



The Business of Temporary Staffing: A Developing Research Agenda

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Abstract

This paper offers a critical review of the existing literatures on temporary staffing. It argues that while research on both client firm rationales and the experiences and characteristics of temporary agency workers are relatively well advanced, work that explores the temporary staffing industry and its own strategies and expansionary logics is still in its infancy. This is a significant oversight given the increasingly widespread influence of this particular form of labour market intermediary. Grounded in recent work in economic geography, the paper maps a future research agenda.

Introduction

Since the 1970s, temporary staffing has expanded rapidly to become a significant feature of many national labour markets. For millions of workers worldwide – in North America, Europe, Australia, Japan and beyond – temporary agency work now represents the daily employment norm. As it has expanded, the temporary staffing industry has transformed the structure of employment relations at the local, national and increasingly, international scales. Over the past few decades, the provision of temporary staff by agencies has metamorphosed from simply meeting the *ad hoc* needs of employers for small numbers of often seasonal employees, to a form of working that has become ‘integral to business strategy’ (Nollen 1996: 567) across a wide range of client sectors, both public and private.

Several different forms of data can be mobilized to capture the growing significance of temporary staffing. First, we can profile the size and composition of the global temporary staffing *industry*, which has grown steadily since the mid-1990s – doubling in size over the period 1994–1999 and again in the years 1999–2006 – reaching a level of US\$341bn in 2007 (see Figure 1). In 2007, the global industry was dominated by six national markets which accounted for 80% of total revenues: the US (28%), the UK (16%), Japan (14%), France (9%), Germany (6%) and the Netherlands (5%) (CIETT 2009). A second way to chart growth is to profile the *number of workers* placed by temporary staffing agencies. Table 1 depicts the rise in temporary staffing workers across a range of economies that together account for over 98% of the global total, which more than doubled from around 4.5 million in 1997 to 9.5 million in 2007. By far the biggest growth was in Japan, which saw the addition of 990,000 temporary workers (Coe et al. forthcoming), but there was also strong growth in the UK (+603,000), the US (+520,000), Germany (+434,000) and France (+279,000). Thirdly, the rising *penetration rates* of agency work (i.e. as a proportion of total workers) across the leading markets offer a further window on the growing *relative* significance of agency working (see Table 2). The UK, at 4.8%, exhibited by far the highest rate in 2007, but the other relatively mature markets of Belgium, France, Luxembourg, the Netherlands, Japan and the US all had rates of 2.0%

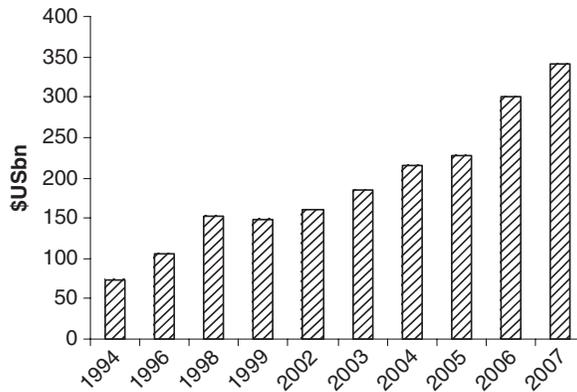


Fig. 1. Private employment agency global market size, 1994–2007. *Source:* Adapted from CIETT (2009).

Table 1. Numbers of agency workers, selected countries, 1997–2007 (in daily full-time equivalents, thousands).

	1997	Growth 1997–2002	2002	Growth 2002–2007	2007	Growth 1997–2007
Europe						
Austria	18	72%	31	90%	59	227%
Belgium	51	29%	66	44%	95	86%
France	359	59%	570	12%	638	77%
Germany	180	48%	267	130%	614	241%
Hungary	ns	–	30	83%	55	–
Italy	nlr	–	82	168%	220	–
Netherlands	163	4%	169	38%	233	43%
Poland	ns	–	ns	–	60	–
Spain	90	37%	123	30%	160	78%
Sweden	14	164%	37	59%	59	321%
Switzerland	24	54%	37	89%	70	192%
UK	775	34%	1036	33%	1378	78%
Rest of world						
Argentina	ns	–	nd	–	96	–
Brazil	nd	–	nd	–	859	–
Japan	340	104%	693	91%	1330	291%
Mexico	nd	–	nd	–	105	–
South Africa	ns	–	ns	–	300	–
South Korea	ns	–	ns	–	75	–
USA	2440	–11%	2160	37%	2960	21%
World Total	4513	20%	5407	76%	9525	111%

Source: Adapted from CIETT, 2009, p. 21; European countries with over 50,000 agency workers in 2007 included here; ns: not significant; nlr: not legally recognized; nd: no data.

or above. While these are relatively small percentages, the qualitative impact of the industry's growth extends beyond the numbers placed on a daily basis and is manifest in the changing norms and expectations in a growing proportion of the labour market.

