

Flex appeal

Why freelancers, contractors and agency workers choose to work this way



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**THERE ARE MYRIAD
REASONS WHY
PEOPLE TAKE A JOB
AS A TEMPORARY
AGENCY WORKER,
CONTRACTOR OR
FREELANCER.**

01

INTRODUCTION

On any given day in the UK recruiters place 1.1 million people into temporary work assignments.¹ Temporary work is clearly a significant feature of the labour force. There are myriad reasons why people take a job as a temporary agency worker, contractor or freelancer, but recent discussion of this type of employment has focused on the economic downturn and changing labour market dynamics. During the recession, as employer confidence fell and demand shrank, employers were cautious about taking on more staff.

Temporary work allowed many people to work at a time when growth in full-time employment was muted. In July–September 2008, the number of full-time employees stood at 18.958 million. In February–April 2014 this number was 19.022 million, which represents a 0.3% growth rate in employment. In contrast, the number of temporary workers increased from 1.384 million to 1.673 million in these two time periods, representing a 20% growth in temporary workers. However, it should be noted that temporary workers make up approximately 5% of the total number of people in employment.²

Much of the recent debate has positioned temporary work as a response to the recession. Some commentators express concern that the main reason people choose to embark on temporary work is because they are unable to find permanent work. This is termed “involuntary temporary jobs”. In August 2013, the TUC reflected on the sharp rise in people doing temp jobs, which led to an “insecure, vulnerable workforce”, and concluded that “too many workers are not working enough hours to get by, or have no guarantee of paid work from one week to the next”.³

This argument rests on an assumption that temporary workers do not have choice or exercise agency in working in this way. The argument for business use of temporary workers is clear and well-rehearsed. For employers, it is an opportunity to trial a candidate, reduces cost of hire and is useful for employers to flex their workforce to manage fluctuating demand and cover absences. However, the rationale for temporary workers is often framed in less positive and narrow terms. Temporary work is sometimes associated with lower wages, reduced training opportunities and less job security. Much of the literature on temporary work asks whether temporary work, and temporary agency work in particular, is a stepping stone or a dead end. It consequently questions the extent to which temporary work affords workers job satisfaction.

It is true that the number of temporary workers increased at a time when businesses were more likely to reduce labour costs and take on fewer permanent staff. But looking at temporary work only through this lens masks some of the wider considerations that prompt people to work as temporary workers. And, in doing so, it misses some of the wider societal dynamics that are prompting more workers to adopt this way of working.

1 Recruitment industry trends, November 2013, Recruitment and Employment Confederation.

2 EMP 01: Office for National Statistics (February – April 2014).

3 “Involuntary temporary jobs driving rising employment”, HR Magazine, 9 August 2013.

This research focuses on who temporary workers are and what factors underpin their decision to work in this way. The research also identifies some of the opportunities and challenges this type of job gives rise to. And, as this kind of work becomes more prevalent, we examine what changes are needed to better support temporary workers.

This report takes a wide view and looks at the general population to find out how significant temporary work is at a population level. To this end, we can identify how many of us have worked as temporary workers as well as looking at current temporary workers.

Methodology

The following research activities underpin this report:

1. YouGov omnibus survey with a total sample size of 4,234 adults. The survey fieldwork was undertaken between 22–24 April 2014. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+). All figures, unless otherwise stated, are from YouGov plc.
2. Focus groups with candidates and workers across different sectors and in different locations.
 - Two focus groups of office professionals (London)
 - Nurses (Cardiff)
 - Drivers (Walsall)
3. Telephone interviews with IT contractors (various locations).
4. In addition, telephone interviews were conducted with the following people:
 - Ben Willmott, CIPD
 - Conor D’Arcy, Resolution Foundation
 - Duncan O’Leary, Demos
 - Georgios Nikolaidis, PCC
 - Katie Schmuecker, Joseph Rowntree Foundation
 - Lena Levy, Hannah Murphy, CBI
 - Martin Rhisiart, Centre for Research in Futures & Innovation, University of South Wales
 - Richard Exell, Trade Union Congress
 - Dr Shereen Hussein, Kings College London
 - Dr Zofia Bajorek, Work Foundation
5. Lastly, video ethnography with case studies with five workers from different sectors:
 - Camilla, office professional, London
 - Martin, IT contractor, Buckinghamshire
 - Pat, nurse, Cardiff
 - Sian, nurse, Cardiff
 - Yuichi, office professional, London

Outline of the report

In this report, we examine the motivations and experiences of people working as temporary workers. The report will draw on the survey responses from the YouGov omnibus survey and the JobsOutlook survey, the qualitative research including the interviews with stakeholders. Quotes from the qualitative research and data are provided throughout the report. The YouGov omnibus survey is appended to the report.

The report begins with a profile of people who have worked as temporary workers. Data from the YouGov omnibus survey provides an overview of people who have worked as temporary workers at some point in their life. We include profile based on:

- Gender
- Age
- Social grade
- Employment status
- Income

The following section of the report sets out the underlying motivations and insights that inform why people decide to work as a temporary worker. It also focuses on the challenges of this way of working. The report concludes with recommendations to help temporary workers in this way of working.

The report also includes an appendix which includes a summary of temporary worker rights and the full YouGov survey.

**THE BETTER
PERSON TO DRIVE
MY CAREER IS ME.**

RAFI, IT CONTRACTOR

02

WHO ARE TEMPORARY WORKERS?

For the purpose of this report, temporary workers are freelancers, contractors and temporary agency workers, as defined in the box below.

DEFINITION OF TEMPORARY WORKERS

Under the Agency Workers Regulations 2010, an agency worker is: an individual who is supplied by a temporary work agency to work temporarily under the supervision and direction of a client; and who has a contract of employment or any other type of contract (a contract for services, for example) under which they provide their services personally.⁴

Independent contractor: A contractor can be classed as either a worker or an employee. They may work for a client through an umbrella company or agency, or be self-employed if they are a sole trader or have a limited company of their own and pay their own taxes.

Freelancer: The Professional Contractors Group defines freelancers as the self-employed without employees working in Standard Occupational Classification (SOC2010) major groups 1–3. The groups include: manager; director and senior official from the professional occupations; associate professionals; and technical occupations.



36%

MORE THAN ONE IN THREE (36%) PEOPLE IN GREAT BRITAIN HAS WORKED AS A TEMPORARY WORKER AT SOME POINT IN THEIR LIFE.

A survey of 4,234 adults in Great Britain found that more than one in three (36%) people has worked as a temporary worker at some point in their life. And 28% of people in Great Britain have used an agency to get work as a temporary agency worker, contractor or freelancer at some point in their working life. Our JobsOutlook report, the REC's monthly survey of 200 employers, found that 36% of people who now have hiring responsibilities had worked as a temporary worker.

I'd never go back to permanent employment. I want the financial independence. It is almost political for me. The better person to drive my career is me... If I want to step to the next level, the best person to make this happen is me.

Rafi, IT contractor

⁴ Agency Workers Regulations Guidance, May 2011. Department for Business Innovation and Skills.

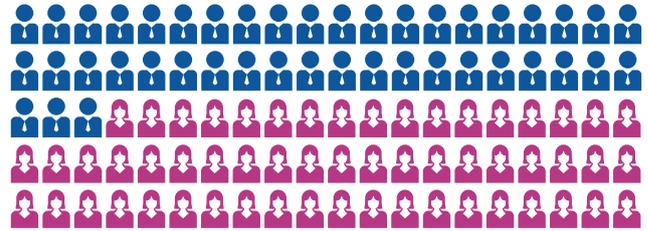


TEMPORARY AGENCY WORKERS Facts and figures

POPULATION



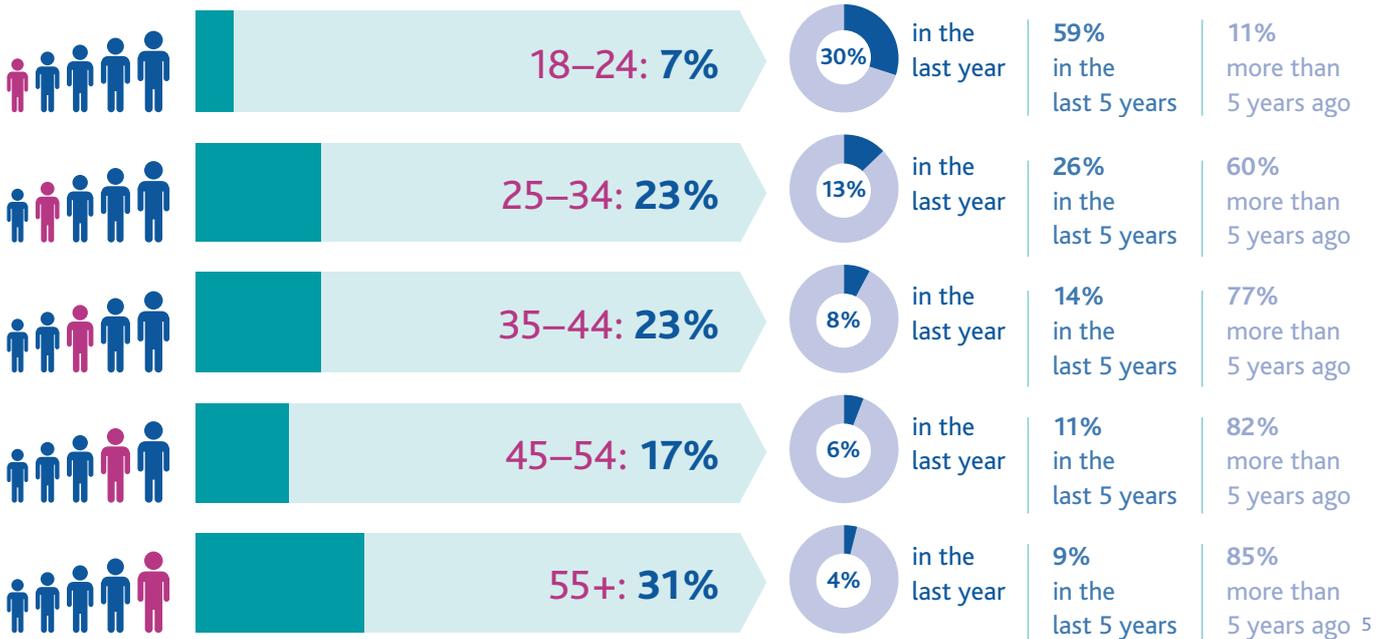
GENDER



Of those, **43%** are male and **57%** are female

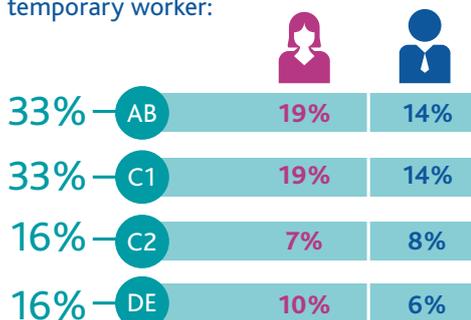
AGE

People who have worked as a temporary agency worker



DEMOGRAPHIC

Of those people who have worked as a temporary worker:



DEFINITION

- A: High managerial, administrative or professional
- B: Intermediate managerial, administrative or professional
- C1: Supervisory, clerical and junior managerial, administrative or professional
- C2: Skilled manual worker
- D: Semi and unskilled manual worker
- E: State pensioners, casual or lowest grade workers, unemployed with state benefits only

EMPLOYMENT

Of those people who have worked as a temporary agency worker:

- 61% of people now work full-time (30-plus hours);
- 12% work part-time;
- 3% are unemployed.

Of those people who are currently working full-time and have worked as a temporary agency worker:

- 10% worked as a temporary agency worker in the last year;
- 19% worked as a temporary agency worker between one and five years ago;
- 70% worked as a temporary agency worker more than five years ago.

Of those people who have worked as a temporary agency worker:

- 16% have also worked as a contractor;
- 17% have also worked as a freelancer.

Of those people who have worked as a temporary agency worker:

- 59% now have a permanent contract;
- 7% hold a temporary contract;
- 7% are self-employed.



22%

OF PEOPLE WHO EARN MORE THAN £50,000 HAVE WORKED AS A TEMPORARY AGENCY WORKER.

INCOME

- Of those people who earn less than £10,000, 23% have worked as a temporary agency worker. This proportion is the same for men and women.
- Of those people who earn between £10,000–19,999, 26% have worked as a temporary agency worker. This is 25% for men and 26% for women.
- Of those people who earn between £20,000–29,999, 25% have worked as a temporary agency worker. This is 21% for men and 30% for women.
- Of those people who earn between £30,000–39,999, 30% have worked as a temporary agency worker. This is 29% for men and 31% for women.
- 26% of people who earn between £40,000–£49,999 have worked as a temporary agency worker. For men, only 21% have worked as temporary agency worker, compared with 33% of women.

