



Executive Summary

A PROFILE OF TEMPORARY AND CONTRACT EMPLOYEES

Who They Are and What They Do



By Steven P. Berchem

American Staffing Association

Staffing employees have very positive views of their temporary or contract work experiences, according to the results of a comprehensive landmark survey conducted by the American Staffing Association in early 2006.

In the largest sample ever surveyed of staffing employees (which account for about 2% of the U.S. work force), 13,196 current and former temporary and contract employees from 186 ASA member companies completed a telephone or online questionnaire from Jan. 23 through Feb. 17. Seventy percent of the respondents were currently working on an assignment for a staffing firm; the balance had been employed by a staffing firm at some time since Jan. 1, 2005. Respondents were asked to think about their most recent assignment in answering questions; 79% said they had worked full time. Participants included employees from all staffing sectors: office-clerical and administrative; industrial; health care; technical, information technology, and scientific; and professional-managerial, such as accounting, legal, and marketing. The median employment tenure with a staffing firm was 15 weeks.

ASA and its members often use the terms “temporary” and “contract” interchangeably with regard to staffing employees, and previous ASA research has shown that many staffing employees prefer contract to temporary. Accordingly, respondents were asked which they considered themselves; 57% said they were temporary employees and 43% said they were contract employees.

Nine of 10 staffing employees would refer a friend or relative to work as a temporary or contract employee, the survey shows. Similar proportions—around 90%—were satisfied overall as well as in various specific measures of their work experiences, far exceeding satisfaction ratios from surveys of the total U.S. work force. The staffing employee satisfaction ratings were remarkably strong. For example, the survey’s plurality was “extremely” satisfied overall. And those respondents who were “extremely” or “very” satisfied outnumbered those who said they were “somewhat” satisfied by nearly 4 to 1.

Most respondents viewed their temporary or contract jobs as a way to get a permanent job, earn additional income,

and improve their skills. Getting a permanent job was by far the most important reason for choosing temporary or contract work; 49% of the surveyed employees said it was an extremely important factor in their decision. Many succeeded in securing permanent employment. Of the survey participants who remained in the work force but were not on a temporary or contract assignment at the time of the survey, 53% had taken a permanent job. Of that group, 43% became employed by their staffing firm's customer. Nearly one-quarter of those who got permanent positions said that working as a temporary or contract employee helped them get a permanent job faster.

Although bridging to a permanent job was important to most staffing employees, it was of little or no interest to one in four. They worked with staffing firms for lifestyle reasons. One in five respondents said that flexible work time, choice of assignments, or having time for family were extremely important factors in their decisions to become a temporary or contract employee.

Employees in the industrial sector were the most satisfied and optimistic, even though they were the lowest paid. Employees in the technical and information technology sector provided the lowest satisfaction ratings (albeit at 87%, just three points lower than the total sample) even though they were the highest paid. Employees in the health care sector rated lifestyle factors highest, were more likely to work part time, and were the most satisfied with their pay. Employees in the office-clerical sector were more likely to be seeking experience or training to improve their skills, whereas employees in the professional sector were more likely to be going back to school.

Long-term employees—those whose average assignment lasted for two years or more—accounted for 12% of the total sample. They perceived that the money is better and that they have more flexibility as contract employees. The evidence suggests that their perceptions were accurate: They received higher hourly wages, achieved higher household incomes, and were more likely to work part time than staffing employees with shorter-term assignments. Long-term staffing employees also were more highly educated and more likely to work in professional or technical/IT occupations than their shorter-term counterparts. They were more likely to participate in employee benefits programs offered by their staffing firms, too.

The survey revealed two unexpected key findings. One was the relatively small proportion of staffing employees who indicated their previous occupation as student (10%), homemaker (4%), or retiree (3%). The other was the relatively high importance assigned to the additional income provided by temporary or contract work. Although nearly equal numbers of surveyed employees cited income and flexibility as impor-

tant, 35% said the additional income was extremely important whereas 23% said flexibility was extremely important.

Regardless of their reasons for working as temporary or contract employees, more than 88% of those surveyed said their experience made them more employable, mostly by developing new or improved skills and receiving on-the-job experience; 20% attributed their enhanced skill levels to specific training provided by their staffing firm. A majority said the work strengthened their résumés, and four in 10 said the experience helped them gain self-confidence and improve their work habits.

