



Flex Work Research Centre

How typical are 'a-typical' employment contracts? An organizational perspective

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Key words and concepts

- **Organizational vs juridical perspective**
- **Are there typical/standard or atypical/non standard contracts?**
 - ✓ Worker expectations? (psychological contract)
 - ✓ People strategy? (HR configurations)
- **How to design effective labour relationships?**



The problem & the aim of the paper

- The flexibilization of the labour market
 - ✓ Changes in labour legislation in EU countries
 - ✓ Creation of a rich variety of contracts for the “contingent work”
- But the the legislative framework is only one, and sometimes not the most important, aspect considered by firms and individuals when stipulating and managing employment contracts
 - ✓ What are the variables considered by firms and workers in managing working relationships?
 - ✓ Are they different for permanent and flexible workers?



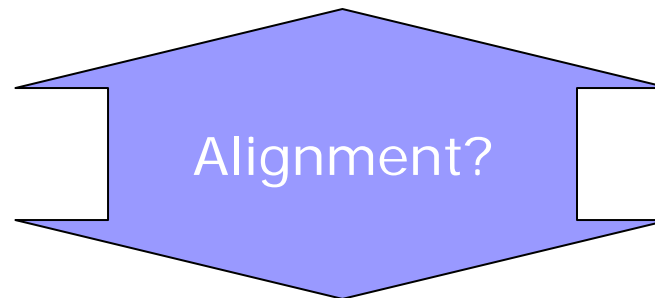
Managing flexible work relationships

- Psychological contract and professional development
 - ✓ The quantity and type of training (Forrier & Sels 2003)
 - ✓ Boundaryless career (Marler, Barringer et al. 2002)
- Risk allocation
 - ✓ Quality and quantity uncertainty (Picchio 2006, Hagen 2002)
 - The role of wage
 - ✓ Perceived job insecurity (Louie, Ostry et al. 2006; De Cuyper, Notelaers et al. 2009)
- Life and personal development
 - ✓ 'Atypical' workers are not all the same (Krausz 2000)
 - ✓ Flexible or precarious? (Gray 2002; Chambel & Castanheira 2007; De Cuyper, de Jong et al. 2008)



Research questions

- Employees' (flexible and permanent) perspective
 - ✓ Which is the preferred juridical contract?
 - ✓ What are the contents/features of the 'ideal' work relationship?



- Employers' perspective
 - ✓ What are the psychological contract characteristics?
 - ✓ Are they different for permanent and flexible workers?



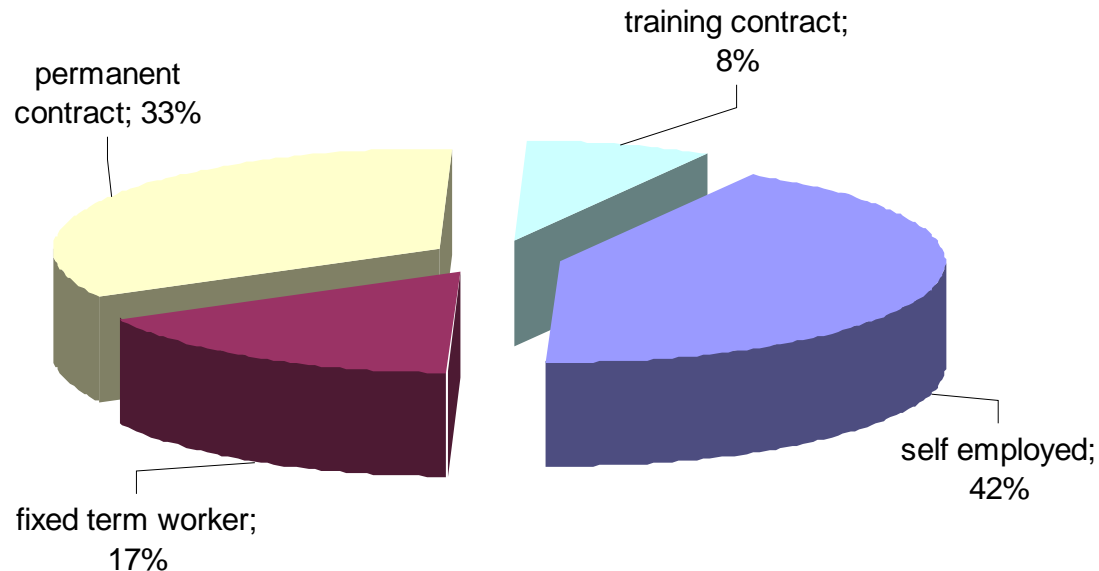
Research design: sample

■ Exploratory research on the Italian labour market

■ Three panels

- 43 HR managers;
- 43 undergraduate students (Ygen);
- 90 workers (67% atypical, 33% typical)

