TEMPORARY AGENCY WORKERS’ WELL-BEING AND HUMAN RESOURCE MANAGEMENT SUSTAINABILITY

A qualitative case study

Master’s Thesis
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Autumn 2018
This qualitative case study explores the seemingly paradoxical relationship between the proliferation of companies’ involvement in temporary agency work and their pursuit of HRM sustainability. The case is an extreme one; the case company is comprised of half permanent and half temporary agency work staff. Due to unclear strategy towards managing a mixed workforce, the company has been suffering high turnover rate and low organisational efficiency. Contributing to the quantitative research methods dominated well-being studies in temporary work context, and to the insufficient academic research on temporary agency work featured by a triangular structure, we draw upon longitudinal qualitative empirical data. Which has given voices to employees, a business unit and the HR department, and is considered valuable to demonstrate the complex reality of employee groups and the implications to different actors. Through building a sensitising framework that incorporates sustainable HRM and workplace well-being resources models, our study suggests nuances to tailor the existing framework into a temporary agency work specific context for future generalisation studies. The findings suggest that to achieve organisational efficiency and ultimately corporate sustainability, the case company needs to address all employees’ well-being in strategy and HR practices.

Keywords  temporary agency work, well-being, HRM, sustainability
Table of Contents

1. Introduction .................................................................................................................. 5
   1.1 Proliferation of temporary agency work and the pursuit of sustainability: paradoxical? .... 5
   1.2 Sustainable HRM and workplace well-being: theoretical sensitising and gaps ............... 7
   1.3 Research purpose, questions, case and findings .............................................................. 8

2. Human resource management ....................................................................................... 11
   2.1 HRM in brief .................................................................................................................. 11
   2.2 Strategic HRM ............................................................................................................. 12
      2.1.1 The strategic rationale behind using temporary agency workers ....................... 14
      2.1.2 Who are doing HRM? ............................................................................................ 15
   2.2 Sustainable HRM ......................................................................................................... 16
      2.2.1 Academic roots of Sustainable HRM ................................................................. 16
      2.2.2 The four-dimension Sustainable HRM model with salience of stakeholders ......... 17
      2.2.3 Stakeholder salience model .................................................................................. 18
      2.2.4 The Sustainable HRM model ............................................................................. 18
      2.2.5 Critical analysis of the sustainable HRM model .............................................. 20

3. Well-being ...................................................................................................................... 24
   3.1 Workplace well-being research .................................................................................. 24
   3.2 Well-being research in the temporary work context .................................................... 26

4. The analytic framework ................................................................................................. 30

5. Methodology .................................................................................................................. 33
   5.1 Empirical context ......................................................................................................... 33
      5.1.1 Temporary knowledge worker ............................................................................. 33
      5.1.2 Managing R&D employees .................................................................................. 34
      5.1.3 The Finnish R&D centre’s understanding of sustainable HRM .......................... 35
   5.2 Research design .......................................................................................................... 36
      5.2.1 Research purpose ............................................................................................... 36
      5.2.2 Methods ............................................................................................................... 37
      5.2.3 Data analysis method .......................................................................................... 40
      5.2.4 Research ethics .................................................................................................... 41

6. Analysis and Findings .................................................................................................... 42
   6.1 Description of the case and initial analysis ................................................................. 42
6.1.1 Workforce: The Finnish R&D’s way of involving temporary agency work brings employee well-being challenges ................................................................. 42
6.1.2 Rationale behind using temporary agency workers ........................................... 45
6.1.3 Culture: well-being is not the focus ................................................................ 46

6.2 Data analysis: dimensions in temporary agency worker well-being ...................... 47
6.2.1 Justice and equality ......................................................................................... 48
6.2.2 Transparent HR practices ................................................................................ 50
6.2.3 Profitability ..................................................................................................... 54

6.3 Key issues in managing temporary agency worker well-being .............................. 56
6.4 Associating temporary agency worker well-being to sustainable HRM ................. 58
6.5 Whose responsibility is to care for the temporary agency workers? ..................... 61

7. Discussions, limitations and future research ......................................................... 64
7.1 Managerial implications ....................................................................................... 64
7.2 Theoretical implications ...................................................................................... 66
7.3 Methodological implications ............................................................................... 68
7.4 Future research .................................................................................................... 68

8. Conclusion ............................................................................................................. 70

Reference ................................................................................................................... 72
Appendix ..................................................................................................................... 83
1. Introduction

1.1 Proliferation of temporary agency work and the pursuit of sustainability: paradoxical?

Due to the fast changing market condition, the employment types have continuously evolved from typical\(^1\) to more precarious, or atypical work forms (Imhof & Andresen, 2018). Such trend is proliferating across sectors, particularly in the knowledge intensive workplaces (Håkansson & Isidorsson, 2012). At first glance, such short-term oriented development seems to contradict with corporate sustainability, which is featured by the long-term thinking. The notion of sustainability is regarded as a mantra for the twenty-first century (Dyllick & Hockerts, 2002, cited in Ehnert, 2009), and it mostly focuses on the availability of financial or social resources and on corporate responsibility for society (Ehnert, 2009). In recent years, the social dimension of sustainability has received increasing attention due to corporate heavyweights, such as Shell, British Petroleum (BP), DuPont, as well as the United Nations and International Labour Organisation (ILO), are all embracing sustainability over the traditional stress on financial outcomes (Boudreau & Ramstad, 2005). It is argued that together with production, funding and marketing, as one of the four essential elements to make a business viable, human resource management (HRM) can potentially support company’s endeavour in translating sustainability strategies into practical managerial actions and outcomes (Boxall & Purcell, 2011; Boudreau & Ramstad, 2005; Jamali et al., 2015).

HRM is key to connect sustainability and the proliferation of temporary work. In line with the social dimension of sustainability where organisations are expected to be more humane, and long-term goal oriented, HRM discipline also evolved through ‘hard’ and ‘soft’, ‘best fit’ and ‘best practice’ debates into advocating an integrated system that contributes to sustainable competitive advantage. Temporary work is in fact justified by HRM principles. One of the economic goals of company engaging in HRM is to ensure flexibility in issues related to people management (Boxall & Purcell, 2011). These flexibility strategies lead to increased segmentation into permanent and temporary employees (Atkinson, 1984).

\(^1\) Typical work refers to employment relationships that conform to the standard model of full-time job of unlimited duration with a single employer (Eurofound, 2017).
Here the terms need to be defined. Temporary employment is an umbrella term that encompasses a wide range of atypical types of employment (Imhof & Andresen, 2018), including fixed-term employment, temporary agency work, on-call employee, on-project jobs, part-time, and internships. Among the different types of temporary work, employing a certain percentage of workers through a temporary work agency has become a popular way to keep control of cost (Imhof & Andresen, 2018), and be agile in the fast changing global market environment (Boxall & Purcell, 2011). In fact, over the last 25 years, the organisational use of temporary agency work has at least doubled (Ciett, 2015). Temporary agency work is characterised by a triangular employment relationship, which involves the service provider the temporary work agency, the agency worker, and the user company that supervises and controls the agency worker’s work process and outcomes during the assignments (Mitlacher, 2006). This type of work has been underrepresented in research so far (Imhof & Andresen, 2018), even though it is now one of the fastest growing atypical employment forms in Europe (Ciett, 2015).

However, numerous studies have uncovered the negative outcomes caused by temporary employments, for example job insecurity, emotional exhaustion, depression (see Kompier et al., 2009; Virtainen et al., 2006; Van Aerden et al., 2015). Therefore, it seems as if the increased usage of the temporary agency workers contradicts the pursuit of the social dimension of sustainability (i.e. HRM sustainability). Indeed, as temporary agency workers begin to make up a sizable group in organisations, they hold key positions, and contribute to core business and productivity (Mitlacher et al, 2014). Organisations may bear larger risks involving in temporary agency work, particularly if the two inherently distinct employee groups are not considered with respect HR measures (Imhof & Andresen, 2018).

These HR measures, among other aspects, contribute to employees’ well-being, or happiness (Wright & Huang, 2012). Since employee well-being has been posited as an indicator of their organisational success (Beer et al., 2015; Guest, 2017), one can argue that it should be a priority for the company to invest in. Caring about the well-being of both permanent and temporary employees, and investing in tailored well-being oriented HR activities should be in the organisational focus and in its best interest (Imhof & Andresen, 2018).
1.2 Sustainable HRM and workplace well-being: theoretical sensitising and gaps

Notably, due to the lack of studies in temporary agency work with a triangular structure in general, the theoretical underpinning needs to be sought from several bodies of studies. In order to address the tension between engaging in temporary agency work and the pursuit of social dimension of sustainability, we need to seek frameworks from the broader disciplines of HRM and workplace well-being.

One of the most significant developments in the field of HRM in light of our inquiry was the emergent of sustainable human resource management (sustainable HRM) theory. Considered as the extension of strategic HRM by some, sustainable HRM incorporated corporate sustainability and HRM practices into one model (Ehnert, 2009; Järlström et al., 2016). It successfully offset the shortcoming of soft HRM by providing insights into the positive relationships that existed between HRM and financial performance (Kramar, 2014; Ehnert & Harry, 2012).

Based on top management’s answers collected via the HR Barometer research in Finland in 2013, Järlström et al. (2016) constructed a four-dimension sustainable HRM model that specified what sustainable HRM was made of. Significantly, employee well-being, as one of the four dimensions, was considered by these managers the ultimate goal of the other three dimensions (justice and equality, transparent HR practices, profitability). That is to say, the dimensions, in other words, were resources (also called ‘antecedents’ in Imhof & Andresen, 2018, and ‘work vitamins’ in Warr, 1987, 2007) that were required to ensure employee well-being. Admittedly, one of the biggest limitations of their study was overlooking the complexity of the employee groups (Järlström et al., 2016). Because their study focused on top managers’ perceptions of sustainable HRM; “it is common that managers largely ignored contract workers, and customers” (p. 16). The ‘everyday organisational life’ was thus downplayed for conceptualisation study purposes, and that was why the authors are calling for studies that investigate other employee groups.

However, in light of the aforementioned tension between the use of temporary agency work and sustainability, the sustainability HRM model does have merits. It has drawn attention to the concept of ‘employee well-being’, which can possibly be the key to

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2 By ‘work vitamins’, the author meant for example financial and physical security (Warr, 1987).
neutralise the tension. The assumption could thus be made: a company involved in temporary agency work should invest in temporary agency workers’ well-being in order to contribute to its sustainability endeavour. Hence, the body of studies in workplace well-being needs to be reviewed, particularly in the temporary work context. However, it was proved that the findings in these studies suffered inconsistency due to enormous variations between different atypical employment forms (Imhof & Andresen, 2018).

Moreover, quantitative research designs have dominated well-being research in the temporary work context (Imhof & Andresen, 2018), which may have caused inability to acknowledge the complexity of everyday organisational life. We therefore seek theoretical underpinning from the broader workplace well-being research arena. Nielsen et al. (2017) conducted a meta-analysis to identify different levels of workplace resources that enable employees to successfully complete their tasks and goals, and enhance their well-being and capacity to perform well. These resources were categorised into individual, group, leader and organisational levels. Putting these levels next to the modified three sustainable HRM dimensions (justice and equality, transparent HR practices, and profitability), we found that the two sets were interconnected and competing each other in forming an analytical framework (see Figure 3) made of sensitising concepts (Eriksson & Kovalainen, 2008).

1.3 Research purpose, questions, case and findings
In light of contributing to the limitations outlined above, this study takes a temporary agency work user companies’ standpoint, and sets out to explore the paradox between their pursuit of HRM sustainability and the proliferation of temporary agency work. More specifically, on a managerial level, it centralises the tensions emerging from the responsibility negotiations between business managers and HR staff in the discussion of caring for temporary agency workers. With this study, we attempt to enrich the existing theories in sustainable HRM and workplace well-being by elaborating on a new and fast growing employee group: temporary agency workers. This can help to establish the limits of generalisability (Stake, 2008) of the existing theories and better tailor strategies and practices to meet organisations’ needs in obtaining social sustainability.

In any organisation, HR department and business units’ line managers are the people who are actually doing HRM (Boxall & Purcell, 2011), they are the dominant stakeholders in the issues related to temporary agency worker well-being (Järlström et al., 2016). For this
reason, their perceptions pertinent to temporary worker well-being and sustainability reflect the organisational reality in HRM. However, prior to that, it is necessary to first identify the key issues, i.e. what is going on, in the organisation to set the context. Last but not least, after knowing the perceptions, it is important to find out how the people managers distribute responsibilities in terms of caring for the temporary agency workers.

Consequently, the research questions are as follows:

**Question 1: What are the key issues in the current temporary agency workers’ well-being?**

**Question 2: How does the corporate level, i.e. HR department, and business unit (BU), articulate the connection between temporary agency worker well-being and sustainability in HRM?**

**Question 3: How does the corporate management level see the responsibility of caring for these temporary agency workers?**

To approach this subject and answer these research questions, we draw on interview material and field notes from a longitude, qualitative case study conducted in a Finnish R&D centre. The case R&D centre has been faced with what could be described as a crisis in well-being, particularly amongst the temporary agency workers. The crisis manifested itself in increased turnover rate in both temporary and permanent workers, knowledge loss and decreased organisational efficiency. Which had reversed its endeavour in gaining sustainability, yet has made it a perfect case to address the paradox between companies’ sustainability strategy and flexible HRM strategy.

What has made the case unique? The temporary agency workers have occupied half of the entire workforce of the Finnish R&D centre. It portrays an extreme scenario (Stake, 2008) that the people managers are forced to consider temporary agency worker well-being issues in light of the corporate sustainability. From studying the case, the aim is not to generalize such understanding between well-being and sustainability (Stake, 2008), but to advance the understanding of the two seemingly contradicting trends.
The findings suggest hiring employees through temporary work agencies does not have to offset the user company’s sustainability attempts, if the company invests in temporary agency workers’ well-being. This is inherently difficult, since the legal responsibility of caring for these employees lies with their employees, i.e. the temporary work agencies. The ongoing well-being crisis reflects organisational and managerial flaws that ultimately cause organisational inefficiency and hinder the pursuit of corporate sustainability through HRM sustainability. Everyday organisational life is indeed full of complexities with different employee groups, internal power disputes, and responsibility struggles. This case study illustrates these difficulties in managing an increasingly complex workforce and contributes to the well-being studies in temporary work context, as well as to the ideal and over simplified theoretical models in sustainable HRM (Järlström et al., 2016) and well-being resources (Nielsen et al., 2017).

