Employment Intermediaries in the UK: who uses them?

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Introduction

Various arguments have been advanced about recent dynamics and the implications of labour flexibility and contingent employment in general, and agency work in particular for labour markets, organisations and employees. In general, globalisation and technological changes have been depicted as the most fundamental driving force (Piore and Sabel 1984, Harvey 1990, Rifkin 1996). Following this logic, it has been argued that the pressure of increasing competition has forced companies to scrutinise costs to an unprecedented degree, which has encouraged flexible labour strategies (Mahon 1987; Urry 1990): in particular, the pursuit of increased productivity through numerical flexibility (Atkinson and Meager 1986). More recently, Luttwak (1999) asserts that for faster economic growth in the process of globalisation, 'turbo capitalism' has pushed conventional employment relations increasingly towards labour flexibility. In addition to long-term economic goals, it has been observed that short-term recovery policies have also contributed to the pursuit of labour flexibility and growth in contingent employment (Despeignes, 2001).

In order to explain the dynamics of labour flexibility, contingent employment and the growth of the employment intermediary industry, changes in the organisation of production and management structures also need to be taken account of. The spread of 'just-in-time' production and supply (Abegglen and Stalk 1985), the move from assembly lines to lean production (Womack *et al.* 1990) and downsizing strategies (Burchell et al. 1999, Purcell and Purcell 1998) have clearly contributed to the demand for contingent workers. How far, however, the growth of contingent employment and the intermediary sector can be explained by a cost transaction approach to staffing (Williamson 1985 and 1991), reflecting fluctuations in the demand for labour or particular skills (Koene *et al*. 2001), is an empirical question. Lepak and Snell (1999) have argued that employers' particular skill and knowledge needs are likely to determine their employee resourcing strategies - most fundamentally, whether to 'make' or 'buy' skills by developing a core workforce or externalising training and other employment costs, 'buying in' temporary workers, consultants or outsourced operations. The problem with this model is that it assumes that employers act strategically in ways that are not constrained by the labour supply or by workers' preferences. Can the recent consistent growth of temporary agency work in the UK, for example, largely be explained within the frame of policies designed to minimise labour costs, as has sometimes been inferred (Ward and Grimshaw 2002, Wilkinson 2000)?

Purcell (2000a) noted that changes in the organisation structure undermines the traditional boundaries of companies, and creates more intricate relationships among 'different' organisations. Such changes have also given impetus to the need for change in legislation in terms of, for example, defining who is an employee (Cave 1997) and the prerogatives and responsibilities of employers and employees (Rubery *et al.* 2000). In the case of the recruitment and employment services industry, in particular, the growth in labour-supply contractual relationships among agencies, users and contingent employees, has been fostered by the large international recruitment companies, although such relationships, in the UK at least, have been largely confined to similarly large client companies (Druker and Stanworth 2001). Nevertheless, although there is a lower incidence of workers on temporary or fixed term contracts in UK compared with most other European countries (EURES 2002:173 *et passim*), approximately half of temporary agency workers in the European union work in the UK (REC 2002:7). The fact that many of the firms most advanced in out-sourcing and in-sourcing *are* large blue chip companies, many with reputations for excellence in human resource management, has put pressure on the intermediaries to improve the employment conditions they offer to job applicants. Since such organisations tend to be trend leaders in HR terms, it may also herald an important shift in organisational labour strategies.

Do employment agencies facilitate or restrict opportunities for workers? There can be little doubt that temporary agency work in the past mainly provided workers with less desirable terms and conditions of employment than permanent job-holders working alongside them, and was largely confined to relatively low-skilled clerical, secretarial and operative work (Parker 1994; Gottfried 1992; Dale and Bamford 1988). Employees' earnings have normally been lower among such 'flexible' workers (TUC 1998; Masters 1999; Booth *et al.* 2000) and they compare unfavourably with employees in terms of job security (Heery and Salmon 2000), employee benefits (Purcell *et al.* 1999; GAO 2000), trade union representation (Geary 1992) and access to collective bargaining (Jackson *et al.* 1993). However, recent and impending Europen and UK legislation goes a long way towards redressing these inequalities.

For some women, temporary agency employment (along with other flexible employment strategies) clearly has provided opportunities to access the labour market without permanent commitment (Hayghe and Bianchi 1994). Employment deregulation and temporary work opportunities have also been heralded as a remedy for unemployment (Siebert 1999), but comparative European research has suggested that agency work has operated less effectively as a route into employment for the socially excluded. This may change in the future, as public-private partnerships between agencies and the public sector job-brokering services (such as agency sub-contracted and joint provision of New Deal programmes with the public Employment Service) become more widespread. In the UK, there is some evidence that contingent employment has enabled unemployed people to acquire skills and work experience to better equip them for more stable employment, and there has undoubtedly been increasing use by employers of temporary work as an unofficial probationary period for more highly-skilled labour market entrants (c.f. Purcell *et al.* 2002).

The implications of labour and production flexibility for society as a whole challenge fundamental institutional and individual relationships. Various theorists (Gorz 1999; Offe 1995; Harvey 1990) provide essentially similar analyses to Castells (1996) assessment that such developments signify a process of break-through in capitalism that creates what he called 'network' society. From a critical point of view, Beck first described this process as 'risk society' (1992) and later as the 'Brazilianization' of the West (2000) with a claim over the increasing precarious nature of employment relations in general. The sustainability of employee relations was seen to be dependent on the reorganisation of labour process in, for example, bargaining (Bryson 2000) and enterprise unionism (Heery *et al.* 2001). All these were accompanied by the emergence of a comprehensive argument that access to social institutions will become the most critical issue in the twenty-first century (Rifkin 2000).

This paper addresses the recent evolution of temporary work agencies and recent patterns in temporary agency employment in the UK. Despite abundant theoretical arguments on the issue, there has been little independent research on the operation of the intermediary industry. Recently, there has been some systematic analyses of the growth in the industry in the mid-1990s, in terms of business size and employment capacity (Hotopp 2000), the characteristics of agency temporary workers and their location in the workforce (Casey *et al.* 1998; Purcell 1998). Most recent evidence derives from either small-scale studies (Druker and Stanworth *op cit.*) or data assembled by or on behalf of the industry itself (REC 2000, 2002; CIETT 2000).

As part of a larger project that aims to conduct a comprehensive evaluation of the various approaches on the issue[1], we have been carrying out an exploration of recent trends in the industry through the analysis of macro-statistical data, relating it to some preliminary case study findings, to assess the reasons for, and direction of agency work in contemporary Britain. We will consider current trends in the light of past, existing and projected labour market regulation, and the growth of labour recruitment industry (SIC 745) in the UK. We will assess this growth in relation to the industry characteristics and the characteristics of the temporary agency workers whom they place with client companies. The distribution of temporary agency workers will then be examined, by sectors and occupations. Finally, evidence of workers' reasons for being in temporary and agency work will be examined from employers' and workers' points of view.

The UK Private Recruitment Services Sector

Employment intermediary activities in the UK are longer-established and less regulated than in most other developed countries. However, proposals to amend current legislation were included in the 1999 Employment Relations Bill and after a lengthy consultation period with the industry's stakeholders (DTI 1999; 2000a; 2000b) ending in december 2002, amendements to The Conduct of Employment Agencies and Employment Businesses Regulations designed to provide better protection for agency workers while allowing a considerable measure of employment flexibility to continue, are likely to be adopted in Spring 2003 .

In the initial government consultation document, the policy-makers commented that the size and structure of the industry are difficult to establish, given the diversity and inherent heterogeneity of activities encompassed: 'permanent' recruitment, temporary staff hire, personal management and representation of third parties, and provision of job vacancy information. In order to obtain a full picture of third-party mediated job-brokering, a considerably wider range of organisations would need to be included in the analysis – but in this paper, we propose to confine ourselves to the private recruitment industry, focusing mainly but not exclusively on its role in providing client organisations with temporary workers.

