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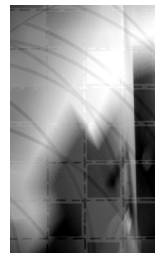
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‘Lost in translation’: an analysis of temporary work agency employment in hotels

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ABSTRACT

Temporary work continues to stimulate research and debate in many developed countries. This research provides contemporary data on temporary work agency employment in the Australian hotel industry. Findings reveal that an absence of regulation governing the temporary work agency industry in conjunction with strong migrant labour supply and extremely active agency-client firm interactions has entrenched TWA employment and restructured the labour market in a coercive fashion.

KEY WORDS

hospitality / hotels / migrant labour / temporary work agency regulation/ temporary workers

Introduction

Most simply, a temporary worker is one who earns financial rewards from work established by an employer or contract for a limited duration. Focusing on temporary work agency (TWA) labour, its use varies widely among developed countries (Forde and Slater, 2006; OECD, 2002). For example, in Germany TWA employment has increased but remains modest, accounting for approximately 1.4 percent of total employment (Jahn, 2005, cited in Mitlacher, 2007), in the UK it accounts for around 2.1 percent (Storrie, 2003) and in the USA it accounts for 2.6 percent of total employment (Mitlacher, 2007). The highest rates of agency work, measured as a percentage of total employment, exist in the Netherlands (4%), Luxembourg (3.5%) and Australia (3%) (Curtain, 2004).

Through the 1990s temporary employment accounted for approximately 71.4 percent of Australia's net growth in employment and temporary agency workers are estimated to have grown from around 84,300 in 1998 to 274,180 in 2002, representing around three percent of the workforce (Campbell and Burgess, 2001; Hall, 2006). Yet, there is a paucity of research examining such employment. Focusing on recent tensions in the literature, this article seeks to examine TWA employment in the Australian hotel industry. Around half of all hospitality jobs are temporary and TWAs are a persistent and increasingly embedded feature of the industry, representing approximately 3 percent of employment (Freidin et al., 2002). This article analyses the interplay between regulation, TWAs and client firms in order to rectify a hitherto poor understanding of the relationship between these parties. It begins by examining the extant literature on the TWA industry before discussing the significance of the Australian regulatory framework and the hospitality/hotel industry, highlighting its reliance on temporary work, including TWA employment. The methods and findings are then described. Finally, the findings are discussed in view of the pre-existing literature and conclusions are drawn out.

Temporary work and temporary work agencies

Given that recent literature highlights the importance of examining national contexts and the inherent variations in TWA characteristics between nations (Coe et al., 2009; Peck and Theodore, 2002), Australia provides a valuable setting for further TWA research. The significance of national settings is related to the unique regulatory frameworks within nation states. Research suggests that the interface between regulation at the labour market and TWA industry levels affects the size, internal structure and rates of growth of the TWA industry as well as its implications for both the broader labour market and the economy (Bergstrom, 2005; Bergstrom and Storrie, 2003). Accordingly, Peck and Theodore (2002) contend that TWAs can only be understood within the context of the complex set of employment relations and regulations that exist on a country-by-country basis.

Similarly, Mitlacher (2007) has emphasised the importance of regulation in determining employers' use of TWA staff, arguing that different levels of regulation affect employers' decisions to use TWAs. Strict dismissal protection laws, for example, may increase TWA demand as employers attempt to avoid such regulation. Coexisting with this regulation, Storrie (2003) highlights two means of directly regulating TWA employment: labour law regulations pertaining to the employment relationship as well as the assignment at the client firm (possibly in conjunction with collective agreements); and business (agency)-based regulations pertaining to the licensing and monitoring of TWA operations.

In the UK for example, legislation to govern the conduct of employment agencies and prevent less favourable treatment of fixed-term employees – *Fixed-term Employees (Prevention of Less Favourable Treatment) Regulations* and

Conduct of Employment Agencies and Employment Businesses Regulations – was introduced to protect temporary workers and to lower the barriers related to their transition into permanent employment, which are often associated with transfer fees (Biggs et al., 2006). Although the UK government is resisting compliance with the EU directives regarding temporary employment, the existing regulation is arguably benefiting 25,000 to 50,000 employees (Biggs et al., 2006).

In contrast, Coe et al. (2009) analysed the significance of Sweden's regulatory characteristics and concluded that '[i]n the case of Sweden, widespread collective agreement coverage and high levels of social protection mean that the structure and shape of the temporary staffing industry differs markedly from the industries in the UK and USA' (2009: 74). Swedish labour laws provide significant protection to all workers, including agency workers. Moreover, collective agreements cover the entire TWA industry, guaranteeing that workers are paid at least 80 percent of the monthly wage, regardless of frequency of assignments (Storrie, 2003). Collective agreements also cover most TWA employees in Germany as a result of equal pay rules introduced recently (Mitlacher, 2007).

