

WORKPLACE SAFETY IN ATLANTA'S CONSTRUCTION INDUSTRY:
INSTITUTIONAL FAILURE IN TEMPORARY STAFFING ARRANGEMENTS

A Report for the Center to Protect Workers' Rights

Chirag Mehta
Sara Baum
Nik Theodore
Lori Bush

University of Illinois at Chicago
Center for Urban Economic Development

June 2003

Acknowledgements

We would like to thank the Georgia Committee on Occupational Safety and Health, Atlanta Labor Pool Workers' Union, Atlanta/North Georgia Building and Construction Trades Council, the Roswell Intercultural Alliance (Atlanta, GA), and the Building and Construction Trades Department, AFL-CIO for their assistance in designing this study. We also specifically acknowledge the Georgia Committee on Occupational Safety and Health for their work coordinating surveys and interviews with temp workers and arranging interviews with key informants.

Jim Chamberlin, Henry Gallimore, Tim Love, and José Bernal are also acknowledged for their assistance in coordinating field surveys and interviews. Thanks also to Kelsa Reiger for conducting worker interviews.

In addition, we thank Jim Chamberlin, Will Collette and Carl Schaeffer for reviewing earlier drafts of this report.

Finally, we acknowledge the Center to Protect Workers' Rights for their financial assistance without which this study could not have been completed. Additional funding for this study was provided by the Ford Foundation.

The UIC Center for Urban Economic Development

The mission of the Center for Urban Economic Development at the University of Illinois at Chicago (UIC-CUED) is to analyze disparities in the urban economy and their implications for low-income and minority communities. UIC-CUED works in partnership with low-income and minority urban communities to devise strategies for job-centered development. Through specially constructed models of technical assistance, and engaged research with community organizations, labor unions, employers and government, UIC-CUED enters into long-term partnerships to conduct implementation research, to evaluate community development programs and strategies, and to translate lessons from practice into public policy.

Contact information:

Chirag Mehta
Research Associate
UIC-CUED
400 S. Peoria St., #2100
MC 345
Chicago, IL 60607
Ph: 312-355-0744
Fax: 312-996-5766
Email: cmehta3@uic.edu

TABLE OF CONTENTS

Executive Summary	iii
Introduction	1
Section I: Prevalence of Agency-Supplied Temps in Atlanta’s Building and Construction Industry	3
Demand for agency-supplied temps in the Atlanta construction industry.....	6
Characteristics of temp agencies supplying the building and construction industry	9
Section II: Temp Agency Workers and Workplace Safety in Atlanta’s Building and Construction Industry	12
Safety hazards are commonplace	12
Causal factors that influence substandard safety conditions.....	17
The workplace safety regime.....	20
Labor market forces	20
Workers’ compensation insurance.....	22
Occupational Health and Safety Administration	22
The impact of the workplace safety regime	24
Section III: The Workplace Safety Regime and the Temporary Construction Labor Market	26
Temp agencies insulate building contractors from labor market forces.....	27
Effect of workers’ compensation insurance undermined by temp agencies ..	32
Temp staffing arrangements confounds proper enforcement of OSHA regulations	34
Conclusion	38
Appendices	
Appendix A: Methodology	40
Appendix B: Injury Data Collection.....	43
Appendix C: Background Data on Atlanta’s Building and Construction and Temporary Staffing Industries	45
Appendix D: Temporary Worker Survey Instrument.....	47
Appendix E: Building Contractor Survey Instrument.....	53
Appendix F: Temporary Staffing Agency Survey Instrument	59
References	65

WORKPLACE SAFETY IN ATLANTA’S CONSTRUCTION INDUSTRY: INSTITUTIONAL FAILURE IN TEMPORARY STAFFING ARRANGEMENTS

EXECUTIVE SUMMARY

Data on workplace injuries, safety concerns, and provisions for safety equipment and job training suggest that workers supplied by temporary staffing agencies to building and construction contractors in the Atlanta metro area work in substandard safety conditions. Agency-supplied temps cite inadequate job training and insufficient provisions for safety equipment as reasons for their safety concerns. Temporary agency workers in Atlanta’s building and construction industry experience substandard safety conditions in part because non-standard employment arrangements between building contractors and temp agencies undermine the efficacy of regulatory forces designed to improve workplace safety standards.

This study examines the working conditions experienced by temp workers supplied by temp agencies to building and construction contractors in the Atlanta metro area and examines factors that influence these conditions. The results of this study are based upon primary data collected via surveys of workers, temporary staffing agencies, and building and construction contractors in the Atlanta metro area. Researchers surveyed 301 building and construction contractors and 24 temp agencies. In person surveys of 100 workers and in-depth interviews with 11 workers were conducted during the same time period. The primary goals of this study include:

1. To document the extent to which building contractors in the Atlanta metro area use temporary staffing agencies to fill job assignments and to describe the segment of the staffing industry that supplies temporary construction workers;
2. To understand and analyze safety conditions for agency-supplied temps who work regularly in the construction industry; and
3. To investigate factors that explain why agency-supplied temps experience substandard safety conditions at construction worksites.

Key findings

1. Prevalence of agency-supplied temps in Atlanta’s building and construction industry

For a significant segment of the industry, workers supplied by temporary staffing agencies form a large buffer workforce that is mobilized during peak periods.

- Workers supplied by temporary staffing agencies comprise 3 percent of the total construction workforce in the Atlanta area during peak construction periods.

- Almost 70 percent of the positions filled by agency-supplied temps were occupations such as clean-up, demolition, material handling, and ditch digging.
- The primary reason contractors reported using agency-supplied temps was to meet demand during peak periods.
- Only 10 percent of all temp agencies in the market are responsible for organizing the supply of temp workers to building and construction contractors.

2. Workplace safety conditions for agency-supplied temps

Agency-supplied temps working in the building and construction industry experience relatively unsafe conditions.

- Twenty-three percent of survey respondents reported experiencing a serious injury in the year prior to being surveyed. Most injured workers did not receive any treatment or workers' compensation for their injuries.
- Twenty-five percent of temp workers reported working in an unsafe construction job obtained through a temp agency in the prior year. Workers reported high levels of dust and working at unsafe heights without proper equipment as the most common hazards.
- Agency-supplied temps report having limited access to safety equipment. Twelve percent of respondents reported that temp agencies never provide safety equipment.

3. Safety conditions for agency-supplied temps and efficacy of the workplace safety regime in non-standard employment relationships.

The triangular employment arrangement between temp workers, temp agencies and building contractors confounds the system of accountability successfully enforced in standard employment relationships by a workplace safety regime – a system of safety-inducing incentives shaped by labor market forces, workers' compensation insurance and occupational safety and health regulations. The temporary staffing industry fundamentally alters employment arrangements and, subsequently, may undermine the cause-and-effect relationship on which the regime depends.

- In the context of temp agency/client employer arrangements, the influence of labor market forces on workplace safety is substantially diminished because temp agencies shelter client employers from variable costs associated with increases in wages and labor turnover.

- Temporary staffing agencies shelter client employers from rising workers' compensation insurance costs, thereby muting cost pressures that might also induce employers to improve workplace safety. In this way, the introduction of temp agencies into employment arrangements de-couples the cause-and-effect relationship between increased workers' compensation costs and employers' investments in workplace safety.
- Temp agencies complicate the enforcement process, weakening the effect of OSHA regulations on safety conditions for agency-supplied temps.

The survey of building contractors, temporary staffing agencies and temp workers was carried out during the 3rd quarter of 2002.

INTRODUCTION

Statistics on workplace injuries in the U.S. are unequivocal—construction is a hazardous industry for its workers. Over the past several decades, efforts by unions, federal agencies, the insurance industry, and associations of employers to protect the safety of construction workers have evolved into a regulatory framework that creates incentives for employers to take steps to improve workplace safety. Despite these efforts, however, injury rates in the construction industry remain disturbingly high, in part because employers have not fully responded to this system of incentives.

Now, the ever-changing landscape of U.S. employment arrangements is challenging this already inadequate system of incentives. This system, which is comprised of labor market forces, workers' compensation policies, and occupational safety and health regulations, has evolved in relation to standard employment arrangements that have been the norm for decades. Standard employment arrangements refer to full-time work, under a contract of unlimited duration with a single employer. With the growth in non-standard employment arrangements, and employment through temporary staffing agencies in particular, the adequacy of the existing system of incentives is further called into question.

This paper examines workplace safety conditions in Atlanta's construction industry in light of the growing presence of temporary staffing agencies in the industry. The purpose of the paper is to systematically assess whether, and under what conditions, temporary staffing agencies undermine the system of incentives that is in place to improve workplace safety. This paper is guided by three aims:

1. To document the extent to which building contractors in the Atlanta metro area use temporary staffing agencies to fill job assignments;
2. To understand and analyze safety conditions for agency-supplied temps who regularly work in the construction industry; and

3. To investigate factors that explain why agency-supplied temps might experience substandard safety conditions at construction worksites.

The first section presents the size and scope of the market for agency-supplied temps in the Atlanta metropolitan area construction industry. The second section describes safety conditions for temporary workers in the construction industry and reviews factors that typically influence safety conditions. The final section explores the extent to which the non-standard employment arrangements are implicated in the erosion of safety conditions for agency-supplied temps.

This study is based on data collected using standardized surveys of building contractors, temporary staffing agencies, and temp workers in the Atlanta metro area. See Appendix A for a detailed explanation of the methodology used to collect the data.

SECTION I: PREVALENCE OF AGENCY-SUPPLIED TEMPS IN ATLANTA'S BUILDING AND CONSTRUCTION INDUSTRY

Employers turn to temporary workers to meet unexpected staffing needs, to cut labor costs, and to staff short-term, specialized positions. Construction contractors in the Atlanta metropolitan area access temporary workers from three sources:

- *Temporary staffing agencies.* Temporary staffing agencies (or temp agencies) are for-profit labor market intermediaries that supply workers to other companies on a daily basis. Under most U.S. labor laws, temp agencies are considered the legal employers of the temp workers supplied to business clients. Temporary staffing agencies are the employer of record for unemployment insurance, workers' compensation, and employment discrimination laws. The Atlanta metropolitan area is one of the largest and most competitive temp markets in the U.S. (see Theodore and Peck 2002), with approximately 200 agencies operating locally. The segment of the temp industry supplying the construction sector, however, is a small portion of the total industry. These agencies are commonly referred to as day labor agencies or labor pools.
- *Labor corners and worker centers.* Labor corners are informal public gathering places such as street corners, parks, and parking lots where workers congregate to wait for employers to drive by and offer them work for the day (see Valenzuela 1999; Valenzuela and Melendez 2003). Worker centers typically are operated by non-profit organizations to assist workers who seek employment on labor corners. These centers provide day laborers with a safer place to wait for work, workers' rights education, information on alternative employment opportunities, and other services. There are two such centers operating in the Atlanta metro area. Anecdotal evidence suggests that labor corners and worker centers in Atlanta are a small but growing source of temporary construction workers who are hired by homeowners and building

contractors. Workers congregating at Atlanta's labor corners and worker centers predominantly are immigrants from Mexico and Central America.

- *Informal subcontractors.* Informal subcontractors are individuals or companies hired by contractors to supply labor on a temporary basis. Workers who are hired as informal subcontractors can be distinguished from agency-supplied temps in that they are hired directly by contractors and not directly employed by a labor market intermediary.

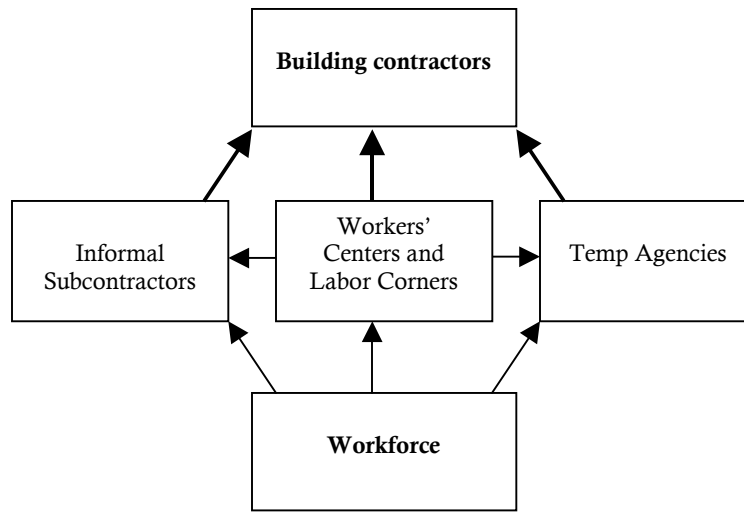
Temporary staffing agencies, labor corners/worker centers, and informal subcontractors offer a means through which the supply of temporary workers can be organized and made available to the construction industry. In the broadest terms, these sources of labor supply form the institutional underpinnings of Atlanta's labor market for temporary construction workers. As labor market intermediaries/institutions, each is governed by its own set of "rules" regarding worker recruitment and employment, as well as regarding contractor relations. On the demand (contractor) side of the labor market, these intermediaries offer contractors various benefits. For example, temporary staffing agencies are formalized intermediaries that assume some employer responsibilities, such as recruitment, payroll, unemployment insurance, and workers' compensation. Although these agencies charge a mark-up on the hourly rate for temp workers, their flexibility, reliability, and role as the primary employer present contractors with an attractive alternative to standard employment arrangements. Labor corners/worker centers are informal intermediaries yet are relatively stable entities that allow contractors to readily access an available pool of temporary workers with minimal restrictions. Finally, informal subcontracting is the least formalized arrangement. Informal subcontractors are typically workers employed by contractors to recruit other workers from labor corners and elsewhere for temporary employment.

