

# Protected at last? Agency temps in the UK and the European Directive on Agency Work

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# Overview

- Context
  - Job quality and agency work: debates
  - Agency working and regulation in the EU and the UK
  - The Agency Working Directive
- Numbers and trends in agency working
- Who takes temporary jobs?

Job quality in agency work: survey evidence

- Pay and conditions in agency work
- Non-monetary aspects of job quality
- Conclusions – protected or continued vulnerability?

# 1. Context

- On-going debate around regulation
- Agency workers: historically little legal protection in UK
  - outside of scope of much legislation
  - NMW and WTD applies to all ‘workers’
  - Problems of ‘triangular’ employment relationship
- Concerns over the quality of agency jobs in terms of pay, conditions and non-monetary aspects

# Context

- First seminar in this series highlighted multifaceted nature of job quality (Lloyd and Warhurst, 2010)
- Can relate to objective terms and conditions (pay, benefits, working time) or subjective perceptions
- Agency status explicitly identified as feature of many bad jobs (see also McGovern et al, 2004)
- There remains limited large-scale representative evidence comparing agency with other (temporary and permanent jobs)

# Agency work and the EU

- Discussions for regulation date back to 1984, with current directive first proposed in 2002
  - principle of equal treatment with ‘comparable worker’
  - EC argument: increase attractiveness of agency work

# Agency work and the UK

- Warwick Agreement, July 2004:
  - “UK government to support the EU Agency Workers Directive, and to engage with the Commission with a view to reaching an early agreement on the proposed Directive”
- In practice UK government blocked Portuguese Presidency attempt to revive directive, December 2007
- Result: Andrew Miller’s Private Members’ Bill requiring equal treatment
- Withdrawn in May 2008 when CBI/TUC agreement reached on equal treatment provisions
- Paved way for agreement at EU level on Agency Working Directive

# What the Directive will cover

- Agency workers entitled to ‘the same basic working and employment conditions as (person) doing the same job recruited directly by the hirer’
- Equal treatment entitlement only after 12 week continuous assignment with hirer
- Equal treatment covers pay, working time, rest periods, annual leave collective facilities....
- ...But not occupational sick pay, pensions, redundancy provisions, training
- Implementation by Member States required by December 2011

# Getting the measure of the agency workforce

- Labour Force Survey (2007): 250,000 respondents define themselves as agency temp in main job
- SORA survey (BERR commissioned, 2007): 1.5m temps
- Recruitment and Employment Confederations Survey (2007): 1.1m temps
- SORA and REC likely to include significant 'double counting'
- REC survey measures number on payroll in given week, rather than out on assignment
- LFS criticisms: misses self-employed and second job holders; respondents may 'misclassify' themselves in agency jobs