Overall, the survey results shed light on the important role U.S. staffing companies play as labor market intermediaries—creating jobs, helping those who want permanent jobs to get them, offering flexibility and choice to those who prefer alternative work arrangements, and providing training and experience to improve skills and enhance the value of staffing employees in a growing and ever-demanding economy.

FULL REPORT

Available at americanstaffing.net. Click on Staffing Statistics, then Staffing Employee Survey. Contents include

Methodology

- Questionnaire Development
- Survey Timing
- Participation Incentives
- Participation Promotion

Results

- Reasons
- Work Experience
- Permanent Job
- Pay and Benefits
- Sector Profiles
 - Industrial
 - Office-Clerical
 - Health Care
 - Professional-Managerial
 - Technical/IT
- Long-Term Profile
- Withdrawal Profile

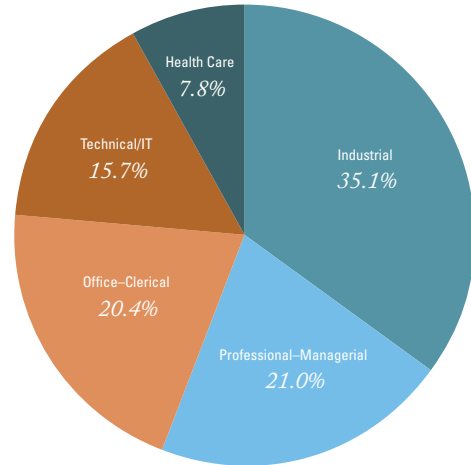
Appendixes

- Questionnaire Reviewers
- Survey Questionnaire
- Sample Promotional Materials
- Participating Staffing Companies

SECTOR DISTRIBUTION

Respondents selected the staffing sector of their most recent assignment. While all staffing sectors were well represented, 21% of the 13,196 staffing employees who participated in the ASA survey said they had worked in the industrial sector. ASA analysis of unpublished occupational data from the U.S. Bureau of Labor Statistics (February 2001 supplement to the Current Population Survey) showed that temporary and contract employees in the industrial sector constituted 35% of the temporary and contract staffing work force, suggesting that the industrial sector was significantly underrepresented in the ASA staffing employee survey. Thus, the entire sample in the ASA staffing employee survey was weighted to reflect the sector distribution of the BLS data, as shown in Figure 1.

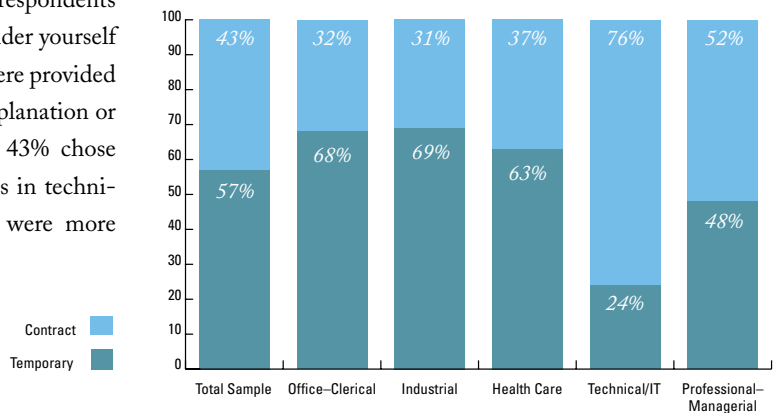
FIGURE 1: Percentage of Staffing Employees in Each Sector—Based on BLS Data



TEMPORARY OR CONTRACT

After being asked a series of screening questions to ensure that all participants were qualified for the survey, respondents were asked Question 1 of the survey: Do you consider yourself a temporary or contract employee? Respondents were provided two options, “temporary” or “contract,” with no explanation or definition; 57% chose temporary employee and 43% chose contract employee. Figure 2 shows that employees in technical/IT and professional-managerial occupations were more likely to consider themselves contract employees.

FIGURE 2: Respondents Selected Whether They Considered Themselves Temporary or Contract Employees



FULL TIME AND PART TIME

Eight of 10 temporary and contract employees work full time, about the same proportion as the overall U.S. work force. Contract employees were more likely to work full time, whereas temporary employees were slightly more likely to work part time.

