MANCHESTER 1824

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GOTSU

Geographies of Temporary Staffing Unit

Working Paper 12

The business of temporary staffing: a developing research agenda

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September 2009

Abstract

This paper offers a critical review of the existing literatures on temporary staffing. It argues that while research on both client firm rationales, and the experiences and characteristics of temporary agency workers are relatively well advanced, work that explores the temporary staffing industry and its own strategies and expansionary logics is still in its infancy. This is a significant oversight given the increasingly widespread influence of this particular form of labour market intermediary. Grounded in recent work in economic geography, the paper maps an agenda for future research priorities in this area.

Keywords

temporary staffing, labour market intermediaries, staffing agencies, research agenda

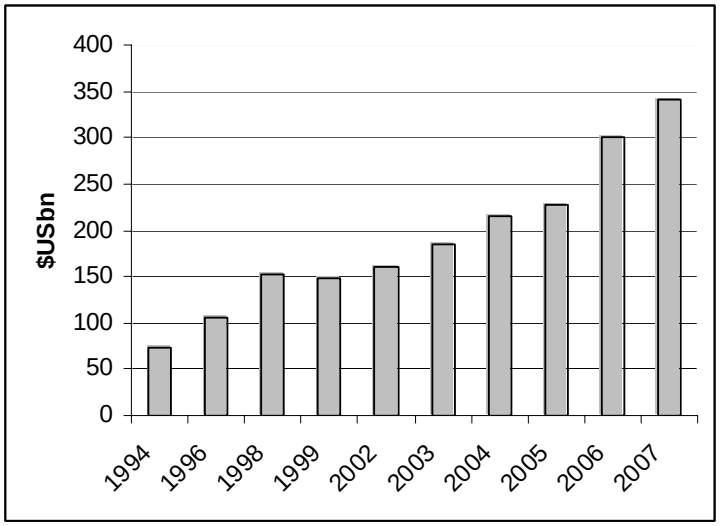
> It is not only the growth in temporary employment that compels our attention, but also it is the radical shift in the way it is being used. Temporary work itself is not new. Temporary workers have always been used as fill-ins for employees who were away because of vacations or illness. Companies have always brought in temporary workers to help on special projects. But temporaries were always peripheral to the main thrust of the company's business. Now … [t]emporary employment is a permanent feature of the business landscape (Nollen 1996: 567)
>
> In the twenty-first century, temporary workers and temporary jobs have, improbably, become a permanent feature of our employment landscape, as have insecurity and destabilization for workers in so-called permanent jobs (Smith and Neuwirth 2008: 4)

Introduction

Since the 1970s, temporary staffing has expanded rapidly to become a significant feature of many national labour markets. For millions of workers worldwide – in North America, Europe, Australia, Japan and beyond – temporary agency work now represents the daily employment norm. As it has expanded, the temporary staffing industry has transformed the structure of employment relations at the local, national, and increasingly, international scales. Over the past few decades, the provision of temporary staff by agencies has metamorphosed from simply meeting the *ad hoc* needs of employers for small numbers of often seasonal employees, to a form of working that has become 'integral to business strategy' (Nollen 1996: 567) across a wide range of clients sectors, both public and private.

Three different forms of data can be mobilised to capture the growing significance of temporary staffing. First, we can profile the size and composition of the global temporary staffing *industry*, which has grown steadily since the mid-1990s – doubling in size over the period 1994-1999 and again in the years 1999-2006 – reaching a level of US$341bn in 2007 (see Figure 1). In 2007, the global industry was dominated by six national markets which accounted for 80 percent of total revenues: the US (28 percent), the UK (16 percent), Japan (14 percent), France (9 percent), Germany (6 percent) and the Netherlands (5 percent). The remaining markets collectively constituted 20 percent of the global revenue total, although this figure had increased rapidly from just 8 percent in 2004. The industry is also very concentrated in corporate terms. Table 1 lists the top 20 temporary staffing agencies in terms of their 2008 revenues. The accumulated income of US$128bn of this elite group of American, Western European and Japanese agencies accounts for approximately 38 percent of the global industry. In large part, the dominance of these firms reflects their emergence from, and/or proximity to, the largest national markets for temporary staffing. In particular, the listing reflects the long-standing size and strength of the US market, home to eleven of the largest 20 firms.

Figure 1: Private employment agency global market size, 1994-2007



Source: Adapted from CIETT (2009)

Table 1: The top 20 private employment agencies, 2008

Rank	Firm	Origin	Revenue, $m
1	Adecco	Switzerland	31,068.93
2	Randstad	Netherlands	23,242.91
3	Manpower	US	21,552.80
4	Allegis	US	5,740.00
5	Kelly Services	US	5,517.29
6	Goodwill Group	Japan	5,465.92
7	USG People	Netherlands	5,446.22
8	Hays	UK	4,994.57
9	Robert Half International	US	4,600.55
10	Tempstaff	Japan	2,597.15
11	Volt Information Services	US	2,427.32
12	Pasona	Japan	2,271.71
13	MPS Group	US	2,222.30
14	Spherion	US	2,189.16
15	Express Employment Professionals	US	2,000.00
16	Synergie Group	France	1,624.95
17	Michael Page	UK	1,443.83
18	TrueBlue	US	1,384.27
19	Monster	US	1,343.63
20	CDI Corp.	US	1,118.60

All figures are for the reported full financial year that corresponds most closely to calendar year 2008.
Source: Company annual reports and websites.
1. Goodwill Group has recently re-branded to Radia Holdings.
2. TrueBlue is the re-branded name for the group that owns Labor Ready.

