A Comparison of the Differences and/or Similarities Between Contract and Permanent Employees in the Workplace

by

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A Thesis submitted in conformity with the requirements for the Degree of Doctor of Education
Department of Adult Education, Community Development & Counselling Psychology
Ontario Institute for Studies in Education of the
University of Toronto

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ABSTRACT

This study deals with some aspects of the recent changes in employment structure and its effects on workers. For several years, contract employment has increased significantly in both the public and private sectors. The literature has tended to ignore this shift in both employment and corporate structure.

This study used qualitative research involving 23 employees: 16 contract and 7 permanent. There were 14 women (the flexibility of contract employment appealed more to women than to men) and 9 men. Interviews took place during a 2-year period. I conducted a follow-up one year later to determine whether any job changes had taken place.

The methodology was based on grounded-theory research; the theory emerged from the data for this qualitative study.


I found that individuals on contract must deal with financial and emotional insecurities that permanent employees do not have. Contract employees have a different attitude to the workplace and their position in it from permanent employees.

The best theoretical fit for organizational theories was the Shamrock Organization model. The best attitude-theory fit was the Life Cycle and Adult Development Theory. Analysis of the interview data also produced 7 themes dealing with contract employee issues: Advantages (1), Employment growth (2), Disadvantages (3), Emotions (4),
Identity (5), Insecurity (6), and Telecommuting (7). The themes show the pros and cons of contract employment, identify what contractors describe as their most sensitive issues at work and in their personal lives, comment on what drives the growth in contract employment and how the contract and permanent employees interact as coworkers, and highlight differences between contract and permanent employees in both tangible and emotional terms.

On the basis of this material, I make recommendations for employers, permanent employees, unions, employment law makers and educators.
Dedication

To the memory of
my grandparents
George and Ettie Milne
Acknowledgements

I wish to express my deep appreciation to the following people:

My thesis supervisor -- Dr. Alan Thomas -- for his thoughtful and positive support of this work, and my thesis committee -- Drs. William Alexander and Philip Nagy -- for their patience, guidance and scholarship.

My editor -- John Holt -- for his invaluable guidance and suggestions.

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My family -- my wife Sherry, my daughter Jacqui, my son Tyler, my parents Lawrence and Beverley, my sister Bonnie, my aunt Mandy and her son Leslie Stellman and my in-laws David and Ruthie Nisker -- for their loving support, continual encouragement, and motivation during the course of this study.
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I JUST LOVE HIRING THESE TEMPORARY WORKERS!

NO EMPLOYEE BENEFITS... NO UNION... JUST TOSST 'EM IN THE DUMPSTER WHEN YOU'RE DONE WITH THEM!

THE DUMPSTER SEEMS A BIT INAPPROPRIATE.

THEM OR TOO BIG TO FLUSH.

YES, MY CLIENT DID ACCIDENTALLY SLAY A "TEMP" WORKER... EMPHASIS ON "TEMP."

BUT WHO AMONG US CAN SAY THEY HAVEN'T SLAIN INNOCENT PEOPLE WHEN THE SITUATION CALLED FOR IT?

I CAN.

WELL, GREAT... SO MUCH FOR GETTING A FAIR TRIAL.

DILBERT Reprinted by Permission of United Feature Syndicate, Inc.
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Chapter One: Introduction

Jacqui went to her place of employment as usual. She plunked down her coat behind her desk, turned on her computer and went to get a cup of coffee. Tyler got off the subway. He picked up a bagel and tea from a fast food outlet. He left the elevator and found his cubicle. He munched on his breakfast as he listened to his voice messages and prioritized the urgency of each call.

Both of these employees look just like every other employee who works in a busy office environment and deals with people, problems and business on a daily basis. However, they are different: Jacqui is a permanent employee who will be back at her job tomorrow. Tyler, on the other hand, is a contract employee whose contract with this particular company ends today. Tomorrow he will begin to search the workplace for another contract assignment in his field. For many employees, the workplace has changed from offering permanent employment positions to positions on short-term contract.

This thesis attempts to look at the world of employment from the perspective of contract employees. Despite the current increase of contract employees in the workforce and the issues associated with contract employment, such as lack of benefits, the academic, organizational literature has persistently overlooked this subject. Academic research has generally lumped contract employees together with permanent and part-time employees, thus perhaps drowning out their particular concerns about the workplace. This research is an effort to expose some of the major concerns contract employees have about their employment and what society should do to address those concerns.

The Rise of Contract Employees

The past two decades have seen a growing tendency in the industrialized countries toward a fundamental restructuring of the relations between workers and employers. More and more of the workers in North America, Europe and developed nations in Asia have moved from full-time, permanent employment contracts towards “contingent” or “temporary” employment contracts. This change allows employers greater flexibility in scheduling and using human resources in a competitive global market (Belous, 1989). In addition, labour costs for temporary employees tend to be lower than those for permanent workers. Furthermore, declining internal labour markets or job opportunities within firms, the demand-side of variability in demand for products and services, increased
international competition, and a weakening of unions and their bargaining power have added impetus to the drive to more “flexible” labour (Applebaum, 1992, pp. 4-5).

Contract and other limited-term work has been growing apace. “According to Statistics Canada 1.3 million people or 12 percent of all employees in Canada worked on a temporary basis in 1998. And this was an increase of 100,000 temporary workers between 1997 and 1998” (Eby, 1999, p. H1). Temporary or part-time jobs have been increasing relative to full-time ones. In Canada, there has been a notable shift from hiring permanent employees to hiring a more flexible work force -- part-time employees. "In 1996, job growth was both full-time (132,000) and part-time (57,000)" (Akyeampong, 1997, p. 10).

The proportion of "contract" work has remained the same despite the reduction in unemployment and the growth of full-time jobs in 1998-1999. The shift to contract work seems to be a permanent change in the nature of employment, not a temporary phenomenon. Tables 1 and 2 (see pp. 2-3) show how contract employment in Canada has kept pace with the overall increase in employment from 1997 to 1999 (the year of the most recent statistics).

Table 1

<table>
<thead>
<tr>
<th>Year</th>
<th>Contract</th>
<th>Permanent</th>
<th>Total</th>
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<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>1997</td>
<td>1,296,300</td>
<td>11</td>
<td>10,124,500</td>
</tr>
<tr>
<td>1998</td>
<td>1,387,100</td>
<td>12</td>
<td>10,328,100</td>
</tr>
<tr>
<td>1999</td>
<td>1,458,600</td>
<td>12</td>
<td>10,609,700</td>
</tr>
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Table 2
Workforce Increases 1997-1999

<table>
<thead>
<tr>
<th>Year</th>
<th>Contract</th>
<th>Permanent</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>1997-1998</td>
<td>90,800</td>
<td>7</td>
<td>203,600</td>
</tr>
<tr>
<td>1998-1999</td>
<td>71,500</td>
<td>5</td>
<td>281,600</td>
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The large numbers (more than 16% of the American workforce: roughly 25 million people are now self-employed, independent contractors, or temps; Pink. 1997), rapid increase, and high probability of a growing proportion of temporary and part-time employment make these "new" employment types worthy of research (Lee & Johnson, 1991). However, the organizational literature has paid little attention to the differences between permanent and non-permanent employment, and between different types of non-permanent employment.

Definitions

Contract employees can be former permanent full-time workers, people who have never had permanent employment, senior management, professional staff, office staff, white collar employees or blue collar employees. Contract employees perform their work at various locations, such as the client's place of business, the home office, the consultant's business premises or wherever else the work is. For example, one consultant I hired to run meetings with labour and management worked at the hotel booked each month for the day-long sessions.

Much of the literature refers to contract employees as "contingent" or "peripheral" workers. This reference evolves from an organizational definition of permanent employees as the "core" workers of the organization who perform tasks directly related to the business perceived to be the company's expertise and not subcontracted out to another party. For example, the employees of the Marketing Department of Nike Shoes are
permanent staff because of their expertise; however, Nike's actual shoe manufacturing is subcontracted to other companies ("outsourced").

The following seven definitions should assist the reader in recognizing the differences between permanent and contract employees. They aim at clarifying the terminology I have used in this thesis. Exceptions to these definitions may result from particular, individual employer-employee relationships: that is, the terms of employment between employer and employee are unique in each contract. For example, one contract may include dental benefits because the employee negotiated that specific benefit with the employer in exchange for a lower rate of pay. Thus, these "pure" definitions serve only to provide the reader with a broad range of typical differences between permanent and contract employees in terms of their conditions of employment: the reader should regard these characteristics as guidelines, not as always necessarily true.

1. Permanent Employee: an employee who (a) receives medical and dental benefits; (b) receives pension contributions; (c) has only retirement as a predetermined termination date for the employment; (d) is employed as full-time ("35 hours per week or more") or part-time ("generally less than 24 hours per week": Hancocks, Fowler, & Hicks, p. A5); and (e) receives severance pay if released from employment without cause. (Obviously, permanent employees may switch from one permanent job to another, either voluntarily or involuntarily.)

2. Contract Employee: an employee who (a) receives no medical or dental benefits; (b) receives no pension contributions; (c) has a predetermined termination date for the employment; (d) is employed on a contract that may be part-time or full-time; and (e) receives no severance pay if released from employment without cause. (The last may be in the terms of the employment contract.)

3. Contract Employee (Formerly Permanent with Same Employer): a former employee who (a) returns to her/his employer on a contract basis; (b) receives no pension contributions; (c) has a predetermined termination date for the employment; (d) is employed on a contract that may be part-time or full-time; and (e) receives no severance pay if released from employment without cause. (The last may be in the terms of the employment contract.)

5. Self-employed: Statistics Canada defines self-employed as those who work for themselves. This group contains four major categories of workers (some with subcategories), as described below.

   (i) Working owners of incorporated businesses.
   (ii) Working owners of an incorporated business, farm or professional practice: this group is further subdivided as follows:
        (a) [Working owners of an incorporated business, etc.] with paid help:
        (b) [Working owners of an incorporated business, etc.] without paid help.
   (iii) Working owners of unincorporated businesses and other self-employed.
   (iv) Working owners of a business, farm or professional practice that is not incorporated and self-employed persons who do not have a business (for example, baby-sitters, newspaper carriers); this group is further subdivided as follows:
        (a) [Working owners of an unincorporated business, etc.] with paid help:
        (b) [Working owners of an unincorporated business, etc.] without paid help:
        (c) Unpaid family workers: Persons who work without pay on a farm or in a business or professional practice owned and operated by another family member living in the same dwelling (List adapted from Guide to the Labour Force Survey, 2000, Statistics Canada, p. 11).

6. Home Office Employee: an employee who performs employment tasks at home instead of commuting to a designated work space at the employer’s location. (According to Statistics Canada’s 1991 Survey of Work Arrangements, "1.1 million people worked at home in 1991"; cited in Nadwodny, 1996, p.18.) Obviously, not all are independent contractors. This category may include many employees who often take work home from the office or permanent employees who are “telecommuting.”
7. shamrock organization: A tripartite business organization, consisting of (a) a permanent core of full-time professionals, (b) outside companies replacing technical and support departments ("outsourcing"), and (c) contingent labour (temps, etc.; see Chapter 2 for details).

The thesis is divided into six more chapters. Chapter 2, the theoretical background, discusses various types of employees and examines employee theory, especially that concerning attitudes to work. It concludes with a review of the main issues raised by this literature. Chapter 3 examines these issues and derives from them topics of research and a set of specific research questions. Chapter 4 describes the methodology: the research approach, the procedures used to select participants, the interviews and the data analysis. Chapter 5 contains an overview of the employment experiences described by both contract and permanent employees who participated in the research. Chapter 6 describes the themes derived from these interviews. Chapter 7 discusses the conclusions, presents recommendations, including a proposed protocol for employing contract employees, and sketches the study’s implications for the stakeholders. Chapter 7 also identifies the limitations, and gives suggestions for future research. Two appendices include the request for participation and consent form, and the interview questions.
Chapter Two: Theoretical Background

This chapter examines the research about contract, permanent and part-time employees in an organizational setting that has appeared in academic books, journals and articles. I have also included references from popular business literature that deal with employment in today’s global economy.

As more people enter the work force as contract employees, critical issues have arisen regarding the differences between contract and permanent employment, and between contract and permanent employee’s attitudes to their work and to each other. However, most previous research and theory on employment organization and employee attitudes has dealt with, initially, permanent employees and later with part-time employees. So far, little attention has been paid to the role, status, and attitudes of contract employees. For a long time even part-time workers remained "missing persons" in organizational research (Rotchford & Roberts, 1982, cited in Feldman, 1990, p.103). Now contract employees appear to have taken over as the new missing persons.

Therefore, I include academic research into part-time employment, which I discuss in regard to how it may apply to contract employment. I examine various theories of employment organization and of the factors influencing employee’s attitudes before isolating several pertinent issues that form the background to the study. These theories overlap in many cases, because they all ultimately strive to explain differences in job satisfaction and how people rank it. In doing so, they sometimes use similar categorizations, quote from similar (or, indeed, the same) research studies, and support at least in part, each other’s findings.

Permanent versus Non-Permanent

Employers, for the most part, used to hire only permanent employees, “hired until retirement.” They typically stayed with the employer throughout their career until retirement, unless they left the company on their own or involuntarily. Typically, these employees also received pension and health benefits as an enhancement to the employment agreement. Conversely, the usual non-portability of such benefits can serve to keep desirable employees from switching companies easily (I owe this suggestion to W. Alexander, personal communication, May 30, 2000.) Contract employees, if needed, were hired as clerical staff or seasonal help for peak periods of business, such as Christmas time.
Today, however, employers see employees as an overhead expense, subject to downsizing regardless of whether the corporation is making a profit or not. This recent corporate viewpoint starkly contrasts with how companies used to see their employees, who were often called an organization’s most valuable asset (for example, Dofasco Steel’s motto “Our product is steel. Our strength is people”). As a result, businesses’ employment bases now include permanent, part-time, and contract employees. The new mix of employment statuses has caused employees to interpret their job environments differently in the light of relationships with new categories of work. For example, a part-timer may well have different attitudes about work than a full-time employee.

“Although not frequently addressed in the literature, it is highly likely that the attitudes and job-related behaviors of part-time workers are related to the nature and characteristics of the part-time job” (Barling & Gallagher, 1995, p. 248).

Indeed, Miller & Terborg’s (1979) study of 1,064 retail employees (62% of them full-time) found that part-time employees were less satisfied with work, benefits, and the job in general as compared to full-time employees. Their findings also suggested differences due to job status between full-time and part-time employees (1979, p. 380). However, the employment literature was slow to recognize these differences as significant: a delay that could have skewed many studies:

If part- and full-time employment is different and the difference is reflected in employee responses to work, academic journals probably are filled with research results that mask an important source of job response variance. In addition, if part- and full-time employees differ, personnel policies that do not reflect these differences possibly are inadequate or may even be dysfunctional to either part- or full-time workers (Rotchford & Roberts, 1982, p. 228).

Perhaps differences analogous to those between the situations of permanent and part-time employees apply to the situations of permanent vis-a-vis contract employees.

Part-time employees may have personal demands that influence them to select part-time employment as their preferred employment status. These concerns may vary depending on the part-time employees’ ages and what stages they are at in their life cycles. For example, they might require time to care for family members, either young or school-age children (Nollen, Eddy & Hider Martin, 1978), or aging parents (Barling, MacEwen, Kelloway & Higginbottom, 1994). They may opt for part-time employment “as a way of balancing these simultaneous needs” (Barling & Gallagher, 1995, p. 251).
Like part-time employment, contract employment offers a work arrangement plan that allows people to devote some of their time to other areas of their lives, such as carpooling children to school or taking older parents for medical treatments during the typical work day. Contract employees may be part-time employees too.

There are distinct differences in job satisfaction ratings between permanent and part-time employees and, by implication, between permanent and contract employees. However, the literature provides no clear consensus as to what explains these differences. Researchers have suggested that differences in job satisfaction or job involvement reflect actual differences between full-time and part-time jobs in the type of work, or financial considerations such as benefit coverage, or whether the employer treats full-time and part-time workers differently (e.g., Allen, Keaveny, & Jackson, 1979; Barker, 1993; McGinnis & Morrow, 1990). But one survey of the field suggests that at least some researchers have mistakenly attributed different degrees of job satisfaction to “differing demographic profiles among workers on the basis of employment status” (Barling & Gallagher, 1995, p. 254). To help clarify this issue it will be necessary to pursue more qualitative research in this area rather than rely only on quantitative studies. Nearly all the existing studies on job satisfaction used quantitative analysis that provided only statistical evidence. A qualitative approach should reveal richer detail about job satisfaction differences between contract workers and permanent employees, including insights into people’s psychological states and job subcultures.

**Organizational Types**

Futurists are now writing about a societal shift away from the world of single careers involving lifetime employment towards a new age in which the concept of “the job” will be replaced with multiple contract-work assignments and will necessitate new organizational types: “Tomorrow’s organization is going to have to be configured very differently, if it is to profit from this constantly moving mix of assignments and responsibilities” (Bridges, 1994, p. 153).

**Core vs Periphery**

Despite the rise in “contingent” work, most organizations still employ at least a cadre of full-time workers who are, at least implicitly, permanently employed. Theorists commonly view these permanent full-time jobs as “core jobs” or part of the “core” company structure (e.g., Belous, 1989). In addition to this core, there may be fluctuating
numbers of "peripheral" workers in marginal jobs that are implicitly temporary or contractually limited to a specific term or task. "Despite some minor differences, 'peripheral' employment is equivalent to the conceptual notion of 'contingent' employment" (Barker, 1993). Thus, in this organizational model, employers employ a core of permanent employees and an outer ring of contract employees, who are moved in and out of the company employment rolls as needed. The core of permanent employees provide stability for the company because they have the expertise to run the business on a daily basis. This intellectual capital is important to the organization, because without it what makes the company unique in its industry would be lost. This core group would contain the mentors who would plan the career paths for employees for succession planning purposes: they would often hold key positions in the organization, including hiring practices. On the other hand, the periphery group may contain niche experts that the company has hired on contract for a defined business purpose that no core employee has the skills to manage, for example to launch a company Internet website or to computerize the company’s business practices. The core employees may see themselves more as employees of the company, while the peripheral employees might describe themselves as self-employed professional consultants engaged by multiple clients.

**The Shamrock Organization**

The British management scholar, Charles Handy (1993, 1994), suggested that the new corporate structure would resemble a three-leafed shamrock. The first leaf would be a "professional core" of professionals, technicians, and managers highly skilled in the organization's core business. Rather than a bureaucratic hierarchy, they would be more like partners in a professional firm, with their pay tied to organizational performance. The second leaf comprises external contractors who supply the services formerly provided by support staff and even by manufacturing departments (i.e., who do "outsourced" work). Some contractors are individuals and some work for vendor companies, but all are paid in fees for results rather than salaries. The third leaf, contingent workers (temps and part-timers), are hired and laid off as needed. They are paid by a time rate (1993, p. 79). Handy speculates that one may have to add a fourth leaf to represent the customers, because self-service gas stations, automated teller machines, cafeterias, big-box stores, and many other retail and service organizations require the customer to do work formerly done by employees (1993, p. 81). The shamrock organization mirrors a trend in
companies to downsize their staff and replace them with computer technology, such as automated voice-mail instead of telephone operators.

**Employee Attitudes**

Most people continue to focus on obtaining and retaining a permanent job during their adult life. However, this traditionally successful pattern may no longer be feasible in the new global economy of the information age. The result of this employment evolution may be frustration for someone looking for permanent employment, as illustrated by this comment from a graduate summarizing her job search experience to a newspaper career columnist: “Sure there’s work to be had, but none of it secure. None of it full-time” (Kirk, 1997. p. L 1). This new situation may well lead to other attitudes, satisfactions, or dissatisfactions among such workers. Several theories have examined factors influencing workers’ attitudes; unfortunately, few have been applied to contract workers.

**Frame of Reference Theory**

Several researchers have used the frame of reference theory in interpreting both attitudinal differences and similarities between full-time and part-time workers (e.g., Feldman, 1990; Miller & Terborg, 1979; Roberts, Glick & Rotchford, 1982). The theory suggests that individuals evaluate situations depending on how they compare themselves to some other group. For example, part-timers may be less satisfied if they compare themselves with “more highly compensated full-time workers in the same organization” (Barling & Gallagher, 1995. p. 261).

My concern with the frame of reference theory’s applicability to contract employees lies in which group contract employees compare themselves to: permanent employees or other contract employees? Once, while working as an organization development manager, I had to deal with a contract employee who was upset because he was not covered by the company’s educational reimbursement policy. He was comparing himself to permanent employees, who had this educational benefit not offered to contract employees; he felt that the policy was discriminatory and should extend to contract employees. I told him that of course the policy was discriminating; that was the idea of it. I explained that the company reimbursed permanent employees for pre-approved university courses because the company expected to receive the educational benefit from these employees’ long-term employment. This would not be the case for contract
workers, whom the company did not expect to stay with the firm after their contracts expired.

Other researchers have used the frame of reference concept. Logan, O’Reilly, and Roberts (1973) suggested that the notion explained the differences they found between part-time and full-time employees. Because the number of jobs available and the extent to which they are involved in the organization’s social system differ, part-time and full-time workers do not share the same frame of reference. Part-time workers’ perceptions of other possible part-time work affect their view of their present jobs. Full-time employees look at other full-time jobs in relation to their present one. “Lower initial job expectations by part-time employees (based on previous experience with part-time work) may explain their more favorable attitudes toward specific organizational characteristics” (Eberhardt & Shani, 1984, p. 897).

Partial Inclusion Theory

Miller and Terborg (1979) used the notion of partial inclusion (developed by Katz & Kahn, 1978) to help explain employment status differences. Partial inclusion suggests that people are involved in different social systems to different degrees. Thus, part-time employees may have less involvement in the organization than full-time employees do. “This lack of inclusion may result in lesser amounts of knowledge concerning organizational functioning” (Eberhardt & Shani, 1984, p. 898).

Contract employees may also be treated like part-time employees and be less included than full-time employees in a company's social system. Some contract employees notice that other employees ignore them when they are new to a company. Often, they are not invited to office social events and may not even receive routine memos or e-mails (Gibb-Clark, 1999, p. M3). As one worker in Gibb-Clark’s study put it: “When you first go into an office, for the first week or so, no one even takes the trouble to know your name. They don’t want to make any emotional investment in you or get attached if you're only going to be there a week” (1999, p. M3).

In addition, several researchers have raised wider issues of social relations both at and outside work. For example, “commitment” may not be a meaningful concept for employers and employees in a fixed-term employment contract. Permanent and contract workers may differ in the extent of their social involvement (Pfeffer & Baron, 1988). Evidence from studies of part-time employees suggest that models of organizational
behaviour or of organizational "culture" and expectations don’t necessarily apply to them; the same is probably true of contract workers. Temporary workers may not develop the same kinds of job-related social networks that permanent workers do, depending on whether they are isolated into specific jobs or more fully integrated and interactive with more permanent workers (cf. Geary, 1992). Barling & Gallagher (1995) posit that even concepts such as organizational commitment, rest upon an implicit long-term employment relationship.

**Discrepancy Theory**

Discrepancy theory initially focused on the difference between the employee’s preference for number of work hours and the actual number of hours employed. “Discrepancy theory suggests that employees who work for the number of hours they prefer will be more satisfied or committed than employees who work either more or fewer hours than the desired amount” (McGinnis & Morrow, 1990). But control over scheduling may play a part here too. Ronen (1984) suggested that part-time workers prefer flexibility in scheduling their work. “Part-time workers who are given flexibility in scheduling their work will have more positive job attitudes and will be less likely to change jobs” (Feldman, 1990, p. 107).

Contract employees also derive some satisfaction from having control over where and when the employment hours take place, even when they cannot control the actual number of hours worked. The discrepancy theory hence should apply to contract employees as much as to others. Contract workers, like part-time employees, who have the ability to work flextime in order to look after their personal needs, should have a more positive job attitude, despite perhaps having to work more actual hours than if they had a permanent job. One could examine the applicability of the discrepancy theory to contract workers by asking them their feelings about how much control they have over the scheduling of their work.

**The Job Model**

Kalleberg (1977), who conceived the job model, originally used it to interpret how differences in work conditions lead to differences in job satisfaction between men and women in various work settings. Kalleberg derived the notion from Kanter (1976), who argued that the different structural conditions in the workplace contribute to gender
differences in work values. Kalleberg further developed the model, linking job satisfaction with control over rewards. Basically, he and Kanter argued that

It is the job that makes the person, not the person that makes the job. In contributing to this, factors such as limited decision making among employed women, lower levels of job autonomy, lower use of skills, restricted career advancement, poorer pay and status, and concentration in particular types of industries and in part-time employment are all considered important. (De Vaus & McAllister, 1991, p. 75)

Kalleberg and Kanter’s notion that “it is the job that makes the person” presupposes that certain job factors are connected to specific jobs; these factors determine the job satisfaction ratings, rather than satisfaction ratings being driven by the gender of the job holder. At the time, women often had lower-skilled jobs with lower pay, status, autonomy, and advancement prospects. Many of these jobs were in certain fields (e.g., secretarial, garment work, etc.) and were part-time (Herzberg, Mausner, Peterson, & Campbell, 1957; Vroom, 1964).

Future researchers may want to use the job model to see whether it explains differences between contract and permanent employees. Many of the factors mentioned in the job model, such as lower levels of pay, lack of career advancement, and limited decision-making apply to contract employees and women in the workforce. The job model obviously works best with large employee populations, where both the employees and the researcher can make quantitative comparisons.

In addition, De Vaus & McAllister’s (1991) findings on differences between men and women with regard to job satisfaction and values were not significant. “In summary, gender differences in job satisfaction and work values were not substantial, widespread, or uniform” (1991, p. 83). Gender differences may not be uniform because the roles of men and women in the workplace or in the family have changed as spouses compromise on careers and child care; there may be now less distinction between men and women on these factors. The increase of women in the workforce has coincided with more social support systems being introduced to the workplace, such as daycare centres and exercise classes.
The Social Characteristics Model

The social characteristics model states that social characteristics determine differences in work values (De Vaus & McAllister, 1991). Work orientation supposedly derives from people's other values, which in turn, relate to their social characteristics, such as education, age, class, and religion. These social characteristics form different social contexts that help form value differences. For example, some studies have shown that job satisfaction and work values improve in older workers (Glenn, Taylor, & Weaver, 1977; Janson & Martin, 1982; Kalleberg & Loscocco, 1983; Weaver, 1978). The social characteristics model should apply to contract employees too. For instance, some older people may see contract employment as a bridge between permanent employment and full retirement. Similarly, some young people may see contract employment as an entry into a company, as a way to build up their resume history and gain some employment experience, as a prerequisite to full-time employment.

