

## How does non-standard employment affect workers? A consideration of the evidence

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### Abstract

Non-standard employment is an increasingly significant component of labour arrangements. A long-running debate concerns the consequences of this form of employment with opponents arguing that it disadvantages workers. Although considerable research has occurred, the findings are largely inconsistent and inconclusive. This paper explores recent studies and the matters that need to be addressed in order to develop a more comprehensive explanation. It proposes a need to broaden the agenda to explore the processes and contexts leading to the introduction of non-standard employment.

### Introduction

At the centre of the *Hobbit* dispute was a fundamental question concerning the difference between contractors and employees. The topic held considerable significance, having been the focus of the high-profile *Bryson* court case. James Bryson, a worker on the production crew from an earlier movie, contested his termination. While the hiring company proposed that Bryson was a contractor, the courts held that he was, in fact, an employee. The case highlighted the stark contrast between contractor and employee status, and the implications for employers and employees. The legal challenge echoed the wider international debates concerning the rights of the parties, and the relative merits of the two differing types of hiring arrangements. Although the debate was complicated by a host of legal and political issues, at the centre of it all was an unanswered question – does contracting benefit or disadvantage workers?

To address that question, this article explores recent research evaluating the consequences of the differing forms of employment at the level of the individual worker. The discussion is not intended as an exhaustive review of the literature, but rather it provides a targeted overview of recent studies that are relevant to the *Hobbit* case and current debates. The primary question is whether this research supports the claims made, especially the allegations of negative effects, associated with independent contracting and non-standard employment in general. The article proposes that the task of evaluating non-standard employment is far from straightforward and while a popular debate, at times, implies there should be a single answer to this question, the complexity of the topic means that it may not be so simple. Instead, the issue is complicated with the outcomes showing considerable variation in relation to factors such as occupation and the form of non-standard work. A range of differing criteria can be used for evaluation and employees appear to weigh up a mixture of costs and benefits rather than perceiving an undifferentiated gain or loss. Overall, there are indications that some employees benefit from, or at least can constructively use non-standard employment, while others are seemingly disadvantaged. It is then argued that while investigations into the effects of non-standard employment on the individual worker are

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important, they should not be viewed in isolation and should not dominate research to the exclusion of other aspects. There is a need to broaden the agenda to explore the processes and contexts which lead to the introduction of non-standard employment, and shape the context within which workers engage in non-standard employment.

The format of this article comprises three main sections. The first provides an overview of non-standard employment, observing the significant problems with definitions, and then outlines the differing perspectives in the long-running debate regarding the consequences. The next section explores the recent research, noting the various areas of investigation and the many challenges associated with the topic, along with the patterns of findings that emerge. Finally, the article notes future directions including the need to investigate the broader contextual issues surrounding non-standard employment.

## **Defining Non-Standard Work**

Since the 1980s, there has been a radical transformation of western employment with the accelerating growth of non-standard arrangements. The proliferation of diverse forms of non-standard employment (NSE) is claimed to be one of the most spectacular and important evolutions in working life, reflecting changes in labour market regulation, technological change and the increased participation of females (Connelly and Gallagher, 2004; De Cuyper, de Jong, De Witte, Isaksson, Rigotti and Schalk, 2008; Green and Heywood, 2011). The standard work arrangement of the twentieth century was characterised by several main features; it was (a) full-time, (b) continued indefinitely, (c) performed at the employer's place of business under the employer's supervision, and (d) in many cases it brought a range of statutory protections, benefits and entitlements such as a minimum wage and protection against unfair dismissal (Connelly and Gallagher 2004; De Cuyper et al., 2008). In contrast, a wide range of new forms of alternative, or non-standard work have emerged which differ from the standard model in a variety of ways.

Defining non-standard work and utilising consistent terminology is problematic. Studies concerning the growth of non-standard employment and its possible impact have been hampered by the absence of a universally accepted vocabulary and definition (Connelly and Gallagher 2004; De Cuyper et al., 2008). As will be seen, this lack of consistency becomes a major limitation in any attempts at generalisation, and drawing conclusions from reviews of the literature. There are numerous forms of non-standard work, while the topic can also be complicated by dynamics such as the presence of a third-party in temporary agency arrangements. The category is defined largely by what it is not, with the diverse range of work types sharing a common feature of differing from standard work. Non-standard work is distinguished from the former standard employment relationship (SER) with regard to any of that traditional model's core features;

- (a) the notion of ongoing employment is absent, and instead of permanency and continuity there is often limited duration and a fixed termination date
- (b) rather than working at the employer's workplace and on the employer's premise, under his or her supervision, non-standard arrangements can occur at a range of sites, and can be "market mediated" as with temporary agency workers (De Cuyper et al. 2008: 27)
- (c) typically workers in non-standard temporary arrangements have fewer, or even none, of the employment-specific statutory protections and benefits available under standard work<sup>1</sup>.

