

# LITHUANIAN TEMPORARY WORKERS IN ICELAND IN ANOTHER ECONOMIC BOOM: EXPECTATIONS AND EXPERIENCES

Inga Minelgaite, Þóra H. Christiansen, Erla S. Kristjánsdóttir

## Abstract

*Economic changes and a booming tourism industry in Iceland have triggered a rise in temporary workforce, where employees are brought to Iceland from Eastern Europe and other less economically developed countries. Major societal and economic shifts are evidenced by a doubled number of temporary staffing agencies and a ten-fold increase in foreign temporary agency workers. However, limited research exists regarding the phenomenon. Furthermore, the expectations of temporary work force in Iceland have not been researched. The study employed field survey methods to investigate pre-arrival expectations and post-arrival experiences of temporary agency workers regarding temporary agencies and Icelandic society. The findings indicate that the employees had relatively high expectations towards the temporary staffing agency and Icelandic society before arriving in Iceland. However, the findings also indicated unmet expectations in these respects. The study provides empirical data that serves as catalyst for both expectation management and better integration of foreign temporary workforce.*

**Keywords:** *Expectations, foreign temporary agency workers, temporary staffing agency, migration.*

## INTRODUCTION

The rising immigration to European countries has raised some challenges for managers, such as language problems posing difficulties in communication (Hopkins 2012) and training (Connell and Burgess 2009). While cultural diversity can have positive effects (Martin 2014), it has also exposed challenges in managing employees, as staff members from different cultures are often found to have divergent demands for structure and freedom of action (Oh 2006). In Iceland, immigration has risen sharply in recent years, especially after 2004, when Eastern-European countries joined the European Union. At present, over 12 percent of the Icelandic population is foreign born and of those over half are Eastern Europeans, primarily Polish and Lithuanian (Registers Iceland 2018). Therefore, this topic is highly relevant for businesses in Iceland

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and society in general.

Research on the foreign workforce in Iceland has revealed barriers to their advancement and integration in the workplace (Kristjánsdóttir and Christiansen 2017). The case of Iceland is interesting because the country has for a long time been culturally homogeneous, but the growing numbers of foreign nationals are starting to have a visible impact on the societal structure. Therefore, research has focused on topics such as the integration of foreign workers into Icelandic society, the education of bilingual children, and prejudice towards immigrants, with implicit assumptions about the long-term interests of foreign nationals living in Iceland. As such, research so far has mainly focused on the experiences of foreigners in Iceland, but their expectations have not been researched, let alone in relation to experiences of temporary agency workers (TAWs) in Iceland.

Furthermore, the last two years have seen the rise of a new phenomenon in Iceland – the inflow of temporary agency workforce. For the whole year of 2014 the number of registered TAWs was 22, from four agencies, while over 3200 employees have been registered with 30 temporary staffing agencies (TSAs) in Iceland in December of 2017 with the main workforce flow coming from Poland, Lithuania, and other post-soviet countries (Directorate of Labor 2018). This has had multiple effects in Iceland: starting with a new sub-sector in the recruitment market (TSAs) all the way to changing organizational structures in some sectors (particularly season-sensitive sectors, e.g. tourism).

The circumstances of those coming to Iceland to work for a short period of time are dramatically different from those planning to settle. The expectations of TAWs are critical, as they are related with 'fluent' entrance into the new environment. The time element becomes important here, because since that workforce is expected to work in Iceland for a short period of time, easy early transition is crucial for all stakeholders: the employee, the agency that takes care of the process of employment, and the client firm where the employee will work. Furthermore, the increasing numbers of employees working in the temporary workforce industry cannot be ignored and calls for research that investigates the particularities of these processes.

Research on the recruitment practices for expatriates has revealed the importance of expectations for the success of the expatriate assignment and furthermore identified mechanisms for expectancy calibration that may ease adjustment to a new position and culture (Gibson et al. 2015). The key approaches include the realistic job preview (RJP), which is aimed at providing both positive and negative information about the position in question, and the expectancy

lowering procedure (ELP), which is a more generalized approach that has shown good results (Morse and Popovich 2009). While the relationship between the TSA and the TAW is different from an employer and expatriate, the role of expectations is no less valid. The recruitment process must present the temporary placement in a positive enough light to recruit the employee, while not creating unrealistically positive expectations.

In this vein, this study focuses on the expectations and experiences of pre-arrival and post-arrival TAWs in Iceland, as means to improve cultural and workplace integration. In particular, the study's value and originality lies in being the first study on the expectations of temporary employees that are arriving to the Icelandic labor market through temporary staffing agencies. Therefore, the research question is:

*How do the experiences of temporary agency workers compare to their expectations of the temporary agency and Icelandic society?*

We start by an overview of the development of the temporary staffing industry in Iceland, followed by a discussion of the role of expectations in labor migration and expatriate work. The results section reports the findings from a field survey that was employed in order to investigate the expectations of TAWs from Lithuania as they represent one of the biggest national groups of TAWs in Iceland, before they arrived in Iceland and to examine the experiences of the TAWs in relation to how well these expectations are met after arriving to Iceland. Finally, we discuss the practical and theoretical implications of the findings.

## TEMPORARY AGENCY WORK IN ICELAND

The demand for migrant labor, especially to fill low-skilled jobs, has been rising in recent years in industrialized economies and is increasingly filled by workers employed by TSAs and these workers' position in the labor market calls for increased scrutiny since they "...have a heightened dependence upon employers and experience precarious employment conditions" (Baxter-Reid 2016, p. 338). This is also true of the Icelandic labor market, where TSAs have recently established themselves and are expected to succeed and even strengthen their position in the future (Magnússon et al. 2018).

The relationship between TAWs, the TSA and the client firm is a triangular work relationship (Håkansson, Isidorsson, and Kantelius 2012); the TAW signs a contract with the TSA and the agency pays the

worker's wage. The TSA typically recruits and screens recruits and the client firm pays the TSA a fee for these services. The TAW works at the client firm, which has managerial authority over the worker (2012). The TSA is thus a labor market intermediary that seeks to fulfill the client firm's need for a flexible workforce and the worker's need for employment (Coe and Ward 2014). Importantly, TSAs are part of an industry that is "... more than a 'neutral' service industry, but rather as an active agent in the creation of temporary staffing market" (Coe, Johns and Ward 2008, p. 58). It is therefore important to research the situation of the workers vis-à-vis the enterprises engaged in this rapidly developing industry, especially as it gains a new foothold in a labor market like Iceland.

