

Hiring Intent Among Temporary Employees

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I. Executive Summary

The purpose of this project is to examine the hiring practices of workers from the temporary pool into permanent positions. Specifically, it hopes to determine whether or not hiring managers utilize workers from the temporary pool as a means of screening potential hires for permanent positions in the administrative unit. The question is relevant as the answer may impact policy and practice related to general hiring. The methodology employed will be two-fold. In the first part of the project, demographic and hiring information from the personnel database of a temporary pool will be examined using a cross-sectional model and employing multivariate analysis of the data. In the second phase of the project, a variation on the case study approach will be employed to examine the responses to an open-ended questionnaire given to hiring managers. Follow-up interviews may be used depending upon the responses from the questionnaire.

II. Introduction

At a major research university/medical center dedicated to the health sciences, the Human Resource (HR) department has identified what they believe to be a significant statistic: approximately 50% of the workers from the university's temporary pool are offered career (i.e. "permanent") positions with the university or the medical center. Senior management in HR believe that this statistic may be evidence that hiring managers are utilizing the temporary pool to screen or "try out" potential employees before hiring them into career positions. Thus, I have been asked to ask the question, "Do hiring managers utilize the temporary employment program as a screening tool in the hiring process of career employees?"

This project should be considered preliminary research and exploratory in nature, for the answer to the question does not provide us with any significantly informative data. Depending upon the answer, however, the results may establish the importance of asking other questions about a variety of university policies, practices and procedures. For example, if the answer is “yes,” there is a possibility that this practice impacts the equal opportunity of employment policy endorsed by the university and mandated by law (C. Morris, personal communication, May 17, 2007). It follows that it would then be important to establish both the manner and extent of that impact. Adoption of a method besides the official and established method generates a valid reason for examining the current hiring practices and policies – do managers find the existing practices and policies problematic; or, how effective are the current practices and policies? One must also consider whether the practice should be allowed to continue, encouraged, discouraged, or prohibited. It would also seem prudent to examine the currently prescribed practice of hiring, to determine if any changes should be made. Each answer in the possible range (yes, no, sometimes, in addition to, etc.) will generate a new set of topics important for the university to research if it is to continue to be an effective employer. There is also a possibility that the results may be generalizable to other settings and organizations outside of the university. But, in sum, the primary importance of this research is the possibility that it may illuminate the need for more in-depth examination of a variety of the university’s employment practices and policies.

III. Literature Review

Temporary, or “contingent work” as it is often called, is a work arrangement relationship that has its roots in the post-WWII United States economy (Gonos, 1997). Gonos explains that it must be remembered that the terms “employer” and “employee” are “socially constructed terms defined and shaped over time by social, legal, and political forces” and that the “standard” relationship is based on the established norm from the New Deal period of employer relations. He further clarifies the definition of temporary work by stating that its definition has nothing to do with the amount of time worked, or the duration of the employment. Instead, the defining factor is a triangular employment relationship wherein a staffing agency or firm “assigns” workers to their client firms. The agency, for legal purposes, administers payroll for these workers, bills client firms to cover worker wages, etc., and “assume responsibility for formal compliance with the key legal requirements connected with this role” (Gonos, 1997; Cordova, 1986; Moberly, 1987). This concept that the staffing agency is the employer is not, in fact, absolutely held. Since the 1940s there has been much litigation as staffing agencies attempted to have themselves formally declared and legally considered the employer of the temporarily assigned worker.

In the setting of this project, the organization (the university) is both the staffing agency and the client firm. It should be noted, however, that the staffing agency is a unit within the organization that is self-funded by the revenues it receives from placing temporary employees (TEs). The client firms, or hiring units of the TEs, are individual units within the university who must pay for the expense of the TEs out of their own

operating budgets. Furthermore, the benefits package available to the TEs is distinct and separate from the benefits package offered to career employees.

