CHAPTER II
REVIEW OF LITERATURE

2.1 Introduction

Intermediation is prevalent in several facets of commercial life, be it, in trading or in financial services. Of late it has also emerged in the employment market where services of the new entrants in the job market are procured by intermediaries (recruiting agency) and leased out to the actual users spanning over a whole spectrum of industries. This has taken shape in the form of Temping (Truncated expression for ‘temporary’ denoting temporary job.). Temping, also known as flexi-staffing, is the new buzzword in the corporate world.

A well accepted norm in global companies, many Indian organizations are now opting for temps. (A ‘temp’ is a temporary worker with an organization who is on a third-party pay-roll) from temporary staff recruiting agencies for their non-core functions so that they can focus on their core business strengths. Temping is a three – way arrangement between the employee, the companies who are averse to employing permanent employees for certain jobs, and the Staffing Agency, which play the role of an intermediary. Temps are on the rolls of the staffing firm and not the company that will deploy them. Temps are white collar workers and are different from manual workers who could either be blue or white collar. The research focuses on temps employed through temporary staffing agencies.

Temping being a nascent Industry in India the workforce primarily constitutes persons with 0 to 2 years of experience. We have the fresh graduate on one hand trying to test the waters of the employment market before deciding on a career – launch and on the other we have professionals in certain field who are having proven abilities in their
respective fields. 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. Instead, temporary staff nowadays fills positions of greater responsibility and are often placed in roles that are critical to business success.

What has been rated as the fastest growing HR trend, the phenomenon of temporary staffing is finally catching up in India. Temp jobs are emerging as the first choice for many individuals and firms. The advent of temping 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. Be it in telecom, banking, finance or FMCG, there is an increased demand for temps. It is expected that in the next few years temporary staffing will be more prevalent in almost all sectors not touched by it. The work profile spread from low – end mundane jobs like secretaries, office staff, customer services, data entry, logistics and sales to high – end jobs like Network Engineering, IT and Process Control. This is a clear manifestation of the fact that temps are not only hired for unimportant tasks but also to fill up project specific skilled jobs.

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 employers. 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 everyone is opting for temping. The jobs are available at both ends of the spectrum-entry and top level. The demand for temps is growing exponentially.
Temping on the Indian scene is really an answer to the rigid-Exit Policy on the labour front and it 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. Inspite of being an important component of the labour market, there has been little systematic research on temping. For a long time, the literature that was available on the temping profession in India had been rather limited and was mainly in the form of general statistics and a few surveys and reports of government committee/Commissions. However, since the last decade there has been an increasing interest among academicians in studying the life and problems faced by the temps, the role of staffing agencies in labour market integration and motivations for client organizations to use temp staff through agencies. Different studies have tried to focus on various aspects of temps, including their socio-economic profile, factors motivating them to join this profession, conditions of work, difficulties faced at the workplace, long standing demands, union affiliation, training facilities, scope for career advancement, and status in society as perceived by them as well as by the society.

This chapter reviews existing literature on the temps and staffing agencies who hire them, highlighting various aspects that have been explored in different studies on it. These aspects include the role of temporary staff recruiting agencies, reasons for the client organization, to use temp staff through staffing agency, reasons for temp staff to engage in temporary work through staffing agencies. The satisfaction level of temp staff with job and working conditions has also been explored, though there are a few studies on it.

The present chapter reviews the literature on temping, highlighting the various aspects that have been explored in different studies on it.
2.2 Role of temporary staffing agencies in labour market intermediation

Temping is a three-way arrangement between the employee, the companies who are averse to employing permanent employees for certain jobs, and the Staffing Agency, which play the role of an intermediary. Temps are on the rolls of the staffing firm and not the company that will deploy them.

Temporary staffing agencies offer a plethora of staffing solutions to their clients. The staffing agency has on its rolls employees who are placed with various organizations whose requirements of personnel are of a temporary nature and can virtually meet their requirements overnight through temping. A staffing agency may offer a variety of services, including temporary help, permanent placement, temporary-to-permanent placement, long-term and contract help, managed services (often called outsourcing), training, human resources consulting, and PEO arrangements (Professional Employer Organization), in which a staffing firm assumes responsibility for payroll, benefits, and other human resource functions.

Studies related to the temporary staffing agencies reveal that staffing firms add value to the economy by facilitating greater efficiency in labor markets by playing the role of permanent co-employer with the client company and aiding in labour market integration. It also reveals that the industry has now become increasingly ‘global’.

Studies draw attention to the active steps that the industry has taken to establish the legally ambiguous ‘triangular’ employment relationship upon which its very viability depends. It also brings out the complexity of employment arrangements within firms as a result of which temps are often confused about their actual employer. The services that staffing agencies provide and the problems faced by temps in dealing with agencies have also been studied. The following studies have been reviewed to
highlight various aspects of staffing agencies and their role in labour market integration in the Indian and international context.

In his study Lipps (1998) has highlighted 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. Staffing firms serve an important function in light of the trends toward corporate outsourcing and minimizing risk over future operating costs. The study points out that they provide value to the very employees that are said to be victimized by other alternative employment arrangements. They act as intermediaries in the labor market, matching buyers (i.e., employers) and sellers (i.e., employees) in a manner analogous to any other trading floor.

The study also highlights innovative service offerings by staffing agencies to differentiate in the market. One of them is “vendor-on-premises” relationships; by putting an office at a customer’s site and assuming responsibility for integrating temp help into the human resources needs of the firm, a company can create a deeper relationship with its customer. Other staffing companies win large contracts by locking into long-term agreements on rates, thereby assuming the risk over changes in wages: in effect, those are futures contracts on skill sets demanded in the labor market. Still others bid flat fees on specific projects—in the same manner as consultants—taking on risk over the ultimate duration of the project. Additionally, a few companies combine traditional staffing services with the functions of professional employer organizations. Those organizations service small businesses by putting existing employees on their payroll, processing the necessary legal paperwork, using economies of scale to procure discounted contracts with providers of health care insurance, and assuming risk over worker’s compensation insurance.
In their study Coe, Johns, Ward (2007) have explored the globalization of the temporary staffing industry. Temporary staffing agencies are a form of labour market intermediary, meeting the needs of client companies for contract workers of many kinds. With a core business of labour supply, temporary staffing is a very particular kind of ‘people-based’ business service activity, and one which, by its very nature, is always delivered locally. 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, the study reveals that the industry has now become increasingly ‘global’.

Benner, Chris, Leete, Laura & Paster, Manuel (2007) study conveys the following ideas: Looking at the whole landscape of intermediary activity, they found that agencies may have some potential for improving workers mobility, but they seemed to have little direct impact on improving job quality in the labour market. This is not to suggest that intermediaries do not provide important services in the labour market, indeed, some of their services are likely to have a significant impact on workers economic opportunities. Temporary intermediaries provide valuable services, networking opportunities and political leverage. These various services, however, is limited in their ability to affect job quality, Furthermore, the short term nature of most ties between intermediaries and their worker clients usually limits their ability to improve worker mobility.