The development of the temporary staffing industry in Iceland is marked by a sudden appearance of a significant temporary staffing industry at the beginning of the millennium, with its subsequent disappearance following the economic collapse of 2008. Then as the economy started to recover, TSAs appeared again in 2012 and the number of agencies in the country had quadrupled by 2017 as depicted in Figure 1 (Directorate of Labor 2018).

The first wave of the rise in temporary staffing in Iceland was fueled by the state's construction of a hydroelectric power plant and a general construction boom. At the time TSAs were not regulated and monitoring of whether they were paying their workers according to the country's collective agreements next to impossible (Thorarins 2013). The majority of TSAs at the time were foreign, as were the workers, but because of the lack of regulations no official data on numbers of TSAs or their employees are retrievable (Blöndal 2005). The operations of TSAs were highly criticized by trade unions, alleging social dumping and abuse of workers' rights (Thorarins 2013).

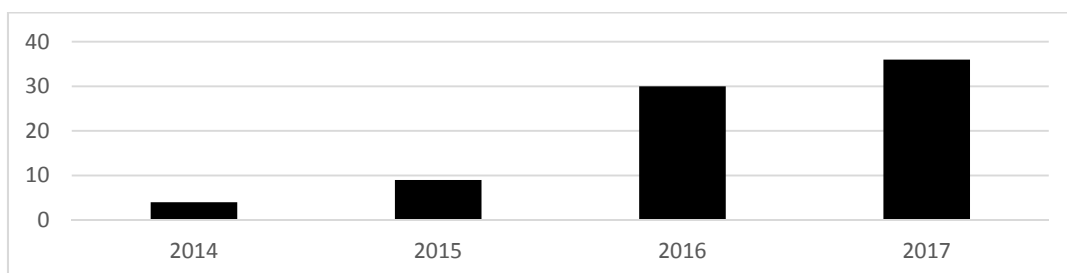
The current legislation on TSAs in Iceland, Act No. 139/2005, was passed as a response to this development and requires TSAs to supply the Directorate of Labor (DoL) with detailed information on employees and the client firms where they will be employed as well as copies of employment contracts. The client

firms are furthermore required to verify that TSAs, whose services they are using, have supplied this information to the DoL. Under the act, TSA workers are entitled to the same wages as they would have received had they been directly hired by the client firm and the DoL verifies that contracts conform to Icelandic collective agreements<sup>1</sup>. The regulation of TSAs in Iceland means that all TSAs must be registered and the DoL keeps track of the numbers and contracts of the TAWs. The records indicate that TSAs that operate in the Icelandic market in recent years are mostly Icelandic firms and that two Icelandic firms dominate the market (Directorate of Labor 2018).

As TSAs appeared again in the Icelandic labor market in 2012, the economy was entering a rapid expansion phase, this time fueled by an unprecedented boom in tourism and consequently construction. The rapid expansion has resulted in labor shortages, especially in these two sectors. The increased migration to the country has met this shortage to some extent, but TSAs have also contributed significant numbers of temporary employees to the labor market. Due to the labor shortage exerting upward pressure on the wages in the country, Icelandic firms are using temporary migrant labor to minimize cost, meet the labor shortage, as well as to increase flexibility in a highly seasonal market. In such a volatile market, temporary migrant workers may represent the "...use of cheap and disposable labour [as] a managerial strategy, which produced greater control over the labour market and labour process" as pointed out by Baxter-Reid (2016, p. 347).

The recent boom in tourism and immigration to Iceland has also resulted in a serious housing shortage; construction was practically halted following the 2008 crisis and has not yet caught up with the need. Adding to this housing crisis is the recent and pervasive trend of converting long-term rentals to short-term rentals for tourists. TSAs in the Icelandic market have met this challenge by offering housing as part of their recruits' contracts, although the TSAs have been criticized for charging the workers exorbitant rent (Icelandic Confederation of Labour 2018).

**Figure 1:** The number of TSAs registered with the Directorate of Labor per year (Directorate of Labor 2018).



## REPUTATION AND EXPECTATIONS

The TSAs' reputation was tarnished in the first wave of temporary staffing in Iceland by allegations of social dumping and abuse. In Lithuania, where the workers in this study are recruited, TSAs also have a negative reputation (Ročkutė et al. 2018). The TSAs do not enjoy public trust and are viewed as influential in lowering wages and work conditions. A further negative aspect is that the workers using the TSA services are stigmatized as being unable to find a job by other means, which is in tune with the model of temporary worker stigmatization proposed by Boyce et al. (2007).

Destination reputation is also important and can impact migrants' choices and activities (Harvey, Groutsis and van den Broek 2018). Polish migrant workers in Iceland report less precarious and exploitative working conditions than did Polish migrant workers in Oslo and Copenhagen, union density is also much higher, or 99%, and most jobs fall under collective agreements (Friberg et al. 2014). TSAs in Lithuania use advertisements from Iceland as a tourist destination creating expectations that may have limited relevance for the everyday working conditions of the recruits. They typically advertise the possibility of fairly high wages as well as long hours. The result may be an image of Iceland as a destination that creates expectations for plenty of work at high wages, secure working conditions, and opportunities to enjoy exploring the country's nature and culture.

Client firms' expectations may also be shaped by the TSAs who promote their recruits as the stereotypically 'good worker' (MacKenzie and Forde 2009; McCollum and Findlay 2018). An especially common stereotype is that the Eastern European migrant workers will work hard for lower wages and as Findlay et al. (2013) point out, the TSAs' actions may also influence the recruits to self-regulate and conform to these stereotypes.

### Expectations

The focus on the relationship between expectations and their fulfillment has been researched extensively for years. Research by Burgelt, Morgan, and Pernice (2008) has shown that migrants who have limited firsthand information and who have inflated and high expectations about the new culture, tend to experience higher levels of disappointment, dissatisfaction and are more likely to return home prematurely than those who have more realistic information about the new culture. Furthermore, their study conducted on German migrants in New Zealand implies that migrants need resources such as migration counselling, language tuition by native speakers and information

sources that give insights into what the migration process entails before they arrive in the new culture. Their findings indicate that such resources could enable the migrants to resolve issues that emerge and enhance their psychological and social response spectrum such as language competency, realistic expectations, and cultural awareness (2008). Furthermore, Burgelt et al. state that in order to retain the German migrants in New Zealand, the host country needs to "live up to the image they create to attract migrants" (2008, p. 296).

