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## **Job insecurity in fixed-term employment**

Theoretical investigation on job engagement, job insecurity, and job satisfaction in fixed-term employment

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**ABSTRACT:**

Generally, fixed-term employment contracts have a set starting and finishing day. The employment ends on the ending day agreed on the employment contract without additional notice from either of the parties on the set ending day. Fixed-term employment is a way to employ individuals for temporary need of labor. This form of employment can be generally portrayed as flexible and low risk for the employer. However, occasionally fixed-term employment is found unattractive by employees because of its discontinuous nature.

Fixed-term employment in relation to job insecurity and work engagement has been a relatively popular topic in prior research. Existing research shows that the discontinuous nature of fixed-term employment contracts may enhance job insecurity and job disengagement. However, some studies show that fixed-term employment may, in fact, enhance work engagement by creating an incentive for continuation of the employment.

This thesis is a theoretical overview of prior research including fixed-term employment in relation to work engagement, job insecurity, and job satisfaction. Prior research is used to highlight important definitions, highlight the main points of prior studies' findings and to reflect on other research. The aim is to get prior research to converse with one another.

This thesis includes an empirical example of a case conducted in an anonymous organization. The example case study consists of ten interviews held with the organization's employees and their leader. The purpose of the case is not to draw conclusions, but rather to act as an example that supports the existing theories, which are reflected in relation to the case findings.

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**KEYWORDS:** fixed-term employment, work engagement, job insecurity, job satisfaction, organizational behavior

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**TIIVISTELMÄ:**

Määräaikaisissa työsuhhteissa on yleisesti ennalta määritetty aloitus- ja päättymispäivä. Työsuhde päättyy työsopimukseen ennalta sovittuna päättymispäivänä ilman erillistä irtisanomisilmoitusta kummankaan osapuolen aloituksesta. Määräaikainen työsuhde on tapa työllistää ihmisiä määräaikaiselle, työvoimaa vaativalle ajankohdalle. Kyseinen työsuhdemuoto voidaan yleisesti tulkita joustavana ja matalariskisenä työnantajan näkökulmasta. Työntekijät saattavat kuitenkin kaihtaa määräaikaisia työsuhhteita niiden jatkumattomuutensa vuoksi.

Aiemmissä tutkimuksissa määräaikaisten työsuhhteiden suhde työn epävarmuuteen ja työn imuun on suhteellisen suosittu tutkimuskohde. Aiemmat tutkimukset osoittavat, että työsuhteen jatkumattomuus saattaa kasvattaa työn epävarmuutta sekä laskea työn imua. Toisaalta jotkut tutkimukset osoittavat, että työn epävarmuus voi itse asiassa kasvattaa työn imua, sillä työn määräaikaisuus luo motivaatiotekijän panostaa työhön, jotta työsuhde jatkuisi myös määräaikaisuuden jälkeen.

Tämä pro gradu -tutkielma on teoreettinen yleiskatsaus aiempiin tutkimuksiin määräaikaisista työsuhhteista ja niiden yhteydestä työn imuun, työn epävarmuuteen sekä työtyytyväisyyteen. Aiemmista tutkimuksista nostetaan esille tärkeimmät määritelmät, tutkimusten löydökset sekä vertaillaan niitä keskenään. Pyrkimys on saada aiemmat tutkimukset keskustelemaan keskenään.

Tässä pro gradu -tutkielmassa esitetään myös empiirinen esimerkki case-tutkimuksen muodossa nimeämättömästä organisaatiosta. Kyseinen esimerkkitutkimus pitää sisällään kymmenen haastattelua organisaation työntekijöiltä ja heidän johtajaltaan. Case-esimerkin tarkoitus ei ole vetää vahvoja johtopäätöksiä, vaan pääasiassa toimia tukevana esimerkkinä aiemmalle tutkimukselle, joita heijastellaan case-esimerkin löydöksiin.

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**AVAINSANAT:** määräaikaiset työsuhhteet, työn imu, työn epävarmuus, työtyytyväisyys, organisaatiokäyttäytyminen

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## 1 Introduction

During the past decades labor markets have adapted to align with the changing world and everyday life. New forms of employment have been formed to accompany the traditional nine to five, or eight to four. Traditionally, the father of a family has been the breadwinner in the household while the mother took care of children and the household. However, nowadays, we have shifted more and more into an era in which both parents join the work life. Therefore, also absences from work life have risen due to especially women taking maternity leaves in the middle of their careers (Papalexandris and Kramar, 1997, p. 581–583.)

By individuals' work life situations changing the labor market has followed. A traditional nine to five jobs has gotten companions in various forms of employment relationships such as fixed-term, part-time, internships, agency work, apprenticeships, employment on commission, and zero-hour contract employment, for example. This list may continue much further on. This paper will solely focus on fixed-term employment, and its relationship to job security and satisfaction. Fixed-term employment also comes in various forms. The purpose of this paper is to focus on full-time fixed-term employment contracts and their implications.

Traditionally, job positions include a 40-hour work week all year around, excluding two to three weeks of paid vacation. A traditional work week is from Monday to Friday. Although, it is still standard today, many alternative types on employment contracts have been implemented into the labor market. These work arrangements have changed and developed as we have shifted from the male breadwinner mindset into more equal basis. Female work force has increased and therefore more alternative measures regarding work life have been taken. Such measures can be lowered working hours, flexible work schedules, or for example, fixed-term employment contracts. (Allan, Brosnan, Horwitz & Walsh, 2001, p. 749–750.)

A fixed-term employment contract is generally used for a fixed-term need for work force, whether that is substitution, a project, seasonal work, or other type of reason for temporary labor scarcity. In the public sector, there are lower numbers of special measures adopted on work contracts (Keller & Seifert, 2015) compared to the private sector. However, fixed-term employment contracts are also commonly used in the public sector for the same reasons listed above, for example.

In the public sector, an office holder can be named into a fixed-term position only as per their own request or if the need for the employment in the office is needed for only fixed-term period. This must be justified by, for example, the nature of the positions, substitution, or only fixed-term need for the position. Therefore, the fixed-term contract should be set bases on the needed duration of the position (Juristiuutiset, Jan 7, 2014). Therefore, fixed-term employment contracts could be several years long if the position is sufficient for such long duration.

## **1.1 Aim**

This paper investigates job security, job engagement, and job satisfaction in relation to fixed-term employment. The aim is to find out whether there is a linear relationship between these concepts. Job security will be investigated by using fixed-term employment contracts as a tool as fixed-term employment is often linked to job insecurity. The purpose of this paper is to find out how fixed-term employment contracts affect work engagement and job satisfaction.

The investigation will focus on fixed-term contracts and their impact on job engagement, satisfaction, and insecurity. Furthermore, the investigation will touch on motivational factors. This is inevitable since motivational factors effect directly on work engagement, and satisfaction. Therefore, motivational factors will be introduced and investigated in relation to work engagement and job security.



The research questions this paper aims to answer are:

RQ 1: To what extent is work engagement related or dependent on the type of the employment contract?

RQ 2: How do fixed-term employment contracts impact on work engagement and job insecurity?

RQ 3: How do fixed-term employees perceive their position in the labor market?

The first research question RQ 1 aims to find out whether there are differences between fixed-term and permanent contract holders' job satisfaction and motivation. The second question RQ 2 aims to look more into the impacts of fixed-term employment. The focus will be on work engagement and job insecurity. However, it is inevitable that themes such as motivational factors and performance will be included partly in the investigation as work engagement is often linked to these themes. Finally, the third question RQ 3 aims to further investigate the perceptions of fixed-term employees about their position in the labor market.

This investigation will focus on prior studies and theories for a wide, but balanced understanding of the concepts. The aim of this investigation is to produce cohesive information about how the investigated themes have previously been investigated, and what type of conclusions have been drawn. Another aim is to find out the types of impacts fixed-term employment contracts have on the employees.

Although, the themes correspond to both private and public sector, this paper focuses on public management and the public sector. However, many studies and theories used in this paper have their focus in the private sector. Therefore, the studies will be investigated from a view of public sector.

## 1.2 Method and process

This thesis is an investigation paper that will base on prior research and theories. My aim is to cover important definitions regarding fixed-term employment and job security, and to unwind the relationships between job security and engagement, and fixed-term employment's impact on them. Fixed-term employment is going to be a constant factor throughout the paper.

The investigation will first shortly introduce the concepts, definitions, and practices of fixed-term employment. Fixed-term employment will first be introduced in its own chapter. This chapter consists of introductions to statistics, legalities, and practices. Fixed-term employment will also be investigated in the employees' point of view regarding perceptions, motivations, and other implications related to fixed-term employment. This chapter also includes a touch on the organizational point of view.

After fixed-term employment, the second main chapter will focus on job insecurity in relation to fixed-term employment. This chapter will introduce implications risen from job security, such as its relationship to work engagement and performance. Job insecurity perceptions will in discussed in relation to gender. Finally, introduction of two applied theories will take place. These theories are Frederick Herzberg's (1966) motivation-hygiene theory and Deci and Ryan's (1985) self-determination theory. The purpose of introducing these theories is that they will deepen the understanding of where motivation arises and why fixed-term employees may have different motivational implications compared to one another.

Towards the end, this thesis will also include an example of the theories and studies introduced in chapter 4. The example is a quick set of interviews consisting of ten interviewees working in a public organization in Finland, which will be referred to as Organization X. The interview is considered as a case study and should not be interpreted as a study method as such. The interview is simply to support and contribute to the prior

research. In the final part of the paper, the example will be used as a supporting factor to the data retrieved from the theories and studies investigated in this paper.

Finally, this thesis will have a chapter with analysis of the theories and materials investigated in which the importance and relevance of the data is pondered. In this chapter, the research questions will be reasoned and answered. This chapter will also include a critical overlook into the investigation topic, method, and findings as well as introduce potential further research suggestions.

### **1.3 Material**

In the investigation, my aim is to approach the topic of interest from various sources. The material is exclusively literature in the forms of articles, investigation reports, and scientific books. Most sources are scientific databases, such as SAGE Publications, Google Scholar, Emerald Journals, EBSCO, and Taylor & Francis Online Journal Library, for example. Law texts are retrieved from FINLEX. The keywords used in data search are fixed-term employment, job security, job insecurity, work engagement, work motivation, temporary work, and organizational behavior.

The material for the empirical example study is based on a set of short interviews conducted with a group of interviewees as well as some internal material from the target organization's intra page. This material is naturally accessible for only the the organization personnel. Internal knowledge is also based on my personal experiences as an employee of the organization in question.

It is crucial to understand that the term fixed-term employment may have multiple different contents and therefore, prior research about fixed-term employment contracts may include various types of fixed-term contracts under the same term. Therefore, in this thesis, the example's focus is on full-time and part-time fixed-term contracts unless mentioned otherwise. However, when investigating prior research, the term fixed-term

employment most likely includes various forms and arrangements of fixed-term employment, such as full-time, part-time, minijobs, midijobs, and agency work (Keller & Seifert, 2015, p. 5–13). This should be remembered when comparing fixed-term employment with permanent employment.

#### **1.4 Hypothesis**

The purpose of this paper is to find out whether the nature of the employment contract influences employee's job security and engagement. This hypothesis will mostly focus on the empirical example of this investigation. To hypothesize, I fixed-term employees will experience higher levels of challenges with work engagement in forms of lower job satisfaction and motivation as well as higher levels of job insecurity. I draw this hypothesis, because generally fixed-term employment is considered unattractive to the employee. Insecurity arising from the continuation of the contract assumably may affect in job satisfaction, motivation and engagement negatively.

My hypothesis is that fixed-term employees experience higher levels of job insecurity compared to permanent contract beholders. Uncertainty about job continuation and financial situation most likely will be more present with fixed-term employees than fixed-term employees. Also, I hypothesize that women may experience even more job insecurity than men due to their position in the labor markets generally being less stable.

Due to higher levels of job insecurity, I assume that fixed-term employees also assumably are less likely and less willing to make long term financial commitments due to financial uncertainty. I presume job satisfaction to be also higher with permanent employees than with fixed-term ones. Assumably fixed-term employees are also worried about their future in other aspects, such as continuation of work and overall life stability. Initially, fixed-term employees more likely are searching for a new job than permanent employees.

## 2 Fixed-term employment

Fixed term employment is defined in clause 3(1) of Council Directive 1999/70/EC of June 1999 (European Foundation for the Improvement of Living and Working Conditions, n/d) as follows:

*a person having a contract of employment or relationship entered into directly between an employer and a worker, where the end of the employment contract or relationship is determined by objective conditions such as reaching a specific date, completing a specific task, or the occurrence of a specific event.*

A permanent contract has a starting day agreed between the employer and the employee. The contract continues until termination initiated by either of the agreeing parties. A fixed-term contract, on the other hand, has agreed starting and finishing dates of which both parties are aware of before signing. The work time under the certain organization is then fixed. Employees with such agreements can also be referred to as contingent workforce (Skalski, 2002, p. 21).

In most countries, the use of fixed-term employment contracts is highly legislated and despite this, fixed-term employment contract numbers have risen during the past decades in Europe (Tregaskis, 1997, p. 537.) In the Finnish labor market, a full-time, permanent employment contract is the initial option that should be applied whenever there is a need for prolonged workforce.

According to Allan, Brosnan, Horwitz and Walsh's (2001, p. 761) research, a permanent, full-time employment position is significantly more preferred by employees than fixed-term. Full-time, permanent position results in higher job security as there is no fear for discontinuation of the contract similarly as fixed-term employee have due to the nature of their contract (De Cuyper et al., 2008, p. 29-30). In addition of lower job security, fixed-term employees may also lack workplace related benefits such as insurance, workplace healthcare and retirement plans (Skalski, 2002, p. 21). Organizations, however, may

prefer the use of fixed-term employment for being able to experiment, test the employee, and be more cost efficient. These themes will be looked more into further on in this paper.