The rise of temporary staffing needs to be seen in the context of a widespread expansion of flexible labour markets and growth in 'non-standard' forms of work. The job

Table 2. Agency work penetration rates, 1997–2007 (full-time equivalents % of total active working population)

	1997	2002	2007	Change in % points, 1997–2007
Europe				
Austria	0.5	0.8	1.5	+1.0
Belgium	1.3	1.6	2.2	+0.8
Denmark	0.2	0.4	0.8	+0.6
Finland	0.4	0.5	1.1	+0.7
France	1.6	2.4	2.5	+0.9
Germany	0.5	0.7	1.6	+1.1
Hungary	ns	0.8	1.4	–
Ireland	0.3	1.4	1.7	+1.4
Italy	nlr	0.4	1.0	–
Luxembourg	1.2	2.2	2.4	+1.2
Netherlands	2.3	2.1	2.8	+0.5
Norway	0.4	0.5	1.0	+0.6
Poland	ns	ns	0.4	–
Spain	0.7	0.7	0.8	+0.1
Sweden	0.4	0.9	1.3	+0.9
Switzerland	0.6	0.9	1.7	+1.1
UK	2.9	3.8	4.8	+1.9
Rest of world				
Argentina	nd	nd	0.9	–
Brazil	nd	nd	0.9	–
Japan	0.5	1.3	2.8	+2.3
Mexico	nd	nd	0.2	–
South Africa	nd	nd	2.3	–
South Korea	nd	nd	0.3	–
USA	1.5*	1.6†	2.0	+0.5

Source: Adapted and augmented from CIETT, 2009, pp. 22, 23.

ns: not significant; nlr: not legally recognized; nd: no data.

*1999 data.

†2001 data.

characteristics associated with standard employment contracts – permanent, full time, with employee benefits – have, for many workers, given way to individualized, often insecure, non-standard forms of paid employment. The types of work collectively categorized as non-standard are diverse and ill-defined, covering a multitude of forms of employment, such as part-time work, contract work, outsourcing, fixed-term contracts, home-working, consultancy, self-employment and others. Temporary agency work, however, is clearly defined by the nature of the triangular relationship between the agency, the temporary employee and the client firm; while the employment relation exists between the employee and the staffing agency, the work relation is determined by the client firm (Gonos 1997). Despite the use of the word ‘temporary’, many agency employees are in effect ‘perma-temps’, workers on successive placements (Lewis and Molloy 1991; Smith and Neuwirth 2008). Temporary staffing agencies, in turn, are a particular form of labour market intermediary that meet the needs of client companies for non-permanent workers. In essence, agencies ‘sell’ the labour of their workers to client firms, gaining profit in the process not through investment in capital or the means of production, but from extracting a portion of the workers’ wages (Parker 1994; Vosko 2000).

In this paper we consider temporary staffing both as a way of working and as a capitalist industry. With respect to the existing literatures in sociology, management studies and beyond, we argue that while much attention has been paid to the rationales and interactions of client firms and agency workers, far less work has profiled staffing agencies as active players in the growth and formation of geographically-specific staffing markets. Moreover, the national regulatory contexts in which the triangular relationship differentially evolves have only started to be explored. Accordingly, we map out a research agenda grounded in recent work in economic geography that identifies four important lines of ongoing and future investigation. The paper is structured in three main sections. In the following section we review work that has focused on the demand imperatives underpinning the growth in temporary staffing. Next, we profile work that has explored the supply side from workers' perspectives and the ways in which agency staff are regulated through employer strategies in the workplace and beyond. Finally, we outline a geographically-attuned research agenda that takes both the 'agency of agencies' and the regulatory context seriously.

