Independent professionals and the potential for HRM innovation

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Abstract

Purpose – The purpose of this paper is to examine “black box” links between HRM innovations and organizational performance by investigating the perspective of a workforce often excluded from the HR realm. Professional Independent Contractors (IPros) play a vital role in achieving workforce flexibility and innovation. While the use of such arrangements has been examined often using a compliance-oriented lens, the authors explore the value of adding a commitment aspect.

Design/methodology/approach – In total, 375 IPros working in Australian organizations completed an online questionnaire distributed by a national business support services provider.

Findings – Results show organizational support significantly predicted work engagement and affective commitment. Self-efficacy, age and gender were also significant predictors.

Research limitations/implications – The cross-sectional nature of this study and reliance on self-reported data limit the reliability of the findings. In addition, the findings may be specific to the Australian labor market.

Practical implications – The study present the views of a difficult to reach population and the findings suggest by adopting an innovative hybrid commitment-compliance HR configuration, practitioners may positively increase desirable contractor outcomes.

Social implications – Concerns that organizational imperatives for efficiency, quality and high performance will be compromised by considering the human side of non-employee work arrangements are not supported. Indeed, as previously outlined, much of the concern with the employee/non-employee dichotomy is legally based and an artefact of a system of labor law that in many settings has failed to move with the times.

Originality/value – Few investigations of the impact of high commitment HRM practices have incorporated the perspective of professional, non-employees. While IPros are recipients of compliance focused contractor management practices, carefully integrated commitment-based HRM aspects have the potential to deliver positive outcomes for both individuals and organizations.

Keywords Quantitative, Work engagement, Commitment, HR strategy, Independent professionals

Paper type Research paper

Introduction

This paper addresses the call to examine the notion of the “black box” links between HR innovations and organizational performance. While an extensive HR literature investigates the linkages between employee attitudes and behaviors, organizational interventions and desirable performance-related outcomes, the traditional views of work they are embedded in are changing (Kowalski et al., 2015; Okhuysen et al., 2015). Workforces are becoming complex in twenty-first century organizations, blending those traditionally employed with increasing numbers employed on a contingent, atypical or non-standard basis and those engaged via intermediated or contracted arrangements. As Voelz (2010) notes, the complexity of managing this blended workforce requires the input of human resource (HR) managers to build new working relationships while protecting legal and ethical priorities.

This context provides the background to an investigation of an often hidden, but vital segment of the engaged workforce, namely white collar Independent Professionals...
(herein IPROS). IPROS are distinctive with the engaged workforce because of their professional occupations, knowledge worker characteristics (high uniqueness, high strategic value) and commercial rather than employment contract with organizations. The next section of this paper positions the IPRO as an important actor in the global trend toward an increasingly flexible, agile and innovative workforce (Burke, 2015). The paper then proceeds to locate the IPRO within Lepak and Snell’s (1999, 2002) notion of the HR architecture. Our research aims to determine the potential for integrating HRM approaches within contractor management practices to create an innovative hybrid compliance-commitment HR configuration. We suggest that, together with knowledge of the role of IPRO volition and self-efficacy, this hybrid HR configuration can be utilized to positively affect the work attitudes, behaviors and subsequently, the performance of this important organizational resource.

The independent professional (IPRO)
Alternatives to traditional notion of employment as a job that is full-time and permanent are increasingly the norm. Captured by labels such as contingent, atypical or non-standard, such individuals account for over 20 percent of the American workforce (BLS, 2014) and almost 30 percent of the Australian labor market (ABS, 2016). As Cappelli and Keller (2013, p. 575) note “alternatives to the archetypal model of full-time regular employment are now prevalent and wide ranging […] yet most of our management and social science notions about economic work are based on the full-time employment model.”

From increasing educational levels to greater labor mobility, the organizational challenges associated with workforce management are compounded by HRM practices intended to stimulate high levels of engagement, commitment and subsequent organizational productivity gains. Often predicated on notions of stability and predictability, such HRM practices also largely disregard the growing non-employee workforce (Kowalski et al., 2015; Okhuysen et al., 2015; Way et al., 2010). Historically, organizations have focused on eliciting compliance rather than commitment from contracted workers (Deakin, 2007; Leighton and Wynn, 2011) but this is clearly at odds with the increasing reliance on the non-employee workforce. Of particular relevance to this research is the contribution of the growing numbers of IPROS (Kalleberg, 2009; McKeown, 2016; Süß and Sayah, 2013) who are characterized as the embodiment of star performers (Aguinis and O’Boyle, 2014) and where meeting deadlines and expectations are essential to their professional success (Bögenhold and Klinglmair, 2016; de Jager et al., 2016).

While definitions remain contentious (Leighton and Wynn, 2011; McKeown, 2015), the consensus internationally is that IPRO work attracts highly qualified individuals with unique human capital (Bidwell and Briscoe, 2009; Casale, 2011; Eurofound, 2010; Jas, 2013; Smith, 2010; Süß and Sayah, 2013; Wynn, 2016). IPROS operate at the elite end of the non-employee spectrum with the premium attached to specialized skills seeing these individuals highly sought after by organizations requiring their expertise and abilities and willing to pay generously (Bryant and McKeown, 2016; Burke, 2015; Grimshaw and Miozzo, 2009).

