JOB SATISFACTION, ORGANIZATIONAL COMMITMENT, AND TURNOVER INTENTION AMONG TEMPORARY EMPLOYEES: AN EMPIRICAL EXAMINATION

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ABSTRACT

Organizations are increasingly employing temporary workers in their businesses. Managing temporary employee attitudes is an important issue. While several issues related to how to manage temporary workers have been addressed in the practical (management) literature, few empirical investigations have been performed which study whether well-supported associations found when studying permanent employees are also applicable for a fundamentally different type of employee. The exploratory study examines whether previously found associations between work-related attitudes would be reproduced for not only a temporary employee's work-related attitudes in relation to the company where they are performing the work, but also by in relation to the temporary service who employs the temporary employee.

INTRODUCTION

This paper examines the relationships between job satisfaction, organizational commitment, and turnover intention among temporary employees. Since temporary employees identify themselves with the temporary agency as well as the client organization where they are assigned work, this study examines temporary employee attitudes in relation to both the temporary agency and the client organization. Based on the extant literature on work attitudes, we proposed several hypotheses on the relationship between job satisfaction, commitment and turnover intention.

Hypotheses included:

Hypothesis 1a: Job satisfaction with a temp agency will be negatively related to intention to quit temp agency.

Hypothesis 1b: Job satisfaction with client organization will be negatively related to intention to quit client organization.

Hypothesis 2a: Job satisfaction with temp agency will be negatively related to intention to quit temp agency.

Hypothesis 2b: Job satisfaction with client organization will be negatively related to intention to quit client organization.

Hypothesis 3a: Organizational commitment toward temp agency will mediate the relationship between job satisfaction with temp agency and intention to quit temp agency.

Hypothesis 3b: Organizational commitment toward client organization will mediate the relationship between job satisfaction with client organization and intention to quit client organization.

Hypothesis 4a: Job satisfaction with temp agency will be positively related to commitment toward client organization

Hypothesis 4b: Job satisfaction toward client organization will be positively related to commitment toward temp agency.

Hypothesis 5a: Organization commitment with temp agency will be negatively related to turnover intention toward client organization.

Hypothesis 5b: Organization commitment with client organization will be negatively related to turnover intention toward temp agency

METHOD

Participants were temporary associates employed at nationally franchised temporary service organization. This service agency had employees in several sectors such as manufacturing, financial services, technology, and education. Employee occupations included industrial, technical, and clerical professions. 15,000 surveys were delivered to all franchised temporary service locations in the United States.

A response rate of 8.6% was obtained with .2% of the surveys being unusable. Although this response rate seems low, a temporary service organization will typically have response rates that range between 1 to 10%. Participants included 472 males, 769 females, and 16 people who did not respond to the gender question.

Structural equations modeling with LISREL 8 (Joreskog and Sorbom, 1993) was used to analyze data. First, we performed confirmatory factory analysis to assess the factor structure of the scales employed in this study. Then we constructed a series of structural models to test the hypotheses proposed in this study. We used several fit indices such as normed fit index (NFI), Non normed fit index (NNFI) and comparative fit index (CFI) since these indices are less influenced by sample size (Bollen, 1989) artifacts.

RESULTS

Selected results are reported below. Tables and figures with all results are available upon request.

The results, based on structural equations modeling, provided support for almost all the hypotheses. We found that increase in job satisfaction with client organization resulted in increase in client organization commitment which in turn diminished intention to quit client organization. Similar results were obtained for employee attitude toward temporary agency. Results also showed that commitment towards client organization was weakly related to job satisfaction with temp agency and commitment towards temp agency was weakly related to job satisfaction with client organization. Intention to quit temp agency was weakly related to commitment towards client organization and intention to quit client organization was weakly related to commitment towards temp agency. Implications of these results were discussed.

CONCLUSION

This research has made several important contributions. First, this research is one of the few studies that has the addressed the topic of employee attitudes of temporary employees. Past research in employee attitudes has for the most part focused on permanent employees. In a business environment that is increasingly using temporary labor, it is important for researchers to understand attitudes of temporary employees and this paper addresses the gap in research in this area.

Second, this research formulated research questions in terms of dual attitudes toward temporary agency and client organization. From an organizational behavior perspective, one of the key differences between temporary employees and permanent employees is that the former will have attitudes toward two organizations. Addressing this duality of attitudes enhances our understanding of employee attitudes of temporary employees. Indeed, the results of this study have shown that turnover intention toward client organization is more a function of job satisfaction and commitment toward client organization than job satisfaction and commitment toward temp agency. Such delineation not only addresses the issue in a realistic manner but also offers clues for practicing managers for resolving issues.

Third, the survey was conducted among employees working across several sectors such as manufacturing, retail, financial services, technology, and education. In addition, the respondents belonged to a variety of occupational groups such as clerical, industrial, and technical. Further, employees were located across 40 different states in USA. Given these characteristics, the results of this study have better external validity and generalizability than studies that focus on a single organization.