Following the introduction, the thesis consists of five parts. The first and second parts (Chapter 2 and 3) are the literature review where HRM and well-being studies are reviewed to lay the ground for the analytical framework that is introduced in the third part (Chapter 4). Chapter 5 covers methodological and ethical considerations for pursuing qualitative case study research and provides an introduction to the research context. Following is the fifth section (Chapter 6), the analysis consists of a thick description of the case and the empirical data analysis according to the theoretical framework. The findings are reported according to the research questions. The discussion part (Chapter 7) illustrates the implications of findings as well as the limitations of the study. This is then followed by future research possibilities and a short conclusion (Chapter 8).
2. Human resource management

2.1 HRM in brief

Human resource management can be broadly defined as all those activities associated with the management of work and people in the organisations and the ways in which organisations respond to the actions of employees, either individually or collectively (Boxall & Purcell, 2011; Collings & Wood, 2009). Boxall and Purcell (2011) used a simple way to describe HRM as an inevitable process in organisations. “An entrepreneur running own small business and being self-employed may not engage in any HRM practices. But once the business grows and the first employee is hired, the entrepreneur starts to engage in the initial stages of human resource management” (Boxall & Purcell, 2011, 2). As many concepts are, HRM has rather ambiguous boundaries around, with rivalry between soft and hard approaches (Collings & Wood, 2009, 1). The soft approach to HRM is often referred to as the Harvard Model (see Figure 1), and described in the writings of Michael Beer and his colleagues (Beer et al., 1984). In this framework, the managers are suggested to set their own priorities in HRM based on a consideration of stakeholder interests and situational factors (Boxall & Purcell, 2011, see the left column of Figure 1).

Whereas the hard model, which typically associated with the Michigan Model (Fombrun et al., 1984), focuses on the use of human resource systems to maximize shareholder value over the short term, the soft model emphasizes the importance of aligning HR policies with organizational strategy (Collings & Wood, 2009, 2) and broader societal context (Järlström et al., 2016). Consequently, the long-term goals of individual well-being, organisational effectiveness and societal well-being are prioritized (Beer et al., 1984). This perspective values the role of employees, and views them as asset and source of competitive advantage (Järlström et al., 2016). According to Legge (1995), soft HRM stresses gaining employee commitment to the organization through the use of a congruent suite of HRM policies, and so it is sometimes conceptualized as ‘developmental humanism’. Criticism remains, however, the model represents rather idealistic goals for HRM (Järlström et al., 2016), and oversimplifies the role of people in work organisations (Collings & Wood, 2009, 2). Furthermore, soft HRM was interpreted as liberal academics’ attempt to encourage firms to be “nicer” to their people, because such ‘niceness’ is likely to translate into greater
commitment and productivity that eventually will turn into profits (Collings & Wood, 2009, 2).

Figure 1. The Harvard ‘map of the HRM territory’ (Beer et al., 1984)

2.2 Strategic HRM

This soft and hard approaches debate has led to the discussion of the research area of strategic human resource management (SHRM). What is strategic? In management research, the notion of strategy gained popularity in 1960s (Ehnert, 2009, 44). Though there is no universally accepted definition (Mintzberg et al., 2003), a dominant view in strategic human resource management literature takes a rational planning approach (Macharzina, 2003, cited in Ehnert, 2009, 44). Boxall and Purcell (2011, 65) provided a rather practical definition of SHRM: “strategic HRM is concerned with the strategic choices associated with the organisation of work and the use of labour in firms and with explaining why some firms manage them more effectively than others”. Similar to HRM, this area of research is also dominated by a debate of two approaches, ‘best fit’ or ‘best practice’ (Boxall & Purcell, 2011, 63).
The ‘best-fit’ school argues that “firms must adapt their HR strategies to other elements of the firm’s strategy and to its wider environment” (Boxall & Purcell, 2011, 63). This corresponds with the contingency approaches (i.e. Mintzberg, 1979), or an outside-in perspective that is represented by Harvard and Michigan models discussed above (Collings & Wood, 2009). The benefit of this contextual ‘best-fit’ approach is its recognition of what constitutes a good HR strategy will depend on the specific context. However, a shift in strategic thinking represented by an inside-out perspective called the resource-based view (RBV) was introduced in nineties (Barney, 1991, cited in Collings & Wood, 2009). Unlike the traditional contingency approach starting from the situational factors, the RBV uses human resources as a starting point, and focuses on how these contribute to a sustained competitive advantage. In other words, the strengths and capabilities of the employees determine the range of possible business strategies to be implemented. (Collings & Wood, 2009)

The outside-in and inside-out perspectives may seem contradictory, but in fact they go hand-in-hand and are both relevant for strategic HRM (Boselie et al., 2005). The contingency approach helps to determine the strategic positioning, and the RBV reminds us that “human resources can be cultivated and developed in order to enable strategies that will result in a sustainable competitive advantage” (Collings & Wood, 2009, 44).

The other school of strategic HRM advocates a form of universalism, ‘best practice’. Like the name suggests, it argues that “all firms will be better off if they identify and adopt the HR practices which are shown to be ‘best’ for organizing work and managing people” (Boxall & Purcell, 2011, 56). Even though the strategic fit is rendered more convincing (Becker & Huselid, 2006, cited in Collings & Wood, 2009), researchers who have tested both hypothesis have consistently found stronger evidence for ‘best practice’ (e.g. Becker & Huselid, 1998; Delery & Doty, 1996). The problem seems to lie in the measurement instruments (Collings & Wood, 2009). It turned out when measuring the degree of fit, strategy is oversimplified into static constructs that was conceptualised by Porter (1985). Porter’s classic typology of competitive strategies advices firms to choose between cost leadership and differentiation, and avoid being caught in the middle.

It is clear that HR practices are derived from different competitive strategies, which imply different kinds or blends of employee behaviour (Schuler & Jackson, 1987, cited in Boxall
& Purcell, 2011). However, from examples from manufacturing industry (Collings & Wood, 2009), with the technology advancement, companies nowadays are able to pursue both quality (differentiation) and cost reduction (cost leadership). Moreover, as Collings and Wood (2009) argued, in reality, one business can have more than one strategic orientation related to a variety of product market combinations. In such cases, the required role behaviours are highly mixed. Furthermore, the empirical studies that failed to validate ‘best fit’ practices often overlooked time lags: some argue it takes 12 to 18 months for a strategy to be developed and implemented, 3 to 4 years before a relationship with performance could be observed (Paauwe & Boselie, 2005, cited in Collings & Wood, 2009).

Collings and Wood (2009) then promoted Paauwe and Boselie’s (2003) contextually based human resource theory where the outside-in contingency theory and inside-out RBV are integrated to achieve uniqueness in system approaches and actors that contributes to a sustained competitive advantage and ultimately to firm performance. The implications of the HRM theories discussed so far have infused essence of a more humane, long-term goal oriented, internal resource and external environment balanced approach to managing people and organizing work. Such trend of development has laid ground for the emergence of sustainable human resource management (Järlström et al., 2016). The philosophy of ‘best-fit’ is in line with the analysis of the unique characteristics of temporary agency knowledge workers who are working for R&D centres.

Before moving on to discuss sustainable human resource management, it is important to understand the rationale behind using temporary agency workers from a HRM perspective, as it may seem contradictory to the humane trend of the current development. Moreover, understanding who are doing HRM also has great implication to studying the subject.

2.1.1 The strategic rationale behind using temporary agency workers
In fact, such mixture of permanent and temporary employment arrangement is justified by HRM and temporary work agency literature. According to Boxall and Purcell (2011), HRM has both economic and socio-political goals in order to make the business viable and to create sustained competitive advantage. To reach the economic goals, companies strive to be flexible, cost-effective and leveraging the human resource advantage. Similarly, as cited in Imhof and Andresen (2018), increasingly firms strive to gain flexibility and cost
control in order to actively respond to changing market conditions (Forde, MacKenzi, & Robinson, 2008), which has led to increased segmentation into permanent and temporary employees (Atkinson, 1984, cited in Imhof & Andresen, 2018).

In today’s global business, this aspect involves two layers of flexibility, one is the short-term responsiveness, which includes attempts to bring about greater headcount flexibility and greater financial flexibility (i.e. price of the labour). In practice, the permanent staff number is usually calculated according to the business demand in quiet periods, and when workload surges, temporary or seasonal staff will be brought in. In terms of financial flexibility, managers seek to pay employees a mix of wages and profit-related bonuses, with the latter fluctuating in line with company’s financial fortunes. In addition, short-run responsiveness also relates to hiring workers who are cross-trained or “multi-skilled”, combining roles that have historically been kept in separate job descriptions. Meanwhile, the other aspect of flexibility is long-term agility, this concept refers to the ability to survive in an environment that can change radically. For instance, the smart phone makers see their long-term capability to survive as relying on innovation in its core products and technologies. So their HR strategy revolves around managing a dual workforce: one in the high-wage countries where R&D staff are employed, and one in low-wage countries where the products are assembled. (Boxall & Purcell, 2011)

2.1.2 Who are doing HRM?
Given the broad definition we are adopting in this research, HRM should not be HR exclusive (Boxall & Purcell, 2011), in fact it should be an aspect of all management jobs. These managers include line managers, in-house HR specialists and sometimes HR consultants (Boxall & Purcell, 2011). Notably, the line manager’s role in HRM is crucial. Line managers are those who directly supervise employees engaged in the operations of the firm. They usually make hiring decisions and almost always held directly accountable for the performance of the team. All HR specialists, in-house or consultants, are engaged in ‘selling’ their services to other managers (Boxall & Purcell, 2011).

However, the situation is complicated by the temporary work agency entering the picture, and this will be further discussed in 3.2 well-being research in temporary work context.
2.2 Sustainable HRM

Sustainable development is a notion that first proposed by the Brundtland Commission (formerly known as the World Commission on Environment and Development, WCED) in 1987’s report Our Common Future. In the report, sustainable development is defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. Gradually, the focus has been specified to economic development, social development and environment protection. In the corporate world, this sustainable development mentality has been translated into an advocacy of corporate social responsibility (CSR). CSR requires companies to define its economic, legal, ethical and philanthropic responsibilities (Carroll, 1991). Jamali, El Dirani and Harwood (2015, 126) believed that “HRM can potentially provide a promising managerial framework that can support organizational efforts in translating corporate social responsibility (CSR) strategies into practical managerial actions and outcomes”.

2.2.1 Academic roots of Sustainable HRM

An emergent research area in sustainable human resource management, seen as an extension of Strategic HRM, took shape decade ago (Ehnert, 2009; Järlström et al., 2016) to connect the macro level of corporate sustainability to HRM practices. Indeed, it appears that sustainable HRM has taken the soft HRM model to a new level (Järlström et al., 2016). Sustainable HRM has addressed the shortcoming of soft HRM by, among other things, “offering insights into the positive relationships that exists between HRM and financial performance”, and by “acknowledging the ambiguities that are associated with HRM practices and is outcomes” (Kramar, 2014; Ehnert & Harry, 2012, cited in Järlström et al., 2016, 7).

As new as sustainable HRM is, it so far has encompassed multiple academic roots (Ehnert et al., 2014) and remains ambiguous in its conceptual framework (Järlström et al., 2016). For instance, it was regarded as an extension of strategic HRM as discussed above, which is concerned with “the strategic choices associated with the organization of work and the use of labour in firms and with explaining why some firm manage them more effectively than others” (Boxall & Purcell, 2011, 65).

Meanwhile, some scholars focused on sustainable work system (SWS) (e.g. Docherty et al., 2002 & 2009). This area of study is interested in developing HRM practices that result
in positive human or social outcomes, such as performance evaluation focused on building employee strengths and facilitating performance. These scholars advocate that employees should be allowed to grow, to learn, and to use their intelligence and creativity for their work and participate in decision-making processes (Docherty et al., 2002). Such developmental sustainability perspective is supposed to lead to competitiveness and value generation for an organisation’s stakeholders (Ehnert, 2009). The SWS perspective is worth to mention, though it is rather narrow on focus, i.e. on the individual human resource’ development. It has addressed rather critical effects on work life and deserves management’s attention in achieving sustainability in HRM.

Another research area that shares the interest in environmental protection is Green HRM (Renwick et al., 2016; Jackson et al., 2011, cited in Järlström et al., 2016). This area of research primarily supports HRM practices that aim at reducing carbon footprints by printing or travelling less or adopting other environmentally responsible practices. The reason of mentioning the research areas of SWS and Green HRM is to show that sustainable HRM is broader and encompassing both (Järlström et al., 2016).

2.2.2 The four-dimension Sustainable HRM model with salience of stakeholders
Järlström et al.’s (2016) study on sustainable human resource management has profound significance in building the analytical framework for this thesis study. Their paper set out to gain empirical understanding of the concept sustainable HRM, its dimensions, responsible areas and the key stakeholders as perceived by top managers in Finland. The reason why they targeted the top management is because, to a large extend, “the discourse of HRM acts as a powerful medium in the hands of senior managers” (Francis, 2002, 433, cited in Järlström et al., 2016), and top managers are able to explain their thoughts on sustainable HRM reliably (Gioia et al, 2012). Finland is justified as a good context to conduct this study because of its high ranking in the Global Sustainable Competitiveness index (Sol-Ability, 2013). Finland was ranked number three after Denmark and Sweden that year. It is confident to believe that managers of Finnish companies and organisations are familiar with sustainability thinking and are of high exemplify and research value. The empirical data came from 289 survey answers provided by the top managers working in different business areas in Finland. 59% of the respondents were HR managers, and the rest were managers in other responsibilities.
2.2.3 Stakeholder salience model

The significance of the study is not only the first empirical study that outlines the different responsible areas of sustainable HRM, but also its emphasis on the stakeholders. A stakeholder is, defined by Freeman in 1984 (25), “any individual or group who can affect or is affected by actions, decisions, policies, practices or goals of an organisation”. All stakeholders should matter, however, Post et al. (2002, 8, cited in Järlström et al., 2016) suggested that “the capacity of a firm to generate sustainable wealth over time, and hence its long-term value, is determined by its relationships with critical stakeholders.” This means that organisations identify and prioritize their key stakeholders (Carroll 1991; Freeman 1984; Mitchell et al. 1997). The stakeholder salience model, developed by Mitchell et al. in 1997, is a device managers and communication practitioners use for mapping stakeholders (Cornelissen, 2014).

Salience is defined as “how visible or prominent a stakeholder is to an organisation based upon the stakeholder possessing one or more of three attributes: power, legitimacy and urgency” (Mitchell et al. 1997, cited in Cornelissen, 2014, 47). Those stakeholders that possess all three attributes are called definitive stakeholders, and they need to be communicated with (Cornelissen, 2014, 49). However, according to Carroll (1991, cited in Järlström), from a CSR and sustainable HRM perspective, power and legitimacy are more relevant attributes in determining the strategy priorities. Stakeholders that have power and legitimacy are called dominant stakeholders (Mitchell, et al., 1997), and employees, customers, owners and significant investors in the organisation are among this group of stakeholders (Cornelissen, 2014).