The Client Firm Perspective: Managing Costs and Externalising Risk

The first body of scholarly work into temporary staffing seeks to understand why, and to what ends, client firms use the services of temporary staffing agencies. Underpinning this research is an assumption that both client firms and workers behave to a large degree in an economically rational manner and possess something approaching perfect information. While this is a quite diverse literature, it is nevertheless possible to group its main contributions around four strands. The first argues that the use of temporary agency workers is an example of a 'just-in-time' strategy designed to deliver numerical flexibility (Kalleberg 2000). With reference to the transaction costs approach of Williamson (1975), perhaps best embodied in the model of the 'flexible firm' (Atkinson and Meager 1986), client firms are said to divide their workforces into a core and a periphery (see Figure 2). 'Core' workers are drawn from the internal labour market (i.e. from within the firm) while the 'periphery' workers are drawn from outside the firm. This literature argues that firms make decisions about which jobs to outsource and which to retain on the basis of complexity, the nature of the skills required and the level of firm knowledge needed for the job or task (Mangum et al. 1985; Purcell et al. 2004).

Outsourced tasks and jobs are those which firms deem to require few skills, which are routine, or which need little or no firm-specific knowledge (Purcell et al. 2004; Segal and Sullivan 1997). In other words, according to this model, firms develop core, internal labour markets in order to reduce the turnover of skilled and trained staff, while the addition of temporary agency workers to their workforces enables firms to make rapid, quantitative adjustments to their staffing levels when the external economic environment renders it necessary (Bronstein 1991). Thus, in periods of rapid growth or contraction – such as during the current recession – firms have in place a 'buffer' zone of temporary agency workers (Coe et al. 2009a). This allows them, at least in the short term, to avoid the costs of sacking permanent, core members of the workforce (Befort 2003; Dale and Bamford 1988; Laird and Williams 1996; Mangum et al. 1985; Nollen 1996; Segal and Sullivan 1997).

A second reason for the use of temporary staffing agencies by client firms highlighted in this literature is the reduction of ongoing labour costs. Empirical evidence suggests that, on average, temporary agency workers are paid less than permanent members of staff although this differs considerably between the top and bottom ends of the labour market

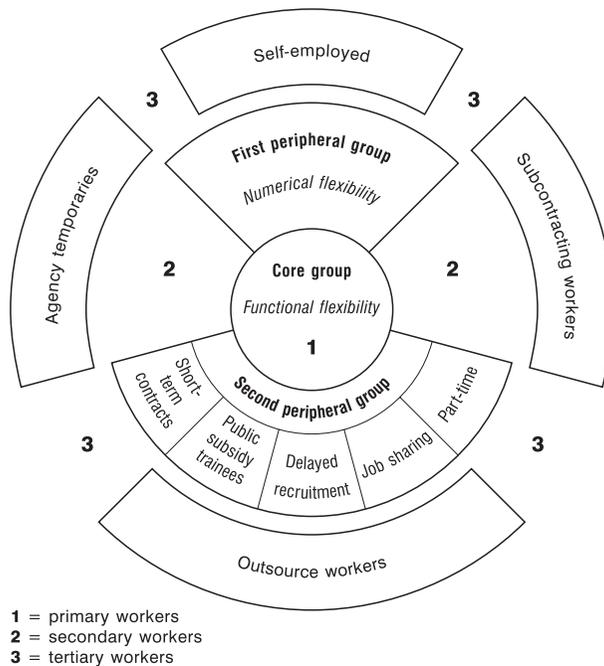


Fig. 2. The flexible firm. *Source:* Adapted from Peck (1996: Fig. 3.1).

(Nollen 1996; Pedersen et al. 2007). However, once the temporary staffing agency has charged its 'mark up' fee – which is usually a percentage of the hourly wage agreed for the worker – this method of staffing the firm often does not actually result in a cheaper wage bill for the client firm (Forde 2001; Kalleberg 2000; Segal and Sullivan 1997). Where client firms are able to make more significant cost savings through hiring temporary agency workers is by reducing their liability to holiday pay, maternity cover and sick pay entitlements, which can lead to not inconsiderable savings, although the precise level of savings will differ between countries and welfare regimes. In a number of countries, for example, temporary staffing agencies are now liable for these payments, changing the logic behind their use by client firms.

