

Productive Behavior among Temporary Agency Workers: Conceptual Framework



ISBN: 978-1-943295-11-1

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1. Introduction

IT industry is going through a massive transformation as the traditional services have become automated and clients look for new technologies such as artificial intelligence, machine learning and Internet of Things (IOT). The transition has created an uncertainty for the companies especially in IT staffing. Initially the IT companies use to cater dynamic need of resources through bench model. The bench model is defined as the model in which employees are recruited, but are not involved in projects. They act as a buffer or rather as an inventory and were placed in the projects when demand arises. The bench model was considered as a key strength of India Tech Majors for a long time and biggest resource of an IT company, especially one big criteria of selection from client side as the resource was readily available to begin the project. However, this leads to high bench cost for the company and are difficult to sustain. The average bench strength has been reduced from 8-10% to 4-5% [13]. So, the demand for contract staffing has increased with time to optimize the labor cost. Sub-contractors or Temporary Agency Workers (TAW) are workers whose employment is done through agencies and are governed by Contract Labor Act, 1970 [36]. Sukheja (2012) defined triangular employment relationship as a tripartite between staffing agency, client organization and contract workers. The main feature of this relationship is that the workers are hired by staffing agencies but work under client organizations. This complexity within the client organization and the staffing agencies has led to confusions among contract workers. In a triangular employment relationship, staffing agency acts as the legal employer of contract workers. These contract workers get assigned with a client and go to the client's organization to work in the project. The contract staffing also gives a high level of flexibility and competitive advantage for the organization. This allows the companies to reduce their workforce in case if the business does not grow as anticipated. Also, it helps in reduction in the project life cycle, cutting down costs in organization and to recruit professionals with better skills. According to Indian Staffing Federation (ISF), Indian IT flexi staffing is currently growing at 14-16% per annum till 2021 [21]. The penetration rate of contract staffing in IT with respect total workforce in India is 5.6% [19]. The percentage of contract staffing growth will be more than 20% in small companies (less than 10000 employees). Companies with more than 10000 employees will grow between 10-20% from 2-3% present growth rate. At the same time, employees are willing to work as contract workers since they are paid 25-30% extra than a permanent employees and leads to better work-life balance [20]. However, the setup of introducing sub-contractors culture is not without any challenges. There is a need to understand the challenges faced by the organizations such as optimum level of liquid workforce versus regular workforce, bench model versus liquid workforce model and Intellectual Property Rights (IPR) and Knowledge Management (KM). The biggest challenges for organizations is to keep sub-contractors engaged in their work [9] with their non-standard employment characteristics. Gallup, a consulting organization has classified engaged employees as those who are high performers, work with high passion, feel strong with their company, drivers of innovation and creativity, loyal and psychologically committed to company, highly productive and high performers and want to make full use of their talent and strengths at work. So, HR managers need to design the policies which tend to engage the liquid work force. The three primary research questions that emerge out are

1. What is the demographic profile of sub-contractors and what are the factors that motivates them to take up this profession?
2. What are the challenges organizations need to tackle, to optimize and motivate the sub-contractors?
3. What factors determine employee engagement of sub-contractors especially when they are non-standard employees of the organization?

2. Literature Review

2.1 Sustainable Career

Sustainable career is defined as a career in which employees are employable, productive, healthy and happy (Arthur and Rousseau, 1996; Hall, 2002). Greenhaus and Kossek (2014) stated that a sustainable career provides sub-contractors with employment security, well-being and combined with employees' personal and family life. Job security is obtained through employees' efforts and job expertise with respect to labor market situations. On the other hand, sense of well-being is obtained by increasing employees' physical and mental health. Sustainable career also benefits client organizations because of higher level of work engagement by the employees. Van der Heijde (2006) stated sub-contractors become continuously employable by increasing their expertise, flexibility and keep themselves updated with the market conditions. Lyubomirsky, S., L. King and E. Diener (2005), stated that happiness leads to good performance, as it gives sub-contractors necessary energy and drive to work. When you consider permanent employees, they have job security with the companies. But, temporary agency workers do not have job security. Hence, temporary employees look for sustainable career through