2.2.4 The Sustainable HRM model

In this part, we will take a close look at the findings of Järlström et al.’s research (2016), particularly the task responsibilities of each dimension and their identified stakeholders. Interestingly enough, the central concept of all is the employee well-being, as it seems to be the ultimate goal for company justice and equality, transparent HR practices and company’s profitability. From analysing the empirical data, Järlström and colleagues (2016) found four main dimensions of sustainable HRM and their respect stakeholders:
<table>
<thead>
<tr>
<th>Sustainable HRM dimension</th>
<th>Dominant stakeholders identified by Järlström et al. (2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Justice and equality</td>
<td>Legislators and labour unions</td>
</tr>
<tr>
<td>Transparent HR practices</td>
<td>Managers and employees</td>
</tr>
<tr>
<td>Profitability</td>
<td>Owners and managers</td>
</tr>
<tr>
<td>Employee well-being</td>
<td>Employees and managers and supervisors</td>
</tr>
</tbody>
</table>

Table 1. Sustainable HRM dimensions and dominant stakeholders overview (Järlström et al., 2016)

*Justice and equality*

This dimension is illustrated by the top managers as related to legal and ethical responsibilities in CSR (Carroll, 1991). They covered topics such as obeying laws and regulations, diversity management, ethical values, and managers’ exemplary behaviours (Järlström et al., 2016). Based on the remarks around these topics, the stakeholders are legislators and labour unions, because they have power and legitimacy to keep track of the actions of an organisation (Järlström et al., 2016).

*Transparent HR practice*

This dimension resembles the HR activities proposed in Ehnert (2009, 2014) in the practice-based model of sustainable HRM (Järlström et al., 2016). The respondent managers have covered HR practices such as recruitment and resource allocation, competence development, rewarding, career planning, participation, and flexibility practices. The sustainability is particularly evident in the long-term perspective, including the planning of the quality and quantity of human resources for the longer term. In this dimension, the managers have power and legitimacy to make the policies and HR practices, meanwhile, the employees also have power and legitimacy as the targets of these practices. Notably, the success of these practices contribute to company’s profitability and the employees’ well-being (Järlström et al., 2016).

*Profitability*

The profitability dimension refers to organisational effectiveness, and the topics covered by the surveyed managers are the link between HRM and strategic business goals, proactiveness in actions and long-term thinking, and the business knowledge of HR managers. Long-term thinking is again emphasised as a central element in sustainable HRM (Ehnert, 2009; Kramar, 2014). This dimension is linked to the economic
responsibility of sustainable HRM (Carroll, 1991; Kramar, 2014), and can be grouped under strategic human resource management (Legge, 2005), which advances how HRM contributes to the performance and profitability of a company. The stakeholders who have power and legitimacy affecting the company’s profitability are the owners and managers. Similar to the transparent HR practice dimension, good profitability helps build flexible HR practices and employee well-being (Jamali et al., 2015).

**Employee well-being**

Employee well-being not only implies well-being and health related thinking; it encompasses all types of caring (Marchington, 2015; Guest, 2011). In this dimension, the managers surveyed wrote about leadership style, caring for and supporting employees. The well-being thinking should cater to both employees’ mental and physical demands, and safeguard their work relationship with supervisors and colleagues. A typical example is to ensure good fit in selections. All types of caring include employees’ work-life balance, acknowledging the aging workforce, and differing needs of employees at different points of their career to well-being (Ehnert, 2009; Docherty et al., 2009; Kramar, 2014). Employees are without doubt the dominant stakeholder group that has power and legitimacy to make a difference. Of course, manager and supervisors are important in safeguarding the employee well-being.

2.2.5 Critical analysis of the sustainable HRM model

The biggest criticism to Järlström et al.’s four-dimensional model is their positioning of well-being as a separate dimension and ignoring the fact that all other three dimensions are contributing to and being affected by this dimension. They are more of the antecedents to employee well-being than of being in parallel to it. As Beer et al. (2015) and Guest (2017) stated employee’s well-being should be an indicator of organisational success, and tailoring well-being oriented HR activities should be in the organizational focus. Indeed, as Järlström et al. (2016) also acknowledged in their research results, the justice and equality dimension, for instance, is essentially highlighting the employees as a stakeholder group (Phillips, 1999; Mitchell et al., 1997) and promotes the fair treatment of all employees (Jamali, 2008). And for the transparent HR practices and profitability dimensions, it is self-evident that they all result in employee well-being, for better or for worse.
In light of this criticism, the new model could look like something as below (Figure 2). This time the relationship between the three dimensions and employee well-being is illustrated more accurately. Note that this linear model is ideological in terms of depicting the relationship between concepts. For instance, the mutual effects between transparent HR practices and profitability is overlooked. Employee well-being can be regarded as the goal of company’s pursuing sustainable HRM, and the other three dimensions are the antecedents that lead to employee well-being. This framework provides the base of our analytical framework, which will be presented after we take a close look at the research area of well-being in temporary agency work context in the next section.

![Sustainable HRM Antecedents](image)

Figure 2. Sustainable HRM framework modified based on Järlström et al. (2016)

Back to the criticism, moreover, the four dimensions were treated rather loosely with ‘common-sense’ level of assumptions (e.g. justice is associated with law and regulations), and without academic definitions of any of the dimensions. Among the four, two dimensions in particular, the justice and equality, and employee well-being, lack elaborations on their mutual impacts, and their multi-facet nature.

Take organisational justice for example, it is a multi-dimensional concept that entails distributive justice, procedural justice, interpersonal justice and informational justice (Colquitt, 2001; Greenberg, 1990, cited in Wilczyńska et al., 2017). Organisational justice is closely linked to job satisfaction, which in turn affects the turnover rate and organisational efficiency (Lévy-Garboua et al., 2007; Locke, 1976, cited in Wilczyńska et al., 2017). In fact, the impact of distributive justice and procedural justice on job satisfaction has been broadly discussed (e.g. Blader & Tyler, 2009; Wiesenfeld et al., 2007,
cited in Wilczyńska et al., 2017). When determining the fairness in distributive justice, for instance, employees compare the ratio of their inputs to outcome with those of their co-workers (Adams, 1966, cited in Wilczyńska et al., 2017). So, as we can see, first, organisational justice is more of employees’ perception, so the employees should have power and legitimacy to affect an organisation’s justice system. Second, as above mentioned, the role of co-workers is essential of the perceived organisation justice, and this aspect was overlooked in total from Järlström et al.’s (2016) conclusion.

The other over-simplified dimension is employee well-being. As will be discussed in the next section, workplace well-being encompasses different levels of resources, which indicates different stakeholders. Simply by recognizing a reciprocal relationship between employees and managers (Järlström et al., 2016) cannot downplay the influence of, of example, the employee self, the group dynamic, or the organisational autonomy and HR practices (Nielsen et al., 2017).

Nevertheless, sustainable HRM research has focused mainly on positive outcomes the concept can generate and has overlooked potential negative human or social outcomes (Kramar, 2014; Mariappanadar, 2003 & 2012). As one of the pioneer scholars in the field of sustainable human resource management, Ehnert (2009 & 2014) developed a model incorporating internal and external factors that drive each company to having a customized sustainability strategy. The sustainable strategy then guides HRM and its activities through which the strategy is executed. The model targets multiple outcomes (Järlström et al., 2016). The model was further developed by Kramar (2014) by taking into account the negative externalities (Mariappanadar 2003 & 2012), and sustainable work systems (Docherty et al., 2009). The breakthrough of Kramar’s model (2014) is the fact that it recognizes both negative and positive outcomes for different stakeholders resulted from the same HRM practices.

This recognition is fundamental to this study, because it provides insights to the paradoxical scenario where companies on one hand pursuit sustainability and on the other hand increase the deployment of temporary agency workers. The sustainability justified HR practices (i.e. treating the two groups of employees differently, e.g. with different accessibilities to well-being programmes) may have positive outcomes to one group of employees, but negative ones to the other. This is largely due to overlooking the
differences between different employee groups, researchers and practitioners alike. A centralised well-being approach may not be the best choice to a company’s pursuit of sustainability, largely because of a triangular relationship involved in the case of temporary agency workers. Next, we will explore the dynamics of well-being studies on temporary agency workers, and the uniqueness of knowledge temporary workers in a R&D environment. In the end of the well-being section (Chapter 3), the analytical framework will be introduced. After that, it is important to understand the case company’s understanding of sustainability and HRM.
3. Well-being

3.1 Workplace well-being research

According to a white paper published by American Psychological Association in 2003, well-being is defined as a broad category that encompasses a number of workplace factors. These factors are included in a hypothesized model that

employee engagement (a combination of cognitive and emotional antecedent variables in the workplace) generates higher frequency of positive affect (job satisfaction, commitment, joy, fulfilment, interest, caring). Positive affects then relates to the efficient application of work, employee retention, creativity, and ultimately business outcomes. (Harter et al., 2003, 14)

The happy worker—productive worker thesis states that employees high in well-being also perform well, and vice versa (Wright & Copanzano, 2000, cited in Nielsen et al., 2017). From a meta-analysis of the relationships between well-being in the workplace and business outcomes, researchers also found that employee workplace perceptions and feelings are associated with higher business-unit customer loyalty, higher profitability, higher productivity, and lower rates of turnover (Harter et al., 2003).

The biggest criticism to previous workplace well-being research is that the resources that enable employees to successfully complete their tasks and goals, and enhance their well-being and capacity to perform well were not clearly identified (Nielsen et al., 2017). So in the meta-analysis by Nielsen and colleagues (Nielsen et al., 2017), four levels of workplace resources were defined: resources at the individual, the group, the leader and the organisational levels. The individual resources were most often studied in relation to both employee well-being and performance were self-efficacy, hope, optimism, and resilience, which together form Psychological Capital (i.e. PsyCap; Luthans & Youssef, 2004, cited in Nielsen et al., 2017). The group-level resources were most often studied as social support, the fit between the group and the person, and characteristics related to the team, as well as job crafting.
At the leader level, the resources studied were good quality relationship between a leader and employees, transformational leadership\(^3\), transactional leadership\(^4\) and supervisor social support. The organisational level resources, which is most studied, often examined autonomy, HR practices as a cluster, or specific HR practices (such as compensation-based schemes, training, career supporting activities, and performance appraisals), perceived organisational support, and the fit between the person and the organisation.

Nielsen et al.’s (2017) study found that workplace resources have significant impact on both employee well-being and performance as outcomes. This result is in line with previous met-analyses that have examined resources in relation to well-being (Crawford et al., 2010; Halbesleben, 2010, cited in Nielsen et al., 2017). One may wonder whether any one of the four resources was deemed more effective on influencing employee well-being and performance. Nielsen et al. (2017) also answered to that question, and the answer was no. That is to say, no workplace resource at a particular level was more strongly related to employee well-being and performance than another. This implies that organisations may successfully improve employee well-being and performance through interventions aimed at building resources at any of the four levels.

The above mentioned well-being studies have provided a global view of the field. It is no doubt that investing in employee well-being can be a viable business decision that contributes to the organisation’s performance (Harter et al., 2003; Nielsen et al., 2017). Combining Nielsen et al.’s (2017) four level resources perspective with Järlström et al.’s (2016) sustainable HRM provides a more concrete and systematic view of what organisations can actually do to achieve employee well-being. In fact, we found them closely inter-connected. Justice and equality dimension contributes to individual, group and leader resources, transparent HR practices dimension contributes to organisational resource, and profitability dimension contributes to organisational resource. Järlström et al.’s original employee well-being dimension shed some lights on the group resource.

\(^3\) Transformational leadership refers to leading as role models, formulating a clear vision for the future, and show understanding for individuals’ needs (Bass & Riggio, 2006, cited in Nielsen et al., 2017).

\(^4\) Whereas transactional leadership focuses on fulfilling employees’ needs for reward and recognition in exchange for employees completing their job requirements (Bass & Riggio, 2006, cited in Nielsen et al., 2017).
Next, in order to examine the special case of well-being in temporary work context, we need to review what have done before.

3.2 Well-being research in the temporary work context

Increasingly, firms strive to gain flexibility and cost control in order to actively respond to changing market conditions (Forde, MacKenzi, & Robinson, 2008, cited in Imhof & Andresen, 2018). This has led to increased segmentation into permanent and temporary employees (Atkinson, 1984). Consequently, HR practices have to accommodate the two divergent employee groups. However, the reality is temporary workers often face disadvantages in compensation or further training opportunities (Mitlacher, 2008, cited in Imhof & Andresen, 2018) and experience stigmatization (Boyce et al., 2007, cited in Imhof & Andresen, 2018), a lack of social integration (Viitala & Kantola, 2016, cited in Imhof & Andresen, 2018) and inadequate social support from colleagues and supervisors (Lapalme et al., 2009, cited in Imhof & Andresen, 2018). Which all affect the temporary employees’ well-being situation negatively. However, some studies demonstrated contradicting results. The reason lies in the definition. Previous studies have not sufficiently taken the heterogeneity of temporary work into account, which has yield inconsistency in findings (e.g. Ek, Sirviö, Koiranen, & Taanila, 2014; Kinnunen, Mäkikangas, Mauno, De Cuyper, & De Witt, 2014).

Susanne Imhof and Maike Andresen (2018) have done a mapping review of the well-being research in the temporary work context. It turned out, over the past few years, there has been a striking increase in the number of studies on temporary workers’ well-being. Such increase explains the growing importance of this group of atypical employees (Mitlacher et al, 2014). However, by temporary workers, researchers mean differently, so first, we need to clarify the thesis research focus: temporary agency work.

Temporary work, as defined earlier in the introduction, is an umbrella term that entails different atypical employment forms. For instance, a few studies focus on fixed-term employment (e.g. De Cuyper et al., 2010; Kinnunen et al., 2011; Kirves et al., 2011). Many studies, however, have been based on mixed samples comprising different types of temporary work, some even cover a range of different temporary work types, such as fixed-term, interns, temporary agency work, seasonal workers, daily workers and subcontractors (e.g. De Jong, 2014, cited in Imhof & Andresen, 2018). Consequently, the
research results have not been consistent, and the researchers were not able to consider the employment-specific characteristics of the temporary work form analysed. In order to be optimal and adding value to previous studies, scholars such as De Cuyper et al. (2008) and Kompier et al. (2009) suggested that future studies would analyse only one type of temporary work, so that the studies can “create space to take the heterogeneity of temporary employment into account to a fuller extent” (Imhof & Andresen, 2018, 144).

In this thesis study, the focus is on temporary agency work, which is characterised by the triangular employment relationship involving the customer company, the temporary work agency and the employee. Typically, “temporary agency workers are legally employed by the temporary work agency, but placed with different user companies where they perform work under the supervision of management there for a limited period of time” (Mitlacher, 2008, 450). The agencies, as service providers, are responsible for all country-specific employer requirements, such as compensation, matching processes, and negotiations with user companies (Cappelli & Keller, 2013). Meanwhile, the user companies direct and control temporary agency workers’ work processes and outcomes during these assignments. According to Imhof and Andresen (2018), since temporary agency workers are involved in both organisations, they are affected by circumstances and measures at both companies.

