

**The Challenges Facing Employment Retention with Reference to
the Labour Brokering Industry: A Case Study of a National
Temporary Employment Service Provider**

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DECLARATION

I, the undersigned, hereby declare that the work contained in this dissertation is my own original work, and that I have not previously in its entirety or part submitted it to any other university for the required PhD degree.

18 August 2019

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ABSTRACT

The labour broking industry has been the focus of much controversy since 2009 in South Africa. The constant pressure from trade unions to ban the industry with opposing views from business and temporary employment agencies on the significance of temporary employment has led to legislative changes in the Labour Relations Act (LRA) on temporary employment services (TES). These changes have thus created uncertainty in business, the TES industry and both the temporary and permanent TES workforce. The purpose of this study is to identify key factors and existing policies that influence employee retention and to further critically analyse the regulations on TES and its effect on employee retention within the labour broking industry. A four phase multiple methods research design with questionnaires, semi-structured interviews, focus groups and a Delphi analysis were used to examine the factors affecting employee retention from the employees and various stakeholders within the TES industry. The present and future impact of the regulations and TES demand was also explored. The findings showed that the regulations did reduce TES demand and work security. The negative reputation of Labour Brokers, union pressure and the nature of temporary contracts were contributing factors to employee retention challenges. This study indicates that the TES industry should repair the negative reputation and image in the minds of its stakeholders and the general public, makes strides towards more sustainable job security within the industry and create added value through training and development initiatives.

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LIST OF ACRONYMS

ANC	:	African National Congress
APSO	:	Association of Personnel Services Organisation
BBC	:	Black Business Council
BCEA	:	Basic Conditions of Employment Act
BUSA	:	Business Unity South Africa
CAPES	:	Confederation of Associations in the Private Employment Sector
CCMA	:	Council for Conciliation, Mediation and Arbitration
COSATU	:	Congress of South African Trade Unions
CSIR	:	Council for Scientific and Industrial Research
DOL	:	Department of Labour
HR	:	Human Resource
HRSA	:	Society for Human Resource Management
IR	:	Industrial Relations
KZN	:	KwaZulu Natal
LRA	:	Labour Relations Act
NABC	:	National Association of Bargaining Councils
NEDLAC	:	National Economic Development and Labour Council
NUM	:	National Union for Mineworkers
SDL	:	Skills Development Levy
SEIFSA	:	Steel and Engineering Industries Federation of South Africa
SIT	:	Social Identity Theory
TES	:	Temporary employment services
UIF	:	Unemployment Insurance Fund
US	:	United States of America (USA)

CHAPTER ONE

Orientation of the Study

1.1. Introduction

The Labour Broking industry has been the focus of much controversy following the move by the Congress of South African Trade Unions (COSATU) to ban the industry in 2009 (Paton and Mjikeliso, 2012: 1). In October 2009, a negotiation about the issue was carried out at the National Economic Labour Council (NEDLAC). The Congress of South African Trade Unions (COSATU) and the National Council of Trade Unions (NACTU) confirmed that they were in favour of an outright ban of Labour Broking (Politics Web, 2012). On the other hand, the Organised Business and the Federations of Unions of South Africa (FEDUSA) argued that Labour Broking is essential in South Africa, but accepted a need for improved regulation (Anderson, 2012: 1 and Ensor, 2012: 1). The announcement on the 6th July 2012 made by the Labour Minister, Mildred Oliphant, to regulate the Labour Broking industry, followed continuous pressure by Trade Unions to ban the Labour Broking industry. The argument for regulation rather than banning is that banning the Labour Broking industry poses a significant risk to the job security of both permanent and contract staff within the Labour Broking industry (Mawson, 2012: 1). Minister Oliphant made the following statement:

“The Bills are aimed at promoting sound and responsive legislation and policies to attain labour market flexibility for competitiveness of enterprises, which is balanced with the promotion of decent employment”(Mawson, 2012: 1).

This study aims to explore employee retention within the Labour Broking industry. The reasons for the Labour Broking industry being under focus will be reviewed and insight from the permanent, contract staff and all other stakeholders within the industry will be investigated.

1.2. Context of the Research

The Congress of South African Trade Unions (COSATU), supported by the African National Congress (ANC), called for the Labour Broking industry to be banned (Mawson, 2012: 1). The main reason behind the move was that the trade union believed that the industry was replacing permanent jobs with contract (temporary) labour. The alleged effect of this was that contract staff were not benefiting from the remuneration, fringe benefits and stability of permanent work. The Labour Brokers were accused of the exploitation of contract staff (Sapa, 2012: 1). On the 6th of July 2012 it was announced that the industry would be regulated and these regulations were to be negotiated at the National Economic Development and Labour Council (NEDLAC). However, there was a strong consensus amongst Labour Broking companies, their staff and the general business environment that these regulations might have an unfavourable impact on employment in South Africa (Mawson, 2012: 1).

The general perception amongst business was that the proposed amendments might increase labour cost and hamper flexibility of staffing with additional pressure to convert temporary positions into permanent positions (Anderson, 2012: 1 ; Ensor, 2012: 1). Labour agencies' core income is derived from flexible labour supply and might, therefore, view these amendments as a hurdle in accessing temporary labour contracts in the present and future. The temporary staffing employed through Labour Brokers may possibly not see a sustainable future through labour agencies, as their contracts might be prematurely terminated due to companies doing away with temporary outsourcing services. Davis (2013: 1) reported that despite fierce criticism from opposition parties in the National Assembly, the Employment Services Bill was passed on Tuesday the 12th November, 2013. The amendments that directly affect the Temporary Employment Services (TES) industry briefly are:

- I. Any employee of the TES company earning below the income threshold of R205 433 pa if on a contract other than filling in for a permanent position, performing a duty that is purely temporary in nature as determined by a collective agreement or sectoral determination, or work over three months, may be deemed as the employee of the client of the Labour Broker.

- II. The client and the TES Company are jointly and severally liable for the employment contract of the TES employee in the case of dismissals.
- III. After three months of employment the temporary employee must receive the same remuneration and benefits to that of the TES client's permanent employees. Extending contracts beyond three months must be supported by reasons listed in the Labour Relations Act (LRA) or any other justifiable reason by the employer.
- IV. Unions in the workplace can obtain representation from temporary employees in the workplace whereas in the past employees through a TES company were excluded from union representation.

According to the World Bank 2013 Development Report, part time or temporary employment is now a major feature of industrial and developing countries. The report further states that temporary employees make up 7% of the South African labour force and provide employment to an average of 410 000 workers a day. ADCORP, South Africa's largest Labour Broker by market share, reported that the Labour Broking industry has an annual turnover of R44 billion (UNESCO, 2013: 1). This study will explore how the Labour Broker companies, their employees, clients and other stakeholders within the industry perceive the pending regulations, their projected impact and the actions being taken to account for this projected impact. For example, is it thought that the industry is going to lose valuable human capital to other industries because of the new volatile environment? The study will provide a blueprint for the Labour Broking industry regarding the challenges and projected impact of the changes within the industry. Recommendations on possible solutions to ensure its employees are retained and its continued sustainability within the South African economy will also be highlighted.

1.3. The Research Problem

The research study explores staff retention with regard to permanent and contract employees within the Labour Broking industry. Recent reports of the Labour Broking

industry being regulated and the amendments to the Labour Relations Act (LRA) can be thought to have serious implications for the industry, because of the perceived migration of experienced workforce to other industries, temporary contracts being converted to permanent contracts and the workforce feeling uncertain of their future within the industry. The earnings threshold of R205 433 per annum which includes lower skilled (general workers, van assistants and cleaners), semi-skilled (trainees and artisan assistants) and skilled (qualified or trade tested artisans) employees, inadvertently protects the majority of the South African workforce currently employed by Labour Brokers(Davis, 2013). If the Labour Broking industry loses these employees to permanent work forcibly offered by their clients, the industry would suffer the loss of this fixed turnover that the industry has benefited from historically (Ramutloa, 2012: 1).The research explores the possibility that existing workers employed by Labour Brokers are faced with uncertainty about the industry's future and the future of their employment status. The industry is now faced with the following questions:

- ✓ What future implications for temporary employment services demand are perceived by the workforce and their customers ?
- ✓ What is the nature and intensity of the uncertainties felt by existing workers employed by Labour Brokers?
- ✓ What is the nature of the value seen in Labour Brokerage by companies who use Labour Brokers?
- ✓ How is the future for Labour Brokerage in South Africa perceived?

Findings will include recommendations for the Labour Broking industry in order to address any revealed concerns or dissatisfactions from staff, customers and other stakeholders in order to ensure the company's continued sustainability and profitability.

1.4. Aims of the Study

The aims of the study are to:

- a) Identify the key factors and existing policies which influence employee retention through a critical analysis of current practices of employee retention

in order to develop guidance/ recommendations for employee retention strategies within the Labour Broking or Temporary Employment Services (TES) industry.

- b) Specify and critically analyse the amendments to the Labour Relations Act (LRA) and Basic Conditions of Employment Act (BCEA) with regard to TES and to reveal whether these amendments are thought to influence employee retention within the TES industry.

1.5. Research Objectives

- i. Examine the factors affecting employment retention, through exploring the nature and value perceived by the various stakeholders in the Labour Broking industry.
- ii. Assess the projected impact of the amendments to the LRA with regard to TES providers and their impact on client participation, temporary employment demand, and employee retention.
- iii. To assess the future implications on temporary employment services demand as perceived by the workforce and the customers of the Labour Broking industry.
- iv. To make recommendations on the retention strategy the Labour Broking industry can adopt in order to retain experienced human capital within the industry.

1.6. Research Questions

- i. What are the factors affecting employment retention after exploring the nature and value perceived by the various stakeholders in the Labour Broking industry?
- ii. What are the amendments with regard to TES providers and their projected impact on client participation, temporary employment demand and their influence on employee retention?
- iii. What are the future implications on temporary employment services demand as perceived by the workforce and the customers within the Labour Broking industry?

industry?

- iv. What are the recommendations on the retention strategy the Labour Broking industry should adopt in order to retain experienced human capital within the industry?