Multiple studies have examined expectations and the relationship between expectations and their fulfillment has specifically been an interest to many scholars in the field of organizational psychology. These studies apply in current study although job satisfaction is not being measured, but the factors that are measured can affect experience and satisfaction on the job. Porter and Steers (1973) defined met expectations as a discrepancy between what employees expect to experience on the job and what employees in fact experience (cited in Brown, Kuruzovich, and Massey 2008). Three competing models on expectation confirmation that are proposed by Brown et al. (2008) are: the *ideal point model* that proposes that any difference between expectations and experiences leads to dissatisfaction; the *disconfirmation model* that suggests that satisfaction depends upon the degree to which expectations are unmet. Thus, exceeding expectations leads to greater satisfaction while expectations that fall short reduce satisfaction and thus lead to dissatisfaction; and finally, the *only experiences model* in understanding the relationship among expectations, evaluations and migrants' satisfaction or dissatisfaction suggest the experiences matter regardless of expectations. The evidence for these three models seems to vary but the experiences only model has been supported by several scholars that have found that job satisfaction was driven by experiences rather than expectations and some say that there has been overemphasis of expectations in determining satisfaction (Irving and Meyer 1994; cited in Brown et al. 2008). In addition, Aletraris (2010) states that TAWs experience less satisfaction with their jobs than permanent workers. Job satisfaction is considered desired organizational outcome and as such is important in establishing value of the research, however job satisfaction is not an object of this research, but instead expectation management direction is, as it is antecedent of job satisfaction.

Despite the debate among scholars about the degree of the effect that the relationship between expectations and their fulfillment has, research has repeatedly shown that when migrants' expectations are not met, the likelihood of them withdrawing from the



organization increases. Furthermore, due to the fact that potential employees have the tendency to hold unrealistically high expectations about jobs, RJPs (realistic job previews) "are designed to cultivate more realistic expectations" (Irving and Montes 2009, p. 432). In addition, Irving and Montes state that by cultivating RJPs, organizations might be able to prepare the employees for what to expect on the job and thus decrease negative reactions that emerge from unmet expectations. Moreover, Irving and Montes suggest that one way to minimize employees' negative reactions could be to create unrealistically low expectations among newcomers and "later providing them with experiences that meet or exceed those expectations" (2009, p. 432).

Unmet expectations are strongly associated with decreased job satisfaction and organizational commitment (Wanous et al. 1992; cited in Irving and Montes, 2009). Moreover, what triggered the workers to migrate has an impact on their experience in the new country. Their motivation to stay is likely to increase when they are pleased with their experience upon arrival but likely to decrease when their experience is negative. However, the workers' experiences depend on their expectations and if they are met or unmet (Cerdin, Diné, and Brewster 2014).

In order for the migrants' expectations to be met, Connelly, Gallagher, and Gilley (2007) suggest that workers' desire to work for temporary agencies relates to the support they feel they receive from their temporary agencies. In addition, these workers who choose temporary work are more likely to establish an emotional bond with their temporary agencies. However, the emotional commitment that the workers feel toward the temporary agency is related to the feeling of the support from the client firm. Thus, the workers may be evaluating the quality of the temporary agencies based on their perceived support from the client firms (2007).

Mahönen, Leinonen, and Jasinskaja-Lahti (2013) conducted a longitudinal study with two domains of expectations confirmation: social and economic, and two measures of well-being (i.e., life satisfaction and general mood) as a substitute for adaptation. Their results indicate that in the social domain, life satisfaction and the general mood of diaspora immigrants depends on the relationship between their expectations and experiences. However, in the economic domain, the migrants' expectations, experiences, and their relationship do not seem to affect post-migration well-being. These findings indicate, according to Porter and Steers (1973; cited in Mahönen et al. 2013) that different kinds of expectations vary depending on circumstances, cultures and contexts.

Thus if the relevance of different kinds of expectations varies in different situations and contexts, it is possible that social relationships and free time is more important than one's economic situation and work life, such as in the context of diaspora migration from Russia to Finland as stated by Mahönen et al. (2013), but job exhaustion can be related to TAWs job insecurity (Giunchi et al. 2016). In addition, in one study by Tartakovsky and Schwartz, (2001; cited by Mahönen et al. 2013) on young Jewish emigrants from Russia showed that security for oneself and one's family was a stronger motivation than motivators related to self-development, such as personal growth in knowledge and skills, and materialism, such as wealth and control over material resources, among people who chose Israel as their destination country, as compared to economically more developed countries such as Germany and the USA. A decision to emigrate to Finland, in the study by Mahönen, may have been driven by the expectations related to social relationships and the role of positive expectation confirmation, as discussed above, as opposed to the role of material welfare that is experienced as factor enhancing psychological well-being after migration (Mahönen et al. 2013).

In summary, the Icelandic labor market is going through a rapid expansion phase and the inflow of temporary agency workforce is a new phenomenon in Iceland. The temporary employees are expected to work in Iceland for a short period of time and thus adaptation and early transitions are crucial. In addition, the reputation of the destination is also important and can impact migrants' choices and activities (Harvey et al. 2018). With Iceland being among the most popular tourist destinations and holding a leading position in e.g. the Global Gender Gap Index, there is the potential that the destination may have been oversold to recruits who therefore might hold unrealistically high expectations about jobs (Irving and Montes 2009) and the society. Moreover, realistic expectations of TAWs are critical to facilitate 'fluent' entrance into the new workplace and research has shown that when migrants' expectations are not met, the likelihood of them withdrawing from the organization increases as will the cost to the organization. By cultivating RJPs, (realistic job previews) organizations might be able to prepare the employees for what to expect on the job and thus decrease negative reactions that emerge from unmet expectations (2009). Finally, there is need to study the expectations of TAWs before they arrive in Iceland, their experiences upon arrival and examine if their expectations are met or unmet as it is important to the employees that what has been presented to them during the recruitment process is realized since once they have arrived their position is quite precarious.

## METHODOLOGY

The field survey method was employed in order to investigate the expectations and experiences of TAWs in Iceland. The questionnaire was constructed based on research done by Burgelt et al. (2008). Furthermore, the survey was also based on findings in the qualitative phase of the research that authors of this article performed. The study presented here is of an exploratory nature, as the phenomenon of temporary agency employment in Iceland is relatively new, hence the questionnaire for the survey was comprised of aspects that researchers were interested in and organizational environments are calling upon. Furthermore, within the limitation of financial and time resources, the survey method was most suitable for collecting data from both groups – those arriving to Iceland, and those arrived. The questionnaire used in the survey was comprised of the following sections – sociodemographic questions, general exploratory/clarifying questions, expectations/experiences related to the TSA, and expectations/experiences related to Iceland.