Summary

A quarter of people (24%) have worked as a temporary worker at some point in their life. Of those people who have worked as a temporary agency worker, the highest proportion sits within the oldest age group (aged 55-plus), and the smallest proportion among the youngest age group (18–24). Of those people who have worked as a temporary agency worker, a higher proportion currently sit in the managerial social grade (ABC1). A slightly higher proportion of women have worked as a temporary agency worker. There is a higher proportion of women, compared with men, who have worked as temporary agency workers and who now earn more than the national average income of £26,910.⁶

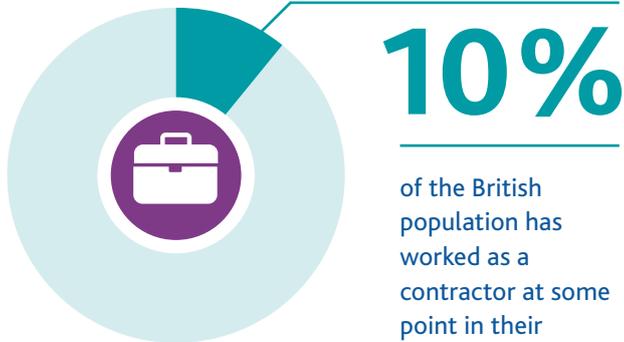
6 Average full time gross annual earnings for April 2013 (ONS)



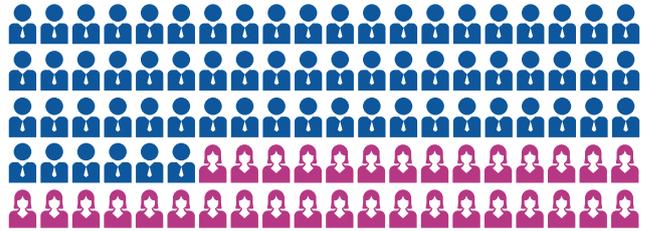
CONTRACTORS

Facts and figures

POPULATION

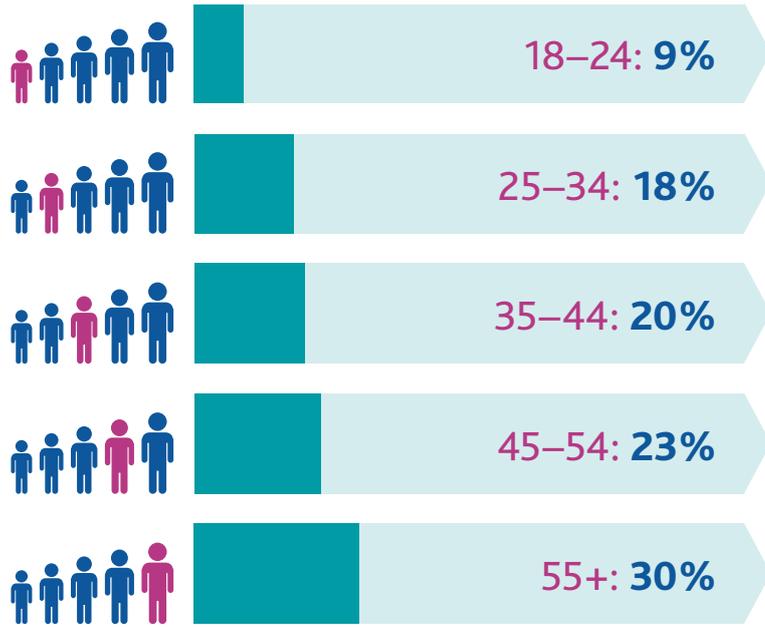


GENDER



Of those, **66%** are male and **34%** are female

AGE

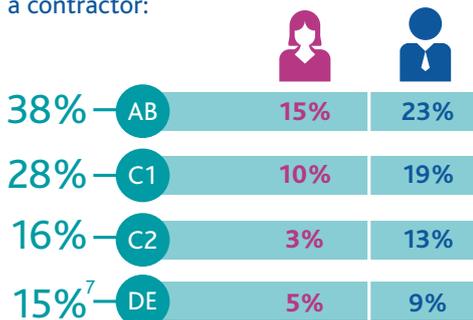


People who have worked as a contractor



DEMOGRAPHIC

Of those people who have worked as a contractor:



DEFINITION

- A: High managerial, administrative or professional
- B: Intermediate managerial, administrative or professional
- C1: Supervisory, clerical and junior managerial, administrative or professional
- C2: Skilled manual worker
- D: Semi and unskilled manual worker
- E: State pensioners, casual or lowest grade workers, unemployed with state benefits only

⁷ Exact figure is 14.76%.

EMPLOYMENT

Of those people who have worked as a contractor:

- 66% of people now work full-time (30-plus hours);
- 11% work part-time;
- 3% are unemployed.

Of those people who are currently working full-time and have worked as a contractor

- a. 36% worked as a contractor in the last year;
- b. 21% worked as a contractor between the last year and the last five years;
- c. 38% worked as a contractor more than five years ago.

Of those people who have worked as a contractor:

- a. 37% have also worked as a temporary agency worker
- b. 30% have also worked as a freelancer.

Of the people who have worked as a contractor:

- a. 49% now have a permanent contract;
- b. 11% hold a temporary contract;
- c. 15% are self-employed.

INCOME

- a. Of those people who earn less than £10,000, 8% have worked as a contractor. This proportion is 14% of men and 6% of women.
- b. Of those people who earn between £10,000–19,999, 8% have worked as a contractor. This is 14% for men and 5% for women.
- c. Of those people who earn between £20,000–29,999, 10% have worked as a contractor. This is 12% for men and 8% for women.
- d. Of those people who earn between £30,000–39,999, 12% have worked as a contractor. This is 16% for men and 9% for women.
- e. Of those people who earn between £40,000–49,999, 11% have worked as a contractor. This is 14% for men and 11% for women.⁸

Summary

One in ten people have worked as a contractor at some point in their working life and there is a higher proportion of men to women, and a higher proportion of people in the older age groups (aged 45-plus). Of those people who have worked as a contractor, more than one in three (38%) currently holds a higher managerial position.



14%

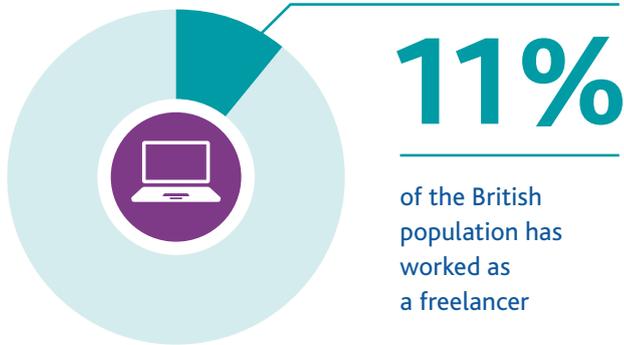
OF PEOPLE WHO EARN MORE THAN £50,000 HAVE WORKED AS A CONTRACTOR. THIS IS 16% FOR MEN AND 9% FOR WOMEN.



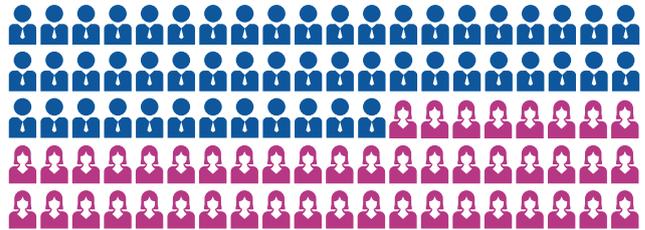
FREELANCERS

Facts and figures

POPULATION

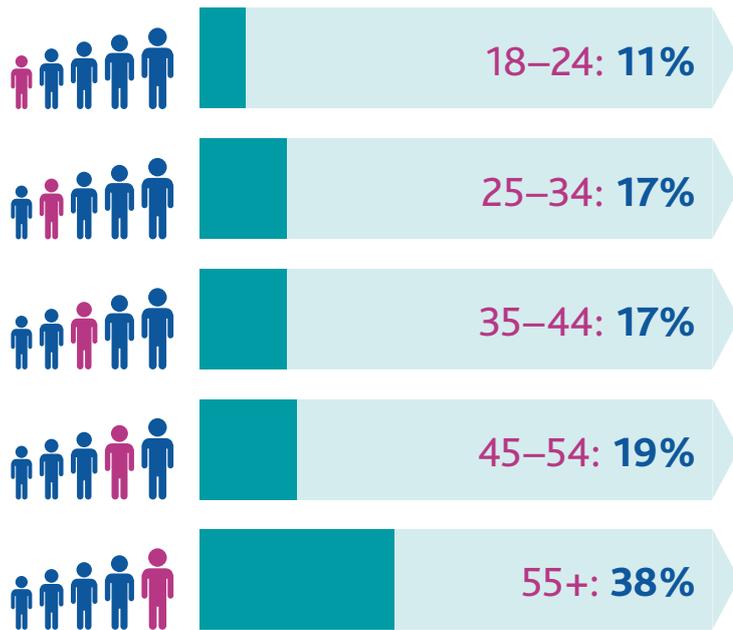


GENDER

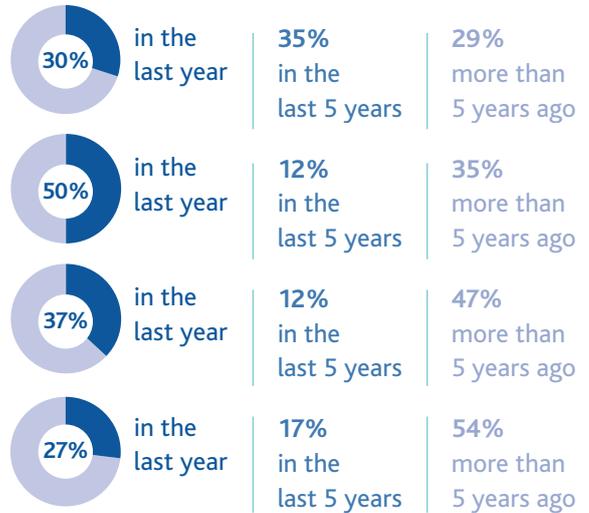


Of those, **52%** are male and **48%** are female

AGE

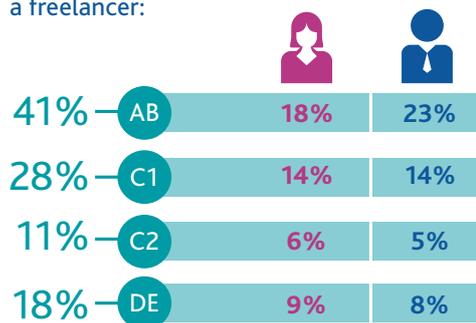


People who have worked as a freelancer



DEMOGRAPHIC

Of those people who have worked as a freelancer:



DEFINITION

- A: High managerial, administrative or professional
- B: Intermediate managerial, administrative or professional
- C1: Supervisory, clerical and junior managerial, administrative or professional
- C2: Skilled manual worker
- D: Semi and unskilled manual worker
- E: State pensioners, casual or lowest grade workers, unemployed with state benefits only

EMPLOYMENT

Of those people who have worked as a freelancer:

- a. 59% of people now work full-time (30-plus hours);
- b. 16% work part-time;
- c. 2% are unemployed.

Of those people who are currently working full-time and have worked as a freelancer:

- a. 39% worked as a freelancer in the last year;
- b. 19% worked as a freelancer between the last year and the last five years;
- c. 39% worked as a freelancer more than five years ago.

Of those people who have worked as a freelancer:

- a. 36% have also worked as a temporary agency worker;
- b. 27% have also worked as a contractor.

Of the people who have worked as a freelancer:

- a. 38% now have a permanent contract;
- b. 10% hold a temporary contract;
- c. 23% are self-employed.

INCOME

- a. Of those people who earn less than £10,000, 13% have worked as a freelancer. This proportion is 17% of men and 10% of women.
- b. Of those people who earn between £10,000–19,999, 9% have worked as a freelancer. This is 11% for men and 8% for women.
- c. Of those people who earn between £20,000–29,999, 12% have worked as a freelancer. This is 11% for men and 13% for women.
- d. Of those people who earn between £30,000–39,999, 10% have worked as a freelancer. This is 9% for men and 12% for women.⁹
- e. Of those people who earn between £40,000–49,999, 9% have worked as a freelancer. This is 8% for men and 12% for women.¹⁰

Summary

One in ten (11%) people has worked as a freelancer at some point in their working life. Of those, 52% are men and 48% are women and four in ten (41%) now sit within the higher managerial social grades. There is only a marginal difference between the proportion of people across the income brackets.



16%

OF PEOPLE WHO EARN MORE THAN £50,000 HAVE WORKED AS A FREELANCER. THIS IS 15% FOR MEN AND 20% FOR WOMEN.

⁹ Percentages based on fewer than 50 respondents, so not statistically reliable.

¹⁰ Percentages based on fewer than 50 respondents, so not statistically reliable.

**IT WAS
MY CHOICE
TO START
TEMPING...**

DAN, OFFICE PROFESSIONAL

03

UNDERSTANDING MOTIVATIONS

There are myriad reasons why people work as a temporary worker (temporary agency worker, contractor or freelancer). The next section identifies some of those reasons and explores some of the advantages and the challenges that this way of working offers.

It is important to note at this stage that temporary workers are not a homogenous group and that motivations underpinning people's decisions are specific to the sector they work in and their own family and personal circumstances. Also, certain motivations and challenges become more pertinent at different points in an individual's career path, for instance getting a mortgage is less relevant to new entrants to the labour market. Some sectors appear to have more fluidity between temporary and permanent staff than other sectors, e.g. nurses, which will also factor into the decisions people make.

