A Study of the Increasing Use of Temporary Workers During the Late 1980's and the 1990's

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A Study of the Increasing Use of Temporary Workers During the Late 1980’s and the 1990’s

A THESIS

The Honors Program

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by

Robert R. Euteneuer

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I. Abstract

Perhaps partially in reaction to the recessions from 1980-1982, the use of temporary workers was originally implemented as a means to reduce costs through lower payroll and reduced benefit packages. Interestingly, despite the unprecedented rise in the stock market, the 1990's have seen the temporary workforce increase dramatically. This study will provide insight into why companies have increased their hiring of temporary workers as well as the implications this trend may have for future workers.

There has been a vast amount of research done on the increasing use of temporary workers, but the results have been somewhat misleading and even contradictory. An investigation of current literature provides some necessary background information on this topic.

This paper looks at two main hypotheses. The first hypothesis is that the use of temporary workers will provide a company with tangible benefits. The second hypothesis is that a temporary worker will obtain advantages that non-temporary workers do not get. Two different surveys were used to test these hypotheses. Seventy surveys were given to a sample of temporary employees and eighty surveys were given to a sample of managers that are all employed by several businesses in the Twin Cities metropolitan area. The response rate was 46% for the temp surveys and 54% for the managers. The results indicated that 73% of the people surveyed chose to work as temps and 82% reported being either highly or somewhat satisfied by their experience as a temporary worker. Of the managers surveyed, 98% indicated that temps are cheaper than full-time employees, and 39% say the use of temps will provide financial benefits for companies.
II. Introduction

The increasing use of temporary, or contingent workers is smashing old paradigms and creating possibilities never before imagined. Companies are able to trim payrolls. Workers that previously were unable to obtain jobs because of a lack of skills or experience can gain the necessary skills by accepting employment as temporary workers. What is even more valuable is that these people can then use their newfound skills and experience as a path to permanent employment. People that are unsure of what they want to do or where they want to work can test the waters of different fields before they commit to a particular job or line of work.

The increasing use of the temporary or contingent workforce is fostering change, both positive and negative, the likes of which has not been seen in the business world before. Every person who is about to join the ranks of the American workforce must have a basic understanding of the broad topic of the contingent workforce.

A. Purpose of This Study

This study seeks to answer the general questions “Why do managers use temporary workers?” and “Why do people choose to work as temporary employees?” More specifically, this study will identify what, if any, benefits a company can receive by using temporary workers and what, if any, benefits a person can receive by working as a temporary employee.

B. Format of This Study

Due to the wealth and variety of information that exists on the topic of temporary workers, this study begins with a thorough investigation of current information. After the
investigation of current literature, this study examines two main hypotheses that were formulated from two surveys that were distributed (one survey for managers and one for temporary employees) at several businesses in the Twin Cities metropolitan area. A more formal discussion of the hypotheses, the surveys, the survey results, and conclusions is included in the section of this study devoted to the analysis of the surveys. This comprises the final section of this study.

C. Statement of Hypotheses

Hypothesis 1 is that the use of temporary employees will provide companies with tangible benefits. Hypothesis 2 is that temporary workers will obtain advantages that non-temporary workers do not get.

III. Investigation of Current Literature

A. Defining Temporary Workers

How one defines a temporary worker is a major determinant in identifying the number of temporary workers in the workforce. There are many different definitions of temporary workers. Jan Larson says that “Estimating the size of the nation’s contingent (temporary) workforce is like asking a group of scientists when and where the next California earthquake will hit.” She goes on to say that “Identifying how many temporary workers there are all depends because there is no consensus on what constitutes a temporary worker.” (Larson, 26). In order to get a perspective on just how large a difference a definition can make, a brief summary of how many temporary workers exist based on three commonly used definitions is provided.
Based on 1995 numbers provided by the Bureau of Labor and Statistics (BLS), one definition states “The lowest figure (approximately 2 million) derives from a narrow definition that includes only wage and salary workers who had been in their jobs one year or less and who anticipated those jobs would last an additional year or less.” (Larson, 27). The largest single group of people within this definition are those that work for temporary help agencies, which accounts for approximately 1.2 million people (Greenwald, 8). “The second Bureau of Labor and Statistics, or BLS, definition adds self-employed and independent contractors who consider their jobs less than long-term, which bumps up the tally to about 3.4 million workers” (Larson, 27). The primary group of people that are included in this definition “work for one client at that client’s work site” (Greenwald, 7). This is in contrast to temporary help agencies, where it is possible for the employee to work for many different companies instead of just one. “The third and broadest BLS definition includes any worker who considered his or her job temporary, resulting in an additional 6 million people.” (Larson, 27). More specifically, this definition includes any person in the previous definitions in addition to people such as part-time employees and full-time employees who believe their job will not last more than one year.

There are other ways in which the contingent workforce can be defined, too. According to Allison Thomson, the contingent workforce can be defined in two ways:
1.) By the length of time a person expects to be employed.

- Contingent employment is any job in which an individual does not have an implicit or explicit contract for long term employment.

1.) By the number of hours a week that a person expects to work.

- Contingent employment is any job in which the minimum number of hours worked varies irregularly.

(Thomson, 26)

B. Definition Chosen for Paper

Although some of the definitions are similar and overlap slightly, for the most part, they include too many workers that are not generally considered to be temporary workers. Therefore, the focus of this paper is confined to people who work for temporary staffing agencies and who contract to work temporarily for a single company. It is not the intention of this paper to include people who consider themselves to be temporary workers because they work part-time at Wal-Mart, for example. Consequently, the definition that will be used in this paper is the second definition because this definition includes the primary areas of concern: people who work for temporary agencies and people who contract to work for a company at that company’s work site on a less than full-time basis. By employing this definition, one focuses on the core of the temporary workforce and ignores an additional 2.6 million people that claim to be temporary workers, when they are more accurately defined as part-time workers. Also, the use of the term temporary worker is meant to imply what is more commonly considered to be a professional temporary worker.
C. The Evolution of Temporary Employment

According to Gillian Lynn, the earliest estimate of the increasing trend by
organizations to hire temporary workers can be traced back to the 1950’s when temporary
workers were sought primarily to fill in for emergencies and maternity leave (Lynn, 54).
It was proposed that the use of temporary workers may further be traced to World Wars I
and II, when women were sought as replacements for the men who joined the armed
services and to satisfy the increased demand for more workers. Information or evidence
in support of this, however, was not found. One reason that temporary employment is not
traced to WWI and WWII may be because the women were working full-time hours and
temporary jobs are usually considered to be less than three months in length. Quite
simply, it may also be that this is where the temporary workforce began, but it just is not
recognized as such. This may be a subject for future research.

This trend has grown exponentially since its beginning, with the majority of its
growth occurring in the late 1980’s and continuing into the 1990’s. Downsizing in
organizations (which reduces the number of positions) and outsourcing jobs (which uses
someone other than a direct employee) in order to reduce expenses are primarily
responsible for the trend’s evolution. Temporary workers today are more educated and
perform more duties than their predecessors. In fact, there are now temporary doctors,
lawyers, and CEO’s along with the more traditional secretaries, bookkeepers, and
production workers.

Although the use of temporary workers may have began as early as WW’s I and II,
this trend more likely began in the early 1980’s. Allison Thomson states in an article in
Occupational Outlook Quarterly that the trend has more recent roots, going back to about 1982 (Thomson, 45). The early 1980’s may be the actual beginning of the increased use of temporary workers because this is one of the first years that temporary staffing agencies were born and the term temporary employee came to be coined. There is also a strong likelihood that an increase in the use of temporary workers began as a response to the 1980-82 recession; but no information in support of this was found, either.

Historically, temps were relegated to perform non-professional business functions like production work and clerical duties. Currently, however, temps perform a much broader spectrum of duties. In fact, there are now temporary executives who will come in for a period of time in order to help turn a company around. As soon as the job has been completed, the temporary executive moves on to another business. Consequently, “According to an article in Fortune, the fastest-growing niche in the temporary help industry is executive temporaries.” (Moats Kennedy, 53). Mike Donnell exemplifies this trend. He is a “Chicago public-relations executive who earns half his income from placement firms that place advertising and PR types in temporary assignments.” (Hannon, 81). In the 1990’s, it is more and more the case that a temporary worker is less of a traditional temp, and more of an essential employee.

D. Demographic Profile of a Temporary Worker

According to a survey done of the U.S. temporary work force in 1994, the following information provides an idea of the demographic make-up of the temporary workforce, (Paik Sunoo, 56-57).
- Seventy-three percent of temporaries have more than a high school education; 11% have attended a business or trade school; 28% have attended some college; 17% percent of temps have received a bachelor’s degree.

- Twenty-nine percent of temporaries were between the ages of 25 and 34; 24% were between the ages of 35 and 44; 19% were between the ages of 16 and 24; 18% were between the ages of 45 and 54; 8% were between the ages of 55 and 64; and 2% were age 65 or older.

- Eighty-two percent of temporaries are white; 11% are black; 6% are Hispanic; 2% are Asian; and 1% are physically disabled.

