

# Temporary Employment

## Exploring the Experiences of Temp Workers in Cambridge



Social Planning Council of Cambridge and North Dumfries

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### Introduction

To address the need for greater advocacy and protection for people living on low incomes, The Social Planning Council of Cambridge and North Dumfries (SPC-CND) formed the working group, "A Community Response for Fair Income" (Fair Income Group) in 2007. The group, based in Cambridge, Ontario, is currently comprised of local service providers, social justice advocates, politicians, and residents. With goals that include supporting increases in the minimum wage and improved working conditions, the group seeks to collaborate, research, inform, and galvanize the public to address issues that will provide a decent quality of life for all community members.

A topic of particular interest to the group is the growing presence of precarious employment in Cambridge. The employment services sector, of which 70% of revenues are from temporary employment/staffing firms,<sup>1</sup> has experienced remarkable growth Canada-wide, with increases in revenue of almost 37% from 2003-2006.<sup>2</sup> Such an increase is even more profound in the context of the consistent shrinking of the manufacturing industry, a primary client of temporary employment agencies. Not surprisingly, the rise in the employment services sector has corresponded to a fall in permanent employment, which declined from 67% of total employment in 1989 to 63% in 2005.<sup>3</sup>

Current figures for Ontario suggest that approximately 700,000 workers have temporary jobs,<sup>4</sup> often facilitated by one of Ontario's 1,000-1,200 temporary employment agencies,<sup>5</sup> 22 of which operate in Cambridge, Ontario. The temporary employment sector is reported to have changed dramatically, from one which provided generally short-term clerical employment, to a highly diversified sector involved in both short- and longer-term employment.<sup>6</sup> Now, nearly one-in-four new hires is hired on a temporary basis,<sup>7</sup> and many are working alongside permanent employees doing the same type of work.<sup>8</sup>

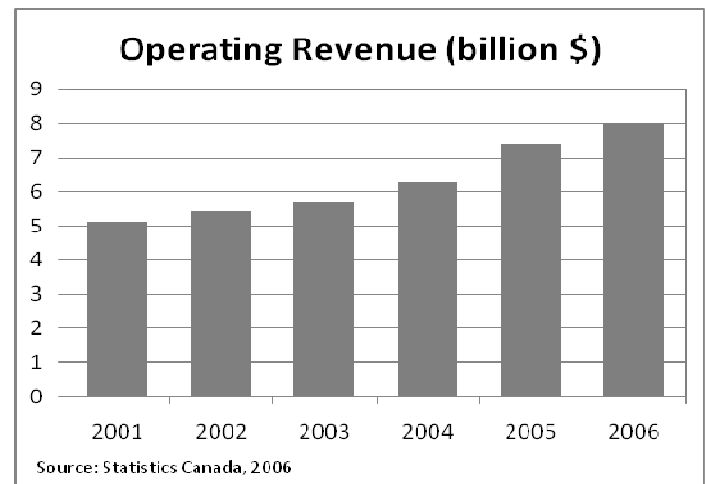


Figure 1 – Employment Services Sector Revenue

The argument often stated for the use of temporary workers is that businesses or organizations need to be able to respond to changes in the market or demand for their product, and so require the staffing flexibility of temporary employment. This argument fails to acknowledge the realities of workers employed

precariously, and the corresponding rights and treatment of workers while temporarily employed. Temporary work is generally less well paid, offers fewer benefits, and is less likely to offer employee training.<sup>9</sup> With regards to pay, temporary workers often earn about 40% less than their permanent counterparts.<sup>10</sup> Poor employee treatment, insufficient job information, and the inconsistent application of workers' rights are also relevant issues, and are compounded by the reported racialized and gendered nature of temporary employment. Specifically, the sector is predisposed to being overrepresented by workers who are immigrants, non-white, and female, with immigrant women faring the worst with the employment type.<sup>11</sup>

Due largely to public pressure, the Ontario government introduced, and has now passed, Bill 139, which serves to improve the questionable practices of some temporary employment agencies. This paper will address the contextual experiences of temporary employment workers in Cambridge, Ontario, and will apply such experiences to the tenets of Bill 139.