## **2.1 Fixed-term contract usage**

Mustosmäki et al. (2013) found that alternative types of employment contracts are more common in the Nordic countries compared to the Great Britain and Ireland. In 2010, approximately 12 percent of the Nordic countries' labour force had either a fixed-term employment contract or a temporary agency contract whereas in the Great Britain and Ireland, the number is 10 percent. (Mustosmäki et al., 2013.) Sutela, Pärnänen and Keyriläinen (2019, p. 56) also studied that fixed-term employment contracts are more common in Finland than in other EU countries on average.

As full-time contracts are the initial alternative in job markets, fixed-term employment contracts are exceptions that require legal grounds for implementation. Valid grounds for implementing a fixed-term contract are, for example, substitution, a fixed-period project, organizational change under preparation, financial uncertainty, trainee-period, or employee's own request for a fixed-term contract. (OAJ, n/d.) Otherwise, implementation of fixed-term contracts is prohibited in the labor market if there is a permanent need for the work force (They, n/d).

Employers usually must specify the reason for fixed-term employment in the contract. If substitution is marked as a reason for the fixed-term position in the employment contract, the contract must state whose position is filled in by the temporary position. Such contract may be implemented also in situations in which the prior beholder of the permanent position switches roles inside the organization for a fixed period, such as substituting a parental leave. (Akava, n/d.) The employer is required to be able to state a reason for a fixed-term contract per request. If no valid reason for fixed-term period is

provided, the contract may be legally treated as a permanent one (Jalanko, 2009, p. 26, Akava, n/d).

The need for new work force may be only seasonal (Akava, n/d). For example, during the summer, many permanent employers have a paid leave. The need for vacation substitutes rises during this time of the year. During Christmas season, the need for employees rises and that is why fixed-term employment contracts may be signed for seasonal work force. Some industries are also primarily operating seasonally. Therefore, there is no need for work force all year around. Examples of such businesses are skiing resorts, amusement parks, water parks, and golf courses.

Another typical reason for implementing a fixed-term employment contract is a project, which has fixed starting and finishing dates and a separate funding. Operation of projects varies from the organizations' basic functions in other ways also. In projects, the initial plan may face challenges and that is a typical reason for renewing a fixed-term contract in a project setting. However, usually when the project has been finalized, there is no need for the work force anymore. (Akava, n/d.)

### **2.1.1 Legislative regulation**

Fixed-term employment contracts are highly regulated by laws. A fixed-term employment contract can be illegal if it does not meet the requirements for implementation of such contract. Perhaps the most common case of such practice is continuous renewal of fixed-term employment contracts. The Finnish law states that fixed-term contracts can be applied during the duration there is temporary need for the work force. If a fixed-term contract is renewed three times, the need for the work force is considered permanent. (Frilander & Talvio, May 29, 2013.) Hence, the contract must be converted into a permanent type. If such practice is not conducted and the contract is rather discontinued, the situation will be portrayed as illegal termination of contract (Akava, n/d).

In the previous section, parental leaves were introduced to be one factor for the use of fixed-term employment. In 2022, the Finnish law on parental leaves changed in such way that both parents have equal amount of parental leave days, which allows the fathers to have significantly longer parental leave than according to the previous law. Due to the change, having parental leave in multiple different periods was also made easier. Previously, according to the older law, parental leave could be only applied to be held in maximum two different periods (Kela, n/d-a). According to the new law, both parents can freely have indefinite amount of parental leave periods (Kela, n/d-b). The new law also ruled out all possibilities working during parental leave. According to the previous law, a parent was allowed to work during the parental leave and for the working days, the allowance would be paid at the minimum rate (Kela n/d-a). However, due to the law change, a parent is not paid any parental allowance for the days on which they work. In addition, being on a paid vacation also prevents parental allowance payment. (Kela n/d-b.)

The new parental leave law may have an impact on fixed-term employment contracts numbers rising. Some employees may need a substitute multiple times due to a permanent employee having numerous parental leave periods. Also, if a parent is required to use their annual vacation days, they can put their government paid parental allowance on pause for the vacation period and then return to parental leave once the vacation days have finished. This extends the parental leave period and the duration during which an organization needs a substitute.

### **2.1.2 Fixed-term contract termination**

Termination of contract has different grounds with a fixed-term contract than with a permanent one. A fixed-term contract ends on the agreed date marked on the employment contract without a notice. In case the employment continues with the employer after this date, a new contract must be signed. (Tehy, n/d.) Blanchard and Landier's (2002) study shows that employees may choose to replace the previous fixed-term employment



contract holder by hiring a new employee to avoid enhancing their bargaining position and gaining a high wage. In other words, employers may feel the desire to swap their current fixed-term employee to another one if the current one has not met their requirements. For some fixed-term employees, a certain time under the same organization allows them a wage rise. This is something organizations may also opt to avoid.

Fixed-term employment contracts include more obligations than permanent contracts do. Termination of a fixed-term contract before the set ending date can be challenging. The fixed-term contract ties both parties during the entire period marked in the contract. (Työsuojelu, n/d.) In Finland, a fixed-term employment contract does not include a right for termination the same way a permanent contract does (Jalanko, 2009, p. 24). Initially, an employee is expected to serve the employer for the entire period agreed in the contract. However, at times employers may add a clause to the contract, which states that both parties have a right to terminate the contract with same terms as in a permanent contract. (Työsuojelu, n/d.) Also, a fixed-term contract that is longer than five years, is terminable in a similar manner as a permanent contract after the five year duration has passed (Juristiutiset, Jan 7, 2024).

### **2.1.3 Flexibility and risk management**

Employers must show a plausible reason for hiring a fixed-term employee instead of a full time. A fixed-term employee must not be hired without a valid, legally accepted reason and the reason must justify the need for labor to be only temporary. Such legally plausible reasons were introduced in section 2.1 Fixed-term contract usage. Sometimes, however, employees and organizations have their own reason for using fixed-term employment. For example, they may aim for flexibility and financial optimum.

Flexibility and risk management go hand in hand. As the job markets are flexible, it allows employees to enter and re-enter positions. However, it also allows the employer to evaluate the value of certain employees. Employees have freedom in testing the employees.

If they are found to be valuable to the organization, can the contract be continued. (Callaghan & Hartmann, 1991, p. 24–30.) The fixed-term period can be considered as a so-called trial period during which employers have a possibility of examining employees' performance. Meanwhile, the employees have a possibility of proving their skills. If proven valuable, employers may convert the contract into permanent one. This conversion usually happens within the first two years of signing the contract. (Portugal and Vajrejo, 2009, p. 26.)

Another form on flexibility lies withing rise and fall of demand for labor force. Fixed-term employment can be used in a more cyclical fashion to correspond to demand. During an era of high demand for labor, employers can easily recruit new employees for a fixed term to help with higher demand. (Callaghan & Hartmann, 1991, p. 28–29.) Such era can be a season in which demand rises.

#### **2.1.4 Training and cost efficiency**

Many (Callaghan & Hartmann, 1991; Tregaskis, 1997; Hörkkö et al., 2022; Skalski, 2001) argue that employers ought to invest in the full-time permanent staff rather than training fixed-term employees' skills. Training employees is costly to employers. Therefore, employers will use consideration before arranging training even if it is noted that as employees receive training for their position, they gain more human capital. Higher levels of human capital make employees more valuable to the organization. Temporary employees tend to have lower levels of human capital compared to permanent workers. In addition to lower levels of training, this can show in lower levels of income. (Skalski, 2001, p. 23.)

Employers may hesitate to use costly training resources for fixed-term work force. Therefore, fixed-term employees usually have lower wages due to lower levels of human capital. If an individual receives training corresponding to their respective job position, they are expected to gain higher wages. (Skalski, 2001, p. 23.) This can be why employers

would rather use the training and higher wage level on its own, permanent employees so that the higher trained skills are accessible for a longer duration of time. However, by arguing that there is no strong business reason to train individual employees with fixed-term employment contracts, employers may push the responsibility of their own training to the employee instead (Tregaskis, 1997, p. 536). However, Mauno et al. (2009, p. 213) studied that employees' type of contract do not exclusively determine the training possibilities of employees.

Work position related training increases employees' productivity in an organization. By trying to push the productivity, an organization may hire so called ready-made skills instead of training its own employees for the same tasks. This saves in training costs and shifts the responsibility of skills and development to the employee recruited for the position. (Tregaskis, 1997, p. 539.) This way organizations can use permanent employees for core tasks and fixed-term employees with skills already on hand to conduct the more specific duties (Atkinson, 1985). However, these types of specialists usually ask for higher wages so organizations may lack cost efficiency in that field after all.

Some fixed-term employees may experience low commitment. In employers' perspective this can be an obstacle in multiple ways. For example, due to low commitment to the organization, specialist with ready-made skills may find incentives to switch workplaces when received a higher wage offer (Tregaskis, 1997, p. 540). Hence, recruiting a new person may hinder cost efficiency further on. Also, it is much less costly and easier to terminate a fixed-term employment contract than a permanent one. (Bielenski, Alaluf, Atkinson, Bellini, Castillo, Donati, Graverson, Huygen & Wickham, 1992.)

Another cost saving method for organizations is not including fixed-term employees with the same outside of job-related benefits such as health care, pension benefits, vacations, and sick leave. These factors would be feasible to consider in the Finnish labor markets. However, in some other countries, these factors can also include social security and unemployment insurance that are directly related to the employment contract and

duration. (Callaghan & Hartmann, 1991, p 25–26.) Mauno et al. (2005, p. 212–213) concluded that in the Finnish labor market, employees are treated so that work-related of fringe benefits are not determined by the type of the contract. Therefore, in Finland, this type of cost saving would not be legal.

## **2.2 Fixed-term employees**

Mustomäki, Anttila, Oinas and Nätti (2013) have studied different employment types in the world. Their findings show that a heterogenous population of people get into fixed-term employment positions. Therefore, there are no specified characteristics of a fixed-term employee. Similar study was conducted with the Finnish labor force as a target group by Sutela and her co-researchers (2019). Their findings show similarly the fixed-term labor group being heterogenous (Sutela et al. 2019, p. 57–62). This should be kept in mind when studying fixed-term employment as a concept and fixed-term employees as a target group. Many external factors make the group dissimilar.

Callaghan and Hartmann (1991) discovered that fixed-term employment contracts are more often used in more entry level positions, such as unskilled occupations, but also in sales, service, and administrative assistance. This could explain why fixed-term employment contracts are more common for young employees at the beginning of the work careers (Juristiutiset, Jan 7, 2024). Less often are managers in a fixed-term position. On the other hand, Hipple's (1998) findings portray that fixed-term positions are equally used in different levels of positions.

Usually employers with a fixed-term employment contract have same duties and responsibilities in their position as those with a permanent contract in the same job title. However, employees with fixed-term contracts criticize the lack of opportunities to develop their own work and themselves as professionals because the contract has set limitations for that. In practice, this can mean being unable to attend organization arranged training because of the type of the contract as there can be limitations that only permanent

contract holders can attend the training. (Korkeakivi, 2019.) On the other hand, fixed-term employment is considered a means to gain more knowledge from various fields and broaden one's experiences under different organizations (Hardy & Walker, 2002, p. 150–151).

A study of different employment types by Statistics Finland shows that 26,6 percent of the labor force had a full time, fixed-term employment contract in 2021, which is a lower number compared to the preceding year in which the number was 29,5 percent. Altogether, also including part time fixed-term contracts, the numbers were 44,7 percent in 2021 and 46,8 percent in 2020. (OSF, attachment chart 39, 2021.) Therefore, a little less than half of the Finnish work force have a fixed-term employment contract. Still, some (Allan, Brosnan, Horwitz & Walsh, 2001, p. 762) expect the usage of fixed-term employment contracts to gain more popularity in the future as it allows employers more flexibility with labor force. However, statistics from Finland show that fixed-term employment rates have, in fact, been in a downturn already since 1997 (Sutela et al., 2019, p. 55–56).

### **2.2.1 Gender and age differences**

Division of genders in fixed-term employment has been studied widely. Studies (van Vuuren et al., 2020; Sutela et al., 2019) show a continuous trend in gender distribution between fixed-term and permanent employment. According to a study conducted in 2005 (European Foundation for the Improvement of Living and Working Conditions, n/d) the gender differences are more evident in Finland, Malta, and Cuprys compared to other EU countries. Sutela et al. (2019, p. 56) also support with their study that Finland generally has more evident differences in gender distribution with fixed-term employment compared to other EU countries.

According to Frilander and Talvio (May 29, 2013) over one third of under 35-year-old females with higher education degree possess a fixed-term employment contract. Among males, the number according to Frilander and Talvio is around 20 percent. Behind

this may be a phenomenon of different sexes generally being attracted to different types of jobs (Salminen, 2019, February 6). Women are more likely to be employed in the fields of health care, childcare, or teaching whereas men are more likely to be employed as mechanics, engineers, and logistics workers. In female dominated fields, there usually are more absences, like mentioned earlier.

Sutela et al. (2019, p. 57) also studied that younger women hold the first place with the highest amount of fixed-term employment contracts. Already starting in 1984, more women were employed with a fixed-term position compared to men. Since then, statistics from the years 1990, 1997, 2003, 2008, 2013, and 2018 follow the trend keeping the percentage of women higher in fixed-term employment compared to men. (Sutela et al., 2019, p. 56.)

Similarly, fixed-term employees generally tend to be younger employees compared to permanent employees. Keller and Seifert (2015, p. 5–10) studied fixed-term employment age distribution in the public and private sectors. They studied employees between the ages of 20 and under to 60 and above. This data from 2012 shows that the group of 26-to-30-year-olds was the group with the highest percentage of fixed-term employees in the public sector followed by the group of 21-to-25-year-olds being the second. 31-to-35-year-olds hold the third place, so this study confirms that younger populations tend to have higher amount of fixed-term employment contracts compared to older populations. (Keller & Seifert, 2015, p. 5–10.) However, the age distribution tend most likely is highly affected by young adults, usually student, summer jobs. Students tend to work for summers and study other times. Therefore, the summer job contracts are most often fixed-term. (Sutela et al., 2019, p. 55–60.)