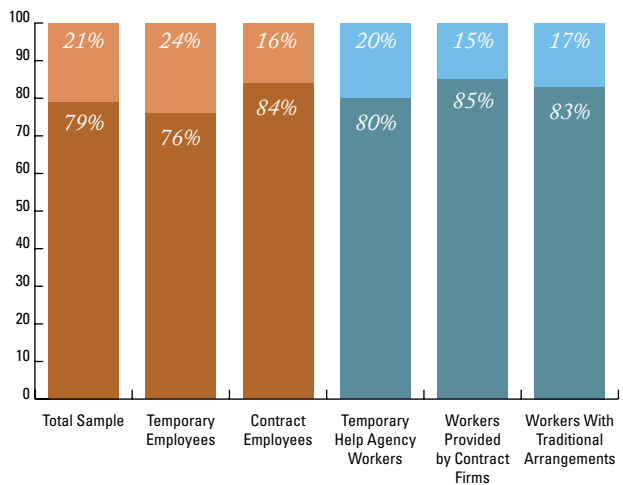
FIGURE 3: ASA and BLS Surveys Produce Similar Results

ASA Staffing Employee Survey, 2006

Part time
Full time

BLS Current Population Survey, 2005

Part time
Full time

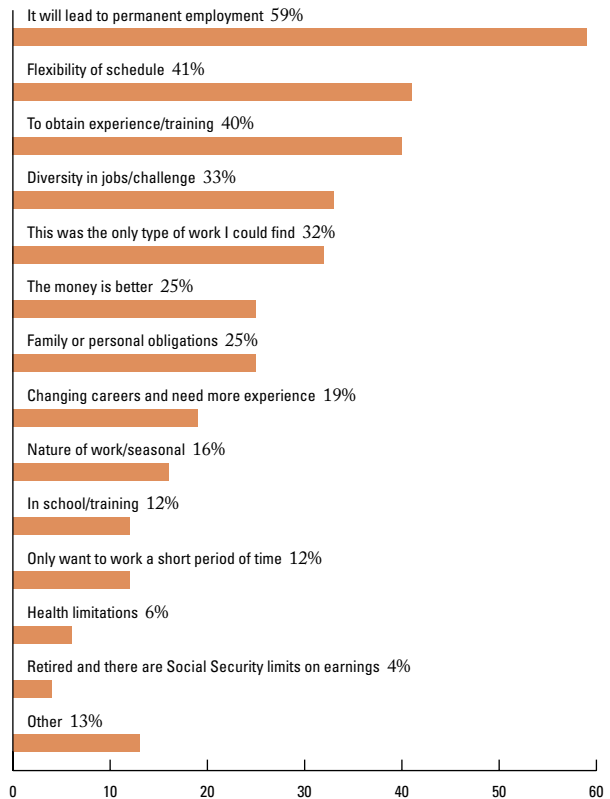


REASONS FOR CHOOSING STAFFING

Respondents were presented a randomly ordered list of reasons for choosing temporary or contract work and could select all that applied. “Other (specify:_____)” anchored the list; more than 1,000 respondents selected this reason and provided comments. Figure 4 ranks the reasons by popularity. Illustrative verbatims are listed below:

- Access to jobs and companies that might not be in the local paper.
- Actor looking to supplement my acting income.
- Allow me to find perfect fit.
- Aspiring musician.
- Avoidance of office politics.
- Benefits.
- Chance to speak two languages.
- Changing careers and moving out of state soon.
- Connections to film and TV industry.
- Contracting for 10 years. Vacation. Benefits. And close to home.
- Convenience.
- Desire to leave previous full-time employer.
- Do not have the need for benefits.
- Fast job placement.
- Freedom!
- Get more respect and better leverage than a full-time employee.
- Got laid off and needed a job.
- Just graduated from college. Fast way to find work.
- My brother worked for the agency and told me it would be extremely helpful.
- Need income while seeking permanent job.
- Second job.
- Spouse in military.
- Supplemental income.
- Supports my freelance writing career.

