Perceived responsibility of client organizations and training offers for temporary agency workers: Results from a study on German entrepreneurs

Nathalie Galais, Cynthia Sende & Klaus Moser

Department for Organizational and Social Psychology
University of Erlangen-Nürnberg
Temporary Agency Work: An adverse Setting for Training

- Triangular Relationship (agency, client, temp worker): Temps are employed by a staffing agency and they are assigned to different client organizations → responsibility unclear. (Connelly & Gallagher, 2004).

- Restrictions of the work-arrangement: short-term tenure, local distance, variety in work-tasks, low-qualification of the workers etc.

- Provision of training and qualification may not „pay off“, neither for the agency nor for the client. (Burda & Kvasnicka, 2005).

- Clients „order“ workers who fit and fulfill the work tasks. Focus on selection of the „fittest“ instead of individual development. (Feldman, Doerpinghaus, & Turnley, 1994; Kallberg & Reve, 1992; Kalleberg & Rognes, 2000; Von Hippel et al., 1997).
Findings on Training Provision for Temporary Agency Workers

- In general there is little research on Human Resource practices concerning TAW. Neither from the part of the agency nor from the client organization. (Mitlacher, 2010)

- Temps are mostly excluded from training and learning opportunities in the client organization. (Finegold, Levenson, & Van Buren, 2005; Kalleberg, Reskin, & Hudson, 2000)

- Findings in Europe indicate that temps have less training offers than permanent workers. (Letourneux, 1998)

- Formal training is unlikely for temps and it is more often provided by the client organization than by the staffing agency. (Galais, Moser & Münchhausen, 2007)

- For the US it has been reported that training offers (computer training) were wide-spread but had more or less a screening function. (Feldman et al. 1994).
Training Provision in Psychological Research

- Training and skill-development in psychological literature:
  - Psychological contract literature & Social exchange (Chambel & Sobral, 2011; Chambel & Castanheira, 2006)
  - Studies on POS (Buch, Kuvaas & Dysvik, 2010, Connelly, Gallagher & Gilley, 2007)
  - Boundaryless careers: Workers fall back on themselves (Sullivan, 1999)
  - Human capital literature (no interest in exchangable workers).
Motives and Culture of the Client Organization as Determinants of Training provision

- Organizational determinants of training provision are neglected so far.
- We suggest that training provision is related to the motives (and expectations) that organizations have for using TAW.
- Further we suggest that the organizational culture has an impact on Training provision for external workers.
- Logic of the use and the spirit of the organization.
Goal of the present study

- Investigation of organizational determinants of training offers to temporary agency workers
  - Focus on motives for using temporary agency work
  - Focus on organizational culture

Approach of the present study

- Online study on entrepreneurs in Germany
- Survey (paper-pencil) on temporary agency workers
Sample: Entrepreneurs

- 1,221 Small- and medium sized companies.
- Participants mainly owners and CEOs (n = 1,079).
- Subsample production sector (n = 495).

**Company Size**

- Very small (up to 10 employees): 7.0%
- Small (11-50 employees): 12.4%
- Medium-sized (51-250 employees): 28.6%
- Large (> 250 employees): 52.0%

**Industry Sector**

- Production: 76.8%
- Services: 13.0%
- Commerce: 6.1%
- Other sector: 3.7%
- Agriculture: 0.2%
- Construction: 0.2%
Organizational Culture

Focus Questionnaire (van Muijen et al, 1999)

- **Support orientation**: cooperation, participation, mutual trust and support ("How typical is mutual support in solving work problems?").
  (7 items; 1 = “not typical at all” to 6 = “very typical”; α = .92).

- **Innovation orientation**: search for new information, creativity, openness to change (“How often does your organization search for new markets for existing products?”)
  (6 items; 1 = “never” to 5 = “always”; α = .78).

- **Rules orientation**: Respect for authorities, obeying of rules and procedures (“How typical is compliance to standards?”)
  (4 items; 1 = “not typical at all” to 6 = “very typical”; α = .83).