1.7. Significance of the Study

The findings will be used to determine the staff perceptions and concerns of the Labour Broking industry, and its impact on employee retention. Human Capital is a significant asset in any industry (Nel et al., 2010: 47-48) and views from these employees on the Labour Broking industry can allow the Labour Broking industry to actively determine and address these concerns and perceptions. Perceptions from organisations and individuals who are directly involved/affected or dependent on Temporary Employment Services can assist the company to determine the value of Labour Broking and the continued sustainability of the industry. This information may better equip the TES industry to tackle the changing labour environment with more creative solutions to remain essential for business and the worker seeker.

1.8. Format of the Study

Chapter 1: Orientation of the Study

This chapter introduces the research topic, the research problem, the background of the problem and purpose of the study, definition of terms, delimitations, significance of the study and outline of the study.

- **Chapter 2: Literature Review: Labour Broking in general and Globally**

The nature of the Labour Broking industry in general and globally are discussed. The advantages and disadvantages of Labour Broking is also explored.

Chapter 3: Literature Review: Employee Retention and Labour Broking in South Africa

Critical analysis of core literature on employee retention and Labour brokers in SA is presented and evaluated. Information on the research problem has been obtained

from sources such as current articles, text books, company information and findings from peer reviewed journals on appropriate research topics .

Chapter 4: Research Methodology

The case study methodology is described, explained, and defended. A case study research methodology is used which includes surveys, interviews, a focus group and a Delphi analysis. The methodology discussion includes the design of the study, its sampling procedures, data collection and data analysis.

- **Chapter 5: Statement of Results and Discussion**

Reporting of the findings through the use of tables, graphs, figures, previous research and a rationale on why these procedures were selected is presented, together with an analysis of the four phase research design (Survey, interviews, focus group and Delphi analysis).

- **Chapter 6: Discussion on Results**

The results of the four phase case study research is discussed and examined. The factors affecting employee retention is discussed and the extent of the challenges is explored and analysed.

- **Chapter 7: Conclusions and Recommendations**

Primary data on the research problem is presented and recommendations drawn from the data, in the context of other research work and discussion in the field of interest, are offered for the Labour Broking industry. Limitations of the study and further research areas are added to the chapter.

References

All works have been cited in the bibliography with full details of all books, articles, reports, journals and other sources. The Harvard form of referencing is used.

Appendices

Tables and charts, Letter of permission and copies of questionnaires and interview schedules are in the appendix.

1.9. Conclusion

A summary of the Labour Broking industry was presented with a general overview of the industry regulations by the Department of Labour. A brief breakdown of the researcher's objectives, the research problem and the aim of the study was outlined. The following Literature Review chapter provides an in-depth study into the Labour Broking industry in general and globally. The following chapter focuses of Labour Broking in South Africa. Labour Broking regulations' effects on the industry, its clients, other stakeholders and its employees will be explored in order for the Labour Broking industry to retain its skilled human capital and retain its sustainability within the employment environment.

CHAPTER TWO

Literature Review: Labour Broking in general and globally

2.1. Introduction

The practice of Labour Broking is not only limited to the South African framework but is a common global practice. The development of Labour Broking globally is explored and the extent of the industry is quantified. The claimed advantages and disadvantages of Labour Broking is also discussed.

2.2. The Definition and Role of Labour Brokers in General

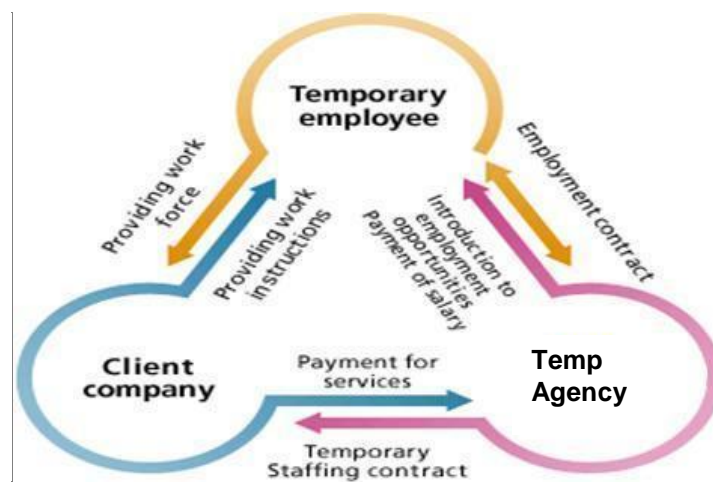
Labour Brokers are recruitment agencies who have a listing of job vacancies and attempt to match these vacancies to the people on their database. These applicants can be outsourced to the client for either a permanent or temporary position. Temporary employment services agencies, commonly known as Labour Brokers, provide specialist human resource services for a fee which utilises its human resource expertise to provide the client with efficient staff (Labour Broker, 2011). Temporary Employment Service (TES) is a service that outsources people on a time bound contract through the labour agency for the prospective client. The outsourced labour are under the supervision of the Labour Broker's client and their employment contract is through the Labour Broker, which makes them direct employees of the Labour Broker or TES Company (Topline Research Solutions, 2012).

Labour Brokers, more commonly known as employment agencies, are, therefore, recruitment shops where work seekers can secure employment in various industries on temporary (limited duration) or flexi contracts. A study by Kirk and Belcoics (2008: 131-142) looked into the temporary employment industry and its workers and concluded that companies utilise temporary labour during busy times where workers get flexibility that temporary employment provides. It is an alternative method to securing permanent work and employment agencies can assist companies in securing skilled and unskilled staff at short notice. Luo, Mann and Holden (2010: 3-16) assert that during the 1990-2008 period, employment in the temporary help

services industry grew from 1.1 million to 2.3 million and employment in this industry has been very unstable, as temporary workers are easily hired when demand increases and laid off when demand decreases. These studies, therefore, point out that temporary employment is in essence the provision of staffing to a client when flexibility in labour demand is required during peaks or slumps in production.

Figure 1 below illustrates the tripartite or triangular relationship between the client of the temporary agency, the temporary agency and the temporary employee.

Figure 1- Relationship Chart



Source: Topline Research Solutions (2012: 2)

The relationship between a temporary worker and the Labour Broking company is an employer-employee relationship which is recognised by an employment contract (Topline Research Solutions, 2012). The relationship with the Labour Broker and the client is a contractual one with stipulated and agreed deliverables as in any typical commercial contract. The relationship between the client and the temporary work is the provision of work under the supervision of the client company. The client favours the contract with a Labour Broker as opposed to the onerous involvement with the HR (Human Resources) and IR (Industrial Relations) aspects of the employment relationship. The client, however, accepts the responsibility of supervision and safety of the temporary worker (OHS Act, 2015).The following services are provided by Labour Brokers:

Labour Brokers source staff for the client with the required skills

they manage the employment contracts and all other Human Resources (HR) and Industrial Relations (IR) aspects associated with the contract
they assist the client in ensuring productivity levels are met
they ensure the required staff turnover is available per shift depending on production demands
terminations and disciplinary hearings are handled by the Labour Broker
Labour Brokers engage with Unions, and
They pay in all statutory benefits and declarations, for example, leave, sick pay, Unemployment Insurance Fund (UIF), Skills Development Levy (SDL), taxes, and so forth (Labour Broker, 2011).

2.3. The definition and extent of global Labour Broking

According to the International Labour Organisation (ILO), a private employment agency means any natural or legal person, independent of the public authorities, which provides one or more of the following labour market services:

- A. Services for matching offers of and applications for employment, without the private employment agency becoming a party to the employment relationships which may arise there from;
- B. Services consisting of employing workers with a view to making them available to a third party, who may be a natural or legal person which assigns their tasks and supervises the execution of these tasks;
- C. Other services relating to job seeking, determined by the competent authority after consulting the most representative employers and workers organizations, such as the provision of information, that do not set out to match specific offers of and applications for employment (Eichhorst, 2013: 1).

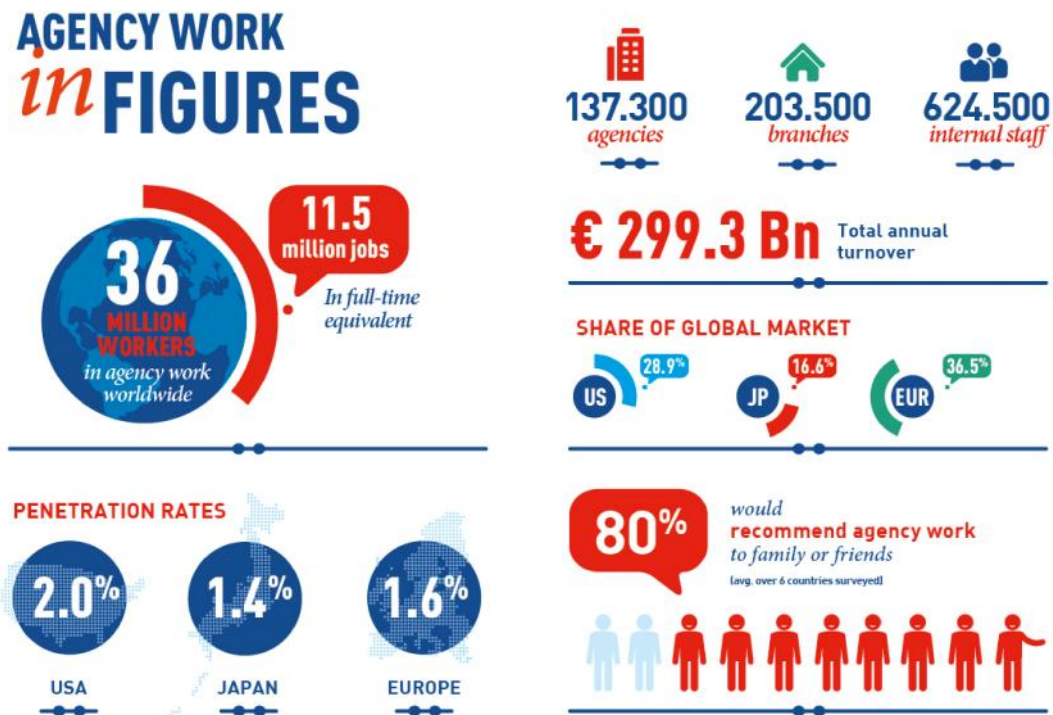
A study by the European Parliament Directorate of Internal Policies provides an overview of the importance and activities of employment agencies as well as their legal framework in the European Union (EU) Member States and closely examines their role in selected countries, while focusing on temporary work agencies, a significantly growing market within the EU. The study affirms that temporary

agencies are used by employers for two reasons: firstly, temporary agency work serves as an instrument to satisfy short-term staffing needs and, secondly, screen potential employees without taking termination provisions into account (Eichhorst, 2013). Therefore, temporary agency work contributes to the flexibility of the workforce and often reduces costs, given that signing off permanent staff can be expensive and sometimes legally problematic. Moreover, temporary agency work is prevalent in sectors with strong seasonal patterns, thus helping to overcome staff absences

Eichhorst's (2013: 1) study also stresses that it is undeniable that temporary agency work is quantitatively important and rapidly growing. The importance of temporary agency work differs between countries, with countries such as Germany, France and the Netherlands making comparatively heavy use of this form of employment (at least 2.0% of total employment). Temporary agency work seems to be a rather new phenomenon mainly in the new Member States (e.g. Estonia, Bulgaria, Lithuania and Malta, with temporary agency work ranging below 0.5% of total employment). Based on the ILO's definition and the EU study of Labour Broking agencies, one can conclude that temporary employment globally, is a standard practise of employment of temporary employees on temporary contracts under the supervision of their clients and is a rapidly growing global industry.