The third reason this literature offers for client firms' use of temporary agency workers is the apparent drive to reduce the fixed costs of labour hiring and recruitment. Outsourcing certain functions such as advertising and interviewing, it is argued, allows the client firm to rid itself of one of its non-core competencies. It can then focus on what it does best. Moreover, hiring temporary agency workers can be a relatively low cost method for 'screening' for potential permanent employees and monitoring their on-the-job performance (Autor 2001; Booth et al. 2002; Forde 2001; Forde and Slater 2005; Gray 2002; Hall 2006; Houseman et al. 2003; Lenz 1996; Peck and Theodore 1998; Segal and Sullivan 1997; Ward et al. 2001). Recruiting permanent staff from a pool of temporary agency workers enables businesses to 'try them out for size'. This may be particularly attractive to firms in relatively 'tight' labour markets in which qualified workers are in short supply. Avoiding having to raise entry level wages to attract applicants to permanent jobs through screening in this way enables firms to employ 'riskier' workers on extended probation periods or to secure additional time for searching for permanent employees (Houseman et al. 2003; Mitlacher 2007).

Fourth and finally, this literature highlights how client firms use temporary staffing agencies to externalize the risks associated with directly employing workers on a permanent basis (Connell and Burgess 2002; Houseman et al. 2003; Kalleberg 2000; Purcell et al. 2004; Van Breugel 2005). In short, client firms can avoid the responsibilities and risks bound up with the mainstream employment relationship. Firms, in effect, are able to transfer the legal responsibilities of being an 'employer' to the temporary staffing agency. This allows them to divest themselves of responsibility for the administrative and managerial inconveniences of recruitment and selection processes, of payroll administration, of the management of employee benefits and of the performance management of workers (Hall 2006; Nollen 1996). In some countries, firms are also able to avoid compliance with standard employment regulations, occupational health and safety regulations and 'unfair dismissal' legislation (Autor 2000; Befort 2003; Gray 2002; Hall 2006; Mangum et al. 1985; Segal and Sullivan 1997). Hence, firms are able to staff their organisations without the social, legal and contractual responsibilities inherent in the standard employment relationship (Forde and Slater 2006; Ward et al. 2001).

Overall, this body of work has revealed the multi-faceted yet inter-linked imperatives that may encourage client firms to use temporary agency workers. As such, however, it only presents a very partial perspective on the triangular relationship. We now move on to consider research that focuses on the workers themselves.

The Worker Perspective: Choice, Control and the 'Sense of Self' of Temps

The second literature on temporary staffing is that which seeks to understand the phenomenon from the perspective of the workers being placed through temporary staffing agencies. These more sociological studies position the temporary agency worker firmly at the centre of the analysis: there are three discernible yet interconnected strands to this body of work. First, research has attempted to uncover why some workers 'choose' to be placed through a temporary staffing agency under certain conditions. Of course generalizing about this group as if they were a homogenous workforce is deeply problematic; they are internally differentiated along a number of social coordinates such as age, gender, skill level and experience (Vosko 2000). Despite these differences it is still possible to discern two particular approaches – human capital and labour market segmentation – to the question of why workers choose to be placed through a temporary staffing agency. The human capital school of thought argues that the over-representation of particular groups within the ranks of those placed through temporary staffing agencies is the outcome of a series of rational economic decisions. Temporary staffing agency workers have either selected temporary agency work from a range of job options or, though the 'sorting of skills' in the labour market, are appropriately matched to temporary agency jobs (Lenz 1996). Workers with a 'marginal' commitment to the labour market – generally defined in this literature as married women with children, young people, and older people – select temporary agency work over other employment options, motivated by a need or desire for the 'flexibility' accorded by this form of work (Druker and Stanworth 2004). This, it is argued, may stem from a commitment to family or student life or because of the need for a supplementary family income (Bergstrom and Storrie 2003; Druker and Stanworth 2004; Lenz 1996; Lewis and Molloy 1991; Neugart and Storrie 2005). Furthermore, it is claimed, agency workers select this type of work as a route into permanent employment through gaining experience and/or 'getting to know' an employer before making a commitment to a permanent job. As Van Breugel (2005: 541) rather optimistically puts it, for 'individual employees, temporary work services enhance

employment opportunities by providing them with initial work experience, job leads or by improving their employability.'