[1] New Understanding of European Work Organisation (NUEWO) Framework V EC funded project. See www.nuewo.org.gu.se

The history of recruitment services industry in the UK goes back to employment intermediary agencies that had been providing domestic staff and entertainers over a century ago. By the 1930s, employment agencies were mainly small businesses located in London, largely concerned with the placement of domestic and hotel staff, with fees paid by both employer and job applicants. Local authority regulation was introduced in Glasgow, Manchester and London County Council in 1901, 1903 and 1905 respectively and as the century progressed, more local authorities obtained private Acts. In the early 1940s, the 'no fees to staff' principle was increasingly introduced and the industry grew rapidly. It is now a large and diverse industry and, although still most heavily concentrated in London and the other main urban centres, becoming a more substantial variable in labour markets throughout the UK. Because of its evolution, though, it remains numerically dominated by small companies, unlike others in European and Scandinavian countries where the industry's roots are more shallow – and this has had a significant implication on the way it operates as an industry (Bergstrom, 2001). Its national stakeholder bodies have evolved as primarily representatives of SMEs and this has been reflected, for example, by a highly defensive response to legislative changes required in order to conform to EC regulation. This led to Adecco's resignation from the confederation in 2001, on the grounds that the REC's responses to proposed government legislation no longer represented the large multinationals (Clarke 2001) - but emerging evidence suggests that this schism may be narrowing.

Until the current revision of regulation, regulation of the UK industry has been sporadic, piecemeal and largely ineffectual because of low investment in monitoring conformity to operational standards and weak enforcement measures. National regulation of the activities of nurses agencies was introduced in the Nurses Agencies Act 1957 and of employment agencies generally in the Employment Agencies Act of 1973, which became law in 1976, amended by the Employment Protection Act 1975. The principal regulations governing the industry until this year have remained the 1976 Conduct of Employment Agencies and Employment Businesses Regulations. For licensing purposes, the Employment Agencies Act of 1973 divided the private sector labour supply industry into two categories:

- employment agencies, defined under the above Act as 'business[es]...providing services…for the purpose of finding workers employment with employers or of supplying employers with workers for employment by them': that is, workers who will be engaged and paid by the client company; and

- employment businesses, defined as 'business[es] supplying personnel in the employment of the person carrying on the business to act for, and under the control of, other persons in any capacity': that is, workers supplied on a temporary or fixed-term contract basis to work under the client's direction.

The classification's sole but important operational effect appears to have been to require agencies to keep permanent and temporary placements separate, as distinctly different types of transaction. This gives useful insight into employers' use of agencies within changing recruitment practices and, until recently, of change in the balance of agency activities: but has become progressively more difficult as the contractual relations between agencies and client organisations and between agencies and job applicants for fixed duration work have become more diverse and complex. Unlike most other European countries, UK employment agencies can place both permanent and temporary staff within the same office, place workers in any category of employment and fix their own levels of commission.

According to the consultation document (DTI 1999:8), there are three distinct types of agency operation:

- those concerned with the identification and supply of workers with particular skills for particular sectors;

- general operators supplying all kinds of workers within a given locality;

- functionally-specialist agencies concerned with head-hunting, out-placement or information provision.

However, attempts to assess separate trends according to this classification are complicated by the fact that the major industry players tend increasingly to provide a full range of general and specialist services.

Existing Regulation

The main requirements of the 1976 legislation were that agencies must charge employers only[2] and (until January 1995) stipulating that a firm had to obtain a licence from the local DfEE office for each branch it opened and be subject to inspection (usually soon after they had opened) 'to ensure that the business is being properly conducted' (Economist Intelligence Unit 1992:106). In reality, licences were cheap (costing £114 in 1994, the last year when they were required) and regulation appears to have been minimal, with only an average of four licences revoked per year. The requirement to register was removed under the Deregulation and Contracting Out Act 1994. The industry has been, and remains, an industry with low business start-up costs and, unlike the situation in other European countries where it is less embedded (i.e. the Netherlands), the UK recruitment services or staffing industry consists of large numbers of small businesses (although dominated by the 'big players'): identified in a recent global business services report on the industry as a relatively unstable market (Deutsche Bank 2000:15). The requirement to obtain a licence highlighted the high turnover of small business. In the last years of licensing, 20 per cent of licences were not renewed each year, but were replaced by successively larger numbers of entrants (DTI 1999:12). Thus, as in UK employment generally, the activities of agencies are market-led and have been virtually unregulated, although the residual requirements of the 1973 Act stipulate that businesses meet statutory standards of conduct and, in addition, meet standard business regulations (such as Health and Safety). The industry is also self-regulated according to industry code of conduct produced by the Recruitment and Employment Confederation (REC), founded in 2000 by the merger of two predecessor industry bodies: the Institute of Employment Consultants (IEC), which was effectively the professional association that set professional standards and represented the interests of individual members of

[2] …except in the case of specialist theatrical and model agencies.

the industry and the Federation of Recruitment and Employment Services (FRES) the body which effectively was a trade association and lobbying agency for the corporate industry. The Management Consultancies Association also has a code for members involved in executive recruitment.

The UK government has been engaged in a series of consultations about proposed amendments to the 1976 Conduct of Employment Agencies and Employment Businesses Regulations since 1999 and the most recent of these, issued in July 2002, has a closing date of 1st November 2002. The only residually contentious issue appears to be the terms under which agencies have a right to recompense when a worker placed with a client is offered a permanent post in the organisation. The government's initial proposal that a 'temp-to-perm' transfer fee should be payable only where a client offers a permanent post to a worker placed by an agency less that four weeks after a placement has ended, was strongly resisted by the industry. This 'watershed' period has been extended in the last consultation document to four weeks after the work-seeker has ended a placement with the client or 14 weeks after the work-seeker commenced working for the client - whichever ends later (DTI 2002:Regulation 10).

Agency workers' employment rights have been substantially improved by the extension of coverage to all workers (rather than only employees) in recent employment legislation, notably the Minimum Wage Act (1998) and the Working Time Regulations (1998). Taken together, the changes in the legislation and the legislative framework have provided a challenge to both employers and the industry itself to reassess it's role in the labour market and with reference to the relationships it has and the services it offers to client organisations and job applicants. The slow progress of the revised regulations in the UK may be related to the current negotiations in the European Parliament over the introduction of the Agency Workers Directive. On 21st November 2002, the European Parliament passed a legislative resolution that the proposal for a European Parliament and Council directive on working conditions for temporary workers (COM(2002) 149 - C5-0140/2002 - 2002/0072(COD)) should be subect to a series of amendments, notably involving a change of title to Directive on Temporary Agency Work, explicitly 'build[ing] on the Private Employment Agencies Convention (C181) and Recommendation (R188) adopted by the International Labour Conference in 1997 with the full support of the Employers' and Workers' Groups and EU Member State governments; these ILO instruments constituted a major step forward in the recognition of the positive role that private temporary work agencies may play in a well-functioning labour market whilst taking account of the need to protect workers from abuse'(Amendment 3). The over-arching objective of the Directive will be to regulate employment flexibility in a way that protects the interests of temporary workers and the implications for employers' and agencies' current use of temporary workers are potentially more restrictive than in other European countries (Calvert 2002:14). It is seem as a fundamental threat by employers in a range of sectors, including the recruitment industry itself (Roberts 2002, REC 2002:7).

The Scale of the Industry

It is difficult to obtain an accurate estimate of the current dimensions of the industry because, having few legal barriers to entry and low start-up costs, it is characterised by a large number of small firms (which have high turnover) at one end, and extremely large multi-national operators (who have been increasingly subject to mergers and take-overs) - providing a very volatile picture. Most agencies in practice handle both temporary and permanent placements. However, the relative value of the markets for permanent and temporary staff was nonetheless skewed towards the temporary placement market, with invoiced sales for temporary and contract staff representing 93 per cent of total employment agency sales among respondents to the REC annual industry survey 2001-2, which is estimated to cover half the UK industry and is the most reliable estimate available (REC *ibid:* 4). Permanent placements grew sharply at the turn of the century but have subsequently fallen slightly, whereas temporary placement business has continue to show steady, though decelerating growth in the same period (*ibid*). For the purposes of this paper, our concern is with fixed duration (temporary) placements. However, the boundary between the two has been becoming progressively more ambiguous as a result of changing employer recruitment practices and impending legislation and one of the biggest issues which preoccupies the industry is the definition of 'temp to perm' legislative and contractual obligation and an appropriate fee structure which protects their interests as well as those of the workers. It is thus extremely difficult to define and measure 'contingent' employment services and those concerned with fixed duration employment.