This type of employment relationship has been underrepresented in previous well-being studies (Imhof and Andresen, 2018). It is suggested that studies investigating temporary agency work could make a particularly valuable contribution to the current state of research, especially as these employment relationships are characterised by a triangular structure (Camerman et al., 2007; Mitlacher, 2008). Furthermore, the previous research shows a gap of focusing on the outcomes, and mainly negative ones (e.g. emotional exhaustion, job insecurity and job dissatisfaction) of being in a temporary employment (e.g. Virtanen et al., 2006; Kinnunen et al., 2014, 2011) instead of the antecedents that make an influence on well-being. This study is trying to understand the different dimensions of antecedents and levels of resources that can make an impact on the temporary agency workers’ well-being, and how these impacts can contribute to sustainability of a firm.
Secondly, previous empirical studies have mainly been conducted in European countries, and according to Imhof & Andresen (2018), studies using data from Belgium and Finland (e.g. Kinnunen et al., 2014; Kirves et al., 2011) dominate previous well-being research in temporary work context. However, out of 8 reviewed studies using data from Finland reviewed (Imhof & Andresen, 2018), none of them have specifically studied well-being of temporary agency workers. In fact, countries differ in regard of the legal role of the agency, the type of contract entered into with the employing agency and the regulations on equal treatment (Arrowsmith, 2006; Mitlacher, 2006). Moreover, due to its triangular structure (Camerman, Cropanzano, & Vandenberghe, 2007; Mitlacher, 2006) which has its own employment specifics with know-on effects for attitudes, behaviours and well-being (Imhof & Andresen, 2018). Normally, temporary agency workers are legally employed by the temporary work agency, but placed to different user companies where they perform work under the supervision of management from the user companies for a limited period of time (Mitlacher, 2006). The user companies control temporary agency workers’ work process and outcomes during these assignments, meanwhile the agencies are responsible for all country-specific employer requirements like compensation, matching processes, and negotiations with user companies (Cappelli & Keller, 2013). The Finland-specific country settings have implications to what can and should be done by different parties.

Undoubtedly, this is a complex situation where the temporary agency workers are involved in both companies’ circumstances and measures, and both companies are responsible for HR activities. This raises up the question, which organisation should care about the well-being of workers? And is it essential to have both organisations cooperating in temporary agency employees’ well-being issues? (Imhof & Andresen, 2018).

Third, previous studies have verified the positive influences of well-being on productivity (Cropanzano & Wright, 2001; Wright, Cropanzano, & Bonett, 2007, cited in Imhof & Andresen, 2018), organisational citizenship behaviour (Diener & Biswas-Diener, 2008; Greguras & Diefendor , 2010, cited in Imhof & Andresen, 2018), and commitment (Aggarwal-Gupta, Vohra, & Bhatnagar, 2010; Garg & Rastogi, 2009; Jain, Giga, & Cooper, 2009, cited in Imhof & Andresen, 2018). In addition, companies promoting well-being policies might reduce employees’ turnover intention (Erdogan et al., 2012; Stiglbauer, Selenko, Batinic, & Jodlbauer, 2012, cited in Imhof & Andresen, 2018), and counterproductive work behaviours (Lyubomirsky, Sheldon, & Schkade, 2005, cited in
Imhof & Andresen, 2018). These benefits all contribute to organisational success, i.e. achieving economic goals. However, whether these causal relationships hold true in temporary agency work context still remain unclear (Imhof & Andresen, 2018). Our study is not aiming to contribute to the previous research in proving the links between temporary agency workers’ well-being and any specific company performance related indicators, instead, we are focusing on studying the resources the user company and the temporary work agency can provide to promote well-beings of these workers that ultimately can contribute to reaching sustainability goals (i.e. economic, social and environmental).

Last but not least, Imhof and Andresen (2018) called for more detailed employment-related factors, because analysing more employment-specific antecedents would help to generate deeper insights into the temporary agency work and its impact on the well-being situation of temporary workers. To elaborate on the job characteristics and job quality, it is crucial to understand the profile of temporary R&D workers. However, there has not been studies directly addressing the well-being of temporary R&D workers, but studies on temporary knowledge workers and on R&D workers’ well-being may shed lights on this matter. These two areas of studies will be briefly reviewed in the empirical context part located in Section 5. To tie the above discussed theoretical background together, the next section will elaborate on an analytical framework that incorporates the concepts from HRM and workplace well-being.
4. The analytic framework

After reviewing the two big research fields, HRM and well-being, the analytic framework is summarized in the figure below. It serves the purpose to study the antecedents and resources that facilitates temporary agency worker well-being.

As a rising research area, sustainable HRM theory (see 2.2.4) seemed to be able to offer insights into temporary agency work and well-being. Compared to Corporate social responsibilities (CSR), sustainable HRM supports the legal, ethical, and economic responsibilities of CSR, neglects the philanthropic responsibility of CSR, and raises managerial and social responsibility as two new responsibility areas (Carroll, 1991). Nevertheless, due to its multiple theoretical roots, the concept of sustainable HRM still remains ambiguous (Järlström et al., 2016; Ehnert et al., 2014).

As acknowledged by Järlström et al. (2016) and other scholars in the field, employee well-being is more of the goal of sustainable HRM than of a parallel dimension depicted in Järlström et al.’s four-dimension model (see 2.2.5). As Beer et al. (2015) and Guest (2017) stated, employee’s well-being should be an indicator of organisational success. And so corporate justice and equality, transparent HR practices and profitability are all antecedents of employee well-being.
The workplace well-being research was another area to investigate for insights. Besides the four dimensions of sustainable HRM, Järlström et al.’s research also contributes to presenting the broader responsibility areas of these dimensions. However, as the authors admitted themselves, limited to the data source (i.e. top management), discussions on contract workers for instance were ignored. This disadvantage was compensated by the well-being research. Nielsen et al.’s (2017) meta-analysis of workplace well-being resources exclusively looked into the different well-being enhancing resources on different levels. These levels of resources in other words are responsibilities each level’s main actors bear to ensure employee workplace well-being. For instance, at the individual level, the employee self should possess self-efficacy, hope, optimism, and resilience to ensure workplace well-being and performance (see 3.1). This elaboration on the concrete responsibilities is useful particularly in formulating interview questions and coding interview data.

The two models, Järnström et al.’s (2016) sustainable HRM and Nielsen et al.’s (2017) four-level well-being resources, are in fact interwoven: justice and equality dimension contributes to individual, group and leader resources, transparent HR practices dimension contributes to organisational resource, and profitability dimension contributes to organisational resource. So the analytic framework that guides the case study has combined the two models (see Figure 3).

However, neither sustainable HRM, nor four-level well-being resources framework addresses temporary worker well-being, never mention temporary agency worker well-being (Järlström et al., 2016). This is further supported by Imhof and Andresen’s mapping review in the temporary work context (2018). Temporary agency work is generally underrepresented in well-being studies. After looking into the statistics, it turned out that this employment type, though is getting popularity, still represents only 2% of the working population both in the US (Blatt, 2008) and in Finland (Statistics Finland, 2017). This may explain low research interest from researchers’ perspective, and a lack of policy on governmental and corporate level.

Since this study focuses on bringing the complexity into the existing research and contributing to closing some research gaps, the temporary agency worker well-being is in the centre of the analytic framework. Moving one step back, how the four levels of
resources are distributed? The triangular relationship of temporary agency work indicates three channels to distribute these resources, the user company, the temporary agency and the temporary agency worker self. To analyse the empirical data, the focus is on the upper part of the framework, as they yield sensitising concepts that can help code the empirical data. Next, we will clarify the data generating and analysing methods.
5. Methodology

The essential mission of this study is to understand the paradox between companies’ investment in sustainability and their strategy of increasing the usage of temporary agency workers. Based on the literature review, the key to resolve the tensions between the two strategies seems to be investing in temporary agency worker well-being. A Finnish R&D centre, made of half permanent employees and half temporary agency consultants, happens to omit the well-being issues of temporary agency workers. Consequently, it has been caught in the detrimental scenario where the turnover rate is high and organisational efficiency is low. In order to elaborate on the reality of everyday organisational life, we consider the R&D centre a unique case, and set out to answer three research questions:

- What are the key issues in the current temporary agency workers’ well-being?
- How does the corporate level, i.e. HR department, and business unit (BU), articulate the connection between temporary agency worker well-being and sustainability in HRM?
- How does the corporate management level see the responsibility of caring for these temporary agency workers?

The questions above are best approached with qualitative research methods which will be discussed in detail later on after the empirical context.

5.1 Empirical context

In this part, the focus is on the unique context the research sets in. Both temporary knowledge worker and the R&D centre work context add uniqueness to the case. According to Eriksson and Kovalainen (2008), the aim of intensive case study research is to learn how a specific and unique case works. Through a book written and published by the user company, we are introduced to its way of human resource management. This can explain the management style and the HR practices the Finnish R&D centre adopts, which provides a backdrop to the current HRM policies and practices (see 5.1.3).

5.1.1 Temporary knowledge worker

Knowledge workers are defined as individuals with a high degree of expertise whose primary purpose in their jobs is the creation, distribution, or application of ideas and information (Davenport, 2005). The professionals working in the R&D team are all knowledge workers. In Finland, 57% of the working population are knowledge workers.
Among these workers, approximately 2% are working through temporary work agencies (Statistics Finland, 2017). This makes up to about 13 000 people a year. In the US, this number reached almost 2 million (Blatt, 2008). This group of people has been rarely studied in previous studies. Among the scarce research topics on the group of employees, Ruth Blatt (2008) studied organisational citizenship behaviour (OCB) of temporary knowledge employees who are in the triangular employment relationship.

The assumption of temporary knowledge workers’ behaviour usually featured that fact that “they may not identify with their employing organization, may not attempt to impress supervisors in the effort to get ahead in them, and may not get along with their co-workers” (Blatt, 2008, 852). However, as Jarzabkowski (2004) revealed that since these temporary knowledge workers often come from specific occupational or professional communities, membership in these communities may influence their behaviour.

Another study related to temporary knowledge worker was about knowledge workers’ job satisfaction in relation to interpersonal justice (Wilczyńska et al., 2017). The finding revealed that interpersonal injustice significantly diminished job satisfaction regardless of being a permanent or temporary knowledge worker, however, being in a temporary contract had a mitigating effect on the perceived injustice. In other words, compared to temporary knowledge workers, permanent knowledge workers were more vulnerable to interpersonal injustice.

According to previous research, it seemed that temporary knowledge workers are different from permanent knowledge workers in some ways. They tend to engage in OCB behaviours out of own professionalism, and be stronger than permanent counterparts when facing interpersonal injustice. Without doubt that companies should approach well-being of temporary knowledge workers differently than that of their permanent employees. Next, we will discuss the uniqueness of R&D employees, and see their job specific characteristics.

5.1.2 Managing R&D employees

In the context this thesis is situated, the R&D centre environment cannot be overlooked. Research and development centres usually bear the responsibility to transform new knowledge into a commercially valuable outcome (Hirst & Mann, 2004).
The performance of R&D is measured by its effectiveness, for instance by measuring the total patent filed, awarded or pending, by measuring the number of ongoing projects or by measuring the spending on R&D as a percent of sales (Bremser & Barsky, 2004). Creativity is often the most important characteristics of the R&D personnel. According to Todd Dewett’s study (2007) that investigated intrinsic motivation of R&D employees, he found that one fundamental antecedent to employee creativity is intrinsic interest in one’s work. The management implication to these findings is that managers must strive to manage in a manner that does not damage employee intrinsic motivation. For this reason, the use of recognition and rewards should be well thought through, since they may support or detract from intrinsic motivation (Dewett, 2007).

5.1.3 The Finnish R&D centre’s understanding of sustainable HRM

Sustainability is the ultimate goal of the case company, and it is all conveyed throughout its annual report regarding human resource management. As conveyed by a HRM book compiled by the Finnish R&D centre’s management team, sustainability is the ultimate goal of the company. Its founder proudly announced in the book that “value equals sustainable growth”, and “only culture endures…human ingenuity is the creator of all wealth”\(^5\). Here “value” has two layers of meanings. The first layer stands for the value that is created for customers, which is in consensus with Peter Drucker’s definition of business purpose: to create a customer” (Drucker, 2007). The second layer is the monetary value created by satisfying a customer. The firm believes that “HR management is all about being objective and fair. If these two issues are resolved, the goals of individual employees will be aligned with those of the enterprise. In that case, there will be an inexhaustible source of motivation to create value.”

From above, it is clear that the firm believes that sustainability equals constant value creation, value is created by people, and people is fuelled by goal alignment that comes from fair and objective human resource management. This seems rather simplified and reflecting the nature of hard HRM that is represented by Michigan Model (see Figure 3). Given the discussion on soft HRM above, and the proliferation of well-being studies (Imhof & Andresen, 2018), the firm’s model can be rendered short-term performance goal

\(^5\) For confidentiality issue, the book title, authors and year of issue were not allowed to disclose.
oriented. Indeed, this book demonstrates its passion for its people. This passion is justified by the composition of the company: the whole company is comprised of 40% R&D employees, 35% sales and marketing, and 15% manufacturing. However, the book never analysed the different workforce characteristics, or shed lights on the uniqueness of for example its R&D employees. As discussed above in ‘best fit’ or ‘best practice’, the classic ‘either cost leadership, or differentiation’ typologies of strategies no longer apply (Boxall & Purcell, 2011; Collings & Wood, 2009), in order to find a strategic fit HRM to the company’s condition, the firm should be more active in understanding its workforce and

the antecedents to make them satisfied with their job, life, and, most importantly, happy. Figure 4. The Michigan approach: the human resource cycle (Fombrun et al., 1984)

5.2 Research design

5.2.1 Research purpose

The study was inspired by the results of an employee feedback collection project commissioned by the case R&D centre through an Aalto University Business School course called Strategic Human Resource Management. In the project, the R&D centre aimed to gain insights into the difficulties employees and consultants had in their daily work, and how they suggested to improve the situations. In total, 41 R&D workers were interviewed, out of which 18 were consultants. The overwhelming sentiment, corresponding to the negative effects found in previous research in temporary work context, was frustration over job insecurity, and emotional exhaustion over inequality and uncertainty (Imhof & Andresen, 2018), which all resulted in poor workplace well-being.
The feedback showed high turnover intention caused by, other than uncertainty, lack of transparency in decision-making and poor company processes. However, the relatively common problems found in temporary agency work situations, such as lack of performance feedback either from the temporary work agency, lack of social support from colleagues and supervisors at user companies (Imhof & Andresen, 2018), are not evident in this case.

The feedback results were rather alarming in light of the size of the consultant group and the company’s pursuit of sustainability in HRM (see 5.1.1). So the case R&D centre further commissioned me to investigate and provide solution proposals. The key issues in this case were temporary agency worker well-being and its effect on the R&D centre’s sustainability, and the main inquiry was how HR department and line managers articulate the connections, as they are the key actors who perform HRM in an organisation (Boxall & Purcell, 2011).

Based on the ontological assumption in which reality is understood as subjective, this case study follows an interpretivism and constructionism stance (Eriksson & Kovalainen, 2008). The case study focuses on human actions and understanding, therefore it is all about interpretation. Specifically, this study follows social constructionism which has four basic philosophical positions (Burr, 1995):

1. It is assumed that the world does not present itself objectively to the observer, but is known through human experience, which mediated by language.
2. The categories in language that are used to classify things around us are produced through social interaction within a group of individuals at a particular time and in a particular place.
3. Knowledge is sustained by social processes and conventions of communication.