The literature and terminology often focuses on the temporary nature of the main forms of non-standard employment. In Canada and the USA, contingent work, as distinct from other forms of alternative or non-standard work, draws on the definition used by the USA Bureau of Labour Statistics “any job in which an individual does not have an explicit or implicit contract for long-term employment or one in which the minimum hours worked can vary in a nonsystematic manner” (Connelly and Gallagher 2004: 960). In other parts of the world, however, this is referred to as temporary, fixed-term, non-permanent, and even casual employment (De Cuyper et al., 2008).

A number of classification systems have been used regarding the types of non-standard employment. Connolly and Gallagher (2004) for example, propose four broad groupings of contingent work;

- (i) workers directly hired (by the organisation) on a seasonal contract
- (ii) direct-hire or in-house – where the organisation hires temporary workers directly, rather than using an agency – their hours worked can vary
- (iii) temporary staff agencies – where work is of a fixed duration; (see Burgess, Rasmussen and Connell, 2000)
- (iv) workers engaged as independent contractors – also often defined as self-employed, where their work is provided on a fixed term or project basis

The term ‘contractor’ is commonly applied across several of these forms of non-standard employment; however, in each context it has a significantly different meaning. McKeown and Hanley (2009) propose that these can be considered as a continuum in terms of the independence involved. The least independent is the situation of a contractor who is only that in name, but who is effectively dependent on the hiring company in a manner similar to employees (a dependent contractor); the next is the contractor who works for a temporary employment agency, and finally, the self-employed contractor potentially working for a range of clients (independent contractor), has the greatest independence.

The difficulties associated with terminology mean that it is difficult to establish the exact prevalence of non-standard employment; (see Burgess et al., 2004). Spoonley (2004) outlined the New Zealand situation and noted that of all non-standard work forms, casual / temporary had become the most dominant and the fastest growing. McKeown and Hanley (2009) report that, in Australia, self-employed contractors are the second largest group of people in non-standard work, representing 8% of all employed persons in 2004. In the UK, self-employment peaked in 1995, but from 1995-2000 fell for all occupational groups except professionals. In New Zealand, the absence of a national workplace survey (Ryan and Markey 2011) and problems associated with the typologies used in labour force surveys make estimates difficult (Burgess et al., 2004).

The growth of non-standard employment leads writers such as Spoonley (2004) to argue that there is now a mismatch between the changing profile and nature of employment arrangements, compared to the existing legislation and policy framework, which is still built around notions of standard employment.

## **The debate surrounding non-standard employment**

There are a variety of reasons why organisations and workers enter into non-standard employment relationships. For organisations, a commonly cited reason is the pursuit of flexibility as a means to achieving greater efficiency. The concept of flexibility is explored in detail in other articles (for example

see Atkinson 1984; de Bruin and Dupuis 2004; Pollert 1988). There are several dimensions to this; functional flexibility allows workers to be reassigned to different jobs or tasks; numerical flexibility supplies the required number of workers at the times needed, and financial flexible allows employment to match changes in supply and demand in the external labour market. Intertwined with this is the perceived need for labour cost savings associated with downsizing, increased global competition, the introduction of new technology and the need to respond promptly to changes in markets (Burgess et al., 2004). Arrangements such as temporary agency work for example can provide a practical response to shortages of skilled workers in specific occupations.

In implementing the model of the flexible firm, an essential question for organisations is to identify which groups of workers should be the core or the periphery. Lepak and Snell (1999) propose a model for identifying which employee groups are central to the organisation and, hence, should be retained within the firm, and which are most suited to externalised relationships. Two criteria are used; the extent to which a set of individuals and their competencies are a “valuable resource for the firm”, and the extent to which they are “unique or firm-specific” (Peel and Boxall, 2005: 1679). Workers whose skills are low in value and generic are most suited to being contracted out, whereas those whose skills are unique and critical to the firm are best retained as part of the firm’s core. While the use of non-standard employment can benefit firms, it can also have disadvantages; for example, workers who are not attached to the firm are less suited to teamwork and the development of team-specific skills, while contractors may also lack the functional flexibility of being reassigned to other roles (Peel and Boxall, 2005).