Life Cycle and Adult Development Theory

Life cycle and adult development theory (c.f. Erikson, 1963; Hunt, Joyce, Greened, No, Rid. & Wall, 1974; Levinson, 1978; Loevinger, 1976; Sheehy, 1976) generally assumes that passage through life's different stages and ages affects people's social and cultural values and hence their work attitudes (Pine & Innis, 1987, p. 285). The life-cycle change applies to at least some contract employees. For example, a retired, permanent male employee, married and with a pension, who has paid off his mortgage and raised his family, could seek contract employment because of the flexibility to travel whenever he and his wife wish to do so.

A 1999 study commissioned by the Royal Bank of Canada, done by Aon Consulting, has claimed the key to motivating employees lies in respecting their needs to balance work and private life. The study interviewed 1,328 Canadian adults working at least 20 hours a week. It concluded that acknowledging people's needs outside work is the "key driver" to employee commitment -- outranking compensation, benefits, training and job growth. Only 46% of the respondents said their company management recognized employees' personal and family lives as the primary factor in workplace satisfaction. By comparison, a majority said they had satisfactory opportunities for growth (62%), satisfying customer needs (69%), competitive pay (51%) and training (83%; Dalziel, 1999).
Two-factor Theory of Job Satisfaction

Herzberg's two-factor theory of job satisfaction (Herzberg, 1966) assumed that the primary determinants of job satisfaction are aspects of the job itself, called "motivators" (e.g., the type of work, its status, degree of responsibility, prospects of advancement, etc.) but the primary causes of job dissatisfaction, or "hygienes" reside in the job's context (e.g., administration, supervision, pay, relations with coworkers, working conditions, etc.). The relevance of Herzberg's motivators to contract employees remains unexamined. For example, because contract employees have a termination date as part of their contract, the motivator of advancement does not apply to their employment position. But something may take its place: there may indeed be new motivators for contract employees.

New Workforce, Old Theories?

Previous researchers have thoroughly documented the segregation of part-time workers in lower-paying, less-skilled jobs (e.g., clerk, fast-food server, household help) with few or no fringe benefits and little autonomy or decision-making capacity. (Deuterman & Brown, 1978; Howe, 1986). This job segregation theory of part-time workers is relevant to a study of contract employees; some observers, such as Korten (1996), have found similar phenomena affecting contract employees.

Those employees engaged in the core, corporate headquarters functions are well compensated, with full benefits and attractive working conditions. The peripheral functions are performed by low-paid, often temporary or part-time 'contingent' employees who receive few or no benefits and to whom the corporation has no commitment (Korten, 1996, p. 217). This view of contract employees raises several issues about compensation, treatment by the employer and working conditions. There is evidence that contract employees generally are paid at a lower rate than permanent employees for the same work. "In 1997, Statistics Canada found average earnings of the self-employed as a whole about 10% lower than that of wage and salary workers. ... Weekly hours of the self-employed are around 15% more than that of paid workers" (Lin, Yates, & Picot, 1999, p. 4). Other relevant differences may lie in the issues of benefits and security.

The increase in contract employees has led authors such as Korten (1996) to use the phrase "two-tiered work force" to describe an employment environment composed of
both permanent and contract employees. This important line of thought deals with the phenomenal growth of alternative employment practices, such as contract employment, and the impact this change has had on the workforce in regard to how employers treat employees.

As employment relationships change, one may question how the existing theories about employee motivation and job satisfaction apply to employees who have been hired on contract. There is already some evidence that part-time workers may differ from full-time workers in which factors influence their attitudes to work and to their employers. One cannot simply assume that the factors contributing to the development of organizational commitment among full-time workers apply equally to employees working only part-time, or perhaps piecing together a full week by working part-time for two or more employers. "Likewise, how relevant are the existing theoretical underpinnings of motivation, job satisfaction, or organizational commitment to the growing segment of workers who are employed on lease arrangements or temporary fixed term employment contracts?" (Barling & Gallagher, 1995, p. 244).

Employers, now less loyal to their employees, are not providing continual employment to all employees. Rather, employers apparently are using permanent employment to attract and hold valued employees, due to labour shortages of highly-skilled people. Most employees may well respond in kind, be less loyal to the employer and leave the company if a better offer comes along. New motivating factors may influence contract employees’ commitment to organizations; they may not feel satisfied in work arrangements that leave them less than equal to their coworkers who have permanent employment status.

The increase in contract employees in organizations is cause to examine current theories on organizational development and how relevant they are for contract employees. Other researchers (Barling & Gallagher, 1995; Geary, 1992; Pfeffer & Baron, 1988) share this concern; they feel contract employees may be compromised because they work in a business environment that is governed by rules built around permanent employees. In fact, even the rules built around “traditional” (i.e., permanent or long-term) part-time work may no longer apply. Traditional part-time employment has grown relatively little in comparison to the growth of temporary or contract employment since the early 1980s (Belous, 1989; Dale & Bamford, 1988). Although both part-time and contract jobs are
often categorized as "contingent" work, contract jobs offer even less stability than part-time jobs. Dale and Bamford (1988) suggested that temporary employment included any job with a fixed rather than an open-ended employment contract. "Such a definition could also be expanded to include employment relationships where an individual has an explicit or implicit contract for short-term employment" (Davis-Blake & Uzzi, 1993).

The rapid growth in numbers of temporary, contract employees since the early 1980s raises questions concerning how well existing organizational and labour theories apply to these workers and their situations. There is some evidence that the "new" employment structure requires new/or modified theories to deal with new organizational types, new employer-employee relations, and new work relationships and "cultures". Several researchers have shown that part-time workers have not necessarily fitted the same attitudes or been influenced by the same factors as permanent full-time employees. The same probably holds for contract workers. In fact, there may be issues that are specific to them both in theory and in practice. I deal with these in the next chapter.
Chapter Three: Research Issues

I do not undertake the task of dealing with all of the issues raised in the preceding chapter; that would be impossible in terms of time, effort, and financial support. So I shall concentrate on a few key issues having to do with contract employees' attitudes to their work vis-a-vis permanent employees. I chose these key issues because they were raised most often by participants during the pilot interviews and they appeared as significant factors in the literature.

Job Security

This issue was one of the most significant in any discussion of the pros and cons of contract employment. I therefore planned to explore what "job security" means to employees, and how they describe it. No discussion about security would be complete without a consideration of Maslow's (1943) seminal inclusion of security in his "five basic needs". "There are at least five sets of goals, which we may call basic needs. These are briefly, physiological, safety, love, esteem, and self-actualization" (1943, p. 370). Maslow's need for safety can also include the desire for security. Insofar as the workplace and work attitudes are concerned, Centers (1948) argued that the safety or security need manifests itself in such ways as "the common preference for a job with tenure and protection, the desire for a savings account and for insurance of various kinds (medical, dental, unemployment, disability, old age)" (1948, p. 215).

Maslow's notion of security does not fit the position of most contract employees. On the other hand, permanent employees presently don't feel very secure in their positions either. "For those working as full-time, dedicated, career-oriented employees for large organizations, ... everyone in every job knows that 'job security' is a contradiction in terms" (Nye, 1988, p. 168). With all the changes in the workplace, all employees are equally concerned about their own job stability, whether permanent, part-time, or contract.

Statistics Canada reported the moonlighting rate, that is, the proportion of employed persons holding more than one job, rose from around 4.9% (650,000) in 1993-1995 to roughly 5.1% (700,000) in 1996 ... More than half of moonlighters take additional jobs for financial reasons. Second, the perceived erosion of job security in recent years may have pushed some people to take a second job as a buffer against sudden unemployment. (Akyeampong, 1997, pp. 14-15)
The moonlighting rate for the latter part of the 1990s and beyond will probably continue in a slight growth trend, although the statistics are not available yet to confirm this estimate. Moonlighting among permanent employees is similar to contract employees' seeking multiple employers to increase their chances of continued employability. It is a form of employment insurance in which some workers invest as a hedge against job insecurity.

In their study of full-time and part-time nurses' reactions to restructuring, Armstrong-Stassen, Horsburg, and Cameron, found that “for all work status groups, satisfaction with advancement and promotion opportunities significantly declined and perceptions of job insecurity greatly increased” (1994, p. 97). Discontent about lessening job security hit part-time workers harder in another study. Levanoni and Sales's (1990) research on Canadian retail workers found that part-time workers expressed lower levels of satisfaction about employment security than did full-time workers. In many respects, their greater insecurity seems justified. "In some organizations, part-time employees are still considered less dedicated and part-time positions are the first to be eliminated in a downsizing" (CMA, 1994, p. 20).

Barling & Gallagher's (1995) study of part-time employees found a higher concern about job security among those part-time employees who preferred full-time work hours: "Part-time workers preferring full-time schedules were more likely to express concerns about job insecurity and the fear of being vulnerable to workforce reductions" (p. 259).

Centers, reviewing the literature on motivating factors, identified five motivators: "independence, self-expression, security, a chance to serve others (social service), and an interesting experience" (1948, p. 205). Because long-term security is incompatible with contract employment, the other four gratifiers should have a higher level of importance for contract employees and, conversely, a lower level of importance for permanent employees. These ratings may be useful in a large-scale survey of contract and permanent employees to measure quantitatively how important each gratifier is to each group.

**Commitment**

Contract employees may interpret commitment towards the employer organization differently than permanent employees. "If the temporary employee is self-employed as an independent contractor or a freelance worker, does the concept of organizational commitment have any meaning or does professional commitment assume more
importance than for permanent full-time or part-time workers?" (Barling & Gallagher, 1995, p. 271) According to Logan et al.'s research (1973), part-time employees have a lower commitment level; in fact, the more tangential part-time employees are to an organization, the less they will feel involved in their organization and committed to it.

Besides differences between full- and part-time workers, other factors may help explain differences in job attitudes between permanent and temporary employees. Miller and Terborg (1979) suggested that permanent and temporary employees represent different worker populations, with different experiences and backgrounds affecting their attitudes. Lee and Johnson (1991) studied the effects of work schedule and employment status on the organizational commitment and job satisfaction of 3,551 full-versus 3,544 part-time employees of the U.S. National Park Service. People worked across a broad spectrum of jobs, ranging from office managers in New York City and Washington DC to park rangers in Yosemite National Park. Unexpectedly, Lee and Johnson found that "temporary employees had significant higher organizational commitment and job satisfaction than the permanent workers." (1991, p. 222). They also found different patterns of demographic characteristics and job attitudes between permanent and temporary employees. They suggested that the unexpected findings about temporary employees could be explained by distinguishing between temporary employees who perceive their job as an entry to permanent employment and those who do not. They added that temporary employees with ambitions of permanency may have job attitudes more closely similar to those of permanent employees: on the other hand, temporary employees content with their status may have completely different job attitudes from permanent employees (1991, pp. 222-223). One might also speculate that the nature of the temporary or full-time work might have played a role. For example, how many of the satisfied committed temporary workers were rangers or other positions that attract dedicated people and involve pleasant work? (I owe this suggestion to P. Nagy, personal communication, May 19, 2000.)

With the rise of contract and other "unconventional" employment, commitment may suffer a sea-change. The workplace is going to evolve into a world of free agents, predicts Roger Martin, dean of the Rotman School of Management at the University of Toronto. That's because the concept of loyalty to an employer is fading, while loyalty to one's career and individuals within an organization is on the upswing, he says. "People
will stay in an organization that is consistent with their own personal development path and development desires or there are people in that organization that they connect with,” Martin says (Lu, 2000).

Such a situation, where even the average American 32-year-old has already held several different jobs, has caused management consultants to ponder ways to encourage loyalty in today’s business environment (Wooldridge, 2000). For example, SAS Institute, a large software company, instead of contracting out or using part-timers, provides benefits like on-site day care, a full-indemnity health insurance plan, a 35-hour business week, and recreational facilities, allowing employees to have a life as well as a job. Upon discovering high rates of turnover among female professionals, Deloitte & Touche, an accounting firm, took steps to add flexible schedules and control travel (Wooldridge, 2000).

Asked for his thoughts on loyalty in a virtual age, management consultant Tom Peters said:

Here’s my New Social Contract .... I also demand that you not be “loyal” to me or my company. If you do turn out to be a Michael Jordan-type superstar, don’t I want you to stick around? No! (And yes.) That is, I do not want you to stick around out of misguided allegiance. If I can provide you with exciting new challenges, and if you respond accordingly, well. then I hope we do indeed grow old together -- one project at a time. (Wooldridge, 2000)

“New economy” companies, divided into core employees and “others” frequently have no commitment to the “others” and vice versa. However, commitment is important not only as regards core employees; even contract specialists need to be committed to organizational goals and in the long term some type of commitment from contract workers is needed for consistency in both policy and practice. They are more likely to feel such commitment if they see that the company shows some reciprocal commitment to them.

**Training**

Training certainly has been an issue for part-time employees. “In some organizations, part-time employees ... may be passed over for training or promotional opportunities” (CMA, 1994, p. 20). Other research has shown similar discrepancies between permanent and part-time employees, including evidence that part-time workers
are less likely than full-time ones to receive similar promotion and training opportunities in the employer organization (e.g. Belous, 1989; Statistics Canada, 1983; Tilly, 1992).

Presumably, contract employees share these concerns about training, especially if they work for an employer who only provides educational reimbursement opportunities for permanent employees.

A paper sponsored by the C.D. Howe Institute (Canada) found that Continuing Education and Training (CET) of the workforce is rapidly emerging as a crucial problem for the 1990s in the USA, the UK and Canada, and indeed among all developed nations (Crawford & Webley, 1992, p. 1). Continual updating will be essential. Robert Reich (Harvard University) believes that the old classification of work and workers (management, skilled, semi-skilled and manual) is no longer helpful. He suggests that it is more appropriate to refer to three rather different classes of workers in the 1990s: the symbolic-analytic services worker, the routine production services worker, and the service economy worker (Crawford & Webley, 1992, p. 11).

The only work characteristic that shows a clear pattern of increasing importance with decreasing status is the value of job security. The opportunities for promotion, recognition, training and experience that will improve skills show the same tendency, but the pattern is not so consistent (Friedlander, 1965). Friedlander's study of work characteristics pointed out that job security was more important to lower-level employees than to more senior-level employees. Furthermore, junior staff rated work characteristics like opportunities for promotion, recognition, training and useful experience more highly than top executives did, but the ranking order is not as distinctive as the pattern for job security (1965). Perhaps upper managers possess more transferable skills that make it easier for them to find similar employment and therefore reduce their concern for job security.

There is a stark contradiction between a management strategy that aims to improve competitiveness by cutting training costs, reducing the full-time, permanent workforce, reducing worker access to fringe benefits, and driving down wages and living standards and an innovative managerial style that utilizes skilled labour in order to implement best-practice production techniques and gain the full productivity advantages of information technology. These differences among firms can be observed in the relationships among information technology, worker training and skills, worker
participation in decisionmaking, and the organization of work (Applebaum, 1992, p. 10). Moreover, the access to training, skills, and advancement is generally not available to part-time or contingent workers (Applebaum, 1992, p. 12). Rotchford and Roberts (1982) found that part-time hospital employees tended to be in lower-level positions with little in-house training, few chances of promotion, and few or no fringe benefits (Wakefield, Curry, Mueller, & Price, 1987).

The first of these strategies (to create a more flexible workplace) would create flexibility by establishing what has been called [by Charles Handy] a "core/ring configuration." A core group of primarily full-time employees is defined, and their activities are supplemented by the use of full- and part-time temporaries, consultants, and contractual workers. The employer makes commitments to core employees, providing training, fringe benefits, opportunities for career growth, and so on, while distancing the organization from the secondary rings of temporaries, consultants, and contractual employees. (Olmsted & Smith, 1989, p. viii)

The rise of part-time and other non-permanent employment has paralleled a trend away from in-company training and development that sees companies and employees relying more on outside education and training (duRivage, 1992).

**Job Satisfaction**

Past studies (cf. De Vaus & McAllister, 1991) have argued that certain job characteristics are motivating factors to both genders: therefore, a job with fewer of these characteristics would reduce the person's job satisfaction. Specifically, research has suggested that certain job characteristics influence job satisfaction positively. "Job characteristics such as control, autonomy, promotion, and security are equally important to men and women and have a positive relationship with job satisfaction" (De Vaus & McAllister, 1991, pp. 75-76). Other researchers have suggested other combinations of factors, including "opportunity to use one's valued skills and abilities; opportunity for new learning; creativity; variety; difficulty; amount of work; responsibility; non-arbitrary pressure for performance; control over work methods work pace (autonomy); job enrichment (which involves increasing responsibility and control); and complexity" (Locke, 1976, p. 1319, summarizing research by Cooper, 1994; Ford, 1969; Hackman & Lawler, 1971; Herzberg et al., 1957; Lawler & Hall, 1970; Maher, 1971; Vroom, 1964). Leaving aside this multiplicity of postulated job characteristics, the argument becomes
even more complex when one compares them as between permanent and contract employees' job situations in order to determine positive outcomes related to job satisfaction, particularly if gender also plays a role.

Generally, as Feldman (1990, p. 106) pointed out, older part-time workers are more satisfied than younger ones and women part-timers more so than men; part-time workers whose work conflicts with other activities (e.g., school or family concerns) are less satisfied than those without such conflicts (e.g., Greenberger & Steinberg, 1986; Hall & Gordon, 1973).

**Systematic Differences**

Other research on part-time workers' job attitudes has found no systematic differences in satisfaction between part-time and full-time employees (cf. Rotchford & Roberts, 1982), though part-time workers probably are less satisfied with their job's financial aspects (e.g., pay and fringe benefits; Eberhardt & Shani, 1984; Hall & Gordon, 1973; Hom, 1979; Miller & Terborg, 1979). Other researchers have suggested that part-timers may have different notions of job satisfaction than full-time employees; for example, factors such as scheduling flexibility may be more important for them (e.g., Logan, et al., 1973; Rotchford & Roberts, 1982).

**Satisfaction Components**

Part-time employees receive fewer fringe benefits, have few promotional opportunities, and receive little or no training (Rotchford & Roberts, 1982, p. 229). Perhaps one (or more) of the discrepancies in pay, benefits, promotional opportunities, training, job duties, and job assignment influences the determination of components that define satisfaction. For example, the finding that satisfaction with promotion does not enter into a part-time worker's overall satisfaction may indicate that because promotional opportunities are unavailable they are not perceived as an integral part of overall satisfaction (Rotchford & Roberts, 1982, p. 232).

**Consequences**

Some employee groups may be more prone to leave their employer than permanent employees are. Part-timers, for example, are more likely to leave their jobs than full-timers because they are dissatisfied with lower pay and fewer or no fringe benefits (Feldman, 1990). The whole issue of how these job satisfaction criteria and attitudes apply to contract employees has received almost no attention in the literature.
One can only speculate on the extent to which they would resemble either part-time or permanent employees.

**Unemployment and Unpreferred Employment**

Being between contract assignments (and therefore temporarily unemployed) must have some effect on a contract employee. Dawis & Lofquist (1984) reported that unemployment and the resulting loss of income created situations that severely damaged workers' self-respect and self-confidence. For example, people had to economize by cutting down on food, clothing, and social activities, and faced the threat of having goods repossessed or losing their housing. Combined with a social ethos that virtually equated employment and identity, "these consequences of unemployment remove the individual from the world to which he or she so recently belonged" (Dawis & Lofquist, 1984, p. 6).

So far, the literature has not examined how contract employees feel when unemployed nor how they cope with the situation both financially and psychologically.

Leaving actual periods of unemployment aside, their economic situation causes contract employees problems in the general society. For example, contract employees who apply for an apartment must show the amount and length of the contract they have, in order to assure the landlord they will have enough money to pay their rent. If there is not enough money to cover the rent, a co-signer on the lease is required to guarantee the rent will be paid.

Unpreferred employment means the employee cannot achieve the desired type of employment: for example, someone looking for permanent employment who can only locate contract employment, or someone who wants part-time employment but is only offered a full-time position. Unpreferred employment situations have a negative impact on job satisfaction ratings and employee attitudes. For example, "nurses involuntarily working full-time reported more negative work attitudes than did full-time and part-time nurses with congruent work status" (Armstrong-Stassen et al., 1994, p. 96). Armstrong-Stassen et al.'s study of nurses validated earlier findings that a job's congruence with an employee's preferred work status had the most influence over the employee's work attitude: "... few differences will be found for full-time and part-time workers when their actual work status is congruent with their preferred work status. In other words, congruence rather than work status is the significant determinant of employees' work attitudes" (1994, p. 99). These findings suggest that employees who find
themselves in unpreferred employment situations will have fewer positive employment attitudes than employees who are in employment arrangements that meet their desires for both employment type and hours of work.

Feldman’s (1990) study involving part-time workers reinforced the notion that employees who are forced to accept an employment arrangement that does not meet their desires will then be less satisfied with their jobs than those who found suitable employment situations. “Part-time workers who are working part-time voluntarily are more likely to be satisfied with their jobs than employees who have been forced to reduce their hours or who are unable to locate full-time jobs” (1990, p. 105). Again, research has paid little attention to contract employees who would have preferred permanent employment or vice versa, and even less to the reasons for their discontent and their plans for the future.

In a related issue, researchers have also asked whether permanent, part-time and contract employees’ different statuses, satisfactions and drawbacks cause differences in productivity among them. Some researchers have argued that part-time employees tend to higher productivity in high-stress or high-client-contact jobs (e.g., piece rate work, services, and sales: Barling & Gallagher. 1995, p. 256). In contrast, other research has isolated no productivity differences related to employment status (e.g., Nollen, et al., 1978). Perhaps Nollen et al.’s research demonstrates that no productivity differences related to employment status exist if employees have voluntarily chosen their form of employment: that is, contract, part-time or permanent.

**Family and Work Life Balance**

Some contract employees prefer contract employment because it provides them more flexibility to balance their family and their work life. Separating employment from family obligations is not easy. Men and women have responsibilities in the home and at the office. Several researchers (Feldberg & Glenn, 1979; Quinn & Shepard, 1974; Weaver, 1978) explored how men’s and women’s different roles affect their work lives. Because men and women had different degrees of family responsibilities, work occupied a different place in women’s lives than men’s, those authors argued. As a result, women and men look for different things in their work and differently experience their work situations (De Vaus & McAllister, 1991).
For some contract employees, contract employment is a win-win situation. It allows them to earn an income and still provides the freedom to manage other important business in their lives, such as caring for a family. Some contract employees can arrange their work schedule to complement their family duties, thus achieving a family/work life balance that is the envy of many permanent employees, who have little if any flexibility regarding their work hours. However, there is some evidence that women do not choose contract employment because they need flexibility but because of the relative increase in available work of a contract or temporary sort. "Studies suggest that women are taking the growing number of temp agency jobs because employers are creating more temporary positions in the fields where women typically work, and not because temporary employment better meets their flexibility needs" (Applebaum, 1992, p. 4).

I chose to highlight these six research issues (Job Security, Commitment, Training, Job Satisfaction, Unemployment and Unpreferred Employment, Family and Work Life Balance) from the myriad of topics discussed in the literature about employment, because all of them had strong implications for contract employees. The pilot interviews I conducted also identified these concerns as most important to contract employees. These categories concern contract employees both in their work lives and in their personal lives. Furthermore, the results of earlier research studies and organizational theories need to be revisited to determine how much their findings still apply to today's world of work, with new structures of labour and company organization.

**Research Questions**

The general research issues briefly discussed what permanent employees and part-time or temporary employees have in common and how they differed on such issues as job security. I wanted to pursue this line of research more deeply by focusing specifically on the differences and similarities between contract employees and permanent employees on such issues. Past research has examined how permanent and part-time employees' values differ on a variety of factors, for example job satisfaction. I designed a research question to explore the attitudes of permanent and contract employees in the workplace about job satisfaction and other key motivating factors. The issue of commitment prompted me to include a question about how contract and permanent employees feel about the rise of contract employment and how those feelings in turn may
affect employees' loyalty. I took the issue of family and work life balance and applied to it a question about how members of each category experience their relationship with the other. The experiences of both contract and permanent employees covered their time-management concerns and stress factors both on and off the job. I derived a question about self-employment from issues surrounding unemployment and unpreferred employment, hoping that self-employed contract employees would discuss how they coped with periods of unemployment between contracts. As well, I thought some contract employees might voice feelings about whether they accepted offers of contract employment only because they were unable to find permanent employment. I translated the training issue into a question about skill acquisition, because even the courts feel this is a key factor in determining an individual's employment status. Also, the evidence for part-timers suggests that lack of opportunity for training would be a dissatisfier for contract employees. Much of the existing literature concentrates on part-time employees; therefore, I felt compelled to compare contract employees to part-time employees wherever possible.

The research questions focussed my investigation and addressed the gaps about contract employees in the existing literature. The questions aimed at eliciting information from the participants to explore differences in the experiences of contract and permanent employees. These research questions were:

1. What are the differences and/or similarities between the two categories of employees in the workplace?
2. How do attitudes within the two categories of employees differ among members of each category?
3. How do members of each category feel about the increase in contract employment, particularly to the extent that it affects their employment environment?
4. How do members of each category experience their relationship with the other?
5. (a) Do contract employees regard themselves as self-employed and what does that mean to them?
   (b) Do permanent employees regard contract employees as self-employed and what does that mean to them?
6. (a) What skills do permanent and contract employees perceive to be required for contract employment?

(b) Do these perceptions differ between members of each category?

7. How are part-time employees similar to contract employees?

These research questions form the foundation for the study. They led to the determination of the research method, and to formulation of the participant interview questions. I turn to the interviews in the next chapter.
Chapter Four: Methodology

This chapter provides information on how the research was conducted: the sample set, the criteria for selecting participants, and the interviews. The interview section covers the pilot interviews used to test and develop the questions, the final format for questions and the procedure used for conducting the interviews with contract and permanent employees. The chapter includes discussion of follow-up interviews conducted one-year after the taped meeting with participants to ascertain their employment status. The chapter concludes with the data analysis procedures.

Research Approach

The research methodology derived from “grounded theory research”: The theory emerged from the data. “Generating a theory from data means that most hypotheses and concepts not only come from the data, but are systematically worked out in relation to the data during the course of the research” (Glaser & Strauss, 1967, 21). The specific areas of investigation emerged from two sources: from the literature review and subsequently from the interviews, as people talked about their experience of work and as they began to identify issues. The core interview questions increased, as I added new questions because participants raised important concerns that needed to be validated by others in the study.