Other research reveals that the level of regulation that exists may be affected by TWAs themselves. As opposed to functioning as passive actors simply providing labour, Coe et al. (2009) and Peck and Theodore (2002) reported that TWAs are active intermediaries in the wider processes of employment restructuring and labour market regulation, actually functioning as 'agents of deregulation' (Peck and Theodore, 2002: 151) in the USA. Others have similarly highlighted the role that TWAs play in, for instance, shaping patterns of employment through their ability to manage job matching effectively (Kirkpatrick and Hoque, 2006).

Far less has been revealed regarding the potential role that client firms may play in the structure and function of the TWA industry. While it has been suggested, based on American data from the 1990s, that employer strategies within client firms may affect the quality of TWA employees' experiences (Kalleberg, 2003), more specific analyses of whether clients might also have a role in the wider processes of employment restructuring and regulation seem largely absent. In a notable exception, Mitlacher (2007) illustrates how TWA employment is used by clients to avoid and thereby get around strict labour laws in Germany and to a lesser extent in the USA. The extent to which client firms may play a more active and/or coercive role requires further analysis.

At the same time, Mitlacher (2007) concludes that employers would make greater use of TWAs if client specifications could be achieved more effectively. According to Mitlacher, labour supply and job matching problems may be creating a natural barrier to the development of TWAs 'as a more permanent and embedded feature of industrial relations systems' (2007: 601). Conversely, McDowell et al.'s (2008) qualitative analysis of TWA employment in a London hotel and hospital suggests that migrant labour recruited and assembled on a global scale is contributing to local employment solutions, the likes of which may lead to more entrenched usage of TWAs. Whether this strategy is merely a localised response as opposed to a more extensive trend remains unknown.

In a country with one of the highest rates of TWA employment and as an industry with an equally strong reliance on TWAs, the Australian hotel sector can reveal significant insights regarding the factors involved in further embedding TWA employment and highlight emerging trends in the recruitment and assembly of TWA labour, including its reliance upon migrants. In Australia, the nature of relations between key institutions and how they may operate remains unknown. The existing research focuses on examining supply and demand issues related to the TWA industry, while neglecting to analyse the interplay between the regulatory environment, the TWA industry and client firms.

In general, the growth of temporary forms of work in Australia, including agency-based work, can be explained by similar factors to those identified elsewhere. TWA employees are deployed to achieve the following: enhanced numerical flexibility; reduced costs; simplified recruitment and selection processes; greater access to specific skills; and/or to ease risk management and other administrative issues (e.g. Brennan et al., 2003; Hall, 2000; Houseman, 2001). Others have suggested that workers are willingly supplying their labour on a temporary basis because it affords certain benefits, namely flexibility and variety (RSCA, 2004). However, Hall (2006) reveals that the supply-based argument underpinning the growth of temporary agency workers is misguided: '[w]hile agency workers in Australia are a very diverse group, spanning all occupational levels across all industries, they do, on average, exhibit the characteristics of marginal, peripheral workers' (2006: 171).

In addition to these findings, other research illustrates the importance of the regulatory environment and TWAs in creating and perpetuating such outcomes. This research aims to develop a deeper understanding of the content and complexity of relations between the regulatory framework, client firms and the TWA industry. The next sections outline the context of this research, focusing first on the regulatory environment and then the luxury hotel sector.

Australian TWAs and the regulatory environment

According to the Australian Bureau of Statistics (ABS), the employment services sector, dominated by TWAs, includes over 2700 firms, generating over Aus\$10bn and contributing around 1.3 percent to GDP (ABS, 2003). Estimating its activity, the ABS (2003) reported that the TWA industry made over 3.3 million placements in the year to June 2002. The industry tends to be dominated by a large number of small agencies, the majority having four or fewer employees, operating in over 5000 locations; less than two percent have more than 100 employees. The industry is highly competitive with an average profit margin of three percent (ABS, 2003). The reliance on agency workers in Australia is spread across every industry and occupation, though it is more common among lower skilled occupations (Freidin et al., 2002; Hall, 2006).

Specific agency-based regulation at the national level does not exist in Australia. Regulations that do exist operate within individual states, confined

to the licensing of TWAs and involving an application process. There are no limitations on the occupations/industries in which TWAs may operate, the number of hires that can occur or the length of the labour hire, and there are no reporting obligations (Underhill, 2006). In the past, trade unions sought to impose limits on the use of TWA employment through clauses in collective agreements but recent regulatory changes made it illegal for federal collective agreements to place such limitations on the use of TWA employment (Fudge, 2006). In 2005 a federal government inquiry into TWA practices recommended the development of a code of self-regulation by the industry, yet this recommendation has not been pursued (Underhill, 2006).

