Reciprocity of Temporary and Permanent Workers: an Exploratory Study in an Industrial Company

Silvia Lopes and Maria José Chambel
Universidade de Lisboa (Portugal)

The increasing use of temporary work prompts the need to understand to what degree workers with this type of contract differ from permanent workers as to the relationship they establish with the organization they work for. This study used a sample of temporary workers (N = 78) and permanent workers (N = 196) within the same company of electronics in Portugal. The results show that, regardless of the type of contract, the perception of human resource practices was related to the perception of psychological contract fulfillment by the company. Additionally and according to the norm of reciprocity, we verified that when workers thought the company was fulfilling its obligations they responded favorably showing more affective commitment towards the company. However, we found differences between these two groups of workers: for the permanent performance appraisal, training and rewards were human resources practices that were significantly related to psychological contract fulfillment, while for the temporary ones there weren’t any specific practices that had a significant relationship with that variable. The practical implications of these findings for the management of temporary workers are discussed.

Keywords: temporary workers, human resources practices, psychological contract, affective commitment.

El uso creciente de trabajo temporal hace que surja la necesidad de comprender en qué medida los trabajadores con este tipo de contrato difieren de los trabajadores con contratos permanentes en cuanto a la relación que establecen con la organización para la que trabajan. Este estudio utilizó una muestra de trabajadores temporales (N = 78) y otra de trabajadores permanentes (N = 196) de la misma empresa de electrónica en Portugal. Los resultados muestran que, independientemente del tipo de contrato, la percepción de las prácticas de recursos humanos se relaciona con la percepción de cumplimiento del contrato psicológico por parte de la empresa. Adicionalmente y de acuerdo con la norma de reciprocidad, se comprobó que cuando los trabajadores pensaban que la compañía estaba cumpliendo con sus obligaciones, respondieron favorablemente mostrando un mayor compromiso afectivo con la empresa. Sin embargo, encontramos diferencias entre estos dos grupos de trabajadores: para los permanentes, las prácticas de recursos humanos que se relacionaron significativamente con el cumplimiento del contrato psicológico son la evaluación del desempeño, la formación, y las recompensas; mientras que para los temporales hubo prácticas específicas significativas en relación con esta variable. Se discuten las implicaciones prácticas de estos hallazgos para la gestión de los trabajadores temporales.

Palabras clave: trabajadores temporales, prácticas de recursos humanos, contrato psicológico, compromiso afectivo.

This study is part of a larger research project “Employment relationship in temporary workers: human resource management importance – PTDC/PSI-PTO/102046/2008” founded by the Foundation of Science and Technology from Portuguese Government. This grant is gratefully acknowledged.

Correspondence concerning this article should be addressed to Maria José Chambel. Faculdade de Psicologia, Universidade de Lisboa. Alameda da Universidade, 1649-013 Lisboa (Portugal). E-mail: mjchambel@netvisao.pt
Contemporary companies are increasingly characterized by a wide variety of employment situations of their workers. In the same company workers may have employment arrangements such as temporary, part-time or permanent (Chambel & Castanheira, 2007). Considering this heterogeneity, it is important to understand whether there are differences in the employment relationship and on the attitude of these workers.

Compared with permanent work, there is a common belief that temporary work is synonymous with “bad” job (Polivka, 1996) having devastating consequences for organizations (Rousseau, 1995). However, there is empirical evidence that “when organizations treat temporary workers with respect and not view them as peripheral, these workers have a high involvement with the organization, a positive image of their psychological contract and may engage in organizational citizenship behavior - similarly to permanent workers.” (Van Dyne & Ang, 1998, p. 701).

Among the various types of temporary work described in the literature (self-employed workers, temporary agency workers, sub contractors and on-call workers), the temporary agency workers, which will be the focus of this study, are the most visible form of this type of employment relations (Connelly & Gallagher, 2004). They are characterized by having a threefold employment relationship, i.e., they are hired by a temp agency (the juro employer) to perform work at a client company (the de facto employer) (De Cuyper, et al., 2008).

There has been a growing interest and concern about the attitudes of workers and their predictor and consequent potential variables (e.g. Aggarwal & Bhargava, 2009; Meyer & Allen, 1991) due to the understanding that employees are the foundation of business success: the more positive their attitudes, the more and better the organizational results. Furthermore, according to the norm of reciprocity, it is known that the workers’ responses depend on the treatment that they believe they are getting from the company and that, when they believe they are receiving a favorable treatment they respond with attitudes that are also favorable (Aselage & Eisenberger, 2003; Gouldner, 1960). As such, in this study we analyze, (1) the relationship between the Human Resources (HR) practices and the psychological contract fulfillment, (2) the relationship between the psychological contract fulfillment and the affective commitment and (3) the psychological contract fulfillment as a mediator between the Human Resources (HR) practices and the affective commitment. These relationships will be studied in temporary workers and permanent workers of a Portuguese electronics company.

