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Part-time employment

Abstract

Part-time employment is a formalized work arrangement where an employee works fewer hours than what an employer judges to be customary for a full-time employee. For legal and comparative purposes, the U.S. Department of Labor defines part-time employees as those working 1-34 hours during a typical work week and full-time employees as those working 35 or more hours during a typical work week. In 2004, the Bureau of Labor Statistics reported that part-time employment status was held by about 17 percent of the U.S. labor force. This percentage is likely to increase and is particularly strong in the service and retail employment sectors. In addition, universities report that increasing numbers of their student now hold part-time positions while attending school.

Disciplines

Business Administration, Management, and Operations | Corporate Finance | International Business | Labor Relations | Strategic Management Policy

Comments

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PART-TIME EMPLOYMENT

Part-time employment is a formalized work arrangement where an employee works fewer hours than what an employer judges to be customary for a full-time employee. For legal and comparative purposes, the U.S. Department of Labor defines part-time employees as those working 1-34 hours during a typical work week and full-time employees as those working 35 or more hours during a typical work week. In 2004, the Bureau of Labor Statistics reported that part-time employment status was held by about 17 percent of the U.S. labor force. This percentage is likely to increase and is particularly strong in the service and retail employment sectors. In addition, universities report that increasing numbers of their students now hold part-time positions while attending school.

Part-time work is also evident in many other countries, although the number of hours used to define part-time status is variable. European countries demonstrate a part-time employment rate of around 16%, comparable to the U.S. rate, but it has increased more rapidly as some nations have encouraged part-time work as a means of alleviating unemployment.

Historically speaking, the majority of part-time workers in industrialized countries have been female (e.g., 65 percent in the United States, 90 percent in Germany and France, 80 percent in the United Kingdom and Japan). Domestic responsibilities (e.g., housework, child care, elder care) are cited as explanations for these gender differences. Younger people, aged 16 to 19, also account for about 13 percent of U.S. part-timers, many of whom are students at the

high school or university level. Few differences in part-time versus full-time employment have been observed around racial lines. In the future, retirees are anticipated to increasingly work part time. A return to employment is predicted for several reasons. Among these reasons are better health (and longer life expectancy) of older persons, the expected financial needs of many retirees, and possible revision of governmental policies to no longer tie hours of work through earnings tests to government retirement programs (e.g., Social Security benefits).

CHANGES IN EMPLOYMENT RELATIONSHIPS

Part-time work is one of many new “nonstandard” forms of employment relationships. The conditions under which employees and employers agree to partner are no longer characterized by time and location or by implications regarding job security or advancement. Accordingly, new models of human resource staffing and individual employee career development are evolving, and these models entail part-time employment.

Motives for part-time employment from an employer’s point of view include insufficient justification for hiring full-time employees because of seasonal variation in demand (peak workload time frames such as harvest or holidays), needs for employee staffing (coverage) that are shorter than customary employment periods (i.e., less than eight hours), and insufficient demand for employee skills to justify full-time employment. Employers usually further benefit from such arrangements by paying lower wages and by not having

to provide employee benefits available to full-time employees. In addition, employers may benefit by securing a trial employment of a potential full-time employee. In short, employers accrue higher levels of staffing flexibility and lower human resource costs when employing part-time employees.

Motives for part-time employment from an employee's point of view include a desire to work fewer hours than a full-time employee (e.g., job sharing) for personal reasons (e.g., to care for children or elders, to attend school or training, health or medical limitations) or a perceived need to supplement one's personal or family income (i.e., moonlighting). Over 7 million Americans, for example, hold two jobs, at least one of which is almost necessarily a part-time job. Others are motivated to accept part-time work until full-time work with a current part-time employer (or another full-time opportunity with another employer) becomes available. Unfortunately, this latter category, termed *involuntary part-time employment*, characterizes about a fourth of all part-timers.