Especially young, recently graduated female job seekers get employed with fixed-term employment contracts (Frilander & Talvio, May 29, 2013; European Foundation for the Improvement of Living and Working Conditions, n/d; Sutela et al, 2019) whereas males usually seek for permanency in the job markets (Skalski, 2002, p. 22). Unmarried women

without children are more likely to take on permanent job than married women (Skalski, 2002, p.22). Statistically, women have more absences from work life due to already mentioned parental leave, for example. As women more often are employed in a female-dominated field, usually to substitute for another woman's parental leave, another woman is hired. (Sutela et al.,2019, p. 58.) Therefore, it could be argued that recently graduated, young, unmarried women seek for a permanent position, but in lack of one end up undertaking a fixed-term job instead.

### **2.2.2 Willingness to choose**

Willingness of being in a certain type of employment positions plays a significant role in perceptions arisen from the certain job and employment. Not all fixed-term employees are unwillingly in a fixed-term position. Some may find a fixed-term position more suitable for their current life situation. This divides fixed-term employees into two groups. Therefore, prior investigations may vary with results as the target group is not cohesive with their opinion on fixed-term positions. More commonly fixed-term employment positions are not considered as attractive as permanent opportunities (Aronsson & Göransson, 1999). Many are in fixed-term position for their personal reasons and prefer the temporary position. Such reasons may be attending to school or in training at the same time. Temporary position provides more flexible arrangements. (Hipple, 2001, p. 16–17.)

De Cuyper, de Jong, Isaksson, Rigotti and Schalk (2008, p. 36–37) investigated willingness in working a fixed-term job. Their findings show that willingness to choose a fixed-term employment option plays a role in satisfaction levels. Those who voluntarily sign a fixed-term contract have studied to experience higher levels of work life wellbeing and satisfaction than those unwillingly in the fixed-term position (De Cuyper et al., 2008, p. 36–37). Employees may gain satisfaction with their position due to simply feeling control over the continuation of their contract. On the other hand, those who are unwillingly in the position may have been forced to take a fixed-term position as that has been the

only job they could find. Such workers have been studied to experience higher levels of dissatisfaction towards their position. (Hipple, 2001, p. 17.)

Studies (Ellingson et al, 1998; Krausz, 2000) show that willingly chosen fixed-term employment and high levels of job satisfaction have a linear effect. Those willingly in a fixed-term position have been studied to experience less stress in their job than unwillingly fixed-term employees (Krausz, 2000). Similarly, those willingly in the fixed-term position were found to have reported less anxiety, somatic symptoms, or willingness to look for a new position in the work life (Isaksson & Bellagh, 2002). It has been found that some employees experience more incentives to perform well in their assigned tasks to aim for permanence in their current fixed-term position (De Cuyper et al., 2008, p. 36–37; Hörkkö et al., 2022, p. 316–320).

Employees have various incentives to take on a fixed-term position. One of which may be a high value addition to their resume considering future recruitments. For example, if the position is in an appreciated organization and provides good job opportunities some find such fixed-term opportunities more attractive than job security (Aronsson & Göransson, 1999). This allows the employee to add this highly appreciated organization to their resume, and therefore, this job experience may help with future recruitments.

Duration of contracts have also been investigated. Studies show that a fixed-term employment contract duration may influence employees' motivational factors towards to position (De Cuyper et al., 2008, p.36). A longer duration may have a positive effect on increased responsibility, social relationships with colleagues, lower job insecurity and interest towards to position (Feldman, 2006). In other words, a longer duration of the contract may help and employee to integrate into the organization more effectively. Similarly, a fixed-term employee with a long fixed-term position may feel more hopeful towards eventually getting a permanent position under the same organization. For this reason, the employees may experience the need to show their worth to the employer. Therefore, fixed-term employees may even be reluctant to report illness to their employer because



it might hold back their opportunities for gaining a permanent position (Liukkonen, Virtanen, Kivimäki, Pentti & Vahtera, 2008).

### **2.2.3 Skill development**

A knowledgeable employee adds value to an organization. Employees are often expected to develop and widen their knowledge within their respective fields. Learning can occur through a schooling organized by the employer organization or independently by the employees educating themselves. Formal education is organized according to a structured education program whereas non-formal education occurs outside of this program (Kailis & Pilos 2005). In case of education, employers may invest more on permanent employees than on fixed-term employees (Kalleberg 2003, p. 158–164). On the other hand, offering learning opportunities and possibilities to expand one's knowledge results in higher levels of employee trust on employer, which creates job commitment and adds work motivation (Reegård 2015, p. 117–118).

The type of an employment contract can have effect on one's motivation to develop their skills and knowledge independently. Of course, learning in a subjective experience and that must be considered. However, motivation rules the willingness to learn. In the public sector, self-development and learning is considered to be more attainable than in the private sector. (Hörkkö, Silvennoinen & Järvinen, 2022, p. 308–309.)

According to some sources employees with a fixed-term employment contract may have lower willingness to learn and widen their knowledge about work related information due to insecurity of continuation of the work. On the other hand, Hörkkö, Silvennoinen and Järvinen (2022, p. 315) investigated different types of employment contracts and their correlation to skill development and learning motivation. Their findings show that those with fixed-term employment contract feel more opportunistic about learning possibilities than those with a permanent contract. When investigating the employer-

employee relationship, they also found that fixed-term employees considered the relationship more trustworthy and open than permanent employees did.

Employees who find the relationship trustworthy and open have a higher tendency to find learning opportunities comprehensive too (Hörkkö et al., 2022, p. 316-320). Mauno, Kinnunen, Mäkikangas & Nätti (2005, p. 213) also found that fixed-term employees may trust that their organization will eventually rehire them into a permanent position once one is available. This positive attitude and trust may enhance work results and give incentives towards positive performance.

#### **2.2.4 Job search**

Hipple (2001, p. 20) investigated job satisfaction by interviewing permanent and fixed-term workers about their job search habits under their current position. The investigation was conducted in a form of a survey in which employees were asked whether they have searched for a new job within the past three months. Job search includes scheduling interviews, contacting employers, sending out resumes and applications, and searching job advertisements. His (2001, p.20) findings show that fixed-term employees do search for new jobs more frequently than permanent employees. About 15 percent of fixed-term employees had been engaging in job search activities during the past three months whereas the percentage for permanent employees is only around four. Both permanent and fixed-term employees were primarily searching for a permanent position instead of a new fixed-term one. (Hipple, 2001, p. 20.)

In Hipple's (2001, p. 20) investigation he also investigated fixed-term employees' job search in relation to their willingness of being a fixed-term employee. His study reported that those fixed-term employees who preferred a permanent position were looking for a new position more often than those willingly in a fixed-term position. Out of these employees, more than 25 percent had active job search ongoing. In comparison, out voluntary fixed-term employees only four percent had actively looked for a new position.

Sutela et al (2019, p. 326) studied similarly fixed-term and permanent employees' job search and found similar results. Their study included a question where employees were asked about job search during the past four weeks. Their findings align with Hipple's (2001) as fixed-term employees had about twice (19%) as much activity with job search compared permanent employees (8 %).

### **2.3 Pensions and vacations**

Fixed-term employees may have unemployment periods in between contracts without a job. When one contract ends, and a new position has not yet been found, the period in between is jobless. During this period, employees may apply for unemployment benefits. Total 80 percent of fixed-term employees in Hardy and Walker's (2002) research were found to have a jobless period between contracts. These periods vary in length. Periods last from one day to three months or more. These jobless periods, of course, influence employees' pensions and vacations in addition to other side effects. On the other hand, they can be considered as a needed break from work life.

In Finland, all employees are obligated by law to offer their employees pension insurance and pay the total contribution to the pension provider. Employees that earn minimum 65,26 euros (2023) per calendar month are required to be insured. The insurance is taken from a pension insurance company, industry-wide pension fund, or an established company pension fund. Most common is insurance company. The insurance must be taken even for a short contract duration. (Työeläke.fi A.) Therefore, employees earn pension every time they have a valid contract and make wages regardless of whether their contract is fixed-term or permanent.

During jobless periods employees may still earn pension from their job. Hence, if one gets earnings related unemployment benefits from unemployment funds, this benefit does accumulate to one's pension. However, if one is not a member of an unemployment

fund or a union, they can get unemployment benefit from the Finnish social insurance institution, Kela. On the contrary to earnings related unemployment benefit, unemployment benefit gotten from Kela does not accumulate to one's pension, because it is not earnings related. Pension is accumulated so that it is a percentage of the amount of income that is eligible to accumulate pension. In that case, if one is unemployed and gets earnings related unemployment benefit, will the accumulated pension be less than what it would be accumulated out of wages due to the benefit being naturally lower than salary. Hence, the higher one's income the higher pension accumulation (Työeläke.fi B.) In section 2.6 Fixed-term employment consequences for the employees, fixed-term employees' wages were stated to commonly be lower than permanent employees'. Therefore, it can be concluded that usually fixed-term employees' pension accumulations will be lower than permanent contract employees.

Vacation substitution is a common justification for fixed-term contract implementation. According to the Finnish Annual Holidays Act (162/2005), an employee has a right to earn two and a half working days' worth of holiday from each month they have been working if the job contract has been valid over a year. In case of the contract being valid for less than a year is the amount two vacation days. This law covers all employees regardless of the type of the employment contract. What makes the law problematic for fixed-term employees is the time requirement for the duration of contract before being able to accumulate more vacation days per working month. If a fixed-term employment contract duration is under a year and then the employee switches contracts either inside or outside of the organization, the calculation usually starts from the beginning. Thus, less vacation may be earned due to the fixed-term type of contract.

Although fixed-term employees have nearly the same possibilities for vacation under the labor law, obstacles arise when employees have a possibility to regulate the usage of accumulated vacation days. Typically fixed-term employees have not earned vacation days enough to get a full 4-week summer vacation, because this requires a year's worth of job history in the organization. In such cases, in which the contract is significantly short,

or the contract ends in the middle of summer vacation period, fixed-term employees might end up not having vacation at all due to regulations set by the employer. Instead, the accumulated vacation must be compensated in wages then. (Anttila and Vasanen, 2009, p. 168–173.)

## **2.4 Positive sides from employees' perspective**

Fixed-term employment is more often portrayed as a negative form of employment. However, there are positive impacts too. Fixed-term employment contracts have reformed labor markets to more flexible grounds to employment. Fixed-term employment may open job opportunities to previously unemployed people in the job market (Callister, 1997). It also provides easier access in and out of different job positions. In addition to the fixed starting and ending dates, fixed-term contracts can also be part-time. (Callaghan & Hartmann, 1991.) Therefore, with a part-time position balancing work and free time is easier managed due to flexibility in the working hours. This type of an arrangement can be optimal for students, elderly, or people with families, for instance.

Ability and willingness to experiment is a factor, which may push work force into fixed-term employment (Callister, 1997). Via fixed-term employment, an employee and employer are aware that employees are obligated to stay in the position for a certain period and after that they can switch into a new position in a different organization. This type of conduct is suitable, for example, those who are not certain about the type of work they ideally would do for living. Skalski (2002, p. 22) agrees that for younger generation, fixed-term employment contracts can be beneficial to gain broader experience from numerous companies and organizations.

Most studies (e.g. Skalski, 2001, p. 23) show that fixed-term employees altogether earn less wages than full-time permanent employees. However, in some situations, wage competition may allow even fixed-term employees to choose their employer based on salary offerings. In some fields, competition of good employees is active and therefore,

employers choose to offer salary as a competition tool to get good employees even for fixed-term positions. (Manner, 2022.)

Job search in a fixed-term employment position may force employees to change fields radically due to having to accept a job they have been offered regardless of the field of work. Hence, a fixed-term employment contracts allow employees to develop their skills and abilities in multiple different fields and organizations. (Korkeakivi, 2009.) This helps employees to be able to gain broad knowledge that can be of use in future job search towards a permanent position.

Some individuals may specifically request for a fixed-term employment contract for getting an easy escape from the job if their expectations are not met. Jurkka (2023, June 12) discussed this topic briefly in her article. She had conducted interviews with employees in different situations. One employee's comment was:

*Työntekijä saa karenssin, mutta työnantajalle ei tule huonosta johtamisesta minäkäänlaisia sanktioita. Siksi toivon uutta työtä aloittaessani aluksi määräaikaista työsopimusta, jotta pääsen irtautumaan mahdollisesta huonosta työpaikasta ilman karenssia.*

In the quotation, the employee is describing a phenomenon in which they would get a waiting period for unemployment benefit when terminating the employment contract by themselves. Because of this, they request for a fixed-term contract in the beginning to be able to get away from the job easily if needed. The fixed-term contract allows an easy exit from a toxic work environment without getting sanctions from unemployment funds (Jurkka, 2023, June 12).

## **2.5 Negative sides in organizations' perspective**

Widespread use of fixed-term employment may affect the reputation of organizations negatively. An organization may become known for using mostly fixed-term employment

and therefore sacrifice its reputation and integrity (Burgess and Connell, 2006, p. 137). Use of fixed-term employment can become a strategic cost saving trend, which is not the original purpose of fixed-term employment usage. Moreover, dissatisfaction of employees with a fixed-term contract may also result in negative reputation. It has been earlier stated in this paper, that various research show that organizations may hinder from training their fixed-term personnel due to short term employment (Callaghan & Hartmann, 1991; Tregaskis, 1997; Hörkkö et al., 2022; Skalski, 2001). Due to low levels of training employees' skills may lack and not reach the demanded level. This may create a reputation to the organization about unskilled employees. Bad training may also result in dissatisfaction of the position in employees' perspective and may contribute to bad reputation as employer who does not provide enough training.

Tregaskis (1997, p.539) found that during hard economic times when organization may decrease in size, organizations may replace permanent positions with fixed-term ones. Portugal and Varejão (2009, p. 14) state that leaving permanent employees may be replaced with new fixed-term ones. This is called replacement hiring. Portugal and Varejão studied that for every leaving permanent employee, the percentage of fixed-term employees increased. This requires costly training for new personnel.

A fixed-term employment contract may be costly to employers due to the short duration of the contract while having to provide training to gain needed skills for the position. Therefore, employers are required to invest in training despite the duration of the employment contract. (Tüselmann, 1996, p. 51.) During the training period, productivity hinders due to lack of skills temporarily as there is not a full work force operating.

