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The pursuit of an employment relationship

Managing people in a flexible labor market

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Chapter 1

Introduction

The nature of work has substantially changed over the past decades. The disruptive technological, economical, and societal changes impacted how individuals build and navigate through their careers, how they shape their jobs, and how they negotiate the arrangements they make with their organizations (Nota & Rossier, 2015; Savickas, 2005; Spreitzer, Cameron, & Garrett, 2017). The increasing mobility of the workforce within and between different organizations, the demand for the constant acquisition of new or different sets of skills, and the digitalization of workplaces and jobs, are only some of the changes in work and careers that have spurred the interest of work and organizational scholars in recent years (Parker & Bindl, 2017). The changing employment conditions and arrangements shifted the responsibility for career management from the employer to the employee and simultaneously contributed to shaping career patterns in a less linear and more individualized way compared to the past (Hirschi & Dauwalder, 2015). The growing pressure for competitiveness due to globalization, as well as the rapid technological developments replacing (parts of) existing jobs, require workers to constantly adapt to dynamic environmental circumstances, and to proactively manage their own performance and development (Parker & Bindl, 2017).

While employees are expected to be more self-regulatory, proactive, and adaptable, the new economic realities demand organizations to become more flexible and to promptly adapt to changing circumstances as well (Bal & Rousseau, 2015). With globalization of products and labor, higher connectivity, deregulation and liberalization, firms' economic transactions have crossed national borders and domestic sites they used to be confined to (Kochan, Riordan, Kowalski, Khan, & Yang, 2019). The boundaries of the organizations themselves have become more permeable, with a greater inflow and outflow of work and workers compared to the past (Spreitzer et al., 2017). These changes have also contributed to a progressive loss of influence of trade unions, with

union memberships steadily declining over the last decades, thus amplifying the power distance between workers and employers (Bal & Rousseau, 2015; Kochan et al., 2019). Firms are now less likely than before to provide employees with job security, upward mobility, career development and even benefits such as health and retirement ones (Bidwell, 2013). This contributes to enhancing what has been defined as precarious work, or in other words work that is uncertain and risky for the workers (Kalleberg, 2009). Simultaneously, firms supply flexibility to workers in terms of non-traditional work arrangements, new ways of work, telecommuting (Spreitzer et al., 2017), and (virtual) reorganization of networks of workers, where increasingly the traditional notions of “clear-cut occupations, jobs, or professions fade away” (Guichard, 2015, p.16). These pervasive changes from the organizations’ side inevitably impacted the nature of the employment relationship as well. For example, an increasing number of organizations makes use of flexible work arrangements and customization of jobs as tools to reduce labor costs, to motivate/retain their workers, and to build a flexible and agile workforce (Bal & Rousseau, 2015; Spreitzer et al., 2017).

Overall, the changing nature of the world of work raises questions relevant for both scholars and practitioners, around what the behavioral strategies are that individuals can adopt to respond to the demands of their jobs and careers, and from an HRM point of view what organizations can do in managing these workers in non-traditional employment relationships. That is, there is a need for more research on whether the actions of both individuals and organizations in managing their employment relationships can affect workers’ attitudes, perceptions, and health. Building on the literatures on jobs, careers, and HRM, in this dissertation we firstly investigated the consequences of such pervasive flexibility in the labor market in terms of the self-regulatory behaviors individuals (should) implement in different stages of their careers. Secondly, we took a deeper look at the changing nature of employment relationships in the current labor market, by

focusing on less traditional contexts (more specifically, temporary work and platform work) and their consequences for individuals, in terms of their attitudes, beliefs, health, and relationship with their employers.