5.2.2 Methods

To answer the research questions, this study requires a qualitative research approach. Traditionally well-being studies in the temporary work context are dominated by quantitative research (Imhof & Andresen, 2018). From a positivism point of view, quantitative research maybe considered more reliable and valid. However, qualitative research can acquire validity through a number of strategies. These strategies guarantee the
credibility and trustworthiness of qualitative study. In our case, the main strategies safeguard the validity are extended fieldwork, low inference descriptors (i.e. direct quotations and field notes), data triangulation and pattern matching (Johnson, 1997). Moreover, when addressing complex organisational, managerial, and other business issues, such as in this case, quantitative methodologies are considered difficult to implement (Eriksson & Kovalainen, 2008), and thus qualitative approach is chosen for this study.

Some scholars also question the quality and rigour of case study research (Steward, 2017). On one hand, as for a single case study (Eriksson & Kovalainen, 2008), criticism may argue “when resources are allowed, always prefer multiple case studies over single case studies” (e.g. Yin, 2002, 53). On the other hand, vigorous evidences support that a single case study can often generalize and exemplify (Dyer & Wikins, 1991), because “single case studies are multiple in most research efforts because ideas and evidence may be linked in many different ways”, and if fieldwork has been involved, “the field itself is a powerful disciplinary force: assertive, demanding, even coercive” (Flyvbjerg, 2006, 19). After all, “concrete, context-dependent knowledge is more valuable than the vain search for predictive theories and universals” (Flyvbjerg, 2006, 7). This R&D centre knowledge temporary agency worker well-being case can be considered an extreme depicting a well-justified paradox in modern economy where companies seek not only flexibility in HRM but also sustainability. To get to the bottom of such organisation, a qualitative single case study is well justified.

Qualitative case study, according to Stake (2008), is characterised by researchers spending extended time, on site, personally in contact with activities and operations of the case, reflecting, revising meanings of what is going on. In the course of this study, I have been spending approximately 20 hours a week at the R&D centre to observe and interview stakeholders starting from March, 2018 to June, 2018. The pre-research interviews were structured and previously distributed to the employees and consultants located in one of the biggest R&D teams. These interviews each took about 15 minutes, and the interviewees participated on a voluntary basis. This R&D team, at the moment of the pre-research interviews, had 22 consultants on the team, which made up 40% of the team. The percentage grew to 50% during the course of 3 months due to new hires and old employee leaving.
The pre-research started in January 2018, and took about 1 month to finish. This included transcribing the interview notes and coding the answers. The findings were presented to the team’s line manager in February, and they were further communicated to the HR department and the R&D centre’s leader team by the line manager. Further research request was received in the same month. March was given to do literature review and research planning, and the research plan presented in a form of interview guide (see Appendix) was accepted in the middle of April. The five in-depth interviews were conducted over the course of one and a half months due to reschedules. The last interview with the line manager from the pre-research team was finished at the end of May. So June was dedicated to data analysis and case writing.

The five in-depth interviews took about 1 hour each. The interviewees are one HR manager, three HR specialists and one line manager. The HR manager is in charge of consultant management, recruitment, working with suppliers and head hunters, permanent employees’ healthcare and payrolls. The three HR specialists work in different areas including performance appraisal, talent retention, benefit and compensations, employee relationships (well-being, event and communications), contracts, HR data management, on-boarding and exists. The line manager described his role as leading and achieving business goals by delivering capabilities to product lines. It was noted by the HR manager, no one in HR took care of supporting leadership.

Although the interview questions were sent to the interviewees prior to the interviews, none of the interviewees had time to prepare for the answers, which has its merits and drawbacks. The benefit is avoidance of over preparation and interpretation of the researcher’s intention. Whereas the disadvantage is particularly affecting the well-being resource allocation question, because this question requires ample time to consider. The answers that are rushed out of the interviewees’ mind may not help analysis.

The interviews were transcribed from notes to completed answers right after each interview to ensure recording the answers accurately. Voice recording was not given permission to use. The transcripts together with a pile of 20 pages’ observation diary were the empirical materials for data analysis. In analysis, the sustainable HRM – four-level well-being resources model provides sensitizing themes to code the data.
5.2.3 Data analysis method

As the case data were comprised of interviews and participant observations, the best way to analyse them was through a coding system developed based on the analytic framework. Coding means that the features, issues and themes in empirical data are classified and given a specific label, a code (Eriksson & Kovalainen, 2008). Even though this research is grounded in existing theory and attempts to improve the theory, there are limited predefined propositions that can be used as a basis for a predeveloped thematic coding scheme (Eriksson & Kovalainen, 2008). This is largely because there has not been propositions in the context of temporary agency workers well-being. Therefore, several business researchers are in favour of an analysis strategy that is based on development of a case description and is of more inductive-oriented strategy of case material analysis (e.g. Eisenhardt, 1989).

Notably, using an inductive strategy of analysis does not mean that concepts from prior theory could not be used in empirical data analysis (Eriksson & Kovalainene, 2008). Instead, researchers do use theoretical concepts to sensitize empirical data (Eisenhardt, 1989). That is to say, the theoretical concepts are to give a general sense of reference into the analysis, so that the central organizing features of empirical data and the meanings invested in them can be described. This type of research approach is called by some scholars ‘abductive logic’ (Eriksson & Kovalainen, 2008).

Besides coding, the individual case analysis often includes drafting a general description of the case in a certain order. In this study, the case is described in chronological order, which emphasizing events, actors and action, and processes. The main purpose of this description is to construct for meaning by linking empirical patterns to each other to form a holistic configuration, the case (Stake, 2008). This description (in 6.1) is constructed based on empirical data from interview questions 1 to 3 (see Appendix), and the field notes.

The main analytic techniques used here are very common in case study research (Yin, 2002) and in the validity structure of qualitative research (Johnson, 1997), which include pattern matching, explanation building and data triangulation. Pattern matching is considered one of the common strategies used to promote qualitative research validity. It refers to “predicting a series of results that form a pattern and then determining the degree to which the actual results fit the predicted pattern” (Johnson, 1997, 283). As sensitized
codes (i.e. patterns) are developed from the existing theories (see 6.2), the empirical data are analysed to ‘match’ to those patterns and the degree of fit or deviation is the conclusion. Explanation building (Yin, 2002; Johnson, 1997, 282) aims to “develop an understanding of the data through careful consideration of potential causes and effects and by systematically eliminating ‘rival’ explanations or hypotheses until the final ‘case’ is made ‘beyond reasonable doubt’”. This can be achieved by triangulating data sources to help understand a phenomenon. In this case, multiple data sources, namely pre-research interviews with the employees, interviews with the HR and the line manager, field notes as well as multiple theories are used to gain verification and insights.

5.2.4 Research ethics

The research company chose to be anonymous in terms of its name, business sector and market. Despite of using the thick description, the company should not be identified in any form, and therefore the size and composition of company are not disclosed. However, the team that agreed to be researched has disclosed its profile. The research subject, nevertheless, does not require detailed company information to construct the case. In fact, the focal point is the human resource structure that reveals the organisation reality. What this case is interested in is to construct a paradoxical reality through the HR and line manager’s perception of managing a mixture of permanent and temporary employees.

The R&D centre has been supporting my research project, from the managerial level to the employee and consultant’s level. I have access to all their office floors, and I was given a desk to work on-site. I also have freedom to talk to anyone in the organisation, including the top management. One day, the President of the R&D centre even invited me to his office and expressed his support in this research project. I was free to observe, but limited access to meetings. For instance, after I presented my pre-research findings, the line manager did not let me attend his discussion with the HR department and other top management of the R&D centre. But this restriction has not been affecting my research progress.
6. Analysis and Findings

This part of the thesis demonstrates the case study findings. It is divided into three parts. The first one (6.1) is a thick description of the case. Since the embedded value of a single case study resides in its unique settings (Stake, 2008; Eriksson & Kovalainen, 2008). By presenting the case, it is believed to help locate dissonances, tensions, obstacles and surprises. Then the second part (6.2) is the empirical data analysis based on the analytic framework developed in Chapter 4 (see Figure 3). The third part (6.3, 6.4 and 6.5) focuses on answering the research questions.

6.1 Description of the case and initial analysis

In the description of the case, we hope to provide a holistic view of the Finnish R&D centre, and the characteristics of the organisation that have plunged it into the temporary employee well-being crisis. The description is formed mostly based on field notes and pre-research interviews with the employees, and supported by the research interviews with the LM and the HR department. In 6.1.1, the findings of pre-research interviews will be elaborated, which gives more insights into the temporary agency worker well-being crisis the Finnish R&D centre is faced with. The thick description of the company workforce and its culture provide a backdrop of the empirical findings that is presented thereafter.

6.1.1 Workforce: The Finnish R&D’s way of involving temporary agency work brings employee well-being challenges

The case R&D centre is considered a large-scale enterprise in Finland according to official definition (Yrittäjät, 2018) with over 250 employees. It consists of several teams of different sizes. These teams concentrate on different technological areas, and thus are relatively independent from each other. Each team is led by a line manager with the respect technological background. The majority of the employees are Finnish males, and over 40 years old. The current workforce is characterised by a mix of half permanent employees and half temporary agency workers called consultants. At the beginning, the consultants were a minor group, but gradually they become a sizable group that occupy strategically important positions. However, the company processes and HR policies have not been keeping up the scaling. This was evident from the pre-research results.
The pre-research study was conducted in the form of structured interviews to find out employees and consultants’ job satisfaction, and the biggest team in the R&D centre was selected to be the study subject. This team consists of 57 professionals among which 29 were permanent employees and 28 were consultants hired through the same temporary work agency. Unlike the conventional temporary agency work where the temporary work agency is responsible for the matching and negotiation processes with the user company on behalf of the employees (Imhof & Andresen, 2018). In this case, the Finnish R&D centre finds the hire, negotiates a salary with the hire, and informs the temporary work agency about the new hire only at the stage of signing the contract. The agency typically signs a fixed term contract for the same length the R&D centre intends to sign with the new hire. So if the hire does not continue employment with the R&D centre after the fixed term, the contract with the temporary work agency terminates, too.

The temporary work agency takes care of limited HR activities; it signs work contract with the consultants, pays salaries, provides occupational healthcare and a work cell phone. Many consultants have never met their legal employer in person because the contract signing is handled via emails. So the temporary work agency seems to be rather detached from the actual work of the consultants. There is no feedback on consultants’ performance, or fringe benefits, such as sports and culture vouchers, team building activities or holiday greetings. As the consultants revealed, they did not identify in any way with their temporary work agency (data from the pre-research study).

Compared to the temporary agency work described in previous studies (Imhof & Andresen, 2018), this is an atypical triangular relationship. First, the consultants are feeling inferior to the user company’s own employees. This is because as a consultant, there is no twice a year performance appraisal with the user company supervisor, instead, it is once a year for the consultants. For the consultants, there is no bonus system, and they are not entitled to the user company’s. What makes the inferior feeling more acute is the fact that every year the user company Finnish R&D centre ‘promotes’ one or two top performers to become its own permanent employees. In addition, the consultants have limited access to company contents on the Intranet, and are excluded from some email lists.

Second, as mentioned earlier, some of the consultants have never been to their actual employer’s office, or have seen their direct supervisor from the agency. They do not
identify with the temporary work agency. So once the user company passes any discriminatory policy to treat this group of employees differently, the consultants do not receive any social or legal support from their legal employer. In fact, such discrimination happened once, the HR of Finnish R&D announced a policy that the company team building activities were only meant for permanent employees, and consultants were forbidden to participate. Which resulted in low participation and abortion of these activities in the end. Work morale of the company hit the rock bottom once due to both employee groups protesting inequality.

Third, due to the complexity of the relationship between the agency and the R&D centre, some HR responsibilities are unclear. This is particularly evident in the salary negotiations. In some cases, the hiring manager or the HR manager from the user company does the negotiation with the candidates, whereas in other cases, the temporary work agencies contact the candidates directly to negotiate. Such unclear process has resulted in unreasonable salary discrepancies, which eventually affect temporary agency workers well-being.

These facts have explained why the temporary agency workers at Finnish R&D centre are particularly unhappy, and the turnover rate is high among the consultants. The Finnish R&D centre is probably not the most well-being centric organisation one can hope for; the corporate culture is tough compared to other Finnish companies. With the population of temporary agency workers scaling, the company policies and processes did not keep up. What exacerbated the situation was how the agency workers were treated differently. In many cases, it even seemed that no organisation cared for them; they were not heard, and no one in the R&D centre represented their interest. Due to the high turnover rates, the R&D centre’s organisational efficiency dropped significantly; knowledge was lost along the way. This was detrimental to a knowledge-based company. The projects were delayed, and further funding opportunities to the business units was threatened. Only then, the top management started to realise change was inevitable.

The new HR strategy of the Finnish R&D centre, therefore, has included equal treatment of permanent and temporary agency workers as the key focus to improve both employee groups’ well-being. After reporting the results of pre-research study, the temporary work agency made some concrete changes to improve their provisions to their legal employees.
at the user R&D centre, too. The most significant one was co-hiring a consultant assistant with the R&D centre to support the consultants and offset the inequality these consultants have been experiencing. This consultant assistant will handle HR administrative tasks and travel related arrangements, which the consultants had to handle by themselves. In addition, the supervisor of the temporary work agency started to visit the Finnish R&D centre to meet its legal employees and listen to their concerns and collect their requests once a quarter.

6.1.2 Rationale behind using temporary agency workers

In 2000s, the case company, Finnish R&D centre, was funded to generate Finnish innovation to infuse in a range of international products. The company is mostly financed by technical projects that should eventually benefit the product lines, and that is why when comes to managing human resource, the company seeks flexibility and firm control over cost (Boxall & Purcell, 2011; Imhof & Andresen, 2018). The employee headcount is tightly managed to meet the project needs. Permanent headcount is a scarce resource in this company. Product lines grant project budgets but hardly headcounts, and that is how the consultants (i.e. temporary agency workers) usage starts. Many research and development projects have budgets but are short of manpower and headcount, so the most logic solution is to hire outside resources. So using consultants is not about cutting down costs, frankly when involving the temporary work agencies as suppliers, the cost was even higher. The rationale of using this atypical employment can only be explained from the flexibility point of view. The projects need human resource fast like goods or services, temporary agency workers are a way around the permanent headcount policy.

Normally, only essential technology areas are given permanent headcounts; all the supporting functions, such as project management and HR specialists, are mandated in the company policy as external consultants that shall be hired through temporary work agencies. If a consultant is to transfer to become a permanent employee, the process is long (up to half a year) and painstaking. In fact, three of the interviewees in this case study are temporary agency workers working as HR specialists.
6.1.3 Culture: well-being is not the focus

The corporate culture is result-oriented, and high quality is embraced throughout the whole company. All employees’ performances, permanent and consultants alike, are appraised based on their deliveries. This means that the innovation and technical advancements are expected to be used in the final products. The employees are considered doing a good job only if their deliveries are of high quality and utilized in the final products. The management is rather proud of such culture, which was described as ‘down-to-earth’. In terms of the company processes, it is rated by most of the interviewees as bureaucratic and hierarchical. The company values devotion, and long work hours are expected as an unspoken rule. However, long hours without quality delivery is considered inefficient. In terms of work time tracking, there is no such system in place, which implies that employees may have difficulty to gain balance and flexibility in their work.

