



“Summary of article by Arne L. and Kalleberg, Edith Rasell, Naomi Cassirer, Barbara F. Reskin, Ken Hudson, David Webster., Eileen Appelbaum and Roberta M. Spalter-Roth: Nonstandard Work, Substandard Jobs: Flexible Work Arrangements in the U.S” in Frontier Issues in Economic Thought, Volume 4: The Changing Nature of Work. Island Press: Washington DC, 1998. pp. 181-185

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With the presumed growth of non-standard work arrangements in the 1980s and 1990s, the media forecast the dissolution of employment stability and a new, more entrepreneurial economy in which workers bounce from job to job, engaged in cut-throat competition for short-term, project-oriented work. This reinforced the popular perception that non-standard work is inferior to full-time regular employment and undertaken by those who cannot find better jobs.

To better understand the reality, the U.S. Bureau of Labor Statistics added questions about contingent work to the February 1995 Current Population Survey (CPS).<sup>2</sup> Using the BLS data, it is possible to investigate several aspects of the quality of non-standard jobs and the motivations of those who hold them. This study is a comprehensive analysis of these data.

## **CHARACTERISTICS OF NON-STANDARD JOBS**

The term contingent work has become loosely associated with both employment instability and non-standard employment relationships. For example, a temp worker may work short-term assignments at a variety of firms (reflecting instability), but be employed by the same agency throughout (reflecting a stable employment relationship). This report uses the term *non-standard work* to highlight work arrangements other than regular, full-time ("standard") jobs.

In addition to part-time workers, non-standard workers include employees of temporary help agencies, on-call workers, day laborers, self-employed persons, independent contractors (who may be self-employed or work for a wage or salary) and contract workers. Non-standard jobs tend to be more insecure than regular full-time employment, lasting for only a short time or for the duration of a project, and may terminate with little or no notice.

## **THE QUALITY OF NON-STANDARD JOBS**

All types of nonstandard work, on average, are inferior to regular full-time work. Nonstandard jobs pay less than regular full-time jobs to workers with similar characteristics and educational qualifications. The wage penalties for nonstandard workers are due, in part, to the nonstandard arrangement and, in part, to the industry, occupation, or general quality of the jobs typical of these types of work arrangements.

**Table V.1. Workers, by Work Arrangement**

<i>Work Arrangement</i>	<i>All</i>	<i>Women</i>	<i>Men</i>	<i>White</i>	<i>Black</i>	<i>Hispanic</i>	<i>Other</i>
Regular Part-time	13.7%	21.3%	7.1%	13.7%	13.2%	13.8%	14.1%
Temporary help agency	1.0	1.1	0.8	0.8	1.9	1.3	1.0
On-call/Day labor	1.6	1.7	1.5	1.5	1.7	2.5	1.7
Self-employment (independent)	5.5	4.8	6.1	6.3	1.5	3.2	5.5
Contracting WS (independent)	0.9	0.9	0.9	0.9	0.7	0.8	1.0
Contracting SE	5.6	3.7	7.3	6.4	2.4	3.3	4.2
Contract Company	1.2	0.8	1.6	1.2	1.1	1.3	1.7
All nonstandard	29.4%	34.4%	25.4%	30.8%	22.4%	26.2%	29.2%
Regular full-time	70.6	65.7	74.7	69.2	77.6	73.7	70.9
<i>All</i>	100%	100%	100%	100%	100%	100%	100%

Comparing wages among standard and nonstandard workers with similar personal and job characteristics shows a majority of non-standard workers, including 81% of women in non-standard jobs, are paid less per hour than workers with similar characteristics in similar regular jobs. This group includes part-time work, female on-call and self-employed workers, and male temporaries. A second group of non-standard jobs, which includes female temps and male on-call workers, pays wages similar to regular employment, but this group employs only 4.4% of non-standard workers. A third group of non-standard jobs pays better than similar standard jobs and includes contract workers, independent contractors and self-employed men. This category holds a little over one third of all non-standard workers, but nearly two thirds of the men in non-standard jobs.

Wages are not the only criteria for evaluating the quality of jobs. Compared to regular workers, workers in non-standard jobs are also far less likely receive benefits. Only 12% have employer-provided health care compared with over two-thirds of regular full-time workers. Workers in non-standard jobs are also more likely to be in jobs which offer less security. About 18% of both men and women in non-standard jobs have jobs of uncertain or limited duration, three times the proportion of workers in standard jobs. Although information on work histories is limited, what there is lends little support to the often-expressed hope that non-standard work will offer a gateway to a better job, while it does lend support to the suspicion that the downsizing wave of the early 1990s moved some workers from more secure to less secure work arrangements.

The proportion of black and Hispanic workers in non-standard jobs is less than the proportion of white workers in such jobs, but blacks and Hispanics are in poor quality temporary, on call or day laborer jobs at a higher frequency than whites and less often in the more lucrative self-employed or independent contracting positions.

### **WHY DO SOME PEOPLE WORK IN NON-STANDARD JOBS?**

Non-standard work employs 29.4% of all workers, 34.4% of female workers and 25.4% of males. Although these jobs are often inferior to regular full-time jobs, some analysts claim that many employers and employees prefer the flexibility of non-standard work arrangements. Flexibility can reduce a firm's costs by employing workers only as needed, and by replacing secure, well paying standard jobs with poorly paid non-standard ones. Flexibility can help

workers balance work and family responsibilities. However, if flexible jobs are poor quality jobs, family circumstances may force some workers to take jobs they would not want otherwise.

Motivations for taking a non-standard job can be either voluntary or involuntary. Involuntary reasons reflect the inability of the worker to find a more preferable standard work arrangement under existing labor market conditions. Voluntary motives further divide into two categories: family and other voluntary. A worker who might otherwise prefer a standard job may choose a non-standard work arrangement to accommodate family obligations. The “other voluntary” category reflects a true preference for some kind of non-standard work or some other reason such as health, partial retirement or student status.

For men voluntary reasons for non-standard work generally correspond to the quality of the job. Men who are independent contractors or self-employed are well-compensated and often prefer this type of arrangement. Men in temporary jobs usually claim they could not find regular full-time work. Relatively few men cite family reasons. Women are far more likely to express a family-based reason, particularly women with children who work in regular part-time jobs. Even women in the relatively well-paid independent contractor category are more likely than men to offer a family reason for this choice.

## **POLICIES TO IMPROVE CONDITIONS FOR NON-STANDARD WORKERS**

Some types of non-standard work offer an attractive combination of good pay, flexibility and autonomy; but most non-standard jobs are insecure and poorly paid with few benefits. Women often accept such jobs in order to have time for family responsibilities. A number of policies have been proposed which would improve conditions in non-standard jobs directly, or make standard employment better able to accommodate the needs of families.

For example, the Equal Pay Act, which prohibits discrimination on account of race or gender, should also require equal hourly pay for similar work under any type of work arrangement. Non-standard workers should receive the same benefits as standard workers on a pro-rated basis. Health insurance and pensions should be made portable when workers change jobs, or universally provided through a tax-funded system. When non-standard work involves dual employment relationships, such as a temp agency or contractor providing employees to a client firm, labor law should be amended to clearly designate each firm’s legal responsibility for health, safety and other regulated conditions of work. Programs such as unemployment compensation and the Family and Medical Leave Act should eliminate eligibility rules which leave out some non-standard workers. Flexible options, such as variable starting and quitting times, would enable more workers with family responsibilities to undertake full time employment.

### **Notes**

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1. This paper summarizes research supported by the Ford Foundation.
  2. The February 1997 Current Population Survey updated these data. The new data have not yet been released.