FIGURE 4: By Far the Top Reason for Choosing Temporary or Contract Work Was to Get a Permanent Job—Flexibility and Work Experience Also Ranked High

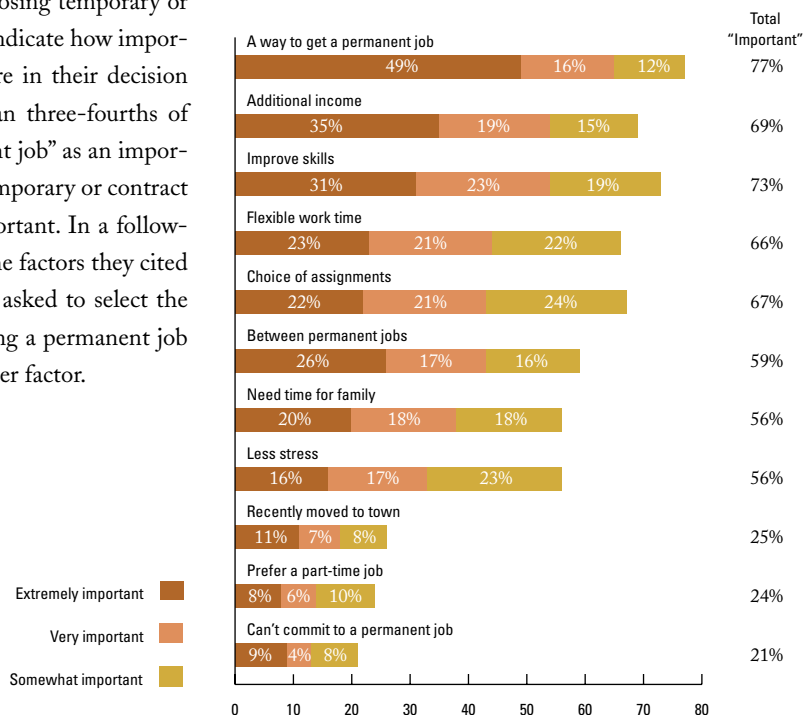


FACTORS IMPORTANT IN DECISION

After selecting their reason(s) for choosing temporary or contract work, respondents were asked to indicate how important various randomly ordered factors were in their decision to become a staffing employee. More than three-fourths of respondents cited “a way to get a permanent job” as an important factor in their decision to become a temporary or contract employee—half said it was extremely important. In a follow-up question, respondents were presented the factors they cited as at least somewhat important, and were asked to select the single most important one; 36% said getting a permanent job was most important, far more than any other factor.

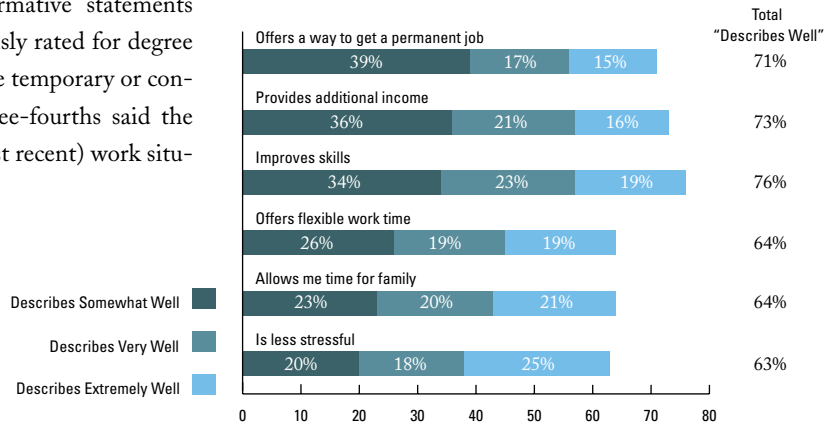
FIGURE 5: Respondents Rated the Importance of Various Factors in Their Decisions to Become Temporary or Contract Employees

(Ranked by Sum of Extremely and Very Important)



WORK SITUATION RATINGS

Staffing employees have strongly positive views about their job experience engaged in temporary or contract work. When respondents were presented affirmative statements about an array of factors they had previously rated for degree of importance in their decisions to become temporary or contract employees, about two-thirds to three-fourths said the statements described their current (or most recent) work situation somewhat to extremely well.