*Not statistical
sample, but
"could-be cases"*





Research design: sample

- Gender
 - ✓ Male - 49%
 - ✓ Female - 51%
- Education
 - ✓ Primary education - 2%
 - ✓ Secondary education - 21%
 - ✓ Tertiary education - 58%
 - ✓ Postgraduate education - 18%
- Age
 - ✓ less than 30 years - 27%
 - ✓ from 30 to 39 years - 55%
 - ✓ more than 40 years - 18%



Research design: data collection

■ Three questionnaires to:

✓ **Workers and students** were requested to:

- choose their preferred juridical contract (WHICH?)
- design their 'ideal employment contract':
 - (a) ranking its characteristics and (WHAT?)
 - (b) choosing a specific configuration (HOW?)

✓ **HR managers** were requested to

- make a similar contract evaluation for six specific 'border line' jobs (described considering job evaluation - content, responsibilities, competences- and firm context and specific contingent working conditions)



Research design: contractual characteristics

- Respondents were asked to choose and rank 10 of these 20 characteristics

Career opportunities
Job tasks and activities
Training opportunities
Worker participation

Development

Working hours: scheduling
Working hours: number
Length of the contractual relationship
Working location
Relationships with colleagues

Contextual

Unemployment benefits
Paid holidays
Minimum wage
From temp to perm
Sick and accidents pay
Job preservation right
Right to strike
Labour unions

Security

Variable compensation: criteria
Variable compensation: amount (%)
Fringe benefit

Compensation



Research design: ... and three configurations

<i>Contractual characteristics</i>	Configuration 1	Configuration 2	Configuration 3
<i>Unemployment benefits</i>	Monetary benefit	Outplacement arrangements	Training support
<i>Career opportunities</i>	Vertical internal career	Horizontal int. career	External career
<i>Sick and accidents pay</i>	Possibility to be temporarily substituted and then re-enter	Monetary allowance	Private insurance
<i>Working location</i>	Firm's premises	Home	Mobile
<i>Variable compensation: criteria (incentives)</i>	Mostly linked to individual performance	Mostly linked to firm performance	Both
<i>% of variable wage</i>	< 20%	From 20% to 50%	> 50%
<i>Minimum wage</i>	At national level	At individual level	At firm level
<i>Working hours: scheduling</i>	Fixed	Almost flexible	Completely flexible
<i>Training opportunities</i>	Continuous training defined by employer	Defined by both employer and employee	Decided at individual level (individual budget)
.....			



Findings

- 1 - Contractual desired contents from employees perspective
- 2 - Expectations alignment between employees and employers
- 3 - Focus on the desired flexibility