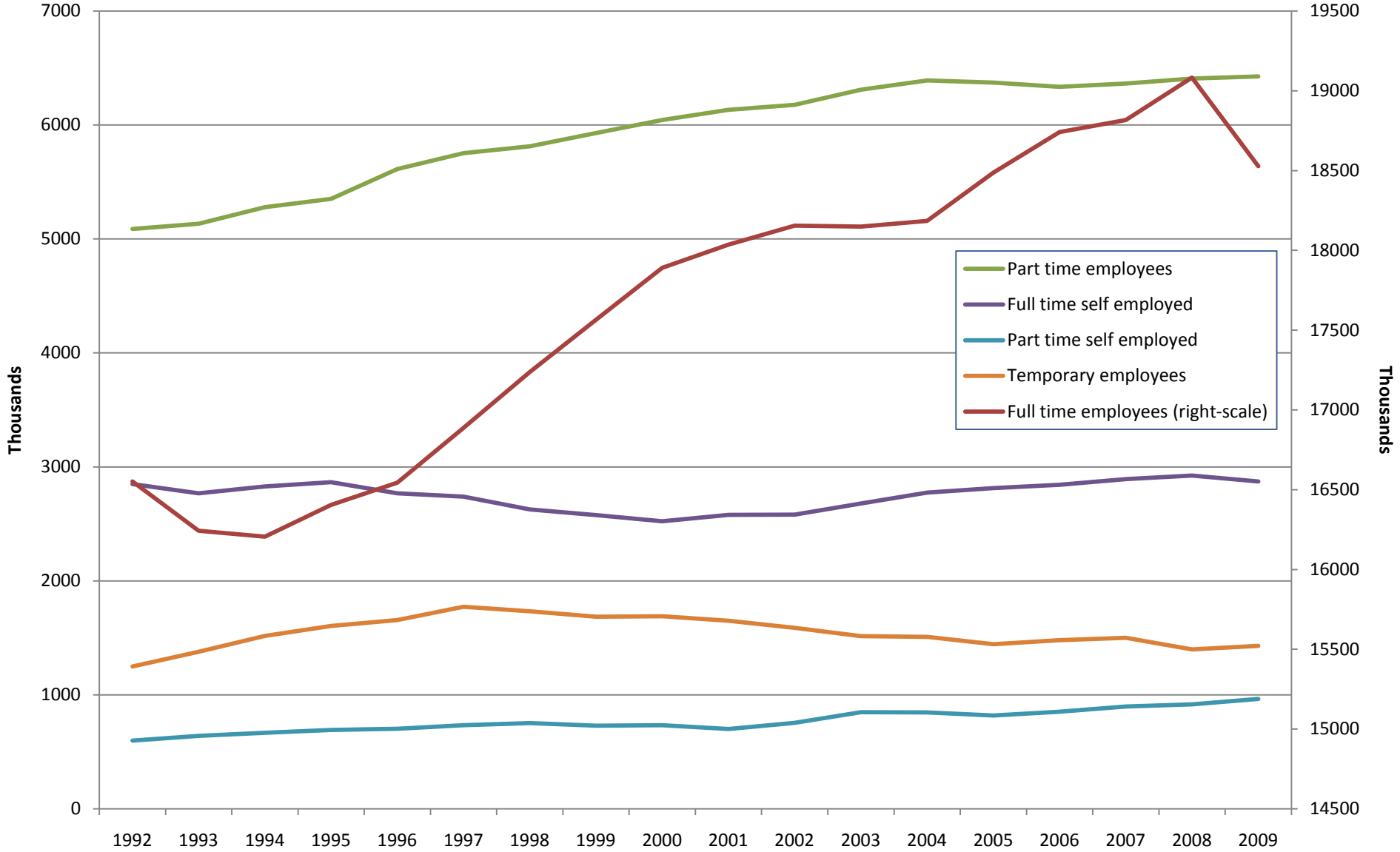


# A new measure of the agency workforce (LFS, 2009)

	<b>2002</b>	<b>2006</b>	<b>2009</b>
Main job is as an 'agency temp'	<b>267,408</b>	<b>253,959</b>	<b>247,936</b>
Self employed working through an agency	<b>69,245</b>	<b>75,061</b>	<b>78,837</b>
Second jobs is as an agency temp	<b>26,135</b>	<b>16,541</b>	<b>22,818</b>
<b>Total</b>	<b>362,788</b>	<b>345,561</b>	<b>349,591</b>