For workers, there are also proposed benefits from non-standard employment arrangements, including greater autonomy, increased earning potential, flexibility, and more control over work-life balance allowing workers to balance work and family commitments. Organisations benefit from the fact that non-standard arrangements are outside the usual provisions and protections of governing standard employment relationships, thus, allowing the cost savings and ability to adjust quickly to changing conditions (McKeown, 2005; McKeown and Hanley, 2009). The benefits for employers may, however, constitute costs for workers. There are concerns that this absence of provisions and protections disadvantages workers, especially those on the periphery. The comparative lack of regulation governing temporary agency work, for example, is seen as creating ambiguity concerning contractual relationships, and the status of workers which can lead to a range of adverse outcomes (Burgess et al., 2004). Labour economists have been accused of being too fixated on the benefits of flexible contracts to firms without considering the experiences of employees (Green and Heywood, 2011). An alternative narrative portrays workers in non-standard situations as working without job security, being deprived of statutory benefits and entitlements, including protection against unfair dismissal, minimum wages, sick leave and aspects of annual leave, as well as being disadvantaged in other areas such as lower pay, lacking training and career paths (Alach and Inkson, 2004; Burgess et al., 2004; Green and Heywood, 2011; McKeown, 2005; McKeown and Hanley, 2009; Smeaton, 2003). From that perspective, non-standard employment is viewed as precarious and potentially substandard employment.

Those concerns take on greater significance when seen in the context of the increasing numbers of people moving into non-standard employment as part of a process of casualisation, with standard employment being converted into non-standard work as organisations increasingly utilise outsourcing and temporary agencies. Critics see these trends as part of a broader new approach to managing labour that increases labour productivity by pushing the costs and risks of employment onto workers. Non-standard arrangements are also seen as leading to the de-unionisation of workplaces, lowered levels of health and

safety, and the deterioration of working conditions in industries, leading to an eventual erosion of broader labour market standards (Burgess et al., 2004; Watson 2005).

Within the literature, these debates have led to the emergence of two opposing theoretical models (Smeaton, 2003). One view proposes the move into non-standard arrangements, such as self employment or agency work as being a voluntary move with workers attracted or ‘pulled’ by the lure of superior conditions. Kunda, Barley and Evans,(2002) portray a free agent perspective, where a small number of highly skilled experts opt to work outside conventional arrangements in order to gain a range of benefits including greater financial rewards, control over their work conditions and lifestyle. The *portfolio* model (Arthur, Inkson and Pringle, 1999; Handy, 1996) proposes increasing numbers of well-qualified people being drawn to new entrepreneurial forms of self-employment. These are typically portrayed with examples of highly skilled professionals whose services are in demand, and who can “flexibly exploit an emerging ‘new deal’”(Smeaton 2003: 379). In addition to the attractions of higher earnings and a desire for better work-life balance, the move to self-employment is also a response to a perception that the traditional benefits of promotion and security are no longer available in standard employment relationships, as organisations move to flattened structures with no promise of long-term job security. Managing one’s own career, maintaining employability through a variety of skills and experiences, having autonomy, independence, and other such non-pecuniary aspects of work, all become valued features (Arthur, Inkson and Pringle, 1999; Kirkpatrick and Hoque 2006 ).

In contrast, an alternative *marginalisation* view proposes that people are ‘pushed’ reluctantly into these alternative forms of employment due to a lack of alternative prospects. The growth in the numbers of self-employed and temporary workers is seen as resulting from large organisations shedding their less-valued workers and changing to subcontracting arrangements. The new non-standard workers are largely “economic refugees” who are unable to find standard employment. As such, they are marginalised, treated as outsiders, and exploited by organisations. The downside aspects of non-standard work include job insecurity, low and variable earnings, the loss of non-pay benefits and training, and having lesser choice of assignments. Workers in these situations are seen as dissatisfied with their non-standard roles, and would generally prefer to return to being employees (Kirkpatrick and Hoque, 2006; Smeaton, 2003)<sup>2</sup>.

These two models do not, however, “purport to be exhaustive nor necessarily even to account for the majority of self-employment”, but rather they “relate to tendencies of change” (Smeaton 2003: 380). Writers suggest that a central issue for policy maker and employers is the need to achieve a balance between the advantages of flexibility, and workers’ desire for certainty and protection (Burgess et al., 2004; Spoonley, 2004). The divergent views portray non-standard employment as having the ability to predominantly bring either costs or benefits for workers, but there may be a lack of clarity as to where the balance currently lies. The challenge for researchers is, therefore, to clarify to what extent either perspective is supported by evidence regarding current experiences.