- Seventy-two percent of temporary workers’ spouses are employed fulltime; 9% are employed part time or as temps; 19% of spouses are unemployed.

- Five percent of temporary employees were paid less than $5 per hour; 23% were paid between $5 and $5.99 per hour; 23% were paid between $6 and $6.99 per hour; 16% were paid between $7 and $7.99 per hour; 10% were paid between $8 and $8.99 per hour; 6% were paid between $9 and $9.99 per hour; 7% were paid between $10 and $10.99 per hour; and 10% were paid $11 per hour or more. Note: the federal minimum wage was $4.25 per hour in 1994.

- Seventy-six percent of temporary workers say they’re happy with their work.

- Men now make up 28% of temporary workers, vs. 20% five years ago.

- The temporary workforce is aging. In 1989, 57% of temps were younger than 34; in 1994, less than half of all temporary workers were in their 20s and early 30s.
• Temporary employees are highly skilled: 84% have word-processing skills; 84% have data-entry skills; 45% can use a computer for financial bookkeeping tasks; and 42% can access a computer database.

• A majority (66%) of temporary employees report that they acquired new skills during their tenure as temps, and 29% report they received more than 20 hours of training from their temporary help company.

• Temporaries enjoy a good level of benefits. 56% received holiday pay; 39% received paid vacation days; 46% received free skills training; 22% received bonuses; 8% received health care; 4% received life insurance; 3% received sick pay; and 2% received a retirement plan.

E. Illustration of the Size and Increase in Growth of the Temporary Workforce

The overwhelming bulk of current literature on the subject of the temporary workforce focuses on its size and growth, which is justifiable because its size and growth has undeniably been exponential. Despite the large size and growth of the contingent workforce, what may be most impressive is that this size and growth has not been limited to several industries, like the automobile and manufacturing industries. Rather, there has been an economy wide growth in the number of temporary workers employed. As with most trends, however, there is not an even dispersal across all segments; that is, several industries are more prominent in their utilization of temporary workers than others. It is for these reasons that information on the size and growth of the temporary workforce can be viewed in terms of either overall economy growth or specific industry growth.
F. Size and Growth of Temporary Workers in the Economy

The statistics available on temporary workers can be further subdivided from the two main categories described above. That is, the statistics available on temporary workers are in terms of 1) revenue generated by temporary agencies; 2) wages paid to temps; and 3) the number of temporary workers. The monetary statistics can be further broken down into revenues of staffing agencies and payroll receipts. “According to the Alexandria, Va. Based National Assn. of Temporary & Staffing Services, temporary help services revenues almost doubled between the first quarter of 1992 and the second quarter of 1996, to $10.88 billion from $5.46 billion.” (Greenwald, 1). This statistic looks at the overall growth of the temporary workforce in the economy in terms of revenue generated by temporary staffing agencies. That these figures have doubled in four years may be impressive, but bear in mind that these figures identify only those people who work for temporary staffing agencies, and they do not include any person who is employed on a temporary basis directly by their employer. Because there are an additional 1.4 million temporary workers whose services are not even applied to that figure, the importance of the definition chosen becomes apparent.

In order to gain a more accurate idea of temporary staffing agencies’ revenue growth, consider that “Temporary help receipts grew 12.9 percent from 1994 to 1995 to a record high of $39.2 billion; payroll also rose by 12.9 percent to $27.9 billion.” (Managing Office Technology, 25). Companies in America that used temps paid a total of $39.2 billion while the temps themselves earned $27.9 billion over that period of time in wages. It is also beneficial to combine information about the 13 percent growth rate in
receipts and payroll with information regarding the growth of temporary employment agencies to gain a better appreciation for growth statistics.

“The temporary services industry has expanded over 360 percent since 1982. Ten years ago only one hundred temporary employment agencies were in business; today there are approximately fifteen hundred. Twenty percent of new jobs created between 1991 and 1993 were temporary jobs.” (von Hippel, et.al., 93).

The likelihood of the high growth continuing appears to be high, because as of 1996 “The use of temporary workers...was one of the hottest trends in business. Two-thirds of surveyed executives of large corporations expect to use more temporary help in the next three years.” (Larson, 27)

Another way of presenting the statistics, in terms of the actual number of temps, tells a similar story. “The number of Americans working as temps on any given day in 1995 topped two million- up 9.6 percent over 1994.” (Managing Office Technology, 25). This provides a much clearer picture of how many temporary workers there are versus stating the payroll receipts for any given time period

“The number of contingent workers grew 5 percent between 1987 and 1990... compared with an overall work force gain of less than 4 percent.” (Larson, 28). Even more impressive is that, “Temporary services employment increased 25 percent between 1990 and 1993, compared with 1 percent for total employment, according to BLS data.” (Larson, 28) To that extent, some more recent figures state “The industry’s (temporary help industry) share of jobs doubled in just 8 years, rising from .8 percent... in 1985 to 1.6 percent in 1993.” (Thomson, 46). More recently, the actual number of temporary
workers totaled 3.4 million in 1995, which is the latest information available (Larson, 27).

There are several important points that should be taken from the statistics, and it is useful to keep in mind the limitations of the data, due to the incongruity of the time frame between the statistics under consideration. First, from 1987 to 1990, the actual number of contingent workers grew at a moderately high rate of five percent. Unfortunately, a comparative growth rate for previous years could not be located. What is perhaps more significant is that this growth has outpaced the growth of the composite workforce by an entire percent from 1987 to 1990 and by an astounding 24 percent from 1990 to 1993. Next, between 1985 and 1993, the temporary help industry experienced a 100 percent increase in its share of jobs, going from just .8 percent to 1.6 percent. The bulk of the growth in the temporary workforce has come during the 90’s. Finally, “the number of temporary workers reached 3.4 million in 1993 compared to 732,000 in 1985.” (Thomson, 45). Clearly, the temporary workforce is increasing, it will continue to increase at a fast pace, and it is turning into a significant sector of the American economy and workforce.

G. Limitations of Only Looking at Economy-Wide Growth

Because the temporary workforce is dispersed throughout the economy, looking at economy-wide growth only illustrates how large the trend is and how quickly it is still growing overall. In order to provide a deeper and more detailed understanding of the temporary workforce and its growth, many researchers have begun to examine specific industries. In doing so, these researchers have begun to identify which industries are
responsible for the increase of the contingent workforce, how much those industries are contributing, and the reasons why those industries are increasing their use of temporary workers. This is, perhaps, more valuable information than just looking at broad, overall trends in the economy because it provides more specific data which generally is more useful. An analogy to this situation would be, for example, a CEO’s knowledge that his company’s profitability is increasing. This information is useful to him, but not as useful as knowing where the increase in profitability is coming from and the reasons for that increase. The latter data is much more useful as it allows for deeper and more concrete analysis.

While it is true that the majority of temporary positions exist in the blue and pink collar sector, which are primarily non-skilled physical labor positions in the wholesale and retail trade and service industries, there has been a big push in the trend to hire professional, white collar temps. A survey by Arthur Andersen & Company that Jan Larson quotes briefly describes the evolution of temporary employment.

“Employing temporary workers for such non-professional jobs as building maintenance or fleet management is relatively common. But a growing number of companies are hiring outsiders to take care of central business functions like tax, payroll, and pension management.” (Larson, 26).

In fact, the author goes on to explain that she believes “Contingent workers can take care of non-core but essential business functions. As this trend grows, more managers will view skilled labor as something they can lease with an option to buy.” (Larson, 27).

Clearly, there is a reason to look at the increasing number of temporary workers in different industries because focusing on the economy-wide numbers gives only a partial
story. Just seeing that temporary help receipts grew 12.9 percent from 1994 to 1995, or the number of temporary workers reached 3.4 million in 1995 compared to 732,000 in 1985 may be misleading because this rate of growth has not been even across all industries. By looking at the banking, manufacturing, and temporary help supply services industry, one learns more than just looking at economy-wide statistics. It should be noted that, at the time of this study, there did not exist a large amount of information on the use of temporary workers in specific industries. Therefore, the primary reason these industries were selected for this study is because they had the most available information.

IV. Analysis of Specific Industries

A. Banking Industry

As was previously mentioned, however, more research exists on the temporary workforce in the banking industry than any other industry except the temporary help supply services and manufacturing industries. In fact, “Banks, like other employers, are relying increasingly on temporary professional help to fill senior posts.” (Kingson Bloom, 1). Furthermore, “they (banks) are now tapping temps for such high-profile jobs as trust officer or human resources recruiter.” (Kingson Bloom, 1). Now it is true “that temps still make up a tiny portion of the bank work force- no more than 2 to 4 percent, according to most estimates” (Kingson Bloom, 1), but there are statistics that prove the number of professional temporaries is increasing. For instance, “Professional workers—mostly accountants, technologists, lawyers, and bankers- pulled in 5.8 % of revenues generated by all temporary workers in 1995, up from 2.4% in 1991” (Kingson Bloom, 1).
The following quote illustrates a trend that is becoming increasingly common in the banking industry.