The labour market segmentation school of thought argues the exact opposite, namely that workers make a highly constrained 'choice' to work for an agency: the preference of many workers placed through temporary staffing agencies would be permanent employment (Connell and Burgess 2002; Kalleberg 2000; Pedersen et al. 2007; Purcell et al. 2004; Storrie 2002). This is especially the case at the lower end of the labour market, which is where the majority of the workers placed through temporary staffing agencies continue to be found. For most temporary agency workers being placed through an agency is not a rational preference. Rather, social and spatial divisions and inequalities within external labour markets are argued to be the primary reasons why particular groups – particularly women (Vosko 2000) – are drawn into (low end) temporary agency labour markets (Henson 1996; Parker 1994). While on the one hand these workers may lack access to high quality job-search networks or do not possess the required educational qualifications to secure permanent employment, on the other, more and more points of entry into firms are through a temporary staffing agency. As a consequence, young people, lone parents, minorities and women may have little choice but to take up low-paid agency, entry level jobs, particularly into the service sector (Forde and Slater 2005; Purcell et al. 2004; Stanworth and Druker 2006). In many cases, these jobs will not necessarily lead to either permanent employment or upward mobility, even in the medium term (Anderson and Wadensjö 2004; Booth et al. 2002; Dale and Bamford 1988; Gray 2002; Korpi and Levin 2001).

A second strand of research has sought to theorise the mechanisms of control through which those placed through a temporary staffing agency experience their jobs. Much of this work draws on sociological approaches to work, power, and class inequality which rest in turn on the theoretical premise that work and the division of labour are key determinants of power and inequality (Smith 1998). Traditional conceptualizations of labour control within the workplace assume that workers and management reside within a single physical worksite. In contrast, temporary agency work challenges that assumption and necessitates a re-theorizing of the regulation and control of labour within the capitalist production process (Gottfried 1992; Smith 1998). Temporary agency work occupies an institutional space that spans multiple locations where workers are placed and for 'these workers, management of production and management of labor reside in separate organisational domains' (Gottfried 1992: 443). In this context, agencies and their client firms use a variety of strategies at the worksite and beyond to exert control over temporary workers through a distinctive mode of labour regulation, as demonstrated in a range of empirical studies (e.g. Deguili and Kollmeyer 2007; Smith 1998; Vosko 2000). According to Gottfried (1991, 1992), the temporary staffing industry operates a dual system of management of workers – a 'flexible frontier of control'. Firstly, there is a decentralized level, whereby the temporary staffing agency indirectly controls workers, dispersing control to individual client firms. Secondly, there is a bureaucratic level, whereby the temporary staffing agency 'rationalises jobs in the organisations hierarchy by delimiting a set of tasks, competencies, and responsibilities' (Gottfried 1991: 704). According to this argument, workers are subject to the 'dual control' of overlapping sanctions of the agency and firm (Gottfried 1991; Smith 1998). As Krasas Rogers (2000: 156–157) notes, 'both the agency's rules and procedures as well as the client's are enforced over the temporary worker ... being a temporary worker is like having two bosses to satisfy.'

More generally, this literature argues that temporary staffing agencies are in a position to control and sanction workers in a series of ways. For example, where a temporary

agency worker refuses to be placed in a particular firm for whatever reason that worker may be disciplined, either through being subject to a period of no placements or, most powerfully, through the threat of dismissal (Gottfried 1992; Ward et al. 2001). As Deguili and Kollmeyer (2007: 510) put it, '[b]y intensifying the already precarious nature of temporary employment, the ability to fire temporary workers on a whim, leaves them nearly bereft of structural power in the workplace'. What these studies have in common is a concern to expose the 'ideological' control that temporary staffing agencies hold over the workers they place. This includes the maintenance and promotion of the 'myth' of the permanent job for temporary agency workers. The 'stepping stone thesis' captures the belief that strong work performance may lead to a permanent job and thereby acts as a tool for disciplining and regulating workers (Deguili and Kollmeyer 2007; Smith 1998). However, uncertainty and risk is intrinsic to temporary agency work in that workers have no control over which placements they accept, the notification of placements may arrive at short notice and in many cases there is a lack of stability in placements (Allen and Henry 1997; Gottfried 1992). It also extends to the location of workrooms and restrooms, the scheduling of breaks and the geography of the worksite (Parker 1994). Overall, this second sociological theme attempts to uncover the significant power asymmetries experienced by the worker and the lack of control they feel over many aspects of the placement.