In their study, Hatton, Erin, Lichtenstein, Nelson (2011) point out that in the triangular employment relationship, the temp agency acts as the legal employer of temps and contracts out its workers to various businesses. For their part, workers sign up with one, or several, agencies and are sent out to jobs at a variety of businesses. They might work at a particular job for just one day or they might work there for one year or more. Although workers are ‘hired’ by the temp agency, they do not receive a
paycheck unless they are sent out on assignment. Temp agencies typically charge businesses about twice the workers hourly wages. The book also explains how temp agencies make a profit even when the employers shift all costly expenses on them. One explanation is simply ‘economies of scale’. Because temp agencies recruit, interview, train, and manage the administrative paper work for thousands of workers, the actual cost per worker is relatively low. A second way temp companies make a profit is through their expertise in avoiding some of these expenses, particularly workers compensation and unemployment claims. Drawing on their extensive legal resources, industry has aggressively disputed such claims in courts and have had remarkable success.

In their study Peck, Theodore (1998) have developed a conceptualization of the role of the temporary staffing industry (TSI) in the wider economy, with particular reference to the 'home' of temping, the USA. It is suggested that the TSI should be understood as an active agent of labor-market deregulation and restructuring, contrary to the industry's self representation as a neutral intermediary in the job market and as a mere facilitator of more efficient and flexible employment systems. The study draws attention to the active steps that the industry has taken to establish (and defend) the legally ambiguous 'triangular' employment relationship upon which its very viability depends and, more generally, to make and grow its markets in segments as diverse as light assembly and construction work, health care, accountancy, teaching and a range of clerical occupations. The study argues also for a more finely grained analysis of the ways in which the temporary staffing business has itself transformed and restructured - as an inventive and energetic vendor of labor flexibility in what has been an expanding market since the industry's take-off in the 1970s.
In their study, Burgess, Connel (2004) have pointed out the complexity of employment arrangements within firms, created by contracting in / contracting out/sub-contracting creates ambiguous relationships between the employer and the employing organization as a result of which temps are often confused about their actual employer. This also creates legal problems in regard to the employment relationship. According to their study employment arrangements have become fragmented and complex as organizations attempt to reduce labour costs, improve inter-temporal labour, use patterns and limit the overheads associated with employment through flexible employment arrangements. Their study highlights the need for intervention in the triangular relationship between the temp, the agency and the client organization for the steady growth of the temporary staffing industry.

In his study, Davy (2010), explored the triangular working relationship between employers, temporary staffing agencies and clerical temporary workers. The study used a qualitative approach to investigate the interdependent relationship between these three groups within the context of the buoyant Auckland labour market of 2006 and 2007. Interviews with the employer representatives revealed that employers expected agencies to facilitate swift and unproblematic access to a reliable, hardworking and disposable workforce. According to agent respondents, there was an oversupply of agencies, coupled with an undersupply of temporary workers because of which agencies were finding it increasingly difficult to meet their clients’ needs.

The core business of employment agencies in the temporary staffing sector is supplying client organizations with suitable temporary staff on request. The client pays a fee to the agency for hiring a worker and has little responsibility for the worker as the agency is the legal employer of temporary staff. The agency is responsible for the provision of holiday or sick leave entitlement for the temporary worker, paying
wages, ACC (Accident Compensation Corporation) payments and dealing with disciplinary issues. This three-way relationship can be complicated in many ways, but involves minimal responsibility for the client organization because the temporary worker can be returned to the agency once the assignment is completed (or if it is prematurely terminated). Some larger agencies offer on-site arrangements for clients in which the agency manages a complete job assignment, providing supervision of the temporary staff and performance monitoring (Campbell, Watson & Buchanan, 2004). Only larger agencies are capable of organizing this type of service. The study portrays temporary staffing agencies as active and powerful shapers of the contingent market rather than as passive purveyors of staffing services to client organizations. 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.

In his study Dev(2004) highlights various services that staffing agencies provide: It includes:

- **Temporary staffing**: Enabling the client to respond to short-term temporary and/or flexible manpower needs with specific skill set requirements or for supplementing the workforce. These services could be of a part-time, full-time or job sharing nature.

- **Temporary-to-permanent services**: The client can hire associates as temporary employees for a trial period of employment; after a satisfactory trial period, a company has the opportunity to add a temporary worker to its permanent staff; by moving the employee from the agency payroll to that of the business client.

- **Long-term contract**: Corporates can opt to enter into assignments for long-term and indefinite periods of time with the agency.

- **Managed services**: In which the agency provides the onsite management of the contingent workforce at the client facility. It
retains the responsibility for the supervision of the leased employees as well as the accountability for the results of the facility or function that have been leased. Prasad, Sangeetha (2007) studies reveal that staffing agencies play the role of permanent co-employer with the client company. It also highlights some of the major challenges faced by the staffing agency. The temps are the employees of the staffing agencies who are placed in a wide range of temporary positions in the client organizations and enjoy various benefits that include health insurance, pension schemes, vacations, and paid holidays. While the client organization manages the worker, the staffing agency takes all HR responsibilities from maintaining payroll to employee benefits to monitoring workplace safety which saves the clients overheads. The study highlights some major challenges faced by the staffing agency namely sustaining product quality to maintain the client company’s brand name, legal issues that arise with improper employee classification in the agreement, where chances of temps demanding the rights and privileges of a permanent employee might occur, changing government regulations, and protection of intellectual assets and safety concerns. These are the few issues that have to be considered in the temping industry. Pedersen, Hansen, Mahler (2005) studies highlight the role of temporary work agencies in labour market integration. Agency work facilitates search for a job, and may provide an excellent opportunity for the worker to acquire a broad range of experience and contacts. Agency work may thus be a means of integrating new entrants to the labour market into regular employment. The labour market authorities in several Member States have begun to use temporary work agencies as an instrument of active labour market policy. A striking feature of the study is that agency work is used as a policy tool for integrating certain groups into the labour market. These are groups that typically experience difficulty in this regard, e.g. the
long-term unemployed. The study noted that this is an important phenomenon in Austria, Belgium, France, Germany, Sweden and the Netherlands and very soon will encompass the rest of the world. The primary goal of these organizations is to integrate unemployed persons into the labour force by offering them temporary work, and thus an opportunity to transfer into the regular workforce. A secondary goal, pointed out by the study is, to cover costs. Usually, the organisation cooperates with the regional labour market service. The agencies receive subsidies for employing people from various ‘problematic’ groups, in particular the long-term unemployed thus aid the integration of stigmatized groups such as the long-term unemployed, into the regular labour market. There are grounds to suppose that agencies may represent a useful tool in publicly financed labour market policy. The opportunity to earn a wage while being able to sample different jobs and employers and amass a wide range of experience may make agency work an attractive option for marginalized groups. It may also provide the opportunity for stigmatised job seekers to gain a foothold in a user firm – to prove their worth in realistic situations in firms where they might otherwise have been discriminated against.

Alach, Inkson (2003) studies highlighted the problems faced by temps in dealing with agencies. The study highlighted complaints about agencies ‘not listening’, mismatching temp preferences to assignment requirements and the inability to build relationships were cited as sources of concern. Despite the difficulties reported participants in the study preferred to continue temping through agencies rather than setting up as an independently contracted direct-hire temp. The main reasons were, firstly, that agencies had access to a greater range of assignments which increased the likelihood of a varied work-life and decreased the likelihood of being without work. Secondly, agencies were able to access a wide pool of temps, which meant that those
who could foresee the need to take time off at short notice, for family or other reasons, felt more able to do so, secure in the knowledge that the agency can always send someone else. Thirdly, many participants reiterated that their original reason for getting into temping was to reduce work-related stress and it therefore suited them much better to make less money than they might have been able to as a direct-hire temp and avoid the stress and paperwork associated with being self-employed.

