

VARIATIONS IN JOB SATISFACTION FOR PERMANENT AND CASUAL WORKERS

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Abstract

This research uses both qualitative and quantitative data from 125 call centre staff to evaluate the job satisfaction of permanent and casual employees in a call centre setting. Findings indicate that human resource management practices impact on levels of employee job satisfaction yet there is no difference between permanent and casual workers with respect to their satisfaction with these practices. Casual workers do however report higher direct levels of job satisfaction than permanent workers. This latter finding of a preference for casual work status among the respondents leads into a discussion that work status rather than sophisticated human resource management approaches may, in some call centre situations, determine employee well-being. Employees working in a call centre that deals with more complex tasks who have a higher need to satisfy aspects of the relational psychological contract may however require more sophisticated developmental human resource management approaches.

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VARIATIONS IN JOB SATISFACTION FOR PERMANENT AND CASUAL WORKERS

Although difficult to define, casual work can be thought of as non-traditional employment in the absence of regular full-time work (Rasell & Applebaum, 1997), characterised by non continuing work as and when required (Brooks, 1985; Carter, 1990; Creighton & Stewart, 1994; Dawkins & Norris, 1990). Call centre work has recently attracted some attention as an employment site that relies heavily on the flexibility that a casual workforce offers (Burgess & Connell, 2004). Call centres have also been criticised as workplaces that may resort to 'sacrificial HR' approaches that involve deliberate, frequent replacement of employees rather than careful training, development and retention of call centre operators (Wallace, Eagleson & Waldersee, 2000). Holman (2002) has explained that the competing objectives of efficiency and service in call centres create such a difficult HRM management environment that some organisations resort to this hard HRM stance that has implications for employee well-being. The broad purpose of the present study is to investigate the experience of casual workers in the call centre setting. Specifically the study will first review the impact of HRM on job satisfaction. The study will then focus on the potential divide between casuals and permanents by comparing levels of satisfaction with HRM practices and job satisfaction between the two groups.

Call centre work has recently attracted some attention as an employment site that has significant negative effects on employee well-being. Wallace, Eagleson & Waldersee (2000) have argued that in such environments that need to satisfy the competing objectives of efficiency and service, management may resort to 'sacrificial HR' approaches that involve deliberate, frequent replacement of employees rather than careful training, development and retention of call centre operators. Other research has indicated that in situations where call centres have addressed HRM more comprehensively there has been a marked increase in the job satisfaction of call centre operators. Holman (2002), for example, reviewed the impact of HRM practices on employee job satisfaction and established that HRM can make a difference to the job satisfaction of workers in these establishments. Accordingly the first hypothesis in this study becomes:

H1: As satisfaction with HRM practices increases, call centre operators will report higher levels of job satisfaction

Research into the experience of casual workers has been driven not only by the increasing representation of these workers in the workforce but also by concerns that casual workers are disadvantaged in the workplace and do not share the same degree of employment protection offered to permanent employees (Boreham et al. (1996); Lowry 2001; Morehead et al. 1995; Romeyn 1992). Pocock, Prosser and Bridge (2004) noted limited access to voice, organisational communications, training and promotion opportunities for casual workers alongside low hourly rates and stress related illness as an occupational health and safety concern. As noted previously call centres are becoming a stronghold for the casualised workforce and although there has been quite a bit of research on the impact of HRM approaches in call centres (see Deery & Kinnie, 2002) there has been little comparative research reviewing the experience of permanent and casual workers within that setting. The second hypothesis becomes:

H2: Permanent workers will report greater satisfaction with HRM practices than casual workers in the call centre setting

Finally, as well as investigating permanent and casual workers' perceptions of HRM in the call centre setting this research is concerned with the direct job satisfaction experienced by casual and permanent workers. This investigation is prompted by Pocock et al.'s (2004) question, do casual workers like being casuals? These writers suggest that casuals fall into three classifications: reluctant, ambivalent and positive. Pocock et al.'s (2004) research confirms concerns of writers such as Smith and Ewer (1999) and Burgess and Campbell (1998) who raise issues about the impact of the precarious nature of casual employment on employee well-being, yet Pocock et al's identification of a positive group of casual workers also indicates that some of these workers actually enjoy aspects of casual work status. The current paper explores this reported variation in

the casual workers' experience and looks at this within the call centre setting. As the majority of employees in the Pocock et al. (2004) research were reluctant, the third hypothesis is framed to reflect this expectation in the call centre.

H3: *Permanent workers will report greater job satisfaction than casual workers in the call centre setting*

METHOD

Sample and procedure

This study was conducted at a single call centre that handles telephone directory assistance. A total of 193 anonymous questionnaires were distributed on site and 125 useful responses were returned. With respect to the sample characteristics, the majority of workers (78%) were casual and female (88%), primarily over 34 (56%) and had been with the organisation for 2 years or less (80%).