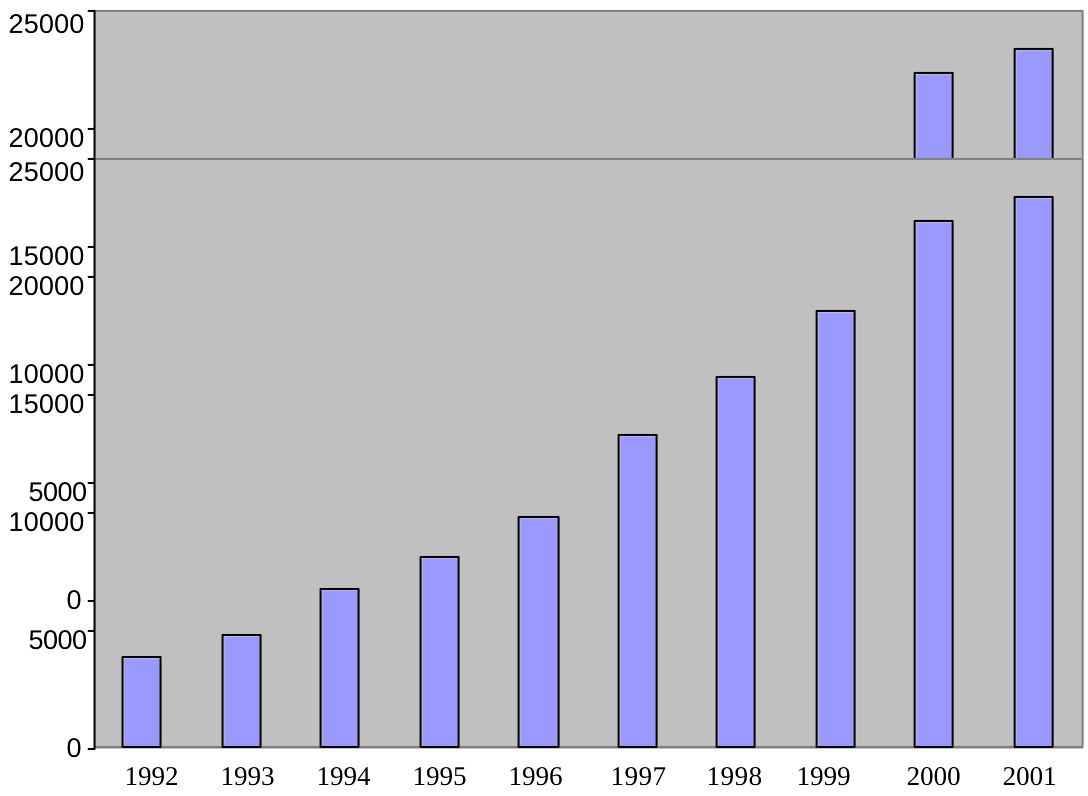
Data about industry trends in this paper derive from industry surveys, market research and investment reports, the Labour Force Survey (LFS) and a one-off report on the industry commissioned by the Department of Trade and Industry (DTI) conducted in 1999. None of these provide wholly reliable or comprehensive data[3]. It is impossible to avoid double-counting in recruitment industry estimates because workers may work for one or several agencies; but the REC estimates that during the course of a year, up to seven times the average number of workers on the payroll each week work for the consultancy (REC 2000:11). Consequently, we draw on published sources from a variety of sectors and have confined our own secondary statistical analysis mainly to the LFS[4], bearing in mind that it underestimates numbers.

[3] The report for the DTI included an assessment of the reliability of the other sources (Hotopp 2000). In an interview for this project, the chairman of the REC claimed that the organisation represents around two thirds of the industry in terms of turnover, and half of it "in terms of what I would call the core of the market", but their annual survey, although one of the best indicators of trends in the UK, was found to overestimate the number of temporary agency workers in the DTI analysis (*ibid.*). Although they sample the industry as a whole, their 2000 report was based on a response rate of 539 usable questionnaires out of 11,173, skewed towards the larger agencies and those dealing predominantly with temporary placements, which reflects their membership. Conversely, the other source generally regarded as reasonably indicative of trends, the LFS, was found to under-estimate numbers. The DTI survey indicated that the most reliable indication of numbers of agency (temporary) workers is likely to be the Office of National Statistics (ONS) quarterly inquiry into distributive and service industries other than retail, but is by definition focussed on a 4 per cent sample of businesses rather than being representative of industry as a whole.

[4] LFS data before 1992 has not been used in this draft because changes in questions asked and temporary employment classifications make direct comparison impossible. It may be possible to include some 1990 and 1991 estimates in subsequent drafts.

The recruitment services industry is vulnerable to cyclical and structural fluctuations (Caulkin 1995; FRES 1995), which can obscure fundamental trends, although it has been suggested on the basis of a recruitment industry survey of client companies that the recession of the early 1990s had a greater effect on permanent employment than on temporary agency placements among the companies surveyed (CIM 1994). All reliable estimates suggest that subsequent growth accelerated (Hotopp 2000) and industry turnover figures suggest that although there has been a recent slowing down, this has essentially been the case, as Figure 1 shows.

Figure 1: UK Recruitment and Employment Industry Annual Turnover (£m)



Source: REC 2002:5, based on figures from Government Turnover Inquiries

Labour market intermediaries sell labour as a commodity, either on the basis of job-brokerage or on a time or task-related basis, but there are clearly differences in the labour *commodities* that are being provided by different organisations or in different contexts, on the basis of the mental, manual and emotional job content or labour power being sold. Different temporary labour demands may reflect different labour market pressures. If we look at only one industry sector, the use of agencies to provide customer service staff in restaurants reflects the pursuit of numerical flexibility and labour cost control in a fluctuating product market with a plentiful labour supply, whereas the use of agencies to supply chefs reflects skills shortages and dependence on the intermediaries to supply labour, at premium cost, in a highly-competitive labour market (Purcell *et al.* 1999).

The size and prosperity of the recruitment industry has tended to reflect the economy as a whole, in that it has been most successful during periods of growth and experienced difficulties during recession. This is seen clearly in the numbers of agency branches licensed between 1989 and the end of 1994, with 16,123 in 1989, rising to 17,193 in 1991 and falling to a low of 14,422 in 1993, before recovering somewhat to over 15 thousand at the end of 1994 (Mintel 1996: Figure 6). The removal of the requirement to register in 1994 precludes subsequent comparably reliable monitoring, but according to REC estimates there were 11,173 branches in 1999 (REC 2000) and this had risen to 13,685 by August 2002 (REC 2002:8), which suggests continuous growth within the sector.

Given the difficulty in defining the industry and identifying its scope, estimates vary (Hotopp 2000). Recent comparative analysis of the number of companies undertaken for the International Confederation of Private Employment Agencies by Deloitte Touche Bakkenist (CIETT 2000) estimated that there were 6,500 private employment businesses in the UK in 1999, which, compared to 6,392 in 1991 (the previous highest point) and 3,720 in 1987 (Business Monitor PA1003): which, taken with growth in the numbers of outlets and placements reported by the industry, confirms the picture of increasing concentration and growth *within* organisations rather than in numbers of players. The number of enterprises in this relatively narrowly-defined sub-sector of Business Services is a crude estimate of trends, however, because these range from large multinational companies with branches throughout the country to one-person businesses. In the UK, we have clearly experienced a degree of restructuring within the sector, where the small independents have become a somewhat lower proportion while the larger ones, particularly the multinationals, have grown by merger, acquisition and diversification into an increasingly significant force. Turnover per branch is estimated to have risen by 17.8 per cent between 1998/9 and 1999/2000 (REC, 2000), by 11.1 per cent between 1999/2000 and 2000/2001, and to have fallen by 3.9 per cent between 2000/2001 and 2001/2002 - which may suggest that the market is becoming saturated in some areas of activity at least.

