

**Career Path, Working Style, and Awareness among Temporary Agency
Workers Registered with Temp Staff Agencies: Based on Interview Survey
with 88 Temporary Agency Workers**

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Part I Analysis: Chapters 1, 2, 5-9, Conclusions

Part III Case Studies: No. 1, 8, 12, 25, 26, 28, 29, 30, 33, 35, 37, 39, 43, 46, 48, 49,
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Period of research

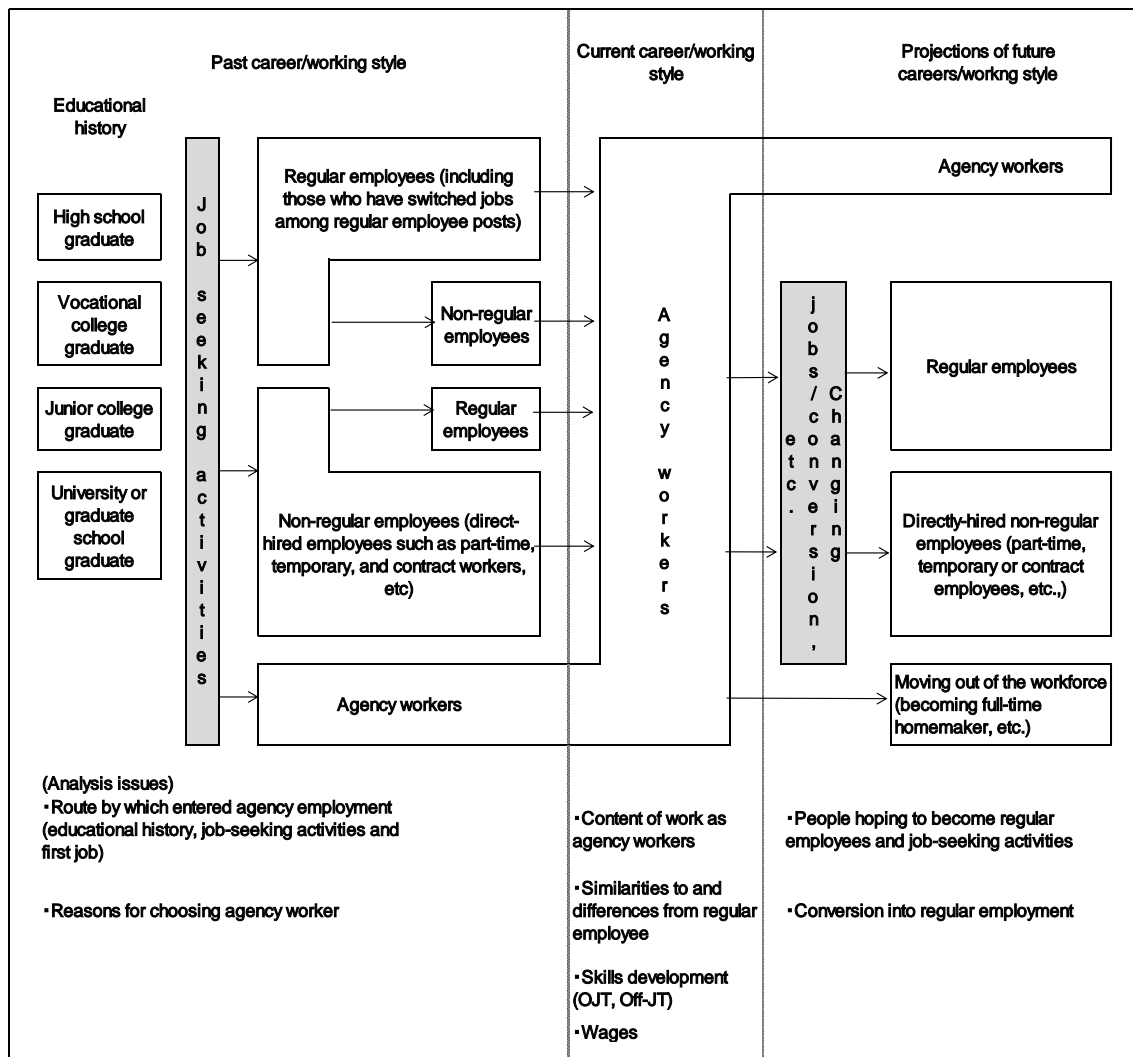
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Background to and objectives of research