2.3 Profile of temps

Studies related to the temping industry reveal that salary raises are now spread over a larger set of profiles across industries and cities. A new trend of multiple clusters of high-skilled, high-paid profiles mushrooming is also noted. Studies reveal that retired professionals, housewives, fresher’s, students and freelancers are the people who have the highest preference for a temp job. One prominent result is that youth employees had the highest rate of temporary employment. Earlier temporary staffers were to be found primarily in functions such as sales, marketing, as desk, back-office operations, accounts and finance, technical support, and HR support. But now the trend is changing. More and more occupations are being added to the list of temporary staffers. The following studies have been reviewed to highlight various dimensions of temps in the Indian as well as in the international context.

Dixon (2009) survey reveals some important characteristics of temps hired through agencies. One prominent result is that youth employees (those aged 15–24 years) had the highest rate of temporary employment. Prime-aged women (aged 25–54), and employees aged 65 years and over of both genders, were substantially more likely to be temping than prime-aged men. In a multivariate analysis of factors influencing the probability of working in a temporary job, life-cycle stage (being at the start or end of
the working age range) and part-time employment were identified as the characteristics most strongly associated with a higher likelihood of temporary employment. More than one third of temporary employees were youth workers (i.e. males or females aged under 25 years). Compared with permanent employees, temporary employees were younger on average and more likely to be female. Around one quarter of temporary employment agency workers were employed in clerical jobs, while the rest worked in jobs requiring a wide range of skills from professional to elementary.

In his study Varghese (2006) highlights that the employment landscape has changed tremendously from what it looked earlier. The workforce today comprises a diverse mix of individuals connected to their organizations in myriad ways: from contract employment, to hourly work, to short-term engagements to consulting relationships. As per the Bureau of Labor Statistics (2005), which takes the broadest measure of contingency, there were 5.7 million contingent workers in February 2005, accounting for about 4 percent of total employment. Some of the findings of the study are: Contingent workers were twice as likely as non-contingent workers to be under 25 years old (27 versus 13 percent), a slightly larger proportion of contingent workers than non-contingent workers were women (49 versus 47 percent), temps were slightly less likely to be white (79 percent compared with 83 percent) than their non-contingent counterparts.

The study also reveals that traditional temps usually filled in positions as clerical administrative desk, call centre etc. but today they are at important designations such as IT consultants, project managers and the like. Traditionally they were vacation fill-ins but today provide experience skills, strategy, project deliverables etc.
Davy (2010) study brings out specific examples of contingent workers: independent contractors (freelance workers); temporary staff hired by organizations via private employment agencies; temporary staff hired directly by organizations; employees on fixed term contracts and casual or seasonal workers. The employment agency is the formal employer for temp staff hired by organizations via private employment agencies. Even though the worker spends most of their time on assignments in a variety of organizations. The organization pays a fee to the agency for hiring the worker but has little responsibility for the worker.

In his study, Aravamudan (2007) finds out that retired professionals, housewives, freshers, students and freelancers are the people who have the highest preference for a temp job. People looking for short-term options, experienced people looking for specific experience, top-notch professionals looking for interim position are all getting hitched on to the temping band wagon. But the biggest beneficiary of this temping phenomenon is the "fresh-as-mint" graduates, waiting to burst in to the job market. Many fresher try the temp job to check out the job-personality fit and chalk out their career path. Another notable trend is that the people in their late 40's are also plunging head long in to the temping market. These are the professionals who are past their professional prime or those who cannot fit snugly in to the corporate groove any more. House wives are also plumping for a part-time job in large retail outlets to man the cash counters during the peak rush hours in the evening.

TeamLease Annual Temp Salary Primer(2011) by TeamLease Staffing Solutions reports a variety of attributes that govern the dynamics of the temporary employment market. For the year 2011 the report highlighted that Indian organized Temporary Staffing industry is growing at 18-20% Y-O-Y. According to the study, salary raises are now spread over a larger set of profiles across industries and cities. This is
primarily because of the rush and need for skills and the right talent. This phenomenon has pushed the median salary increment to 7.3%, up from 5.25% in 2009. The report also notices a new trend of multiple clusters of high-skilled, high-paid profiles mushrooming in 12 of the 14 cities covered in the study. Automobile, FMCG, Food & Hospitality, ITeS and Retail lead the new charge in the pay-for-skills department while Agriculture / Agrochemicals, FMCD and Healthcare continue to improve on their ability to identify, assess and reward skilled talent. Services sector has traditional been the leader in temporary hiring. However, the report finds that this scenario may soon change.

Alach and Inkson (2003) study the range of people who temp. In the study participants cited an extensive array of different reasons people choose to temp. For example: mothers looking for a few days’ work a week or work that allows them to take time off in school holidays; tertiary students look for work during term-time and the holidays, and other people “temp for lifestyle”; immigrants recently arrived and looking for work experience; people who have had a bad experience in a permanent job and are looking for some ‘time-out’ or a less stressful work alternative; “wanting work but no responsibility”; people looking to move into particular industry or field using temping as a “way through the door”; people who “are unsure about what they want to do” and use temping as a way of generating an income while they make that decision; a small, but growing group of ‘career temps’ who, for a variety of reasons, prefer temporary work over all other forms and have no intention of ever returning to conventional employment.
Pedersen, Hansen, Mahler (2006) study of seven European countries highlights main features of agency work. These are Temporary agency workers are often young. One of the most distinct features of temporary agency workers is that they are generally much younger than other employees. In Germany, the average age of temporary agency workers is 37.5 years compared with 41.4 years among employees in the total economy. Likewise, data from Spain reveal that as much as 84% of all temporary agency workers are younger than 34 years, and that 47.2% are younger than 25 years old. The same pattern appears in Denmark, Finland, France and Sweden. Another feature of temporary agency workers is that they generally have a lower educational level than other employees. For instance, in Germany only 13.2% of temporary agency workers hold a university degree, whereas the percentage is 20.8% in the total economy. The same trend emerges in Finland, France, Netherlands and Sweden. However, it should be noted that data from the Netherlands show that many of the temporary agency workers are often pursuing further education while working.

Third Large firms use temporary agency workers more often than small firms. Data from Sweden and Germany indicate that TAW is more common in large companies compared with small companies. In Sweden, 42.4% of companies with more than 100 employees use TAW whereas the percentage is only 18.4% among companies with 20-99 employees. Fourthly No general trend is found regarding gender distribution in the TAW sector there are no general conclusions to be drawn with regard to gender distribution in the TAW sector. Gender differences vary among the countries and could be related to the particular sectors using TAW. In Sweden, the gender distribution in TAW is evenly divided. More men are engaged in temporary agency work in Germany (76.5%), Spain (57.2%) and France (70%). However, more women than men work as temporary agency workers in Finland (55%) and Denmark (70%).
Prasad, Sangeetha (2007) studies bring out the characteristics of temps hired through agencies. People who constitute temp work force are those who want interim options, freshers who desire to gain work experience, skilled people for specific experience to discover new opportunities, to experience flexibility and different company cultures etc. It also includes college students to housewives to retired professionals and those who opt for interim options in their early-mid career for balancing their professional and personal goals.

Reddy (2006) study brings out the nature of industries and occupations where temps are used in large numbers. Earlier temporary staffers were to be found primarily in functions such as sales, marketing, as desk, back-office operations, accounts and finance, technical support, and HR support. But now the trend is changing. More and more occupations are being added to the list of temporary staffers. These occupations range from those requiring specialist skills to general management skills. The media and fashion boom indicates that there is a greater demand for print and TV journalists as well as merchandising specialists. Organized staffing agencies meets temporary staffing needs of manufacturing, construction, retail, banking, IT, BPO, FMCG.