The regulation of TWAs remains largely confined to the award system despite the fact that this system is in decline. Australia's industrial relations framework was traditionally centralised, based on compulsory conciliation and arbitration leading to the formation of industry level awards specifying legally enforceable minimum rates of pay and conditions of employment (Bray et al., 2009). However, a series of government policy shifts since the 1990s, focused on increasing flexibility and competitiveness through re-regulation, have decentralised bargaining through the introduction of enterprise and individual level agreements and downgraded the award system such that it mainly provides a safety net for low paid workers. Whereas awards and collective agreements once covered the majority of workers (78% in 1990), coverage declined to around 23 percent by 2000 as enterprise and individual bargaining increased (Bray et al., 2009).

Curiously, award-based regulation continues to dominate (covering 61% of workers) within the hospitality industry (see Knox, 2009). It is therefore unsurprising that all of the case hotels and their TWA employees are covered by the relevant federal award (*The Hospitality Industry – Hotels, Accommodation, Resorts and Gaming Award 1998*). The award classifies temporary workers as 'casual' employees and specifies that casual employees are not entitled to paid holiday or sick leave and have no expectation of ongoing employment. Casuals are engaged to work by the hour and the lack of ongoing employment and leave entitlements is compensated by a 25 percent pay 'loading'. In the context of this study, casual workers can be employed directly by the hotel employer or they can be engaged to work at the hotel through a TWA. Significantly, the award neither distinguishes between these two types of workers nor provides any specific protections to TWA employees.

The Australian hotel industry

Around 70 percent of Australia's GDP derives from the service sector. Within services, the hospitality sector, including hotels, is an expanding and influential segment. In 2004, the hospitality sector employed in excess of 345,000 workers across Australia (ABS, 2006). Approximately 21.3 percent of these hospitality workers were employed in accommodation, while the remainder was employed

in cafes and restaurants (43.9%) and the club, pub, tavern and bar sector (34.8%) (ABS, 2006). Data from the ABS indicate that licensed hotels are the most significant category of accommodation with respect to employment and financial takings and the larger businesses in the industry are responsible for employing the most significant proportion of the hotel workforce. Much of this employment is accounted for by large hotel chains (ABS, 2005).

Research in the hotel industry highlights distinctive characteristics, including its non-standard and often continuous (24 hours per day, seven days per week) hours of operation, seasonal and unpredictable patterns of customer demand and the existence of penalty rates requiring elevated payments for work during non-standard hours, which traditionally led employers to rely on cost minimisation strategies and secondary labour (Timo and Davidson, 2005). It is estimated that almost half of all employees working in the hospitality industry are employed on a non-permanent basis (Van Barneveld, 2006: 156). Moreover, hospitality is the lowest paid industry in Australia, paying just over half (Aus\$431.50) of the average weekly earnings that would be paid to an all industries worker (Aus\$823.00) (ABS, 2006). It is perhaps unsurprising to find that the industry experiences high rates of absenteeism, turnover and grievance activity (Knox and Nickson, 2007; Knox and Walsh, 2005).

While the hospitality industry is generally characterised as weakly unionised (7.2% compared to the all industries average of 22.4%) (ABS, 2006), rates are often higher in large workplaces (up to 37%) (Knox and Walsh, 2005). Employment regulation in the industry has traditionally relied on the award system, supplemented by managerial prerogative (Timo and Davidson, 2005). The award system does not prohibit employers from paying discretionary over-award payments (above minimum wages) to employees, though most do not (ABS, 2005).

Methods and data

The research design is case study-based, involving qualitative methods. In addition, quantitative, performance-related data were collected whenever possible. All hotel sites are based in Sydney, Australia and each belongs to an international hotel chain. Sites were selected on the basis of market segment. All of the case study sites are large upper market (five-star) hotels; this segment encompasses the firms most inclined to utilise TWAs because of the hotels' size.

In three of the hotels the General, Human Resource and Housekeeping Managers were interviewed, as well as Housekeeping Supervisors and four to six Room Attendants; selected in a representative manner by the Housekeeping Manager. The Room Attendants range in age from 22 to 55 years, all are female except one and all were born overseas except one. Interviews with Room Attendants were not possible at Hotel 4. Nevertheless, the data from this hotel are valuable because they include those individuals responsible for decisions involving the use of TWAs within the hotel. In total, 35 interviews were conducted (see Table 1).