Labour Force Surveys, Spring quarter each year

**Figure 1: Employee and self-employed jobs by type, UK 1992 to 2009**



**Figure 2: Temporary employment by type, all employees, UK 1992 to 2009**

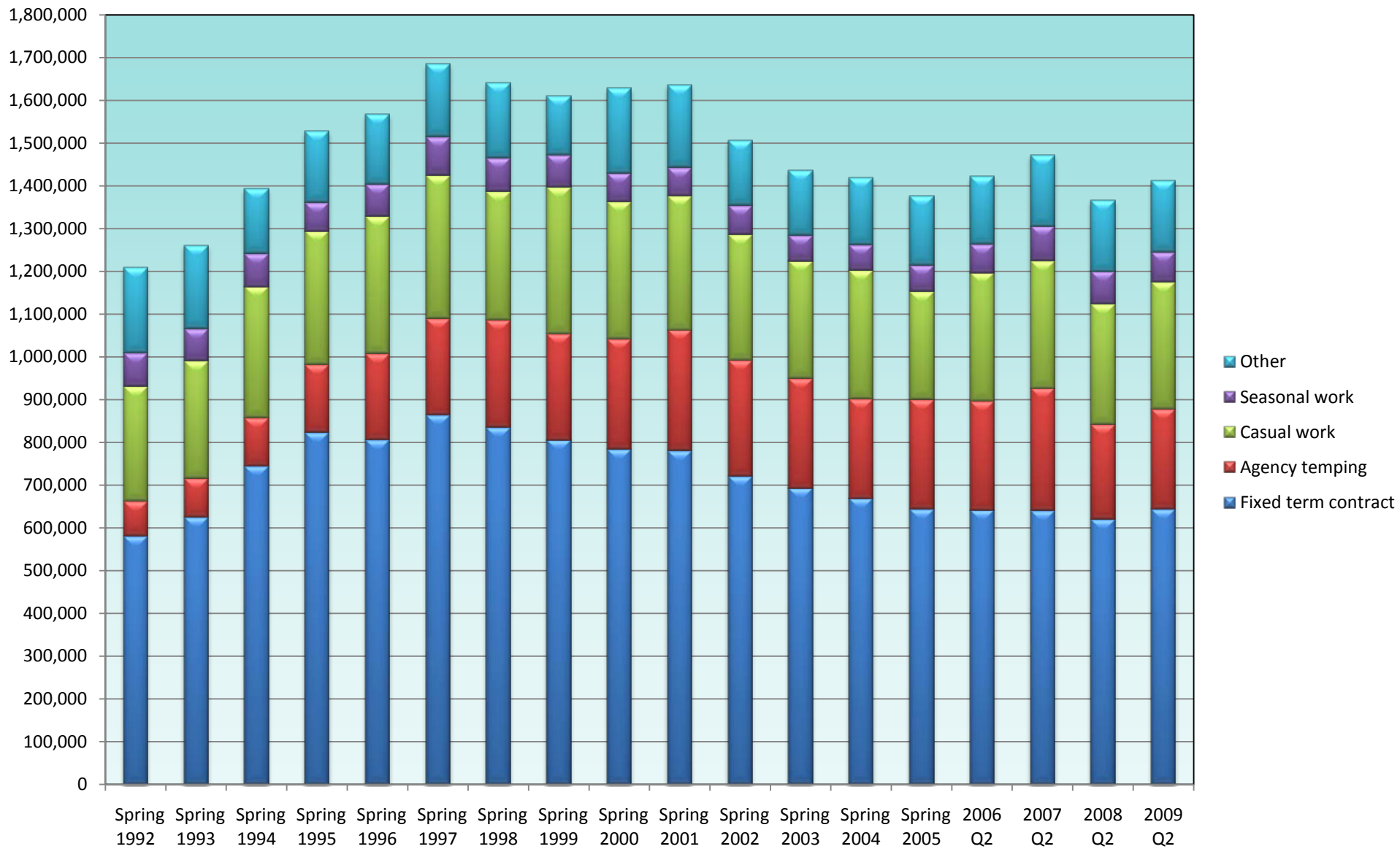


Table 2: Who takes temporary jobs? Multinomial logit results  
(LFS 2007)