2.4 Reasons for choosing to engage in temporary work through staffing agencies

Studies related to the temping industry reveal that the main reason for opting for a temp job is absence of permanent job. Some of the motivations for temping are: to achieve flexibility in personal lives, to gain experience while hunting for permanent employment, because they are raising young children at home or caring for elderly parents and cannot work a full time schedule, to keep up contacts and interest in the profession when they are retired or semi-retired, it helps to develop new skills, gives broader experience and provides the opportunity to work with various levels of
management. The following studies have been reviewed to highlight various dimensions of temps in the Indian as well as in the international context.

Dixon (2010) survey brings out reasons for preference for a temporary arrangement. The survey brought out responses which were diverse, with no single reason dominating. Thirteen percent indicated that they were working in a temporary job because they were not able to find a permanent job, or said they hoped or expected their temporary job to become permanent. Nine percent indicated that they worked in a temporary job for family reasons, for example to manage childcare responsibilities, or because of certain family obligations or family circumstances. Twenty four percent said they worked in a temporary job because they were studying or wanted to gain work experience. Fifteen percent gave lifestyle reasons, such as only wanting to work for a short period of time, or enjoying the variety that short-term jobs offer. Nine percent cited financial reasons, such as the money being better in their temporary job. One percent referred to health limitations as a reason for working in a temporary job. These results suggest that perhaps percent of temporary workers were in temporary jobs on an ‘involuntary’ basis (the first group identified above).

Davy (2010) study explores a variety of reasons for people to choose to temp. Some people prefer this type of employment arrangement for lifestyle benefits. Some people engage in contingent work in order to have a greater sense of autonomy and flexibility over where and when they work, fitting work in with their particular lifestyle needs which may involve family, travel or study (Alach & Inkson, 2003; Casey & Alach, 2004; Cooper & Lewis, 1999; Lenz, 1996; Thrailkill, 1999). Other people choose contingent employment for career related benefits, expecting to gain opportunities to broaden their range of marketable skills and to develop their networks.
and reputations (Inkson et al., 2001). There is also the aspect of not being exclusively tied to one company as contingent work enables individuals to experience a variety of organisational cultures. Although contingent workers may often be paid less than their permanent counterparts some contingent staff are highly skilled, autonomous workers who can earn higher rates of pay than their permanent colleagues. These contingent workers are mostly found in professional positions (Pink, 1998; Rassuli, 2005) and especially within the information technology industry. Contingent work may also be perceived as offering financial security for workers, being an “easy to get” type of employment for job-seekers compared to trying to secure a permanent job (Alach & Inkson, 2003, p.60). Earning money via contingent labour can be especially helpful for people in-between jobs or workers who are displaced. According to the study another advantage of engaging in contingent work is the opportunity to be offered permanent employment. Some researchers claim that contingent work can act as ‘a stepping stone’ to permanent work, with people frequently being offered a permanent job 2004; Lenz, 1996; Peck & Theodore, 1998). As some employers screen candidates before offering permanent work, the people they most often trial are contingent workers (Lenz, 1996), providing opportunities for people who want to move from temporary roles into permanent work. Conversely, other researchers have found no support for the ‘stepping stone’ metaphor, claiming that temporary work rarely leads to permanent job offers, although it was noted that younger contingent workers were more likely to be offered permanent work than their older counterparts(Korpi & Levin, 2001; Nollen, 1996; Risher, 1997). It is likely that these contradictory findings relate to labour market conditions as in boom times contingent work leads to permanent work more easily than during recessions. Finally, even if temporary work does not lead to permanent, it could still be argued that contingent
labour does provide some form of employment for people who may have limited opportunities of finding regular work via mainstream recruitment and selection procedures, thus enabling them to retain work related skills and labour market participation (Ecliogu, 2010).

Inkson, Heising, Rousseau (2001) study of highly qualified “leased executives” – managerial temps – showed contrasting results for reasons to temp. These authors reported that leased executives used temporary assignments proactively to broaden their range of saleable skills and develop their reputations and networks. Other recent studies signal a variety of reasons that individuals choose to engage in non-standard and temporary type work, including a greater sense of autonomy and control over when and where they work as well as the ability to better manage work in life. These studies suggest that alternatives may exist to the classic “marginalized temp” stereotype.

In his study, Hardy (2000) focused on what temps perceived were the advantages of this way of working. The findings were that the primary reasons for starting to temp were typically the need to earn money while looking for a permanent job, and the desirability of flexible work hours. Temporary assignment was to broaden their range of saleable skills and develop their reputations and networks. Most temporary employees in this study preferred permanent work, and undertook temporary work as a step towards more permanent employment.
In his study, Alach (2001) confirms that flexibility, variety, and the ability to retain a sense of control over whether, when and where to work are key benefits of temping as a way of working. The ability to take time off as and when required was hailed as a major advantage of temping over permanent work. It is ideal for those who do not wish to work full time. A large number of the temps reported that temping enabled them to have time for hobbies and leisure activities. The majority of participants reflected that temping had contributed to their personal and professional development by getting to work and experience different companies, industries, working cultures and management styles all in a short period of time. This study found that temp work was perceived as relatively easy to get: most participants reported that they had been given their first assignment within days, if not hours, of registering with an agency. Several participants contrasted this with the length of time it can take to get a permanent role and concluded that in this sense, temping, if work is plentiful, can often be a more reliable and secure source of income than many permanent jobs which under current employment conditions are always at risk of being made redundant.

According to Prasad & Sangeetha (2007), the attitude of today’s workforce is driven by factors such as monetary compensation, gratifying employment opportunities tied with professional guidance and flexibility to opt the nature of work and time span. People who constitute temp work force are those who want interim options, freshers who desire to gain work experience, skilled people for specific experience to discover new opportunities, to experience flexibility and different company cultures etc. The study further reveals that many prefer to temp to gain some experience in top companies and to display their talents to the client organization, which could pave way for their enduring career. It reveals that temporary employment can also be
considered as a successful entryway to gain admission to big companies. According to this study temps undertake temporary employment due to one or a combination of the above reasons.

In his study, Dev (2004) explains various reasons that motivate people to go for temp jobs. People who want short-term options, freshers wanting to gain experience, experienced people for specific experience and of late even top management guys for interim management options. Apart from the above cited reason another important factor is flexibility to choose the nature and duration of work. Furthermore, many employees choose temporary employment as an avenue to exhibit their talents to the client organisation, which could be a stepping-stone to a full-time permanent career.

Temporary employment has often been an effective entry route into big companies. Reddy (2006) in his study most important reason for temping is the absence of a permanent job. Other important reasons to temp revealed by the study are: to gain experience by working for different companies, to be able to work between jobs, flexible schedules, etc. The study also reveals temporary employment provides an opportunity to prove talent which may be beneficial for future permanent employment with the same organization.

