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RE-THINKING EMPLOYMENT RELATIONSHIPS

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Table of Contents

Executive Summary.................................................................1

Why Study Employment Relationships?.................................2

I. New Ways of Thinking about Employment Relationships...........3

II. Existing Perspectives on Employment Relationships.................15

III. Implications of Changing Employment Relationships...............23

Research Questions...............................................................34

References.................................................................................38
Executive Summary

Current discussions of employment changes are often set against the historical benchmark of the ‘standard employment model’ that emerged in the decades following World War II. Although not all employment corresponded to the ideal of the ‘standard model,’ it has continued to describe employment practices in many industries and has served as the main reference point for our understanding of paid work through much of the post-WWII period.

It is becoming widely recognized that as the world of work changes, this description is increasingly outmoded. Despite a growing base of evidence documenting changing labour market structures and work contexts, little is known about the diversity of employment relationships that are embedded in these work structures, and the ways in which they are changing. Employment relationships encompass the rights, obligations, expectations, values and rewards that define interactions in the labour market. We argue that changing dynamics in these social and economic ‘norms’ with which workers and employers engage in labour market transactions have fundamental implications for institutions (e.g., regulatory systems), organizations (employers, unions, professional associations, training and education organizations) and individuals (workers and their families).

The goal of this Discussion Paper is to (1) lay the conceptual groundwork for research on changing employment relationships; and (2) to stimulate discussions within and across the policy, academic and practitioner communities about appropriate responses to changes in employment relationships.

The paper is divided into three main sections. Section I lays out the case for studying changing employment relationships. The case is made through a discussion of self-employment, temporary work, and decentralized work locations. The illustrations show how the trends, at one level, represent structural changes in labour markets and workplaces. At a deeper level, they signal important shifts in work relationships. To grasp the implications of this for public policy, a more finely-grained picture of these relationships is required.

To this end, Section II identifies the key themes and issues that emerge in existing literature on employment relationships. We provide a brief overview of four distinct perspectives on employment relationships: (a) industrial and employment relations, (b) legal, (c) organizational and (d) social-psychological. Our aim is create a more comprehensive, interdisciplinary approach to researching employment relationships. By integrating these perspectives, we arrive at a model of employment relationships that encompasses a wide range of dimensions and outcomes which manifest themselves at the institutional, organizational and individual worker levels.

In Section III we consider the implications that changing employment relationships have for workers, employers, unions and other labour market stakeholders at the individual, organizational and institutional levels. We conclude by laying out a series of research questions and research design plans to guide new research on employment relationships.
RE-THINKING EMPLOYMENT RELATIONSHIPS

Why Study Employment Relationships?

Canada is in the throes of an economic transformation that is redefining the very nature of work. Amidst all the jargon about the ‘knowledge economy’, a ‘digital economy’, a ‘post-industrial society’, or the ‘new economy,’ it is helpful to step back and assess in concrete terms what we know and what we don’t know about recent work trends. What we find is a solid base of evidence documenting changing labour market structures and work contexts. This includes research on non-standard work, the ‘good jobs – bad jobs’ gap, unemployment, information technologies, and economic globalization.

However, little is known about the diversity of employment relationships – the rights, obligations, expectations, values and rewards that define interactions in the labour market – that are embedded in these work structures, and how they have been evolving in the face of economic restructuring. We argue that employment relationships are the building blocks of economic life, where social and economic public policy goals, ranging from productivity to the quality of life, either meet or clash. The public policy framework that supports employers and workers, such as EI, QPP/CPP, Worker’s Compensation, collective bargaining legislation, employment standards, etc., are based on assumptions about the kinds of employment relations that characterize the labour market. Fundamental changes in the ways these relationships are playing out hence have huge implications for the design of these programs. Changing dynamics in the social and economic ‘norms’ with which workers and employers engage in labour market transactions also have implications for the ways in which employers meet the challenges of recruitment and retention, loyalty and commitment, skill development, and staffing flexibility. Unions are grappling with how to adapt collective bargaining and organizing strategies to new employment relationships such as outsourcing, temporary and contract work, and teleworking. Workers and their families are concerned about economic security and job quality. Yet there has been little work to document the relationships that play out both between workers and employers and between workers in this new set of working arrangements that characterize the modern labour market landscape. CPRN’s Changing Employment Relationships (CER) project is intended to address this information gap.

This Discussion Paper attempts to advance beyond current thinking on the topic. It draws on an extensive range of sources, including Statistics Canada data, scholarly research, and other policy-relevant literature on labour market and workplace change. In addition, we have incorporated the insights from a CPRN Roundtable, held in February 1999, that brought together some 30 researchers, policy experts and representatives from a range of labour market organizations to discuss how employment relationships are changing. This was augmented by two smaller roundtables of about a dozen participants each, one in Toronto involving union representatives and the other in Edmonton, bringing together employers and industry representatives. We have also drawn from the insights provided by our project Advisory Committee.

The Discussion Paper has two goals: first, to lay the conceptual groundwork for the CER project’s national survey and follow-up focus groups; second, to stimulate

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1 We wish to acknowledge the assistance of Judith Maxwell, Kathryn McMullen, Clarence Lochhead, Sandra Rollings-Magnusson and Heather Fulsom.
discussions within and across the policy, academic and practitioner communities about appropriate responses to changes in employment relationships.

This paper is organized into three sections. Section I lays out the case for studying changing employment relationships. Through an examination of current labour market information, we show that a better understanding of employment relationships will create a much sharper lens through which to examine the changing world of work. This will in turn give policy makers, employers, workers and labour market organizations better tools with which to design more appropriate responses to work-related issues. In Section II, we identify the key themes and issues that emerge in existing literature on employment relationships. We summarize the perspectives offered by a range of disciplines, and then integrate them to create a more comprehensive policy lens. We continue in Section III by considering the implications that changing employment relationships have for workers, employers, unions and other labour market stakeholders. We examine impacts at the individual, organizational and institutional levels. The paper is concluded by laying out a series of research questions and research design pans that will guide new research on employment relationships.

**Section I. New Ways of Thinking about Employment Relationships**

By providing a much sharper lens through which to view the underlying relational changes in work, the Changing Employment Relationships Project aims to advance public policy discussions beyond their current structural emphasis. This requires new ways of thinking about employment relationships, so that we can probe beneath the structures and contexts of work, in order to examine these relationships and how they affect both employers and workers. The classifications now used to describe different kinds of labour market locations – upper and lower tier service industries, standard and nonstandard work, core and contingent, employed and self-employed – have limited analytic utility. Specifically, they describe only structural features of the labour market, usually in static terms. Our approach to employment relationships, set out below, offers a dynamic and relational view of work.

Moving in this direction, we need to bear in mind that discussions of work issues are tinged with nostalgia. Because it is often assumed that things were better in the 1950s and 1960s, when the economy was expanding and living standards rising, this era becomes the benchmark for assessing the 1990s. However, measuring the depth and scope of change in employment relationships is hampered by a lack of comparable data for earlier decades. Current discussions of employment changes are often set against the historical benchmark of the ‘standard employment model’ that emerged in the decades following World War II. Specific features, including full-time continuous employment, with a single employer who sets the conditions of employment, and located at the employer’s premises have generally characterized this model. The implicit relationship often described as characterizing this model is one where workers provided hard work and labour peace in return for wages and job security. This benchmark described a male work world, reinforcing a gendered division of labour in which men were primarily in these ‘standard’ jobs as family ‘breadwinners’ while women were largely in ‘non-standard’ jobs, based on the assumption that women’s primary responsibility was to carry out unpaid family and household work.
Although not all employment corresponded to this ideal, the ‘standard model’ has described employment practices in many industries and has served as the main reference point for our understanding of paid work through much of the post-WWII period. Signs that a growing share of employment does not correspond to the traditional model have profound implications for income support, education, training and other public goods based on this model. We argue that employment relationships that shape people’s economic interactions and productive contributions have been transformed in the last several decades. While clear evidence of consistent trends is difficult to obtain, employment relationships appear to have become more diverse, individualized, implicit, deregulated, decentralized, and generally more tenuous and transitory. These observations apply not only to what is referred to as ‘non-standard’ work – the ‘black box’ of employment relationships. Rather, new norms of employment also are redefining work life within the large organizations that once were the hallmarks of internal labour markets, life-long careers, and ‘standard’ work.

**Beyond Labour Market Restructuring**

Most talk about the changing nature of work uses language describing work and labour market *structures*. This is exemplified by terms such as industrial restructuring, workplace reengineering, downsizing, and flexibility. Transformations in work are linked to shifts in the structure of industries nationally and globally, the reorganization of work within firms, technological change, and generally whether management strategies emphasize cost-cutting or human resource development. Within the Canadian labour market, the combined effects of these changes have been linked to a troubling dualism: between ‘upper-tier’ and ‘lower tier’ service industries and between ‘good jobs’ and ‘bad jobs’. The real effects of this dualism can be seen in pay, benefits, security, training opportunities, and career prospects – and ultimately the productive use of the nation’s talents.

However, this structural language limits our view of the changing work landscape. This point is made by Figure 1, which provides an empirical summary the ‘structuring’ of the Canadian labour market using Statistics Canada’s Labour Force Survey. While the boxes describe the structural characteristics of the employment, they tell us little about employment relationships that underlie and shape these labour market attachments.
What Figure 1 does highlight is that a sizeable share of the labour force is not in ‘standard’ work, here defined in terms of a single, full-time and permanent job of more than six months duration. More specifically, of all employed Canadians in 1998, 82.4 per cent worked as paid employees, 72.6 per cent worked as paid employees in permanent jobs, 61.7 per cent work as paid employees in permanent jobs that are full-time, and 54.2 per cent worked as paid employees in one job only that was permanent, full-time and lasted six month or more. This leaves 46.8 per cent of the employed labour force in some form of non-standard work.

Historically, the monthly Labour Force Survey has been the main source of labour market information in Canada. Until recent revisions, it was not able to provide much detail on non-standard forms of work, so the General Social Survey (GSS) and the Survey of Work Arrangements (SWA) have been helpful in this regard. The 1989 and 1994 GSSs were able to exclude overlapping forms of work. In 1994, one in three labour
force participants were either working in part-time or temporary jobs, held more than one job, or were own-account self employed, up from 28 per cent five years earlier (Krahn, 1995). The 1995 SWA broadens our perspective on ‘standard’ employment by including work with a single employer at the employer’s premises on a 9-5 schedule during weekdays. Using this more concise definition, the labour force is divided into thirds, with roughly equal proportions in standard work, permanent and full-time work on shifts or weekends, and various forms of non-standard work (Lipsett and Ressor, 1998). Two new surveys are currently being planned or piloted at Statistics Canada – the Worker and Employer Survey (WES) and the Survey of the Self-Employed, but, neither of these surveys is designed specifically to investigate the ways in which the dimensions of the employment relationship vary across different types of workers.

