**Employee Relations**

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# Temporary agency workers shake a work community: a social capital perspective

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## Abstract

**Purpose** – The purpose of this paper is to investigate the kinds of effects that using a temporary agency workforce may cause on an organisational level, especially on relations between employees. In this study the authors explore the organisation as a community, leaning on the theory of social capital.
**Design/methodology/approach** – The data were gathered via semi-structured interviews with 18 temporary agency workers and five employees in permanent positions. Discourse analysis with some degree of pragmatism was employed in comprehending the speech of the interviewees.
**Findings** – The position of agency workers may be problematic from the perspective of social capital formulation in a work organisation. The short duration of contracts and different conditions of employment shake relations in a work group. Agency workers may also be outside the information flows. Additionally the norms and rules may be different for temporary and permanent employees and thus cause confusion.
**Research limitations/implications** – The findings will hopefully provoke researchers to investigate the effects of using a temporary agency workforce in different organisational contexts. In addition, the study indicates that the theory of social capital is fruitful for investigating the topic on the organisational level.
**Practical implications** – The use of agency workforce should be considered comprehensively in organisations. Its effects on work organisations may be conflicting. If temporary agency workers are needed as interim help, HRM practices should be developed in order to minimise the potential problems in terms of social capital.
**Originality/value** – The study adopted an organisational perspective on the agency workforce, which is still rare in studies on the topic.

**Keywords** Employee relations, Discourse analysis, Social capital, Temporary agency workers, Flexible labour

**Paper type** Research paper

## Introduction

According to current theories on firms, competitive advantage relies to a great extent on intangible resources, especially on knowledge and relations. Thus, the concept of social capital has been suggested to be a prominent driver of an organisation's competitive advantage (Burt, 2004). However, in contrast with the contemporary trend to increase agility and dynamic structures in work organisations, the construction of social capital somewhat requires stability and continuity in social relations (Nahapiet and Ghoshal, 1998). In light of this, it is worth considering the continually strengthening trend where employers attempt to gain maximum flexibility and cost control over labour resources by using a temporary agency workforce (De Graaf-Zijl and Berkhout, 2007; Kalleberg, 2009) supporting the organisation's social capital.

Temporary agency work is one of the fastest-growing forms of atypical employment in Europe and has at least doubled since the early 1990s (Ciett, 2015). Despite the fact that agency workers represent a modest share of total employment in Finland, there has been a clear increase in the use of agency workers (Ciett, 2015; Official Statistics of Finland, 2015).

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Whereas full-time jobs and very long work contracts were "the norm" in Finnish working life still at the end of the twentieth century, nowadays 28 per cent of employees report that temporary agency workers – often called "temp workers" or "temps" – have been used at their workplaces. In particular, in the manufacturing field, the amount was even higher, at 48 per cent (Lyly-Yrjänäinen, 2014). The increasing use of temporary workers has occurred not only in traditional areas and low-paid work, such as cleaning, the hospitality industry, commerce, industry and building, but also in fields that employ highly skilled professionals, such as the health care sector (Tanskanen, 2012).

Despite the increase in temporary agency workers in different fields, very little attention has been paid to their use in work organisations. Previous studies on temporary agency workers, leaning on different theoretical constructs, have revealed several problems. According to them, the formulation of a psychological contract and organisational commitment in temporary agency workers may be fuzzy, because of the duality of the agency (the employer) and the client organisation (the workplace) (e.g. Slattery *et al.*, 2010; Lapalme *et al.*, 2011). Previous studies have also indicated that agency workers' socialisation and identification (Koene and van Riemsdijk, 2005) with the client organisation may be weak, they may experience difficulties in building trust as part of the group (Tailby, 2005) and they may feel a lack of emotional support from the client organisation (Lapalme *et al.*, 2009); they may even experience discrimination (Forde and Slater, 2006). These findings seem alarming in the light of several studies which have shown that a positive emotional bond between employees and employer is an important or even critical factor for high performance (e.g. Macey and Schneider, 2008; Koys, 2001; Dutton *et al.*, 1994). It is noteworthy that the negative findings mentioned above have been clearly connected to the temporary and short membership of temporary agency workers to their client organisations (Lapalme *et al.*, 2009), rather than to their personal factors.

