

Managing precarious employment arrangements. Professional contractors and social support

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ABSTRACT

This study presents the sources of social support available to and used by a 240 Professional Contractors (PCs) in Victoria, Australia. As part of the non-standard workforce, the PCs in this study access work via professional recruitment/contracting agencies (CAs). Accordingly, it was proposed that PCs experience many insecurities associated with these employment arrangements, and rely on social support to manage a contracting lifestyle. The results found that PCs generally relied more on home-related support than work-related support. The effect of gender was evident within these results. Males more frequently reported spouse, partner or defacto than females; females reported a greater number of sources of support than males; and females reported greater levels of satisfaction with support received than males. Contrary to expectations, females reported a greater number of work-related supports than males. The presence of dependents was also found to be important, as PCs with dependents reported a greater number of supports. These results are generally consistent with past studies and provide insights for managing a precarious, contracting lifestyle.

Introduction

In a competitive global marketplace, organisations strive to maximise efficiency and flexibility to optimise performance. Consequently, the concept of workforce flexibility has emerged and evolved. The emphasis on workforce flexibility has compounded many of the insecurities associated with non-standard employment in general, and contracting arrangements in particular. The term *non-standard employment* is not precisely defined or accurately captured through Government data collection sources. However, many commentators agree that the major defining characteristic is the absence of full-time, permanent, open-ended and secure employment (see Burgess, 2002; Watson, Buchanan, Campbell and Briggs, 2003). Through the analysis of self-reported survey data, this research study identifies the supports available to and used by PCs. Interview data from three Melbourne-based CAs complements and extends the survey data.

The employment environment of PCs

Incomplete workforce statistics make capturing the parameters of professional contractors a difficult task. Legally, these types of employment arrangements have been, and continue to be, challenging and subject to some debate. This situation is compounded by the growth in labour hire and conflicting findings being reported about the experiences of contractors (see for example Brennan, Valos and Hindle, 2003). However, as a starting point, ABS (2004) data indicates that 8% (141,500) of professionals are *own-account workers*, and many more are likely to have non-standard arrangements. The insecurities associated with non-standard employment have been acknowledged (see Burgess, 2002; Watson et al., 2003). These insecurities relate to working-time, income, benefits, function, skill reproduction and employment generally. However, when these themes are considered within the context of professionals, slightly different themes become apparent.

Davis-Blake and Uzzi (1993) attribute the reasons for organisations using professional contractors to the requirement for a highly skilled and committed workforce. At the elite end of the contracting continuum, the professional contractor workforce appears to differ from many other peripheral arrangements as it is characterised by high demand and short supply (Van Huss, 1995). These characteristics place the professional contractor in a somewhat stronger negotiating position than the more easily replaced unskilled or low skilled contractor. 'Drawing together the literature on self-employment, professionals and contracting provide an extremely optimistic picture of the self-determined, self-actualised worker' (McKeown, 2001, p. 95).

However, on a less positive note, the rights and entitlements of contractors and outsourced workers, are often unclear. Hall (2002) refers to the essential quality of a labour hire arrangement as being the splitting of contractual and control relationships to ascertain liability. Highly skilled contractors may be costly, placing pressure on the wages system. This may result in PCs feeling pressured to be readily available, immediately productive and to earn their keep.

Given the positive and negative aspects associated with contracting, why are many professionals in this form of employment arrangement? The main dimensions that emerge from the literature are that they are *pushed or pulled* (Hughes, 2003), seeking to manage work-life balance (Taniguchi, 2002) or exploring employment options to possibly secure a full-time job (Wheeler and Buckley, 2001). Consequently, contracting or self-employment arrangements may be viewed as a *bridge* to new or expanded opportunities, or a *trap* (Natti, 1993). If contracting is an undesirable option, PCs may experience increases in stress levels, work-life conflict and overall dissatisfaction with life. If contracting is a desirable option, PCs may have a very different experience.

Factors in support of organisational workforce flexibility

Pressures from the macro-level business environment have fuelled the desire for organisational flexibility, which can be achieved in many ways. From Atkinson's (1988) 'Flexible Firm' to the eight related and overlapping types of employment flexibility identified by Bamber (1990), all are driven by business bottom line requirements and employees being flexible or having to work long hours. Common themes in the literature relate to labour insecurity and to the use, and possibly overuse, of core workers (see for example Davis-Blake and Uzzi, 1993; Watson et al., 2003). The extensive use of peripheral labour provides a convenient means to achieve workforce flexibility.

Burgess (2002) asserts that the use of non-standard labour is largely a short-term expediency related to uncertain product market conditions. This statement is supported by findings reported by Brennan et al. (2003) and Hall (2002). These studies confirm that employers use peripheral and agency workers to increase organisational capacity (to cope with demand), to access specialised skills and to reduce labour costs. However, the goal of workforce flexibility has not been alone in contributing to the growth of the contracting workforce. Reduced government involvement in employee relations and declining unionisation rates, particularly for those without leave entitlements, have generally strengthened the negotiating position of employers. The growth in employment services organisations and range of employment options has also encouraged the use of contractors and on-hired workers.