In general approach, the study could be termed phenomenological and qualitative. Survey research was another methodology I considered, but although it could have provided more quantitative data it would not have supplied in-depth, rich and personal data about individual experiences and perceptions of contract employment. These qualitative data could furnish a framework for the development and interpretation of later studies on this topic employing larger-scale survey research. The qualitative research approach I adopted is an effort to reconceptualize employees’ personal experiences about their contract employment. The semi-structured, open-ended interviews would allow participants to describe their experiences in ways that seemed most accurate and relevant to them, rather than having a theoretical perspective imposed through the types of questions asked.

After participants presented their perspectives, the semi-structured format would allow further probing of relevant issues. The phenomenological or grounded theory method allowed major themes to arise from the analysis of the participant interviews. The study’s participant-based data could then be compared to existing theoretical approaches, to assess the latter’s applicability and congruence.
Selection of Participants

I used a sample of convenience method to identify participants for the study: I posted a notice on the Ontario Institute for Studies in Education of the University of Toronto (OISE/UT) General News e-mail site, posted a request for parent volunteers at a local high school, solicited personal business contacts, contacted an employment agency, and enlisted the help of participants that I had already interviewed. The candidates who accepted my invitation to participate became part of the study. Although I did not initially intend to include only professional workers, those who accepted all fell into this category, being either specialists or management-level employees. The employment agency, Syntech Placements, specialized in recruiting employees for technical and engineering positions: 60 per cent were permanent and 40 per cent were contract positions. At the time, Syntech had a database of 6,000 people. Their ages ranged from mid-20s to mid-60s, but most were in their 30s or 40s. In return for access to this database, I later provided the agency with a summary report of my findings. The agency gave me a stack of about 100 resumes to review from its contract employment folder. I copied down names and phone numbers to call about participating. (Unfortunately, my acceptance rate here was only about 5%.) Thus, I used multiple sources from a variety of professions and occupations to identify participants. This approach gave me access to a broader range of people’s experiences in many different organizations and business sectors, although it yielded only a small sample size from any one business or sector.

I telephoned potential participants and introduced myself and the topic. I concentrated on finding participants in the Southern Ontario region, aiming at a Canadian target group because so much of the existing literature comes from studies done outside of Canada. I explained to candidates that I wanted about an hour to interview people who had about 10 years or more of employment experience (my length-of-employment criterion) as either a permanent or a contract worker. I told candidates that they were free not to answer any of the questions or to stop the interview at any time. I explained that participation was completely voluntary and that I would use neither their real names (pseudonyms are used in what follows) nor the names of their employers in order to ensure confidentiality, as required by the University of Toronto's Ethical Review Guidelines. I informed candidates that they would be free to withdraw from the study at
any time. I promised them that they would receive a summary of my findings (if they wanted one) in return for participating in the research. All who agreed to participate signed a consent form agreeing to these terms as described (Appendix 1).

In total 23 participants took part in the study, 7 permanent employees and 16 contract employees. The categories for participants included: employment status (contract employee or permanent employee), gender, education, age, management, specialist, private sector, public or non-profit sector, type of work, years of work, parental status and country of origin; contract employees further fell into two more categories: contract employee (who prefers contract employment) or contract employee (who would have preferred permanent employment). Thus, participants fell into more than one category. The permanent employees had been employed for approximately 10 years in full-time positions and had been receiving health and pension benefits. The contract employees had been employed for about 10 years as contract employees (see Tables 3. p. 34, and 4. p. 36).
## Table 3
### Participant Data Summary

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**Pilot Interviews**

I began by testing my prospective interview questions on five contract consultants who had left permanent employment for contract work. Initially, my questions focussed on the nature of their work. However, the pilot interview responses appeared no different from contract or permanent participants commenting on the type of work they did. Therefore, I adjusted my questions from dwelling on the content of the work to enquiring about the person’s values, work ethic and what each found important about employment.

The pilot interview format also included too many closed-ended questions, to which the participants gave only short, yes or no answers. I changed the questions to open-ended ones that allowed the person to describe personal employment experiences. I interjected clarification questions as needed to draw out more detailed accounts of decision-making, coping techniques and attitudes. During the pilot interview phase, I would explain to participants the different types of questions I would be asking and why. Most of the participants were distracted by these comments and they suggested I skip any explanation and just ask the questions. I adopted this approach for the balance of the interviews and I found the participants were more receptive to it.

**Interview Format**

I derived the final format for the interview questions from analyzing which questions from the pilot interviews best stimulated the participants to share the most detail about their employment backgrounds. The questions also addressed both the research issues and research questions I wanted to explore. The first section asked demographic questions to rank the participants in terms of age, gender, education, etc. The next section included questions about attitudes, relationships, treatment, etc. that highlighted differences and/or similarities between contract and permanent employees. Then came several questions that delved into job satisfaction issues. The last part asked for participants’ contribution on any related subject that might have been overlooked in the form of a direct question (for details, see Appendix 2).

**Interview Procedure**

Interviews did not begin until the thesis proposal was approved. After a person agreed to become a participant, we discussed the most convenient way to complete the interview. I offered to meet the participant at home or office, whichever was more convenient. If a face-to-face meeting was not possible (12 cases), I conducted the
interview over the telephone. I explained to participants that the interview would be tape-recorded and that I would also take field notes. I told them that I would do the transcribing of the tapes and the field notes to maintain confidentiality. In order to help them relax and to reduce any anxiety about being interviewed, I asked participants whether they had any questions about participating. For the face-to-face interviews, I met the participants, in private with no other people in the meeting room or within hearing distance.

The participants' first task was to sign the consent form (Appendix 1), which also permitted me to use in the thesis the data collected in the interview. Participants read the form and clarified any issues before signing it. I began the interview by collecting the statistical data that would help me assemble the demographic profile (Table 3, p. 34). Next, I proceeded through the interview questions. I asked participants to discuss their personal reflections about their work experiences with others, their assessment of contract versus permanent employment, their job satisfaction and work values. Participants also talked about their direct experience with contract employment or about their experiences with contract employees. I gave interviewees an opportunity to add comments that were not covered by the interview questions. After the interview, I thanked the participant and asked for a referral to find another participant.

I recorded all the in-person interviews, using a portable micro-cassette recorder with an external microphone. I recorded all the phone interviews with the micro-cassette recorder, adding a microphone adaptor to the telephone. I used a micro-recorder because it was small and not intimidating for the participant, hoping thereby to reduce the interviewee's anxiety during the interview situation.

**Follow-up**

The purpose of the follow-up was to find out what employment changes, if any, had happened to the participants since their interview. I wanted to follow-up changes in employment, because participants had frequently made comments about job insecurity and job satisfaction concerns. I was eager to find out whether contract workers had been released before their contracts expired or whether the employers had hired them as permanent. I was also interested to determine whether permanent employees who were unhappy with their employer had resolved their issues, or had stayed in the job despite the problems, or had left the company. I contacted participants for the follow-up
approximately one year after conducting the initial interviews. I also wanted to learn their
general employment status: whether they were still contract or permanent, and whether
they had different employers or work. As a result of this limited aim, I did not also
explore with participants whether they had any attitudinal or value changes since the
original interview.

Data Analysis

After each interview, I transcribed the tape-recording as soon as possible. I
assigned each transcript a participant number to keep the person's name confidential.
Next, I coded the interview for relevant themes and for new issues that should be
incorporated and explored in the next interview. I added interview questions as necessary.
I compared the work values and job satisfaction ratings of contract and permanent
employees with their social characteristics, such as age and education. The first review of
the transcripts yielded 48 prospective themes of participant feelings: an unmanageable
number. I next re-analyzed the data in an attempt to reduce the number of main themes
and create sub-themes to make the analysis more manageable. By the third reading of the
interviews; I had identified 7 core themes that recurrent in at least 2/3 of all the
interviews; I was able to create sub-themes to include all of the original 48 categories.
Two other OISE/UT graduate students also reviewed the raw interviews to identify
relevant themes, as a check on the themes that I had developed. Both reviewers found
themes similar to those I had coded. These two reviewers also provided valuable advice
on how they had helped relax participants in interviews for their own data-collection
studies. I found it very helpful to have a committee of peers with whom to work and
reflect on the issues I had developed during the research process.
Chapter Five: Overview of Findings

This chapter describes and summarizes the interview findings. I found that participants raised certain issues and commented on specific feelings during the in-depth interviews. This chapter also includes a general analysis of the field notes and participant interviews, together with representative quotes from the participants. Some participants of course talked about significant impacts on their lives that were not mentioned by a majority of the others. Nevertheless, I have sometimes quoted their points if they were somehow subsidiary to more general opinions.

I began with a pilot study to test my interview questions. I interviewed five former senior managers about why they had left permanent jobs to become contract consultants. At first, I learned that there was no discernible difference in the work performed. For example, delivering a course on total quality management is the same for a permanent Organizational Development Management (OD) manager and a contract OD consultant. What differs is how the organization’s management and employees treat the individual and how the person interacts with everyone else in the work environment.

Interview Summary

This summary of the results includes both the pilot and post-pilot interviews. To begin with, I found that all of the respondents expected the continued growth of contract employment and had at least some reasons to regard it favourably (Table 5, p. 41). Contract employee respondents thought that contract jobs were increasing faster than the increase in the number of permanent positions. They favoured this employment situation because it provided them greater opportunity for contract employment. Only four participants listed working for only one employer for the majority of their adult work career. All participants shared the opinion that people now and in the future would have multiple employers during their work lives. Gone are the days when the stockroom boy would one day rise to become the president of the company. (This example was part of the employee handbook when I worked for an insurance company 18 years ago.) Often, today’s company president may be a contract employee hired by the Board of Directors with a specific mission for the company; if the person does not achieve the Board’s goals, then the search for a replacement begins before the next shareholders’ meeting. Permanent employees on balance saw more contract workers as a rescue measure from themselves’ being overworked; corporate downsizing had shed people, which resulted in
spreading more work among the remaining permanent staff. (Coincidentally, this point was reinforced by my physician, who said he has seen an increase in the variability of lab results because the medical labs have reduced the number of employees but not the work they must perform.)

Both permanent and contract employees perceived a contract employee to be self-employed rather than any other employment type (Table 5, below). People felt that a contract employee was “Me Inc.”, a one-person company selling the person’s expertise to organizations. They also cited differences from other employment, such as certain tax deductions, like an office in one’s home. Furthermore, self-employed contractors spoke about the burden of buying health benefits and registered savings programs that permanent employees received with their benefits package.

Table 5
Opinion about Contract Employment: All Participants

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th></th>
<th>No</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>Do you support an increase in</td>
<td>65</td>
<td>15</td>
<td>35</td>
<td>8</td>
</tr>
<tr>
<td>contract employment?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are contract employees self-</td>
<td>65</td>
<td>15</td>
<td>35</td>
<td>8</td>
</tr>
<tr>
<td>employed?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Job Satisfaction

Job satisfaction was an important area to examine. As a result of its constant appearance as an issue in the literature, it was one aspect of several research questions. Tables 6, 7 (below) and 8 (p. 43) deal with various aspects of this issue, using the participants’ ranking on a scale of 1 to 5, with 5 as the highest level of satisfaction.

Table 6
Contract vs. Permanent Satisfaction with Employment

<table>
<thead>
<tr>
<th>Rating 1-5</th>
<th>Contract</th>
<th></th>
<th>Permanent</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
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<tr>
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<td>6</td>
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<td>44</td>
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<td>7</td>
<td>44</td>
<td>5</td>
<td>71</td>
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<tr>
<td>5</td>
<td>8</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>4.4</td>
<td></td>
<td>3.4</td>
<td></td>
</tr>
</tbody>
</table>

Table 7
Men vs. Women Satisfaction with Employment

<table>
<thead>
<tr>
<th>Rating 1-5</th>
<th>Men</th>
<th></th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>22</td>
<td>2</td>
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<tr>
<td>3</td>
<td>1</td>
<td>11</td>
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<td>45</td>
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<td>5</td>
<td>2</td>
<td>22</td>
<td>4</td>
</tr>
<tr>
<td>Average</td>
<td>3.7</td>
<td></td>
<td>4.3</td>
</tr>
</tbody>
</table>
Table 8

**Age-based Satisfaction with Employment**

<table>
<thead>
<tr>
<th>Rating 1-5</th>
<th>Age 29-39</th>
<th>Age 40-49</th>
<th>Age 50-64</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>17</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>9</td>
<td>6</td>
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<td>4</td>
<td>5</td>
<td>83</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>3</td>
<td>27</td>
<td>3</td>
</tr>
<tr>
<td>Average</td>
<td>3.7</td>
<td></td>
<td>4</td>
</tr>
</tbody>
</table>

Overall job satisfaction ratings (Table 6, p. 42) differed only slightly between permanent and contract employees. Nevertheless, given the small sample size (23), these figures might be sufficient to support the notion that there are systematic differences in job satisfaction between the two groups. In addition, job characteristics such as control, autonomy, promotion, and security were not equally important to permanent and contract employees. Furthermore, the results do not deny the possibility that contract employees, like part-time employees, may have different perceptual maps for job satisfaction than permanent employees. Certainly, the contract employees considered flexibility to be a major benefit of contract employment. However, contract employees were less satisfied with certain aspects of their jobs, such as compensation and benefits, than permanent employees. Some contract employees had left contract jobs over dissatisfaction with the low pay and lack of benefits. Permanent employees were less satisfied with their employment than contract people because of job stress from workload and lack of opportunities for career advancement.

On average, women were more satisfied than men with their employment (Table 7, p. 42). Women contract employees were more satisfied than men, though this could be an artifact: My study had more women who preferred contract employment than men. Women shared how contract employment allowed them to better balance both a career
and family responsibilities, while men complained more about the lack of security and promotion with contract employment. But older contract employees, especially ones with pensions from previous permanent jobs, were more satisfied than young and middle-aged contract employees (Table 8, p. 43). Older people found contract employment made a transition career to retirement from permanent employment. They were happy to contribute their expertise toward solving workplace problems. Younger contract employees were less satisfied in cases where they wanted to become permanent, with an indefinite employment contract and eligibility for employee benefits. I found that what contract and permanent employees liked most about their employment included: opportunity for new learning; variety; opportunity to use one’s valued skills and abilities; and increasing responsibility and control. Some typical comments about each of these aspects follow.

**Opportunity for new learning:**

Fay: Ability for the position to change. To me change is important and it keeps me stimulated in my work and my mind active and learning.

Ava: For a lot of other people, being a contract employee means that you get a lot of different experience in a lot of different places. I think that teaches you people skills because you get to work with different people all the time if that is what you want to do.

Ned: It [contract employment] provides probably the greatest opportunity in my life to learn what is taking place internationally and an opportunity to travel in a way that is very unique. My wife has done a lot of the traveling with me.... We are able to see places and things in the world we normally would not see.

Dan: I've done some volunteer chaplaincy work in hospitals and I'm trying to get further qualifications in chaplaincy. I did this because most of my [technical writing] work was contract and I kept running out of work and I had an interest in theology, so I decided to pursue another line of work and I succeeded.

Tom: I get to go to a lot of organizations and learn, I love to learn about things, so I feel good about this.

Eva: I can choose what I want to learn; I do not have to take prescribed courses.
**Variety:**

Jan: I like the intellectual challenge of the strategy work. The interpersonal relationships I have. I work with people around the world and in new product development. I like the variety of work that I have.

Ali: The variety. I had the opportunity to work in a variety of different industries, such as, manufacturing of electrical equipment, manufacturing of pharmaceuticals and manufacturing of soft packaging and with different people.

Sam: It is flexible to the point where you can go from job to job so your position usually changes. I call it working on my own but working for someone else because I have a lot of flexibility out in the field. As problems arise you can take care of them and move on to other projects. You are not doing the same thing all the time.

Eve: The freedom of moving around place to place. The ability to have new experiences by going to different places. The gratefulness of still being in the business at forty-nine. It is probably not a business of longevity in terms of old age but my hope is to change with the marketplace and be able to sustain myself as long as possible.

Deb: As an independent, you do whatever comes along. You need the work.

**Opportunity to use valued skills and abilities:**

Kim: I like the educating and teaching when I have a group of teachers, nurses or students.

Uma: I created my own job as a leadership development consultant on a contract, part-time basis. I created a position that I knew was needed in the organization and that the organization would value and that it would be right for me.

Dan: I love writing, I love interacting with people and I love organizing information into a manual.

Flo: I prefer working with computers more than people; I can relate to them.

Tom: I finally came to the conclusion that the only thing I knew about was quality and management; that's really what I knew and the issue was can I
package that and sell it? I’m doing what I always said that I wanted to do and I’m doing it now.

Deb: I became an OD contract consultant because I felt I was not adding value in my former [permanent] job as Director of Executive Development for a telecommunications manufacturer; one of my reasons for leaving was I did not see the opportunity to do the work I wanted to do.

**Increasing responsibility and control:**

Pam: The travel, meeting people, and being allowed to be independent and do my own thing within the framework of the organization.

Tom: Creative freedom. I can be as creative as I want.

Deb: I like to have control over my own life and decisions. I want to add value.

Eva: One of the major advantages is I’m not enmeshed in the politics of any of the organizations. I’m free to choose my [contract] assignments. I’m free to manage my time in my own way. Plus I meet a large variety of people. I am not obligated to any organization at all. I am obligated to myself and my family.

Bev: Contract work is a self-regulation of hours. One of my first thesis topics was stress in the workplace and one of the ingredients about no stress was not in the amount of work but the ability to choose your hours, contracts and do your projects; life is too short to not at least try that freedom out.... There is some sense that finally you are your own keeper: keeper of your hours, keeper of your outreach, keeper of the quality of work that you do and keeper of all sorts of things. You do not have a boss in the organization to make sure you are aligned with company values.

Eve: The company policies do not affect me, certainly not in the corporate atmosphere. I am employed by an insurance company that exists outside the corporate atmosphere. I have friends there that I have developed over the years. We [contract employee and permanent staff] have lunch together but I am not governed by any rules, such as dress code, that they would be. I am totally independent.

In addition, participants included some other aspects as their most satisfying employment experience:
Permanent Employees:

Ann: The personal satisfaction I got from seeing a substance-abuse client finish high school.

Jim: I like being here [the condo building] because I have been here 9 years and built a good reputation with the residents. I know them. They know me. They know I make the occasional mistake, but I am not incompetent. They understand if I mess up. I like the residents. I do like management and the board and the personal relationship that I have with the staff. It is nice coming to work.

Kim: I like doing home visiting, teaching in schools and having meetings at community agencies so it is a very self-directed position.

Contract Employees:

Bob: I have earned the respect of the people who are employing me and the customer sites they have put me on. I have established credibility which I think is a measure of success.

Bev: My compassion in dealing with their [AIDS organization's] ideals and strategic planning was exceptionally important and they never forgot that piece of work that I had done, nor have they lost the result of that work.

Deb: I like to take risks. I like the challenge. not knowing what's going to happen.

Attributes of Employment

I found similarities and differences between contract and permanent employees in the areas of important employment factors (Table 9, p. 48) and workplace values (Table 10, p.50). These data speak not only to the research question exploring attitudinal differences between the two employee groups, but also to the categories of factors and values raised by previous researchers (Centers, 1948; Maslow, 1943, 1970).
### Table 9
**Important Employment Factors**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Maslow’s Needs</th>
<th>Centers’ Gratifiers</th>
<th>Frequency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Contract</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>n</td>
</tr>
<tr>
<td>Stimulation</td>
<td>Self-Actualization</td>
<td>Self-Expression</td>
<td>15</td>
</tr>
<tr>
<td>New Experiences</td>
<td>Self-Actualization</td>
<td>Interesting</td>
<td>15</td>
</tr>
<tr>
<td>Fun</td>
<td>Self-Actualization</td>
<td>Interesting</td>
<td>15</td>
</tr>
<tr>
<td>Do good job</td>
<td>Esteem</td>
<td>Serving Others</td>
<td>10</td>
</tr>
<tr>
<td>Meet People</td>
<td>Social</td>
<td>Independence</td>
<td>10</td>
</tr>
<tr>
<td>Meeting Goals</td>
<td>Security</td>
<td>Self-Expression</td>
<td>5</td>
</tr>
<tr>
<td>Stability</td>
<td>Security</td>
<td>Security</td>
<td>5</td>
</tr>
<tr>
<td>Challenge</td>
<td>Self-Actualization</td>
<td>Self-Expression</td>
<td>6</td>
</tr>
<tr>
<td>Happiness</td>
<td>Self-Actualization</td>
<td>Independence</td>
<td>4</td>
</tr>
<tr>
<td>Personal</td>
<td>Self-Actualization</td>
<td>Interesting</td>
<td>4</td>
</tr>
<tr>
<td>Satisfaction</td>
<td></td>
<td>Experiences</td>
<td></td>
</tr>
<tr>
<td>Commitment</td>
<td>Security</td>
<td>Serving Others</td>
<td>4</td>
</tr>
<tr>
<td>Respect</td>
<td>Esteem</td>
<td>Independent</td>
<td>2</td>
</tr>
</tbody>
</table>

*Note:* %s show frequency of responses = or > 33, 66, or 99%

Some participants identified Centers’ “gratifiers” -- Independence, Self-Expression, Security, a Chance to Serve Others (social service), and an Interesting Experience (Centers, 1948, p. 205) -- as advantages of their employment status and what was important to them about their employment (Table 9, p. 48). The independence gratifier relates to contract employees’ responses of meeting people in the sense of having...
the independence to choose which employers to work with as clients. It also fits with the happiness one feels and respect on the job from being an independent contractor. The self-expression gratifier describes the importance to a contract employee of working in a stimulating and challenging environment where meeting goals helps define success. The security gratifier can be associated to contract employee preferences for stability and commitment. The serving others gratifier connected with contract employees in terms of doing a good job and commitment to their profession. The interesting experience gratifier connects to contract employees quest for new experiences, fun, and personal satisfaction from their contract opportunities. Some of Centers’ gratifiers were common to both contract and permanent employees, such as security. Table 9 (p. 48) makes it clear that there is considerable overlap among Centers’ gratifiers, Maslow’s (1943, 1970) needs and the factors expressed by participants. Each member of the three sets of categories can fall into more than one member of the other sets. In formulating the Themes discussed in Chapter 6, I relied on the participants’ categories rather than on Centers’ or Maslow’s, in line with the phenomenological and qualitative emphases of the research.
### Table 10

**Workplace Values**

<table>
<thead>
<tr>
<th>Values</th>
<th>Maslow’s Needs</th>
<th>Frequency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Contract</td>
</tr>
<tr>
<td></td>
<td></td>
<td>n</td>
</tr>
<tr>
<td>Control over work methods</td>
<td>Security</td>
<td>15</td>
</tr>
<tr>
<td>&amp; work pace</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Successful</td>
<td>Esteem</td>
<td>15</td>
</tr>
<tr>
<td>Sense of accomplishment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solving problems</td>
<td>Self-Actualization</td>
<td>10</td>
</tr>
<tr>
<td>Feeling useful</td>
<td>Esteem</td>
<td>10</td>
</tr>
<tr>
<td>Relationships</td>
<td>Social</td>
<td>5</td>
</tr>
<tr>
<td>Structure</td>
<td>Security</td>
<td>5</td>
</tr>
<tr>
<td>Friendships</td>
<td>Social</td>
<td>5</td>
</tr>
<tr>
<td>Making a difference in people's lives</td>
<td>Esteem</td>
<td>4</td>
</tr>
<tr>
<td>Learning</td>
<td>Self-Actualization</td>
<td>4</td>
</tr>
<tr>
<td>Flexibility</td>
<td>Security</td>
<td>2</td>
</tr>
</tbody>
</table>

*Note.* %s show frequency of responses = or > 33, 66, or 99%

As Tables 9 (p. 48) and 10 (p. 50) show, contract employees differed almost completely from permanent employees in their emphasis on various aspects of work. In terms of employment factors, contract workers prefer a stimulating work environment.
with new experiences coupled with fun. What permanent employees find important is long-term job security and to be challenged by their job (Table 9, p. 48). A stimulating work environment differs from a challenging job: Contract workers do not want the routine of a steady job doing the same tasks, no matter how challenging; permanent employees do not want constant retasking, no matter how stimulating, although they wish to remain promotable by demonstrating job-related competence. As to values, contract employees value controlling how they perform their work, being successful and achieving a sense of accomplishment with their projects. Permanent workers value more their relationships and friendships with their coworkers, as well as learning on the job and making a difference in the lives of others. The values for contract workers appear to be portable; that is, they can apply them to short-term work with various employers. However, permanent employees’ values require the nurturing of a more long-term, stable workplace (Table 10, p. 50).

Having correlated both contract and permanent employees’ comments on what they found important about their employment into categories corresponding to Maslow’s (1970) needs (Tables 9, p. 48 and 10, p. 50), I divided them into three types of needs: physiological needs, the need for self-actualization, and belongingness and social needs (Table 11, p. 52). All contract and permanent employees identified responses that fit the physiological needs group, i.e. the body’s basic desires for water, rest, food, and sex. Contract employees preferred self-actualization needs, while permanent employees favoured the belongingness and social needs cluster. Contract employees had mixed positive and negative feelings about belongingness and social needs. Some typical comments from both groups follow.
Table 11

**Important Factors**

<table>
<thead>
<tr>
<th>Maslow's Needs</th>
<th>Frequency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Contract</td>
</tr>
<tr>
<td></td>
<td>n</td>
</tr>
<tr>
<td>Physiological</td>
<td>16</td>
</tr>
<tr>
<td>Self-Actualization</td>
<td>15</td>
</tr>
<tr>
<td>Belongingness &amp; Social</td>
<td>11</td>
</tr>
</tbody>
</table>

**Physiological needs:**

Al: Pay some bills is the primary reason and secondly things to do.

Fay: To support my family [single mother].

Ann: Provide for my 2 kids, as a single mom. activities like dancing lessons and hockey.

Jim: My little boy, being able to provide for him.

Flo: To do the other things in life I enjoy like traveling and eventually buying a house.

**The need for self-actualization:**

Jan: I am self motivated [for achievement]. [Examples:] if I am launching a new product; if I am to resolve a problem with a group of people. There are day-to-day achievements. I have to set myself little goals as rewards. It is very unusual to get recognition on a formal basis. I am fascinated by the work. I find it very challenging. Yes I am very motivated [by responsibility]. I think we all have to be motivated by advancement. Unfortunately it is hard in coming. Yes I am motivated [by the possibility of growth in my work].

Fay: Self-fulfillment for doing my job to the best of my abilities.
Sam: Self-satisfaction in contributing in some small way in helping people reach their potential.