A second way to chart growth is to profile the *number of workers* placed by temporary staffing agencies.

Table 2 depicts the rise in temporary staffing workers across a range of economies that together

account for over 98 percent of the global total, which more than doubled from around 4.5 million in 1997 to 9.5 million in 2007. Growth was strongest in the post-recessionary second half of the decade – 76 percent from 2002-07 – compared to the first half – 20 percent from 1997 to 2002. Temporary staffing levels grew in absolute terms in all of the listed countries over the decade. By far the biggest growth was in Japan, which saw the addition of 990,000 temporary workers, but there was also strong growth in the UK (+603,000), the US (+520,000), Germany (+434,000) and France (+279,000). In percentage terms, temporary staffing levels more than trebled in Austria, Germany, Sweden and Japan, with strong growth also in Switzerland and Italy while, unsurprisingly, the increases were lower in the mature markets of the UK, US, France and the Netherlands.

Table 2: Numbers of agency workers, selected countries, 1997-2007 (in daily FTEs, thousands)

	1997	Growth 1997-2002	2002	Growth 2002-2007	2007	Growth 1997-2007
EUROPE						
Austria	18	72%	31	90%	59	227%
Belgium	51	29%	66	44%	95	86%
France	359	59%	570	12%	638	77%
Germany	180	48%	267	130%	614	241%
Hungary	ns	-	30	83%	55	-
Italy	nlr	-	82	168%	220	-
Netherlands	163	4%	169	38%	233	43%
Poland	ns	-	ns	-	60	-
Spain	90	37%	123	30%	160	78%
Sweden	14	164%	37	59%	59	321%
Switzerland	24	54%	37	89%	70	192%
UK	775	34%	1,036	33%	1,378	78%
REST OF WORLD						
Argentina	ns	-	na	-	96	-
Brazil	na	-	na	-	859	-
Japan	340	104%	693	91%	1,330	291%
Mexico	na	-	na	-	105	-
South Africa	ns	-	ns	-	300	-
South Korea	ns	-	ns	-	75	-
USA	2,440	-11%	2,160	37%	2,960	21%
WORLD TOTAL	4,513	20%	5,407	76%	9,525	111%

Source: adapted from CIETT, 2009, p.21.
Note: European countries with over 50,000 agency workers in 2007 included here.
ns: not significant / nlr: not legally recognised / na: not available.

Thirdly, the penetration rates of agency work (i.e. as a proportion of total workers) across the leading markets offer a further window on the growing *relative* significance of agency working (see Table 3). The first and most obvious observation to make is that penetration rates have increased in all

markets. The UK, at 4.8 percent, exhibited by far the highest rate in 2007, but the other relatively mature markets of Belgium, France, Luxembourg, the Netherlands, Japan and the USA all had rates of 2.0 percent or above. Within the newly emerging markets of Central Europe, Latin America and East Asia penetration rates are still fairly low – ranging from 0.2 percent in Mexico and 0.3 percent in South Korea to 1.4 percent in Hungary. In terms of percentage change, the UK and Japan have seen the most significant rises, with 1.9 and 2.3 percent of the working population respectively moving into temporary staffing over the period 1997-2007. Most other countries saw increases in penetration rate of between 0.5 and 1.2 percent over the whole period, which although seemingly small, represent the movement of significant numbers of people into this form of working.

Table 3: Agency work penetration rates, 1997-2007 (FTE percentage of total active working population)

	1997	2002	2007	Change in percentage points, 1997-2007
EUROPE				
Austria	0.5	0.8	1.5	+1.0
Belgium	1.3	1.6	2.2	+0.8
Denmark	0.2	0.4	0.8	+0.6
Finland	0.4	0.5	1.1	+0.7
France	1.6	2.4	2.5	+0.9
Germany	0.5	0.7	1.6	+1.1
Hungary	ns	0.8	1.4	-
Ireland	0.3	1.4	1.7	+1.4
Italy	nlr	0.4	1.0	-
Luxembourg	1.2	2.2	2.4	+1.2
Netherlands	2.3	2.1	2.8	+0.5
Norway	0.4	0.5	1.0	+0.6
Poland	ns	ns	0.4	-
Spain	0.7	0.7	0.8	+0.1
Sweden	0.4	0.9	1.3	+0.9
Switzerland	0.6	0.9	1.7	+1.1
UK	2.9	3.8	4.8	+1.9
REST OF WORLD				
Argentina	nd	nd	0.9	-
Brazil	nd	nd	0.9	-
Japan	0.5	1.3	2.8	+2.3
Mexico	nd	nd	0.2	-
South Africa	nd	nd	2.3	-
South Korea	nd	nd	0.3	-
USA	1.5*	1.6**	2.0	+0.5