Our aim is to investigate the kinds of effects that using a temporary agency workforce may cause on an organisational level, especially on relations between employees. The typical reason and thus expected benefit for using temporary agency workers in organisations is often and basically economical in nature. However, we argue that in addition to direct labour costs, an organisation also has also other human resources value factors, thus the same is true when it comes to using a temporary agency workforce. Those factors relate to everyday life at the workplace with temporary agency workers among the permanent workers. Some of the differences, such as the duration of their presence and differences in legal status can be expected to have some effects on relations between people as well as on the ways in which people think of those differences and act towards each other in workplaces.

In this study we explore the organisation as a community, leaning on the theory of social capital. We believe that the theory of social capital is a particularly promising framework for investigating temporary agency workers because it focuses on relations between people in a work community. According to Adler and Kwon (2002), social capital is goodwill which is accessible to individuals as well as groups, the source of which lies in the structure and content of the actor's social relations. We have chosen it as our framework for several reasons. First, social capital as being necessary for any successful collective action has a fundamental role as a basis of all organisational life (Nahapiet and Ghoshal, 1998; Portes, 1998) and an important factor for organisational performance (Tsai and Ghoshal, 1998). Second, the familiarity and duration of social relations are important factors for building trust and therefore social capital among people (Bigley and Pearce, 1998), and in the case of agency workers, these features are often threatened. Third, the social capital perspective is still rare in discussions among

both academics and practitioners concerning the increasing use of agency workers. Following these points, our aim is to increase the understanding of use of an agency workforce in an organisation, and our main research question is:

*RQ1.* What kind of effects might the use of temporary agency workers cause in a work community from the perspective of social capital?

We approached this question by exploring the perceptions of both the agency and permanent workers.

This study fills in several gaps within the literature on the use of temporary agency workforce. For example, Forde and Slater (2006) suggested that more research is needed to understand the factors which may be associated with outcomes that conflict with broader human resource management goals. Recently, Toms and Biggs (2014) in particular called for a qualitative approach when studying the impacts of using agency staff, including permanent staff in the research focus. Moreover, both Riemer and Klein (2008) and Evans and Carson (2005) in their conceptual papers provoked academics into empirical research on social capital in organisational contexts.

This paper is structured as follows: first, we provide some background information about recent findings from research on temporary agency workforces. Second, we review the broader literature dealing with social capital and make some connections to the literature on temporary agency workers. Third, the findings of our qualitative study are reported. Fourth, we offer a discussion and conclusions, including some suggestions for further research.

## Temporary agency workers

The most investigated perspective of the temporary agency workforce phenomenon is that of temporary agency workers. The overall picture of their situation is mostly negative. Many of the studies have proved that they have poorer compensation and working conditions (see e.g. Nienhuser and Matiaske, 2006; De Cuyper *et al.*, 2008; Tanskanen, 2012). For instance, they participate unequally in the training and development activities of organisations (Forrier and Sels, 2003; Stanworth and Druker, 2006), have fewer opportunities to use skills in their work than their permanent colleagues (Hall, 2006) and they are also often – at least partly – excluded from their organisation's decision-making (Kirkpatrick and Hoque, 2006). They are also excluded from contributory pension schemes, long-term cover for illness or sick pay and holiday entitlements, and additionally they often suffer from financial uncertainty, a lack of work-related challenges, the discontinuation of social relationships (Garsten, 1999; Tailby, 2005; Kirkpatrick and Hoque, 2006) and lower job satisfaction (Forde and Slater, 2006; Tanskanen, 2012). Many studies have shown that agency workers feel themselves to be outsiders in client organisations (e.g. Kirkpatrick and Hoque, 2006). Additionally, agency workers may experience resentment (Tailby, 2005) or even full-on discrimination in the workplace (Byoung-Hoon and Frenkel, 2004; Forde and Slater, 2006). However, according to Slattery *et al.*'s (2010) study, agency workers still tend to identify themselves with the client organisation rather than the agency.

It is usual for agency workers to repeatedly be newcomers in workplaces, where they are often without a source of emotional support, something that usually forms over time through continuing relationships with co-workers (Lapalme *et al.*, 2009). In Finland, the average length of an agency work contract with a client company is one month (Kostamo, 2009, p. 12). This relates not only to the short duration of the contracts, but also to a high turnover among temp workers in organisations. Those facts cannot come without severe

problems in terms of socialisation, where a new member of staff learns the organisation's values, aims, rules, politics, ways of working and style of leadership and the language upheld within the organisation (Feldman, 1976), as well as the necessary co-operation with others on a specific task (Haueter *et al.*, 2003). Socialisation has been shown to improve identification with the organisation and better performance (Haueter *et al.*, 2003).