This study has contributions to the literature and future investigations. First, this study will make a comparison between temporary and permanent workers. To our knowledge, no studies have yet been done to examine the relationship between HR practices, psychological contract and affective commitment in temporary and permanent workers in the same organization. Secondly, some authors (e.g. Guest, 1998) have criticized the fact that previous research focus on the problems of the psychological contract, stating that more research is necessary to examine the causes and consequences of a positive psychological contract. By focusing on the perception of psychological contract fulfillment this study aims to contribute overcome this limitation. Third, in some conceptual studies, the psychological contract has been suggested as a possible mediating variable (e.g. Aggarwal & Bhargava, 2009). Although just an exploratory study, its empirical character may provide a first clue for future investigations to study the role of psychological contract fulfillment as a mediator between HR practices and affective commitment. Finally, this study may have practical implications on temporary workers management.

Human Resources Practices and Perceptions of Psychological Contract Fulfillment

The norm of reciprocity that requires reciprocal favorable treatment underlies all relationships - when we help one person it is expected that this help will be paid with resources desired by the donor (Aselage & Eisenberger, 2003). In the case of employee-employer relations, when an individual perceives that the contributions made will compel the organization to reciprocity (or vice versa), the psychological contract emerges (Rousseau, 1989). The psychological contract consists of workers’ beliefs about the terms of the informal exchange agreement between themselves and their organization (Turnley & Feldman, 1999), whose key issue is the concept “The belief that a promise was made and a consideration offered in exchange for it, which binds the parties to a set of reciprocal obligations” (Rousseau, 1989, p. 123).

The HR practices are seen as playing an important role in the foundation and evaluation of the employment relationship due to the fact that they send strong messages that shape the terms of the psychological contract (Rousseau & Greller, 1994). These strong messages convey to people what the organization expects of them and what they can expect in return (Rousseau & Wade-Benzoni, 1994) and are understood quite idiosyncratically, since two workers can read the same practice differently (Guzzo & Noonan, 1994). Some authors (e.g., Aggarwal & Bhargava, 2009; Rousseau & Wade-Benzoni, 1994) note that HR practices are one of the most salient factors that determine the nature and state of the psychological contract.

Although individuals are not constantly interpreting and decoding the signals sent by the HR practices, there are significant events that cause them to engage in systematic processing of information (Guzzo & Noonan, 1994). One of these significant events is the recruitment and selection process in which the candidate for the job forms initial expectations both on what he can expect from the
organization and what the organization expects from him/her (Aggarwal & Bhargava, 2009). These initial expectations are formed based on recruiters outlining of the job description, working conditions and prospects for career progression (Rousseau & Greller, 1994), and can also originate from the questions the recruiter asks the candidate, which may communicate what is valued by the organization (e.g. previous work experience in a similar function). Inference about what the organization expects from the new worker can lead to certain expected benefits in return (e.g., if the organization hopes that the prospective worker has previous work experience, he or she can expect in return for a fair and balanced compensation for the requested requirement). Thus, after the new worker joins the organization, he or she assesses if initial expectations as having been fulfilled or not (Aggarwal & Bhargava, 2009).

Other significant event is information sharing that includes the dissemination of knowledge within the organization, namely information necessary to perform the work and information about the company (e.g. business objectives, financial state, levels of quality). A wide range of organizational information sharing communicates to workers that the organization values and recognizes them (Lester & Kickul, 2001; Takeuchi, Lepak, Wang, & Takeuchi, 2007) and thus may contribute to the perception of psychological contract fulfillment.

The performance appraisal can improve the ability of organizations to fulfill it obligations by indicating areas of psychological contract highly valued during the review of work and outlining workers’ responsibilities to the organization (Aggarwal & Bhargava, 2009; Lester & Kickul, 2001). Discussions on performance also allow employers to have the opportunity to ask the workers if they are satisfied with the incentives and provide the opportunity to remedy the situation, if necessary. Thus, performance appraisals can be used to ensure that both worker and employer are fulfilling their respective psychological contracts.

In this era of new work relations, employability replaces employment security. When workers no longer expect a guaranteed job or a certain career path, training becomes extremely important and the best promise employers can offer to them (Aggarwal & Bhargava, 2009). Training is a strong structural signal that sends messages to the worker about the exchange relationship that can be established with the company – the organization trains the worker to obtain his or her best performance and the worker hopes, in turn, to become more employable (Rousseau, 1995).