1.1 Implementing Self-Regulatory Behaviors in Jobs and Careers

The increasing supply and demand of flexibility in the contemporary labor market contributed to salient shifts in the major paradigms of career counseling, psychology, and management, which turned the attention to individuals as strategic governors of their own work pathways (Guichard, 2015). Such a shift recognizes the possibility (and need) for individuals to exert greater agency and self-regulation in managing their jobs and careers: individuals are now conceived of as strategic actors who proactively anticipate opportunities in a given situation, identify personal and contextual resources needed to pursue them, and recursively regulate themselves towards the pursue of these opportunities in both their careers and their jobs. Examples of this new view are the research interests that blossomed around the themes of boundaryless careers (Arthur, M.B., 1994) and proactive behaviors of employees (Parker, Bindl, & Strauss, 2010).

On the one hand, the term “boundaryless career” was coined to capture the emergent perspective on how careers are approached by individuals, as opposed to the traditional view of careers where individuals would stay within the boundaries of the organization, and their career paths would entail linear progression up its hierarchy (Defillippi & Arthur, 1994). In the boundaryless view of careers instead, individuals are less likely to stay within a single organization, and their career transitions oftentimes imply moving across organizations, roles, occupations, and jobs (Bravo, Seibert, Kraimer, Wayne, & Liden, 2015). The changing nature of careers described by this literature points at the need for workers to be increasingly adaptable in

constantly crossing physical and psychological barriers (such as transitions through different work roles, positions, organizations, and career paths). On the other hand, proactive behaviors refer to “self-initiated, and future-oriented action that aims to change and improve the situation or oneself” (Parker, Williams, & Turner, 2006) (p.636). That is, these behaviors are initiated by individuals, who, by anticipating or thinking about future challenges, spontaneously act in order to pursue a change in themselves or in their environment (e.g., developing a new skill, broadening their network, or improving some aspects of their work) (Parker & Bindl, 2017). Hence, also in this stream of literature, new concepts and areas of investigations emerged that better fit the characteristics and demands of today’s labor market, compared to more static and less agentic conceptualizations of the traditional organizational paradigms (Parker & Bindl, 2017).

More specifically, what concepts such as boundaryless careers and proactive behaviors have in common, is the focus on workers as self-regulatory, agentic, active protagonists of their own jobs and careers. On the one hand, the pursuit of a boundaryless career has relevant implications for individuals: they are now in the need of being versatile, resilient, and mutable (that is, they need to be “*protean*”). In essence, they need to be willing and able to adapt to the changing circumstances they face as their own career unfolds over time (Bravo et al., 2015). On the other hand, being proactive in one’s job relies on the assumption that individuals possess a high ability to self-regulate. If pursuing goals that are not aimed at changing the status quo implies the engagement in a recursive process of goal selection, feedback absorption, evaluation and adjustment (Lord, Diefendorff, Schmidt, & Hall, 2010), pursuing a highly proactive goal requires even more self-regulatory capacity (Bateman, 2017). Indeed, proactivity is conceptualized within a goal-regulatory framework as a process characterized by different recursive phases: envisioning a different future, planning actions to achieve such future, enacting those actions, and reflecting

on the consequences of these actions, which can result in goal revision or goal abandonment (Bindl, Parker, Totterdell, & Hagger-Johnson, 2012).

The relevance of the self-regulatory ability of workers in managing both their jobs and careers, poses questions that are important for researchers and practitioners alike. To face such a flexible and unpredictable labor market, organizations need staff that can anticipate future problems and bounce back from difficulties (Bindl et al., 2012). If individuals are expected to constantly regulate themselves through career transitions and (self-initiated) changes in their jobs, they are also constantly engaged in a demanding process of self-management and reactions to uncertainty. Therefore, the actions that they implement, how they implement them, and when they implement them can have serious consequences on their health, job-related attitudes, and career success. That is, a deeper understanding of self-regulatory mechanisms in managing one's career, job, and relationship with the employer, can yield benefits for both workers (in terms of optimizing their efforts and strategies while minimizing the depletion of resources), and organizations (which strive to reduce costs and maximize the efficiency of their workforce).