Ward *et al.* (2001) have stated that the presence of agency workers in a workplace changes its culture and dynamics. However, only minor research has concentrated on the company's perspectives when analysing the sequences of using a temporary agency workforce. We suggest that social capital theory provides a sound basis for understanding some of them.

## Social capital in organisations

Ideas of social capital are centrally concerned with the significance of relationships as a resource for social action (Granovetter, 1985; Bourdieu, 1986; Coleman, 1988; Nahapiet and Ghoshal, 1998). For example, Nahapiet and Ghoshal (1998, p. 243) define social capital "as the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit". The growing process of social capital can be understood through the lenses of social exchange theory. It explains human relationships as a continuous process of negotiated exchanges between the parties – individuals or groups – of those relationships (Homans, 1958; Emerson, 1976). It posits that parties in dyadic relations experience the relationship by making subjective cost-benefit analyses and by comparing different alternatives. In an organisational context, those costs and benefits can be emotional, cognitive, physical and economic (Saks, 2006). Power also plays a role in this process (Emerson, 1976). In short, people in relations with reciprocal interdependence are satisfied if they experience that the returns they receive are fair compared to their expenditures. Thus, they are willing to "invest" in the relationship; they are ready to trust the other party and to act for mutual benefit, which are elements of social capital.

Social capital has several benefits for the organisation. According to previous studies, it improves access to information (Coleman, 1988; Nahapiet and Ghoshal, 1998; Adler and Kwon, 2002), it creates a collective orientation and commitment to shared goals with supportive relationships (Leana and Van Buren, 1999; Bolino *et al.*, 2002) and it provides influence and control power, which renders separate control mechanisms redundant and reduces transaction costs (Portes, 1998; Nahapiet and Ghoshal, 1998). In addition, social capital is linked to the efficiency of fitting into an organisation, creativity and learning in work communities (Portes, 1998). Even if research on social capital in work settings is still rare, studies on social capital have been conducted at least in relation to corporate entrepreneurship (Chung and Gibbons, 1997), product development outcomes (Yli-Renko *et al.*, 2001), work well-being (Kouvonen *et al.*, 2006) and organisational growth (Kianto and Waajakoski, 2010).

The theoretical framework for analysing the empirical data in our study is a combination of the theories of Coleman (1988), Nahapiet and Ghoshal (1998) and Putnam (1993). Although they observe social capital on different societal levels and from different perspectives, and thus make slightly different categorisations, the theories together offer a variety of elements that are relevant for social capital as a framework for understanding the effects of using agency workers in work organisations. Kouvonen *et al.* (2006, p. 251) have defined social capital in the context of the work unit as a phenomenon which heavily depends on the informal day-to-day and face-to-face interaction between work colleagues, supervisors and subordinates.

Fundamental for social capital are relations between people. At first, there is a structural dimension of the relations, which refers to the presence or absence of network ties in the community, and the density, connectivity and hierarchy in the network (Nahapiet and Ghoshal, 1998). Putnam (1993) grouped the relations into three different categories, which have been developed in organisational contexts by Szreter and Woolcock (2004). Bonding social capital refers to relations among persons with similarity and shared social identity; bridging social capital refers to relations among persons who have different social identities or sociodemographic features but are equal in terms of power and status; and linking social capital refers to vertical and formal relations among people from different institutions or organisational units. Accordingly, we observed the agency workers' relations in the work context.

Another dimension in the model developed by Nahapiet and Ghoshal (1998) is the relational dimension, which refers to the nature and quality of personal relationships. That includes identity in and identification with a group, and additionally the amount of support, respect and friendship in the relations. One of the most important elements here is trust, which according to Coleman (1988) is closely connected to reciprocity and comprehends one's beliefs in the other person's good intentions, capabilities, competency, trustworthiness and openness. Therefore we observed the identification, trust and support in the relations of temp workers in the work communities.