Ned: It would be your own self-worth, sense of fulfillment and that you are achieving things and making a difference. I have seen too many very talented people that retired prematurely. I have seen the dramatic change that has taken place with them. I would not want that to happen to me.

Lil: A sense of self-worth in something I like to do.

Bob: Gratification of solving a problem effectively. It is important to contribute. I tend to think of my work as a contribution because I am putting in a lot more effort than is expected.

Eve: Staying sharp. Keep my mind active. I work to expand my knowledge. Contracting is a focal point of focusing in on something and keeping current and active.

Pam: It would not be money. It would be to keep myself an interesting person. Keep my brain going.

**Belongingness and social needs:**

Typical positive comments:

Pam: I would die staying at home all day and doing laundry. I do not cook. I am not interested in that sort of thing. I want to be out there meeting people, talking to adults and living in the adult world. If I am home for more than two days in a row, I start to go stir-crazy.

Ava: I think it is getting out there and meeting people. The relationship with the people. I think that is very important in a job. It is a different kind of bond at work. I think that is important that you establish this working friendship at work.

Eva: If you are working within an organization you do usually have colleagues and peers with whom you can exchange. I meet a large variety of people [as a contract employee].

Lil: My former permanent employer still invites me to the Christmas party, because I do contract work for them.

Al: The day-to-day relationships with the people I worked with and the variety of different people I met in the different industries.
Typical negative comments:

Eva: It [contract employment] does not provide peer contact. It also requires you move into an organization and out and know you do not belong to that organization. You must be very careful not to form attachments and then be able to withdraw from those attachments when you move, because you meet people and enjoy it. It is not like being in an organization where you build relationships with colleagues that may continue outside the working time, so that is a primary difference. For the longest time I belonged to a couple of associations to fill the gap of meeting with like-minded people, but it did not have the same sense of continuity and you do not get the same opportunities for feedback.

Bev: I have lost contact with a lot of friends. I am not in a relationship: It [contract employment] broke up my relationship. It was not that important a relationship; if it was I would have worked on it.

Ava: You do not necessarily establish long-time friendships or anything.

Having explored what participants found most significant about employment (Tables 9, p. 48, 10. p. 50 and 11, p. 52), I felt it necessary to seek out the reverse -- that is, their major employment problems -- as well. Comments from both contract and permanent employees about major concerns with their employment fell into three categories corresponding to three of Maslow's (1970) need types: physiological needs, security needs, and esteem needs (Table 12, p. 55).
Table 12

Problems

<table>
<thead>
<tr>
<th>Maslow’s Needs</th>
<th>Frequency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Contract</td>
</tr>
<tr>
<td></td>
<td>n</td>
</tr>
<tr>
<td>Security</td>
<td>12</td>
</tr>
<tr>
<td>Esteem</td>
<td>11</td>
</tr>
<tr>
<td>Physiological</td>
<td>8</td>
</tr>
</tbody>
</table>

As to physiological needs, contract employees expressed how the demands of contract employment affected their health, stamina and personal life. Esteem needs include self-respect and the esteem expressed by other people; for example, contract employees provided examples of self-fulfillment and whether their employers recognized them for their on-the-job achievements.

Almost all participants raised job security as a major concern. The majority of contract employees found fixed-term contracts stressful on their lives. The majority of permanent employees were always looking over their shoulder, so to speak, wondering about the security of their own supposedly indefinite-term positions that are in fact susceptible to cutting in the name of mergers, downsizing and increased corporate profits. Here are some typical remarks.

**Physiological needs:**

Eve: Longevity, staying injury free [to teach aerobics] and staying on top of the business.

Deb: At the same time I am trying to do my prep work and have my meetings and do my actual consultation work and then develop my products and market them outside; I am doing it but it is tough. It is just the time required; I worked to midnight most nights and every weekend.
Tom: I would say that sometimes my delivery is not consistent, not only because I worked until 1:30 a.m. last night doing a proposal to keep a client happy, [but] then I got to go to another client and deliver a program and I'm tired.

Kay: I know people who would die if they were forced to be an entrepreneur; they would have a heart attack from the stress, the ambiguity.

Bev: You might get 3 gigs in 2 weeks and they might be 3 different things; they might be three 2-day or 3-day retreats and it is just juggling and managing and saying these are going to be 30-hour days and how do I keep my energy going? I have become a workaholic.

Al: Being a contract employee I found to be very erratic. There were times you are working [contract] 15 days straight and there are days you are not working at all and that could last two, three weeks at a time. My experience with contract work was very erratic.

**Security needs:**

Jan: Little support from below or above and concern for my job security.

Fay: Change and restructuring of the bank is concerning sometimes because of a lot of positions being eliminated, a lot of assistants being eliminated. Looking forward, you are not quite sure what the end state will be.

Jim: The security industry is becoming more competitive. I need courses to increase my skills.

Sam: There is not enough of it [employment]. The companies are not hiring new people because the people that they have got are overworked and underpaid. Companies are not willing to hire more people because they can get away with it.

Kim: Companies are not hiring new people.

Bob: There is always the possibility the project may be cancelled or done without me.

Ava: My employment was going to end and I had to train a new contract employee.

Flo: The lack of permanency.

Ned: How long will I be able to do this and be effective?

Al: Having to move out of the city for career advancement.
Uma: I have no illusions about being there until I retire.

**Esteem needs:**

Tim: I'm not happy that the employer right now deems people to be chess pieces. Just a high-priced chess piece. No, I don't like that.

Ann: I was not happy. I was not doing what was right for me.

Pam: If my employment becomes too repetitive, it would be boring. As long as it [the work] is interesting.

Kim: No reward for extra work such as training contract employees.

Lil: Get better results, improve the quality of life for people, but whatever it is, have the ability to make a difference.

**Necessary Skills**

One research question looked at what skills are necessary for contract employment, an important area of inquiry for two reasons: first, so that potential contract employees may perform a self-assessment to determine whether they possess the skills to survive the contract lifestyle; second, to provide a needs analysis for educators to design courses to train people in necessary behaviours for contract employment. I asked both contract and permanent employees to contribute answers for this question. Sixty per cent or more of all the participants agreed on their responses (Table 13, p. 58), although the two types of employees tended to emphasize different skills.
Table 13

Skills for Contract Work

<table>
<thead>
<tr>
<th>Skills</th>
<th>Frequency (%)</th>
<th></th>
<th>Frequency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Contract</td>
<td>Permanent</td>
<td></td>
</tr>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>Communicator</td>
<td>16</td>
<td>100</td>
<td>7</td>
</tr>
<tr>
<td>Self-directed</td>
<td>16</td>
<td>100</td>
<td>7</td>
</tr>
<tr>
<td>Organized</td>
<td>16</td>
<td>100</td>
<td>7</td>
</tr>
<tr>
<td>Open minded</td>
<td>12</td>
<td>75</td>
<td>7</td>
</tr>
<tr>
<td>Sell yourself</td>
<td>16</td>
<td>100</td>
<td>2</td>
</tr>
<tr>
<td>Market your abilities</td>
<td>16</td>
<td>100</td>
<td>2</td>
</tr>
<tr>
<td>Energetic</td>
<td>16</td>
<td>100</td>
<td>2</td>
</tr>
<tr>
<td>Resourceful</td>
<td>12</td>
<td>75</td>
<td>4</td>
</tr>
<tr>
<td>Quick study</td>
<td>12</td>
<td>75</td>
<td>4</td>
</tr>
<tr>
<td>Creative</td>
<td>8</td>
<td>50</td>
<td>5</td>
</tr>
<tr>
<td>Deal with uncertainty</td>
<td>8</td>
<td>50</td>
<td>5</td>
</tr>
<tr>
<td>Flexibility</td>
<td>8</td>
<td>50</td>
<td>5</td>
</tr>
<tr>
<td>Multi-task capable</td>
<td>8</td>
<td>50</td>
<td>5</td>
</tr>
<tr>
<td>Able to prioritize</td>
<td>4</td>
<td>25</td>
<td>7</td>
</tr>
<tr>
<td>Self-disciplined</td>
<td>4</td>
<td>25</td>
<td>7</td>
</tr>
</tbody>
</table>

In particular, permanent employees felt that flexibility was more important than did contract employees. The following example illustrates both sides of the problem. One permanent employee was disappointed when her contract employee refused to stay past the end of the day to complete an assignment. She felt his lack of flexibility was related to his contract status. The contract employee felt that, because overtime was not part of his contract, he had made no commitment to stay after work hours. Self-discipline was another skill area that permanent employees felt was more important than did contract
employees. One explanation for this difference is that contract employees claim they are not affected by office politics. If a contract employee does not dress like other employees or does not fit the company culture, the career ramifications are not the same as they would be for permanent employees who do not fit the company mold. However, one contract consultant felt she lost a contract because the very conservative men who were the company’s decision-makers perceived her to be a feminist. That example suggests why contract employees believed that selling yourself was more important than the permanent employees rated it.

I divided the responses into two categories: (a) how to get hired as a contract employee; and (b) how to survive as a contract employee. Some typical comments on each follow.

**How to get hired as a contract employee:**

**AI:** Most definitely the ability to sell yourself. If you cannot go into a situation and sell yourself then it is going to be hard to get the work, especially repeat business; that is the single most important thing. Knowing what you are talking about. It is important to go into a situation and say I can do this for you and speak with authority in terms of knowing the technical part of the information.

**Pam:** I am pretty confident about who I am; I think that is an important sell when you try to market yourself as a contract person. You have to be really confident in your abilities. Be comfortable with them. Comfortable to the point that I am not worried about providing constructive criticism to my boss and giving my opinion wherever I feel it is necessary, because I am confident enough in what I can do and in my opinions that I do not feel it will affect my contract by being upfront and honest, even if that may be negative honesty.

**Kim:** Be an excellent communicator. Be self-directed.

**Kay:** You need to have energy to be able to move on to the next one [contract].

You have to become more resourceful.

**Ned:** Be open minded. You have to constantly be open to change and new ideas. You have to maintain that kind of momentum.
Deb: A friend of mine wants to go this route [contract consultant] and what he has been doing for the past 2 years is getting certified in anything and everything that he can find in the field. He has benchmark certification, symlog certification and all these -- career architect, learning architect, a shopping list of things that he is certified to deliver; so he could leave [his permanent employment] and he has a variety of products that he can deliver when he walks out the door.

**How to survive as a contract employee:**

Kay: You need to be able to deal with uncertainty. You need to find other things in your life and other people in your life that will fill that gap of uncertainty, in a way. One part of your life, maybe. You need to be creative and you need to know how to do the best for yourself that you can, psychologically and emotionally. You need to have support. You need to belong to job groups and to constantly be connected, because otherwise you're going to have long gaps between jobs and if that's a problem for you financially and in your lifestyle, then you have to find a way so it isn't. You're going to have to balance between having effective relationships and watching and understanding what the norms are, in a very short period of time. And then you're going to have to do it again and again and again.

Ed: Be able to multi-task.

Ned: If you are self-employed you need a lot of self-confidence and to be very well organized. And able to juggle some of the insecurities. The insecurities come with more flexibility. They need their technical skills. They need to be set up at home. They need to do all their own financial management. They have to run like a small business. They have to deal with all the reporting to governments. It tends to be somebody that wants to be independent. Someone that resists to work for any kind of bureaucracy and who wants to be in control of their own destiny. Someone who would want to say to you, "I have my own business" as distinct from saying, "I work for the Royal Bank". They are prepared to work unusual hours. They do not believe in the traditional hours. It does not matter to them if they work at night or on the weekends.
Bob: Be able to prioritize.
Lil: Be self-disciplined.
Dan: Whatever it is, to have tact, discretion, to have a good sense of humour. Diplomacy is good. Political skills: self-control, able to keep your mouth shut when you shouldn't talk and confidentiality. Work hard, be willing to work overtime, take initiative, be a self-starter, be reliable, responsible, and conscientious. Understand what's required and work at it and act intelligently with people. One of the latest things is emotional intelligence. Being able to react with some sympathy to people sometimes. In fact, a lot of the women who are bosses now, look for that in potential employees. They want people to have some kind of emotional intelligence, as they call it, as well as intellectual. That's becoming more and more of the trend, too, because a lot of the bosses nowadays are women.

Pam: I think that time management is the most important skill, particularly for a working mother. Despite father's best efforts, it is the mom that kicks in. That is the key skill to manage your children, carpools, extra curricular, school and daycare on top of your commitments to business and still produce a quality product and have good health. I still manage time to work out. Without letting your marriage suffer on top of everything else, that is the key thing. ... I handle the finances which is my strength and he handles the kitchen. We are not conventional that way. My parents live nearby and they are a support network when I am out of town. They pick up the kids and take them for dinner.

Furthermore, several contract employees suggested that it is most important for would-be contract employees to stop comparing a contract position with a former permanent job. Otherwise, one could present a negative attitude to the new employer.

One-Year Follow-up

As part of my research, I did a follow-up interview with participants a year after the initial interview and asked them about their employment status. The follow-up was conducted using a phone interview method. Table 14 (p.63) summarizes the findings for the 16 contract employees and 7 permanent employees. Two of the contractors were still
engaged in the same 3-year contract for a government agency. Another 6 had found new contracts to replace the ones they had a year earlier. This group of 8 was the same set that worked for multiple employers. They all felt that having multiple employers made it easier to find new contracts, even though this situation causes more stress and requires crucial time-management skills. Two people in the contract group found the pressure of not having a steady income too great and became permanent employees. One did so to start a family and receive benefits. The other person had just become a new father and wanted more security; in addition, his wife had stopped working. In order to find a permanent position, he left the Toronto area and moved with his family to a more rural setting three hours from his former home, of which he still owns half with his brother because he hopes to return to Toronto one day in the future. However, he won’t look for contract employment again until he retires. Six of the participants were not employed at all a year later. One had moved from his house to a condo and lost the necessary space he was using to run a home business. He now donates his free time serving on the executive of an international lodge organization. Another had a baby and was focusing her energy on raising the new family member. A third felt his unemployment was seasonal and that he would go back to work in the spring when the building season began again. Two more had completed their contracts. Their spouses both had permanent senior management positions. They were taking time off to attend to the needs of their families, including teenaged children. The last participant was frustrated, because it was taking him several months to find another contract. His major complaint about contract employment was that he had had no time for searching for a new job while on his previous contract, because of the workload.
### Table 14

Follow-up Summary

<table>
<thead>
<tr>
<th>Post 1 Year Employment Status</th>
<th>Contract n</th>
<th>%</th>
<th>Permanent n</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Permanent Work</td>
<td>2</td>
<td>12</td>
<td>5</td>
<td>71</td>
</tr>
<tr>
<td>New Contract Work</td>
<td>5</td>
<td>31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inbetween Contracts (Unemployed)</td>
<td>6</td>
<td>38</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No change in Employer Work</td>
<td>3</td>
<td>19</td>
<td>2</td>
<td>29</td>
</tr>
<tr>
<td>Work for multiple employers</td>
<td>8</td>
<td>50</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Five (71%) permanent employees had changed jobs 1 year after their interviews. Three women and two men. One of these men’s department had been dissolved by the government. He accepted a transfer as a contract worker to a company that performed work for the government. Under the terms of his contract, he still retains the benefits and pension he had as a permanent government employee. The other man felt he needed to switch employers in order to advance his career. The three women were all single parents (Table 3, p. 34). They were all struggling with balancing work demands with the challenges of childrearing. They wanted a position with more flexibility for personal time. One took a job with an employer in the same city as her parents, so as to provide more family support for her and her child. Her former employer had offered her a transfer to South Africa, but she felt that was an unsafe environment in which to raise a child. She
was also upset that fellow executives asked her whether she would come back to work after having her baby. She said that a man would never be asked that after becoming a father. so why ask a woman. Another woman bought a home with her parents and was complaining about moving two homes into one. She was unsure whether this plan would work, but for her kids’ sake she was willing to give it a try. Everyone who changed jobs was searching for more satisfaction from their employment.

**Summary**

The overview of the data provides important insight into some of the significant issues that concern contract workers. Clearly, the data show contract employees have distinct differences from permanent employees:

1. Voluntary contract employees have higher job satisfaction levels than permanent employees.
2. Women and older people prefer contract work more than men. For example, women like the flextime advantage to manage their family needs and retirees enjoy the extra income and people contact from contract work.
3. Contract and permanent employees have different job-related values or attitudes. If employment values are not met the resulting job dissatisfaction may cause the employee to look for other work. For example, contract workers value independence to choose assignments, control over their work schedule, professional commitment etc., while permanent employees value job security, organizational commitment, opportunity for promotion, and so on.
4. Contract employees with multiple employers have organizational skills and time-management skills to juggle overlapping deadlines and competing priorities.

In summary, the participants’ views of their work lives included: The growth of contract employment is positive. Contract employees are self-employed (working owners of an incorporated or unincorporated business) vs. paid employees who work as employees of a private or public firm for a specified length of time or project duration. There are financial differences between contract and permanent employees, in areas such as taxes and benefits. Women and mature employees are more satisfied at contract work than men and younger employees. Contract employees like the opportunity for more learning, variety, the opportunity to use one’s valued skills and abilities, and an increase
in responsibility and control. Contract employees have different important employment factors, workplace values and problems than permanent employees. Contract employees utilize a different set of skills for the hiring process and survival skills to complete the contract.

That being said, it seems that it would be useful to summarize what characteristics of the work environment contract and permanent employees find desirable. Their responses are paraphrased from the interviews. The following five characteristics were common to both permanent and contract workers.

1. Performing interesting assignments at work
2. Using professional skills on the job
3. Feeling a sense of accomplishment through work
4. A positive working relationship with co-workers
5. Receiving recognition for doing a good job

These five factors were important to job satisfaction for all employees. The first three deal with the quality of the work and how it reinforces the person’s self-esteem. The last two depend upon the organization’s interaction with the employee in the execution of the work and in the context of feedback about the assignment. Both employee groups have a professional attitude about their work which motivates them to do their best and to be acknowledged for performing well.

In a brief follow-up of the participants’ employment status after one year, I found that contract employees with multiple employers were the most successful in finding new employment opportunities. Some contract employees were finding it hard to find new employment. Permanent employees were changing jobs as well, because they felt too much stress from their jobs and they wanted to find a more comfortable fit between their employment and their personal lifestyles.
Chapter Six: Emerging Themes

One major thrust of the research was to let consistent issues, principles, or analytical themes arise from the participants' own views. After completing the interviews, I reviewed the data. In addition to the summary analysis in Chapter 5, I identified key words or phrases that appeared in at least two-thirds of the interviews. I found 48 of these key words or sub-themes in the data. These were too many and too finely distinguished to classify as separate, individual themes. Next, I grouped the sub-themes into seven main themes, on the basis of assessing responses from participants and by relating sub-themes to the appropriate main theme topics. The following major themes emerged from the data. Theme 1 deals with the benefits of contract employment. Theme 2 examines what participants believe has caused contract employment to have increased. Theme 3 looks at the drawbacks of contract work. Theme 4 explores the emotional side of contract employment. Theme 5 reflects how contract employees perceive themselves to be. Theme 6 relates what are some of the significant work issues according to contract employees. Theme 7 investigates how contractors cope with working from their home (Table 15, p. 67).

A number of participants raised issues that seemed significant, but were not mentioned often enough to qualify as one of the seven main themes. I discuss those "minor" themes -- issues of employment discrimination, productivity, commitment, etc. -- towards the end of the chapter.
Table 15
Seven Emerging Themes

<table>
<thead>
<tr>
<th>Seven Emerging Themes</th>
<th>Number of Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Contract</td>
</tr>
<tr>
<td></td>
<td>n</td>
</tr>
<tr>
<td>1. Advantages of Being a Contract Employee</td>
<td>16</td>
</tr>
<tr>
<td>2. Causes for the Increase in Contract Employment</td>
<td>12</td>
</tr>
<tr>
<td>3. Disadvantages of Being a Contract Employee</td>
<td>15</td>
</tr>
<tr>
<td>4. Emotions about Contract Employment Experiences</td>
<td>15</td>
</tr>
<tr>
<td>5. Identity Descriptions of Contract Employees</td>
<td>15</td>
</tr>
<tr>
<td>6. Insecurity about Contract Employment</td>
<td>13</td>
</tr>
<tr>
<td>7. Work at Home Experiences</td>
<td>10</td>
</tr>
</tbody>
</table>

These themes take a snapshot of the life of today’s employees and hold that picture up so that the reader can glimpse some insight into that work world. They represent key issues and concerns in the working lives of employees. Because the themes were derived from first-hand experiences, some themes were relevant only to contract employees. On others, only some permanent employees had opinions or feelings. Others still were common to both groups. Themes 3 and 6 encompass issues fundamental to contract employees. Themes 1, 4, 5, and 7 deal with the contract employees’ first-hand experiences. Theme 2 notes the drivers for the shift toward contract employment, as
identified by both the permanent and the contract employees. I was interested in developing themes relevant to contract employees. Hence, in the following discussion, both groups appear under some theme headings, but permanent employees are not mentioned under others. However, this being said, it is important to point out that the theme issues were raised by at least 12 (75%) of contract and 4 (57%) permanent employees (i.e., 75% of total sample, n=23), except for Theme 7 (Work at Home), of which only 10 contract employees and one permanent employee had significant experience. Therefore, even if the concern does not directly relate to permanent employees, it is their perception that this is important to contract workers.

**Theme 1: Advantages of Being a Contract Employee**

Advantages represent the benefits of contract employment as perceived by contract employees. Several contract employees offered the same or similar examples of advantages during their interviews. I subdivided their responses into three categories: (a) autonomy, (b) variety of employment experiences, and (c) learning. The comments from contract employees capture the highlights of their preferences for contract employment under these different categories.

**Autonomy:**

Several advantages centred on having control over the work environment. Moreover, many contract employees said that contract employment allowed them to obtain a desired work/family balance that did not present itself through permanent employment. Contract employees' need for autonomy is one of their major differences from permanent employees. This relates to the research question about employee differences. One of the major comments expressed by contract employees was how much they valued the freedom to be employed and still take care of non-employment related tasks in their lives because of their flexible work schedule. For example, I am employed as a contract human resources consultant. I left my permanent position in human resources for a multinational oil company to complete my doctorate. In addition, contract employment allows me the freedom to carpool my young children to school and do errands for my parents who are both seniors.

Typical comments:

Lil: Choosing whom I work with.
Kay: Deciding when to work. You have a little bit more independence. If you have more independence in your work, then it's going to flow over to your sense of well-being in your lifestyle.

Uma: It was part of a whole mid-life thing, working hard has been my pattern, but with my life half over I wanted to do the things that were important to me, like paint, travel, and spending time with my family.

Flo: I managed to save money to go away on a trip because I know I can take time off when I want to and I just scrimped and saved to go on the trip.

Ann: Self-employed you are your own boss. It gave me the opportunity to have the time and the space I wanted to raise my children and do the things I wanted to do. I could work 9-5 if I wanted or I could work from 5 at night until whenever I wanted. The flexibility of contract employment allows me the time I need to drive my kids to school and after-school programs, which is very important since I am a single parent.

Tom: The sense of freedom I have with my business because there are no bosses.

Eva: I can negotiate my hours completely, and I very clearly build in one day a week which I am not available for work unless somebody says "I have $5,000 for half an hour's work."

Variety of Employment Experiences:

Several participants emphasized the advantages of the variety in contract employment, talking about different business experiences. One interviewee used contract employment to switch from the public sector to the private sector for more lucrative consulting positions. Others suggested why work as a contract employee was itself more enriching.

Typical comments:

Uma: I can think of what my portfolio of work is and I do some of this and some of that and something else; and some of it relates to organization design and change and leadership; and I also like to paint and sell art work; and I can consult to people about gardening; and so my portfolio of work isn't necessarily unidirectional.

Tom: I see myself as a partner in a professional firm, very successful, where I could come and have the hell challenged out of me everyday.
Kay: I never could imagine myself working full-time anywhere. I wanted a different lifestyle. I wanted spaces in between. I wanted to develop things and go away and develop them again and go away, and have a variety of experiences.

Learning:

Another direction Theme 1 (Advantages) headed was in identifying the opportunity for varied learning experiences in different organizations, or in one’s own time. Several participants said that contract employment allowed them to gain critical work experience necessary to advance their careers that was not always available to permanent employees. One contract programmer told me his criteria for accepting a position included whether he would learn a new computer system which would increase his marketability.

Typical comments:

Eve: Some is done at home such as lesson planning, music planning, then taping music and purchasing music would be done outside the home, and going to other people’s homes to keep the learning on a continuous process from each new contract job experience. There are conferences that I attend in addition throughout the year to find out new information and what is contra-indicated.

Ann: I had the freedom I needed and I could finish school.

Bob: I especially sought out contract opportunities where I could learn new computer programs to add to my resume.

Theme 1 talks about what’s good about being a contract worker. The highlights include the freedom to be your own boss, exposure to different companies and the opportunity for continuous learning.

Theme 2: Causes for the Increase in Contract Employment

Both employment groups, contract and permanent, held similar opinions about what had contributed to the growth of contract employment. All participants agreed we live in a time when contract employment is rising in both the private and public sectors. In fact, the consultants interviewed made a point of stating that they had noticed more and more consultants were entering their fields. This caused them to lament that it was very important for them to identify a niche or specialty for their business that would
differentiate them from the competition. For example, one human resources consultant focused on Total Quality Management, another specialized in executive succession planning. Employees who felt they were excluded from permanent employment opportunities gave replies that fell into two categories: (a) nature of market and (b) "white male syndrome".

**Nature of Market:**

Most participants took a macro view of the situation and attributed the increase of contract employees to economic changes that have reduced permanent job opportunities in all business sectors and even in the public service.

Typical comments:

**Sam:** The companies are not hiring new people because the people that they have got are overworked and underpaid. Companies are not willing to hire more people because they can get away with it. The market dictates the demand.

**Ava:** Major cutbacks.

**Jim:** Fiscal issues.

**Flo:** Because of the institute's merger with the university. My salary was coming out of project money. When the project started winding down, they could not keep me on full-time hours anymore. I gave up my position because there was not enough hours to keep me. If the university had kept me on sessional for two hours a week I could have maintained my sessional status which would have given me benefits. Because the project dropped me altogether I had to become a contract employee.

**Kay:** I think that those in middle and lower positions have been affected by downsizing and restructuring....And I feel that there was no bridge -- there was no time period and no bridge between what happened in terms of the whole global economy and how it affected restructuring and downsizing. There was no preparation. You're talking about people having been a certain way since the second world war.
White Male Syndrome:

A smaller group of respondents -- all white, male contract employees who would have preferred permanent employment -- blamed specific groups for their lack of permanent employment opportunities. They felt that they were discriminated against at least in part because of their race or gender. They identified as responsible minority groups, equity hiring practices or other biases on the part of management.

