THE PROLIFERATION AND CONSEQUENCES OF TEMPORARY HELP WORK: A CROSS-BORDER COMPARISON

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ABSTRACT

In the summer of 2008, we set out to hear from Ontario’s growing population of temporary help workers, also known as, temporary service workers. Having already conducted studies of temporary help workers in the United States, we sought to compare the working conditions of temporary
workers in Ontario to those of workers south of the border. We visited temporary agencies in Toronto and conducted in-depth interviews with over a dozen temporary help workers. Their circumstances are not unlike those of their U.S. counterparts — they are not adequately rewarded for their vital on-call role in contemporary capitalism and they become “stuck” in this relatively new type of work, unable to find and secure full-time employment.

I entered Ontario from New York in early July of 2008. The trip is a common one for me, beginning in Syracuse New York, my hometown, and moving west down the New York State Thruway, through Rochester, Buffalo, Niagara, and then into the province of Ontario. Unlike previous trips to Ontario, this time I crossed the U.S. border to investigate with my Canadian colleague, Michael Mandarino, the proliferation of temporary service work. I had studied the growth and consequences of this work in the U.S., and given its rapid growth in Ontario of late, it was an opportune time for a cross-border comparison.

Many who cross the New York/Ontario border recognize the decayed infrastructure of New York’s Central and Western cities compared to Ontario’s cities. The distinctions are stark, marked by deteriorated housing and building stock in Buffalo, New York, juxtaposed the manicured and well-kept homes in Niagara, St. Catherine, and on up. The loss of manufacturing jobs and the rise of low paying retail and service sector jobs in the U.S., like those of temporary help services, have facilitated this stark contrast. A manufacturing company has not made the “top ten” list of largest employers in the U.S. since 2006. Worse, amongst the top five employers, stand three Temporary Labour Companies. Manpower tops the list employing 4,027,000 workers, followed by Wal-Mart (1,800,000), Kelly Services (708,600), Labour Ready (603,400), McDonald’s Corp. (447,000), McDonald’s USA (436,500), United Parcel Service (407,000), Sears Holding Corp. (355,000), The Home Depot (345,000), and Target Corp. (338,000). Rank and file workers for these companies, with the exception of UPS, the only union company amongst the ten, earn minimum or near minimum wages. It is impossible to adequately care for property and homes on such wages. The largest employment growth in the U.S. in recent decades has been without question in the temporary service industry, an industry that currently employs three million workers a day. The industry’s achievements can be attributed to how it has redefined employment, making partial-employees out of its workforce with limited employee rights, and how this workforce provides and generates flexible and part-time work.

While temporary service work is not yet the most popular kind of work in Canada, there are solid indications that Canada could be following the U.S. model, with the province of Ontario leading. Statistics Canada’s Labour Force
Survey indicates that temporary jobs are growing more abundant in Ontario compared to Canada at large. Since 1997, temporary jobs in Ontario have almost doubled to 700,000 while Canada at large increased its number of temporary workers from 1.2 to 1.8 million during that same period. As Ontario, specifically, and Canada, more generally, lose industrial employment and transition to temporary work, what will happen to the overall social and economic vitality of the province and country? Will these jobs replace full-time middle class jobs as they have in the U.S. and lead to the deterioration of Ontario and Canadian cities? What will be the overall social and economic impacts of temporary service work?

In search for answers we set out to explore how temporary help affects the lives of people employed in the work. In order to understand the macro consequences of this work, one must first understand how it functions and acts at local levels and its impact on the lives of workers. We decided to interview, therefore, workers employed by temporary services in Toronto and compare those findings to interviews already conducted of temporary help workers in New York.

Downtown Toronto is home to a number of temporary work agencies, including Labour Ready, Help Unlimited, Labour Source, and Kelly Services, all of which exist within walking distance of one another. We chose a café in the middle of these agencies and recruited workers from them to come speak with us at the café. This was not hard to do, given that the agencies are busy places where workers convene and wait to be dispatched to jobs. Understanding that we were interfering with workers attempt to secure a job we paid workers ten dollars for interviews lasting under 30 minutes and twenty dollars for interviews lasting over thirty minutes. This method, we thought, was incentive for workers to speak with us for at least thirty minutes. We interviewed two-dozen workers over 3 days, which includes a handful of workers that we interviewed while walking with them to their job sites. All but four workers spoke to us for over thirty minutes.