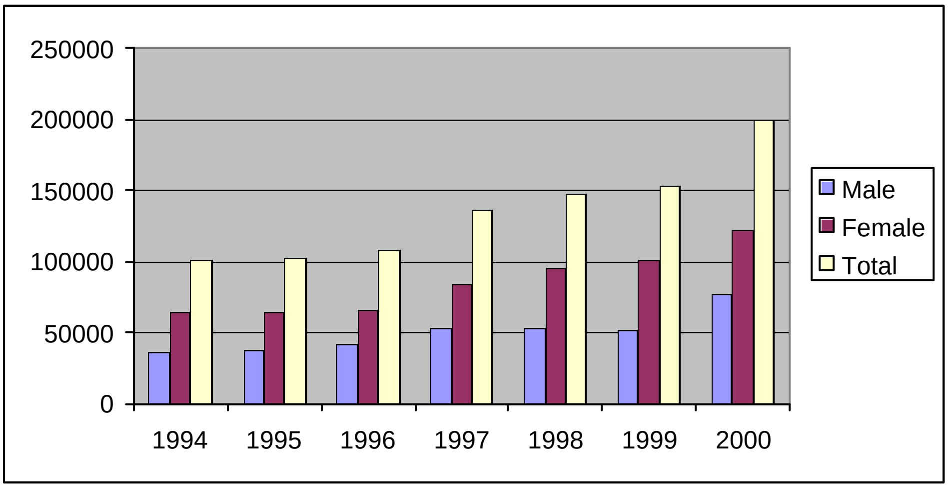
However, enterprise trends exclude companies that operate in the industry but whose main business comes under another heading. These include some of the biggest operators, in terms of relative market share, particularly in specialist areas such as management, ICT and accountancy where the largest consultancy firms frequently have job placement divisions which might not be registered as separate companies. Most universities and many large organisations, such as local authorities and health care trusts, have their own temporary register or temp 'pool' units (c.f. Tailby 2001)

Employment in the Recruitment Industry: Gender and Occupation

The number of employees working *in* the sector rather than *through* the sector of Labour Recruitment and Personnel Services (which is defined according to the Standard Industry Classification, SIC 1992/7450) increased steadily throughout the 1990s. According to LFS statistics, total employment more than tripled between the beginning and end of the decade, and although (according to REC estimates) numbers have been falling slightly during the last year. However, it is a particularly difficult industry to monitor for employment trends, as will be discussed.

Figure 2 Employment in *Labour Recruitment and Personnel Services* by gender

1994 – 2000

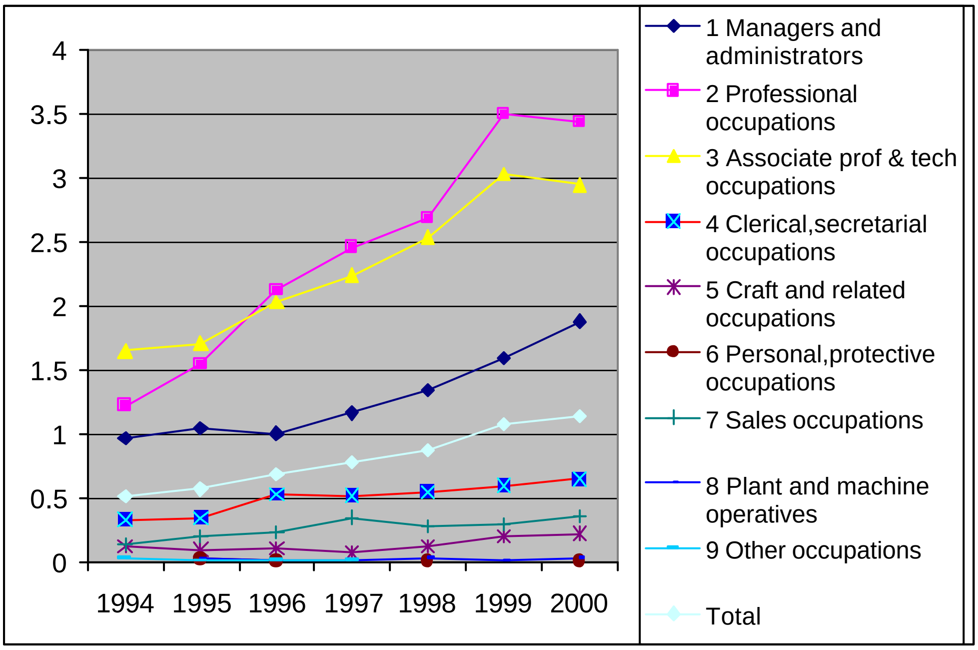


Source: LFS, Spring Quarters

In Spring 2000, 65% of those working for recruitment agencies were permanent employees – but are these permanently working *at* the agency or permanently employed *by* the agency and placed in one or more client companies? The statistics do not tell us. The change in contractual relationships between agencies and workers confuses the issue. In the past, it has been relatively easy to distinguish those employed *in* agencies to run them and those employed *through* agencies and placed in client companies, but now the lines are increasingly blurred. If we examine employment ('in' Recruitment and Employment Services') it grew steadily throughout the 1990s, although according to \rec estimates, there has been a 7.7 per cent decline in the past year – but does that solely indicate growth of agency activity, or also amplification of agency employment with the changing 'employment contracts' issued by the big agencies to 'flex workers'? The share of female permanent employees in total agency employment was almost 43%. Male permanent employees accounted for 22% total employment in such companies. In addition, 35% of those working for recruitment agencies were temporary employees. The share of female temporary employees in total agency employment was almost 20%. Male temporary employees accounted for 15% total employment in such companies.

Growth in this sector varied by occupation, and the graph which follows shows clearly how growth was skewed towards the higher skilled and status occupational levels – although it is important to bear in mind the occupational structure of the industry. It also suggests that at least a significant proportion of these mainly-permanent employees may, actually, be flex-workers.

Figure 3 Growth, by occupation, of The Labour, Personnel and Recruitment industry (74.5), 1994-2000*



Source: LFS, Spring Quarters
*1990-93 figures not directly comparable due to LFS classification change.

The one clear message to emerge is that temporary, or flexible working, through agencies, is a moving and increasingly hazy target in UK, but has undoubtedly grew thoughout the 1990s at both ends of the skill spectrum, almost certainly fuelled by different dynamics, as we will argue. Who *are* the agency workers?

Temporary Agency Employment

Employment agencies have played a major role in clerical and secretarial recruitment in UK for several decades. Their increased activities have been in manual work, especially in unskilled and semi-skilled areas; recruitment territory where the Employment Service was previously dominant: and in professional and managerial recruitment which was previously mainly undertaken directly, through newspaper and trade journal advertising, by the organisations with vacancies. This could to some extent be a temporary phenomenon, reflecting industrial restructuring and operational insecurities. The analysis of Labour Force Survey data to identify the key areas of temporary and fixed-term contract growth in the 1990s suggested that the industry and occupational areas where most growth had occurred were areas characterised by high employment and industry growth overall, or by industry decline. There is plenty of evidence that employers are currently particularly reluctant, and lacking in confidence, to predict future demand for their products and services and consequently, preoccupied with the need for labour flexibility (Harvey *et al.* 1997; Burchell *et al.* 1999). It is thus unsurprising that they are particularly likely to employ people on temporary or short-term contracts if their business is experiencing rapid growth or contraction. In order to throw further light on recent trends, we will explore who the agency workers are, where they are employed and where their employment has grown most rapidly over the 1990s.

Age and Gender

Are agency workers similar in profile to temporary workers as a whole? Table 1 shows the relative dimensions of the agency worker, temporary worker and permanent employee populations and their very different distributions by age and gender, from which it can be seen that agency workers are most likely to be between 18 and 34 and, to a somewhat lesser extent than temporary workers as a whole, are concentrated to greater extent at the age extremes of the workforce. They are marginally more likely to be men than women, which represents a significant change in the agency work population since the early 1990s when, as shown by Table 2, men were less than 30 per cent of agency workers. LFS data also reveals that non-white ethnic minority workers are over-represented in the temporary workforce in terms of their numbers in the workforce as a whole and even more disproportionately likely to work through agencies: the comparable ratios are 4.5% of permanent employment: 7.5% of temporary employment: and 9.3% of agency workers. Somewhat surprisingly, given increasing policy and employer preoccupation with the work-life balance (e.g. CIPD 2000), they are less likely to classify themselves as part-time workers than was the case at the beginning of the 1990s.