Source: adapted, and augmented, from CIETT, 2009, p.22 and 23.
ns: not significant / nlr: not legally recognised / na: not available.
* 1999 data; ** 2001 data

The rise of temporary staffing needs to be seen in the context of a widespread expansion of flexible labour markets and growth in 'non-standard' forms of work. The job characteristics associated with standard employment contracts – permanent, full time, with employee benefits – have, for many workers, given way to individualised, often insecure, non-standard forms of paid employment. The types of work collectively categorised as non-standard are diverse and ill-defined, covering a multitude of forms of employment, such as part-time work, contract work, outsourcing, fixed-term contracts, home-working, consultancy, self-employment and others. Temporary agency work, however, is clearly defined by the nature of the triangular relationship between the agency, the temporary employee and the client firm; while the employment relation exists between the employee and the staffing agency, the work relation is determined by the client firm (Gonos 1997). Despite the use of the word 'temporary', many agency employees are in effect 'perma-temps', workers on successive placements (Lewis and Malloy 1991; Smith and Neuwirth 2008). Temporary staffing agencies, in turn, are a particular form of labour market intermediary that meeting the needs of client companies for non-permanent workers. In essence, agencies 'sell' the labour of their workers to client firms, gaining profit in the process not through investment in capital, or the means of production, but from extracting a portion of the workers' wages (Parker 1994; Vosko 2000). In sum, the dramatic rise of temporary agency work represents a fundamental shift in the institutional and regulatory context to work and employment.

In this paper we consider temporary staffing both as a way of working, and as a capitalist industry. We offer a critical review of the existing literatures on temporary staffing and a research agenda for future work on this topic. Temporary staffing needs to be understood as the three-way interplay between client firms, staffing agencies and agency workers within particular regulatory contexts. With respect to the existing literatures in sociology, management studies and beyond, we argue that while much attention has been paid to the rationales and interactions of client firms and agency workers, far less work has profiled staffing agencies as active players in the growth and formation of staffing markets. Moreover, the national regulatory contexts in which the triangular relationship differentially evolves have only started to be explored. Accordingly, we map out a research agenda grounded in recent work in economic geography that identifies four important lines of ongoing and future investigation. The paper is structured in three main sections. In the following section we review work that has focussed on the demand imperatives underpinning the growth in temporary staffing. Next, we profile work that has explored the supply side from workers' perspectives and the ways in which agency staff are regulated through employer strategies in the workplace and beyond. Finally, we argue for a research agenda that takes both the 'agency of agencies' and the regulatory context seriously.

The client firm perspective: managing costs and externalizing risk

> The dominant approach to the study of temporary work … has been on the demand side, looking at employers' needs for flexibility, cost savings and access to skills (Purcell et al. 2004: 706)

The first body of scholarly work into temporary staffing is that which seeks to understand why and to what ends client firms use the services of temporary staffing agencies. Underpinning this research is an assumption that both client firms and client workers behave to a large degree in an economically rationale manner and that both groups possess (almost) perfect information. While this is a quite diverse literature, it is nevertheless possible to group its main contributions around four issues. The first argues that the use of temporary agency workers is an example of a just-in-time numerical flexibility strategy. As Kalleberg (2000: 348) has put it:

> temporary help agencies constitute a modern day 'reserve army of labor' that helps employers to solve problems associated with understaffing as well as over-staffing positions with expensive full-time permanent workers who may not be utilised. By using temporaries, employers can staff minimally and then add employees on an as-needed basis

For some scholars the use of temporary agency workers to allow client firms a degree of flexibility is understood to be part of a wider post-Fordist or 'lean' production' package. With reference to the transaction costs approach of Williamson (1975), perhaps best embodied in the model of the 'flexible firm' (Atkinson and Meager 1986), client firms are said to divide their workforces into core and periphery. 'Core' workers are drawn from the internal labour market (from within the firm) while the 'periphery' workers are drawn from outside the firm or from the secondary labour market. This literature argues that firms make decisions about which jobs to outsource and which to retain on the basis of complexity, the nature of the skills required and the level of firm knowledge required for the job or task (Mangum et al 1985; Purcell et al 2004). Outsourced tasks and jobs are those which firms deem require few skills, which are routine, or which require little or no firm-specific knowledge (Purcell et al 2004; Segal and Sullivan 1997). In other words, according to this model, firms develop core, internal labour markets in order to reduce the turnover of skilled and trained staff, while the addition of temporary agency workers to their workforces enables firms to make rapid, quantitative adjustments to their staffing levels when the external economic environment deems it necessary (Bronstein 1991). So, in period of rapid growth or contraction – such as during the current recession -- firms have in place a 'buffer' zone of temporary agency workers (Coe et al. 2009). This allows them, at least in the short term, to avoid the (costly) need to sack permanent, core members of the workforce (Befort 2003; Dale and Bamford 1988; Laird and Williams 1996; Mangum et al 1985;

Nollen 1996; Segal and Sullivan 1997). During these economic period firms may increase the proportion of their workforces which are externally sourced from temporary staffing agencies as a means of managing the risks of any future recessions. While for most firms this strategy is a 'short term' one, there is also evidence that it has developed into a longer-term approach to workforce management, with consequences for issues of job satisfaction and morale (Hall 2006; Kalleberg 2000; Laird and Williams 1996; Nollen 1996; Segal and Sullivan 1997).

