

**Temporary Employment Agency Working in The UK:
Theoretical Issues and Empirical Evidence**

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The candidate confirms that the work submitted is his/her own and that appropriate credit has been given where reference has been made to the work of others.

This study examines the phenomenon of temporary employment agency working in two areas of the UK, Leeds and Telford. Recent debates on the changing nature of the employment relationship have focused on purported moves towards non-standard working, and have increased the need for a closer examination of individual forms of employment. The temporary employment agency is one of a number of contemporary and historical forms of labour market intermediary, and this thesis starts by attempting to identify the distinctive features of this particular form of working. Analysis then focuses on the unique nature of the employment agency industry in the UK. The distinction is made between agencies that found employment relationships and then step out of the picture and agencies, such as temporary employment agencies which can potentially 'remain in the picture' for some time, building relationships with workers and firms. The custom in the UK of carrying out temporary help and permanent placement from the same agency is also discussed. A comparison of legislation pertaining to agency working across Europe reveals the diverse interpretations that have been given to the role of the temporary employment agency.

The empirical focus of the thesis is on two of the three parties in the employment agency relationship, the employment agency worker and the employment agency itself. Through large-scale survey analysis, the conduct of an original questionnaire to agency workers in two areas of the UK, and in-depth interviews with agency workers and managers an attempt is made to assess the significance and implications of this form of working. A central aim is to explore the implications of the intervention of the temporary employment agency between worker and firm, and to investigate the relationships which emerge as a result of this intervention. At an empirical level, these aims are realised via the identification of the personal and employment characteristics of agency workers in the UK and a comparison of these characteristics with other groups of employees. The experience of agency working is examined from the perspective of the agency worker, focusing on both tangible and attitudinal measures of this experience. An assessment is made of the nature of the relationships between the three parties in employment agency working. Such an analysis allows insight into a number of issues, including : the nature of agency working; the role of the employment agency in shaping developments in the industry; the reasons for recourse to agencies by firms and workers; and the impact of local labour market characteristics on the above issues.

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INTRODUCTION

In recent years, increasing prominence has been given in academic and policy debates to the changing nature of the employment relationship. Within these discussions, most attention has been directed towards changing forms of employment, and the implications, significance and permanence of purported moves away from a ‘standard’ employment relationship and towards ‘non-standard’ forms of working. This thesis examines the phenomenon of temporary employment agency working in the UK against this background. The analysis focuses on two of the three parties in the employment agency relationship, the employment agency worker and the employment agency itself, in an attempt to assess the significance and implications of this form of working. A central aim is to explore the implications of the intervention of the temporary employment agency between worker and firm, and to investigate the relationships which emerge as a result of this intervention. At an empirical level, these aims are realised via the identification of the personal and employment characteristics of agency workers in the UK and a comparison of these characteristics with other groups of employees. The experience of agency working is examined from the perspective of the agency worker, focusing on both tangible and attitudinal measures of this experience. An assessment of the nature of the relationships between the three parties in employment agency working and the role of the employment agency in shaping developments in the industry is provided. Consideration is also given to the impact of local labour market characteristics on the above features.

The study is novel for a number of reasons. First, research into non-standard working has frequently analysed the emergence and significance of the various forms of employment making up this category *en masse*. This study aims to

investigate one particular form of non-standard working in detail, placing it in appropriate historical and international context. Secondly, previous research has centred on the user firm, evaluating, for example, the reasons why recourse is made to employment agencies. However, one of the distinctive features of agency working is the three way relationship that is created when the agency mediates between firm and worker. This thesis argues for an approach which explicitly focuses on the activities of the employment agency and looks at the experience and perceptions of agency workers. Thirdly, research on employment agency working has concentrated primarily on the US labour market. The UK employment agency industry is distinctive however, justifying a study looking at the operation of the industry in the UK in particular.

In Chapter 1, debates surrounding the changing nature of the employment relationship are examined. One of the strongest conclusions emerging from discussions surrounding the purported move away from standard to non-standard employment arrangements is the need for a closer examination of individual forms of working, such as agency employment. The phenomenon of temporary employment agency working is then introduced, and an attempt is made to distinguish it from other contemporary and historical forms of labour market intermediation. Existing research into agency working is then assessed, drawing on the flexibility, internal labour markets, applied economics and contingent employment literatures. The implications of this review for our study are highlighted, and the limitations of existing research identified. Such limitations relate to : the conceptualisation of the employment agency as a passive intermediary in the applied economics literature; the emphasis placed in existing research on the temporary attachment associated with agency workers; the applicability of existing US research to agency working in the UK; and the neglect of the relationships created when the agency intervenes between worker and firm.

In Chapter 2, some of the complexities of the employment agency industry are investigated in more detail. A diverse range of contemporary intermediaries can be identified, carrying out a variety of activities, and subject to a range of regulations in different countries. The ongoing debate about the interpretation of the temporary employment agency as an intermediary or something ‘quite different’ (Veldkamp and Raetsen, 1973, p122) is discussed in this Chapter. Figures on the development of the industry in various countries are provided, and a cross-national comparison of regulations pertaining to the use of agency workers is also presented, with the aim of revealing some of the distinctive features of agency working.

In Chapter 3, the methodological approach adopted for this thesis is outlined. Reference is made to the use of extensive and intensive research designs, and the type of explanations that can be generated by each. An examination of the aims of this particular thesis, and consideration of recent debates within the Industrial Relations literature over the relative merits of case study and large-scale survey research, reveals the suitability of a combination of extensive and intensive elements for this study. The research procedure adopted for this thesis is then described in detail.

Chapter 4 presents the analysis of a large-scale employee data-set, the Labour Force Survey, describing the extent of agency working in the UK, and providing an up-to-date picture of the personal and employment characteristics of agency workers. It offers a comparison of these characteristics to other groups of workers in the workforce, thus exploring at an empirical level the nature of the conceptually distinctive features of agency working outlined in Chapter 1. The procedure of identifying agency workers in the Labour Force Survey is also described in detail, revealing that the isolation of individual forms of employment is

by no means straightforward. The results of the Labour Force Survey are compared with those from previous research, and the implications of the analysis for this thesis are outlined.

Chapter 5 reports the findings of a survey of employment agency workers in Leeds and Telford. The survey aimed to provide an analysis of the experience of agency working from the perspective of the agency worker, focusing on both tangible measures of this experience such as assignment lengths, contract type, training and benefit provision, as well as the attitudes and perceptions of agency workers towards their employment situation. The motivations for engaging in agency working and the advantages and disadvantages associated with it are considered. Additionally, a comparison of the experience of agency working in the two areas is offered.

In Chapter 6, the findings of intensive interviews with eight employment agency managers and nine employment agency workers in Leeds and Telford are presented. The principal aim of the interviews was to investigate the nature of the relationships between the participants in the employment agency relationship. The proactive role of the employment agency in shaping developments in the industry is stressed throughout, offering a sharp contrast to the common portrayal of the agency as an institution that simply responds to the needs of firms and workers. Through an analysis of the 'matching' procedure it is argued that agencies are currently attempting to insulate their relationships with firms from outside competition through the provision of tailored matching services, in which elements of continuity rather than the temporary attachment of workers are important. The changing structure of business at employment agencies is considered, and the implications of these trends for workers highlighted. Despite the increasing emphasis by firms on

achieving continuity in the agency staff they receive, for most agency workers time discontinuities and gaps between assignments remain.

In Chapter 7, a number of conclusions are presented and possible directions for future research are explored. Several theoretical and conceptual issues are raised, relating to the nature of agency working, the reasons for recourse to agencies by firms and workers, the role of the employment agency, and local labour market issues. The methodological approach adopted for this thesis is also considered, and an assessment is made of its suitability for analysis of the subject of this thesis, temporary employment agency working.

CHAPTER 1 : TEMPORARY EMPLOYMENT AGENCY WORKING : A UNIQUE ARRANGEMENT?

1.1 Introduction.

This thesis examines the phenomenon of temporary employment agency working in two areas of the UK. The analysis focuses on two of the three parties in the employment agency relationship, the employment agency worker and the employment agency itself, in an attempt to assess the significance and implications of this form of working. A central aim is to explore the implications of the intervention of the temporary employment agency between worker and firm, and to investigate the relationships which emerge as a result of this intervention. At an empirical level, these aims are realised via the identification of the personal and employment characteristics of agency workers in the UK and a comparison of these characteristics with other groups of employees. The experience of agency working is examined from the perspective of the agency worker, focusing on both tangible and attitudinal measures of this experience. An assessment of the nature of the relationships between the three parties in employment agency working and the role of the employment agency in shaping developments in the industry is provided. Consideration is also given to the impact of local labour market characteristics on the above features.

This chapter is organised as follows. Section 1.2 looks at the debate on the changing nature of the employment relationship, and notes the recent decline in the proportion of workers in 'standard' relationships, and the consequent rise of those in 'non-standard' arrangements. There is increasing speculation about the underlying reasons behind these trends, as well as their implications for work organisation and job security. Whilst some, for example, point to fundamental underlying changes in the organisation of production, others interpret the changes as a temporary or exaggerated phenomenon. Within this debate, the question of the significance of the increasing

prominence of non-standard forms of employment has frequently been discussed *en masse*, with the subject of this thesis, temporary employment agency working, seen as only one of a number of related changing employment arrangements. However, one of the strongest conclusions to emerge from this debate is the need for a closer examination of the individual forms of employment that make up "non-standard" working. With this in mind, Section 1.3 focuses in detail on temporary employment agency working. The intervention of the employment agency between employer and worker creates a triangular or three-way relationship between the parties, which conceptually distinguishes temporary employment agency working from other non-standard forms of employment. Analysis of contemporary and historical forms of intermediation enables a further distinction to be made between, on the one hand, agencies which found employment relationships and then 'step out of the picture' and on the other hand, agencies with which relationships with workers and firms may continue over time.

In Section 1.4, engagement is made with several academic literatures, to examine how the phenomenon of agency working has been analysed. Work undertaken in the flexibility and internal labour markets traditions share the common goal of establishing why recourse is made by firms to employment agencies. The applied economics literature, on the other hand, utilises both 'demand' side (from the firm) and 'supply' side (from the worker) factors to develop an explanation of the growth of the employment agency industry in recent years. From a different perspective, the US literature on contingent employment has been able to identify the principal characteristics of agency workers and some of the implications for workers of this form of employment. In Section 1.5, the implications of this review of the literature for this thesis are examined and the limitations of existing research identified. These limitations relate to : the downplaying in the flexibility and internal labour market literatures of recourse to agency workers in which continuity rather than 'temporary attachment' is emphasised by firms; the applicability of results obtained in US research to agency

working in the UK; the common conception of the employment agency as a passive intermediary; and the neglect in much research of the nature of the relationships between the three parties in agency working. Section 1.6 offers some conclusions.

1.2 Changing patterns of employment and non-standard working.

Recent debates on the changing nature of the employment relationship have given priority to changing forms of employment in response to figures highlighting a fall in the last 20-30 years in the proportion of workers in 'standard' employment arrangements and an accompanying rise in those in 'non-standard' work. Typically, discussions of the concept of a standard relationship between worker and employer have assumed a model of employment based on permanency, stability and security. Carnoy et al (1997), for example, frame their discussion of recent labour market developments in the US around a model of working consisting of :

‘...full-time employment for an indefinite period, with a single employer who is primarily responsible for conditions of employment’ (ibid., p27).

Similarly, for Henson (1996), changes in the employment relationship are gauged against :

‘...a post-world-war II model of full-time employment with implied permanency, steady and predictable wages, internal advancement and training opportunities, and the provision of employer sponsored benefits’ (ibid., p1).

Against these measures, it is possible to chart the decline in recent years in the proportion of workers covered by standard arrangements. In the simplest terms, observers can point to a fall over the last 20-30 years across OECD countries in the number of workers employed in a full-time job. (Table 1.1).

Table 1.1. Full-time employment as % of total employment, selected OECD Countries.

	1973	1979	1983	1990	1993	1996
Australia	88.1	84.1	82.5	78.7	76.1	75
Austria	93.6	92.4	91.6	91.1	89.9	87.4
Belgium	96.2	94	91.1	89.1	87.2	86
Canada	90.3	86.2	83.2	83	80.9	81.1
Denmark	-	77.3	76.2	76.7	76.7	78.5
France	94.1	91.9	90.4	88.1	86.3	84
Germany	89.9	88.6	87.4	84.8	84.9	-
Italy	93.6	94.7	95.4	95.1	94.6	93.4
Japan	86.1	84.6	83.8	80.8	78.9	78.2
Neth'ds	-	83.4	78.8	68.3	65	63.5
Norway	77.1	72.7	70.4	73.5	72.9	73.4
Portugal	-	92.2	-	94.1	92.6	91.3
Spain	-	-	-	95.1	93.4	92.3
UK	84	83.6	81	78.3	76.6	77.8
US	84.4	83.6	81.6	83.1	82.4	81.7

Source : OECD (1998), p 161.

Note : distinction between part-time/full-time based on method described in OECD (1997, p211)¹.

Other indicators highlight a decline in the permanency, stability and security of employment via measures of job tenure², retention rates³ and employment elasticity⁴ (for a review of the evidence on this, see Buechtemann, 1993; OECD 1997). For the UK, Gregg and Wadsworth (1995) have highlighted a gradual fall in the UK in the number of full-time tenured employees - i.e. those in posts long enough to qualify for statutory minimum employment rights. In 1973, 55.5% of the working age population were full-time tenured employees, but by 1993, this figure had fallen to 35.9% (Table 1.2).

¹Three main methods of calculating part-time (and thus full-time) workers can be identified in national surveys. The first utilises workers' own perceptions of their employment situation. The second uses a cut off point (30-35 hrs a week) based on usual working hours. The third looks at actual working hours during the reference week.

²*Job tenure* refers to the length of time a worker has been in their current job.

³The *retention rate* measures the probability of a worker being with the same employer at some time (e.g. 5 years) in the future.

⁴*Employment elasticity* measures the speed of workforce adjustment (either by a variation in the number of workers or the number of hours worked) to changes in industrial output.

Table 1.2 Employment Status of the UK working Age Population 1975-93.

Employment Status	1975	1985	1993
Full-time, with tenure	55.5	42.1	35.9
Full time, without tenure	9.1	15.9	22.3
Part-time	11.6	12.9	14.7
Government schemes	-	1.3	1.1
Unemployed	4.6	8.7	8.1
Inactive	19.2	20.4	19.8

Note : full-time posts without tenure include those with less than 6 months duration in 1975, 1 year in 1985 and 2 years in 1993.

Source : Adapted from Gregg and Wadsworth (1995), Table 4, p82.

The reasons behind these and other changes in the employment relationship, as well as their implications and enduring significance are the subject of much debate. Such developments can, for example, be placed within the context of a transition from Fordist to Post-Fordist forms of production, where the supposed shift away from mass production towards flexible specialisation is accompanied by a move away from ‘...bureaucratic systems of personnel administration and stable organisational careers’ (Crompton et al, 1996, p3), and towards ‘...organisational delayering and the decline of the long-term, single organisation career’ (ibid., p3). Some writers link flexible systems to future economic prosperity, offering an alternative to mass production as a means of achieving this goal (e.g. Hirst and Zeitlin, 1989; Piore and Sabel, 1984). The binary characterisations of production systems associated with such predictions have been criticised along a number of dimensions, in particular that they obscure complex patterns of development, change and continuity in individual countries, sectors of employment, and within particular modes of production (see for example Amin, 1991; Nolan and O’Donnell, 1991; Smith, 1989). The implications of changing employment trends for workers have also generated attention. It has been suggested, for example, that the general move in advanced economies towards service employment is contributing to a new employment regime based on precarious employment (see e.g. Allen and Henry, 1996; Beck 1992). Summarising US evidence on recent employment

patterns, Houseman points to a general decline in the "quality" of jobs created over the past 20 years (Houseman, 1995, p93). The decline of standard employment relationships has prompted discussions of job insecurity. One survey, examining both the risk of job loss (measured via average employer tenure and retention rates), and the consequences of job loss (measured via likely duration of joblessness, new job characteristics), as well as perceptions of workers towards their employment situation concludes that overall levels of job insecurity have 'increased dramatically' in recent years (OECD, 1997, p150).

There is increasing recognition that in developing an explanation of changing patterns of employment, and assessing their significance and implications, explicit analysis of the increasing number of workers in non-standard arrangements needs to be undertaken. Looking at developments in the US economy, for example, Weinstein and Kochan note that it is impossible to form conclusions over the level of job security enjoyed by standard employees, without making reference to non-permanent staff, and the extent to which the use of the latter bolsters the job security of the former (Weinstein and Kochan, 1995). In more general terms, Rodgers notes that non-standard forms of work 'are the subject of an increasing literature' seeking both to assess the extent to which there is a move away from the permanent, standard job and to examine 'what consequences this might have for workers and enterprises' (Rodgers, 1989, p1). A wide range of employment arrangements have thus attracted attention, including : part-time work; temporary work; fixed term contract work; seasonal work; casual work; agency employment; on-call working; self employment; teleworking; homeworking, and job-sharing. The principal features, trends and patterns of development of some of these individual forms of working, such as part-time and temporary employment, are now well known.⁵ For other forms of employment, such as

⁵For a discussion of the pattern of part-time working over the past 20 years in a number of OECD countries, see for example Barrell (1994), Delson (1995), Houseman (1995). For figures on temporary working (which sometimes includes agency working) see Delson (1995), or for the UK in particular Casey et al (1997).

homeworking, job-sharing, and agency employment, accurate figures charting their emergence and development are still notoriously difficult to find (see respectively, for example, Felstead and Jewson, 1996; Branine, 1997; Carre, 1992). The lack of comprehensive data on many of these forms of work has been interpreted as a reflection of the speed with which they have displaced traditional modes of employment. A recent Monthly Labour Review editorial, in an issue devoted to the topic of ‘contingent’ work arrangements suggested that :

‘....(t)he issues and trends that drive structural change in the economy often outstrip the capacity of the statistical system to describe and analyse them’ (Monthly Labor Review, 1996, p2).

In fact, discussion of the development and implications of these forms of working *en masse* is widespread, despite these data limitations at a dis-aggregated level (Table 1.3). Individual forms of non-standard employment are grouped on the basis of their common implications for workers or their common causes, such as employer strategy or government policy, thus offering one way of examining the significance of changing employment trends. The number of workers covered by different categorisations varies enormously. Under Beatson’s (1995) definition of the flexible workforce in the UK, 38.2% of workers are included. This compares with 26% covered in Delson’s definition of the atypical workforce, and the 1% of US employees included in Polivka’s description of alternative employment arrangements. These differences are unsurprising given the different focus of each of the groupings. The concept of the ‘alternative’ workforce, for example, arose out of an observation that employment is more frequently being arranged by intermediaries, such as employment agencies, and that work schedules are becoming less standardised (Cohany, 1996, p31).

Table 1.3 Groupings of non-standard forms of employment

Term	References / definition	Forms of employment included	Rationale for grouping	Proportion of workforce covered
Contingent employment	1. Freedman, quoted in Polivka (1996) : "...conditional and transitory employment relationships initiated by a need for labor (from a company)".	Some forms of part-time, temporary and sub-contracted employment.	To focus attention on the move away from implicit / explicit contracts between workers/employers and the increasing conditionality of work relations.	n/a
Contingent employment	2 Polivka (1996) : "...any job in which an individual does not have an explicit or implicit contract for long-term employment."	Some types of the following : full-time; part-time; temporary; self-employed; independent contractors; and agency working .	To focus on the <i>transitory</i> nature of the employment relationship. Inclusion based on perceived job security and expected duration of employment.	2.2% - 4.7% of U.S. workforce
Peripheral employment	Atkinson and Meager (1986)	Short-term contracts, part-time employment, job sharing, government schemes, self employed working, agency working , sub-contracting.	Depiction of innovations in work organisation designed to improve flexibility. Use of peripheral forms of employment, which can be varied easily, help provide numerical flexibility and insulate a core group from insecurity.	n/a
Flexible employment	1. Watson (1994)	Full time and part-time temporary working, part-time permanent, self employed, government schemes, unpaid family workers.	Flexibility is used to describe what is and more importantly what should be happening in the labour market.	38.2% of U.K. workforce

(continued overleaf)

Table 1.3 (ctrd)

Flexible employment	2. Beatson (1995) : "the ability of markets (and the agents that operate in them) to respond to changing economic conditions".	Part time, temporary and self-employment. Agency working not explicitly mentioned, but may be included under the term "temporary employment".	Labour market rigidities seen as one of the main causes of high unemployment in the EU in recent years. "Flexibility" has become a key policy objective. One measure of increased flexibility of labour market is a rise in the forms of employment grouped.	Part-time : 28% Temporary : 5% Self employed : 13% (UK employees, 1994).
Flexible employment	3. Dex and McCullough (1996):	Part-time, temporary and self-employment (without employees). Agency working considered as a component of temporary employment.	Synonym for non-standard employment. Attempts to see whether move to non-standard/flexible work has effects on gender equality in the labour market.	35% UK workforce
Precarious employment	Rodgers and Rodgers (1989) "the concept...involves instability, lack of protection, insecurity and social or economic vulnerability" (p3)	Some forms of temporary work, part-time work, homework, agency working , outwork, self-employment and labour contracting.	To focus attention on the new "vulnerabilities" or renewing of old ones as a result of changing employment relations. Not all forms of a particular type of employment are precarious.	n/a
Atypical employment	Delson, (1995) :	Part-time, temporary working. Agency working not explicitly considered, although it may be included in the Eurostat temporary employment data data used.	The promotion of full-employment requires changes in the economic system including the promotion of "flexible" or atypical forms of employment.	Part-time : 21% Temporary : 5.3% (UK workforce, 1990)
Alternative employment	Cohany (1996) : "individuals whose employment is arranged through intermediaries....or whose place, time and quantity of work are potentially unpredictable".	Independent contracting, on-call working, agency working , "contracted" working.	A response to the perception that employment is more frequently being arranged by intermediaries, and that work schedules are becoming less standardised. (p31).	1% of US workforce

Watson's (1994) grouping of 'flexible' workers on the other hand, is partly based on an effort to encapsulate some of the most common uses applied to an often elusive term. Delson's atypical workforce, by contrast, is simply a measure of the two most common forms of non-standard employment - part-time and temporary employment.

Such definitional nuances are, however, often ignored, with many of the terms in Table 1.3 'operationalised' instead as any form of employment that differs from full-time permanent work (Polivka and Nardone, 1989, p10). Belous' much cited study of contingent employment looks at 'workers who do not have a long-term attachment to their employers' (Belous, 1989, p7), concerning itself with any form of employment that deviates from full-time work, and as such identifying 25-30% of the US workforce in contingent arrangements. 'Catch-all' measures of non-standard employment are also prominent in recent assessments about whether changes in the structure of employment are part of a more fundamental transformation in the nature of work (Denny, 1997; Donkin, 1997; Fierman, 1994; Taylor, 1996). Best known in this regard are the predictions of management guru, Charles Handy, who heralds the arrival of a new employment regime based around non-standard forms of employment. Organisational innovations have resulted in the emergence of the 'shamrock' organisation in which an ever decreasing core workforce of essential executives are supported by a contractual fringe of subcontractors, paid in fees, not wages, and a flexible workforce of part-time and temporary workers (Handy, 1989, p25).

As Handy admits, each of the three leaves of the shamrock has been in existence for many years. It is the growing scale and presence of two of the leaves - the contractual fringe and the flexible workforce that lead him to herald the patterns he observes as indicative of a 'new paradigm of work' (ibid., p80). With 40% of the workforce now in such arrangements Handy is in no doubt of the significance of these changes :

‘Work has changed its meaning and its pattern. That affects our sense of identity, our families and our roles within those families; our whole way of life is changed, sometimes upside down’ (Handy, 1989).

Handy predicts a central role for both the contractual fringe and the flexible workforce in continuing and future developments in patterns of work. His most recent scenario of future employment, hinging on the concept of the portfolio worker, can be seen as a description of the implications of a growth in contractual and flexible workers. With 40% of workers effectively outside the organisation, and firms increasingly buying in services in return for a fee, individuals will increasingly have to adopt a portfolio approach to work, carrying out different ‘bits and pieces of work’ for different clients (Handy, 1995, p31).

This, and other ‘flexibility scripts’, create ‘a powerful rhetoric shaping our understanding - and even expectation - of the employment relationship’ (Guest, 1997, p346). Guest warns of the dangers of accepting the inevitability of the new flexible world of work which the above descriptions often portray, a portent which appears particularly relevant, given that the most recent figures actually indicate a rise in the number of full-time jobs in the last year, and a decline in the number of people in temporary employment (Rainnie, 1998). Guest argues that :

‘we need to take the rhetoric much more seriously, assess its impact and understand how best to respond to it.....it is important for researchers to determine what has changed and to establish how close the rhetoric is to the reality’ (Guest, 1997, p, 346).

Criticisms of *en masse* categorisations have thus focused on their purported comprehensiveness, with suggestions that such wholesale groupings are unrealistic and artificial, unhelpful for understanding the complex nature of the employment relationship, and changes that are occurring within it (e.g. Wood, 1989). In the case of the flexible firm model, for example, (Atkinson and Meager 1986) the forms of

employment grouped in the periphery have been described as a ‘muddy conflation’, containing forms of work that are neither novel or peripheral in nature (Pollert, 1987, p51). Part-time employment, for example, is ‘legally disadvantaged, but long-term work’ (ibid., p51), whilst, in the private sector at least, the growth of temporary working has largely occurred in firms where it was ‘already a well-established practice’ (ibid., p52). Similarly, increases in sub-contracting need to be placed in an historical perspective which recognises the long-standing use of contractors dating to at least a decade before the time period covered by Atkinson and Meager’s study. Subsequent case study work has found little evidence of firms operating a deliberate strategy to separate their workforce into core and peripheral parts, a central component to Atkinson and Meager’s argument. The flexible firm model thus faces a central paradox :

‘.....on the one hand, to have a model of the flexible firm at all suggests that the strategy is a comprehensive and fairly conscious one.....But on the other hand the two authors take pains to emphasise that most actual changes have been marginal, pragmatic and unconscious’ (Hunter and MacInnes, 1991,p 52).

Ironically, the clearest result to emerge from this debate is the need to focus more clearly on the individual forms of working that make up peripheral employment. Questionnaire and case study work has revealed the heterogeneous nature of the forms of employment included in the periphery. McGregor and Sproull, for example, look at the reasons offered by employers for using different types of peripheral labour (Table 1.4). Some features, such as the ability to match manning levels to changes in demand form important reasons for using all forms of peripheral employment, but others are particular to one type of working. Self-employed workers, for example, provide employers with particular benefits in the form of specialist skills. This, combined with case study evidence pointing to variations in pay levels, occupational and gender distributions across individual forms of peripheral labour (Hunter and Macinnes, 1991) leads to the following conclusion :

‘The disparate results reported on the factors lying behind the growth of each type of peripheral labour suggest that they cannot usefully be considered as a single group’ (McGregor and Sproull, 1991).

Table 1.4 Reasons offered by employers for using particular forms of peripheral employment. (% of employers using each type of labour who offered this as a reason).

Reason	Temporary	Agency	Part-Time	Self -Employed
Short term cover	55	71	n/a	n/a
Match manning to changes in demand	35	35	30	29
Provide Specialist Skills	22	16	n/a	60
One off/limited duration tasks	29	35	76	n/a
Extend production hours	n/a	n/a	10	3
Workers prefer such work	8	n/a	33	28
To retain valued staff	n/a	n/a	21	7
Cut wage costs	1	1	9	9
Cut non-wage costs	1	1	4	6
Easier to adjust manning levels	26	18	n/a	n/a
Cover whilst adjusting manning levels	4	0	1	n/a
Screen for permanent workers	4	11	n/a	n/a
Workers not in unions	4	0	1	n/a

Source : McGregor and Sproull (1991), p30-34

n/a=not applicable, category not offered as a choice to respondents.

Cohany, in a discussion of alternative employment notes ‘.....the difficulty of generalising about those in such arrangements’ (Cohany, 1996, p44). Robinson suggests that the trends and patterns of development for part-time work, temporary work, and self-employment in the UK have been very different. Part-time employment ‘has been growing steadily over the whole post-war period, with no sign of a break in trend after 1979, or more recently’ (Robinson, 1997, p5). The growth in self-employment can be attributed to changes in the industrial structure of the economy, and the move away from manufacturing and towards services, which resulted in a sharp rise in self-employment from 1979-84 (from 7% to 11% of employment), which has since levelled out (ibid., p7). For temporary employment, Robinson accepts that some increase has occurred in the 1980's, but doubts whether the increase will continue. He

suggests that much of the increase has been in ‘professional’ temporary working, perhaps as a result of changes in the public sector allowing institutions to determine their own recruitment practices at a time of budget constraints, with many choosing to expand their use of temporary employment. He concludes :

‘..that the trends are so different for these three forms of "non-standard" employment (to justify) treating each separately rather than lumping them together’ (ibid., p4).

This discussion has two main implications for this thesis. First, it highlights the need for a closer examination of individual forms of ‘non-standard’ employment in order to gain an understanding of why each has emerged, to explain their patterns of development over time, and to assess their implications for the parties involved. Secondly, the analysis has hinted at the importance of placing current employment trends in an appropriate historical context. For some forms of working, such as self-employment, current patterns of growth need to be placed in the historical context of long-standing use of this form of employment. For others types of employment, on the other hand, recent rapid growth rates may come historically to be seen as exceptional.

1.3 Temporary employment agency working and other forms of intermediation.

The focus thus turns to one particular form of non-standard employment, temporary employment agency working, with these observations in mind. The principal activity of the temporary employment agency is the hiring out of workers to a third party user firm, in return for a fee. The intervention of the employment agency between worker and firm thus creates a triangular, or three-way relationship between worker, firm and agency. For the temporary worker, as Bronstein describes :

‘...this implies a...relationship with, on the one hand the temporary work agency.....and on the other, the temporary work agency’s client firm to which he or she is temporarily assigned’ (Bronstein, 1991, p293).

It is this three-way relationship that has been identified by many as a feature which distinguishes agency working from a number of other non-standard forms of work (see Bronstein, 1991; Cordova, 1986; Sparke, 1994). Triangular relationships have a long history in the development of relations between employer and worker, with intermediation being a central feature of both pre-capitalist and capitalist modes of production, taking on a variety of forms. What is distinctive about the temporary employment agency and what significance should be attached to its relatively recent emergence over the past 75 years?

One recent report identified 16 types of business that could be classified under the umbrella term of ‘employment agency’ (International Labour Organisation, 1994a). As well as temporary employment agencies, this list included, amongst others :

- **Placement agencies**, or fee-charging employment agencies, ‘bringing together vacancies and job seekers’ and charging a one-off fee ‘once an employment contract has been signed between the employer and the worker’ (ibid., p13).
- **Executive search agencies** or head-hunters, which specialise in ‘seeking out rare talent for strategic posts on behalf of client employers’ (ibid., p17).
- **Outplacement firms** offering counselling, retraining and job search services for workers made redundant, usually paid for by their ex-employer.
- **Staff leasing firms** in which the activities associated with a personnel department, such as hiring and firing duties, calculation of wages, career counselling etc. are contracted out to an agency.

- **Career management associations**, which are particularly common in the entertainment and fashion industries and whose role is to ‘manage their clients’ careers.....prospecting markets, negotiating terms of contracts, and advising their clients on career moves’ (ibid., p20). Fees are calculated or charged as a percentage of any money received by the client.

These forms of intermediary have come to prominence in recent times, but historical examples of labour market intermediation are plentiful. In economies where agriculture was the principal economic activity, ‘middlemen’ featured prominently, ensuring there were sufficient numbers of day labourers to cope with seasonal changes in the demand for labour (ibid., p1). Such middlemen have also been afforded an important role in accounts describing the early development of manufacturing industries, such as cloth spinning and weaving in the 18th Century (Mathias and Postan, 1976). Important forms of work organisation, such as putting out and inside-contracting also involved the intervention or mediation of a third party in the organisation of production. In the former case, a capitalist ‘.....put-out the materials to the worker to make up at a piece rate and collected and marketed the product’ (Rule, 1981). Under the inside contract system, a ‘halfway-house’ between putting out and the factory system (Clawson, 1980), a contractor intervened between the worker and the capitalist, with production taking place in a single factory.

The intermediation of a third party in the organisation of production created a quite different set of relationships in each case. The description by Landes of putting-out as ‘hierarchy cum intermediation’ (Landes, 1986, p598) stems from the dependency of the worker on the capitalist putter-outer under this system. In the cotton industry, for example, Wadsworth and Mann depict the relationship between spinner and putter-out as :

‘...one of subordination, tempered only to the extent to which the spinner was independent of this source of income’ (Wadsworth and Mann, 1931, p91).

In fact, the putter-outers only formed an ‘intermediate class of middlemen manufacturers’ (Wadsworth and Mann, 1931, p81) albeit a class able to generate a great deal of wealth from their activities. Whilst this wealth left them ‘...standing on a footing of some independence’, (ibid., p81) the middlemen were themselves dependent for credit on those importing the raw materials, since the manufacture of goods under the putting out system could take a number of months (Smelser, 1951, p59). For the hosier or draper extending this credit, the benefit of using the middleman putter-outer to organise production came ‘...not in income per working frame, but in stability of return and trouble avoided’ (Landes, 1986, p598). The network of relations created was often even more complex than this, as in the cotton industry, where linen drapers advanced cotton and yarn to ‘fustian weavers’, who in turn had a number of subordinate country agents to put-out work to dependent employees (Wadsworth and Mann, 1931).

Under the inside contract system, a quite different set of relationships emerged. Inside contracting was adopted as a mode of work organisation in a wide number of industries, in both the US and the UK, as a way of disciplining workers. For Clawson, it is ‘.....one of the key systems, perhaps the most important system, in the transition to the modern organisation of production’ (Clawson, 1980, p75). After making an agreement with company owners to make a particular part of a product, contractors would carry out their work inside a central factory. Individual contractors dealt exclusively with a single company, but retained control over production and hired their own employees to carry out work. For Clawson, the relationships created as a result of the intervention of a contractor between capitalist and worker contain a number of contradictions, which can explain the eventual decline of this system. The need for contractors to maximise the output from employees labour time co-existed with a situation in which employees and contractors were frequently linked in non-economic

ways, being friends or members of the same family, and with employees frequently making the transition to contractor status. As such, the contractor found himself :

‘...on the one hand, driven by economic motives and realities to exploit their workers; on the other hand, connected to their employees by many different kinds of social relations such that they had to take account of each other in more than economic terms’. (ibid., p107).

Looking at the relationship between the contractor and top officials in the company, a further contradiction can be seen, with the autonomy of the contractor in production becoming centrally important when re-negotiation of the contract price took place :

‘Since the company knew very little about how to manufacture the item in question it was difficult to tell if the contractor and his employees were doing their best or were restricting output and holding back innovations’ (Clawson, 1980, p113).

The demise of inside-contracting as a method of organising production is attributed to these contradictions, which stemmed from contractors ‘.....being middlemen for capitalists who had not yet taken over the full responsibilities of capitalists’ (Clawson, 1980, p114). Under the putting-out and inside-contract systems, the intermediation of a third party in the organisation of production thus created a quite different set of relationships between the parties involved. A central concern of this thesis is to investigate the distinctive character of the triangular relationship created via the intervention of the temporary employment agency between worker and employer.

Gottfried, on this issue, highlights the altered ‘spatial and temporal dimensions’ that are created in temporary employment agency working. Agency working ‘occupies an institutional space that spans multiple locations’ (Gottfried, 1992, p447) with workers performing their tasks at numerous work sites, subject to ‘a double layer of management’ (ibid., p449) from the agency and the firm where they are temporarily

assigned. Furthermore, agency work is characterised by 'time discontinuities' and the 'intermittent deployment of temporary labour power' (ibid., p447), or, in other words, the potential exists for down-time for workers between assignments. Sparke (1994) describes the distinctive nature of agency working in a similar way, outlining the 'displacement of labor relations...that both spatially and institutionally separates out the buying of labor from its actual use' (Sparke, 1994, p294). In more general terms, the distinction can be drawn between contemporary forms of labour market intermediation characterised by 'one off' transactions and those in which there is the possibility of a longer-term relationship between the parties involved. For whilst the fee-charging employment agency and the head-hunter 'bring together people who are looking for a job with employers in order to *found employment relationships*' (Blanpain, 1993, p5, italics added), with the temporary employment agency, formal or legal ties remain between the agency and the worker, even after the completion of an assignment. Whereas the former types of agency collect a one-off fee for placing a worker permanently with a firm and then 'step out of the picture' (Gonos, 1997), the temporary employment agency may remain in the picture for some time, not only by assuming responsibility for administrative tasks such as the payment of workers' wages and social security contributions, but also by hiring workers out on successive assignments to different firms, by acting in some cases as the legal employer of the worker, and by fostering a long-term relationship with particular client firms.

1.4 : Temporary employment agency working : a review of the literature.

A number of discrete literatures which have sought to provide an analysis of the phenomenon of temporary employment agency working. The flexibility and internal labour markets literatures share a common concern over explaining why recourse is made by firms to employment agencies. In research within the applied economics tradition both 'demand' side (from firms) and 'supply' side (from the worker)

influences are considered as potential contributors to the emergence and growth of temporary employment agency working, with econometric analysis employed to determine the relative importance of each. The focus of attention in the contingent employment literature is squarely on the employment agency worker, attempting to outline the personal and employment characteristics of agency workers, and the implications for temps of this form of work.

The direction of empirical research into agency working has been influenced by the concerns of each of these literatures. Studies conducted from the perspective of the user firm in the US and the UK have confirmed some of the a priori expectations of both the flexibility and internal labour markets literatures. Issues highlighted include the importance of 'traditional' reasons in explaining the use by firms of agency staff, but have offered little insight into purported 'new' reasons for utilising agency staff, including as a 'screening' mechanism or as a quasi-permanent staffing device. Within the applied economics literature, conflicting results from different studies have emphasised important influences on both the demand and supply side impacting on the development of the industry in the US in the 1980's. The role of the employment agency in such analyses is reduced to that of passive intermediary, in contrast to the depiction made of temporary employment agencies in Section 1.3. Empirical work based around the contingent employment literature has outlined some of the principal characteristics of agency workers, and has highlighted a number of implications for workers of agency employment in the US. Central questions still remain, however, regarding the motivations of agency workers, the impact of the particular spatial and temporal dimensions of agency employment for workers, and whether trends observable in the context of employment agency working in the US are equally applicable to the UK. It is argued that research focusing on the *relationships* between the employment agency, the worker and the user firm has been able to plug some of the gaps within these research agendas, through a focus on the processes in operation between the three actors.

Within the flexibility debate recourse to agency staff is typically interpreted as a method of achieving numerical flexibility, associated with varying the amount of labour used in response to changes in the level or pattern of demand (see Atkinson and Meager 1986, p5). As a 'defensive' or 'short-term' form of flexibility (Boyer, 1988; Green, 1992) the use of agency labour by firms is thus seen as a low labour market cost response to changes in demand, a short-term opportunistic method of securing flexibility. The emphasis of UK management strategy on numerical rather than functional flexibility, on cost minimisation rather than possible productivity enhancement via functional flexibility (see for example, O'Reilly, 1992) stems, it has been argued, from a historical tradition in the UK compared to other European countries of under investment in training provision and a lack of employee protection legislation (Brunhes, 1989; Blyton and Morris, 1992). Yet within this generalised picture, there is recognition that firms within a country may pursue a number of potential sources of flexibility, which in turns reveals a central contradiction. As Blyton and Morris suggest:

'while some aspects of flexibility are predicated on a close and continuing attachment by employees to their work organisation, other aspects are based more on a model of limited attachment' (Blyton and Morris, 1992, p123).

Looking at temporary working in general, and employment agency working in particular, the difficulties of securing multiple sources of flexibility are revealed. Geary's (1992) study of the use of temporary workers in three electronic firms in Ireland highlight a number of contradictions between the pursuit of numerical flexibility and the broader goals of Human Resource Management (HRM). In one firm in Geary's study, the decision to use temporary workers was undertaken primarily to meet peaks in production requirements, but additional advantages of this form of labour related to their low cost, and the possibility of using such workers to screen for permanent staff (Geary, 1992, p258). He found evidence of conflict between temporary

workers and permanent staff, ambivalence of management towards temporary staff and feelings of mistreatment amongst temporary workers. This form of flexible form of employment in fact created a new form of rigidity, with 'the new divide between temporary and permanent staff...acting to undo the advantages that might otherwise have been gained' (Geary, 1992, p267). Marsden (1996), summarising evidence from Hunter et al (1993) on problems relating to the co-ordination and lack of commitment amongst short-term staff, suggests that core-periphery models of management practices '...may have under-estimated the hidden costs involved in non-standard employment' (Marsden, 1996, p50). Similar problems have been identified with agency workers. Atkinson and Meager in their case studies work in 39 companies, describe 'resentment' towards agency staff from regular employees (Atkinson and Meager, 1986, p89). Feldman et al (1994), describe the use of agency workers as a 'a permanent HRM challenge', and provide survey evidence to show how such workers felt insecure, under-employed, and resentful about the impersonal treatment they received whilst in firms, which may be incongruent with the broader goals of HRM. The morale of other staff may also be affected by the use of agency workers (Burda, 1992) with permanent employees believing (rightly or wrongly) that agency workers are being pitted against them (Parker, 1994) or that their job is under threat (Weiss, 1993). These observations relating to the use of temporary and agency workers suggest that attempts to achieve flexibility along one dimension may usher in a new set of rigidities and inflexibilities. As Geary suggests, 'there is no inevitable congruence between employment flexibility and effective and efficient labour management' (Geary, 1992, p268). Indeed, as he notes, once flexibility is viewed by management as 'dysfunctional' to their interests, more rigid and stable forms of employment may be established. Feldman et al (1994) however highlight the ways in which firms can counter some of the rigidities that agency workers bring. They highlight the importance of integrating such workers into the firm, suggesting that the relative rigidity or flexibility associated with the use of a particular form of peripheral employment cannot be simply 'read off' from the flexible firm model.

Contributions drawing on the internal and dual labour markets literatures seek to explain the emergence of market mediated institutions, including temporary employment agencies, in an era of an oft-assumed inevitable evolution towards hierarchical production or internalisation. As Abraham puts it :

‘Over much of the twentieth century, the long trend has been toward stronger attachments of workers to their firms and more highly developed internal labour markets....but recent evidence suggests that the pendulum may have begun to swing in the other direction’ (Abraham, 1990, p86).

In the face of trends in employment restructuring involving "taking the workers back out" (Pfeffer and Baron, 1988, p257), a central question becomes why work is controlled inside organisations rather than via the market mechanism. The concept of internal labour markets has been deployed in answer to this question. It is said that there are a number of advantages to long-term, ongoing relationships between employers and employee. Rubery (1994), for example, highlights three such advantages. First, there are those relating to labour as a factor of production, including incentives to secure a return on investment and training, a need to monitor workers to ensure a minimum level of effort, and human resource concerns to "unleash" the productive capacity of workers. Secondly, there are advantages relating to competitive conditions, including the possibility that under a Post-Fordist regime, labour becomes a more important consideration in management strategy. Thirdly, advantages relating to production conditions are cited, centering on the nature of training to be undertaken, and the variety of tasks to be learnt. The outcome of this wide range of incentives is :

‘.....heterogeneous firms with heterogeneous systems sharing a common need to create long-term employment relationships based on trust and commitment’ (Rubery, 1994, p47).

The more extensive use by firms of temporary employment agencies is explained within such frameworks with reference to the limitations and costs of

internalisation policies and the advantages of externalisation. Mangum et al (1985), for example, note that the advantages of long-term relationships between firms and workers become expensive if product demand and work load fluctuate over time. Internal labour market responses consist of varying the use of overtime, on-call workers, or the imposing redundancies. Utilising the external market is an alternative method of 'buffering' against fluctuating demand. For employers :

'.....the (agency) is an institution that meets the need for a readily available source of competent help that imposes none of the costs and commitments of permanent or even temporary attachment' (Mangum et al 1985, p604).

