



# Temporary Agency Workers—Precarious Workers?

## Perceived Job Security and Employability for Temporary Agency Workers and Client Organization Employees at a Swedish Manufacturing Plant

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### ABSTRACT

The vulnerable situation of temporary agency workers is manifested in previous research that evidences the job insecurity of this group. However, research shows that this insecurity is due to the temporary nature of employment contracts for this group of workers. In Sweden, where temporary agency workers have the same type of employment contracts (i.e., temporary or permanent contracts) and are entitled to the same employment protection as other groups of employees, one might expect a different picture. This article examines the situation of temporary agency workers who have the same working conditions as client organization employees. These workers have permanent contracts and are treated like client organization employees. We have chosen to examine this case because we anticipate it to be very likely to contradict statements regarding temporary agency workers' affiliation with the precariat. This article aims to empirically elucidate the precariousness of temporary agency workers who are highly integrated with client organization employees and who share the same work tasks. Our analysis shows that competence development is crucial to perceptions of job security. However, temporary agency workers lack competence development, both on the part of the employer (the temporary work agency) and on the part of the client organization. The client organization has no incentive to invest more than the required competencies, since temporary agency workers only constitute a buffer in case of a downturn. We argue that it is the agency workers' connection with a buffer that results in a lack of job security. Our results also show that temporary agency workers' job security could be increased if temporary agencies were to invest in competence development for the agency workers, thus overcoming these workers' vulnerability in constituting a buffer.

### KEY WORDS

*Agency worker / employability / employment security / job security / precarious worker / survey / Sweden / temporary agency worker*

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## Introduction

According to Standing (2009; 2011), the precariat is a new emerging class. This new class consists of employees with temporary contracts as well as employees with open-ended contracts, the point being that the precariat faces insecurity and unpredictability in several dimensions. In addition to insecurity in employment, income, and future career, members of the precariat lack both community support in times of need and a sense of a work-based identity. The precariat is not a homogenous group, as there are degrees of precariousness; according to Standing, this class also consists of temporary agency workers, who are the focus of this study.

In order to better understand temporary agency work, it is essential to understand the concept of flexibility, and especially numerical flexibility. There is a strong conception of temporary agency workers being used in order to achieve numerical flexibility (Atkinson, 1984; Houseman, 2001; Kalleberg, 2001; Kalleberg et al., 2003). Hence, these workers are used only in times of peak demand and it is easy for the client organization to terminate contracts when demand slackens—a situation that is in line with Standing's concept of the insecurity of the precariat. There is a built-in logic in this kind of use of temporary agency workers: Since they are envisaged as staying for only a limited period of time, they are given work tasks with brief initial on-the-job training and no access to the internal labor market at the client organization (Kantelius, 2010). This use entails a division of the workforce into core and periphery, with the temporary agency workers constituting the peripheral workforce. There is a large body of research confirming that temporary agency workers have unfavorable working conditions compared with those of client organization employees; they are less secure and they experience lower job quality and job satisfaction (Nienhüser & Matiaske, 2006; Paoli & Merllié, 2001; Wagenaar et al., 2012). These results are strongly associated with numerical flexibility. However, a new way of using temporary agency workers has recently emerged: that of strategic use, in which such workers constitute a quasi-permanent part of the client organization's staff (Håkansson et al., 2013A; Holst et al., 2010; Vidal & Tigges, 2009). This strategic use of temporary agency workers is long-term and interweaves the temporary agency workers with the client organization employees within the work organization. Accordingly, there is no obvious segmentation into core and periphery, as is the case when temporary agency workers are used in order to achieve numerical flexibility. Rather, the border between the client organization's insiders, or core workers, and the outsiders, or peripheral workers, is somewhat blurred (Håkansson & Isidorsson, 2012; Holst et al., 2010; Olsen, 2006).

Swedish temporary agency workers might be seen as an exception to what Standing (2009, 2011) sees as the precariat, as they can obtain open-ended contracts and receive pay between assignments. In cases wherein temporary agency workers are used long-term, are integrated into the work organization of the client organization, and perform the same work tasks, their working conditions seem to be fairly equal to those of the other employees.

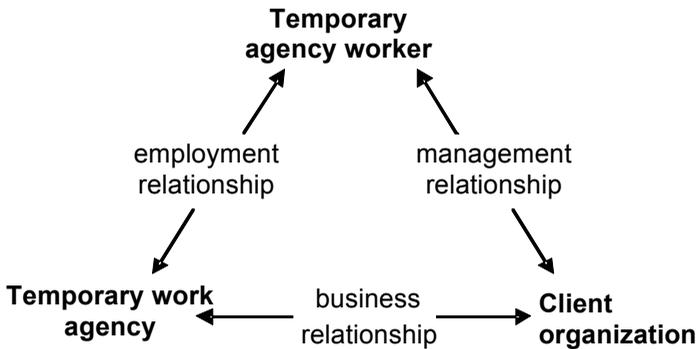
The aim of this article is to empirically elucidate whether temporary agency workers belong to the precariat, and if so, to explain how and why. To do this, we have selected a “best case” situation involving Swedish temporary agency workers who share the same work tasks as user firm employees and who are highly integrated within the organization.

