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When temporary employees are perceived as threatening: antecedents and consequences

Courtney von Hippel and Elise K. Kalokerinos
Department of Psychology, University of Queensland, St Lucia, Australia

Abstract

Purpose – The purpose of this research is to examine the causes and consequences of permanent employees' perceptions that temporary employees are a threat to their job security.

Design/methodology/approach – The underlying theme of the current research is that an important reason why temporary employees can disrupt the work environment is that permanent workers can perceive them as threatening. A survey of permanent ($n = 99$) and temporary employees ($n = 62$) was used to test hypotheses. Multiple sources were used to assess permanent employees' treatment of their temporary co-workers.

Findings – Permanent employees felt more threatened when they perceived the layoff policy and motives for using temporary workers as inappropriate, and when the position of temporary employees was equal to or above their own rank. The relationship between these feelings of threat and their behavior toward the temporary employees was moderated by temporary employee type. Specifically, permanent employees who did not feel threatened treated involuntary temporary employees better, but permanent employees who felt threatened treated voluntary temporary employees better.

Research limitations/implications – The sampling procedure limits the generalizability of the findings.

Practical implications – This paper helps illuminate the dynamics between temporary and permanent workers to enable organizations to decide when temporary employees will be helpful and when they will be harmful. The results provide specific recommendations for when different types of temporary employees should be used.

Originality/value – This paper applies psychological and organizational theories to the workplace to uncover when blended workforces are likely to be problematic.

Keywords Temporary workers, Threat, Permanent workers, Blended workforce, Individual perception, Employees

Paper type Research paper

Nonstandard employment, including temporary employment, has experienced enormous growth in recent years (Ashford *et al.*, 2007; Davidson, 1999; Tyler, 2004). There are numerous benefits of using temporary workers[1], from increased flexibility (Kalleberg, 2000) to reduced employment-related costs (von Hippel *et al.*, 1997). Despite these benefits, research has also begun to uncover costs associated with a blended workforce, or a workforce that includes regular, full-time workers employed by a company (termed permanent employees) as well as temporary workers.

A growing body of research suggests that temporary workers can have negative effects on their permanent co-workers. Permanent employees often resent the presence of temporary employees, feeling that their work is unprofessional or low quality, which then forces the permanent employee to compensate for the temporary workers' poor performance (Smith, 1994). Blended workforces are also associated with reduced

intentions on the part of permanent employees' to remain at their job, as well as reduced loyalty to the organization (Davis-Blake *et al.*, 2003). Permanent employees in a blended environment also experience worse relations with management (Davis-Blake *et al.*, 2003) and report more negative attitudes (Chattopadhyay and George, 2001) than permanent employees who do not work alongside temporary employees. In short, it seems that the presence of temporary workers can lead to deterioration in the work-place environment. This deterioration may offset the benefits that organizations are hoping to reap through the use of temporary employees. Thus, it is important to understand the conditions under which temporary employee usage is associated with significant costs. This research addresses this question by examining permanent employees' attitudes and interpersonal helping (a component of both organizational citizenship behaviors and contextual performance) towards their temporary co-workers.

The underlying theme of the current research is that an important reason why temporary employees can disrupt the work environment is that permanent workers can perceive them as threatening. For example, permanent employees may experience a drop in loyalty when their firm hires temporary workers because they question the organization's intentions (Davis-Blake *et al.*, 2003; George, 2003). If permanent workers deem the organization's intentions to be negative (e.g. trying to minimize commitment to permanent workers), they are likely to feel threatened by the presence of temporary workers. This perception of threat would be exacerbated if permanent employees also believe that temporary employees are desirous of their own jobs (i.e. if the temporary employees would prefer to be permanent employees), as the experience of threat is heightened when there is perceived competition for scarce resources (Stephan and Stephan, 2000).

Possible support for such an eventuality can be found in research by George (2003), who noted that the negative influence of contingent workers on permanent employees was greatest when permanent employees had little supervisory responsibility[2]. George (2003) speculated that employees without supervisory responsibilities were most likely to be negatively impacted by contingent workers because they felt "expendable" and "peripheral." Similar findings are also seen in research by Davis-Blake *et al.* (2003) who found that the negative outcomes associated with the presence of temporary workers were more likely to be experienced by employees with lower salaries and fewer supervisory responsibilities. The goal of the current research is to extend this idea by directly examining the role of threat in the manner in which permanent employees treat their temporary co-workers.

