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An Institutional Perspective on the Employment Position of Temporary Workers in the Netherlands

JEROEN P. DE JONG
RENÉ SCHALK
TOBIAS GOESSLING

This article analyzes the complex employment position of temporary workers within organizations and on the labour market. Temporary employment is usually considered secondary to permanent employment. In recent years, the European Union and the Dutch government have attempted to change this situation by formulating several directives and labour laws. In this paper, we use institutional theory to discuss the institutional foundations and influences that shape the employment and labour-market conditions of temporary workers. The analysis shows that the core issues regarding temporary employment conditions include conflicting (legitimate) interests, socially constructed norms that favour permanent workers, and an uneven distribution of power. Our analysis further shows that institutional forces generate a structural justification for the disadvantaged position of temporary workers.

Temporary employment is widely used to provide organizations with labour flexibility, reductions in labour costs, and buffers for protecting the position of their core workers (Uzzi and Barsness, 1998). In addition, governments (Güell and Petrongolo, 2007) and individual workers (Giesecke...
and Gross, 2003) consider temporary employment as a stepping-stone from unemployment to the active workforce and, possibly, to a permanent job. Combined with the increasingly unpredictable situation of the organizational environment, the instrumental use of temporary employment has made it an important resource in the economy and an important opportunity for employment.

Due to its significance, temporary employment has been extensively researched with respect to labour market positions (Bergstrom and Storrie, 2003), organizational hiring strategies (Houseman, 2001), and employee level well-being and performance (Psycones, 2005). A consistent finding across these levels relates to considerable differences between temporary and permanent employment with respect to labour market positions (Remery, Van Doorne-Huiskes and Schippers, 2002) and employment conditions (Kalleberg, 2000; Goudswaard and Andries, 2002; OECD, 2002; Zeytinoglu and Cooke, 2005). As a result of this comparison, temporary workers are generally found to be worse off compared to permanent workers (Kalleberg, 2000; McKeown, 2005). Temporary jobs are therefore regarded as a form of precarious employment, involving limited social benefits and statutory entitlements, low earnings, and poor working conditions (Cranford, Vosko, and Zukewich, 2003).

In recent years, political and legislative measures have been developed to regulate the precariousness of temporary workers. In the European Union—including the Netherlands—laws have been implemented to prohibit the unequal treatment of a type of temporary employment, fixed-term contracts. Similar directives for temporary agency work are still under construction; however, at the EU level as well as in the separate countries, the negotiating parties have yet to reach consensus. The difficult process of implementing formal rules to protect temporary workers (Zappala, 2003) suggests that the precarious treatment of temporary workers is deeply embedded within the current system of industrial relations. This observation is supported by the results of a study by Nienhüser and Matiaske (2006), who found that country-enforced principles of non-discrimination had only limited influence on the compensation and working conditions of temporary employees. Moreover, awareness and legislation to protect employment conditions of temporary worker have caused little improvement in Canada (Zeytinoglu and Cooke, 2005) and South Korea (Cho, 2004).

The instrumental use of temporary employment by organizations, governments, and even employees themselves appears to be a well-established and persistent practice. The interests of the actors apparently do not correspond to the recent legislative attempts to improve the position of temporary workers. In this article, we use an institutional perspective to pull together literature on the current position of the temporary worker,
most specifically in the Netherlands. Our aim is twofold: firstly, we want to analyze the forces that are active on the position of temporary workers, and secondly to explain the difficult process of regulating precariousness of temporary workers. We analyze the interests, norms, and power of the actors who have roles to play in temporary employment: the government, unions, hiring organizations, and employees. Institutions, or the “rules of the game” (North, 1990: 3), can be regarded as systems of interrelated informal and formal elements (i.e., customs, shared beliefs, conventions, norms, and rules) that govern social relationships within which actors pursue and set the limits of legitimate interests (Nee, 2003: 23). The central question of this article concerns how formal and informal institutional influences shape the employment and labour-market conditions of temporary employment, most specifically in the Netherlands. We use institutional analysis to disentangle the complexity of the organizational and labour-market position of temporary workers.

Institutions develop over time and form the core of contemporary social systems. The current employment situation of temporary workers is the result of a long process of continuous development. Understanding the current situation requires explicit attention to origins and past developments. For this purpose, we draw from evidence across Western industrialized regions including the European Union, North-America and Oceania, but focus on the institutional setting of the Netherlands. The Dutch labour market has a long history of temporary employment, a relatively large percentage of the workforce is employed on temporary arrangements, and an extensive framework of (recently implemented) laws and regulations protects temporary workers. Furthermore, employment conditions and legal protection of, for example, part-time workers is considered as a model for other European Union countries, although this paper focuses on temporary employment rather than part-time employment.