This is about as far as the existing labour market data can take us. The labels in Figure 1 describe an individual’s attachment to the labour market, but not in relational terms. However, analysts and policy makers alike have relied on these labels to draw inferences about employment relationship. Standard forms of employment tend to be more secure and, as such, based on higher levels of trust and commitment, which are assumed to be reduced in non-standard work. While generally this is accurate, as the conditions and rewards of work become more diverse within each broad category, profiling the ‘average’ becomes less meaningful. The literature still continues to depict the labour market in terms of the numbers of people employed in ‘standard’ employment relationships compared to the growing number of people precariously employed in the non-standard or contingent labour market. But we know that in some of these ‘bad jobs’ categories things are actually going quite well.

More useful, then, would be to analyze the relational dimensions of ‘standard’ and ‘nonstandard’ work forms. In this way, the new research planned by the CER will open up the boxes in Figure 1. Potentially, this can move the debate about the state of work in Canada in a direction that is useful for workers, employers, other labour market organizations, and public policy. Such a step forward takes us beyond the dichotomies of standard vs. non-standard work or good jobs vs. bad jobs and all the inherent limitations these impose on research and policy responses.

From Structures to Relationships

In order to extend our view of work from the structural to the relational, we must critically reflect on the conceptual boxes traditionally used to describe trends in the labour market. Of special interest is how the content of work in these boxes is changing, and how the distinctions between the types of employment also are becoming blurred or are being redefined. To understand employment relationships requires us to ‘unpack’ the boxes and to take a much closer look at the links between the boxes. As several Roundtable participants stated, employment relationships are the ‘gray’ or ‘fuzzy’ aspects of the labour market. This section discusses where and how labour market locations and work arrangements are fuzzy in terms of their underlying relationships.
Let’s start with the long-standing distinction between self-employed workers and paid employees. Through most of the 20th century, the share of the Canadian labour force engaged in self-employment declined. Between 1931 and 1971, the percentage of the labour force that was self-employed fell from 26 per cent to 10 per cent, largely due to rising productivity in agriculture (Crompton 1993; Gardner 1994). Since the mid-1970s, however, there has been a resurgence of self-employment. Between 1976 and 1998, the share of employment comprised of self-employed workers (excluding persons working in a family business on an unpaid basis) increased from 10.9 to 17.2 per cent. Indeed, the number of self-employed workers increased by 130 per cent over this period (an average annual rate of growth of 3.7 per cent), while the number of paid employees increased by 38 per cent (an average annual rate of growth of 1.4 per cent).

This rapid growth in self-employment is the most striking labour market trend of the 1990s (Statistics Canada 1998b). Between 1990 and 1998, self-employment grew by 4.0 per cent annually, compared with 0.5 per cent for employees. Self-employment accounted for 55 per cent of total job growth during this period, representing an increase of 640,000 self-employed workers (Statistics Canada 1998a; Gauthier and Roy 1997; Lin et al. 1999a). A CPRN research report for the Changing Employment Relationships project examines how self-employment trends are gendered, with very different consequences for men and women (Hughes 1999).

The self-employed today barely resemble their historical predecessors. The family farm, a professional practice, or a shop on Main Street used to embody self-employment. But today there are few farmers and the old-style corner shop has been eclipsed by franchises and corporate retailing. Most telling, the line between self-employment and paid employment has blurred. In this respect, it is useful to compare self-employed individuals who employ paid workers (employer self-employed or ESE) and those who do not (own-account self employed workers, or OASE). The growth of ESE outpaced that of own-account self-employment between 1976 and 1990, but this pattern reversed in the 1990s (Gauthier and Roy 1997). Between 1990 and 1998, the OASE share of total self-employment increased from 54.6 to 65.5 per cent. By 1998, there were 1.6 million Canadians in own-account self-employment, making up 11.7 per cent of total employment. This category includes a diversity of freelancers, consultants and contract workers who conduct business in an employment twilight zone in which it is difficult to identify a ‘boss.’

Changes in employment relationships are also throwing into question the relevance of the legal basis for interpreting them. The ownership of tools or property has been a central criterion of self-employment through most of the 20th century. However, the work of freelancers, contractors and consultants often is knowledge-based, so their income represents a return to human capital rather than property. While the owner of a small retail business can be differentiated from her/his paid employees on the basis of

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2 These LFS figures on self-employment do not include unpaid family workers. This definition is consistent with Gauthier and Roy, 1997 and Hughes, 1998. Because of the exclusion of unpaid family workers, the figures we present are slightly different from those in Lin, Yates and Picot (forthcoming), although the same data source is used.
property rights and ownership (although for franchisees, this becomes more complicated), the consultant and her/his employee (who may be a sub-contractor) are not so easily distinguished. Even in more traditional sectors, such as construction, the line between paid and self-employment has been inexact, with own-account self-employed tradespersons working alongside a firm’s paid employees on a series of projects, with each providing their own tools.

Ownership and control remain central to the definition of self-employment, although the forms of each have changed. Revenue Canada (1998) identifies control in the labour process, ownership of tools, chance of profit/risk of loss, and integration between actors as key factors differentiating self-employed and paid workers. The International Labour Organization (ILO) also distinguishes self-employment with reference to how income is generated, although their characterization of the attributes that each type of worker brings to their work needs to be further explored. As the ILO explains, “the earnings of the self-employed represent a return on capital as well as labour, entrepreneurial skill and risk-taking, whereas the wage employee receives a payment for his or her labour” (International Labour Office 1990: 2). In terms of control, some researchers have suggested that the self-employed exercise greater self-direction and autonomy in their work (Dale 1986), although the extent to which freelancers exercise greater control over their work than paid employees remains an issue for empirical investigation.

Increasing mobility between paid employment and self-employment may also blur the distinction between these groups. With continued expansion in knowledge-based sectors of the economy, specialized skills and expertise will continue to be valued. When combined with the declining cost of new technologies, this may lower the costs of entry into self-employment in some sectors of the economy. As a result, movement between paid employment and self-employment may become more prevalent. Indeed, there is already a tremendous amount of movement between classes of employment. The number of persons moving into or out of self-employment averaged almost 500,000 per year between 1982 and 1994, accounting for 42 per cent of all self-employed persons (Lin, Picot, Yates 1999b).

Another important point to consider is that within any given ‘structural’ category of workers, a diversity of employment experiences is contained. Downsizing, restructuring and contracting out have partly fuelled the growth of self-employment, although we don’t know to what extent. Some paid employees who have been laid off from larger firms have become consultants and independent contractors, doing many of the same tasks for their previous employer that they did as paid employees. Furthermore, the two leading motives for individuals to become self-employed are to gain greater independence or for family or other personal reasons (Federal Business Development Bank 1992: 25-28). These different circumstances and motivations for self-employment reveal a spectrum of employment relationships that need to be taken into account as part of a broader definition of self-employment. Generally, it is difficult to draw a neat line between employee and self-employed when it comes to freelancers, consultants and people working very short hours (OECD 1992: 155-56). Some self-employed are simply disguised employees who are completely dependent on a single employer for work, but with weaker ties to the employer than if they were ‘staff’ (Druker, Stanworth and Conway, 1998).
Most studies of self-employment examine the characteristics of self-employed individuals and, in the case of self-employed employers, their firms (Gardner 1994; Federal Business Development Bank 1992; Johnson and Storey 1993). However, little is known about the relationships between the self-employed and other organizations. While the practice of contracting out (and privatization in the public sector) has been associated with the rise of self-employment, we don’t know how these contractors are integrated into the business networks and spheres of influence of larger organizations. The duration of these relationships, the contractual obligations, quality systems, and requirements for certain tools and equipment are some of the parameters of this business relationship. Examples cover the gamut, from the Y2K consultant with considerable influence on even a large business to women home-workers in the garment industry who have little say over production deadlines or required equipment. Embedded in the employer-employee relationship are a range of obligations and entitlements, but these are absent from the business relationship that links self-employed individuals and the clients to whom they sell goods or services.

What’s striking about self-employment is the multiplicity of ways in which it is defined. Yet despite this, most surveys still identify the self-employed through basic self-identification. Consequently, we have little information on the relational aspects of this form of employment. This constitutes a major gap in our understanding of current work trends, given that one-fifth or more of the labour force likely will be engaged in this type of activity in the near future.

Multiple Job Holding

The employment relationship generally refers to an individual working for a single employer at any given time. While this describes about 95 per cent of adult workers, multiple job holding among the remaining 5 per cent illuminates other issues regarding the employment relationship (the estimates shown in Figure 1 include only those multiple job holders who are permanent, full-time employees in one of their jobs with job tenures of six months or more. The 5 percent figure cited here refers to all employed workers). Employers expect, usually implicitly, that full-time workers will be available to work extra hours if needed, will show up for work each day ready to direct their energy and attention to that job, and will not work for a competing firm. For part-time staff, these expectations are less likely to apply.

Most multiple job holding is found among the self-employed (Statistics Canada 1998b). In these cases, owners of small businesses or farms may hold a second job as an employee to augment their income. Indeed, over one-half of persons who take on a second job do so for economic reasons (Canadian Labour Market and Productivity Centre 1997, Table A12). It is surprising to find so little change in the incidence of multiple job holding among adults given that the number of Canadians engaged in self-employment grew by 35 per cent – or 640,000 workers – between 1990 and 1998.

Individuals who are self-employed in their only job (or in all of their jobs if they own or operate more than one business) are not counted as multiple job holders. Their relationships with multiple clients at any particular time typically are viewed as business relationships rather than employment relationships. As such, a self-employed contractor who has two clients – one large corporation that accounts for 85 per cent of his time and revenues over a specific period of time, and one small firm, which accounts for the
remainder – would not be counted as a multiple job holder. An individual working a similar schedule as a paid employee would be. However, as the number of self-employed contractors, consultants and freelancers increases, the traditional concept of “moonlighting” may need updating. In some instances, these individuals are engaging in ‘disguised employment,’ to the extent that their work is governed by a set of expectations and rules that straddle the line between a ‘business relationship’ and a standard ‘employment relationship.’

It is possible, of course, that new forms of multiple job holding are not captured by existing measures. So an individual employed by a temporary help agency who works a couple of days per week with one client firm over several months or more, and a couple of days per week with another, would not be counted as a multiple job holder because the temporary help agency constitutes a single employer. In contrast, an individual who is a part-time employee of two different firms would be counted as such. At issue is the nature of the relationship that links these workers to firms.

Figure 2 shows three differently categorized groups of workers – multiple job holders, self-employed workers, and temporary workers – that contain subsets of workers who share a similar experience in the employment relationship: multiple jobs or clients. Standard labour market data would however only ascribe this aspect of the employment relationship to those classified as multiple jobholders.