Another dominate culture pointed out by some of the interviewees is distrust. This tradition may arise from the necessity of being vigilant to risks and failures in technologies and their implementations. A single technology’s reliability needs to be verified against higher than industry average standards through tests and simulations. This is in line with the obsession in quality. In practice, this distrust appears on two levels. Between the employees and the decision-makers, it means that the employees need to report similar contents to different decision-making committees in different formats. Naturally, they feel being scrutinised instead of being trusted, and render such practice time-consuming and redundant. Particularly when different committees give different directories and set different goals, which ultimately drives down job satisfaction and work well-being due to unclear objectives.

Another level of distrust appears between the platform (i.e. corporate level services including HR, administration and finance) and the business units (BU). Pointed out by one of the HR specialists and supported by several incidents recorded by the field notes, BU may consider the platform inefficient. For instance, for some urgent recruitments, BU would prefer to search for the candidates and arrange interviews by themselves, because the platform is perceived as full of redundant processes and lacking business knowledge. So instead of going through the processes and explaining the highly technical requirements they are looking for in candidates, they prefer to handle themselves. This distrust
sometimes may escalate to a lack of communication between the platform and the BU, which makes the platform’s services even more unsatisfactory.

“Well-being isn’t the focus of our company’s culture.” The line manager said in the interview. Indeed, the HR manager and the three HR specialists all mentioned a low benefit status quo compared to other Finnish companies. What keeps people stay and work then? As revealed by the pre-research interviews, the salary is “very good”. So good that it can offset the low benefits.

The implication of the above description to answering the research questions is significant. The result-oriented organisational culture does not emphasize well-being issues in the first place, and this is evident because even the permanent employees are having lower than average employment benefits compared to other Finnish companies. At the moment of this research, the organisation seems to be at the verge of realising the importance of employees’ well-being and that of treating the two types of employees equally. The status quo states rather unequal well-being conditions, the consultants are receiving apparently less support both from the temporary work agencies and from the Finnish R&D centre. In the following parts of the analysis, the coded empirical data is analysed and the findings are reported in accordance to the research questions.

6.2 Data analysis: dimensions in temporary agency worker well-being

In this part, we focus on identifying the key issues in R&D knowledge temporary agency worker well-being. Then the next chapter will articulate the interviewees’ accounts of the connection between temporary agency worker well-being and sustainability in HRM.

To answer the first research question, what are the key issues of current temporary agency workers well-being, the empirical data is coded with sensitizing concepts from the analytic framework (see Table 2). The first layer of codes is from the modified Järlström et al.’s sustainable HRM antecedents model. To elaborate on these first level codes, a second level codes were developed based on descriptions of Järlström et al.’s model and Nielsen et al.’s four level well-being resources model. The data is grouped to each first layer of codes if the quotes contain the keywords of this code group, or if the quotes are describing the concrete responsibilities implied by the codes.
Table 2. Sensitising codes developed from theoretical framework (Järlström et al., 2016; Nielsen et al., 2017)

<table>
<thead>
<tr>
<th>1st level code</th>
<th>Justice and equality</th>
<th>Transparent HR practices</th>
<th>Profitability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2nd level code - Sustainable HRM</strong></td>
<td>legal, ethical, obeying laws and regulations, diversity management, ethical values, manager′ exemplary behaviours</td>
<td>HR practices as a cluster</td>
<td>HR's understanding of business</td>
</tr>
<tr>
<td><strong>2nd level code - Four-level well-being resources</strong></td>
<td>Leader level resources: quality relationship between a leader and employees, transformational, transactional leadership, supervisor social support Organisational level resource: autonomy</td>
<td>Organisational level resources (specific HR practices): compensation-based schemes, training, career supporting activities, performance appraisals, perceived organisational support, the fit between the person and the organisation</td>
<td>Group and organisational level: Proactive in actions and long-term thinking; group level of resources, goal alignment (fit to the team and organisation), effectiveness of organisation</td>
</tr>
</tbody>
</table>

6.2.1 Justice and equality

Under justice and equality, the most often mentioned topic was leadership. Three out of five interviewees talked about the importance of leadership in temporary agency workers well-being. One of the HR specialists believed that poor leadership was the ultimate cause of the ongoing well-being crisis. “The workplace well-being is rather alarming here. The employees have low work morale, and are unsatisfied with leadership”. Similar remarks were found in the pre-research study, some employees pointed out a “micro-managing” style that had resulted in redundant reporting and a sense of lack of autonomy and accountability. This was not mentioned in the previous studies. The existing models have not considered autonomy and accountability in justice and equality dimension or in the leadership resources. This may explain the uniqueness of expert level knowledge workers and their workplace well-being antecedents.

The line manager (LM) also talked about the importance of leadership, however, more from a perceived leadership point of view. LM believed that the ongoing consultant well-being crisis was a matter of misunderstanding caused by wrong perceptions.
It all comes down to perception. The permanent employees were not in a better position than the consultants, since we’re in the R&D business, the whole technology area could become obsolete and the whole team would be laid off without any warnings. Employment status would not matter. The core problem here is not the difference between job status, permanent or consultant, but the matter of understanding the goals and making visible contributions to the business. I even think the consultant type of employment is better for employee’s personal development. The perception is important.

What the LM was trying to say can be interpreted so that the core problem of the ongoing temporary agency worker well-being crisis was not caused by the differences between the two employee groups, but by unclear goal settings and ambiguous contributions to the business. Notably, he did not specify whose responsibility it was to change such “perception”, or communicate the “goals” and acknowledge “visible contributions to the business”. The logical understanding here would be that leaders’ clear communication would make a difference on employees’ perception, and when the goals and incentives are clear, the employees tend to be more motivated (Imhof & Andrese, 2018) and yield better results (Nielsen et al., 2017). However, the LM did not take such responsibility, instead, in the later discussion of transparency, he “assigned” this task to the quality and operations, which are his administrative assistants. To summarize, theoretically leaders’ clear goal setting and communication are antecedent to temporary agency workers well-being, in this case, however, the LM acknowledged the importance of employees’ perception which is affected by goal setting and contribution acknowledgement, but dogged the responsibility.

The second most discussed topic in this dimension was equality. As mentioned in the case description, inequality was one of the major causes of the temporary agency workers well-being crisis. However, it seemed this aspect can only be mitigated but never completely resolved. The LM mentioned about equality in task distribution even though there were clear risks, since the consultants were not bind by the contract to work for long-term. They may decide not to continue the fixed contract and leave the project unfinished, or worse, take the know-how to competitors. Some restriction to accessing company information, for instance, was one of the measures to mitigate the risks. The HR specialist who was responsible for talent retention programmes also revealed that these retention programme provisions were only available to permanent employees, and was unlikely to spread to
consultants. The highest appreciation to the consultants’ work was by offering them a permanent headcount at the R&D centre. So in the aspect of equality, the perceived equality is more relevant, because the absolute equality is impossible to achieve. If, for example, the temporary work agencies can provide all the employee benefits that the R&D centre permanent employees entitle to (e.g. permanent work contracts, retention programmes) to the consultants, the perceived equality will improve, and so will well-being.

Based on the sensitizing concepts used in analysing the empirical data, we are able to develop the case specific well-being antecedents or resources. The justice and equality plus leadership resource dimension of the analytic framework help to yield new concepts that are tailored to the R&D centre knowledge temporary agency workers well-being situation. The case specific antecedent identified in this analysis is autonomy and accountability, clear goal setting and contribution acknowledgement, and perceived equality. However, the action givers are missing. The leadership resource may be missing. The LM and HR did not seem to be aware of R&D employees’ need for autonomy and accountability. The LM was uncertain about whose responsibility to communicate the goal setting and contribution acknowledgement. The HR did not even have intention to improve perceived equality.

### 6.2.2 Transparent HR practices

This dimension corresponds to the organisational resources which concerns specific HR practices, such as compensation-based schemes, training, career supporting activities, and performance appraisals, perceived organisational support, and the fit between the person and the organisation. As expected, very few quotes were able to be coded to these topics, because as aforementioned, in the area of managing temporary agency workers, the Finnish R&D centre did not have any above listed specific HR practices yet. Therefore, instead, the interview question used for this topic aimed to stimulate discussions on transparency issues instead of HR practices.

From the interviews, transparency was always associated with trust and ‘silos’. The HR manager and specialists focused on discussing about the transparency issues in the interview. The connection between transparency and trust was highlighted. “Gaining trust is everything, no trust, no transparency.” One of the HR specialists backed up this
statement by telling that “our company’s HR policies are not transparent, not even to our HR staff…until the implementation stage, all we know is a direction…and in the end, it always comes with changes”. Notably, the HR specialists that are responsible for the policy implementations are all consultants. This lack of transparency was used to describe the relationship between HR and other business units (BUs), as well as intra-BUs. The distrust between HR and BUs has been discussed in the case description. BUs consider HR and other platform services lack of business knowledge and inefficient, so they prefer to act on their own instead of following processes and use the services. Here, the HR manager’s remarks may shed lights on the reason why. It seems that as a corporate level manager, the HR manager was not entitled to access company’s future plans.

The top management tend to withhold information about the future development of the R&D centre. Though this is a common struggle in the big companies. But certain information can be released. Here, there’s no company-wide information release. There has not been discussion about the future of the company, or at least I haven’t been involved. You know, people started to feel insecure when they do not know where the company is going…yes, I’m referring to the future of using and managing consultants, since the ongoing well-being crisis demands changes. The problem is the company does not have a schedule of releasing information. Each business unit may know their own future, like 9 autonomous organisations, or silos.

This quote reveals several problems. The first is HR’s involvement in strategy making. As people management experts, they were not even invited to the strategy making regarding temporary agency worker well-being management, one can certainly question the quality and credibility of the policy and decisions made. Without HR specialists’ involvement, who is going to make a “best-fit” strategy for the R&D centre through rigorous analysis of the strengths and capabilities of the employees as well as the external factors (see 2.2 ‘best-fit’ Strategic HRM)? This also reveals how HR function has been sidelined at the Finnish R&D centre. Instead of being viewed as a strategic business partner (Boxall & Purcell, 2011), the HR is merely handling administrative tasks and without a voice in decision-making.

This is supported by the field notes that recorded the actual company-wide strategy planning activities. Every year around May, the company initiates the strategic planning for the next 5 years, but the planning units are the business units, and the initiation
information is only sent to these planning units. The supporting departments, i.e. the platform, is not officially ‘invited’ to join the planning. This may explain why the platform seems not to have the business knowledge that is needed to support the business units. Such company practice further deepens silos between the business units and the supporting functions, such as HR.

The second problem is a lack of communication capability. The lack of information dissemination timetable and the lack of information sharing in general all reveal a lack of communication expertise within the R&D centre. In the case of temporary agency worker well-being strategy making, the most relevant discussion is around how much the consultant population can be involved in the process. Although studies have shown participatory strategy making where organisations solicit different level of employees’ input at the beginning stage of strategizing was rendered inefficient (Lewis & Russ, 2012), extremely low participation, however, was observed low user satisfaction at the workplace. Such top-down, one direction and last-minute communication and implementation model not only creates silos between the decision-makers and the implementers, but also potential risks in temporary agency worker management. Restricting their participation and avoiding transparency in policy making will only decrease their job satisfaction and well-being overall.

The third problem also relates to HR’s position within the organisation, and specifically refers to the hierarchy of the organisation. The business units are apparently higher ranked than the HR department, for the LMs have higher job levels (virtual HAY levels) than the head of the HR department. This may explain why the HR manager was not involved in strategy making, but the BUs seemed to be clear about their own future development. Even though HRM literature states that HR department should actively sell its services to business units (e.g. Boxall & Purcell, 2011), its lack of authority largely affects organisational effectiveness. This is in fact supported by the field notes regarding what the HR managers do in a day. Another HR manager who just joined the Finnish R&D centre told that he had been screening candidates for different positions, which was usually assigned to trainees in his previous company. There is reason to suspect that the decision-makers of the Finnish R&D centre may have underestimated the capacity of HR as a profession, or they simply lack management experience and knowledge.
Due to such organisation structure, HR department has not been able to make company policies, processes and regulations. It has created an interesting scenario where the line managers make their own rules within their own business units. For example, the HR manager revealed that there was no company-wide regulation on how to use the flex hours (i.e. the work hours that produced due to over work in one working day). Consequently, each business unit had their own rules, and they were largely depending on the line managers’ decisions. Moreover, these line managers do not seem to communicate with each other, because the practices in each BU differ significantly. In HR’s words, the R&D centre looked like different silos resembling small organisations with own standards and HR practices.

From the discussion above, it is evident that neither the current organisation structure, nor the company level of decision-making process and information dissemination model are favourable to improving temporary agency workers well-being. The degree of transparency between different units is low, and particularly the visibility of HR department in policy making and implementation is exceptionally low. This only increases the fragmentation of the organisation, and drive the operation away from being efficient.

To conclude, this dimension of existing concepts helped to reveal many issues in managing temporary agency workers as well as in people management in general. These issues are obstacles in lifting the well-being conditions and improve organisational efficiency. The transparent HR practices mentioned in previous studies were not resonated in the interviews. Instead, we learnt that

- HR expertise is under-utilized in people management issues, and the HR does not have authority or opportunity to influence the policy and process making;
- The strategy and decision making process in the Finnish R&D centre is under-developed, and perceived as lack of transparency;
- The organisational structure where the business units are powerful has somehow prevented the HR department from gaining business knowledge.
6.2.3 Profitability

The third key issue of temporary agency worker well-being is profitability. It is described in sustainable HRM as referring to HR’s business understanding, long-term thinking as concretised in goal alignment that is included in group and organisational well-being resources, and the effectiveness of organisation.

HR’s lack of business knowledge has been discussed several times above, which has contributed to lack of trust between HR and BUs, as well as to its low authority in strategy making and low visibility in the organisation. In terms of the rationale behind using temporary agency workers, the HR department did not seem to have a clear shared understanding. One of the HR specialists admitted that “we do not know why consultants and the company employees are divided…we try to treat them equal, but ultimately we do not know what actually applies, and how to handle.” The HR manager also felt confused of such decision: “According to the law, after three consecutive fixed term contracts, the employee binds to provide a permanent position. So how we use the temporary agency workers now create legal risks in Finland.” Clearly, they did not have a channel to express their confusion, let alone attempting to make a difference. This also proves HR department’s status in the organisation, invisible and without authority.

Meanwhile, the line manager especially resonated with the topic of goal alignment. In the well-being resource theory (Nielsen et al., 2017), the findings emphasized a fit to the organisation and the group can provide well-being resources to the employees. When interviewing a potential temporary agency worker candidate, the line manager always tried to clarify the individual goal and asks for perceived potential challenges from the candidate. So that the LM knew whether this individual candidate would enjoy working in his department. Notably, the line manager was doing HR’s job in determining the strategic fit of a certain candidate. This further proves the unclear work division between HR and the BUs, which can ultimately result in organisational inefficiency.