	<b>Agency</b>	<b>Fixed-term</b>	<b>Seasonal/ Casual</b>	<b>Other</b>
<i>Characteristics increasing likelihood of state relative to permanent employment</i>	<ul style="list-style-type: none"> <li>• High qualifications</li> <li>• Previous redundancy</li> <li>• Low-skilled occupations</li> <li>• Black and minority ethnic</li> <li>• Public sector</li> <li>• New EU and rest of world countries of origin</li> <li>• Recent migrant</li> <li>• Part time</li> </ul>	<ul style="list-style-type: none"> <li>• Asian</li> <li>• High qualifications</li> <li>• Current student</li> <li>• Previous redundancy</li> <li>• Old EU and Rest of world country of origin</li> <li>• Recent migrant</li> <li>• Public sector</li> <li>• Part-time</li> <li>• High-skilled and semi-skilled occupations</li> </ul>	<ul style="list-style-type: none"> <li>• Non-white</li> <li>Current student</li> <li>• Part-time</li> <li>• Low-skilled, semi skilled occupations</li> </ul>	<ul style="list-style-type: none"> <li>• Asian</li> <li>• Current student</li> <li>• Previous redundancy</li> <li>• Part-time</li> <li>• Public sector</li> <li>• Some high-skilled and Semi skilled occupation</li> </ul>
<i>Characteristics decreasing likelihood of state relative to permanent employment</i>	<ul style="list-style-type: none"> <li>• Female</li> <li>• Married</li> <li>• Children</li> <li>• Managerial occupations</li> </ul>	<ul style="list-style-type: none"> <li>• Older workers</li> <li>• Child under 5</li> </ul>	<ul style="list-style-type: none"> <li>• Older workers</li> <li>• Married</li> <li>• Child aged 5-18</li> <li>• Higher occupations</li> </ul>	<ul style="list-style-type: none"> <li>• Older</li> <li>• Married</li> <li>• Child 5-18</li> </ul>

# Job quality in agency work

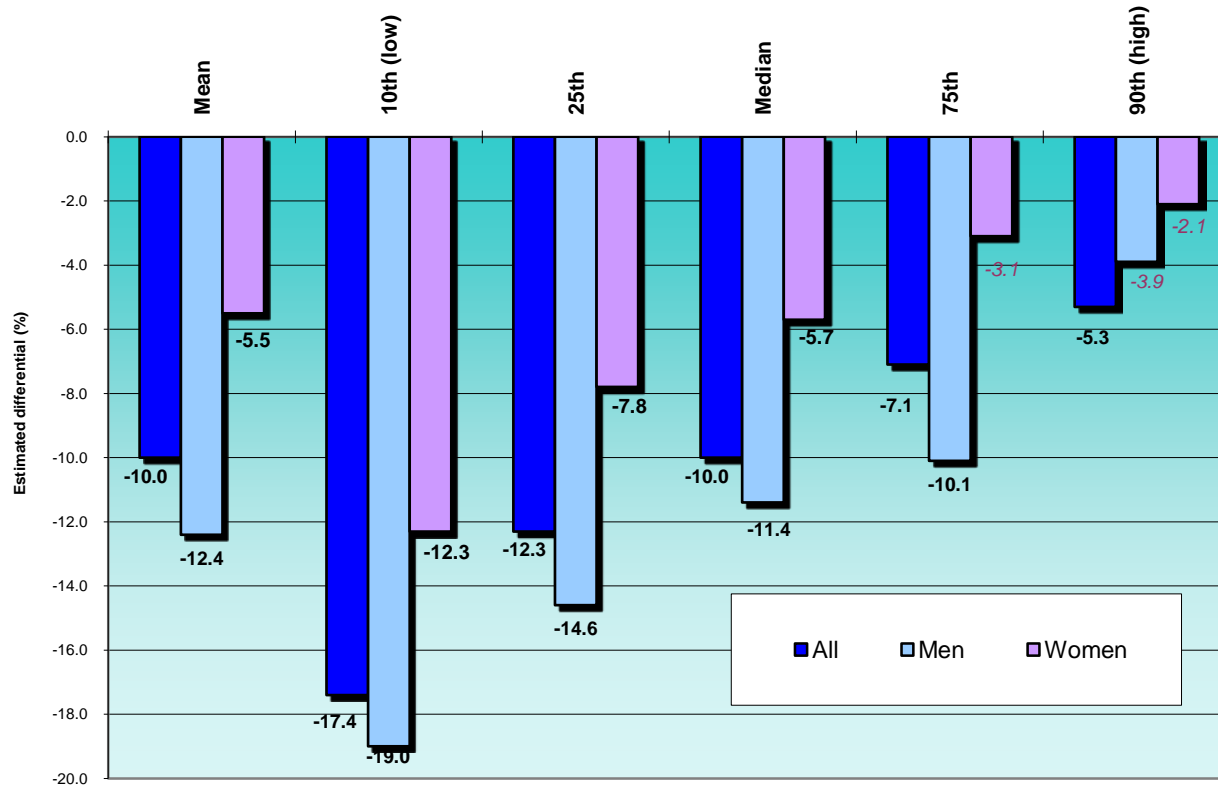
- Comparisons with other forms of temporary jobs and permanent employment
- Data drawn from LFS, Skills Survey and Working in Britain
- Objective data on pay, leave, job tenure, flexible working, training, union membership
- Subjective data on skills use, task discretion, job satisfaction and vulnerability (from Forde, Slater and Green, 2008)