The second reason this literature offers for client firms' use of temporary agency workers is the apparent drive in many to reduce the fixed costs of labour hiring and recruitment. Outsourcing certain functions – such as advertising and interviewing – allows the client firm to rid itself of one of its non-core competencies, according to this literature. It can then focus on what it does best. Moreover, hiring temporary agency workers can be a relatively low cost method for 'screening' for potential, permanent employees, monitoring their on the job performance (Autor 2001; Booth et al 2002; Gray 2002; Hall 2006; Houseman et al 2003; Forde 2001; Forde and Slater 2005; Lenz 1996; Peck and Theodore 1998; Segal and Sullivan 1997; Ward et al 2001). Recruiting permanent staff from a pool of temporary agency workers enables businesses to 'try them out for size' over a longer period of time than would be possible under most probation schemes. This may be particularly attractive to firms in relatively 'tight' labour markets, and when qualified workers are in understood to be in short supply. Avoiding having to raise entry level wages to attract applicants to permanent jobs through screening in this way enables firms to employ 'riskier' workers on extended probation periods or to secure additional time to use searching for permanent employees (Houseman et al 2003; Mitlacher 2007).

A third reason for the use of temporary staffing agencies by client firms highlighted in this literature is the reduction of their labour costs. Empirical evidence suggests that on average temporary agency workers are paid less than permanent members of staff although this differs considerably between the top and the bottom end of the labour market (Nollen 1996; Stener Pederson 2007). Given the internally differentiated nature of the temporary staffing market making too many sweeping generalisation is problematic. However, evidence suggests that whether sourcing workers for the higher or the lower end of the labour market, once the temporary staffing agency has charged its 'mark up' fee which is usually a percentage of the hourly wage agreed for the worker, this method of staffing the firm does not result in a cheaper wage bill (Forde 2001; Kalleberg 2000; Segal and Sullivan 1997). One study of temporary agency staffing in the UK food processing sector showed that, in contrast, temporary staffing agencies attempted to push up hourly wage rates in negotiations with firms in order to increase their own profit (Gray 2002). Where client firms are able to make

more significant cost savings through hiring temporary agency workers is by reducing their liability to pay holiday entitlement, maternity cover and sick pay, which can lead to not inconsiderable savings, although the precise amount of savings will differ from one country to another, and one welfare regime to another. In a number of countries, for example, temporary staffing agencies are now liable for these payments, changing the logic behind their use by client firms.

Fourth and finally, this literature highlights how client firms use temporary staffing agencies to externalise the risks associated with directly employing workers on a permanent basis. This allows client firms to avoid introducing any changes in the conditions of work that they deem would make them uncompetitive (Connell and Burgess 2002; Houseman et al 2003; Kalleberg 2000; Purcell et al 2004; Van Bruegel 2005). Client firms can avoid or externalise the responsibilities and risks bound up with the mainstream employment relationship. Firms, in effect, are able to transfer the legal responsibilities of being an 'employer' to the temporary staffing agency. This allows them to divest themselves of responsibility for the administrative and managerial inconveniences of recruitment and selection processes, of payroll administration, of the management of employee benefits, and of the performance management of workers (Hall 2006; Nollen 1996). In some countries firm are also able to avoid compliance with standard employment regulations, occupational health and safety regulations and 'unfair dismissal' legislation (Autor 2000; Befort 2003; Gray 2002; Hall 2006; Mangum et al 1985; Segal and Sullivan 1997). Hence, firms are able to have the benefits of staffing their organisations, with none of the accompanying social, legal and contractual responsibilities inherent within a standard employment relationship (Forde 2006; Ward et al 2001). As Gray (2002: 661) puts it, 'a picture is developing of companies trying to find their paths through new regulatory requirements which will minimise their labour costs, often leading to new uses for agency labour.'

The worker perspective: choice, control and the sense of self of temps

The second literature on temporary staffing is that which seeks to understand the phenomenon from the perspective of the worker being placed through a temporary staffing agency. These sociological studies position the temporary agency worker at the centre of the analysis and seek to answer a number of questions. These include: why do workers choose this form of employment? What are the consequences in the short term and over the life-course of placement through a temporary staffing agency? How are temporary agency workers controlled at the workplace? How are temporary agency workers regulated more generally in terms of the position in the labour market?