The Japan Institute for Labour Policy and Training has been engaged in “Research into the Career Paths of Temporary Agency Workers” since fiscal 2008. The objective of this research is to understand the actual and potential career formation of agency workers. This report comprises key research within the range of surveys and research in this project, based on interviews with 88 temporary agency workers regarding their past, current and future careers, their work styles, and their awareness, with the aim of clarifying their actual and potential formation of careers.

In order to understand the actual status of careers of agency workers, we illustrated the flow of career formation divided into past, present and future in a diagram (Figure 1), based on which the analysis issues for each chapter were extracted.

Figure.1 Diagram showing an overview of career path of temporary agency workers



Survey methods and outline

The target of surveys for this report was mainly agency workers working within companies in the metropolitan Tokyo area (other than students). The scope of the survey was defined with conditions previously established relating to the age, job type, and period of time during which the subject has been working as an agency worker. Since the research was planned to focus on the career formation period during a workers' 20s and 30s, subjects were selected and divided into four groups, aged under 25, 25-29, 30-34 and 35-39. The types of job were mainly categorized as clerical jobs (administrative assistant, sales support, accounting, etc.), but some subjects were engaged in manufacturing, light manual labor, IT and other technical occupations. As for the period of time during which people had been working as agency workers, since one of the most important objectives was to consider the possibility of career formation

among agency workers, the survey focused on people who had been working for a minimum of 2 months as agency workers. The recruitment and selection of subjects for the survey was done via the following four methods, and a total sample size of 88 was acquired.

- (1) Introductions from labor unions with temporary agency staff as members: 5
- (2) Introductions from temporary personnel agency companies: 15
- (3) Public recruitment [1]: recruited from among registered members of recruitment website hakenjob.com: 39
- (4) Public recruitment [2]: selected from monitors registered with Rakuten Research: 29

Structure of the report

This report consists of Part I (Analysis, Volume 1), Part II (Reference Materials, Volume 1), and Part III (Case Studies, Volume 2). In Part I (Analysis) issues on career formation were extracted and discussed in respective chapters. Chapter 2 details survey methods and quantitative trends. Chapters 3 to 9 discuss these analysis issues, respectively. The final chapter summarizes and considers the analysis, and refers to future issues. An outline of the above will be described later.

Part II (Reference Materials) details certain issues raised in the questionnaire items in the interview surveys, relating to policy issues and direction of supporting agency workers. Trends are collated and main opinions recorded in relation to these trends. Furthermore, the questionnaires and face sheets used in the interviews are also included in this section.

Part III (Case Studies) records the following information as taken from the 88 interview subjects: (1) work experience, (2) the reason for engaging in agency work, and the point at which such an opportunity arose, (3) the agency to which the worker is currently attached, (4) their current workplace (client company), (5) vocational skills and skills development, (6) hourly wages, annual income and agency fees, (7) level of satisfaction with both their agency and their workplace (client company), (8) their thoughts about being an agency worker, (9) whether or not they had sought regular employment, (10) obstacles to becoming a regular employee, (11) ideas about their future work and life, (12) their current family environment, and (13) their hopes in regard to agency work overall. Each of these case studies was numbered and compiled chronologically according to the date on which the interview took place. The Case Study numbers quoted in Part I (Analysis) and Part II (Reference Materials) correspond to the numbers used in Part III (Case Studies).

Findings acquired from analysis

The following is a summary of Part I (Analysis) from Chapter 3 to the final chapter.