On the supply (worker) side of the construction labor market, segments of the local workforce have differential access to (or at least rely to markedly differing degrees

on) these intermediaries. While workers employed through each of these intermediaries share certain labor market experiences arising from their position as underemployed construction workers—primarily heightened employment uncertainty and status as marginal workers within the construction industry—there exist important differences in the operation of these institutional sites of labor supply and in workers' labor market characteristics and experiences. As will be discussed in the following section of this paper, temporary labor markets in the Atlanta construction industry appear to be deeply race-structured. African Americans primarily seek employment through local temporary staffing agencies, whereas immigrants from Latin America primarily seek employment through labor corners/worker centers and consider temp agencies a secondary source of employment. Hence, as a means for organizing temporary labor markets, the very workings of these intermediaries reinforce extant patterns of segregation in Atlanta's construction labor markets.

There are reasons to conceive of these intermediaries as segments of a structured construction labor market, rather than as providers of distinct and unrelated labor supplies. There is evidence of movement of workers between these intermediaries as workers search for employment opportunities, especially during slack periods. Although, the primary flows of workers are between each of these labor sources and the construction industry. Secondary flows exist between labor corners/worker centers and informal subcontractors, as well as between labor corners/worker centers and temporary staffing agencies (Figure 1).

Figure 1: Flow of supply of temporary workers to the construction industry



The above discussion offers a preliminary description of the three most important sources of temporary construction workers in the Atlanta area. The remainder of this section returns to our principal topic of investigation—agency-supplied temporary workers, the largest and most formalized source of short-term construction labor in Atlanta. The analysis that follows is informed by two surveys: one of a stratified random sample of 301 building contractors operating in the Atlanta metro area, and another of 24 temporary staffing agencies supplying the local building and construction industry (see Appendix A for a discussion of survey methodology).

Demand for agency-supplied temps in the Atlanta construction industry

Workers supplied by temporary staffing agencies comprise a small but important share of the total construction workforce in the Atlanta area, especially during peak construction periods (see Appendix C for data summarizing employment in the building and construction industry and the temporary help industry in the Atlanta metro area). Estimates derived using official statistics and data generated from a survey of construction contractors in the Atlanta metro area suggest that approximately 3 percent of the local construction workforce is supplied through temp

agencies, a figure that is comparable to national estimates (authors' calculations based on US Bureau of Labor Statistics 2001a, US Bureau of Labor Statistics 2001b, and Occupational and Employment Statistics 2001). However, for a significant segment of the industry, workers supplied by temporary staffing agencies form a large buffer workforce that is mobilized during peak periods.

Results from the survey of building contractors indicate that approximately one-quarter of the contractors in the industry use temporary staffing agencies to fill positions at job sites. Based on contractors' reports of total employment of agency-supplied temps during peak and slack periods, it is estimated that the daily number of agency-supplied construction temps in the Atlanta metro area varies between 300 during slack periods and more than 3,000 during peak periods. For building contractors reporting use of agency-supplied temps in the previous year, these workers comprised 20 percent of contractors' peak period workforce.

Typical demand for agency-supplied temps in the Atlanta metro area may be substantially greater than suggested by the above estimates. The estimates reflect only demand among contractors reporting use of agency-supplied temps in the previous year. However, one-third of the contractors that had not used an agency in the last year had used one at some point in the past. Of these contractors, most had stopped using an agency because of an overall drop in business. In other words, because the Atlanta construction industry was in a slump during our survey period, the figures presented above likely underestimate typical levels of temporary employment in the industry.¹

Demand for agency-supplied temps varies greatly by type of contractor. When asked whether workers had been employed through temp agencies at construction sites in the past year, 41 percent of general contractors, and 20 percent of heavy construction

¹ Average quarterly employment in the Atlanta metro area construction industry during 3rd quarter 2002 was down 11.8% from the 3rd quarter of the previous year and down 8.6% from the average employment level during the 3rd quarter of the previous three years (U.S. Bureau of Labor Statistics Regional and State Unemployment Reports, 1999-2002).

and special trades contractors reported having done so. Among special trades contractors that contracted with a temp agency in the previous year, most were involved in the plastering, drywall, electrical, or plumbing trades.

General contractors mainly turn to temporary staffing agencies to supply workers for general laborer assignments. Almost 70 percent of the positions filled by agency-supplied temps were occupations such as clean-up, demolition, material handling, and ditch digging. Conversely, heavy construction and special trades contractors mainly employed agency-supplied temps to fill more skilled positions.

The evidence strongly suggests that Atlanta-area contractors limit their use of agency-supplied temps to peak periods when the supply of permanent workers is insufficient to meet demand. The primary reasons contractors provided for employing agency-supplied temps were: (a) to meet demand during peak periods, (b) to expand the workforce when there is an unexpected increase in work, (c) to meet seasonal labor needs, and (d) to complete special projects.² Most contractors reporting they employ agency-supplied temps indicated that they do not employ any of these workers during slack periods.

The majority of construction contractors (76 percent, n=303) have not recently turned to temporary staffing agencies to supply workers. Thirty-three percent of contractors (n=153) reported that they had not used a temp agency because they had enough permanent workers to meet demand—the second most frequently cited reason for not using a temp agency. In the course of conducting telephone interviews with contractors, several contractors explained that the supply of construction workers was plentiful, and available workers could be hired directly by employers. In certain respects, the availability of direct hires rendered temporary staffing agencies unnecessary. Indeed, historically, demand in the temporary staffing industry has been strongly pro-cyclical. When the industry has slackened, as it did in

² The majority of contractors reported that cost savings, a reduction in legal liability, or downsizing the permanent workforce were not issues that factored into their decision to use temp agencies.

Atlanta's construction labor market during the survey period, so too has demand for agency-supplied temps.

In addition to citing a downturn in the industry, 51 percent of contractors (n=228), particularly special trades and heavy construction contractors, also indicated that their work was too specialized for agency-supplied temps. Twenty-seven percent of contractors (n=230) also had concerns about the quality of work and reliability of agency-supplied temps. Other contractors noted that the cost associated with training agency-supplied temps discouraged them from turning to agencies for workers.

Characteristics of temp agencies supplying the construction industry

Data generated from the survey of temp agencies indicates that a small number of temporary staffing agencies are responsible for organizing the supply of temp construction workers in the Atlanta metro area. Only 10 percent of temp agencies in the Atlanta metro area reported supplying workers to the construction industry. Furthermore, most of the temp agencies supplying workers to the construction industry reported that these construction workers comprise only a small percentage of their total business. Construction workers account for an average of 15 percent of total workers supplied per temp agency. However, five temp agencies surveyed reported that construction workers represent the majority of their workforce.

Beyond supplying contractors with temporary workers, temp agencies play an important role defining contractor-worker employment arrangements. As discussed above, temp agencies typically are the primary employer of the temps they supply to client employers. As such, temp agencies are responsible for carrying temp workers on their payroll and for purchasing workers' compensation insurance to cover these workers. In addition, some agencies also take responsibility for providing temp workers with safety equipment and safety training.

A number of temp agency managers surveyed indicated that the high cost of workers' comp insurance combined with the hazards of construction work meant that it was too risky and potentially unprofitable for their agency to supply workers to the construction industry. The following statement is indicative of the views expressed by dozens of respondents:

We do strictly clean-up [on job sites]. No construction trades at all. It's a workers' comp issue. There are strict rules for what the temps can actually do on-site. They can't pick up a hammer or go up a ladder taller than 6 feet ... because of the workers' comp guidelines (interview with temp agency manager, September 2002)

Workers' compensation insurance can indeed be a significant cost of doing business. The average workers' compensation rate for general labor and clean-up positions is \$0.14 for every dollar of payroll, while for most skilled construction occupations, it is \$0.24 for every dollar of payroll (authors' estimates based on NCCI 2002). The high workers' comp costs that are required to offset the high risk of worker injury in blue-collar occupations such as construction laborer channels most temp agencies into occupations where workers' comp costs are lower and less volatile. For example, workers' compensation rates for temporary office and clerical workers are less than \$0.01 for every dollar of payroll. Not surprisingly, most commercial staffing agencies supply a mix of clerical and blue-collar workers as a way both to increase the volume of placements and to control workers' comp costs. The survey data indicates that temp agencies in the Atlanta metro area primarily supply office, clerical, and administrative positions, followed by light industrial, warehousing, healthcare, and IT and business services occupations (Table 1).

Table 1: Occupations supplied by temp agencies in the Atlanta metro area

Occupations	Percent
Office, clerical, administrative	30%
Light industrial	19%
Warehousing	12%
Healthcare	12%
IT and business services	16%
Other	11%

SECTION II: TEMP AGENCY WORKERS AND WORKPLACE SAFETY IN ATLANTA'S BUILDING AND CONSTRUCTION INDUSTRY

The previous section established that a significant number of agency-supplied temps find employment in the construction industry during peak business periods. This section reports findings from a survey with 100 workers in the Atlanta metro area who regularly seek temporary employment in the local construction industry (see Appendix A for a description of survey methodology). In addition, in-depth interviews were conducted with 11 workers. More than half of surveyed workers (n=100) held a temporary construction job in the prior month, and 23 percent reported holding a temporary construction job in the week prior to being surveyed. The anecdotal evidence collected from worker interviews indicates that temporary construction workers in the Atlanta metro area frequently are employed in unsafe working conditions.

The temporary workforce in the Atlanta construction industry surveyed for this study was predominantly Latino and African American, with the former mainly seeking work through labor corners/worker centers, and the latter tending to seek work through temp agencies. Many workers, regardless of race and nationality, reported having acquired a range of building and construction trade skills and having been able to work consistently in the construction industry. Among Latino temporary construction workers, most are relatively recent immigrants from Mexico. Many, if not most, are undocumented immigrants who are not proficient in English (see also Simmonds-Diaz 1993).

Safety hazards are commonplace

Temporary construction workers in Atlanta endure high rates of on-the-job injury. Twenty-three percent of respondents (n=89) reported experiencing a serious injury in the last year. A serious injury is defined as an injury that required medical attention or resulted in lost time on the job. Respondents reported a range of serious injuries sustained in the previous year, including deep cuts and puncture wounds on the feet,

hands, and arms; head wounds; skin rashes; back pain; wrist pain; and strained muscles.

Most injured workers (60 percent) did not receive treatment for their injury (n=19). However, many injured workers did not seek treatment because they could not afford it, were uninsured, or feared that employers would deny them future employment opportunities. As one worker explained:

People need to keep their jobs. They say everything is safe ... because they need the job and they don't care whether it is safe or not. Most go [to the worksite] whether it is dangerous or not (Interview October 2002).

A number of workers who sustained injuries on the job reported that their employers convinced them that the injuries did not require medical attention. One agency-supplied temp described his experience in this way:

After I was injured the contractor called the labor pool [temp agency] and told them to come get me. The labor pool told me to walk to the VA Hospital. And I was in pain! But a friend gave me tokens to take the bus. It was two or three miles away. I asked the [contractor] to help out with my medication but they didn't even do that, they didn't pay anything (Interview October 2002).

Work-related injuries sustained at construction sites should be covered under workers' compensation insurance. However, none of the injured workers in our survey who obtained medical treatment or lost time from their job reported receiving workers' compensation benefits. Rather, those employed through temporary staffing agencies reported that agencies discourage workers from claiming benefits, often by instructing workers that they are ineligible. Worker interviews suggest that the triangular employment arrangement between building contractors, temp agencies, and temp workers obscures lines of accountability and responsibility for compensating temp workers for their injuries. Workers explain that temp agencies frequently contend that building contractors are responsible for paying workers' compensation to injured temp workers, while contractors place responsibility back

on temp agencies. Too often, workers are unable to discern which employer is in fact responsible.

Many temporary workers, whether they have been injured on the job or not, report they encounter hazards on construction job sites that threaten their safety.

Approximately half of temporary construction workers surveyed (n=80) reported working in an unsafe construction job (a job where they were or could have been injured) in the prior year. Nearly half of these workers had obtained their last unsafe construction job through a temp agency. High levels of dust and working at unsafe heights without proper equipment were the most common hazards reported. More than one-quarter of respondents (n=40) reported that at least one piece of machinery at their last unsafe job was not working properly and 23 percent reported that there were hazardous chemicals present at the worksite. Other reported hazards included: improper scaffold construction, exposure to harmful substances, electrical hazards, lack of information and training, unsafe behavior of other workers, using hand and power tools without proper instruction, and falling objects.

Again, many workers do not raise safety concerns to their employers because they fear that doing so would jeopardize their opportunity to work. As one temporary laborer explained, “I didn’t say anything [about unsafe conditions] because I was afraid they wouldn’t ask me to work the next day” (Interview October 2002). In other cases, workers reported having raised safety concerns, but employers have refused to act on these complaints. A worker described the situation in this way:

No safety glasses, they didn’t give us anything, only tools. No hard hat, no nothing. I voiced concerns about this, but no action was taken. Then the woman from the temp agency wouldn’t pay me [for the hours worked] (Interview October 2002).

Limited access to safety equipment may explain, in part, the widespread perception that construction sites are hazardous. Forty-two percent of respondents (n=40) reported they did not receive the necessary safety equipment at their last unsafe

temporary construction job. Furthermore, 35 percent (n=43) of workers reported that the safety equipment they were provided was not in good working order at their last unsafe job, and 26 percent (n=43) reported their employer did not provide any safety equipment whatsoever. As a worker described one incident:

I had to mix chemicals for cleaning without gloves. I got a rash on my arms and skin was peeling off. It could have been prevented. They [the contractor] didn't tell us what would happen—they could have at least have told us to wear long sleeves. The temp agency didn't tell us what we would be doing and no one told us the possible reaction of the chemicals. This happened to all the other workers too. [The contractor] gave us one cleaner but it didn't work, so then they said to mix these two different cleaners. I noticed a rash a couple hours later. There was a [woman] there who had been with them awhile who said that our skin would probably peel off, she had seen this happen before. No gloves or anything (Interview October 2002).