Casey, Alach (2004) study reported a variety of factors that had led to temping which include being in a transitional period (self-defined) of life, such as returning from a long period of overseas travel, being made redundant from a permanent job, own business failing, or experiencing uncertainty in personal relationships. Other reasons included clear requirements for work with flexible arrangements in order to give priority to family life commitments or other interests and pursuits such as sport, political or community activism, voluntary work, cultural and educational interests, and non-work pleasure and recreational activities. Another reason cited for temping
were efforts to accommodate expressed dissatisfaction with conventional permanent and or full-time positions. Another reason for continuing participation in temping was expressed dissatisfaction with experiences of permanent roles. Reasons for continuing to engage in temporary employment illustrated a convergence toward preference. A strong majority (89%) of respondents reported a positive experience of temping for its facilitation of other life priorities, e.g. relational involvements (family or community work) and personal well-being, and their ability to manage its negative aspects, such as employer-initiated terminations and unpredictability. This two-fold aspect featured as the primary reason for continued temporary engagements. Many respondents reported that taking up temporary work in preference to permanent roles was accompanied by a shift in the way they felt about their work. They reported that the flexibility and non-commitment to an employer beyond.

In his study, Woods (1998) pointed out reasons to opt for a temp job. The following are the motivations for temping: to achieve flexibility in personal lives, to gain experience while hunting for permanent employment, because they are raising young children at home or caring for elderly parents and cannot work a full time schedule, to keep up contacts and interest in the profession when they are retired or semi-retired. Another important reason cited is absence of permanent job.

Rao (2006) in his study has highlighted reasons for growing attractions to temping: it helps to develop new skills, gives broader experience and provides the opportunity to work with various levels of management. Temp salaries are catching up and this is another motivating factor to opt for temp job. This transition is another reason why temping is so popular globally. It is used as a stepping-stone to permanent employment. Organizations often absorb leased employees when vacancies arise.
2.5 Reasons for clients to use temp staff through staffing agency

Studies related to the temping industry reveal that the main reasons for clients to opt for temps are: sustaining business cycle continuance, sourcing employees at a short notice, ease in availability of specialized skill, enabling corporate to concentrate only on core functions, covering absenteeism and employee leave periods, meeting demands in peak seasons, for special projects, meeting employment flexibility, endorsement of recruitment, training and development and replacement by the temp firm, temping agencies support in managerial and legal compliance of its workers, trimming down the operation cost of and scalability of benefits. The following studies have been reviewed to highlight various dimensions of temps in the Indian as well as in the international context.

In his study, Lipps (1998) states three principle advantages to clients for using temps. First, they can pay for only the hours of labor needed from particular employees. Second, they can procure services from individuals with unique talents on an “as needed” basis. And third, they can, in effect, outsource the human resources functions of recruiting individuals for assignments of a limited duration.

Szabo, Negyesi (2005) studies reveal the main motives of firms for using contingent workers: Through their study it is revealed that temp staffing is a more viable choice today than it used to be a few decades ago. As competition is sharpening in all industries and market uncertainties are high due to innovations, quick adoption—namely numerical flexibility and stability n— is vital for the firms. Knowledge stock owned by the employers has to be flexible too. This means that functional flexibility is also important for the firm. Numerical flexibility has to be usually fulfilled mostly from external sources (contingent work), but to achieve functional flexibility the firms freedom from choosing between internal (versatile workers) or external sources is
higher. By facing their labour costs punctually, discrimination among permanents and contingent employees (wages, fringe benefits) and saving on training firms may have lower labour costs if they chose contingent workers. Hiring contingent workers usually makes short time savings for the firm but they have to be sure that these are higher than the possible long run losses described earlier.

In the study, Singh (2006) pointed out that flexible staffing arrangements have emerged as a way to control costs, manage head count, and deliver on corporate results, while also supporting a skilled workforce. With corporate downsizing, global competition, round-the-clock service requirements and demands for just-in-time product delivery as the new business norm, organizations find that flexible work arrangements make good business sense. The advantages to the employer of a more flexible workforce are reduced overhead costs and improved access to a skilled workforce.

Doreen (2010) pointed out that the use of contingent workers enables employers to respond more flexibly and rapidly to changing labour market conditions (Connelly & Gallagher, 2004; Tregaskis, Brewster, Mayne, & Hegewisch, 1998; Von Hipple, Mangum, Greenberger, Heneman & Skoglund, 1997;). The fact that contingent labour provides staffing flexibility for employers is a key finding in the literature in that it affords employers a means of varying their staffing levels by increasing staff numbers during peak periods and decreasing them during periods of low demand. Furthermore, employers can have access to workers with specialized skills for specific periods of time without having to permanently employ them (Hall, 2006). In short, using contingent workers allows employers the flexibility to better control their fluctuating requirements for staff. Other benefits for employers include saving on recruitment and training expenses, avoiding potential redundancy
payouts and overtime rates, and avoiding labour regulations and obligations associated with permanent workers.

In their survey, Gesteby & Wennerhag (2011) have found several reasons for employers to use temporary agencies. Temporary employees can provide assistance needed at times when business increases temporarily. The number of employees can be adjusted to fluctuations during the day, week or month, so the risk of overstaffing is avoided. Numerical flexibility is a common reason for using temporary agencies to hire employees. According to Vidal and Trigges (2008) it is the primary reason. They differentiate three ways to achieve numerical flexibilities using temporary employees; reactive use, planned use and systematic use. With reactive use they mean that companies use temporary employees to deal with fluctuations in demand. Planned use is to fill in for permanent employees when they are absent, to help during expected fluctuations or screen for candidates when recruiting new permanent employees. With systematic use Vidal and Trigges (2008) mean that companies use temporary employees to fill a position permanently. Another reason for using temporary employees is to fill in for employees that are on sick leave, on vacation or family medical leave rather than to use overstaffing or pay permanent employees overtime in case of such absences. Making employees do extra work can be burdensome when they need to do their own job as well as someone else’s, and to keep an overstaffing level of employees just in case of an unpredicted absence is expensive (Houseman, 2001). Temporary employment is also often used to man special projects that are time-restricted or to get access to special skills that a company does not have in its ordinary human capital. Temporary employees can be used to fill in a vacant position until a permanent employee is employed for the position.
Hatton, Erin, Lichtenstein, Nelson (2011) studies point out that employers make use of temps to keep labour costs low as with dependency on agency they avoid expenses such as recruiting, interviewing, screening and training new workers. More importantly employers don’t provide health benefits, pension plans, or vacation time. Nor do they have to pay workers compensation or unemployment insurance taxes, which can rise significantly with each claim for benefits. And finally employers can dismiss temps with little threat of legal action and then call them back if needed.

Burgess, Connel (2004) study points to the attractions or advantages of temporary employment for organizations. These include numeric flexibility: the ability to be able to adjust labour supply in the short term and functional flexibility: the ability to be able to adjust supply of skills in the short term.

In his study, Hall (2000) points out that while temporary agency work emerged out of the demand from employers for workers to fill short term gaps created by staff absences, temporary vacancies between permanent appointments and to meet unexpected, short term peaks in demand, it has been apparent for some time that agency work now extends beyond this traditional’ temping’ model. A number of researchers have attempted to classify and analyse the range of employer motivations for using labour hire and temporary agency work (Von Hippel, 1997; Houseman, 2001; Hall, 2000;). Employer motivations for using agency workers are diverse but tend to range across five general sets of reasons: numerical flexibility; cost; recruitment and selection; access to skills; risk management and other administrative or management reasons.
In his study, Aravamudhan (2007) highlights the fact that temping arrangement helps company to acquire the decisive cost edge. Firstly, companies can hire and fire temps according to the ebb and the flow of their business. The companies can ramp up their head count in the wake of influx of more projects and peak season- requirements. Secondly, companies are increasingly training their attention on their core strength and are out sourcing their non-core functions to the out sourced staff. This gives the company enough leeway to stick to their core competency, without bothering about the "nuts and bolts" of managing the business. Thirdly, as customers are getting more demanding and restive, Companies are under Pressure to offer low-cost, high-Quality products, Manufacturing and R&D companies are turning to temp staff agencies to provide temporary project staff teams. This project team has the mandate to innovate and develop the product that are in sync with the customer's need and bring out them successfully in the market. Fourthly, Temping allow the companies to hire people who are already skilled and experienced. This relieves the temping company of training burden and lessens the attendant cost.