**Table 3: Hourly wages and the incidence of low pay, 2009**

	Median (P50) hourly pay (£)	% low paid (<60% P50)
Permanent	9.78	12.6
Agency	6.84	29.4
Fixed-term	10.25	12.1
Seasonal/casual	6.00	45.5
Other temporary	9.05	18.9
All employees	9.63	13.1

Source: Labour Force Survey, Autumn (Oct-Dec.) 2009. All employees. Low pay threshold £5.78 (60% of median reported hourly pay)

**Figure 3. Wage differentials: agency vs. permanent workers, 2007**  
 chart shows average differential and variation in differential across the wage distribution controlling for worker characteristics



**Table 4: Annual paid holiday entitlement, full-time workers 2009**

	Days	Weeks
Permanent	27.1	5.4
Agency	20.8	4.2
Fixed-term	27.3	5.5
Seasonal/casual	17.9	3.6
Other temporary	24.2	4.8

*Source:* Labour Force Survey, Q4 (Oct-Dec.) 2009, employees of working age. A 5-day working week is assumed.



**Table 5: Agency workers and job tenure, Q2 2010**

<b>Average tenure</b>	<b>Months</b>
Mean	20.7
Median	8
Mode	2
<b>Proportion of agency workers with tenure of less than.... (cumulative %)</b>	
1 month	7
2 months	15
3 months	25
6 months	39
1 year	58
18 months	64
2 years	76
5 years	90

Source: LFS 2010 Q2 (April-June), all employees.

**Table 6: Shiftworking by job type, 2010**

	Most of the time	Never
Permanent	16.3	80.2
Agency	24.6	69.7
Fixed-term	9.2	88.9
Seasonal/casual	18.8	76.8
Other temporary	16.9	80.6

Source: Labour Force Survey, Q2 (April-June) 2010, all employees.

<b>Table 7: Work arrangements by job type, 2010</b>					
	Perm	Agency	FTC	Seasonal/ Casual	Other temp
Flexitime	12.2	9.2	16.1	5.7	11.2
Annualised hours	5.6	1.7	3.7	0.4	2.4
Term time working	5.1	7.7	16.5	6.2	15.0
Job sharing	0.7	0.6	0.8	0.3	0.8
9-day fortnight	0.3	-	0.2	-	-
4.5 day week	0.7	0.9	0.5	0.2	0.3
Zero hours contract	0.3	1.8	0.5	5.8	3.2
On-call working	2.1	3.1	1.2	6.0	2.6
None	73.1	75.0	60.5	75.5	64.5

Source: Labour Force Survey, Q2 (April-June.) 2010, all employees.

**Table 8: Incidence of training by job type, 2010**

	Any training in last 3 months, %	Any training in last 4 weeks, %
Permanent	28.2	14.0
Agency	21.0	10.1
Fixed-term	38.5	19.9
Seasonal/casual	28.6	22.1
Other temporary	35.0	21.2

Source: Labour Force Survey, Q1 (Jan-March) 2010, employees of working age

**Table 9: Skill use and learning environment, 2006**

	% Underutilising their skills*	% where job requires learning new things**
Permanent	32.7	33.9
Agency	78.5	21.3
Fixed-term	30.1	39.3
Seasonal/casual	64.9	13.7

Source: The 2006 Skills Survey, reported in Forde et al (2008)

Notes:

\* Responding "disagree/strongly disagree" to the statement "In my current job I have enough opportunity to use the knowledge and skills that I have", or "very little/a little" to the statement "How much of your past experience, skill and abilities can you make use of in your present job?"