Findings

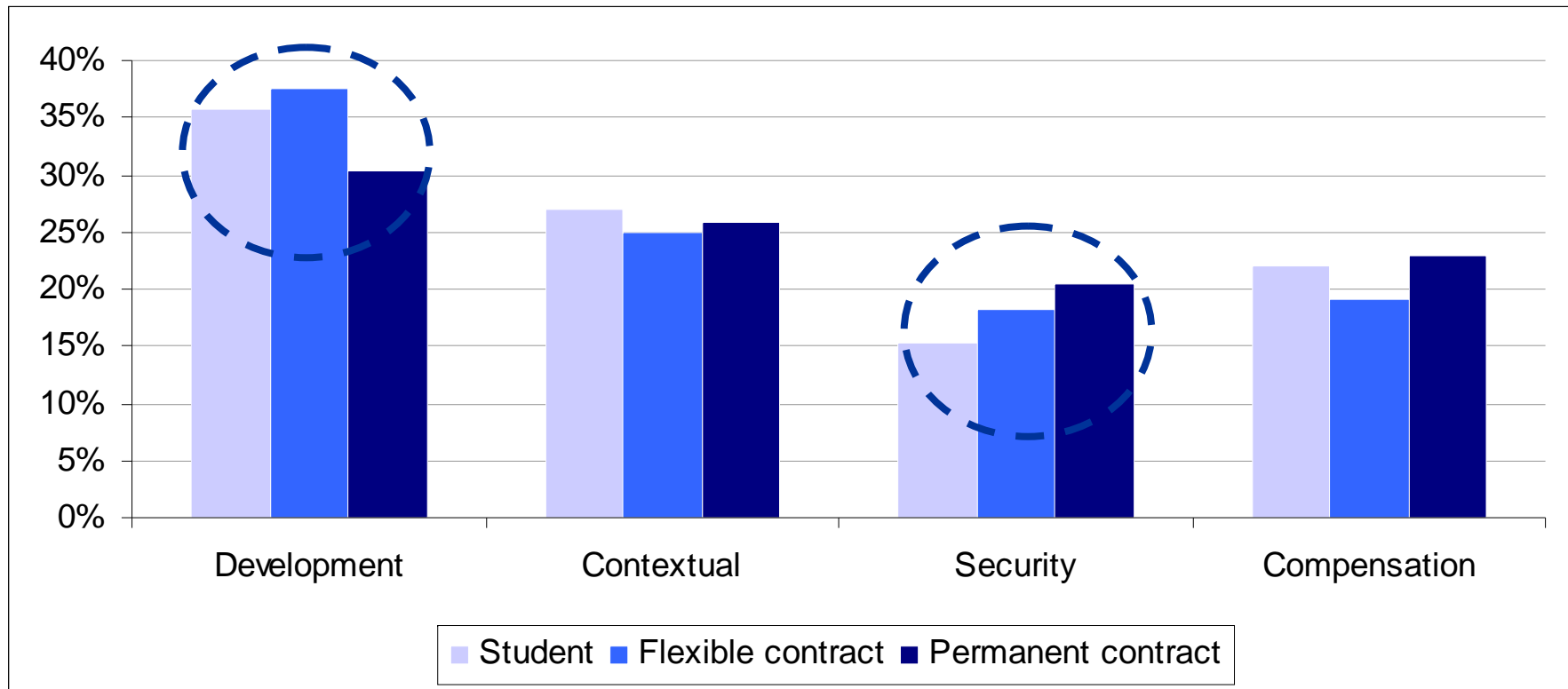
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Findings 1

'ideal' employment contracts...