In addition to the voluntary versus involuntary sub-categories of part-time work, other distinctions can also be made. For example, part-time work may entail on-call, seasonal, or year-round employment, may be permanent or temporary, may be a primary or a secondary job, and may or may not be arranged through a third party (i.e., contract employment). Moreover, there are difficulties in defining part-time work, because the comparative standard regarding what constitutes full-time work is also a changing phenomenon. The historical "40 hours over five days" is a moving benchmark in several ways. Many Americans routinely work more than 40 hours a week. Work schedules are increasingly based on business availability to customers around the world 24 hours a day, 7 days a week. Accordingly, many new work scheduling patterns have evolved, making the definition of full-time work a more and more arbitrary reference point (e.g., many nurses now work three 12-hour shifts per week, and this is considered full time).

A case example of this phenomenon can be seen in the increasing number of part-time professionals. These jobs are typically permanent, year-round positions that an organization has elected to fill with an employee seeking a job with reduced hours. Professions that have demonstrated a willingness to engage part-timers with some frequency include law, medicine, accounting, and computer programming. However, defining a part-time professional becomes problematic, because full-time professional work usually

exceeds 40 hours per week, leaving the appropriate hours of reduction for part-time status open to debate. In this case, full- and part-time distinctions become social contractions more than distinctions based on time worked.

SIMILARITIES AND DIFFERENCES BETWEEN FULL-TIME AND PART-TIME WORKERS

Both academic scholars and practitioners have long speculated that part-time and full-time employees are "different." One reason for this speculation is based on the idea that because part-timers spend less time at work, they are regarded and/or perceive themselves to be only partially included in the workplace. Another reason is that part-time work status alters these employees' frames of reference such that they identify more with other part-timers than full-time employees. More recently, it has been suggested that part-time employees formulate a different psychological contract than full-time employees do with their employers. None of these explanations, however, has yet to achieve widespread consensus.

Empirical studies seeking to determine whether part-time employees are materially different from full-timers with respect to work-related attitudes and behaviors have yielded inconsistent results. However, this body of research was recently examined using meta-analytic procedures (i.e., techniques that assess the combined findings of multiple studies) and revealed the following: First, there is little difference between part-timers and full-timers with respect to their level of job satisfaction (including satisfaction with specific facets of work), organizational commitment, and intentions to quit. Second, full-timers do manifest higher levels of job involvement than part-timers. Third, and perhaps most important, these conclusions did not appear to be affected by the type of job (professional vs. nonprofessional) or employee gender, and only a very small difference was detected based on voluntary versus nonvoluntary part-time status. Employees working part time on a voluntary basis reported higher job satisfaction than part-timers working part time on an involuntary basis.

As this latter finding suggests, what may be more critical to understanding whether part-time workers and full-time workers are different is whether an employee's part- or full-time work status reflects employee decision making or whether work status is organizationally imposed. The term *decision* can even be misleading if the employee freely decides to work

part time but would prefer not to work at all. And few studies have posed questions about preferences for part-time work among those choosing to work full time. In other words, the motives for accepting part-time (and full-time) work may be more complex than the simple voluntary/involuntary dichotomy suggests.

The quality of the part-time job may also have a bearing on part-time employee attitudes and behaviors as well as the employee's career stage. When the least intrinsically rewarding or challenging work assignments are relegated to part-time employees, it is unrealistic to expect such job holders to demonstrate equally favorable attitudes and behaviors as their full-time counterparts. Moreover, individuals seeking postretirement employment may approach a part-time job with a very different mind-set than a nonretired individual (e.g., opportunities for advancement may not be a relevant component of this individual's job satisfaction).

Based on scientific research, managers have a limited basis upon which to argue that part-time employees are less desirable than full-time employees. Only the job involvement of part-timers has consistently been shown to be lower than that of their full-time counterparts. However, additional research on this topic (e.g., motivation, organizational citizenship behavior, perceptions of organizational support) is needed to further substantiate this conclusion, as part-time and full-time work status remains confounded with other characteristics of work previously noted (e.g., temporary work status).

CAREER DEVELOPMENT ISSUES

Part-time work is likely to increase in the coming years as a result of two converging trends: (1) the ever-increasing rates of women's labor force participation and (2) a shift in employee career patterning away from traditional, organizationally based careers emphasizing vertical progression to protean career models. As already acknowledged, women are more likely than men to be engaged in part-time work in order to accommodate domestic responsibilities. The increased labor force participation rate of women desiring employment has thus fueled the increase in the number of part-time workers. In addition, the growing ranks of women in managerial and professional jobs have independently contributed to the increase in part-time employees by their encouragement of employers to adopt more family-friendly work-life policies that include part-time work options, along with on-site day care, telecommuting, extended family leave, and so on.