This article is structured as follows. After a general discussion of the characteristics of temporary work, we provide an overview of the development of the position of temporary workers in the Netherlands, with a special focus on the extent to which the secondary position of temporary employment is institutionalized. We also discuss the implementation of formal rules regarding the non-discrimination principle and the protection of temporary workers in Dutch legislation. The next issue is the institutional position of temporary workers from the viewpoint of core actors in this industrial relations system (Dunlop, 1958): governments, unions, employers, and employees. We then analyze the tensions and confounding factors (e.g., power, norms, and interests) that influence the position of temporary employment. In the final section, we highlight the implications of our analysis.
THE CONTEMPORARY POSITION OF TEMPORARY EMPLOYMENT

Temporary employment is generally defined as “dependent employment of limited duration” (OECD, 2002: 170). The OECD considers temporary employment “dependent”, in the sense that it is subject to the hiring organization with respect to promises of long-term employment. Following this description, which is based on definitions of temporary employment used in countries including the US, Canada, and the Netherlands, a job may be regarded as temporary if the termination of the job is determined by objective conditions such as reaching a certain date or the completion of an assignment. Temporary jobs include types such as fixed-term employment, temporary agency work, seasonal employment, and traineeships.

Temporary employment has a relatively stable position on the Western labour market, although there are differences between countries. Table 1 shows the labour market shares of temporary workers from 2000 to 2005 in a number of countries, including Germany, Spain, the US, Canada, and the UK. According to OECD, approximately 50 percent of all Spanish workers are employed in temporary arrangements, while in other European countries the percentage is somewhat lower: approximately 16% in Germany and 6% in the UK. The high share of temporary employment in Spain stems from legislative reforms in the 1980s, which were introduced to decrease unemployment (Caballer et al., 2005). Of the other countries represented in the table, Canada shows the highest share of temporary employment in comparison to Australia (5%) and the US (4%). In the Netherlands, temporary employment has gained a considerable share of the labour market; approximately 18 percent of all Dutch workers are employed in temporary jobs.

<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>Percentages of Temporary Work in 8 Countries and the EU (15)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000</td>
</tr>
<tr>
<td>Netherlands</td>
<td>16%</td>
</tr>
<tr>
<td>Australia*</td>
<td>5%</td>
</tr>
<tr>
<td>Canada</td>
<td>14%</td>
</tr>
<tr>
<td>France</td>
<td>18%</td>
</tr>
<tr>
<td>Germany</td>
<td>15%</td>
</tr>
<tr>
<td>Spain</td>
<td>47%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>7%</td>
</tr>
<tr>
<td>United States*</td>
<td>4%</td>
</tr>
<tr>
<td>European Union-15</td>
<td>16%</td>
</tr>
</tbody>
</table>

* Data extracted from the OECD database, <www.oecd.org>

b Only 2001 and 2004 data available

c Only 2001 and 2005 data available
In the literature, temporary employment is often referred to as “peripheral employment” (Walsh and Deery, 1999), “casual employment” (Campbell and Burgess, 2001), “non-standard employment” (de Vries and Wolbers, 2005) or “marginal employment” (Rodriguez, 2002). These terms emphasize the atypical and often secondary position of temporary workers, who are sometimes even referred to as “just temps” (Casey and Alach, 2004).

Recent studies on the characteristics of temporary and permanent work have revealed differences with regard to employment conditions and benefits. Empirical results from European, Dutch, and Canadian studies consistently show that, in general, temporary workers earn less than permanent workers do (see for example Schellenberg and Clark, 1996; Brown and Sessions, 2003; de Vries and Wolbers, 2005). In addition, many temporary workers are excluded from supplemental pension plans, health insurance, and other fringe benefits (McGovern, Smeaton and Hill, 2004; Zeytinoglu and Cooke, 2005). Temporary agency workers are particularly likely not to receive these benefits; they also receive fewer opportunities for personal and professional development (e.g., training, education, and promotion). The limited access of temporary workers to additional training and education has been found consistently in several countries (Hanratty, 2000; Aronsson, Gustafsson and Dallner 2002; Forrier and Sels, 2003), including the Netherlands (Goudswaard, Kraan and Dhondt, 2000).

The unequal opportunities that have been described above affect the mobility and employability of temporary workers. In general, temporary workers have fewer internal (McGovern, Smeaton and Hill, 2004) and external (Remery, Van Doorne-Huiskes and Schippers, 2002) career opportunities than permanent workers do. Temporary workers are usually the first to be dismissed when an organization must downsize (Garcia-Serrano, 1998). The weak position of temporary workers is not limited to these aspects of employment relations. For example, temporary workers in the Netherlands have fewer opportunities to apply for mortgages or to receive public benefits in case of illness or unemployment (Klein Hesselink, Evers and Wevers, 1998).