Another talked about topic in this dimension is employees’ personal development. This is tightly related to goal alignment and has implications to employees’ individual level of well-being resource (i.e. self-efficacy, hope, optimism, and resilience), and largely related to leadership in the justice and equality dimension. Surprisingly, the quotes coded to this
topic were all from the line manager, the HR generally does not have any input in this aspect. The line manager believed that:

The real care is helping them (the temporary agency workers) to grow. The work environment is stressful, the LM said, but the stress and pressure are good for personal development. So the company provides compensation and benefits, the BUs bear the responsibility of developing people.

This is in fact in line with the finding from Järlström et al.’s stakeholder salience model (2016). The prominent stakeholders in the profitability dimension are the business owners and the managers. It is their responsibility to provide well-being resources by aligning the individual goals to the organisation’s, and provide opportunities to develop.

So when the line manager associates temporary agency worker well-being to sustainability in human resource management, the goal alignment and personal development seem to be the main antecedents. However, in the pre-research interviews with the employees, many appreciate the opportunities and challenges came with the job, these elements were not enough to make them stay. When they were asked whether the Finnish R&D centre was their long-term career choice, most of them expressed appreciation of the personal development, but they believed such development would be good for their future career elsewhere. Such mismatch may be solved by further involving the HR department. As the BUs have limited resources and know-hows to carry out personality and organisational fit interviews and talent retention programmes. In the consultants’ hiring, the company process does not require HR interviews. So in practice, under the time pressure, the BUs usually only carry out the technical interviews where only the candidates’ technical skills are scrutinised, but the personality fit or personal aspirations are overlooked.

In the long run, such practice will not save time or money, instead, it will cost BUs’ resources to train and bring more knowledge loss risks. In fact, the HR always conduct exit interviews with the consultants who are leaving the company. “Some of them were leaving because they did not fit the culture, which we could find out in the HR interview.” Therefore, the main takeaway from this dimension is that in order to improve temporary agency workers well-being from a company profitability point of view, a joint force of HR and BUs in goal alignment and personal development may be necessary. HR department’s strategic importance should be recognised, and its potential ability to neutralise the well-
being crisis should not be downplayed. Generally, it does not make sense to isolate HR from strategy decision-making of any kind, because the R&D centre’s primary asset is human intelligence.

6.3 Key issues in managing temporary agency worker well-being

<table>
<thead>
<tr>
<th>1st level code</th>
<th>Justice and equality</th>
<th>Transparent HR practices</th>
<th>Profitability</th>
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<tbody>
<tr>
<td>2nd level code</td>
<td></td>
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<tr>
<td>Sustainable HRM</td>
<td>legal, ethical, obeying laws and regulations, diversity management, ethical values, manager' exemplary behaviours</td>
<td>HR practices as a cluster</td>
<td>HR's understanding of business</td>
</tr>
<tr>
<td>2nd level code</td>
<td></td>
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<tr>
<td>Four-level well-being resources</td>
<td>Leader level resources: quality relationship between a leader and employees, transformational, transactional leadership, supervisor social support Organisational level resource: autonomy</td>
<td>Organisational level resources (specific HR practices): compensation-based schemes, training, career supporting activities, performance appraisals, perceived organisational support, the fit between the person and the organisation</td>
<td>Group and organisational level: Proactive in actions and long-term thinking; group level of resources, goal alignment (fit to the team and organisation), effectiveness of organisation</td>
</tr>
<tr>
<td>Findings on the key issues in temporary agency work well-being case study</td>
<td>The cause of the crisis: A. Leadership problem where autonomy and accountability are missing. B. Unclear goal settings and ambiguous contribution to the business. C. The perceived equality is low because no party wanted to take the responsibility of caring for the temporary agency workers.</td>
<td>Problems in organisation and people management: A. The decision-making process and information dissemination model are unclear. B. HR lacks authority and opportunity to influence the policy and process making. C. The organisational structure where the business units are powerful has somehow prevented the HR department from gaining business knowledge.</td>
<td>The cause of HR’s lack of business knowledge which contributes to organisational tensions: excluding HR in people selection, goal alignment and personal development phases.</td>
</tr>
</tbody>
</table>

Table 3. Findings with the sensitising concepts (own table)

From the above analysis using sensitizing concepts developed from the analytic framework, we are able to identify the case specific topics. These topics emerged from the data were problematizing the temporary agency worker well-being crisis and other aspects of the organisational inefficiency (see Table 3). They are the key issues pinned down by the interviewees, pre-research and field notes.
In the first dimension, the sensitising concepts such as “leadership” and “equality” helped to stimulate interviewees talking about the causes of the temporary agency work well-being crisis from their perspectives. Leadership and micro-managing management style seemed to have caused the temporary agency knowledge workers to feel unable to gain autonomy and be accountable for their work. Unclear goal settings and ambiguous recognition of the contribution made to business (i.e. bonus system) were also pertinent to the consultants’ well-being crisis. The fact that neither the temporary work agency, nor the user company HR department wanted to take responsibility to retain or develop these temporary knowledge workers contributed to perceived low equality. It seemed that the whole organisation was rather aware of the reason why this well-being crisis broke out, and the key was about how they planned to change it, which will be explored in the second and third research questions.

The transparent HR practices dimension helped to uncover even more profound problems in organisation and people management. Notably, there was no HR practices at all to take temporary agency worker well-being into consideration as revealed by the empirical data. With the topic of “transparency”, the interviewees pondered upon the decision-making and information dissemination processes. In fact, as revealed by the interviews, these processes were unclear; this part of communication expertise was completely missing. Furthermore, HR department within the organisation seemed to be lack of authority and power to influence the policy and process making. This may be caused by the organisational structure where the business units (BUs) are outranking the HR department, and were given too much authority to act on their own, which ultimately had created silos.

The profitability dimension in the theories mostly refers to “alignment” between the employee’s individual aspiration and that of the team and the organisation, as well as to “HR’s business knowledge”. These aspects are closely affecting the effectiveness of the organisation. From analysing the empirical data, it was apparent that the LM was aware of the importance of the goal alignment and the individual fit to the environment, and the HR did not have a role in determining the fit from a professional point of view. Though different parties have complained HR’s lack of business knowledge, no one seemed to be willing to involve HR in people selection, goal alignment or personal development
processes. No wonder the Finnish R&D centre was experiencing high turnover rate and low organisational efficiency.

All in all, the key issues of managing temporary agency worker well-being are rooted in how the company is organised. They are related to the organisational structure, culture and processes. The biggest finding here is how HR expertise was under-utilized and unappreciated due to legacy company structures and biased top management perceptions, which has largely contributed to organisational inefficiency. In the next section, we will attempt to answer the second research question which shed lights on how temporary agency worker well-being contributes to HRM sustainability.

6.4 Associating temporary agency worker well-being to sustainable HRM

During the interviews, all the interviewees were asked first to explain their understanding of sustainability. The difference is evident between the understandings by the HR and the BU. Sustainability was defined and discussed extensively in the company’s HRM handbook, in which sustainability is equal to constant value creation for customers. The LM clearly understood the logic behind “value equals to sustainability”. He explicitly described a scenario in which the temporary agency worker became indispensable to the team because he understood customer’s needs and translated the understanding into technology that was used in the final products. Although he was focusing more on the individual consultant’s economy, the key element of putting customer into the equation was evident.

The other interviewees, representing the HR department, took a different approach. For example, the HR manager talked about CSR:

Companies hire good people and make them enjoy their work, and pay tax to support government and society by tackling unemployment issues. HR personnel in these companies comply with law and legislations to make the businesses sustainable.

Another answer from the HR department provided insights into how they set their goals. Sustainability is a way of managing the workforce, and creating a working life for the employees to stay longer. The processes should be sustainable so that people are satisfied.
Evidently, HR’s answers have put government, society and employees as their customers, but satisfying the business goals and supporting their own customers i.e. the BUs (Boxall & Purcell, 2011) seem to be missing. This further corresponds to one of key issues identified above in managing temporary agency worker well-being, that is the HR department has limited business knowledge to sufficiently support the BUs.

When comes to connecting temporary agency workers well-being to the HRM sustainability, the interviewees’ answers can together construct a relatively comprehensive picture by complementing each other’s perspectives. From the BU’s perspective, the LM argued for a cooperative approach with the temporary work agencies.

Consultants’ personal development plan and opportunities should be reviewed together with consultant companies (temporary work agencies), that is why we organise steering group meetings every other month with the consultant company (that supplies consultants to the team).

That is to say, by cooperating with the temporary work agencies on the consultants’ well-being issues, the company is likely to gain HRM sustainability. This is rather simplified compared to the HR specialist’s whole process answer below, which implies a lack of HR expertise within the BU.

Internally, it was suggested by the HR manager that the company needed to first clarify why using consultants, given the amounting legal risks, and what the future of such way of organising work is.

There are certain legal risks that may jeopardize sustainability endeavours. Some outstanding consultants really enjoy working here, but such fixed term contracts are affecting their personal lives. Legally, after three fixed terms, the employer company should offer a permanent contract, but with the triangular relationship, and having the temporary work agency involved, no one really knows how it should be handled. Undoubtedly, there are legal risks.

In other words, as long as the company has external consultants working for it, it cannot lay off any permanent employees. Therefore, the HR manager remarked from the corporate level point of view, it was better to have own employees than external consultants.
From a corporate flexibility point of view, using consultants may even reduce the flexibility and increase further legal risks. As now half of the workforce at the Finnish R&D centre is made of consultants, if, for business restructuring reasons, some permanent employees need to be laid off, the Finnish labour law may forbid this. Because the company is obligated to provide other job opportunities internally to the permanent employees, if the current workforce contains outsourced manpower. From the corporate level point of view, it’s better to have own employees than external consultants.

From an individual employee’s point of view, as revealed by one of the HR specialists, a sustainable way of caring for temporary agency workers well-being should start with hiring right, that is making sure the candidate is a fit to the organisational culture and the hiring team. During on-boarding, the chosen consultant is given all the practical information including the organisational culture introduction. Before the work start, the leader should set realistic goals and communicate expectations clearly, and follow through the agreed goals. During the process, HR should stand by and provide any help that is needed. This way the employee will keep the hope and optimism attitude that are needed to be happy at work.

From the HR personnel point of view, the employment status (i.e. permanent employee or consultant) of the HR specialists does matter. One factor revealed by the interviewees was that as the service providers (Boxall & Purcell, 2011), the HR team as well as other functions (e.g. finance and administration) belonging to the platform were made of consultants. They considered themselves victims of this well-being crisis, they were not cared for, so “how can we make the others happy if we aren’t happy?”

As we can see, all interviewees believed that temporary agency worker well-being contributed to HRM sustainability. However, none of the them had a comprehensive understanding of how to manage this group of temporary employees sustainably. The LM only focused on the employee personal development aspect, whereas the HR had the whole process in mind, but missed the company’s strategic understanding of sustainability, (i.e. creating value for customer). This again confirmed the findings of the previous research question: HR’s expertise has not been efficiently utilized to benefit business. Now it seems
to be a “chicken or the egg” dilemma. The business units are clear about the company strategy but lacks knowledge in terms of managing temporary agency worker well-being; HR lacks the business knowledge, which may be caused by not being involved in strategy making, but such business knowledge lack can also be the cause of why they are not invited to strategy making.

Such dilemma may shed lights on the high turnover rate at the HR department. During the course of this case study, the HR had once lost 40% of its personnel overnight. Such high turnover rate can place a threat to knowledge loss (Urbancová & Linhartová, 2011), in this case, business knowledge loss.

The answers to this research question also illustrate a relative comprehensive plan to better manage the temporary agency worker well-being. First, reaching a shared understanding of what sustainability the company is pursuing is the precondition. In light of this, the HR department should educate themselves more about the company’s business philosophy and goals. Second, as sustainability is the goal, understanding why using consultants and its legal implications are crucial. The question the Finnish R&D should be asking is “Whether using consultants is a viable choice at all?” Third, if using consultants is a business viable choice, then their well-being matter and have an impact on the sustainability of the company, so they deserve proper HR processes to make them feel equal. Fourth, from the caretakers’ perspective, the consultant HR specialists’ well-being should be addressed.

6.5 Whose responsibility is to care for the temporary agency workers?

In this part of the analysis, we focus on answering the third research question. All the interviewees agreed with the contents of four-level workplace well-being resource model proposed by Nielsen et al. (2017), therefore, the focus is on how they distribute the responsibilities among themselves and between the temporary work agencies.

Almost all the interviewees believed that legally it was the temporary work agencies’ responsibility to care for the consultants, but in execution, the consultants did not identify with the agencies and either did the agencies the consultants. “We need to make them (the consultants) feel equal. They are needed as our employees.” The HR manager said. In practice, the HR department made sure that all the company organised events were accessible to all the employees this year, even by lowering the individual budget by half. In
the actual management practices, however, the LM claimed that “we (the user organisation) should not be putting more management resources (to manage temporary agency workers), but we can support within our capability together with the consultant companies”.

Looking at the four levels of workplace well-being resources, the interviewees shared further thoughts as who should provide each level of the resource. The HR manager believed that the HR should take the general responsibility:

the organisational resource should be invested in first by the R&D centre, because this is the level where good processes and practices were produced, then the leaders are able to adopt and follow.

One of the HR specialists also thought that the HR department had the responsibility to negotiate better benefits with the consultant companies on behalf of the consultants. Moreover, the consultants’ voices should be heard through the HR. However, in terms of goal settings and alignments to the business should be the LM’s responsibility. The line manager agreed with the opinion that it was supporting function’s responsibility to improve transparency by creating effective processes, “the processes should benefit the business”.

The answer to the third research question becomes rather unanimous. Legally, the temporary agency workers should be cared for by the agencies, but in practice, keeping the organisational efficiency in mind, their well-being is the user company’s business. Different aspects of the well-being issues have to be considered by the user company’s HR and LM. These aspects refer to fit to the organisation and team, equal benefits, and goal setting and alignment. The need for HR to take more responsibilities and be more involved in business are emphasised once more.