The development of long-term relationships between workers and firms, according to Abraham (1990), comes at the cost of a degree of wage inflexibility. Recourse to 'outsiders', including agency staff represents one way in which firms can take advantage of changing market wage rates, with Abraham predicting that as the wage gap between insiders and outsiders increases, an accompanying increase in the number of outsiders used will be seen. The state specific nature of the notion of a wage gap between insiders and outsiders is, however, ignored in this analysis. Rodgers (1989), for example has argued that agency work grows in areas of low unemployment and may be accompanied by higher wage rates. In such a situation, contracting via the market may be prohibitively expensive. Transactions of a highly specialised nature highlighted by Abraham as one-off tasks may be more effectively organised via the market. For Williamson, the decision to manage a transaction through hierarchy or contract is related to the nature of the task to be undertaken. With specific reference to employment agencies and quoting Okun (1981), he suggests that 'brokers' may be appropriate where 'the jobs at stake.....require unskilled workers (like farm workers) or transitory workers (like office fill-ins) or involve formally graded skills' (Williamson, 1985, p245). A range of advantages specific to externalisation have also been put forward. Contracting-out particular services may allow firms to concentrate on their

particular competencies; it may also act as a disciplining device for other workers; it may also allow firms to resist or circumvent unionisation policies; (for these and other reasons, see Pfeffer and Baron, 1988).

The direction of empirical work into the phenomenon of agency working has been influenced by both the flexibility and internal labour markets literatures. In terms of the triangular relationship identified earlier in this chapter, the focus of a high proportion of empirical work has been on the user firm. Such work has examined the reasons why firms utilise employment agency workers, the characteristics of those firms that use agencies compared with those that do not and the activities that are contracted out to employment agencies.

Drawing on the internal labour market framework to establish potential reasons for using agency staff, Abraham (1990) looks at the seasonal and cyclical variation associated with the agency sector compared to other areas of employment, the level of compensation for business service workers compared to other employees, and the relationship between organisational characteristics (in terms of the seasonal/cyclical nature of the demand for their goods) and their use of agency staff. 'Buffering' against unforeseen changes in demand and providing the firms with specific expertise for one-off tasks emerge as two of the principal reasons for using agency staff from this analysis. For Abraham, explaining the 254% growth in agency employment in the US over the 1980's then becomes a question of establishing why the reasons for using such workers have become more compelling over time - with increased uncertainty in product demand, and increased costs in hiring and firing regular employees put forward as two possible explanations.

Davis-Blake and Uzzi (1993) attempt via econometric analysis to predict the conditions under which a firm will use agency staff, and hypothesise that the decision depends on a variety of factors including the complexity of the job, the size of the

establishment and the level of fringe benefits offered to permanent workers. They conclude that externalisation offers flexibility for organisations to deal with changing conditions, allowing employees to be hired temporarily without the expectation of long-term employment, as well as providing access to highly specialised skills for a short period of time. With the benefits of internalisation achieved at the cost of reduced organisation flexibility (see Belous, 1989) externalisation is seen as complementary :

‘When used together, these two arrangements give a firm a mechanism for developing stable yet adaptable work arrangements’ (Davis-Blake and Uzzi, 1993, p198).

The reasons why firms use agency staff may also be revealed by direct questioning of employers (see Abraham, 1990; Gannon, 1974; Hunter and Macinnes, 1991; Mangum et al, 1985;). Mangum et al (1985) conducted interviews and a mailshot survey with employers of agency workers and found that meeting varying production demands solely via utilising internal workers was financially prohibitive, with recourse to agency workers more common amongst firms with unstable product demand. Large firms were also found to use more agency staff ‘....because they had more rationalised hiring systems and were better able to identify when temporary workers could be used efficiently’ (ibid., p606). Growing and declining firms were also identified as more heavy users of agency staff than stable firms ‘.....because temporaries could be added or dropped quickly, protecting the core of permanent workers’ (ibid., p606). The authors propose an ‘internalisation-externalisation’ model of agency employment, with use related to variations in product demand. Results from the Hunter and Macinnes survey of UK employers are provided earlier in this Chapter, and whilst they cannot be directly compared with Abraham’s US survey, reprinted below in Table 1.5, a number of reasons for using agency staff are common to both. In particular, the use of agency staff to deal with changes in demand (seasonal or otherwise), for special or one off projects, for fill-in or replacement work, and to provide expertise in a particular area emerge as important reasons in both surveys. In

other words, from research conducted from the perspective of the user firm, traditional reasons for using agency staff appear to be dominant.

Table 1.5 Employers reasons for using agency staff (% of respondents citing a particular reason)

Reason offered for using agency staff.	% employers citing this reason
Special projects	77
Seasonal needs	52
Buffer against changes in demand	22
<i>Any of the above</i>	90
Special expertise	29
Prefer not to use regular employees	20
Fill a vacancy until a regular worker is hired	60
Fill in for absent regular employee	80
Identify good candidates for regular jobs	23

n=412.

Source : Abraham (1990), p109.

In the applied economics literature, observed temporary employment agency growth is taken as a starting point for analysis. Competing explanations of this growth are then evaluated. Most US studies in this tradition specify the dependent variable as the number of workers in employment in the ‘temporary help service’ industry to form the dependent variable (employment in the industry grew by 254% over the 1980’s) and time-series econometric techniques are then used to establish the relative importance of a number independent variables explaining this growth (Golden and Applebaum, 1992; Laird and Williams, 1996). The theoretical framework underpinning such analyses is based on a distinction between demand and supply side factors in explaining growth. Demand side explanations seek to identify factors which may have encouraged firms to use more agency workers. Laird and Williams, for example, utilise arguments discussed above in the context of the flexibility and internal labour market debates to develop a

set of demand side influences. Increased domestic and foreign competition experienced during the 1980's is purported to have compelled firms to cut costs and increase staffing flexibility. Agency workers offered one method of simultaneously achieving these ends, because 'they can be more easily expanded, contracted or re deployed than permanent workers' (Laird and Williams, 1996, p666), and because of the lower compensation associated with their use, related to the fact that they '....are only paid while working and (who) are often not paid fringe benefits' (ibid., p666). These demand-side influences are proxied through the inclusion of measures of the variability of industrial production, fringe benefits as a proportion of wage levels, and exchange rate levels (for more detail see Laird and Williams, 1996, p667; Golden and Applebaum, 1992). Constructing a supply side explanation for the growth of agency employment, on the other hand, consists of identifying factors which may have increased the number of workers seeking jobs through employment agencies. The assumed flexibility for workers which comes with working through agencies is central to such arguments. Laird and Williams put forward '.....married females juggling the demands of work and family activities, younger workers balancing the demands of work and school, and retirees returning to the labor market' as likely candidates to be choosing agency work (Laird and Williams, 1996, p667). Alternatively, the possibility is put forward that agency employment may have expanded because workers perceive a lack of alternative opportunities for employment. Golden and Applebaum, for example, suggest that workers may accept agency jobs as an alternative to unemployment or leaving the labor force. Specification of supply-side influences comes through the inclusion of variables including the number of married women, young and old workers in the workforce, as well as the number of workers working part-time on an involuntary basis (to capture the lack of permanent job opportunities available).

Results from such analyses have, however, been largely inconclusive. Whilst Golden and Applebaum, for example, find that demand side factors are largely responsible for the growth of agency employment in the US in the 1980's, Laird and

Williams suggest that problems in the underlying specification of the econometric model used by Golden and Applebaum render their results unsafe. In contrast, they stress that whilst no long-run predictors of agency employment can be found, both demand and supply side influences impact in the short-run on the growth of the industry, and highlight in particular increased foreign competition and a rise in the number of married females in the labour force as contributing to the growth experienced by the industry in the 1980's. Additionally, within this debate, the employment agency is reduced to the status of passive intermediary, and operates simply as an institution responding to demand-side and supply side influences from firms and workers, in contrast to the depiction of agency working in Section 1.2.

Further research into the supply-side of the temporary employment agency industry has come via the US literature on contingent employment, with the main contributions focusing on identifying the principal characteristics of the agency workforce, comparing these characteristics to other workers, and conducting an assessment of the contingency associated with agency working. Segal and Sullivan, in the most recent account of the personal and employment characteristics of US agency workers find that female, young and unmarried workers are all over-represented in agency work, as compared to the employed workforce as a whole (Segal and Sullivan, 1997). They find that agency temps are less likely to have a college degree, but also are less likely than permanent workers to fail to complete high school. In other words, agency workers are less likely to be found at either the top or bottom end of the education distribution. In terms of employment characteristics, agency workers work less hours per week, and experience more variability in their work schedules than permanent employees. In addition to these summary characteristics, the marginalisation of agency workers in comparison to other employees is often highlighted. Agency workers, on average, earn less per hour than permanent workers, with one estimate suggesting that the average agency worker's wage is 33% less than that for a permanent worker (Nollen, 1996). Further marginalisation can be seen through the benefit

coverage enjoyed by temps (Carre, 1992). Whilst 70-90% of full-time US employees receive paid holidays, for example, only 10% of agency temps get this benefit despite the fact that it is available to workers at 75% of employment agencies, for those with appropriate length of service (Nollen, 1996, p573). In terms of health insurance, 6% of temps receive this benefit in a form which is partly paid for by the employer, compared to 72% of full-time workers (ibid., p573).

Research emanating from employment agencies themselves has, unsurprisingly, pointed to a variety of possible reasons for engaging in this form of work, often suggesting that a majority of agency workers actively choose this form of employment. Flexibility, the lack of attachment to a particular firm or to a regular work schedule, and the ability to gain a short-term salary are all offered as advantages of agency working, with certain groups, including young, married and older workers singled out as most likely to wish to take advantage of such benefits (see Lenz, 1996; Lee, 1996; Canter, 1988; Reed Employment, 1996). Elsewhere, however, research has suggested that workers actively choosing agency work are in a minority (Nollen, 1996) with the figure possibly as low as 10% (Steinberg, 1994). These opposing positions can be explained by the different interpretations given to ‘choosing’ agency work. For example, the extent to which it is possible to classify workers who are looking for a short-term income, who are between jobs, or who are looking for full-time employment as choosing agency work (see Reed Employment, 1996; Canter, 1988) is debatable.

1.5 Discussion

Four main implications for this thesis emerge from the analysis of the current literature into agency working. First, a number of the a priori expectations of the flexibility and internal labour market literatures with regard to the reasons for using agency labour were confirmed by empirical studies conducted from the perspective of

the user firm. The temporary attachment of agency workers to firms is revealed as a principal advantage for firms of utilising this form of labour, manifested through the use of temps to cope with fluctuations in demand, for fill-in work, and for one-off or specialist tasks. Core-periphery models, however, provide little insight into some of the 'tensions' inherent in the use of agency staff, and the organisational rigidities that may result from their use (Geary, 1992). Perhaps more importantly, however, the emphasis placed on the temporary attachment of external workers in these models, and in the internal labour markets literature, stands in stark opposition to a number of recent observable trends in agency working. If, as some suggest, agency workers are being used as a permanent replacement for regular staff in addition to their traditional role as a short-term, ad-hoc staffing device, how can this be reconciled with the emphasis placed in the flexibility and internal labour markets literature on the temporary attachment of such workers to firms? Do the rigidities associated with their use also continue on a permanent ongoing basis? Employer surveys, and other empirical work conducted from the perspective of the firm have 'down-played' the use by firms as a permanent or quasi-permanent staffing device, in which agency workers displace regular employees. In other accounts, however, much more importance is placed on this motive for using agency staff. Parker's study of temporary workers and agency managers in the US finds that 'planned staffing', where firms hire workers on a semi-permanent or permanent basis is a 'critical part of the corporate quest for a flexible workforce' (Parker, 1994, p18). Similarly, Henson (1996) in a study of agency managers and workers in Chicago finds that whilst agencies are 'still doing fill in or replacement business....the use of temporaries in assignments of several months or more as a labor cost management tool appears to be making up a growing share of the industry's receipts' (Henson, 1996, p24).

Recent research conducted away from the user firm has also hinted at the current importance of the use of agency staff as a method of screening workers for potential permanent jobs in a firm. Little mention of this use of agency staff is made in

either the flexible firm model, or analysis in the internal labour market tradition, and the two surveys cited in this chapter suggest that from the employer's point of view, such a motive is of secondary importance. Segal and Sullivan, however, offer one theoretical rationale for utilising agency workers in this way, proposing that it has become more difficult to dismiss poor performers from a job, and that monitoring temporary workers before taking them on permanently is one potential solution to this problem. Despite being unable to provide 'hard evidence' on the subject, they provide data from an American employment agency trade body that states that 38% of temps have been offered a permanent job whilst temping (Segal and Sullivan, 1997). Similarly, Lenz finds that 29% of temporary workers find a permanent job whilst temping, '.....many through explicit temp-to-perm arrangements' (Lenz, 1996, 558). These observations suggest that both screening and permanent displacement motives for utilising agency staff at least merit further investigation.

Secondly, supply-side research into agency working in the US has outlined the principal characteristics of the agency workforce, and has highlighted a number of key differences, in terms of employment and personal characteristics, between agency workers and other employees. Evidence on these issues for the UK, however, is scarce, with Casey's (1987) analysis of the Labour Force Survey providing the last nationally representative description of the characteristics of agency workers. Explaining observed differences between agency workers and other employees has proved elusive. Are observed differences in the hours worked by agency staff attributable to the particular temporal dimensions associated with this form of work? To what extent can these differences in hours be attributed to worker choice, i.e. is it the case that agency workers choose to work, on average fewer hours per week, to fit in with other commitments? Efforts to explain the differences in wages and benefits received by agency workers and other employees have focused on an examination of the distinctive demographic and employment characteristics of the former group. The difference in wages between the two groups, is, for example, linked to the over-

representation of agency workers in low-paid occupations, such as clerical, unskilled labouring and operative jobs (Callaghan and Hartmann, 1991, p12). Characteristics known to be related to wage levels, such as sex and age are also used to explain differences between the two groups, with some suggesting, for example, that the relatively young age of agency workers ‘...make it unlikely that their productivity is as high as regular employees’ (Nollen, 1996, p569). Similarly, Lenz (1996) suggests that the lower wages received by agency workers can be explained by the fact that agency workers tend to be ‘younger workers in entry level positions....and their high turnover means that they do not stay long enough to move significantly up the pay-scale’ (Lenz, 1996, p560). Cohen and Haberfeld (1993) add some weight to these explanations, finding via a comparison of the wages of agency workers and other employees in individual occupations that agency workers with similar demographic characteristics received similar wages to those in regular employment in the same occupation. However, Segal and Sullivan’s recent comprehensive coverage of this issue, in which controls are made for sex, age, race and occupation still find a significant shortfall in the wages of agency staff leading them to conclude that ‘.....a large part of the difference between temporary and permanent worker wages is due to permanent differences in earnings-related characteristics’ (Segal and Sullivan, 1997, p126). Further work from the perspective of the worker is necessary to disentangle the factors explaining the employment situation facing the agency temp.

Thirdly, it was noted that research into agency working within applied economics has reduced the role of the employment agency to that of a passive intermediary, responding to both demand and supply side influences. In contrast, Moore’s (1965) seminal work on employment agency working, stresses the active role played by the agency in mediating between firms and workers through recruitment methods, training activities and billing strategies is central to the development of the industry (Moore, 1965, p569). Peck and Theodore’s (1998) recent analysis builds on this observation, concluding that agencies are ‘constantly rotating’ to take advantage of

new market opportunities and niches (ibid., p23). However, in addition to highlighting the role played by agencies in shaping developments in the industry, research which focuses on the activities of the employment agency can arguably shed light on some of the issues raised above in relation to user firms and agency workers. Research which has analysed the day-to-day operations of the employment agency has revealed, for example, the existence of temp-to-perm schemes and the use of agency workers by firms as a screening device (Henson, 1996). Similarly, interviews with agency managers have revealed the 'sporadic and unpredictable nature of temporary assignments' (Henson, 1996, p52) suggesting that it is this rather than any notion of choice on the part of the agency worker that explains the fewer hours per week worked by agency workers.

Fourthly, it is questionable whether research to date into agency working has fully examined the implications of the triangularity in agency working between worker, employment agency and client firm. For example, identifying the motives of firms for using agency staff gives little or no indication of the process by which agency workers are assigned to firms. Are agency workers 'warm bodies....dispensable, interchangeable commodities' (Parker, 1994, p52), with firms having little concern over who they receive to carry out assignments? How are workers matched to assignments? Similarly, debates over the proportion of workers choosing agency work provide little purchase on the nature of the relationship between the agency worker and the agency. How are workers matched to assignments in firms? What is the process by which an agency worker makes the bridge to permanent employment? Examination of the relationships created between the three parties offers one method of answering some of the above questions, and indeed, recent research utilising such an approach has provided useful description of some of the processes operating in the employment agency industry. Analysis of the relationship between employment agency and firm, for example, has illuminated the reasons why firms use agency staff, and the role of the agency in shaping industry developments. Peck and Theodore, for example, argue that

the employment agency industry is actively polarising, with one segment of the industry restructuring downwards and providing firms with low-skilled labour, at the cheapest possible price and negotiating with workers and firms on a daily basis (Peck and Theodore, 1998, p4). The other segment is restructuring upwards and entering into long-term, contractualised agreements with firms and insourced deals (ibid., p4). Accompanying this is industrial segregation, with the 'lower end' of the industry largely catering for the provision of unskilled, light industrial workers, and the upper end diversifying into providing non-traditional, professional or skilled temps. For Purcell and Purcell (1997) the most visible trend in agency working is the growth of insourced deals, in which agencies take on an entire function, such as personnel, or assembly, in a firm. Their research into contractual relations between workers and agencies indicates that insourced deals now account for over 50% of agency turnover, a figure which has risen dramatically over the last 10 years (Purcell and Purcell, 1997). Carnoy et al (1997), on the other hand, focus on the growth of formalised agreements between agencies and firms in the Silicon Valley form the basis of analysis, and they note the rise of unique deals between agency and firms and preferred agency agreements, and conclude that agencies are :

‘.....no longer seen as peripheral....but are becoming central to the operations of client firms’ (Carnoy et al, 1997, p48).

Similarly, research which has focused on the relationship between agency worker and agency has hinted at a number of processes not revealed via static or broad brush descriptions of the characteristics of agency workers. Henson (1996), for example, notes the existence of the practice of 'repeat assigning' at employment agencies, where agency workers 'receive multiple requests to return to the same company, filling in for various people throughout the year or working on seasonally recurring projects' (Henson, 1994, p72). The extent of this practice at UK agencies is unknown, but its existence in the US raises the question of why it has emerged. Are firms seeking

continuity from the agency staff they receive? Or are repeat assignments a reward for temporaries 'who successfully cultivate relationships with their client company supervisors' (ibid., p72). Finally, completing the 'triangle', research looking at the relationship between the agency worker and the firm has been able to highlight the particular spatial dimensions associated with agency work. Parker (1994) for example, noted that with many assignments lasting 'for a day or two' (Parker, 1994, p107), interaction with other workers on assignment was infrequent, something which Parker suggests has contributed to the success of the temporary help industry :

'the social and political non-involvement of temporary employees in the workplace and the further subdivision of the workforce that this creates (is) one important function temporary workers provide for employers' (Parker, 1994, p108).

1.6 Conclusions.

This chapter has highlighted the conceptually distinctive nature of employment agency working, compared to both other non-standard forms of work, and to other forms of employment involving intermediaries. Through an examination of some of the theoretical approaches used to look at agency working, it has been possible to identify some of the principal reasons for use of agency staff by firms, as well as some of the characteristics of agency workers, and the implications for them of engaging in this form of work. However, some of the limitations of current research and unanswered questions have also been highlighted. It is not clear, for example, whether trends observable in the US regarding agency working are applicable to the UK. For firms utilising agency staff, well-documented traditional motives for use stand alongside 'new' reasons about which less is known. From a methodological point of view, relatively little research has been conducted from the perspective of the employment agency and the employment agency worker. It has also been argued that by focusing on the relationships between the three parties - in other words, giving

explicit consideration to the triangularity created in agency working - further insight into the nature of this particular form of employment can be gained. This thesis aims to fill some of the gaps in existing research, through an analysis of agency working in the UK, and the implications of this form of working for the actors involved. This is to be achieved by focusing on the agency worker and the actions of the temporary employment agency, and by examining the interplay between the three actors in the agency relationship. Before looking at some of the methodological questions that arise from these aims (Chapter 3), the nature of agency working in the UK is examined in Chapter 2, through a comparison across countries of the development of the industry, and the legislative framework within which agencies operate.

CHAPTER 2 : THE UK EMPLOYMENT AGENCY INDUSTRY IN CONTEXT

2.1 Introduction

In Chapter 1, the principal activity of the temporary employment agency, the hiring out of workers on a temporary basis to firms in return for a fee, was described. However, the employment agency industry is more complex than this, with a diverse range of intermediaries in existence carrying out numerous activities and subject to a wide variety of regulations in different countries. These complexities need to be looked at to understand fully the way in which the employment agency industry operates today in the UK. In Chapter 1, it was established that the term ‘employment agency’ encompasses a wide range of labour market intermediaries, including, for example, placement firms, headhunters, modelling registries and au-pair firms. The distinction between the temporary employment agency and these other forms of labour market intermediary has been the subject of much debate, and this has impacted on the way the industry operates on a day to day basis in different countries, and the regulations that agencies are subject to. In the UK, for example, temporary help and permanent placement are generally carried out by a single agency, setting the industry here apart from most other European countries, where, by convention or legislation, these two services are physically separated and carried out by different agencies.

This Chapter begins with an outline of the origins of the temporary employment agency industry and a description of how the debate over the interpretation of the temporary employment agency as an intermediary or as something ‘quite different’ (Veldkamp and Raetsen, 1973, p122) has impacted on the development of the industry. Some figures on the size of the employment agency industry in the UK, the US and Europe are presented in Section 2.3, and a number of key differences between the operation of agencies in these countries are identified. A cross-Europe comparison of

regulations pertaining to the use of agency workers is then presented in Section 2.4, with the aim of demonstrating how the triangular relationship created via the intervention of the agency between employer and worker has been reflected in legislation. A great deal of diversity can be seen across countries, and arguably, regulations in place reveal some of the distinctive features of agency working. Some conclusions are drawn in Section 2.5.

2.2 Origins

The exact origins of the temporary employment agency industry are difficult to establish. Gonos (1997), for example, finds evidence of ‘intermediaries’ in 19th Century America which ‘procured workers for employers, provided commissary services and acted as paymaster’, activities that seem fairly close to that of most temporary employment agencies today. Moore (1965, p556) also believes that firms offering some sort of temporary labour for use by a third party may have existed in London before World War One, usually operating as subsidiary services of permanent placement firms.

However, most commentators prefer to place the origins of the modern day temporary employment agency industry to the USA in the late 1920's and 1930's. The birth of the industry appears to have coincided with the invention of ‘calculating and business machines’, when demand grew for workers who had the skills to use this equipment (ibid., p556). A number of agencies were set up providing such a service. To begin with, these agencies carried out work on their own premises using their own machines. Later, the workers were hired out to work on clients premises, but they still often took their own calculating machines with them (Rourke, 1992a, p35). It was only in the late 1930's, when a large number of firms had invested in their own calculating machines that workers were sent to clients without needing to take their own equipment

with them. The founder of Kelly, one of the largest employment agencies in the world, said of this development :

‘.....clients were impressed by the way my girls had been trained. It just seemed to be a natural development to send out the girls and forget about the machines’ (Russell Kelly, quoted in Rourke, 1992a, p33)

The industry appears to have really taken off after World War II when the number of activities, occupations and geographical areas covered by agencies expanded greatly. Some of the largest and best-known temporary employment agencies were established in the 1940's and 1950's, as Table 2.1 below shows.

Table 2.1 The Establishment of some major Temporary Employment Agencies world-wide.

Name of agency	Established	Country of origin	Establishment in the UK
Manpower	1948	USA	1963
Kelly	1946	USA	1973
Adia	1957	Switzerland	1976
Olsten	1950	USA	1977*
Randstad	1960	Netherlands	1989
Barrett	1965	US	n/a
Reed plc	1973	UK	1973
ECCO	1964	France	1980
Brook St	1949	UK	1949
Pertemps	1961	UK	1961

*Olsten operates in the UK under the Office Angels name.

The reasons behind the emergence of the concept of temporary help in the early post-war years are hinted at in company histories and interviews conducted with founders of employment agencies. Kelly, for example, was set up by a car salesman who had learnt how to use the newly developed business machines whilst serving as an

Army Quartermaster during the war and recognised the shortage of skilled workers in this area (Rourke 1992a, p35). Manpower, the largest agency in the world today, with almost 1500 offices in 35 countries (Parker, 1994, p32) was established in Milwaukee by two law firm partners who sought to take advantage of a general labour shortage following World War II (Swartz, 1994 p326). And Adia which, since its merger with ECCO Employment in 1996, can claim to be comparable in size to Manpower (Hall, 1997), was set up in 1957 by an accountant, after a client asked him if he could recommend someone who could do a job at short notice (Rourke 1992b, p9).

Many of the typical images associated with temporary employment agency working can be seen in the early post-war development of the industry. Agencies were often characterised as offering primarily clerical staff for hire, and it was assumed that the majority of agency workers were female (e.g. Economist, 1962; Covell, 1992). Almost without exception, the early post-war temporary employment agencies concentrated on offering clerical labour, with workers being sent on temporary assignments to firms usually to carry out typing, book-keeping and secretarial duties. The expansion of agencies into non-clerical activities, including industrial and professional work, which occurred in the late 1950's and early 1960's, coincided with a surge in demand for workers in particular occupations. For example, Olsten and Kelly, two of the biggest American-based agencies both attribute their move into supplying engineers in the mid-1960's to the increased demand for these workers due to the military build-up associated with the Vietnam war (Rourke, 1992a; Rourke, 1992c).

Despite this diversification, the majority of turnover for most agencies in the 1950's and 1960's was still generated through clerical assignments. Moore (1965) in a survey of 9 national US agencies found that 6 of them obtained at least 90% of their 'volume' through clerical activities. A similar picture of the employment agency industry in the UK emerges, with office working providing the 'bread, butter and jam' (Economist, 1962, p65) for agencies operating in London.

Similarly, in the 1950's and 1960's, it seems that almost all agency workers were female. Adverts for Kelly, for example, encouraged women to join an agency 'the next time you get fed up with the household routine' (Rourke, 1992a, p35). The histories of other large agencies at the time also indicate an exclusively female workforce. One agency manager, in 1963 went as far as saying : 'We can think of 60000 reasons why our 60000 female employees want to work on a temporary basis, but we cannot think of one good reason why a man, other than a student or a man between jobs, would want to work as a temporary employee' (Russell Kelly, quoted in Henson, 1996, p8). This image is reinforced by the fact that a number of early agencies actually operated under names suggesting an exclusively female workforce. Western Girl was one of the largest early US agencies, and until 1963, Kelly operated under the name of Kelly Girl. Moore (1965, p560) notes that in the mid 1960's, a 'negligible' number of male workers were involved in the industry. Gradually, the number of male workers involved in the industry increased, assisted by the continued expansion of agency work into a wider range of occupations. By 1974, in the US, 70% of temporary employment agency work was clerical, with 28% industrial, and 2% legal and professional (Gannon, 1974). According to one survey at this time, the percentage of male agency workers had risen to 21% (Gannon and Brainin, 1971). Since this time, the percentage of male agency workers has risen even further, with the most recent figures suggesting that in the US, 40% of agency workers are male (Segal and Sullivan, 1997).

The size of the temporary employment agency industry by the 1960's was still relatively small. In 1963, in the US, there were a nation-wide total of 816 employment agencies, generating a turnover of \$159m and utilising 400000 temps per year (Gannon, 1974, p44). In the UK, figures for the London area, where the majority of agencies could still be found at this time, indicate that there were approximately 300 such firms operating in the capital. (Economist, 1962). From this relatively small base, the growth

of the industry at this time was nothing short of spectacular. Between 1963 and 1967 in the US, turnover in the temporary help industry doubled and the number of agencies operating grew by 50% (Gannon, 1974, p44). In the UK too, the limited evidence available on the operations of London agencies shows that between 1964 and 1967, turnover increased by 70% to over £7m, and the number of agencies rose to over 800. (National Board for Prices and Incomes, 1968). The rapid growth rates associated with the temporary employment agency industry have continued since the 1960's and the industry has been characterised, particularly in the US, as being one of the fastest growing sectors in the economy (e.g. Carey and Hazelbaker, 1986; Morrow, 1993; Henson, 1996; Parker, 1994).

However, since its modern day origins in the 1920's, one factor which has had a fundamental impact on the development of the industry is the very conceptualisation of the temporary employment agency. In Chapter 1, the discussion of economics research highlighted that the temporary employment agency is interpreted as a passive intermediary between demand side forces from firms and supply side forces from workers. The activities of the agency in this instance can be best described as 'brokerage bringing employers and workers together' (International Labour Organisation, 1994a, p9). An alternative conception of temporary employment agencies was offered in Chapter 1, however, where it was noted that such agencies do not necessarily 'step out of the picture' (Gonos, 1997) after founding an employment relationship. Longer-term, ongoing relationships between the parties involved was viewed as a possibility. The interpretation, through legislation, of the temporary employment agency as an intermediary or as something 'quite different' (Veldkamp and Raetsen, 1973, p122) has impacted on the development of the employment agency industry. This can be seen by looking at the two most common types of intermediary in existence, the temporary employment agency and the permanent placement firm. Until 1994, the two were viewed as homogeneous in the eyes of the International Labour Organisation (ILO). Early legislation, such as Convention No 34, passed in 1933 called

Figure 2.1 ILO legislation pertaining to employment agencies

1919 Unemployment Convention No 2

- Aims to establish ‘a system of free public employment agencies’ following the principle of ‘monopoly on placement’.
- Co-ordination between public and private agencies.

1919 1st Labour Recommendation

- ‘.....prohibits the establishment of employment agencies which charge fees, or which carry on their business for a profit’
- Where such agencies already exist, they should be abolished as soon as possible.

1933 Convention No 34 on Fee Charging Employment Agencies

- Calls for the abolition of all Fee Charging agencies within 3 years

1949 Convention No 96 on Fee Charging Employment Agencies (revised)

- Choice offered to countries between ratifying Part II and Part III.
- Part II : The progressive abolition of Fee Charging Employment Agencies (no specified time limit).
- Part III : Allow Fee Charging Employment Agencies to operate subject to regulations.

1966 Explanatory Memorandum to Swedish Government

- ILO Responds to question asking for clarification as to whether ‘temporary employment agencies’ should be treated as identical to Fee Charging Employment Agencies.
- ILO indicates that temporary agencies also act as ‘intermediaries’.

1994 Resolution concerning the role of private employment agencies in the functioning of labour markets

- ILO accepts that current legislation ‘no longer corresponds to today's reality in modern labour markets’, that a variety of employment agencies exist and that the temporary employment agency relationship is ‘quite distinct’ from other labour market relationships.

Sources : ILO (1966a); ILO (1966b); ILO (1994a); ILO (1994b); Veldkamp and Raetsen, (1973); Valticos (1973)

for the banning of placement ('fee-charging') employment agencies (See Fig 2.1, page 44). This opposition was founded on two ILO principles. First, the ILO held the belief that 'labour is not a commodity' and that workers should be protected against abuses from private, profit making intermediaries (Valticos, 1973, p46). Secondly, 'the principle of monopoly on placement' decreed that the State should assume responsibility for placement activities, through a network of public employment offices (ILO, 1994a, p6). Whilst this opposition was modified in 1949 in Convention No. 96, to allow ratifying countries a choice between banning fee-charging agencies (Part II of the Convention) or regulating their activities (Part III), the underlying view of such agencies, as 'intermediaries..... procuring employment for a worker or supplying a worker for an employer' (ILO, 1966a, p201) remained the same. However, no reference to temporary employment agencies is made in either of these Conventions, which were passed during the early stages of the industry's development. Their applicability to temporary employment agencies in particular was only raised in 1966, when in response to a memorandum from the Swedish government, the ILO determined that such agencies were 'fully covered' in their definition of fee-charging employment agencies (ILO, 1994a, p1). In other words, temporary employment agencies were to be viewed as intermediaries and countries ratifying Part II of the 1949 Convention should ban their activities as well.

Whilst the ILO recently accepted that the temporary employment agency and the permanent placement agency are in fact 'quite distinct' (ILO, 1994b, p146) in many countries, the differences between the two have been expressed explicitly through national legislation for much longer. Table 2.2 shows the position of 12 EU countries towards ILO Convention No 96, indicating whether they have ratified Part II of the Convention, to abolish placement agencies, Part III which allows them to operate subject to regulations, or neither. It shows that 6 countries have ratified Part II. Yet, in 1993, temporary employment agencies were legally operating in 4 of these 6

countries, with Spain and Italy being the exceptions.¹ This situation, with the formal banning of placement agencies but the legal existence of temporary employment agencies, indicates that in individual countries, the two services are seen as quite distinct.

Table 2.2 Position of 12 EU Countries towards ILO Convention 96 - on 'fee-charging employment agencies'.

Country	Ratified Part II	Ratified Part III	Date of Ratification
Belgium	✓	x	04/07/58
Denmark	x	x	-
France	✓	x	10/03/53
Germany	✓	x	08/09/54
Greece	x	x	-
Ireland	x	✓	13/06/72
Italy	✓	x	09/01/53
Luxembourg	✓	x	15/12/58
Netherlands	x	✓	29/06/50
Portugal	x	✓	07/06/85
Spain	✓	x	05/05/71
UK	x	x	-

Key : ✓ = yes, x = no

Sources : ILO (1994a); Abbot and Clark (1991).

Further, despite formal opposition, the activities of permanent placement agencies are 'tolerated' in all 6 countries ratifying Part II of the ILO Convention (Abbot and Clark, 1991). However, five of these six countries, (Belgium, France, Germany, Italy and Spain) have still maintained some distinction between placement and temporary employment agencies by legislating that the two activities are conducted from separate offices. In other words, temporary employment agencies are not permitted to carry out placement work from their premises, and vice versa. Indeed, the UK is unique amongst European countries in allowing both placement and temporary contract activities to be carried out by the same firm, from the same office. The most

¹Spain and Italy both legalised the activities of temporary employment agencies in 1994.

recent estimate indicates that 89% of registered employment agencies in the UK do offer both temporary and permanent services (Intel, 1996). A further 10% of agencies offer permanent services alone. These consist mainly of executive search agencies, commonly known as headhunters. The general conclusion can be made that if a firm in the UK offers a temporary work service, it almost invariably offers a permanent service too. A regulatory environment which permits this dual role to be performed by agencies in the UK should not be ignored, however, it is arguable that employment agencies themselves have also contributed to the development of this situation. Moore (1965) notes that in the 1930's, when the concept of temporary help was relatively new, temporary employment agencies in the UK and the US often chose to merge with placement agencies (which had been in existence for much longer) in order to establish their name and the concept of temporary help on a nation-wide scale. However, by the 1960's, placement and temporary help were being offered separately in the US. Moore believes that two factors explain this. First, once the concept of temporary help became popular and firms were established nation-wide, temporary help firms saw no reason to remain merged with permanent placement firms, viewing the two services as quite distinct (Moore, 1965, p568). Secondly, the introduction of stricter regulation of placement agencies in the post-war period in the US was seen to be 'threatening the very existence' of the industry (Gonos, 1997). After laws were passed in Post-War America setting limits on the maximum fee that could be charged by placement agencies, temporary employment agencies began to attempt to distinguish themselves from permanent placement firms, to avoid such legislation. In the UK, no such split was necessary, since legislation pertaining to placement agencies was minimal.

The UK government had ratified neither Part II or Part III of ILO Convention 96², and whilst the subject of setting a ceiling on the fees that could be charged by

²Moves to Ratify Part III of the Convention were made through a 1951 White Paper (Cmd 8286) and a 1965 Private Members Bill passed by Hugh Jenkins in 1965, but neither became law.

employment agencies was discussed in Parliament (National Board for Prices and Incomes, 1968) no such action was taken³. Legislation passed in the 1973 Employment Agencies Act simply required temporary employment agencies to obtain an annual licence from the Department of Employment. Temporary contract and permanent placement services have continued to be offered together in the UK to this day, a unique situation which will be explored in more detail in subsequent chapters of this thesis. Here, the impact of this dual role is looked at through an analysis of figures documenting the composition of the temporary employment agency industry in the UK, and elsewhere, set out in Section 2.3 below.

2.3 : The employment agency industry in the UK, the US and Europe.

Until 1995, operators of agencies in the UK were required to obtain a licence annually from the Department of Employment, allowing accurate figures to be obtained on the annual number of requests for such licences (Column 2, Table 2.3). These requests include firms on the fringes of the employment agency industry, such as modelling and entertainment agencies, and firms for whom temporary or placement work isn't their principal activity, such as training institutes. Removing these gives a core industry, consisting of the numbers shown in column 3.

In 1995, these 9000 offices could be divided into three parts of approximately equal sizes, consisting of large multinational companies with 25 or more branches, national firms with between 2 and 24 branches and small independent one branch companies (Mintel, 1996).

³In a recent Department of Trade and Industry (DTI) consultative document (DTI, 1997) the question of fees being charged by agencies has been raised once more. This document discusses the possibility of charging workers for certain types of information obtained through certain types of agency - a proposal which if implemented would mark a radical shift in the 'no fees to workers' policy which has existed in the UK since World War II.

Table 2.3 The Employment Agency Industry in the UK.

Year	Licences issued	'Core' number of offices	Total Turnover per annum (£bn)	Total Turnover per annum (£bn), 1990 prices	Temporary contracts concluded	Permanent placements made
1990	16537	9500	10.15	10.15	516800	553900
1991	17193	10000	8.65	8.17	526700	317100
1992	15644	8700	8.05	7.33	638200	270900
1993	14442	8200	7.98	7.15	682000	269100
1994	15020	8400	10.3	9.01	783000	296000
1995	n/a	9000	13.33	11.27	950000	350000

Sources :Keynote, 1996 Mintel, 1996.

The industry in the UK has a low concentration ratio, with the largest 15 agencies accounting for less than 10% of market share (Keynote, 1996). Turnover in the industry in the early 1990's fell dramatically, reflecting the commonly held view that employment agencies are affected heavily by the recession. Indeed, looking at constant 1990 prices, it was only in 1995 that the industry recovered to the levels of turnover experienced in 1990.

The contributions of temporary help and permanent placement to turnover in the industry are presented in Table 2.4. At first sight, it appears that permanent placement is not a particularly important feature of the employment agency industry in the UK, accounting for about 5% of turnover each year. However, when comparing temporary help and permanent placement it makes more sense to look at net sales - that portion of turnover that is retained by the agency⁴. By this alternative measure, permanent placement work accounts for 19% of activity.

⁴"Turnover" for placement activities consists of a one-off payment usually equal to a percentage of a worker's starting salary. For temporary contract activities however, turnover includes both the worker's wages and a percentage on top of this wage, the agency's premium.

Table 2.4 Contributions of temporary and permanent contracts to turnover 1993-95

	1993 (£bn)	1993 (%)	1994 (£bn)	1994 (%)	1995 (£bn)	1995 (%)
Temporary contracts	7.7	96	9.9	96	12.7	95
Permanent Placements	.3	4	.4	4	0.6	5
Total	8	100	10.3	100	13.3	100

Source : Mintel, (1996); Keynote (1996).

The importance of permanent placement activities is revealed more clearly in Table 2.5 which shows the volume of temporary and permanent contracts concluded each year. In 1995, 350000 permanent contracts were completed, compared with 950000 temporary contracts. One additional interesting feature of these figures is that whilst the number of temporary contracts has increased every year in the 1990's, the number of permanent placements dropped dramatically between 1990 and 1993, indicating the greater susceptibility of the latter to recessionary periods. The figures for temporary contracts also show that the flow of temporary workers over a year is much higher than the stock at any one time (Peck and Theodore, 1998). Whilst the Labour Force Survey indicates that there were 161000 temps in Spring 1995 (Forde, 1997), the total number of temporary contracts concluded in that year was almost 6 times this figure.

In the US, the temporary help industry operates largely in isolation from permanent placement work. Legally, the two are viewed quite differently, and in practice only a handful of temporary employment agencies offer a permanent placement service (Gonos, 1997). Table 2.6, taken from Parker (1994) charts the growth in the number of employees working in the Temporary Supply Industry, classification 7363 in the Bureau of Labour Statistics annual survey. The figures show growth rates of 30% in some years, with an average growth rate of 11%. The largest agency in America,

Manpower, is often cited as the biggest employer in the world, with 600000 workers on it's payroll in 1993, and 764000 by 1995. This makes it larger than companies such as GM (400000 workers in 1993) and IBM (245000 workers), although, ironically, temporary employment agency workers are not legally employees either of the agency or the clients firms to which they are assigned. Turnover in the US Temporary Help Industry has also grown rapidly, doubling from \$3bn in 1980, to \$6bn in 1985, and doubling again to over \$12bn in 1990. Since 1990, figures in the Bureau of Labour Statistics survey for the temporary help industry include an additional type of service, known as staff leasing, in which an agency takes on the responsibilities of a personnel department, handling all hiring and firing duties and providing a specified number of workers.

Table 2.5 Employment in Temporary Help Supply Industry , US, 1980-1993.

Year	Average number of employees (millions)	Percentage Change per year
1993	1.494	4.7
1992	1.426	12.5
1990	1.295	25.5
1989	1.031	-1.1
1988	1.042	9.9
1987	0.948	17.4
1986	0.808	14
1985	0.708	13.8
1984	0.622	31.9
1983	0.472	16
1982	0.417	1.3
1981	0.401	-3.5
1980	0.416	-4.7

Source : Parker, (1994), p29

Recent reports indicate that this is becoming an increasingly important component of the activities of temporary employment agencies in the US (Carnoy et al,

1997; Wernick, 1997), although in this thesis, such ‘outsourcing’ work is seen as conceptually distinctive to temporary employment agency working.

In Europe, a great deal of diversity can be seen in the development of the employment agency industry (Table 2.6). As a rule, temporary help and permanent placement activities are separated in European countries. In a number of countries, temporary employment agencies have only recently been legalised. Spain and Italy, for example, have only permitted agency working since 1994, although the industry was operating underground before this date (Abbot and Clark, 1991). Elsewhere, the employment agency industry is well established in countries such as France, Germany, the Netherlands and Belgium, but underdeveloped in others, such as Denmark, Ireland and Sweden. The large size of the industry in the UK and the US can be seen in Table 2.6, with the UK accounting for 50% of EU turnover, and the industry in the US comparable in size to the whole of Europe.

Table 2.6 The temporary employment agency industry across Europe

	Turnover (1994, million ECU)	Employment (% workforce)	Number of agencies	Number of branches	Branches per agency
Austria	158	0.4	75	313	4.2
Belgium	1199	1.1	89	624	7.0
Denmark	42*	0.1	88	120	1.4
France	7718	1.7	830	4000	4.8
Germany	2462	0.5	2498	3298	1.3
Ireland	36*	0.2	43	245	4.7
Netherlands	2850	2.7	350	2125	6.1
Norway	96	0.4	57	101	1.8
Portugal	n/a	0.1	168	300	1.8
Spain	189*	0.3	310	320	1.0
Sweden	72	0.0	157	n/a	n/a
Switzerland	955	0.8	400	650	1.6
UK**	13257	n/c	2750	8000	2.9
US	27918	1.8	7200	17000	2.4

*1993 figures ** includes permanent placement and temporary work

n/a Figures not available. n/c Figures not comparable

Sources : European Commission (1995), and other years.

Earlier, it was noted that the UK industry was characterised by a low concentration ratio, with the largest 15 agencies accounting for less than 10% of market share. The concentration of the industry in countries across Europe can be seen in the final column of Table 2.6, which shows the number of branches per agency. A high ratio generally indicates a high concentration of the industry. For example, in France, the ratio of 4.8 indicates that the average agency operates 4.8 branches. The evidence reported by Abbot and Clark (1991) reveals that the 5 largest agencies in France account for almost 50% of market share, a much higher figure than in the UK. From this approximate guide, the industry appears to have the highest concentration of agencies in Belgium, Netherlands and France.

