

## Casual jobs and the rise of employment agencies



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Changes to the way we work are a topic of conversation in every workplace and a focus for media attention. The scourge of unemployment, a swing to part-time jobs and the casualisation of work all make regular headlines. But one aspect of the new labour market is less well-recognised, though it may be equally important for librarians and other workers. It is the rise of the employment agency.

The popularity of employment agencies has been significant for many reasons, not least the decline of trade union influence in this and several other countries. As full-time jobs are converted to part-time, more and more workers are being employed by agencies, from which they are sent out to work in various enterprises, without being formally employed by them. Simultaneously, organisations are engaging people, who would traditionally have been employees, as consultants, independent contractors or agents.

The effects can be profound. In America, use of a minimal 'core' workforce, supplemented by 'disposable' labour for the bulk of tasks, has decimated the union movement and reduced real wages sharply. Aligned with 'just in time' production and operating systems, the approach sees employees used only in short bursts for the precise time required for specific tasks, before being sent back to the agency. Technically, each engagement is separate. Often, there is minimal continuity of employment and little prospect of career advancement. Temporary employment agencies, with up to a million staff, are now America's largest employers. As they have grown, USA private sector union membership has fallen from one in three to one in ten.

Potentially similar trends have been seen in Australia and our traditional law is not well-placed to deal with them. Put simply, the whole structure of industrial law was built around the existence of a direct employment contract between a worker and the legal entity in which the work was done. Its creators did not envisage the rise of companies whose sole purpose is to employ staff. The legal system is struggling to adjust. Meantime, the march of employment agencies continues, with 1500 now licensed in New South Wales alone.

Unions too have been forced to come to grips with new realities, and with the collapse of membership levels which the swing to part-time and casual work has spawned. An example of how they have done so is the Hunter Labour Co-operative, which was set up as an employment agency by the Labour Council in Newcastle. From small beginnings, it has now developed rapidly and is already one of the largest agencies in New South Wales. The Co-operative does not pursue a commercial profit and charges only a small administrative fee over the cost of award wages. Unlike most commercial agencies, the Co-operative levies no charge at all if the employees it hires

out later gain permanent employment with the company which has hired them. The Co-operative is clearly functioning well and has operated debt-free for some time.

The many soundly-managed employment agencies have little to fear but competition from union initiatives of this kind. But, there could well be some general improvement in standards as a less-ethical fringe minority succumbs to that competition. Employers and major agencies should welcome this almost as much as the individuals working under contract arrangements. Fortunately, there is no indication that employment agencies in the library and information sector present any major problems for ALIA members. Nonetheless, the current emphasis on outsourcing and contracting out, coupled with the general popularity of agency based work, means this is an area of some significance for them. As a group, librarians have been particularly susceptible to the casualisation of work in Australia. From their perspective, any action which maintains and builds on proper employment standards, while protecting well-known and reputable companies from unfair, corner-cutting competition should be encouraged.

A major recent initiative by the Australian Council of Trade Unions is just such a step. The ACTU has completed a landmark formal agreement with Manpower International, the world's leading labour hire company. It is based on mutual acceptance that the work of Manpower and the companies which engage labour through it will be best served by a formal and constructive relationship with the Australian union movement. Among eighteen heads of agreement, Manpower will recognise unions, encourage its employees to join them and observe award conditions. Manpower will actively encourage and promote collective bargaining processes, establish certified agreements or become respondents to existing awards. While aiming to offer its clients innovative and cost-effective staffing solutions, Manpower will strive to minimise the loss of full-time jobs.

Flexible employment arrangements clearly provide advantages to employers. The quest for them largely explains the increasing use by employers of employment agencies. But to be sustainable, flexibility needs to embrace employee concerns too. The fact that the world's leading employment agency has enthusiastically entered into a formal arrangement of this kind suggests the interests of employers, employees and employment agencies can co-exist, even when major change is occurring. The ACTU—Manpower agreement may come to be seen as a highly-significant development in the Australian labour market. It may at last justify some optimism that the benefits of flexibility and new forms of work are achievable without removing all protection for employees. Those many ALIA members working in part-time, casual and short-term jobs can expect to see similar agreements pursued soon with major Australian employment agencies. ■