Our major finding indicates that although temporary help workers turn to temporary service agencies hoping to find full-time employment, this goal is rarely realized. In other words, through the process of being placed in various jobs with various employers, workers expect to eventually land a fulltime job. None of the workers we interviewed in Ontario successfully secured full-time employment through temping. This was the case even though 6 of the workers we interviewed had been temping for over a year. In addition, we found that workers overwhelmingly felt mistreated as workers, particularly by the agencies themselves. As a 24-year-old from Oshawa stated, “the agencies keep us underemployed and underpaid so that they can profit.” Lastly, even though workers are told that they are the “employees” of temporary companies, they do
not feel like real employees, a finding which is in accordance with other studies on temporary workers.\(^5\)

We believe that these findings result from the structure of this kind of employment, a structure which can best be understood in its historical context.

**DEFINING TEMPORARY HELP HISTORICALLY**

Samuel Workman, the founder of Workman Calculating Service (1929) is often credited with being the founder of the concept of temporary help. The idea of for-profit employment providing, however, is very old, and certainly one could point to forms of slavery and indentured servitude as examples. Wage labour’s history is also loaded with examples of labour traders, salesman, and brokers. Prior to the turn of the century, for example, a third of all work in the U.S. was migratory and much of it, as Carlton Parker noted in his 1920 study of “casual laborers,” dispatched by employment agencies.\(^6\) But there are important distinctions to be drawn between the employment agencies of old and temporary help, most stemming from the fact that temporary help “employs” its workforce and sells it to companies for a temporary period. Samuel Workman may in fact have been the first to institutionalize this concept, but its popularity and development on a global scale have been propelled by much bigger players, such as Manpower and Kelly Services.

The first temporary help company to emerge in Canada (Winnipeg) was William Pollock and James Shore’s Office Overload (1951).\(^7\) By 1956 the company had expanded to Vancouver, Montreal, Toronto, and Hamilton. By 1957 the company employed roughly 30,000 women.\(^8\) Like its American counterpart, Kelly Services, then known as Kelly Girl, Office Overload was able to draw from surpluses of underemployed women after the War, many of whom were displaced factory workers encouraged by state campaigns to leave factory work and return to domestic kinds of labor.\(^9\) With a growing hunger for contingent labor in Canada, Manpower (1956) and Kelly Services (1968) expanded beyond their U.S. base and began their first cross-border expansion. Russell Kelly, founder of Kelly Services (1946) claims to have been the first to call his business a “temporary help” company. In an interview conducted for the company’s fiftieth anniversary, Kelly describes the difficulty in getting businesses to comprehend his new concept: “I had to explain to every customer the difference between a temporary service company and an employment agency. Customers would say, ‘What do you mean, “On your payroll”?’ They had never heard of that with office people before. I would explain that we send in people on our payroll to do anything they wanted done in an office. No one had a name for what we did. That’s why I called it temporary help, so it wouldn’t be confused with part-time work.”
Though temporary help companies began mostly by brokering women to clerical positions, capitalists on a mass scale were learning the value of temporary help – that of being able to hire and fire workers as needed without enduring the costs of employing a workforce. As industrial production turned away from Fordist-style production toward outsourcing and more flexible means after the 1970s, temporary help proved more useful to industrial capitalism. A viscous cycle emerged: Temporary help displaced workers and displaced workers turned to temporary help for reemployment. Temporary help became triumphant in the U.S. The number of temporary service workers being employed daily doubled between 1982 and 1985, from 367,000 to 735,000, and reached a million by 1990. In Canada, organized labour’s ability to remain strong in the 70s and 80s, and, thus, curb deindustrialization, slowed the pace of temporary help’s growth compared to the U.S. According to the Survey of Employment, Payrolls and Hours (SEPH), employment in temporary help rose in the early ‘80s to 73,000, but slumped after 1983. What happened a decade later tells a different story – the temporary help industry exploded and in this last decade has added close to 400,000 temporary and casual jobs. In contrast, the number of permanent employees decreased over the same time period by 57,000. There are also now approximately 1000 Temporary Labour Agencies in Ontario, where unemployed and underemployed workers turn to find employment. Ontario has added 46,000 individuals to the unemployed reserve since June of 2008 and it appears that about half of them were soaked up by part-time and temporary work where there were employment gains of 22,000.