These differences in the employment and working conditions of temporary and permanent employment are consistently found, even after controlling for factors related to human and social capital. For example, Nienhüser and Matiaske (2006) found greater levels of precariousness in fifteen EU countries for both fixed-term and temporary agency workers, as compared to permanent workers, after controlling for several personal and work-related variables. The association of secondary employment with short-term work shows the structural underestimation of temporary employment, relative to the standard of permanent employment.
One important question concerns the manner in which this treatment of temporary employment evolved. How did temporary employment arrive at its current position? For complexity reasons, we limit our analysis to the situation in the Netherlands.

**A Background to Temporary Employment in the Netherlands**

As in most countries, the development of temporary employment in the Netherlands started in the beginning of the 1970s (Delsen, 1995). Companies called for relaxing rules with respect to labour contracts and more opportunities for flexible labour agreements (Looise, Van Riemsdijk and De Lange, 1998). At first, scholars, policy makers, union representatives, and human-resource practitioners were sceptical about the use of temporary workers. They likened temporary workers to a Trojan Horse, arguing that such workers undermine the foundations of long-term industrial relations with regard to rewards, freedom, variety in work, job security, benefits, and other facilities (Albeda, Van de Braak and Veldkamp, 1972). In the 70s, the overall view of temporary arrangements was that they were for “weaker workers”, implying that women, younger workers, older workers, and immigrants were over-represented in the temporary workforce (Albeda, Van de Braak and Veldkamp, 1972). Van de Braak and Faase (1978) and other Dutch scholars even attributed working in temporary jobs to the incomplete development of commitment to work.

An economic crisis between the mid-1970s and mid-1980s weakened the position of temporary workers even further. The unemployment rate was high in the European Union, relative to the United States and Japan, and job creation was decreasing. Many European countries, including the Netherlands, began to relax various regulations and laws for hiring and firing personnel. This lead to an increase of the number of temporary employees in the Netherlands; between 1987 and 1996 the share of temporary employees on the Dutch labour market more then tripled (Looise, Van Riemsdijk and De Lange, 1998). This increased labour flexibility was regarded as a means of creating competitive advantage (Delsen, 1995); the aim was to improve the ability of employers to use staffing strategies to achieve financial gains (Locke and Kochan, 1995). Such policies obviously did not improve the position of temporary workers; as they increasingly came to be regarded as commodities, temporary workers became even more vulnerable to exploitation. For Dutch employees, temporary work became “take-it-or-leave-it” employment, as it was one of the few alternatives between permanent employment and unemployment.

**Protective Measures for Temporary Workers**

In the past decade, the debate concerning regulating conditions of temporary employment has largely focused on balancing flexibility and
security (Sels and Van Hootegem, 2001; Auer and Cazes, 2002), has aimed at improving employment security for temporary employees and extending opportunities for using temporary employment by organizations. In the Netherlands, this has led to instatement of the ‘Flexicurity’ Act in 1999.

In recent years, however, employment and working conditions of temporary workers have received more specific attention in Canadian, European, and Dutch labour policy and debates (Vigneau et al., 1999; Heerma van Voss, 1999; Vallée, 2005). In 1997, the International Labour Organization (ILO) reached the following conclusion regarding the equal treatment of temporary workers: “Measures should be taken, as appropriate, to ensure that contract workers are afforded equal treatment with employees of the user enterprise or, as the case may be, with employees of the subcontractor or of the intermediary, for performing work which is essentially similar, under similar conditions and requiring similar qualifications” (ILO, 1998).

In the Netherlands, a law based on an EC directive (70/EC) was issued in November of 2002. This law on equal treatment of temporary workers, however, explicitly includes the possibility that differential treatment may be justified by objective reasons. Because Dutch labour laws do not define “objective justification,” the interpretation is based on jurisprudence and the interpretation of the actors involved. According to the Stichting van de Arbeid (the Labour Foundation), a governmental organization that promotes good employment conditions, objective justification exists when there is a legitimate goal that can be reached only by differentiating between temporary and permanent workers (Stichting van de Arbeid, 2005). The legitimacy of the goal is determined by a) the extent to which the goal meets an actual need and b) the extent to which the difference was intended. In conclusion, discrimination does not necessarily refer to treating someone better or worse than someone else, but to the extent to which differences between temporary and permanent workers are illegitimate (see also Vigneau et al., 1999).

Differences in the interests of actors in the system: conflicting legitimacies?