Direct rewards (e.g. salary and bonuses for good performance) are a prominent and visible aspect of employment relations and convey messages regarding: (1) to what is valued, (2) the expected performance, (3) to the timetable for the return of benefits provided (e.g. in return for a bonus the organization expects the employee to increase its productivity in the short term) and (4) equity - whether there is disparity in rewards allocated between workers who perform essentially the same work, between older and younger workers and between the company where the work is performed at and competitor companies (Rousseau, 1995). These messages lead workers to form expectations about the type of rewards they can expect from the organization and, if they are met, the perception that the expectations are being met (Aggarwal & Bhargava, 2009).

Based on these ideas, we formulated the following research hypotheses:

Hypothesis 1a: The perception that the company utilized technical procedures during selection that took into account previous experience and learning ability relates positively with the perception of psychological contract fulfillment.

Hypothesis 1b: The perception that the company provides information about its business, customers and issues relevant for performing the work relates positively with the perception of psychological contract fulfillment.

Hypothesis 1c: The perception that the company evaluates the employees’ performance clearly and objectively relates positively with the perception of psychological contract fulfillment.

Hypothesis 1d: The perception that the company provides training that will increase employability, that is, will increase the chances of staying employed within the company or a competitor, relates positively with the perception of psychological contract fulfillment.

Hypothesis 1e: The perception that the company rewards incentives fairly and based on performance relates positively with the perception of psychological contract fulfillment.

Given the organizational context of the present study, in which the HR practices studied appear to be similar to permanent and temporary agency workers, we did not expected to find significant differences between the two status in Hypothesis 1. As mentioned by Claes (2005), temporary workers develop a psychological contract with a company in which they work. In a context where HR practices that showed respect and consideration for the workers’ needs were applied in a similar way, we can expect that workers, regardless of contract type, perceive those same practices as contributing to fulfill the psychological contract.

**Perceptions of Psychological Contract Fulfillment and Affective Commitment**

There is a strong consensus among researchers that the fulfillment of the psychological contract is an important variable to understand worker’s attitudes and behaviors (Parzefall, 2007). The theory of social exchange offers a general approach to understanding how the workers are likely to respond when they realize that their contracts have not been fulfilled (Turnley, Bolino, Lester, & Bloodgood, 2003). Breach of the psychological contract occurs when workers perceive a discrepancy between what was promised and what was received (Morrison & Robinson, 1997). From
the standpoint of the worker, the breach of the psychological contract represents an imbalance in the exchange. Consequently, in order to restore balance to the exchange, the worker may reduce his or her contributions and have attitudes less favorable to the organization (Lester, Turnley, Bloodgood, & Bolino, 2002). On the other hand, if the worker perceives the fulfillment of psychological contract he or she will have favorable attitudes toward the organization so that there is a balance between the benefits received and the contributions given.

Among the contributions of workers, we can highlight the organizational commitment, i.e., the psychological link between the worker and the organization that makes it less likely that an employee voluntarily leaves the organization (Allen & Meyer, 1996). According to the model of Allen and Meyer (1996), the psychological linkage between the workers and their organizations can take three quite distinct forms. The affective commitment that relates to the identification, involvement and emotional attachment to the organization makes the workers to continue in the organization because they want to. The continuance commitment that refers to the commitment taken based on the recognition by the workers of the costs associated with leaving the organization and that causes the workers to remain in the organization because they feel they need to stay. Finally, the normative commitment that refers to the commitment where there is a sense of obligation to the organization and that means that workers remain in the organization as a result of that sense of obligation.

Since the affective commitment is the component of organizational commitment that has been most widely studied and that has been found to have more significant correlations with other variables important for organizations, such as performance, absenteeism and organizational citizenship behavior (e.g., Allen & Meyer, 1996), this research will study only that component.

In the literature we find a greater number of studies on the breach of the psychological contract than on the fulfillment of the psychological contract. Studies on the perception of psychological contract breach reported that there is a negative relationship between this variable and organizational affective commitment (Bal, Lange, Jansen, & Velde, 2008; Cantisani, Dominguez, & Depolo, 2008; Lester et al., 2002; Zhao, Wayne, Glibkowski, & Bravo, 2007). However, these studies typically involve traditional labor relationships in which workers are hired directly by an organization and there is the expectation of a continuing attachment (Barringer & Sturman, 1998). Further studies are needed to compare the relationship between this attitude for temporary workers and permanent workers. The results that compare the affective commitment of temporary and permanent workers have not been clear. There are studies that report a lower organizational commitment of temporary workers compared to permanent workers (e.g., Buonocore, 2010; Coyle-Shapiro & Kessler, 2002; van Dyne & Ang, 1998), other studies report the opposite, i.e., greater commitment of temporary workers compared to permanent workers (e.g., De Cuyper & De Witte, 2007) and, finally, there are studies that find no significant differences between the two status (e.g., De Cuyper & De Witte, 2005; Pearce, 1993). Nevertheless, we must consider that the results depend on the study sample and on the context in which employees are working (Guest, 2004a).