## **Evaluating Non-Standard Work**

The debate surrounding non-standard employment raises a number of critical research questions. The primary issue concerns the quality of non-standard forms, and how these compare to standard employment for the individual worker. Such an evaluation involves ascertaining the consequences of non-standard employment, with the nature and extent of the costs and benefits involved. A large body of

research has developed over recent decades with the majority of studies coming from the US, Australia, Canada and Europe (Connelly and Gallagher, 2004; De Cuyper et al., 2008). This present overview will focus on recent studies which build on and extend earlier work, illustrating the patterns and challenges in research. The studies selected are from Australia, New Zealand and UK as these share relatively similar legislative frameworks, hence are particularly relevant to the Hobbit case.

Despite the volume of work, earlier studies produced few clear, generalisable findings. Two major reviews summarised the results across a range of areas and found them to be contradictory and inconclusive (Connelly and Gallagher, 2004; De Cuyper et al. 2008). The reviews did, however, agree that there is a need for greater definitional clarity regarding what constitutes non-standard employment. The literature does seem to suggest that workers in non-standard employment are not a homogeneous group with the varying types of work arrangements producing different outcomes. For that reason, this paper will attempt to distinguish the various arrangements in order to note the patterns associated with each.

The present section highlights the challenges associated with the research. This is dealt with in four subsections. The first subsection outlines recent studies concerning independent contracting, the arrangement in the Hobbit law. From there, the attention moves to studies that illustrate the challenge of defining and agreeing upon evaluative criteria, drawing upon studies into temporary agency work. The third subsection turns briefly to the little explored consequences for organisations. Finally, the discussion looks to future research needs, noting areas that are vital for understanding non-standard employment, including the contexts that lead to the introduction of non-standard employment.

## **Self employment and independent contractors**

Self-employment<sup>3</sup> and independent contracting are arrangements where individuals are contracted directly by a principal hiring their services. Earlier studies in this area had produced mixed, inconsistent findings. Recently, Smeaton (2003) analysed larger British surveys of workers from 1986 to 2000, discovering rather paradoxical patterns. At one level, the findings were consistent with parts of the earlier research which appeared to support the marginalisation model; they showed an increasing number of older workers, both professionals and non-professionals, being pushed into self-employment as a result of employer changes or redundancy. These workers were subject to externalisation, had limited alternatives, and were seemingly trapped in their self employed status not being able to return to standard employment. However, contrary to the marginalisation model, the income of this group was not significantly different from employed workers; in addition, they were more satisfied, and most preferred to remain self-employed. This latter finding was also in line with earlier studies which suggested that contractors were reasonably content with their situation, as inferred from the data showing that only a small proportion of independent contractors were interested in securing more permanent contractual arrangements (Connelly and Gallagher, 2004). Smeaton's (2003) findings suggested that although there were costs and benefits for workers, the benefits of self-employment may mitigate the disadvantages, leading to the conclusion that these self employed workers were not an exploited group.

In New Zealand, Peel and Boxall (2005) built on the earlier work of Kunda et al. (2002) who studied highly skilled contractors in Canada and the US. In general, Kunda et al. had found that those workers were not marginalised, but were more like portfolio workers; they largely preferred contracting, had

greater opportunities to develop and exercise expertise, felt greater independence and control, and were better paid than permanent employees. These gains did, however, come at a price, as the workers also experienced anxiety, insecurity and estrangement in their work.

Peel and Boxall's (2005) study expanded this perspective to look at both managers and workers in two sectors, meter reading and engineering consultancies. The research traced management and worker experiences of transitions from standard employment to contractor roles. A key finding was the need for mutuality between the parties as a necessary condition for successful long-term contracting. Unlike Kunda et al.'s (2002) more homogenous group, workers in the two contrasting sectors had very different experiences from each other, and this was attributed to differences in skill levels and labour market power. In engineering, contracting was an established industry practice for achieving flexibility in specialisation and staffing levels. The workers had labour market power and their move into contracting roles was a mutual, proactive choice. In contrast, the meter readers had low skill and low labour market power, and their move to contracting was unilaterally imposed with the workers having little choice, with the result that this produced mistrust and resentment rather than mutuality. In those situations, the individual contracting arrangements did not persist as there were later replaced by company-to-company arrangements which allowed the workers to revert to more standard employment roles.

Together, these studies suggest that, there are also differences associated with other variables such as occupation, skill level, labour power, and the nature of the move to contracting, all influencing outcomes. Furthermore, a variety of criteria can be used for evaluation; a worker can experience gains in some areas and losses in others compared to standard work. The task of analysing those criteria and their interrelationships forms the next topic in unravelling the complexity of non-standard employment.

