Temp workers: why be loyal?

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Abstract: This paper addresses workers’ loyalty towards a temp agency. Loyalty reduces contact and management costs, so temp agencies attempt to retain valuable workers. The study therefore focuses on factors that attach workers to their temp agency. This study offers an interdisciplinary approach, according to which the temporary worker is both an employee and a client of the agency. It highlights important factors that determine temp workers’ loyalty to the agency, using a relational perspective. A hybrid model, based on social exchange theory, integrates services marketing and human resource management literature to explain the attachment of temporary workers to an agency. Social exchange theory offers an integrative framework for explaining a person’s loyalty to an organisation (employer or supplier), based on reciprocity.

Keywords: temporary worker; loyalty; social exchange theory; services marketing; perceived organisational support; attachment to the organisation; reciprocity.


Biographical notes: Isabelle Galois is an Associate Professor of Human Resource Management at the School of Management, Chambery Savoy, France. Her research focuses on organisational behaviour and leadership.
1 Introduction

Since the 1980s, the use of temporary employment agencies (temp agencies) has expanded considerably in Europe and the USA (Bernstein, 1999). Companies want more flexibility in managing their workforce, which they can achieve through increased numbers of temporary jobs. In this particularly competitive context, temp agencies need to pursue effective temporary workers and gain their loyalty. Virtually regardless of the industry, loyalty reduces contact and management costs (Reichheld and Teal, 2001). For the temp agency, loyalty among temporary workers also increases its ability to find employee profiles that its client companies want and to be reactive.

In this context, loyalty is the attachment of an individual person to an organisation, which makes that person willing to stay. Affective Organisational Commitment (AOC) specifically refers to an attachment of the worker to his or her employing organisation (Allen and Meyer, 1990), which relates negatively to an intention to quit (Rhoades et al., 2001; Allen et al., 2003). To understand workers’ loyalty to a temp agency, we therefore consider potential antecedents of AOC.

Temporary workers inherently work for two organisations simultaneously – the temp agency and the hiring firm – which makes understanding their commitment to the temp agency particularly complex (Liden et al., 2003). A temporary agency provides assignments to the temporary worker, who is free to work with any agency he or she chooses. The temporary agency also employs the temp worker, which means that the temporary worker is both an employee and a client of the temp agency. We use both Human Resource Management (HRM) literature (Eisenberger et al., 1990; Rhoades et al., 2001; Allen et al., 2003) and services marketing research (Crosby et al., 1990; Humphreys and Williams, 1996; Ramsey and Sohi, 1997) to pursue a multidisciplinary approach that adapts well to this field study.

For marketing researchers, customer loyalty and profitability depend on the quality of the customer relationship (Narver and Slater, 1990), which makes customer relationship management a priority for most companies (Zeithaml and Bitner, 1996). Furthermore, according to HRM literature, social exchange relationships between an individual and an organisation create affective commitment to the organisation (Liden et al., 2003; Shore
et al., 2004). Therefore, we consider the development of a social exchange relationship between the temporary worker and the temp agency as a means to explain temp workers’ attachment to the agency.

Previous research studies the antecedents of temp workers’ organisational commitment to the agency and the client organisation (Lee and Johnson, 1991; Pearce, 1993; Benson, 1998; Van Dyne and Ang, 1998; Kalleberg, 2000; Liden et al., 2003). Benson (1998) reveals that temp workers are more attached to a company for which they conduct a long assignment than to the temporary agency, with which they have a full-time, permanent work contract. Van Breugel et al. (2005) also show that the support from the organisation influences the temp workers’ attachment to the temporary agency. Liden and colleagues (2003) study the impact of procedural justice and Perceived Organisational Support (POS) on the commitment of the temp workers to the agency and the client organisation.

We propose an in-depth investigation of antecedents of temporary workers’ attachment to their temporary agency. Our integrative attachment model relies on social exchange theory. In Exchange and Power in Social Life, Blau (1964) defines social exchange as a process of giving and giving back, involving at least two people in a relationship. According to Blau (1964), loyalty derives from reciprocity. That is, people stay in the relationship if they receive what they need or expect from it, such as recognition, promotion or support. Reciprocity also is a moral norm (Gouldner, 1960). In this sense, POS, the relational behaviour of contact personnel and good development opportunities, may be a key for understanding temporary workers’ attachment to a temp agency.