In the following sections, we describe the triangular relationship in the staffing industry, review previous research, put our study into a theoretical framework, and then present the Swedish context for temporary agency work. Next, we discuss the aim and research questions for this study. Subsequent sections outline our methods, results, discussion, and conclusion.

## The triangular relationship in the staffing industry

Temporary agency work can be described as a triangular relationship (Bergström, 2003, p. 9; Storrie, 2007, p. 106). There is an employment relationship between the temporary agency worker and the agency, a management relationship between the temporary agency worker and the client organization, and a business relationship between the client organization and the temporary work agency. Figure 1 illustrates this triangular relationship.

**Figure 1:** The triangular relationship in the staffing industry.



From the perspective of a temporary agency worker, there is a dual relationship: the employment and management relationships. The employment relationship deals with employment conditions such as the type of employment contract, wages, and competence development. The management relationship concerns factors in the day-to-day working situation, such as job characteristics and the temporary agency workers' integration with the client organization employees. Both relationships are important in terms of shaping the temporary agency workers' perceptions of working conditions, even though job security—that is, a feeling of certainty of retaining the current employer—is assigned to the employment relationship.

## Previous research and theoretical framework

The dual employment and management relationships are interesting from a theoretical perspective. Most research departs from a single relationship in which the employer is also responsible for managing the employee. However, for temporary agency workers,



job security satisfaction refers to the agency (the employer), while the perception of daily work refers to the user firm (the manager). When discussing precariousness, we must take both relationships into account.

There is a long-standing literature that empirically analyzes the working conditions for temporary agency workers. Wilkin (2013) shows in a meta-study that job satisfaction is significantly lower among temporary agency workers than among permanent workers and temporary employees. One important explanation for lower job satisfaction among temporary agency workers is the lack of job security. Leschke et al. (2007, p. 340) define job security as “the certainty of retaining a specific job with a specific employer.” Gazier (2007, p. 102) draws on the definition by Leschke et al., but formulates it as “granting the continuation of the same job.” Accordingly, job security connects to the actual employer and the possibility of remaining in the job with that employer. Job security is thus also connected to the regulation of employment protection. A large number of studies show that temporary agency workers experience lower job security than workers in other types of employment when age, gender, educational level, and occupational group are also taken into account (Aletraris, 2010, p. 1144; Håkansson et al., 2012; De Cuyper et al., 2009; de Graaf-Zijl, 2012; Forde & Slater, 2005; Morris, 1999). Also in line with these results is a study by Hall (2006), showing that temporary agency workers are less satisfied with job security than are employees with traditional contracts. Results from another study show that type of employment contract, age, and training have a significant impact on perceived job security (Håkansson et al., 2012). In addition, results from an extensive research review of agency work and occupational health and safety indicate job insecurity as a major psychosocial issue in the temporary agency work industry compared with traditional forms of employment (Håkansson et al., 2013B, pp. 19–27). Although these results were conclusive, nurses were one group that was not found to perceive job insecurity, indicating that the labor market situation is an important consideration in understanding job insecurity (Allvin et al., 2003).

Another aspect of security is employment security or employability, which is the possibility of remaining in a paid job. Employability is not connected to one specific job or one specific employer, but to the security that is associated with staying in employment in the labor market (Wilthagen & Tros, 2004). This kind of security can derive from both the employment relationship and the management relationship (see Figure 1). Experiences gained from working in client organizations can improve the agency workers’ chances of staying in a paid job and thus increase their employability. Wagenaar et al. (2012) investigated perceived employability using data from the Netherlands Working Conditions Survey (2008). They compare temporary agency workers with workers having four other types of employment contract, and find that temporary agency workers have the lowest values when it comes to perceived employability.

On the individual level, employability can be seen as a person’s own responsibility to increase his/her qualifications in order to become more employable (Smith, 2010). In this context, employability refers to different kinds of educational achievements on the individual level (Campbell, 2000; Gazier, 1998; McQuaid & Lindsay, 2005). Fugate et al. (2004, pp. 15–16) argue for a more complex view of employability as a psychosocial phenomenon in which the individual has to “acquire the knowledge, skills, abilities, and other characteristics (KSAOs) valued by current and prospective employers.” Thus, Fugate et al. (2004) include the individual’s behavior, experiences, abilities, feelings,

motivation, and attitudes. Employability, in this case, is intertwined with personal characteristics, and is not easily changed.