Most of what has been written on temporary work relates to the practice as an indicator of economic change and as a tool used by firms to deal with economic uncertainty (Eisinger, 2002; Milner, 2001; Golden & Appelbaum, 1992). Other research has attempted to identify why there has been a growing trend, internationally, to utilize TEs instead of permanent staff (Connelly & Gallagher, 2004). Another group of writings focuses on the financial benefits client firms gain from utilizing the services of temporary staffing firms (Sopko, 1993; Segal and Sullivan, 1995). Related to these last two questions, it has been suggested that the biggest factor is the cost-savings that accrues from being able to decrease the amount of spending on the training and development of permanent staff (Westerman, 2001). This theory operates under the assumption that TEs already possess the necessary job skills (Sopko, 1993), only need to be trained to do the specific tasks at hand for which they were engaged, and possess no need to be developed by the client firm.

Some pieces, often in the popular press, have begun to deal with the growing trend of employers to hire TEs into permanent positions (Johnston, 1996; Sixel, 1994; Hagenbaugh, 2004). This is an interesting trend for it seems to contradict many of the conclusions drawn by those who looked at the reasons for the “temp boom.” As mentioned above, these writers had concluded that firms benefited by hiring temporary workers because of the saved on the costs on benefits, training, etc. As part of this trend, it should also be noted that temporary workers are now filling more upper level positions, and are no longer restricted to the clerical pool (Wakin, 2001). With temporary

help no longer restricted to filing and phone reception, this also has implications for how mid- and upper level administrators and analysts may want to go about the job search.

In closing this section, it should be noted that the readings reviewed are almost all based on the study of private sector firms. This is an important distinction because the organization being studied has certain legal obligations with regard to hiring and equal opportunity of employment, whereas the private sector has much more freedom in this regard. This researcher believes that this may impact the findings of the project as some hiring managers (HMs) may be unwilling to openly admit to using the temporary pool as a screening tool.

IV. Presentation of Research Question and Hypothesis

- A. Research Question: Do hiring managers utilize the temporary employment program as a screening tool in the hiring process of career employees?
- B. Hypothesis: The nature of the topic that will be examined and the nature of the research are such that there are no hypotheses at this time. However, it is believed that through the study of this topic, new hypotheses will be generated that will warrant further examination.

V. Proposed Methodology

The proposed methodology was selected by examination and elimination of a variety of models, and also took into consideration the requirements of the course for which this research is being conducted. In accordance with those course requirements, both quantitative and qualitative methods will be employed. In the quantitative portion of the project the cross sectional method will be used with the intent that the results will

then be analyzed using multivariate analysis. For the qualitative portion of the project, a version of the case study will be employed, with the information being gathered through use of an open-ended questionnaire and, possibly, follow-up interviews. Other models were considered, but since the research question is attempting to establish the use or non-use of a practice, and not what effects that practice might have on a subject group, these models did not seem the most appropriate for the project. Specifically, the researcher considered observational models (both case control designs and cohort studies), experimental methodologies (i.e. classical, randomized posttest designs), quasi-experimental styles (comparison group pretest/posttest, interrupted time-series, multiple-group/interrupted time-series) and non-experimental designs such as single group posttest, single group pretest/posttest, and nonequivalent groups posttest only. What follows is a description of the major components of the study design and other factors important to consider:

A. Data: Quantitative Study

1. Unit of analysis: the individual TE.
2. Dependent variable: TEs that were either permanently hired or not permanently hired.
3. Independent variables: TE demographic information, hiring unit information, and job appointment information (see appendix i).
4. Operationalization: cross sectional study and multivariate analysis of the aforementioned variables in an attempt to determine if any associations (positive, negative, inverse) exist between the independent variables and the dependent variable. If associations are discovered, the

analysis will also attempt to determine the relative strength of those associations. The goal is to identify possible correlations or trends, not to establish causation. This analysis will also include a comparison between the demographic composition of the temporary pool as a whole and the demographic composition of that subset of TEs who are permanently hired.