The influence of threat

One of the most important factors that influence the quality of inter-group relations is threat, which typically arises as a function of inter-group competition (Judd and Park, 1988; Sherif, 1966; Weber, 1994). Blascovich and Mendes (2000) define a situation as threatening when demands are perceived to outweigh an individual's available resources. For example, when the economy stagnates and an individual is in a vulnerable position (e.g. a travel agent) the individual is likely to feel highly threatened. In contrast, if the individual is not in a vulnerable position (e.g. a primary-care physician) economic downturns will not be perceived as very threatening because demand for these services is relatively inelastic. The current research examines the

threat of possible job loss due to an increased reliance on the temporary workforce. If temporary co-workers perform the same job for less money, requiring no commitment on the part of the organization, their presence may serve as a threat to permanent employees (Barnett and Miner, 1992; Kraimer *et al.*, 2005). This type of threat is known as realistic threat, which is a term that originates from realistic group conflict theory to describe the threat that emerges from competition for scarce resources (Campbell, 1965; LeVine and Campbell, 1972; Sherif, 1966; Stephan and Stephan, 2000). In the case of temporary and permanent employees, these scarce resources refer to resources provided by the organization, such as job security, pay, promotions, training, etc.

Because a threatening person or group is seen as a potential source of harm, when an individual perceives another as threatening a common response is to attempt to neutralize the threat by behaving in a competitive fashion toward the threatening individual (e.g. Kelley and Stahelski, 1970; Snyder and Swann, 1978). When a threat is perceived as overwhelming, a person might withdraw or attempt to appease, but the literature on inter-group relations shows that when people perceive others as competing with them, they tend to respond through competitive means (Branscombe and Wann, 1992; Lindskold *et al.*, 1986; Sherif, 1966).

It should be noted that an actual threat need not exist – a perceived threat is sufficient to trigger competitive behavior (Stephan and Stephan, 2000). Such perceptions of threat lead to "ineffective communication, inadequate coordination, contentious tactics and reduced productivity" (Rempel and Fisher, 1997), responses that are clearly inconsistent with the smooth running of the workplace. Kraimer *et al.* (2005) demonstrated that permanent employees who felt threatened by the presence of their temporary co-workers had poorer performance than employees who did not find the presence of temporary workers to be threatening. These findings may relate to behaviors toward temporary employees, as Chattopadhyay and George (2001) found that permanent employees in work groups dominated by temporary employees were less altruistic than permanent employees in work groups not dominated by temporary employees. These findings suggest that feeling threatened by temporary co-workers might lead permanent employees to behave competitively toward their temporary co-workers, although it is possible that not all temporary employees will be perceived as equally threatening.

Voluntary vs involuntary temporary employees
There are a large number of idiosyncratic reasons why people work as temporary employees, but these reasons can be broadly categorized based on the degree of choice people feel they have regarding whether they work as a temporary employee. Those employees who perceive themselves as having no choice but to work as a temporary employee are termed involuntary temporaries, whereas those who feel they are working with a temporary agency by choice are termed voluntary temporaries (von Hippel *et al.*, 1997, 2000; see also Ellingson *et al.*, 1998; Feldman, 1995; Feldman *et al.*, 1995). The existence of these two broad types of temporary employees enables a more nuanced test of how feelings of threat might influence treatment of temporary employees.

Specifically, it is hypothesized that permanent employees who are threatened by their temporary co-workers are likely to behave more favorably to the degree they believe that the temporary employees are voluntary. The voluntary temporary

employee, who has no desire to obtain a regular position, does not pose any additional threat to the permanent employee. In contrast, the involuntary temporary employee is desirous of a regular position, and thus, exacerbates the threat experienced by the permanent employee (see Stephan and Stephan, 2000). It is the involuntary temporary employees who are most likely to be viewed as competitors for permanent employees' jobs or promotional opportunities within the company (Kraimer *et al.*, 2005). Thus, threatened permanent employees may be more inclined to behave favorably toward voluntary than involuntary temporary employees (see Cottrell and Neuberg, 2005).

In contrast, when permanent workers are not threatened by the presence of temporary co-workers, their behavior toward the temporary employees should be more favorable to the degree that they believe that the temporary employee is involuntary. If a non-threatened permanent employee believes that a temporary employee is working in a temporary capacity by choice (i.e. voluntarily), and has no interest in a regular position, she is likely to feel little motivation to help the temporary employee. The permanent employee may feel that voluntary temporary employees do not take their job seriously if they have no intention of finding a more permanent position. Indeed, permanent employees often feel that temporary employees' work is unprofessional or low quality, causing permanent employees to resent their temporary co-workers' for their poor performance (Smith, 1994). Additionally, Rogers (1995) has demonstrated that temporary employees are often treated as second-class citizens precisely because their tenure in the organization is expected to be brief. In contrast, involuntary temporary employees will be perceived as serious about their current temporary position, as they presumably wish to make it "permanent." Thus, non-threatened permanent employees may be more inclined to behave favorably toward involuntary, rather than voluntary, temporary employees.