Typical comments:

Dan: It's not the '60s any more, it's the '90s and a lot of women are in very powerful positions. They run their own businesses. They're corporate executives. They're in politics and it's not the poor little woman at home any more. In fact, it's the opposite. It's the poor little man at home. ... I think that, unfortunately, people are being victims of corporate greed and the failure of the employment system. The corporations decide we'll just have a band aid solution to get over the hump and then we'll lay this guy off.

Sam: New immigrants.

Tom: Arrogant, corrupt, and narrow-minded company owners.

Theme 2 focuses on some of the drivers of the rise in contract employment. Many participants felt changes to the world economy are responsible for the increase, while a small group of white male contractors took a personal scapegoating approach and blamed a variety of convenient targets.

Theme 3: Disadvantages of Being a Contract Employee

This specific theme also feeds into the more general research question #1 about the differences between contract and permanent employees by highlighting why contract workers often feel like second-class employees. All participants provided input on this theme from their perspectives as either contract or permanent employees. I analyzed the interviews for negative comments about contract work. The disadvantages of being a contract worker split among five sub-categories: (a) financial, (b) exclusion, (c) internal opportunity, (d) stress, and (e) security.

Financial:

Pay was less for all contract employees (except one) when they compared their incomes to those of permanent employees. The single exception was doing better
financially than when he had been a permanent employee. Only one contract employee was eligible for benefits; she had negotiated a reduced pay rate in exchange for dental coverage for her family. A few participants described monetary perks that enhanced contract employment. But the majority of contract employees' compensation packages were less than those of permanent employees performing the same tasks and they were without employment benefits, company pension plans, medical and dental benefits, life insurance, stock options, paid vacation time, educational reimbursement and training. The result was that contract employees need to be financial planners to ensure a cash flow income to meet their financial obligations. This puts additional stress factors in their lives that are absent from permanent employees' lives. They must pay more strict attention to where their money is going (and coming from) than a permanent employee might. One of the contract employees said about managing her personal finances: "The thing I had to learn was: There is not as much money to pay the VISA bill, so what can you live without?" Contract participants who were between contract assignments found their situation stressful from both a financial and an emotional point of view. The uncertainty of when the next contract job would come drove one participant back to permanent employment at a lower salary and with a move out-of-town, just so he would have a guaranteed monthly income.

Typical comments:

Al: Hard to plan [a budget]. Have to be my own pension manager since there is no company pension plan when I turn 65. Also, there is no severance pay.

Kay: So psychologically, I would say that they [contractors] are not in a very good position in terms of what it feels like to be self-employed, because they're just being brought in to do a job at a lower pay (because they don't get benefits), than somebody else who's in the corporation [as a permanent employee].... You can't be arrogant. It's hard to be arrogant as a contract worker. Like, for a while I was arrogant, because I liked it. But now that I'm older, I need the money more.

Sam: As a self-employed person now, I cannot even get overdraft protection at a bank where I have had an account for over 15 years, until my business has been running for about 3 years and I can show that it won't fail.
Jim: I am certain that prospective landlords screen out many who are self-employed.

Eva: I was doing contract employment while my son was going through university and it was difficult then to project and plan savings when they [children] have unexpected needs and demands and I am the person who fulfills them. My wardrobe can be considerably limited as long as I have one or two things that look in the fashion of the day and do not look outdated.

**Exclusion:**

Contract employees saw their loyalty as to themselves because once their contract was over they had to focus on finding new employment to sustain themselves. Contract employees saw themselves as excluded from the company's goals; their short-term contract meant they probably would not be employed long enough to see long-term objectives achieved. Furthermore, contract employees felt alienated, because they generally did not achieve the social status that permanent employees had.

Table 10 (p. 50) shows that relationships and friendships have low priorities for contract employees, so it is not surprising that exclusion is one of the working conditions which contract employees must endure. A former permanent employee who became a contract employee found the adjustment most difficult because his former colleagues treated him differently when he returned to the organization on contract. Other participants found it refreshing not having to waste time on non-work-related luncheon meetings with peers for the sake of bonding, when they would rather be spending time on other activities. One consultant said she is now free [as a contract employee] to pick and choose whom she wants to be friends with without worrying about hurting the feelings of coworkers. The issue of exclusion concerned the women contract employees more than men.

**Typical comments:**

Tim: Contract employees who are going to be short-term tend to be invisible; they tend to be treated by many as just not really there.

Flo: Do not have an official title which allows me to make decisions about how things are done in the office.
Eva: Don’t be seduced by imagining that you are a member of that organization when you are not. They [contract employees] don’t really have phone numbers [in the company directory]; they don’t really have names [name plates on company cubicles]; they don’t have business cards.

Bev: I had to go through being bitter about all my friends who were [permanently] employed at holiday time talking about what [time] they were entitled to take.

Al: Could not attend company off-site conferences [because I was contract].

Jan: They [men] view you [women] differently. I think sometimes you [women] are taken less seriously especially if you decide to have a family; having a career and having a family do not seem to mesh and they always assume a woman is less committed.

**Internal Opportunity:**

Human resource policies define how an employee is treated in the workplace. There appeared to be differences in the way organizations treated their contract and permanent employees in terms of internal job postings, promotions, training opportunities, termination, scope of authority, organization charts and reporting relationships. Some contract employees even found their last task was to train a new contract employee in their function before leaving the employer’s company. Participants’ voices became emotional as they talked about their perceptions of inequality of opportunity. Internal opportunity was more of a concern to younger contract employees than older ones (Table 8, p. 43). Younger contract employees felt they were “missing the boat” by not being able to take advantage of the same career opportunities as permanent employees. For example, one participant explained that contract employees could not access the new job posting opportunities on the company computer network because access was restricted to permanent employees only. The more mature contract employees did not dwell on these differences because they were not seeking career advancement.

Despite a general trend to exclusion, contract employees were occasionally more included than full-time employees in being able to participate in new opportunities within an organization. For example, one permanent employee participant complained that new, high-profile computer projects were being handled by contract employees, while he was left with the mundane, day-to-day computer work necessary to keep the company in
business but less glamorous or noticeable by senior management. Some permanent employees complained that the use of contract employees created a high turnover situation which caused them to have to do additional training every time a new contract employee was hired.

Typical comments:

Flo: I can apply for positions once they are posted outside the university. They cannot consider my application until it has been opened up outside of the university.

Ed: Selection bias [against contract employees].

Tim: Contractors are not supposed to be trained [in-house courses], they're supposed to do a job. But I have seen a few managers make training available to contractors.

Kay: Not eligible for educational reimbursement if I took a university course.

Ava: I could not volunteer for committees without my manager’s approval which he never gave me.

Jan: There seems to be a problem in moving to the next echelon; there are lots of lateral moves but vertical moves are quite difficult. They are willing to keep me and offer me part-time but I cannot afford part-time; I do not have the time for a part-time MBA or language courses. I think the difficulty is more what is my next move and the company does not plan careers; you have to push for it [next career move].

Ned: A lot of the promotion policies are such that they do not give status to temporary and contract employees, so even though you could bring someone in on contract that could be an outstanding performer, they are probably not going to be allowed to compete for that promotion.

**Stress:**

Contract employees focus on getting up to speed with the new assignment as quickly as possible by working hard and learning how their new organization operates. This “stress” category stems from the profile of a contract employee. Tables 3 (p. 34) and 14 (p. 63) indicate that at the time of the initial study and after a year respectively, half of the contract employees (8) were working for multiple employers. Also, the less proficient people are in the necessary skills for contract employees, the more stress they will be
under in trying to meet the demands of contract employment. The need to continually
market oneself also generates stress.

Typical comments:

Dan: Diversity/superperson [do the work of 2 jobs]. Work for multiple bosses.

Kay: I find that people who haven't worked on their own don’t ever think about
the fact that each and every place you go to is so different. You have to
make that adjustment. You have to feel a sense of something to be able to
walk into a completely new environment each and every time.... You've
got to be a quick study, but you've also got to be good to yourself and not
kid yourself, because otherwise you burn out really fast. Because maybe
you're not as quick a study as you might think you are, so accept that and
go with it, because pretending when you're a contract worker, after a while
it burns you out. When we ask people to be flexible, a lot of times what
we're asking people to be is super human. to take on contracts and very
long hours and put a whole lot in and then go away and then trust in
themselves and the system that they'll be able to do it again.

Flo: I have to make decisions whether or not to look for permanent work which
I am finding really hard because I like where I work and I do not really
want to leave there. If there is an opportunity for me to stay then I would
like to take the opportunity. If there is not, then I cannot just sit around and
wait for a job. I have to be out there looking for something [work].

Al: I also found being a one person show you are out doing the work, you are
not marketing. If you are marketing, you are not working. It is hard to do
both. You have to market yourself and work at the same time. Being a one
person show it is difficult. As a contract employee you have to move in
there and assess the need [of the job] a little bit quicker. As a contract
employee you do not have the luxury to say I am a permanent employee
now I can take two months to learn this or three months or six months to
learn this. As a contract employee you are seen as an expert and you
should be able to get in there in one or two days and be able to assess the
need to get the job done.
Bev: There is some reckoning I have to do with myself about how much money is enough and how much can your body take to take on yet this other contract.

Kim: I would like to feel less fragmented than I am and it is just not possible right now.

Tom: How much energy and time am I going to have to continually build new markets and find new markets when I am an independent on my own?

Sam: Some kind of field experience. I have worked for very little money in order to gain experience. You have to pay your dues.

Bob: Whenever I meet someone new, I try to get into the conversation fairly soon that I am a contractor and not an employee; who knows, we may cross roads in the future. It is networking.

Security:

Security issues were important for many contract workers. Even those who preferred contract work commented on the lack of security. The most common reason permanent employees did not seek contract employment was their unwillingness to give up indefinite employment. This fear even extended to discussions with management about creating new employment opportunities. One contract consultant described how the president of a major utility company had asked her why she was the only one of his senior executives that spoke to him about creating a new job for herself. She talked to her colleagues about this and they were afraid of leaving the security of the job to which they had grown accustomed. Table 9 (p. 48) points out that contract employees rate “stability” as least important, while permanent employees rank it as one of the most important considerations.

Eight contract employees in my study had multiple employers (Tables 3, p. 34; 14, p. 63). They felt that job security was enhanced by having multiple clients; they provided examples of how a single client could cancel or postpone a contract at the last minute, leaving an income gap impossible to fill on such short notice. However, having more than one employer required highly developed time-management and organizational skills in order to manage the workload and deadlines. In addition, part-time contract employees had less anxiety about their job security than full-time contract employees. The latter were more concerned about how they would market themselves to find another contract.
when they were tied down during the entire business day in fulfilling the obligations of their current contract. On the other hand, some permanent employees did refer to "golden handcuffs", implying that they were afraid to leave the long-term security of their jobs to look for other work, because they feared not finding equivalent employment with the same compensation and benefits. Being in a higher occupational group alone does not rule out the importance of long-term job security for either permanent or contract employees. Interviews with permanent employees supported the importance of a guaranteed monthly income and of job status.

One participant had an unfortunate experience that is becoming all too common even for permanent employees. A permanent employee for 8 ½ years with a provincial government agency, he left his position as computer manager to join a prestigious downtown law firm on a permanent basis. At his 6-month review, he was told he would be laid off; he was also told that his job would not be replaced. He received one month's severance pay because he was discharged without cause. It took him five months of searching to find employment again in the computer field. He had to support his wife and three children and pay his monthly mortgage. Stories such as this make permanent employees hesitant to leave their jobs and search for new ones.

Typical comments:

Ed: Contract employees are easier to fire.

Dan: Government or legislative hoops [contract employees must face if they sue for wrongful dismissal].

Ava: I do not get any benefits and there is no security. If the computer company decides to cut back then I am the first to go. It is luck of the draw if I find somewhere else to work or not. If there is work in the company it is not right to just hire someone for two years and then hire someone else to do the same job.

Al: Not working for three weeks at a time when I finish one contract and before I find another contract is scary sometimes.

Jan: I am looking for more stability now because of the family aspect and I do not think companies see that. I think companies see us as pieces of furniture that they can move about and change the look of the room.
Bev: You are always wrestling with balance of life. I have found it [contract work] an exhaustive transition [from permanent employment]. It is almost like the grass is greener and hankering for some stability. I do a lot of traveling. At first I thought it would be very glamorous. It is not what I thought. There is no time for a swim.

Kay: You can't be arrogant. Like, you might be able to be if you were in a cosier position the other way, because you know that this contract is only going to last a while and you know that you will make connections within that company.

This theme provides a cold, hard look at the negative side of contract work, including such disadvantages as inequities in remuneration and advancement opportunities, social exclusion and psychological stress. It also yields some information on what coping mechanisms people use to survive such as, working for multiple employers.

**Theme 4: Emotions about Contract Employment Experiences**

Almost all contract and permanent employees ranked fun and happiness respectively as important employment factors (Table 9, p. 48). However, participants expressed other strong emotions about their employment experience, which I organized by emotional category. More than 75% (or 16) of all participants expressed these feelings.

The emotions contract employees expressed about their experiences in contract work can be divided into three categories: (a) positive (hope), (b) negative (fear), and (c) powerless.

Positive:

Participants shared poignant stories of positive emotional situations. One contract participant’s permanent coworkers asked their manager in a show of compassion to renew her contract with the company, which had come to an end. One middle-aged participant summoned up the courage to approach the president of her firm when she began to tire as a permanent employee and suggest he create a new position for her on a contract basis, which was necessary but did not yet exist. He not only listened to her proposal but also approved it! Younger participants, on the other hand, related tales about hoping their contract employment would become a permanent position. Contract work also gave them a chance to experience the type of work to see whether they wanted to do it for their
career. Others focused on the positive side of contract employment; that is, when they were employed they were happy, because they were plying their trade, and hence did not dwell on the unemployment aspects of contract life. Seasoned contract employees explained the importance of being humble with coworkers: Although hired for their expertise in a given field, contract employees need their co-workers' support to succeed; appearing arrogant does not improve their co-operation or win allies on the job. In another interview, the contract employee made the point that she had to sympathize with existing employees while she was completing her contract as an organizational development consultant, because some employees worried that she was trying to replace the permanent OD worker, who was on maternity leave. All the contract employees stressed that they needed the trust of fellow employees to succeed. They found it far too easy to make a faux pas if they did not know the organization's sensitive issues, because their employment history with the company was too brief. Most contract employees spoke about finding a trustworthy mentor in the organization off whom to bounce ideas before submitting them to the manager. For example, one participant told his mentor he was going to complain about his manager to the manager's boss. The mentor suggested he wait, because the manager had just moved in with her boss. A week later, the manager resigned from the company, citing as reason a desire to open her own retail store. Thus, the trust the contract employee had in his mentor prevented a potentially embarrassing and career-damaging situation.

Typical comments:

Kay: I have more in common [with contract workers] because it's an easier relationship, except for those who are forced into it. Now that I am forced into it, to go back into work, I don't even see it as contract....originally I was arrogant. "Well, I've been doing this for a lot of years. What's the big deal?" And now I'm not. I am saying, "It must be hard for you." So there's a sense of compassion that I have and a sense of sympathy that I have for those who are forced into it, who don't want to be there. And a sense that maybe I have something to offer them in terms of my own experience, of maybe education and support and help. And it takes a lot of courage to do that [contract work], because you don't have a lot of support. You're not one of the group and you're not going to be one of the group. You're just
doing it because you know that that's where your heart is taking you and you're not sure about security or the lack of security. If you're doing a project, you have to win the respect of those that you're working side by side with....It takes a lot of time to not only win their respect, but to get them to trust that you're not going to walk all over what they believe they've created, what they know about and you don't, because you're an outsider.

Dan: I have false hope [about becoming permanent]. I have hope about finding employment. I've been there. I know what it's like and I think people should be more sympathetic to them [contract workers], because they are often the victims of financial and political forces. There's a lot of politics in offices and there's a lot of money matters, finances. And I've been there and I've been a pawn in the game and I know what it's like and I feel sympathy for them.

Sam: When I work I am happy.

Ava: I feel humble because I am lucky to have a job.

Pam: I felt beholden to a corporation and it worried me. I didn't trust the corporation or the people running it that they could do a good job of it.

Tim: If they're [contract employees] brought in for a high profile activity and they're a trouble shooter and all that, there's a respect accorded to them.

Eva: You have as many vacation days as you are willing to not work for.

Bev: Am I prepared to deal with one fridge instead of two fridges and I use that as a metaphor. Essentially it [contract employment] is talking about lifestyle and the quality of life; that is why I gravitated toward this.

**Negative:**

The interviews provided a surprising learning experience for me. Having spent so much time at the library, reviewing the literature and focusing on the academic parts of the research, had blinded me to the emotional impact that employment troubles have on the lives of real people. I had not expected the anger I heard in people's voices when I interviewed contract employees who would have preferred permanent employment. This group of participants were very bitter in their personal reflections about contract employment. Their voices grew loud and enraged as they sought something to blame for
causing their permanent employment and status to disappear, leaving them as unsatisfying shadows of their former selves. I had touched a nerve in these people; they used the interview process to vent their frustration and anger at a new employment system they neither had expected nor felt any loyalty to, because they felt that it treated them as poor relations.

Several contract employees felt discriminated against by company policies, for example not being eligible for educational reimbursement programs or not being able to apply for internal job opportunities before the positions were open to the general public. A few participants described being abused by their managers, in the sense that they were often given last-minute work that they had to do immediately and usually without overtime pay. They did not complain about this treatment, because they were afraid their contract would be terminated if they did. A small percentage of contract employees thought the firm did not appreciate them. They said that permanent employees would receive extra rewards for their efforts, such as dinner or tickets to a baseball game; such perks were not offered to contractors.

Being unemployed between contracts was the most devastating experience for contract employees, who had to live on their personal savings while searching for new jobs. Experienced contract employees would focus their job search in the market niche they had carved out for themselves and network with current and past employers to find more work. One contract consultant said she would deliver free talks at professional associations in the hope that someone in the audience would hire her to work with their organization.

Contract employees raised another negative issue, their feeling resentful. For example, one contract employee had to train her new, contract-employee replacement to perform her job, simply because the organization had a policy prohibiting contracts running more than two consecutive years.

All contract employees admitted suffering stress connected to contract employment. The stress naturally was higher during times of unemployment. Contract employees explained that one aspect of their stress was that their employment contracts often included an overly rigid performance standard for maintaining their employment, even in the face of events beyond their control. However, one contract executive
explained that, if uncontrollably prevented from achieving a pre-agreed goal, he would discuss the situation with his manager and renegotiate the terms of measurement.

All permanent employees had strong emotional fears about maintaining the status quo. They did not want to risk trying contract employment, due to their fear of the unknown and lack of confidence that they could sell their services to another employer.

Typical comments:

Sam: A bank is not going to loan you money [if you are a contract employee].

Bob: I am a contract employee. My employer hired me on a one-year contract three years ago. After the first year, my contract was renewed for another one-year term. Now I have a third contract with no specific end date. I receive no benefits. I send them an invoice twice a month. It [contracting] allows a company to keep a core number of high-calibre people and then they can supply interesting work to those people; the boring work they can give to the contract people.

Tim: I do get my vacation period. I know I am going away once a year. Friends of mine who are on contract say there is no vacation time. You work from now to now and that is it.

Kay: I also have a sense that a lot of permanent employees are afraid to make changes and I don't disrespect them for that.

Jan: I felt discriminated against when I was asked, “Do you expect to continue working after having your baby?”

Deb: I sometimes feel abused as a contract worker in the sense of being taken advantage of sometimes, but if I complain I could lose my job.

Kim: I have felt unappreciated at times because I do a lot of extra work and I receive no thanks for it. I also feel stressed out. I am lucky if I have enough time to get everything I need to get done and now they are saying take two more schools on and just put them on call....I would do a little bit better than that. So of course you end up doing more than what the minimum is.

Al: [Not working] starts to wear on you. Where is your next [contract] assignment coming from?

Ava: Resentful because I have to train my own replacement. I feel stressed.
Eva: The disadvantage to being a contract employee is when there's no work there's no work. There is always juggling the private time and the earning time. There is no unemployment insurance when you are a contract employee.

Bev: I have found the adjustment to the erratic routine one of the most difficult adjustments. I have also found that because of these economic times it is a bittersweet experience to not make the money I was making before.

Powerless:

Both permanent and contract employees loved their work but felt stressed by it. Some permanent employees felt sorry for contract employees. One such permanent employee requested that a coworker's contract be renewed but her manager said that was against company policy. A few permanent employees resented that the employer did not show appreciation when they often put in overtime to complete assignments. Some felt they were stuck in a dead-end job, even though it was a stable one. Other participants complained that their managers were constantly changing; each time this happened they had to establish a new working relationship with the new manager and they felt they could do nothing to stop this disturbing situation. Another participant felt powerless because the head office was moving from Toronto to Calgary and she could not move with other employees because of her husband's job and her family. One participant accepted a position in northern Ontario and relocated there with his family, because of the company's promise to promote him to vice-president after one year. Unfortunately, the following year the business was bought by a larger firm that did not honour the commitment to the promotion.

Typical comments:

Sam: The last big project I was on lasted seven months and then came winter. Most of the construction companies close or slow down in the winter. It is unfair. You are counting on these jobs for your living as well as your profession. You cannot do much about it [the employment market]. That is the way the market is these days.

Flo: I am depressed because there is no feeling they want me to stay.

Dan: I feel exploited.

Kay: I am uncomfortable and stuck with the setup of the corporate structure.
Jan: I am trapped [in a permanent job].

Pam: My contract is open-ended; my boss could say, “I don’t like you anymore. I do not want you to come back here.”

Theme 4 collects the participants’ emotional responses. Their comments fell into three categories: positive, negative, and powerless. Both contract and permanent employees exhibited all three types of emotions about their work situations.

Theme 5: Identity Descriptions of Contract Employees

I wanted participants to describe the attributes of a contract employee, because the term applied to such a broad range of employment arrangements that I wanted to provide some reflection of how contract employees saw themselves.

I asked contract employees for a self-identity evaluation statement and received the following replies. They may be split into (a) high and (b) low self-esteem reflections.

High Self-Esteem:

Self-esteem is one of Maslow’s (1970) needs. Contract employees felt very good about themselves when they were performing rewarding work. They were proud to be contributing to an organization’s success and at the same time establishing a reputation as employees who add value by accomplishing their goals. Thus, employees with a high self-esteem also had employment track records of positive performance. Contract employees with high self-esteem extolled the benefits of contract employment.

Typical comments:

Ann: I am accepted as one of them [i.e., as a permanent employee]. When you are a contract employee, you are yourself. You do not have to live by anybody else’s procedures or dress codes. This is what I am. This is what I do. This is how I do it. This is how it is. You (the employer) have the choice of whether to hire me or not. You do not have to react to anyone else. It allowed me, especially the last contract which lasted five years, the time and the space I needed to do the things I wanted to do.

Pam: I feel equal to an [permanent] employee. It is very social. You have to be friendly and not shy. I am not shy and pretty self-confident. I have been able to slip into that position fairly easily.

Dan: I foster hope [of finding employment].
Bev: [Preferred contract employment] improves your self-image because it feels great to walk into different companies as their hired guru.

Ed: I am included in the department meetings.

Eve: I am independent and I can dress as I like. I am very impressed at how enthusiastic other workers are towards me. Especially in a corporate atmosphere, they are ever so grateful to have you come in. They look at me as the professional from the outside world.

Kay: So it was a trade-off between security and taking risks, individuality, and freedom. You have a more flexible lifestyle. You choose to do things that somebody in a full-time position wouldn't like, experience something. So you are more of an experienced person. A person who seeks out experience, as opposed to a mature, steady lifestyle.

Lil: Yeah. I'm still doing the same thing, but my perception of myself has changed as an independent. But I've actually developed a more positive self-image and I have a better sense of self-worth.

Tim: The third thing is the outside world, the clients that we work with have consistently come back, grudgingly at first, and really respected and appreciated and trusted the work we've done with them and have demanded more of our time and more of our efforts, so that's sort of a validation, that even if internally it's not understood, externally it definitely is.

**Low Self-Esteem:**

Contract employees with low-self esteem found it very difficult to market themselves to potential employers. Contract employees with low self-esteem would have preferred to be permanent employees in order to avoid repeated job interviews. One participant suggested the employer hired employees with low self-esteem for entry positions because they were easier to manage: They had lower career expectations than employees with high self-esteem.

Typical comments:

Tim: A friend who used to be a high-priced manager at an aerospace firm who, through a series of downsizings, does a contract here, a contract there and a lot of his confidence has been eroded over the years.
Kay: If I was in an organization, it was precarious [relationship with permanent employees]. I didn't feel comfortable having a commitment to most of the places that I saw. I didn't fit in and in a sense, I'm even exploring at a different level now, where it feels fine for me, other than financially, to say that. I've been out, because I needed to sort out myself and my next move and all kinds of things. That was my choice. So in a sense, when you're making your choice, you're giving up other things. Or you're just not making a choice, but doing what you need to do, because that's where you are and you know you're going to head for a collapse unless you do it. It's the same as, at the time, choosing to be a contract employee. You're on the edge of something that not everybody is on the edge of.

Dan: Another difference between contract and permanent is when you're contract, you're more expendable. Because I found, from a bad experience last year, I was brought on for a nine month contract and it turned out to be nine days and two of those days the computer system didn't work at all. I was actually helping the supervisor's assistant with learning some software.

Ava: If the computer company decides to cut back, then contract people are the first to go. I think that sometimes there is a feeling that it does not matter because I am only a contractor, or it does not affect me because I am not a real [permanent] computer company employee.

Pam: You may be dumped into an organization where there is some resentment because you displaced someone who was beloved. You have to have thick skin. You have to worry about that.

Jim: Being permanent you could be number 123 and overlooked as if you were invisible.

Ann: In downtown Toronto I was treated more as an outsider in the office than I was in the smaller communities. In the smaller communities they picked my brains. They wanted information not just about what we were doing but everything when I went. I would go in for a 3 hour session and they would take me to lunch and spend the whole day. ... I am my own worst enemy sometimes, because [as a contract employee] I don't always learn a
new employer's internal processes for getting work done and their way of doing things may not be what I have been used to at my other employers' businesses.