(1) “Work experience and careers of agency workers – from the perspective of career formation among agency workers in clerical jobs” (Summary of Chapter 3)

Chapter 3 gives case studies based on the following three viewpoints, and considers the potential for career formation and vocational skills development among temporary agency workers. First we looked at the employment history of agency worker, establishing the path they have taken from their final educational institution (final educational history), and the process and route by which they became agency workers after graduation. Secondly, we had an overview of cases in which workers had transferred from being agency workers to other forms of employment, and thirdly, as a case study of career formation after becoming an agency worker, we looked at examples of people working as agency workers from their first job onwards, and examples of workers who converted from non-clerical into clerical work. As a result, the following facts were established in regard to the potential and issues for career formation and skills development among agency workers.

Firstly, it is important that agency workers have a strong awareness of career formation. This does not involve merely undertaking training at computer classes or vocational college, it involves an attitude of determination to learn through practical activities in the workplace. Compared to regular employees, agency workers have few opportunities for education and training, and for this reason, it is difficult for them to grasp opportunities to develop their own abilities without conscious effort.

Secondly, the scope of work given to an agency worker at their place of work is also important. If the scope of work is limited, then once the worker has mastered the job they will merely be repeating the same task over and over again, which is thought to limit the opportunities for them to develop their skills. In this sense, their opportunities are highly dependent on their content of work at their workplace and the way their superiors give them work. From the point of view of learning the job and broadening the scope of work, it is also desirable that a worker is allocated to a particular job for at least a certain period of time.

Thirdly, it is important that agency workers are introduced to the type of work that fits with their careers (the issue of the accuracy of matching applied within the agency). In these interviews, however, some respondents who had experienced changing the type of job they did had not in fact been introduced to work by their agency. In these cases,

agency workers tend to search for appropriate jobs online and register for an increasing number of jobs.

(2) “Work done by temporary agency workers and its features – from the perspective of division of labor and externalization” (Summary of Chapter 4)

Chapter 4 deals with the typical work categories of clerical, sales support, product planning, data collation etc., accounting administration, translation, corporate reception, secretarial, call center, light manual labor work and manufacturing, and compares the work content and workplace situations (similarities and differences between regular employees and agency workers) for each of these categories, in order to establish the awareness of agency workers in regard to the work that has been outsourced by their client companies.

The results of this research showed that (1) regardless of the type of work or specialization, the scope of work is limited and many agency workers feel that their work is “routine”, and (2) many of agency workers are engaged in completely different tasks from regular employees. Depending on the type of work, it appears that in some sectors, division of labor between regular and agency workers is fairly established. Furthermore, among agency workers interviewed, (3) some, who have a broader scope of work, are given leadership responsibilities, or are engaged in high-level work, feel that they are doing jobs that involve decision-making.

Since it can be assumed that career formation among agency workers is largely influenced by the manner in which work is divided up and assigned to agency workers in any given workplace, when categorized by type of work, agency workers tend to have a more limited job description and limited prospects for the expansion of their scope of work. Furthermore, the structure of the workplace or the proportion of regular and agency workers is also important. In clerical work, in the workplace where the staff are mostly agency workers (for example, in a call center), there is a higher possibility that the job description will be more limited. If the scope of work is limited, regardless of the difficulty of the job, there are a large number of repeated tasks, and the job will take on a pattern, leading to an even stronger impression among staff that their work is “routine”.

(3) “Trends in wages and the factors behind them” (Summary of Chapter 5)

In Chapter 5, 63 cases of agency workers, who were long-term agency workers with at least the past three years spent in agency jobs, were divided into three different wage

profiles (rising, static, or significantly fluctuating), and the trends in wages and factors behind these were considered. The findings gained from this overview are as follows.