Whether they are threatened or not, permanent employees are unlikely to engage in overtly hostile behavior. Such behavior may be ineffective and may even have a boomerang effect, because workplace norms typically dictate that employees are all working toward the same goals. Indeed, research has consistently demonstrated that cooperation is more effective than competition (Johnson *et al.*, 1981). As a consequence, the current research examines behavior toward temporary employees in the context of interpersonal helping, which is a component of both OCB and contextual performance (Van Dyne *et al.*, 1995). Interpersonal helping enhances both the social and psychological organizational context, thereby positively influencing job performance (Borman and Motowidlo, 1993). Nevertheless, despite the importance of interpersonal helping for effective organizational functioning, it is difficult to penalize employees for failing to help one another, as helping other employees is typically outside of one's job description (Van Dyne and LePine, 1998). For this reason, it seems likely that permanent employees who desire to treat temporary employees in a negative manner are more likely to do so by withholding help rather than by actively harming their temporary co-workers. In the context of the predicted moderated relationship between feelings of threat and perceptions of temporary employee type, this logic suggests the following hypothesis:

H1. Permanent employees' feelings of threat will moderate the relationship between perceptions of temporary employee type (voluntary or involuntary) and interpersonal helping, such that threatened permanent employees will be more likely to help voluntary temporary employees and non-threatened permanent employees will be more likely to help involuntary temporary employees.

Perceived threat from employers

Although it is hypothesized that permanent employees will respond differently to voluntary and involuntary temporary employees when they feel threatened, it is not yet clear what might cause such perceptions of threat to arise among permanent employees. The literature on internal labor markets (ILMs) helps to elucidate several variables that may influence perceptions of threat. ILM strategies describe various human resource practices, such as staffing and wage systems, which govern workers (Osterman, 1984). Through their ILM strategies, organizations develop various policies and practices that help to guide decisions about who can be hired, promoted, etc. Benevolent ILM strategies are likely to minimize feelings of threat among permanent workers, whereas hostile ILM strategies are likely to maximize feelings of threat. Although the increased reliance on contingent workers challenges the traditional concept of ILMs (Camuffo, 2002), consideration of ILM strategies provides a useful framework through which various organizational policies, and their impact on perceptions of threat, can be examined.

In the current research, three factors related to ILMs were examined to determine their influence on feelings of threat among permanent employees regarding their temporary co-workers. At the organizational level two factors were examined, perceived motives and layoff policies. It was predicted that permanent workers who perceive the organization's motives to be virtuous (e.g. trying to alleviate stress on overworked employees) are likely to be unthreatened by temporary co-workers. In contrast, when the organization's motives for using temporary workers are perceived to be inappropriate (e.g. using temporary workers to cut costs, or hiring temporary employees as a first step in replacing permanent workers), permanent employees are likely to feel threatened by the presence of temporary workers. Evidence for these ideas can be found in Kraimer *et al.* (2005), who demonstrate that permanent employees' perceived job security impacted the degree of threat experienced from the presence of temporary co-workers. In Kraimer *et al.*'s research, permanent employees also appeared to be threatened by the presence of temporary co-workers when temporary employees were viewed as possible competitors for promotions within the company. These findings suggest that the motives for using temporary employees should have a direct impact on how threatened employees are by their temporary co-workers.

H2. Perceptions of organizational motives for using temporary employees as benevolent vs hostile will predict feelings of low vs high threat, respectively, among permanent workers.

The company's perceived policy with regard to layoffs should have a similar effect on permanent employees' feelings of threat (Kraimer *et al.* 2005). A layoff policy of "only if absolutely necessary" will make permanent employees feel secure in their jobs, even in the presence of temporary workers. Permanent employees may pacify any fears that do arise about departmental downsizing or job redundancy by convincing themselves that even if their job were to be out-sourced, they would be reabsorbed elsewhere into the company. In the absence of a favorable layoff policy, however, permanent employees are likely to feel threatened by the presence of temporary employees who might be the very vehicle for their replacement.

H3. Perceptions of a favorable layoff policy will reduce the degree of threat permanent employees feel by the presence of temporary co-workers.