There seems no stopping the growth of temporary help, even beyond the ranks of clerical, industrial, and unskilled labor. Today, Manpower and Kelly Services are expanding their workforces to include scientists, technicians, medical personnel, and many other white-collar workers. What will it mean to have a world where almost most everyone is a temporary help worker and must wait to be sent to a job in order to earn capital? Outsiders to the world of temping often respond, ‘that does not sound so bad, then I could chose the jobs I do.” Unfortunately, temporary help workers have very little say in the jobs they receive. For one, they are dependent on whatever work the agency can secure. In addition, every worker is competing against each other and there is never enough work for everyone, which makes it very difficult to choose jobs. It is also important to note that workers only receive pay for their labour-time sold and completed. An employee has the right to refuse a job offered, however, such refusal, as workers have told us, is often held against workers in their future attempts to secure work through the agency. Workers are dependent on agencies to be dispatched to jobs and therefore it benefits workers to build reputations as “good workers.”

The profitability of a temporary help agency depends mostly on 1) the rate at which the agency is used by customers and 2) having a pool of temporary
workers available to dispatch. Having a pool of workers facilitates competition between them and allows agencies to keep wages low. Furthermore, the scope and scale at which an agency can supply workers is greater the larger the pool of workers to choose from. Having a large customer base facilitates competition on the other end as well, amongst companies, allowing agencies to maximize what they charge for workers. The difference between what an agency charges a customer for a worker per hour and what that agency pays that worker per hour is the agency’s gross profit. Furthermore, as Mack Moore noted early in temporary help’s expansion (1965) temporary help services help companies save money by assuming all responsibility for their workers, “such as wages, payroll deductions, and unemployment and workman’s compensation claims. The customer is billed in the amount covering wages, overhead, and profit, on an hourly basis, usually with a four-hour minimum.”

On the ground, therefore, workers gather in the waiting rooms of temporary agencies hoping to be dispatched to a job. Again, these workers are not paid for their wait time or on-call status and workers can wait all day long without being dispatched. “Waiting rooms,” at agencies, therefore, are often filled with anxiety. To be dispatched can mean the difference between workers paying rent or being evicted.

RESERVED WORKERS ON BOTH SIDES OF THE BORDER: REAL LIFE EXAMPLES FROM ONTARIO AND UPSTATE NEW YORK

The two most common complaints we heard from temporary service workers both in Ontario and in New York were that they were 1) “stuck” in the work and 2) that they are not rewarded adequately for their time and labour. Temporary service workers become stuck in the work largely because of its relationship to flexible capitalism. Companies are increasingly dependent on flexible workforces and there are simply fewer fulltime options available, particularly for blue-collar workers, undereducated workers, and workers who attempt to mobilize out of unemployment and underemployment. Unfortunately, these characteristics overwhelmingly push workers through the doors of temporary service companies. As companies increasingly use temporary workforces on an as-need basis, they shed their fulltime workforce, which then expands the pool of underemployed workers creating more temporary help. The more the reserve grows the more sporadically workers find employment thereby trapping workers into temporary positions.

According to Mike, a 42-year-old temporary service worker from Toronto, “[W]e are stuck if we work and stuck if we don’t. Like many workers, if I get sent out on a job I work hard hoping to impress upon the employer that I want to come back. I often get asked to come back, but the job always ends, eventually. And what does the employer learn from this? He learns that he can
hire me when he needs from the agency. That he can hire whoever he needs from the agency. He saves a lot of money by using us.”

Dee, a 32-year-old worker from Syracuse concurs, stressing, however, that the impact is on his psyche, “If we don’t work we can’t live and when we finally get sent out on a job we start to feel alive again, but then the rug is pulled out [because the job ends] and you’re right back where you started [waiting to be dispatched], but this time, more defeated.”