For some people there is choice, for others it is not a choice. It depends on the labour market, their [temp workers] skill set and the industry they work in. But there are some people who want the flexibility.

Katie Schmuecker, Joseph Rowntree Foundation

Having temporary work helps avoid spells of unemployment (which impact negatively on an individual's earnings potential) and prevents an insider-outsider jobs market.

Lena Levy and Hannah Murphy, CBI

The following section presents the main reasons temporary workers have opted to work in this way. Below we provide an overview of those reasons followed by detailed discussion that draws on the views of the focus group participants.

The graphs below provide a snapshot of the different reasons that underpin why people work as a temporary worker. What is apparent is that different groups have different priorities. For younger people (aged 18–24), finding work and earning money quickly is a priority. Similarly, the flexibility to look after children is more of a determining factor for women. Some of the main reasons are highlighted in the next paragraph.

FIGURE 1 / ALL WHO HAVE WORKED AS A TEMPORARY WORKER / TEMPORARY AGENCY WORKERS

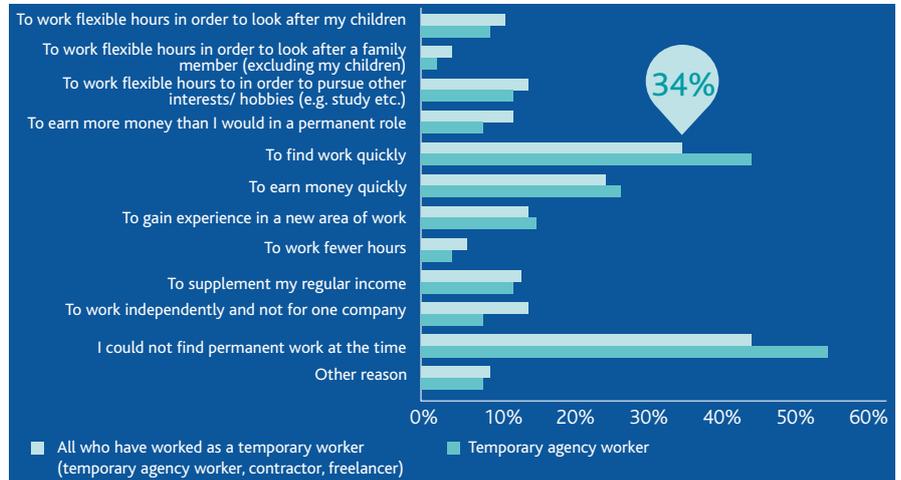


FIGURE 2 / GENDER

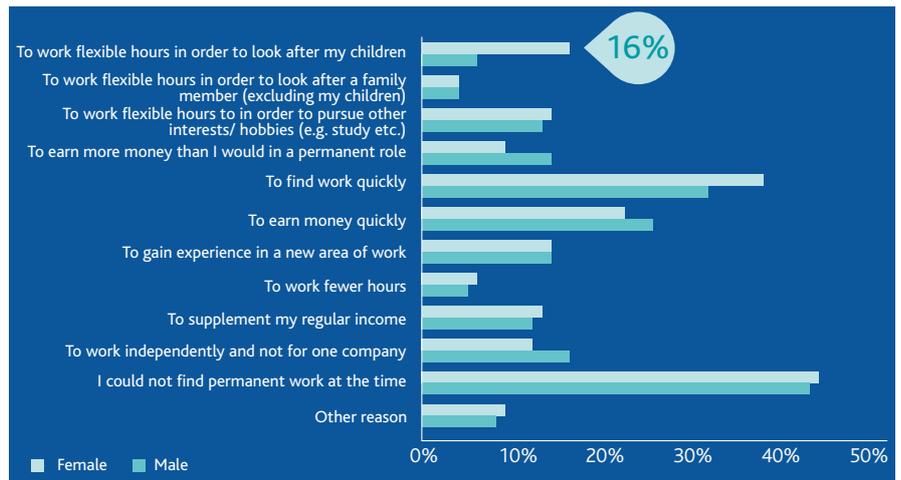


FIGURE 3 / AGE GROUP

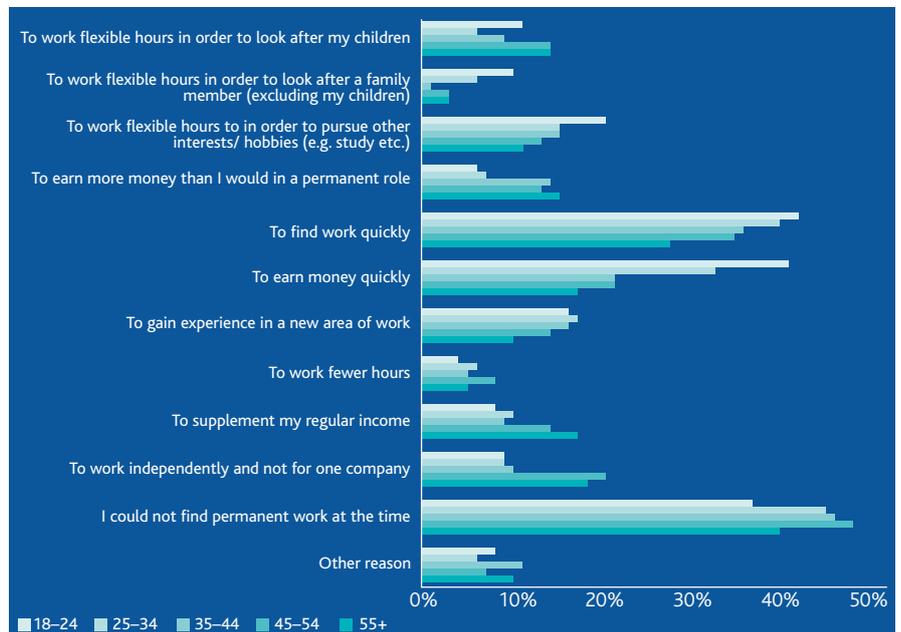


FIGURE 4 / TYPE OF TEMPORARY WORKER

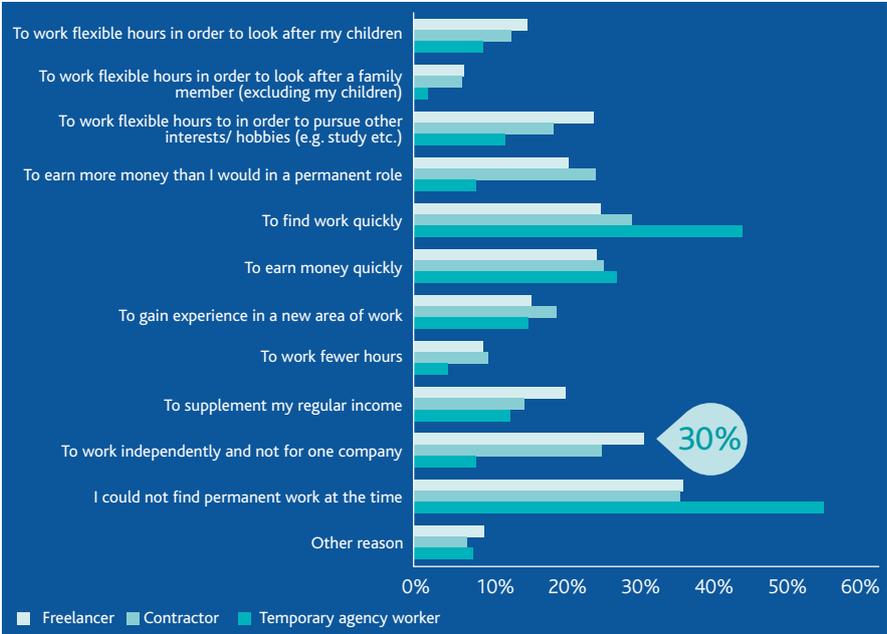
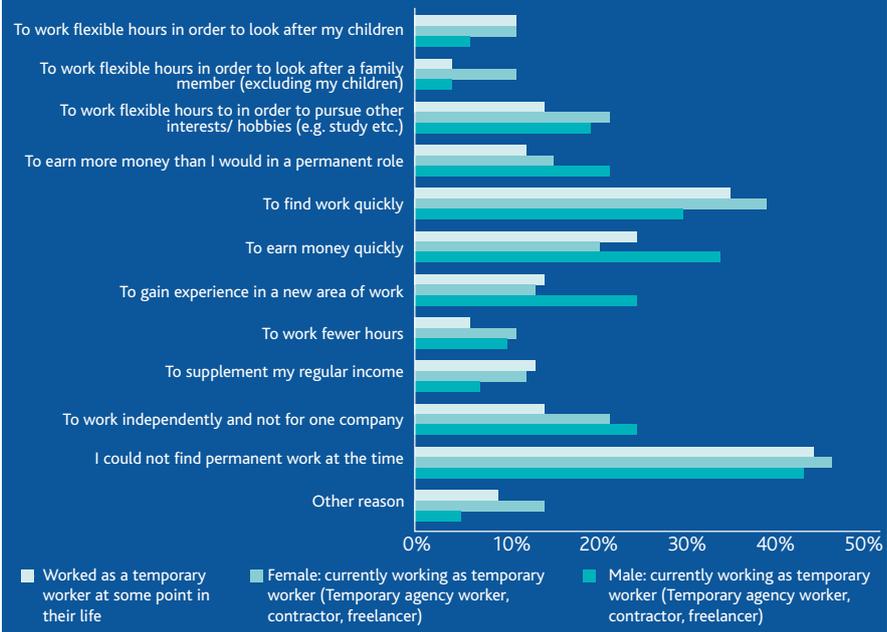


FIGURE 5 / TEMPORARY WORKER/CURRENT TEMPORARY WORKER BY GENDER



The predominant reason provided for working as a temporary worker is "I could not find permanent work at the time". The qualitative research finds that underlying this sentiment is often a desire for a particular type of job or a role in a particular sector and that this figure should take account of individuals' wider motivations. This view is more prevalent among temporary agency workers, with 53% of them stating that this is a reason, compared with temporary workers (temporary agency workers, freelancers and contractors) more generally (43%).

There is not much divergence in the proportion of men and women who report this finding. However, the youngest (aged 18–24 years old) and older age group (aged 55-plus) were less likely to report this reason, with only 36% and 39%, respectively, reporting lack of access to permanent work. Just under half (47%) of people aged 45 to 54 stated that they could not find permanent work.

Similarly, earning money quickly is important to young people, more so than the other age groups. Four in ten people aged 18–24 years stated this reason, compared with 17% of people aged 55-plus.

Of interest is that some reasons are more prevalent among current temporary workers, specifically "to work independently and not for one company" and "to work flexible hours to pursue other interests/hobbies". This is a particular snapshot in time but may suggest a shift in the way that current temporary workers view this way of working.

Below we explore each of the reasons given in more detail:

REASON 1: I COULD NOT FIND PERMANENT WORK AT THE TIME

43% of people who have had temporary work (temporary agency worker, freelancer, contractor) could not find a permanent job.

This proportion is higher for certain types of temporary workers:

52% of women who have worked as a temporary worker (temporary agency worker, freelancer, contractor) and who earn £20,000 to £24,999;

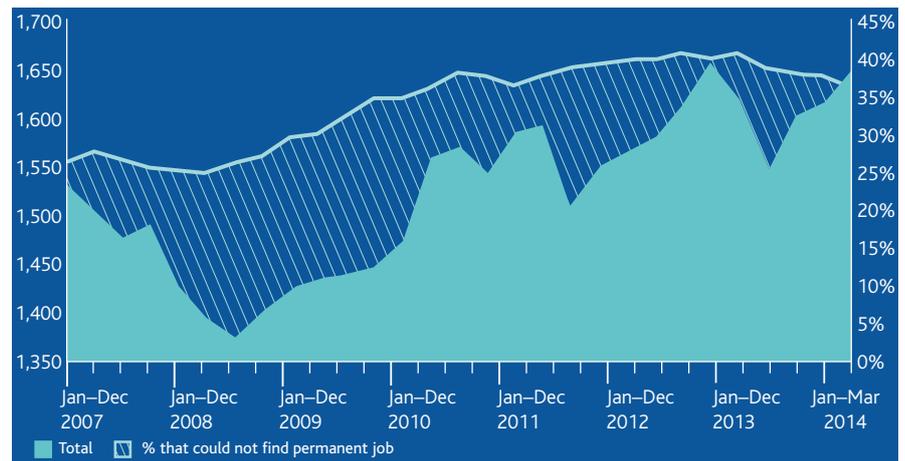
52% of men who have worked as a temporary worker (temporary agency worker, freelancer, contractor) who earn between £5,000 and £9,999 per annum.

This reason is more prevalent for men who are currently low income earners and women who are middle income.

Much attention has been focused on temporary work as a way to absorb underemployed or unemployed people. The Labour Force Survey found an increase in the proportion of people stating that they could not find a permanent job. In the January–March 2014 Office for National Statistics data, 36.1% of temporary workers stated that they could not find a permanent job, compared with 25.1% in January–March 2007. This figure, however, is based on all temporary workers,

including seasonal workers. The graph below charts how the proportion of people stating that they could not find a permanent job has changed over time.