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## **Methodology**

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From January to April 2009, two researchers from the SPC-CND undertook the task of gathering community data on temporary work experiences. The researchers conducted two focus groups and 34 semi-structured one-on-one interviews, in which 40 individuals participated. Exactly half of the participants were of each gender, and six were new immigrants. The researchers gathered ages of the participants, whereby 34 of the 40 were between 20-49 years old. Study participants consisted of a convenience sample of temporary staffing agency (temp agency) workers contacted through a network of local not-for-profit human service organizations. The focus groups and interviews were conducted at six community sites, and all participants confirmed that they have worked or currently work for a temp agency in Cambridge, Ontario. Participant responses were organized by themes, and were analyzed accordingly.

Limitations are inherent in any research study. The present study relied on a non-random sample that was geographically limited. The sample size of 40 is relatively small, meaning that alternate perspectives may not have been adequately expressed. Interview questions were designed to discuss topics frequently mentioned in academic and non-academic studies of temp agency practices; the addition of other questions may have increased the interviewer's ability to collect data. To some extent, research bias may have been a factor. Researchers were cognizant to the potential for bias, and so concentrated on asking only the interview questions (many of which required positive, negative, or neutral responses), and provided clarification only when needed.

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## **Results and Discussion**

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The results and discussion are organized according to topics covered in the focus groups and semi-structured interviews.

### **First Thoughts of Temp Agencies**

Participants were asked for the first thing that comes to mind when hearing "temp agencies." Of the 40 responses, 16 conveyed a negative response, such as "I hate them," whereas the next most common response, with 14 responses, was that of indifference or external feelings, such as "quick work." Six respondents noted that temp agencies can be both positive and negative, whereas three respondents made overtly positive statements, such as "Nice experience, was helpful."

### **Perceived Positives**

Despite generally negative first thoughts of temp agencies, all but one respondent identified at least one positive characteristic of the sector. Overwhelmingly, the most commonly cited positive was the ability to get work quickly, which was claimed by 68% of respondents. The

acquisition of skills, skill development, and gaining valuable work experience was the next most common theme, cited by 30% of respondents, and the ability to be paid often (usually daily) was cited as a positive by 15% of respondents. Finally, responses corresponding to “getting you in the door with employers” were cited in 13% of responses, and the ability to find work for unskilled labour was claimed by 11% of responses. Of particular note, the majority of responses are attributable to an immediate or short-term need, such as “quick work” or “quick money”.

**Perceived Negatives**

The perceived disadvantages, or negatives, of temp agency practices can be interpreted as a trade-off for the short-term positives noted above, whereby the vulnerability of the worker’s condition is exploitable. The most common response was the low wage and high commission instituted by the temp agency, reported by 40% of respondents. A lack of assurance of job placement length (23%), discouraging the assertion of rights (15%), feelings of disposability or “second-rate status” (13%), restrictions to full-time employment (10%), no security or benefits (8%), and temp agency concern for the client company over the employee (8%), are further respondent examples of compromises made and experiences felt while working for temp agencies. Ironically, the characteristics of many of the responses, such as low wages, no benefits, irregular work, and restrictions, functionally perpetuate the worker’s need to return to temp work to meet short-term needs, such as food and shelter. The unreliable nature of the work does not permit the worker to acquire sufficient resources for longer-term planning.

**Reasons for Using Temp Agencies**

The factors that lead individuals into the sector further examine the vulnerability in the temp worker population. Being unable to find work elsewhere was the most

common response, cited by 32% of participants, which was followed by the requirement for quick money for expenses at 24%. A referral by family or friend to the temp agency was cited by 22% of respondents, whereas 14% noted being new entrants to the workforce, and 11% cited the need to gather experience or skills. Of these most common responses, the response involving an outside referral is the only one that does not contain an evident or overt vulnerability of the worker. The remaining responses present conditions in which a temp agency is potentially able to exploit a worker who needs the service, rather than one who chooses the service.

**Service fees**

Only a single respondent was asked to pay an up-front fee for finding a job through a temp agency, whereas 11% of respondents were required to pay for a service, which, for the respondents, included buying or renting protective gear. Such results were promising, as ancillary fees presented as uncommon in Cambridge, with most respondents noting that the temp agency or client company provided the necessary equipment to perform the job.

**Safety & Injury**

A significant portion (51%) of participants reported feeling unsafe at a jobsite arranged by a temp agency. Such responses were often associated with the worker still completing a task while feeling unsafe due to worksite pressure and/or a perceived lack of support. Furthermore, 25% of respondents reported being injured while working for a temp agency, which is many times higher than the overall workplace injury rate released by Statistics Canada in 2003 of 4%.<sup>12</sup> The rates of injury were often compounded by the reported difficulty in navigating an injury claim (which is notably not exclusive to temp workers), and that client companies would frequently not want the worker to return to the jobsite. Participants also

perceived a deflection of responsibility by both the temp agency and client company for unsafe or injurious work environments.