### *Sampling strategy and recruitment of participants*

The data were collected from Lithuanian TAWs, those arriving and arrived to Iceland. This choice was based on the following rationale. First, Lithuanians are the second most numerous nationality among migrants arriving to Iceland for temporary work, besides belonging to the post-soviet block of countries with a high number of emigrants working in temporary posts in Scandinavia, hence the choice of this group increases the relevance of the research. Second, as cultural heterogeneity implies a complexity of settings and limitations (Chemers and Ayman 1993), this particular cultural group of TAWs, Lithuanians, was chosen for the research, anticipating more confidence in research results as it will not be limited by excessive differences among within - (national) culture groups (Snæbjörnsson 2016). Third, the sampling strategy of the research reflects the particularity of the situation of the temporary workforce from Lithuania in Iceland. There is one major TSA in Iceland, which has one exclusive service provider (recruiting people in Lithuania) for the Icelandic market. This particular situation calls for attention when considering the sampling strategy. Hence, the population for this study was Lithuanians arriving or who have arrived to Iceland for temporary work in the largest temporary employment agency in Iceland. Considering the difficulty of the situation of pre- and post-arrival temporary workers, this research presents valuable data. Participants were sent an

online link to the questionnaire and asked to answer the questions.

### *Preparation of the survey instrument*

The surveys were administered in the major language of Lithuania, namely Lithuanian, after translation of the English version by two Lithuanian native speakers. The translations were implemented independently and then compared. In case of any discrepancy, the particular items of the questionnaire were discussed and resolved in regard to linguistic formulations. The content of the questionnaires sent to the two groups, arriving and arrived, was identical, but the wording was adjusted to reflect their different situations. For example, for those arriving the statement was: *I expect that the agency will meet me upon arrival*, while for those arrived the corresponding statement was: *The agency met me upon arrival*. Participants indicated their responses by selecting from a 5-point Likert scale ranging from *strongly disagree* to *strongly agree*.

### *Sample size*

After data cleaning process, the sample size of this research consists of a total of 208 participants, thereof 88 participants arriving and 120 who have already arrived to Iceland.

### *Ethical considerations*

Ethical standards informing participants of anonymity and choice of withdrawal from answering the questionnaire at any point in time were outlined at the beginning of the questionnaire. Recommendations provided by Bryman and Bell (2007) were followed when considering aspects of ethics in the research.

### *Data analysis methods*

SPSS 14.0 (Statistical Package for the Social Sciences) software was used in the data analysis process. Descriptive statistics and t-test analysis were used when investigating results of this study.

## RESULTS

Results of the questionnaire were analyzed in terms of demographic characteristics, in order to describe the sample and its representativeness of the TAWs arriving to Iceland; expectations towards the TSA, and expectations towards Icelandic society at large.

Table 1 describes the research sample in terms of gender, where 84% of arrived temporary employees are men and 16% are women. This is in line with the situation in the temporary staffing market in Iceland, where the majority of jobs offered are in male-dominated sectors such as: construction, auto-repair, transportation (Personal communication with TSA 2017).

Table 1 indicates a statistic that should not be overlooked: 30% of those arriving are women and just 16% have arrived. That means that women are looking for temporary work in Iceland (30%), however, a much lower percentage actually get to Iceland due to the already mentioned nature of temporary positions that are offered in Iceland, providing more opportunities for men than women.

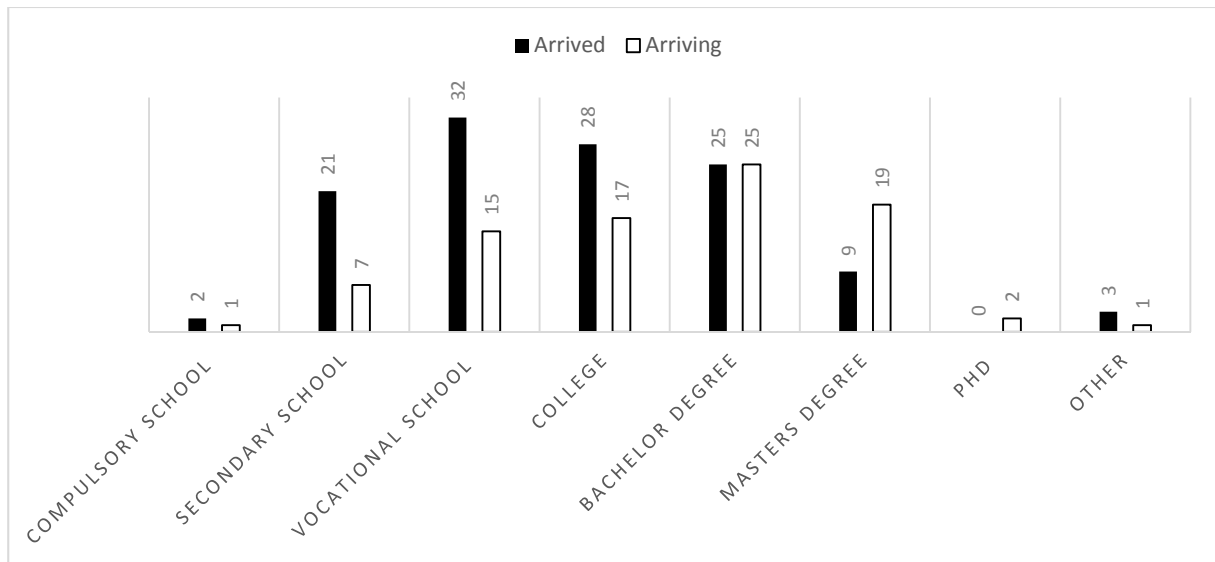
**Table 1:** Respondents by gender (%) and pre-arrival and post-arrival status