Table 1 Case study hotel characteristics

Hotel	1	2	3	4
Ownership	International chain	International chain	International chain	International chain
Star rating	Five-star	Five-star	Five-star	Five-star
Location	Sydney CBD	Sydney CBD	Sydney CBD	Sydney CBD
Number of rooms*	<500	>500	>500	<500
Number of staff*	<500	<500	>500	<500
Housekeeping staff*	<100 maximum total 20% full-time 80% TWA staff	>100 maximum total 70% full-time 30% TWA staff	>100 maximum total 100% TWA staff	<100 maximum total 50% full-time 45% casual 5% TWA staff
Facilities	Fitness centre, pool, two restaurants, bars, business centre and meeting rooms, 24-hour room service	Health club, pool, two restaurants, bar, function space, business centre, 24-hour room service	Gym and health club, bars, restaurant, meeting rooms, 24-room service	Restaurant and bar, meeting/conference facilities and function space, 24-hour room service
Market segmentation	90% business 10% leisure	70% business 30% leisure	70% business 20% leisure 10% aircrews	80% business 20% aircrews
Employment Regulation	Award only	Award only	Award only	Award only
Interviewees	General Manager (GM) Human Resources Manager (HRM) Housekeeping Manager (HM) Two Housekeeping Supervisors (HS) One Permanent Room Attendant (PRA) Three TWA Room Attendants (TRA)	GM HRM HM Two HS Four PRA Two TRA	GM HRM HM Two HS (TWA staff) Five TRA	GM HRM HM Two HS

* Categories have been used to protect the identities of the hotels.

In addition, the Director and a Senior Manager of the TWA supplying staff to two of the upper market hotels were interviewed. All interviews were semi-structured and focused on examining the use of temporary employment within the hotels' housekeeping departments as well as the employment characteristics and preferences of the hotel room cleaners: 'Room Attendants'. The research focused on housekeeping departments in order to allow comparisons between hotel sites while also providing the opportunity to increase depth of understanding regarding temporary employment in this segment of the industry.

Each interview lasted approximately 90 minutes. Semi-structured interviews were most appropriate because they involve a line of questioning around particular themes while also allowing the parties to discuss additional issues that may arise. This approach enables the interviewer to elicit the interviewee's viewpoints more effectively than a standardised interview (Flick, 1998). The main themes of questioning related to: product market and business strategy; employment/labour utilisation strategies; training/development; pay/benefits; employee demographics; and the relationship between the hotel and the TWA. Quantitative data on performance and employment figures were also collected from management, though this data was patchy in instances due to commercial confidentiality and/or incomplete or out of date records. The data were content analysed in order to identify common themes and to draw out trends across the sample.

Case study findings

Hotel product markets and business strategies

All of the case study sites are positioned in the luxury hotel sector. They provide superior quality service with an extensive range of facilities throughout the hotel and rooms (see Table 1). Each case hotel adheres to the brand standards of its chain and as five-star properties their service standards are high and monitored regularly through key performance indicators, reviews and audits. Hotel managers suggested that they are required to maintain a delicate balance between provision of service quality and cost minimisation; an ongoing challenge described by one manager as 'something that we have to monitor constantly to find the right balance between providing a five-star experience at a competitive price while also turning a profit' (Hotel 4). All of the hotels had annual occupancy rates above 75 percent, though there were variations throughout the year in line with tourist seasons and special events.

Employment and labour utilisation strategies

Although full-time employment dominated all housekeeping departments, it frequently consisted of a combination of permanent and temporary staff. The temporary staff could be employed directly (casual staff) or hired through a TWA (TWA staff). Within the hotels, varying proportions of permanent, casual

and TWA staff were deployed (see Table 1). A combination of permanent, casual and/or TWA staff enabled managers to align their staffing levels with fluctuations in demand cost effectively. Permanent full-time employees possess regular guaranteed working hours, while casual employees' working hours can be more irregular and are not guaranteed. TWA staff are often engaged to work up to 38 hours per week at a hotel but their hours are subject to change, fluctuating in accordance with demand patterns. In addition, managers would deploy TWA or casual staff in order to avoid overtime among permanent full-timers, though paid overtime was offered to permanent workers occasionally. Consequently, housekeeping managers' reliance on TWA staff varied across the hotels.

