CHAPTER VII
SUMMARY, FINDINGS AND RECOMMENDATIONS

7.1 Summary

Intermediation is prevalent in several facets of commercial life. Off late it has also emerged in the employment market where services of the new entrants in the job market are procured by intermediaries (temporary recruiting agency) and leased out to the actual users (client organizations) spanning over a whole spectrum of industries. In this triangular employment relationship the agency acts as the legal employer of temps (A ‘temp’ is a temporary worker on the rolls of the staffing agency) and contracts out its staff to various businesses (Hatton, et al, 2011). Many researchers have highlighted the rapid rise in temporary agency employment that has occurred over the last twenty years (Burgess & Connell, 2006; Coe, Johns & Ward 2007; Smith & Neuwirth, 2009; Ward, 2004).

The advent of temping (Truncated expression for ‘temporary’ denoting temporary job) can rightly be attributed to globalization where all factors of production have become largely mobile and cost-effective deployment of resources has become the sine-qua-non for success in any business venture. A well accepted norm in global companies, many Indian organizations are opting for this mode of employment.

Temporary Recruiting Agencies have been actively involved in fostering a growing market for flexible staffing arrangements. Whilst agencies may try to shape the labour market to further their own interests, it is important to keep in mind that agencies also provide opportunities for people to gain employment by matching potential employers and employees and in this context has the potential to make inroads into the problems of unemployment. It is only relatively recently that research has focused on the
temporary staffing industry, and compared to employer and temporary worker focused research, the activities of employment agencies are under-researched (Coe, Johns & Ward, 2009). Some studies suggest that individual employment agencies are now taking a more entrepreneurial approach, utilizing a variety of tactics in order to shape a continuing demand for temporary staff within the labour market, rather than simply being intermediaries between client organisations and temporary workers (Smith & Neuwirth, 2009).

Temping attempts to solve the problems associated with redundancy necessitated by downswings of the business cycle and at the same time it provides hassle free mode of recruitment in a dynamic economic environment for the clients. Temping has opened up new vistas of employment for the army of unemployed graduates/ skilled personnel in India. Companies in the retail sector, telecom, FMCG, manufacturing and IT are now increasingly opting for this mode of employment and hence demand for temps is growing exponentially. The jobs are available at both entry and middle level and off late its presence is also seen at the top level.

Of central importance to the temp staff is their working condition. Their concerns include: job security, remuneration, hours of work, shift system, promotional avenues, grievance redressal mechanism, support systems and right to unionize. Much commentary on temp staff raises concern that they are marginalized within the labour market. Labour legislation continues to be premised on the assumption of ‘the worker’ as full-time, permanent and with a single employer, hence, temp staffs are often subject to reduced protection (Appelbaum, 1992, Carre, 1992).

The triangular employment relationship can be complicated in many ways as both the client organization and the recruiting agency may try to escape taking responsibility of the temp. The issue then is who should be responsible for the benefit due to the
temp, the corporate who actually avails of the benefit of the temp services or the recruiting agency on whose rolls the name of the temp appears. This highlights the need for intervention in this triangular relationship for the steady growth of the temporary staffing industry.

There is light regulation of the temporary staffing industry which can have long term repercussions on the growth of this promising industry. There is an urgent need of a new legislation to address the specific problems of temps through additional regulation of the workplace, expanding the social welfare net, or regulating agencies that provide temps to client companies.

It is in the above mentioned context that the present study was undertaken in Mumbai to study the triangular relationship between temporary recruiting agencies, the temp staff and the client organizations. Interviews were conducted by the researcher on one-to-one basis during the period November 2011 to February 2012. In all eight agency representatives, which together represent close to 50% of the Indian organized staffing market and with national presence (Temporary Staffing In India: Issues and Recommendations, ISF Discussion Paper, December 2011), representatives of ten client organizations from the retail sector, sourced through staffing agencies, and four hundred temp staff, of which 201 were males and 199 females, from a range of background, sourced through the client organizations, were interviewed. The selected recruiting agencies, temps and client organizations have a fairly good representation of the temporary staffing industry.

The chapter scheme of the study is as follows:
Chapter I: Introduction

This chapter looks at the triangular working relationship between temporary staffing agencies, client organizations, and temp staff. The temporary staffing industry estimated to be INR 172 billion (Ernst & Young Analysis, 2012) is expected to increase its penetration significantly, given the current uncertain economic conditions. Companies are increasingly depending on agencies to lease them with the required manpower in time, to meet sudden demand. This highlights the importance of temporary recruiting agencies in labour market integration.

Temporary recruiting agencies have been actively involved in fostering a growing market for flexible staffing arrangements, signifying that this industry acts as a powerful shaper of the contingent labour market rather than simply being intermediaries between temp staff and employers. The core business of recruiting agencies in the staffing industry is supplying client organizations with suitable temporary staff on request. This in turn calls for a highly capable and motivated temp staff, who can handle varied assignments offered by the agency. The ability of the temp staff to perform work efficiently is greatly influenced by the conditions under which they work and their relationship with the agencies and client organization. The present study is an attempt to analyze the nature of the temporary staffing industry, role of temporary staffing agencies in labour market integration, motivations for the client organizations to use temp staff and working conditions of the temp staff.

The primary advantage to the client organization in a flexible staffing arrangement is reduced overhead costs and improved access to a skilled workforce without having any legal obligations to it. Companies across industries are preferring to use temp staff in large numbers for diverse job requirements which is a clear manifestation of
the fact that new vistas of employment has opened up for the army of unemployed in India.