"This bank has hired temporary employees for many years, at first to fill in for absent permanent employees... however, there was a surge in the use of temporary employees resulting from a desire to stabilize fluctuations in employment levels during a time of overall growth in numerous short term projects. The bank hired new permanent employees for months. Afterwards, these employees had to be placed in units within the organization, assigned to new projects, or let go, which required severance pay and other costs. The bank’s HR managers recognized the necessity for a better strategy, and developed the practice of short term, fixed contracts with temporary workers to staff projects of finite length.” (von Hippel, et.al., 98).

"It is possible to extrapolate the increase of contingent workers from this one bank to the overall banking industry because the trend is consistent.” (von Hippel, et.al.). In other words, according to the article by von Hippel, et.al., the trend of this particular bank is consistent with the banking industry, which is consistent with the overall economy. In support of this, an article by Jennifer Kingson Bloom states “Employment agencies say that bank mergers, with their resulting layoffs and voluntary departures and the mantra of cost cutting, are root causes of many banks’ decisions to seek out professional temps.” (Kingson Bloom, 1). Furthermore, “Banks are relying increasingly on temporary help” and “placement professionals say jobs earmarked for temps have grown steadily in recent years” despite the fact that “In banking, much of the trend (toward using temporary workers) seems to be taking place quietly.” (Kingson Bloom, 2).

The banking industry is not an industry that has experienced a relatively large increase in the number of temporary workers that it employs, but the growth rate appears to be significant. Also, what one can learn from looking at the banking industry is useful
in several ways. One insight is that a traditional, “old school” industry is starting to utilize temporary workers for such important positions as trust officer and human resource manager, which is the modern day equivalent of Rush Limbaugh hiring Paul Wellstone as his campaign manager. This study demonstrates that a temp is no longer relegated to being a laborer or clerical assistant, as has historically been the case, and that there are increasing numbers of temporary workers being employed by banks.

B. Manufacturing Industry

If the banking industry is the last industry one would consider when discussing the increasing temporary workforce, then the manufacturing industry may perhaps be the antithesis to it. Ironically, in spite of differing perceptions between the two industries regarding their relevance to the study of the use of temporary workers, they are two of the three industries for which there exists a substantial amount of quality information. Furthermore, the two are relatively similar in that the manufacturing industry has also reduced its number of permanent workers and replaced them with contingent workers. Consider that “Nationally, manufacturing employment has been declining. But the share of temporary workers who hold manufacturing jobs grew from 9 percent in 1983 to 23 percent in 1993.” (Larson, 29). As with the banking industry, this shows that “Manufacturers have moved away from periodically hiring and laying-off workers to filling their variable employment needs with contingent workers on a routine basis.” (Larson, 29).

Another article that examines the temporary labor force in the manufacturing industry states “The increasing use of temporary help in manufacturing has also been
suggested as a possible explanation for the puzzlingly slow growth of manufacturing employment coming out of the recent recession.” (Segal and Sullivan, 2). The two researchers discovered that the increasing use of temporary workers in the manufacturing industry has seriously understated the number of people who work in that industry. The reason for this is because most surveys do not count temporary workers as employees in that industry, they only count people who are permanently employed (Segal and Sullivan, 3).

In order to gain an idea of how many temporary employees are in the manufacturing industry, consider the following. “If we assume that all personnel supply workers in industrial occupations were hired in the manufacturing sector, the manufacturing employment estimates for 1991-1993 would increase by 252,000, by 359,000, and by 443,000 workers respectively.” (Segal and Sullivan, 10). In the industry, “On an unadjusted basis, employment declined by 403,000 workers from the end of the recession in 1991 until the end of 1993. On an adjusted basis, the decline was only 213,000. Thus half of the measured job loss in manufacturing may have been due to the increased use of temporary workers.” (Segal and Sullivan, 10).

Although the study done by Segal and Sullivan in particular was quite comprehensive, attempts to find hard data on how many temporary workers currently exist in the manufacturing industry and the growth rate for temporary workers in the industry could not be found. The Segal and Sullivan study does state in an ambiguous way that the number of temporary employees in the industry has greatly increased, but it did not provide evidence beyond that which states the reduction of employees in the
industry is overstated by as much as fifty percent. With that being said, it should be noted that as with the banking industry, it appears the manufacturing industry has also experienced an increase in the number of temporary workers it employs.

C. Temporary Help Supply Services Industry

In terms of numerical growth, the temporary help supply services industry stands in stark contrast to the banking industry. According to von Hippel, et.al., the temporary services industry has grown over 360 percent since 1982 with the number of temporary employment agencies increasing from one hundred to approximately fifteen hundred in 1996 (von Hippel, et.al., 12). In terms of opportunities, this industry offers the most because it has realized exponential growth and has the best prospect to continue doing so.

In fact, “One in three firms employ professional temporaries as managers or in professional positions. Interestingly, “More than half of the firms using flexible staffing deploy temporary accountants, about one-third retain information systems specialists, about one-fourth staff human resource professionals, and one-fourth use administrators.” (Managing Office Technology, 26).

Lewis Segal and Daniel Sullivan conducted a rather large study on the temporary work force and their findings were congruous with this study. They reached several conclusions that greatly reinforce the potential influence and increasing importance of this labor segment. Here are some highlights from their study:

“Employment growth during the current economic expansion has been led by the service sector. One of the fastest-growing components of this sector has been the personnel supply industry, and although the personnel supply industry currently comprises less than 2 percent of total employment, it accounted for over 15 percent of employment growth
between 1992 and 1993, and many analysts predict continued rapid growth.” (Segal and Sullivan, 2).

Clearly, this information reinforces and highlights everything that has been stated so far about the increasing size of the temporary staffing industry. The analysis of the size and growth of the temporary workforce may best be concluded with the final result of the Segal and Lewis study. “Because the contingent workforce tends to lead aggregate employment by at least a quarter or two, \textit{it is widely believed to be a leading indicator of employment conditions.}” (Segal and Sullivan, 22)*. This seems quite impressive in light of the fact that Allison Thomson tells us “Temporary workers were not even formally recognized as a segment of the workforce until 1982.” (Thomson, 6).

V. The Use of Temporary Workers in Organizations

A. Benefits Provided to an Organization by Using Temporary Workers

Although organizations began to use temps on an “as-needed” basis for non-professional and non-core related jobs, companies are now using temps for a wide variety of other reasons as well. The most popular reason given by managers and employees for the use of temporary workers is that they reduce costs. There is an inherent problem with this statement, though, because temps can reduce costs in many ways. Usually, what is implied by this reason is, since temps earn lower wages, a company pays a lower wage than it would if it employed a permanent worker to do a job. “On average, temporary workers earn about 77 percent of their full-time permanent peers’ hourly wages.” (Collins

*Italics were added for emphasis.
and Guttman, 52). In all actuality, some of the biggest savings come in the form of reduced benefits, i.e. health insurance, pension plans, etc. “The biggest bargain for business comes in the form of benefits. In 1992, 37.8 percent of all temporary workers who wanted full-time jobs did not have benefits.” (Collins and Guttman, 52.). This may possibly lead to a tangential discussion on whether or not benefits are an appropriate way to compensate employees, but it is far beyond the intentions of this study. When a company uses a temporary worker that is employed by a temporary staffing agency, the company passes the cost of any benefits (if any benefits are given at all) on to the staffing agency, thereby saving a large amount of money in the form of benefits paid. An organization also stands to save money in the form of taxes, because if the contingent worker used is employed by a staffing agency or is considered privately employed, the organization is not responsible for sharing the burden of the FICA tax.

Another way in which organizations save money by using temporary workers is through the elimination of the cost associated with recruiting and hiring. This cost represents a significant part of a company’s budget because it takes a great deal of capital in order to staff a human resource department and to interview, recruit, and hire people. Furthermore, there is the expense associated with training new employees to perform their job. If a permanent worker lacks an essential skill, that worker may need to acquire that skill through company training, and it takes many resources to train workers. Moreover, if any mistakes are going to be made, recently hired workers are going to be the most likely candidates to make those and cause an organization to lose some money.
Granted, temporary workers are going to make mistakes and are still going to require some training, but, companies that employ temporary workers via temporary staffing agencies tend to save money. This is because the temps are often trained by their agency or through previous work experience and are therefore less likely to commit simple mistakes common to rookies. Plus, if a temporary from an employment agency does not “work out”, the employment agency can send a different worker. This is taken from Manpower Inc., the temporary help agency that guarantees its temps will be good or the company gets its money back.

There is also the cost of terminating employees. Due to the large investment of a company’s resources in recruiting, hiring, and training an employee, a company stands to lose a lot of money if an employee ends up being terminated because they may not earn a return on their investment equal to the principal of that investment. There may also be costs incurred due to severance pay, health insurance costs because of the COBRA act, and the cost of finding either a new or current employee to do the terminated worker’s job.