Variability in career patterns continues to increase, and these changes have made the choice to work part-time far more socially acceptable for both men and women. As employers have moved away from life-long employment models and, consequently, responsibility for their employees' career development, employees themselves have concomitantly taken on the responsibility for their career management. The term *protean career*, which asserts that individuals can and should self-direct their careers, is used to capture this change in orientation. Women and men who assume responsibility for their own career management have recognized that there is no longer a single "best" career model and that part-time work can be part of a protean career. "Cutting back," "stepping off the career track," or "following a different career trajectory" by working part-time allows for retraining, changes in career interests, opportunities to pursue personal goals such as travel, volunteer work, taking care of relatives, and so on. Indeed, career experts assert that periodic departure and reentry into the workforce may become much more commonplace.

In the near term, however, moving to part-time work is not without disadvantages. Requests to move from full- to part-time status are frequently denied, and the request itself can derail career prospects. Firms are most likely to approve requests from high-performing and difficult-to-replace employees. Women are more likely to be approved than men, especially for child care reasons as opposed to other personal reasons (e.g., to write a novel). Part-time workers are often provided less challenging assignments and experience fewer opportunities to network, which can initiate a spiral of perceptions that such employees are less valuable to the company.

Despite these disadvantages, nonstandard work options like part-time work are likely to continue to grow. Evidence is already beginning to accumulate to suggest that definitions of career success are rapidly changing away from definitions that are rooted in measures linked to organizational success, to definitions emphasizing the successful integration of personal and work-related goals. Human resource professionals, especially in the service, retail, and leisure and hospitality sectors, who recognize this shift may gain competitive advantage for their firms by demonstrating more employment scheduling flexibility to attract and retain the best employees. Indeed, securing a cadre of loyal, hard-working, part-time employees may be just the solution to employment situations characterized by low-skill jobs, limited opportunities for advancement,

and where, accordingly, employee turnover has traditionally been high and costly. Such a scenario would be win-win for employees and employers alike.

—Paula C. Morrow

See also Family-responsive workplace practices, Flexible work arrangements, Job sharing, Organizational staffing, Protean career

Further Readings and References

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fewer years of experience. Pay compression most commonly occurs when demands from the external labor market push the starting salaries of organizational newcomers to pay levels that are similar to those of existing employees. In other words, as job tenure with the organization increases, wage growth is stifled and the value of additional years of tenure declines over time. As a result, there is a narrowing of the pay differentials between employees with differing levels of experience. Pay compression typically results when the salaries or wages of organizational members do not grow at the same pace as external market wage rates and more recently hired employees are paid at rates similar to longer tenured employees. On an individual employee level, the degree of compression an individual experiences is determined by the relationship between an individual's seniority, their salary level, and the salary of individuals with less experience. Therefore, an individual employee's relative position within a pay structure is the key determinant of their experienced level of pay compression.

A unique instance of compressed pay levels occurs when organizations are operating in markets in which there is high demand for skilled employees and these organizations are forced to raise the pay rates of newcomers in order to attract them. When companies are designing a pay system, they may simultaneously use both external market surveys, in which supply and demand pressures are used to establish pay rates, along with internal job evaluation systems, in which the worth of a given position is determined in relation to organizational strategy and design. Research has found that pay compression may be an outcome when organizations focus more heavily on these external market pressures, via an external equity strategy, than on internal job evaluations or job equity analyses, both internal equity strategies, when determining wage rates. The greater demand for qualified employees makes employers willing to pay more for skilled workers, thus directing their efforts toward an external equity strategy. To attract the best employees, companies may ignore internal pay equity and pay the market value for workers instead. However, such actions produce pay compression by narrowing the pay ratios between newcomers to the organization and current members.

In recent years, the problem of pay compression has been particularly prevalent in high-growth industries and in occupations where market forces push starting salaries for new hires to increasingly higher levels in an attempt to stay competitive in the recruitment of new

PAY COMPRESSION

Pay compression is present when individuals with more years of experience receive pay rates nearly equal to (compression) or less than (inversion) individuals with