The formal laws and rules that are described in the previous section acknowledge the existence of unequal treatment for temporary workers, and their intent is to deal with this by changing the “rules of the game.” According to institutional theory, “institutional change does not simply involve remaking the formal rules, but fundamentally (…) requires the realignment of interests, norms, and power” (Nee, 2003: 23-24). Following Nee (2003), the combination of and interaction between the interests, norms,
and power of the actors in the industrial relations system determine the match (or mismatch) between formal and informal rules. Legitimacy is a central concept in this respect, as it gives insight into the motivations of the actors. We adopt Suchman’s (1995: 574) definition of legitimacy as “a generalized perception or assumption that the actions of an entity (or actor) are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions.”

The next section contains a more specific discussion of the alignment and legitimacy of interests, norms, and power. Our analysis builds on the concept of the hierarchical organization of formal institutions (North, 1990), as well as on Dunlop’s Industrial Relations Systems framework (Dunlop, 1958; see also Meltz, 1993). The discussion begins by addressing governmental interests, proceeds to assess the influence of these interests at the union and firm level, and ends by examining influences at the employee level. At each level, the discussion is guided by a fundamental dilemma. The governmental dilemma concerns how to balance worker rights with economic and labour market flexibility. The union dilemma involves the combination of equal employment rights with the protection of the position of core workers. Firms face the dilemma of choosing between continuity (workforce development) or flexibility and labour-cost reduction. The central dilemma for employers centres on the difference between the model of equal work and pay and that of temporary employment as a stepping-stone to permanent employment.

The Governmental Dilemma: Worker Rights versus Economic and Labour-Market Flexibility

The Dutch government considers the implementation of laws and regulations to prevent the unequal treatment of temporary workers as desirable, proper, and appropriate (Stichting van de Arbeid, 2005). A central issue for the appropriateness of the laws and rules is the norm of non-discrimination. This principle, which was included in the first act of the Dutch constitution, forbids discrimination on any grounds, including temporary or permanent employment. The norm of non-discrimination has led to the implementation of rules concerning the pay and working conditions of temporary workers, as well as rules that are designed to improve the labour-market position of temporary workers.

Dualistic or segmented labour-market theories can be used to analyze the division of the labour market and mobility on the labour market (Loveridge and Mok, 1979). According to these theories, labour markets can be divided into primary and secondary segments. Piore (1971) defines jobs in the secondary segment as employment with low wages, poor working conditions, considerable variability in employment, harsh and often arbitrary
discipline, and little opportunity to advance. Theoretically, temporary workers are likely to occupy the low-quality jobs in the secondary segment. The limited mobility from the secondary to the primary segment, which is another core assumption of dual labour-market theory, probably provides a more accurate reflection of temporary employment. Dutch data show that approximately forty percent of all temporary workers acquire permanent jobs within a rather short period of time (Remery, Van Doorne-Huiskes and Schippers, 2002). About fifty percent remain in temporary jobs or become unemployed (Zijl, Van de Berg and Heyma, 2004). Employees who are engaged in temporary employment on a structural basis and who lack the opportunity to move into another segment are therefore dependent on consecutive temporary arrangements for their employment. If firms provide no specific training to these workers, their position on the labour market becomes structurally weakened, leading to the “trap” situation.

Temporary employment also addresses another interest of the government, however, and facilitating the instrumental utilization of temporary employment is also a prominent goal of government policy. In its draft directive on temporary agency work, the European Commission recognized TAW as an “important cog in the machinery of labour markets as undertakings have been seeking greater flexibility in job management” (2002: 8). Labour flexibility is considered one of main issues in Dutch economic policy, enabling organizations to adjust to fluctuating demands and to allocate labour to meet consumer demands. Labour flexibility is assumed necessary in order to provide low-threshold jobs that create opportunities for workers to enter or re-enter the workforce to gain experience and expertise. Based on these arguments, governments have long been reluctant to develop legislation and policy directives for temporary work (Zeytinoglu and Muteshi, 2000). The secondary segment of the labour market is of social importance, as it provides at least some level of employment when high-quality employment is either not available or not accessible. Easily obtained temporary arrangements can be used to escape from unemployment or to return to work after a period of labour market inactivity (Heinrich, Meuser and Troske, 2005). The “transitory” task of temporary employment is regarded by some as an essential and desirable solution to the problem of unemployment (e.g., Schmid, 1995).

In addition to the arguments above, the “stepping-stone” or “bridge” hypothesis suggests that entrants to the labour market can use secondary jobs to test, improve, and develop their skills, enabling them to improve their positions on the labour market within a relatively short time. Legislation could hinder the legitimate functions of the secondary labour market. As temporary workers gain better employment rights, they are likely to become less attractive to employers (Biggs, Burchell and Millmore, 2006). The
decline in temporary employment after the implementation of the Flexibility and Security Act in the Netherlands is one example of this effect. After the implementation of this law, which should improve the job security of temporary (agency) workers, the share of temporary employment declined significantly. Studies evaluating the effects of the law showed that only a small proportion of temporary workers gained permanent employment (Klaver et al., 2000; van den Toren, Evers and Commissaris, 2002).