What Mike and Dee are attesting to is the fallacy that temporary help leads to full-time work opportunities with customers of the agencies. Ricky, a 45-year old temp from Syracuse, has met the labour needs of dozens of companies over four years of temping without ever receiving a fulltime job offer. Ricky’s experience shows that temporary help is not a means to find a fulltime job, but rather, a means of supplying a permanently flexible on-demand workforce. Labour Ready would dispatch Ricky to a vegetable packaging plant when the plant needed to go into production. The plant supplied vegetables to grocery stores, restaurants, and fast food chains like McDonalds. The plant called upon temporary services when cold storage waned or when demand for their products exceeded what was available in storage. When in full-production the plant used nearly 100 temps. The only full-time workers at the plant, which constituted about 10% of its workforce, were a few managers, mechanics, and machinery operators. As a result of the plant’s flexible production practices it hired and fired workers when needed without cost or repercussions.

The same is true in construction. The five Ontario workers featured in the picture at the beginning of this article were walking to their job site just west of downtown Toronto. They had been hired by a construction company to demolish the interior of a building slated to become a new mega-bar in Toronto. The workers explained to us that the demolition job would take a couple of months, but that they were only guaranteed work one day at a time. They had to go to Labour Ready every morning and hope to be dispatched to the job day-to-day. Even if they worked regularly the job would eventually end and they would be forced to return to Labour Ready to wait for another job.

To demonstrate more fully how temporary help is really the flexible labour force needed in order for flexible capitalism to function, let us turn to an example from Van Arsdale’s participant observation research in Syracuse. In the late 1990’s, Waste Management began outbidding their competitors, many of whom were union garbage companies, by doing more work with fewer full-time employees. This was made possible from the company’s perspective by combining automation and temporary workers. With the use of an automated throwing arm, an arm which dumps garbage onto trucks, Waste Management was able to justify doing away with full-time garbage throwers, thereby creating a leaner workforce. They passed some of those savings on to the consumer and were then able to outbid their competition, particularly in residential contracts.
As they bought garbage routes across the US they put much of their competition out of business and accumulated their competitors’ contracts. Many of these contracts included garbage pickup where the automated throwing arm was useless, for example, municipal accounts, business accounts, public housing tracks, trailer parks, etc. In these instances, Waste Management turned to temporary services for workers. One of the drivers explained to Van Arsdale, after picking him up to work at a Labour Ready in Syracuse, “I can only use you when my boss tells me I can hire a temp, which is when I am picking up in the big trailer parks on Mondays and Thursdays, or when I have to take on two routes and need you to save time.” Waste Management saves millions by not having to permanently employ its garbage throwers. Those savings are used to invest and expand and have helped the company become a global force. Now, globally, companies are seeking the flexible workforce advantage, and temporary help is going global to meet those demands.

Flexible capitalism demands flexible workforces, yet flexible workforces have even less power over flexible capital mostly because they do not control when, or for how long they will work. Although Van Arsdale was able to establish a good reputation as a garbage thrower, the job was only available two days a week and he had to compete for that job with others from the agency. The agencies and the customers firmly controlled the length of the working day by deciding who works when and for how long. Reserved pools of temp workers ensure that someone is always willing to take a job, it removes any leverage a worker may have. When a job is done, or if a company arbitrarily finds issue with a worker, it sends the temp(s) back to their employers without any severance for the worker or consequence for the company.

THE MISTREATMENT OF TEMPORARY HELP WORKERS

A common complaint of temp workers, and perhaps also the most blatant abuse of them, was the lack of status and reward they received for being on-call workers. The Ontario workers walking to their demolition job explained to us that they then wait all day long, and sometimes for days at a time, before receiving a job. By the time a job is offered they are desperate for work. They work on demand for start-up companies, small businesses, and for some of the largest companies in the U.S. and Canada. Workers receive no benefits for being available to work on demand and meet the needs of flexible capitalism. Instead, they are made to wait without pay. They are thus thrust into and trapped in a cycle that perpetuates precarious employment trends and poverty.