employment security. Employability provides temporary agency workers with many choices and make them to survive in labor market. Hence, they look for employment security instead of job security. The temporary employees look for opportunities both in the internal and external labor market. Perceived Employability (PE) is defined as an individual's perception of his/ her possibilities to reach a new job (Berntson et al., 2006). This perception of ability comes from the individual's skills, labor market knowledge and career adaptability. PE can be an asset for the temporary agency workers because it decreases the fear of being unemployed and thereby increasing feelings of being in control of their work life. (Hang, Huimin Liu and Francis Cheung, 2017). PE is also identified as personal resource which benefits well-being of the employees. This control can be compared to the resources part of the Job Demands Resources model.

2.2 Antecedents of Sustainable Career

The drivers of sustainable career include self-concept and client support factors. Psychological capital plays a major part of the self-concept factor. Psychological capital is defined as positive psychological state which includes self-efficacy, optimism, hope and resilience. Self-efficacy refers to the personal belief that one possess to create motivation and plan of action to successfully complete a specific task (Bandura, 1997). People with high self-efficacy are confident in dealing with day-to-day challenges and able to adapt to different changes. This positive belief is very important for temporary workers in job searching opportunities. The temporary workers approach the challenges with an optimistic mindset leading to be more resilient in the job market (Luthans, Avolio, Avey, Norman, 2007). Optimism refers to the positive feeling about success both in the present and future. Hope refers to perseverance towards the individual goals and redirecting the goals in order to achieve success. Resilience refers to the individual's character of sustaining and bouncing back during a problematic situation.

Self-concept theory and Conservation of Resources Theory explain about the self - both physically and emotionally. The Conservation of Resources (COR) Theory (Hobfoll, 1989) explains the cycle through which work resources help in balancing positive well-being of employees in stressful conditions. According to COR theory, employees are motivated through work resources in order to overcome work stress. The theory depends upon two core principles: primacy of resource loss and resource investment. Primacy of resource loss indicates that losing resources is psychologically more dangerous for employees than gaining the resources which they had lost. Resource investment describes that invest in resources to protect loss, recovery and gain of resources. The application of this theory is related with the psychological factors of employees. For example, an employee with high level of resources is in a good state of mind to invest and gain resources.

Hypothesis: Psychological capital is positively related with sustainable career.

The client support factors include social network availability, supervisor support and training opportunities. The human capital theory states that human capital is an aggregate of competencies, social and knowledge characteristics. Social network helps in exchange of resources such as information, assistance and guidance among team members (Balkundi and Harrison, 2006). The social network provided by the client organization is considered as a job resource. This leads to motivation of temporary workers and creation of positive job outcomes. HR Practices includes providing supervisor support and training opportunities for the sub-contractors. Training provides sub-contractors with skills, knowledge and tools required to work in a project.

Hypothesis: Client support factor is positively related with sustainable career.

The demographic factors include gender, age, education, marital status and volition (voluntary / involuntary in choosing their jobs).

2.3 Consequences of Sustainable Career

The outcomes of career sustainability are creation of productive behavior by the subcontractors with the client organization. The productive behaviors can be work engagement, job satisfaction and client organization citizenship behavior. Schaufeli and Bakker (2004) defined "Engagement is a positive, fulfilling, work -related mind state that is characterized by vigor, dedication and absorption". Vigor is characterized by high levels of energy and mental resilience in the workplace, willingness to invest in one's work and persistence during difficult situations. Dedication refers to strong involvement in one's work and experiencing a feeling of significance, enthusiasm, inspiration, pride and challenge. Absorption is characterized by being highly concentrated and happily engrossed in one's work, whereby time passes quickly and one has difficulties with detaching oneself from work.