Other workers reported that, compared to contractors that hire workers from labor corners, temp agencies provide better access to safety equipment. Only 12 percent of respondents (n=40) reported temporary staffing agencies never provide safety equipment, whereas 26 percent of respondents reported that contractors hiring workers from labor corners never provide equipment. As one worker explained:

Most [temp agencies] discourage you from doing anything unsafe and instruct you to report if you're doing something dangerous—such as something higher than four feet off the ground or if you're not harnessed. This is because of workers' comp costs. Because of ... some lawsuits, they have changed their policies (Interview October 2002).

At the same time, agency-supplied temps frequently have inadequate access to safety equipment. Almost one-third of temporary agency workers reported being charged for equipment at their last temp agency job (n=38). As one worker explained, “We ask [contractors] if they have [safety equipment we could use] and they say, ‘No, we're all out. You have to bring your own, go out and buy your own’ ” (Interview October 2002).

To assess whether workers in unsafe jobs were given the safety equipment necessary for their job assignment, respondents' reports of safety equipment received were compared to OSHA safety equipment guidelines for construction occupations. For all types of protection with the exception of hand protection, less than half of all workers surveyed received the equipment they needed (Table 2). Provisions for ear and breathing protection in particular appear inadequate.³

Table 2: Adequacy of temp workers' safety equipment

Type of protection	#of workers in need of protection	Share of workers that received adequate protection
Eye (e.g., goggles, glasses)	34	46%
Ear (e.g., ear plugs, ear muffs)	9	33%
Head (e.g., hardhats)	34	47%
Hand (e.g., gloves)	18	72%
Breathing (e.g., respirators)	24	17%

Many workers also reported a lack of proper job training by contractors. Almost 40 percent of those who reported an unsafe job in the last year indicated they had not received adequate training to safely complete assigned tasks (n=40). Temp agencies more often provide training compared to contractors hiring workers from labor corners.

Given that a large segment of the temporary workforce in the Atlanta construction industry is foreign born and has limited proficiency in English, it is important to assess the degree to which training is offered in workers' native language. Indeed, studies have identified the need for Spanish language safety training materials in cases where Latin American immigrants are present on worksites (Brown 2002 quoted in Brown, Domenzain, Villoria-Siegert 2002). More than half of Latinos who reported an unsafe job in the last year indicated that no safety training was provided

³ It was not possible to determine what share of workers in need of fall equipment or training received it from their employers because workers were not asked to report the heights at which they were working. However, 79 percent of all respondents (n=40) reported that they did not have fall protection at their last unsafe job.

in Spanish at their last unsafe job even though they are suspected to have very low English proficiency levels.⁴

These concerns regarding training and safety equipment raised by temp workers are consistent with safety concerns identified in a previous study of day laborers in Atlanta. Simmonds-Diaz (1993) documented substandard safety conditions for temporary workers in the construction industry. The most common hazards identified included exposure to dust and the risk of falling from unsafe heights. The study suggested that inadequate safety training might be a causal factor influencing the incidence of injuries. Only 30 percent of the respondents reported using personal protective equipment at work and only 30 percent said they received any training for safety hazard protection.

Despite the commonly held perception among temporary construction workers that assignments in the industry are hazardous, there is little evidence from respondents that temp agencies or construction contractors take sufficient actions to address workers' concerns. The problem is two-fold. First, many workers do not report the safety concern to their employers. Only 62 percent of respondents who reported an unsafe job in the last year (n=40) voiced their safety concerns to their employer. Second, according to temporary workers, employers typically do not take action to rectify problems when workers raise safety concerns. Among the cases in which workers reported raising safety concerns to employers, their employers (whether they are temp agencies or contractors) took action in only one-quarter of those cases.

Causal factors that influence substandard safety conditions

There are several reasons that help explain why agency-supplied temps in Atlanta's construction industry experience substandard safety conditions. Reported safety concerns and conditions for agency-supplied temps in the Atlanta metro area are partly explained by conditions in the construction industry overall. The highest rate of reported injury for all U.S. workers occurs on construction sites (Table 3 and

⁴ Almost all surveys and interviews with Latino respondents were conducted in Spanish.

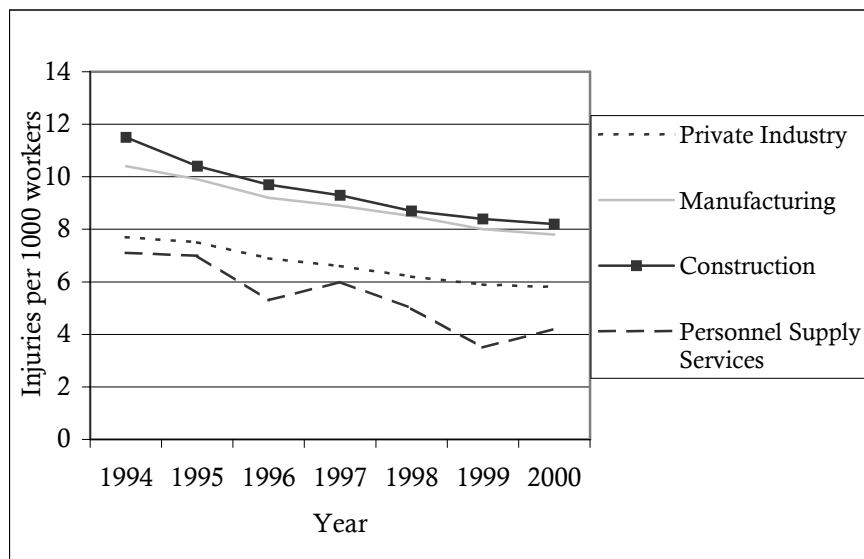
Figure 2). The occupation of construction laborer ranks fourth among all occupations for total annual lost-worktime injuries and illnesses (U.S. Bureau of Labor Statistics 2000a). In 2000, workers in this occupation suffered 45,400 lost-worktime injuries.

Table 3: Injury rates by industry, 2000

	annual average employment (in 000s)	total cases per 100 FTE workers	Injuries		
			Lost work day cases		cases without lost work days
			total	with days away from work	
Total Private industry	110,065	5.8	2.8	1.7	2.9
Mining	536	4.6	3	2.4	1.6
Construction	6,623	8.2	4	3.1	4.1
Manufacturing	18,425	7.8	4	1.9	3.9
Transportation and Utilities	6,792	6.7	4.1	3	2.5
Wholesale and retail trade	30,305	5.8	2.6	1.6	3.2
FIRE	7,436	1.6	0.7	0.5	0.9
Services	37,686	4.6	2.2	1.3	2.4
Personnel Supply Services	3,831	4.2	1.8	1.2	2.4

Source: U.S. Bureau of Labor Statistics 2000a

Figure 2: Injury incidence rates reported by employers, 1994-2000



Source: U.S. Bureau of Labor Statistics 2000b

While injury statistics for the construction industry suggest that some of the observed safety conditions reported by agency-supplied temps might be attributable to overall conditions in the industry, prior research suggests that working under non-standard employment arrangements might also be an important factor. Foley's (1998) investigation of the relationship between temp agency employment and on-the-job injury rates is unique in its use of workers' compensation claimant data as an indicator of injury rates on the job. Foley compares claim rates across industry groups in the state of Washington from 1991 to 1996 to analyze injury rates of agency-supplied temps and workers in standard employment arrangements.⁵ The study finds agency-supplied temps are more likely to suffer injuries than are standard workers in the same occupations. In construction, the claims rate for agency-supplied temps was found to be approximately twice the rate for workers in standard employment arrangements. Furthermore, it was found that the difference in claim rates between agency-supplied temps and workers in standard arrangements grew as the underlying amount of hazard in the occupation grew. The results suggest that working through temp agencies increases the likelihood of experiencing an injury that is reimbursable under workers' compensation.

Although the research literature examining safety conditions across employment arrangements is small, there are noteworthy studies documenting safety conditions for agency-supplied temps. The General Accounting Office (GAO 2002) recently conducted a nationwide review of temporary workers' safety conditions. The GAO interviewed dozens of service providers and other non-profit agencies that work with temporary workers to understand their perspectives on safety problems at work sites. The study cited concerns regarding inadequate job training and safety equipment, as well as dangerous transportation to job sites that threaten the health and safety of agency-supplied temps. A study of day laborers in Cleveland found that agency-supplied temps routinely assigned to jobs in low-wage, blue-collar occupations are often sent to jobs that are unsafe and with inadequate training, safety equipment, and

⁵ This methodology is not replicable in the state of Georgia because the National Council on Compensation Insurance does not separately classify agency-supplied temps and workers in standard employment arrangements.

information about hazardous materials with which they might come into contact (Kerr and Dole 2001).

The workplace safety regime

Prior research on factors influencing workplace safety in standard employment arrangements provides important insights into why workers employed through temp agencies might be more likely to be exposed to substandard safety conditions. The research literature on workplace safety identifies a workplace safety regime with three components that combine to encourage employers to improve safety standards: labor market forces, workers' compensation costs, and OSHA regulations. Together, these components intervene in standard employment arrangements inducing employers to improve safety conditions by internalizing the marginal cost of work-related injuries. This study now turns to an explanation of the workplace safety regime and how each component of the regime induces employers to improve workplace safety conditions.

Labor market forces

It is commonly understood that workers' demands and expectations for a safe working environment exert powerful pressures on employers to adopt higher workplace safety standards. The reasoning is as follows. Workers respond to unsafe conditions either by quitting unsafe jobs or by demanding higher wages as compensation for working in unsafe conditions. Through these actions, workers bid up wages for unsafe jobs. Rather than paying wage premiums to recruit and retain employees to work at unsafe worksites, employers take steps to improve safety conditions when the marginal cost of doing so is less than the marginal cost of compensating employees for working in unsafe conditions. This explanation is based on a rational actor model of decision-making that is founded on three important assumptions regarding worker behavior: (1) workers have perfect (or even fairly accurate) information about the hazards present at various workplaces; (2) workers are able to quit jobs and find less hazardous employment; and (3) workers have equal bargaining power vis-à-vis employers in the market. This conventional

wisdom is supported by a number of sectoral studies that lend credence to the contention that employees are able to exert wage pressures in response to unsafe conditions (Robinson 1991).

It is important to note that labor market forces do not, under all circumstances, positively influence job site safety conditions. Several factors weaken or, even under some circumstances, reverse the positive relationship between wages and risk. Empirical evidence suggests that some groups of workers are considerably less able to bid up wages for unsafe jobs (Chelius 1991; Shapiro 1999). For example, workers in low-wage occupations often have little choice but to stay in unsafe jobs because they lack both information about and the skills to secure alternative employment. Undocumented immigrants, in particular, might be reluctant to seek alternative employment for fear of being deported. In addition, workers' access to accurate and timely information regarding safety conditions is often inadequate. Robinson (1991) cites survey data suggesting that between 33 and 50 percent of workers in hazardous occupations believe they face no significant safety or health hazards.

Workers' compensation insurance

Workers' compensation insurance is a state-regulated program that collects premiums from employers to cover medical and lost work-time expenses incurred by workers who have been injured on the job. Premium rates are based on the claims history of the industry in which the employer does business, and the claims experience of the individual employer. In the event of a work-related injury, workers' compensation insurance is the "exclusive remedy" for injured workers. By paying workers' comp premiums, employers are granted immunity from tort liability stemming from workplace injuries (meaning they cannot be sued by injured employees). One of the goals of workers' comp insurance is to reduce the rate of injury on the job by penalizing employers that are unwilling or unable to maintain adequate safety standards.

Workers' comp insurance influences workplace safety by assessing premiums based in part on the claims history of employers. Employers' premiums rise as their claim-cost history surpasses the industry average. By "experience-rating" premiums in this way, workers' comp insurance acts as an inducement for employers to reduce job-related injuries or to discourage workers from reporting their injuries.

Research on the effect of experience-rating workers' comp insurance premiums has found that this policy mechanism encourages employers to take actions to reduce claims (Hyatt and Krajl 1995). Thomason and Pozzebon (2002) found that as experience-rating of workers' comp insurance premiums increases – in other words, as the sensitivity of employers' premiums to their individual claim-cost history intensifies – injury rates decline. Krajl (1994) also found that firms increasingly implement health and safety measures and claims management practices as experience-rating intensifies. A similar relationship has been found between workplace fatality rates and benefit payments (Moore and Viscusi 1989). As the value of benefits paid to claimants rises (thereby increasing the experience-rating for employers of claimants), fatality rates decline.

Occupational Health and Safety Administration

Most studies of the impact of enforcement of Occupational Health and Safety Administration (OSHA) regulations find that regulations influence employers' decisions to improve workplace safety conditions, albeit under limited circumstances. OSHA's key regulatory provisions include requiring employers to: (a) comply with minimum health and safety standards (while also authorizing federal and state authorities to inspect workplaces to verify compliance and issue fines when employers are found to be out of compliance); (b) report all fatalities, as well as injuries requiring hospitalization of three or more employees; and (c) keep records of all injuries and illnesses (for employers with 10 or more employees).

OSHA has designed special administrative procedures to enforce standards for construction contractors, both because the industry has significantly higher injury

rates and because job sites often involve multiple employers. OSHA's Focused Inspection Initiative (FII) targets inspections to the largest employers in the construction industry to abate hazards related to the most common injuries. Typically, OSHA inspects workplaces where injuries or fatalities have been reported or where workers have filed complaints alleging hazards. The FII, on the other hand, is preventive in nature in that it plans inspections of workplaces with cooperation from employers. To secure employer cooperation, OSHA agrees not to levy fines on employers that are found to be out of compliance. In an effort to reduce injuries and fatalities across the greatest number of employers, the FII also departs from traditional OSHA enforcement strategy by focusing inspections on the most common hazards in the industry.

In addition to monitoring compliance with standards through focused inspections, OSHA also promotes health and safety in the construction industry by mandating that general contractors maintain health and safety programs and that they coordinate these programs with subcontractors. OSHA's compliance officers have the authority to inspect program plans and to authorize focused inspections in cases where plans are deemed to be out of compliance.