TWA staff made up 80 and 30 percent, respectively, of housekeeping employment in two hotels (Hotel 1 and 2), a third hotel had completely outsourced its housekeeping operations to a TWA (Hotel 3) and the fourth hotel used TWA staff more sparingly (Hotel 4). The decision to outsource housekeeping at Hotel 3 was the result of cost minimisation and the closure of the hotel while renovations were completed. The closure meant that pre-existing room attendants were offered redundancies and upon re-opening, it was considered more cost effective to outsource housekeeping. A similarly strong dependence on TWA employment at Hotel 1 was said to be the result of company policy, reflecting a desire for cost minimisation and flexibility. In comparison, management at Hotels 2 and 4 expressed a preference for maintaining a greater proportion of in-house room attendants, to maintain quality standards, though they still relied on TWA employment to manage sudden fluctuations in occupancy and/or to cover staff absences and periods of leave. Overall, TWA employment had become a permanent and embedded feature of each of the hotels' operations. Indeed, TWA employment had become increasingly important among the upper market hotels and the proportion of permanent staff employed directly by the hotels (in-house staff) was said to have declined over recent years.

There were several reasons for managers' increased reliance on TWAs. First, TWA staff provided substantial numerical flexibility, thereby offering potential labour cost savings. While the cost savings were not as great as they had been in past years, as TWA costs had increased (with TWAs increasing their fee schedules), some managers suggested that longer-term savings were still possible, though others debated this. Second, the costs associated with recruitment and selection and training of new staff were not incurred if TWA staff were hired as the TWA bears this responsibility. Third, TWAs enabled hotel managers to avoid worker's compensation claims, usually related to back strain and other injuries often suffered by housekeepers, which could be litigious and expensive. Finally, the ability to attach a finite cost to labour was enhanced through the use of TWAs and managers indicated that costing is advantageous as it simplifies budgeting.

While there were advantages associated with using TWAs, there were also disadvantages. Managers indicated that it was more difficult to maintain high

quality standards. Poor experience and/or inefficiency were associated with many TWA staff due to their inadequate training by the TWA, compromising standards. Additionally, both managers and staff highlighted that there were divisions between the hotel's in-house staff and TWA staff, which affected morale. A room attendant contracted to work at Hotel 3 by her TWA stated that 'the other staff working [directly] for the hotel treat you differently, you are singled out a bit. They look at you differently and there is a bit of a divide'. The Deputy Housekeeper at Hotel 1 also noted this issue, even though all efforts were being made to avoid such problems. Divisions may contribute to the higher rates of turnover associated with TWA staff. At Hotel 3, it was also noted by managers and some TWA staff that training and development opportunities were not provided to TWA staff. The Executive Housekeeper at Hotel 3 stated that:

The downside [of outsourcing to a TWA] is that turnover is probably higher than it would be if we had our own in-house staff and we can't take advantage of training and developing the staff like we might like to. There are a few staff in particular that are very good and I would really like to develop them further, their skills are not being fully utilised. They could go a long way but I can't take advantage of that for obvious reasons.

Furthermore, these staff cannot access the self-development and leadership programs run by the hotel chain or attend its 'University'. Moreover, a TWA Supervisor working at Hotel 3 indicated that:

My job is much more repetitive now than it ever has been before [working directly for a hotel], all I do is check rooms. I used to go into the office with other supervisors and the managers and do other things. Sometimes I would fill in for the Assistant or Executive Housekeeper but that never happens now. There isn't any extra training either and there isn't anyone to organise things that can be used to motivate staff.

A room attendant at Hotel 3 stated: 'everyone is replaceable in an agency, I think, so if there is a problem they just replace the person rather than helping and developing them'.

Training and development

At all of the hotels, new room attendants are trained on the job and then partnered up with a 'buddy' (an experienced worker) during their first week. New staff then work alone, cleaning a reduced quota of rooms, with their quota increasing incrementally until it reaches the full quota. Beyond this basic training, there is additional training focusing on the 'brand standards' of the hotel chain, as well as ad hoc training regarding quality customer service. Where TWA staff are used, they are trained by the TWA itself, in accordance with the brand standards of the hotel chain. Subsequently, the hotels are supplied with their own 'exclusive' TWA staff. The effectiveness of training provided by the TWA is questionable, however, as discussed later.

Among full-time and casual staff employed directly, opportunities for career progression within housekeeping and other hotel departments are available with formalised training programs and structured career paths offered by all hotels. Despite such options, the majority of room attendants indicated that they were not interested in advancement or transfers to other parts of the hotel. At Hotel 4 for example, the human resources manager indicated that 'it is really very hard to convince the room attendants to progress, they are just happy with their current jobs and they don't want to change'. Most room attendants highlighted that all other areas of the hotel relied on rotating rosters, often involving evening work, which did not suit them: 'Housekeeping is the only part of the hotel that offers fixed shifts and you don't have to work nights ... I don't want to work nights and I like having regular shifts' (room attendant, Hotel 2). Many room attendants have domestic responsibilities and childcare commitments that would be difficult to fulfil if their working time was more irregular or involved evening work. Additionally, many room attendants indicated that they did not want extra responsibilities or work pressures and/or they lacked the confidence to progress into other jobs or higher positions.