Contractual desired components

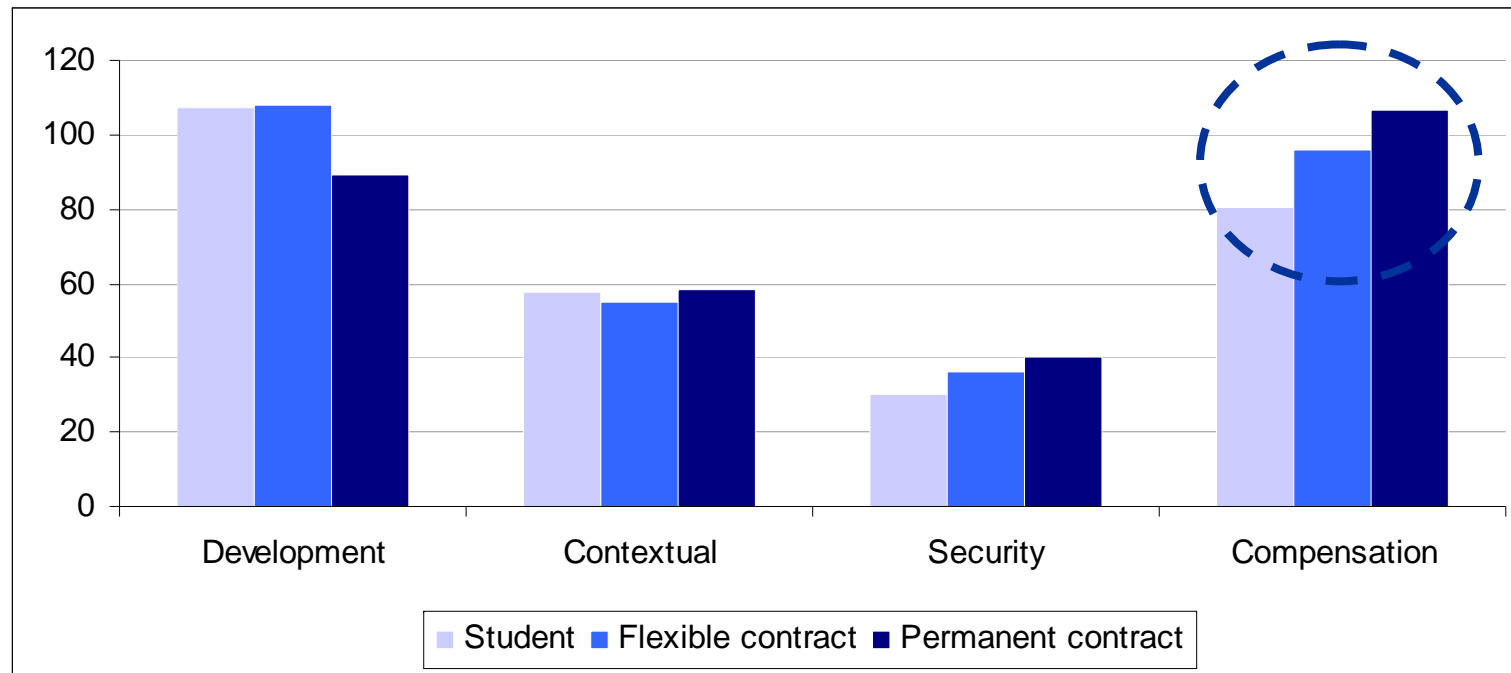




Findings 1bis

'ideal' employment contracts...

Contractual weighted desired components





Findings 1ter

... ideal for who?

<i>Actual contract</i>	Permanent	<p>Stables 26%</p> <p>Context 35% Development 30% Security 25% Compensation 10%</p>	<p>Prisoners 8%</p> <p>Development 42% Context 21% Security 20% Compensation 17%</p>
	Flexible	<p>Unstables 42%</p> <p>Development 37% Context 29% Security 27% Compensation 7%</p>	<p>Autonomous 24%</p> <p>Development 44% Context 28% Compensation 14% Security 14%</p>
		Permanent	Flexible
<i>Desired contract</i>			