N (arriving)=88, N (arrived)=120

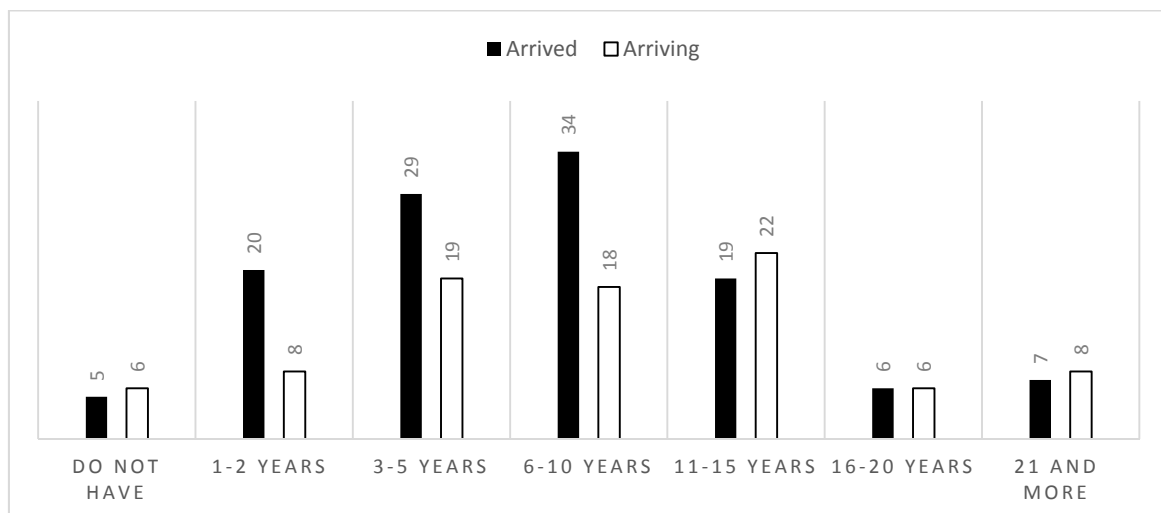
	Arrived	Arriving
Male	84	70
Female	16	30

The education of respondents is presented in Figure 2 and shows the spectrum of educational background of the samples (pre-arrival and post-arrival). Low numbers of respondents in each category limits the drawing of conclusions; however, it is evident that the majority have higher than secondary school education – ranging from vocational education all the

**Figure 2:** Education level and pre-arrival and post-arrival status  
N (arriving)=88, N (arrived)=120



**Figure 3:** Work experience and pre-arrival and post-arrival status  
N (arriving)=88, N (arrived)=120



way to PhD degrees.

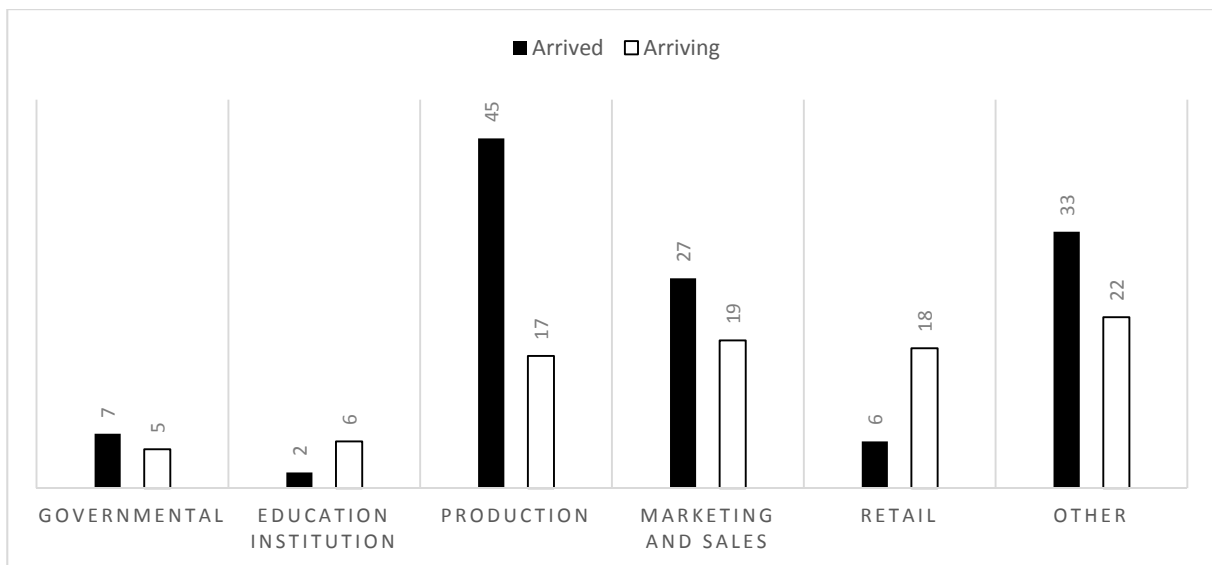
The previous work experience of the respondents is presented in Figure 3 and indicates a diverse range of backgrounds – from those with no experience to those with more than 20 years' working experience. The majority in both samples has 3 to 15 years' experience. This could indicate the need within the Icelandic temporary market for competent workers, however not those with a considerable number of years in the labor market. Possible explanations lie in the relation of work experience and age: those with twenty or more years of experience are older and the average age of the respondents is 30 years (arrived sample) and 33 years (arriving sample).

Figure 4 specifies the work experience of the

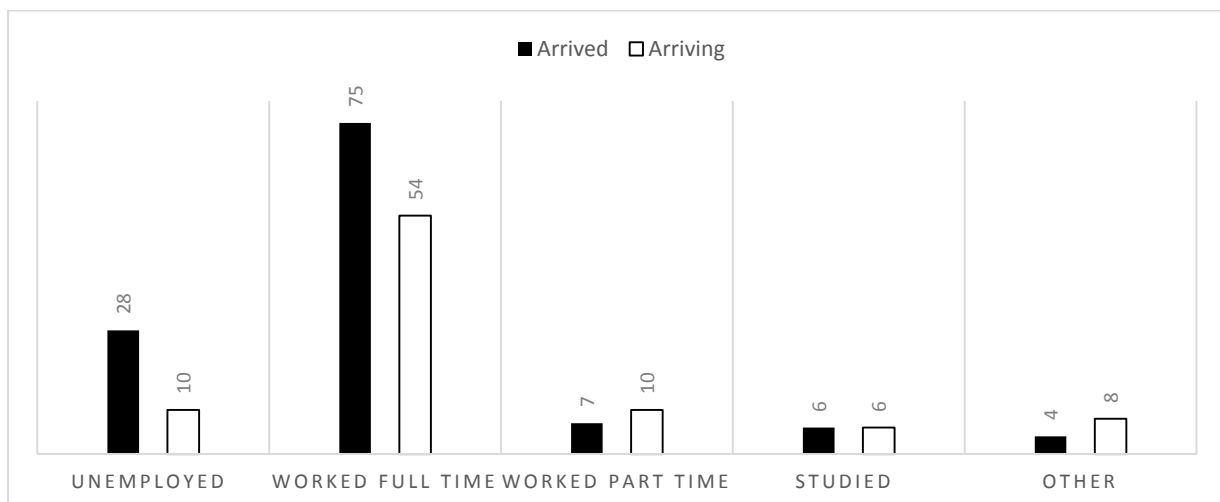
respondents by indicating in which sector they have worked. The distribution of the arriving sample is more even, while the respondents from arrived sample have previous experience primarily in production, marketing and sales and other.