Eve: In one place I am deemed the outsider in a corporate atmosphere but treated very well because most of their employees do what I do on a volunteer basis. I am only called in from the outside world in the event of a lack of personnel on a volunteer basis. They are given a small budget to cover people like me called “outsiders”. At one time there were several of us and now I am the only one over a long period of years. In other work places I am an equal fitness instructor.

Jim: As far as coworkers go, they are always very cautious when it comes to discussing certain things with me or if I happen to walk into a room: the atmosphere is that they are very cautious.

Theme 5 reveals how contract employees perceive themselves, regarding their self-image. Contract employees with high self-esteem preferred the challenges of contract work more than those who had low self-esteem and appeared less able to circumvent obstacles.

**Theme 6: Insecurity about Contract Employment**

Insecurity arose as an issue so often in the interviews with contract employees that it deserved its own thematic category. In addition, most permanent employees felt that contract employment was too risky for them because they had become used to, and dependent upon, steady employment.

Employers have little or no incentive to provide security. In one extreme illustration, one participant had completed his contract work as a technical writer ahead of schedule: his reward was having his contract terminated early because he had delivered the project requirements and the work was finished! Admittedly, this was the only such incident among my participants. However, an interviewee who specializes in the contract employment field later commented:

Not only is this not unusual, but it is common for contractors to work slowly, especially towards the end of their contract, because there is no incentive for them to complete their contract. In fact, there is an economic disincentive for them to work fast. On the part of the employer, there is no commitment to the contract; it is purely a monetary relationship, so they will do many things like this contractor mentioned. His comment is not unusual. I cannot give you any
specific situations, but I can certainly assure you that this is common in the business.

The lack of long-term job security resulting from the nature of contract employment triggered most contract employee participants to comment from either (a) a proactive or (b) a defensive perspective.

**Proactive:**

The proactive responses attempted to portray strategies for dealing with insecurity by ensuring new contracts.

Typical comments:

Ann: Always have to be a salesperson.

Deb: For me to work is to be an entrepreneur because you are always looking for opportunities.

Uma: Each of us is our own little company with our own little portfolio of work.

Bev: I kept being ambivalent about the security about being a company person and being a contract person that virtually has to go hustle and be everything in order to find work and earn a living.

Kim: You have to push, push, push your career.

**Defensive:**

The defensive responses tended to be fatalistic or resentful; they were coping or escape mechanisms rather than attempts to improve the situation.

Typical comments:

Dan: Oh, I love the work I do. I love being a technical writer. I thoroughly enjoy the work. The main dissatisfaction is the job security and the periods in between contracts. This is where I'm dissatisfied. I distrust the employment system because I can't find permanent employment. I may sound sarcastic when I talk about employers but I feel I have been taken advantage of as a contractor. You've got to be very careful -- you can never say, "Oh, I'm making 50 bucks an hour; oh great, I'm going to have a good old time this weekend," because you never know: you might be laid off Monday and then where will you be?

Tom: I was working 50 hours a week 5 days a week and that was good in a sense that it addressed my fear of not making any money or going broke.
Sam: You have to save as much as you can to carry you on until another contract comes along or you find full-time work. You have to become less materialistic.

Kay: So I think in some ways it requires you to be stronger and tougher and in other ways to accept the uncertainty and the flow of life and somewhere in the middle of that, to be as creative and flexible without fooling yourself. And you need to stand your ground, because every time you make a contact, every time you talk to somebody, you're kind of at their mercy and eventually you have to develop an attitude that this is what I'm doing, this is the way the world is and I'm entitled to ask for help. Because you need to ask for help more.

Eva: I do not feel the pressure of having to move up [the hierarchy] or be engaged in that kind of behaviour that requires you to be very attentive to what is going on around you.

Ned: I stay in very good physical shape. I have worked out for the last 30 years. four or five times a week; I figure it has made a huge difference in health: it is critical.

Bev: The panic from not having a stable base is unrealistic; I do not have to take every contract.

Uma: I was a bit worn out; I had worked on organizational change here at a pretty intensive pace for 4 years at this point, and I think as I reflect back on it I was probably at a stage of burnout of some kind: I just couldn't get excited about anything.

Jim: Worried I may end up homeless and living on the street.

This theme about the lack of job security rang true for both contract and permanent employees. The responses divided into two categories that either offered positive approaches to solving employment dilemmas or adopted a more pessimistic approach that saw the contract worker exhibit more defensive behaviour, such as saving money rather than spending it and pursuing ways to make more.

**Theme 7: Work at Home Experiences of Participants**

This theme developed from the phenomena of the home office and “telecommuting”. With the advent of fax machines, computers and photocopiers, people
can now turn a room in their home into an office away from the office. This topic could easily be a complete research subject on its own; however, I want to relate it to its impact on contract employees.

Ten contract employees performed all or most of their employment duties from their homes (Table 15, p. 67). I attempted to separate their opinions about this work and living arrangement into three categories: (a) uncharted waters, (b) new environment, (c) physical displacement.

**Uncharted waters:**

Contract employment was the first opportunity for some of the participants I interviewed to try the experience of working at home. For some, this feature was the primary motivator for selecting contract employment. Working at home allowed one contract employee the increased flexibility to drive her two children to after-school programs, although she found this arrangement meant more weekend and evening work. However, all those who worked at home said they had increased work satisfaction because they controlled how they spent their time. They also found this work style cheaper because they did not have to spend time or money commuting and because their dry cleaning and clothing bills were less, as they did not have to wear suits or other office wear at home.

**Typical comments:**

Lil: I know that I don’t have the same stresses. In the middle of the day, if I need to, I can throw in a load of laundry. I can take frozen meat out of the freezer to thaw it for dinner. I can nip out to the fruit and vegetable store to do a little bit of shopping over my noon hour.

Kay: I do not have to have as an extensive a wardrobe.

Eva: Transportation costs are down. I also can keep my elderly car and nurture it into gentle old age.

**New environment:**

Turning one's home into an office was rewarding for those participants that did it. One advantage was the ability to claim one's home office as an income-tax deduction. However, some participants found that the new workplace had distractions of its own.
Typical comments:

Pam:  The best time to work was when the children were in school or after the kids went to bed, because of constant interruptions by the family at other times.

Lil:  I feel sorry for moms because they’re being torn in a whole bunch of different directions.

Ann:  I had to force myself to ignore the kitchen, or else I was afraid I would be eating my way through the business day.

**Physical displacement:**

Physical displacement had both advantages and disadvantages. The advantages outweighed the disadvantages in the participants’ view.

Typical comments:

Ann:  I was able to begin my day by doing school carpool instead of being stuck in commuter traffic for over an hour.

Al:  I bought a treadmill to use at home instead of having to travel to an expensive health club where I used to sign up and wait my turn to use a treadmill for a maximum of thirty minutes.

Ed:  I find it much easier to schedule medical and dental appointments for myself and family members since I started working from home.

Deb:  I find I recover from colds and a flu faster because now I stay in bed getting the rest I need to get better, rather than forcing myself to go into the office because it is expected employees will be at their desk unless they are deathly ill.

Among the disadvantages, respondents felt cut off from clients, other business opportunities, and the kind of support services usually found in organizational offices.

Typical comments:

Kay:  Closed in and not connected, which is one of the reasons I stopped.

Eva:  I miss not seeing clients.

Al:  The most difficult challenge to working from home was fixing the computer whenever it failed, because [in the office] I was used to calling the computer technicians on staff whenever I had any problems.
Ed: I have to spend a tremendous amount of time on the phone reminding people to send me information, because I am not there to walk into their office and do it in person.

Theme seven is specific to those workers who have a home office whence they carry out the tasks of their business. The emphasis is on how the contract worker adjusts to working from home and its impact on the rest of those living in the home office.

**The Seven Themes Interrelate**

Of the seven themes, Themes 2 and 3 (Causes for the Increase in Contract Employment and Disadvantages of Being a Contract Employee) derive from interviews from both contract and permanent employees. The vast majority of participants attributed the increase in contract opportunities to the changing job market. However, there were a minority of respondents who blamed reverse discrimination, or affirmative action as the main cause for their inability to find permanent employment. This group was very vocal about what they disliked about contract employment, which helped to develop Theme 3's content about the negative aspects of contract work. The other themes deal with life as a contract employee. Theme 1 (Advantages of Being a Contract Employee) can be juxtaposed with Theme 6 (Insecurity about Contract Employment), because these two themes compare the pros and cons of contract employment from two major extremes. Theme 1 emphasizes the delights satisfied by contract work such as freedom, variety and learning challenges. This contrasts dramatically to Theme 6's focus on proactive and defensive responses in which contract workers engage to counter the experiences of short-term employment. Theme 4 (Emotions about Contract Employment Experiences) and Theme 5 (Identity Descriptions of Contract Employees) relate, because they describe the emotions contract employees feel about how they are treated in the workplace by others and how they feel about themselves. Theme 4 vividly accounts the ups and downs contractors feel, to the point of impotence in some cases about not being able to control their career destiny. Theme 5 compares self-esteem levels from low to high and the emotional roller coaster ride contract workers sometimes find themselves on as they struggle with being between job assignments. Theme 7 (Work at Home Experiences of Participants) draws on the experiences of contract employees who perform their employment duties from their residence. Participants explained how working from home allowed them to multi-task such jobs as carpooling more easily because of the proximity
to schools, etc. However, they paid a price for such conveniences, such as working late at night when the rest of the world was sleeping.

**Minor Theme Reflections**

In addition to the seven major themes, which reflect the feelings of the majority of participants, subthemes and issues surfaced, usually in individual responses. They did not easily fit within any of the major themes (or any of their subthemes either). Several examples follow, with comments. Although their frequency fell into only the bottom quartile of total responses, these minor themes represent important employment issues potentially facing any employee in the “new” workforce.

**Juggling contract employment and family:**

One of the participants worked part-time on a contract basis for two different public service employers in order to accommodate her work and family needs. The combination provided five days of employment for her per week, but her schedule allowed her to do her children’s carpool; of course, she had none of the benefits of a full-time worker. Having to thus juggle two jobs reflects one downside of flexibility, another being the occasional possibility of having to work abnormally long hours at times. Even participants with only one contract position found it difficult to always make time for their spouses or families.

Typical comments:

Eva: Another difference that I notice particularly with the birth of my grandson is that I determine my availability; for instance, if there is an emergency or a crisis either with a family member or with a friend I can say I have this much space. I can leave my workplace and attend to those issues.

Pam: Making sure there is enough time for everybody and everything. If there is not, then saying I am taking a day or two days. My husband and I used to go away every 3 or 4 months for two or three days. We have not been able to do that as much because we have been both traveling due to our jobs.

**Life-Cycle Stages:**

Overlapping in some instances with the need to juggle work and family, what stage they were at in their life cycle influenced contract employees’ perspectives. Factors such as family responsibility, financial debt and retirement income [or pension] all played a significant part in the contract employees’ values as well as those of permanent
employees. I explored these relationships in the interviews (Table 10, p. 50). In some instances, the shift from permanent to contract employment (or vice versa) was triggered by life-cycle changes.

Typical comments:

Ann: I was going through a traumatic personal time in my life; I hit forty and was going to do things my way; contract employment allowed me to do that.

Tim: I accepted the contract job because my kids were older, one finishing high school and the other at university: it was better than being a middle-aged manager with no job.

Ed: I started my home office tax services business because, after my early retirement as a senior executive, I wanted to keep busy besides my volunteer work as a Mason; then my wife developed cancer and I had to drive her into Toronto for weekly radiation and chemo treatments so a permanent job was out of the question.

Pam: I chose to incorporate and go on contract and sell myself that way in 1990 when I had my first child.

Productivity:

The contract employees I interviewed cited no productivity problems with their employer. In fact, one participant said it was easier for an employer to manage contract employees' productivity than permanent employees', because the contracts spelled out explicit performance measures, defaulting on which would result in termination of the contracts. One exception to this general finding was a manager who had hired a contract editor to edit a corporate documentary. The editor abruptly quit with only two hours of work left. The manager felt that this situation would not have happened with a permanent employee.

Typical comments:

Ed: The contract employees that worked for me were more eager to please than my other employees, perhaps because they hoped for permanent employment. I found no difference between my contract and permanent employees in terms of productivity.
Al: My contract employees worked on weekends to help interview for new plant employees.

Sam: As a contract civil engineer, I was told to slow down by other permanent engineers because I was completing my blueprints faster than others in the office. I think I am more productive because I don't waste time socializing with other employees.

**Age Discrimination:**

Some participants felt that age was a discriminating factor that prevented them from being hired by some employers. One participant dyed his hair, because at one interview the recruiter had said they don't want to hire anyone with white hair. Another participant felt that employers were prejudiced against older employees because they appeared less energetic than younger applicants. One manager preferred to hire young, single people because they did not have the responsibilities of a family to compete with the demands of the job.

**Typical comments:**

Eva: I am fully aware of the degree of ageism in the market. There are a lot of very young and very cognizant and capable people hustling around with MBAs and wonderfully designed resumes and all kinds of smartware; they can open laptop computers with parts that project things on the wall. When I feel that [age and technological lag] becomes a serious handicap then I will not be called.

Al: I have been told I did not get hired because I had too much experience, but I believe the real reason was my age.

Jan: I went for an interview for a marketing job for the Raptor's basketball team. I did not get hired even though I had the marketing qualifications. I think they wanted a younger person to project a more youthful image than I have.

**Gender Discrimination:**

Some of the women permanent employees felt their gender inhibited their career advancement, because of discrimination by "old boy" networks in the organization.

Contract employees of both genders identified previous examples of workplace discrimination. For example, one participant stated that when she started working 40
years ago, a manager told an employee she looked disgusting and belonged at home, solely because she was pregnant; a pregnant woman was an uncommon sight in the office back then. Women from both the contract and permanent employee groups believed that gender discrimination still exists in the workplace today. At least one male participant (a dissatisfied contract worker) commented on what he saw as reverse discrimination.

Typical comments:

Bev: There was a contract I did not get in Waterloo with an insurance company for men and women in the workplace; I think they thought I might be a feminist. It was a workshop for all men; I would have been perfect for it: It is hard not to take that personally.

Jan: The questions I got when I was pregnant -- I just looked at them astounded because they would never say to a man, “Do you expect to continue working?”; would you ask that to a man if his wife were having a baby? No. so I think there are differences. In many cases the decision makers are men and people like to bring in people of their own kind. There are countries where I cannot be successful because there are so many biases towards women: If there were great opportunities in Asia it would not be appropriate for me, because I would never succeed; Vietnam is very positive to women but Hong Kong is not -- where the money is. isn’t....I would like to say treatment of women in the workplace is fair but it is not and it never is; it has changed over time: I think there is less tokenism of women so women that do get ahead feel they have earned it, but I think there is always a bit of a men’s club.

Eva: If I choose to work to midnight in my [home] office I can do that and feel safe, where as a woman working in a major organization late at night there is always the question of having to find someone to go to the parking lot with me.

Dan: And of course the women's movement wouldn't want you to know this, but it's actually true. Women have become very dominant in the workplace. And the men, the ones often begging for work are at home with the kids and it's just a total reversal of what it was 30 years ago.
Commitment:

The contract employees were committed to themselves. Contract employees depend on a positive reference from their past employers to secure future contract employment. They perceive themselves as professionals who deliver a service to the hiring organization but have the freedom to extricate themselves from office politics or projects that conflict with their personal values. Contract employees who did work in the non-profit sector indicated that they had occasionally rejected contracts from private industry employers because their personal ethics conflicted with the values of the organization. The contract employees felt no attachment to their employers’ long-term strategies, because they were on short-term contracts. Even the three contract employees who hoped that their jobs might turn into permanent employment maintained that their major commitment was still to themselves and their own professions over the organization. One contract employee in the public service worried about the future of long-term public policy if it were left in the control of senior bureaucrats who were on contract. He questioned their commitment to long-term planning, because they would not be around for implementation of the plans. He concluded that time would tell what impact having contract senior positions, such as general manager at municipal, provincial and federal levels, will have on government policy.

Typical comments:

Bob: The main two reasons were so I would be independent of the things that go on inside a company like the planning and allocation of the resources and I could focus just on doing the job and the second point is that contract employment is more lucrative.

Ava: I can have fun without having to look over my shoulder and worry about someone wanting to steal my job.

Lil: I don't have to be bothered by office politics.

Kay: I feel less stress by not having to make a permanent commitment while on contract.

Ann: The loyalty is not there. The loyalty to a contract employee is to yourself. You do your job because you know you have to do it to get your pay cheque. You look after you first, where if you worked for a company for 40 years you are loyal to that company because they have looked after you
for 40 years. Contract employees here are in and out. They are here for six weeks. If we want them to stay seven, too bad, they said they would stay six weeks and no longer. They work until six o’clock at night and then they are gone. Where full-time staff who have been here for twenty years will stay. They would not hesitate if we needed them to work on Saturday or Sunday or in the evenings.

**Summary**

The seven major themes (Table 15, p. 67) relate directly to the data derived from the interviews. I developed and defined these themes on the basis of the frequency with which participants mentioned them either directly or indirectly. Theme 1 summarizes what attracts people to contract employment, such as autonomy to control one’s work, varied experience, employment in different industries, and continual learning opportunities. Theme 2 looks at the causes of contract employment from two perspectives. The first view is that the increase is due to the “new” world economy while the second proposes that the lack of permanent jobs relates to greedy hiring strategies, affirmative action, or reverse discrimination. Theme 3 compares five key differences between contract and permanent employees. Contract work forces contractors to be acutely aware of their finances. They need to budget according to their income, which may be interrupted by bouts of unemployment. Often contract workers are excluded from company functions because they are not part of any long-term human resources strategy. Contractors are not eligible to apply for jobs internally. Contract employees do not feel stressed by office politics, while permanent employees tend to be stressed by too much work. The lack of long-term job security is an issue for contract workers, but many permanent employees feel threatened by downsizing and mergers. Theme 4 speaks to the feelings shared by contract employees that, despite doing their best at work, their job length is predetermined by their contract. Unable to have their cake and eat it too, contract workers must come to terms with the fact that, by the very nature of contract employment, sooner or later the job comes to an end. Theme 5 talked about contract employees’ self-esteem, from feeling on top of the world as the hired expert in their field to being depressed to the point of fearing they could end up on the street as homeless people. Theme 6 presented coping strategies for dealing with short-term employment problems. Participants with multiple employers found this to be the best solution. Theme
7 touches upon those who made the transition to a home office environment. Some felt lonely without coworkers, but others enjoyed the benefits of being close to neighbourhood shopping and schools.

After discussing the themes in some detail, I briefly summarized how they interrelate with each other. Then, I introduced some reflections on minor subthemes that identified current employment concerns of both contract and permanent employees, including: juggling contract employment and family, productivity, age discrimination, gender discrimination, and commitment.
Chapter Seven: Conclusion

This chapter first addresses the initial research questions that served to guide the data collection. Next, I move on to the theoretical context and examine which theories in the literature apply to the situation of contract workers. This chapter then goes on to examine the implications of the seven themes that emerged from the data, the implications for theories from the literature, and recommendations, including a protocol for employing contract employees: all necessary, given the continuing increase in contract employment in the “new” global workforce.

Research Answers

This section deals with the research questions posed earlier in the thesis. After briefly repeating each question, I will answer it on the basis of my research. Then, I will discuss the questions as they bear on the themes. The research questions were:

1. What are the differences and/or similarities between the two categories of employees in the workplace?

Contract employees do have distinct differences from permanent employees. The differences go beyond the financial and short-term employment factors. Contract employees feel differently about loyalty to the employer than do permanent employees. Job security is less important to contract employees than it is to permanent employees. Contract employees trade off opportunities for in-house training, internal job postings and employee benefits for more control and responsibility for their careers. Contract employees enjoy the freedom to match the employment contract with their personal values and schedule their hours of work around their priorities.

2. How do attitudes within the two categories of employees differ among members of each category?

Contract employees have differing attitudes about what is important to them about work, workplace values and job satisfaction criteria than do permanent employees. Contract employees favour a challenging work environment that allows them to be removed from office politics. The most important parts of work for contract employees were fun, stimulation and new experiences; for permanent employees stability was most important. Control over work methods and work pace were the critical workplace values for contract employees. The critical workplace values for permanent employees were relationships and friendships.
In general, contract employees felt more satisfied in their jobs than permanent employees. The key job satisfaction factor was variety for contract employees, but opportunity to use one's valued skills and abilities for permanent employees. Thus, contract employees appear to have a more reciprocal relationship with the employer; that is to say, each uses the other to improve and each is more conscious of the end results sought because of the short-term nature of the arrangement. Alternatively, permanent employees seem to enjoy a more paternalistic bonding with the employer, that is, they expect to be mentored and developed over a long-term basis in return for loyalty and commitment to the employer.

3. How do members of each category feel about the increase in contract employment, particularly to the extent that it affects their employment environment?

Both contract and permanent employees felt that the growth of contract employment has a positive impact on the workforce, because it allows employees the freedom to take temporary positions that may not be available on a permanent basis or that would not interest them beyond a short-term commitment. However, some contract employees would have preferred permanent instead of contract employment, because they had been formerly in permanent jobs and found it difficult coping with continually needing to find new employment at the expiry of their contracts.

4. How do members of each category experience their relationship with the other?

On the whole, contract and permanent employees said they all treated each other with respect and professionalism. However, some permanent employees perceived contract employees to be modern-day "slaves" who were forced to do the "grunt work" that others did not want to do. One contract consultant, who did work for his former permanent employer, had to take a reduced contract fee because the company's president argued that the former employee had received a generous severance package and hence a discount was appropriate. Often contract employees were perceived as specialists whose experience made them a valuable member of a new project team. However, some permanent employee participants resented the access to senior management that contract employees enjoyed as part of their involvement in the business's strategic initiatives. Contract employees had to earn the respect and trust of permanent employees in order to
carry out their work assignments and to ensure a positive working relationship in the employer's organization.

5. (a) Do contract employees regard themselves as self-employed and what does that mean to them?

The majority of contract employees do regard themselves as self-employed. To them it means enjoying some tax deductions, such as a room for a home office and car expenses that relate to business travel. Contract employees must also bear the cost of liability insurance and workers' compensation coverage. Contract employees with multiple employers perceive their self-employed status as a definite advantage to staying employed, because if one employer ends a contract they have other employers to maintain their income until they can find a replacement. One manager said that this is exactly what the company's contract newsletter editor did when one of the editor's clients, a major Canadian retailer, merged with another company. Contract employees who perceive themselves as self-employed tend to be more proactive and aggressive in their marketing approach. They will speak at associations to attract potential clients and write articles for business journals to become more recognized in their field.

(b) Do permanent employees regard contract employees as self-employed and what does that mean to them?

Permanent employees also consider contract employees to be self-employed. To them it means that contract employees are invisible in terms of being considered for job opportunities or professional development paid for at the expense of the company. Some hold the perception that contractors are hired consultants who are not part of the organization's long-term strategy.

6. (a) What skills do permanent and contract employees perceive to be required for contract employment?

Contract employees prefer a workplace that is constantly expanding their skill set and offers them the opportunity to share their expertise with the organization. Contract employees' skills can be split into two categories. The first one focuses on the skills they need to be successful in acquiring the contract, such as promotional skills. The second stresses the skills needed to retain the job for the balance of the contract, for example, consultation skills, project-planning skills and time-management skills. Contract employees need excellent communication skills and the ability to communicate well both
orally and in writing. They have to be self-directed to complete assignments without supervision. They require organizational skills to manage the workload from multiple employers. They benefit from an open-minded approach, because the culture of each employing company may vary. They have to exhibit an energetic attitude to handle the demands of the job. A resourceful outlook helps to acquire important skills to do a task, such as how to create an Internet web page for a client. Being a quick study allows contract employees to integrate faster into the employer’s organization and fit into the company’s way of doing things. Creative approaches to problems assist contract employees in dealing with work challenges, such as introducing self-paced training courses on CD-ROM for busy employees who don’t have time to attend classroom courses. Contract employees who are able to deal with uncertainty cope better with an employment gap when one contract finishes and a new contract has yet to be secured. Flexibility helps contract employees be team players, willing to do whatever it takes to get the job done, such as working on a project half the night or on weekends. Multi-tasking skills enable contract employees to handle the plethora of work encountered with multiple employers.

(b) Do these perceptions differ between members of each category?

Contract and permanent employees were of one mind on this issue of skills requirement. Permanent employees emphasized how important it was that contractors had the technical competence to start the job without any training needed, while contract employees highlighted the importance of being able to fit into the company culture quickly and not alienate permanent employees who would be critical to a project’s success.

7. How are part-timers similar to contract workers?

The answer to this question broke into several sub-answers depending on whether one looked at contract or permanent part-time workers or contract or permanent full-time workers (see “Definitions” section, Chapter 1). For example, part-time employees, whether contract or permanent, are similar to (full-time) contract workers in many ways. Both are treated differently from full-time permanent employees by most organizations’ human resources policies. For example, the majority of full-time contract workers and either type of part-time employees do not receive health benefits, pension plan coverage or annual performance reviews. Similarly, full-time contract employees’ responses are
more similar to all part-time employees' in research on organizational and attitudinal theories than they are to permanent full-time employees'. Part-time employees and contract employees usually pick employment hours that are convenient for their personal lifestyle, such as after school hours or on weekends. Both utilize their non-employment time to focus on their personal responsibilities, such as childrearing, elder care or serving multiple employers.

In other ways, contract part-time employees and contract full-time employees are more alike than part-time permanent or full-time permanent employees. Usually, part-time permanent and full-time permanent employees are eligible for notice and severance pay if they are laid off, unlike full- and part-time contract employees. Part-time and full-time permanent employees may also receive benefits, pensions, and educational perks not afforded to full and part-time contract employees. (I am grateful for A. Thomas's suggestions about sorting out these overlapping responses: A. Thomas, personal communications, May 19, May 30, 2000.)

Themes and Questions

Theme 1, Advantages of Being a Contract Employee, illuminates research questions 1 (Differences) and 5 (Self-employed). This theme relates to the benefits of contract employment such as flexible employment hours and some tax benefits. Theme 2, Causes for the Increase in Contract Employment, ties into questions 3 (Increase) and 6 (Skills). Participants discussed their feelings about the rise of contract employment and how employers need contract employees to perform at a high level from the start of employment without any loss due to training on new job skills. Theme 3, Disadvantages of Being a Contract Employee, connects with questions 1 (Differences), 5 (Self-employed), 7 (Part-time) and 6 (Skills). This theme captures distinctions between the two employment groups and the research questions target specific aspects of those differences. Theme 4, Emotions about Contract Employment Experiences, links with questions 7 (Part-time), 4 (Relationship) and 2 (Attitudes). Participants share their feelings about how they are treated by others in the workplace and what is important to them about employment as well as their values. Theme 5, Identity Descriptions of Contract Employees, highlights questions 7 (Part-time) and 4 (Relationship). This theme uncovers contract employees' self-esteem issues and how they can be compared to those felt by part-time employees and the impact on coworkers. Theme 6, Insecurity about
Contract Employment, intertwines with the questions 5 (Self-employed) and 7 (Part-time). Insecurity concerns were discussed by both contract and permanent employees. However, contract workers were the hardest-hit employment group, because their short-term employment contracts made them unemployed more than permanent employees were. Theme 7, Work at Home Experiences, complemented questions 1 (Differences) and 5 (Self-employed). This last theme could be a research endeavour on its own. However, the questions elicited a myriad of data about issues dealing with the home office environment.