The International Confederation of Private Services (Ciett) is an authoritative organisation representing the interests of reputable private employment agencies across the world released a global annual economic report of agency work globally in 2014. Data published in the Annual Economic Report of Ciett, of private employment services are illustrated in Figure 2 below.

Figure 2: Agency work globally



Source: Ciett, 2014

In 2012, almost 36million individuals around the world worked as an agency worker, filling about 11.5 million full-time positions in an industry worth €299.3 Billion. On average, this accounts for about 0.9%of the total working population. One important characteristic of agency workers, as reported by the Ciett, is that on average they are young (61% are under 30 years of age). The fact that only 32% were employed before undertaking agency work shows that agency work is a champion of transitions from education to work and from unemployment to work. Since 68% of agency workers gained a permanent, full-time contract after working in temporary positions and only 14% returned to unemployment after agency work, the transition also works from short to long term employment. Around 22 million youth were employed as agency workers in 2012. Fred van Haasteren, the President of Ciett, stated:

‘Youth unemployment is still a major concern. Agency work continues to be an active part of the solution and a stepping stone into the labour market. It is positive to see the high numbers of youth taking the initiative to up-skill themselves and gain vital experience in a tough market.’

The Report also shows that employers use agency workers for a range of reasons. These include the possibility to effectively deal with peaks in the work load, replacing absent staff, for short-term projects and to hire workers in an easy and cost efficient way. 74% of employers report that they would not consider hiring permanent workers as an alternative to agency work. There are a range of sectors that take advantage of agency workers, with services and manufacturing employing 71% of agency workers in 2012 (Ciett, 2014).

Agency workers report high job satisfaction; 80% of agency workers would recommend it to family or friends, and 83% are satisfied or very satisfied with their job as an agency worker. They have a multitude of reasons as to why they prefer agency work. These include being a stepping stone to permanent work, financial reasons and flexibility. Agency work allows a 'personalisation' of their career that permanent positions cannot match (Pennel, 2014).

2.4. Temporary Employment Services Demand

Jahn and Bentzen (2012: 341-355) looked into what drives the demand for temporary employment services or temporary workers. The study asserts that there is a trend towards employment flexibility and temporary agencies in European countries. Using data from Germany their findings reveal that liberating regulations within the temporary employment sector was not the main reason for the demand of temporary workers but a strong correlation with the main economic indicators for businesses to remain competitive.

Luo et al. (2010: 3-16) looked into the expanding role of temporary employment services industry between 1990 to 2008. The results showed an increase from 1.1 million to 2.3 million. This more than doubled showing an increase in the higher skilled workers. The study concludes that the industry remains volatile because temporary workers are easily hired when demand increases and laid off when demand decreases.

These studies show the growing need for flexible staffing as the businesses struggle

to remain competitive in the global markets. Keeping costs down when demand is low and increasing costs with increased demand makes basic business sense. Labour broking supports this theory and, therefore, the need for temporary staffing will always be an integral practice in the work place.

2.5. Advantages of Labour Broking

- **Business**

Hastie (2012: 1) explains the advantage of utilising a temporary employment service (TES) provider is that it outsources labour to clients without the onerous obligations which are usually imposed on employers by the Labour Relations Act (LRA). A study by Smith and Neuwirth (2009: 56-72) on temporary agencies in America established that over the past fifty years, work characterised by lifetime employment at a single employer had evolved into a patchwork system characterised by low security and high volatility. The study further shows that major players in this new world of work are the temporary agencies, which serve as the intermediary between workers and companies. The study also asserts that traditionally, temporary agencies have been regarded, at best, as a necessary evil, and, at worst, as machines that eat up and spit out workers. An alternative reality is when job seekers' options are unemployment or degraded employment, working with a temporary agency that has an investment in promoting its profit-making commodity, good temporary workers gives them a distinct advantage (Smith and Neuwirth, 2009: 56-72).

A recent article by Auto Business News General Motors Company (2019: 1) reported that General Motors , a United States-based automaker, is aiming to hire more temporary workers at United States plants and decrease its health care costs. More evidence of the cost saving for business utilizing temporary employment.

- **Employees And Job Seekers**

Terlaga and Mitchell (2019:1) stresses that many people searching for jobs strictly consider permanent jobs, taking a temporary job can offer many benefits. These

benefits include improving ones resume, a quicker hiring process, a potential for permanent work, filling resume gaps , more exposure and financial reward.

Agencies, therefore, help applicants and valued workers improve résumés and refine their job expectations in productive ways, and often advocate for better wages, higher-level positions, and more humane, safer working conditions for their temps. The advantages for temporary agency work are that they offer the possibility for workers to get to know different work places and jobs and are able to screen potential employers. Temporary agency work can serve as a stepping stone to permanent employment or a proper job. Owing to low search costs, temporary agency work offers a way to enter or re-enter the job market and quickly earn some, or gain additional income. Furthermore, temporary agency work may help to gain work experience and thereby increases employability (Eichhorst, 2013).

Hatton's (2014: 86-110) study on US employers asserts that since the 1970's there has been a rise in the use of temporary or nonstandard workers in particular agency temps. Employers use temporary staff as weapons against unions to prevent unions from forming, to weaken existing unions, to apply pressure on unions during negotiations, and to intimidate or harass striking workers. The author concludes that deploying agency temps in this way is a qualitatively new phenomenon and is not simply a continuation of employers' longstanding practice of replacing union workers with 'scab' labour. Temporary agency work which has been strongly increasing in Europe, is a triangular employment arrangement whereby the worker is employed by the temporary work agency and subsequently hired out to perform their work under the supervision of the user company. For user firms, temporary agency work allows flexible labour adjustments and meeting short-term staffing needs, as well as screening potential employees (Eichhorst, 2013).

Temporary agencies, therefore, screen potential employees, gain access and introduction to large employers and increase their employability. In some cases temporary employees secure permanent jobs through contracting. In addition temporary workers who become a valuable asset to the agency ensure their continued employment from one contract to the next. This, therefore, plays a dual advantage for the work seeker and the temporary agency. Clients of Labour Brokers

enjoy the flexibility of limited duration cost savings and the onerous burden of running their own temporary or permanent contracts.

- **Economy**

Jahn and Webber (2016: 412-417) investigated the impact of temporary agency employment on employment volatility. Their findings were that the flexibility associated with temporary agency work decreased employment volatility having a positive effect on the economy. Katz and Krueger (2019: 382-416) undertook a recent study to monitor trends in alternative work arrangements, Their findings point to a rise in the incidence of alternative work arrangements in the US economy from 1995 to 2015. The percentage of workers engaged in alternative work arrangements defined as temporary help agency workers, on-call workers, contract workers, and independent contractors or freelancers—rose from 10.7% in February 2005 to possibly as high as 15.8% in late 2015. This is further evidence that economic trends favours the growth of agency work .

2.6. Disadvantages of Labour Broking

Hastie (2012: 1) asserts that the disadvantage of Labour Broking is that workers are placed in vulnerable positions and without adequate job security. Furthermore, workers employed under a TES seldom join trade unions as they are not active in a particular industry long enough to categorise themselves which significantly diminishes their bargaining power. Labour Brokers are commonly referred to as ‘middle men’ who do not actively assist in any operations at the clients premises nor are they able to assist the employee with issues arising when the client no longer needs the services of the employee.

LaVoie (2017: 1) states that as an HR manager it is imperative to make the best choices to impact business and each employee in a positive manner. She stresses that the cost of recruitment through an agency, the lack of control in the hiring process, and communication issues are some the disadvantages of using temporary agencies

The following disadvantages are claimed to arise from the practice of Labour Broking:

Exploitation of labour

Clients very often dictate pay rates to the Labour Broker in order to get the cheapest rate from the broker which is unfortunately to the detriment of the temporary employee. Desperate workers often accept these rates although they are well aware that the client's permanent employee earns higher wages (Gladwin, 2010: 1).

Ahn (2016: 563-585) examined the rise of temporary employment and self-employment in the Republic of Korea by investigating employment choices among prime-age men and women. He found that temporary employment rarely serves as a stepping stone towards permanent employment. This false expectation of permanent work is in itself exploitative for employees seeking stability and growth.

Poor Recruitment

Agencies quite often do not have a full understanding of the technical needs of the clients and, therefore, recruit unqualified or inexperienced workers. This can affect the client's productivity and in some cases, the clients expect the agency to pay back for damages incurred (Gladwin, 2010: 1). It has been observed that the agency often accepts the liability to salvage the relationship with its client but, however, often gets the temporary worker to pay for the damages. This practice demotivates temporary employees who sometimes abandon their positions thus tarnishing the agency's reputation with its client.