Lenny, a 22-year-old temp from Toronto, estimated that he had worked for nearly a hundred companies in the Toronto area, mostly light industrial work but increasingly, according to Lenny, in construction and for larger companies like General Motors. “I wait for work almost every morning and have done so
for the last three years,” he said. “I’ve averaged working somewhere in the neighborhood of 120 days a year. Rarely have I worked more than three days for any one company.”

Lenny explained why Labor Ready maintained his on-call status. “In my experience Labour Ready will tell you that a job is over when really it is not, but they want to send someone new to the job so that the company doesn’t start to like you too much. Labour Ready does not want to lose you as an employee. They want to keep you there, ultimately. You make just enough to get through the day. You can never get ahead. You have enough to buy some food and put some toward transportation and maybe some toward rent but that is it. You can never move up or get away from it. It’s a trap that you get caught in. Perhaps it is your fault that you are there, but once you are there you’re stuck.”

Carolina, a 27-year-old temp from Upstate New York had a similar experience working for as many as 30 different places in three months. “I’ve done lots of jobs, everything from working at beer distributors to labouring at construction sites to laying down astro-turf at a sports coliseum,” said Carolina who at the time was working for a casting company. “I’ve manufactured sheet-rock on a temporary ticket, put shelves up in stores, landscaped for businesses and homes, maybe you should ask me what I haven’t done.”

The continual recurrence of unstable work patterns is not just due to the demands of flexible capitalism. As Carolina explained, “Why would they hire me on when they can find me at the agency? This way they only have to pay for me when they need me and they don’t have to cover me on their workers’ compensation insurance.”

Dee, 45, from Syracuse, New York, had once worked for a shipping company in Boston for 14 years. Three years prior to the time of the interview he lost his job and had been a temporary help worker ever since. At the time of the interview Dee was working for a company that insulates piping. The insulation company kept telling him that he had a chance of being hired on full-time, but Dee explained that companies often promise full-time work in order to keep temps dedicated to the job and working hard. Dee began the interview by talking about how hard it is to live normally on a temporary ticket, never knowing if he would have work the next day.

“You get used to having a little money in your pocket every day. It’s tough to make it through the week. Even if you went on a ticket that could last all week, you’re not making enough to survive. You are able to pay your rent and you got a few bucks left over for some beer and bologna and that’s about it. It’s not really a living wage and you are stuck on that couple of bucks a day. All those long-term things I had when I was a full-timer, a marriage, a home, they are all gone. Those are long-time endeavors and one needs a long-term job to care for them. This here temporary work cannot take care of those things. For my current job I am making and installing insulation blankets for piping that is
used on heating and cooling units. The boss holds it over our heads that he can replace us whenever he wants to. He’s always saying that, just about every day, and he is of course right.”

The companies that Lenny, Dee, and Carolina worked for as temps have made the transition from full-time workforces to temporary workforces because of the cost savings associated with not having to employ them permanently, and for the ability to fire them or cut-back on the use of their labour whenever they please. In addition, Lenny, Dee, and the other workers in this study, compete with hundreds of other temps at their agencies for their jobs, and many of them will not work day-to-day. It is incredibly discouraging to not get selected for a job; one feels their labour is not valued as much as the selected workers. The unselected employee remains present at the agency for as long as he or she can, hoping that more clients call requesting their labour.

Unselected employees of temporary help companies constitute a larger pool of workers than Wal-Mart’s entire workforce. They are not working and yet they are considered employed. They are not paid and yet they are considered employed. Even when they are selected to work they have no health benefits. Their underemployment generates billions of dollars for staffing companies (18.2 billion in the second quarter of 2008 in the U.S. and nearly 20 billion in the quarter prior) largely because they are desperate for work and will therefore work for little, but also because companies can use their ‘labour’ without enduring the excessive costs of having to employ them. Still, even though temporary service workers meet the demands of flexible production, they are not rewarded for being on-call. This helps explain why temporary workers from Canada and the U.S. feel stuck and undervalued in temporary help.