ABS (2003) data indicates 2,704 organisations in the employment services industry. The major areas of employment placement are in health care and medical occupations; trade, labour and related occupations; and clerical occupations. Clearly this industry is making a valuable contribution to the Australian economy, and the Recruitment and Consulting Services Association Inc. (RCSA) is playing a lead role. This Association lobbies for improvements or alterations to legislation and regulations in the interests of the industry, and is a driving force behind improving the professionalism, ethics and image of employment services organisations (RCSA, 2003). RCSA members provide a broad range services that are customised to meet the needs of Host Organisations/Employers (HOs), such as on-hired employee services, on-hired contractor services, recruitment services, employment consulting services and managed project or contract services (RCSA, 2003).

A recurring theme of this brief overview has been the organisational focus on flexibility, particularly workforce flexibility, and its consequential impact on employment security. Consequently, many professionals are managing a precarious, contracting lifestyle.

Managing precarious employment arrangements

Regardless of whether professionals move to contracting arrangements through choice or necessity, they have limited access to standard employment rights and benefits. Contracting arrangements may therefore compound or relieve the conflict between work and non-work responsibilities. Past work-life balance studies have generally emphasized the negative, rather than the positive, links between work and family roles. These studies reveal that the role

expectations of work and family domains are not always compatible, resulting in inter-role conflict, dissatisfaction or role spillover with negative effects (see review by Kossek and Ozeki, 1998). It is possible that PCs experience detrimental effects as their employment environment is characterised by insecurity, long working hours, short notice periods, limited or minimal access to leave and pressure to perform (ABS, 2004; Hall, 2002; Wooden, 2002; Bryson and White, 1997). This presents an important reason for PCs to rely on quality social support on a day-to-day basis, and at times of crisis.

The concept of social support

Stress and work-life balance researchers emphasize the importance of social support as a coping resource in dealing with stressors in different life domains (see for example, House, 1981). Of particular relevance to this paper is the conceptual work of Sarason, Levine, Basham and Sarason (1983), which focuses on social support within two dimensions, identifying who provides support as well as assessing the levels of satisfaction with the support received. Consequently, the Social Support Questionnaire (SSQ) survey instruments developed by Sarason et al. (1983, 1987) concentrate on emotional social support and its buffering effect.

House (1981) notes that a necessary condition for supportive acts or behaviours is some interaction between two people, and that a minimal condition for experiencing social support requires one or more stable relationships with others. Past research has uncovered a broad range of sources of social support potentially available in the work, home and other personal areas of life. Based on these findings and the employment insecurities previously discussed, it is hypothesised:

H1: Professional Contractors will report a greater number of home-related than work-related sources of social support.

After reviewing a number of social support studies, Shumaker and Hill (1991, p. 106) conclude “socialization is differentiated by gender, and socialization experiences are inextricably tied to the development, maintenance, composition, and functions of social networks.” They further add that in adulthood, men often cite their spouses as their only confidants, whereas women cite spouses and friends with about the same frequency. Etzion (1984) observed the work stress-burnout relationship was moderated by supportive relationships in the work environment, especially for men, and only family resources were related to personal functioning among women. These findings lead to two related hypotheses.

H2a: Male Professional Contractors will report their spouse, partner or defacto as a source of social support more frequently than female Professional Contractors.

H2b: Male Professional Contractors will report a greater number of work-related sources of social support than female Professional Contractors.

Stereotypically, women are the main support for family and children, often balancing home and work-related duties and responsibilities. Baxter (2000) reported that the gendered division of domestic labour means many female workers have dual caring responsibilities, for children and ageing parents. Consequently, female workers may have a greater number of supports than male workers. However, as noted by Thoits (1992), social relationships are also a potential source of stress, thus highlighting the importance of being satisfied with the support received. Therefore, it is hypothesised:

H3a: Female Professional Contractors will report a greater number of sources of social support than male Professional Contractors.

H3b: Female Professional Contractors will be more satisfied with support received than male Professional Contractors.

In line with past work-life balance studies, Ginn and Sandell (1997) reported high levels of work responsibility, together with responsibility for young children and working full time generates high stress levels. Based on these findings it is hypothesised:

H4: Professional Contractors with dependents will report a greater number of sources of social support than those with no dependents.

Research methodology

This study involved a mixed-method research design. Stage One involved the secondary analysis of data gathered from 240 PCs (refer to McKeown, 2001). The respondents completed the six-item short version of the SSQ (Sarason et al., 1987). Cronbach's alpha coefficient was .93. In Stage Two, semi-structured interviews were conducted with a purposive sample of three Melbourne based CAs to extend the survey findings.