FIGURE 6 / ONS LABOUR FORCE SURVEY: TOTAL TEMPORARY WORKERS AND % THAT COULD NOT FIND PERMANENT JOB



Our survey finds that four in ten (43%) people who had worked as a temporary worker did so because **they could not find a permanent job**. This is slightly higher for temporary agency workers, with just over half (53%) stating this was the case, compared with 34% of contractors and 35% of freelancers.

The majority of people are doing temporary work for positive reasons. But there is a substantial minority who are doing it for negative reasons and this went up in the aftermath of the recession.

Richard Exell, TUC

“
**THOSE WHO ARE
 LOOKING FOR A
 PERMANENT JOB
 OFTEN HAVE SPECIFIC
 REQUIREMENTS
 FOR WHAT THEY
 ARE LOOKING FOR,
 FOR INSTANCE A
 PARTICULAR ROLE
 OR ORGANISATION**
 ”

This figure is high and suggests that temporary work is countercyclical, responding to low demand for permanent workers. But the focus groups provided us with an opportunity to explore this reason in more detail.

Some participants in the focus groups did state that they were looking for a permanent job. While this reason was not prevalent among the older workers and in the specialist sectors (nurses, IT, drivers), it was particularly evident among the younger office professional participants. Within this group there were recent graduates, candidates who had recently been made redundant and some who were trying to access a new role within a new sector.

While these workers wanted permanent work, their views are much more nuanced than the initial reading of the data. Those who are looking for a permanent job often have specific requirements for what they are looking for, for instance a particular role or organisation.

The statements below reflect some of the motivations for working as a temporary worker.

PARTICIPANTS, OFFICE PROFESSIONALS

"I had been in the public sector for five years. I wanted a clean break. And people weren't keen to give you a job if you had come from the public sector so this was a way in."

"I am looking specifically in project management. It is very niche. It is difficult as they are quite closed and they require particular experience, which I think I have but they don't see it. So it is about getting in via the temping route."

"It is important that you know your worth when it comes to a permanent job. It is not that I can't find a permanent job, I am not going to apply for stuff and be tied to a job that is paying £16,000 a year when I know my worth and I know I can get something better than that. You should not be forced into a permanent thing because you have the option of temping."

"I found that they were giving the roles to internal applicants. I better put my foot in the door first and apply that way, so that is my motivation. To get myself into the industry."

"I have found it harder to get a permanent part-time role that fits around the hours that I can do. The agency is quite relaxed about what I take on here."

There is always the assumption that people temp because you can't do anything else, that you don't have options. There is also the assumption that you have no aspirations and that you have no goals. That is not what I am about, I am doing this as a means to an end.

Yuichi, office professional

“

**I AM A PROUD
TEMP. I AM PROUD
OF THE FACT THAT
I AM DOING A JOB
THAT I ENJOY AND
THAT I AM MAKING
GOOD MONEY AND
I DON'T CARE THAT IT
IS NOT PERMANENT**

”

A study by the Institute for the Study of Labor provides some insight into how we can interpret the motivations of these temporary agency workers. The report looks at the effect of temporary employment on the employment opportunities of unemployed individuals. Using data from the OSA labour supply panel collected by the Dutch Institute for Labour Studies, the research found that newly employed temporary workers have a slightly lower rate of take-up of "regular" work compared with unemployed workers. But, over time, temporary workers have a higher exit rate into permanent work, compared with their unemployed counterparts. The study also finds that temporary work shortens the length of time that a person is unemployed.¹¹ In a later report, the authors suggest that temporary work offers an opportunity to accumulate human capital and develop a larger social network with employed individuals. The report also finds that "regular jobs that are found directly pay lower wages than regular jobs found by way of temporary work". This reinforces the statements below, which suggest that temporary workers do not necessarily view temporary work as an option of last resort but as a means of supporting their broader aspirations.

I am a proud temp. I am proud of the fact that I am doing a job that I enjoy and that I am making good money and I don't care that it is not permanent.

¹¹ Zijl, M, van den Berg, G, Heyma, A (2004). Stepping stones for the unemployed: The effect of temporary jobs on the duration until regular work. Institute for the Study of Labor.

I am happy to take the temp route to get there and there is no shame in this.

Yuichi, office professional

It was my choice to start temping and this is the best way to handle the financial needs to get the role that I want.

Dan, office professional

The evidence shows that the longer you are out of work, the harder it is to get back into work. Your skills become older and you become detached from the world of work. Therefore, I would expect temping is useful.

Duncan O'Leary, Demos

This suggests that temporary workers are much more active in determining their career choices than is often perceived. Temporary work serves a number of purposes. The participants suggested that temporary work provides them with useful experience to signal their aptitude and capabilities to potential employers. This is particularly evident for young people entering the labour market and for migrants who may have the skills but are not yet able to show country-specific skills and aptitude. In addition, participants also reflected on the reduced search costs for looking for a role. In their view, the agency can act as a useful intermediary that can search on their behalf.

“

**WITH TEMPING YOU
HAVE A CHANCE
TO PROVE YOURSELF**

”

I can at least put something down on my CV. You are sending off your CV and they are not coming back because they don't see that your experiences are transferable. You apply for a job and they make a decision based on your application. With temping you have a chance to prove yourself.

Edward, office professional

Temping is an opportunity to take a risk on people for instance, younger people, the long-term unemployed, people who have had a break in their careers.

Lena Levy and Hannah Murphy, CBI

Some of the temporary workers participating in the research also viewed the recruitment agency as a source of support. Agencies are seen to play a vital role in mediating between temporary worker and employer. This is particularly evident among candidates and workers who are new to the labour market or who are using temporary work as a way to enter into a new sector. However, this view was less evident among those workers operating in more specialist fields such as IT and driving.

A VIEW FROM YUICHI

Actually, the recruitment agency that has found me work has been very supportive of me. For a start, they are very open and honest with regards to when there is no work, they'll tell you. "We don't have work at the moment and it is very quiet, so..." They kind of understand that if you're registered with other temping agencies, that you're going to do what you're going to do, you'll explore, trying to find work with other agencies. I've also noticed that they've given me a lot of good advice with regards to my career and how to survive while being a temp, in general, basically. They know what the market is like, a lot better than I do. So they've advised me in the past, you know, public sector for example: the public sector is picking up, so you know, try to explore recruitment agencies that have a lot of clients in the public sector. You know, it's just a lot of pieces of advice.

Our survey shows that one in seven people (14%) who have worked as temporary workers used this as a mechanism to gain experience in a new area of work.

I am more marketable now that I have this experience.

Permanent work can be hard to get into. When you go to a recruitment agency what you are getting is that relationship with that agency and the company. That for me is the reason that I wanted to temp ... I wanted to get my foot in the door and work my way up from there. If I was to apply independently then there would be hundreds of applications.

Patience, office professional

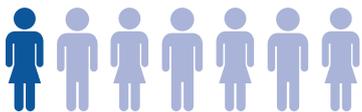
You can easily get into big branded companies and you can have that on your CV. For me, it has helped me to get into big companies. When I temped for American Express, I later ended up in a financial services company permanently.

Camilla, office professional

In terms of career, it is good to show that you have worked with different client groups and situations ... You cannot get this experience with one employer.

Dr Shereen Hussein, King's College London

This suggests that some temporary workers are using temporary work as a stepping stone into permanent work or to find a role that suits their needs. This is evident among younger participants. In contrast, this view was less evident for those participants who had been in the labour market for a longer time period, or had specialist skills. For example, a number of the nurses had been offered permanent roles and had opted to continue to work as a temporary worker.



ONE IN SEVEN

PEOPLE (14%) WHO HAVE WORKED AS TEMPORARY WORKERS USED THIS AS A MECHANISM TO GAIN EXPERIENCE IN A NEW AREA OF WORK.

Temporary work provides an opportunity to have a job, work experience and transferable skills. Temps can get a varied experience across different skill areas, which may help them move onto a more permanent job. If it is a choice between being out of work and having a less than ideal role, then you are almost always better off in a job.

Katie Schmuecker, Joseph Rowntree Foundation

REASONS 2 AND 3: FIND WORK AND EARN MONEY QUICKLY

34% of people who have worked as a temporary worker (temporary agency worker, freelancer, contractor) did so to find work quickly.

This proportion is higher for some types of temporary workers:

46% of people who have worked as a temporary worker and who now earn between £15,000 and £19,999;

55% of women who have worked as a temporary worker and who now earn £15,000 to £19,999;

45% of women who have worked as a temporary worker and who now earn £25,000 to £29,999.

24% of people who have worked as a temporary worker (temporary agency worker, freelancer, contractor) did so to earn money quickly.

This proportion is higher for some types of workers:

40% of 18–24 year olds who have worked as a temporary worker;

37% of women aged 18–24 who have worked as a temporary worker;

33% of people who have worked as a temporary worker and who now earn £35,000 to £39,999 per annum.



24%

OF PEOPLE WHO HAVE WORKED AS A TEMPORARY WORKER (TEMPORARY AGENCY WORKER, FREELANCER, CONTRACTOR) DID SO TO EARN MONEY QUICKLY.

One in three (34%) people work as a temporary worker to **find work quickly**. This view is shared widely across the different sector groups. Temporary workers reflected on the speed in which you can be screened and allocated to a role. This meant that not only would people have access to a job but also can earn income quickly. This is clearly a significant factor, with one in four (24%) temporary workers stating that they work as a temporary worker in order to **earn money quickly**.

You can see someone on the Monday and you can have them working the next week. If you go for a permanent role, you have to go through all these checks and referrals. And this process takes about a month. If you go perm, you have to wait for six weeks to get paid as you have to fit in with their pay cycle.

It is a much quicker onboarding process as well, rather than a four-week turnaround and rather than waiting for getting paid, you are paid in the next week. You can be working by the end of the week.

Matthew, office professional



Those workers who have been in the labour market for a longer period of time or who have a specialist skill can command higher wage rates in the temporary labour market. Our survey found that 12% of people who have worked as a temporary worker state that they do so to **earn more money than they would in a permanent role**. This view was more apparent among high earners, with 27% of people who earn £50,000 or more stating that this was the case.

It can be well paid. I can temp for three months and earn what I do [in a permanent role] in four to five months. But this is industry specific.

Matthew, office professional

The icon is a white computer monitor with a stand, centered within a teal circle. The background of the entire section is teal.

JAMES'S STORY, IT CONTRACTOR

The financial reason was my main driver. It was due to personal circumstances. I started a family and my wife chose not to go back to work. I set up a limited company. I am financially better off as a contractor. It was also a career decision. I decided that I wasn't going to achieve what I wanted. I thought I would keep it simple and go independent. I knew contractors were rewarded more.

My take-home pay is 40% more now, the tax rules are more beneficial. I have also worked in a variety of roles. I felt that contracting would give me the breadth. I had the depth but I now had an opportunity to work in new sectors, such as financial services. These sectors are willing to take the risk on me, so I can work in different industries. I chose not to build a career but to build experience.

The risks are that you may have periods of unemployment. You have to have a financial aptitude as you are responsible for your company.

I want to be a contractor for the next three years at least, unless my circumstances change. If my health changed and I needed the security or my wife wanted to go back to work I would consider permanent work.

There are more risks, but more rewards.

REASON 5: SUPPLEMENT THEIR INCOME

13% of people who work as a temporary workers (temporary agency worker, freelancer, contractor) do so to supplement their income.

This proportion is higher for some types of workers:

23% of men who have worked as a temporary worker and who now work part-time (8–29 hours);

23% of people who have worked as a temporary worker and who now earn £40,000 to £44,999.

In addition, 13% of people who have worked as a temporary worker did so to **supplement their income**. For some people, this may be because they are working an insufficient number of hours, but for others it allows them to benefit from the higher pay rates available in the temporary labour markets.

As a permanent member of staff, you are hired to do a job. But you are not always paid for your value. I am taken more seriously as a contractor.

George, IT contractor

I came back at triple the salary I would have as a permanent worker.

Elliot, IT contractor

I worked for a company for 14 years. I joined the agency because the money was better. And I've worked for a few companies in between and I seem to come flitting back.

Rob, driver

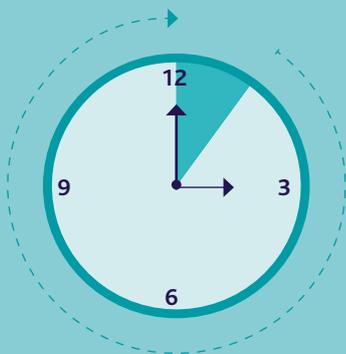
Flexible working is central to understanding why people work as a temporary worker. This reason was consistent across the different sector groups. One in four (25%) people stated that they worked as a temporary worker (temporary agency worker, freelancer, contractor) to allow more flexibility. Temporary work is seen as a means to earn an income while balancing other aspects of one's life.

I love the flexibility. I can say yes or no when I need to. When I really need the money and when I can step back and say I can survive on this much.

Camilla, office professional

There is a reduction in role conflict. In this instance, you can be a worker or a mother, the ball is in your court.

Dr Zofia Bajorek, Work Foundation



REASON 6: FLEXIBILITY

25% of people who work as temporary workers (temporary agency worker, freelancer, contractor) do so for flexibility.