**Figure 2: Limitations in standard labour market data**

**Question:** do some workers in these three categories share common features of the employment relationship?

**Small and Large Employers**

The link between the declining employment in large organizations, on one hand, and rising self-employment and the growth of small-businesses (Picot and Dupuy 1996), on the other hand, makes size relevant to our discussion. In 1998, 35 per cent of paid employees (or about 4.1 million employees) worked at business establishments with less than 20 employees, and 67 per cent (or about 7.9 million workers) worked at business establishments with less than 100 employees (Statistics Canada 1998a: Table 45AN; see also; Drolet and Morissette 1998).
However there has been less work that has examined the role of firm size in the changing face of employment relationships. Co-worker relations, worker autonomy and job satisfaction in small firms may seem favourable when compared with some large bureaucracies, mainly because of the social dynamics of the small workplace, although these are debated issues (Rainnie 1985: 7; Dewhurst and Burns 1983). Yet in comparison to large employers, small firms tend to pay lower wages, offer fewer benefits and less job security, have lower union membership, and are less technologically innovative (Drolet and Morissette 1998; Idson 1990; MacDermid et.al. 1994). Of course, a crucial distinction must be made between the small firm per se, and the small establishment that may be part of a multi-establishment enterprise – a distinction that also has implications for employment relationships.

Also crucial for understanding how firm size may determine the nature of employment relationships is that in some small firms, employment practices may be dictated by their business links to larger clients. An example would be subcontractor supply chains, common in the garment industry, in which work is performed for low pay and in sub-standard conditions in networks of small firms (Johnson 1982; Carnoy, Castells and Brenner 1997). What’s relevant for understanding the employment relationships in these small subcontractor firms is their degree of dependence on a client firm. Analogous to the issue we raised earlier regarding firms and individual self-employed contract workers, the issue is the control exercised by the larger business entity in setting the terms and conditions of employment. If small firms are largely dependent on a single client, then the fortunes of the small firm and its employees will rise or fall with this relationship. These small firm workers may actually comprise an arm’s length contingent workforce for the large firm, giving it added flexibility to adapt to fluctuating markets, but creating potentially less secure conditions for the small subcontractor firms.

**Permanent and Temporary Employees**

The historical benchmark used by labour market analysts is that “...the standard core employment relationship has...been characterized by full-time employment for an indefinite period...” (Carnoy, Castells & Benner 1997: 27). A growing share of jobs no longer corresponds to this benchmark as an increasing number of Canadians now work in jobs that are “temporary” in some respect. But temporary employment is not new in Canada. Seasonal jobs have long been prevalent in agriculture, fishing, and tourism and project-specific jobs have long been prevalent in construction trades. Similarly, employment through “temp agencies” has a considerable history, as evidenced by the fact that in 1971 there were already over 10,000 workers employed in employment agencies and personnel suppliers (Schellenberg and Clark 1996). What is new in the 1990s is the growth rate of temporary employment and its prevalence across a growing range of industries and occupations.

Generally speaking, a temporary job is one whose termination is determined by specific conditions, such as a specified end-date, the completion of a task or project, or the occurrence of a specific event (such as the end of a season). Such jobs may be negotiated directly between individuals and employers (sometimes called fixed-term contracts) in which case the individual is paid by the employer and subject to the employer’s direction and supervision. Alternatively, workers may be employed by a temporary employment agency and contracted out to client firms. Client firms pay the agency a rate, which covers the workers’ wages in addition to a fee for the agency’s
services, and the workers’ wages are in turn paid by the agency. While the employer-
employee relationship is established between the agency and the worker, the client-firm
assigns tasks, evaluates results and provides tools and workspace – many of the
responsibilities generally undertaken by the “employer.”

Temporary work is increasing (Krahn 1995). In 1998, one in ten paid employees
were in temporary positions (Figure 1). Over one-quarter (28 per cent) of all paid
employees who joined the labour force that year did so through temporary jobs. The rise
of temporary employment suggests that job tenure patterns are changing. The distribution
of jobs overall has grown somewhat more polarized, with more lasting 6 months or less
and fewer lasting beyond 5 years (Heisz 1996). Consequently, temporary workers are
finding it more difficult to access a permanent job and those who lose long-term jobs
have difficulty finding an equivalent one. Still, there is some movement from temporary
positions into jobs without specified end-dates.

There is room for confusion around the definition and measurement of temporary
employment. For example, an individual employed through a single temporary help
agency may have continuous employment over an extended period. Although this person
may work at different job sites and experience some uncertainty about the availability of
future assignments, her or his employment may be no more precarious than that of some
permanent employees. Evidence from a 1995 United States Bureau of Labour Statistics’
Current Population Survey is interesting in this regard. All employed survey respondents
were asked if their job was temporary or not, and also whether they were paid by a
temporary help agency. Of all persons who said their wage or salary was paid by an
agency, 20 per cent did not identify themselves as temporary workers. In short, these
individuals viewed their jobs as permanent, even though they were employed through an
agency. This reflects the fact that some of these workers have been in the same client
firm for considerable periods – again, a far from temporary relationship.

The definition of temporary employment may also be complicated by the factors
underlying its use within firms. For example, temporary help agency personnel may be
screened by a client firm as potential permanent recruits, seemingly a common practice in
some sectors (Lenz 1996). Employers are able to evaluate workers while on temporary
assignment and assess their suitability for permanent employment. By using this
approach, employers can side-step the usual obstacles to dismissing probationary
employees. Overall, there may be relatively little difference between some workers hired
on a temporary basis and permanent workers serving a probationary period at the start of
their employment, as both are being screened for a permanent job and have relatively few
protections against dismissal.

Also relevant to this discussion is how the meaning of ‘permanent’ employment
has been diluted. Canadians’ sense of job security has eroded, partly because of work
restructuring, but also in reaction to a scaled-back social safety net (Betcherman and
Lowe 1997). Canada is not unique, for as the OECD notes, “perceived employment
insecurity has become more widespread in the 1990s in all OECD countries for which
data are available” (Organization for Economic Cooperation and Development
1997:134). In its 1999 Personal Security Index, the Canadian Council on Social
Development reported that 30 per cent of Canadians “believe they are likely to lose their
jobs over the next few years” and 40 per cent “are not confident that they could find
equivalent employment within six months if they lost their current job” (Canadian
Council on Social Development 1999). This is corroborated by the *Workplace 2000* study, sponsored by the Royal Bank, which reports that only 47 per cent of employees surveyed rated their company as “good” or “excellent” in offering security so that they were not concerned about losing their job (Angus Reid Group 1998). Later we examine how the growing insecurities associated with ‘permanent’ employment have affected trust, commitment and loyalty.

**Centralized and Decentralized Work Locations**

Yet another limitation with the structural labour market data is that economic restructuring has also created new forms of work that are altogether absent from Figure 1. Consider for example telework. The standard employment relationship rested on the assumption that work would be performed on the employer’s premises, under the watchful eye of a ‘boss.’ This separation of the workplace from the household was a hallmark of the industrialization process in the early-20th century. As the century ends, the trend has taken an interesting twist. That’s because the information technology revolution has enabled work to be decentralized and performed continuously, freed from the confines of a particular place or time. This scenario most often applies to specific service sector jobs, such as brokers and analysts in the global financial markets or computer programmers. Other jobs are less affected, such as those requiring direct client or customer contact. However, the rise of remote call centres and internet-based commerce is changing even this.

Telework, telecommuting or other kinds of virtual work entail working away from a central workplace for all or part of the workweek. In addition to home-based telework, workers may go to a telecentre rather than to a central workplace. Telecentres are office facilities equipped with the technology needed for working at a distance. Employees from different companies may share these facilities, along with self-employed individuals who would otherwise not have access to such infrastructure. Flexiwork is an even more geographically diffuse arrangement, whereby individuals work from anywhere using cellular phones, laptops, modems, cybercafés and other facilities. What ties these examples together is that workers are geographically dispersed and have reduced, or different, forms of contact and communication with coworkers, supervisors, and clients or customers.

Telework and homebased work reflect a looser geographic and physical basis for employment relationships. But again, we run into definitional problems. As one writer noted, “Counting teleworkers is like measuring a rubber band. The results depend upon how far you stretch your definition” (Qvortrup 1998: 21). In Canada, the number of persons working from home ranges from 4 to 11 per cent depending on how home-work or telework is defined (Angus Reid 1997: 23-24; Canadian Labour Market and Productivity Centre 1997; Ekos Research Associates 1998; Lipsett and Reesor 1997; Statistics Canada 1998c). While still an emergent trend, various forms of home-based work are increasing, and with rapidly advancing technology, are likely to become even more prevalent (Ekos Research Associates 1998).

Do these work arrangements transform the underlying employment relationships? The short answer is that current data only can distinguish three categories: individuals operating home-based businesses, which would include just over half of the own-account self-employed (Statistics Canada 1995); employees who are permitted by their employer
through flexible work arrangements to do some of their formally scheduled work at home; and employees who informally do work at home as a way of keeping up with their workload.

In each category, we would expect to find different forms of interactions with clients, coworkers and supervisors. About half of the workers doing some or all of their work at home, often for only 1 or 2 days a week, are provided the technology needed by their employer (Lipsett and Reesor 1997; Ekos Research Associates 1998; Handy and Mokhtarian 1995). While formal teleworkers are paid for this time, their colleagues who do overtime work at home may be responding to increased expectations regarding workloads – essentially a redefinition of the employment relationship. Certainly this is a revealing comment on teleworking, given that 11.2 per cent of workers in 1998 usually worked 50 or more hours weekly (paid and unpaid in their main job) (Statistics Canada 1998a). Explaining which employees have access to telework arrangements also requires more insights into the nature of their employment relationship. For example, it is likely that high trust is a prerequisite – a condition more likely found among professionals and managers. On the other hand, telework may simply be used by some employers as a cost reduction strategy.

To summarize, the shift from standard to non-standard forms of work has been illustrated in our discussion of self-employment, temporary work, and decentralized work locations. We have left out related trends, such as part-time work, based on the reasoning that the underlying relationships have not changed as dramatically as in these other trends, though we note the rising share of part-time employment and within that, the rising share of involuntary part-time employment. Each of these work arrangements is varied and the demarcations within and between the categories are becoming less distinct. The trends, at one level, represent structural changes in labour markets and workplaces. At a deeper level, as we have indicated, they also signal important shifts in work relationships. As the International Labour Organization (ILO 1990: 1) observes, “there is a range of employment relationships, from truly autonomous self-employed workers to wholly dependent, protected employees.” To grasp the implications of this for public policy, we require a more finely grained picture of these relationships. To this end, the next section considers existing perspectives on employment relationships to identify key themes and issues.
Section II. Existing Perspectives on Employment Relationships

As we have suggested, there is no consensus definition of an employment relationship. One reason for this is that employment relationships have been examined from various angles by different social science disciplines. Researchers in each academic specialty approach employment relationships with a specific set of assumptions and research questions. For example, some examine the legal underpinning of these relationships with an emphasis on legislative frameworks, contractual obligations and rights and entitlements. Others approach employment relationships with an emphasis on the psychological and social expectations and interactions between parties, while still others examine how employment experiences are shaped by the institutional context in which they are situated. In short, scholars from different disciplines shed light on contained aspects of these relationships.

