

## Q&A on role of Agency Work (AW) in the labour market

### *Why do companies use Agency Work (AW) and how does it benefit them?*

AW is a form of employment based on a triangular relationship involving the worker, the user company and the agency. The agency employs the worker and makes him available to the user company. The worker executes the assignment within the company, which is responsible for the supervision of the worker.

Companies usually look to AW for flexibility and the ability to respond to economic change by enabling quick workforce adjustments and a fast response to changing demands. AW provides employers with a large pool of skilled workers so that they have access to different skills sets as well as replacement support when employees are off on leave. The HR related services, such as administrative management, interim management, outplacement and training, provided by the industry allow companies to focus on their core business.

### *What role does AW have to play in the labour market?*

The AW industry acts as a transition broker in this area. It increases labour market participation, by helping workers to enter and remain in the labour market – it provides more work opportunities for more people and facilitates the transition from unemployment to work and from temporary assignments to permanent contracts. It also engages proactively with worker's representatives and works to balance the need for labour flexibility with the protection of workers' rights.

### *What are the benefits of AW for the people it employs?*

AW provides work to job-seekers, acting as a stepping-stone to permanent employment both for the unemployed and those on temporary contracts. It keeps workers in touch with the job market and provides relevant vocational training, outplacement, skills updating etc which ensures that workers maintain their employability. AW broadens the amount and range of work opportunities available to people while promoting social inclusion by supporting the entry of disadvantaged people into the workforce. Agency workers have access to more work security compared to other forms of flexible labour and have greater chances of preserving their employment. AW also enables people to strike a work/life balance to suit their needs and those of their families.

### *Given the current economic climate, what is the AW industry's contribution to economic competitiveness?*

The industry contributes to economic competitiveness in a number of ways. It continues to create jobs that would not have existed otherwise and it brings more people into the economic cycle, which increases labour market participation and diversity and helps to reduce unemployment and undeclared work. This ultimately results in increased public income. It also helps match supply and demand in the labour market by anticipating and meeting employer's needs and skills and facilitating transitions and transformations in the labour market around the world.



The work undertaken by Ciett and its members supports work mobility, both occupationally and geographically, by promoting a demand-driven approach to work migration policies and by providing a proper regulatory framework for the organization of work mobility. It also contributes to job creation and economic growth by working alongside national authorities to create a workable framework for flexible employment, which is the most secure form of flexible work.

***It has been said in the past that AW substitutes permanent jobs. Is this an accurate observation?***

It is not correct to say that AW is a substitute for permanent employment. Rather than undermining permanent jobs, AW contributes to the creation of new ones that would not have existed otherwise. The Bain Report commissioned by Ciett in 2007 found that, between 2003 and 2006, the Private Employment Agency industry created 669,000 jobs in Europe - accounting for 7.5% of total job creation. Of these, 80%, 535,000, would not have been created had AW not been available. It also provides employers with support when permanent employees are sick or on leave, which helps ensure the security of permanent positions in what has become a demanding, fast-paced economy.

Another misconception about the industry is that it places workers in precarious situations and leads to a poverty trap. On the contrary, Agency Work helps people out of the poverty trap and supports them in staying out by providing a stepping stone to the labour market, with most agency workers being unemployed or students. Within one year of their assignment, a large number of them obtain a permanent contract or a fixed-term contract. AW also helps to keep people in the workforce by facilitating transitions between different jobs.

***There have been questions regarding the protection of temporary workers rights and industry practices. What is the industry doing to address these issues?***

Ciett represents a well regulated and socially responsible industry. Through Ciett the industry maintains regular contact with key stakeholders, including trade federations, trade unions, think tanks, research institutions and governments, to discuss appropriate legislation for the industry. Ciett also promotes quality standards within the staffing industry and its members must abide by a code of conduct.

