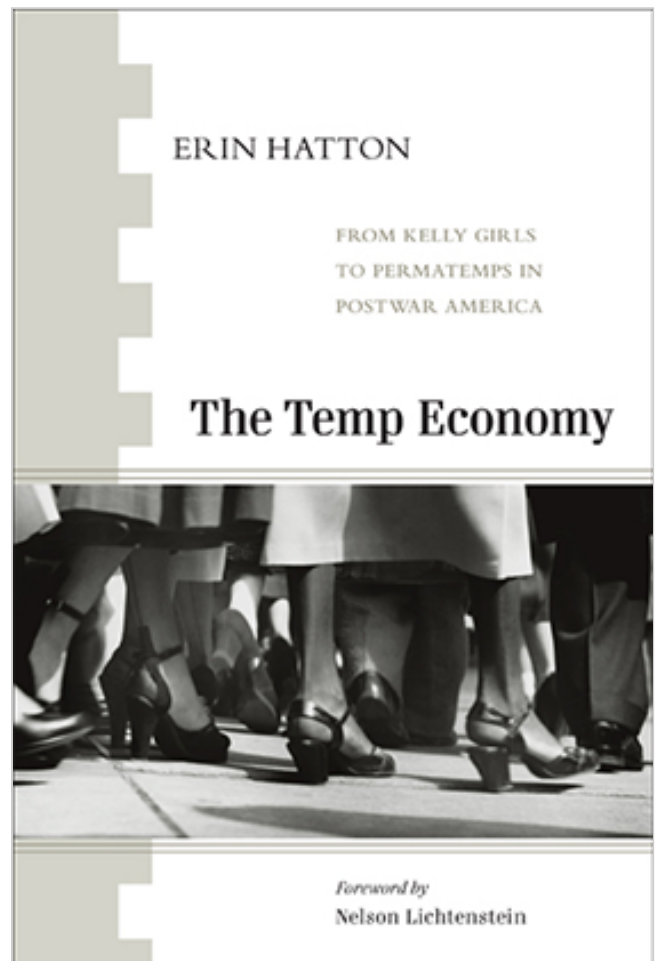


## Temp workers, permanent effects: how temps changed the nature of the U.S. workforce

*The Temp Economy: From Kelly Girls to Permatemps in Postwar America.* By Erin Hatton. Philadelphia: Temple University Press, 2011, 232 pp., \$29.95 paperback.

Take a second to think about who works in your office. Do you have at least one temporary worker, or temp, in your office? Are you yourself a temp, or have you temped in the past? If the answer to any of these questions is yes, you're not alone: temps exist in nearly every American workplace. Erin Hatton, an assistant professor in the Sociology Department at the State University of New York (SUNY) at Buffalo, provides a short, but info-packed, history of the rise of the temp industry in postwar America and how it fundamentally changed the way corporate America valued and treated their employees. Hatton shows that, although the temp industry has been remarkably successful in the space of 60 years, its widespread success has contributed to a decline in Americans' worklives. This thesis applies not only to temp workers themselves, but to the American workforce as a whole. Hatton breaks up the book into four chapters, each profiling a different decade from the 1960s to the early 2000s.

Hatton begins in chapter 1 by arguing that temp jobs today are stereotypically "bad" jobs, with lower wages, no benefits (such as health insurance), and no job security. In many cases, they are full-time "permatemp," or "permanent temporary," jobs. However, she explains that, at least in the early days of the temp industry, these jobs were marketed as glamorous moneymaking opportunities for a subset of the population who might not have otherwise entered the workforce. The growth of the temp industry started in earnest following World War II. Created to fill a genuine need for businesses that required help when their permanent employees were sick, on vacation, or otherwise not



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able to work for short periods, temp workers were generally viewed at that time as a threat to the existing workplace. Government officials, labor unions, and the public in general saw private employers as underhanded and abusive to their workers. Labor unions, in particular, fought viciously to protect workers' rights, often threatening strikes. To counteract this negative portrayal, companies such as Manpower and Kelly Services created the "Kelly Girl" image: a White, young, middle-class woman who took a few hours out of her duties as a housewife to do temporary office work for "pin money" (per Merriam-Webster, "money that is used for small expenses"). By using Kelly Girls to justify "respectable," but marginal, work, the temp industry largely soothed opposition from labor unions and skeptics of the private sector. However, by promoting temp work as largely "feminine" work, the industry reinforced gender, race, and class stereotypes of women being housewives first and working women second; even as the temp industry expanded into blue-collar sectors, its advertisements deliberately did not use men or non-White workers.

In chapter 2, Hatton asserts that, while the temp industry in the 1950s and 1960s was defined largely by "Kelly Girl" services, in the 1970s the industry began to aggressively market a new way of looking at employees. The effort involved pushing American companies away from an asset model of work, in which workers were seen as a key element of profits and therefore needed to be treated well, to a liability model of work, in which any labor costs were viewed as taking away from the bottom line. As a result of this shift in view, a company could be seen to save money in wages, benefits, and training costs by replacing permanent employees with temps. The expansion of temp workers in the 1970s and 1980s coincided with a movement in corporate America that economists Bennett Harrison and Barry Bluestone coined "the Great U-Turn": companies had to become "lean and mean" to survive globalization abroad, as well as deindustrialization and economic recessions at home. High-paying, "good" service-sector jobs slowly started to be replaced by "McJobs": unskilled, low-wage nonunion jobs. Temp jobs fit that bill: only the product of labor had value, while workers themselves were expendable. Hatton points out that, not only did the temp industry push the cultural shift toward the liability model of work, but also, in selling its vision of the liability model of work, the industry pushed the idea of using temps in every industry imaginable, not just for administrative jobs.