This proportion is higher for some types of workers:

35% of people who have worked as a temporary worker and are now separated or divorced;

38% of people who have worked as a temporary worker and who now have two children in the household;

35% of women who have worked as a temporary worker and are in C2 or DE social grade.

FLEXIBLE HOURS IN ORDER TO LOOK AFTER CHILDREN

11% of people who work as temporary workers.

This proportion is higher for some types of workers:

22% of people who have worked as a temporary worker and now live with two children in the household;

21% of women who have worked as a temporary worker and are now aged 40 to 54;

22% of women who have worked as a temporary worker and are in C2 or DE social grade;

25% of women who have worked as a temporary worker and who are now retired.

FLEXIBLE HOURS IN ORDER TO LOOK AFTER A FAMILY MEMBER (EXCLUDING THEIR CHILDREN)

4% of people who work as temporary workers.

This proportion is higher for some types of workers:

10% of people who have worked as a temporary worker and are aged 18–24;

10% of men who have worked as a temporary worker and are now working part-time (8–29 hours per week);

12% of people who have worked as a temporary worker and who now earn £35,000 to £39,999.

FLEXIBLE HOURS IN ORDER TO PURSUE OTHER INTERESTS/HOBBIES (E.G. STUDY)

14% of people who work as temporary workers;

20% of women who have worked as a temporary worker and are aged 18–24;

22% of women who have worked as a temporary worker and who now earn £25,000 to £29,999;

29% of women who have worked as a temporary worker and who are now currently self-employed.

For some people, this enables them to take on family responsibilities, with 11% of all people who have worked as a temporary worker doing so to look after children and 4% a family member. Unsurprisingly, this reason is more prevalent among women. The percentage is higher for older women, with one in five (21%) women aged 40 to 54 doing so to look after children.

“

I HAVE SMALL CHILDREN AND I DON'T REALLY LIKE DOING NIGHTS ...

”

I have small children and I don't really like doing nights ... I was already doing [temporary work] and I was finding that I enjoyed my shifts more because I didn't have pressure on me. And I didn't have the politics and it was freedom, so I thought I am going to do this all the time. I can't imagine ever going back.

Laura, nurse

It was family for me. My oldest daughter started to have panic attacks. I couldn't leave her but I was working five days a week. I wanted to do less and I was told that you get plenty of work as a temp.

Sian, nurse

I look after my mother. I could cancel my shift and not have a guilty conscience.

Victoria, nurse

I have found it harder to get a permanent part-time role that fits around the hours that I can do. I look after my children and the agency are quite relaxed about what I take on here.

Laura, office professional

Temporary work also offers flexibility to allow people to prioritise study or other personal goals, or even just leisure time. Of those people who have been temporary

workers, 14% stated that they did so to pursue other hobbies. For some of the younger participants, temporary work enabled them to earn money while studying or to save money or pursue other aspirations. For many, pursuing an aspiration required investing time and money that could be achieved through temping.

It is good for when you are studying or when you have just graduated. You can save up quickly. And you are paid by the hour. It was useful when I wanted to get into publishing and I was doing unpaid work experience; temping can tide you over when you are doing unpaid work experience.

Jas, office professional

If you have a permanent job you know you have to be there Monday to Friday. I found that permanent jobs get in the way of doing the things that you actually want to do. It gives you the flexibility you need to get you in the place you want to be, in the career that you want to be in.

Dan, office professional

I like the flexibility. I don't like to have a six-month permanent role on my CV, it is better to have six months of temping on your CV than to have three or four different permanent roles. I want the freedom. It is better to have been temping for two years than to have lots of different permanent roles on the CV.

Gary, office professional

For some of the older workers, temporary work allowed them to ease into retirement by opting for reduced hours and reduced responsibilities. Temporary work allows them to not only negotiate the number of hours they do, but the type of roles that they do at work, refusing those roles that are physically challenging.

There is an ageing working population. People's pension incomes are not as reliable as they used to be. Many older workers are extending their working life for various reasons and are interested in more flexible routes into retirement. Atypical working can help respond to these demographic changes.

Ben Willmott, CIPD

CAMILLA'S STORY

Outside of work I am trying to set up my own wedding planning business. This is something I've been trying to set up for the last few years, while I was in Australia and since I've come back. And yeah, just making contacts, networking, planning. Planning weddings in my spare time, really. Doing some research. Catching up with friends and family. I seem to travel quite a few weekends here and there. And also going to church when I can.

The agency I'm with at the moment, I have received quite a lot of support, which has been absolutely fantastic really, because not all agencies do that. Since I have started temping I have worked for a few agencies, and each of them has slightly different approaches. So the one I'm with currently, we had probably a good hour's chat – my history, where I've been, what I've been doing. What I want to be doing in the future, which I think is quite important to ask. Whereas not all of them will. And I didn't actually state that I want my own business, but in fact it was quite interesting with my line of work that she was suggesting that "a lot of people do that freelancing, and maybe it's something you should think about". So it was interesting that she was backing up what I've been thinking for the last few years.

So I've chosen temping because I love the flexibility of it. I love that I can say when I want to temp and when I don't. And what type of contracts I want to take on, and what type of contracts that I don't want to take on. Especially if it's last minute, I can plan around that. But there is also the downside that if you don't get frequent work, then you're not going to get frequent money coming in. And it can be quite a struggle sometimes, but it's something that I've had to learn to just trust that it's going to work out. I trust that it will work out.

I have always had permanent work until recently. I joined the agency because of my age now, I don't need a full-time job. I stay as a temp, it is easier. I can come and go as I please. If I don't like the job, I don't have to go there. If I don't like the company, I don't have to go.

Greg, driver

I have arthritis in both knees, I can't climb on and off the deck like you guys. My lungs are knackered ... If I was a dog they would put me down. It suits me and the company. They know my ailments. A new company would think, who is that guy? But I can do the job. Yes, I can be flexible and the agency put me in there [on certain jobs] for that reason.

Grant, driver



14% OF TEMPORARY WORKERS DID SO IN ORDER TO WORK INDEPENDENTLY AND NOT FOR ONE COMPANY.

REASON 7: TO WORK INDEPENDENTLY

This proportion is higher for some types of workers:

22% of AB males;

22% of people who earn between £35,000 and £39,999;

21% of people who earn £50,000;

21% of women who earn £5,000 to £9,999.

A significant minority opt to work temporarily in order to **work independently** and not for one company, with 14% stating this preference. This was clearly a view consistently shared by the IT contractors who participated in this research.

MARTIN'S STORY

The bit I found difficult [was] the politics and the company when you're permanent, your career progression within the company can very much depend on who you get on with, who you don't get on with ... If this person doesn't want to employ me as a contractor I'll go elsewhere, it doesn't matter. I don't have to impress anyone because I'm not going to progress as a contractor within the company. I'm just there to do a specific role for a specific period of time. I don't feel any allegiance to them in any way. Some employers are good and bad but I don't feel the allegiance.

It is easier, it is less stress. You don't have the mental stress.

Pat, focus group

I didn't realise that there were pressures. I didn't see how it affects other parts of your life, your marriage, your relationship with your children. It wasn't until I stepped back from it that I realised how much of an influence that my job was having on my life.

Victoria, focus group

I am not really a corporate person. I do my job to the best of my ability. I am not fussed about a company. I am not overly loyal. Loyalty can put you at a disadvantage ... I have grown out of that.

Leo, IT contractor

**IF I DON'T GET
WORK FOR THREE
DAYS, I GET A
BIT PANICKY.**

NURSE

04

THE CHALLENGES

This section identifies some of the challenges associated with this way of working and starts to address some of the ways in which those challenges can be mitigated. It is useful to identify whether the cause of the disadvantages arises due to the particular characteristics of the temporary work or workers, or whether these disadvantages are a result of the structural landscape, for example access to financial products.¹² Understanding this distinction will inform suggestions on how to mitigate against some of the identified challenges.

The main challenge identified is job and income insecurity. While some temporary workers are paid between assignments, this is not a common form of contract between agency and temporary worker; nearly all the people who participated in the qualitative research were paid on assignment. The frequency and duration of the assignments varies. For a minority of candidates, the duration of assignments was between one day and two weeks. However, for some the assignments were longer, with some temporary agency workers assigned for up to one year.

JOB INSECURITY: COMMENTS FROM THE FOCUS GROUP

It is risky. If work dries up, you may not be working for a long time. I didn't work for the whole of April. That was hard.

Office professional

If I don't get work for three days, I get a bit panicky.

Nurse

You can leave at any point. I am in charge, I can leave. But if there is no guarantee of hours, you can end up worrying; am I going to have enough to pay my rent?

Office professional

You are never really sure where your next job is. You may have a temping job for two weeks, you don't know until the time. You don't have any guarantees.

Office professional

I stress about renewal. You can be terminated early because for your employer, it is a financial question. There is that constant drive to prove yourself and of whether you will be renewed.

IT contractor

It is uncomfortable at renewal time. The idea of being out of work is scary for me. The idea of sitting at home trying to find the next role is daunting.

IT contractor

¹² Gebel, M, Giesecke, J, (2008). Labour market flexibility and inequality: The changing risk patterns of temporary employment in Germany. Arbeitspapiere – Working Papers.

“
THERE IS NO
SAFETY NET
”

This is a characteristic of working as temporary worker. Income can be volatile and is not guaranteed. However, part of the challenge is structural in the sense that claiming income support for disrupted income can be difficult. And for those temporary workers who have set up a limited company, access to benefits is not available. This further compounds their sense of insecurity.

When you are between engagements you don't qualify for anything. You are still a director and even if you resigned from the directorship, you'd still not be entitled ... there is no safety net. When you are working you pay national insurance but you don't feel like you get anything back. There is no reward back from the state recognising the risk that you take.

Leo, IT contractor

There is interrupted income over the course of the year. If you are switching between working and not working, and your income is changing week to week, it can result in delays in receiving benefits, errors and under- and overpayments. This is particularly a problem if the work is part-time, intermittent and low paid. The introduction of universal credit should help smooth these transitions, although it won't eliminate the problems entirely.

Katie Schmuecker, Joseph Rowntree Foundation

What the statements above reveal is that job insecurity is a feature of this way of working. This view of temporary work, as one in which “job insecurity, uncertainty and unpredictability are core to the daily experiences of temporary workers”,¹³ leads to concerns about strain, poor wellbeing and reduced functioning of temporary workers. The question therefore is, why do some workers opt to work in this way? In addressing this question, it is useful to distinguish between job security (“the possibility of keeping a specific job with the same employer”), employment security (“the possibility to remain in a paid job”) and income security (“maintaining a stable and secure level of income throughout working life”).¹⁴

It was particularly evident among the nurses and the IT contractors interviewed that they positively chose to take on temporary work over permanent employment, because several had been offered permanent roles and declined them. The literature offers some insight into why some temporary workers decide to work in this way and challenges assumptions that temporary work is an option of last resort.

- Temporary work is viewed as a stepping stone to permanent employment and therefore temporary work is transitory. To this end, temporary workers may perform optimally in order to signal their ability and potential to their employer. As a result, temporary workers may anticipate job security in the future.¹⁵

13 De Cuyper, N, Van Emmerik, H. "Temporary employment: costs and benefits for (the careers of) employees and organizations", *Career Development International*, Vol 16:2, 2011, pp 104–113.

14 Hakansson, K, Isidorsson, T, Kantelius, H. (2012). "Temporary agency work as a means of achieving flexicurity", *Nordic Journal of Working Life Studies*, Vol 2:4.

15 De Cuyper, N, Van Emmerik, H. "Temporary employment: costs and benefits for (the careers of) employees and organizations", *Career Development International*, Vol 16:2, 2011, pp 104–113.

- Career satisfaction is derived from employability rather than job security. As De Cuyper et al note: "Core to the new career models is the importance of employability, i.e the capability of moving self-sufficiently through the labour market, or in other words, the individual's likelihood of obtaining a job".¹⁶ The underpinning assumption is that temporary workers place a greater value on their employability than permanent employees do.¹⁷ The research shows that freelancers have higher levels of job satisfaction than permanent employers.¹⁸

YUICHI'S STORY

The reason why I chose to take the path of temping is because there's a lot of benefits, in the sense that if you're going to commit yourself to a company, I think it's great that you can work there as a temp, and get the opportunity to work there and see what it's really like on the inside before you commit yourself to a permanent contract. There's also other benefits I guess, in the sense of being paid weekly – for some people that works. I'm familiar with being paid on a weekly and monthly basis, so both work for me, but for some people I guess it works for them to be paid weekly. And I guess a big benefit that I got from working as a temp is that I've managed to pick up a lot of skills from working with a lot of different companies, so I think that makes me a very well-rounded candidate in that sense as well – because I've had the opportunity to work in various business structures. And just the way that people operate in different settings, it's taught me a lot about how business operates in general and what works and what doesn't. So I've picked up a lot of different skills from different places.

My plan is and always has been to find permanent work. But temping has given me the opportunity to make sure that the next permanent role I find is the right role for me. And at the same time I am enjoying temping as well.

The way I treat a temporary role is how I want to be treated in life. I give everything 100% so I don't make the distinction between a temporary and a permanent role; I treat every job that I've worked in like I work there permanently and I give my best. So you've got to make sure that you're perceived as the best person that you can be, regardless of whether it's temporary.