One of the questions was aimed at indicating the prior employment status of those interested or already working in temporary work in Iceland. As seen in Figure 5, the results indicate that the majority of respondents in both samples worked full time prior to the temporary agency work. The other types of employment status, namely part time, studying, and other, are somewhat equally distributed among both samples. However, it should be noted that there is a considerably higher number of those previously

**Figure 4:** Work experience by sector by pre-arrival and post-arrival status  
N (arriving)=88, N (arrived)=120



**Figure 5:** Employment status prior to arrival and pre-arrival and post-arrival status  
N (arriving)=88, N (arrived)=120





unemployed in the arrived sample. This means that 28 respondents, or 23% of the arrived sample, were unemployed prior to arrival and were actively seeking employment, even though temporary, abroad.

The following section presents the results of the research regarding the experiences and expectations that TAWs have towards the TSA and Icelandic society.

### EXPECTATIONS TOWARDS THE TEMPORARY STAFFING AGENCIES

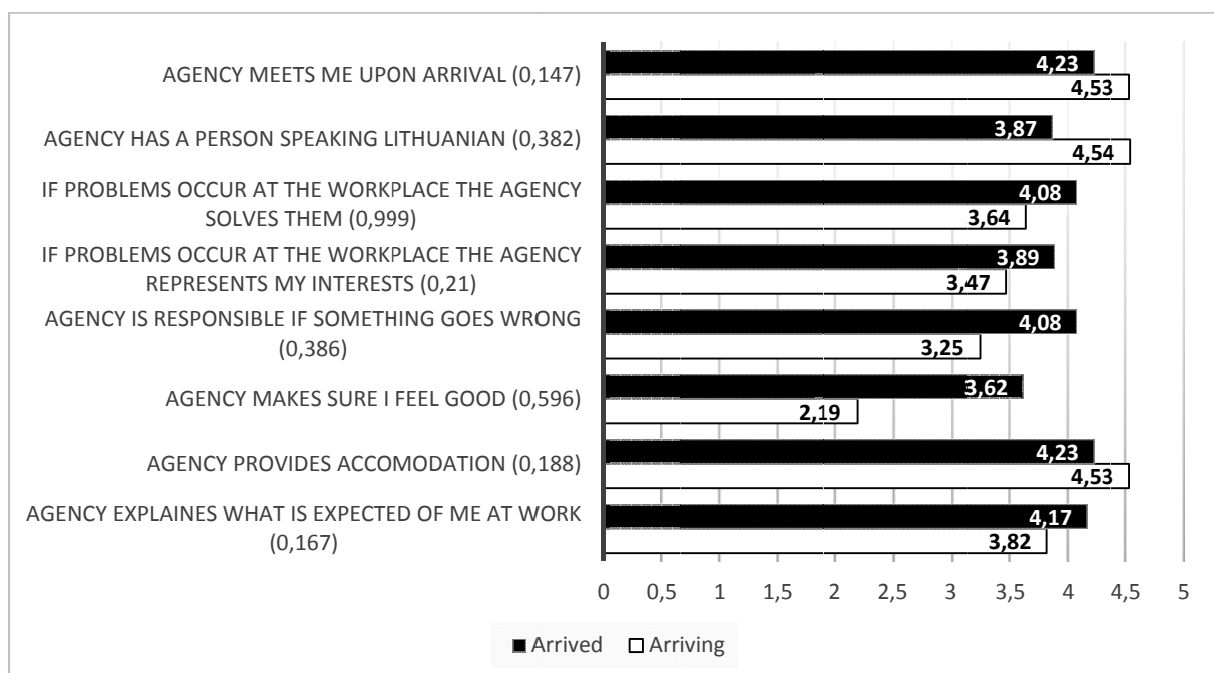
One objective of the research was to explore how the TAWs experiences correspond to their expectations towards the TSA. In other words, to what extent experiences following their arrival met their pre-arrival expectations. In order to answer this question, a t-test was performed to compare the responses of those arrived and those arriving (Figure 6). Even though the t-test might be a simple analysis it demonstrates interesting differences between the two groups in these first findings.

The t-test analysis on questions regarding expectations and experiences towards TSA indicated statistically meaningful differences ( $p < 0.05$ ) in seven questions between those arriving and those arrived (pre-arrival and post-arrival). Visual and quantified representation of these seven questions with statistically meaningful differences is presented in Figure 6. The correlation coefficient is shown within brackets

(Cohen, 1992). Five questions of those with statistically significant differences between those arriving and arrived, indicated higher expectations of those arriving than the experiences of those arrived, namely, that the agency: *is expected to solve problems if they arise when dealing with the client firm; if any problems arise with the client firm, the agency is expected to represent the worker's interests; is responsible if something does not go well; makes sure the temporary worker feels good; and is expected to explain to the workers what is expected of them at work.* Particularly considerable differences resulting in unmet expectations were when asked about overall content and expectations of the agency to ensure 'feeling good'. Those arrived indicated much lower experiences regarding this aspect, indicating unmet expectations towards the agency making sure that the worker feels good in Iceland overall. This indicates the importance of overall feeling of well-being and strong emphasis on the agency's role in contributing towards fulfillment of this expectation.

Results also indicate somewhat over-exceeded expectations. Answers to three questions allow the drawing of this inference, namely that the agency: *will meet me upon arrival; will have a person speaking Lithuanian; and will provide accommodation.* Results indicate that arrived workers had their expectations over-exceeded by the agency upon arrival, which involves meeting them as they arrive at the airport, driving them to and providing them with accommodation. The other expectation that indicates over-exceeded expectations

**Figure 6:** Significant differences in expectations and experiences towards TSA between pre-arrival and post-arrival N (arriving)=88, N (arrived)=120



relates to Lithuanian speaking staff at the agency. Results indicate that the workers who have arrived to Iceland experience that their expectations towards communication in Lithuanian with the agency are exceeded. This can be explained by the fact that this particular agency has three Lithuanian speaking staff members and hence, from the first encounter with the agency at the office, the workers find that they have more opportunities than they expected to communicate with the agency in their native language (Personal communication with representative of TSA 2017).