2.4 : Employment Agencies and Labour Market Regulation

Further insight into the temporary employment agency industry in the UK and elsewhere can be gathered via an analysis of statutory regulations pertaining to agency work in different countries. Focus here is directed towards regulations established by national laws or binding collective agreements. The need for caution when making such a cross-national comparison has been stressed elsewhere. Blanpain (1993), with explicit reference to temporary working notes the importance of establishing that similar terms and expressions, as well as institutions, are being used for comparison. However, this is only the 'tip of the iceberg' (ibid., p5). A potentially bigger problem is that regulations in operation are a reflection of 'underlying basic values and legal cultures' of individual countries (ibid., p5). Thus, whilst differences may be found in specific regulations relating to employment agencies, this may simply be confirmation that a number of different underlying approaches to labour market regulation exist 'each of which has evolved more or less ad-hoc from different labour market conditions, socio-political environments, and underlying policy motives rather than according to a coherent and consistent policy concept' (Buechtemann, 1993, p24). Recognition of this indicates that an analysis of statutory provisions, attempted here,

can only provide a partial picture of the full set of institutional factors impacting on the temporary employment agency industry in a particular country. The effects of informal worker opposition, institutional factors such as vocational training and public labour market policies and other ‘subtleties’ (ibid., p33) operating in individual countries and influencing labour market outcomes may not be captured in an analysis which looks solely on statutory provisions.

Despite these difficulties associated with cross-national research, for this thesis, a comparison of the structure of regulations in different countries is necessary for two reasons. First, the subject of cross-national regulations pertaining to agency work has generated interest at EU level, yet proposed community action on agency working promised at various points in the 1980’s and 1990’s have been abandoned because of the different interpretation given to the role of the employment agency in particular countries. Proposed Community action on agency work has been justified because of concerns that differences in regulations across countries may conflict with wider EU objectives, such as the desire to eliminate distortions of competition across member states and the promotion of freedom of movement. The success of specific directives, on Working Time for example, are also affected by regulations pertaining to the use of employment agencies. As a result, proposals for the harmonisation of agency working regulations have been put forward in at various points in the 1980’s and 1990’s (see Commission for the European Community (CEC), 1980; Blanpain, 1993; Blanpain and Drubigny, 1980; CEC, 1982; Cabinet Office, 1982; Cabinet Office, 1984; Department of Employment, 1990; European Industrial Relations Review (EIRR), 1990; Hughes, 1990). However, as this Chapter has already hinted, differences in the very nature of agency working in particular countries make the possibility of achieving such harmonisation appear very remote. Directives proposed in 1982, for example, seeking to limit the reasons for which recourse could be made to employment agencies, were opposed by the UK who suggested that such restrictions ‘....would limit the ability of firms to respond to market conditions and opportunities for growth, and hence impede

the creation of new jobs' (Cabinet Office, 1984). More flexible proposals drafted in 1990 on atypical forms of employment in general, were also opposed by the UK (EIRR, 1990, p12; EIRR, 1995a, p2). A new round of consultation on the issue of atypical employment in Member States has now begun, with a central question being whether all forms of atypical work should be covered by a single action, or whether there should be a specific one for each (EIRR, 1995b, p3).

Secondly, the main aim of the comparison of regulations pertaining to agency working is to provide more insight into the particular nature of this form of working, by highlighting features of agency working that have merited legislation in different countries. Are the conceptual distinctions identified in Chapter 1 between agency working and other forms of employment reflected in regulations? How, for example, has the dual relationship for agency workers with agency and client firm impacted on regulations?

Table 2.7 looks at regulations pertaining to the use of agency workers in the UK, the US and selected European countries. The legislative 'map' relating to agency work has been subject to rapid change in recent years, with a number of countries only recently allowing agencies to operate (Spain, for example, only allowed recourse to agencies to be made in 1994), and others, such as Belgium updating existing regulations. The analysis in Table 2.7 is based on the Table provided in OECD (1993), but the information has been extended and updated to take account of recent changes. Countries have also been grouped according to the severity of regulations pertaining to the use of agency workers. The key in Table 2.7 provides an explanation of each regulation, and these are looked at in more detail below.

In most countries, prospective agencies must obtain a licence, the granting of which is subject to a number of conditions. Typical conditions relate to the possession a certain amount of capital (Belgium), the requirement to pay money into a fund to

Table 3 : A comparison of regulations pertaining to agency work in various countries.

	Minimal legislation				Moderate legislation				Severe legislation			
	UK	US	Ireland	Denm'k	Nethl'ds	Portugal	Germany	Belgium	France	Italy	Spain	
Licence	N	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	
Contract agency/fim	Y	Y	N	N	N	Y	Y	Y	Y	Y	Y	
Strike agreement	Y	N	N	N	Y	Y	N	Y	Y	Y	Y	
"Reasons" restrictions	N	N	N	N	N	Y	N	Y	Y	Y	Y	
Sectoral restriction	N	N	N	N	Y	N	N	Y	N	Y	n/a	
Maximum Duration (mths)	No lim	No lim	No lim	No lim	6*	12	6	6	18***	6	n/a	
Contract worker/agency	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	
Agency worker employee	N	Y	N	Y	N	Y	Y	Y	Y	Y	Y	
Parity of pay	N	N	N	Y	Y	Y	Y**	Y	Y	Y	N	
Parity of benefits	N	N	N	Y	Y	Y	Y**	Y	Y	Y	N	
Access to work facilities	N	N	N	N	Y	Y	N	Y	Y	Y	Y	

Key : Y = yes, N = no, No lim = no limit specified, n/a = information not available.

* 12 months in selected cases. ** via collective agreement. ***24 months in selected cases

Explanation of terms

Licence : are prospective agencies obliged to obtain a written licence from the relevant authority?

Contract agency/firm : does a formal contract exist between the agency and the client firm?

Strike agreement : are agencies forbidden to hire out staff to replace workers engaged in industrial disputes?

"Reasons" restrictions : are there regulations in place which limit the reasons for which recourse can be made to agency staff?

Sectoral restrictions : are agencies workers outlawed in particular sectors of employment?

Maximum duration : is there a limit on the amount of time an agency worker can spend in an individual client firm?

Contract worker/agency : is there a formal/written contract between the employment agency and the agency worker?

Agency worker employee : does the contract specify that the agency worker is formally recognised as an employee of the agency?

Parity of pay/benefits : are agency workers *guaranteed* similar treatment to other employees?

Access to work facilities : Are agency workers *guaranteed* similar access on assignment to regular employees?

Sources : OECD, (1993); Blanpain, (1993); Abbot and Clark (1991); Gonos (1997); Parker (1994) Incomes Data Service (1998) and other issues; European Industrial Relations Review (1995a) and other issues.

protect workers in case of bankruptcy (Belgium, France, Portugal, Spain and Italy) an obligation to provide data on the number and type of assignments completed to the relevant national authority (Belgium, France, Germany, Ireland, Italy, Netherlands, Spain, Portugal) and an agreement that the agency will not hinder attempts by agency workers to find permanent employment (Belgium, Germany, Netherlands). In this final condition, firms are prevented from enforcing a signing-on fee on firms or workers after a worker 'goes permanent' on the conclusion of a temporary contract. By contrast, in the UK, where temporary and permanent services are carried out at the same agency, such fees form an important, even integral part of an employment agency's income.

A number of features of the relationship between the agency and the client firm are revealed via this cross-national comparison. In most countries, a formal contract is exchanged between agency and each firm it contracts with. In the UK, for example, such a contract must, under the 1976 Employment Act, contain information on the procedure to be followed if a worker proves unsatisfactory, details of the fee to be paid if a workers obtains a permanent job in a firm, and a description on the employment status of agency workers, whether under a contract of service, self-employed, or under an ambiguous contract *sui generis* ('of it's own kind'). Whilst this document thus provides an indication of the employment status of agency workers in the UK, in practice, this is determined on a case-by-case basis, utilising common law tests of control of the employer over the worker and integration of the worker into the firm (Blanpain, 1993, p272; Industrial Relations Service, 1995, p5). In the US, on the other hand, contracts emphasise that agency workers are not employees of user firms, with Gonos (1997) for example, arguing that this freeing of employers from the responsibilities of an employer-employee relationship is an important factor explaining the growth of the agency industry. In other countries, contracts outline the reasons why use is being made of agency staff (France, Spain) and the total duration of the contract (Portugal, France, Spain, Belgium).

A number of restrictions on the recourse to agency workers are also imposed in countries, along three dimensions. First, the imposition of a ban on utilising agency workers to replace striking workers is common. In some countries in which no such ban exists, collective agreements between individual trade-unions and agencies appear to play an important role in preventing agency staff being used for such purposes (in Germany, for example, in 1987 the largest metal workers union negotiated that agency workers would not be used during strikes). Secondly, legitimate motives for recourse to agency workers have been agreed in some countries. In general, these restrictions attempt to ensure that the use of agency workers is temporary rather than permanent. In the 5 countries in which such restrictions exist, the legitimate reasons for using agency staff are basically the same : for the temporary replacement of an employee (through sickness, holidays, or where a job is to be abolished in the near future); to cover a temporary or unforeseen increase in workload; or for exceptional or urgent jobs. Thirdly, sectoral restrictions on the use of agency staff are also in place, usually implemented via collective agreements. In Belgium, for example, the use of agency staff in the building, construction and furniture removal trades is outlawed. The two countries to have most recently legalised agency working, Spain and Italy, have also limited the use of temps to particular types of work, namely skilled and tertiary employment.

Finally, on the relationship between the agency/firm, a maximum duration on the use of agency staff is imposed in some countries. The rationale for such legislation appears to be to ensure the temporary nature of agency employment. In Belgium, Netherlands, Germany, Italy and Spain agency workers can only be used for up to 6 months, whilst in Portugal, the limit is 12 months, and 18 months in France. The maximum permitted duration is often related to the initial reason for utilising agency staff. In France, for example, a limit of 9 months is set when agency workers are being used to carry out exceptional or urgent work.

Turning to the relationship between the agency worker and the employment agency, in all countries, there is some written communication between the agency and the worker regarding their employment, although, in some cases, such as in the UK, this is not regarded as constituting a formal contract. Here, agencies are bound by the 1976 Employment Business Act simply to provide written particulars about the terms and conditions of employment for each assignment, and a minimum level of pay. A similar situation exists in Ireland and the US, but elsewhere contracts are more detailed, covering issues including remuneration, benefits to be received, and the duration of assignments. The existence of such a contract, however, does not necessarily indicate that a worker is an employee of the agency (e.g. the Netherlands). In 8 of the countries looked at however, an employer-employee relationship *is* deemed to exist between the employment agency and the worker, although the implications of this ruling differs from country to country. In most countries the conferring of employee status entitles agency workers to the same wages and benefits as other workers. Only in Germany and Italy is the relationship between the two parties equivalent to that experienced by those in standard employment. In Germany, the contract between agency worker and agency is indefinite, with the agency obliged to pay the worker a wage regardless of whether they are assigned to a user firm or not. In Italy, a similar guaranteed income is enjoyed by agency staff, with the contract of employment specifying a minimum amount that a worker should earn during 6 months with an agency, and payment of some money to workers between assignments. In a number of other countries, further recognition of the particular dimensions of agency working can be seen, with in France for example, agency workers receiving a 10% ‘indemnity’ or ‘precariousness bonus’ at the end of an assignment, in the event of them not being taken on permanently in a firm. In Italy, on the other hand, agencies must contribute a portion of turnover to a “training fund” in an attempt to ensure that agency workers receive the same training as other staff.

2.5 Conclusions

Three conclusions are made here in light of this cross-national comparison of regulations pertaining to agency working. First, whilst it is not possible to generalise across all countries, where legislation is in place, two central aims are apparent : to avoid the abuse of this form of employment by user firms, and to ensure that agency workers receive similar treatment to other workers. In particular, restrictions in some countries on the possible recourse to agencies by firms serve to ensure that agency workers are only used a temporary staffing measure. Similarly, contract specifications between agency and worker make explicit reference to parity of treatment, in terms of pay and benefits, between agency workers and other staff. Whilst such provisions undoubtedly reflect underlying approaches to labour market regulation in individual countries, they can also be seen as representing an interpretation of the role that should be played by employment agencies, with restrictions outlawing the development of the employment agency industry in areas outside those covered by the legislative framework.

Secondly, and relatedly, this offers insight into the particular nature of temporary employment agency working in the UK. Whilst legislation in place elsewhere prevent the temporary employment agency from collecting a signing-on fee should a worker be offered a permanent job, in the UK, collection of such fees is an integral part of the industry, accounting for a high proportion of agency's turnover. The discussion in Chapter 1, regarding the emergence of temp-to-perm schemes (see Chapter 1) is thus not an issue in many countries, since temporary and permanent services are generally carried out separately, whereas in the UK and the US, the possibility exists for their development. In a similar way, descriptions of the use of agency staff as a permanent staffing device (see Parker, 1994; Henson, 1996) are also irrelevant for countries which restrict the reasons for which such staff can be used, and set a maximum duration for assignments.

Thirdly, the need for some legislation in place in individual countries confirms the distinctive nature of temporary employment agency working, and demonstrates that the conceptual differences identified in Chapter 1 between this and other forms of employment can be seen in practice. The ‘indemnity’ offered to agency workers in France, for example, can be seen as a measure imposed to counter the particularly precarious nature of this form of employment. In Italy, the guarantee of a wage for agency workers throughout their employment, even when they not assigned, is recognition of the particular temporal dimensions associated with this form of work, and the possibility of ‘down time’ between assignments. The large number of regulations pertaining to dealings between agency worker and both user firm and employment agency hint at the complexity of the relationship between the three parties in the employment agency relationship, and suggests that the temporary employment agency typically does much more than found an employment relationship and then ‘step out of the picture’.

In summary, insight has been gained in this Chapter into the particular nature of agency working in the UK, through an analysis of the development of the industry in which the continuing debate over the role of the employment agency as an intermediary or something quite different is emphasised. It has been argued that the industry in the UK occupies a unique position, with legislation allowing temporary and permanent placement to be carried out by the same agency (in contrast to other European countries) and with the majority of agencies in the UK performing such a dual role in practice (in contrast to the US). Figures on the size of the industry demonstrated the importance of both temporary help and permanent placement to UK agencies. The cross-national comparison of regulations pertaining to agency working highlighted that a great deal of diversity characterises the legislative framework in which agencies operate. Further, it has been suggested that individual regulations in particular countries reveal some of the idiosyncrasies of agency work compared to other forms of

employment, and hint at some of the dimensions of the relationships between the three parties which merit investigation in subsequent chapters of this thesis.

CHAPTER 3 : METHODOLOGY

3.1 : Introduction

This Chapter examines the methodological issues which arise as a result of the aims of the study. Section 3.2 considers the uses of intensive and extensive research designs, relating this discussion to the aims of this particular study, and to the recent debate within the Industrial Relations literature over the relative merits of case-study versus large-scale survey research. In Section 3.3, the research procedure adopted for this thesis is outlined. Conclusions are presented in Section 3.4.

3.2 : Extensive and intensive research designs

In the social sciences, a division is frequently made between intensive and extensive research designs, reflecting fundamental questions relating to the nature of explanation in social science, and the complexity of the objects of study (Sayer, 1984, p211). The fact that ‘few concrete individuals are identical in every respect of interest’ (ibid., p219), creates a central dilemma for social science researchers between a desire to produce generalisations applicable to a wider population, and a need to analyse in detail attributes which are causally significant to each individual. In the former case, the need to provide comparisons and generalisations necessitates restricting the number of properties used to define individuals examined, with the danger that the properties excluded are important contributors to observed individual behaviour. The alternative is to restrict study to a small number of individuals in detail, examining a large number of properties relating to them, with the aim of establishing causal connections between variables. However, as Sayer points out in such a case ‘there is...no guarantee that the results are representative even if they seem to provide satisfactory explanations’ (Sayer, 1984, p221). The predicament, then, is over the adoption of an extensive or intensive

research design, the characteristics of which are outlined in Table 3.1. Looking at the questions sought to be answered under such designs, intensive research is concerned with how causal processes operate in a limited number of cases, whilst in extensive research, the aim is to discovering properties that are generalisable to a population. The different aims of the two designs necessitate different research techniques, with extensive research methods establishing representative samples of populations via questionnaires or standardised interviews, and intensive design utilising qualitative techniques such as participant observation, or unstructured, interactive interviews to tease out causal effects.

Another difference relates to the interpretation of groups in the different designs. In extensive research designs the concern is with :

‘groups whose members share similar (formal) attributes but which need not actually connect or interact with each other. Individual members are only of interest in so far as they represent the population as a whole’ (Sayer, 1984, p221).

In intensive research, the emphasis is on groups ‘related to each other structurally or causally’ (ibid., p222). Importantly, analysing causality in such an approach consists of examining actual connections between individuals.

Turning to this study, then, the goal of outlining the current picture of agency working in the UK might be achieved via an extensive research design, in which an attempt might be made to find a sample which is representative of the population of agency workers in the UK as a whole, a description made of the sample characteristics and then a generalisation of the results made to the larger agency working population.

3.1 Intensive and extensive research designs : a summary

	Intensive	Extensive
Research Question	How does a process work in a particular case or a small number of cases? What produces a certain change? What did agents do?	What are the regularities, common patterns, distinguishing features of a population? How widely are certain characteristics or processes distributed or represented?
Relations	Substantial relations of connection	Formal relations of similarity
Type of groups studied	Causal groups	Taxonomic groups
Type of account produced	Causal explanation of the production of certain objects and events, though not necessarily representative ones	Descriptive “representative” generalisations, lacking in explanatory penetration.
Typical methods	Study of individual agents in their causal contexts, interactive interviews, ethnography. Qualitative analysis	Large-scale survey of population or representative sample, formal questionnaires, standardised interviews. Statistical analysis.
Limitations	Contingent relations unlikely to be representative, average or generalisable. Necessary relations discovered will exist where-ever their relate are present.	Although representative of a whole population, they are unlikely to be generalisable to other populations at different times and places. Limited explanatory power.
Appropriate tests	Corroboration	Replication

From Sayer (1984), p222.

By asking respondents identical questions, answers can be used to make comparisons between different groups in our sample and establish formal relations between them. Yet, in doing this, it is necessary to sacrifice some of the potential to look at the relationships that may exist between agency workers on the one hand and employment agencies and client firms on the other, and how the individual situation of agency workers affects the significance of certain questions to them. Under an intensive design, utilising semi-structured interviews, on the other hand, whilst results are not representative of a larger population, more confidence can be placed in the ability of the research design to establish the complex nature of relationships between the actors in the employment agency relationship and the significance of circumstances for particular workers, because within such a design there is :

‘freedom for respondents to steer the conversation.....to bring in matters which, for them, have a bearing on the main subject’ (Hakim, 1987, p27).

Additionally, interviews can be adapted to reflect the significance of particular circumstances to individuals, with new variables introduced as their importance is revealed. This may be particularly important in the case of our study, with the relative lack of research conducted from the perspective of the employment agency, for example, meaning that all the variables of interest, and their relative importance may not be able to be determined in advance.

The key distinction, then, appears to relate to the type of relations between groups that each design is capable of generating evidence on. Whilst under extensive designs, the relations emerging are ‘....formal, concerning similarity, dissimilarity, correlation and the like’ (Sayer, 1984, p224) causal and structural relations, in other words ‘relations of connection’ (ibid., p224) are more likely to be discovered under a more intensive design. The ‘problem’ typically associated with intensive designs, namely their lack of generalisability, is not a problem at all, but a misunderstanding of

the aims of such designs. Case studies, for example, as Bryman notes, are not drawn from a 'wider universe of such cases' (Bryman, 1988, p90), but obtain their generalisability in relation to theoretical propositions rather than populations or universes (Yin, 1984).

Indeed, it is the distinctive roles of the two research designs that mean that they can be 'complementary rather than competing' (Sayer, 1984, p225), with, for example patterns identified via extensive studies explained in more depth via intensive methods. This is because :

'individuals who do not interact with the group of interest can be excluded even where, on taxonomic criteria, they would have to be included. Precisely because causal groups are selected, the "logic of the situation" is often relatively easy to discover' (ibid., p225).

Such statements resonate with contemporary debates within Industrial Relations over the relative merits of case-study and large-scale survey research (see Marginson, 1998; McCarthy, 1994; Morris and Wood, 1991; Millward and Hawes, 1995; Fernie and Woodland, 1995). McCarthy, for example, stresses the limitations of work based on large scale surveys, suggesting that their main use is for answering 'factual' questions rather than investigating complex causal mechanisms (McCarthy, 1994, p319). Marginson, on the other hand, argues that surveys can be used for much more than their commonly accepted role of mapping out structures and practices (Hakim, 1982; Saunders et al, 1997), including the identification of elements of continuity and change, and the highlighting of how wider environmental features impact on Industrial Relations policy (Marginson, 1998, p368). A principal conclusion of this debate, however, is that neither possible nor desirable to draw a sharp distinction between the two techniques. Large-scale surveys can contain elements more often associated with case study techniques, and a number of complementary features between case study and survey work can be identified within an overall research design. Surveys can be used to

probe issues of how and why particular outcomes are generated, and that given suitable controls ‘causal inferences can be cautiously drawn’ (Marginson, 1998 p370). Millward and Hawes note that in research designs involving structured surveys, the formulation of closed questions requires prior knowledge from other methods of research. Consequently, they take the following position :

‘.....we see the full range of social science research methods as appropriate to the subject. Indeed, no single method can hope to illuminate fully the complex social relationships involved’ (Millward and Hawes, 1995, p71).

Marginson concurs, taking the position that whilst an explanation of how and why particular outcomes are observed is possible via large-scale surveys, they are ‘best undertaken in combination with qualitative in-depth studies’ (Marginson, 1998, p371). The ‘symbiotic benefits’ of such an approach can emerge both via case studies being backed up by survey results, or in the opposite direction, with surveys focusing the lines of inquiry of a case study. The former ordering of research techniques is advocated by McCarthy (1994, p321), who calls for ‘the right kind of macro-survey’ to back up hypotheses formulated from case studies.

In more general terms the complexity of the objects of study may preclude the use of a single design, with results instead composed of ‘.....an uneven and incomplete combination of extensive surveys, a few intensive case studies, and a host of statements about relatively simple constituent events, all informed by abstract theoretical knowledge’ (Sayer, 1984, p228). This is not to deny, however, that in making a choice about an appropriate research design, more fundamental ontological and epistemological decisions are being made relating to the nature of human action and how this can be revealed through research. As Rist has suggested :

‘When we speak of qualitative or quantitative methodologies, we are in the final analysis speaking of an interrelated set of assumptions about the social world which are

philosophical, ideological and epistemological. They encompass more than simple data collection techniques' (Rist, 1977, p62 in Wass and Wells, 1994, p5).

Thus, whilst under a positivist methodological position 'the objective of research is to identify laws which characterise individual behaviour...through logical deduction and objective observation and measurement' (Wass and Wells, 1994, p12) in a naturalistic framework the logic of the scientific experiment is rejected, and instead '...a hermeneutic view about what constitutes knowledge is adopted in which data are defined as subjects' comprehension of their social world and explanation is defined as the interpretative understanding of the causes of action on the part of the subject' (Wass and Wells, 1994, p13). Bryman (1988), notes the possible incompatibility of the two opposing philosophical positions, yet concludes that the overwhelming imperative is to '...attend to the full complexity of the social world such that methods are chosen in relation to the research questions posed' (Bryman, 1988, p173). This 'pragmatic' approach to research design (Whipp, 1998, p52) suggests that it is of central importance for the researcher to look at the appropriateness of particular research designs (intensive, extensive) and techniques to be used, either in isolation or combination, via an assessment of the issues to be addressed, an identification of what is to be explained, and the types of relationship to be investigated.

3.3 The research procedure adopted for this study.

With these arguments in mind, it is useful to review the main empirical concerns of this thesis. At an abstract level, the thesis seeks to examine the phenomenon of temporary employment agency working in the UK, and the implications of this form of working for the actors involved. More concretely, the aim is to explore at an empirical level the conceptually distinctive features of this particular form of non-standard employment which result from the intervention of the temporary

employment agency between worker and firm, and to investigate the relationships which emerge as a result of this intervention, via a study which focuses on the agency worker and the employment agency. As such, the aims of discovering formal relations (concerning similarity, dissimilarity, correlation etc.) and relations of connection and causation between the actors in the employment agency relationship are both central to this study. This suggests that the full complexity of the concerns of the thesis may be best determined by a research design incorporating both intensive and extensive elements.

Having identified in Chapter 1 that of the three actors in the employment agency relationship, research conducted from the perspective of the employment agency and the agency worker remains relatively scarce, the empirical focus of this thesis is on these two actors rather than on the client firm. Importantly, however, a research design containing both intensive and extensive elements can inform debates discussed in Chapter 1, which have arisen via research conducted from the perspective of client firms. The emphasis placed on looking at the causal relationships between the three actors under intensive research design mean that explicit consideration will be given to the client firm, albeit via discussion of the ‘actual connection’ (Sayer, 1984, p223) that exists between the firm and the other two parties.

3.3.1 Extensive analysis : the Labour Force Survey.

An important first stage in our analysis is thus to map out the current picture of agency working in the UK, and with this in mind, a large-scale data set was identified as a means of providing such an analysis. The Labour Force Survey (LFS) is conducted on a quarterly basis in the UK and samples some 60000 households living at private addresses in Great Britain. First conducted in 1973, the survey was carried out every two years until 1983. By this time, the information gathered was being used by a wide number of parties, including the Employment Department to obtain measures of

unemployment, and data were subsequently collected on an annual basis. Since 1992, the survey has been further expanded, and is conducted quarterly. Questions are asked on a variety of issues relating to the personal and employment characteristics of respondents. The questionnaire comprises a core of questions asked each quarter, alongside a series of non-core questions which change from quarter to quarter and provide data on issues only needed once or twice annually (Labour Force Survey, 1995). Within the survey, a number of questions relate to temporary working and employment agency working, and it is possible to identify agency workers as a group via this survey. Unsurprisingly, given that the survey is directed towards workers, the information that can be obtained via the survey relates largely to the agency worker and other employees in the workforce. This offers a useful way of addressing some of the principal research concerns of this thesis. The survey gives a current picture of the agency working in the UK, and allows the description of the personal and employment characteristics of agency workers. It also provides the basis for a comparison of these characteristics to other non-standard and standard workers. In Chapter 1, a number of possible conceptual differences between agency working and other forms of employment were identified - can these differences be seen at an empirical level in the characteristics of agency workers? Secondly, looking at the employment characteristics of agency workers in the LFS can provide some preliminary information on the nature of the relationships between the three parties, hinting at issues to be probed through more intensive methods. For example, how long have agency workers been with the firm to which they are currently assigned? Why are respondents working through employment agencies?

Casey's (1987) analysis of 1984 Labour Force Survey (LFS) does provide a useful analysis of some of the principal characteristics for the employment agency workforce. There are compelling reasons for providing an updated account. From a purely technical standpoint, a number of changes in the identification and measurement of employment agency workers in the LFS have occurred since 1984, which have

impacted on the picture that can be obtained of agency working. Additionally, there have been suggestions that both the number and the composition of the employment agency workforce may have shifted in recent times, an assertion that can be investigated via the LFS. For example, in a number of recent accounts, agency working is purported to be growing most rapidly in ‘non-traditional’ areas, such as interim management and temporary accounting (Hawksley, 1994; Hawksley, 1995). Finally, as Chapter 2 described, the issue of employment agency working has been the subject of a number of legislative proposals at national, EU and ILO level. A leitmotif in such proposals is the issue of giving atypical workers the same employment rights as other groups of workers. One of the key questions has then centred on whether a single legislation should cover all atypical workers or whether there should be specific actions for each individual form of employment. (European Industrial Relations Review, 1995a, p3). An analysis of the characteristics of agency workers and other forms of non-standard employment can potentially inform this debate.

The merits and disadvantages of using large-scale data sets have already been discussed at length in this Chapter. Here, we merely re-iterate the main conclusions of this discussion, namely that as part of an overall research design, such surveys offer a useful way of gaining a broad-brush picture, in this case pertaining to employment agency workers in the UK. Additionally, as part of a research design incorporating intensive and extensive elements, the analysis can hint at issues which need to be probed further at later stages in the research process. In the case of agency working, this is potentially an important consideration, since whilst a growing body of research into agency working exists, it is largely US based, with a number of key distinctions between the operations of the employment agency industry existing between the two countries (see Chapter 2). As such, the LFS offers a useful way of exploring the agency working experience, both to answer a number of our key research questions, but also to inform our later research design.

3.3.2 The choice of the two areas for study : Leeds and Telford.

The remainder of the empirical research for this study was conducted in two local economies in the UK, Leeds and Telford. The choice of any locality for study raises issues about the specificities of the particular area, and the extent to which the experience there reflects that encountered nationally. However, it is arguable whether any locality is perfectly representative of the wider economy. Instead, the areas were selected with two main factors in mind. First, an overall aim of the study was to provide a broad analysis of agency working in the UK, and one key goal in this respect was to cover agency workers in a number of occupational and industrial areas. Leeds and Telford were principally chosen with this in mind, with each area consisting of markedly different occupational and industrial compositions. Secondly, as well as complementing each other to hopefully provide a meaningful overall sample, the two areas chosen also offered the potential for a comparison of the agency working experience. Is it possible to identify key differences in the agency working experience in the two areas, or are there common processes operating in both areas? Whilst both Leeds and Telford share some characteristics with the wider West Yorkshire and West Midlands economies in which they are housed, in other respects they are quite distinctive local economies within these areas. As such, they can be seen as ‘not representative, but illustrative’ of the range of local labour markets within which employment agencies operate. (Burgess et al, 1994 p96).

3.3.3 A survey of employment agency workers in the two areas.

The second part of the empirical research was to conduct a study of employment agency workers in the two localities chosen, Leeds and Telford. A postal questionnaire was seen the most practical method to conduct the survey, given resource constraints (May, 1993, p72). The questionnaire survey aimed to provide an analysis of the experience of agency working from the perspective of the agency worker,

focusing on both : tangible measures of this experience such as assignment lengths, contract types, training and benefit provision; and attitudes and perceptions about agency working, such as the motivations for engaging in such work, and the advantages and disadvantages associated with it. As such, the questionnaire is complementary to the large-scale survey work discussed above, providing more detailed analysis of some of the issues raised there, as well as providing evidence on other issues not covered in the LFS.

The sections that follow will discuss the details of the survey, in particular the survey sample and the survey procedure. These details are described in some detail to highlight the difficulties inherent in sampling non-standard workers (see for example, Felstead and Jewson, 1996). Such difficulties became apparent early in the research process, when the question of obtaining a suitable sample of agency workers was addressed. As mentioned above, the decision to choose each of the areas studied was based on a desire to encompass agency workers in as wide a range of occupational areas as possible. However, after this decision had been made, a major problem encountered stemmed from the nature of employment agency working itself, and its unique spatial and temporal dimensions. Establishing contact with agency workers was hampered by the fact that they were assigned to disparate locations, rather than being found on a single site. The possibility of gaps between assignments, and the commonly held perception that agency workers register with more than one agency create a lack of a focal point for a researcher to access a sample of agency workers. Given this, a number of possible routes to accessing agency staff were considered :

- Through client firms that utilise agency staff. In other words, contact would be made with firms in the two areas, requesting access to agency workers on their site.

- Via contacts / staff at employment agencies. In this case, contact would be made with personnel consultants or managers of local agencies, requesting access to a sample of temps on their books.
- Through a third party, with possible connections to employment agency workers, such as Job Centre officials or trade union representatives.

Each method had inherent advantages and disadvantages, relating to the wider aims of the research. The first method, for example, would allow the occupational and industrial composition of the sample to be determined with some precision, through the targeting of firms in suitable industrial activities. On the other hand, such a technique assumed that a sample of agency workers were going to remain at a firm between the initial contact to the firm by the researcher, and the time the questionnaire was ultimately distributed, with possible biases arising from selecting firms who use agency staff on a regular or permanent basis. The third method had the advantage of being conducted via a third party, removing potential biases arising from using a conduit directly involved in the issues forming the content of the questionnaire. Unfortunately, one problem here was that suitable numbers of agency temps could not be identified via such a method. Initial enquiries with trade unions revealed that few current agency workers were in unions, and those that were had joined as a result of an agreement with one individual agency. The second method was most suitable for this study. Despite the often transient nature of agency working, contact between agency workers and employment agency staff does occur, and offered at least some hope of a suitable sample. With agency workers paid weekly, one form of communication, in the form of a paycheque was guaranteed if the worker had worked. Contact is often more frequent than this with agency staff visiting sites, and workers, both new and old, appearing in person at the employment agency. The focus of the research project on the employment agency worker and the activities of the employment agency also steered the project in the direction of the second method. Utilising contacts at the employment

agency itself as a medium to obtain a sample of agency staff placed the emphasis of the study immediately on these two actors. Additionally, as Saunders et al (1997, p95) note, 'access may be an iterative process', and it was envisaged that establishing contact with employment agency staff at this stage would provide a useful way of building up a relationship, which might facilitate further co-operation at a later part of the research process.

The questionnaire was distributed to a number of agencies in the two areas. Whilst a 'single agency' approach has produced valuable insights into agency working in the past (Alfred Marks, 1971; Reed Employment, 1996) the aim of this research was to provide a broad analysis of the experience of agency working including both large and small agencies, supplying a variety of workers.

Turning to the survey procedure, the questionnaire was piloted in October 1996, with a group of university students with experience of agency working, and with the manager of an employment agency in Leeds. A list was made of employment agencies in the Leeds and Telford area. This list came from the most recent editions of the Yellow Pages, the Federation of Recruitment and Employment Services Yearbook, Dun and Bradstreet databases of companies in the UK, and local newspaper clippings and job adverts pertaining to employment agencies. The selection of agencies to contact was made via an assessment of the size of the agency, and where possible, an estimation of the occupations and industries the agency was concerned with. Contact was made to agencies by phone, involving an initial discussion about the aims and content of the survey, followed by the sending out of a sample of the questionnaire to interested agencies, along with the letter that would accompany it. At some agencies, the researcher called in person to discuss the details of the project with agency managers. 12 agencies ultimately agreed to take part in the survey, 7 in Leeds and 5 in Telford, with large national agencies and smaller local firms covered in both areas.

The questionnaire was distributed by one of three accepted methods :

- Direct posting to a named individual by the employment agency manager or another member of staff (4 agencies agreed to this). In three cases the questionnaire was sent out with other standard agency material, such as time sheets, or contracts of employment, although the questionnaire and accompanying letter were contained in a separate envelope.

- Distributing the questionnaire to workers approaching the employment agency in person (6 agencies). In this case, responsibility for distribution resided with a consultant involved in temporary placement (often called ‘controllers’ or personnel consultants). In two cases, this process was facilitated by a weekly ‘get-together’ on the agency premises for temps.

- Giving the questionnaire to batches of workers currently working on assignment, during routine visits to firms by a member of agency staff (2 agencies).

In total, 435 questionnaires were sent out by these methods in October and November 1996, with distributors questioned in advance about the proportion of assignments at the agency in different areas of work and asked to distribute the questionnaires according to these proportions. As such, the sampling technique could be best described as a ‘quota’ method (Saunders et al, 1997 p144; Moser and Kalton, 1971, p127). A non-probabilistic sampling technique, it remains open to bias, as the decision as to who to send the questionnaire to lies away from the researcher, in this case with agency managers. There is therefore little certainty as to whether the resultant sample of agency workers is an exact replication of agency working in the two areas. Quota ‘controls’ (Moser and Kalton, p128) were imposed, consisting of asking agency managers to distribute the questionnaires in accordance with the occupational structure

of assignments at their agency. The possible failure to achieve a representative sample need to be placed against the realistic prospect, admitted by others, that quota sampling 'may be the only practicable method of sampling a population for which no suitable frame is available' (Moser and Kalton, 1971, p135). In the case of this study, such a technique allowed the researcher to purposively attempt to achieve the stated aim of reaching agency workers in a number of different areas of work, and remained the most practically feasible method of carrying out a survey of a group of workers traditionally difficult to access.

A prepaid University Freepost envelope accompanied the questionnaire, along with a letter explaining the research project, seen as both courteous and a way of ensuring a higher response rate. (see Moser and Kalton, 1971, p265). The questionnaire and accompanying letter can be found in the Appendix. With the researcher reliant on his contact at each agency to distribute the questionnaire via the agreed method, follow-up calls and consisted of ringing agencies to confirm distribution two weeks after the agreed sending out date, with a further call made in January 1997, after the closing date for returns to check whether any questionnaires had been inadvertently returned to the agency. These methods produced a total of 105 responses in the two areas, 49 in Telford and 56 in Leeds, a response rate of just under 25%.

The questionnaire itself was designed to investigate the experience, attitudes and opinions of agency workers on a number of issues relating to their employment situation. The questionnaire was divided into sections looking at : the agency worker's employment situation; details of the assignments they were sent on; benefits; training; interviews; the motivations for engaging in agency work and questions relating to unionisation. In general terms the rationale underpinning these different sections was that the experience of temping could be gauged via both tangible measures, such as assignment lengths and contract type, as well as through attitudinal variables. Such an analysis was still relatively exploratory, however, and the design of the questionnaire

was not based upon refutable hypotheses. Rather, it was anticipated that the questionnaire would produce descriptive data, enabling us to 'identify and describe the variability in different phenomena' (Saunders et al, 1997, p244), in our case, to establish what circumstances or factors, if any, were responsible for the overall picture obtained of agency working. Looking at the experience of agency working amongst different industrial, occupational, and age groups in the two areas is an important element in this, building upon the national picture of some features of agency working obtained from the Labour Force Survey. A further aim was to provide a partial examination of the relationships that exist between the three actors, although it was expected that some of the issues concerning these relationships would be better examined via more intensive research techniques. The questionnaire, then, would yield descriptive data on, for example, the number of agencies that workers register with, the lengths of their assignments and their motivations for engaging in agency work, and would be invaluable for formulating questions for the more intensive part of the study. The research technique employed thus helped to answer specific research questions, and also complemented other intensive and extensive elements of the study.

3.3.4 Interviews with agency workers and employment agency managers.

The intensive part of the research consisted of the conduct of face-to-face interviews with a total of 8 employment agency managers and 9 agency workers in the Leeds and Telford area, between February and August, 1997. A semi-structured approach to interviewing was adopted for this study, a technique which can be seen as lying between the two extremes of structured and unstructured interviews (Healey and Rawlinson, 1994). Looking at this study, it was anticipated that structured interviews would help obtain key pieces of information from every respondent interviewed, for example relating to the structure of business at agencies, or the number of temps assigned weekly. On the other hand, the utilisation of unstructured interviews, which progress interactively, are shaped by the particular issues raised by individual

respondents (Saunders et al 1997, p212). It was anticipated, for example, that the relationships between the three actors in the employment agency relationship would be complex. Additionally, the novelty of an examination of such relationships, and the comparatively small amount of work conducted from the perspective of the agency worker and the agency, meant that it was highly unlikely that all the issues potentially impacting on such relationships could be determined in advance.

A combination of the two techniques was thus deemed necessary to answer the questions relating to this study. A set of themes and questions to be addressed were prepared for both agency managers and agency workers. The interviews proceeded interactively, with questions added or omitted according to particular circumstances which became apparent as individual interviews progressed, in a similar way to Fielding's description of the mechanics of such an approach :

'They (the questions) were semi-structured by a thematic guide with probes and invitations to expand on issues raised' (Fielding, 1988, p212, quoted in May, 1993, p93).

A couple of examples from the interviews demonstrate the usefulness of this semi-structured approach to interviewing. First, a number of important themes only became apparent during the interview process. Our questionnaire and LFS work identified that a large number of agency workers were seeking permanent employment. This, in turn prompted a question to be included in the interview schedules relating to methods of obtaining permanent employment. During interviews with managers, the current importance of 'temp-to-perm' schemes were mentioned by a number of managers, and in subsequent interviews, the mechanics of this scheme were examined in more detail. Secondly, the novelty of conducting research with agency managers meant that the wording of individual questions was often amended, with the researcher attempting to introduce industry specific parlance into questions where this improved their clarity. Terms used commonly by temps and managers such as 'on assignment',

'repeat workers' and 'temp-to-perm schemes' are good examples of this, and such phrases replaced other less suitable words where appropriate. As such the approach adopted helps to :

'.....maximise the information flow by making use of communicative and social skills, by being willing to adapt preconceived questions and ideas in the course of the interview according to what is relevant to the respondent and by being prepared to discuss, as well as "elicit" answers' (Sayer, 1984, p245/6).

Not all the interviews were taped and even where recording did take place, field notes were also taken during the interview. The semi-structured nature of the interviews and the interactive nature of the discussion and the introduction of additional themes and ideas made note-taking relatively complex. However, accurate recall was encouraged by writing up interviews on the same day, where practically possible. The semi-structured interviews also assisted in the thematic coding of data, with some concepts and themes taken as 'given' at the start of the survey, and others only emerging over time through the interactive nature of the interviews (Bryman and Burgess, 1994, p218). For some issues, quantification of some of the qualitative data was also carried out (to indicate, for example, how many agencies had formal temp-to-perm schemes, or how many businesses agencies contracted with).

Details of the agencies and workers selected for interview are described in Chapter 6. The 12 agencies that had participated in the earlier part of the research process by distributing the questionnaire to a sample of their temps were re-contacted, and 8 agreed to take part in a further interview, 4 in Leeds and 4 in Telford. The aim was to interview a wide range of agencies, and Table 6.1 shows that both large agencies and small independents were covered. Agency workers were selected from those indicating on their returned questionnaire that they would be willing to participate in a further interview (see Table 6.2 for details of respondents). Whilst the 'self-selection' of cases for interview raises the problem identified by Saunders et al (1997) that they

do so ‘because of their feelings or opinions about the research questions or stated objectives’ (ibid., p147), consideration of other possible routes to accessing agency temps led to the conclusion that this technique was the most practicable.

The actual questions asked of agency managers and workers were quite different, reflecting the concern of the interviews to concentrate on the interplay between the three parties in the employment agency relationship, although a number of common themes can be seen in the two schedules (see Appendices 1 and 2). The interviews with agency managers explored : company characteristics; the relationship between the agency and both client firm and agency worker; the operations of the agency; and the relationship to the local economy. The interviews with agency workers examined : worker characteristics; the agency working experience; and the relationship between the agency and both employment agency and client firm.

3.4 Conclusions.

‘Controversy and confusion’ (Bryman, 1988, p153) remain over the potential to combine research methods based on fundamentally different epistemological and ontological positions, yet via a discussion of the aims of this study and a more general discussion of intensive and extensive research methods, a number of possible complementarities between the two methods have been identified, of potential importance for the conduct of this study. Turning to this study in particular, the Chapter has outlined the principal aims of this thesis, and has reviewed the research techniques to be employed to achieve these goals. In Chapter 4, attention turns to an extensive element of the research design, providing an overview of employment agency working in the UK, via the analysis of a large-scale survey.

CHAPTER 4 : AGENCY WORKING IN THE UK : EVIDENCE FROM A LARGE-SCALE SURVEY.

4.1 Introduction

This Chapter presents the analysis of a large-scale employee data-set, the Labour Force Survey (LFS). The novelty of this analysis is twofold : it provides an up-to-date picture of the extent of agency working and the characteristics of agency workers in the UK; and it compares the characteristics of agency workers to selected other groups of employees in the workforce. This comparative element of the extensive analysis is one way of exploring at an empirical level the nature of the conceptually distinctive features of agency working that were identified in Chapter 1. Whilst Casey's (1987) analysis of 1984 LFS does provide a useful summary of some of the main characteristics of employment agency and other temporary workers in the UK, the purported high growth rates associated with the employment agency industry, and suggested changes in the composition of the agency workforce in recent years, provide compelling reasons for a new account. Additionally, from a purely technical standpoint, a number of changes made in the identification and measurement of employment agency workers in the LFS have occurred since 1984 and impacted on the picture that can be obtained of agency working.

The Chapter proceeds as follows. In Section 4.2, the nature of the LFS is described, and a number of technical issues relating to the identification and measurement of agency workers are discussed. Isolating agency workers in large-scale surveys, such as the LFS, is not straightforward, as there is a potential for the category of 'agency working' to overlap with other forms of non-standard employment, and for agency workers to be omitted in the identification process. In Section 4.3, the personal and employment characteristics of agency workers in the UK are outlined, and compared to two other groups, namely all 'non-permanent' workers and the employed

workforce as a whole. In Section 4.4, the results are compared with previous research into agency working, and the implications of the analysis for this thesis are discussed. Some conclusions are offered in Section 4.5.