In their studies, Casey, Alach (2004) had clear views of the special value that temps brought to the organizations in which they worked. In the study most temps perceived benefits to client organizations as being clustered around the ideas that utilizing temps provides organizations with a ready skilled, flexible and ultimately disposable workforce. In addition to the basic skills and expertise a temp has, several temps reported that client organizations are also able to access a wealth of experience from temps who have been temping for a while. The ability to cope in new and often stressful situations coupled with the likelihood that the temp would have ‘seen it all before’ were cited as important benefits accrued to client organizations. Furthermore, several participants reported that temps brought with them different perspectives and
ways of doing things which provided change in an organization and could ‘shake up’ and ultimately prompt a re-think of individual and/or organizational practices and processes.

In their study, Prasad Sangeetha (2007) pointed out that temps are in demand because of the multiple benefits, both tangible and intangible, that accrue to the corporates. Organizations, to concentrate on the core issues of the company, have outsourced their non-core activities in a big way to temporary staffing firms. The advantages of temping that leads to increased demand for temps are: Sustaining business cycle continuance, sourcing employees at a short notice, ease in availability of specialized skill, enabling corporate to concentrate only on core functions, covering absenteeism and employee leave periods, meeting demands in peak seasons, for special projects, meeting employment flexibility, endorsement of recruitment, training and development and replacement by the temp firm, temping agencies support in managerial and legal compliance of its workers, trimming down the operation cost of and scalability of benefits.

Houseman, Kalleberg, Erickcek (2003) survey examines the reasons why employers use and have even increased their use of temporary help agencies during the tight labor markets of the 1990s. Based on case study evidence from the hospital and auto supply industries, we evaluate various hypotheses for this phenomenon. In high-skilled occupations, our results are consistent with the view that employers paid substantially more to agency help to avoid raising wages for their regular workers and to fill vacancies while they recruited workers for permanent positions. In low-skilled occupations, our evidence suggests that temporary help agencies facilitated the use of more “risky” workers by lowering their wages and benefits and the costs associated with turnover. The use of agency temporaries in both high- and low-skilled
occupations reduced the pressure on companies to raise wages for existing employees, and thereby may have contributed to the stagnant wage growth and low unemployment observed in the 1990s. In addition, we argue that the use of temporary agency workers to fill temporary positions or to fill vacancies while companies recruit permanent workers is often advantageous to companies because they may discriminate between temporary agency and direct-hire workers in the compensation offered. However, the direction of the wage discrimination along with the precise mechanisms by which temporary agencies are able to recruit workers and companies are able to save on compensation costs will depend on the labor market.

Gleason, Sandra E., ed. (2006) point towards several factors responsible for increased attention to non standard work arrangements. First, ongoing changes suggest that the trend toward greater use of nonstandard employment is likely to continue. The restructuring of the economy in the post–World War II era in an increasingly global economy has continued. The pace of this change has been heavily driven by technological advances and the “information age,” and encouraged by the increase in the share of total compensation (i.e., wages and fringe benefits) represented by legally required benefits such as Social Security and nonwage benefits such as health care. These economic forces have encouraged employers to seek more options to control or reduce labor costs. Illustrative examples include Discussions about the use of nonstandard employment arrangements frequently draw a distinction between two groups of employees.

The first is the “core” workers who perform the work most closely tied to the primary economic activities of the employer. Core employees are in standard employment arrangements, which mean they have fulltime jobs with a permanent connection to a single employer, usually receive a range of social insurance benefits, and have some
protection from arbitrary dismissal (Vosko 1998). The second is the noncore, or “peripheral,” workers whose work is not the core work of the organization (Reilly, 2001) for a typical discussion of core and peripheral workers.

The use of noncore workers in various types of nonstandard employment arrangements offers the firm more flexible opportunities to do its work while protecting the employment security and avoiding layoffs of its trained and experienced core workers. The use of contingent employees can be an ad hoc tactical approach to address short-term needs, such as covering the maternity leave of a core employee, or a strategic response developed to deal over time with an increasingly global and dynamic economic environment. Nonstandard employees allow an employer to use “just-in-time” management of labor to increase, decrease, or reassign its workforce (Lewis and Molloy 1991). Nonstandard employment arrangements can be used, for example, to adjust to fluctuations in the demand for its products, reduce labor costs, reduce the in-house time spent on a variety of human resource administrative and monitoring functions for peripheral workers, subcontract for special projects for which a set of skills is needed for only a limited time period, manage unexpected or temporary staffing needs such as an illness or vacations, and to temporarily add a position as a way to determine whether a new core position is needed. To achieve the flexibility desired for both tactical and strategic adjustments one employer may use one or more of these different employment arrangements simultaneously. For a detailed discussion of how to determine whether to hire a core or noncore employee for a particular job, see Roberts and Gleason (2000).

As discussed earlier, flexibility gives employers more options for rapid and nimble adjustments to changes in the economic environment through internal adjustments to their strategic hiring and staffing plans. Similarly, some employees want greater
flexibility so they can more easily combine work with their lifestyle preferences. Much of the discussion of employer flexibility has focused primarily on numerical flexibility at the enterprise level, i.e., adjusting the number of workers or hours of work in response to product demand. However, two other types of flexibility also are important to employers. Functional flexibility, the design and organization of jobs so that employees can be used in a wide range of tasks, permits rapid reassignment to different jobs. Financial flexibility includes hiring decisions designed to control or reduce short- and long-term labor costs and the use of different systems of compensation such as subcontracting.

### 2.6 Conditions of work and employment

Several studies have explored the conditions of work of temps both in India and abroad. These include issues relating to staffing, nature of appointment, workload, monetary and non-monetary benefits, facilities, crisis management, support systems, union affiliation, besides others. It is often reported that temporary workers are typically paid less than regular core employees and receive fewer benefits (Nollen, 1996).

In the study, Davy (2010) has come to the conclusion that there are more disadvantages than advantages for workers in contingent work arrangements. For example, low job security for contingent workers is one of the main issues often raised. Insecurity has been found to be one of the defining characteristics of contingent labour, causing some researchers to raise concerns about contingent workers becoming “a wandering underclass in the labour pool” (Von Hippel 1997).
Dixon (2009) found that most temporary workers had worked for their current employer for less than one year (52 percent), but a significant percentage had worked for 1–3 years (23 percent), or for 3 or more years (25 percent). The comparative figures for permanent employees were 21, 25 and 54 percent. The job tenure question in the survey was designed to measure the duration of the employment relationship rather than the length of the most recent spell of work. Therefore, temporary employees who reported relatively long job durations had not necessarily worked continuously throughout the period.

Leighton, Patricia, Syrett, Michel, Hecker, Robert & Holland, Peter (2007): The book reveals that there are major changes in the way agencies are working and have amended their employment policies for temps. A contentious issue has been the nature of the employment contract between the agency and the temp. Many agencies, particularly in the UK, do not provide employee status, and this makes access to employment rights and other benefits highly problematic. Some agencies provide low pay, and has been responsible for the poor wage assigned to agencies.