Industrial Conflicts

The agency seldom gets involved with the code of conduct or induction policies of its client and can be challenged with disgruntled clients who may require their temporary staff member to be removed immediately without a fair enquiry or legal notification. This can result in more conflicts with an unhappy workforce through unfair dismissals (Gladwin, 2010: 1). Underhill and Quinlin (2011: 397-421) argue that temporary employment has been associated with adverse occupational health and safety (OHS) outcomes. Temporary agency workers are particularly vulnerable as they experience a higher incidence of workplace injury, and a greater likelihood of

more severe injuries than all other employment types. Temporary agency workers experience economic pressures in common with other types of precarious workers.

Temporary workers also confront disorganisation risks, extending to mismatched placements; lack of familiarity with host workplaces; and more complex fractured communication. It also suggests the complexities of the triangular employment relationship which create additional economic insecurities and disorganization problems beyond those experienced by other types of workers, which the regulatory environment has yet to address (Underhill and Quinlin, 2011: 397-421). Van Arsdale (2013: 87-112) studies into work revolution in the US describes temporary work provided by the staffing industry produce poverty and stagnates wages. He states that the concept of dedication to work should solve poverty; however, dedication to work cannot resolve economic woes since most jobs are temporary, part time and low paying.

In managing temporary workers within the Labour Broking industry, it has been observed that most often the temporary worker is affected by the Labour Broker and client decisions. Employees seldom secure permanent positions with the client. Employees do not enjoy the same benefits as permanent staff doing the same job and the client can force the broker to dismiss the temporary worker on irrational issues. Employees often face segregation from the permanent staff of the client and, therefore, the temporary employee does not feel a sense of belonging or motivation and, therefore, does not buy into the client's vision and long term goals.

2.7. Conclusion

The definition and extent of global labour broking was discussed. The advantages and disadvantages of Labour Broking are contested and its impact of business , the economy and employees was explored. The LRA, BCEA and EEA with regards to TES, perspectives from the Labour Broking industry, unions, government, legal professionals and business are important dimensions in the debate. This will be discussed in the next chapter will special focus on employee retention within the Labour broking industry.

CHAPTER THREE

Literature Review: Employee Retention and Labour Broking in South Africa

3.1. Introduction

The review will attempt to primarily demonstrate the critical factors of employee retention in general and determine if, all these factors are significant to the Labour Broking industry. The literature review will focus on employee retention, the factors affecting employee retention and the effect of the regulations on employment retention within the TES industry. An overview of Labour Brokering in South Africa will be highlighted, building on the perspectives discussed in Chapter 2. The amendments to the Labour Relations Act (LRA), Basic Conditions of Employment Act (BCEA) and Employment Equity Act (EEA) with regards to TES will also be explained. Perspectives from the Labour Broking industry, Unions, government, legal professionals and business are highlighted in order to gain a holistic understanding of the Labour Broking industry, its impact in the economy and the relevance or lack thereof, of the regulations on TES providers.

3.2. Employee Retention

The Society for Human Resource Management (2010: 1) defines employee retention as the rate at which current employees of a company stay in their jobs. Retention is the opposite of turnover; low staff turnover promotes high staff retention (Nel, Werner, Hassbroek, Poisat, Sono and Schultz, 2010: 47-48).

Retention is the process of physically keeping employee members in an organization as it is one of the key fundamentals that are necessary for organizational success. In a globalized environment, retention and engagement of high prospective employees are a huge challenge to organizations especially in times of high turnover rates (Aguenza and Som, 2018: 153-171). Companies with high employee retention

suggest that employees are reasonably satisfied with the company's policies and procedures. These employees have empowered themselves by further developing their skills at the company and these skills are still being actively utilised without much loss to competitors and other industries.

3.3. Employee Retention amongst Temporary Workers

May and Askham (2005: 426-437) performed an investigation into staff recruitment and retention problems for estates and facilities staff employed by trusts, suggest that the main recruitment and retention issues fall into four main themes: social, financial, environmental and political factors. This indicates that retention of staff is not entirely due to the attractiveness of the remuneration or the company's culture, but that employees holistically view the social and political impact that the company has on their environment and society as a whole. The Labour Broking industry is faced with resistance by Unions and a Unionised workforce, coupled with government regulations that impacts on workers within the industry on a social and political level.

Hall (2006: 158-174) examined the management of agency workers in Australia and the attitudes and preferences of agency workers are compared with those of direct employees. It was found that agency workers are no more satisfied with their level of flexibility than direct workers and are in fact less satisfied with their job security, skill utilization and development, pay, autonomy and influence at work. Given these findings, it can be argued that job security and employment stability or constancy may be incompatible with retention strategies given that Labour Broking services are predominantly temporary in nature. It is, therefore, evident that employees within the temporary employment industry may and do have concerns on job security, growth, political and socio-economic factors. These factors maybe a direct influence on employee retention.

A more recent study by Clark (2018: 245-269) evaluated how relaxing regulations of the temporary service sector in Germany affected the job satisfaction of temporary agency workers. Findings were that the regulatory change substantially decreased agency workers' job satisfaction. Further analysis revealed that the negative effect on agency workers' job satisfaction can be attributed to a decrease in wages and an

increase in perceived job insecurity. Jahn (2015: 1) also compared permanent employment contracts to temporary employment contracts in their measurement of job satisfaction. The findings were that the perceived job security by temporary workers in the organisation had an influence on their overall job satisfaction. The study indicates that changes in regulations does affect job security and satisfaction negatively which ultimately will have a knock on effect on successfully retaining temporary workers.

Viitala and Kantola (2016: 147-162) focused their study on a social implications of hiring temporary workers and the relations between employees at all levels in the organisation. The approach methodology included the use of semi structured interviews with 18 temporary workers and 5 permanent employees. The findings indicated that the social capital formulation in the organisation was problematic because of duration of contracts and agency workers find themselves outside information flows and varying rules to that of permanent staff. The study reveals that there exists various differing social dynamics within each organisation and it suggests temporary employees have challenges with integration on a social level. This also suggests that social factors and organisational culture does play a role on the retention of temporary workers.

3.4. Importance of Employee Retention in the Labour Broking industry

Retention of employees saves cost and retains valuable skills which ensures a more stable, dedicated and motivated workforce. Job retention is related to organisational performance and failure to secure a loyal base of workers creates a large number of unhappy customers. Employee retention is the key economic driver, as replacing an existing staff member can incur costs associated with re-hiring, induction, corporate culture and losses faced by employees joining competitors (Noe et al., 2008: 448). Singh et al. (2012: 1-2) asserts that knowledge is a symbol of prosperity and knowledgeable employees come up with radical new ideas giving companies a competitive advantage. Therefore, retaining these employees is the single most important challenge for most companies. The above literature, therefore, suggests that retaining valuable employees may ensure that Labour Brokers are competitive and sustainable in the long term.

- **Re- Hiring**

The cost and time involved in re-hiring or replacing a lost employee can be significant as the company needs to undergo a full recruitment and selection process with the involvement of managers in the various departments. The recruitment process is also labour intensive as it uses the valuable time of managers that conduct the interviews. Cost implications are also experienced during the absence of a valuable skilled employee and the training of new employees (Noe et al., 2008: 448). The temporary employment industry is unique in that employees in the Labour Broking industry, especially those involved in operations, have the working knowledge of various industries as a result of the diversity of their client base. The loss of employees with this kind of exposure causes disruptions in operations within the company which inevitably leads to client frustration with the introduction of newcomers, who have yet to familiarise themselves with the client's policies, procedures and corporate culture.

- **Induction and Corporate Culture**

Familiarising a new employee with the policies, procedures and the corporate culture can be an exhaustive exercise as a new employee is essentially unfamiliar with the company's corporate culture. Corporate culture is essential to an organisation's effectiveness as its strategy is based on its values and norms (Hill, 2009: 628). If the new employee is not accustomed to the company culture then he or she could probably leave or may not successfully complete the company probationary period resulting in the company reverting to the recruitment and selection process to appoint a new employee. It has been observed that the corporate culture within the Labour Broking industry are not dispersed by the company entirely but by the client, as the temporary employee needs to align himself or herself to the diverse cultures at the different client companies where he or she is assigned to. This type of adaptation by the employee requires experience, tolerance and agility in order for the employee to successfully acclimatise to the different cultures which is part of the induction policy when employed within the Labour Broking industry. The induction policy requires experience within a diverse spectrum of companies in the technical, industrial and commercial sectors

- **Competitors**

Hough, Thompson, Strickland and Gamble (2008: 264) assert that the organisations knowledgeable employees are an essential component in creating a competitive company. Most employees, who resign and join competitors, take with them the previous company's confidential information to the new organisation. Many companies have strict policies in place to prevent this type of behaviour but the employee's expertise and experience gained within the organisation which equates to intellectual property, cannot be withheld. The Labour Broking industry may be faced with their employees seeking employment in other industries; hence competition to retain existing employees from its rivals can become highly intense. Employees within the industry may demand more attractive remuneration packages triggering a rise in the agency pricing thus affecting the Labour Brokers market share and competitiveness within the industry. This may result in a loss of valuable skills in the Labour Broking industry causing unnecessary high staff turnover and additional reorientation cost.

3.5. Factors Influencing Employee Retention

Singh and Prakash (2013: 131-140) asserts that people are the biggest assets for any organisation. Their study within the Indian retail sector showed that the sector is growing at a tremendous rate and the company faces challenges of employee retention to bigger organisations with better opportunities. The study concedes that organisations will have to make efforts in encouraging employees to remain in the company against the factors that affect employee retention. Some factors that affect employee retention are as follows:

- **Job Security**

De Cuyper and De Witte (2007: 65-85) investigated job security in temporary versus permanent staff on 477 temporary and permanent workers. Results suggested that although permanent workers expect a higher level of job security than temporary workers, the study provides evidence that employees within the temporary employment industry do experience the same concerns of job security, growth and

development similar to permanent employees. Temporary staff at Labour brokers and within the South African context will have similar job insecurity issues. A study by Kuroki (2012: 560-577) investigating the expansion of temporary employment in Japan allowing firms to use more temporary staffing on production lines, found the latter contributed to a rise in job insecurity amongst workers.

It has been noted whilst working as a manager in the Labour Broking industry, that agency staff have contracts with duration periods solely dependent at the client's discretion. The client who hires the staff member through a Labour Broker can at any given time, provide notice of termination of contract to the Labour Broker (usually 24 hours) to terminate the temporary employee's services. Although some clients follow the Basic Conditions of Employment Act (BCEA) with regard to notice periods, the 24 hour notice is quite often used by agencies as an added benefit to the client. The temporary staff member may be often faced with this uncertainty whereby his immediate employer cannot guarantee his length of service.