4.2 : The identification and measurement of agency workers in the LFS.

Identification of employment agency workers in the LFS is possible via a three-stage process. First, respondents who have worked in the last week are asked to identify their employment status (NSTAT variable). Secondly, those identifying themselves as ‘employees’ rather than ‘self-employed’, or on a government scheme, are asked whether their job was permanent or not (JOBTYP variable). Respondents answering that their job was not permanent are asked : ‘In what way was it not permanent?’ (JOBTMP variable). Agency working is available as one of 5 possible categorisations of non-permanent work. This process is summarised in diagrammatical form on Page 88.

The procedure of identifying agency workers and calculating an appropriate measure is not without difficulties. Three problems are highlighted here, relating to self-definition; the exclusion of the self-employed; and comparisons over time. On the first issue, the responsibility lies with the worker rather than the questioner to assess whether the job in question is temporary or permanent, and to define what type of temporary job it is. Self-definition of temporary status can lead to distortions in estimates of the size of the temporary workforce. Casey (1987) points out that workers who are only going to be in the workforce for a short period of time may describe their job as temporary, even if the job itself is permanent. This may result in an overestimate of the number of temporary workers. However, recent changes in the phrasing of this question are likely to reduce this problem.

Figure 4.1 : Identification of agency workers in the 1995 Labour Force Survey

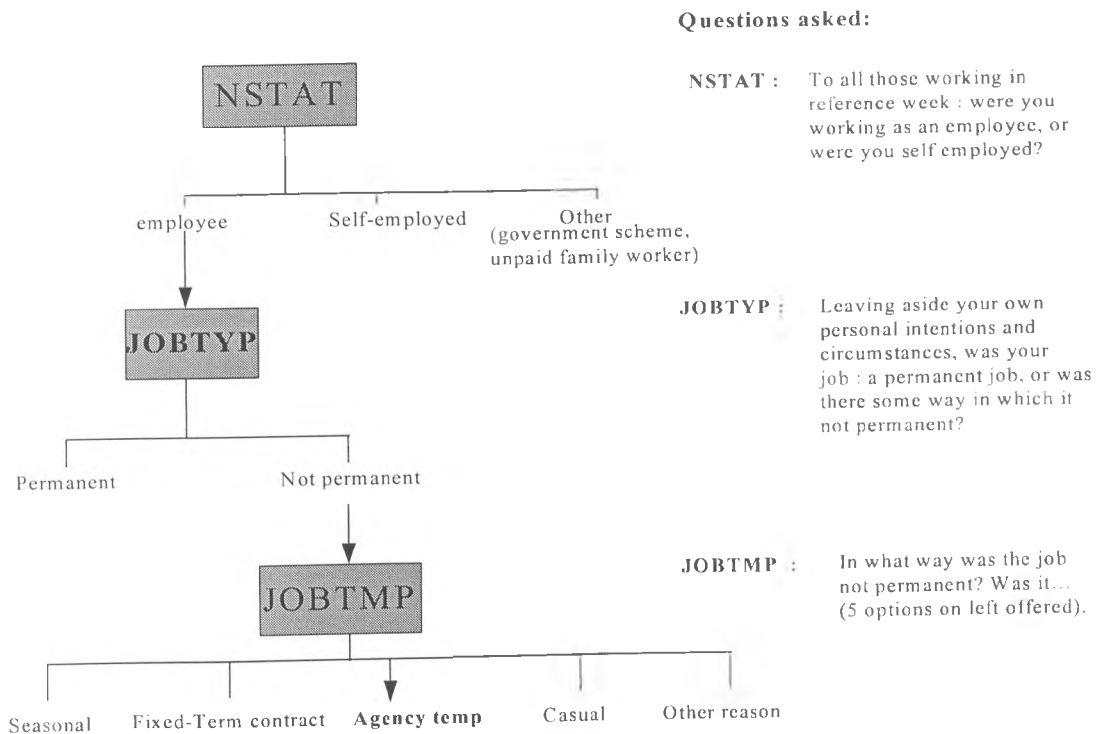
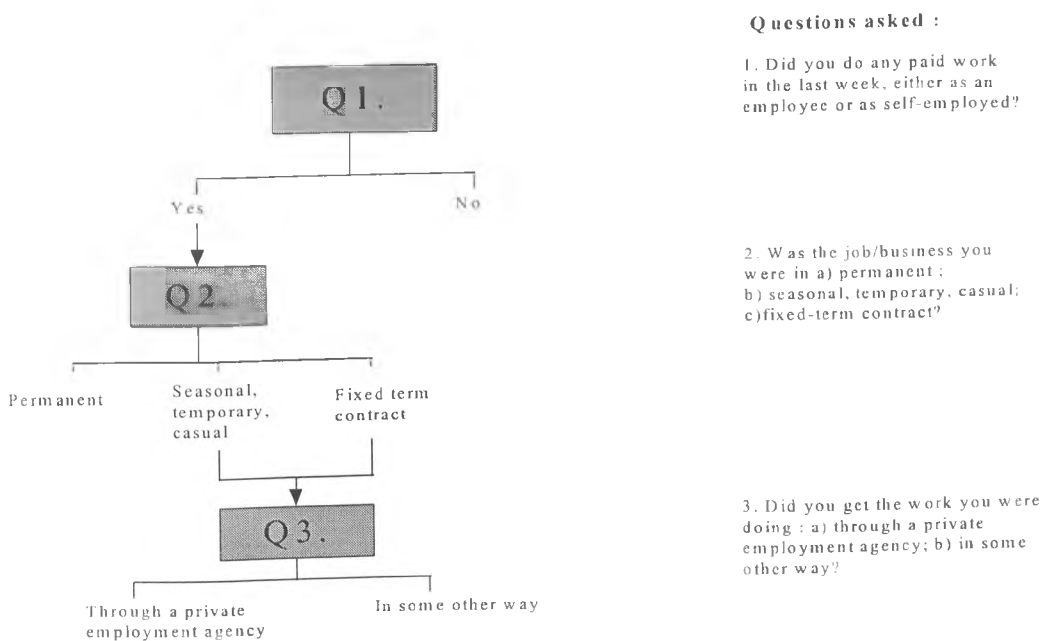


Figure 4.2 : Identification of agency workers in the 1984 Labour Force Survey.



Respondents are now asked :*'Leaving aside your own personal intentions and circumstances, was your job a permanent job or was there some way in which it was not permanent?'* (Labour Force Survey, 1995).

Asking workers to define what type of temporary worker they are, through the JOBTMP variable is potentially more problematic, due to the possibility of overlap between the categories provided. Respondents classifying themselves as seasonal, casual, on a fixed-term contract, or involved in other temporary work could be carrying out this work through employment agencies, yet respondents can only be placed in one of the five available categories. Underestimation of the extent of the agency workforce is the possible result of this problem.

A preliminary attempt to gauge the impact of this effect is possible via an additional question asked in the Spring 1995 survey. This asks respondents who have been with their current employer for less than three months how they obtained their job (HOWGET variable). In the Spring 1995 survey 9% of fixed term contract workers, 2% of casual workers and 2% of other temps in this position said they obtained their job through a private employment agency. This suggests that at least some agency workers are not being identified via our measure through the JOBTMP variable. It is likely that this overlapping problem will take on more importance in certain quarters when the potential for confusion between categories is increased - during the summer quarter, for example, when a number of seasonal jobs may be obtained through employment agencies.

The second issue relates to the fact that the JOBTMP question is only asked to current employees. Vivaly, it excludes respondents who define themselves as self-employed. It is possible that some of these individuals will be working through employment agencies in return for a fee. The problem relates to the possible omission

of agency workers under such a definition. Computer contractors and other technical agency temps are the most likely groups to be passed over in this way, since whilst working as agency temps, they often operate under their own account, as self-employed workers.

Thirdly, direct comparison of the agency workforce over time is complicated because of changes which have occurred in the way agency workers are identified in the LFS. Whilst the procedure described in Figure 4.1 has been in operation since 1992, before this time agency workers were identified in a rather different way, outlined in Figure 4.2 (Page 88). Summarising the main differences between the two methods of identification, under the earlier system self-employed temps are more likely to be included in estimates of the agency workforce. Additionally, in the earlier method of identification, agency work is not mutually exclusive with other forms of temporary employment. As a result, seasonal and casual workers can also be classified as agency workers. Arguably, this provides a more comprehensive measure of the agency workforce than the system currently in use, something which should be borne in mind when comparing figures for agency working over time.

No claim is made to have overcome any of the problems which exist with the current method of identifying agency workers. They are highlighted with the aim of demonstrating that obtaining estimates of the agency workforce via a large-scale survey, such as the LFS, is by no means an 'exact science'. In particular, it can be argued that omission of legitimate agency workers rather than wrongful inclusion of non-agency workers is more likely in the current system of identification. The merits of using the LFS lie in the ability to gain a nationally representative picture of a wide range of employment issues, including agency working, and the possibility of conducting a comparison of a number of different forms of temporary and non-standard employment.

4.3 : Analysis of the Spring 1995 LFS.

Using the identification procedure outlined above, this section conducts an analysis of the employment agency workforce in the UK from the Spring 1995 Labour Force Survey, and a comparison of their characteristics to selected other groups of workers. Specifically, these other groups are all 'non-permanent' workers - a category which includes all 5 possible responses to the JOBTYP question in Figure 4.1 (seasonal workers, casual workers, fixed-term contract workers, agency temps and 'other' temporary staff) - and the employed workforce as a whole, which includes employees, self-employed workers, government scheme trainees and unpaid family workers. Workers under 16 are not included in the analysis.

The Spring 1995 Labour Force Survey indicates that there are 161118 currently employed agency workers in the UK. This equates to approximately 10% of the temporary workforce as a whole, and under 1% of the employed workforce. (Table 4.1).

Table 4.1 Number of agency workers and temporary workers in the UK, Spring 1995.

	Agency workers	Fixed-term contract	Seasonal	Casual	Other temporary	Total temporary	Total workforce
Total number	161118	817812	66281	305353	161337	19924980	25262523
% of temporary workforce	10.7	54.1	4.4	20.2	10.7	100	-
% of total workforce	0.64	3.24	0.26	1.2	0.64	7.1	100

Fixed-term contract workers make up over half the temporary workforce, and 3.24% of the employed workforce as a whole. Casual workers are the next largest category,

accounting for 20% of the temporary workforce. Agency and 'other' temporary workers make up 10.7% each of the total of temporary workers, with seasonal staff accounting for the smallest proportion (4.3%) of the total.

These figures are not directly comparable with Casey's analysis of the 1984 LFS, where 50000 agency workers were recognised (Casey, 1987, p16). However, given that the current procedure of identification is more likely to underestimate the size of the agency workforce as compared to Casey's analysis, a reasonable assessment would be that the number of agency workers has at least trebled in the past 10 years.

4.3.1 Personal Characteristics of agency workers.

Table 4.2 (overleaf) identifies some of the principal personal characteristics of agency workers, and the other two groups of workers considered. In Spring 1995, almost half of agency workers in the UK were male. This compares with Casey's (1987) finding that the majority of the agency workforce were female. Despite this movement towards a more even male/female split, compared to the employed workforce as a whole (column 3), female workers are over-represented in agency working. There is little difference however, in this respect between agency and all temporary workers (column 2). The age distribution of agency work is highly skewed compared to the employed workforce as a whole. 29.6% of agency workers are under 25 years of age, twice the percentage in the employed workforce. Controlling for sex reveals that the number of male agency workers under 25 is even higher. 33.3% of male agency workers are under 25, compared to 26% of female agency staff.

From Table 4.2, there appears to be little difference between agency workers and the temporary workforce as a whole, except that a significantly higher proportion of agency workers fall into the 20-24 age group. Looking in more detail at the individual

Table 4.2 : Personal Characteristics of Employment Agency Workers, Non-Permanent workers, and the Employed Workforce, UK, Spring 1995

	Agency Workers (%)	All Non-Permanent Workers (%)	Total Workforce (%)
Sex			
Male	48.3	46.6	55.3
Female	51.7	53.4	44.7
Age			
16-19	8.2	12.9	5
20-24	21.4	16.9	9.9
25-29	14.4	12.9	13.2
30-39	23.8	23	26
40-49	16.8	18.4	24.2
50-59	12.5	0.6	16.2
60-64	1.9	3	3.7
65+	1	2.3	1.7
Marital Status			
Married	41	49.2	62.1
Living Together	11.7	8.7	8.6
Single	40.7	35.7	21.9
Separated	1.6	1.8	1.7
Divorced	4.8	3.6	4.3
Widowed	0.2	0.9	1.4
Highest Qualific'n Achieved			
Degree	11.9	21.1	13.9
Other Higher Qualification	10.9	11.5	9.2
A Level / equivalent	25.5	22.7	26.2
GCSE / equivalent	28	24.2	26
Other	10.2	7.6	8
None	13.5	12.8	16.6
Region of Residence			
North	3.2	6.3	5
Yorkshire/Humberside	5.9	8.5	8.8
East Midlands	9.6	6.4	7.5
East Anglia	2.9	3.7	4
London	20.2	13.9	12.1
South East	26.5	19.8	20.6
South West	6	7.6	8.6
West Midlands	9.2	8.6	9.3
North West	7.5	10.1	10.5
Wales	3.3	5.5	4.7
Scotland	5.7	9.6	9

forms of work categorised as non-permanent reveals some interesting differences, however.

Table 4.3 shows some variation in the age distribution of seasonal and casual workers on the one hand and fixed-term workers on the other. 44% of seasonal workers and 47% of casual staff are under 25, whereas the equivalent figure for fixed-term contract workers is 23%. A much higher proportion of fixed-term contract workers (48.2%) can be found in the 30-49 age bracket. The age distribution of fixed-term contract workers is much closer to that of the employed workforce as a whole, for example seasonal or casual workers.

Table 4.3 Age distribution of categories of non-permanent work.

Age	Agency workers (%)	Seasonal workers (%)	Fixed-term contract workers (%)	Casual workers (%)	Other (%)
16-19	8.2	26.9	5.5	31.1	14.7
20-24	21.4	17.5	17.2	15.8	13.9
25-29	14.4	10.9	15.1	8.2	10.4
30-39	23.8	18.8	26.3	16	21.2
40-49	16.8	8.6	21.9	9.8	20.9
50-59	12.5	10.1	9.9	10.1	13.1
60+	2.9	7.2	4	9.0	6

Agency workers are more likely to be single than non-permanent and all employed workers, with the relatively young age composition of the former group a principal factor explaining this. Agency workers are also less likely to have a dependent child compared to non-permanent workers and the employed workforce as a whole. This statement still holds true after controlling for sex. Controlling, additionally, for age reveals that female agency workers between the ages of 30-49 are more likely to have a dependent child than the employed workforce as a whole (Table 4.4).

Table 4.4 Dependent Children (% of each group with at least one dependent child).

Age	Agency workers (%)	Non-permanent workers (%)	Employed workforce (%)
16-19	0	7	17.8
20-24	16.3	12.4	20.5
25-29	25.7	31	40.1
30-39	72.3	76.5	69.1
40-49	45.6	64.6	41.8
50-59	10.1	7.4	4.5
60+	0	4	0.2

From Table 4.1, it can be seen that the highest qualification achieved by agency workers is comparable to the employed population. However, agency workers are significantly less likely to have a degree than temporary workers as a whole. Table 6.5 reveals that the principal factor explaining this difference is the high level of education achieved by fixed-term contract workers. 31.6% of fixed-term contract workers have a degree, a figure which is significantly higher than the other forms of temporary work considered.

Table 4.5 Highest qualification achieved by type of temporary work (% in each category with particular qualification).

Qualification	Agency workers (%)	Seasonal workers (%)	Fixed-term contract workers(%)	Casual workers (%)	Other (%)
Degree	11.9	5.9	31.6	6.4	12.9
Other Higher	10.9	5.0	13.7	7.6	11.9
A-level	25.5	21.4	21.0	25.7	22.3
GCSE	28	37.3	19.3	30.5	27.3
Other	10.2	5.3	7.6	5.7	8.8
None	13.5	25.1	6.8	24.2	16.7

The occupational and industrial distribution of fixed-term contract workers compared to agency staff is illuminating in this respect (Table 4.6a and Table 4.6b). Almost 50% of fixed-term contract workers are to be found in ‘skilled’ occupations, namely SOC Occupational groups 1, 2 and 3, in which a high proportion of workers have degrees. Agency workers, on the other hand, are much more likely to be found in occupational groups 4 and 8 (clerical/secretarial and plant and machinery occupations respectively), which are characterised by a much lower number of degree-educated workers.

4.6a Agency workers : Occupations and associated educational levels

	% of agency workforce in this category	% with degree level education
Clerical/secretarial (SOC 4)	42.1	15.5
Plant and machinery (SOC 8)	21.7	2.4

4.6b Fixed-term contract workers : Occupations and associated educational levels

	% of F.T.C. workers in this category	% with degree level education
Managers and administrators (SOC 1)	6.1	44
Professional Occupations(SOC 2)	29.5	61
Associate professional/technical (SOC 3)	13.8	39.3

Analysis of the industrial distribution of the two groups reveals a similar trend, with fixed-term contract workers heavily concentrated in education (28%) and health and social work (15.7%), areas characterised by a high number of workers with degrees.

26.5% of agency workers, on the other hand are to be found in manufacturing industries, with only 7% of these having a degree. The industrial and occupational distribution of agency workers will be discussed in more detail in Section 4.3.2.

One difference between agency workers and both the employed population and temporary workers is in their region of residence. 46.7% of agency workers can be found in London and the South East compared to 33.7 % of all 'non-permanent' workers and 32.7% of the workforce. This bias towards agency workers in the south-east means that they are under-represented in other areas. This trend was recognised in Casey's (1987) analysis, although at that time, almost 70% of agency workers were to be found in London and the South-East.

4.3.2 Employment Characteristics of agency workers.

In this section, a number of employment related characteristics of agency workers are outlined and compared to those of the temporary workforce as a whole and the employed workforce (Table 4.7 overleaf).

The length of time agency workers have spent in continuous employment in their current job is much shorter than the other two groups of workers considered. Over 1/3 of agency workers reported that their current length of tenure had been less than 3 months, compared to only 5% of the employed workforce. 11.7% of agency workers had accumulated continuous tenure of 2 years, a threshold which determines entitlement to a number of employment rights.

Table 4.7 : Employment Characteristics of Employment Agency Workers, Non-Permanent workers, and the Employed Workforce, UK, Spring 1995

	Agency (%)	All non permanent (%)	Employed Workforce (%)
Length of Time with Current employer			
< 3 months	35.2	22.7	5
3 - < 6 Months	19.2	14	4.5
6 - < 12 months	20.2	20.3	8.7
1 - < 2 Years	13.1	15.6	10.4
2 - < 5 years	7.2	15	19.1
Over 5 years	4.5	12.3	52
Occupation (SOC)			
Managerial	4.4	4.7	16.2
Professional	5.9	19.9	10.4
Associate Professional	6.6	9.6	9.3
Clerical/Secretarial	42.1	17.5	15
Craft & Related	4.9	6.7	12.7
Personal & Protective Services	5.4	13.8	10.4
Sales	0.3	5.8	7.8
Plant & Machinery	21.7	9.7	9.6
Other	8.7	12.3	8.5
Industry (SIC 92)			
Manufacturing	26.5	13.3	19.1
Construction	3.5	4.5	7
Wholesale, Retail, Motor Trade	8.4	8.7	15.7
Hotels & Restaurants	1	6.1	4.5
Transport, Storage, Comm'ns	8.9	4.7	6.4
Financial	6.6	3.7	4.5
Real Estate, Renting, Business	24.9	10.6	9.5
Public Admin, Defence	3.9	5.5	5.8
Education	3	19.4	7.4
Health and Social Work	8.2	12.4	10.6
Other	5	10.5	9.2
Hours Usually worked			
0-15	10.5	27.6	11.2
16-30	15.8	20.8	15.2
31-40	66.8	42.8	55.4
41-48	5.3	3.6	7.9
49+	1.6	4.2	9.8
Looking for a different job?			
Yes	36.6	20	6.9
No	63.4	80	93.1
Why are you temping?			
Training	0.3	5.7	n/a
Couldn't Find Permanent	66.1	44.3	n/a
Didn't Want Permanent	21.7	27.6	n/a
Other	11.9	22.6	n/a

The length of tenure for agency workers is typically shorter than for all non-permanent workers as a whole, although within this group, fixed-term contract staff are quite distinctive, often enjoying longer periods of continuous employment (Table 4.8 below).

Table 4.8 : Length of tenure for categories of non-permanent workers.

Length of continuous employment with current employer	Agency workers (%)	Seasonal workers (%)	Fixed-term contract workers(%)	Casual workers (%)	Other (%)
< 3 months	35.2	48.7	17.5	25.4	21
3- < 6 months	19.2	15.3	13.1	13.6	13.2
6- < 12 months	20.2	12.9	21.6	19.3	19.4
12- < 24 months	13.1	9.0	16.8	15.2	15.5
2 - < 5 years	7.2	7.3	17.2	14.1	16.2
5+ years	4.5	6.8	13.6	12.5	14.8

An additional question (not shown in Table 4.7) asks temporary workers to identify the expected duration from start to finish of their current job, and highlights that a high proportion of agency workers have little certainty of their job continuing over time. Table 4.9 (bottom row) shows that 58.5% of agency workers were working on a contract where the duration had not yet been fixed. Casual workers have even higher uncertainty over the duration of their job. As the title suggests, fixed-term contract workers are more likely to know the total length of their contract.

Table 4.9: Length of temporary contract in total

Length of temporary contract	Agency workers (%)	Seasonal workers (%)	Fixed-term contract workers(%)	Casual workers (%)	Other (%)
<3 months	24.8	10.4	8	11.8	6.6
3- < 6 months	5.9	18	12.1	3.8	5.5
6- < 12 months	6.4	33.7	22.4	5.0	8.2
12- < 24 months	3	2.6	22.4	2.5	5.3
2- < 5 years	0.9	0	15	2.7	5.5
5+ years	.5	1.7	3.1	.8	3.9
No set duration	58.5	33.5	17	73.5	65

Agency workers are over-represented in clerical and secretarial jobs. They are almost three times as likely as the employed workforce and 2 and a half times as likely as all non-permanent workers to be found in this occupational group. Analysis by sex shows that an even higher proportion (58%) of female agency workers are to be found in this category of work, compared to 25% of the female working population. However, a sizeable proportion of male agency workers (25%) can also be found in clerical jobs.

The other area in which there is over-representation of agency workers is in Plant and Machinery Occupations (SOC8). This is where the highest number (34.5%) of male agency workers are to be found, compared to 14.4% of male temporary workers and 14% of the male working population.

With 64% of all agency workers in clerical/secretarial and plant/machinery occupations, it is worth looking in more detail at some of the most common types of jobs carried out within these areas. Analysis at the minor occupation group level, presented in Tables 4.10 and 4.11 shows that general secretarial, typing and clerking work accounts for the majority of jobs in SOC4 (Clerical and secretarial work), whilst

routine operatives, road transport operatives and assembly/lineworkers are the most common types of job in SOC8 (Plant and machinery).

Table 4.10 Common agency jobs within SOC4 (Clerical/secretarial).

Job	% of SOC4 agency workers in this job
Administrative officers	1.7
Numerical clerks and cashiers	16.6
Filing and records clerks	10.9
Clerks (not otherwise specified)	17.2
Stores and despatch clerks	6.9
Secretaries, typists	22.3
Receptionists, telephonists	11.6
Other clerical,secretarial	12.7

Table 4.11 : Common agency jobs within SOC8 (Plant/machinery)

Job	Proportion of SOC8 agency workers in this job
Food, drink, tobacco operatives	4.1
Textiles and tannery operatives	1.0
Chemicals and paper operatives	8.3
Metal making operatives	1.2
Metal working operatives	3.6
Assemblers, lineworkers	12.8
Other routine operatives	35.9
Road transport operatives	19.9
Other transport operatives	7.6
Other plant and machine operatives	5.5

The industrial distribution of agency workers, from Table 4.7 is interesting for a number of reasons. A quarter of agency workers are to be found working in real estate, renting and business activity industries. A more detailed analysis (Table 4.12) shows that the majority (60%) of workers in this classification are working in the ‘Labour and Personnel Supply’ industry (74.5). This is where respondents who work *in* employment agencies (i.e. personnel consultants) are classified. But agency workers themselves do not carry out their work at the employment agency. This suggests that up to 60% of agency workers in this industrial category, and up to 15% of agency workers in total may be misclassified in the LFS.

Table 4.12 : Real estate, renting and business activities (SIC92K) : common agency industries.

Sub-industry	Proportion of SIC agency workers in this job
70. Real estate activities	2.7
71. Rental of machinery	3.7
72. Computer and related	5.5
73. Research and development	3.1
74. Other business activities	85
Including :	
74.20 Architects	3.9
74.50 Labour and personnel supply	59.3
74.82 Packaging activities	5.3
74.83. Secretarial/ translation	4.6

The other industrial area in which agency workers are significantly over-represented is in manufacturing. A total of 31.5% of male agency workers are to be found. The principal sub-industry descriptions are provided below (Table 4.13), which shows that a high proportion of workers are to be found in the manufacture of electrical equipment, food products and chemicals.

Table 4.13 : Manufacturing (SIC92D) : Common agency working industries

Sub-industry	Proportion of SIC92D agency workers in this job
Electrical and optical equipment	26.4
Food products	19.7
Chemical/chemical products	12.4
Pulp, paper, printing/ publishing	10.7
Basic metals	6
Transport equipment	5.4

Analysis of the hours worked per week by agency workers shows that 66% of them work between 31-40 hours per week in their current job - a higher proportion than all non-permanent workers and the employed workforce as a whole. Controlling for sex reveals that a relatively small percentage (31.7%) of female agency workers work 30 hours or less per week - with the corresponding figure much higher for all female temporary workers (68.1%) and for the female employed workforce as a whole (47.7%). Looking at the individual categories making up temporary work (Table 4.14), those employed on fixed-term contracts and in agency work are significantly more likely to work a regular number of hours than seasonal/casual workers.

Table 4.14 : Hours worked per week for non-permanent workers.

Hours worked per week	Agency workers (%)	Seasonal workers (%)	Fixed-term contract workers(%)	Casual workers (%)	Other (%)
0-15	10.5	29.1	19.1	59.3	30
16-30	15.8	25.9	20.6	22.1	24
31-40	66.8	33.8	50.4	14.7	40.8
41-48	5.3	5.0	3.8	2.3	3.2
49+	1.6	6.1	6.3	1.6	2.1

The high proportion of agency temps working a ‘standard’ number of working hours, at least in any particular given week, is perhaps surprising given assertions about the assumed flexibility for temps that agency working brings (Canter, 1988; Lenz, 1996). Table 4.15 below, highlighting a number of measures of ‘flexible’ working practices shows that agency temps are also no more likely than other groups of worker to be employed outside normal hours.

Table 4.15 : Working outside ‘regular’ hours : a comparison of agency workers, non-permanent workers and the employed workforce.

	Agency Workers (%)	All Non-Permanent Workers (%)	Total Workforce (%)
Frequency of evening working			
Usually	12.8	17.6	16.7
Sometimes	23.2	31.8	39.1
Never	64	50.6	44.2
Frequency of night working			
Usually	6.7	6.0	6.2
Sometimes	11.3	13.7	18.1
Never	82.0	80.3	75.7
Frequency of Saturday working			
Usually	9.0	20.3	25.8
Sometimes	25.4	29.1	38.5
Never	65.6	50.6	35.6
Frequency of Sunday working			
Usually	6.1	11.5	12.8
Sometimes	17.6	22.9	30.7
Never	76.3	65.6	56.5

Turning, finally, to the reasons for engaging in temporary work, Table 4.7 shows that 2/3 of agency workers reported that they are temping because they couldn't find a permanent job, with only 22% stating that they didn't want a permanent job. Considering temporary workers as a whole, a much lower percentage (44%) state that

they are engaged in this form of work because they couldn't find a permanent job. This figure is still higher than those stating that they hold a temporary job because they didn't want a permanent form of employment (27.6%). Once again, significant differences can be seen amongst different types of worker within this group (Table 4.16). Casual workers are the only category of non-permanent workers in which the proportion of respondents stating that they couldn't find a permanent job is lower than the proportion stating they didn't want a permanent job.

Table 4.16 Reasons for engaging in temporary work.

Reason for engaging in temporary work	Agency workers (%)	Seasonal workers (%)	Fixed-term contract workers(%)	Casual workers (%)	Other (%)
Couldn't find permanent job	66.1	50.4	46.7	29.1	36.5
Didn't want a permanent job	21.7	36.3	18.9	53.3	23.5
Period of training	0.3	0	9.0	0.7	6.4
Other	11.9	13.4	25.5	16.9	33.6

For male agency workers, the proportion reporting that they are temping because they couldn't find a permanent job is extremely high (77.5%), with only 13.5% not wanting a permanent job. Whilst a relatively higher number of female agency workers didn't want a permanent job (29%), the majority of them (53.7%) couldn't find a permanent job. Of the five temporary groups considered, the agency workforce contains the highest proportion of people who couldn't find a permanent job. They are also more likely than the other groups considered to be actively looking for a new job to replace their current job, with over 1/3 of agency workers in this position, compared with only 7% of the workforce and 20% of all temporary workers.

Section 4.4 Discussion

Five central conclusions emerge from this national overview of the characteristics of agency workers, some of which are in line with previous research and others which contrast or shed light on existing work.

First, the changing age and sex composition of the agency workforce has been noted in a number of recent accounts. Whilst traditionally, the agency workforce has been portrayed as predominantly female (e.g. Casey, 1987, p19; Nelson, 1988, p52;) the idea that a growing number of agency workers may be male has been posited by Crompton (1996). This has been confirmed in a more recent US study (Segal and Sullivan, 1997) and in a localised study in the UK which cited evidence from a study of 12 employment agencies in Telford where ‘....the percentage of males on their books varied between 65-95%’ (Elger and Smith, 1998, p18).

Elger and Smith point to the local specificities of the Telford labour market as a central explanatory feature in this age composition, but the LFS study demonstrates that, at a national level, agency workers are typically younger than the employed workforce as a whole. A recent study by a large UK employment agency suggests that young workers are increasingly likely to ‘choose’ agency working, or see it as a viable form of employment (Reed Employment, 1996), and elsewhere the suggestion has been made that young workers may have a preference for this form of employment, either to ‘build their skills’ (Nollen, 1996, p576) or ‘to gain a short-term income supplement or find a permanent job’ (Lenz, 1996, p560). These assertions of choice will be looked at in more detail later.

Secondly, the distinctive nature of agency working can be seen by looking at some of the employment characteristics of workers engaged in temping. The length of time that agency workers have spent with their current employer is on average much

shorter than that enjoyed by the other two groups considered. In many respects, this is an unsurprising result, given that in the majority of employer surveys discussed in Chapter 1, the main two reasons offered for using agency staff are for short-term cover for missing staff, and to cover temporary peaks in demand. In both these cases, a relatively short tenure can be expected. Yet, a number of implications arise from this stylised short tenure. First, a number of employment rights and benefits for *employees* are awarded based on evidence of continuous service with an employer. For example, written reasons for dismissal, unfair dismissal and redundancy pay all require 2 years continuous service (Incomes Data Services, 1995). Even if agency workers were treated as employees of the client firms they worked for, or the employment agency they were assigned from, the LFS highlights the small percentage of employment agency workers who would be entitled to such benefits. Secondly, the short tenure is typically accompanied by uncertainty over the duration of assignments, highlighting the particular type of precariousness (Rodgers and Rodgers, 1989) associated with agency working.

Thirdly, the concentration of agency work in clerical occupations has been the subject of much research. Parker believes that temporary clerical workers :

‘.....are central to the success of the temporary help industry. These workers are hired more frequently than any other occupational category’ (Parker, 1994, p85).

A wide number of empirical studies, past and present, in the US have confirmed the relatively high proportion of agency jobs that can be found in clerical occupations (e.g. Carey and Hazelbaker, 1986; Gannon, 1971; Laird and Williams, 1996; Martella, 1991). The gendered nature of the temporary clerical segment of the industry forms the focus of attention in other research (e.g. Henson, 1996; Gottfried, 1992) with Gottfried, for example, following West (1990) in arguing that such jobs may be ‘constructed’ as women’s work :

‘Temporary Help Service firms principally hire women for temporary clerical jobs based on the assumption that women constitute a flexible labor force due to their assumed responsibility for reproductive household labor’ (Gottfried, 1992, p452).

The LFS confirms that a high proportion of agency workers are in clerical jobs, and that the majority of female agency workers (58%) are working in clerical occupations. A significant number of male agency jobs are also in clerical areas. More interesting to consider is the overall occupational and industrial distribution of agency work, which consists mainly of traditional agency jobs, in unskilled occupations. Despite the documented growth in non-traditional agency occupations and industries, such as computer contracting (Casey, 1987), temporary accounting (Hawksley, 1994) and interim management (Hawksley, 1995), this Chapter’s analysis shows that these still account for a small proportion of agency jobs (only 17% of agency jobs are to be found in SOC3). The relative emphasis in research on the clerical bias of agency work should not mask the fact that over 1/4 of agency jobs in the UK are in manufacturing. The analysis of the common jobs carried out by temps within these 2 areas adds weight to the picture of agency working found in a number of localised studies (Peck and Theodore, 1998; Elger and Smith, 1998), who suggest that a high proportion of jobs available through agencies are low-skilled.

Fourth, the extent to which people are choosing flexible forms of employment has been the subject of much debate. Robinson, looking at non-standard working in the UK takes the position that a high proportion of such work is voluntary and states :

“....flexible forms of employment are to be welcomed if they reflect the preferences of labour market participants as well as employers, and are associated with poor aggregate labour market outcomes. Only if these forms of employment do not match the preferences of labour market participants or are associated with poorer aggregate labour market outcomes might we be legitimately concerned with their growth” (Robinson, 1997, p3).

Turning to agency working in particular, Parker (1994, p24) notes that agencies are quick to identify themselves in terms of their 'intermediary function', fulfilling the needs of particular groups of workers, such as women returners to the labour market, youngsters, and people with other commitments which prevent them working a 'standard' number of hours. A similar emphasis on the desirability of agency work is placed by Canter (1988, p46/7), who notes that as a 'support mechanism' for the permanent workforce, 'temporary work suits workers who need flexibility in their work schedules', a group which includes working parents, retirees staying active, people wanting supplemental income and 'career temps'. A number of studies have also attempted to analyse whether married women are choosing this form of work (e.g. Laird & Williams, 1996; Lapidus 1993). Finally, it has been noted that young workers have also been cited as positively choosing agency work as a form of employment. This LFS study, however, shows that nation-wide, the majority of agency workers would prefer a permanent job. This statement is backed up by the fact that a high percentage of agency workers are actively seeking an alternative form of employment. Analysis of some of groups who it is suggested might choose agency work is also revealing. Only 34% of married women and 37% of women with children who were working through agencies didn't want a permanent job. In each case, the number who couldn't find a permanent job was higher (45% and 46% respectively). One possible reason for this finding is that a high proportion of agency workers, in any particular week, appear to work a uniform number of hours and days, casting a new light on the kind of flexibility involved in agency working. Canter's assertion, for example, that 'temporary workers set their own schedules, the number and frequency of hours worked, the companies they work in and the type of work performed' (Canter, 1988, p47) is at least open to question. However, whilst the LFS provides valuable information on the total number of hours worked in a particular week by agency staff, the earlier finding that agency workers enjoy a relatively short tenure in their job suggests that more work is needed on the temporal dimensions of agency working, the flow of assignments for temps over a period of time, and the flexibility that is associated with this form of working.

For young agency workers, the number citing that they are temping because they couldn't find a permanent job is particularly high. 72% of agency workers under 25 could not find a permanent job. Seeing agency work as an 'ongoing option' (Reed Employment, 1996) and choosing it instead of a permanent job appear to be two different things. In fact, every category of temporary worker considered, apart from casual workers, contained a higher proportion of workers who couldn't find a permanent job than those who didn't want one. It appears that relatively few temporary workers, and even fewer agency workers in particular, are actively choosing this form of work. Importantly, though, the limitations of using such a variable to measure choice should be noted. Specifically, workers are asked to indicate whether they chose temporary work because they couldn't find a permanent job, because they didn't want a permanent job, because they believed the job was equivalent to a period of training, or for some other reason. It is the limited number of responses available that has raised concern, with one study suggesting that answers '...must be treated with a healthy degree of scepticism' (Dale and Bamford, 1988, p37). The high number of respondents placed in the 'other' category (23% of temporary workers in the 1995 LFS) has also been used as evidence that this particular LFS question fails to address in any substantial detail the question of why workers are engaged in temporary employment (Casey, 1987, p21).

Two points are made here in relation to this debate. First, it is clear that the motivations of agency workers need to be looked at in more detail, and this is a principal aim of the extensive survey conducted in Chapter 5. Secondly, however, in the case of agency workers, relatively few respondents choose the 'other' category when answering this question, with 88% of respondents stating either that they were temping because they couldn't find a permanent job, or because they didn't want a permanent job. Arguably, then, because of the clear-cut nature of agency workers' responses to this question, conclusions generated for this group can be treated with less scepticism than those generated for other temporary workers.

Fifth, one important finding from the analysis of the LFS is the distinctive nature of agency workers, not simply in comparison to the employed workforce as a whole, but compared to other forms of temporary working. At various points in this Chapter, the category of non-permanent workers was looked at in detail, with significant differences being found between agency working on the one hand and, for example, fixed-term contract working on the other. This study would therefore disagree with the findings of Dex and McCulloch (1996) which suggest that whilst in terms of legal status, agency workers are distinguishable from other forms of employment : ‘...in other respects their characteristics seem very similar to those of other temporary workers and they are difficult to distinguish in studies’ (Dex and McCulloch, 1996, p23).

This study argues that in terms of both personal and employment characteristics, the differences between them are significant. The survey has highlighted in particular: educational levels; region of residence; length of continuous tenure in employment; hours worked per week; occupational and industrial distribution; and reasons for engaging in temporary work; and this suggests that it is perhaps more instructive to look at individual categories of temporary employment rather than non-permanent work as a whole. Far from being merely an exercise in demonstrating that such differences exist, individual analysis can potentially offer insight into the nature of individual forms of working, and the implications of such forms of working for those involved. As mentioned earlier, discussions of precariousness have pointed to the fact that particular forms of non-standard employment may experience this precariousness in different ways (Rodgers, 1989, p3). For fixed-term contract workers, for example, from the LFS analysis, the fixed-term nature of the contract means that such workers often know how long their contract will last, but enjoy little security beyond the end of the contract. For seasonal workers and agency workers on the other hand, insecurity may arise from uncertainty over the precise duration of the job. Such observations have potentially important ramifications for discussions on legislation pertaining to temporary work. Whilst legislative measures, particularly at EC level have sought to offer all temporary

workers the same rights as permanent workers, it is doubtful that such catch-all legislation will adequately encompass the employment situation experienced by all forms of temporary worker.

4.5 Conclusions.

The Labour Force Survey analysis provides a useful snap-shot picture of the characteristics of agency workers in the UK and has highlighted a number of distinctive features of agency working, compared to the employed workforce as a whole, and compared to other forms of temporary employment. The analysis has hinted at issues that need closer examination, through more detailed survey analysis, or via more intensive methods of inquiry. It has been suggested that a high proportion of agency workers do not actively choose this form of employment, but the relative broadness of the measure used to assess this tells us little about the underlying motivations of agency workers. What are the advantages and disadvantages of this form of working? The relatively short tenure of agency working assignments, and the uncertainty over assignment duration may be an indication that agency working is indeed precarious, but a more detailed assessment of this could be made by looking at workers perceptions of their employment situation, as well as more tangible measures of insecurity, such as contract duration for temps. The snap-shot view of the occupational and industrial distribution of agency working, does not allow us to comment either on the possible ‘variability’ of assignments received by agency workers whilst temping (Henson, 1996, p86) or on how work completed as a temp compares to that experienced in regular employment. Limitations in the information available in the LFS also precludes analysis of some issues relating to the situation of agency workers, notably in terms of the benefits and training they receive whilst working through agencies, and the number of agencies that agency workers typically register with. This national picture provides

little direct purchase on the impact of local labour market conditions on our findings - how, for example do different occupational and industrial structures in particular areas impact on the nature of agency working? The analysis of our questionnaire to employment agency workers in two areas of the UK, conducted in the next chapter attempts to look at these, and other issues in more detail.

CHAPTER 5 : THE CHARACTERISTICS AND ATTITUDES OF AGENCY WORKERS IN LEEDS AND TELFORD : SURVEY EVIDENCE.

5.1 Introduction.

This chapter reports the findings of a survey of employment agency workers in Telford and Leeds. A copy of the questionnaire, along with the covering letter which accompanied it, are provided in Appendix 1. The broad aim of the survey was to provide an analysis of the experience of agency working from the perspective of the agency worker, focusing on both tangible measures of this experience such as assignment lengths, contract type, training and benefit provision, as well as the attitudes and perceptions of agency workers towards their employment situation. It looks in particular at the motivations for engaging in agency work, and the advantages and disadvantages associated with it. The survey also presented the opportunity to look in detail at the experience of agency working in two different areas of the UK, Leeds and Telford. The Chapter therefore opens with a description of some of the main features of these two areas, and in subsequent sections, the results of the survey are reported for the whole sample, and for Telford and Leeds respondents separately.

5.2 : The two local economies in context.

Telford, one of the localities selected for this study is to be found in the county of Shropshire, and within this county, is the largest urban conurbation in the Wrekin District. Of the 143355 Wrekin District residents in 1991, 119200 (85%) lived in Telford. Telford is also the largest town in the county of Shropshire, both in terms of population and physical size (7810 hectares). A new-town, Telford was established in 1963, as part of the 'second generation' of such developments in the post-war

period (De Soissons, 1991, p57) and has expanded rapidly. Information from Wrekin Council indicates that between 1981-91, for example, the population of Telford grew 14.1%, at a rate roughly twice the national average. As a new-town, Telford has also seen a large in-migration of young families, resulting in a relatively young population. In 1994, 21.6% of Telford and Wrekin residents were below the age of 14, compared to 20.4% of people in England and Wales. Furthermore, 64% of Telford and Wrekin residents were between 14-65, compared to 61.2% of people in England and Wales (Wrekin Council, 1996, p4).

Leeds, the other area studied, is classified as a principal city by the Office of Population Censuses and Statistics, in the county of West Yorkshire. With a population of 714800 in the 1991 Census, Leeds is the third largest city in the UK (Campbell, 1996). In a similar way to other large cities, the population of Leeds fell in the 1980's, yet the decline in numbers (-3.8%) was less severe than that experienced by other principal cities, such as Liverpool, Sheffield and Manchester (Stillwell and Leigh, 1996).

Both areas are located in regions boasting traditionally high levels of manufacturing and primary industry activity. The West Midlands has been described elsewhere as 'the industrial district par excellence' (Wood, 1976, p40), and prosperity based on the post war development of engineering, metal work and automotive industries can be placed alongside historically important industrial activity and innovation in mineral extraction and manipulation, notably in coal and iron, and in pottery and engineering processes, dating back as far as the first industrial revolution. Indeed, the site chosen for the development of Telford new-town in the 1960's was amongst a number of long standing, but declining industrial and mining settlements, such as Dawley, Overdale, and Coalbrookdale (De Soissons, 1991, p60). Situated in West Yorkshire, Leeds has been associated with textile and clothing manufacture since the industrial revolution. Mining and

extraction activities have also been important features of a number of local economies in West Yorkshire, yet Leigh et al (1994) make the point that a number of other sectors, including engineering, food and drink production and machine tool manufacture have also been traditionally important.

Recent changes in the industrial composition of employment in the West Yorkshire and West Midlands regions have had markedly different impacts on the development of the Leeds and Telford localities. In both regions, the period 1981-91, for example, saw a decline in traditionally important primary and manufacturing industry, and rises in the proportion of employment accounted for by the service sector (Table 5.1). By 1991, the contribution of primary industry to employment in both the West Midlands and West Yorkshire was comparable to Great Britain as a whole. Despite heavy job losses in manufacturing, the proportion of jobs to be found in this sector was still above the national average in both regions, at 30% in the West Midlands and 27% in West Yorkshire, compared to a national figure of 22%. Conversely, whilst large job gains were enjoyed in the service sector over the 1981-91 period, the proportion of employment accounted for by these areas is still below the national average.