However, while the ability to optimize IPRO engagement and organizational commitment throughout the duration of a project would seem appealing, they also present a challenge to the prevailing organizational orthodoxies of workforce management. As non-employees, IPROS fall through administrative and conceptual gaps created by systems grounded within legal concepts of traditional employment (Wynn, 2016). Despite their valued and strategic human capital, IPROS are largely ignored by the HRM discourse (Leighton, 2014). While we aim to put a spotlight on the potential of applying a hybrid commitment-compliance HR configuration to IPROS, it is important to explore the compliance aspect commonly associated with their legal and commercial context.
The legal context of the IPro

In many instances, legal distinctions between employee and non-employee challenge the traditional regulatory and processes within which organizations operate – from taxation, work safety and labor laws and even, according to some, to the very order of society (Casale, 2011; Deakin, 2007; Okhuysen et al., 2015). Indeed, many of the benefits that organizations derive by using non-employees such as IPPros arise precisely because they fall outside of the conventional provisions and protections often associated with employment (Blanpain et al., 2010; Leighton and Wynn, 2011).

There is a body of research which suggests that contracting arrangements are used to avoid labor and employment laws covering standard employees (Bidwell and Briscoe, 2009; Parker, 2010) and achieve cost-savings through only purchasing labor when required (Deakin, 2007; Stewart, 2007). While some individuals are involuntarily pushed into independent contracting (McKeown, 2015), others voluntarily opt-in (Shane, 2008; Wynn, 2016) or in response to occupation or industry socially embedded practices (Bögenhold and Klinglmair, 2016; McKeown et al., 2011).

For many organizations, due diligence and compliance surrounding the engagement and management of contracted workers is paramount, particularly in light of concerns about sham contracts (McNeilly, 2013; Leighton and Wynn, 2011) and potential confusion over employer status (Leighton, 2016). The tensions and debates surrounding non-employee status are longstanding with courts around the world struggling to find coherent tests differentiating employee from the self-employed non-employee – a situation compounded by the increasing complexity and diversity within employment relationships themselves (Casale, 2011; Deakin, 2007). As Leighton and Wynn (2011, p. 36) note:

The orthodoxy has long been that the essence of the distinction between the employee and the self-employed is that of opportunity and risk. The genuine employee bears little financial and other risks; the self-employed carries far more risk, especially in terms of work instability and investment in materials, etc.

The key distinction is that the non-employee is an individual who earns his or her income through the commercial or civil contract and not the employment contract – they are engaged by, rather than working for, a client or organization (Phillips and McKeown, 2012). Added to this, the specter of “sham” or pseudo contracting claims being made has long been a rationale for organizations in general and HR departments in particular, going to great lengths to “distance” this sector of their workforce (Voelz, 2010; Way et al., 2010; Wynn, 2016). IPPros thus tend to fall outside of the HRM realm, despite the fact that organizations have been identified as an important institutional actor and resource in meeting the needs of workers in non-standard employment (Zeitz et al., 2009).

IPPros as non-employees in the Australian context

With this context in mind, the Australian context of this study provides some clarity in this rather fraught area. Since the passing of the federal Independent Contractors Act 2006 (Cth), Australia provides a legal definition of an independent contractor which ensures that they are, for the most part regulated as “business people” (Riley, 2006), by the law of commercial contracts and not employment law. Combining the ABS (2006), definition of professionals as those engaged in providing professional, scientific and technical services who specialize in particular areas and sell their expertise and knowledge sees IPPros as professionals:

[... who operate their own business and who contract to perform services for others without having the legal status of an employee, that is, a client under a commercial contract, rather than an employee under an employment contract (ABS, 2009, p. 6).]
As at August 2015, over one million persons worked as independent contractors in Australia and around 25 percent of these were IPPros. While the non-employee and IPro workforce is not a dominant form of work, the challenges and opportunities this workforce offer are vitally important.

**HR architecture and the IPro**

The notion of the HR architecture provides an anchor for investigating the role of the IPro workforce, incorporating transaction cost economics (Williamson, 1975), human capital theory (Becker, 1964) and the resource-based view of the firm (Barney, 1991). Lepak and Snell (1999, 2002) present the HR architecture model to conceptualize the connections between labor use and workforce internalization vs externalization strategies to manage human capital. As shown in Figure 1, the four quadrants of the model connect the strategic characteristics of human capital, employment modes, employment relationships and HR configurations. The value and uniqueness of employee skills become primary determinants for identifying the respective employment mode and then, customized HR practices suggested as appropriate to manage human capital.

Quadrant 3, labeled Contract Workers, focuses on temporary or contracted workers. Lepak and Snell (1999) suggest these workers have a transactional relationship based on being paid an hourly rate based on completion of specific tasks with limited scope, purpose or duration. The compliance HR configuration associated with this quadrant aligns with the compliance focus of the commercial contract emphasis of the ICA Act (2006). This emphasis generally operates to directly remove contract workers from the HR remit and sees their management as an issue for procurement or financial services (Bögenhold and Klinglmair, 2016; Bovaird, 2016; Leighton, 2014; McNeilly, 2013). In contrast, Quadrant 1, labeled Knowledge Employees, is characterized by individuals with human capital that is unique, of strategic value and associated with a commitment HR configuration.