Examination of the conditions of work of temp staff and the obstacles they face in the efficient discharge of their duties necessitate the need for intervention to mitigate the factors that cause demotivation and adversely affect their desire to continue to work in this profession. Hence, this study on the triangular relationship gains importance. It is hoped that this work will help to illuminate the contributions and lifestyles of an important group, and fosters a better appreciation of them in society.

This chapter further discusses the growth of the temporary staffing industry since the 1920s and exponential growth in the demand for temp staff in India since then. It is now officially recognized that there is a phenomenal rise in temp hiring through recruiting agencies but the temporary staffing industry is plagued with weak legislation. This highlights the need for intervention to regulate and strengthen the triangular employment relationship. It is demonstrated that the aims, expectations and behaviors of the three sets of participants are often mutually incompatible which limited the maneuverability of each group. This can create outcomes which are often unintended, and frequently suboptimal, for all three parties hence the need for intervention and regulation. The study draws attention to the active steps that the industry has to take to demystify the legally ambiguous 'triangular' employment relationship upon which its very viability depends.

The present study has the following objectives:

1. To study the role of temporary recruiting agencies in labour market integration.

2. To identify the reasons for the client organization, with special reference to the retail industry, to use temp staff, through recruiting agencies.
3. To understand the profile of the temp staff and to examine the factors that motivates them to take up this profession.

4. To study the working conditions of temp staff with focus on aspects such as remuneration, hours of work, shift system, promotional avenues, grievance redressal mechanism, support systems and right to unionize.

5. To suggest measures for improving their working conditions, which have an important bearing on the quality of service they render.

The research design of the study uses a mix of both quantitative and qualitative methodologies. As one of the main objectives was to document and understand the triangular employment relationship, in depth interviews were conducted with the temporary recruiting agency, the client organizations and the temp staff in the selected area. Questionnaires were designed to collect information on both quantitative and qualitative characteristics to understand the staffing industry in depth.

Primary data was obtained using a structured interview schedule, with some open-ended questions. A pilot study was undertaken at the preliminary stage before administering the questionnaire in the selected area. This exercise helped to include questions that were not considered earlier as also to delete those where respondents were ambiguous or where no answers were forthcoming. Analysis of the data gathered by the interview schedule was done with the help of the SPSS package.

Two stage sampling method was used in the study. List of staffing agencies was obtained from the Indian Staffing Federation (Apex body of recruiting agencies) and the list of client organizations was sourced from them. List of the temp staff was obtained from the client organizations. Given the nature of work done by the temp staff, which requires them to work with different clients and in shifts, it was difficult to adopt the pure random sampling for interviewing temp staff. Hence, the method of
convenience sampling was adopted. Interviews were taken of temp staff, who were on
duty, on the day of the researchers visit. Primary data was obtained using a structured
interview schedule; with some open ended questions with three groups of participants,
temp staff, agency representatives and representatives of client organizations. All
interviews took place from November 2011 to February 2012. Participants were
gathered from a variety of locations in the Mumbai area.
The study includes temp staffs who are on the payroll of the staffing agencies and
does not include temporary workers who are directly hired by the company. Temps in
the study are on the rolls of the staffing firm and not the company that deploys them.
This study focuses only on white collar temps, though agencies may hire even the
blue collar workers.

Chapter II: Review of literature
This chapter reviews existing literature on the temporary staffing industry, examining
the triangular relationship between the temp staff, the client organizations and the
agency, highlighting various aspects that have been explored in different studies on it.
These aspects include the role of temporary recruiting agencies in labour market
integration, reasons for the client organizations to use temp staff through agency,
reasons for temp staff to engage in temporary work through agencies, satisfaction
level of the temp staff with job and working conditions has also been explored,
though there are a few studies on it.
Studies reveal that staffing firms add value to the economy by facilitating greater
efficiency in labor markets: resources are allocated where and when they are needed,
while minimizing the costs of hiring and dismissing that personnel (Lipps, 1998). It
also brings out the complexity of triangular employment arrangements as a result of
which temp staffs are often confused about their actual employer.
Most studies reveal the main reasons for clients to hire temp staff through agencies such as and trimming down of the cost, sustaining business cycle continuance, sourcing employees at a short notice, ease in availability of specialized skill, enabling corporate to concentrate only on core functions, meeting employment flexibility, endorsement of recruitment, training, development and replacement by the agency, agencies support in managerial and legal compliance of its workers.

The studies have also highlighted profile of temp staff including details of their age, educational qualifications, marital status, experience and factors that motivate them temp. Motivations can range from wanting to work for a finite period of time, preferring the flexibility associated with casual or short-term work arrangements, wanting to earn gain experience of various organizations, or not being able to find a suitable permanent job. Most studies on the temp staff have focused on their working conditions with detailed study on aspects such as remuneration, availability of facilities, opportunities for career advancement, affiliation to union, support systems and crisis management. The studies have also highlighted the difficulties experienced at the workplace such as absence of job security, inconvenience shift system, pay and promotion discrimination, not allowed to participate in decision making, limited progression, financial uncertainty and feelings of isolation. Finally, the satisfaction level of the temp staff with respect to the working conditions and the status of the temping profession in the country has been examined over a period of time.

Considering the current economic scenario where to be cost effective is important, recent studies point that temping  is bound to succeed in a big way as the trend so far portend. Like many other initiatives undertaken due to globalization, this would also come to stay and deepen its impact.
The sub sections in this chapter are based on the above mentioned aspects, covered by various studies on the temporary staffing industry.