- i. Rises in wages alongside a change in workplace were caused by three main factors. The first is a change in type of work. An example of this is where an agency worker moves from being in sales administration to accountancy or from being in manufacturing to administration, into a higher-paid profession. The second is where a worker stays in the same type of work, but moves to a more demanding position. In particular, this can happen when an inexperienced worker gains experience in a field, and moves up into a position within the same sector, which requires more experience. The third factor is the location of the workplace. Since agency workers in Tokyo are paid more than those in other areas, wages tend to rise after a move to the capital. The extent of the rise in wages after changing workplace or type of job is much larger in cases where the agency worker has achieved a larger increase in professional skills.
- ii. Factors behind a rise in wages while in the same workplace can be broadly divided into three. The first occurs when employment at the same workplace goes on for more than two years. The second is when an employee works for a longer time in a particular workplace, and the scope of their work is broadened or their job gets more difficult. This is seen more commonly in administrative jobs such as general administration or sales administration and other jobs with significant amount of related tasks, where the scope of work is not clearly specified. The third factor is the proactive negotiation of wages. Respondents who repeatedly reported their work status to the agency and asked them to put pressure on the client company often succeeded in getting a rise in wages.
- iii. Factors in wages remaining static included the opposite to i. and ii. above, as well as the possibility that they may have reached the maximum market wage rate for the job.
- iv. Major factors behind wage rates falling include issues with the worker him/herself, which may result in relocating from Tokyo to other areas, or moving into an industry where wages are lower. For example, some workers move into the travel industry, which has lower wages, but is extremely popular, while others may choose, for reasons of their own, to move into a sector that offers more freedom, but as a result may have to accept a drop in wages. Furthermore, subsequent to the Lehman Brothers shock, some workers had had previously renewed contracts cut, and in multiple cases, were working for lower rates of pay than had formerly been the case.

(4) “Job seeking activities by workers hoping to become regular employees – what are the obstacles to regular employment?” (Summary of Chapter 6)

In Chapter 6, the research looked at workers hoping to become regular employees, dividing them into those “proactive” about job seeking (those implementing specific job seeking activities) and those “passive” in regard to job seeking (those who only looked at opportunities on the web, or were not engaged in any job seeking activities), and clarified the human capital and particular features of the professional careers of these workers, in order to understand what obstacles are preventing those who are “passive” in regard to job seeking from becoming more proactive. In addition, consideration was given to tendencies within career patterns that involve moving from being an agency worker into a regular employee.

Workers that are “proactive” about job seeking tend to have a consistency within their careers to date, and in many cases have a clear sense of direction about their future careers. In sectors such as IT, translation and accounting, people tend to build up specialized careers through agency work, and some of these people build up experience from no experience at all, allowing them to pitch themselves at regular posts. All these sectors attract relatively high hourly rates, and involve highly-professional work. Some respondents had let their careers “idle” during a period when they were rearing children or looking after elderly families, placing importance on the location of the workplace and working hours, and had only just now emerged from that situation and begun to accelerate their careers. On the other hand, there were some cases in which respondents’ prior careers were lacking consistency, and were at variance with their desire to become regular employees. These people were, in general, struggling in their job seeking activities.

The tendency towards “passivity” in job seeking can be broadly categorized into five patterns. Firstly come the cases where workers are engaged in childrearing or caring for a family member, or were preparing to study overseas, etc., and therefore had a reason to work for an agency in a temporary capacity, but wished to return to full-time work once this period of their lives was over. Secondly were the cases of people who planned to work for an agency for 1-3 years, in order to gather experience, after which they would search for a regular employment. Thirdly, there were some cases in which workers felt that their skills, professional careers, educational background or other aspect of human capital presented barriers to them becoming regular employees, thereby leading to passivity in job seeking. In particular, advancing age seems to raise the sense of these factors being an obstacle. Fourthly, some people felt that their working conditions would not change significantly even if they became a regular

employee, leading to passivity, and fifthly, some respondents were passive in regard to job seeking for economic reasons, because they lacked the funds to engage in activities that might lead to regular employment.

How should agency workers' careers progress to ensure that they enter regular work? There seem to be three patterns – “Idling careers”, “Initial careers” and “Specialist careers”. The key to all of these is how far workers can improve their vocational skills during the period in which they work as agency staff.