In describing *H2* and *H3*, the organization's layoff policy and the motives for using temporary employees are conceptualized as distinct. Yet it is possible that these policies will be seen as interrelated, if they are perceived by employees to emerge from a coherent set of ILM strategies (see Osterman, 1984). For example, organizations that regard favorable treatment of staff as a priority are likely to have favorable layoff policies and to utilize the temporary workforce for virtuous reasons. In such a manner, motives and policies may go hand in hand. It may also be the case that employees simply rely on their overall evaluation of the organization to make judgments about specific policies. That is, the perceptions of the layoff policy and motives for using temporary employees may be colored by the overall impression of the organization (see Solomonson and Lance, 1997), particularly if employees feel unsure about the policies and motives of their organization. Thus, although these policies are measured separately, they may not be represented separately in employees' minds.

Perceived threat from temporary employees

The organizational rank of the temporary employee compared to the permanent employee is also likely to influence perceptions of threat (see Stephan and Stephan, 2000). At an empirical level, support for this possibility can be seen in research by George (2003), who found that permanent employees with greater supervisory responsibility had more positive attitudes toward their temporary coworkers than employees with fewer supervisory responsibilities. She argued that employees with few supervisory responsibilities might feel they are peripheral and thus, the use of contingent workers poses a greater threat. It has also been shown that the presence of temporary workers hinders the upward mobility of permanent workers who are employed in lower level positions, and are thus likely to experience increased competition from the presence of temporary workers (Barnett and Miner, 1992). In contrast, when temporary employees occupy positions that are lower than the permanent employees, the presence of temporary workers is likely to be viewed as less threatening and perhaps even as helpful to the permanent employees (see Davis-Blake *et al.*, 1995).

At a conceptual level, these findings are bolstered by the fact that ILM strategies determine procedures for promotion, and thus permanent employees who are lower in rank than temporary co-workers might question the organization's commitment to themselves. These findings and concerns suggest that the higher the rank of the temporary co-worker compared to the permanent employee, the more likely it is that the permanent employee will feel threatened by the presence of temporary employees.

   H4. The relative rank of temporary employees will be positively related to permanent employees' feelings of threat.

The goal of the current research is to test these four hypotheses. To summarize, it is predicted that feelings of threat will be impacted by perceived motives for using temporary employees, the organization's layoff policy, and temporary employees' relative rank. Permanent employees' feelings of threat, in turn, are predicted to moderate the relationship between temporary employee type (i.e. voluntary or involuntary) and behavior toward the temporary employee, such that threatened permanent employees behave more positively toward voluntary temporary employees, but non-threatened permanent employees behave more positively toward involuntary temporary employees.

Method

Participants and procedure

To test these hypotheses temporary and permanent employees from organizations throughout the Midwestern region of the USA were asked to complete a survey about their attitudes toward work and their co-workers. Participation was solicited at business association meetings and packets of surveys were given to 179 interested managers. Managers then distributed the survey to one temporary employee and one permanent employee within their work unit. Specifically, managers were told to distribute the two surveys to "a permanent worker you supervise, and a temporary employee who works alongside the permanent worker you have chosen to complete the questionnaire." Envelopes were inconspicuously coded to match temporary and permanent workers from the same work unit, although to enhance anonymity no record was kept of which codes went to which managers. All survey participants were informed that their responses were confidential and that no one in the organization would have access to completed surveys. By mailing the survey directly back to the researcher, participants could be assured of anonymity, particularly as no record was kept of which employees were asked to complete the survey.

A total of 62 temporary (53 per cent male, 47 per cent female) and 99 permanent workers (49 per cent male, 46 per cent female) returned completed surveys[3], resulting in the possible pairing of 46 temporary and permanent employees from the same work groups. This sample size, although small, is sufficient for the proposed analyses (Green, 1991). The mean age of temporary employees was 36, with a range of 17 to 64. The average amount of time that temporary employees worked at their current organization was 13 months and the average amount of time that the employees had worked in a temporary capacity was 22 months. The mean age of permanent employees was 37, with a range of 21 to 69. The average amount of time that permanent employees worked at their current organization was 91 months.

Caveat: It is important to note that for both ethical and pragmatic reasons, supervisors were not instructed to inform participating employees about who else was completing the survey within their organization. This methodological constraint has the clear disadvantage that it precludes temporary and permanent employees from directly reporting on their thoughts and behaviors regarding specific others in their organization. Rather, temporary and permanent employees can only report their general feelings toward and experiences with other temporary or permanent employees in their workgroup. As a consequence, if the general feelings and behaviors reported by one employee are not relevant to those experienced by the other employee in that workgroup, substantial measurement error will be introduced by pairing these general feelings with the specific individuals who were chosen to complete the survey.