### **3 Job insecurity and fixed-term employment**

Job insecurity can be understood as “the perceived powerlessness to maintain the desired continuity in a threatened situation” (Greenhalgh and Rosenblatt 1984, p. 438). In other words, job security includes one’s subjective thoughts and experiences of the possible discontinuation of their work. Employees who experience job insecurity experience uncertainty about whether their job will continue or be terminated. Job security is linked mainly on financial insecurity. Therefore, the concept of job insecurity is often associated with fixed-term employment as uncertainty is related to fixed-term employment due to the nature of the contract.

Fixed-term employment contracts create multiple other types of worries and downsides to an employee. Hardy and Walker (2002, p. 145) suggest that if trends of fixed-term employment use continue, an increasing amount of employees will experience poor working conditions in negative forms of wage rates, job security, gender equality, training, worker autonomy as well as advancement opportunities. Most of these aspects are also themes studied in this paper. Van Vuuren, de Jong & Smulders (2020, p. 230.) also studied the implications from fixed-term employment. Their findings support Hardy and Walker’s (2022) findings. Van Vuuren et al. (2020) argue that contracts may cause well-being at work to diminish in various ways, and hence, job insecurity accumulates with lower levels of motivation, attitude, and well-being at work.

In the public sector, many feel like a permanent contract must be earned by years of experience and work put into many fixed-term contracts before eventually being able to finally gain a permanent contract (Kilpelänaho, 2021). This statement is in line with Hardy and Walker’s (2002) arguments about fixed-term employment contracts contributing negatively to employee advancement opportunities.

Fixed-term employees, who hope for a permanent position or a continuation for their fixed-term contract, may feel like more is more. Due to pushing themselves into work by trying to impress the employer in hopes of a permanent contract, the employees with



fixed-term employment contracts may in fact experience high levels of stress and anxiety. This may lead to overworking and eventually burnout. However, fixed-term employees may be reluctant to report themselves as ill to the employer in fear of not getting their contract extended or renewed. Obstacles with the work position in general are also not usually talked about publicly due to the same fear. These obstacles may include wage inequality, facility problems or other work related cons. (Korkeakivi, 2019.)

Fixed-term employees may feel exhausted due to continuous stress and uncertainty about future. De Cuyper and others (2008, p. 28-30) investigated stress and different stress factors' relationship to fixed-term employment. Their findings show that employees with fixed-term employment contracts do experience higher levels of work related stress but also higher levels of stress overall. They argue that constant stress can even effect on fixed-term employees' health negatively. (De Cuyper et al, 2008, p. 28-30.)

Although many studies show the negative correlation between job insecurity and levels of overall job satisfaction and motivation, some have found that there is no significant relationship between these two factors. Some even have found an entirely contractionary effect. (van Vuuren, de Jong & Smulders, p. 230.) Self-employed individuals, for example, may feel more motivated to put effort into their work due to high levels of job insecurity as the risk of running out of business is dependent on the performance of the business. Of course, this is different for paid employees with a fixed-term employment contract. However, it is important to understand that the risk of losing one's job may motivate to put more effort into the work, regardless of the type of the contract and employment.

Wages are among the most significant incentives for working. Callaghan and Hartman (1991) found that fixed-term employees earn less wages than permanent ones. Hipple (1998) found that employees with nontypical contract earn almost half of the wages that typical full-time contract employees earn. Skalski (2002) also investigated wage differences between fixed-term and permanent employees. Skalski (2002, p. 22) argues that

fixed-term employment is usually used in low skill requirement occupations such as sales or customer service, that itself may be a reason for the wage gap in between permanent and fixed-term employees if the target group is taken from different occupations. Of course, it has been studied (Callaghan & Hartmann, 1991; Tregaskis, 1997; Hörkkö et al., 2022; Skalski, 2001) that fixed-term employees also receive less training on the job and that is why they are considered as less valuable employees in terms of wage distribution.

Due to wage gaps and other negative impacts of fixed-term employment, some employees may even retreat from extreme commitments, such as planning to start a family and buying an own apartment, because their livelihood is not secured for long-term period (Korkeakivi, 2019; Kirves, Kinnunen, Mauno, Mäkikangas, Rantanen, Siponen & Nätti, 2010, p. 235). Research shows that fixed-term employees are also less likely to get married (Skalski, 2001, p. 25–26). Tregaskis (1997, p. 539) states that fixed-term employees may be reluctant with bigger purchases and financial commitments such as mortgages due to job insecurity. On the other hand, even if there is desire to commit to a mortgage on employees' end, they may be denied by the banks due to uncertainty in the continuation of income flow. This is because implications from fixed-term employment may have long lasting effects on employees' employability (Rouvroye, van Dalen, Henkens & Schippers, 2022, p. 1935).

A study made by the University of Jyväskylä, Finland shows that on the contrary to expectations, fixed-term employees, in fact, tend to have a higher job motivation and well-being than those with a permanent contract in the same field of profession, which in this case study was health care. Still, those with a fixed-term contract experience more job insecurity than those with a permanent contract (Mauno et al, 2005, p. 209–210). According to this study, motivation and well-being at work do not have a negative correlation with job insecurity as one might assume.

There are various incentives to accept a fixed-term employment contract. Employees with fixed-term employment contracts may have accepted their temporary position to gain experience and simply, a good look to their resume. This is a way for employees to

gain more training and experience to eventually take up a more challenging job. (Hardy & Walker, 2002, p. 150–151.) Research (Tregaskis, 1997, p. 540) show that fixed-term employees who prefer having a permanent position are more likely to use their fixed-term position network and develop skills to gain means for a permanent position. If such experience portfolio approach is adopted, employees may have more choices and be more selective in which position and in which certain organization they choose to go for (Tregaskis, 1997, p. 551). These kinds of employees who have willingly accepted a fixed-term position seldom feel high levels of job insecurity (De Cuyper et al., 2007, p. 38–39).

### **3.1.1 Honeymoon effect**

In early stages of employment, whether that is fixed-term or permanent, an employee is more likely to feel excited and high levels of commitment. The job satisfaction is thriving at this stage. This phenomenon is called the honeymoon effect, which was studied by Chadi and Hetschko (2018). According to their study, the honeymoon effect is more powerful on those, who voluntarily switch jobs than on those, who switch job involuntarily. In their research, the honeymoon effect was nonexistent on those employees, who are forced to switch jobs due to closing the plant. This may apply the same way on those who are switching a job due to dismissal or layoffs, for instance. However, according to their findings, the honeymoon effect does accompany most job switches.

The honeymoon effect results in high levels of engagement at the beginning of the job. This is due to a desire to portray oneself positively to the employer as well as impress the employer with one's skills. The excitement of learning new skills is highly present. Chadi and Hetschko (2018, p. 35) justify this simply by individuals not being willing to get dismissed from the job at the beginning. Followed by the honeymoon phase is the hangover phase, in which the effect is opposite. The excitement fades and performance declines. Chadi and Hetschko emphasize that the honeymoon-hangover effects are mostly valid only in voluntary job changes. Due to the hangover effect, performance and productivity fails to reach same levels as they were on during the honeymoon phase. IN

the meantime, the stronger the honeymoon effect is, the stronger the hangover will be. The honeymoon-hangover effects also have a positive correlation with the levels of job satisfaction, especially in fixed-term employment contracts. (Chadi & Hetschko, 2016.) Hence, job satisfaction and engagement are higher during the honeymoon phase and drop when entering the hangover.

### **3.2 Work engagement and job security**

In this paper, fixed-term employment is the constant, unchanging factor. Work engagement and job insecurity are investigated based on the impact the fixed-term employment has on them. Therefore, job security or insecurity and work engagement or disengagement are changing variables in this paper. This chapter will further focus further on work engagement and job security. Some information has already been discussed in the previous chapter about fixed-term employment. With the themes linked, it is impossible to avoid overlapping. However, this chapter will focus more into work engagement and job security's relationship to one another as well as other themes risen from fixed-term employment.

Schaufeli and his co-researchers (2002, p. 74) define work engagement as "a positive, fulfilling, work-related state of mind characterized by vigor, dedication, and absorption". The concept of work engagement has value to both, the employer as well as the employee as it consists of the level of personal energy invested in the work and the organization (Jones & Harter, 2005). Hence, if employee's personal resources do not counter the demands, employees will experience low work engagement levels, which are portrayed in forms of reduced commitment, energy, and absorption (De Witte, 1999). Work engagement can also be characterized as energy, involvement, and professional efficacy, which are immediate opposite characteristics of burnout description (i.e., exhaustion, cynicism, lack of professional efficiency) (Maslach & Leiter, 1997).

A study systematic study conducted by Oliveira, Abner, Lee, Suzuki, Hur and Perry (2023) argued that job security is positively related to several aspects in organizations. These are government performance, whistleblowing, quality of service delivery, work motivation, workplace satisfaction, and work unit performance. On the other hand, Oliveira et al. (2023) found that job security is negatively related to employee turnover intention and engagement in political services. This chapter will focus more in depth with job security and its impacts on other factors in work life.

### **3.3 Relationship between work engagement and job insecurity**

Job insecurity and work engagement have been studied broadly. Prior studies show that there is a link between the two concepts. Job insecurity has been studied to lower employees' work engagement levels (Laitinen & Miettinen, 1993; Kirves et al., 2010; Okurame, 2014). Insecure employees experience more negative feelings associated with work, such as anger, anxiety, and frustration. These feelings can have straight impacts on overall motivation and therefore, work performance. As a result, employees may withdraw from the organization. (Kiefer, 2005.)

Job security is considered as one of the most important aspects of the quality work life (van Vuuren, de Jong & Smulders, 2020, p. 230). It has been studied to bring insecurity to not just work life but life in general (Korkeakivi, 2009). Job insecurity brings uncertainty to work life but also into employee's personal life. Employees with a fixed-term employment contract are not aware what the future looks like after the fixed-term period. There may be drastic life changes due to fixed-term employment ending or starting. For some, it may even mean relocating if a new employment connection is found in another city. This results in mental hardship and inability to make long term plans (Korkeakivi, 2009).

### 3.4 Job insecurity and gender

In addition to statistical numbers that were discussed in section 2.2.1 Gender and age differences, studies have also discovered that perceptions about fixed-term employment also vary between males and females. Generally, women consider their status in the job market worse than men (Sutela et al., 2019, p. 64). However, statistical numbers may not always give the clearest explanation. Threat from job insecurity experienced by males and females may have different proportions depending on the perception. Cheng and Chan (2008) suggest that differences in job insecurity perceptions can be explained by role expectations and job dependency levels.

Job dependency theory (Greenhalgh & Rosenblatt, 1984) suggests that men subjectively portray job insecurity differently from women. The main principles of the theory suggest that men are more vulnerable to job loss and suffer more from job insecurity than women because of the bread winner phenomenon. Accordingly, women may not consider finances as their primary responsibility. However, Kelan (2008) introduced a contradicting perspective, which suggests that due to men experiencing higher levels of occupational mobility and employability, they react less strongly to job insecurity. Thus, women have less possibilities to invest in job search in forms of human and social capital because of burdens from work and family life combined.

Women may have different perceptions of work life due to family circumstances and the meta work related to that. This may be because the meta work continues regardless of employment (Walsh & Jackson, 1995). Thus, it has been argued by social role theory of gender differences (Eagly, 1987) that some women may have alternative identities that arise from family roles and therefore, these women may be more into the role risen from family life, such as a wife or a mother. Because of this adaptability, these types of women may feel less threatened by job insecurity.

### **3.5 Job insecurity and performance**

Job insecurity can often be associated with job performance as well as employee work engagement. Most studies show that the correlation of these factors is negative. However, some studies found no significant effect and some even found a positive correlation. (van Vuuren, de Jong & Smulders, p. 230.) Battisti and Vallanti (2013) found a positive correlation. Their findings show that a larger share of fixed-term employees results in a higher employee performance and productivity. Davis-Blake and Uzzi (1993) also found that there is a noticeable relationship with job insecurity and fixed-term employment. Their findings show that job insecurity can be found present in most fixed-term employment positions.

Job insecurity is a concept that managers may use in their advantage. Workplaces may intentionally attempt to motivate employees by threatening with job loss. This is done with the incentive to spike up cost efficiency and motivate employees. Employee motivation behind is that insecure employees are less likely to demand raises or other benefits. (Shoss, Su, Schlotzhauer & Carusone, Sept 26, 2022.) This type of conduct most likely will add to employee's anxiety and stress about the continuation of their contract (De Cuyper et al, 2008, p. 28–30).

### **3.6 Herzberg's motivation-hygiene theory applied**

Motivation can be defined as individual's internal process that guides and simulates them to meet their own needs of a specific subject or thought to be satisfied. Motivation and morale are different things. (Ul Islam & Ali, 2013.) However, Ul Islam and Ali (2013, p. 88) found that employee morale plays a significant role in work motivation and engagement. Employees with high morale will be more engaged to their organization and employer. Employees with lower morale more likely care less about the quality of the work that is done. Vice versa, employees with higher morale ensure that work is being done according to high standards and with quality.

Frederick Herzberg (1966) has done numerous studies on motivational factors in organizations. Herzberg specifically focused on work motivation in his studies. He has created a model that specifies motivational characteristics of employees in the labor market. He based his motivation-hygiene theory to the hypothesis of employees having two types of needs in working life. His findings show that factors causing job satisfaction are different from factors that cause job dissatisfaction. This theory is taken under investigation in this paper, because these motivational factors may further explain why fixed-term employees may have different perception about the fixed-term position.

Herzberg's (1966) theory's satisfiers include achievement, recognition, the work itself, responsibility, advancement, and growth. These are also called motivation factors. The dissatisfactory factors or the hygiene factors, on the other hand, consist of company policies, supervision, work conditions, salary, status, security, and relationship with supervisor and peers. (Ul Islam and Ali, 2013, p. 88–89; Herzberg, 1968, p. 72.) Therefore, the satisfactory traits are not opposite of the dissatisfactory traits and vice versa.