**(5) “The working environment and work styles of workers with experience of being offered a transfer into regular employment, and the reasons for turning it down”
(Summary of Chapter 7)**

In Chapter 7, the research focuses on those agency workers who are hoping to become regular employees, and who have been offered or are being offered a conversion into regular employment, either in the past or currently, and looks particularly at the working environment and style of work within the workplace. Furthermore, in regard to those with experience of being offered a transfer into regular employment in the past, the research looked at the reasons for turning it down.

The working styles engaged in at the point an offer was made for a transfer into regular employment tended to fall into either of the following: (1) the job description had expanded and increased, so that the worker was engaged in tasks equivalent to that of a regular employee, and was working overtime and in other ways just like a regular employee, or (2) the job description had expanded and increased, but the worker was engaged in a different area from a regular employee. In general, it can be assumed that the worker's job description has expanded or become more specialized since the worker began work at that company. Whether or not the style of work is the same as a regular employee depends on whether the worker is employed in a job category where there is a division of labor through a physical separation of workplace and other factors. For example, in cases of administrative assistant jobs, regular employees and agency workers may well be engaged in the same sectors and working with one another. Agency workers may initially be given simple auxiliary tasks that have been separated off from the job descriptions of regular employees. They usually undergo on-the-job training from full-time employees, in order to expand the scope of their work. Eventually, they have a similar number of tasks to regular employees, and their work becomes non-routine. In cases where the work and performance of agency workers compares favorably with that of regular employees, they may be offered a transfer into regular employment. On the other hand, in cases of sales support jobs, for example,

workers may engage initially in work equivalent to general administration, but if there is a division of labor through a physical separation of workplace, the employer may consider employing agency workers under a framework different from that for regular sales staff.

(6) “Careers, lifestyle and job awareness among short-term and daily job agency workers” (Summary of Chapter 8)

Chapter 8 looks at the careers and job awareness of workers in short-term and daily job agency employment. Short-term placements include those who have proactively selected short-term agency work, and those who view short-term agency employment as an “unavoidable” or “interim” measure before moving on to the next job. Respondents proactively selecting short-term agency work mainly comprised those trying to balance work and home life, or those using it as a run-up period before returning to full-time work after, for example, a period of illness. Most of the people trying to balance work and home life were women, who had selected to work in combination with their spouse. Many of these people were adjusting the number of working days, and had an annual income of around 1 million yen. The fact that they were able to set their own conditions for the style of work they did meant that in most cases, they showed a high level of satisfaction with their agency work.

Majority of short-term agency workers view short-term agency employment as an “unavoidable” or “interim” measure before moving on to the next job. Of these, some had chosen short-term placements multiple times for a period of three years or longer, of whom some had been in short-term placements for so long that they had ceased being proactive in searching for longer-term work. Factors behind respondents becoming “stuck” in short-term agency work include respondents struggling to meet their own living expenses, and therefore repeatedly engaging in short-term agency work that only allows them to live on a shoestring, and thereby not having the money to engage in job seeking activities, or ending up in a vicious circle, i.e., the longer they are stuck in short-term agency work with few opportunities for skills development, the more their skills decline, and the less likely they are to be employed by a company. These factors can lead to dissatisfaction with short-term placements. Factors behind dissatisfaction can be broadly categorized as “concern about job security”, “low wages (low income levels)” and “lack of opportunities for skills training”.

People engaging in short-term agency work over a long period tend to face higher hurdles to becoming regular employees, due to lack of opportunities for skills development, prolonged treatment for illness, or rising age. There is a need to consider

the framework of overall social systems in order to assist these people to return to the type of employment in which they would like to engage.

(7) “Mental health, history of illness and agency working” (Summary of Chapter 9)

Chapter 9 looks at case studies of respondents who have had a history of illness or mental difficulties, and have experienced periods out of work as a result. It focuses mainly on cases where workers made the transfer from being regular employees into agency employment, and compiles the changes in their working styles from the occurrence of the illness to the completion of treatment and the reasons for entering agency employment.