### **Prospects of Permanent Employment**

When asked if temp agency work can lead to full-time employment, 57% of respondents noted that it can. However, responses were often met with the qualifier that several conditions have to be met for full-time work to be acquired. Noted conditions included the season, the type of work, the worker's abilities/skills, the worker's intellect, whether the client company is hiring, whether the client company sees the worker's strengths, and the cooperation of the temp agency. If any of these conditions are not met favourably, then a transition to full-time is impeded. A significant deterrent is a fee imposed by a temp agency on workers hired on full-time. Such a fee holds the worker financially responsible for temp agency revenue losses caused by the worker being sufficiently successful at a job to gain job stability and security.

### **Knowledge of Rights & Treatment as a Worker**

A diversity of responses was received on the issue of perceived rights and treatment. In terms of workers' rights, responses ranged from a perception of "no rights" to that of "full rights", with many responses having multiple comments if more than one temp agency was used. An observed trend was that the perception of rights tended to correspond with temp agency transparency and willingness to explain the rights to the worker. Conversely, some respondents noted that workers are not sure enough of their rights to know if they had been violated.

Perceived treatment of workers also varied, with treatment by full-time workers ranging from treatment as equals to treatment as second-class, unskilled, or troubled. Similarly, respondents' perceived treatment by temp agencies ranged from kind, courteous, and helpful to

superficial, hypocritical, and disrespectful. It is noteworthy that experiences were varied among temp workers placed at multiple jobsites or who used more than one temp agency. However, a common occurrence was the reporting from respondents of temp workers being an easy scapegoat for both temp agencies and client companies when something goes wrong. Temp workers reported that it was simply easier to fire a temp rather than address a workplace problem.

### **Concerns & Proposed Changes**

When asked of concerns and proposed changes for temp agencies, participant responses were varied, as some offered many ideas, while others were not able to generate suggested changes. A primary area of concern was financial, as respondents felt that temp agencies should increase worker wages, lower commissions, apply a benefits package, and postpone the payout of vacation pay until the end of the work contract. Concerning the work, respondents suggested changing policies to provide workers with a guaranteed work contract and schedule, a job description including the duties to be performed, and more advanced notice before a job begins. With regards to the temp agency operations, respondents suggested increased communication between the temp agency and client company, fewer barriers to full-time work, and increased operational transparency and regulation. Many respondents added that they would like to be informed of the temp agency's track record, especially with regards to safety information. Lastly, an emotional response of some participants spoke to the need for support and advocacy from the temp agencies, which should be able to protect the workers from unnecessary hazards.

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### **Temp Agency Forum**

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On April 16, 2009, the Temp Agency Forum was co-hosted by the SPC-CND and the Fair Income Group to further discuss community perspectives of temp agencies, inform the public of legislative changes to temp agency

practices, and examine future directions. The event was held at the Cambridge Newfoundland Club, and approximately 60 community members attended. The event began with a presentation of the gathered research, followed by four short panel presentations. The panelists included two former temp workers, one who was a young Canadian, and the other a new immigrant. Representatives from the Workers' Action Centre and the Canadian Labour Congress were the other two panelists, and were responsible for providing up-to-date information on legislation and workers' rights.

Several audience members shared experiences and asked questions about the legitimacy of several temp agency practices. Many questions were related to policies covered in the Employment Standards Act (ESA) and the then-not-yet-passed Bill 139, and audience members were instructed on the procedure for reporting a workers' rights violation and how to be supported. The evening served to build a community of past and present temp workers, as well as their supporters, who will be better informed of the basic rights of temp workers. The forum's participants included advocates of the abolition of the temp agency sector, as well as those who felt that temp agencies can be a valuable societal contributor, yet all who voiced opinions spoke to the need for fundamental structural change in the industry.