Here, in the first two empirical chapters of this dissertation, we addressed the need for more research on how and when individuals can implement self-regulatory behaviors while navigating through different stages of their careers, and the consequences of such behaviors in terms of workers' attitudes, beliefs, health, and attainments. While both the jobs and careers literatures recognized the importance of individuals' self-regulatory and proactive behaviors, less is known about how such behaviors could enhance the match between workers and jobs. By integrating different literatures, we investigated how individual self-regulatory behaviors can enhance the match between people and jobs in different moments of their career. That is, (future)

workers self-regulate (1) while looking for a job that fits them, and (2) while proactively shaping the job they currently have.

Firstly, in the era of boundaryless careers, flexible labor markets, and instable employment relationships, the job search process has become increasingly frequent for individuals, which poses questions around how to maximize its success in terms of the match between workers and jobs. The job search process has been conceptualized as a self-regulatory process involving a series of goal-directed behaviors aimed at reducing the discrepancy between a given current state (i.e., current employment status) and a desired one (i.e., desired employment status) (Kanfer, Wanberg, & Kantrowitz, 2001). Throughout this process the job seeker enacts a series of purposive and volitional actions to reach the goal, such as: investing time, effort, and personal resources in searching activities, assessing the progress made, using environmental feedback, adjusting the strategies and behaviors implemented, and reevaluating the current situation until the goal is accomplished or abandoned. The view of the job search process as a self-regulatory one points at how both the enacted behaviors (i.e., job search behaviors - preparing a resume, going to a job interview, or looking for vacancies) and the self-evaluations of individuals (i.e., job search self-efficacy - individuals' beliefs in their ability of accomplishing a task or goal, such as confidence in successfully completing job search behaviors and/or obtaining employment) dynamically evolve over time, and affect job search success (Bandura, 1997; Saks, Zikic, & Koen, 2015). The aim of the first empirical contribution of this dissertation (Chapter 2) is therefore to enhance our understanding of whether and how self-regulating over time in the job search process can increase the likelihood not only of finding a job, but also of finding a job that fits the job seeker. By adopting a longitudinal design, we measured the development of the self-regulatory job search process

during the six months prior to entry in the labor market, and explored its relation with a number of indicators of job search success.

Secondly, the self-regulatory abilities of individuals are also relevant throughout the experience of employment, in that they allow individuals to dynamically adapt to changing circumstances, handle the uncertainty of today's flexible market, and propose innovative solutions to different problems people might experience in different moments of their career. Career adaptabilities for example, are defined as self-regulatory, malleable competencies that help individuals facing the uncertainty of novel tasks, demands, and constraints in different moments of their careers (Hartung, Porfeli, & Vondracek, 2008; Savickas & Porfeli, 2012). They allow individuals to engage in adaptive strategies in order to pursue a better fit between the person and the environment, represented by satisfaction, development, and job and career success (i.e., adaptation results). While there is evidence for the relevance of career adaptability for a series of positive career-related outcomes (e.g., Coetzee, Ferreira, & Potgieter, 2015; Xie, Xia, Xin, & Zhou, 2016), much less is known about the relationship between career adaptability and job-related outcomes. Hence, the aim of the second empirical study presented in this dissertation (Chapter 3) is to explore if, how, and when the self-regulatory abilities of workers are related to positive outcomes not only in transitioning from one job to the other, but also in managing a job in a proactive way once they have one. By collecting data among employee-manager dyads, we explored the relationships between employees' adaptability, proactive behaviors and engagement, and tested whether HRM practices implemented by the manager have an impact on this relationship.