Employability can also be understood as an organizational responsibility. De Vos et al. (2011) found that the employer's support for competence development enhances the worker's perceived employability. Thus, employability is not merely an individual's ability to achieve continuous learning but also the employer's ability to offer competence development and to support such development. Kirves et al. (2011, p. 900) argue that employability is more important to temporary workers than to permanent employees. This argument can be understood from an exchange relation perspective: In exchange for the insecurity of their employment, temporary workers may expect training and opportunities to learn new things and, in doing so, to increase their employability. In addition, employability can be seen as a coping strategy for the insecure labor position of temporary workers; thus, it can be viewed as an alternative to the job security that is achieved by tenure (McQuaid & Lindsay, 2005, p. 202).

While job security can be strengthened by tenure due to the employment regulation of "last in/first out," employment security, or employability, seems to be weakened by tenure. Furåker et al. (2014) found that employment security depends on age, tenure, and health. Older workers perceive a decreased possibility of getting a new job, and the same holds true for people with long tenure and poor health.

Previous research has shown differences between the employability of client organization employees and that of temporary agency workers (Kantelius, 2010). The former group perceives higher employability due to more opportunities for competence development. Temporary agency workers can obtain competence development from both the client organization and from the agency, that is, the employer. However, there is an in-built logic in the hiring of personnel that hinders competence development. The client organization does not invest any more competence in the temporary agency worker than is required for performing the assignment. The temporary work agency does not offer competence development to temporary agency workers who are currently on assignment, as this would jeopardize the business contract with the client organization (see the triangular relationships within the staffing industry shown in Figure 1). Hence, temporary agency workers on long-term assignments have difficulty accessing competence development (Kantelius, 2010). The general picture from previous research is that temporary agency workers have a more insecure position than that of client organization employees.

Kalleberg refers to precarious work as "uncertain, unpredictable and risky from the point of view of the worker" (Kalleberg, 2009, p. 2). Standing (2009, 2011) extends the meaning of precariousness in his definition of the precariat, wherein he places temporary agency work. According to Standing (2009, p. 37, 109 ff.; 2011, p. 10), the precariat lacks seven forms of security: The precariat experiences labor market insecurity (a lack of job opportunities), employment insecurity (the lack of employment regulations governing hiring and firing), job insecurity (skill dilution and a lack of career development), income insecurity, work insecurity (exposure to health and safety risks), skill-reproduction insecurity, and representation insecurity (the lack of a collective voice through, for example, unions). It is worth noting that Standing does not use the same definitions as Wilthagen and Tros (2004) for the different forms of security, although their definitions have been used in many studies on flexicurity (e.g., Jørgensen & Madsen, 2007). Standing's concept of "labor market security" is equivalent to what Wilthagen and Tros refer to as "employment security," as it refers to general job opportunities. Also, Standing's notion of "employment security,"



regulations that prohibit arbitrary hiring and firing, is closest to what Wilthagen and Tros refer to as “job security.” When Standing uses “job security,” this term refers to barriers to both skill dilution and a lack of opportunities for career development.

In contrast to the proletariat, according to Standing, the precariat lacks the social contract relationships whereby labor securities are gained in exchange for subordination. This view is especially interesting when looking at the insecurity of temporary agency workers and their dual employment and management relationships. For these workers, subordination relates to the management relationship, while Standing’s notion of employment security relates to the employment relationship (see Figure 1). However, the employment contract is not the vital point. According to Standing, precarious workers are not only those on temporary contracts but also include employees with open-ended contracts. The point is that the precariat faces insecurity and unpredictability in several different dimensions. Although members of the precariat face common difficulties, there is no sense of a labor community based on solidarity; rather, there is a sense of alienation and instrumentality (Standing, 2011, p. 12).

Standing’s notion of the precariat is seen as a phenomenon on the labor market. He estimates that one quarter of the workforce belongs to the precariat; for young people, it could be double that number. However, Standing shows no empirical evidence for these figures. There is thus a need for more empirical studies that scrutinize the theory of precariousness. Also, we must take this discussion to the workplace level in order to show whether or not temporary agency workers are precarious workers and, if they are, what causes this precariousness.

## Temporary agency work in Sweden

Sweden is characterized in rather liberal terms in its regulation of agency work (Arrow-smith, 2006). Prior to the Temporary Work Agency Act of 1993, it was illegal to run private work agencies for the purpose of making a profit (Berg, 2008, p. 106). There is no specific legislation governing the staffing industry in Sweden. Temporary work agencies are treated like any other business and labor laws are the same for both temporary agency workers and other workers. This lack of specific legislation is in line with Swedish labor market practice, with the social partners being given the responsibility to regulate via collective agreements. Collective agreements covering temporary agency workers have emerged for both white- and blue-collar occupations. Even though there has been some discussion within the trade unions about conditions concerning the use of temporary agency workers (Håkansson & Isidorsson, 2014), agency work can be described as an integral part of the Swedish labor market (Bergström et al., 2007).