**Table 1.** Herzberg's motivation and hygiene factors (Herzberg, 1966)

<b>Motivation factors</b>	<b>Hygiene factors</b>
Achievement	Supervision
Recognition	Work conditions



The work itself	Salary
Responsibility	Status
Advancement	Security
Growth	Company policies
	Relationship with supervisor and peers

Herzberg's (1966) motivation-hygiene factors may be applied to fixed-term employees in numerous ways. For example, those with fixed-term employment contract are less likely to see growth in their field than those with a permanent one, simply because of lack of time to build a successful foundation for growth in a certain organization. However, company policies can include numerous other aspects of conduct that may further loosen the satisfaction to the organization.

Some organizations have different kinds of benefits for employees with a permanent contract from employees with a fixed-term contract. Some organizations may have different rules regarding occupational healthcare or lunch compensation, for instance. This puts employees with initially similar job tasks into different positions in the organization. Therefore, the status of being a temporary employee is being emphasized by the organizational policies. Status and company policies are classified as hygiene factors in Herzberg's model.

There are many active hygiene factors that play role in fixed-term contracts. So, according to Herzberg's motivation-hygiene theory, it could be hypothetically stated that employees with a fixed-term employment contract are less satisfied with the state of their job than those with a permanent employment contract. Job satisfaction, on the other hand, is a complex, subjective matter and should be researched that thought in mind. Ul Islam and Ali (2013, p. 89) state that job satisfaction is crucial for the organization to administer since it affects the productivity and effectiveness of the organization's staff. Although, an individual employees' general attitude in life also has an effect towards

their job. Hence, it is useful for an organization to realize which aspects of the job increase and decrease satisfaction to make the organization thrive.

Herzberg's (1966) theory suggests that fixed-term employees may feel dissatisfied with their jobs because of factors including the fixed-term status and lower job security due to the uncertainty of continuation. However, even with these dissatisfactory aspects, fixed-term employees may feel highly motivated if the motivational factors presented in the theory are considered high value. Therefore, even regardless of the fixed-term employment, if the employee receives recognition of the work, and possibilities for responsible, advanced work, the motivation in the fixed-term position may be high. If the work itself is subjectively high value to the individual employee, this factor creates motivation according to the motivation-hygiene theory. Therefore, this theory may explain why some fixed-term employees may feel dissatisfied with the nature of the contract and job insecurity, but this aspect does not overpower their motivation towards the highly valued work itself.

### **3.7 Self-determination theory applied**

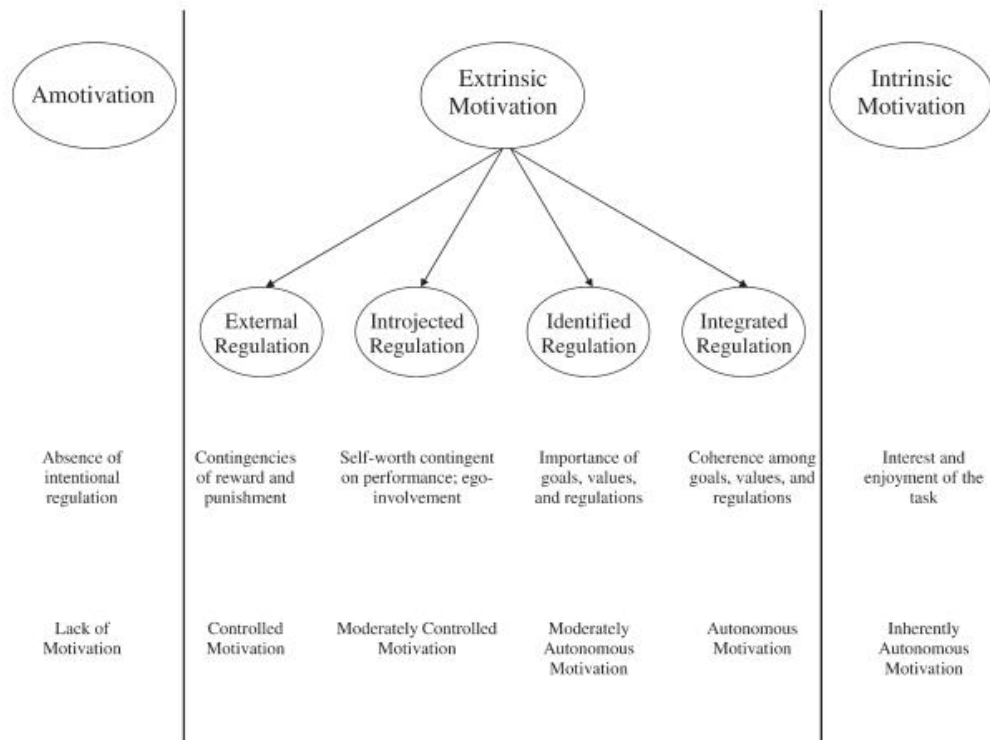
Professors Edward Deci and Richard Ryan (1985) developed a macro theory called the self-determination theory (SDT), which bases its ground onto three psychological basic needs: autonomy, competence, and connection/relatedness. According to this theory, people are motivated to change based on these basic needs. The aim of the theory is to explain how self-determination explains and impacts motivation. Having the experience of choice determines motivation. When something is found interesting, the action is voluntarily committed to.

Autonomy includes individuals' experiences from being free to decide for themselves. Opposite of it being restrictions, autonomy aims for free choice and self-motivation. Autonomic behavior arises from individual's own desires towards subjectively enjoyed

activities. In simpler terms, one will do something simply due to excitement and enjoyment. (Deci & Ryan, 1985; Martela, Apr 4, 2014.)

Competence includes individuals' experiences of being capable of conducting certain things. This includes employees' skills and abilities. An employee who experiences competence believes that they can finalize a certain given task with great success. (Martela, Apr 4, 2014.) Competence is associated with so called flow state which through excitement, draws individuals into the certain topic or task. An individual in a flow state may lose track of time while conducting the task (Csikszentmihalyi, 2005).

Finally, relatedness, is related to individuals' need and desire to be near other individuals. The need can also be described as the need to feel belongingness and connectedness with others (Ryan & Deci, 2000). Martel (Apr 4, 2014) points out that in situations where individuals feel included, safe, and appreciated, they are at their best, for example as employees.



**Figure 1.** Self-determination theory portrayed by Gagné and Deci (2005)

SDT includes six distinct types of motivation. First, amotivation, completely lacks intention and motivation (Gagné & Deci, 2005, p. 334). An employee experiences amotivation, because they feel like they are forced to do something they feels unrelated to. The need for competence remains unsatisfied, and therefore, undermines his autonomy. Such employee does not act at all or acts without intent (Ryan & Deci, 2000, p. 71).

Extrinsic motivation includes performance to attain a separable outcome (Ryan & Deci, 2005, p. 71) and these motivations are externally regulated. Extrinsic motivation includes four different types of motivation: External regulation, introjected regulation, identified regulation, and integrated regulation. Individuals who experience these types of motivation have different motivational factors. External reasons may include motivation to do the job in order to get a raise or from fear of being surveilled (Ryan & Deci, 2000, p. 69). Identified and integrated reasons include behaviors people truly feel worthy and valuable in their personal opinions. These may be rewards, competition, or ideas.

Considering extrinsic motivation in relation to job security, it can be argued that employees feel externally regulated by, for example, desire of raise or good image, competition, or being monitored. A fixed-term employee may pursue a permanent or renewed employment contract, which motivates them to do their work well rather than truly feeling the importance of the work. Some may aim for a good reputation within the organization and find that an externally regulative incentive to perform well.

High value employee motivation is a desirable outcome for both, the employer, and the employees. With high motivational levels, the organization is expected to thrive in terms of quality performance which enhances profitability. The employees' high motivation will boost their wellbeing at work as well as work engagement. (Deci, Olafsen & Ryan, 2017, p. 20.)

In case fixed-term employees feel their work is high value to them subjectively, and they find the work itself meaningful, they may experience intrinsic motivation. Intrinsic motivation arises from their own personal motivational factors. The job is then found interesting and enjoyable. In this kind of case, fixed-term employees may feel highly motivated and engaged to the job regardless of the nature of the contract. The employees recognize their competence and enjoy the work. They might enter the so-called flow state (Csikszentmihalyi, 2005) in which they lose track of time, when concentrating on the work tasks. The motivation overrules the insecurity created by the fixed-term nature.

## 4 Empirical example

This paper will include a minor empirical example supporting the theories and prior research introduced. For instance, Herzberg's (1966) motivation-hygiene theory and Deci and Ryan's (1985) self-determination theory will be later analyzed in relation to the example in the analysis, in chapter 5.

In the empirical example, the aim is to find out whether fixed-term employment contracts create a similar effect on employees' job security and satisfaction as permanent employment contracts. The example's role in this investigation is to give a supportive idea to the theories presented in this thesis. The aim is not to make strong conclusions based on the example investigation, but rather get a supporting word.

The investigation is conducted in a form of interviews. The form of the interviews is slightly structured, meaning that there will be frame questions that lead the way to a conversation. This allows the interviewer to ask further questions and the interviewee can give as wide of an answer as needed. The interviewees can elaborate on the answer. An interview was chosen as a form of study due to the forms of variety it offers. Interviews may extend into a further discussion about the topic.

The target group is a group of service specialists in an unnamed, public Finnish organization, which will be referred to as Organization X. When referring to the organization's policies and cultures, personal knowledge and internal sources were used as a source. Total of 10 interviews were undergone. Interviews took from 11 to 39 minutes each depending on the width of interviewees' answers. All interviews were held remotely through Skype. Both fixed-term and permanent employees were interviewed along with their leader. Interview frame questions were the same for both groups of employees, fixed-term and permanent. In addition to these questions, fixed-term employees were asked one additional question targeting only the fixed-term employees' group. The questions are presented in the appendices.

For understanding on the effects of fixed-term employment contract use in the organization, the target groups' leader was also interviewed. The questions asked from the leader were different from the other interviewees. The leader was asked questions about fixed-term contract implementation, reasoning for use and how fixed-term employees' position varies from permanent ones'. The leader was also asked to analyze fixed-term employees' and permanent employees' work performance and motivation and their possible differences. As only one leader was interviewed, it is important to note that this opinion is highly subjective and corresponds to the specific leader's experiences of their own group only. Therefore, no broad conclusions about the entire organization can be drawn based on this interview.

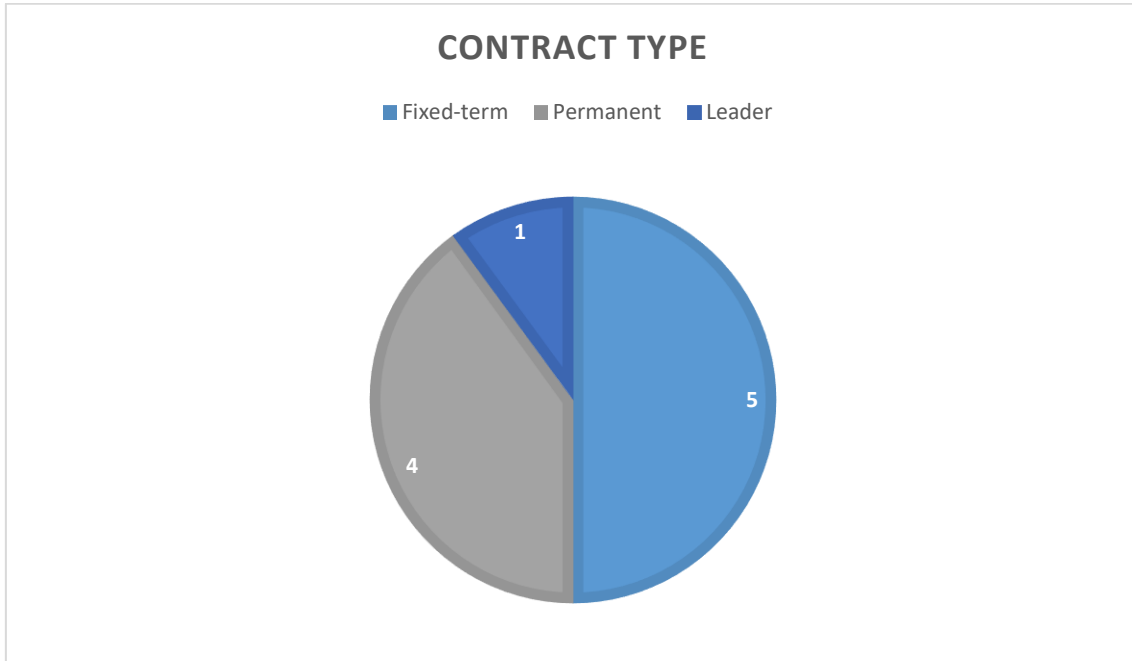
For the sake of the investigation topic, the target organization has been chosen to keep anonymous. Due to anonymity, limited information about the organization can be given. The organization in question is an organization operating all around Finland. Its operations are based on the law and the system is mechanized to an extent. The organization has multiple different positions and fields of work. The target group works in customer service.

#### **4.1.1 Participants**

As previously concluded, fixed-term employees are a heterogenous group. The target group for the example was limited to homogenize the group. Therefore, the participants all work with the same organization under the same leader in the same facility. All of them have the same job title: service specialist.

Service specialists' work tasks require widespread knowledge and skills regarding customer service, decision making, consideration, and numerous other aspects. Service specialists' job is mainly customer service from day to day, which is psychologically demanding. Usually, service specialists' position is considered as one of the more entry level jobs in the Organization X, which can be one reason, why also fixed-term

employment contracts are occasionally implemented. However, one is required to have a higher education degree to be hired as a service specialist.