It also should be taken in account the fact that the obligation of reciprocity, inherent in the psychological contract, is a strong belief and much more than a mere expectation (Robinson, 1996). Thus, both temporary workers and permanent workers, upon perceiving the fulfillment of psychological contract by the organization will feel obliged to reciprocate with attitudes favorable toward it, in this case, with affective commitment. The following research hypotheses were formulated:

Hypothesis 2: The perception of psychological contract fulfillment relates positively with affective commitment.

Given what was mentioned above, significant differences are not expected to be found between the temporary and permanent workers for Hypothesis 2.

The Mediation by the Perception of Psychological Contract Fulfillment

The HR practices have been referred to as being fundamental to understanding the workers’ affective commitment (e.g., Meyer & Smith, 2000; Smeenk, Eisinga, Teelken, & Doorewaard, 2007; Takeuchi et al., 2007). Workers respond with affective commitment towards the organization when they consider that the organization is developing a set of practices that show commitment with themselves (Hannah & Iverson, 2004). Specifically, reciprocity occurs when workers see the HR practices as useful to them. They have a positive experience of the HR practices and procedures when they meet their needs (Kinnie, Hutchinson, Purcell, Rayton, & Swart, 2005). The perception of psychological contract fulfillment is considered as one of the ways in which the organization communicates how much it is committed to its employees and is concerned about meeting their needs. Accordingly, the fulfillment of the psychological contract can be considered a mechanism through which HR practices and procedures are related to the affective commitment of workers. In fact, the literature review carried out by Aggarwal and Bhargava (2009), presents a conceptual model that establishes relationships between HR practices, the psychological contract and workers’ attitudes and behaviors, suggesting the psychological contract as a mediator. Guest (2004a) also suggests that the psychological contract could be adopted as an intervening variable between HR practices and workers’ responses. Since they are conceptual references, it is important to conduct empirical studies aimed at observing this relationship.
Hypothesis 3: The perception of psychological contract fulfillment mediates the relationship between HR practices and affective commitment.

Since the perception of fulfillment of the psychological contract can be applied in different contexts and at different levels within an organization (Guest & Conway, 2002), we do not expect significant differences between permanent and temporary work status for Hypothesis 3.

Method

Participants and Procedure

The study sample \( N = 274 \) consists of operational staff, with similar functions among themselves and located in the same production area of the same organization, a company operating in the Portuguese electronics sector. Seventy-eight (28.4%) have temporary status, corresponding to 77.2% of the temporary workers of the company, and one hundred and ninety-six (71.6%) have permanent status corresponding to 77.8% of the permanent workers of the company. These samples allow a sampling error of 5% for a confidence interval of 99%.

To request the participation of workers, we contacted the company’s Human Resources Manager, asking her consent to the study. After that, a meeting was held with direct supervisors to whom the study objectives were presented. The supervisors were also asked for cooperation in distributing the questionnaires among the workers’ team. Employees who agreed to participate in this study had time in distributing the questionnaires among the workers’ team. Stress that there would be no right or wrong answers, which was also stated on the questionnaire’s cover page. Confidentiality of their responses was assured and it was presented. The supervisors were also asked for cooperation to four items on a scale of a five-point Likert scale from 1 (strongly disagree) to 5 (strongly agree) (see Appendix). The set of four items for each practice of Human Resources was built by Chambel (2010) based on scales Takeuchi et al. (2007) and Zacharatos, Barling, and Iverson (2005). Highest scores in each of the HR practices indicate that workers perceive each of these practices in a more favorable manner.

Psychological Contract Fulfillment. Fulfillment of the psychological contract was measured by the response to 14 items (e.g., “Develop my skills, increasing my value in the company:”) on a five-point Likert scale, from 1 (has accomplished much less than was its obligation) to 5 (has accomplished much more than was its obligation). This tool was constructed based on a Portuguese translation of the Rousseau scale (2000), which was already used in a previous study (Chambel & Alcover, 2011). Although the psychological contract can be classified according to its nature (transactional, balanced or relational), we used a general measure of psychological contract fulfillment like Gracia, Silla, Peiró, and Fortes-Ferreira (2006) and Chi and Chen (2007), as the aim of this study is to evaluate the psychological contract fulfillment as a whole. The Cronbach’s alpha of this scale was .88.

Affective commitment. The affective commitment of the subjects was evaluated based on a translation of the questionnaire Meyer, Allen and Smith (1993), already used in a previous study (Chambel & Sobral, 2011). The scale consists of six items (e.g., “This company has a high personal meaning for me.”) whose answers are given on a seven-point Likert scale from 1 (strongly disagree) to 7 (strongly agree). The Cronbach’s alpha of this scale was .88.