DESCRIPTION OF PARTICIPANTS: Of the 500 surveys forwarded, 240 useable surveys were returned by adults actively registered as PCs with three selected CAs (48% response rate). Key characteristics of the survey respondents are presented in Table 1.

TABLE 1
Key characteristics of survey respondents

<i>Characteristic</i>	<i>Description of Respondents</i>
Gender	179 males (74.6%) and 61 females (25.4%)
Modal age group	40-44 years (25.8%)
Marital status	189 married/defacto (78.8%)
Annual income range	Under \$25,000 to in excess of \$185,000
Presence of dependents	121 with no dependents (50.4%) 119 with one or more dependents (49.6%)

The majority of respondents were employed in information technology (27.1%) or business, manager or administrator (25.4%) type occupations. Respondents worked in a range of industries, with the largest number employed in public administration and defence (15.4%). Moving to the participants in Stage Two, interviews were conducted with three CAs, which are described in Table 2.

TABLE 2
Descriptors of contracting agencies interviewed

<i>Descriptor</i>	<i>Agency 1</i>	<i>Agency 2</i>	<i>Agency 3</i>
Agency Size	Large	Medium	Micro
Main industry/ies serviced	Manufacturing, Defence, Mining, Primary Industries and Utilities	Finance and Insurance	International Health
Dominant gender of PCs	Male	Male	Female
Professional occupational categories	Engineers, Para-professionals (Architects and Metal Trades)	Accountants, Information Technology Professionals, Business Managers and Administrators	International Health Care Professionals

TABLE 3
Sources of Social Support identified by PCs, Agencies 1 (A1), 2 (A2) and 3 (A3)

Work domain		Home domain		Other – personal life in general	
Individual	Organisation	Individual	Service or Caregiver	Individual	Service or Organisation
CA - representatives (PC, A1, A2, A3); peers (A1); mentors (A1)	Professional association - General (PC); APESMA and user groups (A1); Institute of Engineers (A1); Australia and New Zealand Institute of Insurance and Finance (A2)	Spouse (PC); Defacto (PC); Partner (PC)	Children's caregiver (PC, A2, A3)	Self (PC)	Nil (PC)
HO - Employer (A2); Boss (PC); Supervisor (PC); Manager (A2, A3); Work mate (PC, A2, A3); Work contact (PC); Friend-work (PC); Other contractors (A3); Contractor support person (A3)	Government advisory service (PC); Government employment advisory service (A1)	Family (A2, A3); Brother (PC); Sister (PC); Mother (PC); Father (PC); Relatives-in-law (PC); Uncle (PC); Aunt (PC); Daughter (PC); Son (PC)	Out of school hours caregiver (A2)	No-one (PC)	Financial advisor/bank (A1)
Business partner (PC)	Employer/agency social club (A1)	Ex-spouse (PC); Ex-partner (PC)		Doctor (PC)	Community group or association (A3)
Accountant (PC)		Friend-general (PC, A1, A3); Separate social circles outside of work (A1)		Medical specialist (PC)	
Former employer (PC); Social group from former employer (A1)				Household animals (PC)	Church (A3)
Professional social network (A1, A2)				Study related—Colleagues (A2); Fellow ex-graduated (A1); Institution (A2); Teachers/Lecturers (A2)	

*character in brackets() indicates source:A1=Agency 1 (large),A 2=Agency 2 (medium), A3=Agency 3 (micro) and PC

Discussion of results

NUMBERS OF SUPPORT SOURCES: Hypothesis 1 was supported, and PCs identified a greater number of home-related supports than work-related supports. The sources of support reported by PCs were combined with those identified in the interview data and aggregated in Table 3. While the findings indicated that PCs mostly rely on home-related supports, many respondents indicated having few or no supports.

The CA interview data added further explanation, and suggested that work and professional networks facilitated PCs movement onto another placement, while good quality home supports assisted PCs to manage the financial and emotional consequences of unplanned breaks between contracts. In addition to individual supports, CAs identified three professional associations available to PCs in the Engineering and Insurance/Finance industries. PCs did not refer to unions as a source of support, however, professional associations and CAs were identified. CA interview data also confirmed that CAs do perform support roles. For example, Agency 1 provides a staff social club and regularly visits contractors on-site and Agencies 2 and 3 are privy to PC's personal circumstances and act as an intermediary with the HO.

Regardless of whether professionals move into contracting through necessity or choice, they rely on others to provide emotional, appraisal, informational and instrumental support. Support from home and work sources is required during periods of transition. This difference in domains from which individuals seek support is an important concept, because, as Table 3 demonstrates, CAs identified a number of sources that PCs did not report. This result suggests that PCs may be unaware of these potential, often work-related, sources of support. Alternatively, PCs may not have viewed them as providing the type of emotional support they required, perhaps providing instrumental support. The importance of quality social support in managing employment insecurities should not be underestimated. The next section discusses the impact of gender in these results.