The survey questions that yielded no statistically significant differences should not be overlooked, namely, that the agency: *helps me to understand what is expected from me at work; takes care of all documentation; helps me always when help is needed; and will provide opportunity to renegotiate my contract if I see the need for it.* Qualitative research covering the above mentioned aspects could provide insights regarding why there is no statistically significant difference.

### EXPECTATIONS TOWARDS ICELANDIC SOCIETY

Another aim of the research was to explore to what extent expectations towards Icelandic society are realized upon arrival. In other words, whether the experience of arriving differed from pre-arrival expectations towards Icelandic society.

In order to answer this question a t-test was performed. The test results indicated statistically significant ( $p < 0.05$ ) differences between those arriving and those arrived, when it comes to expectations towards Icelandic society. Results demonstrate statistically

significant differences in four out of eleven questions. Visual and quantified representation of these four questions with statistically meaningful differences is presented below in Figure 7. Those arriving had higher expectations towards Icelandic society in three areas, namely: *opportunity to communicate with Icelanders during free time; learning something new as a result of communication with Icelanders; and Icelandic healthcare system being better than in their native country Lithuania.* All these three sets of expectations were experienced as unmet by those arrived.

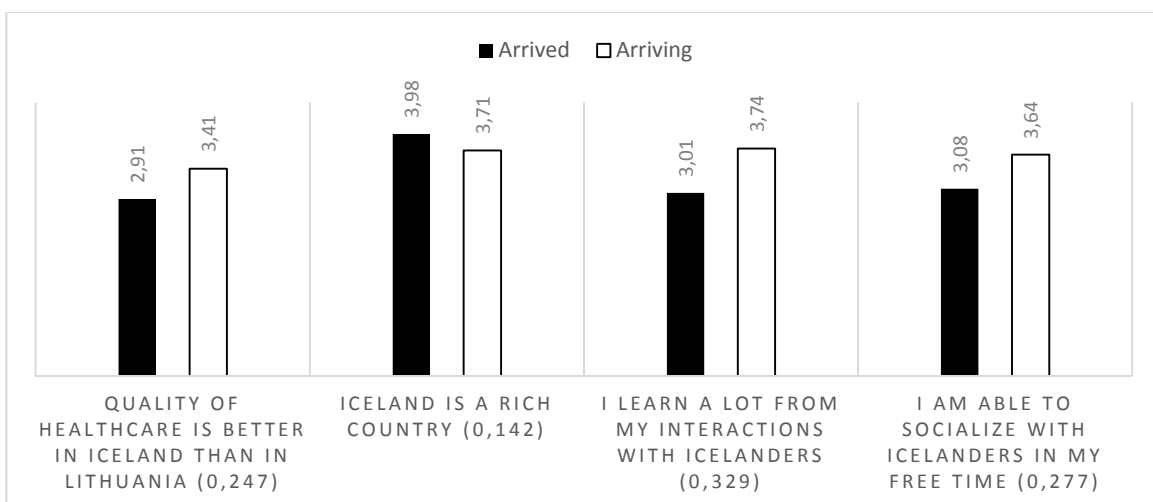
One expectation, *regarding Iceland being a rich country*, was seen as being more so by those who have already arrived.

Yet again, a qualitative inquiry into questions that yielded no statistically significant differences (7 out of 11) would be needed in order to answer questions such as: Are those coming to Iceland very well informed about Icelandic society at large and have realistic expectations? Or, is this a case of shortcoming of statistical methods failing to discriminate among two groups, based on average-centric responses? Qualitative inquiry would provide more holistic account regarding these issues.

### DISCUSSION

The demand for migrant labor to fill low-skilled jobs has been on the rise in recent years in industrialized economies and is increasingly filled by workers in temporary contracts with TSAs (Baxter-Reid 2016). This study used the field survey method to investigate how the expectations of TAWs before arriving in Iceland towards the role of temporary agencies and towards

**Figure 7:** Difference in expectations towards Icelandic society between pre-arrival and post-arrival. N (arriving)=88, N (arrived)=120



the Icelandic society correspond to the experiences of employees after they arrived in Iceland. Responses to the research question and the main findings will be discussed below.

The employees in this study had relatively high expectations regarding the TSA and five out of seven questions presented statistically significant differences in answers between those arriving and arrived, where the expectations were unmet upon arrival. In this study, it is not clear what type of preparation regarding the TSA and the employing client firm the employees received, if any, before they migrated to Iceland. Morse and Popvich (2009) state that the key approaches that prepare employees for a future job include the realistic job preview (RJP) that aims at providing both positive and negative information about the new position. The findings in the current study indicate that the information they received about the position may have been rather limited or possibly overly positive and that the employees may have received limited preparation for what to expect. Hence, further research is needed, addressing the role of the agency in recruitment and pre-arrival preparation of temporary workers and the impact of such preparation.

Before they arrived, the employees had also higher expectations towards Icelandic society regarding opportunities to communicate with Icelanders during their free time, learning something new as a result of communication with Icelanders, and the Icelandic healthcare system being better than in their native country of Lithuania. These findings may indicate that the employees that are working in temporary jobs have limited amount of free time and are working numerous hours of overtime in order to earn more money. Thus, the opportunities to communicate with Icelanders are limited, language barriers exist and there is not much time to socialize after work. These employees' expectations prior to arriving in Iceland may relate to advertisements from Iceland that are used by recruiters in Lithuania that create unrealistic expectations about an image of Iceland as a destination with a lot of work at high wages, secure working conditions and opportunities to enjoy the country's nature. Findings regarding healthcare being not as good as expected and the perception that Iceland is a richer country than they believed before they arrived in Iceland are interesting and need further investigation.

The employees had high expectations towards being taken care of by the temporary staffing agency such as being responsible if something does not go well, and solving eventual disagreements between the worker and client firm if disagreement comes up

between the worker and client firm. The employees' experiences indicate that they did not have realistic expectations about the service that the temporary staffing agency provides. The ideal point model on expectation confirmation by Brown et al. (2008) proposes that negative discrepancy between expectations and experiences leads to dissatisfaction. The employees appear to have expected more support from the temporary staffing agency. Connelly et al. suggest (2007) that employees need to experience support from the agencies in order for them to have their expectations met and to want to work for them. However, sometimes the commitment that the employees feel toward the agency is related to the feeling toward the employing client firm. As a result of that, the employee may be confusing the quality of the temporary agency with their perceived support from the employing client firm (2007). This needs to be examined in future studies.