Measures

Three scales were used to measure the key variables identified for the project. The first scale, a 5 point Likert scale, sought responses regarding the impact of HRM. The items were designed in order to elicit the perceptions of employees about the usefulness and impact of nine HRM practices: clarity of the wording was tested with employee representatives and managers. A reliability check revealed an acceptable Cronbach alpha of 0.78. The second and third scales were originally from research reported by Warr, Cook and Wall (1979), but more recently by Holman (2002). The first scale, a 5 point Likert scale, deals with intrinsic satisfaction and had a reliability Cronbach alpha of 0.8. The second scale, also a 5 point Likert scale, relates to extrinsic satisfaction and had a Cronbach alpha score of 0.87. The questionnaire concluded with the open-ended question, 'What could be done to make your work more satisfying?'. This permitted the gathering of qualitative responses for later analysis and to provide the quantitative data with some greater depth. Finally, interviews with manager of the call centre both before and after administration of the questionnaire provided further qualitative data.

RESULTS

The descriptive data in Table 1 below reports valid responses and scores for the mean, median and mode for each of the HRM practices. Low scores within the five-point scale indicate positive perceptions about the effectiveness of HRM practices. It can be seen that there is a high level of agreement that training and development is useful (mean 1.96) compared with pay levels being fair (mean 2.99). Overall however there are no scores above 3 which indicates that in general this workforce is relatively satisfied with HRM approaches used in the organisation.

Table 1 about here

The first hypothesis posits that as satisfaction with HRM practices increases, call centre operators will report higher levels of job satisfaction. Results of a standard multiple regression provide overall support for this hypothesis. The regression was performed between job satisfaction as the dependent variable and the nine areas of HRM as the independent variables. Overall the model was found to be significant with an $R^2 = 0.553$ thus explaining more than half the variance. The overall significance of the model was $F(9, 110) = 15.117, p < 0.05$, thus supporting the first hypothesis.

Table 2 about here

Table 2 reports the impact of the various HRM practices on intrinsic job satisfaction and Table 3 below reports on extrinsic satisfaction. Results include standardised beta coefficients, t scores and level of significance for each of the HRM areas. Results indicate that industrial relations is a key element in both intrinsic and extrinsic job satisfaction and fair pay and useful performance appraisal were important in extrinsic job satisfaction. With respect to industrial relations the supporting qualitative data revealed that formal industrial relations are minimised by the low staff numbers who are actually union members. The call centre manager reported a low level of union involvement (around 10%) but was unable to provide accurate statistics. Some negative comments in the open ended question at the end of the survey however indicated some discontent with the industrial relations climate. One respondent wrote "Management [should] stop playing dumb and actually deal with the issues and concerns and stop pretending problems don't exist". Another worker remarked that it would be good to be able to have the "right to say no to an additional shift without being penalised and receiving a nasty letter". It would appear then that although there is no formal union activity on site there are industrial relations matters that contribute to the satisfaction of workers.

Table 3 about here

Pay and performance appraisal at the centre were two other HRM areas that arose in the qualitative data as important factors in satisfaction. The manager reported that in the eyes of the employees the two systems are connected as continuing employment depends on satisfactory performance. The manager also made the point that as the work is simple and undemanding and as such does not offer much in the way of challenge, pay is an important motivator. This would also explain why it is connected with extrinsic rather than intrinsic satisfaction. Overall, with respect to the first hypothesis job satisfaction is positively associated with HRM practices. Furthermore both quantitative and qualitative data indicate the HRM practices associated with IR, pay and appraisal are particularly important in ensuring job satisfaction.

The second and third hypotheses focus on the differences between casual and permanent staff members. The second hypothesis suggests that permanent workers will report more positive reactions to HRM practices in the call centre settings. Table 4 presents means across casual and permanent workers for both satisfaction with HRM practices and job satisfaction. As can be seen from the table, means for casual employees' satisfaction with both HRM practices and the job are higher than the means reported for permanent employees. An ANOVA comparison however, revealed no significant effect of casual / permanent work status on satisfaction with HRM practices. The second hypothesis is therefore not supported.

Table 4 about here

Finally, hypothesis three posits that permanent workers will report greater job satisfaction in the call centre setting. Means presented in Table 4 above indicate that casual employees are more satisfied with their job. ANOVA results (Table 5) indicate that this effect is not significant yet the p value for intrinsic satisfaction from the work does approach significance. This result has been included in the results because the qualitative data, both the interview with the Call centre manager and comments by individual workers revealed quite strong evidence that workers preferred casual worker status.