According to the Swedish Employment Protection Act, there are two principal types of employment contracts: open-ended and limited duration (Swedish Code of Statutes, 1982:80). These two types are usually referred to as permanent and temporary contracts. Since Swedish temporary work agencies are treated like any other kind of business, the normal employment contract for a temporary agency worker should be open-ended. According to the Act, the principle of “last in/first out” should apply if there is any downsizing. Few countries stipulate a certain type of contract for temporary agency workers in their legislation. Open-ended contracts are possible in a little more than half of all European countries (OECD, 2013, p. 89).

The directive on temporary agency work lays down the principles of equal treatment for temporary agency workers and client organization employees (European Commission, 2008). These principles are also stated in the Swedish Agency Work Act, which explicitly stresses that temporary employees must have the same conditions as those who are directly employed by the client organization (Swedish Code of Statutes, 2012:854, Section 6). According to the 2012 collective agreement between Swedish Staffing Agencies and the 14 blue-collar unions of the Swedish Trade Union Confederation, temporary agency workers must have an hourly wage corresponding to the average hourly wage at the client organization or, as expressed in the collective agreement, “the average earning position /.../ for comparable groups at the client” (Staffing Agreement, 2012, Section 4, Subsection 2). The collective agreements also provide employees with the right to a wage during periods when they are not on assignment, which is known as the guaranteed wage. In the collective agreement for blue-collar workers, the guaranteed wage is SEK 100 or 108 per hour (Staffing Agreement, 2012, Section 5). Even though there are examples of deregulation during recent years, the general trend is for legislation and regulation to be increased, with the aim of reducing social dumping; the EU directive 2008/104/EC constitutes an example of such legislation (Arrowsmith, 2008). However, even though many countries have a regulation guaranteeing equal pay, such a regulation does not describe the whole truth of the situation. In the UK, for example, it takes 12 weeks for an agency worker at the same assignment to “qualify” for equal treatment (OECD, 2013, p. 91). In some countries, such as Australia, Iceland, Japan, and Switzerland, the guaranteed pay only refers to the minimum standards (OECD, 2013, p. 91).

In sum, Sweden distinguishes itself as the country with the best prerequisites regarding equal treatment for temporary agency workers’ wages and employability. Temporary agency workers have the same opportunity for open-ended contracts as other employees, and for blue-collar temporary agency workers, pay is in accordance with the average pay at the workplace. In addition, having guaranteed wages between assignments adds to the security net.

## Aim and research questions

The aim of this article is to empirically elucidate and explain the precariousness of Swedish temporary agency workers.

We have selected a case where the temporary agency workers share the same work tasks and are highly integrated with client organization employees.

We examine our aim through the following research questions:

1. Where is the border line between temporary agency workers and client organization employees when both groups share the same work tasks and are highly integrated?
2. Is there any difference in job security satisfaction between temporary agency workers and client organization employees? In other words, is a permanent employment contract with a temporary work agency valued equally with a permanent contract with a client organization?
3. Is there any difference in the perception of employability between temporary agency workers and client organization employees?



4. What factors from the employment relationship and the management relationship impact workers' job security satisfaction and perception of employability?

## Method

This article is based on a survey of both client organization employees and temporary agency workers at a manufacturing plant in Sweden. This workplace constitutes one case in a broader research project on agency work and the work environment. We have previously conducted a longitudinal study of the workplace between 2008 and 2011 (Håkansson et al., 2013A), from an organizational perspective. The workplace in this study is a medium-sized production unit with day-to-day operations consisting of both assembly work and R&D. The production unit is staffed by skilled workers because work tasks there require 2–3 months of training. Temporary agency workers periodically constitute up to 30% of the production staff.

## The case

The plant has been using temporary agency workers for blue-collar work since 2004. Prior to that date, the client organization experienced a decline in demand and reduced its employees accordingly, laying off a large number of employees in 2003. When demand increased in 2004 due to a large order, the client organization decided to use temporary agency workers since the increased need for staff was thought to be temporary. Although the use of temporary agency workers thus began as a temporary solution for a large order, with no intention on the part of the client organization to continue the hiring of personnel after this peak, the plant has been using temporary agency workers on a fairly regular basis ever since. Most assignments have been staffed by the same agency workers for a considerable period of time, exceeding 2 years in some cases. Both the human resources manager and the production manager described the use of temporary workers as a means of achieving numerical flexibility.

In the wake of the financial crisis, the corporate executive board required local plants to provide for 30% flexibility. Thus, this new use of temporary agency workers is not directly linked to an increase in orders, but rather to a strategic management decision. This decision is in line with the strategic use of workers that is distinguished by Holst et al. (2010). With the new staffing strategy, management at the client organization considered how temporary agency workers could be integrated into the work organization more efficiently than before, a reorganization that is an important part of the shift toward long-term strategic use.