We conduct an empirical study to test our proposed model of temp workers’ attachment to the temp agency. The results summarise some of the major factors delineating temp workers’ attachment, with several implications for research and practice.

2 Theoretical perspectives

In HRM literature, POS and development opportunities represent determinants of an employee’s AOC, which reflects the employee’s attachment to the organisation (Allen and Meyer, 1990). In the field of services marketing, relational behaviours by contact personnel also influence the client’s loyalty towards the product, brand and organisation. We propose to combine these ideas to form a hybrid model of services marketing and HRM literature that may explain temp workers’ affective commitment to their temp agency, as depicted in Figure 1.

Figure 1 Research model (see online version for colours)
2.1 Perceived organisational support

Eisenberger et al. (1986) define POS as the extent to which an organisation values employees’ contributions and is concerned about their well-being. This construct also represents the extent to which employees believe they can obtain the help of the organisation when they face difficult situations (Rhoades and Eisenberger, 2002). Prior studies show that POS has a positive influence on employees’ organisational attachment (Eisenberger et al., 1990; Hutchinson, 1997; Rhoades et al., 2001). According to Rhoades and colleagues (2001) and Aselage and Eisenberger (2003), POS responds to people’s need for esteem and recognition and therefore can promote a socio-emotional link between persons and organisations. It acts as a powerful mechanism for developing exchange relations among the actors and creating an even stronger obligation to give something back. Van Breugel and colleagues (2005) also show that the perception of being supported by the agency influences temp workers’ attachment to that agency. Therefore, we test the following hypothesis:

H1: Perceived organisational support relates positively to a temporary worker’s attachment to the temp agency.

2.2 Relational behaviours of contact personnel

Temporary worker–temp agency relations and client–supplier relations reveal several similarities. Just as a client can change its distributor, a temporary worker can change his or her temporary agency, making the relationship relatively ephemeral. Research into service marketing demonstrates the role of contact personnel during the service experience (Eiglier and Langeard, 1987) as decisive; it even can dictate the quality of the service overall and the durability of the customer relationship (Parasuraman et al., 1985; Bitner et al., 1990; Hartline and Ferrell, 1996).

Relationship quality derives from the customer’s satisfaction with and trusts towards the salesperson (Crosby et al., 1990; Williams, 1998). According to Humphreys and Williams (1996), interpersonal engagement (e.g. consideration for the client, reactivity) is crucial for achieving customer satisfaction. Among salient types of relational behaviour, we consider listening (Ramsey and Sohi, 1997), politeness and empathy (Parasuraman et al., 1985) in particular. In relation to our research, prior works imply that the behaviour of the temp agency personnel should help determine the quality and the continuity of the agency–temporary worker relations. We therefore propose:

H2: Relational behaviours by temp agency contact personnel relate positively to the temporary worker’s attachment to the temp agency.

2.3 Development opportunities

For Mallon and Duberley (2000), developing the skills of insecure workers, particularly through training, represents an important form of support. The opportunity to acquire new skills constitutes an opportunity for employee development (Wayne et al., 1997), and Meyer and Allen (1997) suggest that organisations that allow employees to develop their own competencies achieve positive AOC. Therefore, temporary workers should be more loyal to a temp agency that offers them the possibility of learning new things and
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developing their skills – and thus their employability. In this sense, development opportunities should be key factors in the relations between the temporary worker and organisation. We therefore posit:

\( H3: \text{Development opportunities relate positively to the temporary worker’s attachment to the temp agency.} \)

2.4 Mediating effect of POS

Several studies indicate that development opportunities have a positive impact on POS (Guzzo and Noonan, 1994; Eisenberger et al., 1997; Wayne et al., 1997; Eisenberger et al., 1999; Allen et al., 2003). Rhoades and colleagues (2001) reveal that POS mediates the relationship between promotion and attachment to the organisation. Promoting an employee aids the development of his or her career and therefore strengthens the ties between the employee and the company.