- **Goal orientation**: Rationality, accountability, measurement of indicators (“How typical is responsibility for performance?”)
  (6 items; 1 = “not typical at all” to 6 = “very typical”; α = .86).
Motives of the organizations for using TAW

- Compensation of work load peaks: 87%
- Assignment can be ended without bureaucracy: 79%
- Personnel shortage due to sick leave: 46%
- Outsourcing of recruitment process to the agency: 20%
- Save costs: 11%
- Provision of specific qualifications: 7%

Study on 1,221 small- and medium-sized entrepreneurs (40% use TAW and of these another 12.5% offer training to temps)
### Results: Use of temporary agency work and determinants of training offers to temporary agency workers

<table>
<thead>
<tr>
<th>Step 1: Control variables / Org. characteristics</th>
<th>Training offers</th>
<th>Use of TAW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry sector, Size of Organization, Age of Organization, Proportion of low skilled workers, Product complexity, Training provision for core workers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Step 2: Assignment characteristics
- Limited qualifications needed in assignment: -.54*  --
- Reduced responsibility: -.23  --
- Reduced variability of tasks: -.09  --
- Temps are important for company’s success: .60**  --

### Step 3: Organizational motives
- Compensation of work load peak: -.67**  --
- No obligations: -.00  --
- Compensation of sick leave: .27  --
- Recruitment: -.01  --
- Cost reduction: .01  --
- Specific qualifications needed: -.26  --

### Step 4: Organizational culture
- Support: -.04  -.29*
- Innovation: .62*  .60*
- Rules: .09  .17
- Goals: -.29  -.01
- Constant: -.72  -.17

*Nagelkerkes $R^2*
Organizational motives and culture count for the treatment of temporary agency workers

- The motive of compensating work load peaks has a negative effect on the probability of training provision → Flexibility motives reduce the readiness for investments in external workers.

- When higher qualified temporary workers are needed, training provision is more probable. When temps count for organizational success training provision is more likely.

- High innovation orientation of the client organization has a positive effect on training provision of temporary agency workers (as well as on the use of temporary work in general).

- High support orientation reduces the probability of the use of TAW but has no effect on training provision.
Perceived organizational motives and training offers for temporary agency workers: Asking temps

- N = 269 workers of a single agency (aerospace)
- 79% male, Ø age = 39 years (Min = 19, Max = 64, SD = 10)
- 55% were assigned for more than a year to the client
- 47% of the workers were working more than two years in TAW
- 73% worked in their first assignment
- 75% were skilled workers
- 39% received formal training (yes/no) by the client
Motives for temping

- Stepping stone motive: 71%
- No alternatives: 42%
- Learning new skills: 39%

95% of the temps prefer standard employment.
### Results: Individual motives for temping, perceived organizational motives for using TAW and probability of training offers for temps

<table>
<thead>
<tr>
<th>Training offers (yes/no)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

#### Step 1: Control variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>.00</td>
</tr>
<tr>
<td>Gender</td>
<td>.34</td>
</tr>
<tr>
<td>Duration of Assignment in Client</td>
<td>.22***</td>
</tr>
<tr>
<td>Qualification level of assignment</td>
<td>-.03</td>
</tr>
</tbody>
</table>

#### Step 2: Individual motives for temping

<table>
<thead>
<tr>
<th>Motive</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntariness (no/yes)</td>
<td>-.24</td>
</tr>
<tr>
<td>Stepping stone motive</td>
<td>-.04</td>
</tr>
<tr>
<td>Lack of alternatives</td>
<td>-.07</td>
</tr>
<tr>
<td>Learning new skills</td>
<td>.03</td>
</tr>
</tbody>
</table>

#### Step 3: Perceived organizational motives for using TAW

<table>
<thead>
<tr>
<th>Motive</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation of work load peak</td>
<td>-.04</td>
</tr>
<tr>
<td>No obligations</td>
<td>.14</td>
</tr>
<tr>
<td>Compensation of sick leave</td>
<td>-.15</td>
</tr>
<tr>
<td>Screening and recruitment</td>
<td>.03</td>
</tr>
<tr>
<td>Cost reduction</td>
<td>-.22*</td>
</tr>
<tr>
<td>Specific qualifications needed</td>
<td>.12</td>
</tr>
<tr>
<td>Constant</td>
<td>-2.95*</td>
</tr>
</tbody>
</table>

*Note: Nagelkerkes R² = .29*
Individual motives and perceived organizational motives

- Individual „learning“ motives have no effects on training provision of the client.
- Perceived cost reduction motive is negatively related with the probability of training provision.
Summary and Conclusion

- Higher qualified or specialized temporary workers have higher chances to receive training by the client.
- Organizations that signal to temps that they use TAW for cost reduction reasons offer less often training.
- Flexibility motives are negatively related to training provision.
- Organizational culture determines the use of TAW as well as the probability of training offers to the workers.
  - Innovation orientation is related to both: The use of TAW as well as on probability of training provision.
  - Support orientation is related to non-use of TAW but has no effects on training provision.
- Organizations seem to only take responsibility for training for workers they really need for their organizational success. Flexibility motives reduce the responsibility for the external workers.