According to the managers all staff, temporary agency workers and client organization employees alike, are treated equally. The temporary agency workers are now used in the same way as client organization employees: They get on-the-job-training and participate in job rotation.

## Design

In this article, we use the longitudinal case study as background knowledge. A questionnaire given to all staff at the workplace investigates how the two groups, that is, client



organization employees and temporary agency workers under contract to this workplace, perceive their work.

The staff was informed about the survey 1 month prior to the day for the survey. The questionnaire was distributed at the workplace during a monthly production stop and staff meeting. The production stop lasted for 60 minutes and gave us a total time of 30 minutes to inform the workers about the survey and to have the workers fill in the questionnaire. Hence, everybody at the workplace that day had the opportunity to participate in the survey. This arrangement required our access to the company's ordinary meeting time, so the questionnaire had to be distributed and collected in 1 day. The response rate among the staff was extremely high, with only a few workers not handing in their questionnaires. However, the single-day distribution meant that absent employees could not participate. If the staff on sick-leave and on business trips were to be taken into account, the response rate would be 80%. The survey was distributed to all staff members at the plant. However, as the strategic use of temporary agency workers at this plant only concerns production, this article restricts itself to an analysis of blue-collar workers. White-collar temporary agency workers were not integrated with client organization employees in this work organization. By excluding white-collar workers from our study, we are able to restrict the study to a "best case" scenario in which we expect no differences between temporary agency workers and client organization employees.

In total, 139 blue-collar employees at the client organization and 30 temporary agency workers returned the questionnaire. The proportion of temporary agency workers at the plant at the time of the survey was 18%.

The questionnaires given to client organization employees and temporary agency workers were almost identical, although some wording was adapted in order to apply to the two different groups of respondents. The questions cover job characteristics, working conditions, and individual background data.

## Operationalizations and data analysis

The dependent variables in this study are the two kinds of security: one is job security and the other is employment security or employability. Job security, that is, the certainty of being retained by the current employer, is measured using the question, "How satisfied are you with your job security?" The response alternatives were: very satisfied, slightly satisfied, neither satisfied nor dissatisfied, slightly dissatisfied, and very dissatisfied. As the dependent variable is on the ordinal level of measurement, we have dichotomized the variable in order to be able to use logistic regressions. Satisfaction with job security was dichotomized into "satisfied with job security" (very and slightly satisfied) and "not satisfied" (others). This dichotomization implies a strict interpretation of job security, so that those responding as neither satisfied nor dissatisfied are not included. The question does not measure objective job security, but rather how satisfied the respondent is. Job security is seen as important by a large majority of employees (Furåker, 2005, p. 151); thus, it is very likely that people who perceive low job security are dissatisfied in this regard. Our wording of the question is the same as that used in the European Community Household Panel Questionnaire, which makes it possible to compare our results with those of other studies.

When measuring employability, we used an operationalization involving an organizational perspective on employability. We asked both temporary agency workers and



client organization employees if they were obtaining skills that would be useful for future work at other companies. We used the question, “How do you perceive your chances of getting a similar or better job in this or another sector?” The possible responses were: very high, rather high, neither high nor low, rather low, and very low. In order to be able to use logistic regression, we had to dichotomize this variable as well. In the analysis, we want to distinguish those who perceive high employability, so for that reason, we only included the response alternatives for high and rather high chances in the category “high employability.” Other responses are coded as “low employability.”

Independent variables include position as client organization employee or temporary agency worker, job tenure, training, competence development, job quality, age, and education.

Previous research has shown overwhelming evidence for temporary agency workers’ poor situation. In our study, we selected temporary agency workers experiencing the best conditions. The outcomes in job security and employability are therefore not self-evident. In a Swedish context, which includes employment protection legislation with the “last in/first out” principle, tenure is important for job security. Since temporary agency workers and client organization employees have different employers, we used different time measurements for the two groups. The average tenure for the client organization employees is 21 years. For the temporary agency workers, the mean tenure is slightly over 2.5 years. It is important to bear in mind that the two groups have different employers. Accordingly, it is not possible to compare tenure in absolute terms. To capture the employees at risk of being “first out,” we used job tenure in relative terms. Client organization employees with less than 14 years’ tenure were coded as short tenure, those with 14–24 years were coded as medium, and those with more than 24 years were coded as long tenure. For temporary agency workers, the corresponding periods were less than 16 months, 16–24 months, and more than 24 months.

Previous research also shows that training and development can increase employability. For temporary agency workers, both the employer (i.e., the agency) and the client organization can contribute in this regard. The employer can offer competence development and annual progress interviews. We measured competence development using the question, “How satisfied are you with competence development provided by your employer?” We measured progress interviews using a question that asked whether or not the respondent had had a progress interview during the last 12 months.