Job Demands Resources (JDR) model (Bakker and Demerouti, 2007) supports the role of perceived employability as mediator between individual factors of subcontractors and organizational outcomes. This theory states that job comprises of two factors: Job Demands and Job Resources. Job demands require sustained efforts from the employee and are related with certain costs (physiological and psychological). They are classified as qualitative, quantitative and organizational job demands. Job resources help employees in completing work related goals, reduce the effects of job demands and also encourages personal work. They are classified as social, organizational, work, developmental and personal resources. The resource provided acts as a motivator to the temporary agency workers leading to increase in motivation and decrease of strain caused by job demands. The outcomes of JDR model can be either stress or motivation. Stress is created in employees if job demands are high and job resources are absent or minimal. This stress leads to burnout resulting in negative outcomes such as poor health, low performance, etc. Motivation is created in employees if there are sufficient job resources to cater to

job demands. The job resources leads to motivation in employees leading to work engagement resulting in positive outcomes such as productivity and good performance at work. The proposed model is shown in Figure 1.

Hypothesis: Sustainable career is positively related with Work Engagement.

2.4 Mediating role of Sustainable Career

Hang et al., (2017) has proved that perceived employability acts as a mediator between self-concept, human capital factors and work engagement. The self-concept factor (Psychological capital) and human capital factor (Client organization factors) have been related with career sustainability so far. Career sustainability relates with productive work outcomes as work engagement, job satisfaction and client organization citizenship behavior. Therefore, a model has been drafted in which career sustainability mediates the relationship between psychological capital, client organization factors and work engagement.

Hypothesis: Career sustainability mediates the relationship between psychological capital and work engagement.
Career sustainability mediates the relationship between client organization factors and work engagement.

3. Research Methodology

The study will be classified into two phases. Initially, an in-depth qualitative interview will be conducted with sub-contractors and executives of staffing agencies to know the practical understanding of sustainable career. The contract workers will be approached through recruitment staffing companies such as Team Lease, Manpower, Randstad, etc. The permission from executives of staffing agencies will be taken to conduct interviews. The sample size for in-depth interview will be around ten contract workers and ten executives of staffing agencies. Among ten contract workers, three will be women for the interviews. The interview will be conducted for one hour with recordings. The contents of the document will be documented and analysed. Atlas Tis software will be used for content analysis.

In the second phase, primary data collection and quantitative analysis will be done by approaching staffing companies in Hyderabad such as Team Lease, Randstad, Iky Human Capital Solutions, Manpower Group, Kelly Services, Allegis and ABC Consultants. The respective HR managers of the staffing companies will be approached. List of IT industries (clients) will be sourced from staffing companies. The list of sub-contractors will be prepared from those IT clients and random sampling will be followed to select the samples. Data will be collected through face-to-face interviews. The collected data will be analysed using Structural Equation and Modelling (SEM) techniques in IBM Amos. In 2015, the IT workforce in Hyderabad was 3.2 lakhs. But, the liquid workforce penetration rate was 5.6% in India [12]. So, we extrapolate India's data with respect to Hyderabad, which accounts to sample size of 18000. From this value, 2 - 2.75% is taken for research (i.e.,) 450 - 500 samples.

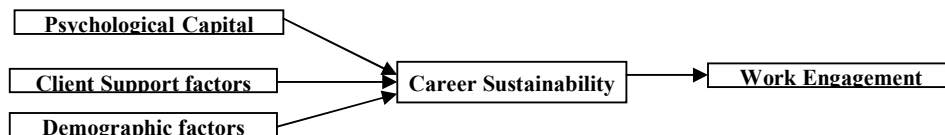


Figure 1 Productive Behavior among Temporary Agency Workers: Conceptual Framework

4. Conclusion

The study aims to identify the components, antecedents and consequences of sustainable career of subcontractors in Indian IT Industry. Also, the demographic profile of sub-contractors and the factors that motivate them to take up this profession will be identified. The factors that determine employee engagement of sub-contractors will be determined especially when they have a non-standard contract with the client organization.

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