- **Employee Motivation**

A recent study by Aguenza and Som (2018: 153-171) investigated motivational factors that influence employee retention and examined their impacts on both organisations and employees. This paper argues the motivational factors that are crucial in influencing employee retention are financial rewards, job characteristics, career development, recognition, management and work-life balance.

Nel et al. (2008: 47-48) argues that one variable in employee attachment is staff retention. Employees who feel committed to a company have a strong desire to stay in the organisation. Therefore, a motivated worker feels valued by the company and is, therefore, a productive worker. According to Nel et al. (2008: 337-338) all people can be motivated. However, people are motivated by different things, times and reasons. Maslow's (1954) cited theory in Nel et al. (2008: 337-338) states that people are constantly in need and are never fully satisfied. The levels in Maslow's hierarchy of needs are as follows:

Physiological needs- needs essential to a humans beings biological functioning and survival.

Safety needs- need to be safe.

Social needs – need for love, acceptance and friendship.

Ego needs- need for freedom, independence recognition and appreciation, and

Self-actualization needs- this is the uttermost need and that is to become more than one is capable of becoming.

The model suggests that an employee desires a comprehensive level of satisfaction in order to remain at a company. Employees who are constantly on various temporary contracts may lack ego needs in that recognition and freedom are attributes that are usually earned over time and self-actualisation can only be realised after extensive experience and exposure in the same environment. Temporary employment may, therefore, not be stretched enough to ensure motivation in it's entirely amongst agency workers. Maxwell and Knox (2009: 893-907) conducted a study of four companies to address Social Identity Theory (SIT) and found that the common attributes of motivating employees were through organisational successes, construed external image, and product or service characteristics. The image portrayed by the Labour Broking industry may be a central determinant of employee retention. Mabona and Sakthekge (2012: 1) report that the COSATU Unions and the National Union for Mineworkers (NUM) have called the Labour Broking industry '*bloodsuckers*', '*human traffickers*' and '*slave traders*'. They have further called on all their members to support their move to ban the practice of Labour Broking through a national strike. This negative publicity, together with the slander from some sectors taints the image of Labour Brokers by creating a view that Labour Brokers exploit vulnerable workers on a social level. Employees may leave the industry based on this negative publicity and perception thereby impacting an employee's need for safety and social acceptance.

- **Social and Political Factors**

According to the investigation of May and Askham (2005: 426-437) on employee recruitment and retention problems for estates and facilities staff, findings suggested that the main recruitment and retention issues fall into four main themes: social, financial, environmental and political factors. This study suggests that retention of staff is not entirely attractiveness of the remuneration or the company but that

employees look at the social and political impact the company has on their work environment and society as a whole. One would assume that the political and social factors of changing regulations, government and union differences coupled with negative media reports that are currently facing the Labour Broking industry may have a detrimental impact on employees within the industry. The practice of Labour Broking is seen by government, trade unions and the majority of workers as an industry that exploits the vulnerable people of this country. It does highlight the question; do workers within this industry want to belong to a body that has this type of negative reputation in the political and socio- economic arena?

- **Employee Perception**

Ansari (2011: 122-149) asserts that there are various factors that affect employee retention and employee commitment is a significant contributor towards an employee's decision to stay or leave an organisation. The study reveals that it is not just human resource practices but the perceptions of the organisations practices that affected their commitment to the workplace. It is, therefore, important for employees to have a positive perception of the organisations overall practices and the general reputation of the organisation in order to remain committed to the company.

- **Employer branding /reputation**

Shah (2011: 30-33) argues that employer branding is a new dimension in managing and retaining employees. Branding should not be considered a waste of money but a necessity as it defines a company's strengths, procedures, policies and culture. The study argues that the positive brand of an organisation improves the reputation of the organisation and assists in employee retention and motivation. The Labour Broker brand and reputation will have an adverse effect on employee retention if employees identify the brand and reputation negatively.

3.6. Employee Retention Strategies

High employee turnover negatively impacts on companies' time and productivity. Replacing, inducting and re-training staff can prove effective solutions; however,

companies also face difficulties related to corporate culture and motivation. Some employee retention strategies to ensure low staff turnover are as follows:

- ***Competitive benefits package-***

Providing health insurance, life insurance and a retirement-savings plan is essential in retaining employees. These perks are essential to an employee needing job security and stability. A Study by Yamamoto (2011: 3550-3564) investigated the enrichment of employee benefits within a group of 1228 employees to assess its impact on employee retention. The hypothesis was clarified in that the enrichment of employee benefit management improved job satisfaction and retention.

Incentives verses motivation

Done right, these kinds of programs can keep employees focused and excited about their jobs. Job satisfaction is an important ingredient in ensuring staff retention.

Internal Promotions

Employees can become frustrated and can stop being engaged if they see no clear future for themselves at the company (The Wall Street Journal, 2012: 1).

Employee development-

This could be training and development to learn a new job skill or tuition fees reimbursement to help further the employee's educational needs

Open communication between employees and management-

Through regular employee engagement, employees can submit ideas and ask questions. This encourages the open-door policy that allows employees to speak frankly with their managers without fear of repercussion.

Communicate your businesses Goals

Commitment to the organisation's goals is important in keeping employees mentally and emotionally loyal to the company (The Wall Street Journal, 2012: 1).

- ***Multiple approach method***

Aruna and Anitha (2015: 94-103) added that there are significant factors for retaining generation Y employees namely mentoring, career development, job satisfaction, inclusive style of management, work environment and nature of working style. It is, therefore, a combination of all of these interventions that can help retain talented and valuable employees. A study by Leena and Lissy (2012: 79-87) conceded that employee retention is a major problem faced by companies. They focused their study within the IT sector in India on the impact of retention strategies on employee turnover. Their finding supported the study by Aruna and Anitha that personal satisfaction, welfare benefits and organisational culture where the main determinants for employees wanting to leave or stay in an organisation.

- ***Training and development***

Finegold et al. (2005: 66-85) did a study on 4000 employees of United States temporary agencies and findings were that less than 25% of temporary workers had access to training which had an adverse effect on employee retention and wage growth. The study also pointed out the importance of skills development for employee retention as employees qualify for higher wages with an increase in on-the-job skills. Ratna and Chawla (2012: 35-46) study within the telecommunications sector on the key factors that influence employee retention revealed that companies require more than one technique to retain employees. They identified ten factors (importance of training, consultation of the employees during target setting, satisfaction with compensation level, rewards and recognition given to the executives, working conditions, job capability, ability to meet targets, plans to start their own business, satisfaction with the initiatives taken by HR, and participation in management) that play important roles in retention. The study also revealed that training and working conditions was the greater contributor to employee satisfaction and retention. A study by Armstrong-Stassen and Ursel (2009: 201-220) looked into

employee retention of older workers. The findings were that implementing training and development practices targeting older workers and tailored to their needs and providing interesting and challenging job assignments are important to the retention of these workers.

Bibi et al. (2018: 113-131) investigated the impact of training and development and supervisors support on employees retention.. A survey was undertaken to collect data from 250 faculty members working in public sector universities in Pakistan. The results revealed that training and development and the support of the supervisors had a significant relationship with the retention of employees.

3.7. Labour Broking /Temporary Employment Services(TES) in South Africa

Labour broking in South Africa had been an unregulated practice and it was the continuous disregard for adequate monitoring of the industry and its practices that has led to a serious focus on the industry by government, business and employees working within the industry. Van Eck (2010: 1-21) states that labour broking in South Africa is problematic as government business and trade unions are debating the future regulation of the industry and it will be appropriate for Parliament to accept the amendments that would provide stricter regulation for labour broking rather than an outright ban on this economic activity.

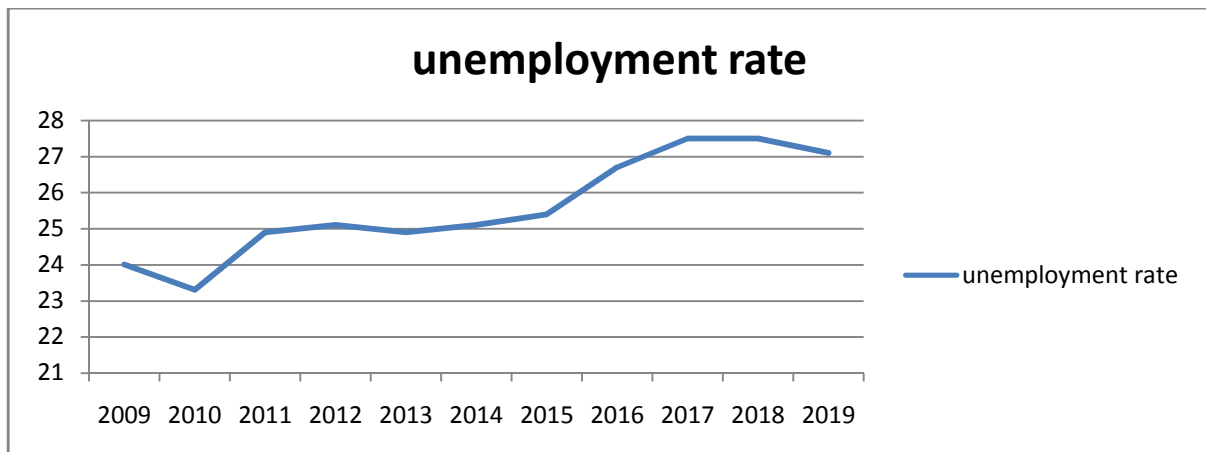
Post-apartheid, there has been a significant growth in the practice of Labour Broking in South Africa. Trade unions and permanent employees view Labour Brokers and their staff as a sort of third party labour relationship that is replacing permanent work and exploiting vulnerable workers (Davis, 2013). However, Labour Broking may also be the only available service to secure employment and an effective introduction to career opportunities (Sharp, 2011: 1).According to the most recent large scale study of Labour Broking in South Africa by Topline Solutions (2012: 1-51) where 110 Labour Brokers out of over 3000 agencies nationwide were interviewed in 2012, it was established that approximately 60% of Labour Broking companies were small (less than 20 internal staff) and 85% of Labour Broking companies are individually owned.