In this section, we provide a brief overview of four distinct perspectives on employment relationships: (a) industrial and employment relations, (b) legal, (c) organizational and (d) social-psychological. Our aim is to identify the key themes that can serve as the basis for a more comprehensive, interdisciplinary approach to researching employment relationships. By integrating these perspectives, we can arrive at a definition of employment relationships that encompasses variations at the broad level of institutional and legal regulation down to the experiences of individual workers in specific workplaces.

Industrial and Employment Relations Perspectives

Industrial relations researchers distinguish industrial relations (or labour relations), on one hand, and employment relations, on the other hand (Huiskamp 1995, Godard 1997). Employment relations are between employers and individual employees, while labour relations occur between employers and unions – and in this sense are institutional. Studying the latter means focusing on the collective bargaining process and outcomes within firms and industries, and the supporting regulatory framework.

Union-management relations and collective bargaining often have a direct impact on the employment relationships of individual union members. Related research on human resource management (HRM) practices also suggest that new forms of work organization such as quality circles, semi-autonomous work groups, or lean production directly affect the expectations and obligations underlying individual employment relationships (Verma and Chaykowski 1999; OECD 1999; Rinehart, et al. 1997).

Collective bargaining results in a contract that governs wages, benefits, seniority, working conditions, grievance procedures, and to a more limited extent, the rights of workers as carved out of the more extensive domain of ‘management rights.’ Industrial relations researchers focus on the nature of these relationships, which essentially shape employment, and how they reflect shifts in interests and power. Power determines the degree to which participation actually gives workers control over workplace decisions. The balance of power influences collective bargaining outcomes, although often it is not clear in industrial relations research to what degree strong unions equate with individual members having control in their jobs.
Bargaining outcomes are thought to be more optimal to all parties if the balance of power in the negotiations is more even. This moves into legal territory, because laws, government regulations and the courts can tilt this balance in one direction or the other (Muckenberger 1996; Panitch and Swartz 1993). Employers’ interests reflect basic organizational objectives, such as profits, productivity, efficiency, and quality. Employees want job security, improved wages and benefits, training and career development, information sharing, personally rewarding work, fair treatment, and a chance to have a voice in decision-making. The concept of ‘mutual gains’ bargaining proposes that it is possible to satisfy the interests of both parties (Kochan and Osterman 1994). In this sense, cooperation is a key aspect of the employment relationship.

Highlighting these practices in unionized settings overlooks potential impacts of negotiated employment relationships on overall patterns of labour market inequality. Rectifying this would require a more detailed comparison of the nature of employment relationships found among ‘standard’ or ‘core’ employees in unionized settings with ‘non-standard’ or ‘contingent’ workers, who typically are not unionized. Ideological and cultural contexts also may contribute to differences in employment relations even within otherwise similar industrial relations settings (Hollingshead and Leat 1995; Frenkel 1994). This approach would help to clarify how labour market experiences and rewards vary by the kind of employment relationship.

Industrial relations, and the related field of human resource management, makes assumptions about what motivates workers to enter into and remain in an employment relationship. Operating within a model of industrial organization influenced by Frederick Taylor’s ‘scientific management’ and Henry Ford’s assembly line, most of North American collective bargaining this century has assumed that workers are motivated by economic rewards. Hence the label ‘business unionism.’ The new human resource management (HRM), in contrast, emphasizes the importance of the social and psychological rewards of work. Furthermore, workplace innovations that provide employees with more opportunity to participate in business decision-making have the potential to alter employment relationships (Huiskamp 1995). Unions view this as a threat, because they know that management can shape the social and psychological features of the employment relationship into strong normative controls, often with positive responses from workers. Critics argue that the new HRM is a guise to gain more control and power (Wells 1997; Smith 1997; Littek and Charles 1995) – a claim that underscores the need for more in-depth research into the social and psychological basis of employment relationships.

**Legal Perspectives**

From a legal perspective, central issues in employment relationships include the legal definition of employees’ and employers’ rights, entitlements, obligations, responsibilities, and control over work. A particularly vexing legal question in today’s labour market is “who is the boss?” There are no clear legal definitions of the distinctions between standard and non-standard work, core and contingent workers, or self-employed and employee. The line between employee and employer has become blurred. This is partly due to the proliferation of work arrangements, particularly the diverse forms of non-standard employment relationships (Fudge and Vosko forthcoming). As a result, many gray areas have emerged in employment relations. As noted above, non-standard work arrangements are not necessarily mutually exclusive, nor are they invariably
synonymous with precarious or low-quality employment. Legal reform must be grounded in a thorough understanding of the diversity of employment relationship within the non-standard category.

Furthermore, there are broader legal principles raised by changing employment relationships. For example, the potential conflict of interests between employers and employees lead to arguments for a legal framework that facilitates fair and balanced negotiations (Edwards 1993; Dannin 1997; Sims et al. 1995; Muckenburger 1996). In public policy terms, this reveals the tension between having a legal infrastructure based on broad societal principles versus one that assumes that the rights of employers are paramount (e.g., Dannin 1997). Some scholars attach normative claims to the legal arguments, proposing that law and policy ought to encourage the diffusion of sound HRM practices (Beaumont 1995), give priority to employment growth as an economic goal (Lyon-Caen 1996), extend equal protection to non-standard workers (England 1987), and promote free competition in the absence of government regulations (Gwartney and Lawson 1997).

Legally, the degree of control that a worker exercises is the key to distinguishing between employment and self-employment (England 1987). This includes having control over how one’s job is performed, being able to sub-contract to others, and ownership of tools and equipment needed to do the work. An employee would have less control over these factors. However, while control is central to defining the status of a worker, within each status there are a variety of work arrangements (such as part-time, casual, home work, franchisees, and temporary work through an agency). For example, some contingent workers are in this employment relationship by choice and, moreover, exercise considerable control (Booth 1997; Daly 1997).

Some analysts distinguish non-standard and standard work by the actual terms of the employment contract, including differences in location, bargaining power, and permanency of the relationship (Allen and Henry 1987; Gallie and White 1994; and Barker 1995). Other researchers, however, view it as misleading to focus on the standard/non-standard dichotomy because workers’ demographic, attitudinal, and other characteristics cross-cut these categories (Feldman 1990; and Druker, Stanworth and Conway 1998). What matters in legal terms, then, are the rights and entitlements, obligations and responsibilities, control over work, and ownership of tools and equipment. These are key features of the employment relationship, regardless of the characteristics of the workers involved. However, legislation and regulations governing employment standards, collective bargaining, health and safety, and workers’ compensation were designed for the traditional ‘standard’ job. Legal reform must be grounded in a thorough understanding of the diversity of employment relationships within the non-standard category.

Organizational Perspectives

Organizational research focuses on how the traditional, bureaucratic model of work organization is under intense pressure to become more flexible, agile and productive. Within large organizations, in particular, this has generated much discussion of better ways to design jobs, organize work systems, and manage people – all of which have direct implications for employment relationships. But looking beyond large, centralized workplaces, the growing importance of self-employment, small businesses,
and networked forms of organization require a rethinking of how the organizational context of work affects employment relationships.

Traditionally, work has been structured according to a bureaucratic model that combines a specialized division of labour, top-down management authority, and technology. This model of work organization is associated with the post-WWII labour contract, in which wages and job security were used by employers to gain hard work and labour peace. There were variations across sectors, with an ‘industrial’ model found in predominantly blue-collar industries and a ‘salaried’ model in white-collar industries (Osterman 1998; Betcherman et al.1994). A basic feature of both was job security and career progression through an internal labour market (Krahn and Lowe 1998: 125-6).

There is mounting evidence that employers’ efforts to restructure work have redefined their relationship with some groups of workers. For example, the use of flexible employment practices has created a pool of contingent workers who can be called upon on an as-needed basis (numerical flexibility) and core workers whose skills and time are devoted to one organization but who are rewarded for constantly adapting with new skills (Rubin 1996). Clearly, these strategic decisions bear directly on non-standard work trends. Again, the diversity of approaches is remarkable. While most large Canadian employers rely on the external labour market for contingent workers, a few use their own internal ‘temp’ agency that employees can transfer to if they desire flexible schedules (Booth 1997). Furthermore, the entitlements of contingent workers, particularly access to employer-sponsored training, can vary considerably by firm characteristics and unionization (Payette 1998).

The traditional model is slowly being replaced in large organizations by the new human resource management, which relies on team work, quality circles, continuous improvement, corporate loyalty, training, multi-skilling, rewards linked to productivity, and information sharing. In combination, these innovations are referred to as the high performance workplace model (Betcherman et al. 1994).

How much this shift from traditional bureaucratic to human resource-based models of organizing and managing work alters employment relationships at the individual-level remains an open question. So far, the literature on high performance, or high involvement, workplaces suggests a significant impact on workers, employers and unions (Downie and Coates 1994; Lowe forthcoming; Appelbaum and Batt 1994; Locke et al. 1995; Cappelli et al. 1997; Verma and Weiler 1994; Smith 1997). While broadly, these effects are positive, related research on lean production systems, which mainly are found in the auto sector, document potential stress and health problems, as well as threats to union power (Rinehart 1997; Wells 1993).

Virtually all of this research is concerned with organizational change and job redesign, leaving open the question of how these reforms affect the spectrum of workplace relationships. These workplace reforms emphasize the development and adaptable use of workers’ skills, with the assumption that job security depends on there being a mutually beneficial fit. Implicitly, employability becomes an individual responsibility, given that up-to-date skills are assumed to be the worker’s insurance policy against unemployment. Despite this more tenuous link between worker and employer, the new HRM also places a premium on commitment, communication and cooperation. These norms govern teamwork, a major organizational shift from the
traditional model. At issue, then, is the degree to which these qualities actually redefine the employment relationship. This has resonance for labour market policy, since an intensive approach to HRM can have positive consequences for both organizational performance and the quality of work life (Lowe forthcoming). It is this potential that adds urgency to the task of understanding the ingredients of the employment relationships that support these organizational innovations.

Social-Psychological

Writers from psychological, sociological, organizational behavior, and management perspectives have identified important social and psychological dimensions of employment relationships. Much of this research looks at employment relationships from the vantage point of both workers and employers, showing how the quality of the relationship can have important consequences for both parties. Especially important are trust, commitment, loyalty, cooperation, and communications.