Both Coleman (1988) and Nahapiet and Ghoshal (1998) underline the importance of norms, codes and shared views as elements of social capital. Nahapiet and Choshal have labelled this as the "cognitive dimension of social capital". Norms refer to symbolic meanings both to an individual employee, as well as to the whole work community. These include shared views of right and wrong, as well as the responsibilities of the member of the community (Coleman, 1988). In line with this, we interpret the data from the perspectives of norms, codes and shared views.

Lastly, Coleman (1988) brings up the flow of information as an important element of social capital. This refers to frequency of information communications, accessibility to sources of knowledge and new knowledge creation. Thus, we looked at the data in terms of understanding temp workers' position in relation to the flow of information.

## Research design

We collected the data through semi-structured, in-depth interviews. Our questions included, for example: "Could you please talk about your present job in this company/[…] your employment/[…] pros and cons of being a temp/[…] your past experiences as a temp/[…] your relations with people at the agency and at the client company". Participants were invited to bring up any issues they felt to be important or relevant to the conversation. The discussions took place in the meeting rooms at the companies.

The interviewees consisted of 18 temporary agency workers (temps) and seven of the temps' workmates in permanent positions (company workers) in seven companies located in Finland. The interviewees worked in different kinds of jobs: as waitresses, salary counters, mechanics, software specialists, export assistants and salespersons. In total, 12 of the temps worked full-time and the rest worked part-time or took on short-term positions. Their education varied from vocational to college-level education. The temps had worked as agency workers from one month to ten years. At the time of the interviews, their contracts in the client company had lasted from one month to six years, 7.9 months on average. The tenure of permanent employees in the client companies was typically long. Despite changes in the labour market, the average tenures of jobs Finland are still rather long, from eight to nine years (Rokkanen and

Uusitalo, 2010). Also some of the temporary agency workers interviewed here had spent years with short contracts at the same workplace. In total, 12 of the temps and four of the company workers were women. The duration of the data gathering lasted three years and the last interviews were conducted in 2013.

The interviews lasted from 20 to 135 minutes. They were tape-recorded and transcribed verbatim for analysis, resulting in 230 typed pages of interview data (Times New Roman, spacing 1.0).

We applied a discourse analysis approach also used in earlier organisation studies (see e.g. Alvesson and Karreman, 2000; Hardy, 2001) in order to find clues to discourses which would reveal how the social reality is constructed (Alvesson and Karreman, 2000). Thus, instead of focusing on details of language, we made interpretations beyond the objective words and sentences, and tried to perceive patterns in the collective meaning-making of the informants. We assume that the informants merely transmitted to us (and at the same time to themselves) through their use of language how they construed the position of agency workers in a work community.

Two researchers were involved in interpreting the data. During the first stage, we made a traditional content analysis and coded the themes in each interview. Next we investigated how common or dispersed the issues were in the whole data. After revealing the main categories of contents, we studied how matters were connected and how rich the descriptions of the different issues were in detail. Then, we examined how the manifestation of social capital and possible broader patterns and beliefs behind the texts. During this stage, we also tried to recognise interesting contradictions, tensions, oddities and unacknowledged agendas in their constructs. With these four stages we were able to clarify different issues, relevant storylines and interesting details.

## Findings

According to the theoretical framework combined from the social capital theories of Coleman (1988), Nahapiet and Ghoshal (1998) and Putnam (1993), we observed the agency workers' relations in the work context; identification, trust and support in those relations; norms, codes and shared views; and their position in relation to the flows of information in a client organisation.

### *Lonely nomads causing confusion*

Temp agency workers had hardly any connections to other temp workers. The few contacts with other temps or other people, including the closest manager at the agency firm, were loose. Most of them were also the only or almost the only temp workers in the work group in the client organisation. Most of the temps also had loose relations with company people at their contemporary workplace. Even if some temps had had several successive contracts with the same company, their tasks and teams had changed often. However, a few of the temps had worked for years for the same client company and had steady relations with company workers.

In our sample, the categorisation between the A and B class of people (employed by the company vs. not employed by the company) were surprisingly obvious. The interviewees made clear separations in their speech by talking about "agency workers", "temps", "reserves", "a spare part", "a derivative of the name of the temporary work agency" vs "in house folk", "own", "company people", "a derivative of the name of the employing company". All of the temps felt that they were forced to be of a nother caste – even those with higher professional status and longer contracts.