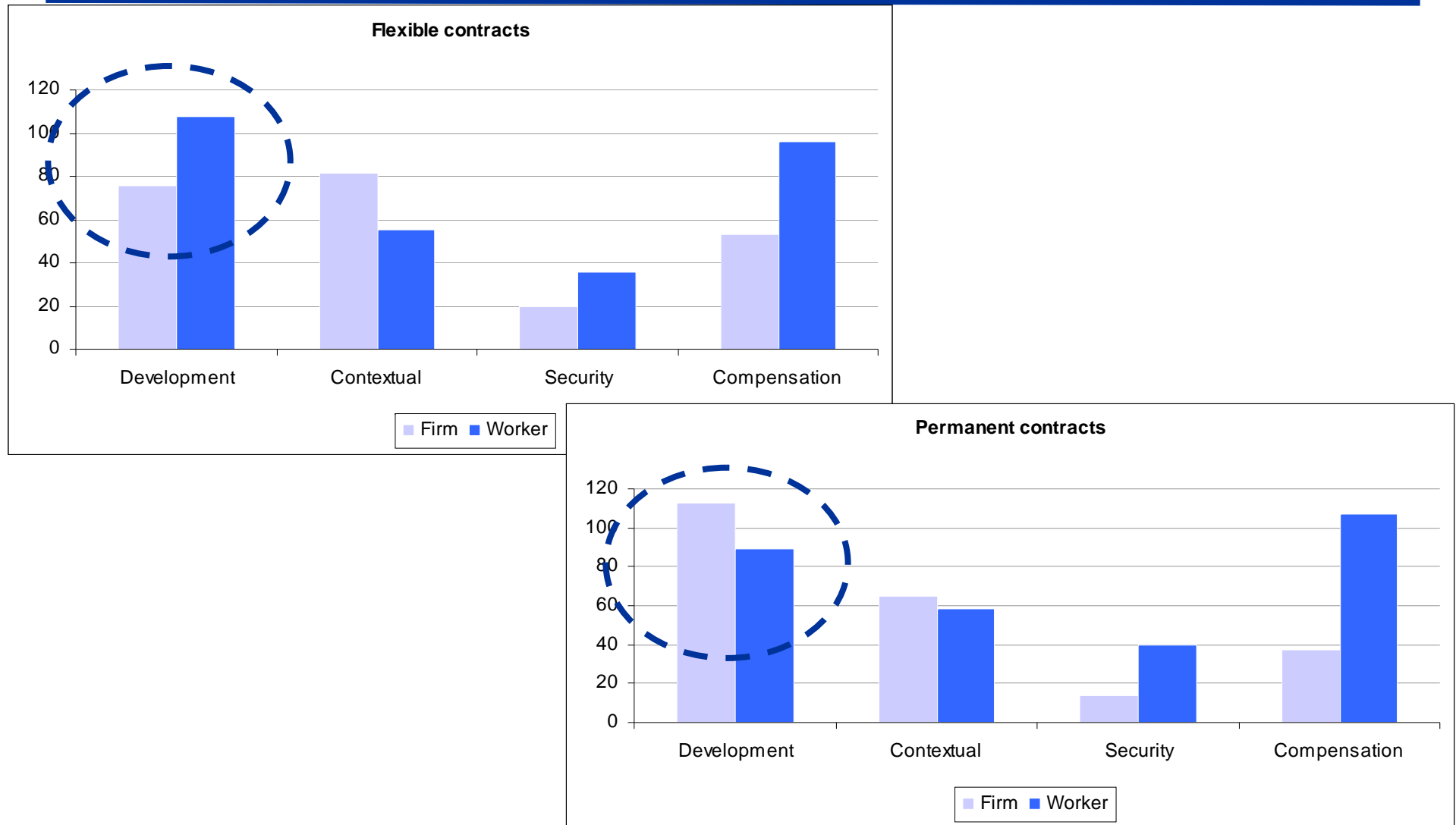
Findings

- 1 - Contractual desired contents from employees perspective
- **2 - Expectations alignment between employees and employers**
- 3 - Focus on the desired flexibility



Findings 2

firms and employees alignment?





Findings 2bis

firms and employees alignment?

■ HR managers

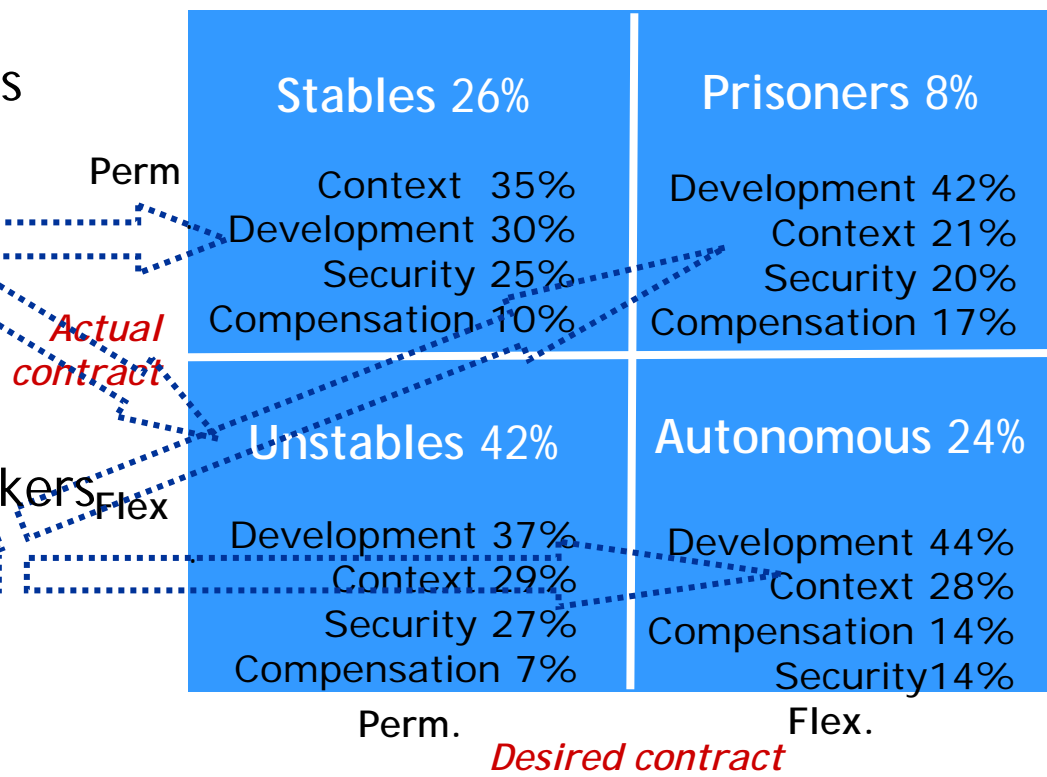
- ✓ They have not a preferred 'juridical solution', considering similar job profiles