5. Sample: the source of the data will be the database of the temporary employment program, and the sample will be data covering the past 5 years.

B. Data: Qualitative Study

1. Unit of analysis: the individual HM.

2. Dependent variable: HMs that either permanently hired TEs or did not permanently hire TEs.

3. Independent variable: N/A

4. Operationalization: distribution of a web-based open-ended questionnaire (see appendix ii), followed by a review and analysis of the responses. The goal will be to reveal any themes that may exist and/or to identify any associations there may be intent and action for HMs who choose to permanently hire TEs. The analysis of this information may suggest the need for follow-up interviews. If so, in-depth interviews will be conducted with a subset of the HMs.

5. Sample: The questionnaire will be distributed to all HMs that have utilized the temporary employment program during the past 5 years. They

will be asked to voluntarily complete the questionnaire. If determined necessary, a subset will be created from those HMs that responded to the questionnaire and indicated that they were willing to be interviewed. The method of selecting this subset has not yet been determined and will be decided upon after analysis of the initial responses to the questionnaire. The number of volunteers may also dictate how this subset is eventually composed.

C. Human Subjects: There are no human subjects concerns as the quantitative portion of the study will be an analysis of statistical data that will not be personally identifiable to individual TEs. The qualitative portion of the study will be the voluntary responses to a questionnaire and these responses will also not be personally identifiable to the respondents.

D. Instrumentation: The study will utilize a questionnaire (see appendix ii) as outlined in section V.B.4. The questionnaire will be in an open-ended format and will be distributed via the world wide web. If the need for follow-up interviews is determined, the structure of those interviews will be established at the time after consultation with the instructor of the course on the best format to take.

E. Timeline

1. May 29, 2007, submit list of requested data fields to HR (see appendix i).
2. June 1 – 15, 2007, refine questionnaire.
3. June 15 – 30, 2007, post questionnaire, invite HMs to reply and begin collecting responses.

4. July, 2007, continue collecting responses to questionnaire, following up with requests to submit as needed. Begin preliminary analysis of questionnaire responses to determine if follow-up interviews are warranted. Schedule interviews as necessary.
5. August, 2007, conduct interviews. Begin transcribing interviews.
6. September, - December, 2007, finish transcribing interviews, enroll in PA 706 and analyze statistical data, questionnaire responses, and interviews.
7. Late December, 2007 (exact date to be determined), present findings in final research report.

F. Limitations: This project's purpose is to answer the basic research question of whether or not HMs use the temporary pool to screen potential hires for career positions. Although it is hoped that the findings will also shed some light on the reasons such a decision might be made, it should be noted that the study has not been designed with that goal in mind and therefore may be ineffective in providing reliable data in answer to that question. The study will also not examine differences in behavior that may vary over time or under different economic conditions. The setting of the project, a state university, is in many ways unique to other places of employment in the private sector. For this reason, it may not be possible to extrapolate to the private labor market. The study will not be comparative in nature and that will further limit the ability to generalize the findings. The inexperience of the researcher may impact the accurate analysis of the data, the content of the data collected, and the accurate

interpretation of the data. Other limitations are more closely related to issues of validity and are discussed in the section that follows.

G. Validity: There are several ways in which the validity of the project may be compromised. Acknowledging them here is the first in a series of steps to minimize their impact.

1. History: prior experiences in the hiring process may have shaped the HMs intent. Prior work experience of the TEs may impact the actions of the HMs. The presence of unidentified confounding variables. The existence of unchecked spurious associations.
2. Maturation: natural changes in the HMs and TEs over time.
3. Selection: response to the questionnaire and participation in the follow-up interviews will be voluntary and the nature of the individual who volunteers is different from one who does not. This may influentially shape the responses received. This study does not consider the replies of HMs who have not utilized the temporary employment pool. Time and resource constraints limit the size of the sample that can be constructed.
4. Design contamination: the very fact that the HMs are being surveyed and questioned may affect the responses. For example, honesty of reply is a concern since intent may implicate behavior contrary to established university policy. HMs interviewed first may discuss the experience with those interviewed later, thereby influencing those responses.
5. Setting: the unique nature of the setting may affect the results as compared to conducting the research in another setting.