Despite these important constraints, there are reasons to believe that this procedure, while introducing error into the measurement, will still capture the predicted relationship between the feelings of the permanent employees and their behavior towards their temporary co-workers. First, because the threat experienced by permanent employees is hypothesized to be a product of organizational variables (ILM strategies) and stable status differences (the relative rank between temporary and permanent employees), it should follow that most employees at the same general rank should experience similar levels of threat from their temporary co-workers (Haslam, 2004; Riek *et al.*, 2006). Second, because stereotypes about temporary workers are

largely shared within an organization (Boyce *et al.*, 2007; Gallagher and McLean Parks, 2001), it should also follow that most permanent workers show substantial agreement about whether the temporary employees in their organization desire permanent employment. Finally, because the organizational climate can either foster or inhibit discrimination toward temporary employees (Koene and van Riemsdijk, 2005; von Hippel *et al.*, 1997), it should also follow that there is a great deal of consistency in the way that permanent workers treat their temporary co-workers. For these three reasons, it was felt that despite the ethical provision that employees who are not directly surveyed and could not be directly debriefed should not be asked about their specific interactions with one another, such data collected at the aggregate should nevertheless predict individual responses within each work group. Additionally, the provision that managers were to give the surveys to employees who work alongside one another was intended to maximize the relationship between the general feelings of the permanent employee and the treatment reported by the temporary coworker.

Materials

Company motives regarding temporary employees. Permanent employees were asked four questions to assess their beliefs about the company's hiring motives (for example, "I believe the company is hiring temporary workers because of the added flexibility they provide the organization."). Participants were asked to indicate, on a seven-point scale anchored by strongly disagree (1) and strongly agree (7) how much they agreed with each statement (unless indicated otherwise, all remaining scales used this response format). Employees' perception of temporary hiring motives were assessed, rather than actual hiring policies, because often it does not matter what the actual motives are, but rather what the motives are perceived to be (e.g. Jussim, 1991).

Company layoff policy. Employees were asked three questions to assess their beliefs regarding the company's layoff policy (for example, "I feel a sense of employment security with this organization").

Temporary employee rank. Permanent employees were asked for the average organizational rank of their temporary co-workers (1 = lower than theirs; 2 = equal to theirs; 3 = higher than theirs).

Threat. Level of threat experienced by permanent employees from the presence of temporary employees was assessed through four self-report items (for example, "I feel threatened by temporary employees").

Interpersonal helping towards temporary employees. Interpersonal helping by permanent employees toward temporary employees was assessed by surveying the temporary co-workers of permanent employees who completed the survey. This approach was adopted because permanent employees may be relatively unwilling to admit that they mistreat their temporary co-workers. Thus, the temporary co-workers of permanent employees who completed the survey were asked six questions to assess the behaviors that permanent employees exhibit towards them (for example, "The permanent employees I work with have been willing to help me out when I've needed it").

Voluntary/involuntary temporary employee. Temporary and permanent employees were surveyed to determine whether the temporary employees were working as such voluntarily or involuntarily. Temporary employees were asked three questions to determine whether they were working in a temporary capacity voluntarily (for

example, "I would prefer permanent work over temporary work if it were available"). Because perceptions are also critically important, permanent employees were also asked why they thought their temporary co-workers were employed in this capacity. This was achieved by asking permanent workers the following question: "In your opinion, what percentage of your temporary co-workers are hoping to gain a permanent job through a temporary position?".

Results

The correlations between the primary variables and the scale reliabilities can be seen in Table I. Although the perceived motives for hiring temporary workers and the layoff policy scales were expected to be distinct (but possibly related) constructs, the reliabilities of these two scales were unacceptably low ($\alpha = 062$ and 0.63 respectively; see Nunnally, 1978). Despite this fact, each of these scales was correlated with perceived threat (motives, $r = -0.25, p < 0.05$; layoff policy, $r = -0.24, p < 0.05$), such that when the motives were deemed inappropriate or the layoff policy unfavorable, permanent employees indicated greater feelings of threat by the presence of their temporary co-workers. As a consequence of their shared relationship with threat, and the fact that their poor reliability when assessed separately was acceptable when collapsed into a single scale ($\alpha = 0.73$), perceived motives and layoff policies were collapsed into a single scale for the remaining analyses. This decision was supported by a principal components analysis of the items from these two scales, which yielded a one-factor solution with an eigenvalue of 2.78. All other scales showed acceptable reliabilities.