Another recent reason that organizations have begun to use temporary employees is because nobody knows whether the economic boom is going to last or not. That is, organizations want to increase their output in order to meet increased demand for their products or services, but they do not want to make an investment in permanent employees because of the uncertainty over how long the latest economic recovery and bull market will last. Over the course of the last six years, the economy has performed extremely well. If the outlook is for the economy to recede, it does not make sense for a company to hire
permanent employees because it may stand to lose its entire investment. If the economy and the stock market continue to perform as well as they have, the organization can still increase its output and save money to boot by employing temps. In many ways, this seems to be a win-win situation because the organization can have its tasks completed at a lower cost, without exposing itself to the risks of hiring permanent employees and then having the economy recede.

In a similar way, organizations benefit from using temps by being able to ride out the fluctuations in the economy or business cycle. If the economy or business cycle is booming, it is relatively quick, easy, and cheap to hire temps. Under ideal circumstances, an organization can hire as many temporary workers as it needs to meet demand. (It should be noted, though, that if the pool of temporary employees gets too low, it might become more difficult to find qualified temps without increasing their wage.) Moreover, this strategy is immediate in that the organization does not need to spend time recruiting, hiring, and training employees if they use temporary staffing agencies because agencies do these tasks for the organization. Accounting agencies, for example, have long been known to hire temporary accountants during the months immediately preceding the income tax deadline in order to satisfy increased demand. As soon as the demand dissipates, the temps are released from their duties. Situations such as this have led to temporary workers being viewed as “quick fixes,” especially where seasonality, or large fluctuations during the business cycle, exist. If the economy or business cycle is in a downturn, however, it is easy to let temps go because there is minimal, if any, investment in them and there are no costs incurred due to severance pay or extension of benefits.
Furthermore, there are no formal connections between the organization and the employee, so it is possible to avoid lawsuits and any emotional ties.

Using temporary workers can increase an organization’s flexibility and allow it to react to changing environmental conditions and more quickly satisfy its customers. Consider the following example.

“Suppose the search for a permanent technical support person takes two to four months longer. A temporary worker assigned to the job on a week-by-week or day-by-day basis stays only as long as it takes to find a permanent replacement, relieving the burden of back logged work when a job goes unfulfilled and improving the company’s response time to changes in its environment.” (Lewis and Molloy).

In addition “The increase in flexible (temporary) employment is partly the natural consequence of the tendency for firms to become more focused on what they produce and more flexible in responding to customers.” (Lee, 544). Lee also states “The emphasis on focus and flexibility is being facilitated by technological advances, making it easier for firms to identify people with particular skills and arrange them into a productive team.” (Lee, 544). Therefore, Lee identifies a company’s ability to alter the mix of skills of its workers and technological advances as reasons that contribute to temporary workers’ ability to make a company more flexible, and ultimately more customer oriented.

Another recent and popular use of temporary workers is to use temps as a screening process to hire permanent workers. “NATSS (National Association of Temporary Staffing Services) reports that 6.5 million temporary workers moved into permanent positions between 1994 and 1995, and that 5.5 million of these were full-time
jobs.” (Managing Office Technology). Increasingly, organizations are taking advantage of all the savings associated with temporary workers in addition to using the temporary worker pool for hiring permanent employees. It allows organizations to try out temps in a position until the organization can find a temp who is believed to be worth hiring for a full-time position. In doing so, many organizations are able to find quality permanent workers in addition to having the temp(s) complete the job they were originally assigned to do.

B. Potential Problems for Organizations That Use Temporary Workers

The use of temporary workers is not without its pitfalls, though, because organizations also stand to lose by utilizing temps. One of the largest problems associated with using temps concerns their performance in the workplace. In some instances, the motivation of an employee that realizes he or she may only be there for a short period of time without reaping the benefits of his or her hard work has proven to be a difficult challenge. If a manager or an organization is not careful in its deployment of temps into the employee pool, problems such as employee theft, low worker output, and an inferior quality of work may arise.

Another potential pitfall for organizations that use temporary workers is creating an atmosphere that undermines the security of the employees. For example, if a worker does not produce as well as expected, a temporary worker who can perform the same job may easily replace him or her. Furthermore, the utilization of temporary workers in response to downsizing can create an unpleasant working atmosphere through a lowered
sense of security among permanent employees who feel that their position may be the next one to be downsized and replaced by a temp.

By using Maslow’s hierarchy of needs as a base, one can see how uncertainty over the permanence of someone’s job and the future which relies on that job can cause morale to suffer. This is because Maslow says one of the most basic needs one has is the need for safety, and until this need is satisfied, one cannot satisfy a higher need. Therefore, in a situation where there is a lack of certainty over one’s job and future (or safety), one of a person’s most fundamental needs is undermined. A situation such as this will undoubtedly cause worker morale to suffer.

If an organization becomes synonymous with uncertainty over job security, that organization’s reputation may be tarnished because people do not generally desire to work for a company that does not satisfy their need for safety. Furthermore, using temporary workers might be viewed as a threat to one’s safety because it can imply a lack of permanence and job security. It is likely that a company that finds itself in this situation may experience a decrease in worker quality because quality workers or workers who are in demand, are not likely to work for such a company. Therefore, that company may be relegated to hiring other, less desirable employees due to an unwillingness of quality people to work for an organization that does not have a promising prospect of meeting the employees’ need for security.

C. How to Reduce Problems and Increase Benefits of Temporary Workers

The use of temporary workers is not as bi-polar as the previous sections may lead one to believe. In fact, it is not only possible to make the use of temporary workers a
positive experience for an organization, it can be done with a high degree of efficiency and effectiveness through the use of good management. According to Bob Nelson, a management consultant with Blanchard Training and Development Inc., “What employers must do is give ‘connective glue’ to a group of people who know that they are short-timers. Provide a connective element. Treat long-term temps like employees. Involve them in department meetings and make them feel that they’re connected to more than just the job in front of them.” (Stockman Vines, 65). Bruce Steinberg, a spokesman with the National Association of Temporary and Staffing Services agrees. “Giving temporary employees some kind of orientation about the company so they know where they fit in, and not excluding them from ongoing company knowledge that may affect them are important elements in keeping their morale high.” (Stockman Vines, 65).

William Lewis and Nancy Molloy state several more steps that mirror the comments made by Nelson and Steinberg in order to create a more positive temporary work experience for the company and temp alike. They say to:

- Communicate needs as specifically as possible; because not being specific enough about what is expected of a temp is the most common and costly mistake made by managers.
- Schedule the workday in advance so the temporary worker can start without delay.
- Supervise the temporary worker closely and do not overload the temp or expect the impossible.
Finally, plan ahead. Temporary workers who have previously worked for your company reduce costs because orientation time and on-the-job training can be eliminated or abbreviated. (Lewis and Molloy, 23).

The message is simple and clear; and it is quickly becoming the golden rule in the management of temporary workers: “Do unto your temporary workers as you would do unto your permanent employee and you would have them do unto you.” By making an effort to include temps as part of the team and not isolate them from their peers, it is possible to obtain the advantages of temps without experiencing their pitfalls.

VI. Working as a Temporary Employee

A. Advantages Gained by Temporary Workers

As is the case in a market economy, not only must there be a demand for a good or service, there must also be a willing supplier in order for a trade or exchange to be made. Here, an organization would be the source of the demand while the temporary worker would be the supplier. Consequently, the increase in demand for temporary workers is being met with an increase in the supply of temporary workers to the point where people are beginning to seriously study this trend. This leads one to the conclusion that people who work as temporary workers must benefit in some way, shape, or form because otherwise people would choose their next best employment alternative instead of working as a temp.

One of the more frequently declared benefits of working as a temporary employee is the high degree of flexibility associated with contingent work. “Many workers prefer
relatively flexible schedules or have a taste for diversity, preferring to change tasks and surroundings frequently.” (Segal and Sullivan, 16). In addition, “Since their (temporary employees) work does not typically require firm-specific skills, temporary employment can accommodate such workers more readily than other types of employment.” (Segal and Sullivan, 16). In fact, “About a third (of temporary workers) have chosen to work on a temporary basis because they like the flexibility.” (Moreau, 96). People have started to value their personal time, and the flexibility offered by temporary employment can provide a person with an avenue for balancing financial needs with the desire to have more personal time.

Organizations are not the only party that may use temporary employment as a quick fix solution to meet short-term problems. Many individuals can profit by temporary employment through using it as a source of financial support during an extended job search. “Workers searching for permanent employment may find it advantageous to work for a time as temporaries while pursuing their job searches.” (Segal and Sullivan, 16). During an extended job search, it is possible for a person to confront financial difficulties, which may ultimately lead that person to “Accept a job paying less well than a job they might ultimately find through a longer search. Therefore, working as a temporary may enable them to support themselves until they find a more appropriate job.” (Segal and Sullivan, 16). Similarly, if a person or family finds themselves short on money, it is possible for a person to accept temporary work either in addition to a full-time job or in support of a spouse to earn extra income and meet short-term needs.
One of the more beneficial aspects of temporary work is the opportunity for training and experience. “Many temporary help firms provide training to their workers prior to placement. NATSS reports that in 1993, 29 percent of the temporary work force received more than 20 hours of training from their temporary help company.” (Segal and Sullivan, 16). What is even more impressive is that “66 percent reported that they gained new skills while working as temporaries. Such training and experience may increase the likelihood of moving into permanent employment and make temporary employment more attractive.” (Segal and Sullivan, 16).