**Chapter III: Overview of the retail industry in India**

This chapter deals with the background of the retail industry in India in the light of the current reforms. Organized and unorganized segments of the retail industry have been examined in the country. India’s retail fundamentals and drivers fuelling the growth of the retail sector are analyzed. Key Indian & Global Players in the Retail Industry are studied. Potential of organized retail in generating employment is investigated. Post liberalization, organized retailing has experienced exponential growth and a major fallout of this is the opening up of the wholesale, multi brand and single brand retail sector to foreign direct investment (“FDI”). Huge investments in the retail sector has the potential of generating employment opportunities. Big organized retail stores and chains are going to appoint and hire a lot of people. The latest trend of weekend shopping has created the need for more staff especially in weekends and on festivals. Until now, retailers were directly hiring temps, but now an increasing number of companies are using the services of recruiting agencies.

Temps, comprise three categories in the retail sector - frontline (counter jobs) employees, those on merchandising rolls (these need some previous retail experience) and those hired by specialty retailers. The types of temping roles have changed in the recent times and there is an increasing diversity in the types of roles offered. India is considered to be one of the most desirable retail destinations in the world. India’s twin growth engines of economic growth and demographic profile set it apart from other nations and present a compelling business case for global retailers looking forward to enter the Indian market. Employment opportunities will multiply with the influx of foreign retailers which will propel the growth of the staffing industry.
Chapter IV: Role of temporary staffing agencies in labour market integration

This chapter explores various services provided by the temporary recruiting agencies. It examines the key industry verticals who are availing services of agencies, to deploy temp staff, on a large scale. The work and worker profile in the staffing industry is examined.

The Agency/Temp staff relationship is delved into with reference to provision of statutory benefits and other facilities due to the temp staff. It also examines motivations for the client organizations to hire temp staff through agencies as perceived by the agencies.

This chapter also investigates challenges faced by the agencies, which can be a major impediment to the growth of the temporary staffing industry. Strategies used by the agencies to strengthen temp engagement are studied.

Chapter V: Motives for client organizations to opt for temping

In this chapter we take a closer look at reasons for organizations to use temp staff through agencies, with special reference to the retail sector where temp hiring has increased in the recent past. Questions are raised whether using temp staff enables the client organizations to control the adverse impact of attrition. The Client – Agency relationship is also analyzed in terms of sharing of responsibilities between them.

Problems associated with use of temp staff are investigated. For the well being of the temp staff facilities provided by the client organizations are analyzed. Initiatives taken by the organizations to motivate temp staff have been explored.

Chapter VI: Profile & Working Conditions of Temp Staff

This chapter highlights the findings of the study in respect of the profile of the temp staff. The information building up their profile comprises details about their age,
marital status, educational qualifications and experience. The study also explores the factors motivating them to join the temping profession.

This chapter explores in detail working conditions of temp staff with detailed study on aspects such as availability of assignments, remuneration, increment, hours of work, shift system, availability of social security, grievance redressal mechanism and support systems. Questions relating to affiliation to temps’ union/association and temps’ demands are raised and also how their work impacts their health and family life. Work profile of the temp staff has been analyzed with reference to the retail sector. Scope for improving professional competence in terms of training received, recognition, opportunities for career advancement and performance appraisal are highlighted. This chapter has also explored the difficulties reported by temp staff at their workplace and the expectations they have from their agency.

Views expressed by temps about their profession have been examined. Reasons for being satisfied/dissatisfied in this profession are investigated. Temps views on the perceived benefits to client organizations for using flexi staffing has also been investigated.

**Chapter VII: Summary, findings and recommendations**

This chapter presents a summary of the work done in the thesis. It highlights the findings of the study with respect to the role of temporary recruiting agencies in labour market integration, motivations for the client organization to use temp staff through staffing agency, profile of temp staff in the selected area as also their working conditions and satisfaction with it. On the basis of the difficulties and problems cited by the temp staff themselves and the expectations they have from the agency and the client organizations, some of the recommendations that would enable them to
discharge their duties efficiently and also help in improving their economic and social status.

7.2 Findings of the study

The findings of the study with regards to the questions asked to the temporary staffing agencies are as follows:

1. The study highlights the following points which reveal the active role of staffing agencies in the labour market:

   - *Create new jobs and skills and ensure a better match between supply and demand*

     Flexi Staffing intermediaries create new jobs and help to boost employment. The sector creates jobs that otherwise would not exist and is particularly effective in placing disadvantaged and under-represented groups in society, thereby providing a way for them to access job markets and join the world of work.

     In addition to job creation, the flexi staffing industry also enables matching of skills to market requirements and structural changes. The training provided by flexi staffing agencies helps re-skilling workers, allowing them to move from declining sectors to the ones where demand is high. It also has the potential for upgrading skills of workers and bridging the skill gap.

   - *Staffing intermediaries help firms in adapting to volatile situations*

     With the global economy entering into a period of long term uncertainty, any form of planning has become increasingly challenging. In such a scenario, flexibility has emerged as the need of the hour. The ability to quickly respond to volatility has acquired immense importance. The main attraction of these agencies is the flexibility they provide in manpower planning, allowing companies to better adjust to volatile demands. The staffing intermediaries play a crucial role in navigating the seasonal, cyclical and structural shifts in the labour markets and matching the forces of demand and supply more efficiently. The option to deploy
flexi staff enables companies to better absorb cyclical fluctuations through easy workforce adjustment and assures them of on time access to a pool of workers with required skills.