By the 1980s (chapter 3), the temp industry had permeated corporate America, promoting the profit-boosting powers of the liability model of work. The industry achieved this outcome in four main ways: "downstaffing," which called for a small core staff of permanent employees who added or subtracted temps as needed; "permanent temporaries," or "permatemps," replacing permanent employees with temps hired on a regular, long-term basis; the transfer of payroll, or "payrolling," according to which permanent employees were turned into temps so that their salary would be paid by the temp agency, not by the company they worked for; and "outsourcing," which replaced whole departments, such as accounting, with a staff of temps, who were managed by the temp agency, thereby relieving the company owner of management responsibilities. In the midst of corporate layoffs, foreign competition, and deindustrialization, many corporations replaced their permanent employees with temps as the temps' lower labor costs prevailed over the permanent employees' skills, loyalty, and ability.

Once the temp industry had permeated the private sector (and, by 1985, the federal government), various temp agencies shifted their priorities to increasing their market share. They marketed a dichotomous idea: temping was a legitimate career, providing family-sustaining employment while at the same time emancipating the worker from the typical 9-to-5 workday—"freelancing" became a trendy career path to take. Temp agencies also touted the "ring-and-core" approach to corporate restructuring. This concept relied on a small core of permanent employees surrounded by a wide ring of contingent workers—a ring that could be adjusted to the business cycle. By arguing

that this approach would both boost profits and protect permanent employees from the corporate layoffs that were widespread in the 1981–82 recession, the temp industry used asset model rhetoric to institutionalize the liability model of work. Their “support” for the “protection” of permanent workers was an effort to capitalize on employers’ fear of a public backlash against corporate layoffs. In the eighties, the temp industry also gained a victory against labor unions. Previously, most temp agencies, under their own code of ethics, did not allow temps to be supplied to break strikes (or to be brought on to minimize work disruptions when permanent workers were on strike). However, following complaints from the industry in the mid-eighties, companies began to see it as acceptable to replace striking workers with temps, and to lock out permanent employees, as long as bargaining continued. This tactic ultimately undermined the negotiating power of labor unions.

But the largely unchallenged success of the temp industry could not last forever. Hatton notes in Chapter 4 that corporate America’s adoration of the temp industry began to wane in the 1990s. Some of it was a result of the industry’s own actions; for example, as the idea of outsourcing jobs abroad grew in popularity, the argument that temps saved American jobs that would otherwise be outsourced inadvertently legitimized the idea of outsourcing by having established the cultural framework that workers were expendable and interchangeable. Also, temp workers themselves began to push back: in one court case, *Vizcaino v. Microsoft*, the Supreme Court ruled that Microsoft had to provide benefits to “permatemps” whom the company had classified as “independent contractors” or “freelancers” in order to avoid paying benefits, even though many of them had worked for Microsoft for years and were doing the same work as permanent Microsoft employees. This legal decision sent the message out to companies that they could no longer treat temps as second-class employees.

Other measures aimed at decreasing the power of the temp industry in the nineties were less successful. Temps tried to organize, either by forming their own labor union or joining existing labor unions. This measure faced two major setbacks: first, temps are usually not tied to one company or career field, so the attempt to organize their own ranks proved challenging; second, labor unions were hesitant to welcome temps into their ranks when temps had been used against them to break strikes. Activists also attempted to get companies to convert their “permatemps” into permanent employees. The largely unsuccessful result was that, although a few temps did get full-time permanent jobs, most temps saw no change in their employment status. The reason was that companies had no incentive to provide permanent jobs to the temps who were already doing the same work as permanent employees for less cost.

While not being overly critical, Hatton argues against the notion that the temp industry’s success was a positive development for corporate America. Although the industry promoted flexibility for corporate America and for temps themselves, the positive aspects of the temp industry have become entangled with the exploitation of workers and the idea that permanent workers are expendable. Hatton concludes the book by offering four policy proposals to update the asset model of work and to return to treating employees as valuable assets—as important to a company as the bottom line is.

This book is a good introduction not only to the history of America’s temp industry and the successful tactics the industry used to become a sizable sector of American employment, but also to how the industry fundamentally changed America’s corporate culture to the point where having temps in one’s office, from the private sector to the government, is commonplace. Hatton does a nice job of explaining the connections between how society’s attitudes toward work changed and how the temp industry either adapted to those attitudes or had a large role in changing ideas about work—in particular, to what extent employers value their workers. While Hatton believes that

the temp industry shoulders some blame in changing American corporate culture from an asset model to a liability model of work, she also believes that the industry is not irredeemable; in fact, she makes the case that the temp industry should have a key role in leading the charge back toward a revised asset model of work in which both temps and permanent employees are valued and compensated equally.