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### **Bill 139**

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On December 9, 2008, the Ontario government tabled Bill 139-The Employment Standards Amendment Act (Temporary Help Agencies). The bill served to improve the regulations in place for the temp agency industry, thus addressing some of the employment standards loopholes that may exploit workers. Passed on May 4, 2009, the bill speaks to some of the concerns heard during the research phase, as well as concerns expressed by audience members at the Temp Agency Forum. Six months after the passing of the new law, several new regulations will be in place. First, temp agencies will no longer be able to

charge fees to workers, which are usually manifested in a "finder's fee" when a temp agency secures suitable temporary employment, or when a temp agency charges for services such as resume writing. Second, temp agencies will be required to inform workers of the details of work assignments and employment standards rights. Third, barriers to full-time employment will be reduced by having workers exempt from paying a fee to transition to full-time employment after working for six months at the same worksite. Fourth, all temp workers will be eligible for Public Holiday Pay. Fifth, temp workers will have access to the standardized practices, as outlined by the ESA, regarding termination and severance pay. Lastly, both the temp agency and client company will be held responsible if a worker is penalized for asserting their rights.

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### **Conclusion**

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The introduction and passing of Bill 139 only begins to address the complexities of the experiences and concerns presented by the participants in the community research and the Temp Agency Forum. The bill can be credited for beginning to recognize that problems exist in the temporary employment sector, yet there is much more work to be done. Temp worker wages will remain low, especially compared to full-time workers in parallel positions, which raises the question as to why temp workers must earn unequal pay for equal work. The hardship created by low wages is compounded by the denial of benefits packages, which has negative implications for the health and well-being of workers and their families. Further, barriers to full-time employment still exist, meaning that workers must endure extended periods of low wages and potential exploitation prior to being transitioned to equitable and permanent employment. Lastly, tangible, positive outcomes of the bill will only be felt if temp agencies are sufficiently inspected and held accountable, which will be the responsibility of the Ontario Ministry of Labour. However, the many intangible practices make temporary employment issues even more complex. For one, the overrepresentation of

certain marginalized groups could be a starting point to explore the complexities of the sector. Overall, the precariousness of temp work can be seen as fuel for instability in other aspects of life, such as financial and emotional, which transcends the demographic characteristics of temp workers.

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## Next Steps

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This paper will be distributed to municipal and provincial levels of government, businesses and business-advisory councils, planning boards, employment divisions of social service agencies, and workers' action centres. It is hoped that the experiences of temp workers in Cambridge will personalize the issue, and will motivate all interested parties to improve the identified deficiencies.

Community groups, such as workers' action centres, labour groups and councils, social planning councils, and social justice agencies will continue to monitor developments in legislation and continue to fight for improved worker conditions. The Fair Income Group will continue to take action and raise awareness of social justice issues.

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## Tools and Resources

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### Workers' Action Centre

<http://www.workersactioncentre.org/>

A worker-based organization committed to improving the lives and working conditions of people in low-paid or precarious employment. The Centre provides advocacy and information.

### Canadian Labour Congress

<http://www.clc-ctc.ca/>

An organization that umbrellas Canada's national and international unions, the provincial and territorial federations of labour, and district labour council, the CLC seeks to advocate and inform of workers' rights and issues.

### Ontario Ministry of Labour

<http://www.labour.gov.on.ca/>

The Ministry of Labour is the government body that passes workplace legislation and oversees employment issues, including complaints. The Ministry is in charge of enforcing the Employment Standards Act.

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<sup>1</sup> Carecor Health Services Ltd. (2008, May 7). Statistics Canada releases its current report on the Employment Services Industry. Available online at: <http://www.carecor.com/content/statistics-canada-releases-its-current-report-employment-services-industry>

<sup>2</sup> Service Industries Division (2006). Service bulletin: Employment services, 2006 - Highlights. *Statistics Canada*, Catalogue 63-252-X, 1-15.

<sup>3</sup> Fuller, S. & Vosko, L.F. (2007). Temporary employment and social inequality in Canada: Exploring intersections of gender, race and immigration status. *Social Indicators Research*, 88, 31-50.

<sup>4</sup> Ontario Ministry of Labour (2008). A consultation paper on work through Temporary Help Agencies.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> Editors (2008, December 11). Fairness for temps. *Toronto Star*, p. AA6.

<sup>8</sup> Ontario Ministry of Labour. op.cit. p. 2.

<sup>9</sup> Galameau, D. (2005). Earnings of temporary versus permanent employment. *Statistics Canada: Perspectives*, 75-001-XIE, 5-18.

<sup>10</sup> Ibid.

<sup>11</sup> Fuller, S. & Vosko, L.F. op.cit.

<sup>12</sup> Statistics Canada (2007, July 10). Study: Work injuries. *The Daily*. Available online at: <http://www.statcan.gc.ca/daily-quotidien/070710/dq070710a-eng.htm>

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