- **Allows companies to focus on their core business**

These agencies reduce the burden by managing and coordinating all hiring and screening processes of companies, adhering to various legal compliance requirements and eliminating issues with multiple billing processes. The agencies with their large networks of offices have the expertise to provide customized solutions to companies’ staffing needs and to work with them in managing human resource planning and risks. They hold the potential to deliver results across all forms of staffing related issues, which allows organizations to explore growth and attain a competitive edge over others.

- **Agency work improves companies’ competitiveness.**

To remain competitive, organizations must improve their response to output fluctuations, by adapting their workforce and skills to changes in a competitive environment, and focusing on their core business. The range of services proposed by private employment agencies answers these challenges.

- **Facilitates transitions and labour market mobility**

Staffing agencies are likely to be ‘transition agencies’ in the sense that they do not only facilitate an individual’s transition from unemployment to employment, from education to work, but also provide a worker with the skills (and experience) that are relevant for future, permanent jobs. The industry also helps people move from part time to full time jobs (or vice versa), across locations guided by aspirations, preferences, needs or suitable opportunities. The industry’s ability to identify new work opportunities also ensures that workers remain gainfully employed and that the provision of the skills training necessary for available jobs serves to smoothen the
process for both employers and workers. Flexi work often provides the first opportunity to the youth to acquire work experience and enhance their skill set, and in the process plays an important role in their transition from education to work.

2. Staffing agencies confirmed that they assumed responsibility of recruitment, statutory employee benefits training and development, replacement of the temp staff for the client company for which they charged a fee to the client organizations. The data reveals that the staffing agencies were offering a wide range of services, often combining services as per the request of the client. In the overall sample, all the agencies confirmed providing the following services: Temporary Staffing, Permanent Recruitments, Payroll Process Outsourcing, Regulatory Compliances Services, Assessment Services and Corporate Training services.

3. The findings of the study revealed that the key industry verticals such as FMCG, Retail, Consumer Durables, BFSI, Telecommunications, Hospitality and I.T. were using temp staff in large numbers. Agencies confirmed that there is a very high demand for temps from the retail sector which has got a major boost from the opening up of FDI. The agencies confirmed that their services are availed by corporates transcending industry, size, location and skill segments. It was revealed that by them that high costs of training and sudden spurts of client demand have been encouraging players in these sectors to utilize the pool of temporary staff made available to them by various agencies.

4. Agencies cited an extensive array of different categories of people who choose to temp. They reported recruiting fresher’s in large numbers on their rolls who temp to gain work experience and professionals in various fields who have proven abilities in their respective fields.
It was reported by all the agencies that fresh graduates/ first-time job seekers account for the majority of flexi staffing employees. Staffing agencies confirmed that maximum workers in the flexi staffing industry fall is largely young. This highlights the importance of the flexi staffing industry for the section of our youth just out of college or with minimal work experience. Utilizing the work experience gained while working in flexi jobs to their advantage, they enhance their skill profile and increase their chances of being absorbed into the regular workforce.

5. In the overall sample it was seen that a majority of agencies confirmed that the temps in the retail sector had qualification upto graduation. The data reveals flexi staffing industry in India has high potential to create significant job opportunities for those with average academic background. Flexi staffing industry is an important avenue of employment for job seekers with graduate degree in general streams (Bachelor of Arts, Bachelor of Science, Bachelor of Commerce), or lower qualifications.

6. Interviews with the agencies reveal that majority of the temp staff in the retail sector were involved in low end to moderate skill jobs like counter sales, sales and marketing, customer service, cashiering and others and very few were with high end profiles like stocking, supply chain& logistics, procurement, merchandising and others. The work profile spread from low – end mundane jobs to positions of greater responsibility and are often placed in roles that are critical to business success. There has been a shift in the way temp staff is being used by contemporary firms.

7. The fact that the retail sector in India offers jobs requiring low to moderate skills is also evident from the response to the query on the flexi staff monthly salary. Agencies pointed out that for high end jobs salaries offered were higher. Additionally agencies pointed out that on the basis of experience there were variations in salaries.
It was understood during the course of discussion that temp salaries were catching up with the permanent ones.

8. It was reported by all the agencies that the temps were eligible for provident fund, gratuity, and leaves. Weekly offs and sick leaves, they confirmed, were given but at the discretion of the client. Agencies pointed out that the time period for which temps were associated with the agencies also determined their access to social security benefits. Absence of unionization among temp staff was confirmed by all the agencies that is temp staff are not members of any trade union or independent staff association. Agencies were not interested in temp staff not having trade union representation. According to them there was no necessity of them to unionize as they were getting benefits due to them. All the agencies confirmed that they impart specific job training for which they have a separate training wing. They pointed out that though they offered training facilities in case of certain clients there was no demand for training as they preferred to provide training on their own.

9. Reasons for client organizations to use temp staff as perceived by agencies are: meeting unexpected changes and seasonal demands, reducing costs and speed of availability of temp staff from agencies.