**The Union Dilemma: Equal Employment Protection versus Protection of Core Workers**

Temporary employment also poses a dilemma for unions. On the one hand, there is a growing recognition among unions of the importance of equal rights for—mostly not unionized—temporary workers. On the other hand, temporary workers can be considered competitors of the permanent, unionized workers. Therefore, permanent workers could benefit from having unprotected temporary workers in the firm, in situations in which the temporary workers provide a buffer to protect permanent workers from being laid-off (Heery, 2004; Campbell, 2005; Olsen, 2005).

Dutch unions have a long history of opposing temporary work, as they have tended to regard temporary employment as a threat to the secure, long-term employment relationships that they sought to protect (Koene, Paauwe and Groenewegen, 2004). Union policies towards non-standard labour have therefore tended to be hostile or defensive, and to be aimed primarily at excluding temporary employment as much as possible (Looise, van Riemsdijk and De Lange, 1998). In recent years, Dutch union policies toward temporary employment have changed. There is a growing recognition of the importance of employment rights for temporary workers. The focus in union policies has shifted to the regulation of temporary employment, and unions are increasingly engaged in trying to represent temporary workers and regulate the terms and conditions of their employment. Firstly, regulation would prevent undercutting of permanent workers (Heery, 2004). Employing cheaper temporary workers could imply a threat to permanent employees. Second, temporary employment is growing in all areas, and recruitment among these workers provides unions with a stronger financial base (Campbell, 2005). Furthermore, it is clear among unions that they need to provide support to those that need it the most (Croucher and Brewster, 1998).

Although this changed attitude may indicate a legitimate interest in the rights of temporary workers, the primary goal of unions appears to remain the protection of the permanent, core workforce (Croucher and Brewster, 1998). The “equal work, equal pay” campaign of the Dutch unions provides
an illustrative example. In 2006, The FNV (Federation of Dutch Unions, the largest union in the Netherlands) actively promoted a policy against the low pay and poor working conditions of temporarily employed Middle and Eastern European workers. In a letter to the Dutch cabinet, however, the FNV stated, "The FNV has observed that there are heavy threats to working conditions in several sectors, including construction and transport, and that existing permanent worker employment benefits in these sectors are in danger." Although the FNV emphasizes the importance of their actions to preventing the exploitation of temporary workers, their explicit primary concern was apparently to gain employment security for their members, who had permanent contracts.

The difficulties that unions face with regard to the interest of supporting equal treatment have to do with the traditional focus of unions on permanent employment. In addition, there has been some debate concerning the joint representation of temporary and permanent workers. In collective bargaining, the unions feel the tension between representing the interests of the majority—the full-time, permanent workforce—and the rights of the minority (Blackett and Sheppard, 2003). According to Blackett and Sheppard (2003), the transition towards individualized, insecure jobs is the crucial issue for collective bargaining and minority rights. The insecure and short-term character of temporary employment is one cause of the low level of unionization among temporary employees. It is therefore difficult for Dutch unions to organize temporary workers (Goslinga and Sverke, 2003). Temporary employees in the Netherlands are not often members of the union; the situation is similar in Spain, Great Britain, and other countries (Francesconi and Garcia-Serrano, 2004). This situation obviously limits implicit bargaining power and access to the rights of temporary workers, and the power of unions in the Netherlands to negotiate equal employment and working conditions.

The Dilemma for Hiring Organizations: Workforce Investments versus Flexibility and Labour Costs

For organizations hiring temporary workers, the challenge consists of balancing two contradicting legitimate interests: the desire to adapt to external technological, competitive, and labour market pressures through a motivated and skilled workforce on the one hand, and on the other, the desire to reduce labour costs (see, for example, Ward et al., 2001).

The classic human-resource perspective is that a motivated and committed workforce is needed for the continuity of the organization. This implies that organizations must be willing to invest in their workforce and to reward continuous performance. Within such high-commitment systems, firms motivate workers and try to keep them committed as a means of
ensuring performance and the continuous development of employee skills. For organizations that hire temporary workers, investing in a high level of employee motivation and commitment makes less sense. This argument refers to human capital theory (Becker, 1964), which postulates that investments in personnel (such as training and education) should yield returns in the future. This suggests that Dutch organizations deliberately differentiate between a core “investment-worthy” population of employees and a peripheral group for whom investments should be carefully evaluated (see for example, Looise, van Riemsdijk and De Lange, 1998). The core population of employees consists primarily of permanent workers, although a trend has been reported recently whereby temporary employment is being used within investment-intensive core jobs for extended trial periods (Donker van Heel, 2000; Houseman, 2001).