In addition to gaining experience and free skills training, a temporary employee can also gain a foot in the door. “Nearly 40% of all temps report that they’ve been offered permanent positions in companies where they have temped. And almost 40% of temporary jobs turn into permanent positions, according to NATSS.” (Moreau, 97). In light of statistics such as these, a recent trend has been for college students who do not have a job upon coming out of college to “accept temporary work to pay bills while sampling opportunities available in their chosen field.” (Thomson, 49). For people who are trying to obtain permanent employment, this aspect of temporary employment is likely to be the single greatest benefit of working as a temp and an area for further investigation.

B. Negative Side of Working as a Temporary Worker

Just as one can see that it is possible for organizations to experience certain downfalls in using temporary employees, the possibility also exists for temporary workers to realize some hazards of temporary employment. Flexibility, which was identified as a benefit of working as a temp, “can cut both ways. Temps are free to turn down an
assignment. Turn down three or four in a row, however, and you hurt your chances of getting more jobs. Furthermore, temps can go for weeks, even months, between assignments with no guarantee they’ll ever be called.” (Moreau, 98). Also, “The price of flexibility can be intense pressure on the job. Professional temps typically handle crises on deadline with overwrought staffs; there’s no time to climb a learning curve.” (Hannon, 80).

A mental or emotional drawback to working as a temp is that many people believe “They are tools, not members of the family. ‘You (a temporary employee) have to have a healthy ego,’ says Theresa Readio. Clients often fire temps without warning.” (Hannon, 82). There is a large deal of stress involved in working as a temp because one may feel he or she is not appreciated properly since the person may not be viewed as part of the team. Also, in knowing that he or she may only be working on an assignment for a short period of time, a temporary may suffer from a lack of motivation due to the realization that he or she is only a quick fix and will not receive acknowledgement for a completed task.

In the eyes of most temporary workers, it appears that the biggest drawback to temporary employment is the lower wages and especially the lack of benefits. In regards to wages, the earnings of contingent workers on an aggregate level are “about 80 percent of those of noncontingent workers.” (Hipple and Stewart, 22). This statistic disregards such factors as age and educational attainment though, and needs to be viewed with a discerning eye because “The wage differential for white collar workers is 2 percent more than their noncontingent counterparts.” (Segal and Sullivan, 20). “Therefore”, the two
researchers go on to say “The controversial discussion about the desirability of the growth of contingent work (due to wage disparity) needs to be considered at a disaggregated level. Temporary workers may also experience faster wage growth in spite of lower starting wages.” (Segal and Sullivan, 20). Clearly, the drawback of lower wages for temporary workers may exist, but it is not consistent among all types of temporary workers. It may also not be as pervasive as it was originally believed to be when one takes factors such as age, education, and occupation into consideration. Furthermore, any imbalance that does exist in wages may be offset by the faster growth potential for temporary wages, possibly reducing this complaint of temporary workers.

Conversely, the lack of benefits that temporary workers experience is a much larger looming concern, even though there has been strides made in this area, too. “In many cases, temps have few or no benefits, such as paid vacations, pensions, and health insurance.” (Thomson, 49). In fact, “One-fifth of contingent workers have employer-provided health insurance, in contrast to nearly two thirds of noncontingent workers. One-fifth of contingent workers are eligible for employer provided pensions, compared with nearly three-fifths of noncontingent workers.” (Hipple and Stewart, 26). Furthermore, of temporary workers “56% received holiday pay; 39% received paid vacation; 46% received free skills training, 22% received bonuses; 4% received life insurance; and 3% received sick pay.” (Paik Sunoo, 56). Obviously, the lament over the lack of benefits by temporary workers is warranted, but once again there is a flip side.
“A growing number of temporary employment agencies are using employee benefits to recruit workers in what is an increasingly competitive.”* (Greenwald, 7). Expect the disproportionate level of benefits between permanent and temporary workers to balance in the future. In fact, this is one of the hottest trends in the temporary employment industry. “Temps are going to request- and receive- more benefits. It’s the old law of supply and demand. With companies snatching up more and more contingent workers, the number of good temps decreases.” (Lynn, 54). Even though disparity in benefits offered to temps is beginning to subside, it should be noted that “Part of the reason there has been relatively little benefits coverage for temp workers in the past is because of their traditionally high turnover. Entry-level temps also tend to be more interested in salary, too.” (Greenwald, 8). Furthermore, “As with earnings, differences in receipt of, and eligibility for employer-provided health insurance between contingent and noncontingent workers, in part, reflects differences in the work hours, level of education, and industrial distribution of the two groups.” (Hipple and Stewart, 25). Just as it was mentioned in the unequal pay drawback of working as a temp, the lack of benefits is dependent upon more that just being a temporary worker, and even this disparity is in the process of being curtailed.

* The industry that this citation is referring to is the temporary help supply services industry.
VII. Analysis of Surveys

A. Restatement of Hypotheses

These surveys examine two main hypotheses that were formulated for this study. The first hypothesis is that the use of temporary employees will provide companies with tangible benefits. The second hypothesis is that temporary workers will obtain advantages that non-temporary workers do not get.

B. Research Design

This study included two separate surveys, with each one pertaining to a particular hypothesis. They were distributed in the Minneapolis-St. Paul metropolitan area during the fall of 1997. One survey was given to managers at SciMed Life Systems, Inc., Tooling Science Inc., International Dairy Queen, Temporary Assets Inc., and ProStaff Inc., in order to determine if the use of temporary workers provides a tangible benefit to these companies. The second survey was given to people who are currently working as temporary employees at those same companies in order to determine if working as a temporary employee will provide advantages that non-temporary workers do not obtain. The survey given to the temporary employees also contained several demographic questions in order to examine some demographic characteristics of the population.

There was no specific method used to select a random sample from the population. A limited amount of surveys were randomly distributed to temporary employees and managers at these companies according to whether or not they indicated an interest in completing the surveys. Stamped envelopes with the mailing address were provided with the surveys to facilitate their completion and return. The surveys were
completed and returned at the discretion of the sample population with no reminders or follow-up given. The response rate for the temporary worker surveys was 46 percent, with 70 surveys handed out and 32 returned. The response rate for the manager surveys was 54 percent, with 80 surveys handed out and 43 returned.

C. Construction of Temporary Employee Surveys

The design of the surveys distributed to temporary employees was intended to determine some demographic characteristics of the sample population, what skills these people have, and whether or not these people viewed their experience as a temporary worker as beneficial. The survey consisted of a total of 18 questions. See appendix A.

D. Construction of Manager Surveys

The construction of the manager surveys was intended to determine why managers chose to use temporary workers, the perceived benefits of using temporary workers, and some possible implications that they felt the use of temporary workers may have in the future. The survey consisted of nine questions. See appendix B.

VIII. Results of the Surveys

Due to the construct validity of the surveys, it is not possible to determine the reliability of the responses. Therefore, all answers are summarized as the number of people who selected an answer and as a percent of the total sample population that choose each answer. The results of the surveys are presented in a tabular format and pictorially in bar graphs. Also, although there were 32 responses from temporary workers and 43
responses from managers, some results reported vary due the multiple-choice format of
some questions where more than one answer may have been selected.

The following sections contain a brief recap of the survey results that highlights the
most popular response for each question. The value in parentheses is the percent while
the value that precedes it is the numerical amount. For a complete summary of the survey
responses, refer to appendices C and D and graphs A, B, C, and D.

A. Results of Temporary Employee Surveys

The majority of the respondents, 20 (72%), reported that they freely chose to
accept work as a temporary employee; although a slightly lower number, 12 (38%),
indicated it was their first choice to work as a temp. Of the 32 respondents, 23 (72%)
were hired by a temporary agency while the other 9 (28%) were hired directly by the
company they worked for. For the 23 respondents who were hired by a temporary
agency, 9 (43%) reported that they had received some kind of work skills training.
Twenty-six (81%) of the people surveyed reported that they had held a permanent
position previously. Interestingly, all (100%) of the survey sample stated they are paid by
the hour, with an average wage of $10.91/hour and a range of $8.00/hour to $18.00/hour.
The 40-49 years of age range was the most frequently reported, with 12 people (38%)
indicating this to be where their age lies. Twenty members (62%) of the sample
population were female versus 12 (38%) male. The most commonly reported educational
attainment was a vocational or technical school degree, with 15 people (44%). Responses
to the question that concerns job title were vague and inconsistent, and therefore, are not
stated.
In the multiple-choice section of the survey, 8 (22%) reported that data entry skills are used in their job. Interestingly, there was a tie for the most commonly cited reason that the respondents started to work as a temporary worker. Of the 32 respondents, 11 (33%) chose it as a way to find an area they are interested in working, and another 11 (33%) used it as a method of gaining permanent employment. Eight (25%) of the respondents stated that experiencing different work settings was what they enjoyed most about temporary work while 13 (40%) stated the lack of benefits was their least favoring aspect of temporary employment. Of the people that received benefits, the most popular one is paid vacation, with 8 (22%) respondents receiving this. Positively, 17 (53%) of the respondents stated that, on a scale of one through five with one being highly satisfied and five being highly dissatisfied, they were at least somewhat satisfied with their experience as a temporary worker. In fact, the average of all responses was 1.9 out of 5, which is better than average. Finally, there was another tie for the question that asked how the respondents felt temporary work may benefit them, with 10 (31%) saying they gain work skills and another 10 (31%) saying they can use temporary employment as a means to attain permanent employment.