1.2 Managing Workers in Non-Traditional Employment Contexts

The turbulent changes described above implied that the traditional view of work as a full-time, stable, long-term employment, characterized by a fixed schedule, a defined workspace, and

under the organization's control is progressively being challenged by non-traditional employment phenomena (Spreitzer et al., 2017). That is, in recent times we witnessed a rapid shift from traditional to non-traditional employment relationships. In reviewing the wide array of alternative work arrangements now commonly used, Spreitzer and colleagues (2017) identified three different dimensions of flexibility: flexibility in when the work is done (i.e., the scheduling of work), flexibility in where the work is done (i.e., telecommuting and remote work), and flexibility in the employment relationship (e.g., on-call workers, part-time workers, seasonal employees, agency workers, contractors, platform workers). Indeed, in recent times we witnessed the flourishing of a heterogeneous amount of non-traditional employment arrangements, where organizations achieved flexibility through the use of third party suppliers of labor, and technology facilitated the appearance of new labor market intermediaries that match workers with employers (Kochan et al., 2019). In 2015 it was estimated that the number of workers in the United States adhering to some sort of alternative work arrangement (including temporary agency workers, on-call workers, contract company workers, and independents contractors) increased by 10% compared to a decade ago, constituting almost all the net employment growth in the US (Katz & Krueger, 2016).

The changing nature of the employment relationship poses relevant challenges for organizational scholars in understanding the characteristics of such new employment relationships as well as their consequences for both employers and workers. As noted, nowadays the exchange between employers and their employees is departing from the traditional view of an employment relationship, where employers would provide job security and automatic advancement in exchange for workers' commitment and loyalty (Rousseau, 2000). Currently the exchange dynamic is often a more contingent one, where organizations can provide learning opportunities and development in exchange for a defined contribution to the organization from the side of the worker. Besides

shifting the career development related responsibility from the organization to the worker (Hirschi & Dauwalder, 2015), this new perspective raises concerns related to the overall management of workers. That is, some have argued that not only have employment relationships become more contingent and insecure, but the increasing distance between managerial decision making and the work site also leads to a loss of middle managers' discretion, while these middle managers are supposedly in charge of overseeing the daily work and managing the human resources (Kochan et al., 2019). Such a contingent approach to the employment relationship, in conjunction with the rise of individualized perspectives on work and job designs (Bal & Rousseau, 2015), might have relevant consequences on workers' attitudes, behaviors, and wellbeing at work.

Here, in the last two empirical chapters of this dissertation, we focused on investigating the role of human resource management (HRM) in shaping employment relationships in the new world of work. More specifically, we adopted a micro-level analysis, by looking at how individuals interact with the organization in shaping and managing such relationships, and the consequences of these employment relationships for the individuals themselves. Previous research highlighted the peculiar exchange involved in some of the new employment arrangements (e.g., temporary workers). However, less is known about how a synergistic approach to HRM (which highlights the interdependence between different HRM practices, under the assumption that a set of practices may have greater impact than the sum of its parts) could bring valuable insights to the management of this type of workers. Furthermore, the rise of new types of non-traditional work arrangements such as platform work, bring about questions around how these workers manage their work, what relationship they have with the platforms, and the impact of these factors on the workers themselves. Hence, among the wide array of alternative work arrangements, we focused on the

specific HRM challenges associated with (1) the dual employment relationship of temporary agency workers, and (2) the (lack of) employment relationship of platform workers.

Firstly, temporary agency workers (TAWs) are involved in a dual employment relationship with the agency they are employed at and the company they are sent to work for. This type of work is therefore associated with a number of managerial challenges which triggered the interest of both practitioners and organizational scholars (Hall, 2006; Marchington, Rubery, & Grimshaw, 2011). Extant research among TAWs focused on comparing them to permanent workers, on overlapping promises made (and kept) by the agency and the company, and on spillover effects between the breach of such promises by either the agency or the company (Claes, 2005; Lapalme, Simard, & Tremblay, 2011; Morf, Arnold, & Staffelbach, 2014). However, while the psychological contract literature focused on the specific transactional nature of TAWs' psychological contract (e.g., De Cuyper, Rigotti, De Witte, & Mohr, 2008), in the HRM field there is a paucity of research taking into account simultaneously the two employment relationships TAWs have with both the agency and the company. The aim of the third empirical contribution of this dissertation (Chapter 4) is therefore to enhance our understanding of the characteristics and consequences of the dual employment relationship of TAWs: by adopting a person-centered analytical approach we identify different profiles of workers on the basis of the HRM practices implemented by the agency and the company, and explore their relation with a number of employee attitudes.

