabalhador. O presente projecto de investigação centra-se na perspectiva do indivíduo e analisa a sua dupla relação de emprego com a organização que o contrata (agência ou *outsourcer*) e com a organização em que se encontra colocado. Estas relações de emprego englobam duas percepções, avaliações e atitudes simultâneas, as quais têm impacto no comportamento dos colaboradores na organização cliente (e.g., Benson, 1998; Lapalme et al., 2010; Liden et al., 2003).

A estrutura triangular da relação de emprego conduz a uma maior complexidade na gestão dos trabalhadores temporários de agência e dos trabalhadores em *outsourcing*. O principal objectivo deste trabalho consiste em analisar esta complexidade, porquanto foram colocadas quatro questões de investigação. Primeiramente, pretendeu-se saber se o compromisso afectivo para com a empresa que contrata se relaciona com o compromisso afectivo para com a empresa cliente e *vice versa*. Em segundo lugar, a intenção foi averiguar se uma opinião favorável acerca das práticas de gestão de recursos humanos se relaciona com o duplo compromisso afectivo. Em terceiro lugar, questionou-se se a Lei da Troca Social

(Blau, 1964) e a Norma da Reciprocidade (Gouldner, 1960) desempenham um papel mediador na relação entre as práticas de gestão de recursos humanos e o duplo compromisso afectivo. Por último, pretendeu-se analisar detalhadamente o que distingue os diferentes tipos de relações de emprego triangulares. Por forma a dar resposta a estas questões, foi desenhado um modelo teórico de investigação que integra as tipologias contratuais dos trabalhadores, as práticas de gestão de recursos humanos chave (i.e., selecção, formação, avaliação de desempenho e recompensas), o cumprimento do contrato psicológico, o duplo compromisso afectivo com as organizações e o desempenho auto-avaliado.

O presente trabalho de investigação encontra-se subdividido em três partes. A primeira parte engloba cinco capítulos introdutórios, sendo que o primeiro apresenta as quatro questões de investigação supracitadas; o segundo foca-se no enquadramento do trabalho temporário de agência e do *outsourcing*; o terceiro engloba uma revisão de literatura acerca das práticas de gestão de recursos humanos e dos processos de troca em contexto organizacional; o quarto aborda a troca social e o contrato psicológico; por último, o quinto descreve o desenvolvimento de um modelo global que estrutura e confere solidez teórica à investigação. A segunda parte abrange os capítulos seis, sete e oito, os quais consistem nos três estudos empíricos realizados. Na terceira parte da presente dissertação consta um capítulo conclusivo, onde são discutidos os principais resultados obtidos, salientada a sua contribuição para o estado da arte e enfatizada a sua aplicabilidade prática.

No contexto do presente resumo em língua materna, a preocupação primordial consiste em apresentar a estruturação da investigação empírica desenvolvida, bem como os principais resultados e conclusões obtidas. Neste sentido, passar-se-á à descrição dos três estudos empíricos, cujos dados foram recolhidos entre Janeiro de 2009 e Julho de 2011, em organizações do sector privado, instaladas em Portugal Continental.

O primeiro estudo empírico foi recentemente publicado na revista científica *Personnel Review* e envolve uma amostra de 158 colaboradores em *outsourcing* no sector das tecnologias de informação (TI). Os trabalhadores em outsourcing de TI estabelecem duas relações de emprego em simultâneo: uma com o *outsourcer* que os contrata e outra com a empresa cliente onde estão colocados e trabalham diariamente. Partindo do enquadramento teórico de Nishii et al. (2008), antecipou-se que estas duas relações de emprego pudessem ser influenciadas pelas interpretações ou atribuições que o colaborador faz acerca dos motivos da organização por detrás da implementação das práticas de gestão de recursos humanos (GRH) (recrutamento e selecção, formação e avaliação de desempenho). Em particular, desenvolveu-se a hipótese de que atribuições de GRH focadas no compromisso (vs. atribuições de GRH focadas no controlo) estariam positivamente (vs. negativamente) relacionadas com o compromisso afectivo para com a empresa cliente. Esta relação seria mediada através do compromisso afectivo para com o *outsourcer*. As hipóteses foram testadas através de modelos de equações estruturais e foram apoiadas pelos resultados obtidos. A principal conclusão a retirar deste estudo prende-se com o facto de que quando um colaborador interpreta as práticas de GRH como sendo motivadas por uma intenção de aumentar a qualidade do serviço e valorizar os trabalhadores, esta interpretação apresenta claros benefícios em termos de atitudes. Ao sentirem investimento por parte do *outsourcer*, os colaboradores sentem necessidade de retribuir (norma da reciprocidade), demonstrando atitudes favoráveis para com a empresa cliente.