Positioning the IPro within this model is problematic and thus worth investigating as lost productivity may be incurred by focusing solely on compliance. While not an employee, IPPros provide a valuable resource that may evolve into a long-term essential contributor to an organization (Fisher et al., 2008). Further, organizations use of IPPros for strategic reasons suggests they “no longer inhabit the fringes of the labor market” (Ashford et al., 2007, p. 74). Non-standard workers in general and IPPros, in particular, operate in all occupations, industry
sectors, and organizations of all sizes. Thus, there is broad scope for reconsidering the notions of work engagement and commitment in the context of non-standard workers (Gallagher and Sverke, 2005; Klein et al., 2012), particularly IPros due to their highly valued human capital. On the surface, this appears to logically locate IPros at the nexus of high strategic and unique human capital of Quadrant 1. Indeed, there is a growing body of research that supports this placement of the IPro as a resource of both high strategic and unique human capital value (see e.g. Bryant and McKeown, 2016; de Jager et al., 2016; Wynn, 2016).

The “Alliance partner” configuration of Quadrant 4 could also be considered, particularly in light of the commercial contract focus of the relationship between individual and organization. Again, the specter of “pseudo” or “sham” contracting means that the mutual sharing and closeness required for collaboration cannot occur, while the low strategic capital that this configuration is based on is not reflected in the roles IPros fulfill.

Furthering knowledge about the role of HRM mechanisms in supporting and sustaining IPro engagement and commitment is potentially beneficial at the individual, organization and national levels. While there is a lack of research into the mechanisms which may support this form of work (Guest et al., 2010; Panaccio and Vandenberghe, 2009), theoretically and practically, the principles which underpin Lepak and Snell’s (1999, 2002) HR architecture provide a solid framework for exploring key mechanisms to positively influence IPro work engagement. The next section therefore explores the notions of engagement and commitment.

**Work engagement and commitment**

Work engagement is a positive, work-related state of well-being or fulfillment and is negatively related to burnout (Bakker and Leiter, 2010). Engaged employees tend to have high levels of personal resources (such as optimism and self-efficacy), and be enthusiastically involved in their work. Extrapolating this to organizations engaging IPros suggests that they want these workers to be energetic and enthusiastic for the duration of a project, particularly were paying premium rates for their expertise and knowledge. High levels of IPro work engagement are not only advantageous to clients; meta-analytical results reveal positive relationships with individual health and performance, and negative relationships with burnout and exhaustion (Bakker et al., 2014; Halbesleben, 2010).

Following Schaufeli et al. (2006), work engagement is defined here as a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication and absorption. Vigor is characterized by high levels of energy and mental resilience while working, the willingness to invest effort in one’s work, and persistence even in the face of difficulties. Dedication relates to being strongly involved in one’s work, and a sense of significance, enthusiasm, inspiration, pride and challenge. Absorption involves being fully and happily immersed in one’s work.

Understanding the personal attributes and contractor management practices associated with high levels of work engagement offers the potential to create value for organizations using the IPro workforce. For instance, Kurtessis et al.’s (2015) meta-analysis revealed perceived organizational support (POS) predicted both employee well-being and performance. Further, given the increasing individualization of the employment relationship, the psychological contract provides a useful analytic framework where the notion of psychological contact breach is an important element to consider in relation to fostering IPro work engagement and achieving successful outcomes such as organizational commitment (Guest, 2016).

Organizational commitment is defined as a sense of loyalty toward one’s organization, which encompasses an individual’s willingness to extend effort in order to further an organization’s goals and the degree of alignment the organization has with the goals and values of the individual (Mowday et al., 1979). While Meyer and Allen (1991, 1997) posited
organizational commitment comprises three specific components of affective, continuance commitment and normative commitment, affective commitment is considered the core essence of organizational commitment (Mercurio, 2015).

Affective commitment is “the employee’s emotional attachment to, identification with, and involvement in the organization” (Meyer and Allen, 1991, p. 67). The broad antecedent categories for affective commitment have been identified as personal characteristics, organizational structure characteristics and work experiences that develop on the basis of work experiences and organizational characteristics that make the employee feel psychologically comfortable, and enhance a sense of competence (Meyer and Allen, 1991, 1997; Meyer et al., 2002).

Both the IPro and client organization mutually benefit from an IPro feeling engaged and committed to the client organization throughout the duration of a project. Adapting Lepak and Snell’s (1999, 2002) model, IProns with their knowledge employee (Quadrant 1) characteristics and contracting employment mode (Quadrant 3) highlight the potential for using an innovative hybrid compliance-commitment HR configuration. While engaged and committed workers have the potential to produce desirable outcomes for organizations, a key question is how can these attitudes be elicited from an IPro workforce? The next two sections address this question by considering personal resources available to an IPro as well as job resources within the control of client organizations.