The employees had very high expectation when asked about overall contentment and expecting the agency to ensure that they feel good. Those arrived indicated much lower experiences regarding this aspect, indicating somewhat unmet expectations towards the TSA making sure that TAW feels good in Iceland overall. These findings imply a few considerations which all require future research: the possibility of ineffective expectation management by the agency in regard to overall well-being of the workers, where emotional issues were not considered; another possible scenario is that the employees held unrealistically high expectations about the role of the TSA and that they did not receive realistic job previews (RJP) as suggested. Irving and Montes (2009) suggest that RJP's are designed to prepare the employee for the new work experience and to gain a realistic view of the job. Moreover, they state that organizations can prepare the employees for what to expect on the job and decrease negative reactions that may occur due to unmet expectations by cultivating RJP's. Further qualitative research could provide deep insights into experiences of temporary workers in regard to the expectations towards the agency when providing emotional comfort.

Interestingly, three questions indicate that the arrived employees had their expectations over-exceeded by the TSA upon arrival regarding meeting them, providing them accommodation and speaking their language. The workers liked that a representative from the agency met them at the airport and drove them to their accommodation. Having a person who speaks their language, providing accommodation, taking care of documentation and giving them guidance exceeded their expectations. This is in accordance with the disconfirmation model proposed by

Brown et al. (2008) that proposes that satisfaction depends upon the degree to which expectations are met. Thus, exceeding expectations leads to greater satisfaction while expectations that fall short reduce satisfaction and thus lead to dissatisfaction. Moreover, the employees' experiences of exceeded expectations may be a result of their possible previous negative expectations they had prior to arriving in Iceland about TSA work but as stated by Ročkutė et al. (2018), TSAs have a negative reputation in their home country of Lithuania. In addition, TSAs are seen as untrustworthy and influential in lowering wages and work conditions. This may have dampened their expectations before arriving in Iceland and thus their experience was more positive than expected when they were met upon arrival, provided accommodation, and able to communicate in their native language in a foreign country.

This research contributes to the literature by providing empiric data on temporary agency work of foreigners in Iceland, representing the view of the foreign employees and identifying sources of expectations and experiences within the different domains of professional and social life. Furthermore, this study makes a contribution by examining temporary employees' expectations and their level of fulfillment within a specific, temporary workforce sector, in a country with particular geographic situation ("islanders effect", see Conkling (2007)) and homogeneous societal culture; with potential contribution to the fields of diversity management, HRM, expatriation/self-initiated expatriation, and cross-cultural management. The results of this research are particularly valuable for companies employing a foreign temporary agency workforce, when adjusting HR practices, and organizational processes. The results furthermore reveal areas of future research into the recruitment practices and preparation of TAWs and the fulfillment of the resulting expectations. Finally, the results of the research can serve as policy guidelines for related governmental institutions such as the Directorate of Labor and the Directorate of Immigration.

## CONCLUSION

The temporary employees in the current study, mostly men, migrated to Iceland in search for better opportunities and experience. This is in line with the situation in the temporary workforce market in Iceland, where the majority of jobs offered are in the traditionally male-dominated sectors, such as construction, auto-repair and transportation (Personal communication with TSA 2017). Moreover, the majority

of the men were young and with education ranging from vocational education, bachelor's and master's, to PhD degrees. Moreover, they predominantly had full-time jobs before arriving in Iceland and many of them had an extensive work experience of up to 20 years. These are interesting findings that do not support the negative stereotype of the unskilled foreign workers in Iceland. These findings further reject the common prejudice that employees that use temporary staffing agencies are unable to find a job by other means, as indicated in the model of temporary worker stigmatization proposed by Boyce et al. (2007). In contrast, the employees in this study are educated, experienced and employed in their native country prior to coming to Iceland for temporary work. They migrate to Iceland in search of new challenges, work opportunities and a better life. The country from where they emigrate has invested in these individuals by providing them with education and training. Thus, the Icelandic temporary staffing market is benefitting from hiring these skilled employees that bring their work experience and education that they earned in their home country to Iceland.

An interesting finding that should not be overlooked is that of those that showed interest in migrating to Iceland in this study 30% are women but women represent only 16% of those arrived. This indicates that an increasing number of women are looking for temporary work in Iceland. However, a much lower percentage of women actually migrate to Iceland due to the already mentioned nature of temporary positions that are offered in Iceland, providing more opportunities for men and excluding women. More women would like to come to Iceland for temporary work, but due to the nature of jobs offered in the temporary staffing market, fewer women actually arrive. However, this situation might be changing due to the rapid expansion of the tourism industry and increase in jobs offered in such businesses as accommodation and catering, where the majority employed are women. Furthermore, research indicates that a shift can be expected in the near future in the temporary work market in Iceland, where more professionals will be needed in particular sectors, e.g. nursing and healthcare (Magnússon et al. 2018). This would open more opportunities for educated and skilled women from countries like Lithuania to get temporary positions within their professional field, while the majority arriving today to Iceland are overqualified for the temporary positions on offer in Iceland.

This study is not without limitations, the sample size is rather small and only one country's labor market is examined. Due to the size of the sample we could not perform certain types of analysis, e.g. control for



certain variables, such gender or education, and presents opportunity for future research. **However, this study is explorative in nature and is a stepping stone toward examining the development of the temporary staffing industry in Iceland and Europe. A replication of this study within a few years is in order, including more women, and other sectors such as health care and tourism need to be examined. In addition, recruitment from more countries, both in Eastern Europe and in Asia, needs to be researched. Finally, in-depth interviews with both the employees and temporary agency representatives need to be conducted in order to reveal the lived experiences of both groups' expectations regarding the temporary staffing market.**

This timely study serves as benchmark in socio-economically unique context of Iceland, a country characterized by dramatic economic shifts (Jónsson and Sigurgeirsson 2017) and societal changes (Skaptadóttir and Loftsdóttir 2009). In this way this study provides a basis for longitudinal inquiry or future research accounting for specific elements of expectation management and foreign temporary agency employment. Furthermore, even though this is a single-country study, it has relevance for other countries and regions. It holds strong relevance for small countries and regions, particularly islands, and highlights the importance of contextual variables, especially in the situations of sudden growth of one industry, e.g. tourism.

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