REALITY VERSUS EXPECTATIONS

The reality of temporary or contract work generally met or exceeded the expectations of respondents on the factors most important to them in their decision to become staffing employees. Assuming that the responses to the decision factors question (Figure 5) serve as proxies for respondent expectations and that the responses to the work situation question (Figure 6) were proxies for the reality of their experiences, the differences between the proxies become, in effect, measures of how the actual work experience delivers against expectations. The differences, illustrated in Figure 7, show that expectations about getting a permanent job through temporary or contract work appear to slightly exceed the reality of the work experience.

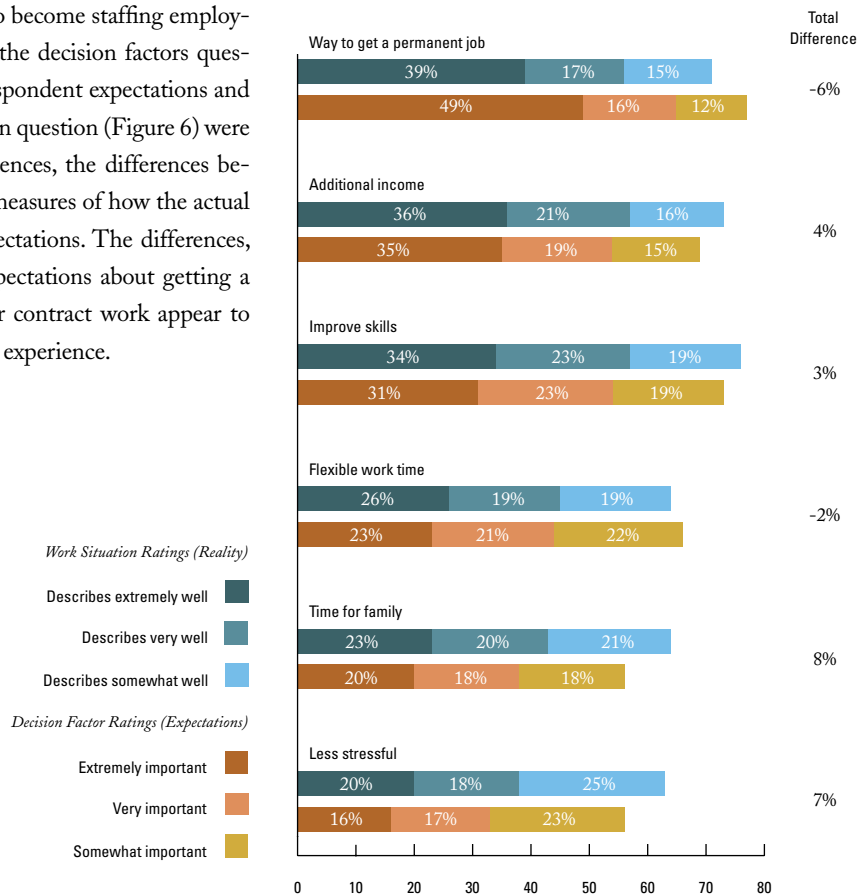
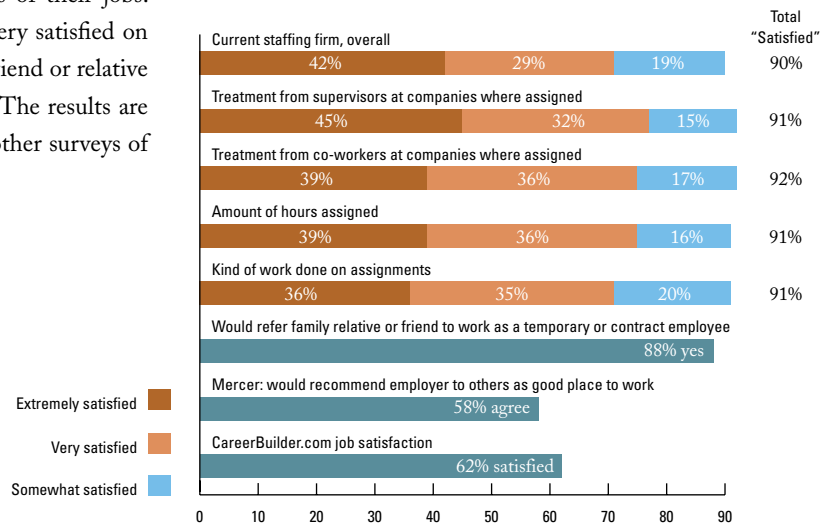