The categorisation was often connected to the person's value and quality as a worker, explicitly and implicitly. The next example shows this:

> Well, the company people still kind of pull together. And then we're the temporary people […] so for instance, […] if there's someone, like who's done it? Then they do think first, that let's see how the agency workers did it. It's a little like, you think, that, dear lord, all the fault […] that if there is a fault, that it's the temp who has done it. It's […] kind of that badmouthing and that, so sometimes you get to hear, yet again, that someone just slanders you, that you don't do your own work and all that, even though we do our best. You kind of get depressed. We have done our jobs, in my opinion, well (Agency worker).

Most of the temps experienced that permanent employees do not always trust that they could do their work properly. They believed that even if permanent employees are dependent on them in order to get the tasks done, they see temps as "B-class citizens in an organisation", who are a nuisance and a pain for the permanent employees. Here is one example of those beliefs:

> I can't explain, of course every time when there's a mistake, and they look at who's made it, and if it turns out it's a temporary worker, the feedback goes mightily quickly and bluntly to that worker. If it was a permanent company employee that made that mistake, I think it wouldn't be quite so hot-tempered (Agency worker).

The way the company workers spoke about agency workers was contradictory. On one hand, they said that temps made a lot of effort to fulfil expectations and get the job done properly, even more than permanent workers. On the other hand, they spoke about problems at work and explained, that this is a result of the temporary and insecure position of temps which makes it difficult to commit genuinely. In their view, it seemed that commitment could be for temp workers like "playing a game" in order to get a more permanent position. One of the permanent workers stated that temp workers are easily "second-class citizens" in the eyes of permanent workers. In this example, a company worker talks about the extra effort temps have to show:

> He of course tries to stay sharp all the time and like that […] so he takes on work, maybe sometimes work that doesn't belong to him […] he is willing to sort some things out in the evenings. So of course he has insecurity. That he has to make and effort and be there. So that's how it shows, I think (Company worker).

Using agency workers also seems to create paradoxical fears in an organisation. On one hand, some permanent workers felt that agency workers threaten the permanent positions in the company. On the other hand, they were afraid to lose the extra helpers. This account reflects the mixed worries:

> Like when you think, that the fear we have had many a time, many years that the boss will suddenly order us all out and take in new workers through one of these agencies. We have fear. And we have a fear of these agency workers getting the job, that now we have that fear too, like so so […] At least I have heard, I haven't experienced it myself, but some feel that way, that when we have the machines over there and the automated machinery, when one says to me one day that now he gets to be at the machine when there aren't any agency workers around. That was completely new to me, no one has believed that it is so (Company worker).

Amongst the seven permanent employees in client organisations, thoughts about agency workers were confused. On one hand, they were annoyed about the extra work involved in familiarising them with their jobs and the frequent turnover of employees, which in one's opinion force them to "have eyes on the back of my head". On the other

hand, they felt empathy towards the temps and stood up for them. Some of the agency workers seemed to be aware of this, which is shown in the next account:

> Agency worker: Of course they are on my side in the sense that they remember, like remember to ask if you could become full time: "It would be nice to work with you". Then they of course have the angle, that what if someone new comes in again, that has to be taught. That I would get everything done.

The temps in our sample felt otherness (see Bauman, 1991) in their work organisations. They knew that that the client company does not want to commit them for some reason. In addition, the permanent workers were confused and saw the situation as unpleasant.

*Common game, different rules*

The agency workers were asked whether their employment relationship was similar or different compared to company people. Everyone identified several differences. They often felt "excluded" from the things that belong to company people. In the next account, one temp who had worked earlier in a summer job in the client company talks about the inequalities:

> Interviewer: Did anything change when you moved from being a summer temp to a temporary agency worker at this company?
>
> Agency worker: Yes. All the employment benefits that I had, they all went away. And I got paid less, so as a summer temp I made more money than I do as an agency worker […] and then of course one thing that has been completely overlooked, we don't get any sales bonuses. So if we sell product X or Y, then the ones working for The Company get the sales bonuses and extras on top of their pay. But that doesn't affect us at all. No matter how much we sell, it's always the same.