Personal resources related to IPro work engagement and commitment

Figure 2 presents the research model and the linkages among the variables proposed in this study. Previous studies consistently demonstrate both personal and job resources are positively associated with work engagement (Bakker et al., 2014; Bakker and Leiter, 2010; Halbesleben, 2010) and commitment (Chambel et al., 2014; Meyer and Allen, 1997; Meyer et al., 2002).

Looking at each in turn, personal resources are positive self-evaluations linked to resiliency and relate to an individual’s sense of their ability to successfully control and influence an environment (Hobfoll et al., 2003). They are positively associated with work engagement and include volition, optimism, self-efficacy and resilience, which assist individual control over the environment in a successful way (Xanthopoulou et al., 2007).

Examining personal resources allows exploration of the human side of the IPro-client work arrangement, particularly as organizations use non-standard work arrangements to externalize services or in-source previously outsourced services (Bovaird, 2016).
Volition emerges as an important personal resource within the non-standard employment literature which impacts on work-related attitudes and behaviors (Connelly and Gallagher, 2004; McLean-Parks *et al.*, 1998). Volition is the desire to pursue non-standard work or the preference for becoming a permanent employee (Connelly and Gallagher, 2006) and has been linked to work outcomes, such as satisfaction, burnout and organizational commitment (Connelly and Gallagher, 2006; Krausz, 2000; Krausz *et al.*, 1995).

Volition also makes the distinction between push and pull (Ellingson *et al.*, 1998; McKeown, 2015) and the voluntary vs involuntary entry into non-standard work (Tan and Tan, 2002). For those individuals who deliberately opt to work this way, there are positive outcomes and attitudes that are more favorable and behaviors in comparison to involuntary workers (Ellingson *et al.*, 1998; Krausz, 2000). As previously noted, professionals who move to IPro arrangements may do so for a range of reasons yet research examining the linkages between volition and work attitudes is sparse. According to commitment theory (Kiesler, 1971; Meyer and Allen, 1997), volition and feeling free to act otherwise, operate as binding variables so individuals who freely accept their work assignment (high volition) are likely to experience higher levels of work engagement and affective commitment. Thus, we hypothesize:

*H1a.* Volition is positively related to IPro work engagement.

*H1b.* Volition is positively related to IPro affective commitment to current client.

The focus on independence in this study identifies self-efficacy as an important personal resource. Self-efficacy refers to the confidence or belief in one’s ability to succeed at a particular task in a specific context (Bandura, 1997). Mauer *et al.*’s (2009, p. 241) suggestion that self-efficacy is “an important mechanism to overcome perceptions of risk” aligns with the notion that professionals who become IPros are likely to have high levels of self-efficacy to assist them to persist in the face of difficulties. Previous studies demonstrate the linkages between self-efficacy and positive work-related outcomes including work engagement (Halbesleben, 2010; Salanova *et al.*, 2010) but only occasionally in investigations of commitment. Although the results so far are not conclusive regarding the casual order of this relationship, overall, research supports the idea that efficacy constructs are antecedents of action commitments and that the two constructs are positively related (Bandura and Locke, 2003). Hence, it is hypothesized:

*H2a.* Self-efficacy is positively related to IPro work engagement.

*H2b.* Self-efficacy is positively related to IPro affective commitment to current client.

**Job resources related to IPro work engagement and commitment**

Job resources are important antecedents of work engagement that are within the organization’s control. They may be influenced via management interventions which involve “those physical, psychological, social, or organizational aspects of the job that may (a) reduce job demands and the associated physiological and psychological costs, (b) are functional in achieving work goals, and (c) stimulate personal growth, learning and development” (Demerouti *et al.*, 2001, p. 501; Halbesleben, 2010). Work engagement is related to job resources such as co-worker support, job satisfaction and organizational commitment as well as positive perceived mental health such as lower distress, depression and psychosomatic complaints (Schaufeli *et al.*, 2008).

POS is a well-established construct and refers to an employee’s evaluation of their experiences at work in terms of the extent to which they reflect organizational concern for employee well-being. Derived from organizational support theory (Eisenberger *et al.*, 1986), and grounded in social exchange theory and the associated norm of reciprocity (Panaccio and Vandenberghe, 2009), POS has been recognized as a reliable predictor of important
attitudinal and behavioral employee outcomes which lead to positive individual and organizational outcomes (Eisenberger et al., 1986; Kooij et al., 2013; Riggle et al., 2009). Given the consistently strong and positive relationships between POS and desirable individual and organizational outcomes, POS is important for individualized work arrangements such as the IPPro. For instance, POS fosters commitment by meeting employees’ socio-emotional needs and creating a felt obligation to “re-pay” the organization. Emergent findings in the non-standard work literature show some support for an association between POS and positive worker attitudes (Coyle-Shapiro and Morrow, 2006; Veitch and Cooper-Thomas, 2009). Thus, we propose:

H3a. Organizational support is positively related to IPPro work engagement.

H3b. Organizational support is positively related to IPPro affective commitment to current client.