The effects of these changes in the industrial structure have been felt unevenly across the different local economies. Leigh et al (1994), for example, point to the traditional dependence of individual districts in West Yorkshire on a small number on industrial sectors, with the result that economic restructuring during the 1980's has had differing impacts on the structure of employment in individual district. Wider structural changes are often accentuated in individual districts, which are heavily dependent on a particular declining economic sector. In Castlefield and Pontefract, for example, the wider decline of primary industry was felt acutely at a local level, with 47% of the districts mining jobs lost between 1981-91.

Table 5.1 Composition of employment. West Midlands, West Yorkshire and Great Britain (1991).

Category	West Midlands		West Yorks		Great Britain	
	1991 (000's)	% WM	1991 (000's)	% WY	1991 (000's)	% GB
Div 0 : Agriculture	27.1	1	3.4	.4	290.1	1
Div 1: Energy	32.6	2	17.8	2.2	425.3	2
0-1 : Primary	59.7	3	21.2	2.6	715.4	3
Div 2: Extraction	90.5	4	31.6	3.9	645.2	3
Div 3 : Metal goods	349.7	17	72.3	8.9	2050.5	10
Div 4 : Other manu'g	178.7	9	115.6	14.2	1877.9	9
2-4 : Manufacturing	618.9	30	219.3	27	4573.6	22
Div 5 : Construction	89.9	4	37.2	4.6	970.6	5
Div 6 : Distribution	413	20	174.3	21.4	4632.1	21
Div 7: Transport	98.2	5	38.2	4.7	1323.8	6
Div 8 :Banking	191.9	9	86.7	10.6	2613.9	12
Div 9 : Other Services	563.4	28	239.2	29.3	6739.6	31
6-9 : Services	1266.5	62	538.4	66	15309.4	70
Total	2034.8	100	816.2	100	25169	100

Sources : Census of Employment, 1991, quoted in Shropshire County Council (1993), and Leigh et al (1994), p63.

Job gains over the period 1981-91 principally in the service sector have also been unevenly distributed across the region, with areas such as Leeds enjoying large job expansion, but with other areas, such as those traditionally dependent on coal and textiles experiencing high levels of unemployment (Haughton et al, 1994, p4). In this respect, as Leigh et al (1994) suggests :

‘...whilst the county has reflected macro-level changes, its economic and demographic inheritance has left it with a set of problems and potentials that are its own’ (Leigh et al, 1994, p87).

In columns 2-4 of Table 5.2, this can be seen clearly in the experience of the Leeds economy, which experienced a large decline in manufacturing workers over the 1981-91 period, but enjoyed a massive growth of service sector employment. A

heavy loss of jobs in primary industry was principally felt in extraction, with coal mining particularly hardly hit. The impact of wider trends of de industrialisation can be seen in the experience of the manufacturing sector in the Leeds economy, with an overall loss of 21000 jobs, concentrated in the mechanical engineering, metal manufacture and clothing sectors, although some job gains were enjoyed in electrical and electronic engineering. Large job gains can be seen in service employment. Of particular note is the 68% growth of employment in Banking, Finance, Insurance and Business Services, where 18300 jobs were gained in the 1981-91 period. This sector now accounts for 14.8% of employment in Leeds, compared to 12.2% in the UK as a whole. Attention has focused on the rise in importance of the financial services sector in Leeds (Tickell, 1996; Financial Times, 1995). Although large increases can be seen in banking employment (61.7% gain) and in other financial institutions (95.7% increase), the highest gains have been secured in Business Services, where 11000 jobs have been created.

Table 5.2 : Employment change in Leeds and Wrekin/Telford, 1981-91.

Division	Leeds			Telford/Wrekin District		
	% change 1981-91	Number 1991	Proport'n 1991	% change 1981-91	Number 1991	Proport'n 1991
Div 0: Agriculture	-16	1000	0.3	32	1500	2
Div 1 : Energy	-39.6	7400	2.4	-*	-*	1
Div 2 : Extraction	-13.2	9300	3	4	2000	3
Div 3 : Metal Goods	-28.3	23500	7.6	20	14300	23
Div 4 : Other manu'g	-26.9	28100	10	170	8100	13
Div 5 : Construction	-11.3	13180	4.3	-26	1900	3
Div 6 : Distribution	12.2	68400	22	81	13000	21
Div 7 : Transport	-3	17800	5.8	22	1700	3
Div 8 :Banking	67.7	45700	14.8	79	3400	6
Div 9 : Other	16.1	94200	30	55	15600	25
Total	3.5	313700	100	50	61300	100

*disaggregated figure not provided

Source : Census of Employment, 1991, in Shropshire County Council (1993), Campbell (1996), and Leeds TEC (1995).

Large gains in employment have also occurred in public administration and other services, and this sector accounts for the highest proportion (30%) of employment in the city. Employment in total in Leeds grew 3.5% between 1981-91, compared to 1% in Great Britain as a whole. This growth was greater than other major cities in Great Britain (Campbell, 1996).

In the Telford/Wrekin district, on the other hand, both manufacturing and service industries have grown in contrast to the experience of the West Midlands and UK economy as a whole. In Wrekin and the Telford District, the local area defined for data collection in the 1991 Census, 29% of employment was in manufacturing by 1991, the majority in engineering, vehicle and metal good manufacture. 7600 manufacturing jobs in total were created in the district between 1981-91. However, a further 13100 jobs were created in services, particularly in distributive trades where 5800 jobs were created and SIC9, where 5500 jobs were gained. The continued development of Telford New Town within the Wrekin District is clearly central to these trends, with a large number of firms setting up and relocating to the Telford area in recent years. The offer of cheap 'starter' factories by the Telford Development Corporation in the 1970's encouraged such relocation and the granting of Intermediate Area and Enterprise Zone status to Telford in 1984 had a major impact on inward investment in the area. Efforts by the Telford Development Corporation to secure inward, and particularly foreign investment were stepped up in the 1980's (for a detailed discussion of these efforts, see Elger and Smith, 1998). Of particular importance was the targeting of manufacturing industries in investment recruitment drives, when during a climate of high unemployment in the region, such companies were wanted because of the labour intensive nature of production and the stability of jobs (*ibid.*, p7). The consequent industrial structure in Telford is characterised by an even higher level of manufacturing activity than the Wrekin and Telford district as a whole. In 1993, 43.7% of industrial activity in Telford was in manufacturing, with 50.6% in services. Employment in total in Telford rose from

39000 in 1981, to over 59000 in 1993, averaging 4.7% growth per year between 1981-92, compared to 0.3% for the West Midlands and the UK as a whole (Wrekin Council, 1994a, p12).

The impact of the different industrial compositions in the two areas can be seen in a number of ways. Whilst only a marginally higher number of Telford workers can be found in large firms (36% of Telford workers work in a workplace with over 200 workers, compared to 32% of Leeds employees), the majority of jobs with large firms in Telford are in manufacturing. 52% of manufacturing workers in Telford work in 200+ employee workplaces, and the average manufacturing firm in the area employs 50 workers, compared to 13 workers in the average service sector firm. Additionally, 8 of the 13 Telford employers with over 500 employees were to be found in manufacturing (Wrekin Council, 1994b, p12). In Leeds, on the other hand, a high proportion of large employers are to be found in the services, with all 12 of the biggest employers in Leeds to be found in this sector (Leeds T.E.C., 1996).

Telford is also characterised by a particularly high level of foreign owned companies, principally engaged in manufacturing activity. In 1993, 146 out of a total of 3098 workplaces were owned by a parent company based overseas. This represents a total of 5% of workplaces. Importantly, however, employment in such firms accounted for almost 20% of employment in Telford, 10527 employees out of a total of 59027. Employment in the 16 Japanese owned enterprises accounted for the largest proportion of jobs in foreign owned firms (3412), followed by North American companies (2687 workers) (Wrekin Council, 1994b, p6).

The Leeds and Telford economies are characterised by widely varying occupational structures. The overall proportions of Leeds employees in various occupational category are roughly similar to those found for Great Britain as a whole (Table 5.3). A high proportion of women work in clerical and secretarial

occupations, personal and protective services and sales. Women in Leeds are under-represented in managerial, craft and plant, and operative occupations.

Table 5.3 : Occupational structure in Leeds and Telford, 1991.

Occupations (S.O.C.)	Leeds (%)	Telford (%)	Leeds Male (%)	Telford Male (%)	Leeds Female (%)	Telford Female (%)
1 : Managers, admin	14.3	12.4	18	16	10.7	7.7
2 : Professional	8.9	7.1	8.7	7.1	8.7	7
3 : Associate prof'l	8.2	6.3	8	7.9	9.1	4.3
4 : Clerical / secretarial	17.5	13.6	7.5	4.3	30.6	25.3
5 : Craft and related	15.4	10.7	24.4	16.6	3.8	3.4
6 : Personal, protective	8.9	3.9	5	2.9	13.8	5.2
7 : Sales	7.5	9.6	5.6	6.3	10.7	13.8
8 : Plant, machinery	10.3	20	15.6	25.7	3.8	12.8
9 : Other	8.9	16.4	7.5	13.7	10	20.5

Source : Campbell, 1996, p46, and Wrekin Council, 1994a.

In Telford, on the other hand, an exceptionally high proportion of jobs are in plant and machinery occupations, largely in 'unskilled', operative and routine assembly jobs. This situation is compounded in manufacturing, for which surveys suggest that between 55-70% of manufacturing jobs are unskilled (Wrekin Council, 1994a; Elger and Smith, 1998). With males over-represented in manufacturing jobs in the area, it follows that a high proportion (40%) of Telford men are in unskilled work.

Looking at the employment status of workers in the two areas, 73% of jobs in Leeds are full-time, compared to 78% in Telford. Whilst the vast majority of part-time jobs in both areas are held by women (82% in Telford, and 83% in Leeds), a high proportion of women in both areas work full-time. 54% of women in Leeds work full-time, whilst the figure in Telford is even higher at 61%. (Leeds T.E.C., 1995, p22; Wrekin Council, 1994b, p16). The industrial structure of the two areas

perhaps helps explain this fact, with 82% of the 8426 Telford women to be found in manufacturing working on a full-time basis. In both areas, recent job gains in the service sector have increased the number of part-time opportunities available (Wrekin Council, 1994a, Tickell, 1996). In Leeds, for example, of the 5600 job gains in SIC8 between 1989-91, 2800 were part-time (Tickell, 1996, p111).

Turning finally to unemployment in the two areas, whilst unemployment in Telford in the mid-1980's was particularly high at 22%, running at twice the national average, the figure fell rapidly in 1989 and 1990, and in recent years unemployment has hovered around the national average. In 1995, unemployment in Telford was at 7.7%, compared to 7.3% in Britain. Male unemployment (10%) is at twice the level of female unemployment in the area. Long-term unemployment in Telford is also high, with 33% of Telford workers unemployed for a year or more. This figure is even higher for Telford men (35%). Additionally, young workers are particularly hard-hit by unemployment in the Telford area. In 1995, 13.3% of 18-19 years were unemployed, and with the corresponding figure for 20-24 year olds running at 12.2%. In Leeds, the overall level of employment has remained relatively close to the national figure, and in 1995, the 7.7% rate of unemployment in Leeds was slightly below the national figure of 8.2%. The male rate of unemployment (10.5%) was 2.5 times higher than the female rate (3.8%) (Leeds T.E.C., 1996; Wrekin Council, 1996).

These observations demonstrate that the two economies selected for study are quite distinctive. Indeed, in Chapter 3, it was noted that part of the rationale behind selecting the two localities was because they were characterised by different industrial structures. These differences should be borne in mind when attempting to gauge whether the sample obtained for our own survey is representative of the area. Additionally, part of the analysis should also consider what impact these different local labour market conditions have had on the picture we obtain of agency working

in each area. Has the high level of unskilled jobs in the Telford area impacted on the nature of agency working? What impact do labour market conditions, such as the level of unemployment, have on the motivations of agency workers? Finally, it is worth noting that the employment agency industry in both areas has flourished in recent years, despite these markedly different industrial structures and labour market conditions. Table 5.4 below shows estimates of development of the employment agency industry in the 2 areas. Figures for Telford are taken from annual business directories and Jones (1996), whilst estimates from Leeds are provided solely from the author's own calculations from annual local business directories¹.

Table 5.4 Development of the employment agency industry : number of temporary employment agencies in each area.

	Telford	Leeds
1990	5	126
1992	13	-
1994	16	-
1996	18	146
1998	22	180

This suggests that the number of temporary employment agencies² in the Leeds area has grown by almost 50% over the 1990's. In Telford, the growth has been more dramatic, from just 5 agencies in operation in 1990, and 22 in 1998 (Jones, 1996, p28). This suggests that whilst looking for differences in terms of the agency working experience of the two areas, it is equally important to assess whether any common themes can be identified in agency working in the two areas, which can explain the rapid growth of the industry in each of the two different areas.

¹As such, the figures should only be regarded as approximate. The author utilised a number of sources in each area, namely, the Yellow Pages, the Dun and Bradstreet company database, and industry directories from : the Federation of Recruitment and Employment Service, Executive Grapevine and the Institute of Employment Consultants. Temporary employment agencies in any of these sources were included in the count of agencies.

²Permanent placement firms and executive search firms clearly not engaged in temporary placement are excluded from these figures.

5.3 Survey results.

This Section, which presents the main results of the survey begins with a brief description of the general sample characteristics. The experience of agency working is then examined in terms of the length of tenure, contract type and occupational experience of agency workers (Section 5.3.1). Section 5.3.2 analyses the training opportunities and benefit provision available for agency workers and Section 5.3.3 discusses the motivations for working through employment agencies as well as the advantages and disadvantages of this work. Finally, Section 5.4 discusses the implications of our analysis and Section 5.5 offers some conclusions.

From an initial distribution of 435 questionnaires, 105 usable returns were obtained, an overall response rate of 24% (Table 5.5). The particular difficulties of obtaining a sample of agency workers were discussed in Chapter 3, and the total number of respondents was deemed satisfactory, being comparable in size to a number of other recent questionnaire surveys of temporary and non-standard workers (see for example, Navarro, 1996; Bryson, 1997).

Table 5.5 : Distribution and return of the questionnaire

	No. sent	No. received	% received
Total	435	105	24
Telford	185	49	27
Leeds	250	56	22

The overall distribution of our sample by sex (Table 5.6) approximates our finding from the Labour Force Survey that male workers now make up almost half of the agency workforce. The distribution by sex of respondents in the two areas was distinctive, however, with males making up a much higher proportion of the Telford sample. This is not an unrealistic picture of the employment agency workforce in the

area. The high number of male agency workers in the Telford area, particularly in industrial work, has been noted by a number of authors (Elger and Smith, 1998; Jones, 1996).

Table 5.6 : Sample Characteristics : sex of respondents.

	% Male	% female
Total	43	57
Telford	55	45
Leeds	32	68

n=105

Table 5.7 shows the age distribution of our sample. A high proportion were under 25 (48%), and under 35 (85%). This compares with nation-wide figures from the LFS (see Chapter 4) estimating that 30% of agency workers are under 25 and 67% under 39. The sample is therefore relatively young. Part of this can be attributed to the exceptionally young age of workers in general, and agency workers in particular, in the Telford area. The relatively youthful composition of the Telford workforce was noted earlier in this Chapter, and a recent analysis of agency workers in the area report that ‘most were between 16-24’ (Elger and Smith, 1998, p13).

Table 5.7 : Age Profile of Respondents (%)

	16-24	25-34	35-44	45+
All	48	37	11	4
Telford	53	34	10	2
Leeds	43	39	12	6

n=105

Looking briefly at a number of other summary characteristics of the sample, 29% had at least one dependent child. 15% of the sample were union members, and 4% had joined a union during their time as an agency worker.

5.3.1 : Experience of agency working.

In this section, some tangible features of agency working are examined, namely : the number of agencies that respondents had registered with; the length of time respondents had worked through agencies; the duration of assignments; the occupations worked in as an agency worker; and a comparison between the occupational experience of our sample inside and outside agency work. The perceptions of respondents towards some of these features are also evaluated.

A high proportion of respondents had registered with more than one agency. 69% of respondents stated that they were currently registered at least two agencies, whilst 34% had registered with 3 or more (Table 5.8).

Table 5.8 : Number of agencies currently registered with.

Number	1	2	3	4	5+
All	32	35	22	7	5
Telford	29	41	23	2	4
Leeds	34	29	21	10	5

n=105

On average, respondents had registered with two agencies, a figure which was similar in Leeds and Telford. A number of differences emerged between groups in the sample. 80% of male respondents were registered with more than one agency, compared to 60% of female respondents. Workers under the age of 25 were more likely to register with more than one agency (82%) compared to those aged 25 or over (56%). There was evidence that the decision to register with more than one agency was dependent on the proximity of different agencies to one another and the possibility of 'doing 5 or 6 agencies in one afternoon' (Comment placed on Questionnaire).

From information gathered on how long respondents had been working through employment agencies (Table 5.9), 71% had less than a year of experience of this form of work.

Table 5.9 : Length of time worked through employment agencies (% of respondents)

	<3 mths	3-<6 mths	6-<12 mths	1-< 2 years	> 2 years
All	28	19	24	24	6
Telford	29	25	19	24	4
Leeds	27	14	29	23	7

n=105

Female respondents in the sample had, on average, worked for longer through employment agencies. 63% of women had worked for agencies for 6 months or more, compared with 40% of men, and 32% of women had worked through employment agencies for longer than a year, compared with 27% of men (Table 5.10).

Table 5.10 : Length of time worked through employment agencies by sex (%)

	3 months or more	6 months or more	12 months or more.
All	72	53	30
Males	60	40	27
Females	82	63	32

n=105

Table 5.11 shows that the 105 respondents in our survey had completed over 520 jobs or 'assignments' in the last 12 months, with 80% of these assignments lasting for less than one month³. As a rough guide, this suggests that most employment

³It should, of course, be remembered that a high proportion of respondents had not worked through employment agencies for the *full* previous 12 months (see Table 5.6).

agency assignments are short in length, adding to the finding in Chapter 4, that agency workers have relatively short job tenure. To probe this issue further, respondents were asked for information on the length of the longest and shortest assignments they had experienced as well as the length of their current or most recent assignment. The majority of respondents (77%) had at some point experienced an assignment of less than a week in duration. 46% of respondents had never had an assignment over a month long, whilst 20% had managed continuous employment of 6 months or more in an individual firm. Looking at respondents' current or most recently completed assignment, 37% stated that this had lasted for more than a month.

Table 5.11 : Lengths of longest, shortest and current assignments (% of respondents)

Duration	Current assignment	Longest assignment	Shortest assignment
< 1 week	22	6	77
1 week-<1 month	41	40	14
1 month- < 6 months	30	34	7
> 6 months	7	20	2
	n=102	n=103	n=102

The length of assignments varied in the two areas. Tables 5.12 and 5.13 (overleaf) show that by the measures of current and longest assignments, tenure for Leeds respondents was typically longer than for Telford based workers.

Table 5.12 : Length of longest assignment by area

Length of assignment	< 1 month	1 - < 6 months	6+ months
All	46	34	20
Telford	57	28	14
Leeds	29	46	25

71% of Telford workers were currently employed on an assignment that had lasted less than a month (55% Leeds) and only 42% of the Telford sample had ever experienced an assignment of longer than a month (71% Leeds). One explanation is that a higher proportion of Telford workers had worked through agencies for less than 6 months in total. (Further analysis showed that workers who had worked for less than 6 months through employment agencies were significantly more likely to be currently engaged on an assignment of less than a month than those who had worked for 6 months or more). Respondents were asked whether they agreed that the duration of the assignments they were sent on were satisfactory, and whether they were predictable in length (Table 5.14).

Table 5.13. Length of current assignment by area

Length of assignment	< 1 month	1 - < 6 months	6+ months
All	63	30	7
Telford	71	20	9
Leeds	55	39	5

Table 5.14 : Perceptions on the length of assignments through employment agencies

	Total	Telford	Leeds
Length of assignments are satisfactory	3.2	3.1	3.34
Length of assignments are predictable	2.83	2.69	2.95

Note : The figures show an average value calculated from answers to the following question : "To what extent do you agree with the following statements concerning your employment situation as an agency worker?", where responses were given the values : Strongly agree =5; agree =4; unsure = 3; disagree= 2; strongly disagree = 1.

The principal factor influencing satisfaction over the length of assignments was the length of time that the current assignment had lasted. Workers who were currently

on an assignment of more than a month in duration were more likely to be satisfied with the length of assignments than those employed on shorter assignments. (Table 5.15)

Table 5.15 : Perceptions on the length of assignments and the length of time employed on current assignment (total sample).

Current assignment length	< 1 week	1 week - 1 month	1 month- 6 months	> 6 months
Length of assignments satisfactory	3	3.024	3.55	4
Length of assignments predictable	2.36	2.83	2.97	3.714

Note : Question is the same as that posed in Table 5.14.

As Tables 5.14 and 5.15 show, there is lower satisfaction amongst respondents with the predictability of assignment lengths. A tangible measure of this predictability can be obtained by looking at the basis on which respondents were employed on their current or most recent assignment (Table 5.16).

Table 5.16. Basis of employment on current assignment. (% of respondents)*

Basis of employment	All	Telford	Leeds
Daily	12	17	7
Weekly	21	19	24
Monthly	12	13	12
6 Monthly	3	2	4
Project duration/ Until no longer required etc.	26	22	29
Probationary/ Reviewed periodically	14	21	9
Unspecified duration/ no basis	10	4	14
Other	2	2	2

n=104 n=48 n=56

**Percentages may not sum to 100 due to rounding.*

For a high proportion of respondents (those in the last 3 categories of Table 5.16), there was little or no certainty over the length of assignment. For another 45% the

assignment certainty was limited to knowing that the job would continue on a daily, weekly or monthly basis. Yet, whilst workers were uncertain about the duration and predictability of their jobs, there appeared to be more stability surrounding the *hours* they worked whilst on assignments. The majority of respondents had worked between 31-40 hours per week on their current or most recent assignment (Table 5.17).

Table 5.17. Hours worked per week on current/most recent assignment (valid %)

	0-15	16-30	31-40	41+
All	17	9	64	10
Telford	21	7	61	11
Leeds	13	11	66	9

n=97, missing = 8.

This stability is reflected in respondents attitudes towards the hours they work (Table 5.18) with average figures higher than the equivalent questions for the length of assignments (compare with Table 5.14).

Table 5.18 : Perceptions on the number of hours worked per week through employment agencies.

	Total	Telford	Leeds
Hours worked per week are satisfactory	3.4	3.31	3.49
Hours worked per week are predictable	3.2	3.27	3.13

Note : The figures show an average value calculated from answers to the question : "To what extent do you agree with the following statements concerning your employment situation as an agency worker?" where responses were given the following values : Strongly agree =5; agree =4; unsure= 3; disagree= 2; strongly disagree = 1.

The impact of the different industrial structures of the two areas sampled can be seen in terms of the occupational mix of agency workers. Respondents were asked to state all the occupations that they had worked in as an agency worker (Table 5.19).

Table 5.19 : Experience as an agency worker

Type of work	% with agency experience in this area		
	Total Sample	Leeds	Telford
Clerical/Secretarial	54	73	33
Assembly Work	37	18	55
Stores/Warehouse	24	21	43
Labouring/Building	20	16	22
Retail work	14	16	10
Managerial/professional	10	14	4
Technical/computing	9	13	4
Skill/craft work	9	9	8
Catering/waiting	7	11	6
Other	20	22	17

A high proportion of agency workers in Telford had experienced routine assembly or stores/warehousing work. In Leeds, by contrast, the highest proportion of respondents (almost 75% of the sample) had been engaged on a clerical/secretarial assignment as a temp. A much higher proportion of Leeds than Telford respondents had experience of a managerial/professional job.

Many respondents had worked in more than one occupational area as an agency worker. This can be seen from Table 5.20 - 5.22 below, where the occupations above have been grouped into 5 broad categories.⁴

⁴The 5 categories are : **Clerical/secretarial** work; **industrial work** (includes assembly and stores work); **skilled/craft work** (including labouring and building jobs); **managerial/professional** work (also includes technical/computing, accounting, nursing/medical) and **other** forms of work (includes retail, catering/waiting, cleaning).

Table 5.20 : Overlap between occupational experience in agency work (% of sample with experience in both areas).

	Other	Managerial / professional	Skilled/ Craft work	Industrial
Clerical/ Secretarial	12	16	6	14
Industrial	10	5	21	
Skilled/ Craft work	8	3		
Managerial / Professional	5			

n=105

The interpretation of Table 5.20 is as follows. 14% of respondents had experienced both a clerical and an industrial assignment whilst working as an agency worker. 21% had experience of skilled/craft work and industrial work, whilst 16% of the sample had worked on both clerical and managerial assignments. Looking at each area sampled individually (Tables 5.21 and 5.22) the overlap between some categories are even more marked. In Leeds, almost 25% of respondents had worked on both clerical and managerial assignments. In Telford, 27% of workers had gained experience of industrial and skilled/craft work.

Table 5.21 : Telford sample : Overlap between occupational experience in agency work (% of Telford sample with experience in both areas).

	Other	Managerial / professional	Skilled/ Craft work	Industrial
Clerical/ Secretarial	14	6	4	10
Industrial	6	2	27	
Skilled/ Craft work	6	0		
Managerial / Professional	6			

n=49

Table 5.22 : Leeds sample : Overlap between occupational experience in agency work (% of Leeds sample with experience in two areas).

	Other	Managerial /professional	Skilled/ Craft work	Industrial
Clerical/ Secretarial	11	25	7	18
Industrial	13	7	16	
Skilled/ Craft work	9	5		
Managerial/ Professional	3			

n=56

Finally, looking at the distribution of jobs between males and females, a significantly higher proportion of women than men had experience of a clerical assignment in agency working. The opposite appears to be the case with industrial and skilled/craft work, where a much higher proportion of men compared to women can be found (Table 5.23).

Table 5.23 Occupational distribution by sex (% of respondents with agency experience in this area).

	Clerical/ Secretarial	Industrial	Skilled/ Craft work	Managerial/ Professional	Other
All	54	49	26	22	25
Male	31	67	47	24	22
Female	72	36	10	20	27

n=105

How does the occupational experience of the sample whilst working through temporary employment agencies compare with their experience outside agency work? Table 5.24 identifies respondents' experience away from agency work. The high number of clerical/secretarial jobs outside agency work in Leeds and the large bias towards industrial employment in Telford can still be seen.

5.24 Occupational experience outside agency work.

Type of work	% with experience outside agency work in this area		
	Total Sample	Leeds	Telford
Clerical/Secretarial	36	45	27
Assembly Work	22	11	35
Stores/Warehouse	18	18	18
Labouring/Building	19	20	18
Retail work	30	21	39
Managerial/professional	26	29	22
Technical/computing	13	9	18
Skill/craft work	18	21	14
Catering/waiting	20	24	18
Other	21	17	24

Using the 5 broad occupational areas discussed earlier, Table 5.25 compares directly the experience of respondents during their time as an agency worker to their

time outside agency work. This table calculates the number of respondents working as agency workers in areas in which they previously had no experience.

Table 5.25: Agency workers in new areas of work

	Clerical/ Secretarial	Industrial	Skilled/ Craft work	Managerial/ Professional	Other
All	47	43	37	22	35
Telford	50	43	50	40	42
Leeds	46	42	23	17	29

n=105

This table shows, for example, that 22% of managerial/professional agency workers had no experience in this area as a non-agency worker. The areas of agency work where the highest number of workers had no previous experience of this form of work were clerical and industrial occupations (47% and 43% respectively).

This analysis suggests that for our sample at least, the ‘standard’ agency assignment is clerical or industrial in nature. This is reflected in the high number of respondents citing experience of agency working in these areas. It is also emphasised by the fact that a large number of agency workers work in industrial or clerical assignments as an agency worker, even though their experience outside agency working lies in other areas.

5.3.2 Training and benefits

Respondents were asked a series of questions about their experience of training from employment agencies. 34% of respondents had received some training from an employment agency - either the one they were currently registered with or another agency (Table 5.26). Female respondents were more likely to have received training

(45%) than males (20%), and a higher number of Leeds respondents had received training than their Telford counterparts.

Table 5.26. Training received from employment agencies (% of respondents)

	% yes	% no
All	34	66
Telford	22	78
Leeds	45	55

n=105

This summary figure gives no indication of the type of training received, or its duration, nor does it give any indication as to why our female or Telford respondents might be more likely to receive training from an agency. As Hayes and Stuart (1995) note, the duration of training received by workers is often relatively short. To look at this, respondents who had received training were asked how many hours in total they had received in training from the employment agency (Table 5.27).

Table 5.27 : Duration of training in total (hours).

	< 4 hours	4-<8 hours	8-<16 hours	16-<30 hours	30+ hours
All	24	38	27	3	9
Telford	33	22	11	0	33
Leeds	20	44	32	4	0

n=34

The length of training received was generally short. Of the 34% of respondents who had received training, 62% stated that their training was less than 8 hours in total length. As for the type of training available, the majority was centred around clerical and secretarial work. The table below shows the percentage of the total sample who had received a particular type of training (Table 5.28).

Table 5.28. Percentage of total sample receiving particular types of training.*

Type of Training	% receiving this form of training		
	Total Sample	Telford	Leeds
Word processing	24	8	38
Data inputting	20	6	32
Computer Tutorials	16	8	23
Spreadsheets	16	6	25
Office Automation	9	6	11
First Aid	3	2	4
Communication Skills	3	2	4
Health and Safety	2	4	0
Catering Course	2	0	4
Other	5	5	5

n=105.

*Figures do not equal 100 since more than one category allowed to be ticked.

A high proportion of workers receiving training were involved in clerical work as an agency worker (61%). This narrow focus helps to explain the higher proportion of female and Leeds-based respondents receiving training, with both these groups strongly represented in agency clerical work. The length of time worked through employment agencies also had an impact on the likelihood of receiving training. Generally, the longer that workers had worked as an agency worker, the more likely they were to have received training from an employment agency (Table 5.29).

Table 5.29 Training and length of time worked through employment agencies (% of sample receiving training).

	Length of time worked through agencies		
	< 6 months	6-<12 months	12+ months
Total sample (n=105)			
Received Training	20	36	55
Not received training	80	64	45
Telford sample (n=49)			
Received Training	15	11	43
Not Received Training	85	89	57
Leeds Sample (n=56)			
Received Training	26	50	65
Not received training	74	50	35

A high proportion of respondents had received training of some sort whilst on assignment (Table 5.30). This gives little indication of the type of training received, however. Further analysis showed that the main forms of training received by workers were on the job training (69% of respondents) or induction meetings (44%). Other common forms of training were seminars/talks (23%), courses (16%), computer tutorials (10%) and exercises/videos (11%).

Table 5.30 Respondents experience of training whilst on assignments.

	% Yes	% no
All	72	28
Telford	55	45
Leeds	87	13

n=105

It was noted above that the likelihood of receiving training from an employment agency increased with the length of time worked in total as an agency worker. The likelihood of receiving training from a client firm was also time dependent, Respondents with experience of longer assignments were more likely to have received training whilst on assignments (Table 5.31).

Table 5.31 : Training on assignments and length of **current** assignment

	< 1 week	1wk-1 mth	1-6 months	6+ months
Received training	77	64	74	100
Not received training	23	36	26	0

n=105

As for the perceived effects of training, there was more agreement about the impact training would have on job satisfaction rather than pay (Table 5.32). Workers

expressed little agreement with the statement that agency workers get similar training on assignment to other workers, although the experience of receiving training impacted on this result. 47% of those who had received training agreed with the statement, compared to 32% of those who had not.

Table 5.32 : Perceptions of effect of training

	Total Sample	Telford	Leeds
Training leads to higher pay	3.2	3.33	3.09
Training leads to higher job satisfaction	3.96	3.96	3.96
On assignments, temps get similar training to other staff	2.92	2.77	3.05

Note : These are average values calculated from answers to the question : "To what extent do you agree with the following statements regarding training provision by employment agencies?" where responses were given the following values : Strongly agree =5; agree =4; unsure= 3; disagree= 2; strongly disagree = 1.

Turning to the fringe benefits available at employment agencies, over 25% of respondents were aware that holiday pay and sickness pay could be obtained at the agency they currently worked for (Table 5.33). Other benefits that workers were typically aware of were bonuses for recommending friends to join an agency, and allowances to assist with travel to assignments.

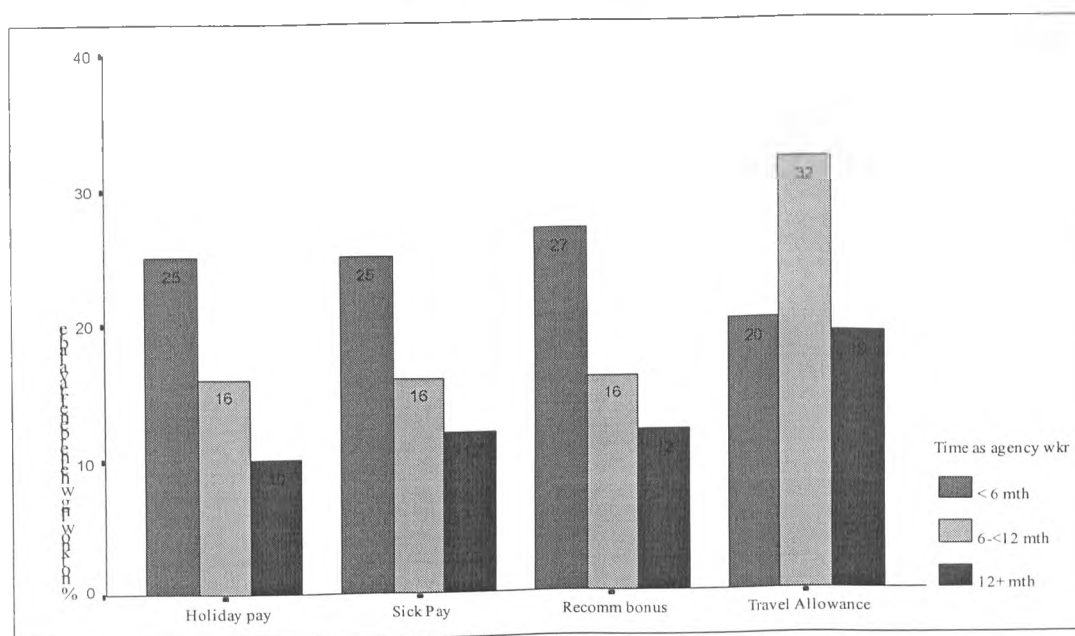
Table 5.33 ; Are the following benefits available at the agency you currently work for?

Type of benefit	Available (%)	Not Available (%)	Don't know (%)
Holiday Pay	28	54	18
Sickness Pay	26	55	19
Recommendation Bonus	25	55	20
Travel Allowance	23	54	23
Mat/Pat leave	9	56	35
Private healthcare	8	65	27
Pension Scheme	6	68	26
Bonus Scheme	3	68	29

n=105

A high number of respondents did not know whether particular benefits were available, between 18% and 35% for particular benefits. There was a strong correlation between the awareness of the availability of benefits and the length of time respondents had worked through employment agencies. Employees with longer tenure as agency workers were more likely to be aware of the existence of benefits. Figure 5.1 shows that in 3 out the 4 examples graphed, the number of respondents not knowing whether particular benefits were available fell as the time worked through employment agencies increased.

Figure 5.1. Percentage of respondents not knowing whether particular benefits are available, by time worked through employment agencies.



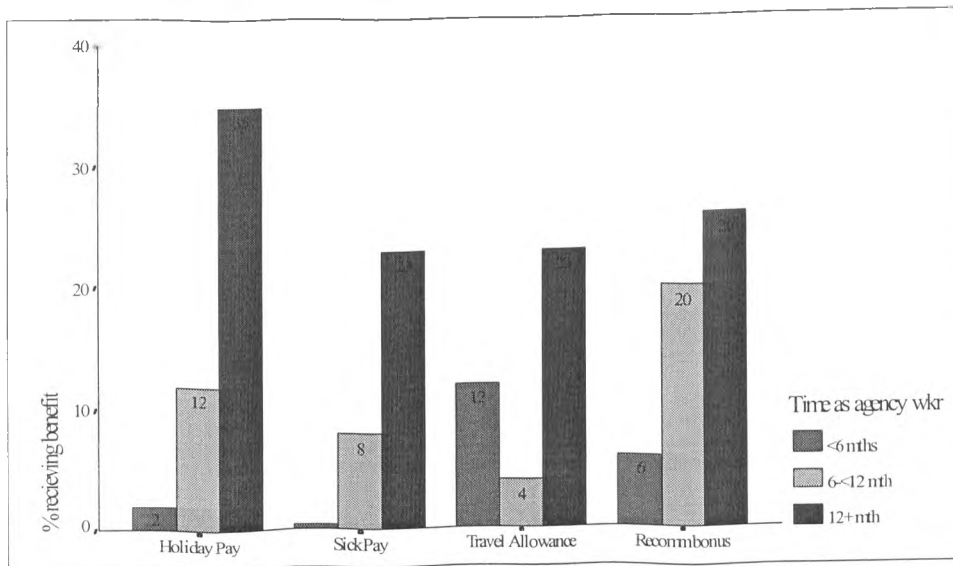
24% of respondents had received at least one type of fringe benefit. This figure was higher for Leeds based respondents (39%) than Telford workers (24%). A breakdown of these benefits shows that the most commonly received were holiday pay, sick pay, travel allowances and a bonus for recommending a friend (Table 5.34).

Table 5.34 : Type of benefit received (from any employment agency).

Type of benefit	% of respondents receiving this benefit		
	Total sample	Leeds	Telford
Holiday Pay	14	18	10
Bonus for recommending a friend	14	21	6
Travel Allowance	13	21	4
Sick pay	9	9	8
Employee award	6	9	2
Bonus scheme	3	4	2
Mat/Pat leave	1	2	0
Accident/Life Insurance	1	2	2

An association exists between the time respondents had worked through employment agencies and the likelihood of them receiving benefits (Figure 5.2). The shorter average time that Telford respondents had been employed through employment agencies is therefore one possible explanation of why fewer workers there had received benefits.

Figure 5.2. Benefits received by time worked through employment agencies



Respondents were asked how important these benefits were to them (Table 5.35). Sick pay, holiday pay and the provision of a pension scheme were of paramount importance, above other fringe benefits, such as a travel allowance or recommendation bonus. There was also evidence of an association between age and the ranking of certain benefits as important. Table 5.36 shows that older respondents were significantly more likely to rate the three benefits shown as more important.

Table 5.35 : Importance of particular benefits to agency workers

Type of benefit	Total	Telford	Leeds
Sick Pay	3.31	3.09	3.48
Holiday Pay	3.81	3.78	3.91
Pension Scheme	3.86	3.78	3.93
Travel Allowance*	2.68	2.67	2.7
Private Healthcare*	2.48	2.4	2.54
Bonus Scheme*	2.97	3.13	2.84
Maternity/Paternity leave	2.7	2.78	2.64
Bonus for recommending friend	2.46	2.36	2.54

Note : These are average values calculated from answers to the question : "How important are the following fringe benefits to you?" where responses were given the following values : Very important =5; Important =4; Unsure= 3; Not very important = 2; Not important = 1.

Table 5.36 Importance of benefits and age of respondents

Type of benefit	16-24	25-44	45+
Sick Pay	3.46	4.18	4.75
Holiday Pay	3.33	4.31	4.5
Pension Scheme	2.85	3.7	3.75

Coding same as for Table 5.36

5.3.3 Motivations, advantages and disadvantages of agency working.

Previous surveys of agency workers have included a discussion of why workers engage in agency work. The central question is whether agency work matches the preferences of labour market participants. In other words, do agency workers choose this form of employment? In Chapter 4, the limitations of utilising the Labour Force Survey to answer this question were outlined, relating particularly to the limited number of options available to respondents when answering this question. In this survey, one aim was to probe the reasons for engaging in agency work in more detail. The results are presented in Table 5.37.

Table 5.37 : Motivations for temping (% of respondents citing this as a reason)*

Reason for temping	Total sample (%)	Telford (%)	Leeds (%)
Couldn't find permanent job	54	53	55
Supplement income/money	41	37	45
To fit in with other commitments	36	41	33
Didn't want a permanent job	29	24	34
To work before making commitment	22	27	18
Re-enter labour market/ return from holiday	19	17	21
Seasonal job	14	19	11
Training/develop skills	10	13	9

*Percentages add up to more than 100, since more than one response allowed.

This table suggests that the primary reason for engaging in agency work *is* because respondents could not find a permanent job. This backs up the analysis of the Labour Force Survey in Chapter 4, where 66% of respondents indicated that they couldn't find a temporary job. The discrepancy between the two figures could be explained by the number of alternative options available in our survey. There are a wider variety of reasons for temping than has often been suggested in other surveys. A high number of respondents, for example, stated they were temping to fit in with

other commitments. It is worth noting that the third, fourth and fifth most important reasons offered for temping were to fit in with other commitments, to work before making a commitment; and because respondents didn't want a permanent job - responses which could be interpreted as representing a choice of agency work. Breaking down these responses by age and sex (Table 5.38) adds more substance to our discussion in the previous chapter about the number of employees demanding agency work. The most common reason advanced by male respondents for engaging in agency work was that they could not find a permanent job (60%) whilst 32% cited that they didn't want a permanent job. 50% of the female sample indicated that they didn't want a permanent job, with a high proportion also citing other commitments and supplementing income as key reasons for temping. Whilst a number of reasons offered by female respondents may be interpreted as indicating choice of agency work, the most common reason offered was that a permanent job couldn't be found.

Table 5.38 : Reasons for temping, by age and sex (% citing this as a reason).

Reason for temping	Males (%)	Female (%)	16-24 (%)	25+ (%)
Couldn't find permanent job	60	50	54	55
To fit in with other commitments	27	43	46	36
Didn't want a permanent job	32	29	34	25
Supplement income/money	38	43	38	44
To work before making commitment	36	23	30	15
Re-enter labour market	18	20	14	24
Seasonal job	20	10	20	11
Training/develop skills	14	8	18	4

n=45

n=60

n=50

n=55

There were a number of differences by age. A much higher proportion of 16-24 year old workers, for example, cited 'fitting in with other commitments' as a reason for temping. Under 25's were also more likely to be temping because they didn't

want a permanent job. As for over 25's, a significantly higher proportion were engaged in agency work to supplement family income and as a way of re-entering the labour market. Once again, however, in both age groups the most common reason offered for temping was because no permanent job was available.

Whilst this information demonstrates that the reasons for undertaking agency work are diverse, and whilst key variations by sex, age and area exist, the clearest conclusion to emerge is that principal reason for engaging in agency work is because a permanent job could not be found. This is backed up by respondents' answers to further questions in the survey. Workers were asked whether they would prefer a full time/permanent job (Table 5.39), with 71% of respondents indicating that they were in this position.

Table 5.39 : Would you prefer a full-time/year round job?

	% Yes	% No
All	71	29
Telford	72	28
Leeds	71	29

n=101

For a high proportion of respondents, the perception exists that few employment alternatives are available. 60% of the total sample indicated that agency working was the only alternative they had to unemployment. This figure was higher for Telford respondents (67%), than Leeds based workers (53%), indicating that for many individuals there is little 'choice' in the decision to engage in agency work. On the other hand, 75% of respondents also indicated that agency work offered opportunities to obtain a permanent job (67% for Telford respondents, and 82% of Leeds respondents).

Identifying the advantages and disadvantages of agency working has been a concern of a number of surveys of agency workers, particularly those emerging from employment agencies themselves (Reed Employment 1996; see also Gannon, 1974; Canter, 1988; Lenz, 1996). Here, respondents were presented with a list of potential advantages and disadvantages, and were asked how important each had been to them in their experience as an agency worker (Table 5.40).

Table 5.40. Perceived advantages of agency working.