All but one of the interviewees reported that they get lower pay for doing the same work than company people. Only one of the interviewees thought that she ("as more experienced") is probably more highly paid than her permanent colleague doing the same job. (In reality, her pay was lower.) Other inferiorities concerned, for example, salary and sales/annual bonuses; lunch benefits; opportunities to participate in training courses and other development activities; other benefits like tickets to football games, swimming pools or gyms; or presents from the organisation. Many of them were not invited to the company's Christmas party, which shows up in the next account:

> Well, for example the Christmas party, so last year we went to the Christmas party, this year we didn't. And then if they have some small gifts, as you do for Christmas, we of course don't get any. […] And then all these trade fairs, that you could kind of go to, if you were the company's employee, well the temporary agency workforce can't go to them at all. If we have, with the team, had in X-city last year, all the multi-skilled people got together to do something together, well we didn't get to go at all. So there are these small differences (Agency worker).

Also the holiday practice varied. Permanent workers had normal paid leave, but most of the temps did not have regular holidays but had them paid in relation to each contract. One of them said that she would like, but did not dare, to take a holiday, for fear of losing her place to another person from the agency firm.

Confusion with the norms and rules seemed to have an effect in two directions. First, they hindered agency workers from feeling as valuable as the permanent workers for

the company. Second, they also felt that they could not act like the permanent workers at the workplace, because they had "different rules". The next incident highlights that:

> Interviewer: During the summer they went on strike at your workplace. They walked out and you temps stayed at work? What happened?
>
> Agency worker: Then I thought about stuff a lot. I thought about it, like how can I walk out of here? That it would apparently have been some sort of solidarity that we all would have walked out, even us. We weren't given a choice. After that we had a bit of a bad atmosphere in there, when we stayed at work.

All of the permanent employees saw that the position of the agency workers is unfair. The lack of benefits was considered both a question of unfairness and a bad thing for motivation. In the next account, a company worker talks about a temp who has done the same job as him for over a year:

> Company worker: I've often felt bad for them, when they're temps and they miss out on a lot of things that us full timers and part timers get.
>
> Interviewer: What kind of things?
>
> Company worker: Well just these bonuses alone, we get a bonus and he's still done the same job as us and he doesn't get a bonus.

To sum up, the interviewees seem to think that temps are not as valuable for the company as permanent people and therefore the norms and rules are different. "That is not fair, but that is the thing".

*Silent partners with scattered pieces of information*

According to the temps, their induction and training for concrete tasks had been mostly been sufficient, but orientation to the client company, not to mention the whole business, was mostly lacking. This was a typical story in the material:

> They familiarise you with just that, the small task, that you're doing. But it would be nice, that kind of thing, would be nice with the whole operation and other things, so you'd know why I'm doing this thing right now, like how it fits in. Of course, when they take someone in as a temp, who works on only one thing, maybe they don't think, they just tell you that thing, that's really narrow then. But I think it would be nice to know more, like comprehensively (Agency worker).

However, learning the ways and procedures of the workplace is a long process. Company workers said that during this time a lot of extra effort and flexibility was required from the permanent employees in order to help the temp workers in different kinds of practical problems. One of them put it this way: "A three month period really is too short to really learn to know the place and its products so you can work independently".

The agency workers felt that they were missing out on discussions and information about the company. They took part in company meetings and employee events to a varying extent. Many of them took part in team meetings, but they were mostly not invited to information sessions in which the company's past development or future plans were discussed. The temps said that therefore often important background information was lacking making it difficult for them to understand why things are done as they are.

Only five of the temporary agency workers had been allowed to attend company training after their induction phase. The need for competency development was not

assessed and no development plans were drafted. Development discussions addressed only two of the interviewed temps. The others were completely outside the standard development system of the client company. Here is one example:

> Interviewer: Do they have work unit meetings or something like that, that you take part in? Do you take part in meetings, training and discussions?
>
> Agency worker: No.
>
> Interviewer: What are you missing out on?
>
> Agency worker: All of the company's own. Everything, I have to say, everything. Of course, it's not our business.

None of the agency workers reported that they had a chance to transfer knowledge to the client organisation, either. Some of them had a great deal of experience from previous jobs, but the client organisation was not interested in using it, for example to develop processes. The temps' position seemed to be more a machine-like performer than a creative actor in a work community. This short account condenses the typical feeling among the temps: "We never get anything involving responsibility […] they've said it to us bluntly, that you do as we say".