Table 1A comparison of the age and gender distributions of agency workers, all temporary workers and permanent employees, Spring 2000

Age Groups	Agency temps	All Temps	Permanent Employees	All Employees
15-17	2.7	6.3	2.1%	2.4%
18-24	32.6	24.0	12.1%	12.9%
25-34	25.3	22.0	26.7%	26.3%
35-49	23.6	27.8	37.1%	36.5%
50-59	10.9	12.9	17.8%	17.5%
60-65	3.1	4.4	3.4%	3.5%
66+	1.7	2.5	.8%	.9%
Total (Thousands =100%	261,087	1652,892	22574,885	24228,324
Male				
15-17	1.2	6.6	2.2%	2.5%
18-24	33.9	27.7	11.6%	12.5%
25-34	24.5	21.5	27.6%	27.3%
35-49	22.6	21.6	37.2%	36.2%
50-59	11.9	13.5	16.6%	16.4%
60-65	4.1	5.7	4.1%	4.2%
66+	1.7	3.3	.7%	.8%
Total (Thousands =100%	132,949	764,609	12160,203	12910,193
Female				
15-17	4.3	6.0	2.4%	2.7%
18-24	31.3	20.8	12.2%	12.7%
25-34	26.2	22.5	25.3%	25.2%
35-49	24.6	33.1	37.6%	37.2%
50-59	10.0	12.5	18.8%	18.4%
60-65	2.0	3.3	2.9%	2.9%
66+	1.7	1.8	.8%	.9%
Total (Thousands =100%	128,138	888,083	10685,680	11479,067
Total (Thousands =100%	128,138	888,083	10685,680	11479,067

Source: LFS, Spring Quarter

Gender divisions in agency fixed duration employment

Table 2 provides a detailed estimate of how both male and female temporary agency work has been growing. The number of male temporary agency workers appears to have almost doubled between 1992 and 2000 increased from 0.2% to 1% of total male employment in general, and from 4.7% to 17.1% of total male temporary employment in particular. The number of female temporary agency workers increased slightly less, from a considerably bigger base, but also cam close to doubling in size and significance within the temporary workforce. The growth in fixed duration employment – the largest single category of temporary employment, undoubtedly reflects public sector reorganisation and financial constraints, which has included freezes on the advertising of permanent posts, decentralisation and out-sourcing to compulsory competitive tendering sub-contractors. This also accounts, to a degree, for the expansion of relatively high skilled and professional fixed duration employment. It is likely that some of the changed gender balance in agency work and in temporary work also reflects the increasing employment of students of both sexes in response to change in higher education funding.

Table 2 Temporary Agency Workers (TWA) by gender, 1992 - 2000

Years	Male TAW (000)	Male TAW as % of total Male Emp.	Male TAW as % of total Male Temporary Emp.	Female TAW (000)	Female TAW as % of total Female Emp.	Female TAW as % of total Female Temporary Emp.	Males' share in total TAW (%)
1992	24.30	.21	4.70	56.86	.55	8.10	29.73
1993	34.91	.31	6.20	56.88	.55	8.00	38.05
1994	53.49	.47	8.60	60.68	.59	7.70	46.84
1995	77.76	.68	10.80	83.53	.80	10.10	48.33
1996	89.33	.77	12.60	114.14	1.07	13.00	44.01
1997	106.76	.90	13.60	122.49	1.13	13.30	46.70
1998	122.93	1.01	16.50	130.99	1.19	14.30	48.37
1999	132.87	1.08	17.10	119.00	1.06	14.00	52.65
2000	140.17	0.98	16.70	121.64	1.06	13.80	48.71

Source: LFS Spring Quarters

A comparison of agency workers with other categories of employee by highest educational qualification bears this out. Over a quarter of agency temporary workers sampled in the Spring 2000 LFS had degree or other higher education qualification: considerably less than the 48 per cent of the equivalent proportion of fixed-term contract workers. Conversely, they were less likely than any other group to have no qualifications and somewhat more likely to record GCE 'A' or GSE or equivalent as their highest qualification, reflecting the skew to the younger age groups.

Sectors and Jobs

How can we throw some light on the question of how agency workers are being used and what, consequently, the direction of trends in their use suggests for future workforce patterns and employment opportunities? An examination of change over time by sector and by occupation will throw some light on recent change in use of agency staff, relative to change in temporary work and employment generally. As has already been discussed LFS statistics almost certainly underestimate agency temporary work, but they are nonetheless likely to be the most reliable indicators of change, for at least the period when the classifications and questions have remained constant. Other sources, such as placement data provided by the industry itself, clearly double-count and amplify the numbers of job applicants placed by intermediaries.

Table 3a: Change in the scale and distribution of agency temporary work, by major sector, 1994-2000

	1994 Total (000)	2000 Total (000)	Change (000)	% Change in sector
Agriculture, Forestry, Fishing	0.4	0.8	0.4	100.0
Energy & Water supply	1.9	9.2	7.3	384.2
Minerals, Ores, Metals, Chemicals	3.0	7.3	4.3	143.3
Metal goods, Engineering, Vehicles	6.9	31.1	24.2	350.7
Other Manufacturing Industries	6.0	18.9	12.9	215.0
Construction	3.5	13.7	10.2	291.4
Distribution, Hotels & Catering, Repairs	9.9	22.1	12.2	123.2
Transport and Communication	11.5	25.7	14.2	122.6
Banking, Financial & Business Services	46.1	71.3	25.2	54.6
Other Services	24.4	59.7	35.3	144.6
Diplomatic, International	*	*	*	*
Workplace Outside UK	0.4	0.8	0.4	100.0
All Temporary Agency Workers (thousands=100%)	114	261	147	128.9

* Sample size too small for a reliable estimate. *Source*: LFS Spring Quarter

Table 3a shows that there has been consistent growth throughout the economy in use of agency workers between 1994 and 2000, with particularly large growth, in a relatively small sectoral population, in the privatised energy and water supply industries and in the declining area of metal goods manufacturing. After privatisation, the energy and water industries engaged in significant labour cost reduction policies (Nichols and Davidson 1993) which appears to be related to an accompanying increase in their use of temporary agency workers. Likewise, detailed analyses of manufacturing during the same period suggests that employment 'shake-out' (Dicken 1999) the pursuit of downsizing, (Burchell *et al.* 1999), export difficulties because of the high value of the pound (Brittan 1999) and the growth of foreign direct investment (Wolf 2000) led to a concern with headcount and the increased requirement to staff indirectly, using agency workers. Construction, traditionally characterised by higher temporary employment than most sectors, is vulnerable to economic fluctuations and has also shown very substantial growth which reflects the cyclical impact of economic recovery after a period of recession. In short, there seems, as in previous analysis (Purcell 1998) to be higher than average growth in expanding and contracting sectors, suggesting that growth reflects cyclical uncertainty rather than an upward trend which provides evidence of substantial strategic change.

If we look at change in the distribution of agency temps among sectors, in Table 3b, we can see that change in the distribution of the larger population has not been dramatic but reflects this uneven growth, particularly in areas of relative decline.