10. Cost of training, attracting right talent, handling issues and claims of employee benefits emerge are major challenges for the agencies. Emphasis on strategies to strengthen temp engagement such as competitive pay, opportunities to become permanent staff, training, executing an effective communication plan between the employer and the temp on subjects of job performance, appraisals, feedback have been observed. Greater emphasis on strategies to improved temp engagement by the agencies reveals that the agency understood the direct correlation between employee satisfaction and employee productivity.
The findings of the study with regards to the questions asked to the client organizations are as follows:

1. Analysis of the client-agency relation reveals that as the temp staff is on the payroll of the agency there is little responsibility for the temp on the client as the agency is its legal employer. Additionally, responsibility of training and statutory employee benefits did not fall on the client.

Clients reported that staffing agencies work with them in hiring or identification of temp resources and take on the selected resources on their payroll for providing services to the client. Alternatively they also take on their payroll, resources pre-identified by clients or existing through some other arrangement. Majority of the agencies confirmed that they were associated with a single agency as they were able to get a continuous and uninterrupted supply at times when they needed temp staff.

2. Client organizations reported that the primary advantage of a more flexible workforce is the ease and speed of availability of specialized skills, flexibility of employment and reduced costs and other reasons include screening for permanent jobs, ability to concentrate on core functions, handling endorsement of recruitment, training, and replacement by the agency. Majority of the organizations confirmed that use of temp staff through agencies enabled them to control the adverse impact of attrition.

3. The client organization revealed the areas in which temp staff is employed in retail. It was revealed temporary retail openings are available in more than counter sales, customer services and sales and marketing. Retail companies said that the recent trend of weekend shopping gaining momentum, during the holiday rush, large retail stores need people for merchandising, cashiering, stocking, pricing and tagging.
In addition people are required for supply chain and logistics. The data reveals that the work profile spread from low-end mundane jobs to positions of greater responsibility and temps are often placed in roles that are critical to business success.

4. Morale and employee relation problems was identified as a major difficulty of using temp staff as they are working alongside permanent employees for months, doing the same work and putting in the same hours, but not receiving the same benefits given to their permanent coworkers. Another disadvantage of using temp staff is that they are generally less reliable than their permanent counterparts.

5. The study reveals that the client organizations provide temps access to some facilities at the workplace. These facilities include: leaves, incentives and recreation. Leave facilities were in the form of weekly offs and sick leaves to the temp staff. Recreation facilities were in the form of get togethers, picnics and access to recreational facilities at the workplace. Incentives was also reported to be given to the temps for achieving job targets.

6. Offering opportunities to become permanent staff of the company was cited as one of the most common initiative to motivate temp staff. Other initiatives include installing an effective recognition mechanism like that of the permanents, executing an effective communication plan between the employer and the temp on subjects of job performance, appraisals and feedback. Majority of the clients reported that not looking at temps as a stop gap arrangement affects the motivation and commitment levels of the temp staff. Awards and rewards were also reported to be used to motivate temps. Performers were given cash rewards, sales incentives for good work and they could additionally contest for awards which were given to the top performers or the deserving candidates. The opportunity for training is another motivating factor.
The findings of the study with regards to the profile and working conditions for temp staff is as follows:

1. The profile of the temp staff respondents in the study highlights the predominance of the temp staff in the age group of 21-30 years. This explains the predominance of temp-respondents in the younger age-group in the sample. Fresh graduates and first time job seekers account for the majority of the temp staff. Results indicate a significant difference in the age distribution between males and females. Males are more in younger age groups (<25 years) whereas females are more in older age groups (26-30). As the temp staff is predominantly young it was additionally observed that majority of them were unmarried. Results show significant difference in the marital status of males and females. More males are unmarried and more females are married. Analysis of data on educational background reveals that a larger proportion of temps had studied only till undergraduate level and a comparatively smaller percentage had reached the graduation level.

2. Analysis of the experience of temp staff indicates a larger proportion of temp staff having relatively less experience (up to 5 years) in their current jobs. The predominance of younger age group could be a possible explanation for this. Analysis of results shows significant difference between males and females about their experience in the current job. Males are less experienced whereas females are more experienced. The temp staff in the overall sample were asked if they had previous experience in working in a sector other than the one currently working in to which only a small percentage said yes. A big majority of temps said that they did not have experience of working with other sectors. One important point to note here is the lack of movement across sectors among flexi staff. Though this is not a bad thing per se, but to an extent limits the diversity of skills acquired.
3. The most common response to the question on what motivated them to join the temping profession was ‘absence of a permanent job’, followed by ‘ease of getting a temp job’. Other reasons include gaining experience, step to permanent employment, pursuing education, flexibility in schedules and time for hobbies and leisure and competitive salaries.

4. The preference for permanent job among the temp respondents is observed to be high. 52% of respondents said that they will immediately accept a permanent job offered to them. Though client companies regularly make direct and/or permanent job offers to hired flexi staff, the frequency and extent of absorption is not known. This also depends on a match between job requirements and skill profile on offer as well as on job performance.

5. The temp respondents who said that they would recommend the temping profession to others said that they would do so only to those who were unable to get a permanent role as they were dissatisfied with the following aspects of temp jobs: fear of not having ongoing work, limited progression, tying up of benefits with length of service, pay and promotion discrimination, feelings of isolation, handling diverse range of assignments that may or may not build on previously mastered skills, no union, weak grievance redressal mechanism and weak support system.