### **What do you measure? The criterion dilemma**

The research concerning other types of non-standard employment evidences further problems inherent in the field. In addition to the problems concerning definitions and terminology noted earlier, methodological difficulties significantly hamper any attempts at inter-study comparisons. A group of recent Australian studies illustrate these difficulties, especially the problem of a lack of agreement upon suitable criteria for evaluating non-standard employment. Significantly, these studies used similar or even identical data, yet drew markedly differing conclusions. The first study, Hall (2006) investigated temporary agency work, utilising data from a survey of agencies, client firms and agency workers as well as the national Household, Income and Labour Dynamics in Australia (HILDA) survey. Hall sought to test claimed benefits of temporary agency work for both companies and workers. Temporary agency work is claimed to contribute to the efficient functioning of labour markets. Companies are seen as benefiting through more efficient matching of demand and supply, and accessing hard-to-find skills; it also benefits workers who do not want long term, full-time hours, offering them diversity, a degree of job security, and pathways to for permanent employment.

Hall (2006), however, found the situation for workers was quite different. From his comparisons of agency workers with direct employees, he concluded that, although agency arrangements benefited firms, they disadvantaged workers. Hall used a range of criteria which reflected poorly on agency work. The workers were more likely to view their pay as unfair, had less control and discretion, were excluded from workplace decision making, and were less likely to be using or developing their skills. They did not

desire their agency role, with two thirds of the workers preferring direct employment. These results largely persisted when occupational categories were controlled for. Hall argued that companies' reasons for selecting this type of employment were to drive down employment costs and replace existing workforces while avoiding responsibilities and liabilities (McKeown and Hanley, 2009). From the workers' perspective, agency work was a marginalised and inferior form of employment that they were pushed into. In general, agency workers were portrayed as exhibiting the "characteristics of marginal, peripheral workers" (Hall, 2006:171).

McKeown and Hanley (2009) followed Hall (2006) in focusing on agency workers, but narrowed their sample to professional occupations. Their study explored the factors that caused workers to enter into, and remain in, this form of work. The findings showed a mixed situation, with both a portfolio-like elite of professionals who benefited from non-standard arrangements, but also low paid workers in insecure situations, vulnerable to income fluctuation and overwork/underwork tensions, consistent with the view of marginalisation and disadvantage. For workers 'pulled' into agency work, that is, those who freely chose to enter this area, the factors that initially attracted them were largely the same factors that, subsequently sustained them in this area of work. Those factors included greater pay, balancing of work and family, and a flexible lifestyle. For some, agency work served as a bridge or a transition on the road to permanent employment. The converse applied however, for those 'pushed' into agency work. For this group, the negative aspects were significant, with irregular work, periods of unemployment, loneliness, low earnings, and an irregular lifestyle. Agency work became a trap, as the persistent lack of choice kept them in non-standard work with few alternatives.

Other studies used broader data sets such as the HILDA survey data utilised by Hall (2006). Wooden and Warren (2004) evaluated the quality of work arrangements in terms of job satisfaction. Reviews of earlier research had shown this to produce mixed and conflicting results (Connelly and Gallagher, 2004). Wooden and Warren (2004) studied two types of non-standard arrangements, fixed-term contracts and casual employment, as well as the more standard permanent or ongoing employment. Fixed-term contract workers appeared to particularly benefit from their non-standard work arrangements; they were more satisfied with their jobs than other workers, both casual and permanent, even after controlling for other individual and job characteristics. Among the casual workers, a subgroup reported lower levels of job satisfaction; however, they represented only a small percentage of non-standard workers. The authors concluded that these two categories of workers did not appear to view non-standard employment as undesirable or sub-standard.

Drawing on precisely the same data-set, however, Watson (2005) highlighted the importance of criterion measures, using an alternative measure to Wooden and Warren (2004) and reaching markedly different conclusions. Arguing that the subjective indicators of job satisfaction used by Wooden and Warren were inadequate criteria, Watson proposed that job-quality should instead be evaluated through a more objective measure, using earnings as his criterion. Casual employees fared worst; in terms of earnings, all categories of casuals responded more negatively, including those casual workers whose job satisfaction overall was positive. Watson therefore refuted the findings of Wooden and Warren, proposing instead that casual work was an inferior type of employment, consistent with a marginalisation view.

Seeking to reconcile the apparent conflict between the two sets of findings, Green and Heywood (2011) created a new composite criterion termed an "index of job quality" which incorporated both objective and subjective aspects. Applying this also to HILDA data, the results reflected Watson's (2005) findings to



some extent, with casual workers once more seeming to be disadvantaged. This group scored lower than permanent and fixed-term workers in terms of pay, security, use of skills, opportunities for skill development, and control over work.