B. Results of Manager Surveys

The most frequently cited reason by managers for using temporary workers is as a screening method for hiring full-time workers, with 16 (37%) stating this. Twenty-two (51%) of the managers surveyed felt that they lost by using temporary workers because of an increased amount of time spent supervising temporary workers. Interestingly, the most popular response to the question that concerns how the use of temporary workers will
influence the economy was to increase in companies’ financial position through lower
fixed costs, with 17 (39%) of manager believing this. Perhaps the most alarming result of
this survey is the most frequently cited belief regarding the use of temporary workers is
that it will influence educational institutions through lower enrollment in four-year
colleges, with 13 (30%) managers stating this. Fourteen (33%) of the managers surveyed
said they hire temps for full-time positions between 11 and 20 percent of the time. An
overwhelming majority 38 of the 43 (88%) managers indicated they use temporary
agencies when they employ temporary workers. There was a three-way tie for the most
frequently cited advantage of using temporary workers. The tie was between: the ability
to use as a screening process, the flexibility of the workers, and the ability to use as a
“quick fix”; with nine people (21%) responding for each advantage of using temporary
workers. Not surprisingly, benefits were the most popular way in which the managers
surveyed believed temporary workers were cheaper than permanent ones, with 13 (30%)
of the respondents stating this. Finally, the most frequently cited reason for employing
temporary workers over permanent workers was to avoid budgeting constraints, with 14
(33%) choosing this as their answer.

IX. Conclusions

Based on the results of the surveys created for this study, it may be possible to
draw some general conclusions. First, although roughly one-half of the temporary
employees that stated they chose to work as a temp did not indicate it was their first
choice, it does not appear that people are being forced into accepting temporary work.
This is in contrast to reasons such as people being forced into accepting temporary work, or for fear of not finding a job at all, which has been a primary concern of many critics of the use of temporary workers.

Another conclusion is that since approximately 40 percent of the temporary employees surveyed were trained by the temporary agency that hired him/her, it may be beneficial for people to work through a temporary agency as opposed to being hired directly by an organization. This result is slightly higher than NATSS' results of 29%.

The demographic characteristics of the sample population seem to be relatively congruous with existing information on the composition of the contingent workforce. The sample population is predominantly female, slightly older in terms of chronological age, paid by the hour as opposed to salaried, and in the middle of the educational attainment continuum.

Expectedly, the lack of benefits was the most commonly cited drawback of working as a temporary employee. However, of the temporary workers surveyed, a high number of them seemed to be satisfied with their experience as a temporary worker. Furthermore, the impression is given that a majority of the respondents believe their experience as a temporary worker will provide them with advantages over non-contingent workers.

In regards to the managers surveyed, it appears that there are some more distinguishable conclusions that can be drawn. The first conclusion is that many managers use temporary workers as a screening method for hiring full-time workers, which coincides nicely with the high rate of response by temps that stated their primary
reason for working as a temp was to gain a permanent job. These conclusions may seem somewhat intriguing in contrast to the high rate of managers that cited an increased amount of time spent supervising for temporary workers.

It appears that four-year colleges may want to research the increasing use of temporary workers in regards to how it may influence their enrollments, as is evidenced by the fact that so many managers believe this may result in decreased enrollment. It is also evident that there are many advantages in using temporary workers, because many different answers were given in response to this question. The most common responses were temporary workers are cheaper than permanent workers, more versatile in their uses, and they provide companies with tangible benefits through lower fixed costs.

Based on these general conclusions that have been drawn, it seems to be palatable to declare, generally, that the two hypotheses are supported by the results of the surveys. That is, the surveys support the hypothesis that temporary workers gain advantages over non-temporary workers, and they provide companies with tangible benefits through lower fixed costs.

A. Implications for Companies

There are some implications for companies that currently, or may eventually, use temporary workers. It has already been illustrated how managers and the organizations they work for can help make the use of temporary workers a positive experience. This centers around treating temporary employees as in a positive manner and making them feel as though they are part of the team. In regards to the benefits offered to temporary workers, it seems that increasing this aspect of temporary employment, despite increasing
costs, would genuinely eliminate the biggest complaint of temporary workers and may increase worker quality, productivity, and morale. Also, the use of temporary workers is not without its drawbacks because managers need to increase the amount of time they spend supervising their employees.

In addition, employing temps through the use of temporary agencies stands to greatly increase the satisfaction gained by organizations. This is because the agencies generally offer some training to their employees and may even offer benefits, which will increase an employee’s job satisfaction and motivation. Hence, the quality of the worker should be higher. All of this will stand to increase an organization’s satisfaction with the temporary worker(s) it employs.

B. Implications for Temporary Employees

This study also suggests several implications for temporary employees. First, in order for a temporary to get the most out of his/her experience, it appears to be highly advantageous to work for a temporary agency. There is an increased chance of receiving benefits and free work skills training. Furthermore, there are many advantages to working as a temporary employee, not the least of which includes being able to choose when one works, gaining skills and experience, determining which type of work one is interested in and then using this experience as a means to attaining a full-time job.

It appears that if one is struggling to find a permanent job, that employment as a temporary worker may be the key one needs to unlock that door. If a person does not know exactly what he or she wants to do for employment, temporary employment may be the answer. The possibilities that the increasing use of temporary workers can provide
are endless, and if they are managed correctly, they are to the benefit of temporary employees as much as to the organization, despite what critics may lead one to believe. What may be more promising is that the disparity between benefits offered to temporary as opposed to permanent workers is decreasing. This would help eliminate what is commonly stated to be the biggest disadvantage of temporary work.

C. Limitations of the Surveys

The surveys that were used and the findings they provided have some limitations and weaknesses. The first weakness of these surveys is that the low number of respondents can influence both the manager and temporary employee surveys. In both cases, an unrepresentative number of highly positive or negative responses by managers or temps would overly influence results. This may skew the results in a way that may not accurately reflect reality.

Also, even though the response rate was satisfactory, in both cases around 50 percent, the actual number of responses was relatively low with 32 temporary employee and 43 manager surveys returned. It should be noted that it may not be entirely possible for one to make accurate predictions or assumptions based on this limited number of inputs. The possibility of biases or lack of statistical significance due to a low number of responses is a real possibility.

The sample was constricted to approximately a half-dozen small to medium sized businesses in the Minneapolis-St. Paul metropolitan area, and there was no formal methodology used to derive a random sample. The sample was quite limited geographically; and because there were only several vague demographic questions, it is
not known what the racial composition of the sample was or if the respondents had spouses who may be employed. In order to obtain a truly representative sample and make accurate predictions or assumptions, conditions such as these would have to be taken into consideration because of the potential influence they may have.

Perhaps the largest weakness of the surveys, although it could be defended as a strength also, is the construct validity because hypotheses were not formed before the surveys were designed and distributed. Therefore, the questions may not test the hypotheses strongly enough to give accurate results. In addition, due to this circumstance, the questions were relatively vague as opposed to specific and few in number, and some of the questions did not always pertain to the hypotheses. In order to conduct an accurate study that tests these hypotheses, there would have to be a larger number of, and more specific, questions. As it was stated previously, though, this circumstance could be construed to be a positive because the construct validity did not artificially lead respondents to answer in a certain way or allow them to determine precisely what was being tested. The possibility exists, therefore, that the respondents answered more truthfully and unassumingly. Also in regards to the questions, it was possible for the respondents to choose more than one answer for the multiple choice questions and therefore may not allow for an exact or literal analysis of the results.

There are other limitations beyond those mentioned here, such as the fact that the survey did not include a question with a time element to determine how long the managers had been using temporary workers or how long the employees had worked as temps. However, the items presented here represent the largest limitations with the most
potentially influential implications on the relevance of this study. This may serve as a basis for a more specific study in the future.

D. Areas for Future Research

Originally, this study began as an inquiry to determine what the reasons for the increasing use of temporary workers were and to what extent this use of temporary workers was increasing. Over the course of time, it evolved into what was presented to this point. Due to the constraints of space, time, and practicality, among other things, there were many areas that could not be included in this study. These areas seem to be quite interesting and may serve as areas of future research.