6. Researcher bias: the researcher is an employee of the organization being studied. His observations and personal conclusions regarding the behavior of his colleagues could prejudice the interpretation of the findings.

7. Instrumentation: the design of the questionnaire will affect the responses received. The structure and format of the interviews will affect the responses received.

VI. Conclusions

Any conclusions predicted at this point would be premature and unfounded. Despite this, the researcher holds the opinion that the findings will demonstrate that HMs do not intentionally use the temporary pool as a screening tool, but do use this method when the opportunity presents itself in a situation where a TE has been hired and a position in the unit becomes available for consideration (see section V.G.6 for additional thoughts on this opinion). In addition to answering the primary research question, the researcher believes that valuable information will be gained concerning the motivation behind the decision to take such action. It is also believed that information related to HMs satisfaction with the current practice will be revealed and that suggestions for possible changes to current practices will be obtained.

Appendices

- i. Table of data fields to be examined in the quantitative portion of the project. As the database has not yet been examined, the variables of these fields have not yet been established.

Temporary Employee Demographics	
age	highest level of education achieved
gender	length of time in temporary pool
race/ethnicity	prior appointments held
assessment testing classification	
Hiring Unit Characteristics	
type of unit (academic, medical center)	subdivision (if applicable)
location of unit	size of unit
Temporary Employment Appointment Characteristics	
classification	working title
salary	intended length of appointment
funding source	primary job duties
reason for appointment	actual length of appointment
Career Appointment Characteristics	
classification	working title
salary	posted/not posted
funding source	primary job duties
existing/new position	

- ii. Questionnaire

Preface: Thank you for taking the time to complete this questionnaire. Your responses will be held strictly confidential and will in no way be personally identifiable if presented as part of the findings of this study. There are no right or wrong answers so please answer as honestly and completely as possible.

- a. In the past 5 years, have you ever used workers obtained through the Temporary Employment Program (TEP)?

- b. For what type of work did you make this hire? (e.g. seasonal flux, unexpected increase in workload, to fill temporary vacancy of career employee position, to fill vacancy created by departure of career employee, etc.)
- c. Did you post the position the temp was filling before, after or concurrently with securing the temp? Why or why not?
- d. Was the position an existing one, or was it a new position?
- e. How satisfied were you with the performance of the temp?
- f. Did you offer the temp a permanent position? If yes, what were the factors that went into making this decision? If no, why not?
- g. Was this a new position, an existing position that had been vacant, an existing position that became vacant while the temp was already working for you, or some other scenario?
- h. Did the temp accept? If no, why not?
- i. Do you think using the temp pool is a good way to pre-screen potential permanent hires? Why or why not?
- j. Overall, do you find the established method of doing a hiring search (posting with HR, reviewing resumes, interviewing candidates, etc.) to be effective?
- k. What do you like about the process?
- l. What don't you like about the process?
- m. Have you ever used the temp pool to pre-screen for a permanent hire instead of going through the regular process? What about in addition to the regular process?

- n. Whether or not you have ever done this, do you think this a good approach to take when faced with a hiring need? Why or why not?
- o. What other methods do you use to recruit for a vacant position?
- p. Do you think it is wrong or against university policy to use the temp pool as a pre-screening tool? Please explain.
- q. If you were told that approximately 50% of the temp employees hired by campus units were eventually permanently hired, what would you think was the primary reason for this?
- r. Thank you for taking the time to complete this questionnaire. Your responses will help us to better evaluate the services that the Human Resources department offers to hiring managers. We may invite some respondents to participate in a short interview. If you were selected and would be interested in participating, please provide your contact information below. Thank you.

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