Control variables. Although these relationships are not significant or consistent, the variables of age, gender and level of education were identified as being able to influence the level of workers’ affective commitment (Meyer & Allen, 1991). The moderating effect of age on the relationship between psychological contract breach and employee attitudes was also noticed in the study of Bal et al. (2008). Thus, in order to eliminate potential alternative explanations for the results, age (in years), gender (0 = male 1 = female) and level of education (1 = Elementary, 2 = Secondary 3 = Graduate Degree) were used as control variables.
Results

Confirmatory Factor Analysis

Since this study used self-reported measures, we considered the recommendation of Podsakoff, MacKenzie, Lee, and Podsakoff (2003) to test the error of common method variance, applying the test of single factor Harman, and performing a Confirmatory Factor Analysis of the variables studied. The model fit was assessed using relative and absolute indices. We used as absolute indices: (1) the chi-square goodness-of-fit test, (2) the Root Mean Square Error of Approximation (RMSEA). As the chi-square is sensitive to sample size, the calculation of relative index is strongly recommended (Bentler, 1990) and therefore we calculated: (1) Incremental Fit Index (IFI) and (2) Comparative Fit Index (CFI). Values close to .08 for RMSEA are considered indicators of an acceptable fit, and values lower than .08 are considered indicators of a good fit model. On the other hand, indices values greater than .90 are indicative of a good model fit (Hoyle, 1995).

Our analysis showed a significantly lower fit on the single factor model ($\Delta \chi^2(21) = 819.7, p < .001$) compared with the model with seven latent factors (i.e., information sharing, performance evaluation, recruitment and selection, training, allocation of rewards, fulfillment of psychological contract and affective commitment) [$\chi^2(710) = 1254.5, p < .001$, RMSEA = .05, CFI = .91, IFI = .91]. Thus, a single factor cannot explain the variance of the data and the error of common method variance should not be considered to be a very serious deficiency in our data.

Mean values and correlations between variables

The means, standard deviations and correlations between variables are presented in Table 1. Based on the mean values for the total sample, it is observed that the employees have, in general, a slightly positive perception regarding the perception of HR practices - information sharing, performance appraisal, recruitment and selection, training, allocation of rewards, fulfillment of psychological contract and affective commitment. The practice of reward was the exception since it earned on average a lower score ($M = 2.29, SD = .92$), showing us a negative perception of this practice. The mean value obtained for the fulfillment of psychological contract and affective commitment relatively to the total sample suggests that employees perceive a breach of obligations by the company ($M = 2.23, SD = .92$), showing us a negative perception of this practice. When comparing the two groups of workers, we can say that temporary workers have: a more positive perception of the practice of information sharing ($F = 19, 99, p < .01$), performance appraisal ($F = 32, 35, p < .01$), training ($F = 28, 46, p < .01$) and rewards ($F = 24, 71, p < .01$), a greater
perception of the psychological contract fulfillment ($F = 34, 84, p < .01$) and a greater affective commitment ($F = 13, 33, p < .01$).

Analyzing the correlations (Table 1) between the variables studied, we found that all the studied HR practices relate strongly to the psychological contract fulfillment (to the extent that they have a $r > .50$), with the exception of recruitment and selection, which has a weaker relationship ($r = .31$). The HR practices are also related strongly to the affective commitment (to the extent that in all the value of the correlation with this variable is located around .50), with the exception of recruitment and selection that have a weaker relationship ($r = .30$). The relationship between the psychological contract fulfillment and affective commitment is also relatively strong ($r = .49$).

**Multiple Hierarchical Regression Analysis**

To examine the nature of the association between variables and to infer the values of the relations of the independent variables on the dependent variable, we analyzed multiple hierarchical regressions, having introduced in the first stage, age, gender and qualifications as control variables. We obtained values greater than .90 for the collinearity tolerance. According to Table 2, the HR practices contribute to explain the perception of psychological contract fulfillment for the total sample, for the temporary workers and for the permanent workers. Regarding the proportion of the variance of the fulfillment of psychological contract that is explained by HR practices, we found that: (1) for the entire sample, the HR practices contribute 51% to explain the psychological contract fulfillment, (2) for temporary workers, the HR practices contribute 32% to explain the psychological contract fulfillment and (3) for permanent workers, HR practices contribute 56% to explain the psychological contract fulfillment. However, in analyzing the standard regression coefficients, we verified that the HR practices of performance appraisal ($\beta = .29$ and $\beta = .28, p < .01$), training ($\beta = .13$ and $\beta = .18, p < .05$) and reward ($\beta = .32$ and $\beta = .36, p < .01$) are the ones that respectively and significantly contribute to explain the perception of psychological contract fulfillment both on the total sample and on permanent workers. For temporary workers, no HR practices were found that would significantly explain the perception of psychological contract fulfillment. These results partially support Hypothesis 1 because the perception of HR practices applied by the organization contributes to explain the perception of psychological contract fulfillment. However, contrary to expectations, the relationship between variables is significantly different for temporary workers and permanent workers. Specifically, for the permanent employees, our data supports the hypothesis 1c, 1d and 1e, as perception of the practice of performance appraisal, training and rewards show a positive relationship with the perception of psychological contract fulfillment. Instead, for temporary workers we have not found HR practices that relate significantly to perception of psychological contract fulfillment, thus refuting our hypothesis 1.