The post-WWII labour contract of rising wages and job security in return for hard work and labour peace is considered a cornerstone of North American industrial relations. This had major implications for living standards and economic performance. Most analysts agree that the economic and political changes of the past two decades have transformed this contract at the level of labour - management relations (Locke, Piore and Kochan 1995; Rubin 1996; Lipsig-Mummé 1995; Panitch and Swartz 1993). If indeed this were the case, then we also would expect changes in social and psychological aspects of the contract. Arthurs’ (1997) idea of “industrial citizenship” suggests that in the early post-WWII period, legislation and collective bargaining laid the foundation for workers to become citizens in their workplaces, exercising a range of rights and responsibilities. Presumably this benefited employers, as well as workers, but has been eroded by the pressures of globalization, deregulation, and technological change.

Complementing this institutional focus on collective bargaining and legislation is a strain of research that focuses on the psychological contract between employee and employer (Robinson 1995; Lewicki et al. 1998; Rousseau and Wade-Benzoni 1995; and Alexander et al. 1995). In this sense, the employment relationship is based on trust, which in turn fosters loyalty and commitment. The psychological contract thus reflects reciprocal promised obligations (Robinson1995). It also can be transposed on a larger canvas into a social contract. In this view, there has been a transition from the post-WWII labour contract, which involved long-term obligations and predictable outcomes, to less structured and more uncertain employment relations (Cappelli et al. 1997; Rousseau and Wade-Benzoni 1995). Contingent workers currently risk being left out of the implicit social contract (Barker1995). Some go further, arguing that the ‘moral relationship’ has changed from having a commitment to a corporation to having a commitment to a project, purpose, or mission (Heckscher 1995). Other analysts (Cappelli et al. 1997) raise the public policy challenges of creating a social contract that will obtain productivity without workers having to assume most of the burden, and of achieving greater labour - management cooperation (Wilms 1996).

The psychological contract usually is an implied feature of the employment relationship. However, in the context of rapid and disruptive workplace change, such as downsizing, employers’ expectations regarding loyalty and workers’ sense of trust often are violated, with sometimes traumatic effects on both parties (Mishra, Spreitzer and
Mishra 1998). In recent years, management literature has begun to address ways of renegotiating and reestablishing these aspects of the psychological contract (e.g., Reichheld, 1996; McCune 1998).

Trust is considered to be a crucial precondition for productive and equitable employment relations (Bigley and Pearce 1998; Tyler and Kramer 1996; Krecker 1995). Scholars and practitioners recently have shown greater interest in understanding the importance of trust in workplaces. Particular attention has been paid to ways of building and maintaining trust, how trust is destroyed, the connection between control and trust, and the impact of new human resource management strategies on trust.

Trust is based on the expectation that the other party will act fairly and fulfill their terms of the arrangement. Trust assumes interdependence, mutual exchange and norms of reciprocity. Risk also infuses trust relationships; if there is no risk, trust is not necessary. Parties must be willing to be vulnerable or to risk sustaining a loss. Trust is necessary because there is uncertainty that the other party will comply with the terms of the arrangement. Employees work with the expectation of being paid later and employers’ investments in training will only be recovered if the employee remains with the firm for a sufficient amount of time (Krecker 1995:122). Uncertainty exists until trust is established, and this takes time. Trust must be renewed through having reciprocal obligations continually being met.

For employees, trust flows from the perception that management is concerned about their well-being, is competent to handle organizational change, and is open and honest about change. If managers initiate change that is perceived as fair and just, the trust relationship will be preserved (Alexander, Sinclair and Tetrick 1995; Whitener et al.1998). In practice, this means a human resource management philosophy that gives priority to training, multiskilling, and development of interpersonal skills and continuous employee development (Creed and Miles 1996). For employers, this philosophy establishes high trust when it becomes imbedded in corporate culture, in addition to human resource policies (Whitener et al. 1998).

Trust is thought to mediate the multiple and often conflicting goals between employers and employees, although it is unclear how this actually happens. In this respect, trust sits alongside power and control as an essential feature of employment relations (Cropanzano et al. 1995). Clearly, there are analytical advantages in considering the interactions among control, power, trust, loyalty, and related work norms. Gamst (1995) refers to the inter-connections among these factors as a “web of rules” that defines the social relations of employment.

While less prominent in discussions of employment relations, the more sociological perspectives on work view employment relations as essentially social, encompassing relations among workers as well as those between workers and employers. The diffusion of more flexible work arrangements (Lipsett and Reesor 1998), especially around work time and work location, raises questions about how the shift of work away from the centralized workplace during a weekday schedule affects how workers are able to interact with each other. Yet little is known about how flexible and decentralized work affects communications and cooperation among workers. The decentralizing effects of new technologies are creating virtual communities in which cooperation is based on
technology, not face-to-face interactions (Wellman et al. 1996), although the social and personal effects of teleworking are still being debated (Burris 1998).

Equally crucial is how employment relationships vary by social group. The concentration in specific employment relationships of women, youth, members of visible minorities, individuals with disabilities, or Aboriginal persons has consequences for society. We have noted that the standard employment relationship defined a male model of work. A research priority, then, is to determine to what extent historical gender norms are being reproduced in emerging employment relationships (Mirchandani 1999 Fudge and Vosko, forthcoming). Self-employment, for example, has increased the gap between male and female labour market outcomes that was closing among employees (Hughes, CPRN, forthcoming). We also know that women and young workers of both genders predominate in temporary and part-time work (Krahn and Lowe, 1998). This issue bears on labour market adjustment programs, school-work transition policies and employment equity policies.

**Integrating the Research Themes**

We have seen that the basic distinction between standard and non-standard work is not able to capture the diversity of established and emerging work forms and relationships. Furthermore, the conventional view of employment relationships as defined by formal rules and regulations sheds little light on the increasing individualization of these relationships. Looking beyond a structural view of work and labour market structures, it is important to recognize that some relationships are becoming less structured, while others are structured, but in different ways than in the past. The central research question concerns the extent to which this reconstituting of employment relationships is beneficial for workers, employers and society.

By integrating the themes and issues identified above, we can identify the key dimensions of employment relationships. These are outlined in Figure 3. This model begins to clarify the ‘fuzzy’ areas within and between the boxes in Figure 1. Thus, the standard and nonstandard work arrangements specified in Figure 1 can be distinguished much more finely in terms of the actual contractual terms, the work schedule and geographic location, the duration and stability of the relationship. Also relevant are the rights and entitlements embedded in the relationship, the balance of power between the parties, the control over the labour process, ownership of equipment and property. The basis for trust in the relationship is crucial. So too are cooperation and communication.

These basic dimensions of an employment relationship are filtered through the characteristics of individual workers and employers. For example, women may enter into self-employment for different reasons than men, making different trade-offs, and experiencing different rewards. Young temporary workers may have quite different expectations, commitment, or entitlements than older temporary workers. The size, industry, age, and technology of an employer would be among the characteristics that could influence the dimensions of its relationships with workers. For example, communications may be more open in a smaller organization, yet the security risks for workers are higher given the more competitive environment most small firms face.
Figure 3: A Multi-Dimensional Model of Employment Relationships

DIMENSIONS OF EMPLOYMENT RELATIONSHIPS:
- Expectations, preferences, motivations, goals
- Rights, entitlements, responsibilities
- Power
- Contractual terms
- Control, ownership, independence
- Duration, stability, predictability
- Work schedule and hours, location, flexibility
- Cooperation, communication, social relations
- Trust, commitment, loyalty

LEVEL OF ANALYSIS:
- Institutional
- Organizational
- Individual

OUTCOMES CAN INTERACT WITH AND INFLUENCE DIMENSIONS

OUTCOMES:
- Economic rewards
- Psychological rewards
- Productivity and effectiveness
- Security and risk
- Equity and fairness
- Quality of life and wellbeing
We can analyze these dimensions of the employment relationship at three levels: institutions; organizations; and individuals. For example, trust or control would vary mainly across individuals and their specific organizational contexts. Rights and entitlements could be enshrined in legislation as well as at the organizational level. This model is presented as a tool to aid researchers. New research is required in order to create a more detailed mapping of these relationships.

Section III. Implications of Changing Employment Relationships

Further exploring these dimensions of employment relationships will illuminate how their patterns of stability and change affect workers, employers, unions and other labour market organizations. The three levels of analysis of the employment relationship, described above, also are a useful way of examining these implications. Thus, we can talk about institutional (e.g., regulatory systems), organizational (employers, unions, training and education organizations) and individual (workers and their families) consequences.

Changes in employment relationships may be due to a range of factors, alone or in combination. These would include the broad forces of technological change, economic globalization, the restructuring of specific industries and firms, management strategies, government policies, and the choices made by individual workers. As already noted, structural trends are well documented, so the thrust of the CER project is to grasp the impact of such changes on underlying relationships so that relevant policy responses can be crafted.

The following discussion of implications is meant to be illustrative, raising a wide range of issues rather than attempting to catalogue all implications – which would be premature in the absence of new research evidence. Bear in mind that many of the examples given below will vary by the characteristics of the workers involved or the specific employer, or work context for non-employees. This includes gender, age, and race/ethnicity. An important issue in this respect is the extent of choice workers exercise when entering an employment relationship. We know from the Labour Force Survey, for example, that 29.4 per cent of part-time workers are ‘involuntary,’ preferring a full-time job if they could find one. We also know that 10.6 per cent choose part-time work because they also were caring for children, and another 4.2 per cent cited personal or family reasons (Statistics Canada 1998a). Similarly, self-employment covers the gamut in terms of motives, with relatively few of the newly self-employed claiming they were ‘pushed’ into this kind of work (Statistics Canada 1998b).

Just as workers make labour market choices within the constraints of limited options and resources, so too do employers when adopting human resource management or work organization practices that affect employment relationships. From an employer’s vantage point, there is a range of goals and strategies that can be linked to the adoption of new kinds of employment arrangements. Take the common strategy of flexibility. It comes in many forms, each with different intended and unintended consequences. Firms adopt various contingent work forms for a variety of reasons: replacing workers who are temporarily absent; adjusting staffing levels to fluctuations in business activities; accessing specialized skills; cutting labour costs; or screening potential new employees (Betcherman et al. 1994; Booth 1997). The implications of contingent work thus depend on the circumstances underlying its use and the characteristics of the workers themselves.
Institutional Implications

At an institutional level, changing employment relationships have significant implications for the legal framework that sets the rules, regulations, rights and entitlements for paid work. Employment standards and labour legislation and laws governing employment contracts have evolved around a standard model of full-time, permanent employment (England 1987). The same can be said for occupational health and safety legislation, including workers’ compensation systems, and public programs such as the Canada/Quebec Pension plan and Employment Insurance. Thus, the growing diversity of employment relationships poses challenges for reforming and adapting this institutional framework.