Test of hypotheses

Recall that Hypothesis 1 states that threat will moderate the relationship between perceptions of temporary employee type and interpersonal helping. As outlined by Aiken and West (1991), this possibility was tested by creating an interaction term that represented the product of the centered versions of the perceptions of temporary employee type and threat variables. Behavior toward the temporary employee was

	1	2	3	4	5	6
Layoff policy and motives for temporary employee use	(0.73)					
Temporary employee rank	-0.04					
Threat	-0.29^{**}	0.28^{*}	(0.82)			
Perceptions of per cent of involuntary temporary employees	-0.20	0.13	0.28^{*}			
Interpersonal helping towards temporary employees	-0.11	0.16	0.30^{*}	0.34^{*}	(0.88)	
Self-reported temporary employee type	-0.06	0.18	0.10	0.53^{***}	-0.12	(0.89)

Notes: The n's in these correlations range from 46 (when correlating variables between temporary and permanent employees) to 80 (when correlating variables within permanent employees). When these correlations are re-computed using only the 46 respondents from organizations that have complete data from a temporary and permanent employee pair, the correlations are nearly identical. Reliabilities are in parentheses on the diagonal. $^{*}p < 0.05$ $^{**}p < 0.01$ $^{***}p < 0.001$

Table I.
Correlations among variables

then regressed on the main effects in step 1, and the interaction term in step 2 of a hierarchical regression. As can be seen in Table II, the interaction term was a significant predictor of helping behaviors reported by the temporary workers. To decompose this interaction, the relationship between perceptions of employee type and interpersonal helping was examined at one standard deviation above and one standard deviation below the mean (see Aiken and West, 1991).

As can be seen in Figure 1, among permanent workers who did not feel threatened by the presence of temporary co-workers, behavior toward the temporary employees became more favorable as the perceived probability increased that the temporary employee was involuntary. In contrast, among permanent employees who felt threatened by their temporary co-workers, behavior toward the temporary employees became more unfavorable as the perceived probability increased that the temporary employee was involuntary. The shape of the interaction is thus consistent with predictions. When these analyses were replicated with temporary employees' self-reported type (i.e. voluntary or involuntary) in lieu of the permanent employees' perceptions of temporary employee type, the shape of the interaction was identical, although the interaction term was not significant ($\beta = -0.28$, $p < 0.08$, $N = 46$, $R^2 = 0.07$).

To determine whether relative rank and perceived motives and layoff policy accounted for unique variance in permanent employees' feelings of threat, threat was regressed on these variables simultaneously. The regression analysis revealed that both relative rank ($\beta = 0.26, p < 0.05, N = 77, R^2 = 0.077$) and the collapsed motives/layoff policy variable ($\beta = -0.28, p < 0.05, N = 77, R^2 = 0.08$) predicted unique variance in feelings of threat. These results provide support for *H2, H3* and *H4*. Including participants' age, gender, and tenure with the organization in the regression analyses reported previously did not influence any of the results.

Variable	β	t	p
Threat	0.21	1.46	0.15
Perceptions of per cent of involuntary temporary emp's	0.28	1.93	0.06
Threat X Perceptions	−0.52	−3.11	0.003

Notes: Step 1 ρR^2 =0.16, $p < 0.03$; Step 2 ρR^2 =0.16, $p < 0.01$; N=46

Table II.
Regression results predicting regular employees' behavior toward temporary employees
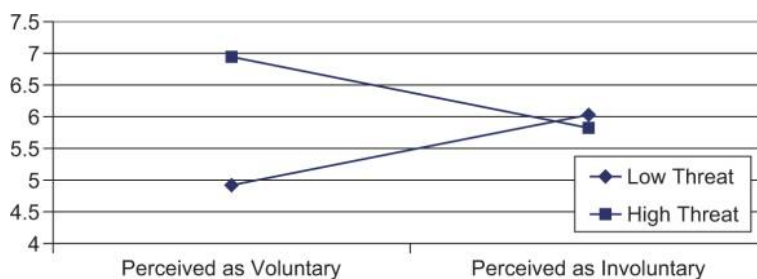
Note: Higher numbers indicated more positive treatment from permanent co-workers

Figure 1.
Moderated regression results predicting permanent employees' behaviour towards temporary workers

Discussion

This study contributes to the growing body of evidence that temporary employment brings costs as well as benefits. Previous research has shown that temporary employees can negatively impact the attitudes of permanent workers. The current research extends these findings by examining ILM antecedents of threat posed by temporary coworkers and the behavioral consequences toward temporary workers. Results indicate that the organization's layoff policy and motives contribute to feelings of threat on the part of permanent workers. The relative rank of the temporary employee also independently contributes to these feelings of threat. Threat, in turn, moderates the relationship between permanent employees' perceptions of why their temporary colleagues work as such and the behaviors they exhibit toward their temporary colleagues. Among employees who felt threatened by their temporary co-workers, interpersonal helping decreased when they believed the temporary employees were working as such involuntarily. In contrast, among employees who were not threatened by their temporary co-workers, interpersonal helping increased when they believed that temporary employees were working as such involuntarily.