Psychological contract breach also seems an important construct. While the formal legal contract between the IPPro and client organization is likely to address the commercial side of the arrangement, there is also likely to be an informal or unwritten psychological contract between the two parties that can be upheld or breached (Rousseau, 1995). Perceived psychological contract breach refers to the feelings of disappointment, ranging from minor frustration to betrayal, arising from their belief that their organization has broken its work-related promises (Morrison and Robinson, 1997). Perceived breaches, particularly when viewed as a serious violation, can negatively affect the individual and organization through decreased organizational commitment and job satisfaction and increased turnover (Millward and Brewerton, 2000).

Research surrounding the psychological contract and commitment (Meyer and Allen, 1991, 1997; Robinson and Morrison, 2000; Rousseau, 1995) suggest the desire to fulfill perceived obligations under the psychological contract may influence affective commitment in one of two main ways. An individual may stay and adapt their psychological contract or rectify a violation by withdrawing or quitting. As rectifying a sense of indebtedness is associated with stronger commitment, psychological contract breach is rectified by, and associated with, lower commitment. This is supported in prior studies examining non-standard workers (DeCuyper et al., 2008). Hence, it is hypothesized:

H4a. Psychological contract breach is negatively related to IPPro work engagement.

H4b. Psychological contract breach is negatively related to IPPro affective commitment to client.

In sum, work engagement and commitment are two important concepts which appear to offer a potential extension of current knowledge by applying such HR commitment considerations to contractor management practices.

**Method**

**Participants and procedures**

We collected data via an online questionnaire distributed by Entity Solutions (Australia’s leading business support services organization for professionals) to 1,000 registered IPPro clients. In total, 375 IPPros working in a range of Australian organizations completed the questionnaire (37.5 percent response rate). As precise information about the database of IPPro clients was not made available to the researchers, it was not possible to conduct a statistical comparison of non-response bias (Rogelberg and Luong, 1998). However, a non-statistical comparison was made by reviewing respondents’ demographic characteristics with the general descriptions provided by Entity Solutions. In broad terms, this sample reflected the ages, gender and occupations of the entire database.
As presented in Table I, the IPro sample IPros was diverse in their personal and work-related characteristics. The majority of IPros reported working in information technology and telecommunication professions (135), followed by engineering and mining professions (58). The remaining IPros worked in a variety of accounting, finance, banking, administrative and HR-related professions.

**Measures**

All constructs used established and validated scales with minor modifications to reflect the IPro context (such as organization to current client organization and temporary employee to IPro) with:

- **Volition** – the four-item voluntariness sub-scale of Ellingson et al. (1998), (“Rate the degree to which: variety of work played a role in your decision to work as an IPro”). Items were rated using a three-point scale (1 = no role; 3 = major role). Reliability was $\alpha = 0.74$.

- **Self-efficacy** – the six-item occupational self-efficacy scale of Rigotti et al. (2008), (“I can usually handle whatever comes my way in my job”). Items were rated using a six-point scale (1 = not at all true; 6 = completely true). Reliability was $\alpha = 0.86$.

- **Organizational support** – the nine-item Survey of perceived organizational support (Eisenberger et al., 1986), (“My current client organization has help available when I have a problem”). Items were rated using a seven-point scale (1 = strongly disagree; 7 = strongly agree). Negatively worded items were reverse coded. Reliability was $\alpha = 0.92$.

- **Psychological contract breach** – the five-item global measure of Robinson and Morrison (2000), high scores indicating high levels of perceived breach (“I have not received everything promised to me in exchange for my contributions”). Items were rated using a five-point scale (1 = strongly disagree; 5 = strongly agree). Negatively worded items were reverse coded. Reliability was $\alpha = 0.93$.

<table>
<thead>
<tr>
<th>Demographic characteristic</th>
<th>Responses for sample</th>
</tr>
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<tbody>
<tr>
<td>Gender</td>
<td>Male: 64%</td>
</tr>
<tr>
<td></td>
<td>Female: 36%</td>
</tr>
<tr>
<td>Age</td>
<td>Mean: 42 years (range 20-70 years)</td>
</tr>
<tr>
<td>Highest education level attained</td>
<td>Secondary education: 12%</td>
</tr>
<tr>
<td></td>
<td>Certificate level: 6%</td>
</tr>
<tr>
<td></td>
<td>Diploma/Advanced diploma: 16%</td>
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<tr>
<td></td>
<td>Bachelor degree: 35%</td>
</tr>
<tr>
<td></td>
<td>Graduate diploma/certificate: 9%</td>
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<tr>
<td></td>
<td>Postgraduate degree: 22%</td>
</tr>
<tr>
<td>Work experience as an IPro</td>
<td>Mean: 5.3 years (range 1 month to 45 years)</td>
</tr>
<tr>
<td>Experience in specialist field</td>
<td>Mean: 15.8 years (range 1 month to 51 years)</td>
</tr>
<tr>
<td>Time period of current contract</td>
<td>Mean: 12 months (range 0 months to 144 months or 12 years)</td>
</tr>
<tr>
<td>Previous contract with current organization</td>
<td>No: 61%</td>
</tr>
<tr>
<td></td>
<td>Yes: 39%</td>
</tr>
<tr>
<td>Number of hours usually worked per week</td>
<td>Mean: 42 (range 4 to 84 hours)</td>
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<tr>
<td></td>
<td>Part time (&lt; 35 hours): 15%</td>
</tr>
<tr>
<td></td>
<td>Full-time (&gt; 35 hours): 85%</td>
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**Table I.**

Demographic characteristics of IPro respondents

**Note:** $n = 375$
- Work engagement – the nine-item Utrecht work engagement scale of Schaufeli et al. (2006), ("I am enthusiastic about my job"). Items were rated using a seven-point scale (1 = never; 7 = always). Reliability was $\alpha = 0.93$.