The legal definition of “employee” implies certain protections, rights and entitlements. Such obligations and entitlements are absent from a business relationship between self-employed individuals and their clients. Paid employees who meet minimum service requirements are entitled to any benefits offered by their employer, which could include a pension plan, medical and dental benefits, paid vacation leave, and so on. Labour legislation is geared toward a standard employee-employer relationship. As non-standard work arrangements include more of the workforce, a growing number of individuals will find it very difficult to join a union and benefit from any gains or entitlements negotiated through collective bargaining. Employees are also offered a wide range of protections and entitlements through employment standards legislation, which sets minimum standards on a wide range of issues, such as dismissal notification, hourly wages, statutory holidays, and vacation and leave entitlements. Further, employers are required to pay Employment Insurance (EI) premiums, contribute to the Canada/Quebec Pension Plans, and remit personal income taxes for each employee on their payroll.

The spread of part-time, temporary, and other non-standard forms of work affects individuals’ access to a range of benefits and protections (Vosko 1997; Sobel 1996; Coiquaud 1998). For example, some Canada Labour Code protections and entitlements are based on a minimum service of three or six months. Similarly, eligibility for firm-level benefits, such as pension coverage, medical plans and dental plans are tied to minimum service requirements. The same applies for weekly hours, whereby part-time workers who do not meet a predetermined number of weekly hours are excluded from benefits.

The larger issues for workers are twofold. The first is a weakening of the legal ties that have been established as a foundation for the standard employment relationship as this becomes less common. Second, these exclusions may create personal economic insecurity, reducing their rights and placing them at greater risk of unemployment or low living standards. This will affect some workers more than others, as in the case of workers who are forced to be dependent on a partner’s or spouse’s extended health and related benefits plan. Women are over-represented in these situations, resulting in serious implications for their future security should they become self-supporting because of separation or divorce.

Working away from an employer-provided or designated centralized work site also presents challenging legal issues. In the traditional employment relationship, the employer is responsible for meeting occupational health and safety requirements at the worksite, and provides the required tools and equipment. Monitoring and enforcement are
easier in this context. However, home-based work – even for telecommuting employees – puts the work environment, and in some cases the tools and equipment, beyond the control and responsibility of the employer. Health and safety legislation, for example, will need major adaptations to cover these new work forms. For instance, joint management-employee workplace health and safety committees are a legislated feature in some Canadian jurisdictions and are central to the internal responsibility approach to creating an optimal work environment (Lewchuk et al. 1996). This whole system assumes a central work location with a number of workers who have some continuity in employment.

**Organizational Implications**

Changes in employment relationships can have major consequences for the organization of work, especially the ability of employers to meet their objectives. In addition, it is important to highlight the implications for other labour market organizations such as unions, professional associations and training providers. Of particular interest is the impact of employer-initiated organizational change that alters employment relationships. These changes reverberate through all corners of an organization, often recycling as a new set of problems to confront employers.

Work restructuring often recasts the relationship between employees and the employer, regardless of whether it is triggered by technological change, downsizing, reengineering, or pressures of economic globalization. For example, work reorganization may unintentionally undermine workers’ sense of job security, leading them to worry about their future with the organization. Downsizing and corporate restructuring can erode employees’ loyalty, which in the past many large employers have cultivated as a prerequisite to a committed workforce. This could adversely affect the employer to the extent that morale and motivation decline, undercutting productivity.

This goes right to the heart of the psychological contract between workers and an employer – what organizational researchers call trust relations (Mishra et al. 1998; Heisig & Littek 1995; Chilton et al. 1994; McCune 1998; Tynes 1997). If reciprocal obligations are not met, trust is damaged. A study of managers in firms that had undergone a merger or acquisition is revealing in this respect. “One of the big things that’s changing as a result of the merger,” stated one manager, “is what I call a lot of soul searching and reevaluation about your attitude in the corporate loyalty area. I’ve always been a corporate animal...with mergers and acquisitions you sit and say to yourself, “is it worth it anymore?” (Tynes, 1997: 313). In response to this demoralization, some management theorists are calling for a rekindling of the ‘loyalty effect’ as a key to improved organizational performance (Reinhold 1994).

Flexibility has become a cornerstone of many organizational renewal strategies. There are two distinct approaches to achieving greater flexibility: numerical flexibility, achieved through a contingent or ‘just-in-time’ work force that supplements a full-time core staff; or high performance work practices aimed at achieving internal flexibility, such as teams, multi-skilling, job enlargement and flatter organizational structures (Krahn and Lowe 1998: 243-53). One way to distinguish the contingent labour approach to flexibility from the high-performance workplace approach is the extent to which management explicitly attempts to create employment relationships based on commitment and involvement.
The goals of reducing labour costs and improving efficiency often lead to flexible employment practices. Yet flexible staffing strategies contain hidden costs. Some employers have expressed concerns about contingent workers lacking the loyalty and commitment needed for good work effort (Booth 1997). A loss of trust among core employees, coupled with a lack of skill and training in the contingent workforce, could lead to productivity declines (Daly 1997; Feldman 1995). Furthermore, the use of temporary workers can alter the division of labour. Hiring temporary workers into low-skilled and low-paid positions leaves full-time permanent staff with more complex, knowledge-intensive tasks involving teamwork (Feldman 1995). This widens the gap between core and contingent staff, raising issues of equity and fairness. But it is unclear how such a trend would affect organizational performance.

However, if temporary workers such as self-employed consultants or contractors are recruited because of their specialized skill and expertise, entirely different dynamics are created. These freelancers are ‘managed’ by core workers who often are paid less, possibly leading to morale problems. And in organizations aiming to become more knowledge-based, there is no incentive for the contractors to contribute to the stock of intellectual capital. A further concern is giving outside experts, who may later consult for a competitor, access to confidential and proprietary information.

In contrast, reforms associated with high performance (also called high-commitment or high-involvement) work systems have been linked with improved financial performance of the firm. While the causal connection between these workplace innovations, on one hand, and firm performance, on the other, is difficult to establish definitively, there is mounting evidence that a combination of human resource management practices – teams, training, worker empowerment, information sharing, a work environment supportive of family life and personal wellbeing, and gainsharing – do positively affect performance (Organization for Economic Cooperation and Development 1999).

Because these human resource management practices foster trust, and the loyalty and commitment which flow from it, they form preconditions for organizational innovation and productivity gains (Wager 1997; Heisig and Littek 1995; Downie and Coates 1994). Following the same logic, we also would expect that low levels of trust and commitment increase the chance that performance may fall short of objectives. This strongly suggests that the quality of the employment relationship itself contributes to or detracts from how effectively an organization meets its goals. A contentious point, however, is the extent to which high performance workplace practices are of mutual benefit to workers and employers. Some studies suggest that HRM rhetoric and practices have been used as a guise to achieve greater managerial control of workers by trying to create an individualized relationship of trust with each worker that ultimately circumvents and undercuts workers’ ability to have collective strength through representation in unions (Wells 1997; Osterman 1995). Knowing more about the form and content of the underlying employment relationships may cast some much needed light on this question.

The rise of flexible work systems reflects changes in the organization of internal labour markets and the process of career development. A career based within an internal labour market was a key feature of the standard male job that underpinned the post-WWII
employment contract in many large organizations. But as internal labour markets have become less central to the staff strategies of employers, responsibility for providing job security, training and career advancement has been shifted increasingly to the individual worker. Does this signal a decline in the career model that provided many large employers with a skilled and reliable workforce? Employees now are required to become more self-sufficient, taking charge of their own ‘employability’ (Betcherman et al., 1998; Lowe, forthcoming). This has important consequences for human resource development and the pursuit of the ‘learning organization’ agenda.

Assuming this scenario is accurate, professional associations, unions and a range of public and private training providers may have a larger and more active role to play in helping workers prepare for career transitions and meet on-going skill development needs. Indeed, the employment relationships associated with non-standard or contingent work also have important implications for training and human resource development within organizations. Firms are more likely to invest in employee training when anticipated payoffs are high (Betcherman et al. 1997). A major barrier to training is the employer’s concern that a recently trained worker will move to another employer - a condition that is built into most forms of non-standard work. Employers could include freelance contractors and temporary workers in formal training sessions. But this raises problems around the legal definition of ‘employee,’ if providing such training implies that these individuals have an on-going relationship with the firm.

The above observations suggest that new forms of organizational attachment are emerging. What are the potential consequences for employers? Heckscher (1995) finds evidence of a new ‘professional managerial system,’ based on a realignment of commitment from a single employer to a specific project. Another way of interpreting this is that the traditional basis of loyalty to a specific employer is giving way to increased loyalty to one’s career (Rousseau and Wade-Benzoni 1995). Some workers (those with high levels of human capital) may tend to become more self-reliant, moving opportunistically between employers as they create a more individualized career trajectory. How much actual choice they exercise in this process is open to speculation. Nonetheless, this group of workers recognizes that employers will no longer assume responsibility for their economic security, training and advancement, so they increasingly look out for themselves. In popular terms, this is captured by the “You and Co.” strategy advocated by career guru William Bridges (1998).

Some employers are no doubt wondering if this new entrepreneurial self-interest is antithetical to corporate interests. Critics point out, however, that the move to individualized employment contracts, which ostensibly last as long as it is in the mutual interests of both parties, gives managers more discretion and places more uncertainty and risk on workers (Welch and Leighton 1996; Cappelli et al. 1997).

Social relationships are another important area of organizational life affected by changes in employment relationships. Of particular interest are cooperation and communications. Taking contingent work as an example, we can see that both are becoming issues for employers. Depending on the tasks, work locations and schedules of contract or temporary workers, they may have limited contact with regular staff. Thus social distancing is a possible outcome of temporary employment (Allen and Henry 1996). In addition to reinforcing their ‘outsider’ status, this could result in needed information not being shared or in different expectations regarding what constitutes
adequate ‘cooperation.’ Presumably, high performance work systems would rectify this by fostering greater cooperation and communications – although this remains a question for further research. However, a complicating factor is the extent to which these organizations also rely on a contingent workforce and the form these employment relationships take.

The decentralization of work transforms employment relationships, with consequences for employers. Teleworkers cite isolation from co-workers and reduction of social contacts as two disadvantages they face. They also express concern over the impact of teleworking on their career prospects. This has implications for human resource management practices. Almost one-half of paid employees agree with the statement that “employees who work in an office where their employer sees them every day are more likely to get promotions than employees who work from their home” (Ekos Research Associates 1998). Telework, and other kinds of decentralized work, present economic risks for both the employer and the worker.

The reliance on face-to-face interactions is deeply rooted in the culture of many organizations. This may stand in the way of effective ‘virtual work,’ although clearly some workers will trade off participation in such networks for the expected gains in flexibility, independence, and a better work-family balance (Mirchandani 1999). For managers, a barrier to decentralized work is the perceived need to see the workers being managed - what is called ‘face time.’ In other words, a primary concern among employers is that such arrangements do not allow them to “…keep tabs on their workers to know that they are actually working” (Handy and Mokhtarian 1995). This may explain why telework arrangements are usually part-time (Handy and Mokhtarian 1995; Treasury Board Secretariat 1996) and rarely extend into the lower ranks of an organization.