Secondly, platform workers constitute an employment phenomenon which is increasingly relevant not only for the revenue generated but also for the number of workers involved in it. The novelty and diversification of the forms platform work takes led to a variety of terms being used to describe it: gig economy, platform economy, sharing economy, and on-demand economy, to name a few (Fabo, Karanovic, & Dukova, 2017). Here, given the research interest on the changing

nature of the employment relationship, we focus on platform work which involves the execution of traditional offline tasks (e.g., transport, cleaning, clerical work), by matching labor demand and supply at a local level. Even though it is claimed that this type of workers has complete autonomy, flexibility, and control over if/when/and where to work (Eurofound, 2018b), it is not yet clear to what extent they (can) actually benefit from this so-called flexibility. Furthermore, there is a need to understand how HRM applies in a context where an app is thought to be the manager, and where the employment relationship is (at least in part) denied by platforms. Therefore, the aim of the fourth empirical contribution of this dissertation (Chapter 5) is to gain insight in the characteristics and consequences of such a new employment context, by exploring whether workers' attitudes and health are affected by the amount of work they perform for platforms, and whether HRM practices implemented by the platforms have an impact on this relationship.

1.3 Overview and Contribution of the Dissertation

Overall, this dissertation aims to examine how individuals face the complexity of today's flexible labor market, by implementing self-regulatory behaviors in traditional contexts, and managing employment relationship(s) in less traditional ones. We start by looking at how individuals self-regulate in searching for and pursuing an employment relationship. We then turn to investigating less traditional employment relationships in the new world of work, by looking at how temporary agency and platform workers perceive HRM and their consequences for the workers. Below, the four empirical chapters are briefly introduced.

1.3.1 Chapter 2: The Self-Regulatory Pursuit of an Employment Relationship

In Chapter two, we examine the development over time of self-regulatory behaviors and beliefs in the job search process, and their distal consequences on a variety of indicators of job

search success. While both job search behaviors and job search self-efficacy (JSSE) have been shown to be positively related to the chances of finding some form of (re)employment (Kanfer et al., 2001), much less is known about whether and how job search behaviors and JSSE relate to (re)employment quality. That is, the aim of a self-regulatory job search process should not merely be to just finding any employment, but also to find employment which matches individuals' aspirations, knowledge, and beliefs (Leana & Feldman, 1995; Saks & Ashforth, 2002). Building on a self-regulatory conceptualization of the job search process (Kanfer et al., 2001), we propose that individual differences in the ability to self-regulate over time may impact not only the chance of finding a job, but also the chance of finding a job that fits the employee. Therefore, we firstly investigate whether individuals experience meaningful change in their self-regulatory ability over time as they approach labor market entry. Secondly, we examine whether distal employment quality measured at a later point in time (i.e., stress, work engagement, person-job fit, and overqualification) varies as a direct function of that change. We study this in a four wave longitudinal study among college students graduating in a Master of Business Administration, by measuring their self-regulatory job search processes in three occasions during the six months before graduation, and their employment status and employment quality three months after graduation.