The research literature characterizes OSHA enforcement as modestly successful in encouraging employers to improve safety conditions. Gray and Scholz (1993) finds that at the plant level, injury rates declined by 22 percent in the three years immediately following OSHA inspections that resulted in penalties (see also Viscusi 1986 quoted in Gray and Scholz 1993). In a review of econometric evidence of the impact of OSHA on health and safety, Kniesner and Leeth (1995) conclude that OSHA enforcement efforts have led to modest reductions in injury rates. In its analysis of declining injury rates between 1992 and 1996, the Bureau of Labor Statistics suggests that OSHA's increasing emphasis on consultation and compliance assistance programs, combined with focused inspections, has reduced accident rates by encouraging more employers in high-risk industries to adopt injury-reducing health and safety measures (Conway and Svenson 1998). However, it is important

not to overstate the success of OSHA's enforcement efforts. The literature also finds that because OSHA does not regulate most sources of workplace hazards, serious workplace safety concerns remain. Moreover, under-reporting of injuries masks safety problems that remain despite proper enforcement of OSHA regulations.

Impact of the workplace safety regime

The literature reviewed here explains that, to varying degrees, each component of the workplace safety regime—labor market forces, workers' compensation insurance, and OSHA regulations and enforcement—induces employers to adopt higher standards of safety that reduce the rate of injury to their employees.⁶ Figure 3 summarizes how the regime intervenes in standard employment arrangements to influence workplace safety.

⁶ This research literature suffers from two weaknesses. First, it does not assess the combined effect of labor market forces, workers' compensation and OSHA enforcement. Therefore, it is difficult to determine whether the measurable impact of OSHA enforcement on injury rates found by Gray and Scholz (1993) and Viscusi (quoted in Gray and Scholz 1993) actually is the result of OSHA enforcement or whether the influence of workers' compensation costs on employer behavior may have been responsible for the observed decline in injury rates (Conway and Svenson 1998). The literature also fails to take into account the effect of unionization on injury rates. Workers' compensation insurance may carry significantly more influence in unionized workplaces relative to non-union workplaces because union rules and administrative procedures facilitate the filing of workers' claims and their re-entry into the workforce (Hirsch, Macpherson and Dumond 1997).

SECTION III: THE WORKPLACE SAFETY REGIME AND THE TEMPORARY CONSTRUCTION LABOR MARKET

The evidence suggests that the workplace safety regime positively affects safety for workers in standard employment arrangements (i.e., traditional employer-employee relationships). It is important to consider, however, whether the introduction of temporary staffing agencies in employment arrangements compromises the safety-inducing effects of the regime. The temporary staffing industry fundamentally alters employment arrangements and, subsequently, might undermine the cause-and-effect relationships upon which the regime depends.

1. *Labor market forces* compel building contractors to respond to worker turnover or to their employees' demand for higher wages by improving safety conditions. However, when building contractors recruit workers through temporary staffing agencies, it is the temp agencies that are responsible for absorbing the costs associated with labor turnover and demands for higher wages. Building contractors do not directly experience this wage pressure.
2. The effect of *workers' compensation insurance* on workplace safety may be muted in the context of temp agency/client employer arrangements. Temp agencies are almost always responsible for carrying workers' compensation insurance for the workers supplied to client employers. Therefore, when agency-supplied temps are injured at client employers' worksites and receive benefits, temp agencies are charged for workers' claims. Therefore, the client employer does not directly absorb the marginal cost of increased workers' compensation premiums resulting from the injury.
3. With regard to the influence of *OSHA regulations*, temp agencies and their client employers both play a role in ensuring the safety of agency-supplied temps. OSHA regulations, however, may not appropriately identify and

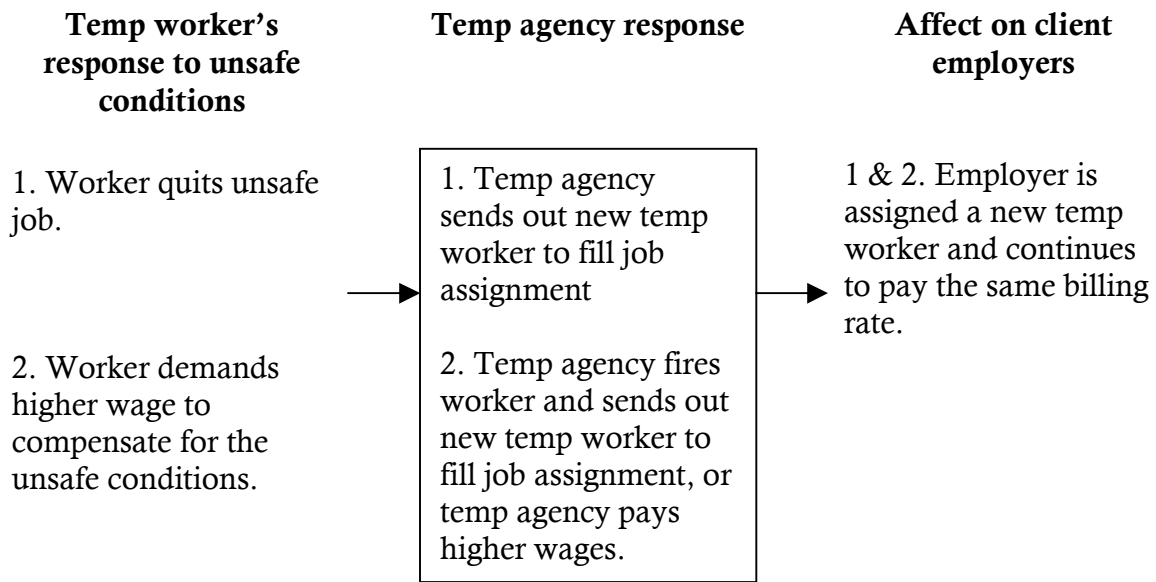
penalize building contractors and temp agencies when they fail to meet OSHA standards.

The remainder of this section explores whether introduction of temporary staffing agencies into the Atlanta construction labor market compromises the efficacy of each component of the workplace safety regime, thus explaining, at least in part, the substandard safety conditions reported by agency-supplied temps.

Temp agencies insulate building contractors from labor market forces

In the context of temp agency/client employer arrangements, the influence of labor market forces is substantially diminished because temp agencies shelter client employers from variable costs associated with increases in wages and labor turnover (see Figure 4). If temp workers demand higher wages as compensation for working in unsafe conditions, workers negotiate directly with agencies, not client employers. If temp workers choose to quit because of their working conditions, temp agencies are responsible for finding replacement workers. Client employers may never realize that agency-supplied temps quit or declined job assignments in response to unsafe working conditions. In other words, temp agencies insulate client employers from these market forces.

Figure 4: Temp agencies shelter client employers from labor market forces



It may appear that building contractors maintaining unsafe job sites pay for the variable costs stemming from temp workers' dissatisfaction with safety conditions because temp agencies pass these costs onto client employers through increases in the billing rate. However, evidence collected from the employer surveys suggests that the bargaining power exercised by client employers vis-à-vis temp agencies and their workforces prevents agencies from increasing billing rates to recover these costs. For example, when temp workers quit job assignments, building contractors may demand replacement workers from the supplying temp agency or switch to another temp agency to staff the job assignment. Contractor interviews indicate that most use several staffing agencies to supply workers. In fact, the majority of contractors (66 percent, n=73) reported using more than one temp agency simultaneously, fueling price competition among agencies. Contractors also have the option of recruiting temp workers from informal labor corners that provide viable and sometimes less costly alternatives to temp agencies. The competitive dynamic that ensues restricts the ability of temp agencies to increase billing rates in proportion to rising wages, thereby sheltering client-employers from higher labor costs associated with hazardous work. As expected, when asked about their business strategies, temp

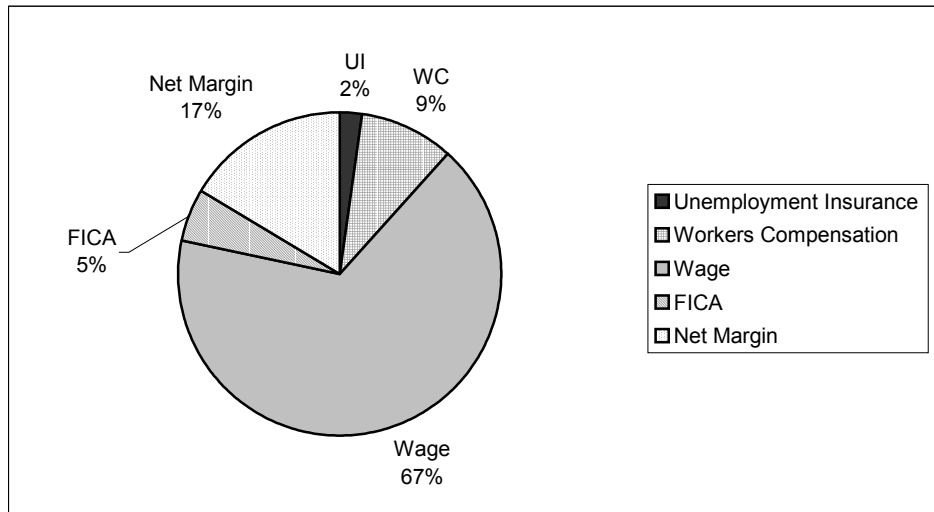
agencies reported that competitive dynamics in the industry typically force them to *lower* billing rates to compete for client employers.

Further investigation of temp agency profit margins (made possible by wage and billing rate data collected through the staffing agency survey) indicates that, indeed, the industry is highly price competitive which offers little scope for temp agencies to recover increased variable costs from their clients (see also Theodore and Peck 2002). Temp agency gross margins (the billing rate less total wages) for construction positions are in the 50 to 60 percent range (Table 4). However, after taking into account workers' compensation premiums and payroll taxes, agencies earn net margins between 16 percent and 20 percent (Figure 5). In other words, temp agencies are only earning \$0.16 to \$0.20 for every dollar they charge client employers for construction workers, before accounting for operating costs such as rent and salaries for office personnel.

Table 4: Temp agency gross margins by occupation, Atlanta 2002

Position	Wage	Billing rate	Gross margin	Margin as % of billing rate
Carpenter	\$9.25	\$17.50	\$8.25	47%
Clean-up	\$7.00	\$12.25	\$5.25	43%
Demolition	\$5.88	\$7.50	\$1.62	22%
Ditch digger	\$6.63	\$12.50	\$5.87	47%
Finisher	\$12.00	\$17.00	\$5.00	29%
General labor	\$8.00	\$12.00	\$4.00	33%
Misc. skilled labor	\$13.00	\$22.00	\$9.00	41%

Figure 5: Composition of temp agencies' gross margins supplying general laborers



A comparison of billing and wage rates in the temporary staffing industry provides further evidence that price competition constrains opportunities to recover rising variable costs by increasing client billing rates. Surprisingly, billing rates for workers filling assignments for general laborers are comparable to what client employers would pay these workers if they hired them directly. The average wage paid to a general construction laborer in Atlanta in 2001 was \$11.11 per hour (U.S. Bureau of Labor Statistics 2001a), while billing rates charged to construction contractors ranged between \$10.00 and \$12.75.

It also important to recognize that temp workers are able to exert only limited wage pressure on temp agencies. Workers interviewed for this study frequently shared stories of job instability and uncertainty that reveal their weak position in the labor market. As one worker explained, “You have to go back every morning. If you’re running late, you will lose your job. [Temp agencies] just need a body” (Interview October 2002; see also Peck and Theodore 2001). In this context, it is understandable why workers have little power to demand higher wages as compensation for working in unsafe conditions.

Characteristics of Latino and African American temporary workers further explain their weak bargaining position. The undocumented immigrants surveyed explained that their lack of legal status makes it more difficult to find and retain jobs, it creates problems with local police, and makes it more risky to protest unsafe conditions or seek compensation for on-the-job injuries (see also Simmonds-Diaz 1993). As for African American temp workers, homelessness appears to be commonplace, placing these workers in a vulnerable position. Anecdotal evidence suggests that some programs serving the homeless collaborate directly with temp agencies and channel workers into potentially unsafe temporary jobs.⁷

The substandard wages earned by agency-supplied temps are an indicator of their weak bargaining position in the labor market. A self-sufficiency wage (the wage needed to support the basic needs of workers and families) for workers in Fulton County, Georgia is \$9.12 for one adult and between \$9.81 and \$19.06 per adult for families, depending on the size of the family (Pearce 2002). In this study, the median hourly wage for all agency-supplied temps at their last temporary construction job was only \$5.50 (n=41).

Another indicator of agency-supplied temps' weak bargaining position is the frequency with which they allege wage and hour violations. Almost 20 percent of respondents indicated they were not paid the amount they were promised at their last temp job. As one worker explained his experience:

In the morning the temp agency said I'd be making \$6.00 but when I got back after the job they told me [I would be paid] \$5.50. If you argue they won't send you back out anymore so there's not much to do about it (Interview October 2002).

⁷ Several workers discussed problems encountered with a non-profit organization operating an addiction recovery program located in Atlanta that required participants to work through temp agencies on a daily basis. Participants started the program owing \$150 and were then charged exorbitant prices for food and lodging, making it difficult to pay off their debt.

Workers also reported not being paid for all hours worked, as well as not being allowed to work overtime. Several workers reported not being paid for work performed prior to suffering an on-the-job injury.

One important qualification to the argument that building contractors are under less pressure to improve safety conditions when they outsource their workforce needs to temp agencies is that most contractors blend their workforces with a mix of directly hired employees and agency-supplied temps. Therefore, temp workers may benefit from investments contractors make to improve safety conditions for directly hired workers. The availability and benefits of safety equipment and safety training, however, are not universal. Some temp agency representatives reported that contractors routinely place agency-supplied temps in hazardous working conditions. This observation was summed up by one agency manager, “My workers always get the worst safety equipment and they get assigned to the most hazardous jobs” (Interview October 2002).