Issues with job quality refer to the relationship with management, that is, the client organization (see Figure 1). These include having opportunities to decide how to perform work tasks, learning new things, and participating in change projects at the client organization. In the questionnaire, these questions are relational: Temporary agency workers are asked whether their opportunities are equal to, better than, or worse than those of client organization employees. Client organization employees are asked whether their opportunities are equal to, better than, or worse than those of temporary agency workers.

## Methodological discussion

Since the workplace we investigated uses temporary agency workers who are fully integrated into production, and who perform the same work tasks as regular employees and

participate in the same work rotation, this case gives us a unique opportunity to compare satisfaction with job security and employment security among client organization employees and temporary agency workers. Furthermore, it is also possible to control for type of employment contract, as both groups have mainly open-ended contracts. Because our selection of the workplace and the individuals studied is not random, it is impossible to generalize our results to the labor market. Rather, this study can be seen as a best case scenario, as we have selected a workplace with a staffing strategy that is characterized by the strategic long-term use of temporary agency workers and that offers them the best possible opportunities to achieve work development and to learn new skills—thus improving their employability and security. According to Yin (2003, p. 40), this case study can be regarded as a critical case, that is, a case that tests a theory or a hypothesis.

## Results

Temporary agency workers constitute a stable proportion of the staff at the client organization studied. The majority of these workers entered into an employment relationship with the temporary work agency because they had no other choice—it was the only work they could get. Age, educational level, and tenure differ greatly between the two groups of workers at the plant. The mean ages of the client organization employees and the temporary agency workers are 48 and 29 years, respectively. Almost all temporary agency workers have attended upper secondary school, while one-third of client organization employees have only 9 years of compulsory schooling. This difference can mainly be explained by the age differences. In general, today's younger generation has attended upper secondary school, and this level of education is usually a requirement for any employment. The investigated workplace is male-dominated, with about 90% of both client organization employees and temporary agency workers being men. The bulk (93%) of the temporary agency workers have been assigned to the client organization for more than 1 year. There are no differences between client organization employees and temporary agency workers concerning type of contract; all but one worker have open-ended contracts. Our analyses include only employees with open-ended contracts. Table 1 summarizes the background variables for the respondents.

Even though there are some differences in individual background, the blue-collar agency workers have been assigned to the workplace for long enough to learn the work tasks, and they take part in job rotation along with the client organization employees. The managers claim that both the employees and the temporary agency workers are treated equally. This claim seems to be valid when it comes to performing daily work tasks. Bivariate cross-tables show that there are no significant differences between client organization employees and temporary agency workers in job quality factors such as deciding how to execute their work tasks, learning new things, using their own skills, or having access to information or support. The majorities of both groups perceive their opportunities as being at least equal. There is no significant difference between the two groups in terms of satisfaction with the training provided by the employer.

However, there is a large difference in the occurrence of progress interviews. About 30% of the temporary agency workers reported such talks, while the corresponding



**Table 1** Background variables for respondents

	Client organization employees	Temporary agency workers
Age (mean)	48 (SD 9.2)	29 (SD 6.5)
<i>Education (%)</i>		
Compulsory	32	3
Upper secondary school	48	93
Post upper secondary	21	3
Total	100	100
Number	136	30
<i>Sex (%)</i>		
Male	89	93
Female	11	7
Total	100	100
Number	133	30
<i>Tenure (%)</i>		
Less than 14 years	24	
14–24 years	38	
More than 24 years	38	
Total	100	
Number	136	
Less than 16 months		30
16–24 months		40
More than 24 months		30
Total		100
Number		30
<i>Length of assignment (%)</i>		
Less than 7 months		0
7–12 months		7
More than 12 months		93
Total		100
Number		30

share of client organization employees was 60%. Furthermore, opportunities to take part in change projects or development work seemed to be mainly intended for client organization employees. Almost half of the temporary agency workers estimated their opportunities as worse than those of the client organization employees in this regard, as summarized in Table 2. Taking part in this kind of activity indicates a more lasting relationship, as experience with change projects or development work is seen as valuable, both to the company and with regard to the future. The borderline between temporary agency workers and client organization employees thus lies in the client organization’s investment in their skills and knowledge. The equal treatment and the integration within the work organization refer only to the daily work.

**Table II** Perceived opportunity for client organization employees and temporary agency workers to take part in change projects in relation to each other (%)

	Client organization employees	Temporary agency workers
Equal or better opportunity	90	52
Worse	10	48
Total	100	100
N	135	27

Sign.  $p < 0.001$ .