According to Hatton, Erin, Lichtenstein, Nelson (2011) the temp industry has been a classic symbol of downgradation of work in America. On an average, temps earn lower wages and receive fewer benefits and have less job security, fewer chances for upward mobility and lower morale than those with full time, year round employment. By increasing the flexibility of labour supply, the temp industry contributes to downward pressure on wages, decreasing employment security and limited upward mobility for all workers, not just temps. Temp agencies don’t give benefits like health insurance etc on the pretext that temps were only housewives working for “pin money”, temp executives successfully created a sector of the economy that was
effectively beyond the reach of a range of worker protections - health benefit, unemployment insurance etc.

According to Simmons, Louise (2004) there may be significant downsides to the flexible employment model promoted by temp staffing agencies. In addition to the below average wages associated with temping, employment in the industry appears to be inescapably cyclical. The growing use of temp staff agencies by US businesses may contribute to turbulence within low-wage labour markets as workers ‘churn’ through temp job slots and short term assignments. There is a danger that as businesses increase their outsourcing of low paying positions to the temporary staffing industry, low wage workers will cycle in and out of temp jobs, exacerbating the job insecurity and employment instability that characterizes low wage employment generally and further undermining advancement opportunities and long run wage programme for these workers. Extended periods in temp work, therefore, might trap workers in low wage security segments of the labour market that are disconnected from career ladders, cut off from higher wage employment opportunities and detached from unionized sectors of the economy.

Forde, Chris & Slater Gary Slater (2005) report has examined the role played by temporary employment agencies in pay setting for agency workers, in light of the imminent implementation of the European Agency Working Directive in the UK. There is limited direct evidence from other studies into the role of agencies in pay setting. In terms of hourly pay or salary rates previous literature suggested limited direct involvement of agencies.

The main finding was that agencies did appear to have a limited role to play in setting hourly wage rates for temps. Here, there was more of a ‘partnership’ between agencies and client firms. Agencies took on some responsibility for payroll issues, and
also advised over pay rates as contracts developed. There was some evidence to suggest a connection between the economic cycle and involvement in pay setting. During periods of economic growth, agencies argued that they had played a greater role in pay setting, due to widespread shortages of labour. In this environment, they had more bargaining power over wage setting. There was also evidence of a greater role for agencies in setting hourly rates in shortage occupations (such as skilled craft occupations) and in particular sectors where there was a tradition of agencies or individuals setting pay rates.

The competitive strategies pursued by agencies also impacted upon their involvement in wage setting. Agencies competing on the basis of undercutting wages of permanent staff in organizations tended to play a greater role in wage setting. Agencies had a greater role in setting their margins. In practice, this did also have an impact on pay rate setting, since agencies were often faced with an overall price for agency labour, determined by the client firm. Margins were increasingly being affected by factors such as the nature of contractual relations.

In terms of non-wage benefits, the study has highlighted a variety of practice of agencies. There was some notion of a ‘standardised’ industry level of holiday pay, set at the level of minimum compliance with the Working Time Directive. This was particularly the case within national and global agencies. Additional benefits, such as sickness benefit, shift allowances, and training were offered by some agencies. Some benefits were driven by the client rather than the agency (for example, shift allowances were generally offered by some clients, rather than being offered by the agency to all its temps working on shifts). Other benefits were attached to particular managed service contracts with clients.
Overall, then, whilst the study suggests a fairly limited role of agencies in pay setting, it is clear that the involvement of agencies in pay varies according to a wide range of factors, which reflect the diversity of the sector. A fairly obvious recommendation is that there is a need for more detailed evidence on the factors that shape the involvement of agencies in pay setting. For example, through six case studies, this research project has only begun to look at the complexities of contractual relations between agencies and client firms, and how these shape pay setting. Furthermore, as the economy in the UK emerges from recession, will the role of agencies in pay setting begin to change? The role of trade unions in pay setting for agency workers has not been examined in any detail in this study, yet there are signs that unions are beginning to represent agency workers more effectively.

In his study Williams (1989) studied firms supplying temporary help to other businesses and reveals sharp variations in pay rates, as well as in the proportions of 'temps' offered vacation pay and other benefits. In recent years, many businesses have experienced a growing need to fill short-term job assignments, replacing regular employees who are absent because of illness, vacation, or other reasons. There has been massive growth for the Nation's temporary help supply services firms which match short-term job requests with the available pool of temporary workers or "temps." These workers are supervised by the client firm but are on the payroll of the temporary help organization.

Until recently, little was known about the pay and benefits offered by these firms. In September 1987, the Bureau of Labor Statistics began its first study of occupational pay and employee benefit provisions in the temporary help supply services industry. The survey covered more than 600,000 workers and revealed wide variations in pay rates, reflecting the diversity of occupations, skill levels, and assignments reported.'
Employees studied included both temporary workers and the relatively small number of permanent full-time employees who manage and administer day-to-day operations of the firms in the industry. Pay for individual temps ranged from the Federal minimum wage of $3.35 an hour to $20 an hour or more.

The survey developed earnings data for eight major occupational groups selected to represent the diversified assignments and wage levels of temporary workers. Group averages ranged from $4.65 an hour for operators, fabricators, and laborers to $16.96 for professional specialty occupations, which included engineers and registered nurses. Administrative support occupations, including clerical-the largest group, with 328,828 workers-averaged $6.46 an hour. Local wage rates for temps varied widely around the nationwide average.

According to Latsch, Olivia (2008) agency work is an embodiment of the ‘Flexicurity’ – issue: It is flexible due to its uncomplicated usage and fast availability in companies, but it is strictly regulated in order to provide sufficient security for the workers employed. It was created by the demand in the market for a more flexible method of utilization of the available workforce, but the need to provide for security of the employee especially in this form of work was always recognized by the trade unions. Formerly called a ‘modern form of slave work’ it is now recognized as legal and its necessity is not anymore contested. The share of temporary work in Europe saw a growth of 10% between 1991 and 1998 and it is believed to continue to grow. In the overall employment its share is still small: in 1998 a mere 1.4% of the total employment in Europe was agency work, but its dynamics and fluctuation of workforce makes it an important factor in the labour market. Denmark, the role model in terms of ‘Flexicurity’, only has a limited regulation while France, Italy, Belgium et al. have regulated agency work in detail covering not only the relationship but also the
status of temporary workers. All over Europe different strategies have been employed to regulate this type of atypical work providing for more or less flexibility or security. The study by Alach & Inkson (2003) suggests alternative models to predominant accounts of contingent workers. While the availability of much temporary work is contingent on organizational whims and economic fluctuations, the extension of temporary forms of work to a wider range of people no doubt enables more self-confident and proactive individuals to frame temporary work to suit their needs rather than seeing it as ‘employment of last resort’.

The report concludes with a discussion about underlying societal stereotypes about contingent work and the expectations of career commitment. It appears odd and patronising for society to attach second-class status to temping without checking the temps’ own attitudes. It is paradoxical that these workers are expected on the one hand to display a new flexibility in work practices and on the other to conduct their lives and careers in the same old, traditional way. The attention of employers and policy makers should perhaps be directed to an under-utilised resource and a worthwhile model for more and more of tomorrow’s workers. To consider the issues properly may necessitate a re-examination of many of the implicit assumptions which have guided academic, business and political discourses around the place of paid work in people’s lives. A further critique in the ‘marginalised temps’ literature is that temps are socially isolated.