Research also points to a different relationship between employer and the temporary worker than that found in more traditional forms of work. The literature suggests that a temporary worker is believed to have fewer expectations about security. In exploring this, De Cuyper and De Witte argue that temporary workers view the psychological contract they have with their employer differently from how a permanent employer does. It follows that a temporary employee has limited expectations about security while a permanent employee expects job security in return for their commitment.¹⁹

A 2006 study of 642 UK workers found that workers on temporary contracts had "better wellbeing, better general health, more positive attitudes towards work

¹⁶ De Cuyper, N, Van Emmerik, H. "Temporary employment: costs and benefits for (the careers of) employees and organizations", *Career Development International*, Vol 16:2, 2011 pp 104–113.

¹⁷ Hakansson, K, Isidorsson, T, Kantelius, H. "Temporary agency work as a means of achieving flexicurity", *Nordic Journal of Working Studies*, Vol 2:4, November 2012.

¹⁸ The critical importance of freelancers to the UK economy, Report from 6 July 2011, All Party Parliamentary Group for the freelance sector.

¹⁹ Hakansson, K, Isidorsson, T, Kantelius, H. "Temporary agency work as a means of achieving flexicurity", *Nordic Journal of Working Studies*, Vol 2:4, November 2012.

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CONTRACTS
”

and better behaviour than their permanent counterparts”. Guest et al also found that highly skilled temporary workers, who wanted to have a temporary contract, demonstrated the most positive attitude. And low-skilled individuals who wanted to be on a permanent contract had higher levels of wellbeing and had more positive attitudes than workers on permanent contracts. One explanation for this finding was the positive state of their psychological contract, specifically “less violation by the organisation of the promises and commitments made to them, and also fairer treatment and more trusting relations with the organisation than their permanent counterparts”.²⁰

Insecurity can perhaps draw on factors outside of the temporary work itself and include wider structural issues. A sense of insecurity is compounded by an inherent imbalance of power between temporary workers and employers to the detriment of workers when negotiating wage rates. It was particularly evident that many of the temporary workers, specifically in the office professional sector, were unclear about the rights and responsibilities available to them. This is illustrated by the fact that only one of the 25 participants in the office professional focus group was aware of the Agency Workers Regulation. This power imbalance can be problematic.

There are individuals who may not have the natural resources to negotiate or renegotiate contracts. They are not as mobile in their knowledge and they are more passive rather than capturing the best available deal. They may not progress with personal or family aspirations as they are not able to plan. Our research draws out the disparities [from the perspective of the skills and competences that they possess] between those who can use flexibility to their advantage and those who have it imposed on them.

Martin Rhisiart, Centre for Research in Futures and Innovation, University of South Wales

What is also apparent from both the literature and the views of participants is that security is derived not only from obtaining and holding an assignment, but also from the management relationship with the employer or end-user.²¹ In some cases, particularly among the nurses and the office professionals, workers felt isolated and peripheral when in the workplace. This was often detrimental to their job satisfaction and contributed to job insecurity. The comments below give some insight into the way temporary workers feel.

You don't feel like you belong. You move from place to place so you always feel like you are the new guy. There is not a sense of belonging. But I have gone to some companies and walked in and felt like I belong.

Patience, office professional

²⁰ Guest, D, Clinton, M, (2006). Temporary employment contracts, workers' wellbeing and behaviour: evidence from the UK. Department of Management, King's College London.

²¹ Hakansson, K, Isidorsson, T, Kantelius, H. "Temporary agency work as a means of achieving flexibility", Nordic Journal of Working Studies, Vol 2:4, November 2012.



**IT IS THE
MANAGEMENT
THAT TREATS
THE STAFF THIS
WAY AND THIS
WILL AFFECT
HOW OTHER
PEOPLE TREAT
TEMPS**



I think they give us the hardest part of the ward. You go in and they have their own staff. They give their own staff a break and you get the hardest part... you will get the complex IVs [intravenous] and the washers.

Ben, nurse

We are at the bottom of the pile. There is a stigma attached to an agency driver. You get the worst jobs.

Grant, driver

There is a perception that agency workers are paid more and that puts the pressure on. Social workers will get the hardest cases and they will have to do more pressurised work.

Dr Shereen Hussein, King's College London

Interestingly, temporary workers do not always attribute this experience to their status as a temporary worker but instead to the wider culture of an organisation and how people within the employer's organisation are managed. As a result, some assignments will be better than others and a sense of isolation is not necessarily an inherent feature of working as a temporary worker.

It is a management issue. It is the management that treats the staff this way and this will affect how other people treat temps. It is how people are treated in the organisation and not just the temps themselves.

You can fall in love with the place and the people ... it is to do with the culture of the place. How they treat their staff, it goes all the way down to the staff and how they treat their temps.

Yuichi, office professional

Management capability is one of the key issues that can fall down. Line managers need to ensure there is clarity over objectives and provide support where necessary so temporary staff feel part of the team. Temporary staff should have an induction so that they are aware of the values and purpose of the organisation.

Ben Willmott, CIPD

Clearly, an obvious consequence of feeling like an outsider is to be less productive and feel less committed to the organisation. The statements above indicate some of the steps employers can take to mitigate against this scenario.

PAT'S STORY

When I first moved down here I was earning more than I was earning as a sister. But, yeah there are pros and cons to it, because you don't get sick pay,²² and you get some holiday pay, but not a lot. But I find, because you earn more, you can put a certain amount aside for those rainy days. So I don't see a lot of difference, to be quite honest with you. I've never been broke, let's put it that way.

It depends ... sometimes you do get some people who are a bit negative towards agency nurses and temporary staff. But I think it's up to you as an individual to win them over and, more often than not, they come round in the end. I think perhaps sometimes it's because it's a new face and they think "oh dear, going to have to carry this person through the shift". But once they get to know you, you are a good worker and you get on with your work, and you know what you're doing. They can see that and they warm to you.

The literature addresses this problem by looking at the question of how to raise the productivity and commitment of temporary workers. Viewed as a social contract between temporary worker and employer, the literature offers the simple answer of "treat workers well to reap the benefits in terms of loyalty and productive behaviour".²³ That is, to move from a purely transactional relationship – I work, I get paid – to a stronger, psychological relationship.

How much job satisfaction you get is key. This is important for organisations. This is important to their work. You may not develop a relationship with a temp if you give them work that other people do not want to do.

Dr Zofia Bajorek, Work Foundation

Integrating temporary workers is one way to strengthen the contract between temporary worker and the employer. One research participant noted that being asked your name and someone taking an interest in who you are made them feel a sense of belonging. Similarly, one nurse noted that not one of his peers had talked to him during a 14-hour shift. This leads to negative views of not only their particular experience as a temp, but also the company for which they work. One report notes: "Temporary workers may react to this inequity by developing unfavourable attitudes and performing poorly".²⁴

22 Temporary workers are entitled to statutory sick pay subject to meeting the same qualifying criteria as other employees. The rate is only £87.55 per week and they generally won't get contractual (occupational) sick pay.

23 De Cupyer, N., De Witte, H., Van Emmerik, H, Temporary employment: costs and benefits for (the careers of) employees and organisations, *Career Development International*, Vol. 16:2, 2011 pp 104–113.

24 De Cupyer, N, de Jong, J, De Witte, H, Isaksson, K, Rigotti, T, Schalk, R. "Literature review of theory and research on the psychological impact of temporary employment: Towards a conceptual model", *International Journal of Management Reviews*, Vol. 9:4, 2007.

The psychological contract is different. The relationship is different. "If you valued me you wouldn't have given me this task." It is important that you think through how you are going to manage the psychological contract.

Dr Zofia Bajorek, Work Foundation

Some research participants also commented on lack of induction, performance management and feedback available to them as a temporary worker. This view was expressed more strongly among the office professionals, which perhaps reflected that they were relatively new to the labour market. However, this is a view that is also captured in a report for the Department of Health on the role and significance of temporary employment agencies in the adult social care workforce in England.

"In terms of induction, some managers felt aggrieved that they could invest a lot of time at the beginning of the agency worker's placement for what might only turn out to be a few months' work in return ... Indeed, over and above professionally based competencies and skills, agency workers are expected to have other attributes that will enable them to 'hit the ground running'" (Hussein et al).²⁵

I don't think many places voluntarily give feedback so that is why I insist on it.

Yuichi, office professional

When I had staff working for me, every six to 12 months I would give feedback, but you don't get that as a temp.

Matthew, office professional

It needs to be mandatory that temp staff should get feedback. You don't get that performance review.

Dan, office professional

I was treated as an employee when I worked for 18 months. I saw it as a temporary role so I didn't ask to have a review.

Alessandro, office professional

Temporary workers' experience is also coloured by the lack of training and general supervision. There was a general appetite to access more training. In general, drivers and IT contractors bear the cost of training and certification requirements. This was particularly evident among drivers.

²⁵ Working for the agency: the role and significance of temporary employment agencies in the adult social care workforce, Final Report, August 2010, p.56.

I would like more clinical training.

Pat, nurse

If they pay for the course, I am happy to go. If you lose a day, you lose a day. I'd go on the training and be happy to lose a day's wages. The things I have been asking for are mole cauterisation and suturing and I still haven't got to do it.

Lynne, nurse

One of the big problems is lack of funding for training. If you want to better yourself you have to pay for your training. I have just done my ADR [Carriage of dangerous goods by road], it cost me £400. I just finished my CPC [Certificate of Professional Competence] off. I have just done my EPIC [Quarry EPIC card] card to work in quarries, that was £100.

Paul, driver

Temporary workers will have acquired training in their own time... they are not part of the organisation and they are not entitled to training. Therefore it is a more awkward position.

Dr Shereen Hussein, King's College London

In some circumstances, the lack of access to training can disadvantage a temporary worker in their current role and hinder performance.

PAUL'S STORY

If you are sent into a company last minute, they are not going to give you site rules. If you are filling in for someone, they just want you to supply the goods. They are rushing, this delivery is late, here are the keys and off you go. When something goes wrong, they say it is your fault.

I have been to a place, I have sat there, we've signed 50 sheets of paper to say that we have done the health and safety and when they come back we've damaged the forklift. They said that we had all the training and I said "no we haven't". Then they said, "well, you've signed the paper".

They will let you go out and do the job. If you get an infringement, then they'll say you are a bad driver. It is all about getting the company's job done.

Most companies will give you two weeks' training. We get no training and we are expected to go in there and do the job.

Once you have signed on the dotted line, you have agreed that you have been trained. And if you don't sign, you don't work. They will say, "we haven't got time" if you say, "I need time to read this". If I signed, I'd get done for false declaration.

One way for an employer to encourage productive behaviour is to provide training opportunities for temporary workers. This would serve to increase employability of workers who place emphasis on employability over job security and enhance productivity and commitment. In fact, a number of office professionals noted that they had access to training while on an assignment and they had readily taken the opportunity.

When I was at the Office for Fair Trading they had lots of training on offer and they let temps go on the courses. So I was there for two months and I went on all their courses. Even if you were only there for one week they let you go on the courses. So I did a drafting course, unfair contract terms course, you could go on any course you wanted ... giving feedback course.

Yuichi, office professional

“

IT IS APPARENT THAT SOME WORKERS LACK CLARITY ON WHAT THEIR SALARY IS AND WHAT IS BEING ACCORDED AS AN EXPENSE

”

Interestingly, however, none of the focus group participants suggested that temporary work had jeopardised their career or pay progression. For the office professionals, most of them viewed temporary work as transitory or as a way of quickly drawing income. For those in more specialist roles, they have worked in a career within a more traditional setting and had opted to work as a temporary worker at a time when they could command higher pay rates. In the case of nurses, a number of them had chosen to work as a temporary worker on a lower pay grade than they had achieved as a permanent member of staff. In these situations, temporary workers did not expect the same career progression that would be evident in a permanent role.

It is apparent that some workers lack clarity on what their salary is and what is being accorded as an expense.

Some of the focus group participants, notably the nurses, drivers and IT contractors, commented on the complexity of the tax and payroll systems. This was not necessarily problematic in terms of receiving adequate pay; in most cases people feel like they are well compensated. However, a number of people have had problems in accessing financial products and understanding their tax liability.

I now work as PAYE as I owe the taxman money. In Bristol, I worked for two different agencies and they both claimed my tax rebate and didn't tell me.

Greg, driver

It is very confusing. I have an IVA as I have a lot of debt and I have to prove my income every three months. I have to send my payslips in and every time there are issues as they don't understand the payslips. They think it is expenses. They think that I have been paid more than I have but it is showing up as expenses. I feel that they think that I am covering up.

Laura, nurse

This statement refers to what is referred to as a travel and subsistence scheme. A temporary worker can claim travel and subsistence for expenses incurred for travelling to and from a temporary place of work if they are engaged on an ongoing (umbrella) contract of employment that links each assignment.

Working under this type of contract allows the worker to claim certain expenses that are not subject to national insurance or PAYE. What often happens is that these expenses are deducted from a worker's gross pay before tax, reducing taxable income, before the pay is topped back up with tax-free expenses. Where the worker knows what is going on and is reimbursed for expenses incurred, this is legitimate. There are reports of organisations misusing this structure and relying on false or inflated expenses claims that the worker may not be aware of and may not derive the full benefit from, or the expenses deductions can be so large that the amount of tax workers pay is too low to trigger certain earnings-related contributory benefits (such as statutory sick pay, maternity, paternity, adoption pay or contributions for state pension).