Moreover, hiring temporary employees currently remains primarily an organizational strategy for creating a peripheral population that can be used to achieve numerical flexibility, as a buffer to protect the employment of core workers, and to cut costs (Looise, van Riemsdijk and De Lange, 1998; see also Ward et al., 2001). This instrumental use of temporary work does not necessarily imply unequal treatment. Many theories on staffing and human resource management discuss organizational legitimacy issues with respect to the treatment of temporary workers. For example, Atkinson’s (1984) model of the flexible firm advocates the use of temporary workers as peripheral and disposable employment to cope with the uncertainty of the market. The implications for core employees are that their favourable employment conditions “will increasingly be secured at the expense of others” (Atkinson, 1984: 31). Lepak and Snell’s (1999) Human Resource Architecture theory offers an explanation for why organizations are reluctant to invest in temporary workers. According to these authors, strategies to externalize workers result from the low value and the low level of uniqueness of the human capital that is ascribed to these workers. This position holds in situations that require generic human capital that is of limited strategic value, and in which the firm’s competitive position is not threatened. Organizations that follow this strategy rarely invest in training or development activities for their employees.

The Employee Dilemma: Equal Work and Equal Pay versus Stepping-Stone

The non-discrimination norm, which holds that all workers should be treated in an equal manner in similar situations, is a fundamental principle in labour rights. For temporary employees, acceptance of and compliance with the rule of equal treatment depends on their own beliefs concerning the desirableness and appropriateness of the rule. We return
to the ‘trap’ and ‘stepping stone’ hypotheses to explain how different interests among temporary workers shape these beliefs of desirability and appropriateness.

The idea behind the trap hypothesis is that workers become entrapped in their temporary job because they have little chances of advancement (Steijn, Need and Gesthuizen, 2006). Workers who are trapped into their temporary job are likely to be forced into temporary employment because it is difficult for them to acquire permanent positions (de Jong et al., 2005). For these workers, similar wages, fringe benefits, and opportunities for training and individual development would at least improve their employment conditions and, possibly, their labour market position. Being trapped in a temporary job would therefore be associated with desirability for equal treatment rules.

The stepping stone or bridge hypothesis assumes that employees accept temporary jobs that offer chances for rapid promotion (Steijn, Need and Gesthuizen, 2006). In general, employees tend to have a strong preference for permanent employment (Silla, Gracia and Peiro, 2005). According to Marler and Milkovich (2000), this is partly because employees believe that permanent jobs yield greater returns. This seems to suggest that most temporary workers hold their positions involuntarily. Many temporary workers, however, attempt to gain access to permanent employment by first accepting temporary positions. De Jong and colleagues (2005) found that a large proportion of Dutch temporary workers use temporary employment as a stepping-stone toward permanent employment. Although they do not necessarily prefer temporary employment, they deliberately opt for temporary jobs that offer the prospect of permanent employment. For these temporary workers, equal treatment could imply less access to temporary employment, as organizations are less able to achieve labour cost advantages through temporary employment. Because stepping stone workers use their temporary job to obtain permanent employment, equal treatment and more limited access to permanent work would be undesirable.

These two conflicting interests of temporary workers have in common that they depend upon their employer. Trapped temporary workers are dependent on their employer to keep their job. Stepping stone workers are dependent upon their employer with respect to acquiring permanent contracts, which may influence their willingness to accept the working conditions that accompany such positions (Lepak and Snell, 1999). In conclusion, this dominant position of the hiring organization limits the possibilities for temporary employees to resist, and reinforces the complicit acceptance of their position (Jordan, 2003).
DISCUSSION

In this research, we have analyzed the dilemmas that are present among actors with respect to equal treatment of temporary and permanent workers. At every level of the employment relations system, actors are subject to influences that guide their behaviour with respect to temporary employment. The institutional perspective allows the examination of behavioural dilemmas that are grounded either in legitimate interests or in what is perceived to be desirable, proper, and appropriate. These interests are constructed according to a system of norms and sustained by levels and types of power. The context of these institutionalized beliefs reflects the legitimacy of the actions of the actors. In other words, it reflects whether the actions are taken purely out of self-interest, a desire to “do the right thing,” or according to “taken for grantedness” (Suchman, 1995).

Table 2 summarizes the influences for each of the actors, with regard to interests, norms, and power. This overview is based on the extended descriptions of the dilemmas for each party that are provided in the previous sections.