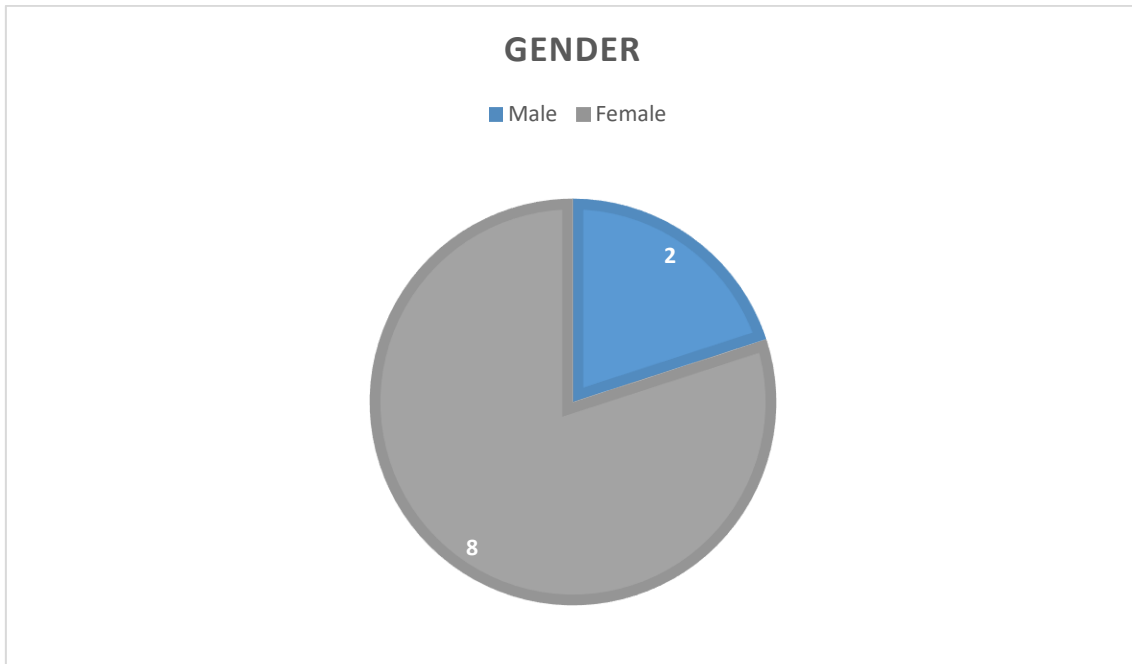


**Figure 2.** Distribution of interviewees chart

The interviewees' distribution can be seen from the figure above. Total of four permanent employees and five fixed-term employees were interviewed. A constant variable with the employees is their form of work. All participants do similar groundwork, which can be categorized as customer service. Another constant variable is their leader. All the employees have the same leader, and they work under the same group.

Service specialists can have multiple types of employment contracts. Most typical one is a permanent full-time contract. Second typical is a fixed-term, full-time contract. In addition, a contract can also be part-time. Some employees may also be on a partial parental leave etcetera. This should be taken into consideration, when reflecting the example that not all participants necessarily have the same work arrangements.





**Figure 3.** Interviewee gender distribution

The distribution of the interviewees' genders is shown in the figure above. Eight out of the ten interviewees are female, as the field and organization itself is also female dominated. The aim of the interview is not to focus on gender. However, considering prior research, it is useful information to be aware of when comparing the interview data into prior research.

The language culture within the interviewed group's workplace allows the employees to speak the language they are most comfortable speaking. The group is bilingual with Finnish and Swedish as they are located in the bilingual part of Finland. Therefore, those languages are both spoken in the workplace. In a normal, everyday conversation one party may speak Finnish whereas the other party speaks in Swedish. Proficient conversations are held this way without struggle. This is sufficient knowledge to understand the interview setting.

As the interview group's language culture was described, the interviews were also held multilingually. The reason for this is different mother tongues of the interviewees. The language culture was respected also in the interview. The interview questions were

asked in Finnish. Answers were given in Finnish or Swedish; whichever language the answerer was most comfortable and able to express their thoughts with. Interviewees are all Finnish-skilled, but due to some having Swedish as their mother tongue, answers were also allowed to be given in Swedish. The interviewer is proficient in Swedish as well, so possibilities for misunderstandings are low.

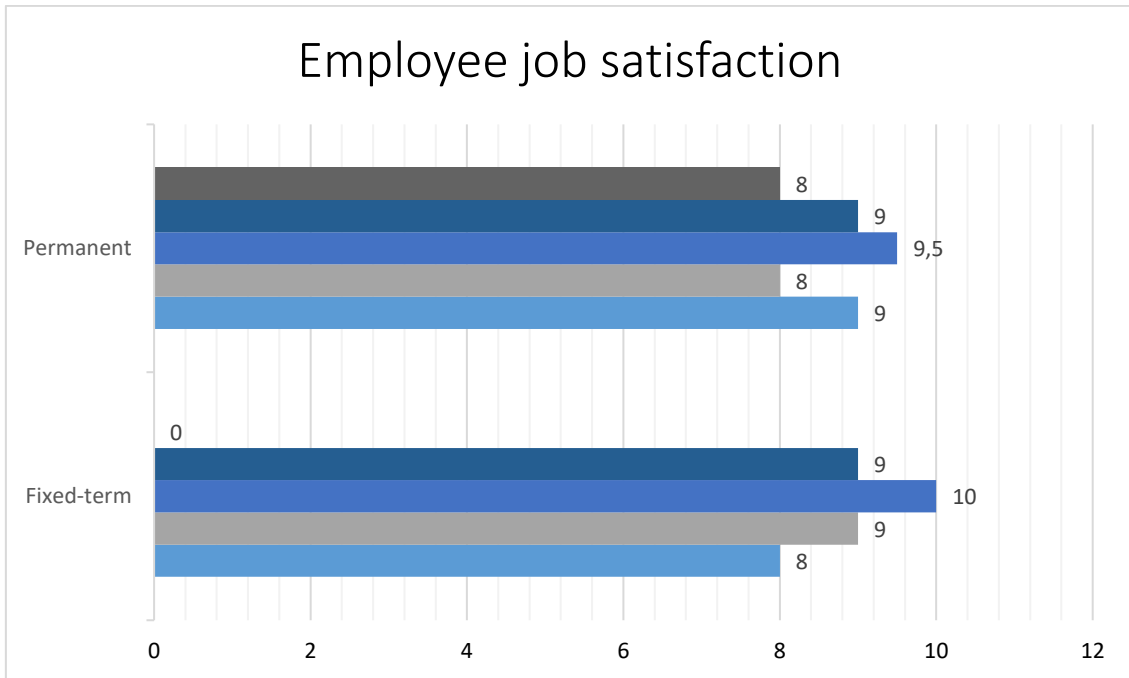
All interviewees were assured complete anonymity. Hence, to respect the anonymity of the interviewees, the interviews will not be directly quoted, only paraphrased. This is because direct quotes may reveal the identity of the interviewee due to the language replied in etcetera.

## **4.2 Findings of the example**

A hypothesis for the example was presented in the introduction chapter. Comparing to the hypothesis, some predictions were precise. However, some predictions were entirely opposite from the findings. Overall, radical differences in answers were not found between the two target groups, fixed-term, and permanent employees of Organization X. Therefore, the meaning of this example was primarily to support the theories introduced in previous chapters.

### **4.2.1 Job satisfaction and engagement**

Job satisfactions was one of the major topics in the interview. A question about employees' job satisfaction was asked during the interview. The interviewees were asked to provide a number between 1 and 10 to portray their current level of job satisfaction number 10 being the highest and number 0 being the lowest satisfaction level. Findings are shown in the chart, Figure 2., below.



**Figure 4.** Interviewees job satisfaction chart

Average satisfaction was calculated based on these numbers.

$$\text{Average} = \frac{\sum x}{N} \quad (1)$$

Permanent employees' average job satisfaction is 8,7 whereas fixed-term employees' average job satisfaction is 9. These numbers give a slight suggestion that fixed-term employees are more satisfied with their job currently compared to permanent ones. However, as the difference is minimal, no conclusions can be drawn. The only statement drawn from these results, is that the participant group in question has a relatively high job satisfaction level altogether.

Hipple (2001, p. 17) states that employees with a fixed-term contract are usually more dissatisfied with their position if they have accepted the job offer only because it was the only job they could find. A fixed-term interviewee told during the interview, that when initially interviewed for the position in Organization X, they were also offered a permanent offer under a different organization, but they decided to go with Organization

X due to the job under Organization X being more desirable regardless of the fixed-term contract. This is justified by general satisfaction in Organization X as an employer.

Another interviewee stated their satisfaction on the fixed-term form of employment. Hence, supporting Hipple's (2001, p. 17) theory, this individual fixed-term employee is satisfied with their status, most likely partly because a choice was presented. To justify the satisfaction with the fixed-term employment contract, the employee mentioned freedom to keep plans open for the future. The employee stated that they are not certain whether they will be staying in Finland or abroad. The fixed-term employment contract gives the freedom to decide. The fixed-term position gives also more possibilities to plan different options for the future as the future for work is fully open and empty from a certain set date.

The most satisfactory aspect in the interviewees' job relationship was leadership. All the interviewees work under the same leader. Other aspects that were seen as satisfactory under Organization X were colleagues, contents and principles of the work, training, and work-related benefits. Many also stated their satisfaction about Organization X investing into its employees' wellbeing in multiple different ways. Some of both fixed-term and permanent employees mentioned that they are satisfied with the continuation of the work. In permanent employees' cases this means that the work continues until further notice. However, in fixed-term employees' cases, the contract extension is meant by contract continuation. The contracts for the fixed-term employees who were interviewed have been extended for one to three times.

Dissatisfactory aspects were discussed with interview question 11. Four out of five fixed-term employees replied that they are not dissatisfied with any aspect of the job at the moment of the interview. Those who did have a dissatisfactory trait of the job mentioned salary, practical aspects of the job, technical difficulties and problems, work time inflexibility as well as the fixed-term contract. Salary and the fixed-term nature of the contract were the most answered among these.

#### **4.2.2 Work engagement**

The interviewees were asked about motivation regarding self-learning and training as well. This topic was discussed in question 6. The interviewees were asked to tell how often they do educate themselves independently regarding their work tasks. They were also asked to elaborate on whether this type of training felt motivating or perhaps frustrating. Usefulness of the information regarding the future was also asked about. Through this theme of the interview, the aim was to investigate whether there are differences in how permanent and fixed-term employees feel about developing their skills corresponding to their business. The purpose was to find out if there are motivational differences in work engagement between the two employee groups.

The findings show that there are no significant differences regarding self-development and training between the two target groups. In fact, two of the interviewees mentioned lack of motivation towards self-development and training. Another interviewee is a permanent employee and another is a fixed-term one. Some emphasized that even regardless of their fixed-term employment contract, the information will be useful in the future in private life but also in other employment positions. This is because understanding the system that the employees at Organization X work at helps in many different job positions and life situations as well. However, one introduces frustration towards the knowledge going to waste in a situation where the fixed-term employment may not continue. Korkeakivi (2009) also stated that fixed-term employment allows employees to individuals to develop their skills and abilities under multiple different firms and organizations. This aspect came up in the interviews as well as one fixed-term employee mentioned that their educational background and experience allows them to take up jobs from various fields.

### 4.2.3 Job security

Job security and financial security were discussed about in the interviews. These were lead with questions 7 and 8. Question 7 was asked only from fixed-term employees as it was about the future after the fixed period ends: *Are you concerned of the period after you fixed-term employment?*

First, fixed-term employees described their feelings for the upcoming period after the fixed-term employment. Four out of five employees told they are to some extent worried about the ending of their job. This is mostly for financial reasons. Salary satisfaction was already discussed earlier, and most of the employees are not fully satisfied with their current wages. Therefore, ending of the salary flow may cause financial concerns. Two of the five fixed-term employees mentioned that they are concerned about their mortgages. None of the fixed-term employees would take a new mortgage in their current situation.

During the interview conversation, it was noted that an employee's fixed-term employment may even affect their spouse's decisions in work related issues. An interviewee pointed out that their spouse is considering entrepreneurship. However, the spouse's decision is influenced by the work status of the employee. Therefore, in case the Organization X employee does not get a contract renewal or find a new job, most likely their spouse will not start their entrepreneurship during the overlapping time.

Regardless of the worries about the period following the fixed-term employment, there is also trust in re-employment. The fixed-term employees are confident in finding a new job, because of multiple reasons. They trust that their work experience should be of help when looking for a new job. Also having an education with which one can work in many different fields of work gives wide opportunities for the future. Statistics (Sutela et al., 2019) also show that burden by job security has, in fact, decreased during the past years, starting from the 2000's. There may be several reasons for this shift in the sight.

An employee's individual situation has a high impact on the job security. Depending on whether the employee has children or a spouse, the levels of job security perceived may vary. An employee with neither of those is more likely to be more open to drastic changes in location, for example. Some may even find it exciting to be unsure about the future. The status of the employee also has an effect. Two of the interviewees are also higher education students aside from employees, so they are secured with the student status. Some may simply be willing to change jobs once every few years and therefore, do not find a fixed-term contract as much a burden. Changing labor market may also introduce an explanation. Project-like job markets have added various work options and therefore, individuals may have adapted to the new work culture and accepted the uncertainty in the work life (Sutela et al., 2019, p. 62).

#### **4.2.4 The leader's perspective**

To get a wider understanding on fixed-term employment contracts' effects, a leader of service specialist in Organization X was also interviewed. The leader in question was also interviewed through Skype. The interview questions can be found on Appendix 2. The aim of the interview was to get a better understanding of the effects of different contract type. The interviewee was asked about whether they have noticed differences in motivation, productivity, absences, or overall wellbeing. Policies of implementing fixed-term contracts in Organization X were also discussed.

The leader has not noticed significant differences in productivity, sickness absences, or motivational characteristics. However, they mentioned that to an extent, it is understandable that such differences may occur, because employees with a short fixed-term contract may not have enough time to build commitment to their new organization fully. This may influence absences and productivity. Hence, fixed-term employees may not find it worthwhile committing.

Another type of situation given as an example by the leader is when an employee's fixed-term contract has been continued multiple times. This creates an issue motivation due to uncertainty about the long-term future. This was justified by limited resources in Organization X, and therefore, limited numbers of permanent positions. Common practice is that a permanent position must be listed publicly for everyone to apply for. This is an unfortunate situation on the leader's part, especially when it is not guaranteed that a fixed-term employee will eventually get a permanent position. On the other hand, the leader added that aside from the contract type, there are other factors that affect motivation.

The leader argues that motivation and engagement are affected by the job tasks themselves, work environment and team spirit. If the job itself is found to be suitable to the individual employee and they find the tasks enjoyable, that creates motivation according to the leader.