Theoretical Implications

This section relates my findings to the literature and the themes. It will cover both organizational theory and attitudinal theory. I compare my results to the theories in order to see whether they fit the contract employee in today’s organizations. This section also will connect the themes and the theories (see Table 16, p. 108).

Table 16 relates the 11 employment theories discussed in Chapter Two to the 7 themes derived from the interviews. The first two theories are the organizational types. The core vs periphery and the shamrock organization both make permanent employees who have critical knowledge and skills that make the company unique, vital (core) employees. The periphery (the shamrock’s second and third “leaves”) refers to contract workers who are hired as needed to supplant the regular workforce. The other theories focus on employee attitudes. The frame of reference talks about how job satisfaction is affected by employees comparing themselves to others. Partial inclusion is about contract employees being excluded from company activities, etc.. Discrepancy deals with how employees have more positive attitudes about their job because they can schedule when they work. The job model attempts to isolate the factors of a job and make them gender-neutral. The social characteristics model links a person’s life cycle to how they feel about their work. The two-factor theory of job satisfaction postulates that motivators for employees differ in nature from factors that cause them to be dissatisfied. Maslow’s Needs are an escalating set of criteria for reaching self-fulfillment on the job. Job segregation theory identifies disadvantaged employees as a group who receive lower wages and no benefits, such as contract workers. As Table 16 (p. 108) shows, different theories emphasize factors that emerged as different Themes from the participants’ statements.
Table 16

Employment Type Theories and Contract Employee Themes

<table>
<thead>
<tr>
<th>Employment Theories</th>
<th>Contract Employee Themes</th>
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<tbody>
<tr>
<td>core vs periphery</td>
<td>Increase (2); Identity (5); Insecurity (6)</td>
</tr>
<tr>
<td>The shamrock organization</td>
<td>Increase (2); Identity (5); Insecurity (6)</td>
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<tr>
<td>frame of reference</td>
<td>Differences (3)</td>
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<tr>
<td>partial inclusion</td>
<td>Differences (3)</td>
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<tr>
<td>discrepancy</td>
<td>Advantages (1); Work at Home (7)</td>
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<tr>
<td>job model</td>
<td>Emotions (4); Identity (5)</td>
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<tr>
<td>social characteristics model</td>
<td>Insecurity (6)</td>
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<tr>
<td>life cycle and adult development</td>
<td>Advantages (1)</td>
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<tr>
<td>two-factor theory of job satisfaction</td>
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<tr>
<td>maslow's needs</td>
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<td>job segregation</td>
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Organizational Theories

The core vs periphery theory fits those organizations that have increased their numbers of contract employees in order both to “replace” permanent employees who have been downsized and to fill jobs that are not directly related to the raison d’être of the business. One example among my participants, a contract Total Quality Management consultant, helped an eyeglasses retailer to introduce a quality program throughout the organization. He worked closely with the president to ensure management commitment while introducing the change process. However, the shamrock organization model fits most modern companies better, because it further splits contract employees into two groups: the first, professional specialists, such as a contract purchasing consultant; the second, contract entry-level employees, such as contract retail staff who could be added for the busy winter shopping season. The broader use of contract employees in the shamrock organization portrays how contract employee positions extend from
a chief financial officer in executive row to the office workers in a copy centre owned
and/or managed by a third-party company. The shamrock organization theory also
emphasizes how ephemeral contract jobs are, by recognizing that companies lay off
contract employees as soon as there is no longer a demand for their services.

Both the shamrock organization model and the core vs periphery theory apply to
Themes 2 (Increase), 5 (Identity) and Theme 6 (Insecurity). These Themes had a strong
association with both theories. The participants’ descriptions of low self-esteem in
Theme 5 appeared to match both the core vs periphery theory and the shamrock model
because contract workers are uncaringly discarded after supplying their services.
Ironically, this type of worker is more apropos the assembly-line worker who has lost
hope portrayed by Charlie Chaplin in his largely silent movie Modern Times (released in
1936, during the Depression) than the information specialist of today. Similarly, Theme
6’s focus on short-term employment captured the fate of a non-core worker in both
organizational models.

Attitudinal Theories

I found, as did Logan et al. (1973) when comparing full-time with part-time
employees, that the frame of reference theory best explains the differences found between
contract and permanent employees. This theory suggests one’s attitude is influenced by
previous experiences and expectations of future outcomes. My findings also indicate that
contract employees fit the results of Rotchford and Roberts’ research (1982), which
suggested part-timers may have different perceptual maps of job satisfaction than
permanent full-time employees, because part-timers weigh factors such as flexibility
higher in their overall assessment of job satisfaction. Contract and permanent employees
may not share frames of reference because they do not have the same opportunities within
the company, such as benefits, promotions and training. Indeed, my results showed that
contract employees felt their position inferior in many respects to that of permanent
full-time employees. Thus, the frame of reference theory ties in with Theme 3,
Disadvantages of Being a Contract Employee. On the other hand, the contract employees
had more favourable attitudes when they compared their present contract job with
previous contract assignments in terms of such factors as compensation, stress and
security.
The partial inclusion theory (Katz & Kahn, 1978) also applies to contract employees; this theory also relates to Theme 3. I found contract employees were less included than permanent employees in a company’s organization. Some participants felt that they were on a “need to know” basis regarding how the organization was structured. Contract employees were often excluded from meetings about organizational structure. One was even reprimanded for ordering business cards because they were only to be available to permanent employees. One manager on contract was not allowed to take management courses on coaching staff because he was not a permanent employee; yet, he was expected to complete performance appraisal forms on permanent employee staff!

The discrepancy theory applies to contract employees, just as Ronen (1984) found it applied to part-time workers. This theory relates to Themes 1 (Advantages of Being a Contract Employee) and 7 (Work at Home Experiences of Participants), both of which capture the importance of job flexibility to contract employees. As with part-timers, contract workers’ more positive job attitudes stem from greater control over the scheduling of their work. All the contract consultants and work-at-home employees were more satisfied than employees with no flexibility over when they worked. even though the contract group worked longer hours, some as much as 30 extra hours per week. This finding supports De Vaus & McAllister’s (1991) conclusion that the job characteristics of control and autonomy have a positive relationship with job satisfaction. One participant summed up the issue: although he was working until 1:30 in the morning finishing a client presentation for that day, he was able to take his children out for Halloween that night. He had not had time to do so when he was a vice-president of human resources and a permanent employee.

The job model theory (Kalleberg, 1977) is a useful tool to explain job satisfaction differences between men and women. In my small sample of 23, the 14 women rated job satisfaction on average at 4.3 (out of a high of 5), while the 9 men rated it at 3.7 (Table 7, p. 42). I suggest the higher rating by women is due to them valuing the advantages of contract work, such as flextime for childcare needs, more than men did. This contradicts De Vaus & McAllister’s (1991) finding about gender differences, but supports Feldman’s (1990) results about part-time employees. Contract employment factors, such as control over work, flexibility, compensation, opportunities for learning, use of skills, and
compatibility with values are all relevant to how the employee determines job satisfaction.

Themes 4 and 5 (Emotions and Identity) connect with the job model. As to Emotions, the women participants provided more positive emotional experiences about contract employment than did the men. For example, women were happy that contract employment afforded them a work situation in which they could both pursue their professional careers and have time for personal commitments, such as volunteering one day a week as a teacher's helper in a child's kindergarten class. In contrast, some of the men voiced frustration at an employment system that restricted their career advancement and gave them poorer pay and status than women permanent employees. Particularly for men, as described by Friedman & Havighurst, "Job status is an important determinant of the individual's status in his family and community" (1954, p. 4). In particular, men who had not chosen contract employment were unhappy with their status. The contract employees who preferred their employment corresponded to the findings of the part-time employee study done by Feldman (1990). Feldman found that part-time workers who are working part-time voluntarily are more likely to be satisfied with their jobs than part-time employees who would prefer full-time jobs (1990, p.105).

Theme 5 (Identity Descriptions of Contract Employees) is also pertinent to the job model. More women than men talked about how the life of a contract employee increased their self-esteem. One consultant reflected how she would dash from client to client and be received as their hired guru, helping to solve their human resources crises. Conversely, men felt worse about their status than did women contract employees.

The social characteristics model also aptly describes contract employees, who have different work values based on their social characteristics, such as age and education. This model relates to issues of both Theme 6 (Insecurity about Contract Employment) and Theme 5 (Identity). The six participants in the 50-64 age group were more satisfied with their employment, giving it an average rating of 4.5 out of 5, than were the six younger contract employees, who rated it at 3.7 (Table 8, p.43). Furthermore, the majority of contract employees had graduate degrees (63%, n=10; Table 3, p. 34). Over two-thirds of contract employees valued being successful and having a sense of accomplishment (Table 10, p. 50). This strong self-image contrasts with the younger participants who had less education and experience; those felt insecure about being able
to find new contract employment. One of this latter group filled his gaps in employment by volunteering as a part-time minister. He found this religious outlet fulfilled his value needs for relationships. Another participant commented how she felt she had more in common with other contract employees than she did with her departmental coworkers.

I found that the life cycle and adult development theory (Levinson, 1978) helped explain how and when people became contract employees. The Advantages Theme (1) appears as a natural correlative of this theory. Participants raising families expounded on the benefits of contract employment being the panacea for juggling family and work demands. I found contract employees supported the research by Nollen et al. (1978), who found that part-time employees prefer their employment status because “individuals may need time to care for their families, especially small or school-age children.” Moreover, contract employees who had retired from permanent employment found contract work provided them a viable alternative to full-time retirement and kept their mind active as they offered their expertise to companies receptive to guidance from seasoned problem-solvers. Life-cycle factors also surfaced as a minor theme explaining when and why people chose contract employment.

Herzberg’s two-factor theory of job satisfaction based on motivators and hygiene factors also applies to contract employees. Intrinsic aspects of the job or motivators that influenced the majority of contract employees were stimulation, new experiences, and fun (Table 9, p. 48). Extrinsic factors of job dissatisfaction or hygiene were the impermanence and unpredictability of contract positions, poor compensation, ineligibility for benefits, and unfair human resource policies (Table 12, p. 55 and ff.). The two-factor theory also relates to the Emotions Theme (4) and to Insecurity (6). Both cover how happy contract employees are when they are employed but also includes the powerlessness they feel when company regulations or other circumstances prevent them from renewing contracts or finding new ones. Stoner (1978) wrote, “In the modern organization, both physiological and security needs are usually taken care of satisfactorily” (p. 414). My findings contradict that statement. One participant summed up the situation, commenting he would be the first to go in a layoff because as a contract employee, he was expendable with no job security.

Maslow’s Hierarchy of Needs (1943, 1970) described two major types of esteem. The first is the desire for achievement, mastery, and competence. In organizational terms,
people want to be well trained and good at their jobs; they also want to feel that they are achieving something important when they perform their jobs. The other type of esteem need is the desire for prestige, status, importance, and recognition.

Certainly Maslow’s needs, including esteem, are not being met by contract employees working in today’s organizations. In some cases, contract employees are frustrated because their needs (in Maslow’s terms) cannot be met under current human resources policies in most companies. For example, a contract employee is not eligible for professional development courses. Also, companies, for the most part, do not publicly recognize contract employees’ achievements because they are short-term specialists who leave after projects have been completed. Contract employees are taking care of their needs by focusing on their professional career and the projects they take part in, rather than by depending on the employer to provide for these needs. Maslow’s Hierarchy of Needs does not fit the contract employee working in the “new” less hierarchical, streamlined organizations. Contract employees need to modify their strategy to satisfy their needs by negotiating their contracts with their employers and acquiring their needs through professional associations.

Maslow’s needs also relate to the Disadvantages (3) and Identity (5) Themes. Maslow’s social need of belongingness connects with the Disadvantages Theme (3) about the way contract employees feel when they are excluded from meetings with other employees or not invited to company sponsored social functions. Security is also part of Theme 3 and is one of Maslow’s needs. Contract employees do not have long-term job security by the very nature of their work and therefore, must forever be on their guard for new employment opportunities and be watchful of their spending patterns in order to protect their financial security. Maslow’s need for esteem ties in with the Identity Theme (5) because it too highlights how important self-esteem is to contract employees. One contract participant explained how great he felt after permanent employees referred to him as their hero because he was the only one who could get the computer system running again after it crashed during the installation of a new network server.

The job segregation model, which posited segregation of part-time employees in lower-paying jobs, is all too familiar to contract employees. Only one contract employee indicated he earned a higher salary than when he was a permanent employee (in the same position). The job segregation model definitely relates to the Disadvantages of Being a
Contract Employee (Theme 3). Like part-time employees, contract employees complained about having fewer fringe benefits and less responsibility. One participant explained how her supervisor insisted she not provide her clients with new computer solutions unless he had approved them first; permanent employees working on the help desk did not have this job restriction. Another participant expressed her feeling of resentment when all permanent employees received one share of stock in the company but contract employees did not.

However, one aspect of the job segregation theory does not apply to my study of contract employees. Howe (1986) found obvious job segregation of part-time employees in less-interesting jobs. This was not the case for the contract employees in my study, who were either management executives or professional specialists in their occupational fields. Their jobs were interesting; some said a criterion for leaving the position would be if it became too routine and boring. Lower-level contract work is “the work nobody else wants to do,” as one participant said. It is the “grunt work,” such as filing or stocking shelves. Participants who shed permanent employment for contract work because they wanted less stress did not seek out lower-level contract work, but rather professional projects similar to those on which they had built their reputations. I would speculate that lower-level contract work comprises the jobs available from major employers, such as fast-food chains and retail organizations, and often filled by new immigrants and students. I would hope that lower-level contract workers do not become trapped in these jobs as a career and remain unable to learn the skills to take advantage of more rewarding employment opportunities.

**Theoretical Fit**

On balance, the existing organizational theories and attitude theories applied to contract employees for the most part, even though the original research behind these theories was conducted on part-time and permanent employees. The theories blended well with the contract employment Themes of the present research. With regard to organizational theories, the shamrock organization fit contract employees best, because it acknowledges contract employees as the means for organizations to increase or decrease their human resources as needed without all of the legal entanglements of downsizing permanent employees. If the shamrock organization is the model for the new corporate structure that replaces layers of unneeded bureaucracy, then the Tumbleweed Employee is
representative of today's contractor, whose career path is not vertical within one company, but rather a tumbleweed pattern from one opportunity to another that develops the skills needed for the next contract assignment. The shamrock organization fits well with the Advantages Theme (1) and Increase Theme (2), because it presents an organizational model that supports the continued growth of contract employment and encourages the contract employee to be a professional specialist whose skills are in demand by multiple employers, which offers a somewhat more hopeful improvement over the existing job-security situation.

The attitude theories also are relevant for contract employees. The life cycle and adult development theory fits contract employees best, because most of the contract employees needed the flexibility and control over their scheduling that contract employment provided, in order to attend to their demanding agendas outside of employment hours and to do tasks such as school carpool, return to university, elder care, etc. The age group of my study included many middle-aged professionals who are part of the “sandwich” generation. This group have responsibilities to care for not only children but also maturing parents. Also, several participants had the employment experience to become consultants in their field when urged by a mid-life crisis to change their life in some way. The life cycle and adult development theory connects with the Advantages Theme (1) because participants stressed how contract employment allowed them to pursue other goals or overcome obstacles in their life that was not possible as a permanent employee. The life cycle and adult development theory of Levinson (1978) who found that life cycle change was a factor in people seeking part-time employment, also applies to people seeking contract employment.

I found contract employees to be similar to part-time employees in regards to fitting the partial inclusion theory. Participants admitted to having less knowledge of how their employer's organization functioned than a permanent employee because they were not included in company information meetings and they enjoyed not having to worry about "office politics".

Obviously, contract work and its realities do not fulfill all the needs that Maslow defined (Table 9, p. 48). For example, contract workers security needs are often not fulfilled. On the other hand, many contract workers seem to assign more priority to some of Maslow's needs than to others, for example, trading off greater self-actualization for
less security. In addition, contract work might fulfill needs extraneous to Maslow’s list, such as a need for change or novelty. Also, women contract employees contradicted the findings of some researchers regarding the job model theory in the area of job satisfaction.

In general, contract workers correspond to previous research on part-timers in terms of attitudinal theory, which examines factors such as job satisfaction, motivation, and job security. But contract employees have their own unique perspective on many workplace issues, for example, loyalty, skill acquisition, etc. that sets them apart from part-time and permanent employees and has been reflected in the Themes developed about contract employees here. The findings on job-related attitudes (e.g. job satisfaction or job involvement) imply that not only simple employment status (full-time or part-time) but also the work environment plays a role. (cf. Allen et al., 1979; Barker, 1993; McGinnis & Morrow, 1990).

**Broader Implications**

The “old economy” was based on manufacturing goods and selling them at a profit to national and international markets. The “new economy” sells services, such as banking, other financial services (like mutual funds), retail operations, advertising and so on, through Internet or e-commerce transactions. The service-based economy does not utilize the large labour force that was needed by manufacturers. In essence, money is moving from the consumer to the service provider without the production of subsidiary business for others. Unlike when car manufacturers need suppliers of tires and seat belts as part of their manufacturing process. The “new economy” runs on fewer people and more computers. The shamrock organization is a reflection of the “new economy” because it is more than just a cost-cutting measure. It is an efficiency and creativity measure that combines the fresh ideas that it receives through contract employees who are discarded when their creative projects are completed with the stability of permanent staff in the key positions that are fundamental to its core business, where its expertise is unique to the industry. This shift will cause fewer competitors to survive, because the biggest companies will outspend the smaller ones, as can be seen by Toronto’s book retailing market. Big businesses will get bigger by merging with others in order to have better vertical integration of their industry -- for example, telecom companies providing telephone, cable television and Internet connections to customers. Smaller companies will
focus on developing creative solutions to business needs and instead of growing will be bought by larger firms who no longer invest in research and development but prefer to buy the latest technology as it becomes market-ready.

Technology certainly is one of the drivers of the "new economy". It fits perfectly with the shamrock organization because employees now can communicate from anywhere and anytime without having to punch a clock or travel to a building to meet with others thanks to video-conferencing, e-mail and the Internet.

Disturbingly, there has been almost no discussion in the literature about the creation of a disposable workforce and its impact on contract employees. Educators, business and government are faced with the fact that contract employees will have to have the latest technological skills to remain employable for their adult working lives. Otherwise, shamrock organizations will have to import employees with those skills or operate their businesses in countries where "new economy" employees can be found. It is cheaper and easier for "new economy" companies to source contract employees with the necessary skills to work on their projects than it is to train permanent employees. Therein lies a danger to learn-a-phobic people who fail to see lifelong learning is mandatory to their career development and success. There is a window of opportunity to rise out of the ashes of a branch-plant economy and be a vanguard in providing technologically-ready employees for the "new economy". However, because the shamrock organization is also portable, nations who wish to maintain high employment levels must adapt to the fast-paced demands of these results-based companies. This will be particularly difficult for economies like Canada’s, where many enterprises are old-economy branch plants.

The demise of the branch-plant economy might force former manufacturing employees who used to make soap or tires into lower-level contract employee positions at best and permanent unemployment at worst. Lower-level contract employees are most vulnerable to corporate abuse, because they are like assembly-line workers or typing-pool operators -- highly replaceable by foreign workers in foreign countries with lower minimum wages and no benefits.

Many social observers fear that the growth of the "e-commerce" economy has already left behind those who are not computer literate. Ultimately, people in this position could become unemployable. This problem is compounded by the fact that already cuts in government programs, such as employment insurance, retraining and welfare, mean that
"when people fall out of the mainstream, now they tend to stay down;" even if they find new work, it tends to be of lower status (Josephine Grey, director of Low Income Families Together, cited in Speirs, 2000, p. H3). Statistics Canada data between 1993 and 1997 show that incomes dropped for the bottom 60% of Canadians while incomes rose for the top 40%. In short, the rich are getting richer and the poor are becoming poorer (Speirs, 2000, p. H3).

**Recommendations**

Because of the significant growth of contract employment, employers should make policy changes regarding how contract employees are treated in their organization. The workplace has always made accommodations when necessary, such as adding women's rest rooms and maternity leave when women joined the workforce in large numbers. New issues emerge as the workplace expands its composition with different people and employment arrangements, such as the inclusion of women, minorities, the physically and mentally challenged, part-timers, and now contract employees in all these categories. What my respondents told me about their satisfaction and dissatisfaction with contract work led me to formulate these recommendations. Companies and institutions may object to, or find difficulty in, implementing these, but they are necessary to provide job satisfaction and a decent lifestyle for contract workers in the long run. Some participants felt that the rate of increase of contract employment was too rapid and that society was not ready to cope with such changes within traditional educational institutions. Many in the sample explained that they had higher education, but it did not prepare them for the exigencies of working life. Therefore, some comments dealt with the need for educational changes. For example, "not enough education (adapting to not having [job] security); not enough [social system] support; no preparation [for short-term job tenure]." In addition, it is time that contract workers as a group addressed some of the social issues that are being ignored by the corporate world, labour groups, government, and education. The next section surveys possible resolutions in different areas. I then put forward a protocol for employers' treatment of contract workers.

**Unions**

Not much has been said about unions and their feeling toward contract employees, because unions tend to regard contract employees as part of the enemy. As one participant put it, "A union environment will want no part of a contract employee: I have heard peers
say ‘It [contract employment] is breaking up the work environment’.” Unions often perceive contract employees as replacements for their permanent members who pay dues and are part of their bargaining unit. Contract employees suffer under the same prejudices that Pupo & Duffy (1992) described for part-timers:

The generalized perception, shared by union leaders, full-time workers, and management, is that part-timers are temporary or only marginally committed to the work place, and that they are therefore not interested in union struggles for long-term protection and improvements in working conditions. (1992, p. 107)

Unions should be concerned with the increase in contract employees because it has a direct, negative impact on their membership. However, unions still appear interested only in organizing permanent employees. The experience of unions with workers who are not part of the permanent work culture -- unemployed, part-time, high-turnover workers-- is such as to make the unions very cautious about the possibility of success organizing and in representing them. Research could be conducted into finding out how contract workers feel about unions and whether they have any desire to belong to one. However, contract workers, no matter where they work or how, may be more like other contract workers than they are like other classes of workers who might embrace the “collective” security of a union (I owe this suggestion to A. Thomas, personal communication. May 19, 2000.)

A contract fitness instructor for a Toronto university told me she had to join the union as a casual worker. Thus, it appears that unions are now starting to take notice of contract employees and have devised a method of making them dues paying members. (I owe this contribution to S. Lee, personal communication, July 7, 2000.)

Rather than joining a union, I believe contract employees would be better served by aligning themselves with the sort of contract-worker associations, described below, that allow them to use their group size to negotiate company discounts on items from paper to insurance. For example, Working Today, a New-York based, “free-agent” organization started in 1995, comprises nine professional groups with 32,500 members, plus 2,500 individual subscribers. For a $10 membership fee, contract workers can purchase health insurance, office supplies, computer software, and airline tickets, at discounted prices. This is a union of buyers who individually would not be able to receive a group discount as contractors (Pink, 1997, p. 131).
**Employers**

Employers should develop coherent human resources policies about contract employees. They should aim to treat contract employees fairly and minimize their differences from permanent employees wherever possible, not only in pay and status but also in other areas, such as promotion and training opportunities (cf. Belous, 1989; Tilly, 1992). In addition, employers should recast their organizational effectiveness strategies to include contract as well as permanent employees. The company might be more successful if all employees -- not only a segment -- could relate to its strategic development plan. Employers should take into account both attitudinal differences and similarities between full-time and contract employees (cf. Feldman, 1990; Miller & Terborg, 1979; Roberts, et al., 1982). Assessing these differences ahead of time could ensure greater success when launching a human-resources strategic initiative. Human resources departments might want to review their policies to see whether they motivate both their contract and permanent staff.

Human resources policies should avoid the temptation to treat people as disposable resources to be discarded when the project is over. Perhaps contract employees who reach the end of their contract might be recommended by their employer to the employer's suppliers and customers. As contract employment approaches 30% of the civilian labor force (Applebaum, 1992, p. 2), employers should explore new ways to integrate contract employees more positively into the workforce.

Human resource planners must take the new workforce's values and needs into account when setting job descriptions, organizational development plans and payment rates. Work flexibility is now a major factor in keeping employees who need a better balance between the workplace and home because of increasing family demands. More time must be available for both contract and permanent employees to spend with family members, older parents or children. The 1999 Royal Bank of Canada study found that allowing for employees' outside needs was the key factor in winning their commitment, outweighing salary, benefits, and training opportunities. (Dalziel, 1999).

Companies should examine their general benefits package and in addition, offer to all their employees free on-site services or treatment to reduce stress caused by an imbalance between work and family demands. Such services could include catering, a convenience store, a dry cleaners, a fitness or recreation center, a day care centre and
massages or other stress-reduction therapy. Companies need not provide these services themselves but could contract them out, only providing the location and/or paying the practitioner. Such timesaving services could become more important than compensation dollars to hard-working, highly effective, but over-stressed employees. The positive effects on productivity would far exceed the cost to a corporation of these few services that may result in a healthier, more highly-motivated contract and permanent workforce. However, these on-site services should help relieve existing stress, not be a way to keep people at work even more. Alternatively, increased work flexibility and fewer hours might provide employees with the coping mechanisms needed to survive a job that includes endless short-term deadlines, standard mail, e-mail, and voice-mail.

In human resources departments' interviewing processes, attitudes towards prospective employees have shifted. Ten years ago, a permanent employee who had worked for 20 to 25 years in one firm was considered a good choice. Today, having had several jobs in a short period of time is more typically regarded as desirable, because this kind of record indicates an employee who has been able to adapt to various workplace situations.