Any new regulation to work effectively and level the playing field for business will have to be backed up by a radical shakeup in enforcement. Without high-profile enforcement against those flouting the law, compliant agencies will struggle to compete.

However, it should be noted that some temporary workers are financially proficient and adept at managing their taxation. For instance, some of the drivers had recently switched their status from sole traders to limited companies and were knowledgeable about managing their tax liability. Similarly, IT contractors discussed a range of mechanisms that they use to manage their tax liability.

I didn't know my options when I first started. But a limited company seemed easier. I take care of my payroll, it takes a few hours every month, max.

Tom, IT contractor

I've just gone VAT-registered, flat rate. When you go VAT-registered, you collect the tax for the government and they give you 8% to keep for yourself for any expenses. It is easy if you save 10–15% a year, then you can pay your tax rate. You earn about 20% more as a temp if you set up a limited company.²⁶

Paul, driver

I learnt the number one rule is to have adequate provision for when I am out of work in terms of life insurance and critical illness. I have my own pension and property is my primary investment vehicle.

Rafi, IT contractor

²⁶ The corporation tax rate, i.e. the tax that the company has to pay, is currently 20%, which is less than the 40% and 50% income tax rates paid by individuals.

For some people, in certain positions, they end up creating their own company as this is more tax-efficient.

Dr Shereen Hussein, King's College London

Tax regulation is complex. Businesses and workers need certainty; grey areas, concepts open to interpretation, do not provide that.

There are challenges around disguised self-employment. The company does not have to pay NICs if someone is self-employed or seemingly self-employed. People can sign away rights in order to lessen the tax burden. There is an ambiguity. The contracts can say one thing but HMRC and tribunal can classify you as an employee. What is agreed to or signed up to creates a degree of uncertainty. The contract is not sovereign and this makes it complex. There is a need to simplify labour market regulation and tax policy.

Duncan O'Leary, Demos

The main challenge is that tax is over-complex. You can be penalised in terms of IR35 legislation.

Georgios Nikolaidis, PCG

SIAN'S STORY

As far as getting a mortgage... six or seven years ago, we had a mortgage with no problems at all. Whether it was just the climate at the time ... with the mortgage companies. But it's a little bit more difficult now. We're trying to get a mortgage with another property and the mortgage companies are asking a lot more questions, about the agency and about the way we're paid. We're paid by an umbrella company,²⁷ and they've supplied us – they've been really helpful, they've given us emails and letters saying how much I actually earn. But I'd say the mortgage companies, they've tightened up anyway, and it is more of a problem with the agency. And we've had to try several mortgage companies.

We get part of our pay [which is] PAYE and part which isn't. And they are reluctant to lend us money on that amount at the moment. So we've tried a few mortgage companies. We've tried one or two high street, and they've refused. So now we're going down the non-high street avenue really. So that's been a bit of a problem.

The agency has been really helpful, as far as our application for the mortgage. And we've had letters from the agency, letters from the umbrella company, emails sent to the mortgage company. But I think it's just that the mortgage companies are tightening up, because as I said, six years ago we didn't have this problem. We didn't have a problem getting a mortgage then.

²⁷ There is no specific legal definition of an umbrella company. However, traditionally it is a company that employs individuals and provides services to recruitment companies. The umbrella companies' employees are supplied to provide work to end-user clients. By using ongoing contracts of employment, the umbrella company is able to provide a travel and subsistence scheme that allows the worker to claim an element of payment (e.g. for travel) as tax-free expenses.

**THERE HAS BEEN
A STRUCTURAL
CHANGE IN THE
LABOUR MARKET.
FLEXIBLE WORK IS
HERE TO STAY...**

GEORGIOS NIKOLAIDIS, PCG

05

THE FUTURE

The nature of work is changing. Demographic change means that atypical working is likely to become more rather than less important. These jobs are going to be increasingly invaluable to the labour market. Evidence suggests that temporary staff have comparable levels of job satisfaction with permanent employees and enjoy better work-life balance. The key issue is that atypical working should work for both the organisation and the individual – if it is just a means of cutting costs and individuals don't feel they are benefiting from the flexibility in these types of arrangements then it will impact on their motivation and the quality of their contribution.

Ben Willmott, CIPD

Survey respondents were asked if they would consider temporary work in the future. Just over four in ten people (41%) stated that they would consider working as a temporary worker. This figure is slightly higher for people who are currently working as a temporary worker (temporary agency worker, contractor or freelancer). Just under half of temporary workers would (49%) consider working as a temporary agency worker, 43% would consider work as a contractor and 47% a freelancer.



OF THOSE PEOPLE WHO HAVE WORKED AS A FREELANCER:

30% would consider working as a temporary agency worker in the future;

59% would consider working as a freelancer in the future;

41% would consider working as a contractor in the future.

As the statements below suggest, there are also a number of forces at work that will contribute to the continued prevalence of temporary work.

There has been a structural change in the labour market. Flexible work is here to stay ...self-employment has increased nearly every year as a proportion of total employment since 2000, even as the economy has improved. This points to a structural shift.

Georgios Nikolaidis, PCG

There are huge changes with growing casualisation and contingent work. The question is how do you turn work that is on offer into a reliable income stream? There will be the student population who will use it as a means to pay their way through study. More people in post-retirement will need it to supplement their pensions ... other factors increase likelihood, such as the universal tax credit. It will be easier for people to combine agency work than under the tax credit system.

Richard Exell, TUC

We expect employment to be more project-based. This way of working will become more mainstream and affect a much larger proportion of the workforce, including higher and medium-skilled workforce. We will have a more mobile workforce and they will develop a portfolio of experience.

Martin Rhisiart, Centre for Research in Futures and Innovation, University of South Wales

Temporary work is clearly set to remain a prevalent way of working. The recommendations set out below address the existing challenges to this way of working to enable people to better benefit from temporary work.

**I WANTED TO GET MY
FOOT IN THE DOOR
AND WORK MY WAY
UP FROM THERE.**

PATIENCE, OFFICE PROFESSIONAL

06

CONCLUSION

From the quantitative and qualitative research conducted to produce this report, including surveys and interviews with temporary agency workers, contractors and freelancers, we conclude that:

The majority of research participants have made positive choices to work as agency workers, freelancers or contractors and work with a recruiter who they rely on to help them find suitable roles. Temporary workers are active in determining their career choices.

Working on a temporary basis is part of many people's career paths. A quarter of British adults (24%) have worked as a temporary agency worker at some point in their careers. 10% of adults have been contractors and 11% have worked as freelancers. Respondents tell us that temporary work provides opportunities for people to both avoid what they view to be negative situations (e.g. unemployment, a permanent job in a workplace they don't like, inflexible hours) and to achieve outcomes they do want (e.g. greater income, acquisition of new skills, fitting work around other priorities in their non-working life).

People who go on to have permanent, high-earning and managerial positions have taken temporary work at some point in their careers. Of 200 employers with hiring responsibilities in their current workplace, 36% had experience working as a temporary agency worker themselves at some point during their career. Four in ten (40%) of people earning more than the national average salary have worked as either an agency worker, contractor or freelancer.²⁸

Flexible working is central to understanding why people work as a temporary worker. Temporary, freelance and contractor roles provide opportunities for people to work more flexibly and have more choice over their work-life balance. This reason was consistent across all the different sector groups and age ranges surveyed. One in four (25%) people stated that they worked as a temporary worker (temporary agency worker, freelancer, contractor) to allow more flexibility.

Temporary workers weigh the relative insecurity of not being a permanent employee with one company against the perceived rewards from temporary work of flexibility, higher pay, more choice of role and reduced stress. None of the temporary workers we interviewed (from the office professional, driving, nursing and IT sectors) suggested that temporary work had jeopardised their career or pay progression.

Research participants suggested that temporary work is viewed as particularly beneficial for people at four points in their working lives:

²⁸ Earning £30,000 or more.

For entry level workers

For young people entering the jobs market from school, college or university or people returning to work after a long break, work as a temporary agency worker, contractor or freelancer:

- Helps them earn money and gain experience when they cannot access permanent jobs in the sector or location they ideally want. It is an opportunity to pick up soft skills and become accustomed to the world of work.
- Is a way to find a job quickly. The recruitment process is shorter than for a permanent role. It provides a route to target the permanent role they ultimately might want. A temporary placement provides experience and a foot in the door of a new sector and the opportunity to demonstrate skills to a new employer.
- Enables them to juggle different parts of a portfolio career that might include study, hobbies or entrepreneurship.

For people with specialist skills

For people with niche, in-demand skills and qualifications such as in IT or engineering, or for experienced people in professions like teaching and nursing, work as a temporary agency worker, contractor or freelancer:

- Allows them to work independently and not for one company.
- Gives them the power to pick and choose very specific types of work, contracts and employers that suit them best.
- Frees them from involvement in office politics, for those who find that stressful.
- Enables them to maximise their earning potential.

For adults with caring responsibilities

For people with caring responsibilities, especially women with children, work as a temporary agency worker, contractor or freelancer:

- Makes them more able to arrange work around family commitments, not their family around their work commitments.
- Frees them to turn down work when family emergencies require it, without feeling they have let down colleagues or employers or jeopardised their future career or earnings.
- Allows them to change the hours and times they make themselves available for work at short notice as their family circumstances change each day, week, month or year.

For people approaching retirement

For people approaching the end of their working life who don't want to go directly from working full-time to retirement, or for those who have disabilities or illnesses or other interests that mean their old work patterns are no longer possible, work as a temporary agency worker, contractor or freelancer:

- Allows them to ease into retirement.

- Creates an opportunity to negotiate the number of hours and the type of work they do.
- Allows people with disabilities or ill-health to avoid (or refuse) roles that are too physically challenging.
- Frees them to pick and choose the jobs they want to do.

Challenges

Our research with temporary workers helped unearth and explain in some detail the challenges that they face in working this way. Many of these are quite nuanced issues. While many people either actively choose to work as temporary agency workers, contractors or freelancers or are content to work in this way while they seek their next permanent role, we have identified those areas where workers need more support, improved opportunities and better treatment. The solution to these challenges isn't to replace flexible working with full-time, permanent contracts for everyone, but to find ways to mitigate these specific challenges so that people can continue to enjoy the benefits of working in a flexible way.

Job security

Not being employed indefinitely, having to manage multiple short-term contracts and the uncertainty of not knowing exactly what hours or income you will have many months in advance, can be a major challenge. Some people who choose to work in this way have balanced the issue with things they value more such as independence, choice and flexibility to suit their lives. Having confidence that a recruitment agency can deliver another contract when the current one ends, or that a person judges their skills are in demand with several local businesses can engender "employment security" if not "job security" related to one particular post.

Variable income

With variation in hours and employers comes volatility of income. This can be exacerbated by the impact that crossing various income thresholds can have on eligibility for various benefits and tax credits. Temporary workers need support to help them understand, plan and manage this consequence of working in a temporary capacity.

Lack of clarity on rights, regulations and tax responsibilities

Temporary agency workers, contractors and freelancers can be unaware of the rights they have in the workplace, whether that be to holiday pay, sick pay or protection from unlawful deductions or dismissal. The tax system is infamously complex, and for an individual worker keeping track of varying hourly rates on different assignments, operating as a self-employed director of your own company or keeping track of PAYE and NICs contributions are additional responsibilities that permanent employers don't have to face. Difficulty understanding the rules on tax and fear of getting things wrong can be problematic.

Balance of power

Workers can feel vulnerable when negotiating contracts and pay rates for themselves with potential employers, a concern most evident among lower-skilled candidates.

Training and development

Working short stints at multiple organisations, or by not being properly managed within a workplace, temporary agency workers, contractors and freelancers can sometimes lose out on access to training and development that is on offer to permanent employers. To be marketable to potential employers, people need to make sure their skills – and any professional qualifications and licences – are kept up to date.

Job satisfaction

Some temporary workers felt loyal to their career but not necessarily to a particular job itself. Negative feelings about a particular assignment can be generated by feeling that they are given more unpleasant tasks compared with permanent employees, or are not praised or given feedback by managers.

**HOW DO WE MAKE
IT WORK FOR MORE
PEOPLE? HOW DO WE
HELP PEOPLE MOVE
OUT OF ENTRY LEVEL
JOBS? HOW DO WE
MAKE IT WORK FOR
BOTH SIDES?**

LENA LEVY AND HANNAH MURPHY, CBI

07

RECOMMENDATIONS

How do we make it work for more people? How do we help people move out of entry level jobs? How do we make it work for both sides? There needs to be clear policies that are available and transparent.

Lena Levy and Hannah Murphy, CBI

Below are actions we think should be taken to build on the positive findings and mitigate some of the challenges identified within our research. These recommendations recognise that recruitment agencies, employers, government and other organisations can all play a part in ensuring that workers benefit, are supported and empowered from working in a flexible way.