FIGURE 6: Respondents Were Asked to Indicate How Well Each Statement Described Their Current (or Most Recent) Work Experience as a Staffing Employee

FIGURE 7: Differences Between Work Situation Ratings (Reality) and Decision Factor Ratings (Expectations) Show That Reality Exceeds Expectations in Most Cases

SATISFACTION RATINGS

Staffing employees give high marks for their temporary or contract work experience. Nine of 10 survey respondents were satisfied—overall and on specific aspects of their jobs. More than 70% said they were extremely or very satisfied on each metric, and 88% said they would refer a friend or relative to work as a temporary or contract employee. The results are particularly compelling when compared with other surveys of satisfaction among all U.S. employees.



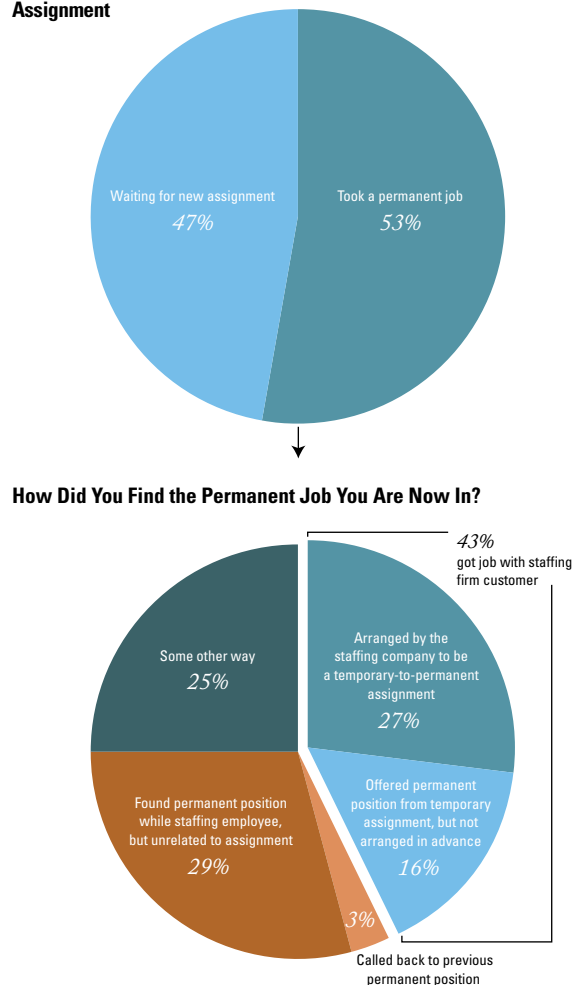
GETTING PERMANENT JOBS

Large numbers of staffing employees succeed in transitioning from temporary or contract work to permanent employment, but determining how many through the survey was complicated because respondents were in various stages of engagement with their staffing firm employer. Of the 13,196 staffing employees who responded to the ASA survey, 3,973 (30%) were not currently on assignment at the time they completed the questionnaire. Of those, 474 (4%) decided to stop working (withdrew from the work force). Of the remaining 3,499 survey respondents (still in the work force but not on a temporary or contract assignment), 53% had taken a permanent job—86% of those jobs were full time.

As a group, 43% of those respondents who had taken a permanent job became employed by their staffing firm's customer; 29% found their permanent position while working as a staffing employee, but the job was unrelated to their assignment; and 25% found their permanent job some other way—a detailed review of the "other" verbatims failed to uncover any patterns that could be categorized beyond trivial percentages, underscoring the uniqueness of individual job searches.

Nearly one-quarter of those who got permanent positions said that working as a temporary or contract employee helped them get a permanent job faster.