Interestingly, this effect did not reach significance when examining temporary employees' self-reported voluntary status rather than their perceived voluntary status. Although permanent employees' perceptions of voluntariness were correlated with temporary employees' self-reported voluntariness (see Table I), it is possible that permanent employees' perceptions may be more important than temporary employees' actual status in determining how permanent employees behave toward their temporary colleagues. Alternatively, it may simply be the case that the relatively low power of the current design was responsible for the fact that this finding with self-reported voluntariness was not significant.

As a whole, these findings suggest that the presence of threat leads permanent employees to change their otherwise positive inclination toward involuntary temporary employees to a more negative evaluation. In all likelihood, this change emerges because involuntary temporary employees are perceived as more interested in a permanent job, and thereby are inherently more threatening. Although speculative, it seems possible that permanent employees are loath to help their temporary colleagues for fear that enhancing their performance will only increase the likelihood that the temporary employees will replace them. Thus, when employees feel threatened by their temporary colleagues, they appear particularly unlikely to help the very people who might displace them.

This behavior on the part of the permanent employee may negatively impact the manner in which the temporary employee responds, causing the permanent worker to feel more confident in his/her original assessment that the temporary employee is threatening. In this manner, a self-fulfilling prophecy can develop into a downward spiral of behavior, interpretation, and expectation (Snyder, 1992). Furthermore, to the degree that permanent employees view their temporary co-workers negatively, they are also likely to interpret their actions in a negative fashion (W. von Hippel *et al.*, 1995). Such negative interpretations of temporary worker's behavior can lead permanent employee to respond negatively as well (Jussim, 1991; Snyder, 1992). Andersson and Pearson (1999) have referred to such a pattern in the workplace as a "spiral of incivility", whereby minor acts of incivility (e.g. not saying "excuse me" when appropriate) can escalate into hostile behavior. In such a manner, the interpretation of

the behavior of one person in a negative fashion can lead to actual negative behaviors on the part of the second, resulting in counterproductive behaviors in the workplace (Masuch, 1985).

Applied implications

Temporary employees are a growing part of the employment landscape and organizations are increasingly relying on temporary workers for the flexibility they afford. If the presence of temporary employees introduces problems with their permanent co-workers, the friction between permanent and temporary workers may offset the benefits that organizations hope to gain through the use of temporary employees. If workers feel threatened by their temporary colleagues, a climate of incivility may become commonplace, resulting in unhappy workers and the possibility of increased turnover (Kamp and Brooks, 1991).

A more complete understanding of the dynamics between temporary and permanent workers is important to enable organizations to decide when temporary employees will be helpful and when they will be harmful. This understanding may also help organizations deal more effectively with problems that do arise from the use of temporary workers. Previous work has suggested that the use of temporary employees is only successful when managed carefully by both the employer and the temporary worker (von Hippel *et al.*, 1997). The results from this research provide more precise guidance that will help organizations in effectively managing temporary workers by using voluntary and involuntary temporary employees at the appropriate time. Specifically, the results suggest that permanent employees will feel threatened when temporary employees are used for cost-saving reasons or are brought in at a higher relative rank compared to the permanent worker. Organizations that fall into either of these categories would benefit from using voluntary temporary employees, and from ensuring that their permanent workers are aware of the voluntary status of the temporary employees. Such a strategy should minimize the disharmony between temporary and permanent workers. If organizations are using lower level temporary employees (relative to permanent workers) for reasons that are perceived to be benevolent, however, involuntary temporary employees are likely to be better treated by the permanent workers.

At a broader level, the current research highlights the importance of feelings of threat in the workplace. Employees who are threatened appear to engage in behaviors that undermine the smooth running of the workplace. The current research examined this issue with regard to how threat influences the behaviors of permanent employees toward their temporary co-workers, but these findings may generalize to other groups of employees within the organization. Just as experiencing threat led to negative treatment of involuntary temporary employees, feelings of threat may change the way employees respond to members of other work groups or divisions as well.