First, research has attempted to uncover why some workers under some conditions 'choose' to be placed through a temporary staffing agency. Of course generalizing about this group as if they were

a homogenous workforce is deeply problematic. They are internally differentiated along a number of social coordinates. Despite these differences it is still possible to discern two particular approaches to the question of why workers choose to be placed through a temporary staffing agency. One school of thought has it that the over-representation of particular groups within the ranks of those placed through temporary staffing agencies is the outcome of a series of rational economic decisions. Temporary staffing agency workers have either selected temporary agency work from a range of job options, or, though the 'sorting of skills' in the labour market are appropriately matched to temporary agency jobs (Lenz 1996). Workers with a 'marginal' commitment to the labour market – generally defined in this literature as married women with children, young people, and older people – select temporary agency work over other employment options, motivated by a need, or a desire for the 'flexibility' accorded by this form of work (Druker and Stanworth 2004). This, it is argued, may stem from a commitment to family life, or because of a need for a supplementary family income (Bergstrom and Storrie 2003; Druker and Stanworth 2001; Lenz 1996; Lewis and Molloy 1991; Neugart and Storrie 2005). Furthermore, it is claimed, that temporary staffing agency workers select this type of work as route into permanent employment, or that some workers may choose temporary agency working as a way of 'getting to know' an employer before making a commitment to a permanent job with that firm is common. As Van Bruegel (2005) 541) rather optimistically puts it, for 'individual employees, temporary work services enhance employment opportunities by providing them with initial work experience, job leads or by improving their employability.'

Another school of thought argues the exact opposite, contending that it is a highly constrained 'choice' made by temporary agency workers. Rather, far from 'freely' choosing temporary agency work, the preference of the many workers placed through temporary staffing agencies would be permanent employment (Connell and Burgess 2002; Forde and Slater 2003; Kalleberg 2000; Purcell et al 2004; Stener et al 2007; Storrie 2002). This is particularly the case at the lower end of the labour market, which is the majority of the workers placed through a temporary staffing agency. The language of the 'free agent' is more applicable at the top end of the labour market, if it is appropriate at all. Here higher hourly rates are traded for greater in-work insecurity. This though does not constitute the majority of temporary agency workers, even in the most developing temporary staffing markets in the world (Coe et al. 2007). For most temporary agency workers being placed through a temporary staffing agency is not a rational preference. Rather, social and spatial divisions and inequalities within external labour markets are argued to be the primary reasons why particular groups are drawn into (low end) temporary agency labour markets (Henson 1996; Parker 1994). For example, if on the one hand these workers may lack access to high quality job-search networks or do not possess the required educational qualifications to access permanent employment while, on the

other, more and more ports of entry into firms are through a temporary staffing agency then alternatives are few in number. As a consequence, young people, lone parents, minorities, and women are increasingly likely to take up low-paid agency, entry level jobs, particularly into the service sector. Evidence suggests this is not an active preferred choice, but as a constrained choice (Forde and Slater 2005; Purcell et al 2004; Stanworth and Druker 2006), one that the work suggests does necessarily mean either permanent employment or upward mobility, at least in the medium term (Andersson and Wadenjo 2004; Booth et al 2002; Dale and Bamford 1988; Gray 2002; Korpi and Levin 2001).

A second strand of research in this field has sought to theorise the mechanisms of control in and through which those placed through a temporary staffing agency experience their jobs. Much of this work draws on sociological approaches to work, power, and class inequality which rest in turn on the theoretical premise that work and the division of labour are key determinants of power and inequality (Smith 1998). Traditional conceptualisations of labour control within the workplace, based largely on understandings of manufacturing production processes, assume that workers and management reside within a single physical worksite. In contrast, temporary agency work through presenting a fundamental challenge to that assumption necessitates re-theorising of the regulation and control of labour within the capitalist production process (Gottfried 1992; Smith 1998). Temporary agency work occupies an institutional space that spans multiple locations, as temporary agency workers are placed at multiple work sites, and for 'these workers, management of production and management of labor reside in separate organisational domains' (Gottfried 1992: 443). For capital, this presents new problems of managing the control of labour. 'Capital' – the agency and the organisation that is using the agency workers - achieves this through a variety of new strategies at the level of the worksite and beyond, so that flexibility itself is posited as a new mode of regulation of labour.

Through studying temporary agency workers 'in-situ': in Canada (Vosko 2000), in a high tech computer industry in California (Smith 1998), in a clerical temporary staffing agency in the American Midwest (Gottfried 1991; 1992), and in then, fledgling temp industry in Italy (Deguili and Kollmeyer 2007), research in this field has argued that flexibility and more particularly, temporary agency work as a particular form of flexible labour, has become a new means of regulating both the temporary and the permanent workforce. As Vosko (2000:19) puts it in her influential study:

> In registering with a temporary help agency temporary help workers surrender their right to choose both their worksite and their direct employer, even though they are not engaged in fixed-duration contracts that formally limit their mobility in the

> labour market. They also yield their right to select freely their place within the division of labour, because in signing an employment agreement with the, temporary help workers forfeit their ability to choose their preferred type of work.

According to Gottfried (1991; 1992), the temporary staffing industry operates a dual system of management of workers – a 'flexible frontier of control'. Firstly, there is a decentralised level, whereby the temporary staffing agency indirectly controls workers, dispersing control to individual client firms. And, secondly, there is a bureaucratic level, where the temporary staffing agency 'rationalises jobs in the organisations hierarchy by delimiting a set of tasks, competencies, and responsibilities' (Gottfried 1991: 704). According to her argument, workers are subject to the 'dual control' of overlapping sanctions of the agency and firm (Gottfried 1991; Smith 1998). For Krasas Rogers (2000: 156-157):

> The intermediary, the temporary agency, can act as a buffer between the temporary and the client, shielding the client from criticism as well as legal and moral responsibility for workplace events, as is the case when the duration of an assignment is unexpectedly shortened. The buffer reduces temporary workers' power in the workplace, allowing them fewer options and thus increasing control over them. In a similar vein, the agency acts as an additional means of surveillance over the temporary worker. Both the agency's rules and procedures as well as the client's are enforced over the temporary worker. As many interview subjects noted, being a temporary worker is like having two bosses to satisfy.