\*\* Respondent "strongly agrees" (4-point scale) with the statement: "My job requires that I keep learning new things".

**Table 10: Union membership by job type, 2009**

	Union member, %	Others in workplace are union members	Pay and conditions covered by union agreement
Permanent	27.7	32.7	34.8
Agency	17.1	46.8	7.2
Fixed-term	18.0	60.0	39.5
Seasonal/casual	6.2	30.2	12.9
Other temporary	18.8	40.5	32.4

*Source:* Labour Force Survey, Q4 (Oct-Dec) 2009, all employees.

**Table 11: Repetitive work and task discretion, 2006**

	% always doing repetitive work	% with “a fair amount” or “a great deal” of personal influence over:		
		What tasks	How to do tasks	Pace of work
Permanent	14.8	91.4	66.8	83.3
Agency	37.4	68.3	31.4	44.3
Fixed-term	9.8	90.5	70.3	85.1
Seasonal/casual	24.0	72.9	48.6	61.0

Source: The 2006 Skills Survey, reported in Forde et al (2008)

**Table 12: Dissatisfaction with quality of work, 2006**

	% dissatisfied with:			
	Variety in the work	The work itself	to use abilities	Being able to use own initiative
Permanent	6.4	4.7	6.5	4.6
Agency	18.8	16.6	31.7	26.9
Fixed-term	6.3	6.7	9.3	6.1
Seasonal/casual	17.7	17.3	22	21.2

*Source:* The 2006 Skills Survey, reported in Forde et al (2008)

*Note:* Dissatisfied means responding "fairly dissatisfied", "very dissatisfied" or "completely dissatisfied" on a 7-point scale.



Table 13: Anxiety about vulnerability in job, 2000

		% anxious about suffering:			
		Arbitrary dismissal	Discrimination	Victimisation by management	Bullying
Permanent	<i>Very anxious</i>	9.8	8.7	8.3	6.42
	<i>Fairly anxious</i>	12.5	10.2	9.2	5.9
Agency	<i>Very anxious</i>	<b>31.4</b>	<b>35.0</b>	<b>30.1</b>	<b>25.6</b>
	<i>Fairly anxious</i>	<b>27.8</b>	<b>23.2</b>	<b>22.3</b>	<b>13.7</b>
Fixed-term	<i>Very anxious</i>	11.5	7.0	4.3	4.6
	<i>Fairly anxious</i>	13.7	7.9	10.9	5.6
Seasonal/ casual	<i>Very anxious</i>	15.9	9.3	16.6	18.5
	<i>Fairly anxious</i>	7.6	18.8	11.5	8.5
Other temporary	<i>Very anxious</i>	27.7	14.8	18.1	6.6
	<i>Fairly anxious</i>	8.8	18.4	7.9	0.0

*Source:* Working in Britain 2000. Respondents reported whether they were 'not at all anxious', 'not very anxious', 'fairly anxious' or 'very anxious' about each of these situations arising in their workplace. The table reports the proportions in the top two categories. Data are weighted

# Conclusions

- Evidence suggests many agency jobs are ‘bad’ jobs
- Agency jobs are, on average, worse than permanent and many other temporary jobs
- This statement holds for a range of objective and subjective measures of job quality

# Making agency jobs more bearable

- Will the long awaited Agency Working Directive have an impact on the quality of agency jobs?
- Likely to improve job quality in terms of pay, leave and access to facilities
- But significant numbers of agency workers likely to miss out due to 12 week qualifying period
- Directive will have no impact on quality of agency jobs in terms of content, discretion and many aspects of vulnerability
- Raises broader question of nature of agency jobs and use by employers