6. All temp respondents confirmed that they were registered with a single agency for a number of reasons as they were able to get adequate work from one agency and it was easier to build a relationship and a reputation with one agency. In the study most of the respondents reported working without any break and being in continuous employment. This indicates the ample demand in the market for short duration employment contracts and the ability of staffing agencies to successfully tap this market. It is understood that majority of the temps were offered back to back contracts
by agencies. Majority of the temps confirmed that though there were back to back contracts offered by agencies there was a constant fear of not having ongoing work and a major concern for them was that clients could terminate them suddenly. It was further reported that agencies did not have any compulsion to give guarantee of ongoing work. Majority of the temps reported that most of the times there was mismatching of temp preferences and assignments offered by the agency.

7. The fact that the Indian Staffing Industry currently caters to mostly the low end job market is also evident from the response to the query on the flexi staff monthly salary. It was reported that salaries were fixed by the agency in consultation with clients. Also it was pointed out by the temps that the salaries had increased over time. Majority of the temps in the overall sample felt that they were not paid fairly as compared to the permanent staff.

8. Increments were fixed by agencies on the basis of client feedback and on satisfactory completion of assignments. A majority of the temps reported that their increments were neither regular nor fixed and in some cases, it was after repeated requests to the agency. The temp respondents confirmed that they received allowances such as basic & dearness allowance and housing allowance. They hoped to get other allowances which were received by the general workforce.

9. Social security measures were provided by agencies and not the clients. Temp respondents were eligible for provident fund, gratuity, medical insurance (ESIC) and pension. The study reveals that the client organizations provide temps access to some facilities at the workplace. These facilities include: leaves, incentives and recreation. Weekly offs were received by all the temps and sick leaves were sanctioned at the discretion of the client organization.
10. Temps in this study were employed in a variety of roles, including many that could be considered integral to the functioning of the business. Interviews with temps confirmed that temporary retail openings are available in more than counter sales, customer services and sales and marketing. Temps confirmed that there were a range of jobs for which their services were demanded: merchandising, cashiering, stocking, pricing and tagging. In addition there were jobs in supply chain and logistics. There has been a shift in the way temp staff is being used by contemporary firms. They are no longer used just as ‘fill-in’ labour or as a stop-gap measure related to changes in the business cycle. Most of the flexi staff are working 6 days a week. Majority of the temp respondents reported that on most days they worked for more than eight hours and were dissatisfied with the inconvenient shift system and denial of compensation for overtime.

All the temp respondents in the overall sample reported working in shifts. It was revealed that the shift system affected their family and social life. A large number confirmed that their health was not impacted by work. Additionally temps reported that there was no compensation for overtime.

11. With respect to responsibility for training majority confirmed receiving training from the agency. Large number of temps confirmed that they were sent for upgrading skills/ on job training by the agency to be able to handle specific assignments. Respondents confirmed that they were trained as per client requirements. Around one third of the temps confirmed that they picked up their skills while working without any specific training. Many of them would have remained unskilled and at the bottom of the employment ladder if the opportunity of working in the flexi staffing industry, albeit the temporary nature, was not there. This highlights the
potential of the flexi staffing sector as bridging the skill gap the industry regularly laments about.

12. Scope for promotion was confirmed by 48% of temp respondents. Those who confirmed scope for promotion said that it depended largely on seniority and performance, with the discretion of the authorities (both agency and client) also playing an important role in it. Of those who felt that there was scope for promotion, 65% of these respondents had not received any promotion. This could be partly explained by the fact that a number of them were fresh recruits and had little experience to be considered for promotion.

13. Performance was evaluated informally was reported by majority of the temps and a few confirmed that annual appraisal report by seniors decided their performance. Punitive action against temp staff whose performance was not up to the mark was reported to be taken. Issuing memo and suspending the temp staff was the most common action taken by the clients.

14. A wide gamut of difficulties was reported by temp respondents at their work places. Fear of not having ongoing work, financial uncertainty, limited progression and feelings of isolation emerged as the most pressing and chronic problem reported by temps, though there were other reasons too that bothered them. It was reported by all the temp respondents that they did not have any union or association for representation of demands and was one of the issues that bothered them in a big way. Others difficulties reported are: weak grievance redressal, discrimination of different types and weak support systems.

15. The main challenges of temping pointed out by temps are: absence of union, attitude of client organizations and maintaining relation with agencies. Temps
reported that they had expected agencies to look into issues concerning their pay and career progression.

16. Grievance redressal systems were put in place by staffing agencies, though the system is revealed to be weak. There is a need to raise the awareness level among their employees and distil more confidence in them that their workplace related complaints will be taken more seriously. A majority of temps reported that they reported grievances directly to the agency and confirmed that follow up action was taken only in critical cases. Majority of them reported that the staffing agencies did not take their workplace complaints seriously. A large number of temps were dissatisfied with the grievance redressal system.

17. With respect to support systems a majority of the temps reported that in case of sudden illness of a family member/ emergency clients did permit them to adjust their duties but only in critical situations and depending on the adjustment of workload. While cooperation from colleagues was reported permission for adjusting duty timings was at the discretion of the client and was permitted only in case of an emergency. Majority of the temps confirmed that in case of a financial crisis neither the client nor the agency provided monetary assistance and they had to manage with own funds.

18. Union or association for representation of demands was absent for the temps. During the course of discussion the need for a separate union to take up issues of salary and job security was expressed by all. Other issues which the temps wanted the union to take up were benefits equivalent to permanent staff, career progression, strengthening of the grievance redressal system and the support system.