More generally this literature argues that the temporary staffing agency are in a position to control, and where it feels it necessary, sanction, workers in a series of ways. For example, where a temporary agency worker refuses to be placed in a particular firm for whatever reason that worker may be disciplined, either through being subject to a period of no placements or through being taken off the books of the agency (Gottfried 1992; Vosko 2000). Most powerfully, temporary staffing agencies are able, through the threat of dismissal, to exercise the ultimate sanction (Deguili and Kollmeyer 2007; Gottfried 1992; Ward et al 2001). As Deguili and Kollmeyer (2007: 510) put it, '[b]y intensifying the already precarious nature of temporary employment, the ability to fire temporary workers on a whim, leaves them nearly bereft of structural power in the workplace.'

What these studies have in common is a concern to expose the 'ideological' control that temporary staffing agencies hold over the workers they place. This includes the maintenance and promotion of the 'myth' of the permanent job for temporary agency workers. The 'stepping stone thesis' is understood in this literature is a means of disciplining and regulating workers (Deguili and Kollmeyer 2007; Smith 1998). As Smith (1998: 424) recounts:

> the pressure for mistake-free performance coupled with the belief that such performance increased their chances of obtaining a permanent job, acted as a powerful tool of control over temp workers and served to cement their acceptance of their marginalised labour market status.

It is argued that intrinsic to the nature of temporary agency work is the notion of uncertainty as temporary agency workers are able to exercise neither choice, nor control over which temporary placements they accept, the notification of which may arrive at short notice (Gottfried 1992). Uncertainty in this form of work extends to everything for the worker, from location of workrooms, of restrooms, of the scheduling of breaks, and to the geography of the worksite(s) (Parker 1994). It is likely to also extend to a lack of stability in their work placements (Gottfried 1992). So, overall, this second theme attempts to uncover the significant power asymmetries experienced by the worker, and the lack of control they feel over many aspects of the placement.

The third and final issue that research into the temporary agency worker has explored is the ways in which being 'just a temp', in the words of Henson (1996), manifests itself in the workers sense of self and their sense of collective belonging (Garsten 1999; Gottfried 1991; Smith 1998). On the one hand, temporary agency workers are argued to be cast by both the agencies and the client firms as 'flexible commodities' (Henson 1996:1). Often moving from one workplace to another - 'workplace vagabonds' in the words of Garsten (2008) -- those placed through temporary staffing agencies struggle to identify themselves through what they do and where they do it. In many cases temporary agency workers are known simply as 'the temp' on the site at which they are placed. Theirs is a stigmatized existence (Parker 1994). Krasas Rogers (2000: 111) describes the temporary agency workers she interviewed as sharing a sense of being a 'non person'. On the other hand, as a result of the spatial and temporal dislocation inherent in being placed through a temporary staffing agency, workers are less able to collectively mobilise in traditional ways such as through joining a trade union (if one exists, which in the cases of heavily tempted workplaces is often not the case) Deguili and Kollmeyer 2007; Gottfried 1992). The disorganisation of the temporary agency workforce means it tends to be highly fragmented, with very little sense of group solidarity and where interests are more likely to coincide with the interests of managers than with each other (Smith 1998).

Temporary staffing – towards a new round of research?

So far this article has reviewed the existing work on temporary staffing. It has argued that this falls in two discrete areas: the first into why client firms enter into arrangements with temporary staffing agencies to source temporary agency workers, the second why and with what consequences temporary agency workers find employment through a temporary staffing agency. We have argued this work has produced a series of insights into two important dimensions of the triangular

relationship. This fourth section of the paper turns to the third actor in this relationship, the temporary staffing agency itself. This section is organised into four areas where future research into temporary staffing might fruitfully be pursued. In some cases there is already an important body of work developing (e.g. in the agency of agencies) while in others, it is in its infancy (e.g. the role of temporary staffing agencies in the facilitating of migration)

(1) The agency of agencies

> Staffing firms are not simply supply services: in their role as private labour market intermediaries they are a major new *institutional* presence in liberalizing economies. They facilitate new kinds of intermediated employment practices and forms of labour contingency that otherwise would be logistically and socially infeasible … they shield employers from benefit liabilities and break apart the implicit contract of continuing employment … and in the process they shape new labour market practices and norms (Peck et al. 2005: 4)