Ironically, the room attendants who might be best able to take advantage of career progression opportunities, as they tended to be younger, better educated and childless, were unable to do so because they were employed by a TWA and could not access the hotel's developmental opportunities/career structure. From the TWA's perspective, the sooner their employees are able to clean rooms the better, as they are not productive unless they are cleaning, generating an income stream for the TWA. Subsequently, training is minimised and there are few opportunities for career advancement within the TWAs.

Pay and benefits

Room attendants received award-based rates of pay. The basic rate of pay is Aus\$14.18 and Aus\$17.72 per hour for permanent and casual staff, respectively. These rates compare to a minimum wage of Aus\$13.74 set by the Australian Fair Pay Commission in July 2007. Overtime rates of pay apply as stipulated in the award though overtime is infrequently deployed at the hotels examined. Although managers suggested that award-based rates of pay are received by permanent, casual and TWA staff at all of the hotels, some staff indicated that the use of room quotas could impact upon pay. For instance, a TWA employee stated that:

Staff working full time have a 7.6 hour shift per day but they are paid by the number of rooms that they complete so if they only clean 10 rooms in that time they only get paid for 10 rooms not their full 7.6 hour shift because the quota is 14 for a day. But if they get all their rooms done in six hours they will only get paid for six hours work, so they have to stay around for the extra 1.6 hours and do extra cleaning, say in public areas, to get their full day's money. It is not just the agency that does this, this is how it works in a lot of hotels even though they say it is not piece rates. This is how the hotels have a rort [deceptive practice]. (Supervisor, Hotel 3)

The Director of the TWA supplying staff to Hotels 2 and 3 confirmed that his employees are paid according to the number of rooms cleaned. At these hotels, 32 minutes is allocated to clean a standard room, so permanent and casual staff receive Aus\$7.56 and Aus\$9.45 per room, respectively. At Hotel 3, the TWA invoices the hotel at a rate of approximately Aus\$15 per room. The rate is slightly higher at Hotel 2 because it does not have an ongoing contract with the agency.

Additional benefits are available to workers employed directly by the hotels; these included: social club membership, discounted accommodation, food and beverages, gym membership, parking and movie tickets. TWA employees are not eligible to receive these benefits, however. A room attendant who did not receive these benefits noted that 'even if I didn't use them it would be nice to think that I could if I wanted to' (Hotel 3).

Room Attendant demographics

Overall, Room Attendants originated from numerous countries including: China, Brazil, the Philippines, Vietnam, India, Russia and Thailand. In-house permanent staff were typically female and slightly older than their temporary colleagues. Most commonly, permanent employees were married women with children and their working hours suited them: 'Most room attendants have family responsibilities so this job suits them because they just work the morning shift. Every other hotel department involves shift work which does not fit in with family responsibilities' (Executive Housekeeper, Hotel 2). The majority of these workers originate from non-English speaking backgrounds (NESBs) and possess few or no formal qualifications. Although these employees are from NESBs, their English language skills are said to be very good, which is important in the upper market hotels as attendants are encouraged to interact with guests.

In contrast, room attendants employed on a casual basis and those employed by TWAs are younger. Although predominantly female there are also males. According to the TWA Director supplying staff to Hotels 2 and 3, labour supply has been strong due to an influx of migrant workers in the past five years. Around 96 percent of his workforce are migrants (65% female and 35% male; 25–35 years of age), representing 'every nationality under the sun' and consisting of three main categories: international students and their spouses (40%); applicants for permanent residency currently on bridging visas (20%); and permanent residents and citizens (40%). Although the international students intend to move into their chosen professions upon completing their studies it was highlighted that they frequently 'get stuck' in cleaning:

[they] tend to have done studies somewhere here but [the degrees] are not very valuable, they are not proper Universities and they cannot get work so they get stuck in cleaning ... it is better than going back to Bangladesh for \$6 per month.

Similarly, many of the Chinese workers are engineers, doctors and accountants but they are cleaning rooms because their English is imperfect or their qualifications are not recognised.

In many instances, TWA and casual staff lack housekeeping experience and some have not worked previously. The assistant housekeeper at Hotel 1 indicated that the TWAs:

advertise at unis for students on six-month working visas. They are very highly educated but they have never cleaned before, many have their own cleaners and domestic staff when they are at home in China or Brazil and they struggle to clean adequately and meet their quotas.

At the same time, others are working to support themselves and hoping to gain permanent residency. For these TWA staff, access to more structured career development opportunities in hotels would be valuable.