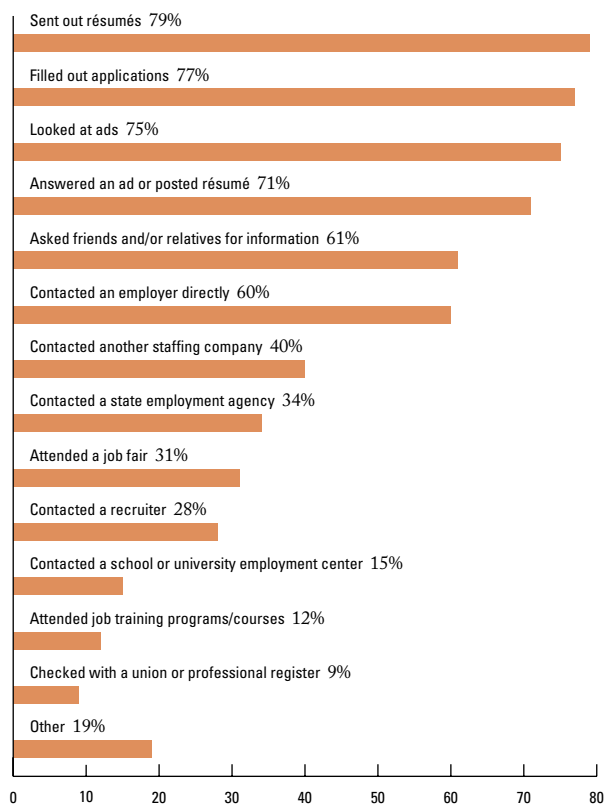
FIGURE 9: Respondents Who Were Not Working on an Assignment for a Staffing Firm at the Time of the Survey (and Who Had Not Withdrawn From the Work Force) Were Asked What They Had Been Doing Since Their Last Assignment



JOB SEARCH ACTIVITIES

Although more than three-fourths of respondents said that getting a permanent job was an important factor in their decision to become a staffing employee, only half (48%) said they actively looked for another job while working for a staffing firm. Their most common job-search activities involved distributing résumés, looking at and responding to ads, and filling out applications. Many also contacted another staffing firm (40%) or a recruiter (28%) while they were working as a temporary or contract employee.

FIGURE 10: What Steps Have You Taken to Find Other Employment?

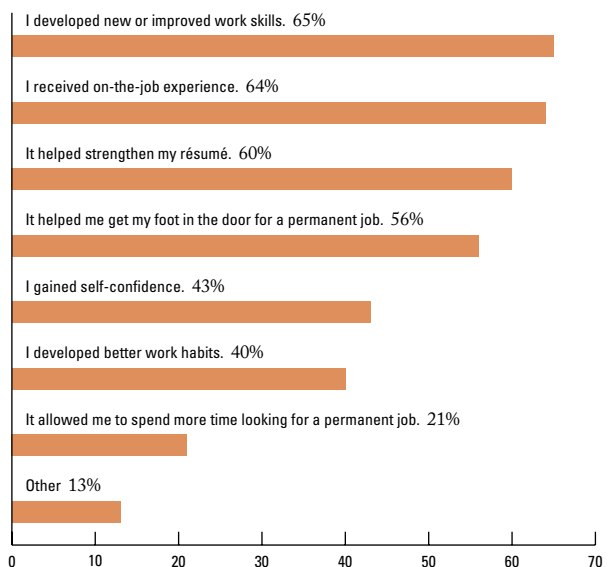


MADE MORE EMPLOYABLE

Regardless of whether seeking a permanent job, 88% of survey respondents said their temporary or contract work made them more employable. Respondents were presented a randomly ordered list of ways in which such work might make them more employable (with “other” as anchor). They were asked to select all that apply. Figure 11 ranks the “ways” by the popularity of their selections.

After selecting the ways that temporary or contract work made them more employable, respondents were presented a list of the ones they selected and asked to choose the one that helped the most: 28% cited developing new or improved work skills; 26% said it was getting their foot in the door for a permanent job. Among those who developed new skills, 20% said they obtained specific training provided by their staffing firm.

FIGURE 11: In What Ways Do You Feel Your Temporary or Contract Work Made You More Employable?





The American Staffing Association promotes legal, ethical, and professional practices for the staffing industry. ASA members provide a wide range of employment-related services and solutions, including temporary and contract staffing, recruiting and permanent placement, outsourcing, training, and human

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277 S. Washington St., Suite 200, Alexandria, VA 22314-3675
703-253-2020 ■ fax 703-253-2053 ■ americanstaffing.net