## Discussion and conclusions

The findings indicate that the use of temporary agency workers is harmful to the organisation from the perspective of social capital. In our sample the temporary nature of agency workers caused tensions in social relations between them and permanent employees, which are negatively related to structural, relational and cognitive dimensions of social capital. Additionally, temp workers were left outside many important flows of information, which play a role in building social capital. Surprisingly, these tensions emerged even in those cases where the temp worker had been in the same client organisation for a long time. In Table I we present the main findings in the light of social capital theories, before discussing the practical implications of those findings.

In the case of using temporary agency workers, the structural dimension (see Nahapiet and Ghoshal, 1998) of the relations in a work organisation is problematic. First, the bonding social capital in the work group may suffer, not only because of the short duration of temps' contracts of employment and high turnover, but also because of the different position and social identity of the temps. People still make a clear difference between being a permanent worker and an agency worker, even if the tasks are common. In addition, bridging social capital seems not to be easy to build, because the temps in the work group change frequently and even in more permanent cases they are not equal in terms of power and status (see Putnam, 1993; Szreter and Woolcock, 2004). The temps' contacts with their supervisors at the agency were sparse, and they did not recognise the connections between the people in the agency company and those in the client company.

The relational dimension, which refers to the nature and quality of personal relationships (see Nahapiet and Ghoshal, 1998), was manifested in a complicated way. Toms and Biggs (2014) found that agency workers with longer-term assignments improved their relationships with permanent staff and integrated better into the client organisation compared to those with short contracts. However, in our sample, even the temp workers who had worked for years in the same client organisation seemed to feel a strong sense of otherness. The interviewees spoke about support, respect and friendship in the relations between temps and other employees. In general, the element most lacking in these relations was trust. In particular, temps' capabilities and

| Dimensions of social capital | Empirical findings |
|---|---|
| *Structural dimension of social capital (Nahapiet and Ghoshal, 1998)* | |
| Bonding social capital (Putnam, 1993) | Temporary agency workers' relations with other temps at the client organisation as well as within the agency company were weak |
| Bridging social capital (Putnam, 1993) | Temporary agency workers' relations with workmates at the client organisation were tense: temps were seen as "visitors" with lower power and status |
| Linking social capital (Putnam, 1993) | Temporary agency worker's relations with their employer as well as with other parts of the client organisation (except the community of the present work) were loose |
| *Relational dimension (Coleman, 1988; Nahapiet and Ghoshal, 1998)* | |
| Identification | Temporary agency workers did not identify themselves as a part of the work group |
| Support | Temps received practical support from permanent workers in the client organisation when it concerned their concrete tasks. In some cases they also received empathy from their permanent workmates because of their insecure situation |
| Trust | Temps' capabilities and competency were often mistrusted by permanent workers. The short and insecure lengths of the contracts also harmed the development of trust between the temps and permanent employees |
| Norms | Temps had different norms compared to their workmates in the client organisation (e.g. fringe benefits, result-based rewards, possibilities for training and education, walk-out situations) |
| *Cognitive dimensions of social capital (Coleman, 1988; Nahapiet and Ghoshal, 1998)* | |
| Codes and shared view | For temporary agency workers it was difficult to learn common codes and gain a shared view with workers in the client organisation because of the short duration of the contract and missing access to common information |
| *Position in flow of information (Coleman, 1988)* | Temporary agency workers were often left outside the information flows at the client organisation (e.g. information concerning the client organisation in a broader sense, business field, clients, etc.) |

**Table I.** The findings of the study

reliability were suspected – or at least that was the feeling of the temps. The company workers seemed to be very conscious of the insecure duration of the temps' contracts, and therefore probably did not invest in the relationships. The temporary agency workers could be described as lonely nomads, who caused confusion in work communities. This is in line with previous findings, according to which agency workers often feel stigmatised (Boyce *et al.*, 2007) and that they do not receive social support (Tanskanen, 2012).

Both Coleman (1988) and Nahapiet and Ghoshal (1998) underlined the importance of norms, codes and shared views as elements of social capital. In light of our sample, both explicit (rights to participate in training, meetings and other client company events, salary, holidays) and more implicit norms (autonomy at work, possibility to participate in developing processes and strikes) are different for temps compared to the permanent

workers at the client company. These differences in norms had strong symbolic meanings, which caused confusion and tension for both the temps and the permanent workers. It seems that temporary agency workers were expected to play the common game with common goals with permanent employees, but with different rules.