The relationship between the regulatory framework, TWAs and client firms

The relationship between the regulatory framework, TWAs and client firms is clearly important. In terms of the regulatory framework, provisions governing employment exist at a broad labour market level in the form of the award, as discussed previously. The regulation of the type that exists in the UK and Sweden for example (discussed earlier, and see Biggs et al., 2006; Coe et al., 2009), which is designed specifically to regulate the TWA industry and protect its employees, does not exist in Australia, leading to distinct implications.

Perhaps the most significant implication is associated with the barriers that restrict workers' transition from temporary to permanent employment. TWA staff are effectively unable to transfer into permanent employment with the client firm because of 'anti-poaching' agreements. At Hotels 2 and 3 the agreement established with the contracted TWA states that a client firm is obligated to pay the TWA \$1500 in order to 'buy out' a TWA employee and hire them directly or the client is required to wait six months beyond the completion of an assignment before it can hire a TWA employee directly, without incurring a financial penalty. The 'buy out' clause was introduced by the TWA after poaching of its employees became a problem. The Director of the TWA indicated that:

there were some initial problems with the [Hotel 3] contract because we were losing staff to [Hotel 3]. Our staff would see the other jobs available at the hotel and become porters or move into food and beverage or other areas. This [turnover of staff] was too costly for us, we were losing training costs, recruitment and selection costs and productivity was affected.

Consequently, 'anti-poaching' provisions were introduced by the TWA and hotel managers are now unwilling to engage in poaching, stating that it is an unrealistic and inefficient strategy because of the time and/or costs involved.

Similarly, the managers at the other hotels reported that 'anti-poaching' agreements with TWAs could include financial penalties of up to \$3000 or a 12-month waiting period. As a result of these agreements, none of the hotel managers had participated in temporary to permanent TWA employee transfers; 'We don't touch each other.' (Human Resources Manager, Hotel 4) However, managers expressed a strong willingness to support such transitions under more liberal conditions. For instance, one executive housekeeper stated that:

I have some staff who would be good supervisors here and they could go even further but they belong to the agency so they are off limits, I can't hire them, as it is, but I would if I was able to. (Hotel 2)

In addition, the client hotels also place restrictive demands on the TWAs and their employees by requiring exclusivity regarding their access to TWA staff. All of the hotel managers stated that they had agreements with their contracted TWA to ensure that their staff do not work at any other hotels, thus TWA employees are trained and designated to work at a specific hotel and nowhere else. The hotel managers believe that exclusivity is necessary to ensure staff consistency and quality standards. For example, an assistant housekeeping manager explained that TWA staff could 'pick up bad habits' (Hotel 1) if they worked at other hotels with lower quality standards and there are also concerns regarding contamination of the hotel's prestigious service culture. Other hotel managers expressed similar concerns. It was also suggested that TWA employees' productivity would be compromised if they were working at other hotels: 'If they have a second job they can't put in 100 percent here because they are tired.' (Hotel 1)

Other demands were also evident on the part of client firms regarding the TWA staff specifications they require. According to all of the housekeeping managers, specifications are often communicated to the TWA in order to maintain the 'right balance' in their housekeeping workforces. These demands were confirmed by the TWA Director:

It is not good to have too many staff of the same nationality because cliques of Chinese, Indian or Vietnamese can form so it is better to have a mix. It sounds discriminatory but [the Housekeeping Manager] might call and say 'no more Indians' or 'no more Chinese'. (TWA Director)

Moreover, the executive housekeeper at Hotel 1 highlighted her preference for Brazilian workers: 'They are very warm people and the men look great.'

The role that clients play in actively controlling the labour market is clearly apparent here, segmenting their workforces and placing restrictions on the employment options of their labour market. Client firms are also actively lobbying government in order to have specific temporary work visas that set working hours' limits to a maximum of 20 hours per week extended, to provide them with greater access to TWA employees holding such visas. While the TWA Director interviewed indicated that the working hours' maximum is to be extended to 30 hours per week, the federal government's Department of Immigration and Citizenship stated that no comment could be made until policy changes were released publicly.

Coinciding with these findings, the significance of labour supply cannot be underestimated. Clients' specifications could be met because of the strong and ongoing supply of migrant labour, which increased in recent years. The TWA Director noted that he would frequently arrive at the office to find a queue of new migrants seeking employment: 'there might be a bunch of Indians at the door or Chinese because they tell each other through word of mouth ... it feels

a bit like a Centre Link office [the government benefits centre for the unemployed] sometimes'.