The third and final issue that this research has explored is the ways in which being 'just a temp' (Henson 1996) is manifested in the workers' sense of self and collective belonging (Garsten 1999; Gottfried 1991; Smith 1998). On the one hand, temporary agency workers are argued to be cast by both the agencies and the client firms as 'flexible commodities' (Henson 1996: 1). Often moving from one workplace to another – as 'workplace vagabonds' in the words of Garsten (2008) – those placed through temporary staffing agencies struggle to identify themselves through what they do and where they do it. In many cases temporary agency workers are known simply as 'the temp' on the site at which they are placed; theirs is a stigmatized existence (Parker 1994). Krasas Rogers (2000: 111) described the temporary agency workers she interviewed as sharing a sense of being a 'non person'. On the other hand, as a result of the spatial and temporal dislocation inherent in being placed through a temporary staffing agency, workers are less able to collectively mobilise in traditional ways such as through joining a trade union (if one even exists, which is often not the case in heavily temped workplaces) (Allen and Henry 1997; Deguili and Kollmeyer 2007; Gottfried 1992). The disorganization of the temporary agency workforce means it tends to be highly fragmented, with very little sense of group solidarity and where interests are more likely to coincide with the interests of managers than with each other (Smith 1998).

Overall, these largely sociological accounts focus attention on the aims, aspirations and experiences of temporary agency workers, thereby adding valuable insights to the client firm perspective in addition to offering a more critical edge to the analysis. In mapping out our research agenda in the next section, however, we choose to highlight the relatively less studied and understood player in the triangular relationship – the agencies themselves.

Temporary Staffing – Towards a New Round of Research?

So far this article has reviewed the existing work on temporary staffing which tackles two significant issues: first, why client firms use temporary agency workers and second, why and with what consequences, temporary agency workers find employment through a

temporary staffing agency. While this work has produced a series of important insights, this final section of the paper places the third actor in the triangular relationship – the temporary staffing agencies – centre stage. This section is organized into four areas: in some cases there is already an important body of work developing (e.g. the agency of agencies) while in others, research is in its infancy (e.g. the role of temporary staffing agencies in the facilitating of migration).

THE AGENCY OF AGENCIES

The first challenge is to take more seriously the role of temporary staffing agencies as part of a wider intellectual project to fully theorize the role of labour market intermediaries (*cf.* Benner 2002). While there has been some recognition that temporary staffing agencies are themselves capitalist profit-making businesses, they are often rendered invisible in many academic accounts. Where they do figure, it is usually as neutral intermediaries that simply match the supply of labour with demand from employers, in the process contributing to the efficient functioning of labour markets (Mangum et al. 1985). There is little attempt to understand the complex and variegated ways in which temporary staffing agencies, as institutional actors in labour markets, might ‘make a difference’. More specifically, we believe that there are a number of ways in which to take forward this ‘agency of agencies’ approach. First, there is a need to fully acknowledge the variety of activities temporary staffing agencies perform as active labour market intermediaries (Peck and Theodore 2002). This means understanding that agencies are purveyors of particular forms of labour market flexibility: in actively mediating between supply and demand, agencies play a role in the construction and making of markets. Put simply, by their very existence, agencies begin to reshape the norms and expectations of both firms and workers. Second, there is the need to examine the corporate strategies of agencies. In particular, recent years have seen the largest temporary staffing agencies pursuing joint strategies of internationalization and diversification (Coe et al. 2007; Peck et al. 2005; Ward 2004). This has meant agencies entering new geographical markets, transforming labour relations along the way. In these new markets domestic agencies have emerged, as temporary staffing has become a generally more acceptable way of gaining a job in an increasing number of nations. Diversification has meant that more and more sections of the economy have had their ‘traditional’ employment relationship norms challenged as the industry has crafted a range of ‘flexibility packages’ across a range of clerical, technical and blue-collar occupations (Peck and Theodore 2002). Third, and finally, agencies and those that represent them have entered the political sphere as they have sought to restructure both the regulation of their industry and of the mainstream employment relationship. In some cases – such as in the US and the UK – the trade associations have sought to reposition themselves, from organizations focusing solely on representing their members’ needs to ones claiming to be ‘independent’ labour market commentators. Nowhere is this clearer than in Europe, where the International Confederation of Temporary Work Businesses (CIETT) – the international trade body – has matured into a formidable campaigning organization. It has attempted to ‘mainstream’ the industry and the services it provides through negotiations with a host of other stakeholders in debates over the future of the EU labour market.