## **Employee choice, motivation and trade-offs for workers**

Earlier reviews did suggest that one relatively consistent finding in earlier research was the relationship between a worker's volition or freedom in their choice to do non-standard work, and their work-related attitudes and behaviours including their job satisfaction (Connelly and Gallagher, 2004). Workers who voluntarily chose contingent employment tended to report more positive organisational experiences compared to those who were only in this arrangement due to a lack of alternatives, being unable to find standard employment. This result differed across the type of employment arrangement, with workers in temporary-agencies or direct-hire arrangements preferring permanent employment, whereas only a small minority of independent contractors preferred more standard, permanent arrangements.

Accompanying this is the related, but distinct, issue of workers' motivation; that is, why they work in a contingent capacity (Connelly and Gallagher, 2004). Some workers may be pushed into non-standard employment by an employer's decision to discontinue standard arrangements, or if they are unable to find "standard" job, their only choice may be between non-standard employment and unemployment. Other workers, however, may enter into self-employment as a part of a deliberate career plan. Connolly and Gallagher (2004) observed that earlier studies had suggested that workers in temporary-agencies or direct-hire arrangements may choose those situations for reasons such as skill development, increased income, or as a transition to permanent work. There was, however, little information regarding independent contractors.

Green and Heywood's (2011) study provides more insight into evaluative criteria and particularly job satisfaction. Using data from the British Household Panel Survey (BHPS) 1999-2004, Green and Heywood (2011) explored whether workers perhaps trade off some areas of disadvantage in return for offsetting benefits in other areas, or over a longer time frame they may gain benefits such as a transition to standard ongoing employment. The study examined the relationship between flexible employment contracts (fixed term, temporary, and other forms), and dimensions of job satisfaction (job security, pay, hours, the work itself, and overall satisfaction) measured through participants' ratings of their satisfaction in those areas. The findings were largely positive for flexible employment. Overall, flexible contracts, in general, had little adverse impact, with either a weak negative influence or no impact on overall job satisfaction, and no impact on overall life satisfaction.

Several qualitative studies provide further insight into the processes by which workers enter into non-standard employment, as well as how they perceive the trade-offs among costs and benefits. Casey and Alach (2004) and Alach and Inkson (2004) studied New Zealand women in temporary work. They found that the majority chose temporary work, aware of the risks and knowing that it involved a higher degree of income insecurity. Their choices, however, were part of a strategy for doing more of what they wanted, with temporary work allowing them to prioritise other non-work activities and relationships that were of high value to them. The respondents also reported benefits such as learning and self development opportunities (Alach and Inkson, 2004). The findings ran counter to expectations that temporary workers, particularly females, would be pushed into non-standard arrangements from a lack of alternatives and

would involve marginalised roles with low skill, mediocre work. Unlike Kunda et al.'s (2002) executive and technical workers however, achieving higher earnings was not their primary objective. Instead these women used non-standard employment and the advantages this brought as part of their own preferred arrangements, seeking to reposition the role of paid work in their lives "in order to pursue more satisfying, more interesting, more varied and more relational lives" (Casey and Alach 2004: 476). In line with Smeaton's (2003) observations, the authors noted, however, that the women's choices may have been partially shaped by their awareness of insecurity and precariousness of contemporary employment in general. Some viewed temporary work as a more reliable and secure source of income than many permanent jobs (Alach and Inkson, 2004), while also potentially leading some to choose a lifestyle that valued aspects other than paid employment (Casey and Alach, 2004).

Kirkpatrick and Hoque (2006) explored similar issues among UK social workers. Their findings revealed a mixed situation. For most of this group, the move into agency work was voluntary. These were skilled workers and a shortages of staff in this field meant workers generally could choose between non-standard and standard work options. Consistent with other earlier research (for example Kunda et al., 2002), many were 'pulled' by the increased pay as well as the flexibility and personal control in both work assignments and accommodating non-work interests. The study introduced a longitudinal dimension though. While these were short-term benefits, agency work involved a complex trade off between these and longer term costs. Workers, knowingly, used agency work as a 'transient phenomenon', with the intention that they would eventually move to a permanent job; (see also Alach and Inkson, 2004; Hunt, 2004; Rasmussen, Hunt and Lamm, 2006). Agency contracts were considered inferior in terms of overall remuneration, development and benefits. Other costs came from marginalisation and being treated as an outsider, doing less desirable tasks, being excluded from decision-making and informal support networks. Staying in agency work too long could adversely affect future employability and professional development, comments also noted in Alach and Inkson (2004).

The move into non-standard employment was not solely a matter of 'pull' though. A 'push' also operated at the same time as workers reacted and sought to escape from 'standard' organisational conditions. In the way that Casey and Alach's (2004) workers reacted to a general malaise concerning standard employment, non-standard employment allowed Kirkpatrick and Hoque's (2006) workers to escape from intensifying work demands, as well as systems that constrained their development and upward mobility, as in Alach and Inkson (2004).