- Affective commitment – the eight-item Affective Commitment Scale (Allen and Meyer, 1996), ("My current client organization has a great deal of personal meaning for me"). Items were rated using a seven-point scale (1 = strongly disagree; 7 = strongly agree). Negatively worded items were reverse coded. Reliability was $\alpha = 0.88$.

Individuals were asked to fill out the survey in terms of their most current client. While most (96 percent or 360 of 375 respondents), indicated they worked for a single client at a time, the possibility of multiple clients was addressed by asking for the results to be addressed to their “main current client of the day.” To rule out alternative or spurious explanations for relationships, four common demographic characteristics were selected as control variables for this study: age (measured in full years); gender (0 = male, 1 = female); education level (1 = secondary education; 6 = postgraduate degree); and tenure (duration of current contract in months).

As shown in Table II, overall, the inter-relationships between the measures were as expected. Strong significant correlations were apparent between the measures for organizational support and affective commitment ($r = 0.64$, $p < 0.001$) and organizational support and psychological contract breach ($r = -0.52$, $p < 0.001$). As the bivariate correlations did not exceed the 0.70 convention suggested by Tabachnick and Fidell (2007), no corrective action was taken.

Analyses were conducted using the AMOS program for structural equation modeling. Prior to undertaking this, each of the scales was subjected to principal components analysis using SPSS version 23. The results are present in Table III and show that all scales exceed the recommended Kaiser-Meyer-Olkin value of 0.06 (Kaiser, 1974) and Bartlett’s test of sphericity (Bartlett, 1954) reached significance. Given these overall indicators, factor analysis was conducted with all items and, as the last column in Table III shows, all items within each scale loaded substantially on only one component. The results of this analysis support the use of the scales.

**Findings**

The role of personal and job/organizational resources in determining IPro commitment and engagement with their client organization is shown in Figure 3. The fit statistics for the model confirm a good fit to the data ($\chi^2$/df = 0.090, RMSEA = 0.043, TLI = 1.046, IFI = 1.002, NNFI = 1.00; CFI = 1.00). The results, shown in Figure 3 and detailed in Table IV, reveal that...
organizational support is a significant predictor of affective commitment while self-efficacy is a significant predictor of both work engagement and affective commitment as hypothesized.

Contrary to the hypotheses, neither volition nor psychological contract breach emerges as significant predictors of work engagement or of affective commitment. For organizations, the finding that a high level of organizational support will positively influence IPro work engagement, over and above personal resources, is encouraging. It suggests the potential for HRM practices perceived as supportive will positively affect IPros’ attitudes and behaviors toward work.

The finding that affective commitment has a strong positive effect on work engagement further reinforces this potential for HRM practices perceived as supportive, to positively affect the IPro-client relationship. The ability of organizational resources to have a positive effect is further seen in the significant relationship observed between lack of psychological contract breach and positive organizational support as well as the positive effect each of these have on IPro self-efficacy.
However, the results of the covariance analysis within the HR configuration do offer a potentially important corollary to this. Here, there is also a significant relationship where work engagement appears to negatively impact on affective commitment to the client organization (although this is not as strong as the positive relationship commitment has on work engagement).

Overall, the significant influence of both aspects of organizational resources and the very important role of self-efficacy as an individual resource provides support for only three of the eight hypotheses (see Table V). The greater role of self-efficacy in influencing both aspects of the HR Commitment Configuration suggests that the individual IPPro has a fundamental role in determining the levels of engagement and commitment they give to their client organization. However, the role of organizational resources is important, as it directly influences the IPPros feeling of self-efficacy.

**Discussion**

We have attempted to address the call to examine “black box” links between HRM innovations and organizational performance by investigating the perspective of a workforce often excluded from the HR realm. IPPros play a vital role in achieving workforce flexibility and innovation, yet our knowledge is limited as to how organizations can elicit high levels of work engagement and affective commitment without compromising the legal nature of the