In Table 3, we find a positive and significant relationship between psychological contract fulfillment and the affective commitment for the total sample ($\beta = .49, p < .01$), for temporary workers ($\beta = .48, p < .01$) and for permanent
workers (β = .46, p < .01) (see Step 2). Regarding the proportion of the variance of the affective commitment that is explained by fulfillment of psychological contract we found that: (1) for the entire sample, the perceived psychological contract fulfillment helps to explain 24% of workers’ affective commitment, (2) for temporary workers, the perceived psychological contract fulfillment helps to explain 21% of workers’ affective commitment, (3) for permanent workers, the perceived psychological contract fulfillment helps to explain 21% of workers’ affective commitment. Hypothesis 2 is supported by the results because: (1) the more the perception of psychological contract fulfillment, the more affective commitment of employees towards the organization and (2), as expected, this relationship exists for temporary and permanent workers.

Regarding the perception of psychological contract fulfillment as a possible mediating variable of the relationship between HR practices and affective commitment, which is the third hypothesis of this study, it was necessary to analyze the conditions set out by Baron and Kenny (1986). The first condition – It must exist a significant relationship between the independent variable and mediator variable - which corresponds to Hypothesis 1 (see Table 2) was only partially satisfied for permanent workers, refuting the hypothesis of mediation of the psychological contract fulfillment in the relationship between HR practices and affective commitment.

<table>
<thead>
<tr>
<th>Step 2</th>
<th>PC Fulfillment</th>
<th>F</th>
<th>Adj. R-Sq.</th>
<th>R-Sq. Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sample (N = 274)</td>
<td>.49**</td>
<td>19.37***</td>
<td>.00</td>
<td>.01</td>
</tr>
<tr>
<td>Temporary (N = 78)</td>
<td>.48**</td>
<td>.96</td>
<td>.24</td>
<td>.04</td>
</tr>
<tr>
<td>Permanent (N = 196)</td>
<td>.46**</td>
<td>.80</td>
<td>.21</td>
<td>.01</td>
</tr>
</tbody>
</table>

**: p < .01, *: p < .05.
in the case of temporary workers. Regarding the second condition – The mediating variable must have a significant effect on the dependent variable - which corresponds to the study’s Hypothesis 2 (see Table 3, step 2) was satisfied, as we observed earlier. The third condition - The independent variable must have a significant relationship with the dependent variable - was analyzed using the relationship between HR practices and affective commitment. As it can be seen in Table 4, for the entire sample, HR practices explain 36% of the workers’ affective commitment, for temporary workers, the HR practices explain 33% of the workers’ affective commitment, for permanent workers, the HR practices explain 36% of workers’ affective commitment. However, practices that have a significant relationship with the affective commitment - information sharing for the total sample and information sharing and recruitment and selection for the sample of permanent workers - are different from the practices with a significant relationship with the fulfillment of psychological contract, which indicate the non-compliance with this condition. Thus, we can say that the psychological contract fulfillment is not a mediator in the relationship between HR practices and affective commitment, so Hypothesis 3 is not supported, both for temporary and for permanent workers.

Discussion

The results of this study contributed to the understanding of relationships between employees and the organization they work for. Both for temporary workers and for permanent workers: (1) the perception that workers have of the HR practices contribute to their perception of the psychological contract fulfillment by the company, (2) the more workers perceive the psychological contract fulfillment, the more affective committed they feel in relation to the organization where they actually work and (3) the perception of psychological contract fulfillment does not appear to mediate the relationship between HR practices and workers’ affective commitment toward the organization.