19. Temp respondents when asked to elaborate on the situations under which they felt satisfied, respondents came up with varied experiences. A number of temps
expressed that they had a preference for temping as they got an opportunity to work for major brands on short term projects and gain experience, which is difficult to crack otherwise, and narrowing salary gap between flexi and permanent jobs, which is expected to close shortly, ease of getting temp jobs as compared to permanent roles, were some of the strong positives of the profession pointed out by them. Some of the other benefits revealed by the temps include: a job better than no job, multiple job opportunities and stepping stone to a permanent job.

20. Temps had clear views of the special value which they brought to the organizations in which they worked. Reduced costs and avoidance of legal liabilities were cited as main motivations to use temp staff. Other motivation includes flexibility of employment and screening for permanent jobs.

7.3 Recommendations

Given the wide spectrum of problems faced by temp staff, strategies to tackle these issues need to be multi-pronged. The following recommendations seek to address the needs of the nursing personnel and can go a long way in ameliorating the difficult conditions under which they work.

1. A legal definition for the flexi staffing industry and due recognition as an employment service

An explicit legal definition of the industry should be introduced by enactment of new legislation or appropriate amendments to the existing laws governing employment relations. The flexi staffing industry in India, despite its recent vintage, has grown into one of the top five international markets. However, it does not suffer from the dubious distinction of being the only country at the top of the table that recognizes the industry
nor has a set of enabling regulations for the market. The C181 (C181 - Private Employment Agencies Convention, 1997 (No. 181) definition can be adopted here:
Services consisting of employing workers with a view to making them available to a third party which assigns their tasks and supervises the execution of these tasks.

2. Define the operational requirements for the flexi staffing agencies and user company. Ensure strict compliance by all

Though barriers to entry are not desirable, some provisions to regulate the operations of the flexi staffing agencies are needed.

i. All flexi staffing agencies should be registered with a designated central body. A minimal capital requirement of Rs 10 million can be considered. Similar to the Chinese system, no separate license or personal/professional qualification should be required to start a flexi staffing agency. However anyone with previous criminal background or history should be barred from starting a flexi staffing agency.

ii. Individuals/ Companies that default on timely payment of wages or statutory dues should not be given permission to set up Temporary Staffing Companies.

iii. Licensed Companies that default on timely payment of wages or statutory dues will have their licences revoked.

iv. It should specify the operational conditions like technical standards, codes of ethics, dispute resolution mechanism, fees, and so on for smooth operation of the industry.

v. It should specify the nature and coverage of contractual obligations between the agencies and the workers as well as between the agencies and the user company.
vi. Contracts between workers and agencies should specify information such as name of the user company, job position, salary and benefits, place of work, work conditions, and length of assignment.

vii. Contract between agencies and user companies shall specify job position, number of vacancies, assignment period, amount and means of remuneration, social benefit, default liability, place of work, work condition, and other relevant terms.

viii. Considering that an overwhelming large proportion of the flexi workers are young and just out of school, there is a need to develop a skill development programme. A dedicated contributory skill development fund should be considered, with active contribution and participation from the Government.

ix. There should be legal provision against unfair/misleading advertisements.

x. A mechanism for cooperation between private flexi staffing agencies and public employment agencies (e.g., employment exchanges) should be developed in matters of information pooling, job vacancy information, and so on.

3. Protect the flexi-workers’ rights

The legal ecosystem for the flexi staffing industry must have adequate protection for the flexi workers’ rights. The following are some of the areas which shall require particular attention:

i. No fees should be charged from the flexi workers by the flexi staffing agencies.
ii. Flexi workers should be given a written contract specifying the terms and conditions of employment.

iii. Flexi workers should have access to the terms and conditions of the contract between flexi staffing agencies and the user company.

iv. Minimum wages, as defined by appropriate laws and notified periodically, should be paid. There should be parity in compensation between a flexi worker and a permanent worker doing the same job in the user company and having the same level of skill. The difference, if any, should be explainable by factors such as qualification and experience.

v. Providing adequate compensation for overtime and other incentives. There is a need to enforce labour standards and make it mandatory for authorities to adequately compensate temps working overtime and on public holidays. Yearly increments to be made mandatory which could act as an incentive for better performance.

vi. Salary payments should be paid through the banking channels to the extent possible.

vii. Remuneration once paid by the user company can neither be withheld nor any deductions made by the staffing agency under any pretext.

viii. There is a need to regulate and strictly enforce working time (including overtime).

ix. Work conditions should be comparable to permanent workers doing the same job in the user company.

tax. Access to statutory social security benefits should be ensured. The terms of benefits should be the same as permanent workers in similar job in user company.
xi. No discrimination should be allowed on the basis of race, caste, region of origin, sex, religion, age, disability, and political opinion.

xii. Right to freedom of association and collective bargaining should be ensured.

xiii. Access to training to develop or enhance skills should be provided. Guidelines requiring provisions for minimum training as well as encouraging Private Public Partnerships for training flexi staff should be considered.

xiv. There should be no restriction in occupational mobility – from job to job, from one agency to another, or from a flexi job to a permanent job at the user company.

xv. Guidelines for occupational safety and health, and compensation in case of occupational accidents or diseases, needs to be outlined.

xvi. Maternity protection and benefits, and parental protection and benefits should be ensured.

xvii. Provisions for protecting workers’ claims in case of insolvency of the flexi staffing agency and/or the user company should be included.

xviii. Support from seniors in the form of flexible working arrangements such as adjustment in duties and shifts to accommodate family considerations and allotment of lighter duties to expecting temps during the last quarter of pregnancy would go a long way in supporting temp staff.

xix. Grievance redressal systems need to be set up in consultation with all the stakeholders. Concerns expressed by the temps need to be addressed on a priority basis and appropriate action taken to resolve their issues. It is equally important that appropriate mechanisms are set in place to give a fair hearing to all parties involved in disputes before a decision is taken by the authorities.
xx. National Ombudsman needs to be appointed to address and respond to any query, issue raised by any flexi worker. The process of redressal and how one can approach the National Ombudsman needs to be widely publicised and promoted.