There was some reference to negative perceptions of temps that had been encountered in the workplace but no evidence to suggest that these participants had internalised any such stereotypes. The general response of participants to such encounters was extremely dismissive, with perpetrators being described as outdated and ignorant.
Problems to do with relationships centred more on the temp-agency relationship than problems encountered within client organizations. Temps, especially longer-term temps, expressed their belief that the temp-agency-client relationship should constitute a ‘team’ and a wish that the ‘shift to partnering’ be multi-directional to encompass both shift in the client-agency relationship and the relationship between temp and agency. Recognition of long-service was held to be particularly important and there was a belief that agencies, who wished to retain a pool of highly skilled, long-term, temp-only candidates, could do more to help overcome the experience of limited progression reported by long-term temps.

Despite the subjectively experienced positive features of temping documented above, the perception that temping is always involuntary and never a ‘proper’ job appears to continue to prevail in society at large. However much temping may suit those who do it in their current circumstances; therefore, most consider that if they want eventually to move either to permanent work or to positions carrying higher responsibility, they need to be careful not to allow too many years to go by in temporary positions. However, this is attributed more to employer and societal prejudices against temping than to any inherent defect of the temping experience or of those who do it.

Gleason, Sandra E., ed. (2006) This book provides a comprehensive overview of the state of nonstandard employment and its impact on employees, businesses, unions, and public policy. It not only reveals how nonstandard employment operates in the United States, Japan, and Europe, it also highlights the important similarities and differences in the labor market issues faced in those areas. While nonstandard employment provides for many employers a buffer for market changes, it often provides relatively unstable employment for workers due to their dependence on the varying needs of the employer. Also, wages can be lower, and many workers do not
receive benefits such as health care and pensions. Each type of nonstandard employment exists in its current form because there is either a relative absence of a regulatory environment or a regulatory environment that frames its use. For example, in the United States employers have been able to expand the use of part-time employees with few legal obstacles and little effort to change the institutional framework. The book further reveals that the regulatory framework has, in turn, affected economic decision making. For example, in the United States the use of workers provided by temporary help firms is generally expected to reduce labor costs due to the relatively weak regulatory structure. In contrast, the European Union has created a regulatory environment designed to provide greater protections to these workers, which limits the degree to which client firms can expect to reduce labor costs (Vosko 1998, pp. 24–26). Labor unions also are important labor market institutions that influence the legal and administrative framework. Many labor unions tend to oppose legal changes that will expand opportunities for part-time and temporary work at the expense of full-time employment.

Also, there is increasing recognition that social systems have not changed appropriately to support nonstandard workers who are disadvantaged in the labor market, whether by the provision of training to support lifelong learning, the accommodation of variations in life cycle preferences for work for men and women, or the provision of health care and pensions.

2.7 Conclusion

The increasing growth in the flexi staffing industry has been attributed to its derivation of competitive advantage to the companies that use temping as an effective employment strategy. Temporary staffing agencies proffer a surplus of explicit
staffing solutions to catch up with the fast changing business needs of greater workforce flexibility, increased profit, cost efficiency and to maintain continuous business cycle. The outsourcing of non-core functions to temping companies and the careful blending of temporary workers to gain flexibility and commitment and reduction of employee turnover has made a big way in the growth of temporary staffing industries.

Various studies related to temporary staffing agencies reveal that the staffing firms add value to the economy by facilitating greater efficiency in labour markets by playing the role of permanent co-employer with the client organizations and aiding in labour market integration. The unique feature of the tripartite work relationship is that the workers are hired by the flexi staffing agencies but work under the supervision of the user companies. It also brings out the complexity of triangular employment arrangements as a result of which temp staffs are often confused about their actual employer.

The last decade and a half has seen a major change in the profile of those who enter the temping profession. A new trend of multiple clusters of high-skilled, high-paid profile is now noted. Most of the Indian flexi workers are young in age, as has been the experience internationally. A majority of Indian flexi workers have completed some level of higher education and India is among the small group of countries (consisting of Australia, Japan, Sweden, Bulgaria and Norway) showing a similar trend. Earlier temp staff was found primarily in low end jobs but now more and more middle and top level occupations are being added to the list.

Studies related to the temping industry reveal that the main reason for opting for a temp job is absence of permanent job. Some of the motivations for temping are: to achieve flexibility in personal lives, to gain experience while hunting for permanent
employment, because they are raising young children at home or caring for elderly parents and cannot work a full time schedule, to keep up contacts and interest in the profession when they are retired or semi-retired, it helps to develop new skills, gives broader experience and provides the opportunity to work with various levels of management. The following studies have been reviewed to highlight various dimensions of temps in the Indian as well as in the international context. The motives of the Indian companies behind engaging flexi workers are quite in sync with the international experience.

Studies related to the temping industry reveal that the main reasons for clients to opt for temps are: sustaining business cycle continuance, sourcing employees at a short notice, ease in availability of specialized skill, enabling corporate to concentrate only on core functions, covering absenteeism and employee leave periods, meeting demands in peak seasons, for special projects, meeting employment flexibility, endorsement of recruitment, training and development and replacement by the temp firm, temping agencies support in managerial and legal compliance of its workers, trimming down the operation cost of and scalability of benefits. The following studies have been reviewed to highlight various dimensions of temps in the Indian as well as in the international context.

Several studies have explored the conditions of work of temps both in India and abroad. These include issues relating to staffing, nature of appointment, workload, monetary and non-monetary benefits, facilities, crisis management, support systems, union affiliation, besides others. It is often reported that temporary workers are typically paid less than regular core employees and receive fewer benefits (Nollen, 1996). Also, there is increasing recognition in all the studies that social systems have not changed appropriately to support nonstandard workers who are disadvantaged in
the labor market, whether by the provision of training to support lifelong learning, the accommodation of variations in life cycle preferences for work for men and women, or the provision of health care and pensions. Low job security, fewer benefits, inconvenience shift system, pay and promotion discrimination, not allowed to participate in decision making, limited progression, financial uncertainty, feelings of isolation, fewer chances of upward mobility and lower morale are some of the problems highlighted in the studies on working conditions of temp staff.

Few studies have focused on the training and skill building needs of the temp staff. As such, there is a valid need for ensuring adequate training facilities to enhance their skills and employability. A few countries like France, Italy, and Austria have implemented a system provisioning for compulsory training of flexi staff. The systems in these countries can be used as a model for other countries.

Another significant area that has not received much attention relates to career advancement and promotional avenues. With increasing demand for temp staff worldwide, recognizing the importance of this aspect can go a long way in retaining and encouraging more numbers to take up temping in future.

Studies point out that in the absence of a set of legal provisions, the growth in the industry is likely to be more in the unorganized sector. Any further slippage towards the unorganized sector will also have an immediate direct adverse impact on the welfare of the worker as the wage and social benefits due to them cannot be ensured in practice. Keeping the interests of both the responsible industry players and workers in mind, studies suggest entry regulation to weed out such unscrupulous players. Though the flexi staffing industry has grown in size, studies reveal that it suffers from the not being recognized as an industry and not having a set of enabling regulations for the market. The studies have highlighted why reform is an absolute
necessity to ensure a balanced approach to the development of the industry. Such
enabling statutes are required not only for regulating the business practices of the
corporate players - both the employment services intermediaries and the user
company, but also for the protection of the interests of the workers.