GENDER DIFFERENCES: Survey findings indicated that gender had an effect on the sources of social support and levels of satisfaction with support received. The current study involved 179 male respondents (74.6%) and 61 female respondents (25.4%) working in a variety of occupational categories and across a range of industries. This descriptive statistic is interesting in itself and suggests that contracting arrangements may be more conducive to or imposed upon male professionals. Regarding marital status, 82% of males and 71% of females reported being married or in a defacto relationship. Hypothesis 2a was supported, as male PCs did report their spouse, partner or defacto as a support more frequently than female PCs, ($\eta^2 = .006$).

Contrary to Hypothesis 2b, females reported a greater number of work-related supports, when compared with males, ($\eta^2 = .004$). Nelson and Burke (2000) note that support in the workplace is particularly important for females, as it may be limited due to their exclusion from informal networks and lack of access to mentors. This finding could be partially explained by the precarious nature of contracting which results in both male and female PCs being excluded from workplace networks.

Hypothesis 3a was supported. Female PCs reported a significantly greater number of sources of social support than male PCs, ($\eta^2 = .12$). Hypothesis 3b was also supported. Female PCs reported being significantly more satisfied with support received than male PCs, ($\eta^2 = .17$). While female PCs have a greater number of supports, and are significantly more satisfied with support received, this result could suggest that females are better at identifying their supports, or simply, that they were more thorough in completing the survey.

The findings relating to gender generally concur with those reported in the work-life balance literature. For instance, Shumaker and Hill (1991) found that socialisation is differentiated by gender and tied to the dimensions of social networks. Sharing experiences with others is often an important first step in reducing or managing work-life conflict. Although significant differences were reported by male and female PCs, many PCs reported that they rely on their spouse, partner or defacto and significant others as a coping strategy, possibly to deal with the insecurities associated with contracting. The themes of gender and caring responsibilities are evident in the results here. The next section expands these findings and discusses the impact of dependents.

THE ROLE OF DEPENDENTS AND SOCIAL SUPPORT: Hypothesis 4 was supported. PCs with dependents reported a significantly greater number of sources of social support than PCs with no dependents, ($\eta^2 = .019$). It has been demonstrated that PCs have limited access to many employment related entitlements and benefits. Therefore, as almost half of the PCs surveyed had one or more dependents, these PCs reported having a greater number of sources of social support. The sources identified include reliable and good quality supports, to care for children on a regular basis, and in times of crises. This is critical because for many contractors, no work equates to no pay. Given the large variation in annual income levels reported by respondents, it is likely many PCs work on a part-time basis through choice or necessity. These findings align with past studies by researchers such as Bryson and White (1997) who found self-employed women were more likely to work part-time, often as a way of combining family responsibilities with paid work. The themes of inter-role conflict associated with caring responsibilities and the need for social support are evident in the work-life balance literature, and clearly applicable to contractors and non-standard workers.

Conclusion

This study has focussed on the sources of social support available to and used by PCs to manage a precarious lifestyle. Although there is clearly scope for further research, through a longitudinal study or broader scale to more fully explain social support, this study presents some useful insights for managing a contracting lifestyle. As previously outlined, there are many insecurities potentially associated with non-standard employment, even for highly skilled and qualified professionals. Into the future, it is likely that more professionals will be faced with the prospect of contracting, whether through choice or necessity. To improve the likelihood of having a successful and positive contracting experience, professionals must recognise the employment insecurities and identify individuals and organisations that are available to provide quality social support. House (1981) presents four forms of social support - emotional support (esteem, affect, trust, concern, listening), appraisal support (affirmation, feedback, social comparison), informational support (advice, suggestion, directives, information) and instrumental support (aid in kind, money, labor, time, modifying environment).

The importance of social support should not be underestimated in preparing for, and securing employment placements, as well as managing the transition between placements. PCs must be aware of market and industry trends relating to their occupational category, to develop realistic employment expectations. They may also find it useful to critically review their individual *skills set*, as CAs and HOs seek the best *skills set-job placement match* to satisfy HO's needs. PCs should be able to clearly demonstrate and verify their qualifications, competencies, skills, employment history and experiences, regardless of whether they are job searching alone, or through a CA. When selecting a CA to job search on their behalf, PCs may benefit by clarifying the types of services, level of commitment and social support being offered by the CA. PCs must also understand their employment and contractual relationships with CAs and HOs. This is very important as contracting arrangements currently pose difficulties to traditional common law rules. Consideration of these insights may assist PCs to feel more supported in managing their precarious, contracting lifestyle.

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