The National Association of Bargaining Councils (NABC) asserts that there are 979,539 Labour Broker workers in South Africa currently, compared to the previous estimate of approximately 500,000 Labour Broker workers in the year 2010 to 2011. The NABC figures indicate that the Labour Broking industry has substantially grown and is significantly large (Sharp, 2011: 1). The Commission for Conciliation, Mediation and Arbitration (CCMA) produced figures that indicate Labour Brokers, while representing 7.6% of total employment in South Africa, represent just 0.9% of CCMA disputes. The CCMA figures indicate that the Labour Broking industry is characterised by relatively few formal employer/employee disputes (Sharp, 2011: 1). Taking into account the afore-mentioned statistics, it can be deduced that there is a significant percentage of workers that are employed within the Labour Broking industry and the largest part of the workforce is reasonably satisfied with their employment contracts, working conditions and jobs.

MacGregor (2001: 1) from Deneys Reitz Attorneys, argues that Labour Broking is characterised by a perception that the costs for companies complying with labour laws and the direct administration of temporary employees are high. Therefore, the temporary employment services (TES) agencies are better equipped to manage compliance. Labour Brokers build up a pool of specialised people who can be brought to the organisation and utilised at short notice. It would appear that the main reason for an organisation in South Africa to utilise Labour Brokers is the ease of administration, to minimise risk associated with industrial relations and human resources and the flexibility of utilisation of employee volumes.

The following figure reflects the South African unemployment rates between 2009 and 2019.

Figure 3 Unemployment Rate (%)



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
unemployment rate (%)	24	23.3	24.9	25.1	24.9	25.1	25.4	26.7	27.5	27.5	27.1

Source: Index Mundi (2019: 1)

Index Mundi (2019: 1) reflects South Africa’s unemployment rates from 2009 to 2019 and reveals an average unemployment rate of 25.59%. With around 25% of the country’s work seekers unemployed, employment remains one of the country’s most pressing macroeconomic objectives.

Labour Broking or temporary employment services may be one viable way of job creation or sustainability to the unemployed with offers of temporary employment and centres for job applications. The South African economy cannot sustain those unemployed with long term benefits as well as the Unemployment Insurance Fund (U.I.F) that lasts for six months only and is only applicable to those who have contributed to the fund with prior work history that is greater than thirteen weeks (Info. Gov, 2012: 1). Most unemployed work seekers do visit Labour Brokers where approximately 50 job seekers visit the branch on a daily basis.

3.8. Significance of the Labour Broking Industry in South Africa.

During 2010, The National Association of Bargaining Councils (NABC) produced an important estimate of the number of Labour Broker workers in South Africa, the first updated figure since 2006. The NABC suggests that there are 979,539 Labour

Broker workers in SA, compared to the previous estimate of approximately 500,000 Labour Broker workers. Also, during the year, the Commission for Conciliation, Mediation and Arbitration (CCMA) produced figures that indicate Labour Brokers, while representing 7.6% of total employment in South Africa, represent just 0.9% of CCMA disputes (Sharp, 2011: 1). A study regarding the Labour Broking industry was conducted by Topline Research Solutions using client databases provided by the Confederation of Associations in the Private Employment Sector (CAPES). Topline conducted surveys of 110 Labour Brokers, representing 268,777 Labour Broker workers or 29.8% of the industry total. The following survey statistics were provided:

Labour Brokers are distributed throughout South Africa, although the biggest presence is in the three major economic hubs: Gauteng (68%), KwaZulu-Natal (42%) and the Western Cape (36%)

Labour Brokers place workers throughout the economy, including the construction, manufacturing, finance, nursing, wholesale/retail trade, mining, transport and communications sectors

60% of Labour Brokers are 'small' (<20 internal employees) and just 12% are 'large' (>200 internal employees). 73% of Labour Brokers have annual turnover below R50 million, and just 6% of Labour Brokers have annual turnover exceeding R1 billion.

the average Labour Broker has been in business for 14.1 years, with 29% in business for more than 20 years – larger Labour Brokers tend to have been in business for longer

98% of Labour Brokers are Skills Development Levy-payers

92% of Labour Brokers are BEE rated, with 71% being Level 4 or higher

the most frequently cited reasons for Labour Brokers' temporary assignments are contingencies (70%), projects (66%) and seasonality (64%)

the average temporary contract duration is 10.1 months, with the majority (54%) less than 6 months

77% of Labour Brokers' candidates are word-of-mouth referrals, indicating that a large proportion of Labour Brokers' assignees feel sufficiently positive

about their work experiences with Labour Brokers to promote or recommend them to their friends and family

70% of Labour Broker workers have 2 or 3 core dependents and possibly 5 extended dependents

between one-third and one-half of Labour Broker workers (depending on the particular sector) are first-time job-seekers, indicating that the Labour Broking industry provides an essential service to unemployed people who have not found an alternative entry-point into the labour market

the overwhelming majority (74%) of Labour Brokers field fewer than 4 assignee complaints from their entire workforces each month, which confirms the CCMA data cited above

the most common reason for terminating an assignee's contract (81%) is that the contract period ends, which tends to refute the claim made by the Department of Labour and several trade unions that Labour Brokers are a 'subterfuge' for avoiding the costs of labour relations and, especially, dismissal protections

72% of Labour Broker workers' contracts end because they find permanent jobs, which reinforces the impression that Labour Brokers are an essential entry-point into the formal world of decent work for unemployed/never previously employed people

at any given time, 53,844 assignees (or 6.0% of the total) are enrolled in learnerships, apprenticeships, recognition-of-prior-learning, and other skills programmes

59% of assignees are represented by a bargaining council and/or workplace forum, and 11% are covered by a sectoral determination

just 19% of Labour Brokers report that none of their assignees are union members

blacks represent the most common racial profile of assignees (75%), followed by whites (13%), Coloureds (8%) and Indians (4%) – these proportions are largely in line with the races' broader composition in the total population

temporary remuneration is overwhelmingly (90%) determined by client and/or market trends

average pay rates vary from R8.00 per hour in the agricultural sector to R430.00 per hour in the mining sector

93% of Labour Brokers provide some sort of employee assistance programme to their assignees, including counselling (HIV/Aids, trauma, substance abuse, etc.) (56%) and training (orientation, workplace readiness, etc.) (42%)

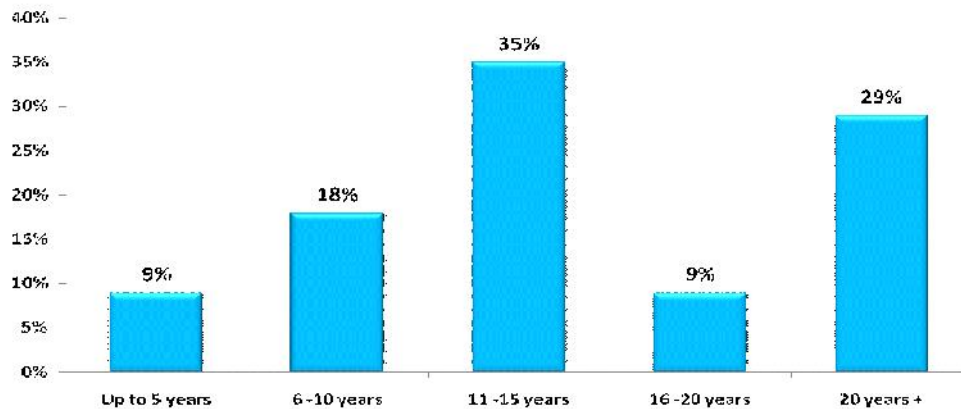
100% of Labour Brokers provide statutory benefits to their assignees (leave provisions, unemployment insurance, workmen's compensation, etc.) – but relatively few provide retirement savings (15%) or medical aid (12%) (Sharp, 2011: 1).

As the above statistics indicate, the Labour Broking industry plays a significant, if controversial, role in the South African labour market, by linking unemployed people to the formal world of decent work.

3.9. Selected statistics on Labour Broking in South Africa

Topline Research Solutions was employed by the Temporary Employment Industry in 2010 to supply the Department of Labour with some statistics on the extent of the Labour Broking industry in South Africa in order to assess the validity of COSATU's call for the banning of the industry. This information was critical for the pending negotiations at National Economic Development and Labour Council (NEDLAC) concerning Labour Brokers. Topline Research Solutions interviewed 110 Labour Broking companies nationally and their findings, illustrated in the graphs below, assist in understanding the scope of the Labour Broking industry in South Africa (Topline Research Solutions, 2012: 1-62). Figure 4 reflects the period that Labour Broking companies have been active in business in South Africa.

Figure 4: Number of Years In Business.

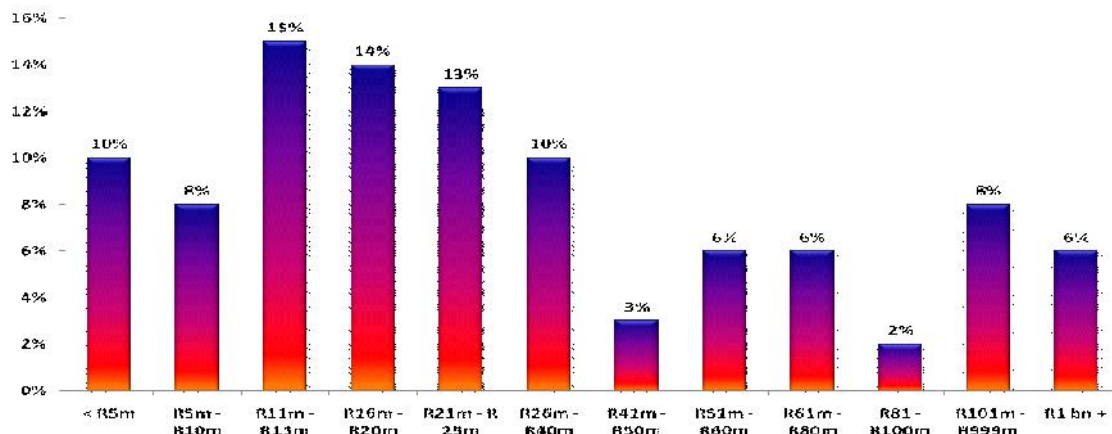


Source: Topline Research Solutions ,2012

Most Labour Broking companies have been in existence for over 10 years (73%). After 1994 the research results reflect the entrance of approximately 62% new players into the market. This could be attributed to the emergence of Black Empowerment companies entering the market place.