Table 3b: Change in the distribution of temporary agency workers throughout the economy, by industry 1994-2000

	1994 (%)	2000 (%)	Changes in distribution (1994-2000)%
Agriculture, Forestry, Fishing	0.3	0.3	0.0
Energy & Water supply	1.7	3.5	1.8
Minerals, Ores, Metals, Chemicals	2.7	2.8	0.1
Metal goods, Engineering, Vehicles	6.0	12.0	6.0
Other Manufacturing Industries	5.3	7.3	2.0
Construction	3.1	5.3	2.2
Distribution, Hotels & Catering, Repairs	8.7	8.5	-0.2
Transport and Communication	10.1	9.9	-0.2
Banking, Financial & Business Services	40.4	27.4	-13.0
Other Services	21.4	22.9	1.5
Diplomatic, International	*	*	*
Workplace Outside UK	0.3	0.2	-0.1
All Temporary Agency Workers (=100%)	100	100	

*Sample size too small for a reliable estimate. *Source*: LFS Spring Quarter

However, change by occupation is likely to be more revealing and is examined in Tables 4a and 4b. Contrary to the picture which was beginning to emerge from examining the characteristics and qualifications of agency temporary workers, Table 4a suggests that within an overall picture of growth throughout the occupational structure, although there *has* been substantial growth, from relatively low bases, of Managers and Professionals, the biggest areas of growth have been among manual and unskilled workers.

Table 4a: Change in the scale and distribution of temporary agency workers, by occupation (1994 – 2000)

	1994	2000	Change	
	Total (000)	Total (000)	000	%
1 Managers and administrators	3.2	8.0	4.8	150.0
2 Professional occupations	6.6	16.1	9.5	143.9
3 Associate prof & tech occupations	9.0	19.9	10.9	121.1
4 Clerical, secretarial occupations	53.0	106.2	53.2	100.3
5 Craft and related occupations	2.4	7.9	5.5	229.1
6 Personal, protective occupations	6.3	26.5	20.2	320.6
7 Sales occupations	2.7	5.1	2.4	88.8
8 Plant and machine operatives	18.2	50.2	32.0	175.8
9 Other occupations	12.1	20.2	8.1	66.9
Total (000)	114	261	147	128.9

Source: LFS Spring Quarter

Table 4b again clarifies the direction of change in the agency temporary work occupational profile in the same period. Clerical work, which continues to dominate agency employment numerically, has been decreasing in both absolute and relative terms.

Table 4b: **Change in the distribution of temporary agency workers throughout the workforce, by Occupation (1994 – 2000)**

	1994 (%)	2000 (%)	Changes in distribution (1994-2000)%
1 Managers and administrators	2.8	3.1	0.3
2 Professional occupations	5.8	6.2	0.4
3 Associate prof & tech occupations	8.0	7.7	-0.3
4 Clerical, secretarial occupations	46.6	40.8	-5.8
5 Craft and related occupations	2.2	3.1	0.9
6 Personal, protective occupations	5.6	10.2	4.8
7 Sales occupations	2.4	2.0	-0.4
8 Plant and machine operatives	16.0	19.3	3.3
9 Other occupations	10.7	7.8	-2.6
All Temporary Agency employees (=100%)	100	100	

Source: LFS Spring Quarters

The main business growth areas in the last few years appear to have been office and computing staff, health care workers and unskilled/semi-skilled manufacturing and service industry operative jobs. In the case of senior health-care, office administration and computing occupations, the industry appears to have taken over some responsibility for jobs previously negotiated more directly between employers and employees via professional networks and media advertising. Growth of agency working in health care, to a substantial extent, clearly reflects National Health Service decentralisation and privatisation resulting from government policy (c.f. Tailby 2001), and much of the growth in other areas may, similarly, reflect contracting-out of local and central government services (Dex and McCullough 1995).

What, then, does this tell us about the way in which employers are using agencies to support their operations more fundamentally than has been the case in the past? Does this constitute evidence that such intermediaries have been becoming an increasingly important and essential lubricant in the UK labour market, as the industry's hype asserts (REC 2000b)? In an interview with a senior representative of the main industry stakeholder organisation, he assured us that

> *'The range of products has been growing, of which HR management and providing much broader solutions is certainly growing. I would imagine that is going to be the way that real growth happens. The temp market, as people change where you ring up, is still out there but it's really not the big part of the business any more. It's about labour supply in a much more proactive way. I would have thought management situation where the employer worries about nothing and simply pays a simple fee [to the intermediary labour supply organisation] is likely to grow.*
>
> *People like Adecco and Brook Street and Kelly are looking at this all the time, how they can make that difference. A bit different, a bit more supportive to the commercial objectives of the business.'*

The REC and the majority of the agencies have been keen to promote themselves as responsible employers and to work constructively with government and trade unions to raise standards in the industry, in line with the REC's industry code of practice. The large multinational companies, accustomed to working in more regulated labour markets, do not see recent legislation change as contrary to their interests and have raised standards in UK practice. In an interview with the managing director of a European multinational organisation which has entered the UK market relatively recently, he commented on the 'small time' mindset of the majority of UK operators and painted a convincing picture of the way in which his organisation is set to become an opinion-leader to attract and retain 'flex-workers' who have the skills and adaptability to move among client organisations from an employment relationship with the intermediary.

This has been increasingly the pattern adopted by the large multinational organisations in the UK, who offer contracts, career-management and training to increasing proportions of their relatively-skilled applicants after initial satisfactory performance as temps. However, such contracts, although constituting what a leading employers' representative called 'an employment relationship' are not, even allowing for recent and pending legislative change, identical to traditional contracts of employment and he was keen to emphasise this:

> '*There's different business models. Manpower, for example, in a way they are employers of their temps, but actually they're not. It's all in the contract, it's in the detail. I think that there are people who have a different kind of business model, who will employ their contractors and put them out to the market, but the bulk of our market, the huge majority, is about staff whose employment relationship is with the agency, but it is not an employee in the normal contract. It can be terminated instantly, it does not give rise to the neutrality of obligation, which is at the heart of most the employment relationships..[and].. I don't see the need for it to change. If we are driven by Governments and regulation, we would resist that strongly. The flexibility of the market is the whole purpose of what we do. It's why the demand grows all the time, because it makes business sense for people to be deployed where they are needed and when you finish, they go somewhere else. As long as we have a demand driven market, which we do, then the people who do the work need not fear either, because there is another job for them tomorrow. In many cases they choose that lifestyle, but those that don't will either be offered a permanent job by someone as they often are, or will find themselves continuing to have interesting and varied assignments for the kind of hours that suit them in the sort of place that suits them with work they like. If they don't like it, they stop and they move on to somewhere else.*'

This, of course, emphasises the positive and underestimates the negative aspects of contingent employment, as will be apparent when we consider the evidence on employers' and employees' reasons for using, or being, agency temporary workers.

Nevertheless, the Trades Union Congress (TUC), which has worked with member unions to campaign against bad employment practice and exploitation of agency temporary workers and argued vociferously for such workers' conditions of employment to be brought on a par with those of employees generally (TUC 1999), reported that the industry has been becoming progressively more responsible players in the labour market, whilst recognising that the new contacts are, effectively, zero hours contracts. The TUC officials we interviewed were sceptical about major change in employer resourcing strategies, but agreed that the role of the agencies was increasingly intriguing:

'We're quite sceptical about ..claims..that the world of work and future is going to be everyone on contracts..[and that].. permanent employment is dead and workers are just going to have get used to permanent insecurity. That clearly hasn't happened in terms of the shares in the overall labour market:[temporary work has].. gone up a bit, it's not particularly high by European standards. A lot of it seems to be linked to our traditional uses of temporary labour: cover for people on maternity leave, filling gaps when you have holiday or sickness gaps, whatever it happens to be. All in all, it didn't seem to us really to add up to a radical reshaping of the whole labour market, so I think we are fairly sceptical still about all those rather wild claims being made.

One puzzle is just why temporary work took off so very, very rapidly in the mid-1990s and now seems to have stopped. Generally speaking, changes in labour market structure tend to take place gradually over a long period of time and that seems to have stopped, I don't know what it is, but that's been a puzzle.