Telework also alters the organization of work tasks. Communications between co-workers and the scheduling of meetings are two aspects of work that are made more difficult by teleworking. Furthermore, telework has implications for the evaluation of employee performance. Time spent at the job site cannot be considered in the evaluation process and staff performance must instead be based solely on work outputs. In some contexts, telework may be viewed as a privilege rather than an entitlement. Co-workers who are left behind in the central workplace may resent not having this opportunity to exercise more control and feel unfairly treated. Some managers also report that the absence of workers from the job site results in insufficient staff on hand at peak times (Treasury Board Secretariat 1996). The central-location workers also may experience increased workloads if urgent requests, trouble shooting, covering for absent coworkers, or other extra tasks fall disproportionately on their shoulders simply because they are available in person.

Virtual work arrangements offer employers an expanded labour market. Firms seeking new recruits and individuals seeking job opportunities may scan a wide geographic area for a job match since new information and communications technology overcomes the need for physical proximity. Computer-supported virtual work is giving rise to new forms of social networks, enabling new ways of working collaboratively (Wellman et al. 1996; Burris 1998). Whether this signals the creation of distinctive employment relationships, as well, remains an open question.
The above organizational changes are intertwined in complex ways with employment relationships. In fact, it is clear that organizational change per se is often what transforms employment relationships. These employer-initiated changes have implications for the strategies developed by labour market organizations. While there is some research on how unions have responded to workplace and labour market restructuring, little attention has been paid to how professional associations are responding.

Unions face two main challenges in adapting to these changes. The first revolves around meeting the needs of existing members in organizations where standard employment relationships have been altered by management. The second concerns the difficulties of recruiting new members among workers who are not in traditional employee-employer situations (Lowe 1998). Unions face the concern that by recognizing new employment forms by including them in their membership, they are contributing to an erosion of the employment relationship for all workers. However, new forms of unionism are being proposed as a response to work restructuring (e.g., ILO 1998; Cobble 1994). There also are signs that Canadian unions are devising a more proactive stance toward workplace change (Kumar, Murray and Schetagne 1998a, 1998b). So far, these new approaches to organizing or member services have not been able to take into account changing aspects of employment relationships. The impact of changes in employment relationships is, however, evident in how reduced job security places unions on a more defensive stance which can lead to an acceptance of management-initiated changes in labour process (Wells 1997).

Based on CPRN Roundtable discussions, it is clear that some professional associations also are struggling to find effective mechanisms for addressing the changing needs of members who increasingly are self-employed or temporary workers. Enhanced training, benefits packages, and career networking are becoming more important, but the stumbling block often is the reduced ability of self-employed professionals to pay for these services.

**Individual Implications**

Employment relationships have profound consequences for individuals. These can range from positive to negative, and affect work attitudes and behavior, social relations, well-being and overall quality of life. As mentioned earlier, it is important to consider how individual characteristics are part of the explanation of these effects. For example, the uncertainty inherent in temporary work may be perceived in quite a different light by a young person still in school than by a middle-aged female single parent supporting a child, or a male in his late 50s who has entered contract work after early retirement with a pension. We could provide more examples; the point is, variations in the dimensions of employment relationships and their impact must take into account the socio-demographic characteristics and circumstances of individuals. This sheds light on why the specific employment relationships - say, the self-employed freelancer - can be a positive situation for some workers yet a source of stress and deprivation for others.

For individuals, lower levels of job security may result in them working harder to meet employers’ expectations. One might wonder whether the trend towards longer weekly work hours has not been fuelled, in part, by workers’ feelings of insecurity and their drive to perform beyond employers’ expectations simply to keep their jobs. The
negative impacts of employment insecurity have been extensively documented in the research literature. Numerous studies have shown that insecurity and unemployment are associated with a range of negative health outcomes (Ferrie, et.al. 1998; Lavis 1998), as well as negative consequences for marital and family relationships and even child development (Wilson et.al.1993; Barling et al.1998). To the extent that insecurity is a predominant feature of an employment relationship, these risks are elevated.

The standard employment relationship has rested on the understanding that rising productivity would be rewarded by wage increases or other economic rewards. Yet the past decade has seen few if any real wage gains for most workers. As such, expectations go unmet and employees perceive this to be inequitable treatment (Robinson 1995). Recently, continued lay-offs and modest wage increases in the face of rising corporate profits and executive compensation could undermine morale and loyalty. After foregoing wage increases in the early 1990s, employees now want employers to reciprocate by sharing the gains in more prosperous times. With the introduction of variable pay systems, based on a worker’s skills or performance, these outcomes are more individualized. This shift away from bureaucratic approaches to compensation will no doubt become an increasingly salient feature of employment relationships for workers, affecting their choice of employment.

The growth of self-employment has implications for the quality of life, particularly the overlap between paid work and family life. Self-employed individuals may be seeking a suitable balance between paid employment and their family responsibilities, which of course will vary considerably by gender and over a person’s life course. The presence of young children is one factor positively associated with women’s entry into self-employment, suggesting this is a strategy used to balance paid and unpaid work. Yet support for self-employed parents is less available than for parents employed in large organizations, some of which have formal work-family programs. Self-employment may also increase the difficulties experienced in separating family and work responsibilities.

We have documented that trust is a key dimension of employment relationships. By its very nature, non-standard work offers limited scope for creating a trust-based relationship, compared with on-going and full-time work arrangements. Of course, the latter are also changing, so we no longer can safely assume that all standard work arrangements rest on higher levels of trust than do non-standard relations. Indeed, there likely are some non-standard work situations that require high levels of trust, such as the collaboration of several self-employed contract workers on a project or an on-going relationship between a temporary worker and a single placement agency.

How do these variations in trust affect individual workers? Answering this question may require a better grasp of how trust is organically linked to other social and psychological features of the work environment. To the extent that employers view temporary, contract or seasonal workers as less important and less deserving than permanent employees, these individuals may be devalued in both economic and social terms (Barker 1995). For the workers, a predictable response would be weaker psychological and social attachments to the organization. This situation also implies a lower level of trust between the parties. What this means for the work attitudes or ‘work ethic’ of these individuals, their work satisfaction, and their career prospects remains an
unanswered question. From a social policy perspective, these issues affect the quality of life and the development and use of human resources.

Close supervision and direct control of workers through Taylorist job design assumes a low trust employment relationship. This stands in marked contrast to the high trust that new HRM practices claim to be based upon. Critics, however, point out that teamwork may simply shift responsibility to workers without commensurate authority or control (Smith 1997; Sewell 1998). Yet public opinion polls and workplace surveys show very clearly that workers want responsible, challenging and interesting jobs - and if economic security is not a preoccupation, will make career decisions on this basis (Lowe forthcoming). This suggests that the quality of the employment relationship may be more important than its structural form - that is, whether it is ‘core’ or ‘contingent’ work, employee or self-employment. Pursuing this line of analysis would require a fuller understanding of the work values that underlie workers labour market decisions.

Some analysts suggest that the psychological contract has been altered in the face of workplace restructuring and downsizing (e.g., Chilton 1999). This has resulted in a decline in morale, as well as increased employee stress and burnout. Inadequate compensation, a lack of career development opportunities, and poor communication from management often are cited by employees as contributing factors. The erosion of trust is part of this problem and has been linked to a range of consequences, including a decline in job satisfaction, motivation, loyalty, commitment, morale and good-will. Should an employer violate the psychological contract, there is a good chance that employees’ trust level, job satisfaction and commitment will be reduced, especially if this involves unfulfilled promises made to the employees as opposed to unmet expectations (Robinson 1995). Even though employment may become more individualized in the sense that long-term attachments are less common, businesses may be required to establish high trust in their external networks of partners, suppliers and contractors (Creed and Miles 1996). Far from being eliminated from employment relationships, in this respect trust may instead be relocated and transformed.

Social relationships between co-workers are necessary to ensure good cooperation and communication. Moreover, they are a source of work satisfaction, informal learning and networking. Thus, as the extent and quality of social relations vary across employment situations, there will be advantages and disadvantages for workers. Workers who are not in full-time, continuous jobs performed on-site will have less opportunity for social interaction. This social distancing (Allen and Henry 1996) could create a sense of marginality, although the consequences of this ‘outsider’ status for workers are not well documented. Temporary workers, for example, are unlikely to develop feelings of loyalty to the firm, which could be a problem in firms with high performance work systems that assume high commitment from everyone.

The decentralization of work locations has the potential to alter the social and psychological basis of the employment relationship. One could argue that employers that permit telework must trust the workers involved. Teleworkers may respond to this expectation with a sense of obligation to perform well and by working longer hours, often unpaid (Treasury Board Secretariat 1996; Mirchandani 1999). Telework also illustrates how motivation and job satisfaction are important psychological components of the employment relationship. Over 60 per cent of the managers and supervisors interviewed in Treasury Board Secretariat’s (1996) study reported that employee motivation at work
had improved with the introduction of telework. Employees also indicated that their job satisfaction, overall stress level and balance between work and family had improved.

Moreover, one perceived benefit of home-based work is the potential it may offer to balance paid employment with family responsibilities. This could have a bearing on workers’ stress levels and their overall sense of well-being. In the Ekos Research Associates survey, 42 per cent of respondents who worked at home some of the time reported that their family life was ‘much better’, 40 per cent reported that working hours were ‘much better’, and 30 per cent indicated that time pressures were ‘much better.’ There are disadvantages, though, which include longer working hours and difficulties separating family and work responsibilities (Treasury Board Secretariat 1996; Mirchandani 1999). This convergence of work and family relationships, expectations and obligations can be stressful (Duxbury and Higgins 1998; Duxbury et al. 1999), which partly reflects the fact that many home environments are not well suited to paid work activity.

Greater work autonomy is a related benefit for some decentralized and contract or self-employed workers. Teleworkers note the importance of planning and scheduling their work activities with greater independence from co-workers and supervisors (Mirchandani 1998; European Commission. 1998; Handy and Mokhtarian 1995). They also report that their homes provide a more productive environment than the office and emphasize control over their work environment as a positive aspect of working at home. Indeed, in Treasury Board Secretariat’s (1996) study, the desire to have more control over work conditions (e.g., fewer interruptions, better ability to concentrate, etc.) was the reason most often cited by workers wanting to telework. The fact that many respondents to the Ekos Research Associates’ (1998) telework survey would be willing to forego a pay increase in return for an opportunity to telework could be interpreted as a desire for greater control and independence, rather than a preference for telework per se. For some of the own-account self-employed, particularly ‘knowledge workers,’ freedom from the restrictions of a bureaucratic work organization and management authority is no doubt a major motivation. This higher level of autonomy and control could be a source of job satisfaction for such workers. In short, it is not the work arrangement itself but rather the quality of the relationship that counts. A priority research question, then, is what workers want and expect in an employment relationship.