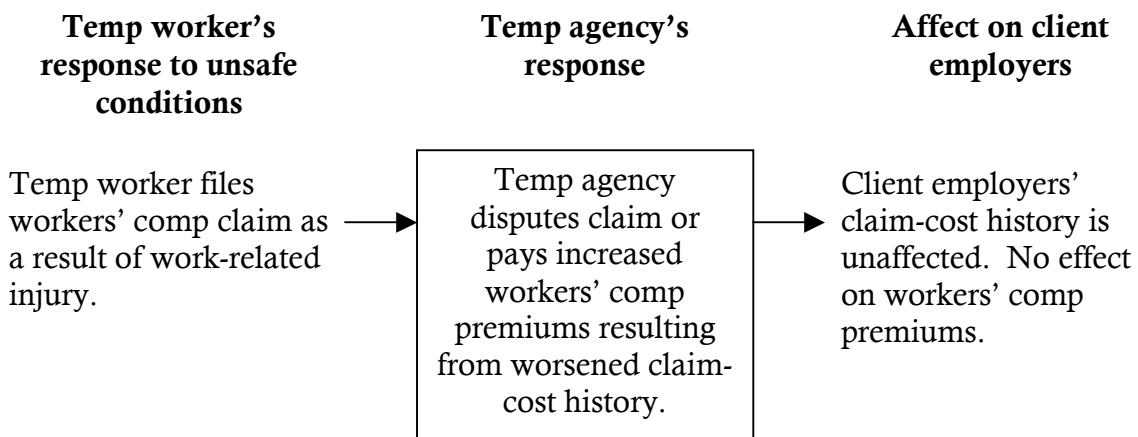
Effect of workers’ compensation insurance undermined by temp agencies

Temporary staffing agencies shelter client employers from rising workers’ compensation insurance costs, thereby muting cost pressures that might induce employers to improve workplace safety. In this way, the introduction of temp agencies into employment arrangements de-couples the cause-and-effect relationship between increased workers’ compensation costs and employers’ investments in workplace safety.

In standard employment arrangements, employers pay higher workers’ comp premiums when their direct-hire employees suffer work-related injuries and receive workers’ compensation benefits. However, in the context of temp agency/client employer arrangements, workers’ compensation insurance programs identify temporary staffing agencies as the employer of record. Thus, the costs associated with injuries are borne by agencies even though their client employers are chiefly responsible for providing for the safety of agency-supplied temps. Crucially, client

employers' workers' compensation insurance premiums are not in any way affected by injuries to temp workers employed through staffing agencies (Figure 6). In addition, exclusive-remedy provisions in Georgia shelter contractors from tort liability in the event that an agency-supplied temp becomes injured at their job site, even though contractors control the job site yet do not insure their agency-supplied temps.

Figure 6: Temp agencies shelter client employers from effects of workers' comp insurance



Of course, client employers may ultimately pay for temp agencies' increasing workers' comp costs if agencies are able to pass on these costs by raising billing rates. However, as discussed above, the ability to raise billing rates to recover higher costs is greatly constrained by price competition among temp agencies.

In targeting temp agencies, workers' compensation insurance essentially fails to encourage building contractors to improve safety conditions for agency-supplied temps because it targets the wrong employer in the temp agency/client employer arrangement. Temp agencies, while responsible for workers' compensation costs, do not supervise workers and only rarely provide workers with skills or safety training specific to the job. Nearly all contractors surveyed (96 percent) reported they were responsible for supervising temp agency workers on their job sites. Furthermore,

most contractors (54 percent) reported that they are primarily responsible for providing agency-supplied temps with safety equipment and an additional 23 percent reported that it depends on the situation. Temp agencies also reported that they provide most of the workers they assign to construction job sites with safety equipment. However, workers surveyed for this study contradicted this claim. Among workers who routinely seek employment through temp agencies (n=67), 12 percent reported that they never are provided safety equipment and 58 percent reported that they only occasionally receive safety equipment from agencies.

The lack of training provided by building contractors to agency-supplied temps raises serious concerns regarding workplace safety. Only 20 percent of contractors reported providing agency-supplied temps with training. During survey interviews, most contractors indicated they believed training was not necessary for general laborer assignments. Contractors employing temps in skilled trades positions expected agency-supplied temps to be skilled and trained in their trade. Temp agency survey results reveal that agencies only sporadically provide training to workers assigned to building contractors. Approximately half of the temp agencies supplying temporary construction workers reported they provide job training, if they deem it necessary.

Temp staffing arrangements confound proper enforcement of OSHA regulations

Unlike their role in sheltering client employers from labor market forces and workers' compensation inducements, temporary staffing agencies do not relieve client employers from their responsibilities under OSHA regulations. However, temp agencies complicate the enforcement process, weakening the effect of OSHA regulations on safety conditions for agency-supplied temps. OSHA regulations appropriately hold building contractors primarily responsible for violations of health and safety standards that put agency-supplied temps at risk. OSHA, on the other hand, does not sufficiently hold temp agencies accountable to their responsibilities.

Existing regulations provide OSHA with sufficient authority to ensure that temp agencies and client employers are held jointly responsible for protecting the safety of

temp workers. In cases where client employers are supervising agency-supplied temps, OSHA requires client employers to: (a) maintain records of illnesses and injuries of agency-supplied temps; (b) notify supplied temps of hazardous conditions under OSHA's hazard communication standard; and (c) include in their workplace safety programs any supplied temps they supervise. Temp agencies are required to: (a) take reasonable steps to determine the health and safety conditions at the workplace where temps are dispatched; (b) provide temps with general safety information; and (c) advise temps as to how additional information can be obtained at the worksite to protect themselves from hazards they are likely to face on the job.

In the context of temp agency/client employer staffing arrangements, OSHA places primary responsibility for compliance with OSHA standards on the employers in direct control of worksites. For example, in cases where a temp agency supplies workers to a general contractor that supervises the temps, if a temp worker becomes injured due to a hazard at the jobsite, OSHA would likely find the general contractor liable for violations of regulations that led to the injury. Temp agencies may be cited if a citation is necessary to correct the violation or if the temp agency was aware or should have been aware of the unsafe condition (Lenz 1997; OSHA CPL 2.0124).

OSHA's federal policy regarding inspection and citation of temp agencies is clear. In its multi-employer citation policy, OSHA defines four types of employer: (1) creating employer (that creates the violation); (2) exposing employer (that allows employees to be exposed to a hazard); (3) correcting employer (that fails to correct a hazard or maintain jobsite safety features); and (4) controlling employer (with supervisory authority over the worksite). Under its multi-employer citation policy, OSHA could cite both the temporary staffing agency and the contractor for hazardous conditions (OSHA CPL 2-0.124).

Despite these regulations, OSHA only rarely investigates temporary staffing agencies. The OSHA compliance database that includes records of every inspection, indicates that OSHA did not investigate a single temp agency in the Atlanta

metropolitan area in 2002, despite the fact that OSHA carried out 849 inspections of building contractors that year.

Marilyn Velez, a compliance assistance officer with OSHA in Atlanta, explained that it is often difficult to hold temporary agencies responsible for violations of regulations (Interview October 2002). Inspectors rarely know when temp agencies are supplying workers to contractors' job sites. Even though inspectors interview workers when carrying out inspections, many cannot communicate with workers who might be supplied by temp agencies because of language barriers – just two of the 32 investigators with OSHA in Atlanta speak Spanish— complicating the enforcement process. Monolingual English-speaking investigators are unable to fully document complaints about accidents or injuries if they involve monolingual Spanish-speakers.

The GAO (2002) study on regulatory protections for day laborers found that OSHA's policy defining responsibilities for temp agencies is underdeveloped, thus undermining enforcement efforts. The GAO (2002: 14) explained:

Determining whether the temporary staffing agency or client employer is responsible for providing training and can be cited for failing to ensure the safety of their workers is a complex area that may be confusing, which may leave day laborers without sufficient safety and health protections at the worksite. For example, a local OSHA office cited both the temporary staffing agency and client employer after temporary workers suffered injuries at the client employer's worksite for failing to provide sufficient training and concluded that each employer believed the other employer was responsible for training the workers. On the other hand, some OSHA officials said that they would be less likely to cite temporary staffing agencies.

Another barrier to effective enforcement is that, in cases involving agency-supplied temps, OSHA enforcement is largely a complaint-driven process. Such a process is ineffectual in addressing safety conditions for temp workers because they rarely file complaints about safety problems. In the construction industry, however, OSHA does carry out proactive inspections. Yet it still relies on workers to raise concerns in

order to address problems that pose immediate threats to their safety. Velez reported that OSHA has not received any complaints about safety from Latino day laborers in Atlanta (Interview October 2002). She also noted that the local OSHA office currently does not collect data on how many complaints are being filed by temp agency workers or at job sites where agency-supplied temps are employed.

According to Velez, two factors explain the lack of complaints registered by agency-supplied temps. First, some undocumented immigrants fear that OSHA is connected with the INS and are afraid that a call to OSHA might jeopardize their residence in the United States. Second, agency-supplied temps do not want to anger client employers or their temp agencies by filing complaints. Velez also acknowledges that workers may not have enough of an incentive for reporting violations. She explains:

Workers say, "If I file a complaint and then can't pay for rent or food is OSHA going to pay it for me?" We tell them no, but their complaint will help this from happening to others. But they don't care, they are so consumed with their own survival (Interview October 2002).

CONCLUSION

The relationship between safety conditions and temporary employment arrangements is under-explored, particularly given the high growth rates of temp agency employment and the growing base of empirical and anecdotal evidence of high injury rates among agency-supplied temps. The findings of this study support the conclusion that demand for agency-supplied temps by building contractors in the Atlanta metro area is substantial and that these workers often experience substandard safety conditions.

The findings also suggest that a breakdown in the workplace safety regime partly explains why agency-supplied temps experience high rates of injury and unsafe working conditions. This regime of incentives positively influences workplace safety conditions in standard employment arrangements. However, in temporary employment arrangements, its impact on workplace safety is greatly diminished: (1) Supply-side labor market forces do not exert safety-inducing pressures on client-employers in temporary labor markets; (2) Experience-rating workers' comp premiums paid by temp agencies does not markedly influence safety conditions at client employers' job sites; and (3) enforcement of OSHA regulations has been slow to adapt to the increasing presence of temporary staffing agencies in the construction industry. As a result of these institutional failures, agency-supplied temps have less access to appropriate safety equipment, and more often work without proper training and supervision compared to their counterparts in standard employment arrangements.

Given the extent to which the temporary staffing industry has embedded itself into local labor markets and the degree to which it has relieved client employers of certain legal responsibilities to their temporary workforce, it is unreasonable to expect the institutions that underpin workplace safety standards in standard employment arrangements to adequately protect workers' safety in the context of temp agency/client employer arrangements. Consequently, policymakers should consider

the following set of remedies to bolster the efficacy of the workplace safety regime in temporary employment arrangements.

1. Strengthen temp workers' bargaining position

Labor market forces would operate more efficiently if temp workers had access to information about safety conditions and if temp agencies did not inhibit their ability to seek permanent employment. Efforts at state and local levels to establish codes of conduct for temp agencies and client employers would improve temp workers' rights in these areas. Several states have already passed laws targeting abuse in the low-wage temporary staffing industry. Unionization of agency-supplied temps would also strengthen their bargaining position vis-à-vis agencies and help improve workers' access to information about jobsite safety conditions.

2. Better target workers' compensation incentives

States should revise workers' compensation policies to create incentives for client employers to improve conditions for their agency-supplied temps. States should act to remove "exclusive remedy" protections for client employers unless client employers insure their agency-supplied temps. In so doing, states would expose client employers to tort liability when agency-supplied temps become injured on their jobsites, thereby creating incentives to improve worksite safety standards. The other option is states could simply mandate that client employers insure their agency-supplied temps.

3. Improve enforcement of occupational health and safety regulations

OSHA should review investigation procedures to ensure that client employers and temp agencies are held fully accountable for temp workers' injuries (see GAO 2002 for further recommendations to OSHA). OSHA should also review data collection procedures to improve the quality of longitudinal injury and illness data that can be used to assess the impact of enforcement on the health and safety of agency-supplied temps.

APPENDIX A: METHODOLOGY

This study is based upon primary data collected via surveys of workers, temporary staffing agencies, and building contractors in the Atlanta metro area.

Worker Survey

Worker surveys and in-depth interviews were used to collect evidence of the conditions encountered by workers who frequently seek employment from temp agencies supplying the construction industry. A convenience sample was drawn from workers at several sites: two homeless services programs, one worker center, one temporary agency, and a public park that is a gathering place for day laborers. These locations were selected in an effort to survey equivalent numbers of African Americans and Latinos, two groups that make up the majority of low-wage temp workers in the Atlanta construction industry. In all, 100 surveys and 11 in-depth interviews were completed in August and October 2002.

Table A1: Temp worker demographic characteristics

Race	Percent (n=100)
Latino	50%
Black	43%
Other	7%
Country of Birth	Percent (n=100)
USA	46%
Mexico	49%
Other Central American	4%
Median Age	35 years
Median years in the United States for foreign-born	1.5 years

Workers were screened to include respondents who had been employed as temporary construction laborers. Participants answered a 10-minute, verbally administered,

confidential questionnaire. All workers surveyed in October 2002 who had experience working in Atlanta's construction industry as a temp worker were asked to participate in an in-depth interview. Eleven respondents participated in a more detailed interview in addition to the short form. Half of the surveys were conducted in English and half in Spanish.

Temporary Agency Survey

In September and October 2002, researchers conducted a confidential telephone screening of the universe of temporary staffing agencies in the Atlanta metropolitan area. The 234 agencies (SIC code 7363—Help Supply Services) screened were identified using the AFL-CIO's 2001 UNICORE list, which is based on Dun and Bradstreet data. The list was augmented with names of temp agencies generated from internet-based directories of businesses. Through the telephone screening, we identified 24 agencies that supplied temporary workers to the construction industry and conducted an extensive confidential survey with 20 (83 percent) of those agencies. If an agency had more than one location, we counted each location as a separate respondent. Several of the temp agencies that refused to respond to the survey are suspected to supply a substantial number of temp workers to building contractors. Therefore, population estimates of the total temp population in the construction industry could not be generated using sample statistics from the survey.