According to Aggarwal and Bhargava (2009) and Rousseau and Wade-Benzoni (1994), the HR practices are one of the most important factors that determine the nature and state of the psychological contract. As expected, also in this study the HR practices contribute significantly to the workers perception of psychological contract fulfillment. However, significant differences were found for this relationship between temporary and permanent workers. In the temporary workers were not found specific HR practices that significantly explain the perception of psychological contract fulfillment. A possible explanation could be due to reduced sample size of temporary workers in this study (N = 78). Future studies should include larger samples. Another explanation may be that the psychological contract of temporary workers is more limited than that of permanent workers – it involves a smaller number of employee-perceived organizational obligations (Chambel & Alcover, 2011) – and, as such, each of the practices by itself does not contribute to the perception of the company’s obligations fulfillment. When these practices are present and are applied similarly to permanent and temporary workers, the latter develop a positive perception of these actions (average values above three), which, as a whole, contribute to a positive perception of treatment by the company, which translates into a more positive overall perception of the psychological contract fulfillment. However, the specific perception of each of these practices is not related to this fulfillment because each of these practices is not considered an obligation of the company. For example, having a performance appraisal that follows clear and objective criteria is a practice that relates to the fulfillment of the psychological contract of permanent workers because they believe that the company promises a relationship of mutual engagement where this type of evaluation is implicit. For temporary workers this practice is not related to the perception of fulfillment once their employment has a more limited range and the organization had not promised to evaluate them in a clear and objective manner. However, although the psychological contract of temporary workers have a more restricted character, future studies could control the time permanency of the workers in the organization since the psychological contract is not static, it changes over time and is constantly renegotiated and evaluated, which makes the conditions of employment change and may include different obligations that were not contemplated in the initial psychological contract (Guzzo & Noonan, 1994).

The results of this study met those who have been observed in other studies: there is a positive and significant relationship between perceived psychological contract fulfillment and the workers’ commitment toward the organization (e.g., Chi and Chen, 2007). Since our sample consists of permanent and temporary workers was thus possible to verify, as reported by Gallagher and Connelly (2008), that the norm of reciprocity is useful to explain the temporary workers attitudes, as well as of permanent workers. Interestingly, however, temporary workers have, on average, more positive perceptions of some HR practices - information sharing, performance appraisal, training and rewards, a greater perception of psychological contract fulfillment and a higher affective commitment than permanent workers. Several aspects may have contributed to these more favorable results from temporary workers. First, these workers might have fewer expectations about how they should or could be treated by the company and when they verified they were receiving a proper treatment and similar to the permanent workers - the use of these HR practices – they developed a more positive perception of this treatment - either of the HR practices or the psychological contract fulfillment - and responded with a more positive attitude to the company - more affective
commitment. Alternatively, we can say that this favorable result by temporary workers may be due to this company permanent workers having experienced less positive situations (for example, a situation of downsizing, freezing wages or high pressure to higher levels of profitability with work overload) which could have affected their perception on the actions taken by the company, hampering their perception of the HR practices and of the psychological contract fulfillment. Temporary workers, because they have less time in this company, would not have had these experiences and thus develop a better perception of the treatment received from the company. Finally, temporary workers may show more affective commitment for wanting to acquire a permanent contract in the company. In fact, most temporary workers worldwide, including Portugal, would rather have a permanent employment contract, and desire to come to be hired by the company in which they perform their job (CIETT, 2010). These workers may think they are increasing the likelihood of being hired by this client company, as it is their desire, by showing a more positive attitude towards it. Because they believe that the company provides them with a balanced employment relationship which results in reciprocity, they reckon that by showing a relationship with the company with high affective commitment, they increase the chances of the organization to hire them (Chambel & Castanheira, 2007; De Cuypere & De Witte, 2008; Feather & Rauter, 2004).

Future studies should examine the extent to which these explanations are valid to justify the dissimilar results for temporary and permanent workers.

Contrary to the expected, the perception of psychological contract fulfillment does not appear to mediate the relationship between HR practices and the temporary and permanent workers affective commitment towards the organization. This result may indicate that the affective commitment is best explained by the direct links established with both the HR practices and the perception of the psychological contract fulfillment. The workers seem to reciprocate the treatment they receive from the company, through two independent processes. On the first, workers respond to the benefits they receive through the HR practices developed in the company. In the second, they respond to how much the promises made by the company are being fulfilled. Future studies should examine if the independence between these two reciprocity processes remains in other contexts as well as the role of other variables that might explain the independence or interdependence between these two processes.