1.3.2 Chapter 3: Self-Regulatory Behaviors in an Employment Relationship

In Chapter three, we aim to investigate how and when possessing self-regulatory competencies such as career adaptability may help workers in their everyday job. Previous literature reports a positive association between career adaptability and work-related outcomes such as work engagement (Rudolph, Lavigne, Katz, & Zacher, 2017). However, it is not yet clear what might be the job-related adaptive responses that workers enact in their everyday jobs, and

whether they are beneficial and effective for the workers themselves. Building on the Career Construction Theory of adaptation (CCT) (Savickas, 2002, 2005), we propose that job crafting (defined as a proactive bottom-up job redesign process through which employees modify parts of their jobs, Parker et al., 2010) might be conceptualized as a behavioral adapting response that workers enact to overcome challenges at work and thus reach a positive integration and fit with the environment. Furthermore, we also explore the contextual conditions that can help employees express career adaptability in their jobs, and thus enhance their work engagement by crafting their jobs. Building on Conservation of Resources Theory (COR) (Hobfoll, 1989), we propose that a high level of high performance work practices (HPWPs) can trigger a gain spiral for workers' abilities, motivations, and opportunities to perform, hence helping workers capitalizing on their personal resources. We therefore expect an interaction between workers' adaptability and implemented HPWPs in affecting their job crafting and in turn, work engagement. We test this by collecting data among employee-manager dyads working in a variety of organizations in The Netherlands. Employees rated their level of career adaptability, job crafting behaviors, and work engagement, whereas managers rated the level of implemented HPWPs.

1.3.3 Chapter 4: The Dual Employment Relationship of Temporary Workers

In Chapter four, we aim to explore the characteristics and consequences of the dual employment relationship of TAWs with the agency they are employed at and the company they work for. By conducting a survey study, we apply ideas from the psychological contract literature (Claes, 2005; Morf et al., 2014; Zhao, Wayne, Glibkowski, & Bravo, 2007) to the HRM field (Jiang, Lepak, Hu, & Baer, 2012). That is, we take a closer look at HRM practices workers perceive to be implemented by the agency and by the company and we explore the simultaneous relevance of both firms in shaping the management of TAWs. Given the peculiarities of the specific context

of investigation, we adopt a person-centered approach (as opposed to the more commonly used variable-centered approach) to examine different patterns of perceived HRM practices. We do so in the attempt to give a methodological account of the holistic conceptualization of an HRM system. That is, we explore the heterogeneity in the dual employment relationship of TAWs by using a finite number of discrete HRM profiles of workers (cf. Masyn, 2013) to identify subgroups of employees who share the same configuration of HRM practices being implemented by the agency and the company. Finally, building on Social Exchange Theory (SET) (Blau, 1964), we explore whether profiles characterized by higher levels of perceived HRM practices are associated with more positive attitudes of workers (namely, commitment, turnover intentions, and job satisfaction).

1.3.4 Chapter 5: Platform Workers and the Denial of an Employment Relationship?

In Chapter five, we set out to address the need for empirical HRM research on the extraordinarily growing phenomenon of platform work, and its effects on workers. We focus on the workers' work-life balance, job satisfaction, and commitment to the platform in an attempt to uncover the consequences of this type of work for those who execute on-location platform-determined work (Eurofound, 2018b). On the one hand, the amount of work they actually carry out through platforms as well as the reliance on platform work as a main source of income may be crucial for these outcomes (Eurofound, 2018d). On the other hand, the platforms' use of its algorithm, ratings, and reward system might have a serious impact on the management of such work (De Stefano, 2017; Eurofound, 2018d). Building on COR theory, we argue that when it comes to the worker's resources, a loss spiral may be activated by the simultaneous high number of hours spent working through the platform and a general low level of HPWPs being implemented by the platform. When the worker perceives a high level of HPWPs instead, working more hours

might represent additional environmental resources and earning, thus constituting a gain spiral. We therefore propose an interaction between the number of hours worked and perceived HPWPs in affecting workers' work-life balance, satisfaction with their job, and commitment to the platform. To study this, we surveyed a group of platform workers and tested these ideas and subsequently we engaged in several interviews to further illustrate the findings.

In Chapter six, we discuss the overall theoretical, practical, and methodological implications of this dissertation. Furthermore, we examine the limitations of the four empirical chapters and suggest future research directions.