Our analysis shows that 69% of client organization employees are satisfied with their job security, as summarized in Table 3. This value can be compared with the Swedish labor market as a whole, where 70% of employees are satisfied with their job security (Furåker & Berglund, 2014, p. 175). It should be noted that Furåker and Berglund's data include employees on both permanent and temporary contracts, with 10% of their sample having temporary contracts, while the client organization employees in our study are all on permanent employment contracts. A significantly lower share of the temporary agency workers in our study, 43%, is satisfied with job security. Given that these workers have the same employment status, that is, permanent contracts, there is a considerable difference between the two groups.

**Table III** Satisfaction with job security for client organization employees and temporary agency workers (%)

Satisfaction with job security	Client organization employees	Temporary agency workers
Very satisfied	15	10
Slightly satisfied	54	33
Neither satisfied nor dissatisfied	21	17
Slightly dissatisfied	8	23
Very dissatisfied	2	17
Total	100	100
N	136	30

Sign.  $p < 0.001$ .

Even though satisfaction with job security turned out to be less likely among temporary agency workers on permanent contracts compared with client organization employees, temporary agency workers may still experience another kind of security—employability. In our questionnaire, employability is captured by a question on the level of confidence of getting another job that is equivalent to or better than the present one. In total, slightly more than one-fourth of client organization employees think that they have a good chance of finding another (equivalent or better) job, as opposed to one-third of temporary agency workers, as summarized in Table 4. However, these differences in



employability between client organization employees and temporary agency workers are not statistically significant. Age and tenure have a significant impact on the perception of employability. Client organization employees are generally older and have longer (actual and relative) tenure. This result can therefore be understood from a locked-in perspective (Furåker et al., 2014).

**Table IV** Perceived employability for client organization employees and temporary agency workers (%)

Chances of finding another equivalent or better job	Client organization employees	Temporary agency workers
Very high	1	10
Rather high	25	23
Neither high nor low	41	40
Rather low	22	20
Very low	11	7
Total	100	100
N	137	30

Not significant.

Our research review shows that several conditions can strengthen temporary agency workers' satisfaction with job security. Job security is connected with the employer relationship (see Figure 1). However, workers' current job at the client organization might impact their satisfaction with job security. That is, parts of the management relation such as the client organization's investment in the temporary agency worker's competence may spill over to impact the employment relationship. In Table 5, we analyze satisfaction with job security and the impact of training from the employer, a progress interview with the employer, the client organization's investment in competence such as participating in change projects, and tenure. The control variables are age and education. In the logistic regression, we have to use the dichotomized version of job security. The coefficients in the regression are to be interpreted as odds ratios.

Despite both groups having permanent contracts, the logistic regression shows that it is 4.3 times more likely for client organization employees to be satisfied with job security than for temporary agency workers to be satisfied. This result is significant at the 90% level. According to employment protection legislation, temporary agency workers may have permanent contracts with their temporary work agencies independently, if their assignment is limited in time or is terminated by the client organization. However, despite the temporary agency workers having permanent employment contracts at the temporary work agency, they do not seem to experience job security to the same degree as client organization employees. Furthermore, the occurrence of progress interviews with employers does not seem to have any effect on workers' satisfaction with job security, while competence development being offered by the employer has an extremely large effect. It is important to note that, in the case of temporary agency workers, competence development as offered by the employer involves the temporary work

**Table V** Factors impacting satisfaction with job security for client organization employees and temporary agency workers<sup>1</sup> (odds ratios, logistic regression)

	N	Satisfied with job security (odds ratio)
<i>Employer</i>		
Client organization	121	4.33 <sup>+</sup>
Temporary work agency (ref)	27	1
<i>Competence development offered by the employer</i>		
Satisfied	54	12 <sup>***</sup>
Not satisfied (ref)	94	1
<i>Progress interview with employer</i>		
Yes	83	0.76 n.s.
No (ref)	65	1
<i>Job tenure (relative)</i>		
Short (ref)	39	1
Medium	54	1.75 n.s.
Long	55	1.55 n.s.
<i>Participation in change project</i>		
Better opportunities	59	0.79 n.s.
Equal opportunities	65	0.89 n.s.
Worse opportunities (ref)	24	1
<i>Education</i>		
Upper secondary school or compulsory school (ref)	121	1
Post upper secondary school	27	0.95 n.s.
<i>Age</i>		
<30 (ref) (ref)	22	1
30–45	57	0.98 n.s.
46–65	69	0.59 n.s.
Constant		0.33
Nagelkerke		0.31

**Note:** n.s. = not significant, <sup>+</sup>p<0.1, <sup>\*\*\*</sup>p < 0.001.

<sup>1</sup>Only blue-collar temporary agency workers on permanent contract and client organization employees on permanent contract are included in the analyses.

agencies. Employees who are satisfied with the competence development offered by their employer are 12 times more likely to experience job security.