Theoretical implications

The current research adds to the growing literature on the role of threat in intergroup relations. Consistent with realistic group conflict theory, the current research demonstrates that employees who believe their interests to be in conflict with other groups will behave in a negative manner toward members of those other groups. The current research extends previous findings on realistic group conflict by

demonstrating these effects in groups that are real, but nevertheless fluid and work-based rather than immutable and societal. Thus, the current research establishes that the somewhat arbitrary and unwanted designation as a temporary employee can lead to many of the same sorts of conflicts that have traditionally existed between different ethnic and religious groups.

Because temporary employees are a low-status group whose status is perceived as legitimate but whose boundaries are perceived as permeable (von Hippel, 2006), the current findings suggest that realistic group conflict theory applies even in cases where today's outgroup member may (and indeed desires to) be a member of tomorrow's ingroup. Many such inter-group boundaries can be described in this fashion (e.g. different divisions within an organization, different organizational or sports teams, etc.), and thus the current findings extend realistic group conflict theory to a variety of new domains. These findings then lead to questions about how a previous member of a denigrated social group behaves and integrates into the higher status group once this boundary is crossed, as it is unclear what effect previous discrimination based on intergroup threat will have on newly integrated group members. Such issues remain for future research.

Limitations and directions for future research

In addition to the issues raised previously, the sampling procedure in the current research represents a limitation to the generalizability of the findings. Although supervisors were asked to distribute the survey to one permanent employee and one temporary employee who work alongside one another, the selection of the employees was left up to them. It is likely that supervisors distributed the surveys to employees who they knew well, as evidenced by the long tenure of both temporary and permanent employees. Alternatively, supervisors may have distributed surveys to employees who are more conscientious or agreeable. Although the sampling strategy used may not be representative of the organization as a whole, there is no reason to believe that agreeable employees or employees who have been at the organization for longer periods would be more likely to show the effects reported in this research than less agreeable or more recent employees. Thus, it seems unlikely that this sampling strategy led to systematic bias in the results, although it may call into question the generalizability of the findings. Nevertheless, the broad range of organizations and employees sampled offsets these generalizability concerns to some degree.

The measures used in this study represent another potential limitation, as all responses relied on the self-report of interested parties. It is possible, for example, that temporary employees were exaggerating the poor treatment they received, or that permanent employees were justifying the sense of threat they felt from their temporary co-workers by exaggerating the sinister nature of the organizational motives. Subsequent studies should endeavor to obtain more objective measures of behavior.

Although an attempt was made to circumvent problems of same source bias by predicting temporary employees' report of how the permanent employees treated them with measures garnered from permanent employees, it remains the case that the permanent employees completed most of the measures. Thus, support for hypotheses two through four may to some degree be due to common method variance. For this reason, subsequent studies should endeavor to use multiple sources. Additionally, this research did not examine temporary employees' behavior toward their permanent

co-workers. The benefits of temporary employee usage will be undermined if temporary workers are behaving poorly toward their permanent co-workers, a possibility that seems likely if temporary employees do not feel well treated. This issue represents an avenue for future research.

Another limitation of the measures used in this study is the low reliability of the scales measuring motives for using temporary workers and layoff policies. Combining these items into one scale rectified the reliability problem, but these scales were intended to measure distinct, albeit related, constructs. As noted previously, however, the motives and layoff policy may go hand in hand as they may stem from a common source, such as the ILM strategies that organizations adopt. In the current research, organizations that are perceived as using temporary employees to cut costs or undermine commitment to their permanent workers appear to also be perceived as organizations with unfavorable layoff policies, and indeed these perceptions may well reflect reality.

Conclusion

This work adds to the growing body of literature that suggests that blended workforces can lead to organizational problems. In response to certain organizational factors, some permanent workers were found to view temporary employees positively while other permanent workers were threatened by the presence of their temporary colleagues. This threat, in turn, influenced relationships between permanent and temporary co-workers, as threatened permanent employees treated voluntary temporary employees better than involuntary temporary employees whereas non-threatened employees showed the opposite pattern. Understanding when this pattern of behavior is likely to emerge, and what might be done about it, represents an important step in minimizing possible costs associated with a blended workforce.

Notes

1. In the current research, temporary workers are defined as those individuals who are paid by a temporary agency, which in turn provides employees on demand for companies that require them. Temporary employees typically work for only a limited duration of time, although that duration can range from a single day to a matter of years. For an overview of different types of contingent employment see von Hippel *et al.* (2006).

2. George's (2003) research includes both temporary and contract workers.

3. Percentages that do not add up to 100 represent missing demographic information. In total, 19 permanent employees did not have temporary co-workers, and thus were excluded from further analyses.

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Corresponding author
Courtney von Hippel can be contacted at: c.vonhippel@psy.uq.edu.au

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