TEMPORARY WORK IN ONTARIO AND ITS FUTURE

Ontario companies are increasingly attracted to temporary help for the same reason companies are everywhere: it offers a flexible workforce, particularly desired in these leaner economic times. Companies can hire when they need manpower and let workers go when demand decreases without having to incur costs like severance, workers’ compensation, or health and safety expenses. These overhead savings render a competitive edge to companies using temporary help. In the construction industry, for example, where there is large competition in the bidding of projects, companies with temporary workforces are regularly beginning to outbid competitors without temporary workforces. These competitors are often unionized.

There has been much discussion in the government of Ontario and amongst Labour advocates about how to make more effectual attempts at regulating the Temporary Service Industry. An amendment has been proposed by the Ministry of Labour, which, if passed, ensures temporary workers are not
unfairly prevented from accessing permanent jobs when employers want to hire them from agencies. The legislation also seeks to guarantee that temporary help workers have the information they need about their assignments including pay schedules and job descriptions, and, furthermore, ensures that temporary workers have access to information about their rights under the Employment Standards Act.

While this legislation is needed and will help alleviate the exploitation of temporary help workers, as we have seen from this research, it does not go far enough, particularly in the areas of pay and stability. Temporary help workers receive no pay or compensation for their on-demand status. Additionally, they appear to be the only “employees” in Canada who are fired regularly without cause or notice. It is of course the structure and definition of temporary help that allows for this injustice. It is not the nature of temporary help to find full-time work for their employees. Rather, their nature is to keep them employed as temporary help workers, so to profit off selling their labour time to customers of temporary help. Henceforth, given that temporary help workers are “employees” of the agencies and not the companies firing them they apparently have lost their Canadian rights as employees. They have either lost their rights to not be fired without cause and notice or they have lost the right to be paid a minimum-wage for their labour time, seeing how they are not paid by their employer for their time spent on-call at the agency.

From a historical perspective, the idea that a company can employ a large body of workers and hold them in reserve to pay them only when and if their ‘labour’ is sold looks more like indentured servitude than it does fair employment standards. The temporary help agency calls their workers’ employees, sells their skills and profits off of them, but they do not treat them as real employees. Workers wait long hours, and sometimes even days, to be dispatched to a job, and they are not paid for this time or respected for their on-call status. The social effects of their temporary status become apparent when their lives are examined closely. While they are the most popular kind of workers in the U.S., and increasingly in Canada, they do not have the most basic rights granted to other employees at will in Canada or the U.S. We can only conclude therefore that temporary help is a new global standard of employment that Nations and States seem unwilling or are unable to regulate. Apparently capital’s dependency on flexible workforces has become more important than the quality of life of the citizens and people behind the jobs. Temporary help workers are meeting the demands of companies engaged in flexible and global production and yet they are not compensated for their flexibility and struggle to provide for themselves, their families, and communities.17

Whether temporary help workers are on a job site or at their “employers” waiting to be dispatched to a job site, they are in fact working. Hundreds of thousands of temporary service workers wait to be dispatched by their
employers every day in Canada and only get paid when and if they get dispatched. Such a system traps these workers in near poverty, destroys their families and quality of life, their self-pride, and keeps them desperate for work. A laid-off Toronto-based temporary help worker’s sentiment perhaps best captures the frustration of the work relationship, “I show up for work every day at the agency. I have been for over a year. When I get sent out on a job I work hard. Still, the agency does not know me as a person. They do not know my needs or what I like. I am just a laborer to them, a body to make them money. They will use my labour until I am too tired to work anymore and then they will replace me with another temp who will no doubt need and want the job.”

NOTES

1. David Van Arsdale is Assistant Professor of Sociology at SUNY Onondaga Community College in Syracuse, New York. Michael Mandarino is a Researcher for the Labour and International Union of North America.
4. This research was conducted by David Van Arsdale, 2003-2008.
8. Ibid.
9. Ibid.
12. Ibid.
15. See David Van Arsdale, “The Recasualization of Blue-Collar Workers.”
17. For further discussion on the vital role that temporary help workers play in global capitalism see Vicki Smith and Esther B. Neuwirth, The Good Temp (Cornell University Press, 2008).