**Limitations**

This study contains limitations that should be recognized. First, given the correlational design of the study, it is not possible to establish cause-effect relationships between variables and has only been possible to infer about the nature (positive or negative) of their relationship. It should be also highlighted the inherently dynamic nature of the psychological contract, i.e., it assumes the ability to change over time from the moment it is established (Schalk & Roe, 2007). As such, it is necessary that longitudinal studies are performed in order to explore how the psychological contract can develop and change over time. Second, the results were based solely on self-report measures, with the risk of common method variance. However, we noted some of the methodological recommendations by Podsakoff et al. (2003): we demonstrated the best fit of our model compared with a single factor model by conducting confirmatory factor analysis; we guaranteed anonymity and confidentiality of responses; we used questions with different response-scale amplitudes; we indicated in every questionnaire that there were no right or wrong answers, we used standardized measures that had already been used in previous studies in Portugal, and the measurement of HR practices, which was built based on measures available in the literature, was reviewed by professionals with experience with temporary workers, who agreed to read and verify the adequacy of the issues and reduce the ambiguity of some terms. Thirdly, there are limitations due to the size ($N = 274$) and the nature of the sample, which is composed mainly of men, people with low skills and relatively young (most of the sample - 58% - are between 28 to 35 years old) working in a single industrial company. At the level of temporary workers, studies are needed that consider the heterogeneity of this population with regard to, for example: (1) the sector of the market where they are employed (e.g., industry, services, public sector); (2) the type of alternative work arrangement (i.e., they are workers from temporary work agencies or workers provide by outsourcing firms; (3) their skill level, gender, age and ethnic origin; and (4) the motivation to be temporary (e.g., balance their personal and professional life) (Cohany, 1996). Conversely, since the sample was collected in an industrial company, no generalizations can be made to other occupational areas, such as services. Fourth, studies are needed in which differences in treatment between agency workers and permanent workers are present, to investigate whether there are differences in the relationships between variables. Fifth, this research was conducted in the Portuguese context, with a Western culture, where many temporary workers want to be hired by the client company (Chambel & Alcover, 2011). Thus, the results should not be extrapolated to other cultures.

**Implications for Human Resource Management**

While temporary work is commonly seen as disadvantageous to companies, the truth is that the results of this and other studies (e.g., Van Dyne & Ang, 1998; Chambel & Castanheira, 2007) suggest that when temporary workers receive favorable treatment from the company, they tend to reciprocate with favorable attitudes toward the
company. Currently, an increasingly significant number of companies are recognizing the importance of HR practices and procedures in the development of an organizational strategy. More and more companies recognize the impact of their HR practices and procedures in temporary or permanent workers and try to develop strategies for HR management taking into account the heterogeneity of the workforce that exists in organizations (Foote, 2004), which reflects the trend in growth of HR practices to promote a positive individual-organization link (Guest, 2004b).

Since both for temporary workers as for permanent workers exists a positive and significant relationship between perceived psychological contract fulfillment and affective commitment, human resources managers should be aware of the need to effectively and frequently communicate what the expectations are for their workers and what are the benefits given to them in exchange for their contributions. This way, employees will perceive the balance the companies are seeking to establish between what they give and what they receive from workers, which may lead to the attitudes desired by the company, such as more affective commitment (Chi & Chen, 2007). The HR practices can be used as a way to communicate the obligations of employers and employees (Rousseau & Wade-Benzoni, 1994), even if for temporary workers, and unlike permanent workers, each of the these practices by itself does not seem to contribute to the perception of the company obligations, contributing only to a more positive overall perception of psychological contract fulfillment.

**References**


Received April 8, 2011
Revision received July 15, 2011
Accepted September 15, 2011
APPENDIX

Items constructed to assess the five HR practices examined in this study (Chambel, 2010)

Information Sharing
1. I have the information I need to perform my job well. 1 2 3 4 5
2. I receive important information about the company (e.g. orders, quality levels, financial status). 1 2 3 4 5
3. I have contact with the business goals of the company by the usual channels of communication. 1 2 3 4 5
4. I believe to be, in general, well informed about the affairs of the company. 1 2 3 4 5

Performance Appraisal
1. My supervisor informed me of the objectives that I must reach in carrying out my work. 1 2 3 4 5
2. The performance evaluation criteria are clear in this company. 1 2 3 4 5
3. My supervisor informed me of my criteria for performance evaluation. 1 2 3 4 5
4. In case of failure in performance a monitoring support is in place in order to overcome them. 1 2 3 4 5

Recruitment and Selection
1. I conducted selection tests (e.g., Interview and / or tests) to come to work for this company. 1 2 3 4 5
2. My knowledge and/or prior experience was taken into account when I was selected to work in this company. 1 2 3 4 5
3. My skills on relating to others were taken into account when I was selected to work at this company. 1 2 3 4 5
4. During the selection it was taken into account my ability to learn. 1 2 3 4 5

Training
1. I have received training / experience that helps me move forward here in the company. 1 2 3 4 5
2. The training/experience I have received increased my value in the company, making it more likely that I keep working on it. 1 2 3 4 5
3. With the training /experience I have received I would be able to adapt a different function/role in the company, if needed. 1 2 3 4 5
4. With the training /experience I have received I would be able to get a similar job in another company, if needed. 1 2 3 4 5

Rewards
1. The rewards I receive include a set of benefits (rewards) that are beyond the base salary. 1 2 3 4 5
2. He who has a better performance, is rewarded. 1 2 3 4 5
3. The rewards you get in this company are associated, at least partially, to my performance. 1 2 3 4 5
4. The rewards I receive include a salary appropriate to my function. 1 2 3 4 5