Through the analysis using sensitising concepts developed by previous studies, we managed to locate the causes of high turnover rate, low work morale, and decreased organisational efficiency. They were a combination of problems in organisation, leadership and management processes. HR expertise was significantly overlooked in strategy and process making, which has led to organisational inefficiency. HR did not have the necessary business knowledge that was supposed to make it dispensable, however, the
business unit was lack of the expertise in HR process to hire, care, develop and retain talents. When illustrating a sustainable way of managing temporary agency workers, the business unit and HR obviously complemented each other. The BU brought in the customer centric strategic direction, and the HR mapped out the risks of using temporary agency workers, and how to use them right (i.e. taking well-being into consideration). In practice, the BU, HR and temporary work agency all bear the responsibility of caring for the temporary agency workers. From an employee life-cycle point of view, the ideal state would be the BU and HR together ensure that the user company hires right (i.e. fit to the organisational culture, team and job); the BU constantly aligns the individual goal with the company strategy, provides personal development opportunities and appraises the performance in a transparent and fair manner; the HR negotiates with the temporary work agencies to ensure equal benefits and accessibilities to retention programmes. Above all, the HR should be given learning opportunities, too. Only by involving the right expertise in the right places, can an organisation function efficiently.
7. Discussions, limitations and future research

7.1 Managerial implications

The findings have great managerial implications to the user company Finnish R&D centre in terms of improving organisational efficiency. The case study managed to provide insights into the organisational reality and employee group complexity (Järström et al., 2016; Nielsen et al., 2017), and undoubtedly, to research on temporary agency work (Imhof & Andresen, 2018). However, as acknowledged earlier, the collected data has certain limitations. For instance, the pre-research was carried out in one of the teams, and because of the ‘silos’ between the teams, some findings may not be applicable to all teams. However, the teams still have certain level of similarities in terms of autonomy and management styles as revealed by the interviews with the HR.

Within temporary agency workers, there are also different groups. Besides the different temporary work agencies involved, some people, for instance, are permanent employees of certain temporary work agencies that are subsequently hired through Finnish R&D centre’s trusted temporary work agencies. They are usually on relatively short assignments. In this study, the group of agency workers, accounting for about 3% of the whole workforce at the centre, is overlooked. Their well-being situation may be different from the majority of single temporary work agency consultants due to the fact that they have different permanent employers.

The fundamental question the top management at Finnish R&D centre needs to clarify is “why using temporary agency workers”. The initial rationale could be explained by the funding model and the pursuit of flexibility in people management (Boxall & Purcell, 2011). However, with the temporary agency worker population scaling, the initial rationale could no longer be justified, particularly given the growing legal and managerial risks pointed out by the in-house HR experts. The organisation would be less flexible facing changes, because the Finnish labour law sets many “obstacles” to prevent permanent contracts’ termination, if the company still has temporary workers.

From the interviews, it was evident that the corporate level (i.e. HR and BUs) were very aware of the causes of temporary agency worker well-being crisis, but no one was taking the responsibility to lead the changes. Some of the HR personnel admitted that it should
have been their responsibilities, but it was not unanimous. This implied several organisational problems. First, why some of the HR members did not think agency worker well-being was their responsibilities? It could be that their goal setting did not include agency worker well-being, which ultimately was a problem of company policy. Second, why some of the HR personnel wanted to take the responsibilities, but could not take any actions? This was largely due to the HR status. The HR did not have access to decision-making meetings. They were lack of authority, and their expertise was significantly underestimated. From day to day work, they were more administrative workers than business partners, which diminished the potential value the HR could bring to the company.

The HR’s expertise and overall understanding of people management was evident when they were asked to illustrate a sustainable way of managing temporary agency workers (6.4). The LM certainly played an important role in ensuring perceived equality. For instance, when dividing tasks, the LM distributed equally regardless of the employment statuses. In addition, the LM emphasised the importance of goal alignment and personal development. However, when talking about the whole process, HR had a better understanding. As identified by the HR, some easy and necessary HR processes which could improve the organisational efficiency were missing. For example, the HR interview on top of the technical interview carried out by the BUs, and a company culture introduction during the on-boarding process. The obstacle seemed to be the organisational structure where the BUs may have higher authority in determining own processes.

Undeniably, the HR at the Finnish R&D centre did lack the business knowledge to be perceived effective and efficient, which may have contributed to their lack of authority in policy and process making. Probably due to the knowledge loss caused by high turnover rate at the HR (Urbancová & Linhartová, 2011), the whole department seemed not to be aware of the company strategies, not even the company HRM strategies. This could be detrimental to the future development of the HR function, and consequently to the overall organisational efficiency. To reverse this situation, it should be the top management’s responsibility to involve the HR in strategy and decision making, particularly regarding managing temporary agency workers and their well-being.
The technology focused organisation may have overlooked the importance of developing the management’s leadership skills. This was apparent in the lack of information dissemination model, and the employees’ complaints about missing autonomy and accountability. The unique characteristics of the knowledge workers should be recognised in HRM.

Interestingly, both the LM and the HR manager expressed their belief that the future would be more consultant-oriented in the interviews. This further confirmed the importance of sorting out the above mentioned issues if the Finnish R&D centre was to improve its organisational efficiency by solving the temporary agency worker well-being crisis.

7.2 Theoretical implications

One of the purposes of this study was to contribute to the over ideal and simplified theoretical models proposed by scholars in the areas of sustainable HRM (Järlström et al., 2016) and workplace well-being resources (Nielsen et al., 2017). These models did not consider the complexity of the employee groups, and thus failed to address the unique characteristics of these different employee stakeholders. This study focused on elaborating on temporary agency workers, one of these atypical employee groups.

The temporary agency workers merited a dedicated research because companies were continuously more involving in temporary agency work (Ciett, 2015) to seek flexibility in human resources due to fast changing market conditions (Imhof & Andresen, 2018; Boxall & Purcell, 2011) and project-based financing models. In fact, the findings did support the fact that the temporary agency workers’ well-being resources nuance from the general framework. First, the analytic frameworks could not function on their own. The sustainable HRM and the four-level well-being resources models were not capable to code the empirical data individually. Take the justice and equality dimension for example, on one hand, Järlström et al. (2016) was too fixated on legal and ethical concerns, but downplayed the leader level resources proposed by Nielsen et al. (2017). On the other hand, the transformational or transactional leadership style (Nielsen et al., 2017), for instance, was never evident from the data. This may imply some degrees of mismatch between the theory and reality.
Second, some resources mentioned by the interviewees were not visible in the model, these in particular were accountability, clear goal setting and contribution acknowledgement. However, one can argue that ‘leadership’ could imply all these specifics. Third, the transparent HR practice dimension or organisational resource of the framework may be too narrow on focus. Due to a total lack of HR practices for caring for temporary agency workers, the interviewees were encouraged to talk about transparency in general, and their inputs actually have widened the spectrum. The original framework, sustainable HRM and four-level well-being resources combined, focused on the information dissemination part, i.e. letting people know what available there are. But it overlooked the strategy and policy making part where the transparent HR practices were made. Such transparency was inherently important, as it can affect the quality of the policies and also the job satisfaction of different employee groups (Lewis & Russ, 2012).

Fourth, though not related to any dimension specifically, the trust issue was prominent throughout the analysis and findings. This was, in our opinion, temporary agency work specific, and that was why the general framework could not address. Legally the temporary agency workers were external employees, and the user companies were prone to hire them because the costs of labour, hiring and training could be reduced (Mitlacher, 2008). Hence, the tendency, supported by empirical data, was that the user company would not want to take the whole responsibility of providing well-being enhancing resources, such as career advancement opportunities to these employees. Nevertheless, trust goes both ways. The temporary agency workers would always doubt the job quality (Mitlacher, 2008), and could not fully commit to such employment, and eventually contributed to high turnover rate.

Therefore, the theoretical framework could be more tailored to reflect the nature of temporary agency work. Undeniably, however, the analytic framework did have its merits. First, it did help to prove the connection between temporary agency workers’ well-being and the social dimension of corporate sustainability exist. The interviewees were able to articulate the connection, which indicated the framework was valid in temporary agency work context, too.

Second, it was particularly helpful in the data generation. The interview questions based on these sensitising concepts were effective in simulating discussions with the interviewees.
They helped the interviewees to problematize, such as identifying leadership and transparency problems. These sustainable HRM and well-being concepts also helped to identify case-specific sustainable and well-being resource concepts, such as accountability and clear goal setting, which were not included in the framework. Third, the framework also helped to discern the causes of the well-being crisis, and provided insights into the organisational problems.

Nonetheless, as the findings of our study were conventional organisational flaws, the theories used in this study could be considered as one of the different lenses that help the researchers to weigh in. The organisational problems that are revealed by temporary agency workers well-being case can be revealed also by other perspectives, such as communication or change management.

7.3 Methodological implications
The chosen case was extreme but effective in addressing the tension between companies sustainable HRM strategy and temporary agency work involvement. The workforce composition of the Finnish R&D centre was perhaps unusual, and therefore the well-being crisis might be exaggerated compared to other companies that were involved in temporary agency work. However, such intensive case study (Eriksson & Kovalainen, 2011) could demonstrate how a specific and unique case works, imply the risks and developments to fellow enterprises.

The qualitative case study research approach was particularly effective in this research. It provided freedom in choosing validity strategies to triangulate the findings (Johnson, 1997). For example, the key findings of the causes of the well-being crisis were triangulated by the pre-research data, interviews and the field notes. The HR department’s lack of business knowledge fact was also verified by the answers of all three research questions. The findings could be less biased than self-reported data in most studies in the context of temporary workers’ well-being (Imhof & Andresen, 2018).

7.4 Future research
Further developing from the above mentioned implications and limitations, there could be several future research opportunities. This study took the perspective of the user company
in the temporary agency work triangular relationship. As earlier mentioned, studies investigating temporary agency work could make a particularly valuable contribution to the current state of research, especially as these employment relationships are characterised by a triangular structure (Camerman et al., 2007; Mitlacher, 2006). Further research can focus on the temporary work agencies, exploring the questions such as how the agencies see the responsibilities of caring for the temporary agency workers.

In this study, the connection between sustainable HRM and corporate sustainability was treated rather loosely. As corporate sustainability is believed to be translated into managerial actions and outcomes through sustainable HRM (Järlström et al., 2016; Jamali et al., 2015; Ehnert et al., 2014; Clarke, 2011; Ehnert, 2009). The underlying assumption was that by reaching sustainability in HRM, the company reaches corporate sustainability. That was evident in the theoretical framework, and the usage of ‘HRM sustainability’ and ‘company sustainability’ interchangeably. The future studies could feature the relationship between CSR and employee well-being.

In terms of temporary agency work specific well-being enhancing antecedents, the case company might be too unique to provide an avenue suitable for generalisation. This was largely due to its complete lack of HR practices designed for considering both employee groups, and the atypical work agency involvement (compared to e.g. Mitlacher et al., 2014; Ciett, 2015). From the one of the findings of the research, it was evident that the knowledge temporary agency workers were unique in being supplied with well-being ‘vitamins’. Future study could aim for generalisation by conducting for example an extensive case study involving several cases instead of one extreme case like this study.
8. Conclusion

This study described a unique case setting in a project-based knowledge organisation in Finland with half of the employees as temporary agency workers. This organisation was faced with well-being crisis particularly among its temporary agency workers. The turnover rate was high and the work morale was low. Due to such crisis, the organisation had seen increasing inefficiency in its operations that was caused by knowledge loss (Urbancová & Linhartová, 2011). By conducting in-depth interviews with temporary agency workers, HR department and a BU line manager, the study provided a relative comprehensive view of the organisational reality where a mixed workforce needed to be managed. The company HR policies were slow to follow the temporary agency workers scaling up, which partially contributed to the well-being crisis. The organisational structure where the business units were powerful to make own HR practices and processes also made the situation more complicated. Furthermore, due to legacy perception and knowledge loss, the HR department was sidelined in people management strategy and decision making, which also contributed to organisational inefficiency.

The study did prove a connection between temporary agency worker well-being and company sustainability through HRM sustainability through the interviewees’ articulation. Moreover, it has successfully made contribution to the existing literature in temporary agency worker’s well-being, sustainable HRM and workplace well-being resources. The current well-being and sustainable HRM models proposed by Järlström et al. (2016) and Nielsen et al.’s (2017) were tested to be incompetent in depicting well-being situations on their own. Even combined, they still could not capture the uniqueness of temporary agency worker’s well-being. The thick description and in-depth interviewees managed to capture nuances of job specific characteristics that were not visible in the general well-being resource model. These characteristics will be essential for future studies aiming for generalisation.

The importance of the HR expertise was highlighted by the findings, as the understanding of the comprehensive HR process play an important role in improving organisational efficiency. The business units were more aware of the company strategies and developing directions, but had limited expertise in managing the whole well-being enchasing HR process. Whereas the HR seemed to lack the company strategic level of business
knowledge, but fully aware of the people management process. To increase the organisational efficiency, the HR expertise should be utilized more efficiently, which in practice would require the HR to better educate themselves with the business knowledge, be more involved in standard HR processes, and thus gain more authority in strategy and decision making.

In terms of the responsibility of caring for the temporary agency workers, all respondents agreed that legally the responsibility belonged to temporary work agencies. However, the findings implied that these agencies’ operating environment may be short of standards and regulations, which had led to rather atypical service provisions (Mitlacher et al., 2014; Ciett, 2015). Such environment may not become highly regulated in the near future, and therefore, the user companies should not rely on standards to help negotiate for more considerate well-being enhancing HR measures from the agencies. Under such circumstances, we strongly suggest that it is a sustainably viable choice for the Finnish R&D centre to invest in temporary agency R&D staff’s well-being.

As finishing up the case, two essential HR practices stemmed up from the interviewed BU. The line manager started the half-year performance appraisal practices with the consultants on his team, and demanded the HR department and the temporary work agency to sort out a bonus system to be implemented this year for the consultants on his team. Things will get better at the Finnish R&D centre, in its unique atypical way.
Reference


Ehnert, I., Harry, W., & Zink, K. J. (2014). Sustainability and HRM. Sustainability and human resource management developing sustainable business organizations (pp. 3-32). Heidelberg: Springer.


Appendix

Interview guide

For a Master’s Thesis study in the field of human resource management

Note: the research is done in an anonymous manner, meaning no company name or individual name, position, gender will be disclosed.

It is common sense that employees need resources to successfully complete their tasks and goals. However, we often overlook the fact that they also need resources to enhance their well-being and capacity to perform well. These resources can be divided into four levels:

- Individual: self-efficacy, hope, optimism, and resilience
- Group: social support, the fit between the group and the person, job design
- Leader: good relationship with between a leader and employees, leadership (transformational or transactional), supervisor support
- Organisational: autonomy, HR practices, perceived organisational support, the fit between the person and the organisation

According to studies, investing in building resources at any of the four levels may successfully improve employee well-being and performance.

Given such background, we want to ask the following questions regarding the workplace well-being of the consultants.

1. How would you describe your role and responsibilities?
2. How would you describe our culture? (How is it different here at FiRC?)
3. How would you describe our workforce at FiRC?
   a. How do you see workplace well-being issues?
   b. How would you address transparency issues?
   c. Has there been any challenges?
   d. How do you see the challenges of managing a mixed workforce combining permanent employees and consultants?
   e. What kind of improvements have been/are being made to tackle these challenges?
4. How do you understand the responsibility of caring for consultants’ well-being?
   a. How would you address equality issue?
5. After reading through the different levels of resources that contribute to employee well-being, how would you connect these levels to our situation?
   a. How does the individual level of resources resonate with you?
   b. How does the group level of resources resonate with you?
   c. How does the leader level of resources resonate with you?
   d. How does the organisational level of resources resonate with you?
6. How do you understand sustainability?
7. How would you describe a sustainable way of managing the consultants?