Perceived advantage	Total sample	Telford	Leeds
Flexibility	3.62	3.63	3.61
Variety of jobs	3.36	3.61	3.14
Try out a job	3.39	3.67	3.14
Freedom of movement	3.06	3.18	2.95
Add work experience	3.80	3.94	3.68
Meeting new people	2.97	3.00	2.95
Gain short-term salary	3.85	3.84	3.86
Lack of responsibility at work	2.23	2.31	2.18
Lack of commitment to a job	2.21	1.71	2.64
Keep up workplace skills	2.93	3.12	2.78

Note : These are average values calculated from answers to the question : "How important have the following potential advantages of agency working been to you?" where responses were given the following values : Very important =5; Important =4; Unsure= 3; Not very important = 2; Not important = 1.

The flexibility associated with agency work, the ability to add work experience and the opportunity to gain a short-term salary all emerge as important advantages in Table 5.40. The importance of these three factors is re-inforced by answers to the question of which were the three most important advantages of agency work. 51% put adding work experience as one of the three most important advantages, with the equivalent figures for gaining a short-term salary and flexibility being 50% and 46% respectively. These three factors together accounted for 50% of the responses obtained. Telford respondents viewed the variety of jobs and the ability to try out a

job as important advantages, rating these factors higher than their Leeds counterparts. This information, combined with the relatively high number of Telford respondents stating that they are using temping as a way of trying a job before making a commitment (Table 5.38) provides some evidence to back up Elger and Smith's (1998) assertion that agency workers in Telford are using this form of working as a way of remaining footloose in a local economy in which job hopping is strategically discouraged by local firms (ibid., p16). However, when Telford respondents were asked to cite the three most important advantages of agency working, flexibility, the ability to gain a short term salary, and the opportunity to add work experience were cited above the variety of jobs available, or the opportunity to try out a job as advantages.

This information can be combined with earlier questions on the motivations for temping. There is evidence that agency working is used as a 'stop-gap'. The most popular reason for engaging in temporary work was because respondents couldn't find a permanent job and additionally one of the most important advantages of agency work was stated as the ability to gain a short-term salary. The contention that agency work is a temporary rather than permanent solution for most workers is supported by responses to a question asking respondents to indicate what factors they were looking for when choosing an employment agency (Table 5.41). The two principal concerns of agency workers relate to the ability of the agency to find them a job quickly, and obtaining a competitive wage/salary. The provision of benefits and training by agencies are of secondary importance. Further analysis showed that agency workers with clerical experience were more likely to state that the provision of training was important, perhaps because training is more of a standard occurrence in this occupation.

Table 5.41. Importance of various factors when choosing an employment agency (valid %)

Factor	Total Sample	Telford	Leeds
Specific Expertise in my field	3.14	3.06	3.20
Provision of benefits	3.34	3.27	3.40
Provision of training	3.43	3.52	3.35
Competitive wage/salary	4.31	4.18	4.41
Established reputation	3.65	3.51	3.77
Ability to find a job quickly	4.28	4.41	4.16
Ability to match a job to my skills	3.62	3.74	3.52
Good relationship with staff at agency	3.51	3.35	3.64

Note : These are averages calculated from answers to the question : "How important are the following factors when choosing an employment agency?" where answers were given the following values : Very important =5; Important =4; Unsure= 3; Not very important = 2; Not important = 1.

When asked to describe the disadvantages of agency working (Table 5.42), the respondents highlighted the low basic salary received as agency workers and the uncertainty or unpredictability associated with this form of working. This is reflected in the high values given to factors such as the time spent waiting between assignments, and the threat of job loss or job insecurity. When asked to state the three biggest disadvantages of agency, these two features were cited by the highest proportion of respondents (46% and 40% respectively). Other commonly cited disadvantages were the low basic salary afforded to temps, the unpredictability of work and the ‘dreary’ work given to temps. The ‘unpredictability’ of agency working is a particular problem in Telford than in Leeds. A higher number of Telford respondents interpreted the time spent waiting between assignments, the unpredictability of work, job insecurity and the inability to plan for the future as important disadvantages.

Table 5.42. Perceived disadvantages of agency working

Perceived disadvantage	Total Sample	Telford	Leeds
Lack of sick pay	3.36	3.65	3.1
Lack of holiday pay	3.27	3.53	3.05
Lack of pension provision	2.89	3.04	2.75
Lack of other benefits	3.12	3.27	3.00
Job insecurity/ threat of job loss	3.87	4.12	3.64
Inability to plan for the future	3.47	3.74	3.23
Movement from locality to locality	2.53	2.67	2.41
Low basic salary	3.67	3.78	3.57
Dreary work given to agency workers	3.57	3.74	3.43
Lack of responsibility at work	3.04	3.39	2.73
Lack of advancement/promotion	3.12	3.65	2.66
Unpredictability of work	3.55	3.74	3.39
Time spent waiting between assignments	3.69	4.02	3.39

Note : These are average figures, calculated from answers to the question : "How important have the following potential disadvantages of agency working been to you?" where responses were given the following values : Very important =5; Important =4; Unsure= 3; Not very important = 2; Not important = 1.

The questionnaire also examined the features that are important to agency workers whilst on assignments. Previous research has indicated that uncertainty and marginalisation can occur in a number of ways. Agency workers may be held in low esteem by permanent staff on assignments, with agency working viewed as a poor occupational choice (Henson, 1996). Permanent staff may also feel resentment towards agency staff believing (rightly or wrongly) that agency workers are being pitted against them (Parker, 1994) or that their job is under threat (Weiss, 1993). This may impact on the morale of temps (Feldman et al, 1994) and permanent staff (Burda, 1992). Agency workers may be marginalised in more explicit ways too, for example in not receiving the same level of facilities to other staff (Henson, 1996). Table 5.43 offers a crude look at some of the issues raised by such discussions.

Table 5.43 : How important are the following factors when you are on assignments?

Feature	% stating as important	% satisfied
Being treated fairly/equitably	93	51
Good working conditions	92	64
Relationship with other workers	84	68
Opportunity to use existing skills	78	56
Integrating into the firm	75	51
Opportunity to develop new skills	69	34
Take initiative/responsibility	66	40
Good relationship with other temps	63	77

The main concerns of temps centred around integrating into the firms they worked in. The most important factors were ‘being treated fairly’ (93%), having good working conditions (92%) and developing a good relationship with other workers (84%). A lower proportion of the sample were satisfied with these aspects of work (right hand column). Only half the respondents were satisfied with the equity of their treatment at work. The lowest level of satisfaction were recorded for ‘opportunity to develop new skills’ (34%) and ‘taking initiative/responsibility’ (40%).

5.4 : Discussion

Five main conclusions emerge from the survey. First, the analysis reveals the complexity of the relationship between employment agency and worker. The majority of workers register with more than one agency. A high proportion of respondents had worked through agencies for a relatively short time (71% of respondents had worked through agencies for less than a year), and most would prefer a full-time job, and are temping because they could not find one. In this sense, it is possible to argue that agency working is a ‘transient’ state for a lot of workers,

and is often seen as a stepping stone to a more permanent form of work (Lenz, 1996; Canter, 1988;). However, a number of features of the agency working experience, particularly the reception of benefits and training, only become available after a relatively long period of time working through agencies. The survey was able to provide evidence that relatively few workers had received training, and that the training offered at employment agencies was focused towards clerical work. Yet, whilst only 20% of those working through agencies for less than 6 months had received training, the figure which rose to 55% for those with more than 12 months experience. The likelihood of receiving benefits through employment agencies, such as sick pay or holiday pay also increased dramatically for those with more than a year of experience as an agency worker. These observations have resonance with the debate, discussed in Chapter 2, over the interpretation of the role of the temporary employment agency as an intermediary or otherwise. Should the agency's role be seen as one of matching workers with appropriate jobs, and then stepping out of the picture, or that of an employer or 'quasi-employer' of agency workers, providing some of the features typically associated with a standard employment relationship, in addition to the matching service performed?

Secondly and still relating to the role of employment agencies, the 'matching' service provided is clearly centrally important to the relationship between agency and worker. A high proportion of workers would prefer a permanent job, and there is some evidence, from responses in the survey, that agency working does provide opportunities to make the 'bridge' (Natti, 1993) to permanent work. 75% of the sample believed that agency working offered opportunities to gain a permanent job. So how many agency workers make this transition? The survey was unable to answer this question since it was addressed to current agency workers, but evidence from elsewhere hints that a high proportion of temps do find permanent

employment. In a study in the US, Lenz finds that 72% of agency workers sampled went on to find permanent employment, and concludes that :

‘...the great majority of temporary (agency) jobs either lead directly to a permanent job...or help employees make ends meet until they can find a permanent job on their own’ (Lenz, 1996, p559).

Identifying the proportion of workers who achieve permanent employment via agencies would provide one measure of the effectiveness of the matching service performed by agencies. More importantly, the process by which such an outcome is achieved is only hinted at by Lenz, who notes the existence of ‘temp-to-perm’ schemes at agencies in the US, but provides little analysis of how they operate, or of the advantages/disadvantages of using such a scheme for the parties involved.

Respondents reported that two of the most important features used to select employment agencies were : the ability of the agency to find a job quickly; and the ability of the agency to find a job suited to their skills. Yet, the survey suggested that in a number of cases, agency workers find themselves working in multiple occupational areas as an agency worker. Additionally, employees can be seen working in areas of employment that lie outside their previous experience. The industrial structure of the two areas impacted on the nature of agency working in each area studied, with workers in each area likely to encounter a ‘standard’ agency assignment, clerical work in Leeds, and industrial work in Telford. To what extent does this situation match the occupational preferences of agency workers? These observations suggest that the processes by which agency workers are placed in temporary assignments by agency staff, and the matching of workers to temporary and permanent jobs deserves more detailed consideration.

Thirdly, further insight has been gained into the nature of the precariousness experienced by agency workers, discussed in Chapter 4. The survey results build on the results from the LFS survey, which found that the length of tenure for agency workers was typically shorter than for other forms of temporary employment, and that agency workers face some uncertainty over their job continuing over time. It is possible from this chapter to point to both tangible and attitudinal measures which further shed-light on the insecurity faced by agency workers. The survey was able to look at the experience of agency workers across a range of assignments, and found that these were generally short in length. The duration of these assignments is regarded as unpredictable by agency workers. The principal disadvantages of agency working also related to the threat of job loss, and the time spent between assignments. Further uncertainty for agency workers can be seen whilst they are on assignment, with many respondents citing the unpredictability of the work they completed as a major disadvantage of agency working. The analysis of extensive data cannot provide a complete analysis of the security or insecurity of agency working but it did reveal, for example, that workers currently engaged on a long assignment were more satisfied with the predictability of agency working. Does the purported increasing number of 'embedded' or long-term relationships between agencies and client firms discussed in Chapter 1 (see Peck and Theodore, 1998; Carnoy et al, 1997) lead to any accompanying fall in the insecurity associated with agency working for workers? How do such relationships impact on the matching role performed by agencies? What is the nature of the relationship between the agency worker and the client firm in such a situation?

Fourthly, and turning to the motivations for temping, the majority of agency workers are temping because of an inability to find a permanent job. This statement held true, even for those groups of workers who are assumed to choose agency work, such as females, or young adults. In this respect, the results back up the findings of the Labour Force Survey in Chapter 4. However, the analysis did

highlight a number of other important reasons for temping, with a number of agency workers engaged in such work to fit in with other commitments, to supplement income, or to work before making a commitment. This heterogeneity of reasons has been used by some as a way of emphasising the positive features of agency working, whilst simultaneously downplaying the negative. Lenz (1996), for example, suggests that agency workers typically receive low wages because ‘...they do not stay long enough to significantly move up the wage scale’ (ibid., p560) with many of them instead moving to permanent employment. The short-term nature of agency employment is explained in a similar way by Lenz by the fact that ‘...temporary employees mainly are looking for a short-term income supplement’ (ibid., p560). Whilst the analysis conducted here indicates that the reasons for engaging in agency work are indeed diverse, this does not explain the experience of agency workers whilst in this form of employment. How, for example, can the typically short and uncertain length of assignments be reconciled with the fact that the hours worked by temps whilst on assignment are relatively standard?

Fifthly, turning to the two areas studied, many of the summary measures presented in this chapter apply equally to workers in both Leeds and Telford. Factors such as the insecurity associated with agency working, the generally short nature of assignments and the principal advantages and disadvantages of agency working were similar across agency employment in the two areas. However, the survey also highlighted a number of differences between the two localities, and demonstrated how local labour market conditions may impact on the experience of agency working. Most notably, the industrial composition of the two areas was ‘exaggerated’ in agency working, with a high proportion of Leeds respondents experiencing a clerical assignment and those in Telford engaged in industrial employment. In turn, this industrial composition had knock-on effects, in terms of the likelihood of receiving benefits or training. The concentration of agency training

in clerical occupations resulted in a higher proportion of Leeds respondents receiving training whilst temping.

Elger and Smith's (1998) discussion of 'non-poaching' agreements amongst key firms in Telford, and the subsequent use by young workers of employment agencies as a way of staying 'mobile', demonstrates another way in which local labour market conditions may impact on agency working. The survey suggested that such motives may only be of secondary importance. A high number of Telford respondents were using agency work to 'try out a job' and to 'work before making a commitment', but other advantages, such as gaining a short term salary, flexibility, and adding work experience were of more importance to them. This statement held true for both young adults, and older workers. Whilst unemployment was falling in both areas at the time of the survey, a high proportion of respondents (60% overall) saw agency working as the only alternative they had to being out of work. This figure was higher for Telford respondents, at 67%, than for Leeds based workers (53%), suggesting that for many workers there is little choice in engaging in agency work.

5.5 : Conclusions

This extensive survey of agency working in two localities has built on a number of findings from the Labour Force Survey, and allowed a comparison between agency working in two markedly different areas. It has highlighted a number of issues which need to be looked at in more depth via intensive studies, including the process of matching workers to assignments, the nature of the relationship between agencies and client firms, and the methods by which agency workers can move to permanent employment. The focus of attention moves to such issues in the next Chapter, where the relationships between the three parties are analysed via interviews with agency managers and employment agency workers.

CHAPTER 6 : THE INTERACTION BETWEEN THE PARTICIPANTS IN THE EMPLOYMENT AGENCY RELATIONSHIP.

6.1 Introduction.

This chapter reports the findings of interviews with 8 employment agency managers/consultants and 9 employment agency workers in Leeds and Telford. The principal concern of the interviews was to investigate the nature of the relationships that exist between the participants in the employment agency relationship - the employment agency, the agency worker and the client firm. In Chapter 2, the legal relationships between the participants was examined, and here the focus is on how these relationships operate in practice. Much of the empirical material is organised around the activities of the employment agency itself, the most under-researched of the three actors in the employment agency relationship, looking, for example at the recruitment of firms by agencies and the matching service performed by them. The focus, however, is on the relationships created by the intervention of the employment agency between worker and firm, and as such, the findings from the interviews of agency workers and managers can contribute to debates arising from previous work which has looked at agency working from the perspective of the agency worker and the firm.

The Chapter is structured as follows. In Section 6.2, the characteristics of the agencies and workers sampled are described. Section 6.3 begins to consider the nature of the relationship between agencies and both workers and client firms, through an analysis of active methods of recruitment used by agencies to advertise and sell their services to workers and firms. This proactive role of the agency is a leitmotif throughout the empirical work, offering a sharp contrast to the common portrayal of the employment agency as an institution that simply responds to the needs of firms and workers.

In Section 6.4, the development of the above relationships are explored in the context of the matching service performed by all agencies, in which workers are allocated to temporary assignments. Efforts by agencies to insulate their relationship with firms from outside competition, through the provision of increasingly specialised services demonstrate that a ‘client is king’ approach to matching is currently adopted by agencies, with services increasingly tailored to firms needs above all else. Integral to the matching process is the ability to offer clients ‘repeat’ assignment workers, in other words agency temps with previous experience in a particular firm. With the allied development of formal temp-to-perm schemes at agencies, where firms can place agency workers on probation for a set period of time before taking them on permanently, two previous ‘bonuses’ of utilising agency staff have arguably become institutionalised by employment agencies and are now standard features.

Despite the increasing emphasis on continuity under ‘temp-to-perm’ and repeat assignment schemes, the agency working experience for most workers is still characterised by time discontinuities and gaps between assignments. The development of relationships between agencies and workers is in fact predicated on this fact, with workers seeking to obtain a regular supply of work whilst temping, and agencies rewarding good temps with more frequent or constant employment. ‘Good’ temps, in turn, are seen as those workers that can demonstrate characteristics such as reliability and flexibility, traits which assist agencies in successfully servicing their contracts with firms.

In Section 6.5 the structure of business at employment agencies is examined. The increasing ‘embeddedness’ of relationships between agency and firm has been noted in other recent research (Peck and Theodore 1998, p4) seen principally through a rise in the *size* of contracts between agency and firm, increased formality of dealings reflected in binding agreements between agencies and firms, a movement towards the use of agency workers on a semi-permanent basis by firms and a rise in planned staffing, and a

diversification by agencies in non-traditional areas notably insourcing and the running of entire departments or functions inside a firm. Section 6.5 offers some evidence on the extent and nature of this embeddedness in the 8 agencies sampled, and assesses the implications of such trends for workers. The trends towards large, often long-term temporary staffing agreements between agencies and firms and the increased formalising of the agency/firm relationship via specialised contracts are undeniable, and have further increased the dependence of the two parties on each other. The ability to screen workers and gain access to repeat assignment workers under such contracts appears to be an essential part of such deals, rather than a ‘bonus’ and as such, the now standard availability of such services may help explain why such large scale, long-term deals have emerged. Section 6.6 makes some observations on the local labour markets studied, and Section 6.7 offers some conclusions.

6.2 Respondent Characteristics.

The 12 employment agencies that participated in the first part of the research were asked whether they would be willing to take part in further in depth interviews. Contacts at 8 of the 12 agencies agreed to this. Four were in Telford and four in Leeds. Some characteristics of the participating agencies are described overleaf (Table 6.1). Anonymity was offered to respondents, and thus, throughout this report the names of agencies have not been included. As Table 6.1 shows, the 8 businesses interviewed consisted of a wide range of agencies, including large ‘nationals’, smaller regional branches and one-branch, local independent agencies. The main occupational areas covered by each agency are also provided in Table 6.1. At each participating agency, an interview was conducted with the employment agency manager, or with a personnel consultant with responsibility for the assignment of temporary workers.

The selection of agency workers for interview consisted of contacting respondents who had indicated on returned questionnaires that they would be willing to participate

in a further in-depth interview (see Appendix 1 for a copy of the questionnaire). This method yielded 9 interviewees, 4 in Leeds and 5 in Telford. The principal characteristics of the workers selected are provided in Table 6.2, which includes information on the time spent as an agency worker and their reasons for engaging in agency work.

The 8 agencies and 9 agency workers sampled constitute a meaningful and useful sample size. With the exception of Jones' research into the employment agency industry in Telford (Jones, 1996), and Purcell and Purcell's (1997) analysis of the activities of a large national UK agency, previous research looking at agency working from the perspective of the employment agency has been almost entirely US based (Carnoy et al 1997; Moore, 1965; Peck and Theodore, 1998). The 8 interviews conducted with agency managers is comparable to these previous surveys. Few, if any studies, in the UK have conducted interviews with agency workers, and as such, the 9 workers interviewed for this thesis provide a useful sample size.

Table 6.1 Characteristics of employment agencies sampled.

Agency	Description	Main areas of work covered for temporary assignments
#1	Local based agency, 3 branches in the West Midlands. One of the earliest agencies to be established in Telford in 1989.	90% industrial/manufacturing "Other" areas 10%.
#2	Small independent agency, sole branch in Telford. Established 1994.	Industrial, manufacturing 80% Secretarial 20%
#3	Small independent agency, sole branch in Telford. Established 1991.	Manufacturing, driving, commercial/secretarial
#4	Large, national chain of agencies. 60 branches across the UK, mostly franchised. Company established, 1977, Telford branch established in 1990.	"Majority" industrial, with some secretarial work.
#5	Small chain of agencies, with 3 branches in the UK. some functions centralised by Head Office. Company established in 1980, Leeds branch established in 1994.	Commercial 60% Industrial 20% Professional (mainly accountancy) 20%
#6	Medium-size national chain of agencies, 30 branches, mostly in the North of England. Leeds branch established 1990.	Industrial Driving Commercial (% not offered).
#7	Large, national chain of agencies. 60 branches across the UK, mostly franchised. Company established, 1977, Leeds branch established in 1991.	Catering 25% Industrial 50% Commercial 10%
#8	Medium-size national chain of agencies, 15 branches in UK. Established Leeds, 1988	Commercial Industrial

Table 6.2 Characteristics of agency workers sampled.

Agency worker	Sex	Agency working experience	Reasons for temping	Main areas of work as agency worker
#1	Male	1 year	Temping after finishing permanent job	Industrial, assembly line, stores/warehouse.
#2	Male	7 weeks	Ex-serviceman, seeking permanent work	Industrial, stores, driving.
#3	Male	2 spells of 3 months	Student, temping during summer vacation.	Industrial, assembly line
#4	Female	8 months.	Graduate, looking for permanent job.	Clerical, industrial, administrative
#5	Female	1 year "on and off"	Temping between and in addition to other non-agency work	Clerical, commercial
#6	Male	2 months	Finished recent fixed-term contract, looking for permanent job.	Design, engineering, some clerical/industrial
#7	Female	8-10 weeks	Finished recent fixed-term contract, looking for permanent job.	IT, computing
#8	Female	3 months	Part-time work.	Clerical, commercial
#9	Male	2 months	Unemployed, looking for regular work.	Industrial, assembly line.

Note : Agency workers 1-5 are from Telford, 6-9 are from Leeds.

6.3 'Getting them on board' : the recruitment of firms and workers by employment agencies.

The growth of agency working in recent years in both Leeds and Telford, outlined in Chapter 4, has generated a high level of rivalry between employment agencies, with firms competing both for contracts with firms, and over agency workers to fill their orders. The common portrayal of the employment agency, as an institution responding to the needs of firms and workers, as depicted in the long-standing debate over the relative importance of demand-side (firm-based) and supply-side (worker-based) factors in driving the growth of this industry (see Chapter 2), is inaccurate in this respect. In this section the proactive nature of agencies is exposed by measures employed to recruit and encourage firms and workers to use their services. The concept of 'cold-calling' potential firms by phone represents the most concrete example of this, and is becoming an increasingly important part of a personnel consultant's working week. Active measures to recruit workers are also in operation at agencies, often carried out with the goal of adding to the stock of available temps to send on assignment.

The recruitment of businesses and firms has always been an intrinsic feature of operating an employment agency (see Moore, 1965), yet this has traditionally consisted of mailshots, advertisements in business directories, with 'direct solicitation' reserved for agencies in large cities (Moore, 1965, p565). Whilst these techniques are still important, a more aggressive method (the cold-call) now underpins the majority of agencies advertising and recruitment strategy. In much the same way as telesales companies, agencies contact local firms by phone and attempt to sell the concept of agency work to them. Increasingly sophisticated sales techniques are now being introduced, with agencies in our sample, for example, targeting firms known to use services of other agencies, concentrating on firms in a particular market sector; or

ringing firms who had used the agency in the past, but had not used their services for a long time .

The process of cold-calling involves contacting someone at a local firm, typically in the personnel department, and outlining the services offered by the employment agency. This call can may be followed up by unsolicited mail providing details about the agency, contact numbers, and sometimes arranging a visit to the firm by a member of the agency's staff. A relatively recent innovation at agencies, its perceived importance as a method of recruitment can be seen through the establishment of formal sales targets for staff at some agencies and by the allocation by managers of a certain number of hours per week to be spent on cold-calling and other recruitment duties. At Agency#8, for example, every staff member was expected to contribute to 'business development', with each member of staff receiving commission for each temp placed as a result of phone calls to new clients, and for increased business from phone calls to existing clients.

Commission based approaches to cold-calling are common, although they vary in formality and sophistication. At Agency#4, each call made to firms is recorded, with written details kept of the follow up action to be taken, and individual bonuses awarded to staff members every three months based on the success of their calls. At other agencies, targets are less detailed, with one manager revealing that an impromptu £500 bonus to each member of staff the previous year was due largely to the success of their 'phone-to-phone selling campaign' (Manager, Agency#2). A common feature at all agencies is the large amount of time earmarked by managers for business development activities. At 2 agencies, a full-time sales team, working almost entirely on commission, assume responsibility for recruiting firms. Elsewhere, consultants spend up to a day a week on recruitment duties, calling firms, and conducting necessary follow-up action such as visiting prospective customers, sending out details of the services offered by the agency, and distributing contact numbers of agency staff.

The agencies' proactive approach to recruitment is tempered by local labour market conditions. At the time of the interviews, in Summer 1997, demand for agency staff in Telford appeared to be particularly high, with the result that 3 of the 4 agencies interviewed were not currently doing any cold calling activity. Instead, agency staff were fully employed dealing with phone calls from firms, and servicing ongoing contracts, with neither the time - or the capacity of personnel - to engage in any further recruitment activity. As one manager put it, the agency was simply 'firefighting' the high demand for temps (Manager, Agency#3).

In such an environment, the recruitment of new firms is of less importance than ensuring that all ongoing and accepted contractual obligations could be met. In fact, in both areas, the principal aim of cold calling is to get the agency known by as many firms as possible in the area. Agency managers admitted that it was rare for a firm to consider using agency staff on the basis of a one-off call, but that this initial contact often led to the sending out of corporate literature, visits to discuss manpower requirements by a member of the agency, and perhaps most importantly, giving the agency a dormant prescience in a particular firm which could pay dividends in the future, when the firm decided that they wanted to use agency staff. This process of 'getting firms on board', as one manager aptly described it, was the first stage in developing a relationship with local firms.

Getting workers on board is equally important. Table 6.3, below, identifies the number of workers assigned weekly on a temporary basis from the 8 agencies sampled for this study. This 'flow' of currently assigned workers comes from a much larger stock of available or registered temps. At Agency#5, for example, the manager suggested that approximately 2000 workers were 'on the books' at the agency, with 500 of these realistically available to fill the 320 current assignments. At Agency#2, in

business for just 4 years, a smaller figure of 600 workers were on the books, with less than half of these on assignment.

Table 6.3 : Workers currently assigned and on the books at employment agencies.

Agency	Number of temporary workers currently assigned	Number of workers 'on the books' at the agency
#1	300	500
#2	220	600
#3	185	300+
#4	n/a	400-500
#5	320	Approx 2000
#6	220	220
#7	340	500
#8	n/a	n/a

n/a = information not available

This information helps illuminate previous findings about the number of temps working through employment agencies. In particular, it is sometimes unclear whether figures quoted refer to those 'on the books' or those currently assigned through agencies (see e.g. Jones, 1996; Smith and Elger, 1997). Smith and Elger's tentative conclusion that up to 10% of the Telford workforce are temping, for example, is based on a measure utilising the number of workers *on the books* at agencies.

The number of workers available to agency staff is typically much smaller than this figure. At some agencies, the number of workers on the books was simply a measure of the total of applicants who had ever registered at the agency. This was the case, for example, at Agency#5, where the manager's estimate of 2000 temps on the books came from a database which kept details of all past applicants, principally for legal reasons, rather than an active file used to recruit workers for current assignments. Whilst other agencies made efforts to 'prune' their applicant lists, removing workers as they became unavailable for assignments, the numbers on their books bears little relevance to those

realistically available for work. Workers as a rule register their details at more than one agency (see Chapter 5) and obtain assignments from a number of firms, rather than working exclusively for one agency. Additionally, ‘outflows’ of temps into other forms of employment and away from agency work mean that having a temp on the books at the agency does not guarantee their availability for a particular assignment.

Agencies were forced to use active methods to encourage workers to sign up and register with them, in an attempt to ensure a ‘conveyer belt’ of new applicants (Consultant, Agency#4). The two most common forms of advertising, placing advertisements in local newspapers and on cards visible from the street in agency windows, aim to simultaneously demonstrate the range and number of opportunities available, whilst stressing a number of desirable characteristics of current temping jobs. At Agency#6, in Leeds, 10-40 current or recent temping jobs were on continuous display in the agency window, with a smaller sample of current temping opportunities placed in local newspapers on a daily basis. Short and vague, the advertisements reveal little job information, beyond the broad nature of the work, the location, and the salary. Additional information highlights characteristics of assignments thought to be important to workers, such as the long-term nature of opportunities, the competitiveness of the salary, or the possibility of obtaining permanent employment through such a post. Whilst in some cases, adverts are deemed necessary to fulfil client orders which could not be met by staff currently registered at the agency, in other situations they serve the more general purpose of simply increasing the stock of available temps for future assignments. Examples of both such uses are provided below.

At Agency#7, a request for 110 catering staff for a one-off weekend function had resulted in extensive advertising in local papers and job centres, as the agency was unable to fill this sizeable order with suitable workers from those currently on the books. Similarly, adverts are also commonly used to find workers in short supply in particular occupations. Agency#5, also in Leeds, used local newspaper advertising to

advertise for legal secretaries, for whom the demand for workers regularly outstripped supply. In labour market conditions where the demand for temps is high, such as Telford at the time of the interviews, advertising both in shop windows and in papers helped the agency 'firefight' its heavy orders (Agency#3).

Equally common, however, is the use of such advertising simply to ensure a 'steady flow' of new workers registering with the agency - getting workers on board - rather than to solve a particular staffing problem. Advertising helps agencies to add to their stock of workers to call on for future assignments, to counter the high turnover associated with the industry. One manager noted that the agency was always looking for quality staff across all occupational areas to help ensure client orders could be met.

Indeed, immediate starts for workers responding to individual 'job specs' described in advertisements are relatively rare, with the rapidity of many requests for agency staff meaning that orders are generally filled from already registered temps rather than new applicants. Some delay between responding to an individual advertisement and being able to start work is inevitable, given the screening tests carried out as standard at all employment agencies. Table 6.4 demonstrates, for our sample of agencies, that initial screening and testing of temps can take up to 90 minutes. Additional occupation specific tests, such as the cross-package spreadsheet and word-processing test conducted for clerical applicants at many agencies, are often carried out separately from the interview, with appointments sometimes taking place days after an initial enquiry about work. References are also usually taken up before work is offered to temps (Jones, 1996).

Table 6.4 : Initial interview procedure at employment agencies

Agency	Length of interview	Temps currently processed weekly	Notes
#1	15-45 mins	40	Includes dexterity test for those with potential to be assigned to one particular local manufacturing firm.
#2	30 mins	25	
#3	20 mins	30-40	
#4	Up to 1 hour	20	For selected staff, includes separate computer testing on word processing skills. Conducted either at interview, or alternative time.
#5	20-60 mins	25	Word processing test carried out as standard
#6	30 mins (average)	15-25	Length varies according to applicant. Driving applicants undergo written test. Individual tests for technical and clerical staff.
#7	25-45 mins	40	Length varies according to applicant. Tailored tests in competence for drivers, catering, commercial and clerical staff
#8	1hour 30	10	Includes 45 minutes on computer literacy package

Interviews with agency workers highlighted the difficulties which they had experienced in securing employment on a particular job. The subsequent underemployment experienced by many respondents after registering their details with agencies gives another indication that a principal role served by such advertising is to add to their 'bank' of available temps. One worker, registered at 4 agencies for 3 months as a general operative and a driver noted the large number of current ads in newspapers looking for workers in these areas, yet he had been unassigned for 10 days.

At the time of the interviews, Summer 1997, registration of new temps was high in both areas sampled, and managers pointed to a recent inflow of students looking for summer vacation work as the principal driving force behind this trend. Agencies typically processed between 10-30 new temps in an average week, although a number of agencies were currently registering applicants in excess of this. At Agency#1, 40

new applicants had been processed in each of the last three weeks, with each worker completing a series of forms and tests which lasted up to 1 hour. Potential temps are rarely turned away by agencies, but as Table 6.4 demonstrates, methods of processing new workers and getting them ‘onto the books’ vary in sophistication. At some agencies, initial screening of workers is rudimentary, limited to a short discussion between agency staff and workers about their job requirements, salary and hours expectations. At Agency#1, for example, the high proportion of unskilled, general labouring jobs available meant that few computer tests were carried out and the majority of interviews lasted 15 minutes. The longer interviews, up to 45 minutes, were reserved for commercial and clerical applicants, and manual workers who possessed the skills and experience to be potentially assigned to an electrical components manufacturer in the area, in which case a 15 minute dexterity test had to be completed. At other agencies, the process is more detailed, with workers completing sheets relating to their desired job characteristics, as well as additional literacy and numeracy tests, and aptitude tests relating to individual jobs. At Agency#6, potential lorry drivers were tested on a number of issues, and secretarial applicants endured tests on computers to establish their writing speed. At Agency#7, clerical applicants completed a cross-spreadsheet package aptitude test, and catering staff completed tests relating to food hygiene and preparation.

With much subsequent dealing with temps conducted by phone or post, the initial interview process offers agencies a rare opportunity to meet and assess potential temps in person. Interviews are therefore ‘agency-led’, with staff keen to elicit specific information in a number of key areas from applicants to facilitate subsequent matching procedures. At Agency#8, workers were asked to provide details on all areas of work with which they had experience, and those that they would be interested in working in. This information, along with salary expectations, hours availability, and personal details was placed on a computer database, to be matched to client requests for workers. A similar process operated at other agencies, although at some, such as Agency#1 and

2, the information was kept on worker cards, rather than in a computer database. The subsequent process of matching workers to assignments, forms the basis of the discussion in Section 6.4.

6.4 : Formal and informal matching processes at employment agencies.

After securing the commitment of both workers and firms, the central role for the employment agency is to match workers to appropriate temporary assignments in firms. Firms desired skills and characteristics are tallied with appropriately skilled and experienced temps, from information gathered at the initial interview and updated as workers are sent on assignments. The matching process is increasingly facilitated by the use of computer programs, in use at 3 of the agencies interviewed. Managers, however, stressed that providing suitable workers was still often 'hit and miss' with detailed knowledge both of a firm's requirements, and of workers particular skills coming through experience, trial and error.

A 'client is king' (Manager, Agency#5) attitude dominates the matching process, with both formal and informal systems at employment agencies tailored to providing workers to the clients specification above all else. Such an approach appears to have developed as a result of the increasingly fierce competition for business between agencies in both areas. The large number of agencies in both Telford and in Leeds (see Chapter 5) offer a great deal of choice to solve firms' staffing problems. Typically firms do use more than one agency to get their staff, 'playing them off' against each other, in terms of the quality, price and the speed of response they can offer. At Agency#4, for example, the consultant discussed being in direct competition with another local agency, both of whom currently supplied staff to a local electrical components manufacturer. Whilst some co-operation between the agencies existed, co-ordinating efforts to supply staff to the same firm, Agency#4 also attempted to match

offers and prices from the rival agency to stay competitive. In such an environment, efforts to nurture relationships with existing clients, discussed below in Section 6.4.1 offer agencies a potential advantage over rivals, allowing the development over time of a more individualised matching service in which emphasis is placed on continuity in the temps received by firms. The growing importance of repeat assignment workers, where workers with previous experience in a firm are requested by clients shows this clearly. The allied development of formal temp-to-perm schemes gives further evidence of agencies institutionalising a previously informal service, with the ultimate aim of deepening relationships with client firms.

The client-led approach to matching can also be seen in the development of relationships between agency workers and employment agencies (Section 6.4.2). In a situation where the pool of available workers is generally greater than the current number of assignments available, regular or steady work is at a premium and is distributed to workers, who in addition to possessing the necessary skills and experience to complete an assignment, are seen as ‘good’ temps by the agency. Emphasis is placed on worker characteristics such as flexibility and reliability which assist the agency in successfully servicing contracts with clients. Whilst efforts to institutionalise relationships with firms provide some opportunities for workers to enjoy continuous employment, it is the firm, rather than the worker that is guaranteed continuity.

6.4.1 Developing client relationships, repeat assignments and temp-to-perm schemes.

Agencies attempt to maintain regular contact with clients, monitoring by telephone the performance of temps currently deployed in firms, informing personnel managers of current offers available at the agency, and outlining details of services not currently

under use by firms. Efforts to deepen relationships with firms are common, with agencies standardising previously exceptional services to encourage firms to continue trading with them. The offering of an out-of-hours telephone number to regular clients, for example, is now a routine occurrence at agencies. This facility gives firms access to a member of the employment agency on a 24 hours a day basis, and at home to arrange and organise emergency staffing needs. The number was the home number of a member of staff at the agency or a mobile phone number. The principal users of such a service are firms operating at 'irregular', non-office hours, continuously day and night, or during the weekend, and allows them to cover unplanned absences or staffing needs even outside the normal operating hours of the employment agency. At Agency#1, in Telford, four clients used the service regularly, and with many manufacturing shifts in the area starting at 10pm and 6am, this often resulted in phone calls late in the evening, or early in the morning. For the 10 o'clock shift, calls were generally received by the agency from 9pm onwards, or even after the start of the shift 'depending on who hasn't turned up'. Fielding early morning calls on the other hand involved having at least one member of staff arriving for work as early as 6a.m to deal with early shift requests and to process calls that had arrived at the agency overnight.

Offering customers an out of hours phone number provides a useful solution to the often immediate nature of requests for agency staff, with the provision of such a service by agencies generally offered as a reward for regular or 'bulk' custom. At Agency#2, for example, such a service was reserved for the agency's larger contracts, where a sizeable number of temps were regularly placed. Another variation was in place at Agency#7, where the service was available to 'our usual clients', but with a small mark-up applied to the agency fee when the service was used.

Regular visits to clients premises now also form an important way of developing closer links with individual firms, offering opportunities to discover more about the processes and jobs in a firm, and to discuss manpower strategy and requirements. At

Agency#8, one member of staff spent two full days a week visiting customers, and attempted to visit all regular clients once every 3 months. With larger contracts, agency staff increasingly spend a set amount of time each week in the firm, discussing staffing needs and personnel issues (see Section 6.5). Clients are no longer 'faceless voices on the end of a phone' (Manager, Agency#5), with new customers are visited as a matter of course, and on-going clients visited regularly.

Such efforts to deepen relationships with clients facilitate the matching process operated by agencies, enabling client idiosyncrasies - for example, an unwritten expectation that workers would be available for overtime - to be predicted with slightly more certainty. In a situation where agencies match workers on the basis of unwritten rules or less desirable characteristics of jobs, such firm-specific knowledge becomes even more important. In Telford, for example, the high number of unskilled, routine assembly jobs available meant that the most important element of matching typically related to the pace with which workers were expected to work, or the conditions they worked in. Dissatisfaction with workers returned by firms was 'in 9 cases out of 10' related to the speed of work (Manager, Agency#2). Firms are increasingly candid about returning workers for such reasons¹, but agency managers had also learnt to read between the lines as to the speed, dexterity or type of work likely to be encountered, before deciding the suitability of workers for particular jobs. At Agency#4, temps had returned on numerous occasions complaining of the dirty, heavy and quick nature of the manual work encountered in the firm, with the consultant there noting that '.....they (the firm) never tell you that in their job spec'.

The issue of unsatisfactory workers is typically dealt with by agencies providing a warranty with their workers, taking the form of a guarantee of a replacement within a certain time period, or in a number of cases the waiving of a fee, in the event that a

¹Peck and Theodore's discussion of the employment agency industry in Chicago describes the following incident: "...a pregnant African-American woman approaches a dispatcher seeking a placement for the day: 'I don't know', the dispatcher says hesitantly, as she pulls out a document and looks it over. 'No...no, I'm sorry, but you have an X on your form. They said they don't want you back. You were too slow'" (Peck and Theodore, 1998, p7, quoting Oehlsen, 1997, p17).

worker proves unsuitable for a temping job. Attempts to monitor unsatisfactory behaviour by workers was common at most agencies. At Agency#7, clients were asked to complete evaluation forms after workers had been deemed unsatisfactory, identifying specific areas where workers had fallen short on a particular job. At Agency#5, customers had to have a valid reason for returning workers, such as bad time keeping, discipline, incapability, 'not simply that they're a man - and that's happened'.

The highly contingent nature of agency working however, creates the situation where the dismissal of unsatisfactory (and satisfactory) workers more often than not simply consists of informing the agency that a worker's services were not needed the following day. In such a situation, identifying valid reasons for the end of the contract is simply 'neither feasible or necessary - the contract has finished' (Manager, Agency#2). A desire to keep the client happy, meant that a no questions asked policy in respect of replacing workers was operated at some agencies. The growth of large contracts between agency and firms had certainly influenced this trend. Discussing one contract with a local manufacturing firm, a manager noted : '... I'd replace all 20 (temps) if they wanted me to. My business depends on it.' (Agency#6).

Firms asking for agency workers in bulk, often appeared to be less fussy at the outset about the quality of the temps they received, instead relying on the law of averages to eventually get a suitable set of temporary workers. As one manager put it : '....for some..... its simply a case of throwing bodies at the wall and seeing which ones stick' (Manager, Agency#7).

These statements are consistent with previous research findings that agency staff are little more than 'warm bodies' (Parker, 1994, p53) with firms having little concern over who carries out their work, and with agencies subjecting workers '..... to a process of hyper-commodification, in the sense that they are traded on a price orientated basis

almost as if they were an undifferentiated, industrially-produced commodity' (Peck and Theodore 1998, p5).

The attempt by some firms to establish some continuity in the agency staff they receive, and the increasing willingness of agencies to provide such continuity as part of a more individualised matching service, represent a novel development on the matching process. Agencies now regularly provide workers with prior knowledge and experience of procedures and jobs in particular firms. Ensuring an adequate or satisfactory match is more or less guaranteed if agencies can provide firms with 'repeat workers' (Henson, 1996, p71), in other words, workers with previous experience in that workplace. Demands for such temps, including firms requesting individual agency workers by name, are widespread. For agencies, such a development is seen as a natural extension of the matching process. The mechanics of providing a repeat worker at Agency#7, described below are not untypical of how the process operates. Here, the manager suggested that clients asking for a temp often described the required skills and qualities of workers in terms of previously assigned workers. Comments such as 'send someone similar to last week' or even 'is that guy available again?' are typical methods by which a repeat worker is obtained. Another indicated that requests for workers with experience had in the past often been 'tagged on' by clients at the end of phone calls (Manager, Agency#5). In these situations, for agency staff, it made sense to begin the matching search with those workers who had been assigned there in the past.

Agency managers stated that they had been providing such a service, mostly on an informal basis, for many years, suggesting that obtaining such staff was a bonus of using the agency rather than an underlying reason in itself. Indeed, as has been pointed out elsewhere, in an industry characterised by rapid worker turnover, with agency working viewed as a transient state for most workers, guaranteeing a supply of the same workers, day after day, is impossible (Peck and Theodore, 1998, p10). Yet the frequency with which this process now operates suggests that clients, particularly those

using agency staff on a regular, or continuous basis, are usually able to find such repeat workers. All of the 8 agencies interviewed affirmed that the provision of repeat workers was now commonly employed by them in matching workers to assignments either as a deliberate strategy to provide a more individualised matching service for firms, or simply as a way of facilitating their matching procedure. One manager indicated that it was 'an unwritten but important feature of our service' (Consultant, Agency#8) and another that '.....if we don't provide it, someone else can, and will' (Manager, Agency#2). For firms, a central advantage of such workers lies in the familiarity that they have gained with processes and procedures from their work on previous assignments there, thereby offering firms some of the benefits of a long-term employment relationship, but with the disposability which comes with using agency staff. The willingness of agencies to provide such continuity has arguably institutionalised the service, with increasingly sophisticated systems available to match experienced workers to assignments (on this point, see also Peck and Theodore 1998, p10). The computerised matching systems used by three agencies were able to highlight temps with experience in a particular firm. At other agencies, such systems had been eschewed, but worker card files contained a list of the firms that they had been assigned to. Whilst the systems thus differ in sophistication, the now standard provision of such a service hints at its growing importance to both agencies and firms.

The emergence of temp-to-perm schemes.

For temporary employment agencies in the UK, the matching process additionally consists of selecting workers for permanent jobs with firms as well as assigning workers to temporary positions. Conceptually, the two services are quite different, with the agency 'stepping out of the picture' (Gonos, 1997) after permanently placing a worker in a firm, but potentially remaining in the picture with the supply of temporary staff. In reality, however, with 90% of UK agencies offering both temporary and permanent services to clients the distinction between the two activities can be blurred,

most obviously in the case where workers begin as a temp in a firm, and are subsequently taken on permanently. Previous research has played down the importance of this particular mechanism for selecting staff (see e.g. McGregor and Sproull, 1991; Abraham, 1990), at a time when formal 'temp-to-perm' schemes have made the use of temporary workers as a screening device by companies commonplace.