<table>
<thead>
<tr>
<th>Parameter estimate</th>
<th>Unstandardized</th>
<th>Standardised</th>
<th>$p$</th>
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<tbody>
<tr>
<td>TotalWorkEng $\rightarrow$ TotalVol</td>
<td>0.071 (0.082)</td>
<td>0.040</td>
<td>0.387</td>
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<tr>
<td>TotalACS $\rightarrow$ TotalVol</td>
<td>0.003 (0.131)</td>
<td>0.001</td>
<td>0.979</td>
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<tr>
<td>TotalWorkEng $\rightarrow$ TotalPsyC</td>
<td>$-0.100$ (0.067)</td>
<td>$-0.083$</td>
<td>0.139</td>
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<tr>
<td>TotalACS $\rightarrow$ TotalPOS</td>
<td>0.934 (0.083)</td>
<td>0.788</td>
<td>***</td>
</tr>
<tr>
<td>TotalWorkEng $\rightarrow$ TotalSelfEff</td>
<td>0.692 (0.086)</td>
<td>0.381</td>
<td>***</td>
</tr>
<tr>
<td>TotalACS $\rightarrow$ TotalSelfEff</td>
<td>0.456 (0.188)</td>
<td>0.173</td>
<td>0.015</td>
</tr>
<tr>
<td>TotalWorkEng $\rightarrow$ TotalACS</td>
<td>0.449 (0.061)</td>
<td>0.650</td>
<td>***</td>
</tr>
<tr>
<td>TotalACS $\rightarrow$ TotalWorkEng</td>
<td>$-0.610$ (0.188)</td>
<td>$-0.420$</td>
<td>0.001</td>
</tr>
<tr>
<td>TotalPsyC $\leftrightarrow$ TotalPOS</td>
<td>0.502 (0.060)</td>
<td>0.513</td>
<td>***</td>
</tr>
<tr>
<td>TotalVol $\leftrightarrow$ TotalPOS</td>
<td>0.047 (0.037)</td>
<td>0.071</td>
<td>0.202</td>
</tr>
<tr>
<td>TotalVol $\rightarrow$ TotalPsyC</td>
<td>0.021 (0.025)</td>
<td>0.047</td>
<td>0.404</td>
</tr>
<tr>
<td>TotalPsyC $\leftrightarrow$ TotalSelfEff</td>
<td>0.078 (0.024)</td>
<td>0.178</td>
<td>0.001</td>
</tr>
<tr>
<td>TotalPOS $\leftrightarrow$ TotalSelfEff</td>
<td>0.117 (0.036)</td>
<td>0.181</td>
<td>0.001</td>
</tr>
<tr>
<td>TotalVol $\rightarrow$ TotalSelfEff</td>
<td>0.018 (0.016)</td>
<td>0.060</td>
<td>0.272</td>
</tr>
<tr>
<td>Error in TotalWorkEng</td>
<td>0.682 (0.066)</td>
<td>***</td>
<td></td>
</tr>
<tr>
<td>Error in TotalACS</td>
<td>1.696 (0.261)</td>
<td>***</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:** $n = 375$, $\chi^2(27) = 0.090$, $p = 0.765$; RMSEA = 0.043; TLI = 1.046; IFI = 1.002; NNFI = 1.00; CFI = 1.00). Standard errors in parenthesis. ***$p < 0.005$

**Table IV.** Unstandardized, standardized and significance levels for model in Figure 3

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Supported?</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H1_a$: volition is positively related to IPPro work engagement</td>
<td>X</td>
</tr>
<tr>
<td>$H1_b$: volition is positively related to IPPro affective commitment to current client</td>
<td>X</td>
</tr>
<tr>
<td>$H2_a$: self-efficacy is positively related to IPPro work engagement</td>
<td>✔</td>
</tr>
<tr>
<td>$H2_b$: self-efficacy is positively related to IPPro affective commitment to current client</td>
<td>✔</td>
</tr>
<tr>
<td>$H3_a$: organizational support is positively related to IPPro work engagement</td>
<td>X</td>
</tr>
<tr>
<td>$H3_b$: organizational support is positively related to IPPro affective commitment to current client</td>
<td>✔</td>
</tr>
<tr>
<td>$H4_a$: psychological contract breach is negatively related to IPPro work engagement</td>
<td>X</td>
</tr>
<tr>
<td>$H4_b$: psychological contract breach is negatively related to IPPro affective commitment to client</td>
<td>X</td>
</tr>
</tbody>
</table>

**Table V.** Summary of support for hypotheses
commercial contract. Therefore, we explored personal (volition and self-efficacy) and job resources (organizational support and psychological contract breach) for their innovation potential in adding an HR aspect to the compliance HR configuration. In doing so, this study offers new insights about the predictors of work engagement and affective commitment which are both considered key elements of high performance.

As hypothesized, our results reveal that self-efficacy and organizational support are significant predictors of IPro work engagement. This finding aligns with Mauer et al. (2009) and suggests that for IPPros, confidence and self-belief are vital personal resources linked to feeling a sense of vigor, dedication, absorption at work. Further, the finding that organizational support significantly predicts work engagement shows support for the contention by Coyle-Shapiro et al. (2004), as IPPros respond favorably to the receipt of impersonal and socio-emotional resources. Extrapolating from the results of Tims et al. (2014), IPPros with high levels of self-belief are more likely to mobilize organizational support mechanisms and this translates into both higher levels of work engagement and performance.