Some of these areas of future research have been briefly mentioned throughout the course of this study. A study of when the use of the temporary workforce became prevalent and whether or not benefits are an appropriate form of compensation for employees, for example, would be informative and beneficial. Also, the weaknesses of the surveys that were used in this study form a strong foundation for many areas of future research, as has already been alluded to. Among these would be studies that would provide survey answers that could be analyzed in terms of correlation coefficients and statistical significance. In addition, these surveys may be conducted with a more random and representative sample, and could have included better and more specific questions to provide more accurate results.

Among the areas for future research that were mentioned throughout the course of this study, the one with the most intriguing possibilities would have to be a study of the impact that the trend of the temporary workforce may have on educational institutions.
Particularly intriguing would be the impact of the temporary work force on enrollment at two-year and four-year colleges.

There are also some areas for future research that were not mentioned throughout the course of this study. One might conduct a study of possible ethical or moral implications of using temporary employees as a “quick fix” to satisfy short-term demand without showing any responsibility towards these people. It may also be discussed as to whether or not this is emblematic of any broad societal trends that exist, such as the tendency to only care about things only as far as they may advance personal interests. Finally, it may be quite interesting and insightful to determine the psychological or mental effects that working as a temporary employee may have on one’s morale, productivity, and satisfaction using Maslow, Herzberg, etc. as a basis.
Appendix A

Directions: Place an X in the blank that applies to you.

1. Did you want to work as a temporary worker?
   _____Yes _____No

2. Were you hired by a temporary agency ________ or directly by the organization you
   work for ______.

3. If you work for a temporary agency, did they train you?
   _____Yes _____No

4. Have you held a permanent, full time position before?
   _____Yes _____No

5. Do you receive a salary _______ or are you paid by the hour _______?

6. If you are paid by the hour, what is the current pay per hour _______?

7. What is your age range:
   _____18-21 _____22-26 _____27-31 _____32-39 _____40-49
   _____50 and over


9. What is your educational background?
   _____High school or GED _____Vocational or Technical school
   _____2 year college degree _____Bachelor’s degree
   _____Master’s degree _____Doctorate degree

10. What is your current job title?

11. Was it your first choice to work as a temporary worker _____ or not _____?
Appendix A

Directions: Circle all answers that apply.

1. What kinds of job skills are utilized in your work?
   A.) Typing and word processing
   B.) Data entry
   C.) Ability to use computer for financial tasks.
   D.) Ability to use computer for bookkeeping tasks.
   E.) Ability to access a computer database.
   F.) Programming
   G.) Accounting
   H.) Other __________________

2. Why did you start working as a temporary worker?
   A.) Unavailability of full-time employment.
   B.) Did not want to have a full-time job.
   C.) Want to find an area interested in working.
   D.) Use as a method of gaining permanent job with an employer.
   E.) Other __________________

3. What do you like most about temporary work?
   A.) Time freedom.
   B.) Experience different work settings.
   C.) Ability to perform different jobs.
   D.) Ability to allow you to determine interests.
   E.) Ability to choose when you work.
   F.) Ability to choose where you work.
   G.) Other __________________

4. What do you like least about temporary work?
   A.) Lack of benefits.
   B.) Low wages.
   C.) Inconsistent work hours.
   D.) Not being able to work permanently at one place.
   E.) Other __________________
Appendix A

5. What, if any, type of benefits do you receive?
A.) Health insurance.
B.) Dental insurance.
C.) Life insurance.
D.) Disability insurance.
E.) Retirement plan.
F.) Profit sharing.
G.) Paid vacation.
H.) Maternity leave.
I.) Other______________________

6. On the following scale, how would you rate your experience as a temporary worker?
   1  Highly satisfied
   2  Somewhat satisfied
   3  Neither satisfied or dissatisfied
   4  Somewhat dissatisfied
   5  Highly dissatisfied

7. How do you feel temporary work benefits you?
A.) Gain work skills.
B.) Can work while attending school.
C.) Can gain hands-on experience.
D.) Can use as a means to attain permanent employment.
E.) Other______________________
Appendix B

Directions: Circle all answers that apply.

1. What are some reasons you use temporary workers?
   A.) Fluctuations in business cycles.
   B.) Decrease fixed costs.
   C.) Screening method for hiring full-time workers.
   D.) Increased flexibility.
   E.) Other______________

2. What do you lose by using temporary workers?
   A.) Decreased morale of temporary workers.
   B.) Lower or insufficient work skills
   C.) Increased amount of time spent supervising temporary workers.
   D.) Other______________

3. How do you think using temporary workers influenced or will influence the business world?
   A.) Fewer full-time positions for more applicants.
   B.) Increase in companies’ financial position through lower fixed costs.
   C.) Lower wages.
   D.) More benefits.
   E.) Other______________

4. How do you think the use of temporary workers will influence educational institutions?
   A.) Increase in demand for college graduates.
   B.) Decrease in demand for college graduates.
   C.) Higher enrollment in four-year colleges.
   D.) Lower enrollment in four-year colleges.

5. How often do you hire permanent workers from temporary agencies? (%)

6. Do you usually use temporary agencies when you use temporary workers?
Appendix B

7. What are advantages of using temporary workers?

8. In which of the following areas are temporary workers cheaper than permanent employees?
   A.) Wages
   B.) Benefits
   C.) Training
   D.) Recruiting & Hiring
   E.) Administrative expenses

9. Which of the following reasons, if any do you choose to employ temporary workers instead of permanent employees? Check all that apply.
   A.) Avoid liability associated with permanent employees.
   B.) Avoid labor protection laws.
   C.) Avoid Unions.
   D.) Avoid firing unneeded workers.
   E.) Avoid commitment to permanent workers.
   F.) Avoid budgeting constraints.
   G.) Avoid perception of wage inequity.
   H.) Avoid having to give rewards of the permanent employees to temporary workers.


Appendix C

Summary of Temporary Employee Survey Questions

Question 1: Did you want to work as a temporary worker?

Twenty-three (72%) indicated they wanted to work as a temporary worker while the remaining 9 (28%) indicated they did not want to work as a temporary.

Question 2: Were you hired by a temporary agency or directly by the organization you work for?

Twenty-three (72%) of temporary employees surveyed were hired by a temporary agency while the remaining 9 (28%) were hired directly by the company they worked for.

Question 3: If you work for a temporary agency, did they train you?

Twelve (38%) of those that were hired by an agency stated they received training while the remaining 20 (62%) did not.

Question 4: Have you held a permanent, full-time position before?

Twenty-six (81%) stated they had held a permanent, full-time position while 8 (19%) have not held one.

Question 5: Do you receive a salary or are you paid by the hour?

Thirty-two (100%) of those surveyed declared they are paid by the hour.

Question 6: If you are paid by the hour, what is the current pay per hour?

The average pay per hour was $10.91/hour with $8.00/hour being the most common wage rate and $8.00 - $18.00/hour being the range.
Appendix C

Question 7: What is your age range?

Forty through forty-nine years of age was the most popular age range, perhaps because it is also the largest, with 12 people (38%) indicating this was their age range. It is followed by 18-21 and 22-26, each with 6 (19%); 27-31 and 32-39, each with 3 (9%); and 50 and over with 2 (6%) is last. See Graph A.

Question 8: Are you male or female?

Of those surveyed, 20 (62%) were female and 12 (38%) were male.

Question 9: What is your educational attainment?

Fourteen of the 32 respondents (44%) stated they had either a vocational or technical school degree, eight of them (25%) had a 2 year college degree, 4 (13%) had a high school diploma or GED, and 2 (6%) had a Bachelor’s degree. None of the respondents had a Master’s or Doctorate degree. See Graph B.

Question 10: What is your current job title?

The answers to this question were vague and therefore no summary was made for this question.

Question 11: Was it your first choice to work as a temporary worker or not?

Twelve (38%) of the people surveyed replied yes, it was their first choice and 20 (62%) replied no, it was not their first choice.
Appendix C

Multiple Choice Questions

Question 1: What kinds of job skills are utilized in your work?

<table>
<thead>
<tr>
<th>Choice</th>
<th># Who Chose Each Answer</th>
<th>% Who Chose Each Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typing and word processing</td>
<td>7</td>
<td>19</td>
</tr>
<tr>
<td>Data entry</td>
<td>8</td>
<td>22</td>
</tr>
<tr>
<td>Ability to use computer for financial tasks</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>Ability to use computer for bookkeeping tasks</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Ability to access a computer database</td>
<td>6</td>
<td>17</td>
</tr>
<tr>
<td>Programming</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Accounting</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>8</td>
</tr>
</tbody>
</table>

*More than a total of 32 responses exists due to the fact that some respondents’ jobs utilized one or more of the possible answers.

Question 2: Why did you start working as a temporary worker?