Recruitment agencies

Recruitment agencies clearly play a vital role as the broker between the candidate and the employer. As the first port of call for workers they should continue to provide and improve the clarity of information on their rights and responsibilities (e.g. information on Agency Worker Regulations). It was noted that some recruitment agencies provide pastoral and career support and training. This should be encouraged. In addition, recruitment agencies can and should provide information on training and access to wider benefits (for instance, finance and debt advice, access to childcare). This would serve two goals. Firstly it would address concerns about the power imbalance between the temporary worker and employer. It will also serve to highlight good practice in the management of temporary workers.

Recruiters should:

- Ensure that all their workers know their rights. This is already both a duty in law and required by the REC's code of professional practice.
- Clearly explain income and tax liabilities: workers and candidates should understand how their salary or pay is calculated, and where applicable, what is allocated to travel and subsistence. The implications of any salary sacrifice must be properly communicated to workers.
- Support the temporary workers, contractors and freelancers that they supply with:
 - information and access to training and continuous professional development;
 - any paperwork and endorsements necessary to secure mortgages and other financial products that those workers might want – in the same way that a permanent employer would do;
 - the opportunity to opt in to other services and benefits such as childcare, debt advice and worker benefit packages.

Good recruitment agencies will do these things, but all recruiters need to accept that this is their responsibility and is necessary for them to continue to attract and retain candidates. In a labour market where skilled candidates are in ever shorter supply, agencies need to treat the worker as a customer.

Employers

How businesses recruit, induct and treat their temporary staff is important. Employers and management teams should take steps to strengthen the social contract between them and their temporary agency workers, contractors and freelancers. This would serve to increase the employability of workers and enhance productivity and commitment. Employers and management teams within the organisation can make small adjustments to ensure that temporary workers are integrated into the work activities.

For the temporary agency workers, contractors and freelancers they use, employers should:

- Provide an (abridged) induction programme;
- Set up performance management processes, communicate and give regular feedback;
- Ensure line managers encourage and facilitate positive workplace interaction between permanent and agency staff;
- Make training opportunities available to all staff, including temporary workers.

This will give temporary workers the resources to perform their role well, transfer relevant knowledge and socialise workers into the workplace.

Government

There are many disparities in the way travel and subsistence dispensations are applied. A radical shakeup in enforcement strategy will help level the playing field for business and workers. The changing way in which people work needs to be accompanied by a redesign in the architecture of financial products.

The government should:

- Evaluate the rollout of Universal Credit with special care taken to understand how a tapered benefit system supports those who are looking to work flexibly and does not disadvantage people such as carers and women returning to the workforce via temporary work. Choosing to work, including in a temporary way, must pay.
- Simplify the tax system and provide accessible guidance to make sure people are not caught out by falling foul of complex rules or loopholes.
- Provide employers with guidance on:
 - their rights and obligations regarding temporary workers;
 - how to better manage flexible workers within their workforce.
- Do more to monitor, expose and penalise tax avoidance to ensure a level playing field for the vast majority of workers and agencies who play by the rules.
- Be constantly vigilant in the enforcement of the National Minimum Wage, and not reduce resource allocated to this important task.
- Require banks to be more accommodating of applications for mortgages and other financial services from customers who are temporary workers.
- Commission an independent body (for instance Which? and Citizen's Advice Bureau) to provide information on income protection insurance to help temporary workers manage changes in income.

- Ensure that any future proposals to changes in regulations and employment law do not limit opportunities for people who choose to work as temporary agency workers, contractors and freelancers.

Other stakeholders

Mortgage lenders are recognising the differences and trends in employment. There could be greater availability of shared equity schemes for those in less secure employment ... People who design financial products need a greater awareness of the labour market and awareness of the risk profiles and do an adequate risk assessment of those who don't have permanent employment. Need to think about how to offset risk for lenders. They have a greater aversion for people who have this type of risk profile.

Martin Rhisiart, Centre for Research in Futures and Innovation, University of South Wales

The architecture has not shifted towards flexible work... There are issues around personal credit, tenancy agreements [based on research for people who are self-employed]. There is a longstanding concern that people's income is lumpier and it is hard to prove regular flow of income. One in five people who are self-employed have had a mortgage declined, 15% have had problems with personal credit and 6% with rental tenancy.

Conor D'Arcy, Resolution Foundation

Temporary work provides opportunities to develop the aptitude, skill and experience for people who are new entrants to the labour market. There is scope for organisations providing work experience and career advice to work more closely with recruitment agencies to identify the realities of the jobs market and engage people in quality temporary work opportunities. Furthermore, as the overall unemployment figures fall, Jobcentre Plus should look to reposition itself as not only a support for jobseekers but for people who work on temporary contracts.

- Jobcentre Plus and other organisations providing careers guidance, such as schools, colleges and universities, should work more closely with recruitment agencies to identify opportunities for young people and new entrants to the labour market to get their first step onto the career ladder via agency work, freelancing or contracting.
- Jobcentre Plus should try to be more aspirational in providing support and advice on training and career progression to temporary workers.

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This research was conducted and authored by Nina Mguni, Senior Researcher at the REC.

APPENDIX 1

Temporary worker rights

Any person who meets the criteria of "worker" has the legal entitlements of workers. This applies to temporary agency workers, contractors and freelancers. Certain entitlements (e.g. sick/maternity/paternity pay) are subject to government imposed minimum earnings thresholds, which means that some employees will not qualify where they have worked too few hours.

Please note that the section below is not a comprehensive outline of available rights for temporary workers and should only be used as an indicative list of rights afforded to temporary workers. For further information on these rights, please consult relevant organisations (listed below).

Those temporary workers who meet the criteria of "worker" are entitled to the following:

- **National minimum wage:** All employees and workers are entitled to the national minimum wage (NMW). The rate payable depends on the individual's age and whether they are in training or doing an apprenticeship.
- **Statutory holiday pay:** Temporary workers are entitled to paid annual leave. Calculating the leave and the related holiday pay can be more complicated where the worker works atypical hours or has ad hoc working patterns.
- **Statutory paid leave:** The minimum amount of leave that is granted by law and to which workers are entitled under the Working Time Regulations 1998. Typically, employment businesses will only provide temporary workers with the statutory minimum holiday.
- **Automatic enrolment for pensions:** Employers must automatically enroll an eligible jobholder into a qualifying pension scheme and make a contribution. An eligible jobholder is a worker aged between 22 and state pension age with annual earnings over £10,000. Eligible jobholders will be entitled to be automatically enrolled into a qualifying scheme. Employers will have a period of one month which runs from the automatic enrolment date to achieve active membership for an eligible job holder.
- **Entitlement to maternity pay:** An employee/worker must satisfy the following conditions before she can qualify for SMP: a worker is still pregnant at the 11th week before the week her baby is due; engaged by the same agency for 26 continuous weeks by the start of the 14th week before the week of the due date, which is the qualifying week, and still engaged by the agency in the qualifying week. If the reason that a temporary worker did not work is because there was no work offered by the agency, or illness or paid leave and is within the 26 weeks, then a temporary worker can still get SMP. A temporary worker must have earned at least or more than the income threshold by the end of their qualifying week.²⁹

- Temporary workers are also afforded protection from unlawful discrimination and unlawful deductions from wages.
- Statutory sick pay is available for employees or those treated as employees for tax purposes. This applies specifically to temporary agency workers.
- **Statutory sick pay (SSP):** Temporary workers can get £87.55 a week Statutory Sick Pay (SSP) for up to 28 weeks. SSP covers the days you would normally have worked. It's not paid for the first three days unless SSP has been paid within the last eight weeks and the worker is eligible for it again. If you have more than one job you may get SSP from each employer.

After 12 weeks in the same job with the same hirer

Temporary workers are entitled to the same basic terms and conditions as if they had been recruited directly, including:

- basic pay, including holiday pay, overtime and bonuses linked to performance;
- working time – e.g. not having to work more than 48 hours a week if comparable workers don't have to;
- annual leave – you may get extra pay to cover this if it's above your legal entitlement;
- night work;
- rest breaks and rest periods;
- paid time off for antenatal appointments.

Further information on temporary worker rights can be found here

- Recruitment and Employment Confederation:
www.rec.uk.com/legal-resources
- Acas
www.acas.org.uk/index.aspx?articleid=1873
- Gov.uk
www.gov.uk/agency-workers-your-rights/your-rights-as-a-temporary-agency-worker
- PCG
<https://www.pcg.org.uk/>

EMPLOYMENT RIGHTS ³⁰				
	Employee (including full/part time and fixed term contracts)	Worker (agency worker)	Worker (including contractors and freelancers)	Self- employed (including freelancers, consultants and contractors)
National Minimum Wage				
Protection from unlawful deductions from wages				
Paid annual leave				
Maternity, paternity, adoption leave and pay				
Part-time status (no less favourable treatment)				
Fixed term status (no less favourable treatment)				
Rest breaks				
Right to request flexible working				
Right to request time to train (companies over 250 employees)				
Protection from discrimination				
Minimum notice period				
Collective redundancy consultation				
Statutory redundancy pay				
Protection from unfair dismissal (gained after 2 years in continuous employment)				
Protection from unfair dismissal (automatically unfair)				
TUPE				

³⁰ Consultation: Zero hours employment contracts, December 2013, Department for Business Innovation and Skills

APPENDIX 2

The YouGov omnibus survey

All figures, unless otherwise stated, are from YouGov plc. Total sample size was 4,234 adults. Fieldwork was undertaken between 22–24 April 2014. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

- Thinking about your entire working life, (i.e. both past and present jobs)...
Which, if any, of the following have you – ever – worked as? (Please tick all that apply. If you have never worked please tick the “Not applicable” option.)

Multiple choice

Base: All GB adults

Temporary agency worker
Freelancer who has secured some work through a recruitment agency
Freelancer who has never secured work through a recruitment agency
Contractor who has secured work through an agency
Contractor who has never secured work through an agency
None of the above
Don't know/can't recall
Not applicable – I have never worked

Base: All GB adults who have ever worked as a temporary agency worker

When did you last work as a temporary agency worker?

(Please tick the option that best applies.) Single choice

Within the last 12 months
More than a year ago but within the past 5 years
More than 5 years ago
Don't know/can't recall

Base: All GB adults who have ever worked as a contractor

When did you last work as a contractor?

(Please tick the option that best applies.)

Within the last 12 months
More than a year ago but within the past 5 years
More than 5 years ago
Don't know/can't recall

Base: All GB adults who have ever worked as a freelancer

When did you last work as a freelancer?

(Please tick the option that best applies.) Single choice

Within the last 12 months
More than a year ago but within the past 5 years
More than 5 years ago
Don't know/can't recall

Base: All GB adults who have ever worked as a contractor/temporary agency worker/freelancerFor which, if any, of the following reasons have you ever taken employment as a temporary worker, contractor or freelancer?

(Please tick all that apply.) Multiple choice

To work flexible hours in order to look after my children
To work flexible hours in order to look after a family member (excluding my children)
To work flexible hours to in order to pursue other interests/ hobbies (e.g. study etc.)
To earn more money than I would in a permanent role
To find work quickly
To earn money quickly
To gain experience in a new area of work
To work fewer hours
To supplement my regular income
To work independently and not for one company
I could not find permanent work at the time
Other reason
Don't know/can't recall

Base: All GB adults

Which, if any, of the following types of work contract would you – ever – consider at some point in the future?

(Please tick all that apply. If you are unlikely to consider any type of work in the future please tick the 'Not applicable' option.) Multiple choice

Contractor (i.e. an individual who has their own business, they may or may not use agencies to source work. They may be paid according to milestones or receive an hourly rate, they may be able to supply substitutes and they may work with more than one client, or work with a single client on a long term basis.)
Freelancer (i.e. self-employed without employees working on either a full-time or part-time basis at a managerial, director or senior level within a specific industry)
Temporary agency worker (i.e. supplied by an employment business to another business to work temporarily under the supervision and direction of that business)
None of these
Don't know
Not applicable – I'm unlikely to consider any type of work in the future

Base: All GB adults who have ever worked

What ONE, if any, of the following types of work contract do you currently have?

(Please tick the option that best applies. If you are not currently working please tick the "Not applicable" option). Single choice

Permanent contract full-time
Permanent contract part-time/job share
Temporary contract (e.g. temporary agency worker, freelancer or contractor etc.)
Self-employed
Don't know
Not applicable – I am not currently working

All GB Adults

What is your gross personal income?

Single choice

under £5,000 per year
£5,000 to £9,999 per year
£10,000 to £14,999 per year
£15,000 to £19,999 per year
£20,000 to £24,999 per year
£25,000 to £29,999 per year
£30,000 to £34,999 per year
£35,000 to £39,999 per year
£40,000 to £44,999 per year
£45,000 to £49,999 per year
£50,000 to £59,999 per year
£60,000 to £69,999 per year
£70,000 to £99,999 per year
£100,000 and over
Don't know
Prefer not to answer

- Recruitment's biggest lobbying voice
- The source of recruitment knowledge
- Raising recruitment standards
- Developing successful careers in recruitment
- Exceeding members' expectations through business support.

The Recruitment & Employment Confederation (REC) is the professional body for the recruitment industry. The REC represents 3,349 corporate members who have branches across all regions of the UK. In addition, the REC represents 5,759 individual members within the Institute of Recruitment Professionals (IRP). All members must abide by a code of professional practice. Above all, the REC is committed to raising standards and highlighting excellence throughout the recruitment industry.

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