- ✓ Offer to **Flexible** workers

- Context (41%)
- Development (28%)
- Compensation (18%)
- Security (14%)

- ✓ Offer to **Permanent** workers

- Development (42%)
- Context (34%)
- Compensation (18%)
- Security (7%)





Findings

- 1 - Contractual desired contents from employees perspective
- 2 - Expectations alignment between employees and employers
- **3 - Focus on the desired flexibility**



Findings 3

Contractual configurations

Which kinds of desired flexibility?
Who manages it?

Flex	Perm	<i>dimensions</i>	<i>Specific characteristics configuration</i>
1	1	Work content	Possibility to change through time and across industries and professions
2	2	Career	Possibility to change job and role within company
-	3	Working location	Fixed
8	4	Bonus and incentives	Linked to firm's performance and individual perform.
5	5	Conversion of temporary contracts into permanent ones	Possibility to decide to change the contract or to have a different allowance, after one working year
9	6	Minimum wage	At national level and at individual level
3	7	Professional relationships	Working with competent colleagues to develop personal skills
6	8	Working time	Time flexibility
4	9	Training	Fixed and personal annual budget for training activities
-	10	Duration of the relat.	From 4 to 10 years



Discussion

.... *typical or atypical?*

- The legislative distinction between typical and atypical contracts is partially fictitious and not always relevant in contract perceptions
 - ✓ *From employee perspective:*
 - There is not an 'always preferred' contract
 - Development dimensions are always important, both for flexible and permanent workers
 - there are two kinds of displaced workers: flexible workers that want to become permanent and permanent that want to become flexible
 - there are no 'typical' or 'a-typical' specific configuration, the preferences are distributed
 - ✓ *From employer perspective*
 - The preferred choice, independently from job profile, is a typical contract,organizational vs contractual flexibility?



Discussion

three critical management areas?

■ Reciprocal expectations

- ✓ Misalignments between employer and employees

■ Risk allocation

- ✓ Permanent workers want more security
- ✓ Flexible workers want more development
- ✓ Relevance of compensation

■ Work flexibility

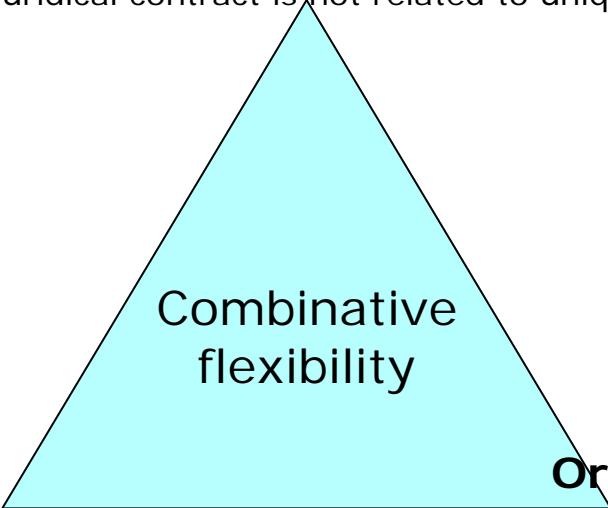
- ✓ Flexible or temporary?
- ✓ Permanent contract are “organizationally” flexible...
- ✓ Flexibility is desired by workers (permanent and flex) in terms of tasks, career development, working hours...



Preliminary implications and future research directions

Individual perspective: psychological contract

Different workers have different motivational structures (Y gen ...)
Workers want flexibility in labour conditions (internal and external)
The variety of juridical contract is not related to unique preferred one



Combinative
flexibility

Institutional perspective:

Flexibility is not always related to atypical contracts
Flexibility vs security
Work expectations are culturally embedded
Some preferred contractual contents are about institutional environment (rights and labour guarantees)

Organizational perspective:

HR architecture
Some workers want to exchange stability for money and vice-versa
Some preferred contractual contents are within the organization-employee relationship
Flexibility is also in the HRM systems



Q&A

Thank you!

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