The Labour Broking industry is an established industry with a considerable amount of temporary and permanent workforce employed within the industry. The following graph (Figure 5) shows turnover comparisons between small, medium and large labour broking companies.

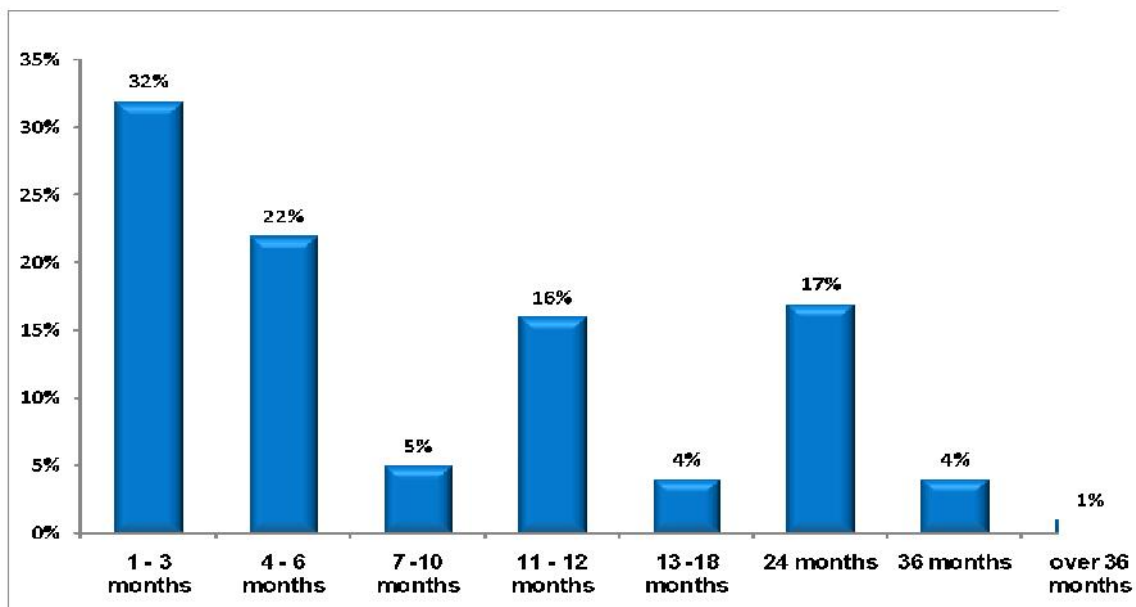
Figure 5 Annual Turnovers



Source: Topline Research Solutions ,2012

Turnover or sales indicate that almost 33% of the companies are small, 54% medium and 14% are large companies. The small and medium companies dominate the industry. The predominantly smaller companies are better equipped to cut costs and in some cases reduce other related expenditures. Companies who use employment agencies may not often look at the service provider's compliance but merely the attractiveness of the total agency rate. This is one of the pivotal reasons for COSATU remarks concerning labour exploitation and slavery. This will be discussed in greater detail under the COSATU perspective. Figure 6 explores the average length of employee contracts through labour broking companies in South Africa.

Figure 6 Average Length of Contract per Temporary Position

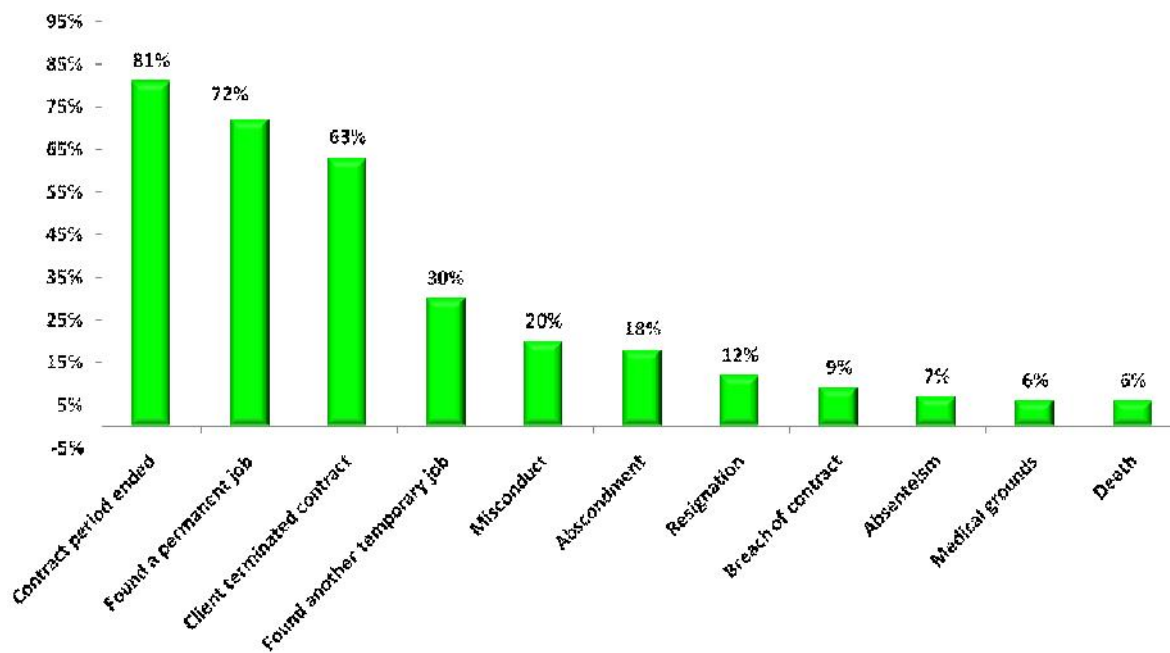


Source: Topline Research Solutions ,2012

The duration for most temporary contracts are for shorter periods of up to six months which averages to approximately 54% of average lengths of temporary employment. The remaining 46% for temporary contracts exceeds six months. It can be said that almost half of the Labour Broking turnover is achieved by longer than six month contracts. The government regulation that places a maximum of six month temporary contracts poses a serious repercussion to the industry in itself as it will result in loses in long term contracts. Although many labour agencies would charge a permanent placement fee of up to 15% of the contractor's annual wage, this charge is be a once off exercise instead of a steady monthly income on the temporary contract.

Companies who face a 46 % drop in sales especially from old steady business may resort to drastic cost cutting initiatives such as retrenchment, closure, or diversification. This will have consequences of job losses within the industry. The following graph (Figure 7) specifies the common reasons for termination of temporary employment or limited duration contracts.

Figure 7 Reasons for the Termination of Temporary Contracts



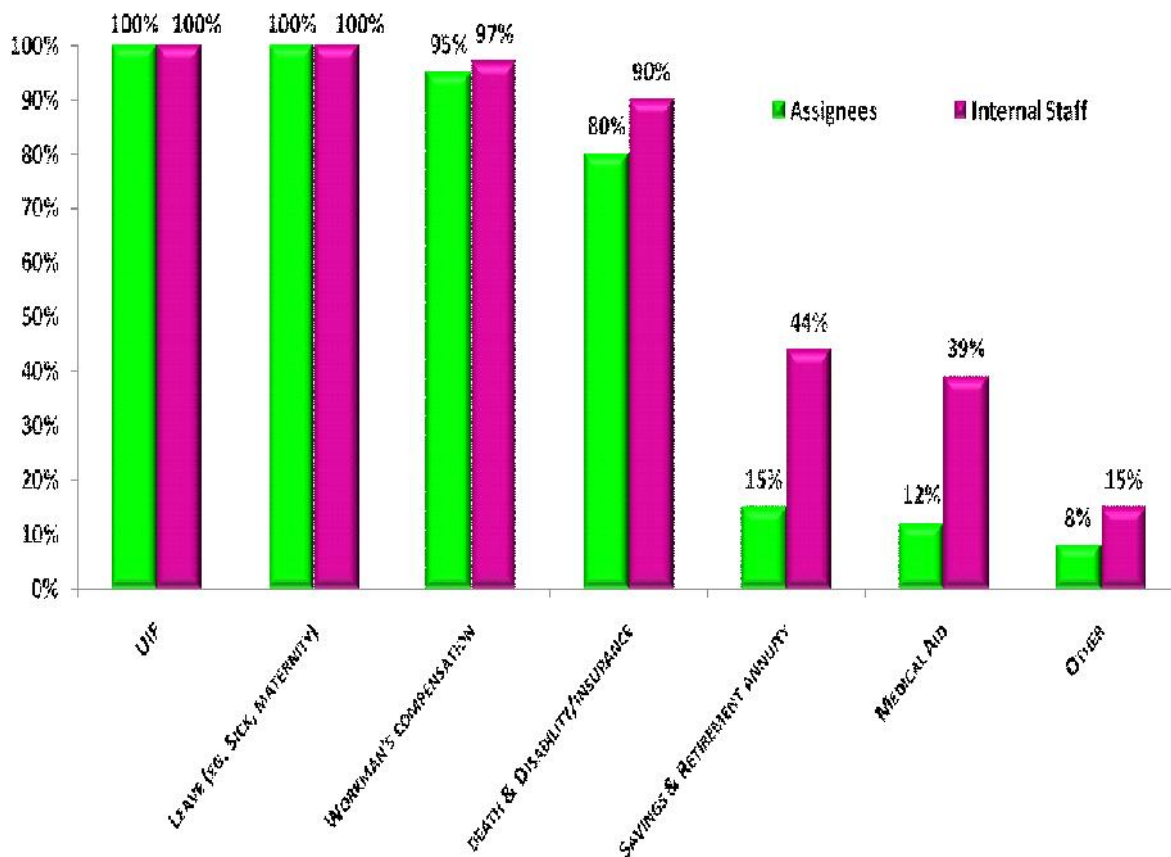
Source: Topline Research Solutions, 2012

This study shows that most terminations with clients are due to contracts expiring (81%). One can conclude that terminations of contracts are not Labour Broker or temporary staff driven but emanate from the client. The high percentage of contract terminations shows that most positions are temporary based positions by the client; however, a large percentage of contracts ending are due to temporary employees securing themselves permanent jobs (72%).