4. Clear enunciation of responsibilities and obligations of flexi staffing agencies and user company

In a scenario of a tripartite relationship between the workers, the flexi staffing intermediary and the user company, there needs to be clear delineation of the responsibilities and obligations of both the flexi staffing agencies and the user company in matters like the process of hiring (e.g. nature of contract between the worker and the flexi staffing agency on the one hand, and the agency and the user company on the other, contract specifications, terms of employment), responsibility for wage payment, social benefits, workplace safety, and grievance redressal.

The obligations of the flexi staffing agencies can be made a part of the registration process. Such codification will allow only players fulfilling a minimum criteria and weed out the others.

Moreover, there is a need to develop a mechanism to specify the responsibilities and obligations of the user company too, perhaps at the time of signing of the contract between the agency and user company. Firstly, this requirement is necessary as flexi workers will be deployed at the premises of the user company and will also work under their direct supervision. Secondly, it needs to be ensured that the search for best price by the user companies should not in any way compromise the workers’ interest.
5. **Facilitation of a suitable, legal and regulatory environment that is positive and supportive for the temporary staffing industry**

Legal recognition to the industry so as to prevent the entry of non-compliant operators is the need of the hour. The flexi staffing industry is unique in its structure in comparison to other employment services. With its tripartite employment relationship between the worker, user company and flexi staffing intermediary, it creates some challenges for a legal system which is essentially designed for a bipartite direct employer-employee relationship.

An interim set of suggestions on how the present legal provisions can be suitably amended has also been presented. To increase ease of compliance, there exists a well-reasoned need to shift from complexity to simplicity. A single labour law covering all aspects may not be possible. Different labour laws serving similar purposes can be integrated into a single unified enactment using uniform definitions and made applicable to all categories of employees and establishments. For example, Trade Union Act, 1926; Industrial Employment (Standing Orders) Act, 1946; Industrial Disputes Act, 1947 can be combined into a single ‘Industrial Relations Act’. Similarly, all Acts related to social security (or wages or work conditions) can be amalgamated into a single Act.

6. **Best Practices of Staffing Companies**

As a best practice, staffing companies must abide the following:

i. Cover the temp workers under additional Group Mediclaim and personal accident insurance coverage. This is over and above their coverage under ESIC.
ii. Facilitate opening of Bank Accounts/Payroll Cards for the Temp Workers and each Temp Worker is either paid salary through an account payee cheque or through direct bank transfer into their accounts.

iii. Organize rewards and recognition programmes for their high performing temp workers in consultation with the User Companies

iv. Provide temps with ongoing support to address their issues or concerns around their employment

v. Provide skill development opportunities to the temp workers in consultation with the user companies.

7. Uniform implementation of rules and facilities for temp staff across the city

It is important that uniform set of rules and conditions of work apply to temp staff in all agencies in the city so that there is no discrimination felt by them.

8. Central Body: All flexi-staffing agencies to be registered with a designated central body. Establishment of a code of conduct and quality standards for the staffing industry at large.

9. Representation and participation of temp staff in policy-making

There should be representation of temp staff in unions, which would help to highlight various issues relating to their profession, at different levels. Further, greater participation of temps in planning and decision making in employment policies would help in setting and achieving realistic health goals. Unionization of the temp staff must take place which can help them address their specific problems.
10. **Legislation to enforce a compulsory period of contract**

Enforcing a minimum period of contract to serve an agency to tackle the problem of high attrition observed in the temping profession. Fixing a certain minimum period of contract to serve in an institution could help to some extent to tackle the high attrition rate seen in the profession.

11. **Regular training programmes to be made mandatory for upgrading skills and motivation levels of temp staff**

Continuing education and in-service training (both, at the workplace and outside) need to be made compulsory to update and upgrade the knowledge and skills of nurses. Facilities in the form of paid leave, payment of course fees or training costs and adjustment in the hours of work should be provided to temp staff to enable them to participate in these training programmes. It is equally important to periodically update the training programmes so that the temp staff are able to cater to the skills demanded in the current times. Agencies must be mandatorily required to provide training beyond basic.

12. **Strengthening database on temp staff, so that an appropriate policy to regulate can be put in place**

Non availability of reliable data on the flexi staff comes in the way of planning an effective policy intervention for managing them.

13. **Developing staffing industry as a choice of employment.**

Greater awareness needs to be created among students at under graduate level about temping as a career option. This can be done through wider publicity in educational
institutions, where necessary information and guidance on the temping profession can be provided.

14. **Recognition of work done by temp staff:**

Rewards and recognition programmes for high performing temp staff must be in place in consultation with the client organizations. This can motivate other temps to improve their performance besides giving them their due respect and status in the society.

To summarize, just as we need to ensure adequate flexibility in labour market keeping pace with the current business environment, appropriate legislations also need to be put in place to regulate entry of the flexi staffing agencies and the operational standards of both the agencies and the user company. The researcher feels that the above-mentioned suggestions would go a long way in attaining the goals of equity and efficiency for the temp staff and in according them their due economic status in the society.