NATIONAL VARIETIES OF TEMPORARY STAFFING

A second issue for further future research is the relationship between temporary staffing and wider modes of labour market governance. Previous attempts to distinguish between

temporary staffing markets have tended to classify them in terms of different modes of regulation. An important dimension of this regulation is clearly the degree to which the industry itself is subject to direct government intervention. For example, in a comparative international study of the regulation of temporary staffing agencies, Walwei (1996) identified a group of 'liberal' countries – including Australia, Denmark, New Zealand and the US – in which temporary staffing agencies neither required a license nor were subject to particular government regulation. Such countries can be contrasted to other contexts where the activities of staffing agencies are far more tightly policed, e.g. Belgium, Italy and France. While these broad comparisons are a useful starting point, it is our contention that they underestimate the complexity of the wider institutional context in which temporary staffing agencies operate. Importantly, in addition to direct government regulation, temporary staffing markets are also heavily shaped by the wider labour market regimes in which they are embedded, and, in particular, the ways in which mainstream employment relations are coordinated and regulated. Broadly speaking, it is possible to assess the extent to which such relations are shaped collectively by state, corporate and labour organizations or are individualized and left open to market forces. The nature of welfare provision (Esping-Andersen 1999) also exerts an influence on the nature of temporary staffing markets both in terms of the safety nets provided for under/unemployed workers and direct state involvement in job placement activity. These different regulatory elements come together in nationally-distinctive ways that are far more fine-grained than many attempts to identify varieties of capitalism recognise (Hall and Soskice 2001). In the UK context, for example, McCann (2008) profiles how labour flexibility and temporary staffing are intrinsic to New Labour's drives to develop a knowledge economy.

Research is needed, then, which recognizes the *institutional place* of temporary staffing agencies within these broader employment systems. While the role played by individual agencies differs – reflecting the heterogeneous nature of corporate strategies and structures (Coe et al. 2007) – the central point is that their labour market presence has system-wide consequences. This 'market-making' role of staffing agencies has hitherto received little attention in the literature. To be clear, however, we are not arguing that agencies are the dominant institutional presence in all temporary staffing markets – their relative importance will vary from context to context. While in some territories agencies will be driving market development and regulation will be largely responsive to growth (e.g. central and eastern Europe; see Coe et al. 2008) in others they may be tightly constrained by regulation and the ways and degree to which deregulation is occurring (e.g. Japan; see Coe et al. forthcoming).

THE GLOBALIZATION OF THE TEMPORARY STAFFING INDUSTRY

Globalization processes in the temporary staffing industry are the third area for future research that this paper identifies. While in the early 1970s the industry was only really visible in the US and the European markets of the UK, France and the Netherlands, it now appears that the industry is globalizing. Firms such as Adecco and Manpower are present in over 50 countries around the world. This raises a series of questions for future research into the industry, including: (i) why are temporary staffing agencies globalising? (ii) how are the agencies globalizing? (iii) where are the agencies globalizing? (iv) what affects the timing of the globalization of the temporary staffing industry?

In terms of global expansion, initial research suggests that it is being driven by a search for enhanced economies of scale in terms of the agencies' central business – placing low-paid workers – as a means of allowing agencies to mitigate the risks of cyclical slumps in

certain markets, to better meet the needs of transnational clients and to assume the reputation and lobbying influence of 'global' corporations (Peck et al. 2005; Ward 2004). In terms of the ways in which agencies are globalizing, the temporary staffing industry appears to share important commonalities with other business service sectors, with expansion being led by a handful of Western European and American companies and proceeding through a complex mixture of acquisitions and 'green-field' foreign direct investments (Coe et al. 2007).