As summarized in Table 4, there were no significant differences between client organization employees and temporary agency workers concerning the perception of employability. Employability is related to the management relationship (see Figure 1). In addition to the factors included in the analysis of job security, we also analyzed opportunities to learn new things and competence development by the client organization. These can be seen as indicators of skill development, which is crucial for employability.

However, a logistic regression of the factors impacting employability did not reveal any factors significantly impacting perceived employability. We also performed logistic regressions separately for client organization employees and temporary agency workers in order to elucidate whether different factors could explain the perceived employability,



but found no differences. It seems that the management strategy of equal treatment levels out differences in employability—both groups perceive that they have a rather similar possibility of finding another job. Neither tenure, opportunities to participate in change projects, education nor age showed any significant impact.

## Discussion

According to Standing (2009, 2011), temporary agency workers belong to the precariat. These workers' precariousness is also manifested in previous research, where the job insecurity of this group is observed. However, research shows this insecurity to be affected by the temporary nature of the employment contract. In Sweden, where temporary agency workers have access to permanent employment contracts in the same way as other employees, and where the same employment protection is valid for temporary agency workers as for other groups of employees, we might expect to find a different picture. In this article, we focused on a group of temporary agency workers who, in many important respects, have the same working conditions as client organization employees and who are integrated within the work organization. These workers have permanent employment contracts with the work agency and, according to management, are treated like client organization employees. At the client organization studied, the temporary agency workers form part of a strategic long-term staffing buffer, which is labeled as "strategic use" in previous research (Håkansson et al., 2013A; Holst et al., 2010). Accordingly, in selecting this "best case" scenario, we have chosen a critical case (Yin, 2003) that we consider to be very likely to contradict existing statements regarding temporary agency workers' precariousness.

Our analysis shows that temporary agency workers can overcome some of the features of the precariat—in this case, they are integrated into the work organization and there is no difference between their relationship with management and that of the client organization employees. Furthermore, our analysis shows that the borderline that differentiates worker situations does not lie between different kinds of employment contracts, which is in accordance with Standing's research (2009, 2011). Rather, the borderline is caused by the client organization's different competence investments in temporary agency workers and in client organization employees. This borderline between the two groups is not visible in daily work tasks but becomes apparent in access to development work such as participation in change projects.

However, even though the temporary agency workers and client organization employees have permanent contracts and share the same work tasks, they value their employment relationships differently. A permanent contract with a temporary work agency does not seem to entail job security to the same degree as a permanent contract does for client organization employees. Client organization employees are 4.3 times more likely to be satisfied with job security than temporary agency workers (Table 5). Even though both sets of workers fall under the same employment protection legislation, they perceive differences in job protection practices. The most important explanatory factor regarding the lower level of satisfaction with job security among temporary agency workers is their lack of satisfaction with the competence development offered by their employer—that is, the temporary work agency. Previous research has highlighted the importance of training in relation to temporary agency workers' employability

(Kirves et al., 2011). Our study shows that employers' investment in competence development has a direct effect on job security, that is, on the perception of the possibility of remaining in actual employment. It is important for temporary agency workers to keep their competencies up to date, as this is necessary for new assignments. Competence development offered by the client organization satisfies the need for that particular assignment, but does not necessarily contribute to new assignments at other client organizations.

It has been argued that employability is more important than job security to temporary agency workers (Kirves et al., 2011). Employability can be achieved by training and competence development. In this case, the temporary agency workers have the same general opportunities to learn new things in their daily work as do the client organization employees. Even though there is a significant difference in the opportunities to participate in change projects and the like, this difference does not seem to have any impact on perceived employability. The management strategy of equal treatment in daily work seems to level out the differences in the perceived employability of the two groups.

## Conclusion

Our study reveals the importance of empirical studies to challenge and develop hitherto rather imprecise statements about precariousness. This study contributes to a nuanced picture of temporary agency workers' position. Temporary agency workers and client organization employees differ in job security satisfaction, but not in their perceptions of employability. The most important explanation for temporary agency workers' lack of job security is the lack of competence development offered by their employer (the temporary work agency). In this regard, client organization employees are much better off. It seems that temporary agency workers are trapped in a vicious circle. The agency does not want its workers to interrupt their ongoing assignment at the client organization for competence development at the agency, since this interruption would jeopardize the business relationship between the client organization and the agency (see Figure 1). From the client organization, temporary agency workers only receive the competence development that is required for the specific assignment at the client organization. This means that even though the temporary agency workers are integrated into the work organization at the user firm, and perform the same work tasks as regular employees, the client organization has no incentive to invest in any more than the required competencies, because the temporary agency workers constitute only a long-term "buffer" in case of a downturn. We argue that it is the temporary workers' position as a buffer that results in a lack of job security. Our results also show that the temporary agency workers' job security could be increased if temporary agencies were to invest in competence development for the agency workers, thus overcoming the workers' vulnerability in constituting a buffer.

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