The leader clarifies that justified reason for signing a fixed-term contract needs to present in Organization X. The most common reason is substitution. Moreover, reasons may rise from various international and national circumstances and situations, such as the COVID-19 pandemic, Ukrainian war, and electricity crisis. These situations result in risen workloads, which makes justifiable to hire fixed-term employees.



## **5 Analysis and conclusions**

To summarize, findings of the example are analyzed based on the three research questions which will be divided into two different sections. Section 5.1 Nature of employment contract will cover the question RQ 1: To what extent is work engagement related or dependent on the type of the employment contract? This section contains analysis on whether there is, in fact, a link between employment contract type and work engagement.

Section 5.2 Fixed-term employment perception will cover the following research questions:

RQ 2: How do fixed-term employment contracts impact on work engagement and job insecurity?

RQ 3: How do fixed-term employees perceive their position in the labor market?

In section 5.2, effects and differences in employee experiences based on their contracts will be analyzed. The analysis will be theory based supported by the example. In other words, this chapter will use the prior theories and the example to discuss first, whether there is a distinguishable impact on work engagement ruled by the nature of the work contract. Second, based on the first questions conclusions, the impact of the fixed-term contracts on work engagement and security will be looked further into.

### **5.1 Nature of employment contract**

To what extent is work engagement related or dependent on the type of the employment contract? How do fixed-term employment contracts impact on work engagement and job insecurity? Work engagement and motivation can be influenced by various factors. To answer these research questions, it must be understood what factors effect on individual's work engagement and motivation. Simply, the aim is to find out whether the nature of the employment contract plays a significant role in motivation and if so, how.

Work engagement initially depends on individuals' personal characteristics and what they see valuable in work life. It should not be assumed that a fixed-term employment contract is automatically a negative aspect in the job. Previously, in section 3.6 Herzberg's motivation and hygiene theory was applied to the themes of this paper. Herzberg listed motivational factors and dissatisfactory factors. The motivational factors that will be focused on this section, are achievement, recognition, responsibility, advancement, growth, and the work itself. In addition to those, this section will focus on motivational factors, such as willingness to choose the employment contract, leadership, and social capital.

The most significant difference in the two contract types is the continuation of the employment relationship. Permanent is secured, and fixed-term has a set ending date. For some, a fixed-term employment contract may be a hoped form of employment due to the uncertainty of the future. For example, in the example one interviewee preferred a fixed-term employment contract because of their current, unsettled life situation. The fixed-term contract gives them freedom to make more radical changes in life. The interviewee introduced their consideration of moving abroad, so they were satisfied not to be tied into any job position. Callister (1997) and Skalski (2002, p. 22) support that fixed-term employment is a suitable form for those who are willing to take on a shorter position to be able to experiment with different fields of work and leave their future open ended. In this kind of situation, the employee is most likely to be also engaged to their job due to being satisfied with the nature of it. Because there were such employees in the interview group, who willingly had chosen the fixed-term employment, the data collected from the interviews is not cohesive. Some are satisfied with the fixed-term nature while some are not. If the job has been partaken unwillingly, most likely the level of job engagement will also be lower (De Cuyper, de Jong, Isaksson, Rigotti and Schalk, 2008, p. 36–37).

Job satisfaction and motivation may also be dependent on the employer's fit to the job. When discussed with the leader, they also mentioned that one factor playing a role in

job satisfaction and engagement is the fit to the job rather than only the nature of the contract. In this kind of situation, the job may have been the only job an individual was able to find. When the nature of the job is not necessarily ideal for the individual, job satisfaction is likely to be lower. (De Cuyper, de Jong, Isaksson, Rigotti and Schalk, 2008, p. 36–37.) However, like the leader stated, if the person is an ideal fit for the job, the most likely are experiencing higher levels of job satisfaction regardless of the nature of the employment contract.

The job itself most likely is a key factor why there was no significant correlation detected with the nature of the employment contracts and work engagement in Organization X based on the interview discussion between service specialists and the leader. In Figure 2, a chart of job satisfaction between fixed-term and permanent employees was portrayed. Against the hypothesis, fixed-term employees were portrayed as more satisfied with their current situation on the job with an average score of 9 than permanent employees with an average score of 8,7. Of course, there were five fixed-term participants and four permanent participants. Therefore, the difference in the group size may affect the result. However, the job itself may affect the score so that due to fixed-term employees being at the job less time at this point compared to the permanent ones, their satisfaction may be higher. Behind this may be the honeymoon phase theory that was introduced in section 2.6.4 Honeymoon effect. No strong conclusions can be drawn from the example regarding job satisfaction. However, it can be noted that Organization X employees in the certain group in question does experience high levels of job satisfaction.

Many interviewees agree with Callagher (1997) and Skalski (2002) on that that a fixed-term position widens their knowledge and is a good addition to their resume even if the employment does not continue after the fixed term. Generally, the fixed-term employment form was found more unattractive, like Aronsson & Göransson (1999) suggest. Many listed the fixed-term form of the employment as a dissatisfactory aspect of the employment in Organization X. However, dissatisfaction does not necessarily indicate

lack of productivity and skills on the job. The employees may be highly engaged to the job regardless. This was also mentioned by the leader.

Herzberg (1966) includes security as a dissatisfactory hygiene factor. Unstable security creates a dissatisfactory insight of the work position. Therefore, from Herzberg's theory alone, it could be argued that there is an engagement gap between permanent and fixed-term employees if conclusions needed to be drawn from the example. The leader's experiences also address that in short fixed-term employment positions, the short length of the position does not allow the employees to gain engagement towards the organization and their role in it. Gaining engagement requires fitting into the job. The individuals' skills and interests should be lined up with the demands of the job position. If these requirements are met, engagement may be highly present even in shorted job positions. This claim can be linked to both motivation-hygiene theory as well as self-determination theory.

Herzberg's (1966) motivation-hygiene theory also argues that the job itself is one of the motivational factors. Deci and Ryan's (1985) self-determination theory suggests that motivation is based on individual's own motivators and values. Therefore, if an employee is genuinely interested in the job, its tasks, meaning and the organization, according to self-determination theory, this person might feel more motivation towards the job and therefore, be more engaged to it. Similarly, Herzberg's theory suggests that the job itself is a motivator. If the individual finds the job genuinely interesting, this may motivate them to engage more regardless of the type of the fixed-term employment.

Similarly to Herzberg's (1966) theory, SDT (Deci & Ryan, 1985) can explain similar aspects in fixed-term employment and motivation. The theory suggests that initially motivation arises from one's personal values. Therefore, an individual finding the job itself important and purposeful may feel motivated to work hard in the job regardless of the fixed-term nature. The job itself motivates the employee to thrive. In this type of situation, the motivation type according to the theory would be intrinsic motivation. This type

of motivation includes perceptions that the individual finds the activity meaningful and therefore, the task is enjoyable. Therefore, the fixed-term work would be easy to feel engaged to.

Kiefer's (2005) findings about the relationship between job insecurity and work engagement were introduced in section 3.3 Relationship between work engagement and job insecurity. Her findings suggested that employees associate the work negatively in employments involving job insecurity, because this may include feelings of anger, anxiety, and frustration. However, contrary situations should be analyzed whether the effect is then possibly reversed. Situations such as in the situation introduced in the previous paragraph, may include contrary feelings and therefore, possibly, result in contrary outcomes regardless of the type of the employment contract.

Previously, willingness to choose a fixed-term employment contract were discussed. In the empirical example, an employee had preferred to stay with Organization X even with a fixed-term position rather than accepting a permanent position offer from their previous employer. In this event, a choice was made, and the employee willingly stayed in the fixed-term employment position. Like Hipple (2001, p. 17) states, employees with a fixed-term contract are usually more dissatisfied with their position if they have accepted the job offer only because it was the only job they could find. From this statement from Hipple, it could be argued that the job satisfaction in Organization X is high even amongst fixed-term employees. Callister (1997) and Skalski (2002, p. 22) argued also that choosing a fixed-term position willingly will most likely result in higher job engagement. Also, a mutual aspect in all Organization X's fixed-term employees is, indeed, that they have willingly applied for a fixed-term position. Of course, most in hopes of it turning to a permanent one.

It is not reasonable to assume that opinions on fixed-term employment are unanimous for all the employees in such position. Age, gender, education level, and other factors play a role in the portrayal of fixed-term employment. For example, students tend to apply for summer jobs, which are often fixed-term employment forms, usually for the

summer months. Summer job raise numbers of fixed-term employment in statistics (Sutela et al., 2019, p. 55). It can be argued that students generally willingly sign up for a fixed-term summer job due to the circumstances with their studies allowing them to do so for the specific months in a year.

Skalski (2002, p. 22) and Korkeakivi (2009) argue that fixed-term employments are a good way to develop one's skills in different fields and areas due to the short-term employment. Callister (1997) also argued about fixed-term employment being a way for employees to experiment in different fields. However, Herzberg (1966) argued with his motivation and hygiene theory that recognition, responsibility and growth are among the key motivational factors in work life. Fixed-term employees may feel limited growth possibilities with a temporary contract. Limits in any of the motivational factors may demotivate the employee.

Skalski (2002, p. 21), Mauno et al. (2005, p.212–213), Gallagher and Hartmann (1991, p. 25–26) all agree that there are differences in work-related benefits for fixed-term and permanent employees. However, in Organization X this is not a fact. The leader stated during their interview that there are no differences in work-related benefits that depend on the nature of the work contract. The contradiction with the researchers and the actual practice most likely has to do with the international focus of the research. Organization X practices under the Finnish Employment Contracts Act. According to the Employment Contracts Act, an employer must treat its employees fairly and equally despite the nature of their contracts. Exceptions may be made if the nature of the contract and/or work circumstances allow an acceptable reason for different treatment. (Hankonen, 2023, January 17.) In fact, work related benefits were listed as satisfactory aspect by many during the interview. Answerers included both fixed-term and permanent employees.

Mauno et al. (2005) studied fixed-term and permanent employees' differences in job satisfaction and job engagement. They concluded that fixed-term employees

experienced reportedly higher levels of positive attitudes and lower levels of job exhaustion than their permanent coworkers. This resulted in higher levels of job satisfaction and job engagement. This study's empirical example shows similar results as fixed-term employees reported a job satisfaction average of 9 whereas permanent employees reported an average of 8,7. However, the difference is minimal.

Ul Islam and Ali (2013, p. 89) argued that individuals' motivation is one key factor in creating work engagement. According to Herzberg's (1966) motivation-hygiene theory achievement, advancement, and growth are factors creating motivation. These themes were discussed during the interviews as the interviewees discussed about training and self-development. One discussion topic was about developing one's work-related skills. In the example, customer service specialists were asked if they feel like developing their work-related knowledge makes them feel motivation or frustration or something else. Most stated that motivation is the primary feeling of adapting new knowledge. However, a few also argued that they feel frustration for learning and studying broad pieces of information in a position where the information may not be useful to them into long run due to the discontinuation of the employment contract. Frustration may be a path to demotivation, at least according to Herzberg (1966). Similarly, considering self-determination theory (Deci & Ryan, 1985) frustration may lead to amotivation if employees do not find value in the tasks learned. This is because the employees lack connection to the work itself as the value cannot be found.

A fixed-term employee expressed that in the event their contract not being extended, they would perceive the adapted information as being underutilized. Furthermore, they articulated their contemplation about their role within Organization X if they cannot pursue their association with the organization beyond the expiration of their present fixed-term contract. All others reported perceptions of unwastable information as well as reported even possible further use of the adapted information in future positions under other organizations, companies as well as in personal lives. Korkeakivi (2009) supports this statement. Her findings suggested that fixed-term employees may shift their in-job

learned skills to other jobs and therefore, have a wide spectrum of knowledge from various fields. In the example, an employee whose contract was continued from a fixed-term position to a permanent one agreed with this statement, affirming that during their fixed-term tenure, they believed the acquired knowledge would remain valuable in the future, irrespective of their employment status or workplace.

Based on the interview findings, it appears that fixed-term employees may be more driven to enhance their skills and personal development to greater extent than their permanent peers. Studies (Hörkkö et al. 2022 & Mauno et al., 2005) show that fixed-term employees may trust the organization to renew their contract in cases of putting high levels of effort into self-development and studying with a meaning to prove their skills worthy to the organization. The interview answers suggest that some fixed-term employees under Organization X are currently functioning according to these theories. After all, the interview data portrays that most of the fixed-term employees would like a continuation for their job even after their current contract ends. On the other hand, the leader expressed their thoughts on short fixed-term employment positions and motivations. A very short fixed-term employment period may not give means for creating high levels of motivation in such duration of time. The employee may doubt the need to commit to the organization for a short time. However, according to the two theories, motivation-hygiene theory (Herzberg, 1966) and self-determination theory (Deci & Ryan, 1985) there is potential for commitment even with short fixed-term tenures in cases where motivational incentives are high and genuine.

The empirical example results show that all interviewed Organization X employees in this certain group experience levels of job satisfaction. Suggested reasons for this phenomenon include high social capital with both job environment and individual employees, high quality leadership, and the possible honeymoon phase of the employment contract. In addition to these, the interviewed fixed-term employees may experience high morales towards the job as suggested by motivation-hygiene theory (Herzberg, 1966) and SDT (Deci & Ryan, 1985). In this scenario, the employees' internal thoughts include finding



the job meaningful and valuable, and recognizing their own competence in working the given tasks. Therefore, the fixed-term employment does not overrule these values, which allows motivation to thrive.

The theories investigated in this investigation introduce various perspectives on fixed-term employment in relation to job security and work engagement. The results of the theories vary and at times, even contradict one another. Reasons for this may lie behind the subjective manner of the perceptions behind the themes. How an individual experiences fixed-term employment, is their personal, subjective matter after all.

## **5.2 Fixed-term employment perception**

How do fixed-term employees perceive their position in the labor market? This is the third and final research question to be discussed. The question could be reworded: How do fixed-term employees perceive their position amongst labor force? Essentially, perceptions of fixed-term employees about job insecurity are discussed and analyzed in this chapter.