I think the other thing we are aware of is that the whole temporary labour market itself is changing structure quite rapidly. The more traditional forms of temporary work seem to be in decline. A lot of [largely Public sector] fixed term contracts (which I suspect are probably not really fixed term contracts) come into the fore and the big employment agencies are now starting to really dominate the market. It's where the growth area seems to be.' (TUC Officer December 2000)

There is clearly evidence to suggest that wider industrial and organisational restructuring, both in the public and private sectors, has contributed to private sector recruitment industry growth and enabled it to become established on considerably stronger footing than before the last recession, so that as well as having strong *niches* where it is the main job-broker, it is increasingly competing or working with the public sector in the lower-skilled job markets. Whether it continues to make incursions into these markets or is simply filling short-term needs caused by cyclical insecurities will depend on the extent to which innovative core/periphery organisational human resource strategies become more widespread and that is the key question to be asked throughout this project. The agencies themselves and their stakeholder organisations are at pains to promote it as the specialist external business service of the future, with an expanded HRM role to play in partnership with client organisations (c.f. CIETT 2000; Leach 2000; REC 2000; Reed 2000), but objective research will be crucial to establish how far such publications report trends or simply market and promote an image of the future of work which is based more in their own wishful thinking than grounded in labour market trends. However, the industry's growth, although subject to different estimates, is not in question; the numbers of temporary workers classifying themselves as temporary agency workers has grown steadily. We will first consider why employers have been using them, and then shift to the evidence on temporary and more particularly, agency workers' orientations to their contractual status. The second big question, therefore, is *why* employers have been using them.

Why temporary agency workers are used by UK employers

Research conducted in the late 1990s and early 1990s (McGregor and Sproull 1992; Hunter and McInnes 1992; Hakim 1990) suggested that there was little evidence among UK employers of a strategic shift towards a core/periphery workforce where agency workers were used to achieve numerical flexibility. The most recent comparable data suggest that short-term cover for staff absence/vacancies remained the most common reasons among employers for using temporary agency workers, followed by the somewhat more strategic 'matching staff to peaks in demand' and to obtain specialist or scarce skills. Using agency staff to control employee headcount, because of a freeze on permanent stuff numbers, suggests cosmetic and cyclical rather than strategic motivation.

The most recent UK evidence (Cully *et al.* 1999; Millward *et al.* 2000) derives from the 1998 Workplace Employee Relations Survey (WERS). Reasons given by managers interviewed in the Employer Survey are shown in Table 5.

Table 5: Why temporary agency workers are being used

	Percent	Number
Matching staff to peaks in demand	38	163
Short-term cover for staff absence/vacancies	60	258
Cover for maternity leave or annual leave	16	70
Unable to fill vacancies	19	81
Obtain specialist skills	12	51
Freeze on permanent staff numbers	11	47
Other	4	19
Don't know	0	0

Source: 1998 Workplace Employee Relations Survey - Main management interview data

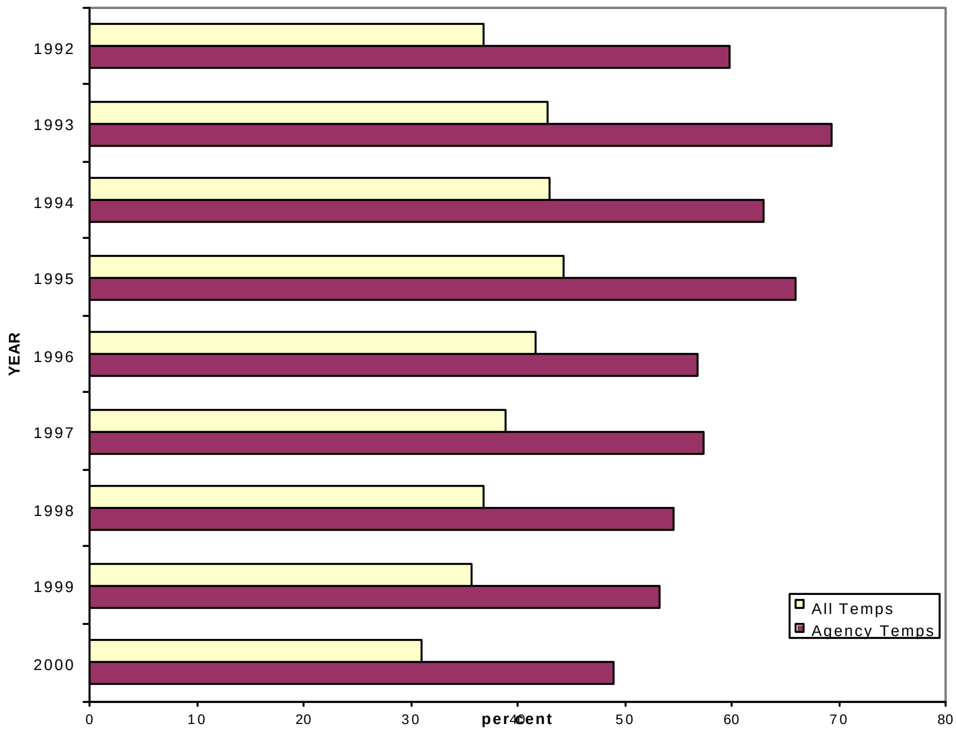
The spread of fixed-duration employment seen in temporary work and the growth of in-sourcing and out-sourcing has undoubtedly been predominantly a reflection of cost reduction exercises in the context of labour market deregulation and continuing high levels of unemployment, but as has been argued previously (Purcell and Purcell 1998), it can be argued that these trends are of strategic importance certainly lend support to the contention of Koene *et al.* (2001) that they support a transaction costs interpretation – as far as covering for fluctuations in demand are concerned.

A significant reason increasingly cited by employers for their use of temporary workers, which was not provided as an option by the WERS researchers (provided by 11 per cent of the CIETT respondents and mentioned in ongoing case study interviews) is as a trial for permanent posts. A fifth of employers in one recent UK survey gave this as one of their reasons - although the most important reason was 'to match peaks in demand' (Heather *et al. ibid:* 405). This is supported by evidence from two of the largest agencies involved in the preliminary research (Adecco/Alfred Marks and Reed Personnel Services), both of which claim that around 20 per cent of temporary placements end up being converted into permanent posts – which is why the 'watershed' temp-to-perm clause in the impending revised legislation, discussed previously, has been such a contentious issue.

Reasons for working in temporary jobs

But, are these 'flex-workers' indicating their lack of concern with employment security and desire for permanent organisational work identity, as suggested by Gorz (1999) or are they involuntarily being pushed into contingent employment where they carry the increasing risks of turbo capitalism?

Figure 4: % Involuntarily Temporary, comparing Agency Workers and All Temporary Workers (1992-2000)