Contractor survey

A five-minute confidential telephone survey was conducted in September and October 2002 with a stratified random sample of building and construction contractors in the Atlanta metropolitan area. There are 3,900 contractors in the universe of building and construction contractors (General Contractors, Heavy Construction, and Special Trade Contractors), identified using the AFL-CIO's 2001 UNICORE list, based on Dun and Bradstreet data.

In order to construct a representative sample, the universe of 3,900 contractors was stratified by SIC code, employment size, and union status. Fifteen percent of the contractors from each of the stratification groups were sampled and 10 percent were contacted in each group. The remaining 5% would be contacted only if respondents in the 10% sample needed to be replaced. Response rates varied by stratification group. However, rates surpassed 75 percent in each group with the exception of large non-union heavy construction contractors, where the response rate was 68 percent. In total, 301 contractors were surveyed.

Table A2: Building contractor survey respondent disposition

	SIC 15 -- Non Union			SIC 16 -- Non Union		SIC 17 -- Non-Union			Union
	Small	Medium	Large	Small	Large	Small	Medium	Large	
Population	128	316	282	128	180	424	616	603	21
Respondents	16	35	27	17	20	44	57	62	23
Refusal rate	17%	18%	23%	13%	32%	18%	24%	19%	11%

Ineligible or duplicate respondents and respondents with incorrect or missing phone numbers were replaced by randomly selecting respondents from the sample only to be used for replacements. Respondents were contacted at least five times before being replaced. The respondent at each company was the person most knowledgeable about the use of temporary workers. There was no significant difference in the characteristics of respondents and potential respondents that refused or that were replaced.

APPENDIX B: INJURY DATA COLLECTION

Injury and illness data collected by the U.S. Bureau of Labor Statistics (BLS) provides the best opportunity to collect data that document injuries affecting temp workers. Employers are instructed to use their OSHA Log and Summary of Occupational Injuries and Illnesses (OSHA No. 200) to complete the survey. Maintaining the log is mandatory for most employers. The OSHA log and BLS survey instrument, however, generate reporting errors that lead to inaccurate estimates of the number of injuries and illnesses experienced by agency-supplied temps.

The survey instructs employers only to report the injuries and illnesses incurred by full-time, part-time, and temporary employees who are on their payroll. Therefore, it is the responsibility of temp agencies to report the injuries and illnesses that occur to the workers they dispatch to clients because in nearly all temp agency/client-employer arrangements, temp workers are on the payroll of the temp agency. However, this instruction is most likely leading to inaccurate reporting. It is likely that client employers are reporting some of the injuries sustained by their agency-supplied temp workers, temp agencies are reporting a portion of the injuries, and some of the injuries are not being reported at all. Statisticians with the Georgia Department of Labor responsible for collecting these data from employers confirm that employers are often uncertain about how to report injuries sustained by agency-supplied temps. They further suggest that temp agencies are not accurately reporting injuries or illnesses experienced by their workers. Temp agencies often claim that injuries sustained by their employees are not their responsibility and, therefore, they often are not logged.

BLS and OSHA should clarify survey and log instructions to reduce the errors in reporting of injuries and illnesses among agency-supplied temps. Such errors must be remedied in order to produce longitudinal data that can be used to measure the effect of the temporary staffing industry on workplace injuries and illnesses. An

additional problem of misclassification should also be addressed by changing reporting requirements. Currently, any injury reported by a temp agency is classified as an injury in the service industry even when those injuries may have occurred on construction or manufacturing job sites. Temp agencies should be required to report the industry of injured workers' client-employers in order to accurately classify which industries are responsible for injuries that occur to agency-supplied temps.

APPENDIX C: BACKGROUND DATA ON ATLANTA'S BUILDING AND CONSTRUCTION AND TEMPORARY STAFFING INDUSTRIES

Table C1: Total Construction Employment by Sub-Industry, Atlanta MSA 2000

Construction Industry Sub-Division	Total Employment	% of Total Construction Employment	Total Establishments	% of Total Establishments
Building, developing & general contracting	31,731	29%	3,743	33%
Heavy construction	19,480	18%	673	6%
Special trade contractors	78,068	72%	7,020	61%
Total	129,279		11,436	

Table C2: Total Construction Employment by Occupation, Atlanta MSA 2000

Building and Construction Trade Occupation	Total Estimated Employment 2000	Total Projected Employment 2008	Annual Vacancies Due to Growth
Helpers Carpenters/Related workers	4,460	5,040	58
Helpers Electricians	2,990	3,480	50
Helpers Painters/Plasterers/Masons	600	720	11
Helpers Plumbers/Pipe/Steamfitters	3,070	3,660	56
Helpers Roofers	800	960	15
Helpers Extractive workers	100	120	1

Figure C1: Growth in Temp Agency Employment, Atlanta Metro-Area, 1998-1999

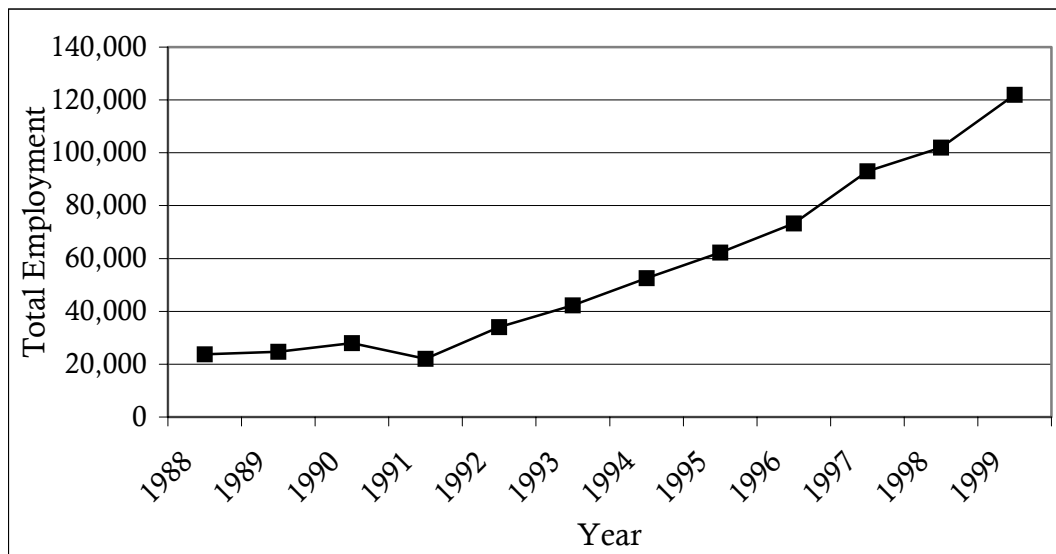
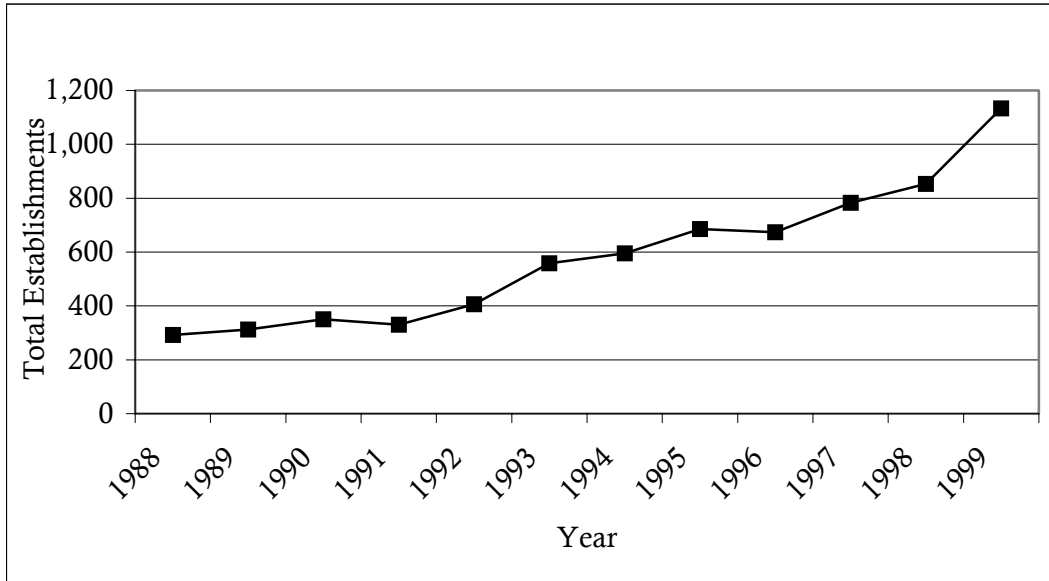


Figure C2: Change in Total Temp Agency Establishments, Atlanta Metro-Area 1988-1999



APPENDIX D: TEMPORARY WORKER SURVEY INSTRUMENT

Interview Location _____

Date ____ / ____ / ____

Interview Start Time: ____:____

Hello. My name is _____ and I am with the University of Illinois at Chicago Center for Urban Economic Development. We are conducting a study about safety conditions for temporary workers in Atlanta's building and construction trades. We are interviewing temporary workers who have worked on building or construction job assignments in the last year. We hope that this study will help people to understand the experiences of temporary construction workers and will contribute to improved working conditions and job opportunities. This interview will take no more than 15 minutes and you do not have to participate if you do not want to. If you choose to participate, you will remain totally anonymous, so no one will know that you answered this survey. Would you like to participate?

The first set of questions is about the last time you worked on a building or construction job as a temporary worker. A building or construction job is any job that you perform for an **employer** who is in the business of building or construction. This includes plumbing, electrical work, jobsite cleanup, and home repair. This does **not** include landscaping. A temporary job is a job where you do not know if your employer will have more work for you to do, after your current job assignment has ended. Please think about the last time you worked on a building or construction job as a temporary worker, and answer these questions only about that last job.

1. When was the last time that you worked on a building or construction job assignment as a temporary worker? _____

IF "NEVER", SKIP TO 34

2. Did you get this last building or construction job through a...
 - a. Temporary Agency
 - b. Labor Corner
 - c. Worker Center
 - d. Union Hiring Hall, or
 - e. Directly from a contractor?
 - f. Other _____
3. *If last job was through a worker center*, When you were hired through the worker center, were you picked up by a temporary agency or a building contractor?
(Circle One) TEMP AGENCY CONTRACTOR DON'T KNOW
OTHER _____
4. What was your job at your last temporary construction job assignment?

- 4a. How many dollars per hour or per day did you make at your last temporary construction assignment? _____
- 4b. *If paid by the day*, How many hours did you work per day? _____
5. How long was your last temporary construction job assignment?

6. Did you have any prior experience doing the kind of work that you did at your last temporary building or construction job assignment?
 Circle One YES NO DON'T KNOW
7. Had you worked for that particular employer before?
 Circle One YES NO DON'T KNOW
8. At this last job, did you receive all of the safety equipment (such as goggles or earplugs) that you needed?
 Circle One YES NO DON'T KNOW
9. *If received safety equipment*, were you charged for the equipment?
 Circle One YES NO DON'T KNOW
10. How often do you obtain construction work through a temporary agency?
 _____ Times per week *or*
 _____ Times per month *or*
 _____ Times per year

 If R says "Every day", ask "Is that 5 days a week, or 7 days a week?"
11. How often do you obtain construction work through a labor corner?
 _____ Times per week *or*
 _____ Times per month *or*
 _____ Times per year

 If R says "Every day", ask "Is that 5 days a week, or 7 days a week?"
12. How often do you obtain construction work through a worker center?
 _____ Times per week *or*
 _____ Times per month *or*
 _____ Times per year
 If R says "Every day", ask "Is that 5 days a week, or 7 days a week?"
13. Do you obtain most of your construction assignments through...
 If it's a "tie", circle both / all responses.
 a. Temporary Agency
 b. Labor Corner
 c. Worker Center
 d. Union Hiring Hall, or
 e. Directly from the contractor?
 f. Other _____

14. How often are your temporary job assignments in the construction industry?
Circle One FREQUENTLY SOMETIMES NEVER

15. Are you skilled in any specific trades? If so, what are they?

16. At your last temporary construction job...
a. Were you paid the amount that you were promised? YES NO
b. Were you paid for every hour that you worked? YES NO
c. If you worked overtime, were you paid for it?
Circle One YES NO DID NOT WORK OVERTIME

17. In the last year, how many times have you had a serious injury on a temporary construction job assignment? A serious injury is defined as an injury involving medical attention, medical treatment, loss of consciousness, restriction of work or motion, or transfer to another job. So how many times in the last year did you have this type of injury? _____ Times

IF NONE, SKIP TO QUESTION 19

18. For the **most recent** injury at a temporary construction job...
a. How did the injury occur?

b. What was your injury?

c. Did you receive medical treatment? YES NO

d. *If R did not receive medical treatment*, What was the reason that you did not receive medical treatment?

d. Did you miss time on the job as a result of the injury? YES NO

e. *(If did miss time)* Did you receive worker's compensation for lost time?
(Circle One) YES NO

f. Did your injury occur while you were working through a....
i. Temporary Agency
ii. Labor Corner
iii. Worker Center
iv. Union Hiring Hall, or
v. Directly from the contractor?
vi. Other _____

g. *If job was through a worker center:* When you were hired through the worker center, were you picked up by a temporary agency or a building contractor? (Circle One)

TEMP AGENCY CONTRACTOR DON'T KNOW
OTHER _____

19. In the last year, did you work on any temporary construction job assignments that you considered unsafe? This includes jobs where you were actually injured **or** where you felt you **could** have been injured.

Circle One YES NO

Please think about the **most recent temporary construction** job assignment that you felt was **unsafe**, where you were injured or where you felt you could have been injured.