Job security has been a primary topic in this study where the focus is on fixed-term employment and job security's effect on the nature of the employment contract. The aim in this section is to understand if fixed-term employment worsens employee's job security to the level they feel being worse off in the labor market.

When introducing prior research about job insecurity, discussed aspects included finances, perceptions, gender differences, performance, and willingness of choice.

In the empirical example, between the two groups of employees, the most significant difference apart from the continuation of the employment is the attitudes towards financial commitments. Salary and financial commitments were discussed during the interviews. The most dissatisfactory aspect in service specialists' job was the salary level. Many felt like it does not correspond to the level of requirements and skills needed to

be able to work the job. Some fixed-term employees expressed concerns of lower chances of being able to affect their salary, because to be able to raise one's salary, more job tasks should be implemented, and some tasks require a permanent contract. This puts employees in a dissimilar position.

Salary is raising concerns for fixed-term employees regarding any financial commitments, especially longer ones, such as mortgage. Financial uncertainty has been studied (OAJ, n/d.; Tregaskis, 1997; Korkeakivi, 2019; Kirves et al., 2010) to be more present with fixed-term employees compared to permanent employees. Herzberg (1966) also lists salary as one the dissatisfactory aspects in his motivation and hygiene theory. Based on the empirical example's interview replies, there is a significant difference in perceived financial security between fixed-term and permanent employees.

Regardless of the narrow data, the empirical example introduced strong correlations between fixed-term employment and job insecurity, more specifically financial insecurity. Permanent employees reported a stable financial situation and readiness to take on new financial commitments without hesitation if needed. None of the permanent employees reported being worried about their financial situation. Fixed-term employees reported the contrary. None of fixed-term employees would take on a new, extended financial commitment. Therefore, regarding salary, it can be argued that fixed-term and permanent employees are in unequal positions. The salary and its structure remain unchanged, but the consistency of the salary payout is not guaranteed. For some, a fixed-term employee's financial situation may also affect on their family's financial decisions. One interviewee's spouse's decision on starting their own company depends on the fixed-term interviewee's contract renewal. Therefore, the consequences of fixed-term employment created job insecurity affect not only on the employee themselves but their family members.

On the other hand, Sutela et al. (2019, p. 62–64) studied that financial insecurity experienced from fixed-term employment burdens less individuals every year. Reasoning

behind this may have multiple aspects whether that is differentiated job markets, attitudes, or expectations. Sutela and her co-researchers (2019, p. 62–64) even suggest that younger generations born in 1980's and 1990 's may have adapted to the uncertainty of the project centered work life that they do not find significant additional value in permanent employment. Still, even today women experience higher stressors from fixed-term employment than men.

Perceptions of job insecurity by women and men were found to vary from one another based on prior research. Family life and roles were found to possibly play a role in job insecurity perceptions as well. Metin Camgoz, Tayfur Ekmekci, Bayhan Karapinar & Kumbul Guler (2016, p. 588) suggest that support from family members may mitigate the effects of job insecurity. and hence, make employees less willing to leave or switch their jobs due to these stressors.

On the other hand, some contradicting results from different studies was found when investigating genders' perceptual differences about job insecurity. Greenhalgh and Rosenblatt (1984) suggested that men feel more stressed as a result of job insecurity because they are more vulnerable to job loss and suffer more from job insecurity than women. This they explain by men being the breadwinner in the family and women may not consider finances as their priority. However, Kelan's (2008) study suggest that men do not experience job insecurity as high as women, because of their abilities to re-employ easily. Supporting Greenhalgh and Rosenblatt's suggestions, Walsh and Jackson (1995) suggested that women do not experience job insecurity as strongly because of alternative identities risen from family life. Considering these ideas, most likely a significant aspect in these studies is the marital status of the target group. More likely married women with children might experience less job insecurity than unmarried women without children. On the other hand, single mothers, may feel significantly high levels of job insecurity. This is an interesting topic for future research as well.

Studies (Callaghan & Hartmann, 1991; Tregaskis, 1997; Hörkkö et al., 2022; Skalski, 2001) show that organizations have been proven to be more reluctant to train their fixed-term personnel compared to the permanent. It is not considered beneficial due to the short employment period. Training was a discussed topic during the interviews as well. Some fixed-term employees stated they are uncertain about their possibilities for training being exactly like the permanent employees'. Fixed-term employees portray their possibilities to attend training to be also partly dependent on actively expressing their interest to attend. Hence, especially fixed-term employees observe their success as their own responsibility and depending on their own activity levels. Permanent employees all reported that they consider having similar possibilities to succeed and develop themselves in their current position as their peers. These findings suggest that fixed-term employees are required to work harder to some extent to prove their worth and value to the employee. This suggestion is also supported by Kilpelänaho (2021) who reported that public sector employees feel like a permanent contract must be earned by years of convincing the employer of their worth.

Uncertainty about fixed-term employees' status among the permanent employees seems to be present highly, especially when considering wages or their position in attending training. Training is linked to wages also in a way that developing one's skills with multiple different courses and broadening their work tasks may result in higher wages according to the salary system. This effect was also studied by Skalski (2001, p. 23) who argued that temporary employees tend to have lower levels of training compared to their permanent peers, which may result in lower levels of income.

In the interviews, employees were asked about their current position in the job search market. Most reported not being active with job search. Two fixed-term employees reported that they are looking, but not actively. One solitary permanent employee reported looking for jobs actively. There were no significant correlations with the nature of job contract and job search even though Hipple's (2001, p. 20) study shows that fixed-term employees look for new jobs more actively than permanent ones. However, fixed-term employment contract has a specific ending date. Hence, if the ending date of a

fixed-term contract was not approaching at the time of the interview, it is possible that the job search was not particularly active for that reason.

The findings in the example have shown that Organization X's fixed-term employees do not radically experience being worse off with the fixed-term position compared to their peers. McDonald and Makin (2000) made a discovery in their research about the differences in job security experienced by fixed-term employees and permanent employees. Their theory shows that fixed-term employees would not compare their situation to their permanent peers but instead understand their unique state at the position. Therefore, fixed-term employees do not expect the same extent of job security from their employer as permanent employees do. Mauno et al. (2005) introduced the possibility that fixed-term employees do not consider themselves in less advantageous situation than their permanent peers, but rather compare themselves to those in less advantageous positions than themselves, such as the unemployed.

Organization X's employees reportedly have doubts about job security and their self-development opportunities. Out of these, job insecurity is more significantly present. During this study, no fundamental differences between the two groups of employees have been found, except job insecurity. However, job security has not been found to have a sentimental effect on motivational factors that create job engagement. Therefore, it can be concluded that fixed-term employment contracts may create job insecurity and financial uncertainty. On the other hand, they have not been found to create motivational obstacles among Organization X employees. Motivational theories (Herzberg, 1966; Deci & Ryan, 1985) also suggest that motivation may lie in individuals' genuine interests rather than being dependent on the nature of their employment contract.

When investigating fixed-term employees as a cohesive group regardless of if their job is in the public or private sector, this may be a problem for data analysis. However, investigations about employment always have a subjective perception by the target group. Therefore, different working conditions will be reflected inevitably even when

investigating the type of employment contracts. For example, bad working conditions may also be shown in the results of a questionnaire about fixed-term employment of job security, because for an individual employee, working conditions reflect on the whole job itself.

It is important to remember that labor markets are a continuously changing environment. Therefore, the conclusions drawn in prior research may not be valid or fit into the current time in case the labor market has been different at the time when the study was conducted. Essentially, changing job markets allow studies of these themes to be conducted frequently, so the development of the markets can be followed.

### **5.3 Strengths and limitations**

The study has limitations that should be addressed. First, the example was narrow with the data from only 10 interviews including a leader, who works in a different position than the target group. Also, five fixed-term employees and four permanents were interviewed. The uneven number of interviewees from both categories creates an uneven number of answers for both groups as well. An even number of interviewees from each group would have been optimal. However, having a leader's perspective can be considered a strength. The leader's perspective gave useful data about their own observations and the employees' behavior. This data could be compared to the prior research made from the topic.

An interview has its strengths and weaknesses. Interview as qualitative research also gives room for misunderstandings, especially when the interviews were held in multiple languages. There may be a slight chance some answer has got lost in translation. On the other hand, the data collected from the interviews was quite unanimous. Hence, it gave possibilities to draw conclusions about the perceptions and behaviors of Organization X employees regardless of the small number of participants. Interview also has its advantages because the interviewer can ask clarifying questions to strengthen understanding. Some may find an interview a more pleasant form of replying compared to other

methods because of the personal atmosphere. The interviewer being physically or virtually present in the event of replying, may give incentives for a more detailed answer.

Analyzing the interview questions, they should have been wider and more justification to the answers should have been asked. The questions should have also edited to get a clearer idea on why the fixed-term employees have applied for a fixed-term employment contract at the first place, whether it was a willing or unwilling decision. This would have offered more understanding on their current position at the organization as well as in the job market. The interviews occasionally left a feeling that much information and thoughts were left unsaid.

The example itself supports the theories presented in this thesis. It gives a real-life perspective to the phenomena. Theories have been widely presented from multiple different researchers from various countries. The theories presented have been compared and contrasted to one another. Some theories interact with each other in an agreeing manner whereas others challenge each other's claims. Here, it should be understood, that research which focus on labor markets, inevitably present different types of data depending on the country or area the research is conducted at due to cultural, legal, and areal differences.

#### **5.4 Future research**

This thesis focused on whether the fixed-term employees feel less advantageous within the Organization compared to their permanent peers. However, the theories introduced by McDonald and Makin (2000) and Mauno et al. (2005) where they suggested that fixed-term employees may compare their situation in the job markets to those even less unfortunate, such as unemployed, would be interesting to be investigated further on. This further search would support and extend this thesis's findings.

Considering the empirical example and Organization X, further research about the same phenomena with a wider research method would be valid. The research method may be

a questionnaire and a statistical analysis of the results. Here, gender, job history, marital status, level of education, and other similar factors may be analyzed in a comparative study between fixed-term and permanent employees. Another potential research target in Organization X would be other positions in the organization. Here the focus was on customer service. Other fields may provide dissimilar data.

In the early stages of this paper, the new Finnish parental leave law was mentioned. For future research, the new parental leave law could be investigated in relation to the fixed-term employment, since it may in some field of work increase the need for temporary labor due to its flexibility with having a wanted amount of parental leave periods with durations as short as one day possible.



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## Appendices

### Appendix 1. Interview questions for employees

1. Oletko määräaikainen vai vakituinen?
2. Kuinka kauan olet työskennellyt Organisaatio X:ssä?
3. Asteikolla 1–10, kuinka tyytyväinen olet työhösi juuri nyt?
4. Koetko, että sinulla on samanlaiset mahdollisuudet menestyä työssäsi kuin lähi-kollegoillasi?
5. Koetko, että sinun palkkasi on osaamistasi vastaavalla tasolla? Koetko voitasi vaikuttaa palkkaasi?
6. Miten usein kehität osaamistasi koulutuksilla ja itseopiskelulla? Motivoiko sinua uuden oppiminen vai tuntuuko se turhautavalta? Tuntuuko, että oppimasi tieto menee hukkaan?
7. *(Huolestuttaako sinua määräaikaisuuden jälkeinen aika?)*
8. Huolestuttaako sinua tulevaisuus oman toimeentulosi kannalta? Koetko voitasi tehdä myös pidemmän aikavälin taloudellisia sitoumuksia?
9. Etsitkö tällä hetkellä uutta työtä?
10. Mihin olet tyytyväinen työsuhteessasi?
11. Mihin olet tyytymätön työsuhteessasi?

Kysymys 7 kysyttiin vain määräaikaisilta.

English translation:

1. Is your contract permanent or fixed-term?
2. How long have you been working for Organization X?
3. On a scale from 1 to 10, how satisfied are you with your job currently?
4. Do you think you have same possibilities to succeed in your job as your near colleagues?

5. Do you think your wages are on a corresponding level with your expertise? Do you consider you have possibilities to effect on your wages?
6. How often do you train yourself with courses and self-studying? Does learning new information motivate you or does it feel frustrating? Do you have a feeling that the information you learned goes to waste?
7. *(Are you concerned of the period after you fixed-term employment?)*
8. Are you concerned regarding your future finances? Do you think you can make long-term financial commitments?
9. Are you currently seeking for a new job?
10. What are you satisfied with your current position?
11. What are you dissatisfied with your current position?

Question number 7 was asked from only fixed-term employees.

## **Appendix 2. Interview questions for leader**

1. Voisitko kertoa hieman, oletko huomannut itse eroja määräaikaisten ja vakituis-  
ten työntekijöiden
  - a. tuottavuudessa?
  - b. motivaatiossa ja yleisessä työssä jaksavuudessa?
  - c. sairauspoissaoloissa?
2. Millainen syy määräaikaisten työsopimusten solmimiseen yleensä on Organisaatio X:ssä?
3. Onko määräaikaisilla samat työsuhde-edut kuin kokoaikaisilla?
4. Miten tyyppillistä on määräaikaisen työntekijän vakinaistaminen Organisaatio X:ssä?
5. Millä perusteella koulutuksiin osallistujat valitaan, jos kyseessä on koulutus, johon on rajallinen määrä osallistujia? Vaikuttaako siinä työsuhteen kesto/tyyppi?
6. Onko määräaikaisilla samat työsuhde-edut kuin vakituisilla?
7. Onko määräaikaisten palkka sama kuin vakituisten?

## 8. Onko lisättävää/täydennettävää?

English translation:

1. Can you describe if you have noticed differences between fixed-term and permanent employees'
  - a. productivity?
  - b. motivation and overall wellbeing at work?
  - c. sickness absences?
2. What is the usual reason for implementing fixed-term contracts in Organization X?
3. Do fixed-term employees have the same work related benefits than permanent employees have?
4. How typical is it to have a fixed-term employment contract regularized into a permanent one?
5. On what grounds, are participants chosen to participate in training or courses that allow a limited number of participants to join? Does the nature or length of the employment contract play a role?
6. Do fixed-term employees have the same work related benefits as permanent employees have?
7. Is the salary for fixed-term employees same with the permanent ones?
8. Do you have anything to add?