In my study, both permanent and contract employees expressed fears about long-term job security. The major difference is that contract employees know when they will leave the organization, but worry about finding their next contract; permanent employees live under a constant fear that they may be surprised one day at work, that through circumstances beyond their control they will be laid off. All levels of permanent employees shared this feeling. As one permanent participant, a senior marketing executive, put it, "Companies see us [employees] as a piece of furniture that they can move about and change the look of the room".

Job security stands out as a key concern for both contract and permanent employees. Though there is no easy solution to this issue, there may be ways to lessen insecurity's impact on people. Employees need to be in a state of consciousness that long-term job security is less prevalent than in the past. As a result, people need to ensure they possess the latest skills to be marketable should they find themselves involuntarily on the job market. Furthermore, people should network through colleagues or professional groups to keep aware of new opportunities as well as sending a few
recruiters up-to-date resumes in case they are performing job searches in a related field.

Contract employees should explore the concept — if possible — of working for multiple employers. This strategy provides a hedge against “putting all your eggs in one basket”. For example, one contract writer lost a major contract with a retail firm when it was bought by another international retailer. However, she was able to stay employed because she had other contracts that filled the void. Independent contractors may have more job security if they are attached to a contract employment firm instead of on their own. The agency may be able to find new contracts in companies unknown to the contractor.

**Permanent Employees**

Perhaps to improve the congeniality between contract and permanent employees, employers could provide permanent employees with a code of conduct regarding their behaviour towards contract employees. A code of conduct would cover treatment of contract employees. For example: all employees will be treated with dignity and respect; all employees will have the right to appeal decisions affecting them; all employees will attempt to resolve a conflict before escalating it; all employees will be fair with each other; all employees should be recognized for their achievements; etc. Focus groups could be held with contract employees to develop a code of conduct that addresses concerns they may have. In extreme cases, violators of the code of conduct could receive counselling or sensitivity training to help them ameliorate the situation. If this proves unsuccessful, more common forms of corrective action should be taken, including progressive discipline practices.

**Employment Law**

One participant described contract employees as the "slaves of the workplace". It behooves not just management but society as a whole to address this issue and break the chains that bind contract employees. Employment law allows contract employees to be treated like disposable assets with no legal recourse to a speedy hearing; it is time to change the law governing contract employment. For example, wrongful dismissal complaints by contract employees should be heard in an informal conference, then reviewed within the company within 15 days of the dismissal. Contract employees do not have the luxury of a generous severance package to keep them financially solvent until a court date is set several months or even years after the dismissal date. At present, in order
for contract employees to have any recourse to contest their discharges, the employer must have engaged in some other type of unlawful conduct regarding the discharge, such as a human rights violation.

Furthermore, if a contract employee completes the assignment before the contract ends, the employee should receive the balance of the income as a bonus for quick work; the contract employee should explore such a possibility before signing the employment contract. Contract employees should not be penalized for good performance. Employers that use contract employees for the same job year after year to avoid hiring permanent employees should be prosecuted. Courts are continually being faced with this issue. In one recent case:

The presiding Ontario Superior Court judge observed that courts will often apply "the smell test" to situations where employers use annual contracts and attempt to avoid potential liability for reasonable notice on length of service. The judge pointed to a number of factors, among many, that led him to believe that there was an indefinite-term relationship:
(i) The employee had worked at the company for a number of years.
(ii) The employee considered herself to be hired for an indefinite term.
(iii) The responsibilities and training given to the employee implied that she would be with the organization beyond the life of the contract.
(Echlin, 1999, p. M1)

The law should also allow contract employees the option of choosing benefits in exchange for a reduction of their salary package.

At present contract employees, categorized legally as self-employed, are not eligible for any financial assistance while in between contracts, no matter for how long. Insurance companies may be able to offer contract workers a product that would be an income supplement until they found work again. It might be similar to disability insurance.

In the province of Ontario, home-based employees are only eligible for workers' compensation claims if they are employed by a covered company. There have been cases where employers have purposely, incorrectly categorized employees to conceal that they are performing dangerous work. "Professor Michael Quinlan, an Australian academic, says if an increasing number of companies become exempt from workers compensation regimes, it will become very difficult for them to provide medical treatment and income protection to injured workers" (Telecommuting causing, 2000, p. B8).
Politicians should introduce government legislation that would make safety education and liability coverage the responsibility of the employer for all types of employees including permanent and contract employees. If a contract employee were injured on the job for an employer whether at a home office or on-site at the employer’s location, the person should be eligible for a Workers’ Compensation claim. The home office environment should not be a throwback to the sweat shops of the Depression era where the safety needs of the employee were neglected. The home office should be a safe place to both work and play.

In addition, there are legal “grey areas” in contract work, largely revolving around possible ethical conflicts. In other words, what happens when a contract consultant has accepted a contract and during the contract the employer wants the contract employee to perform a task that is in contrast with the person’s values and ethics? (Of course the same situation could apply even more so to permanent employees because they are more threatened economically by this; I am grateful to W. Alexander for raising this issue, personal communication. October 3, 2000.) If the contractor quits, how does it impact on their career? If the contract employee acquiesces then what happens to their integrity? Perhaps employment law should allow contract employees a “morals clause” in their contracts that would enable them to cancel a contract under certain circumstances without facing legal action from the employer.

**Education**

Education should place more stress on how people learn, rather than on what they learn. Adaptability is a major key to success in employment today. Whatever is learned becomes obsolete so rapidly that workers must constantly master new material and techniques in the workplace. Adaptability and multiple skills are particularly important in a workplace that finds contract employees changing jobs anywhere from every six months to every three years. However, many companies continue to demand traditional education even from permanent employees, despite the fact that it might be difficult to achieve and perhaps not even relevant to their job. As one participant put it: “You figure in most places, 12 years if someone had excellent work they would be moved up. Here it is frustrating because they want a masters degree. Next, it will be a Ph.D.. But they want a masters degree. That is what is mainly holding me back is the masters degree.”

York University has two undergraduate degree courses available online. Queens
University offers an Executive MBA via the Internet. In addition, there are many independent instructional sites on the Internet. "There are practical "how to" sites on the Web, such as San Francisco-based e-How.com which draws 1 million surfers a month to browse 10,000-plus how-to guides covering everything from picking out roses to pitching tents" (Miller, 2000). Another such site includes access to actual courses, as well as specific pieces of advice on a wide range of topics:

The New York-based [web] site learn2.com offers dozens of tutorials to guide you through the basics of repairing a doorknob, finding a literary agent, cutting down on toxic household cleansers, fixing a scratched CD, decorating a cake, performing the Heimlich manoeuvre, etc. There's also a whole section marketing online courses, with a corporate slant. (Sampson, 2000)

This is the wave of the future for education. I would propose the development of an online educational system (called "Tutorial.com") that would provide people with instruction on subjects of their choice. Perhaps professional associations could set this up for their members through partnerships with educational institutions. This would address one problem for contract employees, who often need to learn new skills quickly for a short-term assignment and do not have the luxury of taking two years to complete an MBA. For example, suppose a retired elementary school teacher gets a contract from a school board to write a report after interviewing school teachers about causes for poor results on the Ministry's Grade 3 Standard Test. The hirer should be able to log on to "Tutorial.com" and take a quick course on the necessary research and statistical techniques to complete the contract assignment. Such a solution would overcome contract employees' justifiable complaint that they have neither the time nor the money to invest in traditional, semistered classroom learning to acquire new skills. An online teaching network would facilitate students' being able to learn anytime and anywhere. Such a virtual education system should also cost less than current expenses for learning institutions.

According to many futurists, "virtual" electronic education will transform education. From public schools, to universities to corporations, more and more education will consist of "as-needed" courses delivered electronically. Lifelong virtual education will drive progress, opportunity, and individual success by providing a decisive competitive advantage for individuals, nations, and corporations, says futurist James Canton (DeLima, 2000). Many such writers predict that the Internet will become the
conduit to learning, rather than traditional "concrete" schools and universities. Teachers will become network content providers and facilitators as students design their own courses (DeLima, 2000).

It is important that contract employees have access to the new technology to prevent them from falling behind and not having the current skills to remain employable. This may become a serious problem for contract employees who are unemployed for any length of time and who have no computer Internet access. Furthermore, contract employees need the Internet to e-mail resumes for jobs, surf the Internet for job opportunities, research companies of potential employers, network with colleagues and hone their computer skills by learning the most current business software applications.

People who learn only computer applications like word-processing or spreadsheets will be eligible for only entry-level positions in the e-commerce world. Liss Jeffery, a professor at the University of Toronto's McLuhan Program in Culture and Technology says, "Those from lower socio-economic backgrounds may gain access to the industry if they can simply program codes or perform basic data entry functions, but they won't get into the executive suites" (Grewal, 2000, p. R13). Computers have become an indispensable business tool; the abilities to harness their capabilities are complex skills to master, but essential to those seeking senior positions. Those who do not enrol in schools to acquire these new computer and Internet skills will be disadvantaged in the workplace as time goes on. The need to be technologically literate is as essential as being able to read and write.

Another crucial area of education for contract employees is the need to continually upgrade their computer application skills to be proficient on the latest version of office software. This issue of software retraining is further complicated because employers often have different computer systems, such as Mac or PC operating systems. Therefore, contract employees need to know not only the current word processing package but also be capable of using different computer systems. Acquiring these skills can be costly and time-consuming, especially if one does not own a computer or the newest available applications. Contract employees should be able to take computer skills retraining through professional associations to remain marketable.

Employment today involves working with both permanent and contract workers. This means that contract employees will continue to repeatedly join new workplace
settings. They must have the social skills to be able to get along within different work groups, and the self-esteem required to fit into a variety of employment situations. I propose social/personal skills training for contract employees. The objective of such a course would be to equip people with a “kit” of business etiquette that would help them function in different work environments. For example, role clarification would involve the contract employee sitting down with the employer and spelling out how they will work together to meet mutual needs and expectations. One employer may want face-to-face meetings, another may want voicemail updates. It is important for contract employees to clarify these basic work patterns in order to succeed. Because the work protocol differs in various environments, the contract employee should be proactive in quickly adapting to the organization’s internal work rhythms. These type of courses could be provided by professional associations with a strong membership of contract workers.

Employers need to develop training programs for their home office employees to ensure they are working in a safe manner. “A 1996 census showed that 650,000 Canadians were telecommuting, but Statistics Canada says that number could double by 2001. meaning that a lot more people are expected to work from home” (Telecommuting causing. 2000, p. B8). Clearly, as more office equipment finds its way into the homes of home office workers. employers must ensure that employees are trained to avoid a work-related injury.

Summary

A new “culture” of work is evolving. Contract workers are developing their own norms for defining who they are in today’s work culture. They inhabit the world of permanent employees too, and sometimes can’t appreciate their own accomplishments because of the rewards they see permanent workers receive. Yet they have to find a way to work together in harmony. In a perfect world, they could attain equity with permanent employees in terms of benefits, etc.. But that is not a realistic vision, despite the urgings of fairness. Contract workers have to accept some tradeoffs in exchange for the advantages they do have, such as more control over their work. Some of my recommendations seem to suggest that they should and can both have their cake and eat it too. Perhaps not, but there is hope of some middle ground. For example, if permanent employees are now enjoying some of the benefits of contract work, such as flextime,
should contract workers not be able to count on some benefits of permanent work? (I am grateful to A. Thomas for raising these issues, personal communication, May 19, 2000.)

**A Protocol for Employing Contract Employees**

This suggested protocol attempts to address the concerns that contract employees raised during the interviews and resolve some of the issues raised in the preceding section. Businesses and other organizations could use it to develop human resource policies regarding contract employees.

1. Companies' human resource strategies should make it clear why they are hiring contract employees. This should be consistent with the companies' mission and value statements.

2. After two years, contract jobs should be evaluated to assess whether there is an ongoing need for the particular type of work. If there is a continuing need, then the employer might consider making the position permanent or contracting the service out to a third party. (For example, let an on-site American Express employee arrange the company's travel needs instead of having the job handled by an internal contract worker.)

3. Ensure that contract workers clearly understand that contracts are not going to lead to permanent employment. If permanence is implied, it should be forthcoming at a specified date after a specified time. Otherwise, contracts should be limited and clearly non-renewable. For example, contract employees could sign a two year contract. At the end of the contract, they would have to wait a minimum of one year before being eligible to be hired back as a contract employee. (This is common practice at one international computer company.)

4. Contract employees should be able to negotiate benefits, such as health and dental, and insurance, such as accident, liability and workers' compensation, in exchange for a reduction (or deduction) in their monetary compensation to cover the fees for these programs.

5. Contract employees should be eligible to apply for internal job postings.

6. Contract employees should be eligible for internal corporate training programs.
7. At age 55, permanent employees should reduce their hours of employment, on a voluntary basis, to allow for younger employees to enter the workforce and gain experience.

8. Contract employees should be able to negotiate a flexible work schedule that is mutually acceptable and may include a work-from-home arrangement.

9. Contract employees should be provided with the necessary tools and equipment to successfully execute the contract.

10. Contract employees should be treated with courtesy and respect by all employees.

11. Contracts should include a "morals clause" that enables cancellation of the contract by either party due to the ethical values of either party being compromised if the contract continued.

Employing this protocol would prevent many disadvantages of contract employment and reduce some of the common complaints of contract employees.

Social Responsibility

Employers can increase their social responsibility by offering contract employees similar benefits to those offered to permanent employees in exchange for contract workers accepting that these fees will come out of their remuneration. Companies should experiment with a 30-hour work week. Employers could hire more people on a part-time basis to fill the gap from reducing the work week. Current employees would feel less stressed from work demands and new employees would have a chance to enter the workforce through this socially progressive strategy. Another suggestion to heighten social responsibility is for the formation of an employment council with membership from business, government, education and unions to forge a plan to transform Canada’s branch-plant economy into an e-commerce global leader. Students could enter an apprenticeship program that ends not with a traditional trade license but with the skills to master Internet work, such as creating web sites. The proposed employment council would focus on helping people acquire the skills to be successful in the information technology age and assist the graduates in finding rewarding employment that would benefit society and the economy.
Limitations of the Study

Unfortunately, the sample size was small (total 23, 16 contract and 7 permanent) and each employee's position and employer were different (see Tables 3, p. 34, and 4, p. 36). A second limitation was that all of the present sample members were professionals. Hence, this study cannot confirm for contract employees the findings of other researchers, who used the job segregation theory, about part-time employees having less interesting jobs. The results might more closely replicate earlier research if the group were composed of people in lower-paying contract positions, such as service or clerical jobs. Third, the participants were all Canadians and based in Ontario, primarily in the urban Greater Toronto Area. Thus, these people have Ontario’s Health Insurance in place to take care of their medical needs. Contract employees without free health care (e.g., in the U.S.) might well discuss different feelings about economic hardship and about how they coped with the cost of medical coverage and expenses.

Suggestions for Future Research

Essentially, we need more research to deal with all the seven Themes I outlined earlier, in order to make contract employees more visible in the academic literature about employment, management and organizational theory. In addition, useful information might come from using a large-scale, standardized survey to test across occupational groups.

Because contract employees must seek out and pay for continuing education themselves, researchers should investigate how well the adult education system is facilitating this process. In the past, training was part of the arrangement employers had with their permanent employees. Contract employees now fall into a gap in training, but we have little information on how -- or whether- it is being filled. In addition, all parties would find it useful to know to what extent both employers and employees now rely on non-company systems of education and training.

Research into how former permanent employees, returning to the same employer(s) as contract employees, are treated by the organization and their coworkers would provide valuable insight into organizational development. As yet, no researcher has investigated the key issues for such contract employees nor how they feel as contract employees in the same organization where they had once been permanent. Knowing how
they adjust to their new position in the organization -- and vice versa -- would help human resource planners faced with increasing numbers of such cases.

Public sector planning is affected by a new category of contract, higher-level civil servants, who plan for the short term during which they are employed, rather than for the long term, because they are not permanent and have no role in implementing these plans. A study of decisions made by such contract bureaucrats in the public service, compared to decisions made by permanent senior civil servants, would shed light on the extent of this problem and the need to study it further.

Further research could also revisit the various motivational theories in order to see whether the same themes and findings apply more widely to contract employees as well as to permanent and part-time ones. Because of different circumstances, contract employees may have different motivators from permanent employees, or may weight the same ones differently.

Future studies might also test the applicability of different theories of job satisfaction to contract and permanent employees. For example, it would be useful to re-examine Rotchford and Roberts’ (1982) frame of reference notions by comparing new contract employees with contract employees who have been employed for more than a year with the same firm. My data suggest the hypothesis that contract employees who remain in a company for several years on successive contracts will start to identify with, and behave more like, the permanent employees rather than other contract employees. In other words, because they interact more with their coworkers, who may be permanent employees, than they do with other contract or permanent employees in other departments, contract employees may come to more strongly identify with their work group than their employee-status group. Again, light shed on this issue would help all parties concerned.

In addition, there should be research into the effects on employees of a branch-plant economy, the social safety net, and other factors that may operate in Canada and other places but not (or less so) in the United States. The growth of contract employees in this country seems to be fueled in part by the nation’s branch-plant economy. In other words, as manufacturing plants have been closed down or moved to the U.S. or Mexico (due to the North American Free Trade Agreement) or even further afield, workers have become unemployed and hence potential candidates for contract
employment. One might speculate that there may not be enough “new economy” permanent jobs to replace the old ones lost from the branch-plant economy.

We do not know how much of the growth of contract work is due to job loss from such plant closings or restructuring. Nor do we know how much of the “brain drain” is due to the movement of “core” jobs out of the country. There has been no systematic research on what happens to people who lose permanent jobs, how many of them find other permanent employment, be it full-time or part-time, and how many switch to contract employment. Finally, there remains the whole issue of transition difficulties: coping with the transition from permanent to contract employment, from an old company to a new employer, or from an “old” economy business to a “new” e-commerce corporation.

Another area for future research should be the issue of how well the independence of contractors stands up against company pressure to conform when an ethical or technical conflict arises. Not all contract workers are that independent-minded, for a variety of legal and financial reasons. For example, there have been several cases of researchers who produced results the company wanted for public relations purposes. This topic and the others suggested would be worthy of further study.

A further area that warrants more research is the relationship between employment status and productivity. I did not find any difference in my study. Finally, research comparing the behaviours of permanent and contract employees would help address some of the questions about job motivation for these two employment groups.

Dr. Richard Trotter, Associate Professor of Management, University of Baltimore, has suggested other avenues for future research. For instance, researchers could profitably examine the possibility of creating a recruitment model to select those employees best suited to contract employment. Employers might be interested in ways to organize work in order to increase the appeal of contract employment, perhaps by enhancing schedule flexibility and other job satisfactions, if they cannot provide more pay and benefits.

In addition, there is still little evidence on how much using contract employees raises productivity and cost-effectiveness, and where it is most cost-effective and productive. Likewise, one could compare the success and appropriateness of hiring contract employees in the private sector versus the public one. Finally, global comparisons could suggest how other nations utilize contract employment, for example,
the U.S. and Japan. (I am grateful to R. Trotter for these suggestions; personal communication. September 11, 2000.)

**Conclusion**

Contract employees are treated differently in the workplace than permanent employees -- by employment law, by management, by human resource policies, and by coworkers. Contract employment suits people who want to control the hours they work so that they can better balance family and work life. One downside of this increased flexibility is the uncertainty of income from the time a contract expires until one finds new contract employment. Individuals who want a guaranteed income and a severance-pay safety net if they are released from employment would find contract employment less satisfying than permanent employment.

Most of the women I interviewed found contract employment the solution to balancing their hectic work and family lives. Contract employment allowed them to re-enter the workforce after having children but still have the freedom and flexibility they needed to attend to other personal tasks. Most of the men also appreciated the flexibility. On the other hand, some of them were frustrated by contract employment because it was their only option, no permanent employment being available. A few participants found it difficult to integrate themselves into a new company culture every time they began a new contract assignment. On the other hand, many contract employees enjoy new challenges more than routine work. One contract employee turned down an offer to be a permanent manager because she said she preferred designing the plan for a new purchasing system rather than the actual implementation of it. Both men and women who were retired from permanent employment positions with pensions enjoyed contract employment, because it kept them active in their professional field, offered them an opportunity to apply their lifetime learning experience to organizational situations requiring their expertise and wisdom, and supplemented their pensions.

Contract employees generally have different values from permanent employees. I concluded this from a review of the literature, the in-depth interviews with participants, and the seven Themes that emerged from the data. Contract employees prefer to be independent and work flexible hours. They are professionals with transferable skills, which makes them marketable in the workforce. Contract employees value their personal time and are willing to sacrifice a steady pay cheque from one employer for the
opportunity to learn new skills and maintain their ability to work for multiple employers and to work on projects that fit their value systems. Contract employees are confident self-starters who thrive on solving problems for their clients. They work long hours and are singularly focused on the task at hand.

That said, contract employment is not for everyone. One needs to carefully assess one’s psychological make-up and lifestyle needs before deciding to pursue a contract position. If one has the fortitude to endure the roller-coaster ride of contract employment, then one could take advantage of the increasing opportunity for contract employment. The younger a person, the easier it is to give contract employment a try. However, when one already has large financial and family obligations, contract employment may create too much stress.

Contract employment, properly managed, benefits both the employee and the employer. The employee could get flexible work hours, decent compensation, and interesting work. The employer can write performance criteria into the contract so as to allow them to terminate contract employees who do poor work. Also, hiring contract employees allows companies to increase or decrease their workforce according to demand, which gives them more control over managing their business and profit potential. However, companies need to look carefully at the proper management of contract employment, as outlined in the protocol above. They should not just jump on the bandwagon imitating others, as has often happened with other management innovations without regard to whether they benefit the particular business or the employees.

Contract employment offers a chance to experience new learning opportunities. The employment world becomes a learning institution; each new contract is another course of the curriculum leading to a “degree in employability”, something all participants wanted for their long-term employment security.

As more shamrock-like organizations move into the workplace, more employees are released from employment. One might wonder whether this is “the end of work” as suggested by Rifkin (1995) and others. However, my results suggest that we are in the middle of what Lewin (1947) called an "unfreezing" of the workplace typified by a majority of permanent employees, leading to a "refreezing" of a new, more fluid work environment that includes permanent employees, contract employees and other alternative work arrangements. Despite dramatic rises in alternative employment, permanent
employees will not disappear. However, some may “fade away” and return as contract employees who are a little older and more experienced: just what corporations need to balance their talent pool as they enter the maturity stage of their own life cycles. One can only hope that as they enter their maturity, corporations will correspondingly develop more socially responsible and less ruthless hiring policies.

As countries with branch-plant economies, like Canada, are transformed through globalization, care should be taken that employees are not discarded as they were when harvesting machines replaced their labour in the farming fields. We must learn from the trends of the past, or otherwise the trends of today could create a future where the rich will be computer savvy and part of the e-commerce economy and the poor will be computer-illiterate and stuck in the lowest levels of both the “old” and “new” economies. Educators should start preparing students not for the end of work but for new forms of work that require new theoretical and practical approaches to supplement conventional organizational and attitudinal theories and human resources practices.
Bibliography


Appendix 1 - Request for Participation and Consent Form

Request for Participation

Researcher:
I am a doctoral student in the Department of Adult Education at the Ontario Institute for Studies in Education/University of Toronto. I have worked in the field of organization development for 13 years, for such companies as Ernst & Young, Zurich Insurance, Colgate Palmolive, Asea Brown Boveri and Sunoco Incorporated.

Research:
The purpose of this thesis is to compare the work experience of contract and permanent employees. I want to explore your work experience as part of my research.

Interview:
The study that I hope you will participate in involves being interviewed about your work experience.

Benefit:
The benefit will be a summary of a report for you about the findings of the research. I hope what I learn will be useful to you as well as to other people interested in the changes in employment practices.

Payment:
You will receive no payment for your participation.

Participant’s Rights:
You are perfectly free to withdraw from the study at any time. If you do, all data collected from you will be destroyed. Your name, those of other employees, and that of your organization will be disguised in all data, and in the thesis as required by the University of Toronto’s research policy.

Participation/Questions:
If you agree to participate, or for any questions about this study, contact: Randy Palef at:
Residence Telephone: (416) 712-9586, or E-mail: rpalef@oise.utoronto.ca

Thank you,
Randy Palef
Dear Randy:
I have read the attached letter describing the research you plan to do and I agree to participate.

It is clear to me that I am free to withdraw from the study at any time. If I do, all data collected from me will be destroyed. My name, those of other employees, and that of my organization will be disguised in all data, and in the thesis as required by the University of Toronto’s research policy.

Date: 

Signature:

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Name (please print)

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Appendix 2 - Interview Questions

Interview Questions

Note: Participants may be asked to elaborate on their responses

I. Personal Background

For classification purposes only:

1.1. Are you employed as a contract or permanent employee?
1.2. Are you male or female?
1.3. How many years have you been employed including permanent and contract employment?
1.4. What is the highest level of education you have achieved?
1.5. What is your professional field or occupation?
1.6. How old are you?
1.7. What is your ethnic background or family heritage?

II. Differences and/or Similarities between Contract and Permanent Employees

2.1. How are you treated in the workplace as an employee by coworkers, management and company policies?
2.2. How does being a contract (or permanent) employee impact on your personal lifestyle decisions, such as debt, vacations, or buying a home or a car?
2.3. How is your self-image or identity (who you are) connected to your employment?
2.4. What is your attitude towards permanent employees?
2.5. What is your attitude towards contract employees?
2.6. How do you feel about the increase in the number of contract employees in the workplace?
2.7. How would you describe your relationship with permanent employees?
2.8. How would you describe your relationship with contract employees?
2.9. Are contract employees self-employed?
2.10. What non-technical skills are required for contract employment?
2.11. Why did you choose contract (or permanent) employment?
2.12. Have you ever considered contract (or permanent) employment, please explain?
2.13. What percentage of your work is done at your office/field versus your home?
2.14. How many hours a week do you work?
II. Differences and/or Similarities between Contract and Permanent Employees (continued)

2.15. Has the amount of hours you work changed over time? If so, how, such as more or less?
2.16. Tell me about your work ethic and what it means to you.
2.17. What firm-specific skills have you acquired?
2.18. What does employment mean to you?
2.19. What personality characteristics are essential for your type of employment?

III. Job Satisfaction

3.1. How satisfied are you with your employment on a scale from 1-5, with 5 being the highest?
3.2. What do you like most about your employment?
3.3. What is important to you about your employment?
3.4. What do you value from the workplace?
3.5. What major concern do you have with your employment?
3.6. What is the most important reason to you for working?

IV. Other

4.1. Are there any other questions I did not ask you that you wish to discuss?
4.2. Are there any potential participants you would recommend for this study? If so, who?