Although Van Breugel and colleagues (2005) identify three aspects of POS for workers – solutions to the problems they encounter, support for their careers and satisfaction with the quality of verbal exchanges and interactions – they do not stipulate whether these aspects are antecedents or dimensions of POS. Prior literature suggests the organisation’s ability to help solve problems reveals the degree of POS (Eisenberger et al., 1986), whereas development opportunities likely are antecedents of POS (Guzzo and Noonan, 1994; Meyer and Allen, 1997; Wayne et al., 1997; Allen et al., 2003).

\( H4: \text{Perceived organisational support mediates the relationship between development opportunities and the attachment of temporary workers to the temp agency.} \)

We know that the relational behaviours of contact personnel are crucial for managing client relations (Williams, 1998; Crosby et al., 1990). In a temporary agency, these personnel mainly consist of temp agency recruiters, who often also serve as managers. Therefore, we use vertical exchange theory (Graen and Scandura, 1987), or LMX (leader member exchange), which is similar to the concept of POS (Graen and Scandura, 1987). For Wayne and colleagues (1997), POS involves exchanges between the employee and the company; LMX refers to exchanges between the employee and his or her supervisor. According to one study of manager–employee dyads, the perceptions of employees about their relationship with their manager and the style of management have specific effects on whether the employee adheres to expected roles and performance. In a temp agency setting, the behaviour of the recruiter likely determines the success of the interaction, in that the temporary worker may attribute this behaviour to the organisation through the process of personification (Levinson, 1965). Perceptions of support then prefigure an attachment on the part of the temporary worker to the agency.

\( H5: \text{Perceived organisational support mediates the relationship between the relational behaviours of contact personnel and the attachment of temporary workers to the temp agency.} \)

3 Method

3.1 Sample and data collection procedure

We gathered data from 164 temporary workers employed by seven French temp agencies. Almost three-quarters (72.5%) of the workers were employed by an international
provider of HR solutions, whereas 28.5% of them were employed by a national temporary company. We handed out 62 questionnaires to temp workers in four agencies specialising in the industrial sector, then sent 286 questionnaires to temp workers in the tertiary or industrial sectors, from which we received 53 in return (response rate = 18.50%). We also collected online data from 49 temp workers working in the industrial and tertiary sectors, with the support of a temp agency. The comparisons across response groups (i.e. companies and collection methods) indicate no differences, so non-response bias does not appear to be an issue.

3.2 Measures

We measured most of the constructs using multi-item scales, developed according to Churchill’s (1979) paradigm, which consists of defining a conceptual field on the basis of theoretic reflections, preparing statements on the basis of qualitative interviews and validating the instrument.

We measure AOC with a reduced version of the multi-item scale previously developed by Allen and Meyer (1990) and scale items adapted to fit the research context. Sample items include: ‘I would be very happy to keep working with this agency’, ‘I enjoy discussing my agency with people outside it’, ‘I enjoy talking with the personnel of this agency’, ‘I am emotionally attached to this agency’ and ‘I like working with this agency’. This scale ranges from 1 (‘strongly disagree’) to 4 (‘strongly agree”).

Our POS measure uses an 8-item scale, based on scales previously used by Eisenberger and colleagues (1997). We also develop several new items (Churchill, 1979) to fit the research context. The items include: ‘The agency tries to help me when I ask it to do something for me’, ‘The agency tries to find a solution when I have a problem’, ‘The agency does not do anything to help me find a job’ (r), ‘When I want to go to a client company, the agency tries to make it possible’, ‘The agency makes a lot of efforts to find me a job’, ‘The agency gives me work’, ‘The agency advises me when I need it’ and ‘The agency often proposes some jobs for me’. The scale again ranges from 1 (‘strongly disagree’) to 4 (‘strongly agree”).

To measure development opportunities, we use two items that we developed using Churchill’s (1979) paradigm: ‘I have acquired new skills since I have been working for the agency’ and ‘The agency has enabled me to evolve in my work’, both measured on the same scale (from 1 to 4).