The first area for fruitful future research in the field of temporary staffing is to take more seriously the role of temporary staffing agencies, as part of the wider intellectual project to theorize the role of labour market intermediaries (Benner 2002). While there is some recognition that temporary staffing agencies are themselves capitalist profit-making businesses, temporary staffing agencies are in many cases rendered invisible in many academic accounts. Where they do figure it is often as neutral intermediaries that do no more than match the rational supply of labour with demand from employers, in the process contributing to the efficient functioning of labour markets (Mangum et al 1985). There is little attempt to understand how the complex and variegated ways in which temporary staffing agencies as institutional actors in labour markets might make a difference. More specifically, we believe that there are a number of ways in which to take forward this agency of agencies approach. First, there is the need to acknowledge fully the variety of activities temporary staffing agencies perform as active labour market intermediaries (Peck and Theodore 2002). This means understanding agencies are purveyors of a particular form of labour market flexibility. In mediating between supply and demand agencies appear play a role in the construction and in making of markets for their business. Put simply, by their very existence agencies begin to reshape the norms and expectations of both firms and workers. Second, there is the need to examine the corporate strategies of agencies. In particular, recent years have seen the largest temporary staffing agencies pursuing a joint strategy of internationalisation and diversification (Coe et al. 2007; Peck et al. 2005; Ward 2004). This has meant agencies entering new geographical markets, transforming labour relations along the way. In these new markets domestic agencies have emerged, as temporary staffing has become a generally more acceptable way of gaining a job in an increasing number of nations. Diversification has meant that more and more sections of the economy have had

'traditional' employment relationship norms challenged. In areas of the public sector this trend seems particularly acute. Third, and finally in this section, firms and those that represent them have entered the political sphere. It appears they have sought to restructure both the regulation of their industry and of the mainstream employment relationship. In some cases – such as in the US and the UK – the trade associations have sought to position themselves as more outward facing. This has meant a subtle shift, from an organisation that focused solely on representing their members' needs to one claiming to be an 'independent' labour market commentator. As Smith and Neuwirth (2008: 15) argue:

> representatives of the THS [Temporary Help Services] industry …[have] … intervened over time to reshape labour law, hoping both to generate demand for their product and to improve the competitive conditions of their industry

No where is this clearer than in Europe. The International Confederation of Temporary Work Businesses (CIETT), the international industry trade body has matured into quite a formidable campaigning organization. It has attempted to mainstream the industry and the services it provides through negotiations with a host of other stakeholders in debates over the future of the EU15 labour market.

(2) National varieties of temporary staffing

A second issue for further future research is the regulatory consequences of temporary staffing and its relationship with other modes of labour market governance and employment systems. Previous attempts to distinguish between temporary staffing markets have tended to classify them in terms of different modes of regulation. An important dimension of this regulation is clearly the degree to which the industry itself is subject to direct government intervention. For example, in a comparative international study of the regulation of temporary staffing agencies, Walwei (1996) identified a group of 'liberal' countries – including Australia, Denmark, New Zealand and the US – in which temporary staffing agencies neither require a license nor were subject to particular government regulation. Such countries can be contrasted to other contexts where the activities of staffing agencies are far more tightly policed, for example Belgium, Italy and France. While these broad comparisons are a useful starting point, it is our contention that they underestimate the wider institutional context in which temporary staffing agencies operate, failing to do justice to the variegated landscape of temporary staffing industries.

Future research into this aspect of temporary staffing might usefully focus on the ways in which temporary staffing markets are also heavily shaped by the wider labour market regimes in which they are embedded. In particular, the ways in which mainstream employment relations are coordinated

and regulated are significant, such as the approaches taken to classify countries along such dimensions, either through explicitly focusing on the labour dimension e.g. 'modes of labour regulation' (Peck 1996) and 'welfare regimes' (Esping-Andersen 1990; 1999) or by embedding labour within broader notions of 'varieties of capitalism' (Hall and Soskice 2001) and 'national business systems' (Whitley 1992). While there is much that distinguishes these approaches, they all share two weaknesses: first, all of these approaches tend to deal in rather broad country categories and second, they all tend to place undue emphasis on the regulatory sphere. It is our contention that future research must recognise the *institutional place* of temporary staffing agencies. While the role played by agencies differs, reflecting the heterogeneous nature of corporate strategies and structures (Coe et al. 2007), the central point is that their labour market presence has system-wide consequences. This 'market-making' role of staffing agencies has hitherto received little attention in the literature. And to be clear here, we are not arguing that agencies are the dominant institutional presence in all temporary staffing markets – their relative importance will vary from context to context. While in some territories agencies will be driving market development and regulation will be largely responsive to growth in others they may be tightly constrained by regulation and the ways and degree to which deregulation is occurring.

In sum, we argue that simplistic typologies of the regulation of the temporary staffing industry and/or labour systems may miss the complex and variegated ways in which distinctive staffing markets are continually produced (and reproduced) through the ongoing *interactions* between these various elements. Future research might usefully examine how distinctive national staffing markets are produced through a multi-institutional field of interactions in which temporary staffing agencies are but one important aspect.

(3) The globalisation of the temporary staffing industry

The globalization processes in the temporary staffing industry is a third area for future research this paper argues. While in the early 1970s the industry was only really visible in the US, and the European markets of the UK, France and the Netherlands it now appears that the industry is globalizing. This raises a series of questions for future research into the industry, including: Why are temporary staffing agencies globalizing? How are the agencies globalizing? Where are the agencies globalizing? What affects the timing of the globalization of the temporary staffing industry?
In terms of global expansion, research seems to suggest that it is being driven by a search for enhanced economies of scale in terms of the agencies central business – placing low-paid workers – as a mean of allowing agencies to mitigate the risks of cyclical slumps in certain markets, to better meet the needs of transnational clients, and to assume the reputation and lobbying influence of

'global' corporations (Peck et al. 2005; Ward 2004). In terms of the ways in which agencies are globalizing, the temporary staffing industry appears to share important commonalities with other business service sectors, with expansion being lead by a handful of Western European and American companies and proceeding through a mixture of acquisitions and 'green-field' foreign direct investments (Coe et al. 2007).