In general terms the *geography* of expansion appears to reaffirm how service sector internationalization is enacted through networks of offices across leading world cities in developed countries, with increasing connections to a range of cities in newer national markets. More specifically, however, this industry appears to differ from other apparently similar industries such as advertising, banking, insurance and law in the extent to which the nature of labour market regulation shapes the scope for temporary staffing agencies to enter and expand into a country. There also appears to be a significant *intra-national* geography to the activities of transnational temporary staffing agencies. Temporary staffing remains a stubbornly local industry, with staffing TNCs [transnational corporations] requiring coverage of the significant employment centres in countries which they enter. In terms of the *timing* of the globalization of the industry, early work appears to suggest that it has occurred somewhat later than in other business service sectors. The temporary staffing industry plays a strategically important role in delivering labour market flexibility to an increasing range of sectors across the economy as a whole and hence the sector's geographical expansion has been affected by the extent to which processes of neoliberal labour market deregulation have been pursued at both the national and macro-regional scales.

What the limited work into the globalization of the industry has revealed is an industry that is highly *territorially embedded* (Coe et al. 2009b). The activities of temporary staffing agencies appear to be heavily shaped by the labour market contexts in which they invest when they globalize.

TEMPORARY STAFFING AGENCIES AND MIGRATION

A fourth issue for future research is the role played by temporary staffing agencies in mediating the movement of workers within and across countries. Despite the largest agencies possessing networks with impressive geographical reach, there has been little work to date that has sought to examine the interface between temporary staffing agencies and international migration. There is, however, already a small literature that seeks to uncover the importance of labour market intermediaries in aiding migrant workers in finding both a job and a house in countries into which they have already migrated (Findlay and Li 1998). While some of this work has explored the migrant workers in the booming oil economy of Saudi Arabia (Eelens and Speckmann 1990; Jones and Pardthaisong 1999), a more recent subset of this work has examined the role of temporary staffing agencies in placing Eastern and Central European migrant workers into jobs in the UK (McDowell et al. 2007, 2008). This latter research has focused on the role of agencies once the worker has arrived into the UK and decided to register for employment. These studies, however, stop short of exploring the varied roles of temporary staffing agencies in the movement of workers into jobs *across* national borders. The most notable exception is Salt and Stein's (1997: 448) attempt to develop a model of migration as a responsive and adaptable business, to be thought of as 'a system of institutionalised networks with complex profit and loss accounts, including a set of institutions, agents and individuals, each of which stands to make a commercial gain.' In this account, the international migration process is divided into three main stages in which the intermediary plays a role – mobilization (sales,

transport provision, provision of forged documentation and enforcement), facilitation (transportation and bribery of immigration officials) and the arrangement of accommodation and employment in the receiving country. It is our contention that future work into the inter-relationship between migration and temporary staffing agencies might usefully consider answering questions such as: which temporary staffing agencies are leading on the movement of workers from one country to another and what are the characteristics of these agencies? What range of roles and services are performed by temporary staffing agencies in facilitating the migration of workers from one country to another? What activities are undertaken by temporary staffing agencies – accommodation, training, education about worker rights, job placement, etc. – and do they vary from one sector to another?

Conclusion

The last 20 years have seen a burgeoning of work on temporary staffing. Much of it has focused on temporary staffing as an atypical employment form. From the perspective of the worker placed through a temporary staffing agency, the focus has been on micro-management at the workplace and the construction of particular forms of subjectivity. Another strand of research has explored why client firms use the services of temporary staffing agencies and what the consequences might be for the different elements of the workforce. Emanating largely out of business and management schools, this work has revealed that labour cost reduction, broadly conceived, is the underlying driver of agency use, despite the substantial mark-up client firms pay to temporary staffing agencies. It has also revealed the wide range of other reasons offered by client managers for their hiring of workers through temporary staffing agencies, including keeping headcounts down and ‘screening’ workers before hiring them permanently. Evidence also suggests that the circumventing of laws and regulation attached to the mainstream employment relationship can be an important motivation for client firms. While these literatures continue to generate a series of interesting insights into the world of temporary staffing, this paper has argued for a new round of research. It has outlined four areas where future work might fruitfully be developed in the coming years – namely the institutional role of agencies, the development of national varieties of staffing markets, the globalization of the industry, and the intersections between agencies and migration processes – as social scientists, including human geographers, start to take seriously the role of all the parties involved in the triangular employment relationship.

Note

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