Finally, for the relational behaviours of contact personnel, we developed three new items (Churchill, 1979): ‘I am always welcomed by the personnel of this agency’, ‘The personnel of this agency do not listen to what I want’ (r) and ‘The personnel of this agency are not friendly’ (r). Again, we use a 4-point, ‘strongly disagree–strongly agree’ scale.

3.3 Results

We provide summary descriptive statistics for the entire sample in Table 1. Then, we test our model using regression equations and summarise these results in Table 2. Table 1 also contains the scale reliabilities (coefficient alpha), correlations among variables (Pearson) and control variables, namely age, gender, length of tenure with the agency and performance with the agency (i.e. number of user companies for which the temp worker has worked).
Table 1  Correlations among variables (coefficient alphas on the diagonal)

<table>
<thead>
<tr>
<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 AOC</td>
<td>.90</td>
<td>.75**</td>
<td>.72**</td>
<td>.66**</td>
<td>.27**</td>
<td>.02</td>
<td>.091</td>
<td>.19*</td>
</tr>
<tr>
<td>2 POS</td>
<td>.93</td>
<td>.68**</td>
<td>.69**</td>
<td>.19*</td>
<td>-.02</td>
<td>.022</td>
<td>.18*</td>
<td></td>
</tr>
<tr>
<td>3 Relational behaviours of contact personnel</td>
<td>(.81)</td>
<td>.52**</td>
<td>.15</td>
<td>-.08</td>
<td>-.013</td>
<td>.14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Development opportunities</td>
<td>(.82)</td>
<td>.21*</td>
<td>-.03</td>
<td>.07</td>
<td>.17*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Age</td>
<td>–</td>
<td>.15</td>
<td>.23*</td>
<td>.05</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Sex</td>
<td>–</td>
<td>.15</td>
<td>.10</td>
<td>-.06</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>7 Tenure with agency</td>
<td>–</td>
<td>.51**</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>8 Performance</td>
<td>–</td>
<td>–</td>
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</tbody>
</table>

Notes:  * p < .05;  ** p < .001.

Table 2  Antecedents of affective organisational commitment

<table>
<thead>
<tr>
<th></th>
<th>Beta coefficients</th>
<th>R² variation</th>
<th>Tolerance &gt; .03</th>
<th>VIF &lt; 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>0.01</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POS</td>
<td>0.30*</td>
<td>.57</td>
<td>.38</td>
<td>2.63</td>
</tr>
<tr>
<td>Relational behaviours</td>
<td>0.36*</td>
<td>.08</td>
<td>.52</td>
<td>1.91</td>
</tr>
<tr>
<td>Developmental opportunities</td>
<td>0.29*</td>
<td>.04</td>
<td>.51</td>
<td>1.94</td>
</tr>
</tbody>
</table>

Notes:  * p < .05.
Dependant variable: AOC.
VIF = variance inflation factors.

The results suggest some multicollinearity across variables, though the variance inflation factors are less than three, so we argue that multicollinearity does not pose a problem (Table 2).

We test the model with multiple linear regressions. That is, we first test for the effect of relational behaviours of contact personnel, development opportunities and POS on AOC, as shown in Table 2. All three variables have positive and significant influences. This model explains 69.6% of the variance in the attachment of temporary workers to the temp agency.

The findings support H1, because POS explains 57.6% of the variance in the attachment of temp workers to a temp agency (p < .05). A perception of support from the agency has a significant, positive influence on the workers’ AOC. Relational behaviours explain 8.1% of the variance in this form of attachment (p < .05), in support of H2. These relational behaviours also have significant and positive impacts on AOC. Yet another positive significant influence on AOC derives from developmental opportunities, which explain 4.5% of the variance in temp workers attachment to the temp agency (p < .05), in support of H3.

To test for the mediating effect of POS on the relationship between relational behaviours and AOC, we use Baron and Kenny’s (1986) approach. The results indicate that relational behaviours have a significant and positive influence on AOC (β = .72; p < .05), as well as on POS (β = .68; p < .05). Furthermore, POS has a significant,
positive impact on AOC ($\beta = .75; p < .05$). These findings indicate partial mediation by POS on the relationship between relational behaviours and AOC ($\beta = .39; p < .05$), in support of H4.