But these more atomized work relationships carry risks, too. Current understandings of employer-employee relationships are premised on formal exchanges and expectations. As work becomes disaggregated, then employment relationships are shaped more by a worker’s informal network of contracts. Thus important features of an employment relationship are the workers’ perceived job prospects with other firms and the extent to which they maintain relationships with clients and colleagues. Also relevant is the extent to which they rely on a single or multiple clients for jobs or potential jobs. Career opportunities depend on more than one’s skills and knowledge; indeed, networks inside and outside workplaces are crucial for obtaining and succeeding in paid work (Carnoy, Castells and Brenner 1997).

For a growing number of workers, including some in standard jobs, the new norms of employability imply greater individual responsibility. While this is not necessarily detrimental, problems arise if those workers who are on their own when it comes to acquisition of training have limited resources, inadequate information about
training opportunities locally, or can’t afford the down-time training courses require (Betcherman et al. 1998; Lowe and McMullen forthcoming). Furthermore, training providers are only now adapting to a workforce of freelancers and self-employed, rather than a workforce of employees. Again, paradoxes arise. For example, while temporary and contract workers may be excluded from firm-specific training, their movement between employers may provide them with the opportunity to gather a range of skills and experiences that are valuable in the labour market. Whether this outweighs the usual benefits of employer-sponsored training is an open question.

There are indications that some employers have raised their expectations of what constitutes a productive workday. This implicitly redefines employment relationships, with obvious consequences for the quality of life of workers. More workers are putting in long hours, as noted above. Indeed, in 1997 some 1 in 5 employees reported working overtime, yet 53.5 per cent of these overtime workers were not paid for this extra work (Statistics Canada 1998b: 18). Somehow, this unpaid work has become an expected part of the job. Large public and private sector organizations that have downsized have made a virtue of ‘doing more with less,’ which in reality means increased workloads for workers and managers alike.

A different twist on this is found in the booming high-tech sector of the economy. Short product development cycles create a hot-house environment in high-tech firms encourage a work culture in which managers, professionals and technical staff expect to work long hours and through weekends and holidays (Perlow 1998). The BC government recently responded to high tech industry pressure, relaxing legislated employment standards regulations governing weekly hours and overtime (Ministry of Labour 1999). For some of these workers, part of the motivation is found in the stock options they are given; their financial success is tied to that of the company. The definition of a ‘valued employee’ gets adjusted accordingly, and workers incorporate these expectations into their own work orientations. Spouses or partners are expected to accept this divergence from a ‘normal’ family life and to fully support all efforts of the worker.

As a final comment, it is important to reiterate that characteristics of the employment relationship have been associated with health and the quality of family life (Lavis 1998; Robson 1998). For example, a recent CPRN study showed that families balance economic and social goals to achieve a “social bottom line.” For many families, this meant deferring full-time employment and living with fewer resources in the short term while raising their children. Another finding was that families with children relying on income assistance as a temporary support measure in the face of labour market changes had higher levels of economic security and family functioning than did those relying on a nonstandard job (Michalski and Wason 1999). In other examples, what seems to matter is the extent of choice and control, not whether the employment form is standard or non-standard. For example, elevated stress levels could be a by-product of non-standard work that is involuntary, rather than voluntary (Daly 1997). Similarly, flexible work arrangements in some cases can be a source of increased job satisfaction and a better balance between work and family. As we consider these links between employment relationships and the overall quality of life, also important is how the escalating demands of corporate citizenship can restrict one’s ability to participate as a citizen in one’s community. This connection between work and society raises has significant long term consequences for the health of civil society as well as for individual workers.
Research Questions

The objective of the CER project is to create a new map of the Canadian labour force, that shows how work situations and contexts cluster around dimensions of the employment relationship. In one area of the map, we might find a portion of the workforce in employment relationships that are characterized by high levels of trust, autonomy, and security for example, while in another area of the map we might find a segment of our respondents who rank low on these dimensions. Our aim is to profile the socio-demographic and work situation characteristics of these and all respondents.

This new map will provide us with valuable information about the state of work in Canada at three broad levels of analysis, as shown by Figure 3 (p.22): individual, organizational and institutional. Because information is being collected from individuals, we will have the most detailed information on this level of analysis. At the individual level, we will examine the extent to which individuals experience elements such as trust, loyalty, autonomy, work-family balance, health, and economic and social integration in their relationships with their employer, workplace and/or clients, as well as the determinants of these various experiences. Moreover, we will examine what workers value most in their employment relationship around these and other dimensions, and ask them to rank their current relationship against their ideal. The focus of individual workers revolves around a number of dimensions, including the economic security provided in different employment relationships, intrinsic work rewards, demands on their time, balancing work and family, and health.

This data will have implications for employers and other labour market organizations including unions, professional associations and training providers. We will examine the extent to which various aspects of employment relationships are correlated with outcomes such as low levels of absenteeism, full use of an employee’s skills and knowledge, and high commitment. This will help employers to better understand the motivations and preferences of their workers, and assist them in shaping workplace practices that will build on this knowledge to create high performance workplaces. Unions, like public policy makers, will benefit from information around the entitlements and protections that both their members and non-unionized workers seek, workers’ level of interest in being represented, and overall worker expectations.

The map of the labour force based on employment relationships will provide further insights to public policy makers around how various employment relationships involve trade-offs in terms of productivity, efficiency, flexibility, rights and entitlements, economic security and the overall quality of work life. The data will also help to inform more detailed work planned in partnership with the Law Commission of Canada to examine the implications of employment relationships for legislation, legal principles and legal definitions.

In short, survey and focus group findings will shed light on the extent to which norms of employment impact both work life within the large organizations that once were the hallmarks of internal labour markets, life-long careers, and ‘standard’ work, and in the myriad of non-standard forms of work as well. To this end, the survey and focus groups will be designed to address the following more specific questions:
1. As a way of initially describing current employment relationships in the Canadian labour market, are there systematic variations in employment relationships by class of worker, standard or non-standard work arrangement, industry, occupation, and other workplace and labour market contextual factors? Are there systematic variations in employment relationships by workers’ socio-demographic characteristics?

2. In order to ‘map’ these relationships analytically, to what extent do different dimensions of employment relationships form identifiable clusters? What are the labour market, workplace, and socio-demographic characteristics that best define each of these relationship clusters?

3. By viewing the labour market from the perspective of employment relations, what new insights can we gain about the determinants and distribution of work rewards and quality of work life?

4. Do current employment relationships meet the expectations and needs of workers?

5. To what extent do employment relationships influence productivity-related behavior and attitudes (e.g., work effort, absenteeism, training, skill use, participation in decision making, loyalty)?

6. What are the major public policy implications of this multi-dimensional mapping of employment relationships?

The Research Design

The survey

We have established a partnership with Ekos Research Associates, who will be conducting the survey and the focus groups. To reflect Ekos’s support in kind for the research, the survey will be called the “CPRN-Ekos Changing Employment Relationships Survey.”

We have selected a labour force sampling frame to allow us to generalize our survey results to the Canadian labour force and its major sub-groups. This would be a random sample of 2500 individuals who are currently in the workforce or unemployed. In addition to this, we are planning on quota sampling in five key sub-groups of workers so that we are assured of sufficient cases to allow us to profile the employment relationships that characterize these groups. Quota sampling involves augmenting the number of cases in a particular group above the number that would occur in a random sample so that there are sufficient cases to analyze this subgroup with acceptable limits of statistical reliability. These subgroups are then weighted down to reflect their actual size in overall analysis. The five sub-groups that would be unlikely to yield sufficient cases in a random sample are: temporary workers, multiple-job holders, own-account self-employed workers, self-employed employers, and home-based workers. The telephone-administered questionnaire will be approximately 25-30 minutes in length, with allowances for several open-ended questions.
In order to be able to provide a comparison with the Labour Force Survey, the General Social Survey, the Survey of Work Arrangements, and the employee component of the Workplace and Employee Survey, the CER survey will replicate basic measures of labour market status and work arrangements. Other common classification measures (such as firm size, industry and occupation, and basic socio-demographic characteristics) will also be included in the survey. In addition to setting the context, these variables will provide the descriptors for different clusters of employment relationships – say, for example, workers in high-trust and secure jobs with extensive job control and participation in decision making. Our analytic strategy is to first document patterns in the dimensions of employment relationships, then use other labour market, workplace, and socio-demographic factors to construct profiles of which individuals and groups are in the main clusters (for example, are young women in non-standard jobs concentrated in ‘low-trust/high insecurity’ employment relationships?).

By using, where possible, selected Statistics Canada measures, we will increase the complementarity of the CER survey with these other research initiatives, thereby enhancing the usefulness of our findings. We also will select key measures from earlier surveys to get some sense of change (for example, the national 1973-4 Work Ethic and Job Satisfaction Surveys conducted by the federal government). As well, we will attempt to institute several international comparisons on key work values, expectations and outcomes from European and American surveys (for example, the European Foundation for the Improvement of Living and Working Conditions surveys, the Job Security and Work Intensification Survey of the Economic and Social Research Center in the UK, and the Worker Participation and Decision-Making Survey by Freeman and Rogers in the United States). Given the constraints on the length of the CER survey, obviously the choice of comparison measures will be made with an eye to the greatest impact on policy discussions in Canada.

**Focus groups**

We have planned for eight focus groups, each lasting two hours. These will be run by Ekos in major centres across the country (Halifax, Montreal [francophone participants], Ottawa, Calgary or Vancouver). Participants in the focus groups will be selected from among those survey respondents who indicated an interest in discussing employment relationships in a group setting and who represent a range of employment relationships. Focus group discussions will be transcribed and analyzed to extract the major themes. As well, verbatim commentary on these themes will be woven into the final CER Synthesis Report.

The purpose of the focus groups is to examine the following issues with a diverse set of groups of workers: 1) workers’ preferences, choices, and trade-offs regarding employment relationships; 2) their adaptations to recent changes and transitions in employment relationships; and 3) their beliefs and anxieties about recent or expected changes in employment relationships. The moderator’s guide will be based on preliminary analysis of the survey findings, in order to ensure that focus groups explore the key issues emerging from the survey.
**Policy implications**

As a final step in the CER project, a Roundtable will be held in Toronto in spring 2000, co-sponsored by the Institute for Work and Health. The purpose of the Roundtable will be to reflect on the policy implications of the survey and focus group findings. The final Synthesis Report for the project will explore the implications of the research findings for a range of work and labour market policies, individual workers, employers, unions and professional associations, and other labour market organizations.
References