In general terms the *geography* of expansion appears to reaffirm how service sector internationalization is enacted through networks of offices across leading world cities in developed countries, with increasing connections to a range of cities in newer national markets. More specifically, however, this industry appears to differ significantly from other apparently similar industries such as advertising, banking, insurance, and law in that the regulation of labour markets shapes in important ways the scope for temporary staffing agencies to enter and expand into a country. There also appears to be a significant *intra-national* geography to the activities of transnational temporary staffing agencies. Temporary staffing remains a stubbornly local industry, as it appears that they require coverage of the significant employment centres in countries which they enter. In terms of the *timing* of the globalization of the industry, early work appears to suggest that it has occurred somewhat later than in other business service sectors. The temporary staffing industry plays a strategically important role in delivering labour market flexibility to an increasing range of sectors across the economy as whole, and hence the sector's geographical expansion has been affected by the extent to which processes of neo-liberal labour market deregulation have been pursued at both the national and macro-regional scales.

What the limited work into the globalization of the industry has revealed is an industry that is highly *territorially embedded*. The activities of temporary staffing agencies appear to be heavily shaped by the labour market contexts in which they invest when they globalize. Building on this insight, and the others this work has generated, is one of the challenges for future research in this field.

(4) Temporary staffing agencies and migration

A fourth issue for future research into this intellectual field is the various roles played by temporary staffing agencies in the movement of workers with and across countries. Despite the largest agencies being present in more than fifty countries, and thus possessing a network with impressive geographical reach, there has been little work to date that has sought to examine the interface between temporary staffing agencies on the one hand and international migration on the other. And yet agencies act as intermediaries in all kinds of ways. Their business is connecting both their clients – firms and workers. That is not to say there is no work in this area. On the one hand there is a

small literature that does already exist. This seeks to uncover the importance of labour market intermediaries in aiding migrant workers both in finding a job and a house in countries into which they have already migrated (Findlay and Li 1998). While some of this work has been done in exploring the migrant workers in the booming oil economy of Saudi Arabia as an empirical example (Eelens and Speckmann 1990; Jones and Pardthaisong 1999), a more recently subset of this work has examined the role of temporary staffing agencies in placing eastern and central European migrant workers in to jobs in the UK (McDowell et al. 2007; McDowell et al. 2008). This research has focused on the role of agencies once the worker has arrived into the UK and decided to register for employment. On the other hand, however, this work stops short of exploring the varied roles of temporary staffing agencies in the movement of workers across national borders and into a job. The most noticeable exception is Salt and Stein's (1997: 448) attempt to develop a model of migration as a responsive and adaptable business, to be thought of as 'a system of institutionalised networks with complex profit and loss accounts, including a set of institutions, agents and individuals, each of which stands to make a commercial gain.' In this account, the international migration process is divided into three main stages in which the intermediary plays a role - mobilisation (sales, transport provision, provision of forged documentation, and enforcement), facilitation (transportation and bribery of immigration officials), and the arrangement of accommodation and employment in the receiving country). It is our contention that this work only begins to scratch the service. Future work into the inter-relationship between migration and temporary staffing agencies might usefully consider answering questions such as: which temporary staffing agencies are leading on the movement of workers from one country to another and what are the characteristics of these agencies? What range of roles and services are performed by temporary staffing agencies in facilitating the migration of workers from one country to another? What activities are undertaken by temporary staffing agencies – accommodation, training, education about worker rights, job placement, etc – and do they vary from one sector to another?

Conclusion

The last twenty years have seen a burgeoning of work on temporary staffing, broadly understood. Much of it has focused on it as an atypical employment form. From the perspective of the worker placed through a temporary staffing agency, the focus has been on micro-management at the workplace and the construction of particular forms of subjectivity. This sociological work remains hugely insightful, as evidenced by Smith and Neuwirth's (2008) recent excellent contribution. Another strand of research has explored why client firms use the services of temporary staffing agencies and what the consequences might be for the different elements of the workforce. Emanating largely out of the business and management schools, this work has revealed that labour

cost reduction is a fairly common reason for the use of temporary staffing agencies. This despite the mark-up client firms pay to temporary staffing agencies. It has also revealed that a whole range of other reasons are offered by client managers for their hiring of workers through temporary staffing agencies, including keeping headcounts down and 'screening' workers before hiring them permanently. Evidence also suggests that the circumventing of laws and regulation attached to the mainstream employment relationship can be an important reason for client firms using temporary agency workers. While both these literatures continue to generate a series of interesting insights into the world of temporary staffing, this paper has argued for a new round of research. It has outlined four areas where future work might fruitfully be developed in the coming years, as social scientists, including human geographers, take seriously the role of all those involved in the triangular employment relationship.

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