Table 5 about here

The centre manager for example made the comment that she had difficulty encouraging casual staff to apply for permanent positions. She made the following comment:

We let casuals know when permanent positions are available but no-one applies. Since casual pay includes a loading in lieu of leave, being elevated to permanent status possibly does not have the attraction that might be supposed. There are also the added responsibilities and time commitments that the casuals are not interested in taking on board

Several permanent employees also complained, via the qualitative segment of the survey, that they often received less pay than their colleagues who worked as casuals and they had to take on more responsibility. Comments from the casuals indicate that the workers enjoyed the flexibility afforded by their status. The ability to swap shifts with other employees, for example, was the most commonly positive comment made by the respondents who were casuals. In summary, results for hypotheses 2 and 3 indicate no difference between casual and permanent with respect to their satisfaction with HRM practices but there was evidence of greater job satisfaction among casual employees.

DISCUSSION

The focus of the present study is to investigate the potential differences between casuals and permanent workers with respect to well-being by comparing levels of satisfaction with HRM practices and job satisfaction. A general review of satisfaction with HRM practices across the combined workforce revealed that in line with Holman's (2002) expectation that HRM practices can improve employee well-being, HRM practices in the call centre under investigation are related to job satisfaction. Furthermore, counter to concerns by Wallace, Eagleson and Waldsee (2000) that call centre managers may resort to 'sacrificial HR' approaches, workers in the present study reported quite high satisfaction with HRM practices in the call centre under investigation. Special mention was made however by the staff about the importance of pay and flexibility to their levels of satisfaction.

The second key focus of this research was to evaluate differences in perceptions of HRM and job satisfaction between casual and permanent workers. Specifically with respect to hypothesis 2 results indicate no significant differences between the satisfaction of permanent and casual staff with respect to HRM practices. Within the literature comment has been made that casual workers may suffer from a lack of employer investment in their development. Campbell (2001) and Hall et al (1999) argue that casual workers may suffer from a 'training deficit' as employers under-invest in an attempt to meet short term needs. There was however no evidence of this distinction within the current research.

A final but important finding of the research is that casuals do indicate a general tendency for higher satisfaction from the work than permanent workers. This finding is consistent with other aspects of the literature that stress the positive outcomes for casual workers of flexible work arrangements. Barnes, Johnson, Kulys & Hook (1999) and Campbell (2000), for example, have explained that the convenience that casual work can provide in fitting employment with lifestyle needs and choices, allows people to balance work and family commitments or work and study. It is possible within the call centre that the casuals were relatively satisfied that the transactional elements of their psychological contract are being met. This is reinforced by the comments made above about the importance given by these employees to the more transactional HRM areas associated with pay and flexibility. Satisfaction of these needs may be enough and the casuals in the call centre may have little, if any, expectations beyond financial returns from the job. This is also supports Pocock et al.'s (2004) suggestion that not all casuals are 'reluctant'.

The interview with the call centre manager and the qualitative responses by employees provided evidence that employees are motivated by a more transactional psychological contract. As mentioned previously, when casual staff were offered permanent status, few showed interest in the offer as it would mean a reduction in pay. The call centre manager also indicated that there is little possibility for promotion or career development as the centre has a flat team structure and is located in a regional area. Staff who wish to pursue a career would have to transfer to a capital city and this is not an option for staff who have family commitments.

Broadly this research has implications for the literature on HRM in call centres. Despite the memorable reference by Taylor and Bain (1999) to call centres as 'an assembly line in the head' there is some notable variation in the tasks performed, and employee expectations, in call centres (Russell, 2004). Houlihan (2002), for example, has distinguished four quite different approaches to high commitment management in call centres that fit with varying required conditions of employee commitment and work flow design.

This difference across call centre settings raises the question of whether there is a generalised need for highly sophisticated HRM practice development in all call centre settings. In service organisations, Batt (2000) has made the point that high involvement HRM systems are appropriate when dealing with higher value adding customers. Boxall (2003) has also argued that competitive differentiation through human resources is possible only in high skill areas such as professional services and where quality and knowledge are important to competitive advantage. It could be argued that scholars similarly need to take a closer look at the link between employee well-being and HR strategy. The need for a strong core permanent workforce that is groomed with sophisticated HRM approaches may not always be necessary for increased levels of employee well-being. In the same way that Boxall (2003) has argued that sophisticated HRM approaches are not always appropriate or necessary in the service industry for the full range of customer service interaction, sophisticated HRM approaches may not always be necessary to ensure comprehensive employee well-being.