As with the extant research (cf. Meyer and Allen, 1997; Eisenberger et al., 1986), we found organizational support was a significant predictor of affective commitment in the IPPro-client organization context. This finding highlights the potential for a hybrid commitment-compliance HR configuration whereby HR professionals could potentially have a value-adding role by incorporating elements of organizational support within contractor management policies. As Chambel et al. (2014) suggest, HR should consider, and, where possible influence, contract managers’ actions when developing the transactional/relational nature of the commercial exchange between the organization and IPPro. Identifying the specific elements of POS valued by IPPros is worthy of further investigation. There was a lack of support for the hypothesized relationships between volition and psychological contract with both work engagement and commitment. These findings suggest organizations do not need to be overly concerned about the IPPros’ motives for contracting. Perhaps due to their professional orientation and desire for successful outcomes, volition does not influence IPPro work engagement or commitment. In relation to psychological contract breach, Bankins (2014) proposes contractual promises can be conceptualized as both implicit and explicit so organizational communications should distinguish between promises, assertions and opinions. Again, there may be an important role for HR practitioners in instilling HR aspects into contractor management practices. Ideally, the detailed commercial contract between the IPPro and client will sufficiently outline the work arrangement leaving little room for misunderstanding. Alternatively, the self-confident IPPro may prefer to address any perceived breaches or violations before they reach the point where work engagement and commitment are affected. There is also the possibility that perceptions of organizational support overpower the degree of (in) voluntariness in the decision to move to independent contracting as well as any perceived breaches of the commercial contract exchange. Distinguishing the features of the commercial and psychological contract for IPPros is an important area for future research.

Finally, the significant correlation between work engagement and affective commitment is noteworthy and reflects that around 40 percent of IPPros had a previous contract with the current client organization. This suggests that optimizing IPPro work engagement and commitment by incorporating an HR aspect into contractor management practices might reap additional benefits. Furthermore, it organizational support may influence the more variable work engagement in the shorter term as well as affective commitment in the longer term.

**Implications for theory and practice**

The findings have specific implications for the IPPro workforce, particularly when considered in the context of Lepak and Snell’s (1999, 2002) HR architecture. As noted, the legal aspects of engaging non-employees provide strong drivers for organizations to adopt
a compliance approach. However, our results reveal that IPs are not the uncommitted contract workers of Quadrant 3 (see Figure 1) who interact with organizations on a purely transactional contractual basis. Based on our findings, the adoption of a hybrid commitment-compliance HR configuration has the potential to generate desirable outcomes for both parties.

For organizations, providing a supportive work environment via commitment-compliance HR configure could achieve immediate benefits and influence their future ability to access talented IPs in a competitive labor market. Breitsohl and Ruhle (2013) contend as individual careers increasingly span across a greater number of organizations, individuals may experience residual affective commitment and remain affectively committed to an organization after departure.

In terms of the sustainability of IP work arrangements, work engagement and affective commitment are positively related to worker performance and well-being (Bakker and Leiter, 2010; Klein et al., 2012). Thus, our results point to potential benefits for both parties by organizations balancing imperatives for efficiency and performance with meeting IPs’ human needs of feeling listened to and supported. Further, by being engaged and committed, IPs may contribute to their visibility, profile as well as the potential for repeat assignments. Thus, an innovative commitment-compliance HR configuration challenges the traditional, dominant view of restrictions and compliance to one of potential and commitment.

Limitations and future research
In terms of limitations, our study is cross-sectional and as survey respondents provided self-reported ratings for all constructs, there is potential for common method bias. Following MacKenzie and Podsakoff (2012), efforts taken to reduce the risk of common method bias in the survey design phase included using clear language, labeling all response options, balancing positively and negatively worded items, and avoiding common scale properties.

Our sample is limited to IPs in Australia and the absences of a control group of professional employee’s raises the question as to whether our results reflect professional work in general rather than a feature of contracting. The fact that our study uses established and validated scales provides us with the confidence to propose that the results reflect something unique to IPs rather than generic to professionals. The mixed support for the hypotheses in this study points to the need for further research exploring the nature of IP-organization exchanges. This is particularly pertinent, as previous research has suggested that there is a complex interplay of economic/transactional and social/relational aspects within the IP-organization exchange (Guest et al., 2010). Although large numbers of this mobile population are difficult to access, longitudinal research might add vital insights here.

Conclusion
Alternative and new arrangements of work are a universal and growing phenomenon yet many institutions, approaches and expectations of work seem to remain firmly entrenched in traditional notions of standard employment. While the reality is that work is increasingly comprised of an array of blended workforce arrangements, HR largely continues to constrain notions of productivity, creativity and the value of the workforce to the traditional arrangements of work. Our paper provides novel insights on the potential for a more nuanced approach to the HR architecture (Lepak and Snell, 2002).

Our findings support combining elements of a commitment HR configuration (Quadrant 1) with the compliance HR configuration (Quadrant 3) when the contracted workers are professionals. The combination suggests opportunities for HR practitioners to add value to existing contractor management practices and potentially influence IP work
engagement and affective commitment in ways which appear to have positive spill-over
effects well-being and performance (Bakker et al., 2014). We encourage HR researchers and
practitioners to be innovative and move beyond the employee/non-employee dichotomy,
which is legally based, and an artefact of a system of labor law that in many settings has
failed to move with the times-ups such as the IPro will better understand the opportunities
and challenges in balancing competing interests within the increasingly complex and
blended workforces of the twenty-first century.

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Further reading


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