<table>
<thead>
<tr>
<th>Choice</th>
<th># Who Chose Each Answer</th>
<th>% Who Chose Each Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unavailability of full-time employment</td>
<td>7</td>
<td>21</td>
</tr>
<tr>
<td>Did not want to have a full-time job</td>
<td>4</td>
<td>12</td>
</tr>
<tr>
<td>Want to find an area interested in working</td>
<td>11</td>
<td>33</td>
</tr>
<tr>
<td>Use as a method of gaining permanent job with an employer</td>
<td>11</td>
<td>33</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Appendix C

Question 3: What do you like most about temporary work?

<table>
<thead>
<tr>
<th>Choice</th>
<th># Who Chose Each Answer</th>
<th>% Who Chose Each Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time freedom</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Experience different work settings</td>
<td>8</td>
<td>25</td>
</tr>
<tr>
<td>Ability to perform different jobs</td>
<td>6</td>
<td>19</td>
</tr>
<tr>
<td>Ability to allow you to determine interests</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>Ability to choose when you work</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>Ability to choose where you work</td>
<td>7</td>
<td>22</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>

Question 4: What do you like least about temporary work?

<table>
<thead>
<tr>
<th>Choice</th>
<th># Who Chose Each Answer</th>
<th>% Who Chose Each Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of Benefits</td>
<td>13</td>
<td>40</td>
</tr>
<tr>
<td>Low wages</td>
<td>6</td>
<td>18</td>
</tr>
<tr>
<td>Inconsistent work hours</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Not being able to work permanently at one place</td>
<td>8</td>
<td>24</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>12</td>
</tr>
</tbody>
</table>

Question 5: What, if any, type of benefits do you receive?

<table>
<thead>
<tr>
<th>Choice</th>
<th># Who Chose Each Answer</th>
<th>% Who Chose Each Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health insurance</td>
<td>6</td>
<td>17</td>
</tr>
<tr>
<td>Dental insurance</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Life insurance</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>Disability insurance</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Retirement plan</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>Profit sharing</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Paid vacation</td>
<td>8</td>
<td>22</td>
</tr>
<tr>
<td>Maternity leave</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>6</td>
</tr>
</tbody>
</table>

*More than a total of 32 responses exists due to the fact that some respondents' jobs utilized one or more of the possible answers.*
Appendix C

Question 6: On the following scale, how would you rate your experience as a temporary worker?

<table>
<thead>
<tr>
<th>Choice</th>
<th># Who Chose Each Answer</th>
<th>% Who Chose Each Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Highly satisfied</td>
<td>9</td>
<td>28</td>
</tr>
<tr>
<td>2 Somewhat satisfied</td>
<td>17</td>
<td>53</td>
</tr>
<tr>
<td>3 Neither satisfied or dissatisfied</td>
<td>6</td>
<td>19</td>
</tr>
<tr>
<td>4 Somewhat dissatisfied</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5 Highly dissatisfied</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Question 7: How do you feel temporary work benefits you?

<table>
<thead>
<tr>
<th>Choice</th>
<th># Who Chose Each Answer</th>
<th>% Who Chose Each Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gain work skills</td>
<td>10</td>
<td>31</td>
</tr>
<tr>
<td>Can work while attending school</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>Can gain hands-on experience</td>
<td>8</td>
<td>25</td>
</tr>
<tr>
<td>Can use as a means to attain permanent employment</td>
<td>10</td>
<td>31</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Graph A - Age of Temporary Workers

Age in Years

50 and over  40-49  32-39  27-31  22-26  18-21

Number of Respondents

0  2  4  6  8  10  12
Appendix D

Summary of Manager Survey Questions

**Question 1: What are some reasons you use temporary workers?**

<table>
<thead>
<tr>
<th>Choice</th>
<th># Who Chose Each Answer</th>
<th>% Who Chose Each Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fluctuations in business cycle</td>
<td>12</td>
<td>28</td>
</tr>
<tr>
<td>Decrease fixed costs</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Screening method for hiring full-time workers</td>
<td>16</td>
<td>37</td>
</tr>
<tr>
<td>Increased flexibility</td>
<td>10</td>
<td>23</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>9</td>
</tr>
</tbody>
</table>

**Question 2: What do you lose by using temporary workers?**

<table>
<thead>
<tr>
<th>Choice</th>
<th># Who Chose Each Answer</th>
<th>% Who Chose Each Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decreased morale of temporary workers</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Lower or insufficient work skills</td>
<td>7</td>
<td>16</td>
</tr>
<tr>
<td>Increased amount of time spent supervising temporary workers</td>
<td>22</td>
<td>51</td>
</tr>
<tr>
<td>Other</td>
<td>12</td>
<td>28</td>
</tr>
</tbody>
</table>

**Question 3: How do you think using temporary workers has influenced or will influence the business world**

<table>
<thead>
<tr>
<th>Choice</th>
<th># Who Chose Each Answer</th>
<th>% Who Chose Each Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fewer full-time positions for more applicants</td>
<td>12</td>
<td>27</td>
</tr>
<tr>
<td>Increase in companies' financial position through lower fixed costs</td>
<td>17</td>
<td>39</td>
</tr>
<tr>
<td>Lower wages</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>More benefits</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>20</td>
</tr>
</tbody>
</table>
Appendix D

Question 4: How do you think the use of temporary workers will influence educational institutions?

<table>
<thead>
<tr>
<th>Choice</th>
<th># Who Chose Each Answer</th>
<th>% Who Chose Each Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in demand for college graduates</td>
<td>9</td>
<td>21</td>
</tr>
<tr>
<td>Decrease in demand for college graduates</td>
<td>11</td>
<td>26</td>
</tr>
<tr>
<td>Higher enrollment in four-year colleges</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>Lower enrollment in four-year colleges</td>
<td>13</td>
<td>30</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>12</td>
</tr>
</tbody>
</table>

Question 5: How often do you hire permanent workers from temporary agencies? (%)

<table>
<thead>
<tr>
<th>Choice</th>
<th># Who Chose Each Answer</th>
<th>% Who Chose Each Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>1-10</td>
<td>13</td>
<td>30</td>
</tr>
<tr>
<td>11-20</td>
<td>14</td>
<td>33</td>
</tr>
<tr>
<td>21-30</td>
<td>7</td>
<td>16</td>
</tr>
<tr>
<td>31-40</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>41-50</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>51-60</td>
<td>0</td>
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<td>61-70</td>
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<tr>
<td>71-80</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>81-90</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>91-100</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

*See graph C*
Appendix D

Question 6: Do you usually use temporary agencies when you use temporary workers?

Of the managers surveyed, 88 percent replied yes, 5 percent replied no, and 7 percent replied sometimes. The numerical results are 38, 2, and 3 respectively.

Question 7: What are advantages of using temporary workers?

<table>
<thead>
<tr>
<th>Choice</th>
<th># Who Chose Each Answer</th>
<th>% Who Chose Each Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use as a screening process</td>
<td>9</td>
<td>21</td>
</tr>
<tr>
<td>To see if the company and employee fit</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>Less screening of potential hires</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Temporary agencies do the testing and training</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Flexibility of the workers</td>
<td>9</td>
<td>21</td>
</tr>
<tr>
<td>Easy to dismiss</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Quick fix</td>
<td>9</td>
<td>21</td>
</tr>
<tr>
<td>Do not have to pay benefits</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Lower wage expense</td>
<td>2</td>
<td>5</td>
</tr>
</tbody>
</table>

*See graph D.

Question 8: In which of the following areas are temporary workers cheaper than permanent employees?

<table>
<thead>
<tr>
<th>Choice</th>
<th># Who Chose Each Answer</th>
<th>% Who Chose Each Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>Benefits</td>
<td>13</td>
<td>30</td>
</tr>
<tr>
<td>Training</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>Recruiting and hiring</td>
<td>11</td>
<td>25</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>7</td>
<td>16</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

*More than a total of 43 responses exists due to the fact that some respondents may have selected more than one of the possible answers.
Appendix D

Question 9: Which of the following reasons, if any, do you choose to employ temporary workers instead of permanent employees?

<table>
<thead>
<tr>
<th>Choice</th>
<th># Who Chose Each Answer</th>
<th>% Who Chose Each Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoid liability associated with permanent employees</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Avoid labor protection laws</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Avoid unions</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Avoid firing unneeded workers</td>
<td>12</td>
<td>28</td>
</tr>
<tr>
<td>Avoid commitment to permanent workers</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>Avoid budgeting constraints</td>
<td>14</td>
<td>33</td>
</tr>
<tr>
<td>Avoid perception of wage inequity</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Avoid having to give rewards of the permanent employees to temporary workers</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>7</td>
</tr>
</tbody>
</table>
Graph C - Percent of Time Manager Hires Temps For Full-Time Positions

Number Of Managers

Percentage Range
Graph D - Advantage of Using Temporary Workers

- Use as Screening Process
- To See if the Company and Employee Fit
- Less Screening of Potential Hires
- Temporary Agencies do the Testing and Training
- Flexibility of the Workers
- Easy to dismiss
- Quick Fix
- Do Not Have to Pay Benefits
- Lower Wage Expense

Number of Managers

Advantage
Works Cited


Works Cited


“Where Have All the Workers Gone? Gone to Temp Jobs- Lots of Them.” Managing Office Technology, June 1996.