The possibility of workers going permanent with a firm after working on a temporary assignment is recognised in the Employment Agency Act of 1976, which states that the contract exchanged between agency and firm must contain information on the procedure to be followed in such an eventuality. Typically, this consists of a 'hands-off' clause, preventing a firm from taking on a worker for a certain time period after being assigned there as a temp. Alternatively, a 'signing-on' fee is paid to the agency, equivalent to a percentage of the workers starting salary. At Agency#5, for example, clients were not permitted to take on a worker permanently in the 3 months after utilising the same worker as a temp, unless they paid the agency a fee, in most cases equivalent to 10% of the annual starting salary.

The signing-on fee is viewed by agencies as compensation for the loss of revenue associated with the worker going permanent, and as a reward for matching the firm with a worker. The effect of workers going permanent after working as a temp was tangibly felt by the agency - both via the loss of the hourly revenue from supplying the services of a worker to a firm, and also through losing the services of a good temp - with the best performing agency workers being the ones to be offered permanent posts.

Despite this, successfully obtaining such compensation is often a difficult process for the employment agency. The huge difference between the number of people on the books at agencies and those currently assigned suggests that identifying the destination of every leaving temp is virtually impossible, with the consequence that agencies are often unaware if a temp has been taken on permanently at a firm. At Agency#1, for

example, the manager noted that workers often just ‘disappeared without trace’ off their books. Additionally, the selection of temps for permanent positions is usually conducted via firm's own recruitment advertising, independent of the employment agency, making ‘detection’ of temps being taken on permanently difficult to make, and the receiving of a signing on fee uncertain.

The development of formal temp-to perm schemes arguably removes much of the risk in such a procedure for employment agencies, by encouraging firms to be ‘up-front’ about their reasons for using agency staff. Under a variety of guises, including ‘Try Before You Buy’, ‘Hire After Lease Out’ and the generic title used here ‘Temp-to-Perm’, such schemes offer firms the opportunity to put temps on probation for a certain time period, usually 6, 12, or 13 weeks, before deciding whether to take them on permanently. The incentive for firms to utilise such a scheme comes in the form of a discount on the hourly charge whilst the temp is on probation, and often a lower signing-on fee at the end of the scheme if the worker is taken on. On the other hand, under such schemes, firms have to commit to employ the worker continuously for the full probationary period. For agencies, then, a principal benefit of the scheme is an hourly income from the temporary placement of the worker for the entire probationary period as well as a guaranteed signing on fee if the worker is subsequently taken on. A formal temp-to-perm scheme was available at 6 of the agencies interviewed, and where this information was available, the schemes appear to account for a high proportion of turnover (Table 6.5, overleaf).

Formal temp-to-perm schemes at most agencies are relatively recent, with the majority of agencies only developing such a service over the last 5 years. However, more informal methods of screening still take place, outside the restrictions imposed by formal schemes.

Table 6.5 : Formal temp-to-perm schemes at employment agencies.

Agency	Proportion of staff finding permanent employment	Formal temp-to-perm	Notes
#1	Up to 50%	Yes	Duration is 6 weeks for most firms, extended to 13 weeks for one regular contract.
#2	30%	No	
#3	n/a	Yes	Up to 8 weeks in length. Discount offered on rate per hour as incentive.
#4	50%	Yes	4-12 weeks duration.
#5	Up to 3/4	Yes	6 weeks duration, accounts for 25% of turnover. Signing on fee is reduced.
#6	20% through formal scheme	Yes	Accounts for 10-15% of turnover, but similar amount comes from signing on fees outside formal scheme.
#7	Half	Yes	Up to 3 months in duration.
#8	n/a	n/a	

In a similar way to repeat assignment workers, finding a permanent member of staff may in many cases be a ‘bonus’ to using agencies. A number of agencies interviewed noted that whilst workers were often taken on initially for traditional reasons, taking on workers permanently as a result of this was commonplace. At Agency#8, for example, the consultant quoted an example of a packaging firm taking on workers to cope with seasonally high demands, and deciding at the end of the 6 week contract to take 5 of the 10 workers assigned permanently. Alongside such ‘bonus’ screening, more deliberate, but still informal efforts to use agencies to screen can be seen, with firms using temps with the intention of finding permanent staff, but without the restrictions of a formal temp-to-perm scheme. At Agency#2, the manager was able to cite a list of firms where workers were commonly employed permanently after a relatively short period of temping. At one local leisure goods firm, for example, a pattern had emerged with temps assigned there taken on permanently after 2 weeks of informal probation, accompanied by a signing-on fee paid to the agency.

The relatively recent introduction of formal temp-to-perm schemes, and the informal nature of other methods of selecting permanent staff via agencies perhaps explain why surveys have found limited evidence of screening behaviour by firms. Yet the wide range of both formal and informal methods available for firms to find permanent staff through agencies - in addition to the permanent placement service offered by most UK agencies, the turnover generated by such schemes and the fact that a high proportion of workers do appear to 'go permanent' all suggest that screening is an important element in firms utilisation of agency staff.

6.4.2 Developing worker relationships ; rewarding flexibility and reliability.

Telephone contact with temps 'on the books' but currently unassigned is generally only made when a suitable job becomes available. Enquiries by temps to the agency during periods of inactivity are more frequent, usually as workers without assignments ring agency staff and visit the agency premises in an attempt to secure work. Worker#2, for example, during periods of inactivity, rang the two agencies registered with on a daily basis, to see whether any work was available. Agency staff reported that they preferred to 'have the ball in their court' when assigning workers (Manager, Agency#3), the logic of the matching process meaning that calls from firms had to be received before workers could be selected for them.

For workers on assignment, additional contact with agency staff comes through progress calls made by personnel consultants to temps at their current place of work, and during routine visits to firms by agency staff. At Agency#7, for example, the manager spent one morning each week on 'monitor calls' to workers on assignment. Further contact with temps on assignment is guaranteed through the weekly distribution of paycheques and timesheets, conducted either on the agency premises, or by post. Other efforts to develop the relationship between agency and agency worker are also

employed, with one agency in the Leeds area, for example, operating a 'drop-in' lunch on a Friday afternoon, and another in Leeds sending out a newsletter to temps. A principal aim of these additional contacting efforts is to overcome some of the 'non-standard' elements of agency working, for, in legal terms, agency staff have no employer in the traditional sense. For workers, difficulties in 'building up your colleagues' (Worker#4) because of frequent job changes meant that visiting agencies on a regular basis, and attending lunches and parties organised by them was one way of keeping in touch with both agency staff, and other temps. The benefits and training offered by a number of agencies attempt to 'mimic' elements of a traditional employment relationship but Chapter 5 demonstrated that few workers actually receive them. Managers admitted that with sometimes four figure numbers of temps on their books, it was 'unrealistic' to expect the agency to maintain regular contact with each of them, whereas with agencies typically dealing with a much smaller number of firms (see Section 6.5), relationships with them were often much deeper.

In fact, the development of the relationship between agencies and firms is largely dictated by the desire of workers for a steady and regular flow of employment whilst temping, and the need of agencies to fulfil expectations to the clients satisfaction above all else. Previous research has hinted at the importance attached by workers to maintaining regular employment whilst temping. Henson in his study of the temporary employment agency industry in Chicago, describes a variety of techniques employed by temps to obtain continuous or steady work from agencies, which are necessary because '....the supply of assignments and the supply of temporary workers rarely exist in a one-to-one ratio' (Henson, 1996, p52).

Peck and Theodore (1998) concur, noting that for the majority of temporary workers, obtaining regular work is more important than, for example, the flexibility that is typically associated with temping :

‘...while temp jobs may be here today and gone tomorrow, the expectation is that temp workers will always be back, a most asymmetrical form of employment contract.....for the most part temps hold these jobs not because they have a contingent lifestyle or a deficient work ethic, but because they need a regular wage and this is the only way to access one’ (Peck and Theodore, 1998, p11).

The desire amongst agency workers for regular employment can be seen indirectly via a number of measures. In Chapter 5, for example, we noted that the majority of workers would prefer a permanent/full time job, and a high proportion see temping as the only alternative they have to unemployment. Additionally, one of the principal disadvantages cited by agency temps related to the time spent waiting between assignments. Perhaps most importantly, even though a wide range of reasons for engaging in agency work are offered by temps (see, for example, Table 6.1), a high proportion of temps are continuously available for work whilst temping. This can be seen in Table 6.6 where the agency working experience for the nine temps interviewed for this study is examined in more detail. Six of the nine temps interviewed were available for work on a full-time basis during their time as a temp. Yet despite this availability, the agency working experience is generally characterised by underemployment, with workers describing periods of work interspersed with unwanted inactivity. The conceptual possibility of time discontinuities noted in Chapter 1 appears to be a very real feature of agency working. Worker#3, for example, during one 3 month period had been involved in approximately twenty assignments, from two of the 5 agencies initially registered with. However, only 3 of these assignments had lasted longer than one week, with the longest period of continuous employment measured at three weeks. ‘Repeat’ assignments were regularly carried out by the worker at two local firms, a food condiment manufacturer, and a car component firm.

Table 6.6 : Agency working experience for workers.

Agency worker	Time spent as agency worker	Availability whilst temping	Number of assignments completed	Longest assignment
#1	1 year	Full-time, but not always available	20+	2 weeks
#2	7 weeks	Full-time	3	1 month
#3	2 x 3 months	Full-time	Approx 20	3 weeks
#4	8 months	Full-time	5	4 months (still assigned)
#5	1 year	'on and off'	10-12	2 months
#6	2 month	Full-time	5	10 days
#7	8-10 weeks	Full-time	1	6 weeks (led to perm job).
#8	3 months	Part Time	6/7	1 month
#9	2 months	Full-time	10+	1 week

Worker#3 had been assigned to the condiment manufacturer on 6 or 7 occasions, usually on 'one dayers' to fill in for missing staff. Such repeat assignments were interspersed with other work in local firms, largely consisting of warehouse and routine assembly work, yet in total, it was estimated that approximately half the time temping had been spent working, with the other half spent 'waiting by the phone' between assignments". For worker#7, on the other hand, 8-10 weeks of temping had resulted in one relatively long assignment, but with a large initial period without work.

Agency managers noted that continuous employment was relatively rare. At Agency#5, for example, at the time of the interview, only 240 of the 500 workers realistically available for work were assigned. At Agency#1, the manager suggested that about 100 available temps were currently without work. Additionally, with assignments finishing often at short notice, immediate 'redeployment' of temps was simply not possible (Manager, Agency#3).

In an environment of underemployment, the importance of steady or regular work is recognised by workers and agency managers alike. Indeed, the decision of workers to register with more than one agency is often conducted with the aim of enhancing their chances of obtaining regular work. Worker#2, for example, had registered with 5 agencies ‘playing the averages’, and had received offers of work from 4 of them. Yet whilst such tactics may lead to a high number of initial offers of work, the practicalities of juggling demands from numerous agencies results in workers developing longer-term relationships with a smaller selection of registered agencies. After turning down numerous assignments from two agencies which clashed with work already accepted, offers of jobs had ‘dried up’, with subsequent work arriving from other agencies.

For employment agencies too, with the number of available workers generally outstripping current assignments, the reward of regular, steady or continuous employment is reserved for the best-performing temps at agencies. At Agency#7, for example, the temporary co-ordinator described her weekly routine, with time spent each Friday making sure her ‘regulars and top performers’ were all assigned work for the coming week. In the managers view, keeping these 20-30 ‘good’ temps busy was the best way of ensuring that they remained working with the agency, rather than moving to a rival, or going into an alternative form of employment.

Crucially, on the question of what determines a good temp, emphasis is placed by agencies on characteristics which assist the agency in fulfilling their contractual obligations, in addition to job skills and work experience possessed by workers. For agencies, the identification of flexible and reliable workers helped to remove much of the uncertainty associated with sending workers on assignment and with servicing their contracts adequately. As one manager put it : ‘You take a risk every time you send a worker out..... and if they don't show up, or perform badly, it looks bad on us’ (Manager, Agency#3).

On one level then, reliability describes workers who will at least turn up and complete allocated assignments, a basic requirement to fulfil any contractual obligation, but one which cannot be guaranteed in an environment in which workers may be taking assignments from numerous agencies, and with rapid worker turnover. On another level though, reliable temps are perceived as those who can fulfil assignments satisfactorily in the eyes of clients, to ensure continued business with that client in the future. Research elsewhere has pointed to the importance attached by firms to keeping 'hassle' on assignment to a minimum (Peck and Theodore, 1998, p16), and this is echoed here, with agency managers describing reliable temps as 'those that gel with others on assignments' (Consultant, Agency#4) and 'do as they're told' (Agency#2). For workers too, proving their reliability to agencies was seen as an important way of getting on. One worker, regularly assigned to a food processing factory suggested the reason for recall was general acquiescence whilst on assignment : 'I kept my head down and did what they asked....after the first time, they asked for me each time' (Worker#9).

Flexibility in workers is also interpreted in a number of ways by agencies. The short notice attached to many requests for temporary labour, and the often rapid fluctuations in contract size mean that agencies are keen to identify a stock of workers that can be relied upon to work at short notice, sometimes outside hours originally requested at their initial interview. Flexibility over tasks is also desired in workers, particularly where workers are requested to work in occupational areas away from those that are specified on their matching form. Whilst the allocation of unsatisfactory workers to jobs is minimised by agencies, the matching of workers to jobs outside those indicated by them in their initial interview is common in both areas. The reason for this is simply due to the nature of work available through agencies. The majority of positions available in Telford are in industrial and manual jobs, and in Leeds, the bias is towards clerical positions. Agencies in both areas noted the resultant difficulty in filling all assignments with workers who have stated a preference for the particular forms of work available. In Telford, for example, 80% of jobs available through employment agencies

are in routine assembly and warehousing work (see Chapter 5), and a consequent mismatch between worker skills and preferences, and those currently required by client firms is common. At Agency#1, the three largest contracts serviced by the agency, accounting for nearly half the business at the agency, were all for unskilled operative and assembly workers. Servicing these contracts adequately often included assigning temps who had stated on their matching form that they did not want to work in such areas. 'Under-matching' was thus a daily occurrence, with the examples given of skilled engineers and workers looking for clerical jobs currently assigned on unskilled contracts.

For workers, in such a situation, the option of turning down unsuitable offered assignments is exercised with caution, with the refusal of work often interpreted as worker inflexibility and resulting in the 'phone going dead' (Worker#8). After being 'bombarded' from one Telford agency with unwanted routine assembly and operative assignments, one worker noted : 'After 3 weeks, the offers just stopped, and I never heard from them again. If you turn down too much, they just knock you off the lists' (Worker#1).

Indeed, the inevitable period of inactivity and lack of contact from the agency following the turning down of assignments is often perceived by workers as operating to the agency's advantage in the matching process. As one worker put it :

'....it's used to penalise you, the fact that you don't accept some of the jobs offered, so they soften you up by offering you nothing..... For a long time, big gaps between calls, then when they next ring you, you're ready to take anything, even if it's something you don't want to do'. (Worker#2, emphasis added).

The turning down of offered assignments is monitored by the agency, with workers likely to find themselves relegated to the 'end of the queue' (Manager, Agency#2) for work if they refuse jobs on a regular basis. Whilst evidence of agencies operating a '3

and out' system (Henson, 1996), blacklisting workers who refuse a given number of assignments is difficult to find, managers interpreted decisions not to accept jobs, for whatever reason, as inflexibility on the part of the worker. With a high turnover of temps and a steady flow of new applicants, temps moving 'out of the limelight' (Manager, Agency#6) through refusing assignments are often passed over in the future. At two of the agencies interviewed, phone calls to workers and responses to job offers were noted on applicants file, with the agency able to identify immediately workers history of accepting and refusing assignments.

Some testing of the above characteristics in workers is also in evidence at agencies. Sending newly registered temps on a short initial assignment to assess their performance is attempted at a number of agencies, where possible, with managers cautious of assigning new untried temps to some regular clients. One manager, discussing a contract involving 35 temps noted : 'I'd never send a new temp to Company X - it's too important for me to lose' (Manager, Agency#3). Surviving, or succeeding as a temp, then, in the sense of obtaining a regular supply of work from agencies involves more than possessing the necessary job skills and experience to complete a given assignment, with more subjective methods of matching also appearing to be important. One worker succinctly described the process as follows :

'...the agency wanted "no problem" workers. Anyone who could keep saying "no problem" to everything they're presented with went a long way, or kept a steady relationship going (with the agency). What they didn't ever want to hear is "no".' (Worker#1).

The two emergent trends described in detail in Section 6.3.2 - the screening of temporary workers by firms, and the provision by agencies of 'repeat' workers - have impacted on the potential for temps gaining regular work, with both mechanisms involving an element of continuity in employment. Under formal temp-to-perm schemes workers are generally employed in firms for a continuous period of between 6-

16 weeks before a decision is made whether to take them on permanently, offering them the opportunity of an extended period of uninterrupted employment, and the possibility of making the bridge to permanent employment. However, under more informal methods of screening, operating outside the restrictions imposed by the temp-to-perm scheme, no such period of continuous employment is guaranteed, with the result that the disposability associated with utilising agency staff returns. In situations where temps are aware that a firm is screening for staff, this threat of disposability co-exists uncomfortably alongside the possibility of permanent employment. As one worker, informed early on into an assignment that a permanent job was available, noted: 'For the whole time, it was like you were being analysed. They kept dangling the carrot of a permanent job, but with the *stick* too - that you can be dismissed in an instant if you didn't do the job' (Worker#2).

Supplying repeat assignment workers is also predicated on experienced workers being available on more than a single occasion. One interviewee, an agency worker for 6 months, had completed the majority of her assignments in 3 local firms, and was recalled regularly to each noting that '...the agency will ring me up and say "...they liked you at Company Y, they've asked for you again, can you do a couple of days there?"'.

Another respondent was virtually guaranteed one day a week working in a factory, cleaning the site once a week and stated that '....I get a call from Agency#1 virtually every Monday, asking if I can go in and do a 12 hour stint on the Wednesday doing the "usual". It's a running joke between me and the agency'.

Continuity for firms is thus maximised under such conditions, but for workers, being 'earmarked' by the agency for repeat assignment work is no guarantee of constant employment. Regular but intermittent work is often the outcome of repeat assignment duties, with firms exercising the option of disposing of workers whilst maintaining possible continuity for the future.

6.5 The structure of business at employment agencies

Business for employment agencies is generated from a variety of sources, with firms providing both temporary and permanent placement services, and often engaging in insourcing and other auxiliary activities, such as psychometric testing and recruitment advertising. Unsurprisingly, then, agencies tend to contract with a large number of firms in their local area. Table 6.7 shows estimates from our interviews of the number of firms currently utilising temps from agencies. This flow of business comes from a much larger stock of customers using the agency over a particular time period. For example, whilst temps from Agency#3 were only placed in 35 firms it was estimated that over 100 local firms had contracted with the agency in the last year, with 60-70 firms using the temporary employment service offered in this time period.

Table 6.7 Firms currently utilising temps from employment agencies.

Agency	Current number of temporary clients
#1	50
#2	30-40
#3	35
#4	45
#5	70
#6	40-45
#7	80
#8	n/a

Leaving permanent placement, insourced and other auxiliary services to one side, a high proportion of business from temporary contracting at employment agencies is generated by a relatively small number of client firms. Business consists of a backbone of regular clients, using the agency's staff either continuously or regularly throughout

the year alongside other firms using the agency for one-off projects, to cope with seasonal demand, or on a less predictable basis. The structure of business at Agency#2, a small independent agency in Telford, supplying mostly industrial temps to local firms, is described here as an example. 'Relatively predictable' relationships with 30 firms in the local area accounted for 190 of the 240 workers currently assigned by the agency. 2 contracts were particularly important, with 45 temps sent to a large photo processing firm, and 30 assigned to a consumer goods manufacturer. These two large contracts operated continuously throughout the year, although the numbers sent to each varied at different times. At the time of the interview, for example, an extra 20 staff had been requested by the photo processing firm, to cope with high seasonal demand. The other regular customers consisted of 10 to 12 firms where up to 10 temps were more or less continuously placed, and approximately 20 firms who regularly used the agency to find replacements for temporarily missing staff, to cope with fluctuations in demand, or for one-off projects. Within this latter group, the agency was still able to gauge with some certainty when their services would be called on. A local food packaging company invariably demanded 20 to 30 temps every October to pack chocolates, but used the agency rarely on other occasions. The remainder of Agency#2's business was less predictable, generated from firms that used their services on a less regular basis, a constant influx of new clients, and from permanent placement, and a number of auxiliary training and personnel activities.

On the structure of business at the agency, the manager noted the importance of having 'several things on the go at once', generating business from large contracts and regular customers, and keeping things 'ticking over' with the 'usual' sickness and holiday fill-ins. Broadly speaking, a similar structure can be discerned at other agencies, although the numbers of workers assigned and importance of permanent placement, auxiliary services and insourced deals varied from agency to agency.

6.5.1 Large contracts and formalised relationships.

Recent research has also pointed to a marked increase in the *size* of contracts between agencies and firms (see e.g. Carnoy et al, 1997; Henson, 1996; Parker, 1994; Peck and Theodore, 1998; Purcell and Purcell, 1997). In the 1987 Employer Labour Use Survey, case study work in firms deliberately chosen because of their use of non-standard labour, found that in the vast majority of firms utilising agency staff, the number of temps used was 10 or less in total, and accounted for less than 5% of the total workforce (Hunter and Macinnes, 1991). Ten years on, the picture appears much different. Peck and Theodore's (1998) study of employment agencies in Chicago, for example, makes frequent references to firms utilising 50 or more agency workers, and 'buying in bulk'. Evidence from our survey confirms the existence of large-scale contracts between agency and firm. Table 6.8 offers evidence of large contracts between agency and firm in our sample, measured in terms of the number of temps currently assigned to individual firms. All 8 agencies questioned boasting at least one client relationship currently involving 20 of their temps, and 3 claiming current contracts of 50 or more workers.

These large contracts are distributed over a wide range of occupational areas, ranging from a contract at a call-centre at Agency#5, a photo-processing firm at Agency#2, and a food processing firm at Agency#7. The use of agency temps on a large-scale by firms had resulted in a situation at many firms where agency staff made up a relatively large proportion of the overall workforce in some firms. The gas company contracting with Agency#5 to supply 80 temps, utilised a total of 350 agency staff, representing 80% of its total staff, to deal with customer enquiries in its call-centre.

Table 6.8 Size of temporary contracts with firms

Agency	Number of contracts with 20+ workers currently assigned	Number of contracts with 50+ workers currently assigned	Largest contract (current size)	Examples of firms involved in large contracts
#1	4	1	50	Computer components manufacturer; Food processing firm, Condiment manufacturer
#2	2	0	45	Consumer good manufacturer Photo-processing company
#3	1	0	37	Food processing firm Car components manufacturer
#4	N/A	n/a	n/a	n/a
#5	2	2	80	Phone based customer service for banking, and gas firm
#6	1	0	40-50	n/a
#7	3	2	110	Large scale catering function Food processing plant Retail firm's warehouse
#8	2	0	25-30	Telesales firm Chemical plant

n/a=not available

Whilst this example is perhaps exceptional, the contracts above result in agency staff constituting a sizeable proportion of the total workers at a particular firm. The reliance of agencies on such large contracts is also apparent. Agency#8, for example, in the week before the interview had sent 45 of its temps to its two main contracts. Comparing this figure to the 200 total temps assigned by the agency in a week shows the importance of such large-scale deals to the agency.

Large contracts such as the ones described above usually operate on a more or less continuous basis, a quasi-permanent staffing solution, 'rather than your sickness fill ins', as one manager put it. In some cases, this occurred as the end result of sustained use of agency staff over a long period of time. At Agency#1, for example, the relationship with a computer components manufacturer had started in December 1994

with the supplying of 5 temps to cope with a temporary increase in demand. Regular use of the agency by the firm throughout 1995 was followed by a one-off demand for 20 additional temps in 1996 when the firm expanded production of its goods. Although this contract was initially supposed to last for 4 weeks, by the middle of 1996 30 temps had been placed in the firm, some on short-term replacement work, others on a more or less permanent basis. By October 1996 the continuous presence of agency staff in the firm had resulted in the agency manager being invited to spend a morning a week in the firm dealing with issues pertaining to the agency's temps. Whilst the current placing of 50 workers in the firm was 'unusually high', the agency had at least 20 workers in the firm continuously over the last 12 months. However one-off non-continuous large contracts did also occur, as in the example of the demand for 110 catering staff from Agency#7, to cover a one-off weekend event at a local stately home.

The management of such large contracts is by no means straightforward for the employment agency. Servicing these deals typically involves a greater degree of involvement with the client firm than for smaller contracts. With most of the large contracts outlined above, a member of staff spends some time each week in the client firm, although the level of involvement in the day to day operation of the contract varies from firm to firm. At Agency#5, in Leeds, the agency manager visited spent two mornings a week on the premises of a call-centre. Such visits were 'set in stone' at particular times in the week. Visits included discussion with the personnel department in the firm, routine collection of timesheets and distribution of wage slips, and meetings with temps regarding agency issues, such as holiday pay, alternative job opportunities, and the availability of workers in the immediate future. Whilst the agency manager viewed this as a 'back-seat' role, at other agencies, involvement in the running of contracts is much deeper. A hands-on approach to contract management was adopted by Agency#2 in Telford at a photo processing plant. There, the weekly visit involved discussion with temps relating to production processes and responsibility for dealing with issues such as time keeping, job performance and overtime arrangements for

temps. Indeed, the manager had installed a separate clocking in machine for the sole use of agency temps in the firm, and co-ordinated payroll arrangements for agency temps on the firms premises. A temp of the month scheme was also run by the agency manager at the firm.

Servicing problems related to often rapid variations in size of contracts, with both upwards and downwards movements creating potential problems for agencies. At one agency, a demand for 30 staff to be supplied within 2 days, in addition to the 30 already being placed in a customer service firm had created problems for the agency, who were unable to get so many workers at short-notice. The laying off of temps also often occurred quickly, with firms sometimes simply ‘...asking for 20 less at the start of the week’ (Consultant Agency#8). Such examples indicate the generally higher expectation by firms of agencies under contracts of larger size. With firms providing a large amount of business for the employment agency, the agency was expected to give firms a fair deal. As well as being able to cope with rapid fluctuations in contract size, financial discounts were expected by firms, in return for their business, and additional features such as personalised training and induction for workers going to such firms were commonplace. One manager noted that with large contracts, ‘the margins are ridiculously small’ (Manager, Agency#5), sometimes as little as half of the mark-up normally reserved for temporary contracts, although agencies were often willing to cut their margins in order to keep a lucrative, long-running contract.

The reliance of firms on agencies and agency staff is also increased in such a situation. At some agencies, training was provided for workers to be assigned to particular firms. At Agency#1, in a deal with an electrical components manufacturer, this simply consisted of workers demonstrating their dexterity on a number of processes to be encountered in the firm before assigning them there. At Agency#8, on the other hand, both temporary and some permanent staff at a telesales firm were trained by the agency in word-processing and computing techniques.

Under such conditions, the relationship between client firm and agency worker is also altered, with temps involved in such contracts becoming more important to the operations of the firm. One worker noted that after 1 month continuous employment as a temp in a manufacturing firm, he was treated ‘as if I was a normal employee’(Worker#2), working on the same tasks as permanent staff, and with the responsibility of training new temps in some of the common assembly line processes when they first arrived in such firms. Another noted that after 4 months in a bank, despite still being employed by the agency, his contact with staff there was now minimal and instead he liaised with the firm on issues relating to over-time, and the continuation of the contract.

The use of temporary staff on a permanent or on-going basis by firms, creates an environment in which the elements of continuity described in Section 6.4.1 are essential to the successful management of large contracts. Providing repeat workers with large contracts, for example is a ‘practical necessity’ (Manager, Agency#8) under such contracts. Sending 45 workers a day to a photo-processing factory, the Manager of Agency#2 noted that it was expected that most or all of these would be the same workers from day-to-day, or at least workers with previous experience in the firm. Changing workers defeated the purpose of employing temps on a continuous basis. In a similar way Peck and Theodore note for large scale temp users in the US :

‘....placement employers demand the option to have all or most of those workers they deem to be acceptable to be returned to the job site the following day, and for as long as they need them. For the most part, this is what they get’ (Peck and Theodore, 1998, p10).

Screening for permanent staff also forms an integral part of many large-scale relationships. With agency staff working in a firm for an extended period of time, often picking up valuable firm specific skills and experience, their continued presence in the

firm can be guaranteed by offering a permanent position. Agency workers often represent a pool from which permanent staff can be selected, with the continuous use of temps allowing firms an opportunity to assess workers for as long as they wish. At Agency#2, for example, which supplied one firm with 40 temps, agency working was seen as the 'first step on the ladder' into firms, with recruitment for some jobs occurring entirely from within the agency pool. A high proportion of placement fee revenue for agency#2 came from this firm taking on workers permanently. The 'temp-to-perm' scheme is used by a number of firms to facilitate this process, although screening, and taking on of agency staff on a permanent basis also occurs without the aid of this formal mechanism.

Finally, large contracts are sometimes accompanied by formal agreements between agency and firm - similar in scope to those described by Carnoy et al (1997) in the US. Under 'Preferred Agency Agreements' (PAA's), an agency gets 'first refusal' to supply temps to a firm, with any shortfalls covered by 'back-up' agencies. At Agency#5, all 80 temps supplied to a call centre were under a PAA. In return, the firm received a discount price per temp placed and a guarantee of a supply of at least 40 staff from the agency. Firms using large numbers of temps on a quasi-permanent basis, need assurance that workers would be supplied. With exceptionally large contracts, or where requests for staff tend to fluctuate rapidly, 'back-up' agencies help to ensure such a supply, resulting in an increasingly complex set of relations between rival agencies and firms. In some cases, this involves agencies directly backing up other agencies, usually due to 'unrealistic promises' by agencies resulting in inability to fulfil a contractually guaranteed number of workers. Agency#2, for example was regularly contacted by another large agency in the area, the Preferred Supplier to a local food processing firm. Sizeable fluctuations in this contract meant that the agency was sometimes unable to meet demands for staff, as in the recent case where the Preferred Agency had contacted Agency#2 to assist by providing 30 workers. This situation, with active co-operation between agencies to fulfil contractual obligations, is similar to the practices depicted by

Carnoy et al (1997) in the US. In their interview with one agency manager, the situation is described :

‘We back up (agency X) at Intel, we back up (agency y) at Tinden.....The major companies (i.e. agencies) call on us when they've guaranteed to provide a certain number of people and aren't able to provide them’(Carnoy et al, 1997, p46).

Yet, on the evidence of our, admittedly small sample, it is more common for client firms to oversee this allocation process, contacting a Preferred Agency, and then contacting back-up agencies itself in the result of any shortfall in supply. Where co-operation did occur between agencies, the transaction and negotiation of contract detail was still between agency and client firm, rather than between preferred supplier and back up supplier, with agencies concerned about ‘being beholden to other agencies for business’ (Manager, Agency#7) a situation which is implied in Carnoy's analysis (1997, p45).

6.6 The employment agency industry in Leeds and Telford.

Many of the features of the relationship between the three actors in the employment agency relationship are common to both areas sampled. A dependence on relatively large-scale contracts could be seen at most of the agencies interviewed, although the areas of work in which these large scale contracts could be found reflect the industrial and occupational composition of the two areas. In Telford, all the contracts involving 20 or more temps were to be found in manufacturing firms. In Leeds, more diversity could be seen, although contracts at customer service centres were in place at two agencies. Formal temp-to-perm schemes, and the standard provision of repeat assignment workers are also central elements of the matching process in both Leeds and Telford. In this respect, it can be argued that whilst the two areas sampled are

themselves quite distinctive, common processes shaping the development of the employment agency industry in recent years can be identified.

The widespread distribution of these large-scale, often formalised contracts, across both large and small agencies hints at the possible impact of local labour market conditions on the development of the industry. Whilst Peck and Theodore (1998) in the context of the Chicago employment agency industry describe trends of polarisation (see Chapter 1), with agencies actively ‘restructuring up’ and ‘restructuring down’ such processes may be limited by the nature of agency working in a particular area. In Telford, for example, the majority of agency work is in unskilled, industrial occupations, dictating the nature of the relationship that develops between agency and firm. With agencies ‘feeding off the same clients’ (Peck and Theodore, 1998, p25) the reality is that for all agencies - multi-national, national or independent - relationships have to be built around the prevailing structure of work in the two areas. In Telford, for example, there is little opportunity for national and multi-national agencies to impose ‘value adding and niche marketing strategies’ (Peck and Theodore, 1998, p17) or to ‘(open) up new markets for highly skilled and professional temp workers, including lawyers, accountants and engineers’(ibid., p9), with the restrictions imposed by the industrial structure of the area imposing a ‘level playing field’ on which all agencies operate. At Agency#4, a large national company, the consultant noted that the high proportion of industrial work making up their turnover in Telford was ‘way out of line’ with the usual clerical and commercial activities covered by the agency on a national basis. Adaptation of the company’s usual strategy of developing highly formalised and structured relationships with firms had taken place to cope with the production imperatives at local manufacturing firms, with rapidly fluctuating demands for agency staff creating relationships where emphasis was placed on simple ‘delivery’ of the correct amount of workers (ibid., p5), rather than ‘restructuring up’ and imposing sophisticated marketing techniques in firms. In such an environment, elements of both of Peck and Theodore’s stylised industry segments can be seen operating at an

individual agency. At Agency#2, for example, a deal with a local photo processing firm had much in common with Peck and Theodore's description of the lower end of the market, with no formal contract existing between agency and firm, and the key consideration being to 'meet the order' (ibid., p9) on a daily basis. In the same deal, the weekly presence of a member of the agency staff on site dealing with temps, and the 'insulation' of relationships through a more tailored matching service, are elements more typically seen at 'top-end' agencies. The possibility of gaining and developing a large scale contract depends, not on the size or reputation of the agency, but on the ability to offer a competitive service. One manager noted that being a small, independent agency even helped to obtain a large deal with firms. Referring to competition from large national firms, the manager noted that 'I can always undercut AgencyX on price, I'm not tied down to particular margins' (Agency#2).

Whilst the untypical industrial structure of Telford makes it an extreme case in this respect, the above observations highlight the adaptive qualities of agencies to labour market conditions, creating a 'constantly rotating' industry (Peck and Theodore, p20). In Leeds, as another example of this, skills shortages in particular occupational areas have been quickly exploited by agencies, with a profitable niche developing, for example, in the supply of legal secretaries. A shortage of suitably skilled workers in this area had created a situation in which such workers were 'guaranteed as much work as they can handle', (Agency#5), with one agency sampled making active moves to 'establish itself' in the supply of such temps, through mailshots to local firms and newspaper advertising.

6.7. Conclusions.

The interviews have produced six main conclusions. First, the active nature of the employment agency has been stressed throughout the analysis, in contrast to a number of previous analyses in which the employment agency is little more than a passive

intermediary (e.g. Golden and Applebaum, 1992, Laird and Williams, 1996). This active role of the agency has been highlighted in this chapter through an analysis of the techniques used by agencies to recruit firms and workers, the efforts employed by agencies to deepen relationships with firms and institutionalise a number of services, and the methods used to match workers to assignments. It is the implications and outcomes resulting from this active role which are of interest in this thesis. In previous studies, the potential ‘causes’ of growth in the employment agency industry are limited to demand and supply side factors, our analysis suggests that the activities of the agency itself cannot be ignored as contributing to the development of the industry.

Second, the process of matching workers to assignments has been analysed, revealing that a ‘client is king’ approach is increasingly taken to matching, to provide workers to clients’ specification above all else. Such a situation has implications for both workers and firms - for firms, a number of previously exceptional services are now available as standard at employment agencies, and for workers, emphasis is placed on characteristics such as flexibility and reliability in addition to the possession of the right skills and experience, when assignments are allocated by agencies. Admittedly, in some occupations, a shortage of workers with appropriate skills may mean that workers have more ‘leverage’ in their relationship with the employment agency. In Leeds, for example, the scarcity of legal secretaries meant that agencies were keen to keep any such workers on their books, and temps with appropriate skills in this area could expect and demand a steady or constant supply of work. However, for most workers, despite often continuous availability for work, periods of work are interspersed with periods of inactivity and down-time between assignments.

Third, the provision of ‘repeat’ assignment workers has been highlighted as an important way in which continuity for firms is provided by agencies. Whilst previous research has noted the existence of this service (Henson, 1996, p71; Peck and Theodore, 1998, p12), our analysis of the process by which such workers are provided

helps to explain why this tailored matching service has developed. The benefits for firms of being furnished with workers previously assigned to them comes from the experience that such workers have gained of job-specific procedures and processes, but with the disposability associated with agency staff. Whilst firms may have always attempted to obtain repeat workers, it has been argued that in the past, successfully getting them was largely a bonus for firms, with the underlying reason for using agencies lying elsewhere. It is only via the increasing willingness of agencies to provide such a service as part of efforts to deepen relationships with firms, and the consequent institutionalising of the service by employment agencies, with computer or indexing systems able to match experienced workers to assignments, that it has become 'standard' practice. For workers on the other hand, whilst obtaining repeat assignments may lead to more regular work, no guarantee of continuity in employment accompanies it.

Fourth, the emergence of formal temp-to-perm schemes demonstrates the current importance of 'screening' motives by firms for using staff. Whilst such systems appear to account for a large proportion of turnover in their own right, they operate alongside a number of other more informal methods of obtaining permanent staff. In a similar way to 'repeat' assignment workers, our analysis has stressed the movement away from getting permanent staff as a 'bonus', and towards using agencies deliberately with the screening motive in mind, facilitated by the institutionalising of temp-to-perm schemes by agencies. 'Bonus' screening may explain why a number of employer based surveys have downplayed the importance of screening behaviour as a motive of using agencies (McGregor and Sproull, 1991; Abraham, 1990). The temp-to-perm schemes also offer an insight into our observations in Chapter 2 relating to the impact of legislation pertaining to agency work in different countries. For whilst in the majority of European countries, temporary and permanent placement services must by law be carried out at separate agencies, in the UK, such services are typically carried out at the same agency,

with the resultant hybrid temp-to-perm scheme operating as a “half-way house” service at UK agencies.

Fifth, the growth of large-scale contracts between agencies and firms, described in a number of recent accounts was confirmed in this study for UK agencies. Looking at how these relationships operate in practice has helped to explain why such large scale deals have emerged. Our analysis has once again identified the employment agency itself as central to such developments, with the success of large-scale, continuous relationships between agency and firm predicated on access to repeat assignment workers and also on an ability to screen for permanent staff. Further, such deals between agency and firm operate in some cases on the basis of formal contracts, and in other cases on a more informal basis. Whilst Peck and Theodore (1998) argue that mutual dependence between agency and firm only comes under formal agreements, our analysis has suggested that with both formal and informal deals, the dependence of agencies and firms on each other is increased, with large scale deals accounting for a high proportion of business at agencies, and temps often making up a large percentage of the workforce in particular firms.

Sixth, the analysis suggested that despite markedly different industrial structures and patterns of development in the two areas studied, the processes described above could be seen in operation at both. The large growth of the employment agency industry in both areas suggests that whilst agencies may adapt to conditions in a particular location, the underlying imperative of matching for the client remains centrally important. Looking at agency working in a particular area allowed comment to be made on Peck and Theodore’s assertion that the employment agency industry may be restructuring and polarising, and it was suggested in our analysis that such polarisation takes place in, and is limited by, labour market conditions in individual areas. The industrial structure of Telford, for example, it was argued, creates a ‘level playing field’ on which all agencies, large and small, compete for business.

In conclusion, the interviews have both built on the extensive studies of the past two Chapters. A number of the questions posed at the end of Chapter 5 have been addressed here. For example, the analysis has looked at some of the ways in which workers can make the transition from temporary to permanent work, and has suggested that for firms, the ability to use agencies to screen for staff is important. The nature of the precariousness experienced by agency workers has also been expanded on, with the unpredictability and uncertainty relating to assignment provision and duration containing, even under conditions in which continuity for firms is emphasised. The chapter has additionally looked in detail at features which were not covered in the questionnaire survey, in particular the complexity of the relationships between the three participants involved in this form of work.

CHAPTER 7 : CONCLUSIONS

7.1. Introduction

The concluding Chapter will identify the significance of this study, and explore possible directions for future research. Section 7.2 highlights some conceptual and theoretical implications of the thesis. Section 7.3 discusses potential directions for future research. Section 7.4 returns to the particular methodological approach adopted for the study, and forms an assessment of its suitability for analysis of the subject of this thesis, temporary employment agency working.

7.2. Conceptual and Theoretical Implications.

This study has deepened the understanding of the phenomenon of temporary employment agency working, the reasons behind the development of this particular form of non-standard employment, the implications for the parties involved, and its wider significance. Four conceptual and theoretical issues are raised here, relating to : the nature of temporary employment agency working; the reasons for recourse to agencies by firms and workers; the role of the employment agency; and local labour market issues.

The nature of temporary employment agency working

The empirical work reported in previous chapters, conducted from the joint perspectives of the employment agency worker and the employment agency raises important issues with regard to the very nature of agency working, and how this form of work can be adequately conceptualised. Previous studies of the emergence of non-standard employment relationships have tended to group together a number of distinct forms of working. The result has been to slight the important differences between, say,

part-time and agency workers. The analysis conducted of the Labour Force Survey in Chapter 4 revealed at an empirical level key differences between the employment and personal characteristics of the agency workforce compared to other temporary workers. This heterogeneity provides a compelling reason for looking in more detail at individual forms of non-standard working, and is essential for attempts to establish the significance of agency working in particular. For example, whilst 'non-standard' or 'flexible' forms of employment are used as synonyms for 'insecure' or 'precarious' (see e.g. Robinson, 1997; Watson, 1994), a closer examination of individual forms of employment is necessary to reveal the precise origins of this precariousness. The LFS analysis highlighted that the precariousness associated with temporary forms of employment, for example, may stem from different sources for individual forms of working within this category. The short-term nature of agency assignments and the often intermittent nature of agency work create specific uncertainties which distinguish it from, say, fixed-term contract working.

The questionnaire analysis conducted in Chapter 5 attempted to look at a number of dimensions of this uncertainty and insecurity, through both tangible measures of contract type and assignment duration, and via the perceptions of agency workers towards their employment situation. This revealed that in both areas the principal disadvantages of agency working related to job insecurity, the threat of job loss, and the time spent waiting between assignments. Such specificity carries implications for arguments purporting a shift towards a new employment regime based around uncertainty, such as Beck's (1992) description of increasing risk in industrial society in a number of arenas including employment, the environment, and family life. Looking at uncertainty in employment, this thesis has argued that an assessment of the extent and nature of this risk and precariousness needs to be based on an analysis of individual forms of employment, in which the dimensions of uncertainty may be quite distinctive.

One main aim of the LFS analysis and the subsequent extensive questionnaire survey reported in Chapters 4 and 5 is thus an identification of the distinctive features of agency working at an empirical level. It has been argued that many of these features can in fact be traced to the nature of the triangular relationship that is created by the intervention of the agency between worker and employer. From the discussion of intermediaries, past and present, in Chapter 1, the general distinction was posited between agencies that found employment relationships and then ‘step out of the picture’ (Gonos, 1997), and agencies such as temporary employment agencies that can ‘remain in the picture’ for some time. Whilst debate continues in academic literatures and in legislative proposals over the intermediary status of employment agencies, this thesis has highlighted the importance of the relationships that are created and develop as a result of the intervention of the employment agency. Looking first at the relationship between employment agencies and workers, the questionnaire analysis in Chapter 5 indicated that many of the features commonly associated with standard forms of employment, such as the provision of benefits and training are dependent on the building of a long-term relationship between worker and agency. Similarly, in addition to the possession of adequate job skills and experience, the allocation of assignments to workers is often predicated on a continuing relationship between the two parties.