**TABLE 2**

Institutional Influences on the Treatment of Temporary Workers, by Actor

<table>
<thead>
<tr>
<th>Actor</th>
<th>Interests</th>
<th>Norms</th>
<th>Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>Worker rights, Employment, Flexibility</td>
<td>Non-discrimination Employment</td>
<td>Legislative</td>
</tr>
<tr>
<td>Unions</td>
<td>Employee rights, Prevent undercutting permanent workers</td>
<td>Equal employment Protection of members</td>
<td>Bargaining</td>
</tr>
<tr>
<td>Organizations</td>
<td>Human Capital, Flexibility</td>
<td>Adaptability</td>
<td>Employment Investment</td>
</tr>
<tr>
<td>Employees</td>
<td>Equal treatment, Stepping stone</td>
<td>Permanent employment</td>
<td>Compliance</td>
</tr>
</tbody>
</table>

At every level, norms and power issues influence the interests of the parties involved with regard to the treatment of temporary workers. Each actor faces a dilemma, a conflict between interests, norms, and power. For all actors, three main informal influences can be identified that conflict with the formal rule of equal treatment: the flexibility of the economy, protection of the position of permanent workers, and labour market mobility. The government and hiring organizations benefit from labour
flexibility and thus prefer cheap temporary employment that provides economic competitiveness. Organizations and unions think of peripheral temporary employment as a buffer to protect permanent employment, thus sustaining continuity. Hiring organizations consider the return on investment when assessing the benefits of investing in temporary employees. Unions, however, prefer equal treatment of temporary workers as a means of preventing threats to the wages of permanent workers. Finally, for governments and employees, “cheap” temporary employment provides opportunities for gaining access to the labour market and to permanent employment. For these actors, equal treatment could improve employment conditions for those who are trapped in temporary employment.

The conflicting inter-actor interests are caused primarily by two forces that act simultaneously: the maximization of profits, power, and welfare, and the protection of the standard of permanent employment. Permanent employment is the standard form of employment for all actors, against which the value of employment and the conditions and opportunities of employment relations are evaluated (Dickens, 2004). Furthermore, referring to stereotypical characteristics of the members of these groups legitimizes differences between permanent and temporary employees. Governments, unions, organizations, and employees therefore tend to consider temporary employment as a sort of “second-hand” employment (Boyce et al., 2007), in terms of organizational and union membership, added value, and employment security. Even temporary workers tend to rate themselves as lower status employees in comparison to permanent workers (Von Hippel, 2006). These views often reflect taken-for-granted cultural beliefs that support social inequality (Tyler, 2006: 385). This culturally embedded legitimacy, which is reflected at every level of the institutional system, is a primary source of risk for exploitation and unequal treatment on the part of temporary workers.

In conclusion, the difficulties of aligning interests, norms, and power tend to institutionalize the secondary position of temporary workers in the Netherlands, and at the same time complicate institutional change. Basically, the short-term nature of temporary work is a fundamental weakness that conflicts with the principle of equal treatment (Vigneau et al., 1999). This causes many temporary workers to be locked into precarious employment, subject to conflicting interests based on well-established norms, but without power to change their situation. In the near future, research should indicate the exact consequences of the new legislation, in the Netherlands but also in other countries actively protecting temporary workers. Furthermore, accumulated evidence shows that temporary workers in other Western countries experience poor working conditions (Saloniemi and Zeytinoglu, 2007). Therefore, future research should focus on the position of temporary workers in other institutional settings.
Moreover, this research assumed that all temporary workers are subject to precarious employment conditions and similar institutional forces. Therefore, more detailed focus can be put on the positions of forms of temporary employment, and groups that occupy them. Temporary agency work, for example, fundamentally differs from fixed-term contracts because it involves a triangular relationship between the agency, the hiring organization, and the temporary worker (Davidson, 2004). With respect to the position of temporary agency workers, this specific industrial relations system should be analyzed more thoroughly. Finally, research has indicated that some demographic groups, including women (Cranford, Vosko and Zukewich, 2003) and low skilled workers (Maurin and Postel-Vinay, 2005) are overrepresented in temporary and precarious employment. More research is needed to more explicitly assess the institutional position of these groups in the context of precarious temporary employment.

REFERENCES


AN INSTITUTIONAL PERSPECTIVE ON THE EMPLOYMENT POSITION


RÉSUMÉ

Une perspective institutionnelle de la situation d’emploi des travailleurs temporaires aux Pays-Bas

Cet essai se veut une analyse de la situation d’emploi des travailleurs temporaires au sein des organisations et du marché du travail. Aux Pays-Bas, le travail temporaire s’est taillé une part considérable du marché du travail et près de quinze pourcent de tous les travailleurs hollandais occupent des emplois temporaires (par exemple, des emplois contractuels à durée déterminée et des emplois temporaires de sous-traitance). Cependant,
l’emploi temporaire est considéré comme secondaire en regard de l’emploi permanent. Les conclusions de nos études qui comparent les travailleurs temporaires aux travailleurs permanents démontrent que les travailleurs temporaires gagnent des salaires plus faibles, ont accès à moins d’occasions de formation et reçoivent des avantages d’emploi moins nombreux que ceux qui ont des postes permanents. L’association de l’emploi secondaire au travail à court terme donne lieu à une sous-évaluation structurelle de l’emploi temporaire, quand on le place en regard de la norme de l’emploi permanent.