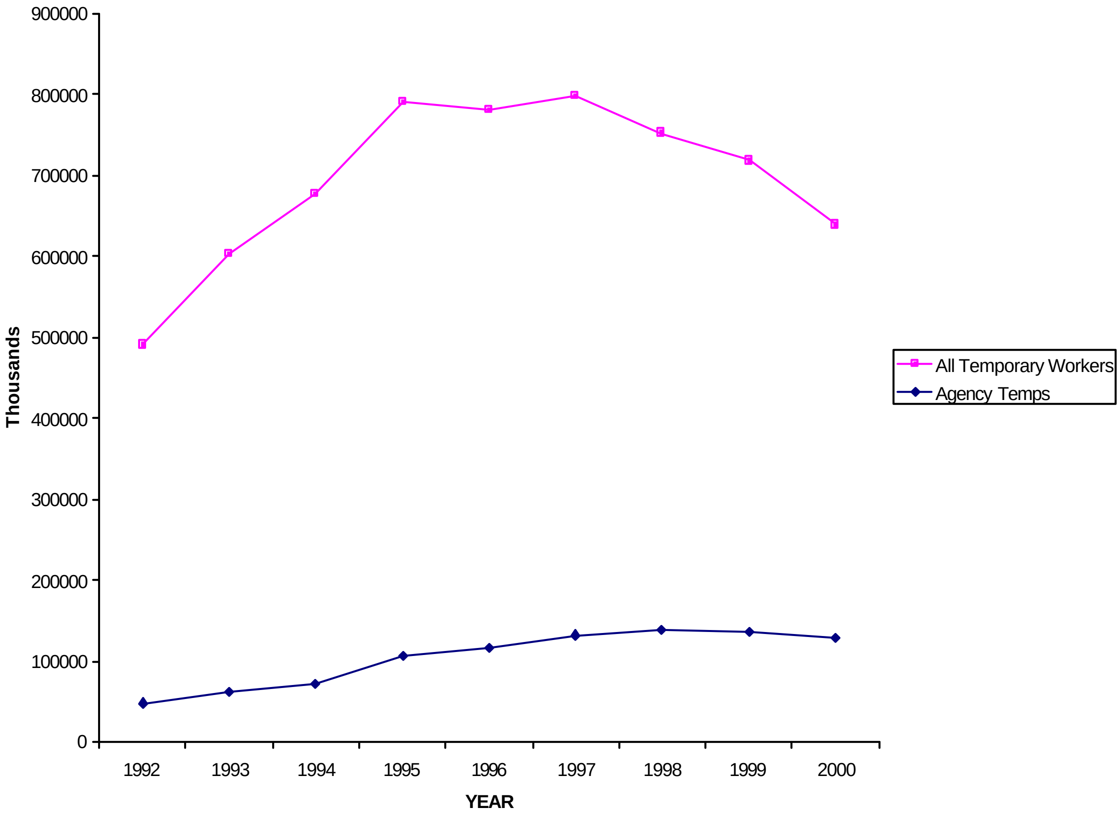


Source: LFS Spring Quarters

Figure 4 shows a clear relationship between the increase and decrease of both temporary workers as a whole and agency temps' propensity to have taken temporary work because they were unable to obtain a permanent post, and is clearly related to economic swings, where the emergence from recession and consequent growth in permanent job opportunities are apparent. However, the really interesting aspect of this figure is the extent to which agency workers are more likely to consider themselves involuntarily confined to the temporary labour market than temporary workers as a whole. This goes against the image promoted by the recruitment services industry of agency work providing the ideal flexibility for those wishing to have varied work experience, satisfactory earnings and control the work-life balance.

Figure 5 looks at trends in the number of involuntary temps, which provides further evidence that agency workers in this situation find it more difficult to access permanent posts as such jobs become more available.

Figure 5: Comparison of Trends in NUMBERS of Agency Temps and All Temporary Workers who were unable to find Permanent Jobs 1992-



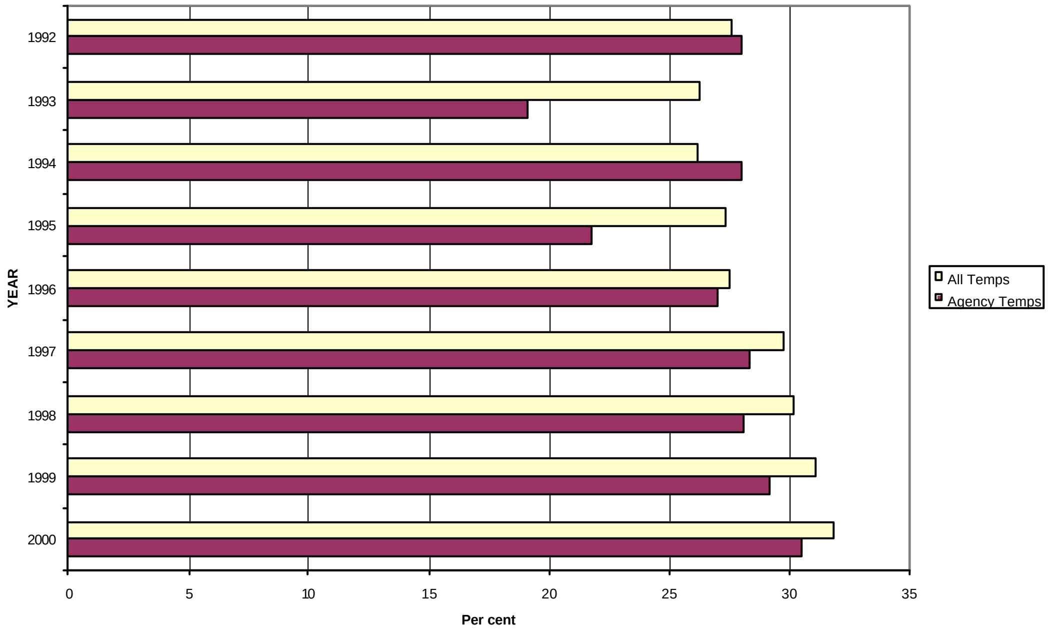
2000

***Source*: LFS Spring Quarters**

Although only around one-third of all temporary workers would prefer permanent work, it appears that until last year over half of all agency temps did so and during periods of recession a higher proportion of workers found themselves having to take agency work *in lieu* of the more secure employment they would prefer.

Looking at the other key category among temporary workers - those who explicitly do not seek permanent posts - Figure 6 shows the relative proportions of temporary workers and all temporary workers during the same period. These constitute a lower proportion of both categories and, apart from 1994, a lower proportion of agency temps than temps as a whole. Further research is required to examine the characteristics of both reluctant and voluntary agency workers, but at this stage what is clear is that the former outnumber the latter.

Figure 6: Proportion who did not want permanent work, comparing Agency Temporary Workers and All Temporary Workers (1992-2000)



Source: LFS Spring Quarters

Figure 7, again looking at actual numbers rather than proportions, contrasts with Figure 5 in that it shows how the movement of freely choosing agency temporary workers follows has risen more steadily than the trend for temporary workers as a whole, which may suggest less vulnerability to demand fluctuations.

Figure 7 Comparison of Trends in NUMBERS of Agency and All Temporary Workers who did not want permanent work, 1992-2000

Source: LFS Spring Quarters

Conclusion

Considering the sectoral and occupational patterns revealed in this paper, it is likely that current findings re-enforce earlier findings (Purcell *et al.* 1999) that in contingent or limited duration employment, particularly agency temporary work, there is a division between professionals with scarce skills in sectors such as ICT and contingent workers with low educational and vocational qualifications. Most distinctively, the low-skilled ones provide flexibility for employers but have little flexibility or choice for themselves, restricted to what is effectively insecure contracts, even where UK legislative change has given them better employment rights than previously and they have an employment relationship with the agency through whom they work. However, evidence is emerging from some of the NUEWO UK case study research that some agencies in some sectors are targeting and attracting job-seekers who find temporary work attractive in terms of their current work-life priorities (for example, students and older workers) for both high and low-skill placements.

Nonetheless, on the whole, the UK trends provide little evidence of radical change in workforce resourcing, despite the growth of the intermediary industry. Growth has been most substantial in areas of overall sectoral or employment decline, reflecting global restructuring and technological change and at the other extreme, has grown - but increasingly slowly - in areas of expansion such as consumer and business services. The biggest areas of agency work remain services to which technology has made radical change to the labour process (Greenbaum 1998), but some of these areas of *employment* growth are already proving to have been finite. For example, overall employment in financial services has been declining in the last few years and call centre work opportunities are already becoming eroded at the lower-skill end by technology and predicted to be further displaced by e-commerce more generally and the outsourcing of operations to developing companies (e.g. India). It is postulated that the impact of sector-specific variables such technological or competitively-driven strategic responses to (or redefinitions of) the labour market are amplified by cyclical economic and business trends - but are the main drivers of growth or decline in this essentially chameleon industry which increasingly seeks to build symbiotic relationships with clients.

Further changes in response to impending European legislative change will be required if it is to continue to thrive. The only way to make substantial advances in understanding of what is happening to the relationship between clients, applicants and intermediaries and how these relationships are likely to develop in the future, is case study investigation of organisations. These reveal which workers are being employed, in what organisations and for what purposes and this is what the NUEWO project is doing, concentrating on areas where employment has been both growing and declining[5].

On the basis of the evidence cited in this paper, we would postulate that it will prove impossible to identify one reason for the growth of employment intermediaries, or one

[5] See footnote 1. The comparative analysis of NUEWO findings on the Temporary Work Agency (TWA) sector in the countries investigated, edited by Bas Koene and Kate Purcell, will be published in 2004.

trend direction in the future. A transactional analysis may well explain the use of relatively unskilled temporary or zero hours workers. It cannot account for growth and particularly, recent levelling off, in the demand for more highly qualified temporary workers, which reflects diverse opportunities and constraints faced by employers: careful recruitment and reluctant response to skill shortages as well as management of uncertainty and labour cost control. A more complex analytic model is required and the NUEWO research is working towards achievement of this goal.

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