## **Directions for moving forward**

While methodological problems present a barrier to developing any comprehensive knowledge of non-standard employment, the task of resolving those methodological challenges and inconsistencies can provide a direction for moving forward. The dilemma associated with identifying and agreeing upon suitable evaluative criteria represents a crucial challenge. The issue is not simple. One fundamental question is whether researchers' or participants' criteria are more relevant. Researchers using supposedly objective measures such as income levels may be imposing their own values and not representing those of workers. Instead, workers seem to use a much more complex equation where income levels are only one of the variables, with other matters such as non-work activities, work-life balance, personal control and longitudinal perspectives also holding significant importance. The individual evaluative criteria do not seem to exist in isolation, but rather are used as part of a compensatory type of model where losses in one

area can be traded against gains in other, more important areas. Establishing precisely what those equations are appears to be a complex matter and it is unclear how broadly these are shared; it would seem there may even be differences among persons in the same workplace (Alich and Inkson, 2004).

One criterion that may be more widely agreed upon, however, is that of worker well-being, especially if this relates to more readily measurable and observable aspects. At present, however, the findings in this area are not clear, although it may be influenced by the type of arrangement (Connelly and Gallagher, 2004; De Cuyper et al., 2008). Connelly and Gallagher (2004) reported studies suggesting that workers in temporary and contract employment had higher levels of subjective health problems than workers in standard jobs, while others proposed that self-employed workers, for example, experience lower levels of health complaints.

### **Consequence for organisations**

Research has also investigated other outcomes concerning workers' organisational attitudes and behaviours. These are not primarily matters of benefit or disadvantage to the individual worker but rather are of interest to those managing organisations. De Cuyper et al.'s (2008) review included the areas of job satisfaction, organisational commitment, wellbeing and productive behaviours, but again, the findings proved to be inconsistent and inconclusive. Reviewers question whether this may possibly be attributable to constructs developed in the context of 'standard' work situations having different properties for temporary workers (Connelly and Gallagher, 2004; De Cuyper et al., 2008). Organisational commitment, for example, may need to be redefined for temporary agency work where there is a triangular relationship between the worker, the agency, and the client-organisation. The worker may have dual commitments to the client firm and/or the temporary staffing agency, with the literature suggesting commitment towards the user client firm may tend to be greater (De Cuyper et al., 2008). Several recent studies illustrate some of the types of issues involved.

Coyle-Shapiro's (2006) survey of agency workers explored the determinants of commitment, finding that workers' commitment to the client organisation was positively related to both the perceived support from that organisation, as well as the organisation's attractiveness to workers. The worker's perception of the way their employing agency has treated them was also influential, directly affecting commitment to the agency, and also indirectly affecting their commitment to the client organisation. McKeown's (2003) study of professional agency workers found commitment to a client organisation was related to the initial pull factors that drew the worker into agency work, while commitment to the contracting agency is related to the initial push factors. This suggested that organisations gain greater commitment where the worker benefits from the move to agency work, whereas agencies benefit where the worker is disadvantaged. Biggs and Swailes' (2006) study of call centre staff highlighted implications of the differing levels of commitment, suggesting that the presence of less committed agency workers could negatively influence the commitment of permanent workers.

It seems possible that the theoretical frameworks used in relation to non-standard employment, such as work stress, fairness in social comparison and social exchange theories, may function in differing ways for each type of employment arrangement. Again, this reinforces the potential need to distinguish the varying types of contingent work in order to identify the specific processes occurring in each area (Connelly and Gallagher, 2004; De Cuyper et al., 2008).

While the debate surrounding non-standard employment has focused on the consequences for workers, the costs and benefits for organisations have received comparatively less attention. Non-standard employment may offer short-term benefits such as reduced wages; however, there may be costs with non-standard workers bringing, for example, lower levels of commitment and loyalty, and negatively affecting the commitment of permanent workers (McKeown and Hanley, 2009). The use of contingent workers may adversely affect the attitudes, behaviours, and job design of permanent employees. As noted earlier, organisational development through teamwork, multi-skilling or learning organisations may not be possible with non-standard workers, while contractors may lack functional flexibility (Connelly and Gallagher, 2004; Peel and Boxall, 2005).

Peel and Boxall's (2005) research suggested that management choices to introduce contracting arrangements tended to be driven by "ideological fashion" rather than research or careful analysis (p.1684). Organisational choices regarding non-standard employment may be poorly informed; there may be situations where, from a holistic long-term perspective, non-standard employment produces more costs than benefits for organisations.