The TWA employees frequently expressed dissatisfaction with their situation as it restricted their chances of obtaining permanent employment and the advantages that go along with a secure job, including sick leave, annual leave and greater financial security. Moreover, these workers are unable to access the other benefits offered to those employed directly by the hotels (mentioned previously), including more intensive and extensive training and career development and progression opportunities along with special memberships and discounted meals and accommodation. The disparities that exist between TWA and in-house staff may contribute to the tensions manifesting between employees. A Supervisor at Hotel 2 suggested that 'agency staff tend to feel separated from the rest of the hotel staff, they can feel left out and they can be pushed to the outer, I have seen this [alienation] myself'. Being excluded from staff social clubs in conjunction with being ineligible for discounted meals in the staff canteen and the hotel's outlets/facilities would in all likelihood leave employees feeling like outsiders and precipitate a fracturing of the workforce.

Discussion and conclusions

The findings presented here go some way towards deepening understanding of TWA employment and extending the extant literature. Overall, the findings highlight hotel clients ever increasing reliance on TWAs, to the extent that TWA employment has become a permanent and embedded feature of the labour strategies deployed in this sector. Typically managers indicated that their reliance upon TWAs was driven by their desire to enhance numerical flexibility, eliminate recruitment/selection and training/development costs, reduce costs associated with worker's compensation and overcome the variable nature of labour costs. In general then, managers' increased reliance on TWAs was associated with their need to enhance numerical flexibility while reducing costs. To this extent, hotel managers are demonstrating imperatives that reflect those of their counterparts within other sectors (e.g. Brennan et al., 2003; Forde and Slater, 2006; Hall, 2000), rather than a different or unique set of imperatives.

Regarding the entrenched nature of TWA employment observed in the hotels, four key factors appear to have been significant in precipitating this phenomenon: the absence of regulation governing TWA employment; the active restructuring of the labour market on the part of agencies; the active restructuring by client firms; and the strong, ongoing supply of migrant labour. The absence of regulation governing the conduct of TWAs is marked and has clearly produced distinct labour market outcomes by enabling TWAs and client firms to interact in a more unfettered manner than evident in other contexts, including the UK and Sweden, where such regulation exists (Biggs et al., 2006; Coe et al., 2009).

In Australia, the absence of TWA-specific regulation allows agencies to create their own 'anti-poaching' provisions, which are inhibiting temporary to

permanent employment transitions. Whereas regulation in the UK stipulates a maximum 14-week period (and potentially only eight weeks) between the TWA employee completing an assignment and being able to transfer into permanent employment with the client firm, the Australian TWAs stipulate a period of six to 12 months, which is not considered viable by the client firms. Thus, rather than TWA-based employment acting as a 'stepping stone' into more secure employment it seems more akin to a shackling device that will perpetuate marginal employment in the secondary labour market. This active role that TWAs play in restructuring the labour market is consistent with Peck and Theodore's (2002) experiences in the USA, though here it is a case of re-regulation rather than deregulation.

In addition to the role of TWAs themselves, the hotels are similarly shaping interactions and affecting labour market outcomes. Although Mitlacher (2007) and Kalleberg (2003) have suggested that client firms can utilise TWAs to avoid specific forms of regulation and develop strategies that affect TWA employees' experiences of work, the extent to which client firms are actively involved in shaping the relationships that exist in the TWA industry and the nature and significance of their activities have not previously been illustrated in detail. The hotel managers included in this study have established exclusive rights to TWA employees, thereby restricting their access to additional employment opportunities outside the hotel while also inhibiting their access to a range of internal opportunities and benefits. Moreover, some client firms have also been involved in lobbying government in order to extend their access to TWA staff possessing a particular type of work visa. It is therefore apparent that the client firms are by no means passive participants in the TWA industry, rather they are very actively involved in its restructuring. Further research is necessary in order to determine whether the active nature of client firms represented in this sector is evident in other sectors or countries.

The local recruitment and assembly of migrant labour has enabled TWA employment in these hotels to prosper. The importance of migrant labour lends support to Mitlacher's (2007) proposition that labour supply may be a factor in further embedding TWA employment and in this case it is *migrant* labour supply that is a critical factor. Interestingly, in the cases presented here the recruitment and assembly of such labour is occurring at a local level in contrast to the transnational recruitment and assembly patterns evident in McDowell et al.'s (2008) research. Nevertheless, these findings indicate that the recruitment of migrants by TWAs in London is not isolated, suggesting that it may be a more extensive trend, albeit in a slightly different form. Moreover, the evidence indicates that a richly diverse group of migrants are being recruited and assembled in a 'holding pen' from which client firms can pick and choose quite specifically, forming their own exclusive temporary workforce. Such workers often become trapped, unable to progress within the industry as a result of restrictive agency and client policies, coupled with the absence of protective regulation. The supply of such labour appears to be strong and continuous and both TWAs and client firms seem willing to take advantage of this phenomenon.

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