The flow of information as an important dimension of social capital refers to the frequency of information communications, accessibility to sources of knowledge and new knowledge creation (Coleman, 1988). Our study revealed that temps may not participate at all in creating new knowledge at the workplace and they may not even have access to important knowledge concerning the organisation. In fact, all kind of participation in development work or planning was scarce. Moreover, there was no mention in our material of temps being called to deliver their knowledge to the client company. It seems that temp workers may easily be left out of flows of information other than those necessary for performing the concrete tasks. The temporary agency workers in our sample were silent partners with scattered pieces of information.

The study brought up some new evidence that using temps may have some broader negative effects on an organisation (see Leana and van Buren, 1999; Holmlund and Storrie, 2002; Foote, 2004), and in light of this study, it may also deflate its social capital. Our findings are in line with those of Biggs and Swailes (2006), who noted that the presence of agency workers may also make permanent workers feel disheartened and thus negatively influence the commitment of permanent workers, as well as with Pearce's (1993) classic study of the presence of contractors in the organisation, which concluded that using contractors is associated with less employee trust and perceptions of unfairness. Similarly, our study shows that people are sensitive to the inequalities between the temps and the permanent employees, and that both parties suffer from this inequality.

In light of our empirical data, these influences manifest themselves at both the societal and psychological level, but many of them seem to have their roots in organisational practices which do not support, or can even hinder, the proper integration of the temporary workers into the client organisation. Thus, the study provokes some practical implications for HRM in organisations. In light of our study, there is a great need to develop HRM practices and modify contracts with agency firms to ensure better equality between people doing the same job in a work organisation. This concerns in all cases salary, some fringe benefits (e.g. lunch benefits) and training and development in relation to work. If the duration of a temporary contract is long, it should also concern participation in company briefings, parties and result-based rewards. Our study revealed that any signs of inequality between the temps and other workers at the workplace caused confusion and negative feelings. Temporary agency workers' working conditions have also been exposed as an issue for concern from the legislative point of view. Despite some improvements (e.g. the EU Commission's Temporary Agency Workers Directive) concerning equal opportunities and benefits, general discrimination towards temporary workers has been identified that raises new concerns over the directive being insufficient to improve their conditions (Nienhüser and Matiaske, 2006). We encourage further research with more attention on the influence of employment protection legislation. However, the use of the flexible workforce is here to stay and agency workers play a considerable role in certain fields. More research is also needed from the appreciative enquiry point of view: positive HRM examples, models and practices should be investigated and implemented in order to develop the use of temporary agency workers in organisations and to improve the overall performance.

The findings indicate that there is a need for very careful decision-making concerning the use of temps. To finish off our study, we concur with the conclusions of Ward *et al.* (2001), De Cuyper *et al.* (2008) and Toms and Biggs (2014), in that agency

work employment affects the whole organisation in complex and paradoxical ways. Thus, companies should not use temps on a permanent basis because of the potential harm to the social capital in the organisation. In the worst case, many of the benefits that may help a company in the short run may cause unexpected and harmful consequences in the long run.

However, our study is not without limitations, for example concerning the nature and size of the sample. Our sample was homogenous in the sense that all of our interviewed temps wished to find a permanent position in their working life. Some previous research indicates that there are also those who choose temporary agency work voluntarily, because it enables the kind of lifestyle and other benefits they appreciate (see for example Casey and Alach, 2004). These differences in attitudes could thus lead to different kinds of behaviour towards co-workers and be reflected in subjective experience of trust and relational aspects. However, the sample varied widely in terms of different professions, thus showing how the same concerns were repeated despite the industry or profession, reflecting the meaningfulness of the form of employment to social relations. In addition, our sample was small, only 25 interviews, which is very typical for qualitative studies, however the sample represented seven organisations, bringing new insights on interaction and social relations between agency and permanent workers in different settings. In-depth interviews provided us with information on broad aspects of subjective perceptions on being an agency worker or an agency worker's co-worker, but also on social relations within the whole organisation. Our overall picture is very dark, but does not represent the whole truth of the phenomenon. Therefore we welcome more studies on the organisation-level effects of using temporary agency workers.

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