We also test for a mediating effect of POS on the relationship between developmental opportunities and AOC. We find significant positive effects from opportunities to AOC ($\beta = .66; p < .05$) and from opportunities to POS ($\beta = .69; p < .05$). These results imply a partial mediating effect by POS between developmental opportunities and AOC ($\beta = .31; p < .05$). Therefore, the findings support H5.

4 Discussion

Our integrative model of temporary workers’ attachment to a temp agency reveals three critical variables: the relational behaviours of contact personnel and development opportunities positively influence POS, which in turn positively influence attachment to the temp agency. Our results thus confirm previous research conducted with other types of employees (Eisenberger et al., 1990; Meyer and Allen, 1997). We also find a positive effect of POS on AOC, such that POS creates a socio-emotional link between the individual worker and the organisation (Rhoades et al., 2001). Temporary workers’ loyalty seems largely based on a process of give-and-take (Blau, 1964), such that the worker continues to work for the temp agency as long as it signals its support. These ‘support signals’ mainly take the form of relational behaviours by the temp agency’s contact personnel, as well as the actions the agency undertakes to enable the temporary worker to develop his or her skills and employability.

In this relational paradigm, the task of the temp agency personnel is not limited to a transaction; rather, they must participate in the ongoing development of client relations. Their relational behaviours can create commitment from the client (temp worker), who then will pursue a lasting relationship (Crosby et al., 1990). Weitz and Bradford (1999) similarly highlight the evolution and responsibility of commercial personnel to build and maintain client relations.

The behaviour of recruiters in the particular setting of temp agencies critically influences the attachment of a temporary worker to the agency. Just as vertical exchange theory predicts, a manager largely determines the quality of the relationship. Recruiters who really welcome temporary workers and listen to them can often keep them as clients/employees. The recruiters may be the sole point of contact between the temporary worker and the agency; in this sense, the recruiter is the agency. Therefore, it seems reasonable that the first factor that creates attachment is the behaviour of the recruiter at the time of the initial service experience. Williams (1998) also highlights the fundamental impact of interpersonal relations (through consideration for the client) in relationship quality. In addition to a warm welcome from recruiters, temp workers want to perceive that the personnel listen to and consider them. Listening seems to represent a powerful vector that encourages worker loyalty. In contrast, Brown et al. (2002) show that emotional instability harms client service capabilities, whereas agreeableness is a determining factor of relational behaviour. Agreeableness also influences both the empathy and the relational performance of contact personnel (Hurley, 1998). According to Widmier (2002), the empathy and the propensity to share emotions increase the ability of the salesperson (i.e. recruiter, who ‘sells’ the agency) to understand and anticipate the thoughts, feelings and actions of the client.
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Therefore, this study has key implications for the recruitment and training of contact personnel by a temp agency. The temp agency must hire recruiters who possess the necessary personality traits and train them to look after temp workers over the long term. In addition to welcoming them, the recruiters should identify assignments that are best suited to particular temporary workers; the best assignments will enable the worker to use and develop his or her skills or learn new ones. Our research emphasises the importance of development opportunities for temporary workers, particularly in terms of their attachment to the temp agency. It is up to the recruiter to remain aware of the temporary workers’ expectations when it comes to assigning and adapting proposals to workers so that they continually evolve and meet the workers’ needs.

5 Limitations and directions for further research

This research calculates loyalty based solely on attachment, though it generally is theorised to comprise two dimensions, namely attachment and indicators of future behaviours. However, the intention to remain with the company does not seem applicable in our research context. By definition, temp workers inhabit a precarious space, and they often work with several temp agencies, even if they are more attached to one particular agency. A longitudinal study might offer further insights into temp workers’ behaviour towards their preferred temp agency.

We test the research hypotheses with a sample of 164 workers. The somewhat small size of this sample represents another limitation; to confirm our results, a larger sample should help test the research model.

The theory of vertical exchange underlines the importance of hierarchical support within the organisation (Graen and Scandura, 1987). Adapted to our research context, this point defines a direction for further research: Does internal hierarchical support have an effect on the support that the agency personnel provide to temporary workers? Other variables thus could be included in additional studies of agency personnel and temporary workers; internal hierarchical support should be one of the first.

References


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