### **Conclusion: reframing the question**

It seems that the original question of whether contracting benefits or disadvantages workers is not readily answerable. The catch-cry that "non-standard work is substandard work" is neither proved nor disproved. The broader literature on non-standard employment shows few clear conclusions; it does not unequivocally suggest that non-standard employment has positive or negative effects on workers. That literature does, however, indicate that methodological limitations may potentially account for the apparent inconsistencies in the existing research. Workers in non-standard employment are not a homogenous grouping and the outcomes appear to depend upon a range of factors, including the type of work arrangement, the specific group of workers, their occupation, their labour market situation, and the criteria used for evaluation.

International surveys using aggregated classifications of self employed, independent contractors tend to suggest that these workers are not disadvantaged in terms of pay, and do not wish to move to standard employment. It is, however, difficult to gauge whether those figures capture workers who have been pushed out of standard employment, or entrepreneurs who prefer their independent roles.

Peel and Boxall's (2005) case study provides a more differentiated example of the contrasting experiences of non-standard employment, with one group seeming to benefit from the change while the other group return en masse to standard employment. The engineers and designers entered into contracting arrangements through a mutual process in a manner that afforded choice; they held an amount of labour market power and the arrangements were seen as largely beneficial. This is in line with wider patterns where groups characterised by features such as higher skill levels and labour market power can achieve relatively better outcomes in non-standard settings. In contrast, the meter readers experienced the converse and, consequently, sought to leave non-standard employment. While it may be argued that some of the differing experiences may result from individual preferences and personality, Peel and Boxall (2005) propose that external factors have a greater bearing, affecting collective groups of workers.

Typically, workers report a complex picture involving a mixture of both costs and benefits, with the appraisal depending on the individual's values and the situation. Any evaluation of non-standard employment hinges on the criteria selected, but there is little consensus on what constitutes appropriate criteria, and the extent to which this should acknowledge the worker's own preferences. Further complicating the situation is the use of workers in standard employment as a reference group. That form of employment is itself subject to change and uncertainty so that the negative aspects of standard arrangements may also create a less obvious factor 'pushing' workers towards non-standard employment (Connelly and Gallagher, 2004; Kirkpatrick and Hoque, 2006).

There is a need for a theoretical model which provides an adequate account of non-standard employment. Given that the evidence suggests that there are perhaps multiple types of non-standard employment situations, the outcomes will depend on the variables at play. Attempts to apply research findings to employment arrangements such as the Hobbit are also further limited by the absence of comparisons; there is no suitable comparison group of workers in standard arrangements in the same industry, nor are there pre-post comparisons in an industry which has had non-standard employment for some time (de Bruin and Dupuis, 2004). Additionally, little attention has been paid to the situation of workers who have been in non-standard employment for some time and have experienced termination of their work engagements in the absence of protection against dismissal.

The Peel and Boxall (2005) and Kirkpatrick and Hoque (2006) case studies also highlight the significance of the organisational and industry contexts that lead to the introduction and growth of non-standard employment. The Peel and Boxall (2005) study illustrates the factors involved in management decisions, with crucial questions of when and whether non-standard employment is beneficial for organisations, as well as the potential costs. Decisions that are not informed by prior analysis may lead to unnecessary adverse outcomes for both companies and workers. Other studies point to the little explored HRM issues of having non-standard employment arrangements (Coyle-Shapiro and Morrow, 2006; McKeown, 2003; McKeown and Hanley, 2009). The contextual factors are not confined to management choices though. While De Bruin and Dupuis (2004) propose the need to explore particular industries, Kirkpatrick and Hoque (2006) allude more broadly to the need to chart the wider political, legal and economic factors involved. In the same way that costs and disadvantages can occur for organisations, there may need to be recognition of those same issues for nation-states.

These aspects introduce new angles in the debate concerning non-standard employment, and offer the potential for informed decisions in a variety of areas as part of a more comprehensive understanding of the multiple elements that shape non-standard employment. The articles that follow will move to explore and debate some of those aspects with regard to the Hobbit case study.

## Notes

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<sup>1</sup> New Zealand casual employment is characterised by the limited range of entitlements in areas such as payment for sick leave and public holidays, and protections against dismissal or redundancy. European employment regulations for temporary workers, however, offer greater protection (De Cuyper et al., 2008).

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<sup>2</sup> Some writers initially proposed for example, a bifurcation among agency workers and self employed persons, comprising the highly skilled, highly paid professionals and a second category of low paid workers with constant job changes (Burgess et al., 2004).

<sup>3</sup> This refers to ‘own account self employment’ where a person is self employed but does not have employees (Spoonley, 2004).

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