20. Some jobs might be unsafe if you do not have the proper safety equipment to perform the job. I am going to read a list of safety equipment, and please tell me if you had this safety equipment available to you at your last unsafe job.

- | | | | |
|---|-----|----|------------|
| a. Goggles, glasses, or other eye protection | YES | NO | DON'T KNOW |
| b. Earplugs or other ear protection | YES | NO | DON'T KNOW |
| c. Hardhats or other head protection | YES | NO | DON'T KNOW |
| d. Safety gloves or other hand protection | YES | NO | DON'T KNOW |
| e. Equipment to ensure safe breathing | YES | NO | DON'T KNOW |
| f. Equipment or training to protect you from falling (for example, a harness) | YES | NO | DON'T KNOW |

21. At your last unsafe job...

- | | | | |
|---|-------|----|------------|
| a. Was all safety equipment working properly? | YES | NO | DON'T KNOW |
| b. Did you have enough training to do the job? | YES | NO | DON'T KNOW |
| c. Was safety training conducted in the language you speak best? | YES | NO | DON'T KNOW |
| d. Was there a supervisor on the job site who spoke the language that you speak best? | YES | NO | DON'T KNOW |
| e. Was the area clear of hazardous chemicals? | YES | NO | DON'T KNOW |
| f. Was all machinery working properly? | YES | NO | DON'T KNOW |
| g. Was there anything else unsafe about the job? | _____ | | |

22. Did you get this most recent unsafe job through a...

- a. Temporary Agency
- b. Labor Corner
- c. Worker Center
- d. Union Hiring Hall, or
- e. Directly from a contractor
- f. Other _____

23. *If last unsafe job was through a worker center,* When you were hired through the Worker Center, did you end up working for a temporary agency or for a contractor?
 (Circle One) TEMP AGENCY CONTRACTOR DON'T KNOW
 OTHER _____
24. What was your job assignment at this most recent unsafe job?

25. Who was supervising your work on this job assignment? Was it the....
 Circle One TEMP AGENCY CONTRACTOR DON'T KNOW
 Or someone else? _____
26. Did you voice your safety concerns?
 Circle One YES NO
27. *If they voiced concern,* Was action taken to address your safety concerns?
 Circle One YES NO
28. *If action was taken,* What was done to address your safety concerns?

29. In general, when you get construction work through **temporary agencies**, how often are you sent out on jobs where you do **not** feel you have been given the training necessary to do the job? Does this happen always, sometimes, or never?
 Circle One: ALWAYS SOMETIMES NEVER
30. In general, when you get construction work through **temporary agencies**, do the temporary agencies provide safety equipment (such as goggles, hardhats, or ear plugs) always, sometimes, or never?
 Circle One: ALWAYS SOMETIMES NEVER
31. In general, when you are working on a construction job **not** through a temporary agency, does the employer provide job training always, sometimes, or never?
 Circle One: ALWAYS SOMETIMES NEVER
32. In general, when you are working on a construction job **not** through a temporary agency, does the construction contractor provide safety equipment always, sometimes, or never?
 Circle One: ALWAYS SOMETIMES NEVER
33. In general, how safe are temporary job assignments in the building and construction trades? Would you say they are....
 a. VERY SAFE
 b. SAFE
 c. SOMEWHAT SAFE
 d. UNSAFE
 e. VERY UNSAFE

This final set of questions is about you and your family. Remember, all of this information is completely confidential.

34. What is your age? _____
35. Gender (*Circle One*) _____ MALE FEMALE
36. What is your race or ethnic origin?
- a. Hispanic/Latino
 - b. African American/Black
 - c. American Indian/Alaska Native
 - d. Asian
 - e. Native Hawaiian or Pacific Islander
 - f. White
 - g. Mixed Race _____
 - h. Other _____
37. What country were you born in? _____
38. (*If not born in the US*), How long have you lived in the US? _____
39. Are you married? (*Circle One*) YES NO
40. If so, do you live with your spouse? YES NO
41. If you do not live with your spouse, where does he or she live? _____
42. Do you have children? YES NO
43. If so, do you live with your children? YES NO
44. If you do not live with your children, where do they live? _____

Thank you very much for participating. Do you have any more questions or comments?

Interview Complete Time: ____:____

APPENDIX E: BUILDING CONTRACTOR SURVEY INSTRUMENT

Date ____/____/____

Interview Start Time: __:__

Note to Interviewer: For any "DON'T KNOW" answer, please ask the respondent if there is anyone else in the company who could answer that question. Write down that alternate respondent's contact information below (on one of the lines that says "Name and Phone Number of Alternate Respondent 1, 2, etc.) and after completing as much of the survey as possible with the original respondent, call the alternate respondents. When someone other than the original respondent answers a question, write the number of the alternate respondent (1, 2, 3, etc.) next to the question so we know who has answered it.

Name and Phone Number of Contractor _____

Name and Phone Number of Alternate Respondent 1 _____

Name and Phone Number of Alternate Respondent 2 _____

Name and Phone Number of Alternate Respondent 3 _____

To receptionist: Hello. My name is _____, I am with the University of Illinois at Chicago. We are currently conducting a research study about the use of temporary employees in the building and construction industry in Atlanta. The survey questions are about why your company may or may not use temporary employees, how often and how many temporary employees are used, the type of work performed by temporary employees, and relationships with temporary help supply agencies. The survey is about fifteen minutes long. Can you connect me with someone who would know the answers to questions like these and who might be willing to participate?

To respondent: Hello. My name is _____, I am with the University of Illinois at Chicago. We are working on a research project related to the changing nature of work in America. As part of the project, we are conducting a fifteen-minute survey of building contractors in the Atlanta Metropolitan Area to learn more about the use of temporary employees in the building and construction industry. Your participation is voluntary, and you and your company will be completely anonymous. The survey questions are about why your company may or may not use temporary employees, how often and how many temporary employees are used, the type of work done by temporary employees, and your company's relationships with temporary help supply agencies. Would you be able to answer questions like these, or is there someone else I should speak to? *(If R suggests someone else to call, list name and number here).*

If R refuses or is too busy, I can call back to conduct the survey anytime that is convenient for you. Is there a better time sometime this week or next when I can call you back?

If R agrees, OK great, Ill start the questions then. Please keep in mind that all of these questions refer to construction-related workers supplied by temporary staffing agencies. Please do not include in your responses any of your permanent workers or any temporary workers obtained in ways other than through an outside temporary staffing agency.

1. In the last year, have you used temporary construction workers supplied by a temporary staffing agency at a job site?
(Circle One) YES NO

If YES, proceed to Question 2

If NO, skip to Question 23

2. How often do you use temporary construction workers for job site duties? Do you use them...
- a. Almost on a daily basis
 - b. Only during peak periods
 - c. Only to replace injured or sick employees
 - d. Or in some other way? _____
3. How many **temporary agency** workers do you use to fill construction jobs on a typical day during **peak** periods of the year? _____
4. How many **temporary agency** workers do you use to fill construction jobs on a typical day during the **slowest** periods of the year? _____
5. How many **total** workers (**including** temps) do you use in construction jobs on a typical day during the **peak** periods of the year? _____
6. How many **total** workers (**including** temps) do you use in construction jobs on a typical day during the **slowest** periods of the year? _____
7. How many permanent construction workers do you currently employ directly? _____
8. What types of jobs are performed by temporary construction workers supplied by a temporary staffing agency?
- a. _____
 - b. _____
 - c. _____
 - d. _____
 - e. _____
 - f. _____
9. Who supervises temporary staffing agency construction workers at your jobsites? Is it the...?
- a. Temporary Staffing Agency
 - b. Your company,
 - c. Both the staffing agency and your company, or
 - d. Does it depend on the project?
 - e. Don't Know
 - f. Other _____
10. Is safety equipment provided to your workers?
(Circle One) YES NO SOMETIMES

11. *If YES safety equipment provided, Do you know who provides the safety equipment?*
Is it the...
- Temporary Staffing Agency,
 - Your company,
 - The worker, or
 - Does it depend on the situation?
 - Don't Know
 - Other _____
12. *If YES safety equipment provided, Do you know if there is a fee charged for the equipment?*
- | | | | |
|--------------|-----|----|-----------|
| (Circle One) | YES | NO | SOMETIMES |
|--------------|-----|----|-----------|
13. Is job training required for any of the construction jobs that you fill with temporary workers?
- | | | | |
|--------------|-----|----|-----------|
| (Circle One) | YES | NO | SOMETIMES |
|--------------|-----|----|-----------|
14. *If job training is required, who provides temporary staffing agency construction workers with the training? Is it the....*
- Temporary Staffing Agency
 - Your company,
 - Both the Staffing Agency and the Building Contractor, or
 - Does it depend on the project?
 - Someone else? _____
15. Who contributes to worker's compensation for temporary construction workers supplied by a temporary staffing agency? Is it the...
- Temporary Staffing Agency
 - Your company, or
 - Both?
 - Don't Know
 - Other _____
16. Next I'm going to read a list of reasons why companies might use temporary construction workers through a staffing agency. For each reason, please tell me, Yes or No, whether this is a reason why your company uses temporary construction workers through a staffing agency. Do you use temporary construction workers through a staffing agency to...
- | | | |
|---|-----|----|
| a. <u>Fill a vacancy until a regular employee is hired?</u> | YES | NO |
| b. <u>To fill in for an absent regular employee who is sick, on vacation, or on family medical leave?</u> | YES | NO |
| c. <u>To meet seasonal labor needs?</u> | YES | NO |
| d. <u>To provide needed assistance during peak-time hours of the day or week?</u> | YES | NO |
| e. <u>To provide needed assistance at times of unexpected increases in business?</u> | YES | NO |
| f. <u>To assist with special projects?</u> | YES | NO |

g.	To provide needed assistance during hours not covered by full-time shifts?	YES	NO
h.	To screen candidates for regular jobs?	YES	NO
i.	To save on wage and/or benefit costs?	YES	NO
j.	To fill positions with temporary agency workers for more than one year?	YES	NO
k.	To save on training costs?	YES	NO
l.	To make use of the special expertise possessed by a particular type of worker?	YES	NO
m.	To accommodate employees' wishes for part-time hours?	YES	NO
n.	Because you are unable to find qualified full-time workers?	YES	NO
o.	To save time and/or money on employee recruitment and selection?	YES	NO
p.	To reduce legal liability or costs?	YES	NO

17. Currently, is there more than one staffing agency that you use to obtain temporary construction workers?

Circle One YES NO

18. About how many different staffing agencies have you used in the last two years to obtain temporary construction workers?

OF STAFFING AGENCIES: _____

19. In the last year, have you stopped using any of the temporary agencies that you used previously?

Circle One YES NO

20. If YES stopped using one, Why did you stop using that temporary agency to obtain construction workers?

21. For each staffing agency that you **currently** use to obtain temporary construction workers, can you tell me how long you have been using that agency?

AGENCY 1: _____ months **OR** _____ years

AGENCY 2: _____ months **OR** _____ years

AGENCY 3: _____ months **OR** _____ years

AGENCY 4: _____ months **OR** _____ years

AGENCY 5: _____ months **OR** _____ years

22. In the last three years (or since you have been in business, whichever time period is shortest), has your use of temporary agency workers in construction-related jobs increased, decreased, or stayed the same?

Circle One INCREASED DECREASED SAME DON'T KNOW

SKIP TO QUESTION 27

Interviewer: The next set of questions is for respondents who have not used temporary workers in the last year.

23. I am going to read a list of reasons why businesses might not use temporary construction workers supplied by a temporary staffing agency. For each reason, please tell me, yes or no, if this is a reason why you have not used temporary construction workers from a temporary staffing agency in the last year. Have you not used temporary construction workers from a temporary staffing agency in the last year because...

- | | | | |
|----|---|-----|----|
| a. | Temporary workers are not reliable? | YES | NO |
| b. | Because temporary workers have a high turnover rate? | YES | NO |
| c. | Because of conflicts between temporary workers and your permanent workers? | YES | NO |
| d. | Because you don't want to train or pay to train temporary employees? | YES | NO |
| e. | Because temporary workers are not as productive? | YES | NO |
| f. | Because here is not a steady supply of temps available? | YES | NO |
| g. | Because your work is too specialized? | YES | NO |
| h. | Because union rules prevent you from using temp agencies? | YES | NO |
| i. | Because of concerns about employee immigration status? | YES | NO |
| j. | Because of a lack of adequate screening of employees by temp agencies? | YES | NO |
| k. | Because of conversion fees and other barriers to making temp workers permanent? | YES | NO |
| l. | Any other reasons why you have not used them? _____ | | |
| m. | Don't Know | | |

24. Have you **ever** used temporary construction workers supplied by a temporary staffing agency? *Circle One* YES NO

25. (If R has ever used temporary agency workers) How long ago was that?

26. (If R has ever used temporary agency workers) Why did you stop using temporary construction workers supplied by a temporary staffing agency?

27. What is your primary industry? _____

28. Do you have a secondary industry? *Circle One* YES NO
(If yes), Which industry is that? _____

29. Do any of your temporary or permanent construction workers belong to a union?
Circle One YES NO

30. (If YES belong to union), Do you know which union(s) the workers belong to?

31. And, how long have you been in business?

Those are all the questions that I have. Do you have any other questions or comments?

Thank you very much for taking the time to participate in this survey.

Interview Complete Time: ____:____

APPENDIX F: TEMPORARY STAFFING AGENCY SURVEY INSTRUMENT

Date ____/____/____

Interview Start Time: __:__

Hello. My name is _____ and I am calling from University of Illinois at Chicago. We're conducting a research study about the use of temporary workers in the building and construction industries. If you supply temporary construction workers, the survey takes about five minutes, and if you don't supply workers to the construction industry, it takes about one minute. Is the on-site manager or anyone else available to help me out? (Participation is entirely voluntary. If you choose to participate, you and your company will remain totally anonymous.)

