

The Strategic Use of Temporary Agency Work – Functional Change of a Non-standard Form of Employment

Hajo Holst, Oliver Nachtwey, Klaus Dörre

Using data from the German case, the paper examines a new form of client firms' utilization of temporary agency work that is distinctly different from traditional forms responding to production problems. Client firms, particularly from manufacturing, increasingly use temporary agency workers as a quasi-permanent component of their workforce. Management's primary aim is to establish a "security net" for the short-term profits by bypassing German statutory dismissal protection. However, since client firms' regular employees and the temporary agency workers tend to perform the same tasks, a secondary effect of the strategic use of temporary agency work can be observed: the disciplinary effects associated with precarious work are tangibly amplified and expanded.

Key words: temporary agency work, work, labour relations, corporate governance, Germany

1. Introduction

Temporary agency work (TAW) has experienced a dramatic development in Germany over the last economic cycle. First, no other industry experienced comparable job growth during the boom between 2005 and 2008. The number of workers employed by agencies more than doubled to over 800.000 on the eve of the current crisis (Bundesagentur 2008: 5). Manpower, Adecco and randstad, all international players, were the three largest growing employers