For people who have experienced a period of being out of work as a result of illness, the ideal situation is to be able to return to work at the end of the process of treatment. Agency work can play a certain beneficial role in this process. The following two reasons can be broadly considered for this.

Firstly, and particularly at the early stage of the treatment period, since workers may have uncertain levels of physical strength, it can be difficult for them to work full-time in general employment. At this point some may choose to go without work and concentrate on their treatment, but those who cannot make living if they go without work and lose income may choose non-regular employment, in which they can work between 1-3 days per week when they feel well. Agency workers differ from directly employed part-time or temporary workers, in that once they register with an agency they can simply make inquiries regarding specific times that they can work, receiving convenient introductions to work as a result. Furthermore, although relationships can be shallow (since both workplace and colleagues may change on a day-to-day basis), this style of work offers the advantage of not having to explain one's illness to others. The second reason is that once a person's health begins to recover, they are able to move on to the stage where they can select their type of job and workplace, with a view to returning to full-time or more regular work. People who have experienced periods of being out of work often have a strong aversion to returning to a workplace that is similar to the one they were in when they became ill. They may also not be psychologically strong enough to begin looking for work or begin work while not knowing the type of workplace that their job involves. Within this situation, agency work offers the opportunity to begin working in a job in which the worker previously has no experience, and to select the industry or the scale of company in which they wish to work, while working for a fixed period of time. This allows a worker to test the suitability of a workplace, and reduces the associated psychological burdens.

Although the matching function of placement agencies shows significant potential in this area, there is also the possibility that the agencies may hesitate to allocate to their clients – workplaces – people who are currently undergoing treatment for illness or have a history of such illness. The matching function of placement agencies is one of their strengths, and perhaps if the state or government administrative bodies could use these strengths in their policies to encourage a return to society by people who have left the workforce due to illness, this could provide solutions to a particular problem within society.

(8) “Career formation among temporary agency workers – summary, observations and issues” (Final summary)

The final chapter gives a summary of the analysis above from past, present and future perspectives, and based on previous studies and internal and external policies, etc., considers the potential for career formation, and proposes issues for future research. Within these considerations, the following three issues are raised in regard to the potential for career formation among agency workers. Firstly, there is the problem of how far career development and career stages for agency workers can progress. The research concludes that registered agency work is currently limited in terms of its potential for professional skills development up to mid-level careers, and that the potential for registered agency workers to convert into regular employment is high among workers at the level up to mid-career, aged in their early 30s or under. Professional skills stagnate, however, among people working in limited job descriptions, in simple jobs that they can master from between a few days to less than a year, who have no potential for their work becoming more specialized or having a broader job description. Ideally a professional career would be built up as a person becomes older, but in reality, the research indicates that it is extremely difficult for a person to control a professional career individually in line with their advancing age.

Next the research deals with the issue of whether it is better to stay in a single workplace in order to cultivate a career, or to move around within the labor market. The conclusion is that for agency workers, it appears most advantageous to move around, forming a career, within the same company. At the beginning of a career, it is effective to stay within one workplace for a certain period (between 1-3 years) and cultivate one’s skills, but that in one’s 40s or older, when the opportunities to change career become fewer, there is a significant possibility that even if a worker wishes to change company, it will be difficult to find a good match, and the worker may need to accept that they must remain in one workplace.

Finally, there is the problem of the link between improving professional skills and wages. When considering the potential for consistency within a career, if a worker remains within one workplace over a long period (an “internal career”), it may be possible for both the agency and the client company (workplace) to agree on internal rules for such development. If the worker follows a “moving career” path, however, there is a need for a social system, the construction of which is expected to be extremely difficult. The research refers to movements such as the British and American social systems - the NVQ (National Vocational Qualification) and the Career Ladder Program - that allow the formation of career paths within society.