The impact of the intervention of the agency can also be seen in the dynamics of the relationship between worker and client firm, where the benefits of disposability and contingency which arise from utilising a third party such as an employment agency to obtain staff co-exist with efforts by firms to obtain the benefits of continuity that accrue from ongoing employment relationships. The provision of ‘repeat’ workers (discussed in more length in the following section) suggests that the relationship between agency worker and firm is more complex than typical ‘warm bodies’ characterisations of temps imply (Parker, 1994). Further, in the case of temps on assignments in firms on an ongoing, continuous basis, relationships between firms and agency temps may ‘mimic’

that of the standard employer/employee relationship in terms of the tasks undertaken by temps, and their integration with other ‘regular’ workers, although continuity in the staff received by firms is not necessarily matched by continuity of employment for workers.

The often ongoing relationships between temporary employment agencies and their client firms have also been analysed in detail in this thesis. Active efforts by agencies to deepen and embed relationships with customers mean that dealings between the two parties are rarely one-off. This, and the increasing willingness of agencies to provide tailored matching services for individual firms, through formal temp-to-perm schemes and the provision of repeat workers highlight that it is difficult to look at issues such as the reasons for recourse to agency staff without explicit reference to the dynamics of the relationship between the two parties. For example, the large size of some contracts between employment agencies and firms has been noted elsewhere (for the US see Carnoy et al, 1997; for the UK, see Purcell and Purcell, 1997), but of more importance is the increased reliance of agency and firm on each other under such contracting conditions (Peck and Theodore, 1998). Descriptions provided in Chapter 6 of the structure of business at employment agencies have detailed the nature of this dependence with agency workers in such making up a high proportion of workers in a firm, and contracts with individual firms accounting for a high proportion of an agency’s business.

Finally, discussions of agency working have also often failed to place developments and the significance of this form of working in an appropriate international context, yet this thesis has argued that the development of agency working in particular countries is shaped by the wider institutional framework and pattern of labour market regulation, as well as by activities of employment agencies themselves in these countries. In the UK, the co-existence of temporary help and permanent placement at 90% of employment agencies distinguishes the industry here from

elsewhere in Europe. As the interview data reported in Chapter 6 revealed, this has had a profound impact on the development of the industry, with agencies in the UK generating a high proportion of their overall revenue from signing-on fees when temporary workers obtain a permanent position in firms. The current institutionalisation by agencies of temp-to-perm schemes - a 'halfway-house' between temporary help and permanent placement - is precluded in other countries, where either by convention or regulation, temporary help and permanent placement are conducted by separate agencies. In a similar way, labour market regulations elsewhere outlaw the use of agency staff in particular sectors and for particular reasons, but no such restrictions exist in the UK. The use of temps on a permanent, ongoing basis (see Chapter 6) is thus a country-specific development, applicable to the employment agency industry in the UK, but which is constrained by time limits imposed on the recourse to agency staff in other European countries. The wider implications of such country-specific developments should not be underestimated. Allen and Henry, looking at deregulatory labour market policies in the UK over the 1980's and 1990's which have loosened labour market rigidities note that :

'...the package of measures is not designed, either intentionally or unintentionally, to push labour outside the formal labour market towards the informal sector. On the contrary, its deregulatory thrust is aimed - in our view - at promoting a formal employment regime which is based on both the experience and widespread influence of precarious employment practices' (Allen and Henry, 1996, p68).

Analysis conducted in Chapter 2 of the development of regulations pertaining to agency work across Europe offers some support for this, with a number of countries explicitly recognising the particular nature of agency working through often innovative legislation, thus defining and delineating the areas and activities in which agency working can develop. In the UK, on the other hand, the deregulated environment in which agencies operate has arguably facilitated the institutionalising efforts of agencies

described above, with new reasons for using agency staff - as a permanent, ongoing staffing device and a method of screening for permanent staff - emerging as a result.

Reasons for recourse to agencies.

Much previous research has centred, either directly or indirectly on two questions. Why do firms utilise agency staff and why do workers utilise employment agencies? This thesis has attempted to deepen understanding of these issues. Turning first to the question of why firms utilise employment agencies, whilst the empirical focus of this thesis has been on the agency worker and the employment agency, the findings also shed light on previous research conducted from the perspective of the firm. In much of the existing literature into agency working, the temporary attachment of agency workers to firms is identified as the principal benefit to firms of this form of working (see for example, Mangum et al, 1985; Abraham, 1990). From the interviews conducted in Chapter 6, agency staff are commonly engaged for one-off tasks, to cover peaks in demand, and for sickness-fill ins. In other words, traditional reasons for using agency workers are important. However, it has been argued in Chapter 6 that simple 'attachment-detachment' models fail to pick up complexities in the utilisation of agency staff and mask, in particular, efforts from firms to ensure continuity in the agency staff they receive. The provision of repeat workers - workers with past experience in a particular firm - by agencies is the most common example of this, and is becoming an increasingly 'standardised' service offered to firms. The existence of this process has been noted in previous research (see Peck and Theodore, 1998; Henson, 1996). However, the mechanics of how the system operates in practice provides valuable insight into the crucial role played by the agency in providing, facilitating and institutionalising such continuity. The provision of repeat workers is not, after all, new. Utilising evidence from interviews with agency managers, Chapter 6 showed that such a service has long been a feature of agency working in the UK, often operating informally, and seen as a 'bonus' of utilising agency staff, rather than an

underlying reason for recourse to agencies. Yet the institutionalisation of such a service by agencies, as part of efforts to deepen relationships with firms, with computerised or indexed matching systems tailored to providing repeat workers on a regular basis, has resulted in the service being increasingly seen as a standard element of the matching of agency workers to assignments. The recent rise of large scale, ongoing contracts takes this 'repeat worker' process taken one step further, with the success of contracts operating on a continuous basis predicated on access to repeat workers day after day. It is suggested then, that neither the 'temporary attachment' depiction of the advantages of utilising agency workers nor the anonymous 'warm bodies' label often placed on agency workers adequately describe the complexities surrounding the use of temps by firms. Firms attempt to ensure continuity in the staff they receive, even when agency workers are being used as a temporary staffing device. The relative flexibility or rigidity associated with utilising agency workers cannot be simply read off from models such as the flexible firm, and is instead dependent on a number of factors, such as the underlying reasons for recourse to agency workers, and the ability to access repeat workers. The need for firms to seek repeat workers also suggests that rigidities of one form or another are involved with the use of anonymous agency staff, confirming Geary's (1992) finding regarding temporary workers, that the use of such staff may conflict with wider organisational goals associated with Human Resource Management policies. Interviews with workers, however, revealed that being 'earmarked' for repeat assignment work was no guarantee of continuous employment, even when contracts between agency and firm are long-term or ongoing. It is questionable, though, whether such workers can be judged as peripheral to the firm, given that in such contracts they are often treated on assignment as if they were regular employees, and carry out the same tasks as other staff. Such findings thus have resonance with Peck and Theodore's conclusion that the benefits accruing to firms from using agencies are accompanied by costs which '...are borne disproportionately, of course, by the workforce, who must somehow make a living in the most difficult of circumstances. While agencies structure their operations to maximise flexibility and

minimise costs, the source of these competitive advantages continues to lie with their floating and generally under-employed labour force' (Peck and Theodore, 1998, p21).

The use of agency workers as a method of screening for permanent staff has also been downplayed in previous research. In a similar way to repeat workers, it has been argued in this thesis that employer based surveys in the past have failed to pick up the importance of this 'bonus' for firms of utilising employment agencies. With agencies in the UK able to conduct both temporary help and permanent placement from the same office the development of the hybrid service - the formal temp-to-perm scheme - makes the reception of signing on fees from temporary assignments more certain. Evidence from agency managers highlighted the current importance of this scheme to agencies, but it was also noted that 'informal' screening, outside the restrictions imposed by the temp-to-perm scheme is also common. Like repeat workers, the institutionalisation of such a service by agencies has paved the way for large-scale and ongoing contracts between agencies and firms. Under such contracts, heavy use is made of both informal and formal screening devices, with agency staff often representing a pool from which permanent staff can be selected.

Turning to the reasons why workers utilise employment agencies, a number of insights have been obtained from the empirical work conducted in this thesis. The analysis of the LFS demonstrated that only 23% of agency workers were temping because they didn't want a permanent job, with almost three times as many engaged in agency work because they couldn't find a permanent position. Whilst the LFS has been criticised for the limited number of responses available to respondents, the questionnaire analysis conducted in Chapter 5 confirmed its main findings. The majority of workers in both areas sampled indicated that they would prefer a permanent job. Two implications emerge from this. First, assertions that the growth of agency work is supply-driven are based on assumptions that workers are actively choosing this form of employment (Lenz, 1996; Lee, 1996; Canter, 1988). Yet many employees turn

to this form of work because of a lack of alternative job opportunities. A high proportion of agency workers in both areas saw it as the only alternative they had to unemployment, and were actively seeking a permanent job. Robinson's observation on non-standard forms of employment, that : '...only if these forms of employment do not match the preferences of labour market participants or are associated with poorer aggregate labour market outcomes might we be legitimately concerned with their growth' (Robinson, 1997, p3), appears to be particularly applicable to the situation of agency workers.

Secondly, the fact that agency employment is commonly perceived as a temporary solution has been used by some to explain away the precariousness and insecurity associated with this form of working (Lenz, 1996; Canter, 1988). In this thesis, attention has focused instead on the experience of temps whilst in agency working, whatever the underlying reason for engaging in this form of work. Such an approach has revealed, amongst other things, that for most workers, continuous availability for employment is not matched by a constant flow of work. This, and the fact that a high proportion of agency workers are seeking a permanent job whilst temping, highlights the importance of the matching process operated by agencies, in which workers are allocated to assignments.

The role of the employment agency.

The central role of the agency itself in shaping developments in the industry is one of the strongest conclusions to emerge from this thesis. Little attention has been given to the actions of the temporary employment agency in the flexibility debate and the literature on internal labour markets; in demand versus supply side models of the development of agency working, any role for the agency is ruled out in advance. The growth of agency working is instead explained by demand side forces from firms and supply side influences from workers. However, through an analysis in this thesis that

focuses explicitly on the actions of the employment agency, various aspects of the proactive role of agencies have been considered in detail. These relate to their advertising and recruitment techniques, the matching service performed, and efforts employed to institutionalise a number of previously exceptional services and deepen relationships with client firms and workers. Of most importance, it has been argued, is the institutionalisation by agencies of previously exceptional services such as temp-to-perm schemes and repeat worker provision. These have paved the way for the development of large-scale ongoing contracts between firms and agencies, in which access to such services is essential. In this way, efforts to deepen relationships with firms, and provide more tailored matching services is the key to understanding why recourse is made to agency workers. A wealth of recent articles have singled out the increasing size and ongoing nature of deals between agency and firms and the role of the agency in contributing to these trends cannot be ignored (see Parker, 1994; Peck and Theodore, 1998; Henson, 1996; Purcell and Purcell, 1997). Further efforts by agencies to deepen relationship with clients through the offering of on-site help, regular client visits and customised training of temps for individual firms mean that descriptions of the employment agency as a market mediated institution mask a myriad of complex linkages between agency and firm.

In contrast to Moore's observation that 'there is nothing complicated about the method of assigning workers' (Moore, 1965, p565), the process of matching workers to assignments is central to understanding the relationship that exists between the three parties. The 'client is king' attitude to matching currently adopted by agencies impacts, for example, on the relationship between worker and agency, with workers matched to the clients specifications above all else. For workers, the demonstration of characteristics such as reliability and flexibility provide one way of succeeding in agency work, with agency staff both testing for and rewarding such traits in workers. Further complexities in the matching process emerge from the industrial and occupational composition of local labour markets. Analysis of the LFS demonstrated

that the majority of agency assignments are clerical and industrial in nature and Chapter 5 indicated that the industrial composition of an area is 'exaggerated' in the type of work available through agencies. In both areas there was no perfect match between the occupational distribution of available assignments and the job preferences of workers, as has sometimes been assumed (see e.g. Moore, 1965, p565). 'Under-matching' of workers to unskilled or semi-skilled assignments in both areas is a common occurrence. Conversely, in other occupations, such as legal secretaries in Leeds, demand for workers regularly outstripped supply, and hence workers with appropriate skills are likely to obtain a regular supply of work. Finally, evidence from employment agency managers on the current importance of temp-to-perm schemes highlights that a substantial number of workers do obtain permanent employment whilst working through agencies. Where this evidence was available, estimates of the proportion of workers 'going permanent' through agencies on formal temp-to-perm schemes varied from 10-20%, and one manager indicated that a similar percentage obtained permanent employment through informal systems. In contrast to Parker's (1994) finding that '...the actual number of temporary workers moving from temporary to permanent employment appears to be quite negligible' (Parker, 1994, p102) because of procedures at agencies that 'formally and informally discourag(e)' such movement. This thesis finds that procedures in place at agencies now encourage screening. Additionally, with our questionnaire analysis suggesting that 70% of temps in the areas sampled are seeking full-time work, it appears that not all temps are successful in achieving this goal. Such mechanisms benefit both the agency, through an increased likelihood of receiving a lucrative signing on fee, and the firm, which gains an extended opportunity to look at potential staff. For workers, however, the prospect of a permanent position is less certain and the 'carrot' of permanent employment whilst on assignment co-exists with the constant 'stick' of dismissal.

Local labour market issues.

The conduct of the study in two areas of the UK allowed a comparison to be made of the nature of agency working in each locality. In the questionnaire analysis in Chapter 5, many of the salient features of the agency working experience, such as the relatively short nature of assignments and the principal advantages and disadvantages associated with this form of working could be seen in both the Leeds and Telford areas. Similarly, the descriptions made of the dependence of agencies on large-scale contracts in Chapter 6, the existence of formal temp-to-perm schemes and the standard provision of repeat assignment workers as central elements of the matching process, were applicable to both areas studied. In this respect, a number of common processes shaping the development of the employment agency industry in recent years can be identified. However, the conditions in each locality do impact on the development of agency working, confirming the findings of other research (see Elger and Smith, 1998; Peck and Theodore, 1998). Most notably, the industrial composition of the two areas was reflected in the type of assignments available through agencies. A high proportion of the respondents in Leeds had experienced a clerical assignment and in Telford, a majority of those sampled had been engaged in industrial assignments. In turn, this industrial composition has had knock-on effects, in terms of the likelihood of receiving benefits or training. The concentration of agency training in clerical occupations resulted in a higher proportion of Leeds respondents receiving training whilst temping.

The possibility for agencies to restructure up or restructure down (Peck and Theodore, 1998, p12) was also constrained by the composition of agency working in a particular area. In Telford, for example, relationships between clients and all agencies (multi-national, national, or independent) shared central elements of both of Peck and Theodore's stylised polarised segments of the temporary employment agency industry. The industrial composition of the area, and the nature of clients using the services of employment agencies dictated the relationships that emerged between agencies and

local firms. In this respect, Elger and Smith (1998, p14) have highlighted the importance of foreign owned companies in driving the growth of agency working in Telford. They note the high number of workers who choose agency working ‘...when direct movement between firms is discouraged’ by firms in the area (ibid., p20). Such a choice, however, as Elger and Smith admit, is made within the constraints imposed by the recruitment policies of local firms and current labour market conditions. Perhaps the clearest indicator of this is that the majority of workers in the Telford area see agency working as the only viable alternative to unemployment. In summary, it is not suggested that all the findings of this research can be extrapolated to employment agency working in other areas. As Elger and Smith have noted, such a conclusion demonstrates the need for explicit consideration of local labour market conditions when considering the implications of possible underlying shifts in employment relations. With particular reference to employment agency working in new-towns such as Telford, for example, they make the point that such areas ‘.....can provide an enclave for innovative employment relations shielded from the management practices and industrial relations traditions in the wider region or society, but their influence on wider patterns of regional or national change remains somewhat problematical’ (Elger and Smith, 1998, p24). The adaptive qualities of agencies to labour market conditions emerge as a central element in both areas, giving support to Peck and Theodore’s depiction of the industry as ‘constantly rotating.....the coercive forces of competition constitute a profound structural dynamic right across the sector’ (Peck and Theodore, p21).

7.3 Further research

The results of this empirical analysis in this thesis have highlighted issues which need further investigation in future research. The high proportion of research into agency working conducted from the perspective of the user firm has largely failed

to recognise the complexities of the relationship between the three parties in agency working, and in particular, the potential role of the employment agency in the UK to actively shape the reasons why recourse is made to employment agencies. Instead, the flexibility and temporary attachment associated with this form of working are typically taken as 'given', and the principal reasons for utilising agency staff emerge as traditional, limited duration uses. The results of this thesis suggest that more work is needed to assess the extent of 'new' uses of agency staff, relating to their use as a screening device by firms, and as a permanent, ongoing staffing device. The methodological approach adopted in this thesis, focusing on the activities of the employment agency and the agency worker, has illuminated the processes in operation at agencies facilitating such uses of agency workers, and have hinted at the current importance of these uses for firms in the UK. However, future research from the perspective of the client firm is needed to look in more detail at why firms utilise agency staff in this way. Research conducted here from the perspective of two of the three parties in the agency relationship has thus arguably re-framed the questions that need to be asked in research conducted from the perspective of the client firm. Why is it necessary for firms to gain access to repeat workers? How important are the rigidities associated with the use of agency staff (see Feldman et al, 1994) under on-going, continuously operating contracts between agencies and firms? How do firms view the emergence of formal temp-to-perm schemes at agencies, and as such systems have become institutionalised, have attitudes towards them changed?

From the perspective of the agency worker, a number of possible avenues for new research emerge in the light of the results of this study. Whilst local labour market conditions and employer strategies may impact on the range and nature of available employment alternatives in individual areas, it appears that the majority of temps are engaged in agency work because of an inability to find a permanent job, and that many are actively seeking such permanent work. In the previous section, it was noted that through temp-to-perm schemes, a high proportion of agency workers do find permanent

employment, but more research is needed on the employment situation experienced by agency workers over an extended period of time. Elsewhere, it has been shown that temporary employment may only provide a temporary bridge to a permanent job (Bosworth, 1989; Natti, 1993; Dale and Bamford, 1988). Temporary workers in general are more likely to exhibit a high level of instability in permanent employment (Bosworth, 1989, p27) and often bounce back to temporary positions, yet the extent to which this is true for agency workers in particular is still unknown. What factors determine whether a bridge to regular employment is a permanent one? The focus of the empirical work in this thesis on current agency workers did not allow such a question to be answered, yet an exploration of the experience of agency workers over time, alongside an explicit consideration of workers that have made the step from agency working to permanent employment offers a potentially fruitful avenue for future research.

The emergence of the employment agency through this research as a key shaper of developments and outcomes in the industry suggest that further research is needed looking in more detail at the activities of temporary employment agencies. It has been noted, for example, that local labour market conditions impact on the nature of agency working in particular areas, and limit and constrain the activities of agencies. A comparison of the activities of a national or international chain of agencies in different areas offers one method of assessing how local conditions impact on the strategies enforced by employment agencies. To what extent do agencies adapt broader organisational strategies to local conditions? Additionally, the focus of this thesis on generalist employment agencies (Jones, 1996), provides little evidence on the activities of specialist agencies, concentrating on the provision of agency staff in a particular occupation. The LFS analysis in Chapter 4 indicated that agency working in professional occupations still accounts for a relatively small percentage of employment in the industry. Even so, research focusing on agencies operating in areas such as

accountancy, medicine and interim management would establish whether the processes described in this thesis are applicable to new areas of agency work.

7.4 : Methodological Considerations

The particular methodological approach adopted for this thesis, with a combination of extensive and intensive elements, and a focus on two of the three parties in the employment agency relationship has provided valuable insights into the nature of temporary employment agency working in the UK. The advantages of utilising a large-scale survey as part of an overall research design lay in its ability : to provide an economy-wide snapshot of agency working in the UK, to identify the differences between agency working and other forms of employment; to analyse changes in agency working over time; and to suggest areas needing further investigation at subsequent parts of the research process. The ‘mapping and monitoring’ (Millward et al p156) roles of large scale surveys were thus both invaluable in the extensive analysis of the LFS. The extensive questionnaire to agency workers in two areas of the UK built on some of the conclusions of the LFS, and also probed issues which could not be analysed via this survey. For example, the LFS highlighted some of the principal motivations for engaging in agency work, and these were analysed in more detail in the questionnaire. Issues relating to the training and benefits received by temps, on the other hand, could only be analysed via an original questionnaire.

The need for an intensive element to the research design was based on arguments put forward in Chapters 1 and 2 about the conceptually distinctive nature of agency working, and the consequent need to focus explicitly on the relationships between the three parties and their ‘actual connections’ to each other (Sayer, 1984, p221). In Chapter 6, the complexities of some of these relationships were examined, revealing, for example, the processes by which workers are matched to assignments.

Far from being hampered by its lack of generalisability to a wider population, such intensive analysis has been able to ‘...identify structures into which individuals are locked, and their mechanisms’ with further research needed to establish how general these structures and processes are (Sayer, 1984, p226).

The decision to focus on two of the three parties in the employment agency relationship - the agency worker and the employment agency - has proved to be a useful mechanism for examining the significance and implications of this particular form of working. The implications of agency working for temps, the nature of this form of working compared to other non-standard forms of employment, and the role of the employment agency in shaping developments in the industry have all been illuminated by such an approach. This design has also been able to add to previous research conducted from the perspective of the user firm, particularly relating to why recourse is made to agencies, and the role of the employment agency in facilitating and shaping such recourses.

The relatively recent emergence of the temporary employment agency as a labour market institution needs to be placed in the historical context of the long established role of intermediaries in the organisation of production. Such a context then raises the question of what is distinctive about this particular form of intermediation? In attempting to answer this question, this thesis has identified the relationships that are created and develop amongst the three parties as a result of the intervention of the employment agency between worker and employer as central to understanding the significance of this form of working and the implications for the parties involved. Assessing the precariousness or flexibility of this form of employment is important, but this thesis has additionally attempted to look at where such precariousness or flexibility stems from and how this differs from that associated with other forms of employment. This approach has generated a number of important results, with the analysis

questioning, for example whether catch-all legislative measures appropriately cover the employment situation experienced by agency workers. Finally, a country-specific analysis has highlighted the distinctive nature of agency working in the UK compared to elsewhere, again stemming from the unique triangular relationship between employment agency, worker and firm.

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Appendix 1 :Schedule for interviews with employment agency workers in Leeds and Telford.

Section 1 : General issues and background information.

1. When did you start temping ? How long have you been temping for? Have you been temping continuously for this period?
2. Can you describe the type of work you have been doing as a temp? How does this compare with your experience outside agency work?
3. How many agencies are you registered with? Which agencies are these? Why did you choose that/those agencies?
4. How many assignments have you completed? Can you describe some of these? What has been the length of these assignments?
Have you been continuously assigned, or have there been gaps between your assignments?
What proportion of your time as a temp has been spent “on assignment”?
5. Why are you temping? Looking for permanent job? Fill-in work? Money? As a choice?

Section 2 : Relationship with the agency.

1. Did you undergo an initial interview at the agencies you work for? What did this consist of? How long did it/they last?
2. Did you tell agencies when you could work? Has this been adhered to?
3. Did you tell agencies what sort of work you wanted? Has the work you have been offered been in these areas?
4. How long was it between registering with agencies and your first assignment?
5. Have you ever turned down an assignment offered to you by an agency?
If so, why? If not, why not?
6. What are agencies looking for in a worker? Do you think you possess these qualities?
7. Do you feel any loyalty to the agencies you work for? Do you have a particular contact at individual agencies?
8. How, if at all, do you keep in touch with agencies?
How do agencies keep in touch with you?
9. Did you ever contact agencies to see about the availability of work?

10. Were there any benefits available at the agencies you worked for? What were they?
11. Was there any training available at the agencies you worked for? What type of training?

Section 3 : Relationship with firms

1. How many different firms have you worked in?
2. Did you get any induction at firms?
3. Were you working on your own or in a group? Were you assigned to a particular supervisor?
4. As a temp, how was your relationship with other workers/with the firm? Did you make any effort to integrate into the firm? Were you treated in a similar way to other workers? Was the work you were carrying out the same as other workers?
5. Were the above affected by assignments of different lengths?
6. How many temps were there at the firms you were assigned to?
7. What problems, if any, did you encounter as a temp?
8. Have you ever been assigned to a firm on more than one occasion? How did this happen? Did the firm ask approach you, or the agency?
9. Have you ever been offered a permanent job as a result of temping? How did this happen? did the firm approach you or the agency?
10. Did you ever get any training whilst on assignment? What form did this take?

4. Other issues.

1. What are the advantages of temping? What are the disadvantages?
2. What opportunities does agency work offer?

Appendix 2 :Schedule for interviews with employment agency managers and controllers in Leeds and Telford.

Section 1 : Introductory Questions and Background information.

1. How many workers (temps) does your company have on its books?

2. How many of these are actually on assignment/on the payroll at any one time?
How many temporary assignments do you fill in say, a week/month?
How many did you fill last week?

3. Does this number vary at different times of the year? Which times are the busiest for you?

4. How many new applicants do you see in a typical week?

5. What proportion of your temps are :

Male? Female?
Under 25?
Students?

6. Do you deal with temps only, or do you do permanent placements as well?
If you do permanent placements, what proportion of your turnover is generated by this? Do you offer a formal temp-to-perm scheme? How important are these?

7. What are the main areas of work that you deal with.
What proportion of your work is in each of these areas?

8. Which of the above areas have *increased* in importance over the last , say 5 years. Can you give examples?

9. Which areas do you *expect to grow* in importance over the *next* 5 years? Can you give examples?

Section 2 : Relationship with client firms.

1. What types of firm use the employment agency?
2. In terms of the type of firms that use your employment agency, has this changed over the last few years?
3. How many firms do you contract with? How many firms use your temporary service? How many firms currently use your temps?
4. How formal are the relationships you have? Do you have contracts with firms that you deal with? Do firms contact you "out of the blue"?
5. Do you have any contracts that account for a high proportion of your turnover/ involve a large number of your temps?
6. How many of these contracts do you have? Are they increasing in importance? What sort of headcount is involved? Is this predictable?
7. What exactly do the above contracts entail? What are the advantages and disadvantages of such contracts for the firm/the agency?
8. What reasons do firms use your agency staff for?
Replacement work? One-off jobs? Permanent staffing? Screening/probationary use?
9. Is the fee different for different types of contract / different reasons?
10. What do firms want from the workers they are sent? Do they want workers with experience in their area? With experience in their firm? Do they ask for workers by name? Is this something you actively try and provide?
11. What methods do you use to try and encourage loyalty?

Section 3 : Relationships with workers

1. Could you describe how you go about selecting workers for jobs? Is it computerised? Do you match workers to certain jobs?
2. Do you carry out an initial interview with workers? How long does this last? What tests are carried out? Do you advertise for workers?
2. What sort of worker does well as a temp? What sort of qualities do you look for?
3. What reasons do people give for temping? Have any of these increased/declined in importance in recent years?
4. What proportion of your staff "go permanent"? Is this something you encourage? How?
5. What is the average length of time workers spend with an employment agency? What is the average length of assignment for workers?
6. What ways, if any do you use to try and encourage loyalty from workers?
7. Do you see yourself as an *employer* to your agency workers? How do you try to keep in touch with your temps?

Section 4 : Local Labour Market Issues

1. What have been the factors driving the growth of agency work in Leeds/Telford over the last few years? What developments have you seen in the employment agency industry in Leeds/Telford in recent years?
2. How important is the City/town centre for your business?
3. How competitive is the industry in Telford/Leeds? What forms does this competition take? Do you liaise with other agencies? Do you work in partnership with other employment agencies? Do you work closely with other branches of this agency (if applicable)?
4. Do you have difficulty filling any jobs? Is there a problem with skills shortages?
5. What is your relationship with other institutions in the area? With Trade unions? With job centres?

Section 5 : The operations of the agency.

1. How many staff do you employ at the agency (as personnel consultants, not temps)?

2. How long has the agency been in the area? How big is the agency? Do you have any information on company history?

3. How do you spend your typical day? Do you/your staff work a regular week?

4. How do you recruit firms? How do you recruit workers?

5. Do you have any information on Benefits and training?

6. What is your policy on these issues? Has this policy changed/developed in recent years? If so, what factors have driven the change?



From the School of Business and Economic Studies

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November 1996

Survey of Temporary Employment Agency Workers

Thank you for taking part in this survey of temporary employment agency workers in the Leeds area. This is a research project being carried out at the School of Business and Economic Studies at the University of Leeds.

The questionnaire enclosed is designed to investigate the attitudes and opinions of temps on a variety of issues relating to their employment situation. It is hoped that the results of the questionnaire will shed light on the current needs, concerns and attitudes of temps.

The questionnaire is being distributed to a large number of agencies in the Leeds area. It is completely confidential and there will be no disclosure of names of agencies or respondents. Please feel free to ignore any questions you are unable or do not wish to answer.

Once you have completed the questionnaire, please return it in the FREEPOST envelope provided, *by 6 January 1997*. If you would like to receive details of the results of the research, please send your name and address when you return the questionnaire.

Thank you very much for your time.

Yours sincerely,

C. J. Forde

Chris Forde

PhD Student

Centre for Industrial Policy and Performance

Please address any reply to
The School of Business
and Economic Studies
Blenheim Terrace
The University of Leeds
Leeds LS2 9JT

Centre for Industrial Policy and Performance



A Survey of Temporary Employment Agency Workers

Instructions on completing the questionnaire.

The questionnaire is completely confidential and there will be no published disclosure of the names of respondents. Please feel free to ignore any questions you do not wish or are unable to answer.

If you have any queries or would like further information, please contact Chris Forde at the School of Business and Economic Studies, Blenheim Terrace, The University of Leeds. LS2 9JT.

Tel 0113 2334648.

When you have completed the questionnaire, please return it in the FREEPOST envelope provided, by 6 January 1997.

Thank you

About the project

This questionnaire - investigating the attitudes and opinions of people who work through employment agencies - is part of a larger project concerned with the whole phenomenon of temporary employment agencies, from the perspectives of workers, employment agencies, firms that use agency workers and trade unions.

Over the past decade, the temporary employment agency industry has grown considerably in size. There are currently over 15000 agency branches in the UK, generating a turnover of £10 billion a year, with over half a million workers using their services each year.

This project will provide a useful picture of the temporary employment agency industry.

The findings of the project will be invaluable in assessing the current concerns of agency workers and their opinions on agency working. It will provide details on the service provided by employment agencies, and how this serves the agency worker and the client firm. It will also offer insight into the reasons why firms use agency staff.

In addition, we also hope this research will add to the current debates surrounding flexible forms of work, job security, and training in the UK economy.

*Centre for Industrial Policy and Performance,
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This questionnaire is designed to investigate the attitudes and opinions of workers who work as temps through an employment agency on a number of issues. Please indicate your answer by CIRCling the appropriate answer, unless indicated otherwise. Please return the questionnaire in the FREEPOST envelope provided, by 6 January 1997. Thank you.

Section 1: General Information

- 1 a) How long have you been working through employment agencies?
 b) How long have you been working in total, including both agency and other forms of work?

a) _____ * b) _____ * *(please insert duration here, e.g. 2 weeks, 3 years etc.)

- 2 What type of work have you done : a) whilst working through employment agencies?
 b) as a non-agency worker? (please circle all that apply)

	Whilst working through employment agencies	As a non-agency worker
Managerial / professional	Yes	Yes
Stores / warehouse work	Yes	Yes
Technical / computing	Yes	Yes
Skilled / craft work	Yes	Yes
Nursing / medical	Yes	Yes
Accounting	Yes	Yes
Clerical / secretarial	Yes	Yes
Retail	Yes	Yes
Catering / waiting	Yes	Yes
Cleaning	Yes	Yes
Labouring / building	Yes	Yes
Assembly work	Yes	Yes
Other (please also state whether you did this work as an agency or a non-agency worker)	_____	

Section 2: About Your Employment Situation

- 1 How many employment agencies are you currently registered with?

_____ agencies

- 2 Of the above, how many have offered you assignments?

_____ agencies

- 3 In the last twelve months, how many assignments have you had of the following durations? (please circle one number per row)

Total Number of assignments of this duration over the last 12 months

	1	2	3	4	5 or more
Less than one week	1	2	3	4	5 or more
One to two weeks	1	2	3	4	5 or more
2 weeks to 1 month	1	2	3	4	5 or more
1 to 3 months	1	2	3	4	5 or more
3 to 6 months	1	2	3	4	5 or more
Over 6 months	1	2	3	4	5 or more

4 a) What was the length of your longest assignment?

_____ (please insert duration here, e.g. 2 weeks, 3 months etc.)

b) What was the length of your shortest assignment?

_____ (please insert duration here, e.g. 2 weeks, 3 months etc.)

5 Think about your most recent (or current) assignment :

a) How long did it last / has it lasted?

_____ (please insert duration here, e.g. 2 weeks, 3 months etc.)

b) How many hours were you / are you contracted to work per week?

_____ hours per week

c) On what basis were you / are you employed on this assignment?

Daily Weekly Monthly Project Duration Other (please state) _____

6 How important are the following factors when choosing an employment agency? (please circle one number per row)

	Very important	Important	Unsure	Not very important	Not important
Specific expertise in my field	5	4	3	2	1
Provision of benefits	5	4	3	2	1
Provision of training	5	4	3	2	1
Competitive wage / salary	5	4	3	2	1
Established reputation	5	4	3	2	1
Ability to find me a job quickly	5	4	3	2	1
Ability to match a job to my skills	5	4	3	2	1
Good relationship with staff at agency	5	4	3	2	1
Other factors which are important (please state) _____					

7 How satisfied are you with the following aspects of agency work?

	Very satisfied	Satisfied	Unsure	Unsatisfied	Very unsatisfied
Specific expertise in my field	5	4	3	2	1
Provision of benefits	5	4	3	2	1
Provision of training	5	4	3	2	1
Wages / salary	5	4	3	2	1
Ability to find me a job quickly	5	4	3	2	1
Ability to match a job to my skills	5	4	3	2	1
Relationship with staff at agency	5	4	3	2	1

8 To what extent do you agree with the following statements concerning your employment situation as an agency worker?

	Strongly agree	Agree	Unsure	Disagree	Strongly disagree
Hours worked per week are satisfactory*	5	4	3	2	1
Length of assignments are satisfactory*	5	4	3	2	1
Hours worked per week are predictable	5	4	3	2	1
Length of assignments are predictable	5	4	3	2	1
I feel loyalty towards the agencies I work for	5	4	3	2	1

* If you disagree with this statement, please explain why (e.g. would you prefer to work more or less hours per week)

Section 3: About the assignments you are sent on

1 How important are the following factors to you when you are sent on an assignment?

	Very important	Important	Unsure	Not very important	Not important
Developing a good relationship with other temps	5	4	3	2	1
Developing a good relationship with other workers	5	4	3	2	1
Having an opportunity to use existing skills	5	4	3	2	1
Having an opportunity to develop new skills	5	4	3	2	1
Integrating into the firm	5	4	3	2	1
Having opportunities to use initiative / take responsibility	5	4	3	2	1
Good working conditions / facilities	5	4	3	2	1
Being treated fairly / equitably at work	5	4	3	2	1

2 How satisfied are you with the following factors based on your experience of agency assignments?

	Very satisfied	Satisfied	Unsure	Unsatisfied	Very unsatisfied
Developing a good relationship with other temps	5	4	3	2	1
Developing a good relationship with other workers	5	4	3	2	1
Having an opportunity to use existing skills	5	4	3	2	1
Having an opportunity to develop new skills	5	4	3	2	1
Integrating into the firm	5	4	3	2	1
Having opportunities to use initiative / take responsibility	5	4	3	2	1
Good working conditions / facilities	5	4	3	2	1
Being treated fairly / equitably at work	5	4	3	2	1

3 In your opinion, how important are the following attributes in making a "good" agency worker?

	Very important	Important	Unsure	Not very important	Not important
Experience	5	4	3	2	1
Dynamism	5	4	3	2	1
Creativity	5	4	3	2	1
Flexibility	5	4	3	2	1
Loyalty	5	4	3	2	1
Good communication skills	5	4	3	2	1
Outgoing personality	5	4	3	2	1
Other attributes that are important (please state) _____					

Section 4: Benefits

1 Are the following fringe benefits *available* at the agency you currently work for? (please circle one answer per row)

Pension Provision	Yes	No	Don't know
Paid holiday	Yes	No	Don't Know
Sick pay	Yes	No	Don't Know
Private healthcare/screening	Yes	No	Don't know
Maternity / paternity leave	Yes	No	Don't Know
Travel allowance	Yes	No	Don't Know
Bonus scheme	Yes	No	Don't Know
Bonus for recommending a friend	Yes	No	Don't Know
Other fringe benefits that are available (please state) _____			

- 2** b) Have you ever received any of the following fringe benefits from the agency you *currently* work for?
 c) Have you ever received any of the following fringe benefits from *any other* employment agency you have worked for?

	b) Received from current agency	c) Received from another agency
Pension Provision	Yes	Yes
Paid holiday	Yes	Yes
Sick pay	Yes	Yes
Private healthcare/screening	Yes	Yes
Maternity / paternity leave	Yes	Yes
Travel allowance	Yes	Yes
Bonus scheme	Yes	Yes
Bonus for recommending a friend	Yes	Yes
Others (please also state where you have received them)	_____	

- 2** How important are the following fringe benefits to you?

	Very important	important	Unsure	Not very important	Not important
Pension Provision	5	4	3	2	1
Paid holiday	5	4	3	2	1
Sick pay	5	4	3	2	1
Private healthcare/screening	5	4	3	2	1
Maternity/paternity leave	5	4	3	2	1
Travel allowance	5	4	3	2	1
Bonus scheme	5	4	3	2	1
Bonus for recommending a friend	5	4	3	2	1
Other benefits that are important (please state)	_____				

- 4** How satisfied are you with the provision of benefits by employment agencies?

Very satisfied	Satisfied	Unsure	Unsatisfied	Very unsatisfied
5	4	3	2	1

Section 5: Training

- 1** Have you received any training:

a) From the agency you currently work for?

Yes No

b) From any other employment agency?

Yes No

- 2** If you have received training from an employment agency, what form has it taken?

	Received from current agency	Received from another agency
Word processing	Yes	Yes
Data Inputting	Yes	Yes
Office automation	Yes	Yes
Fork Lift truck training	Yes	Yes
Communication skills	Yes	Yes
Other (please also state where you received this training)	_____	

3 How many hours training have you received from the agency you currently work for ?

_____ (please insert total amount of training, e.g. 3 hours, 2 days etc.)

4 How important is training to you?

Very important	Important	Unsure	Not very important	Not important
5	4	3	2	1

5 How important do you feel training is to employment agencies?

Very important	Important	Unsure	Not very important	Not important
5	4	3	2	1

6 Think about the assignments you have been sent on :
Have you received training whilst on these assignments ?

Yes No

If the answer to question **6** is No, please go to question **8**.

7 What form has this training taken?

On the job Yes
Induction meeting Yes
Seminars Yes
Courses Yes
Other (please state) _____

8 To what extent do you agree with the following statements regarding training provision by employment agencies?

	Strongly agree	Agree	Unsure	Disagree	Strongly disagree
Training leads to higher pay	5	4	3	2	1
Training leads to higher job satisfaction	5	4	3	2	1
On assignments, temps get similar training to other staff	5	4	3	2	1

Section 6 : The Interview Process

1 Did you have an interview when you first joined the agency you currently work for?

Yes No

If the answer to question **1** is No, please go to Section 7 of the questionnaire.

2 Which of the following were discussed at the interview?

- Salary Yes
- Your desired hours Yes
- Your desired type of work Yes
- Your skills Yes
- Your work history Yes
- Health Yes
- Other (please state) _____

3 Which of the following tests did you take?

- Word processing/typing speed Yes
- Other computer tests Yes
- Literacy Yes
- Numeracy Yes
- Spelling Yes
- Office equipment tests Yes
- Other (please state) _____

1 How long did the interview last?

_____ (please insert duration here, e.g. 2 hours, 30 minutes etc.)

5 To what extent do you agree with the following statements concerning the interview process at employment agencies?

	Strongly agree	Agree	Unsure	Disagree	Strongly disagree
The agency recognised my existing skills	5	4	3	2	1
Subsequent assignments have used these skills	5	4	3	2	1
It gave me an opportunity to express my wishes	5	4	3	2	1

Section 7: Motivations

1 Why are you doing agency work? (please circle all that apply)

- Couldn't find a permanent job Yes
- Didn't want a permanent job Yes
- Wanted a seasonal job Yes
- Way of re-entering the labour market Yes
- To fit in with other commitments Yes
- To supplement family income Yes
- Part of training course Yes
- Keep active after retirement Yes
- Work before making a commitment Yes
- Other reasons (please state) _____

2 How important have the following potential advantages of agency working been to you?

	Very important	Important	Unsure	Not very important	Not important
Flexibility of work schedule	5	4	3	2	1
Variety of jobs / challenges	5	4	3	2	1
Ability to "try out" a job	5	4	3	2	1
Freedom of movement	5	4	3	2	1
Ability to add work experience	5	4	3	2	1
Meeting new people	5	4	3	2	1
Ability to gain a short term salary	5	4	3	2	1
Lack of responsibility at work	5	4	3	2	1
Lack of commitment to a job	5	4	3	2	1
Keep up workplace skills	5	4	3	2	1
Other important advantages (Please state) _____					

Which three of the above are the biggest advantages? (most important first)

1. _____
2. _____
3. _____

3 How important have the following potential disadvantages of agency working been to you?

	Very important	Important	Unsure	Not very important	Not important
Lack of sick pay	5	4	3	2	1
Lack of holiday pay	5	4	3	2	1
Lack of pension provision	5	4	3	2	1
Lack of other benefits	5	4	3	2	1
Job Insecurity / threat of job loss	5	4	3	2	1
Inability to plan for the future	5	4	3	2	1
Movement from locality to locality	5	4	3	2	1
Low basic salary	5	4	3	2	1
Dreary work given to agency workers	5	4	3	2	1
Lack of responsibility at work	5	4	3	2	1
Lack of advancement / promotion	5	4	3	2	1
Unpredictability of work	5	4	3	2	1
Time spent waiting between assignments	5	4	3	2	1
Other important disadvantages (Please state) _____					

Which three of the above are the biggest disadvantages? (most important first)

1. _____
2. _____
3. _____

4 Are you currently looking for a full-time / year round job?

Yes No

5 Would you prefer a full time / year round job?

Yes No

6 What would make you consider moving to a different form of work? (please circle all that apply)

Better Pay Yes
Better benefits Yes
Better prospects Yes
Greater security Yes
Change in circumstances Yes
Job satisfaction Yes
Good career move Yes
Other factors (please state) _____

7 To what extent do you agree with the following statements regarding the motivations of agency workers?

	Strongly agree	Agree	Unsure	Disagree	Strongly disagree
Agency working is the only alternative to unemployment	5	4	3	2	1
Agency working is a satisfying experience	5	4	3	2	1
It offers opportunities to get a permanent job	5	4	3	2	1
It offers opportunities for advancing my skills	5	4	3	2	1
It requires considerable flexibility	5	4	3	2	1
I would recommend agency working to a friend	5	4	3	2	1
Agency working is a secure form of employment	5	4	3	2	1
It is more secure than other forms of employment *	5	4	3	2	1

*(if you disagree with this statement, please state which forms of work are more / less secure than agency working) _____

Section 8 : Unions

1 Are you a member of a Union?

Yes No

If your answer to question **1** is No, please go to Section 9 of the questionnaire.

2 If so, which union do you belong to?

3 Did you join a union whilst working through an employment agency ?

Yes No

If your answer to question **3** is No, then please go to question **5**.

4 Why did you join a union ?

5 As an agency worker, do you feel adequately represented by your Union ?

Yes No *

* (please elaborate here if necessary)

Section 9 : Other Questions

1 Age in years

16-17 18-24 25-34 45-54 55+

2 Sex

Male Female

3 Number of dependent children (please write in the number in each age group on the line)

0-2 years 3-5 years 6-10 years 11-15 years 16+

Number of children

Thank you for taking the time to complete this questionnaire. If you have any additional comments about the issues raised here, please add them in the space provided below, or on an additional piece of paper. Please return the questionnaire in the FREEPOST envelope provided by 6 January 1997. Thank you for your time.

Additional Comments

If you would be willing to take part in a more detailed interview about the issues raised in this questionnaire, please leave your name, address and a telephone number and we will get in touch with you. Thank you.

Name : _____

Address _____

Phone number _____