Before concluding it must be emphasised that the above argument does not support a sacrificial HRM approach that compromises the quality of employees' working conditions. The employees in the current study reported high levels of satisfaction with HRM practices in the first place. It was the casual / permanent work status that presented surprising results and it is this finding that prompts an investigation into the discussion about matching HRM approaches to employee well-being. For some employees factors such as flexibility and pay may come into play as critical determinants of employee satisfaction rather than factors associated with permanent work status and career development opportunities. The argument being formed is that different HRM areas may need to be emphasised in the design of HRM practices in different call centre situations. The workers in the call centre under investigation may benefit for example from a stronger emphasis on pay and flexibility in work patterns rather than an emphasis on career structuring but this may not translate to other call centres where the employees have higher needs for career progression. It has to be remembered that the organisation operating the call centre in the current research is a national entity, which has located the centre some distance away from the major population centres. Unemployment is a factor that probably encouraged the company to set up business because of a ready-made pool of potential employees. Hence, these employees might be more favourably impressed with the relatively sophisticated HRM practices at their place of work, compared with other employers in the same geographical area. The opportunity for ongoing work provides these workers with a work opportunity that may not have been presented if the organisation had not set up in the first place.

CONCLUSION

This study has revealed general satisfaction with the HRM approach applied in a call centre work environment that is characterised by a routine, simple task definition. With respect to

differentiation of experiences between permanent and casual workers, there was no difference in the perceptions of fairness of HRM approaches applied. Overall this research may renew hope that HRM can make a difference in a simple task call centre environment for both casual and permanent employees. It may be more accurate however to conclude that such a positive result is made possible by the potential emphasis given by this workforce to the transactional aspect of their psychological contract.

It is worth referring again to Deery's (2002) suggestion that the impact of HRM may be context specific. This study has shown that a reasonably fair approach to HRM in an environment characterised by a simple, routine task and a transaction focused work-force results in job satisfaction. In such a situation, heavy investment in sophisticated HRM approaches that provide for permanent worker status and career progression paths may not be necessary. Employees working in a call centre that deals with more complex tasks that have a higher need to satisfy aspects of the relational psychological contract may however, require more sophisticated developmental HR approaches and a clearer preference for permanent work status.

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Table 1: Perceptions of the effectiveness of various HRM practices

	n	Mean	Median	Mode
Recruitment & Selection	125	2.23	2	2
Training & development	125	1.96	2	2
Family friendly	125	2.66	3	3
Fair pay	124	2.99	3	3
Appraisal system useful	125	2.52	2	2
Appraisal system fair	125	2.62	2	2
EEO	125	2.55	2	2
OHS	124	2.33	2	2
IR concerns	125	2.99	3	2

Table 2: Impact of HRM on intrinsic job satisfaction

	β	t	sig
Recruitment & Selection	0.154	1.619	.108
Training & development	-0.069	-0.673	.502
Family friendly	-0.004	-0.040	.968
Fair pay	0.073	0.766	.445
Appraisal system useful	0.224	1.561	.121
Appraisal system fair	-0.096	-0.697	.487
EEO	-0.079	-0.770	.443
OHS	-0.114	-1.195	.235
IR concerns	0.316	2.936	.004*

F(9, 113) = 2.847, p<0.05.

*significant at the p < 0.05 level

Table 3: Impact of HRM practices on extrinsic job satisfaction

	β	t	sig
Recruitment & Selection	0.105	1.588	.115
Training & development	-0.046	-0.645	.520
Family friendly	0.131	1.881	.063
Fair pay	0.150	2.277	.025*
Appraisal system useful	0.213	2.138	.035*
Appraisal system fair	0.174	1.822	.071
EEO	0.073	1.028	.306
OHS	0.084	1.272	.206
IR concerns	0.301	4.045	.000*

F(9, 110) = 19.554, p<0.05.

* significant at the p < 0.05 level

Table 4: Means for HRM practices satisfaction and job satisfaction

	N= 125	
	HRM practices means	Job satisfaction means
Casual employees	23.01	38.68
Permanent employees	21.68	35.45

Table 5: ANOVA - Comparison of casual Vs permanent employees with respect to job satisfaction

		Sum of Squares	df	Mean Square	F	Sig
Intrinsic score	Between Groups	50.51	1	50.51	3.410	.067
	Within Groups	1688.69	114	14.81		
	Total	1739.20	115			
Extrinsic score	Between Groups	65.83	1	65.83	1.251	.266
	Within Groups	5892.28	112	52.61		
	Total	5958.11	113			
Job satisfaction	Between Groups	196.85	1	196.85	2.179	.143
	Within Groups	10027.15	111	90.34		
	Total	10224.00	112			