1. In the last twelve month period, have you supplied temporary workers to business clients to fill construction jobs?

(Circle One) YES NO

If YES, proceed to Question 2, If NO, SKIP TO QUESTION 46.

Please keep in mind that these questions refer to workers that your company supplies to construction jobs, so this does not include your permanent staff or workers assigned to non-construction jobs.

2. On average, how many construction workers do you supply to business clients on a typical day during peak periods of the year? _____
3. On average, how many construction workers do you supply to business clients on a typical day during your slowest periods of the year? _____
4. On average, how many different business clients do you supply temporary **construction** workers to on a typical day during peak periods? _____
5. On average, how many different business clients do you supply temporary **construction** workers to on a typical day during slow periods? _____
6. On average, how many different business clients do you supply **any** temporary workers to, on a typical day, during your peak periods? (This includes construction temps as well as all other temps that you are supplying) _____
7. On average, how many different business clients do you supply **any** temporary workers to, on a typical day, during your slowest periods? (This includes construction temps as well as all other temps that you are supplying) _____
8. On average, how many weeks per year do you supply construction workers to business clients? _____
9. How long is the average contract to supply temporary construction workers to a business client? _____
10. What is the shortest contract you have had to supply temporary construction workers to a business client? _____

11. What is the longest contract you have had to supply temporary construction workers to a business client? _____
12. Are the temps you send to construction sites on your payroll as your employees?
Circle One YES NO SOME ARE, SOME ARE NOT
13. Do you contribute to workers' compensation insurance for your temporary construction workers?
(Circle One) YES NO DON'T KNOW
14. Do you provide access to health insurance coverage for your temporary construction workers? *(Circle One)* YES NO DON'T KNOW
15. Next I'll read a list of methods that a temporary agency might use to recruit new construction business clients. For each method, please tell me, yes or no, whether your company uses this method. Do you use...
- | | | | |
|----------------------------|-----|----|------------|
| a. Phone calls | YES | NO | DON'T KNOW |
| b. Face-to-face visits | YES | NO | DON'T KNOW |
| c. Direct mailings | YES | NO | DON'T KNOW |
| d. Internet | YES | NO | DON'T KNOW |
| e. Newspaper/Radio/TV ads | YES | NO | DON'T KNOW |
| f. Any other method? _____ | | | |
16. Of the methods you just told me that you use, what is your **primary** method for recruiting new building and construction business clients?
- Phone calls
 - Face-to-face visits
 - Direct mailings
 - Internet
 - Newspaper/Radio/TV ads
 - Any other method? _____
17. Next I will read you a list of the factors on which you might compete with other staffing agencies for construction clients. For each factor, please tell me, yes or no, whether this is a factor of your competition with other staffing agencies.
- | | | | |
|-----------------------------|-----|----|------------|
| a. Bill rate | YES | NO | DON'T KNOW |
| b. Quality of Labor | YES | NO | DON'T KNOW |
| c. Quantity of Labor | YES | NO | DON'T KNOW |
| d. Providing job training | YES | NO | DON'T KNOW |
| e. Terms of credit | YES | NO | DON'T KNOW |
| f. On-site supervision | YES | NO | DON'T KNOW |
| g. Any other factors? _____ | | | |

18. Which of the factors you just mentioned is the primary factor of competition?
- a. Bill rate
 - b. Quality of Labor
 - c. Quantity of Labor
 - d. Providing job training
 - e. Terms of credit
 - f. On-site supervision
 - g. Other_____

19. Can you tell me the top five construction positions (such as cleanup or ditchdigger), from most common to least common, that you are filling with temporary workers?

Interviewer: List responses in blank spaces in #20 #21 #22, #23, and #24.

Interviewer: Responses to the next five questions should be written into the table below.

20. For _____, what is the hourly wage rate (20a)?
What is the average assignment length (20b)?
21. For _____, what is the hourly wage rate (21a)?
What is the average assignment length (21b)?
22. For _____, what is the hourly wage rate (22a)?
What is the average assignment length (22b)?
23. For _____, what is the hourly wage rate (23a)?
What is the average assignment length (23b)?
24. For _____, what is the hourly wage rate (24a)?
What is the average assignment length (24b)?

Next, I would like to know, for each of the top five construction positions, whether you are usually sending new workers, repeat workers, or a combination of both. Repeat workers are workers who have already done this type of job through your company before, and new workers are workers who have not done this type of job through your company before. So, for *(Insert name of each position, one by one)*, are you using repeat workers, new workers, or both? *(Insert responses in 20c, 21c, 22c, 23c, and 24c..)*

POSITION	WAGE RATE	AVERAGE ASSIGNMENT LENGTH	REPEAT/ NEW WORKERS
20	a.	b.	c.
21	a.	b.	c.
22	a.	b.	c.
23	a.	b.	c.
24	a.	b.	c.

25. After wages, what is your most significant operating cost?

26. Do you provide construction workers with job training if necessary?

Circle One YES NO

27. *(If YES provide training)* Is the training on-the-job or before employment?

Circle One ON-THE-JOB PRE-EMPLOYMENT BOTH

28. *(If YES provide training)* Is it skills training or job-readiness training?

Circle One SKILLS JOB READINESS BOTH

29. Is safety equipment provided to your construction workers when necessary?

(Circle One) YES NO SOMETIMES

30. *If YES safety equipment provided,* Do you know who provides the safety equipment?

Is it the...

- a. Temporary Staffing Agency,
- b. Your company,
- c. The worker, or
- c. Does it depend on the situation?
- d. Don't Know
- e. Other _____

31. *If YES safety equipment provided*, Do you know if there is a fee charged for the equipment?
 (Circle One) YES NO SOMETIMES
32. I am going to read a list of the methods that a temporary agency might use to recruit temporary construction workers. For each method, please tell me, yes or no, whether your company uses this method.
- | | | | |
|----------------------------|-----|----|------------|
| a. Phone calls | YES | NO | DON'T KNOW |
| b. Word-of-mouth | YES | NO | DON'T KNOW |
| c. Face-to-face visits | YES | NO | DON'T KNOW |
| d. Direct mailings | YES | NO | DON'T KNOW |
| e. Internet | YES | NO | DON'T KNOW |
| f. Newspaper/Radio/TV ads | YES | NO | DON'T KNOW |
| g. Rolodex | YES | NO | DON'T KNOW |
| h. Any other method? _____ | | | |
| i. Don't Know | | | |
33. Of the methods you just told me that you use, what is your **primary** method for recruiting new temporary construction workers?
- Phone calls
 - Word-of-mouth
 - Face-to-face visits
 - Direct mailings
 - Internet
 - Newspaper/Radio/TV ads
 - Rolodex
 - Any other method? _____
 - Don't Know
34. Not including your office workers, how many total temporary workers do you employ **in all jobs, not just construction**, on an average day during your peak periods? _____
35. Not including your office workers, how many total temporary workers do you employ **in all jobs, not just construction**, on an average day during your slowest periods? _____
36. What is the average bill rate for a **skilled** temporary construction worker? _____
37. What is the average bill rate for a temporary **laborer**? _____
38. What is the average bill rate for a temporary worker doing **cleanup**? _____

SKIP TO Q43 (the next four questions are ONLY for companies that do not supply temporary workers to the construction industry).

39. On average, how many workers do you supply to business clients on a typical day during your peak periods? _____

40. On average, how many workers do you supply to business clients on a typical day during your slowest periods? _____
41. On average, how many different business clients do you supply temporary workers to, on a typical day, during your peak periods? _____
42. On average, how many different business clients do you supply temporary workers to, on a typical day, during your slowest periods? _____
43. After wages, what is your most significant operating cost?

44. What are your company's total annual sales? _____
45. How long has your company been in business? _____
46. What are the top three industries that you supply with temporary labor? Please choose from all of the industries that you supply, not just those associated with construction.
- a. _____
 - b. _____
 - c. _____
47. Do you operate as a...
- a. Private independent company
 - b. Franchise
 - c. Branch of a parent company, or
 - d. Something else? _____

Those are all the questions that I have. Thank you very much for taking the time to participate in this survey. Do you have any other questions or comments?

Interview Complete Time: ____:____

References

- Azaroff, Lenore S., Levenstein, Charles and Wegman, David (2002). "Occupational Injury and Illness Surveillance: Conceptual Filters Explain Underreporting," *American Journal of Public Health* 92(9).
- Brown, Marianne Parker (2002). "Occupational Safety and Health Materials Currently Available in Spanish for Workers: What is there, What is Needed? As of 1999." In publication, *Safety is Seguridad*. National Research Council. Washington DC. National Academies Press.
- Brown, Marianne Parker; Domenzain, Alejandra; Villoria-Siegert, Nelliana (2002). *Voices from the Margins: Immigrant Workers' Perceptions of Health and Safety in the Workplace*. UCLA Labor Occupational Safety and Health Program.
- Chelius, James R. (1991). "Role of Workers' Compensation in Developing Safer Workplaces," *Monthly Labor Review* September 22-25.
- Conway, Hugh, and Svenson, Jens (1998). "Occupational Injury and Illness Rates, 1992-96: Why They Fell," *Monthly Labor Review* November 36-58.
- Foley, Michael (1998). "Flexible Work, Hazardous Work: The Impact of Temporary Work Arrangements on Occupational Safety and Health in Washington State, 1991-1996," *Research in Human Capital and Development* Vol. 12, 123-147.
- Gray, Wayne B., and Scholz, John T. (1993). "Does Regulatory Enforcement Work? A Panel Analysis of OSHA Enforcement," *Law & Society Review* 27(1).
- Hirsch, Barry T., Macpherson, David A., and Dumond, Michael J. (1997). "Workers' Compensation Reciprocity in Union and Nonunion Workplaces," *Industrial & Labor Relations Review* 50(2).
- Hyatt, Douglas, and Krajl, Boris (1995). "The Impact of Workers' Compensation Experience Rating on Employer Appeals Activity," *Industrial Relations* 34(1) January.
- Kerr, Daniel and Dole, Chris (2001). *Challenging Exploitation and Abuse: A Study of the Day Labor Industry in Cleveland*. Prepared for Cleveland City Council, Cleveland, Ohio.
- Kniesner, Thomas J., and Leeth, John D. (1995). *Simulating Workplace Safety Policy*. Boston/Dordrecht/London: Kluwer Academic Publishers.
- Krajl, Boris (1994). "Employer Responses to Workers' Compensation Insurance Experience Rating," *Industrial Relations-Quebec* 49(1) 41-59.

- Lenz, E. (1997) *Employer Liability Issues in Third-Party Staffing Arrangements*. National Association of Temporary Staffing Services publication, Alexandria, VA.
- Moore, Michael J., and Viscusi, Kip W. (1989). "Promoting Safety Through Workers' Compensation: The Efficacy and Net Wage Costs of Injury Insurance." *Rand Journal of Economics* 20(4,) 499-515.
- National Council on Compensation Insurance (2002). Basic Manual for Workers Compensation and Employers Liability Insurance. <http://www.ncci.com/emanuals/manuallibraryindex.htm>. Downloaded December 7, 2002.
- Pearce, Diana and Wider Opportunities for Women (2002). *The Self-Sufficiency Standard for Georgia*. Prepared for Women's Policy Group, Atlanta, Georgia.
- Peck, Jamie and Theodore, Nik (2002). "Contingent Chicago: Restructuring the Spaces of Temporary Labor." *International Journal of Urban and Regional Research* 25 471-496.
- Robinson, James C. (1991). *Toil and toxics : workplace struggles and political strategies for occupational health*. Berkeley: University of California Press.
- Shapiro, Sidney (1999). "Occupational Safety and Health Regulation." *Encyclopedia of Law and Economics*, University of Kansas - School of Law.
- Simmonds-Diaz, Jorge (1993). Environmental and Occupational Health Survey of a Hispanic Work Group in Atlanta. Masters Project, Emory University School of Public Health, Division of Environmental and Occupational Health.
- Theodore, Nik and Jamie Peck (2002) "The Temporary Staffing Industry: Growth Dynamics and Limits to Contingency," *Economic Geography* 78(4) 463-493.
- Thomason, Terry and Pozzebon, Silvana (2002). "Determinants of Firm Workplace Health and Safety Claims Management Practices," *Industrial and Labor Relations Review* 55(2) 286-307.
- U.S. General Accounting Office (2002). *Worker Protection: Labor's Efforts to Enforce Protections for Day Laborers Could Benefit from Better Data and Guidance*. Prepared for the Honorable Luis V. Gutierrez, House of Representatives, U.S. Congress.
- US Bureau of Labor Statistics (2000a). Census of Fatal Occupational Injuries. Washington DC: US Department of Labor.
- US Bureau of Labor Statistics (2000b). Industry Injury and Illness Data. <http://www.bls.gov/iif/oshwc/osh/os/ostb1001.pdf>. Downloaded December 12, 2002. Washington DC: US Department of Labor.

- US Bureau of Labor Statistics (2000c). Industry Injury and Illness Data, 1994-2000. <http://www.bls.gov/iif/home.htm>. Downloaded December 12, 2002.
Washington DC: US Department of Labor.
- US Bureau of Labor Statistics (2001a). 2001 Occupational Employment and Wage Estimates, Metropolitan Area Estimates. http://www.bls.gov/oes/oes_dl.htm. Downloaded February 16, 2003.
- US Bureau of Labor Statistics (2001b). 2001 Occupational Employment and Wage Estimates, National Estimates. http://www.bls.gov/oes/oes_dl.htm. Downloaded February 16, 2003.
- US Bureau of Labor Statistics (2001c). 2001 National Industry-Specific Occupational Employment and Wage Estimates. http://www.bls.gov/oes/oes_dl.htm. Downloaded February 16, 2003.
- US Department of Labor (1999). Occupational Safety and Health Administration. Directive CPL 2-0.124. Multi-Employer Citation Policy. December 10.
- Valenzuela, Abel (1999) *Day Laborers in Southern California: Preliminary Findings from the Day Labor Survey*. Los Angeles: UCLA Center for the Study of Urban Poverty.