O segundo estudo empírico apresenta um design longitudinal e centra-se na heterogeneidade contratual que pode existir no seio do trabalho temporário de agência. Em particular, investigou-se o compromisso afectivo para com a empresa cliente por parte de dois tipos de trabalhadores: trabalhadores temporários e permanentes de agência. Os trabalhadores permanentes de agência distinguem-se dos temporários, na medida em que são parcialmente

pagos nos períodos em que não se encontram colocados em nenhum cliente, o que se traduz num benefício objectivo. No entanto, partiu-se da ideia de que os trabalhadores permanentes de agência podiam ter previamente antecipado uma transição para uma contratação directa pela empresa cliente. Tornando-se permanentes numa agência, este colaboradores poderão sentir que a empresa cliente não investiu neles o suficiente do ponto de vista da GRH, falhando no cumprimento da suas expectativas / obrigações percebidas. Os trabalhadores temporários de agência ainda não experienciaram o incumprimento das suas expectativas, pelo que a sua relação com a empresa cliente se espera mais positiva. Deste modo, foi desenvolvida a hipótese de que ser permanente numa agência de trabalho temporário terá uma relação negativa com a percepção das práticas de GRH como sendo de investimento (Tempo 1), com o cumprimento do contrato psicológico (Tempo 2) e com o compromisso afectivo para com a empresa cliente (Tempo 2). Uma análise com modelos de equações estruturais aos dados longitudinais recolhidos num *contact centre* confirmou a hipótese. Foi possível concluir que, apesar de um contrato permanente poder ser sinónimo de uma maior protecção dos trabalhadores, a verdade é que se este contrato for estabelecido com uma agência de trabalho temporário, os resultados em termos de atitudes não são os mais desejáveis. O colaborador sente que a sua carreira na organização cliente foi posta em causa, ficando com a percepção de que se tornou "permanentemente precário".

O terceiro e último estudo empírico foi realizado com uma amostra de trabalhadores temporários de agência e uma amostra de trabalhadores em *outsourcing* do sector industrial. Neste estudo, foi novamente utilizada a conceptualização teórica de Nishii et al. (2008), antecipando-se que atribuições de GRH focadas no compromisso estivessem ligadas ao compromisso afectivo e, por fim, ao desempenho. No entanto, esta ideia foi analisada tendo em consideração os dois *foci* de compromisso dos trabalhadores temporários de agência e trabalhadores em *outsourcing*: face à organização que contrata e face à organização cliente.

Neste sentido, foi desenvolvida uma análise aos dois grupos com o intuito de testar a seguinte relação: atribuições de GRH focadas no compromisso → os dois *foci* do compromisso afectivo → desempenho. A hipótese apresentada foi a de que as relações mediadas pela empresa que contrata seriam mais fortes para os trabalhadores em *outsourcing*, devido ao papel mais saliente desta empresa na gestão destes trabalhadores. O inverso seria aplicável no caso dos trabalhadores temporários de agência, nos quais a relação com a empresa cliente é mais prevalente. As respostas de 365 colaboradores foram analisadas através de uma análise multi grupos com modelos de equações estruturais. Os resultados apoiaram as hipóteses apresentadas, sendo que o compromisso afectivo com a empresa que contrata medeia a relação entre as atribuições de GRH focadas no compromisso e o desempenho, no caso dos trabalhadores em *outsourcing*. No caso dos trabalhadores temporários de agência, é o compromisso afectivo com a empresa cliente que medeia esta relação. Os resultados indicam ainda que, para ambos os grupos, o compromisso afectivo para com a empresa que contrata se encontra positivamente relacionado com o compromisso afectivo para com a empresa cliente. A principal conclusão deste estudo remete para a relevância de analisar separadamente os dois *foci* do compromisso.

Em resposta às quatro questões de investigação apresentadas inicialmente, o presente trabalho de investigação contribuiu com conclusões relevantes para a literatura, com clara aplicabilidade prática. Em primeiro lugar, foi possível concluir que tende a existir uma relação positiva entre os dois *foci* de compromisso afectivo: com a organização que contrata e com a organização cliente. A direcção das ligações entre estes compromissos afectivos depende da predominância do papel de cada organização da gestão de recursos humanos. A força e a valência destas relações depende também das percepções de troca por parte dos colaboradores, bem como das suas intenções de carreira futuras. Em segundo lugar, concluiu-se que, embora o trabalho de agência e o outsourcing possam diferir no que se refere a quem

cabe a responsabilidade pela GRH, estas formas de trabalho partilham o facto de que quando as práticas de GRH são percepcionadas favoravelmente, estas apresentam resultados favoráveis em termos de atitudes e comportamentos. Em terceiro lugar concluiu-se que a relação entre percepções favoráveis da GRH e o compromisso afectivo dos colaboradores podem ser explicadas através de mecanismos de troca social, tais como o cumprimento do contrato psicológico. Foi ainda possível atestar que um contrato permanente com uma agência de trabalho temporário apresenta consequências negativas para estes colaboradores. Finalmente, foi possível identificar diferentes estruturas de gestão no trabalho de agência e no *outsourcing*, o que se traduz em diferentes processos que explicam as relações entre atribuições de GRH, compromisso afectivo duplo e desempenho.

A presente dissertação assume uma forte aplicabilidade prática, sendo de salientar que, quer a implementação de práticas de GRH centradas na qualidade do serviço e na valorização dos colaboradores, quer um equilíbrio nos seus dois *foci* de compromisso afectivo, conduzem a resultados atitudinais favoráveis. Estas atitudes favoráveis por parte dos colaboradores são passíveis de se repercutir em comportamentos favoráveis na empresa cliente, o que se pode reflectir num melhor desempenho organizacional, quer por parte da organização que contrata, quer por parte da organização cliente.

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