Dans cet essai, nous analysons les intérêts, les normes et le pouvoir des acteurs qui ont un rôle à jouer dans le domaine de l’emploi temporaire : les gouvernements, les syndicats, les entreprises d’embauche et les employés. La question principale de l’étude consiste à se demander comment des influences institutionnelles, formelles ou informelles, façonnent les conditions de travail et du marché du travail dans le domaine de l’emploi temporaire aux Pays-Bas.


Pour les gouvernements, la norme de non-discrimination a amené la mise en œuvre de règles concernant la rémunération et les conditions de travail des travailleurs temporaires, de même que des règles élaborées de manière à améliorer la situation des travailleurs temporaires sur le marché du travail. Les salariés qui sont engagés dans des emplois temporaires sur une base structurelle et qui n’ont pas l’occasion de se déplacer vers un autre
segment deviennent alors dépendants des aménagements temporaires qui s’en suivent pour leur emploi. Par contre, la flexibilité du travail est perçue comme nécessaire afin d’offrir des emplois de bas niveau qui deviennent des occasions pour les travailleurs d’intégrer ou de réintégrer la force de travail et d’acquérir de l’expérience et de l’expertise.

Pour les syndicats, le travail temporaire présente un défi. D’un côté, les travailleurs temporaires, dont la plupart ne sont pas syndiqués, peuvent être perçus comme des concurrents aux travailleurs permanents syndiqués. D’un autre côté, les travailleurs permanents peuvent bénéficier de la présence de travailleurs temporaires dans l’entreprise, dans des situations où ces derniers servent de tampons en fournissant ainsi une protection aux travailleurs permanents contre une éventuelle mise à pied. De plus, il s’est avéré difficile pour les syndicats d’organiser les travailleurs temporaires. Cette situation limite évidemment le pouvoir tacite de négociation et l’accès à des droits pour les travailleurs temporaires. Elle vient également limiter la capacité des syndicats de négocier des conditions de travail et d’emploi équitables.

Pour les entreprises qui engagent des travailleurs temporaires, le fait d’investir dans un niveau élevé de motivation et d’engagement a moins d’attrait. L’engagement de salariés temporaires demeure actuellement et avant tout une stratégie managériale visant à créer une population marginale, qui peut être utilisée dans la création d’une flexibilité numérique servant de tampon, protégeant l’emploi des travailleurs permanents, qui forment le noyau de la force de travail et servant aussi à réduire les coûts d’opération.

De manière générale, les salariés préfèrent des emplois stables. Cela s’explique en grande partie par le fait qu’ils croient que les emplois permanents procurent de plus grands avantages. Plusieurs travailleurs temporaires cherchent à accéder à des postes permanents en acceptant d’abord des emplois temporaires. Quoiqu’ils ne préfèrent pas nécessairement des emplois temporaires, ils optent délibérément pour de tels emplois qui présentent des occasions de permanence. L’aspect instrumental (ou marchepied) ne s’applique pas à l’ensemble de la main-d’œuvre temporaire. Pour d’autres travailleurs, l’emploi temporaire peut s’avérer un piège. Pour eux, un traitement équitable pourrait améliorer leurs chances de bonifier leur capital humain et leur situation sur le marché du travail.

Pour tous les acteurs, trois types principaux d’influence peuvent être identifiés qui viennent en conflit avec la règle formelle d’un traitement équitable : la flexibilité de l’économie, la protection de la situation des travailleurs permanents et la mobilité du marché du travail. De plus, les intérêts conflictuels au sein des acteurs reposent principalement sur deux normes qui agissent en même temps : la protection des normes du travail
permanent et la maximisation des profits et du bien-être. À cause d’une répartition déséquilibrée du pouvoir entre les syndicats et les salariés, d’une part, et des entreprises, d’autre part, le pouvoir d’améliorer la protection des travailleurs temporaires dépend largement du gouvernement, qui alors détient la clef de la mise en œuvre d’un traitement équitable.

Les règles instituées par le gouvernement peuvent jouer un rôle dans la création d’avantages à long terme pour les travailleurs temporaires. Cependant, à cause des conflits institutionnels et inhérents au système eu égard à un traitement équitable, de telles mesures devraient se centrer sur l’amélioration de l’avenir à long terme des travailleurs temporaires plutôt qu’une bonification de la situation à court terme. Les politiques devraient se préoccuper avant tout de créer des débouchés plutôt que de promouvoir l’égalité.