The notion that contract staff replacing permanent jobs is questionable as almost the same percentage of contract labour does find permanent jobs at other companies or at the same company where the temporary employee is outsourced to. In order for a temporary work seeker to effectively find a permanent job, introduction into the

temporary employment environment seems essential. The graph below (Figure 8) reflects the typical benefits that temporary employees receive for the duration of their assignments through labour brokers.

Figure 8: Benefits Provided To Assignees and Internal Staff

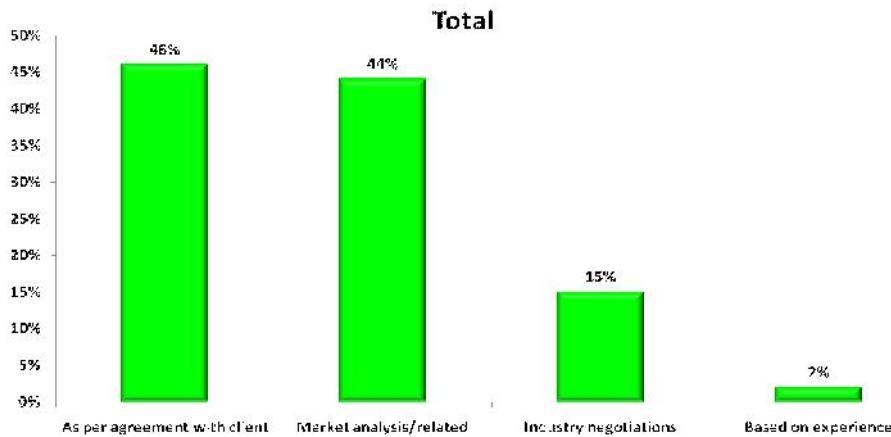


Source: Topline Research Solutions ,2012

The Labour Broking industry seems to be compliant with all statutory benefits (Annual leave, sick leave, workman’s compensation and funeral benefits) with both temporary and permanent internal staff. However a very small percentage enjoys retirement annuity and medical aid benefits. The provision of these benefits is a costly exercise and if these benefits are added to the client invoice rate, the cost of outsourcing will prove too expensive. Government regulation on equal treatment, which is be discussed at a later stage, will force companies and agencies to comply with the same benefits that permanent staff are presently enjoying. However, the cost to the client will prove too expensive and the client will in turn be forced to administrate their own contract labour and thereby disproving that the Labour Broking industry is a cost effective alternative. Temporary employees are sometimes

assigned to industries which are regulated by bargaining councils and sectors which are unregulated. The value of remuneration is thus determined as reflected in the following graph (Figure 9).

Figure 9: How Temporary Staff Remuneration is Determined



Source: *Topline Research Solutions ,2012*

The above figure shows that 46% of Labour Brokers pay rates are determined by the client and the broker then bases charge on the clients stipulated rate. Clients who usually want the best deal from their suppliers will ensure that the base rate (employee rate of pay) is as low as possible and, therefore, this benefit is a unique opportunity to get the best deal from the agency. The Labour Broking industry pays what the client stipulates and will very easily be paying below the client’s industry rating structure and this disparity of pay rates may constitute unfairness or exploitation as mentioned by trade union COSATU.

3.10. Reasons for COSATU’s Call to Ban Labour Brokers

Medley (2012: 1) reports Congress of South African Trade Unions (COSATU) provincial secretary, Zet Luzipo’s statement:

‘Our freedom and liberation cannot be achieved if we are still victims of Labour Brokerage who suck vulnerable people who are desperate for

employment. Labour Brokers must be banned because they are nothing but the worst forms of super exploitation’.

COSATU, therefore, views the Labour Broking industry that exploits temporary workers and although the TES industry is to be regulated; their echoes of banning Labour Broking still seems a long term agenda. Politics Web (2012: 1) reports COSATU’s General Secretary, Zwelinzima Vavi’s address to the National Press Club and Council for Scientific and Industrial Research (CSIR) at the International Convention Centre in Pretoria on March 6, 2012 expressed reasons why Labour Brokers should be banned:

- **Human Trafficking-** Vavi referred to Labour Brokering as the equivalent to trading human beings as commodities where the client and the Labour Broker agree on a stipulated labour price whilst the employee is kept out from the negotiation process (Politics Web, 2012: 1). Vavi’s view may be a justifiable one and in essence is what Labour Broking is about. However, mainstream business principles are based on the provision of a service at a stipulated price. Most companies do not inquire about the suppliers’ labour rates but merely expect the deliverables.

- **Job creation-** Vavi does not believe that Labour Brokers create jobs as the jobs are created by the client:

‘Labour Brokers do not create jobs but merely act as intermediaries to access jobs that already exist, and which in many cases would have existed previously as permanent full time jobs’ (Politics Web, 2012: 1).

To an extent it can be deduced that the client has a need and creates the job; however in order for the right person to be found, it requires a specialist to source that skill, pay the employee and ensure that that the employee’s skills are constantly utilised within the industry. The specialist is hired in the form of a recruitment consultant, payroll administrator or other support function and, therefore, these jobs may be seen as created by the Labour Broker.

- **Unequal Treatment-** Zwelinzima Vavi’s statement of workers working 365 days a year without leave and no compensation for working Sundays and Public Holidays:

'Labour Brokers do not practice the principle of equal pay for work of equal value. Workers employed by the Labour Brokers work longer hours without any compensation, they work Monday-to-Monday and 365 days without any compensation for working on Sundays and public holidays' (Politics web, 2012: 1).

Most labour agencies are compliant with the Basic Conditions of Employment Act (BCEA) although according to the Confederation of Associations in the Private Employment Sector (CAPES), some agencies have been known to be non-compliant on certain practices (Ramutloa, 2012: 1).

3.11. COSATU's National Strike for Banning Labour Broking

The Daily News reports that General Secretary Zwelinzima Vavi claimed more than a third of workers nationwide were employed by Labour Brokers. Vavi stated:

'That's why COSATU is going on strike on March 7,2012 to demand that we must have a total banning of the Labour Brokers. Labour Brokers cannot live side by side with the demand of decent work, it's impossible to achieve that demand'. (Medley, 2012: 1):

COSATU calls on further strike action if their demand on banning is not met and it seems that a regulation on the industry is not to be accepted. This statement shows that regulation has not succeeded in eliminating the problems associated with Labour Broking and a call for a ban seems critical for COSATU as regulation merely encourages the '*casualisation*' of labour (Anderson, 2012: 1).

3.12. COSATU's Rationale for Striking

A study by Akkeman (2008: 445-449) found that strike incidence is a form of rivalry between unions and unions often make use of strikes to attract members. Trade Unions prefer strike action as it unites and mobilises its members and sends a message to business and government about the strength and power of the worker.

In order to secure more memberships trade unions' need to be constantly alive and vibrant (Paton, 2012: 1). Although evidence does suggest that union activity does have questionable motives, COSATU's call for a strike seems a justifiable one. COSATU views the use of casual labour as exploitation of vulnerable workers and an opportunity for companies to abscond their responsibilities in providing real benefits for its employees.

Business News (2012: 1) reported that Whitey Basson, the Chief Executive of Shoprite, earned the highest-ever earnings recorded in a single year in 2010 – R627.53 million in salary, perks and share options while 60% of his staff compliment are casuals or part time workers out of a staff compliment of 73000. Woolworths has 70% casual labour and Pick and Pay 60% casual labour (Business News, 2012: 1). The latest highest earners in South Africa were CEO's for Naspers, Anglo American and Richemont who earned R164m, R123m and R77m respectively for 2017/ 2018 (Business Tech, 2018:1). These salaries are still significantly lower than the Shoprite's CEO earnings in 2010. It can therefore be concluded that companies who utilise casual labour do so for increased profitability and flexibility. However, flexibility simply means, '*We will use you only when we have work for you*'. Although many Labour Brokers will argue that their pay rates are aligned to bargaining council requirements, the rate of pay is immaterial if the employee only works a few hours a week. This in essence is "casualisation" that has made many companies very productive with a small compliment of permanent staff and majority temporary staff under the Labour Broker responsibility. COSATU does have a point on the extent of casual labour in South African Businesses. Many may argue that COSATU's move to strike is merely to strengthen their membership base. However, some businesses that possess two thirds contract staff do seem to be compromising on their liability and obligation of sustainable job security for higher profits.

3.13. Effects of the Strike

The South African Chamber of Commerce reported that the March 7th 2012 strike cost approximately one billion a day and 40% to 50% of the workforce in big companies failed to clock in (Kimberley, 2012: 1). Rasool (2012: 1) reports

disappointment by business on COSATU's decision to strike against Labour Brokers amidst negotiations on the industries regulation. Business, however, supports Labour Broking regulations in that it will eliminate abuse, while playing a role in job creation. They warned that disruptions to the country's workplaces would cause severe harm to the economy (Rasool, 2012: 1). Odendaal (2012: 1) reports that Business Unity South Africa (BUSA) and the Steel and Engineering Industries Federation of South Africa (SEIFSA) were concerned over the COSATU's stay away. SEIFSA said the protest action would result in a considerable cost to the engineering and metals industry and pointed out that job creation and the eradication of poverty should be the primary focus of organised labour and business, not work stoppages, production disruptions and the resultant negative impact on business confidence.

Work stoppages cause companies to lose production and dishonour delivery agreements with their clients and as a result clients cancel contracts and resort to suppliers globally. This results in job losses as business can only keep permanent staff if a constant flow of work and delivery is maintained. Labour Brokers capitalise with strikes as they supply scab labour during strikes and also increase labour after strikes to help the companies recover from lost production. Strike action, therefore, seems to encourage "casualisation" and because of strikes most companies are discouraged from securing permanent unionised labour.

3.14. Consequences of Banning Labour Broking

Subramoney (2012: 1) from News Watch interviewed Labour Consultant Tony Heally whose view was that most unemployed people in South Africa would rather have a casual job than none at all, and if employed by a responsible Labour Broker there is no reason why an employee would be worse off. De Villiers (2010: 1) states that Labour Broking in Namibia was banned and shortly thereafter the ban was challenged in the Namibian Supreme Court and was found to be unconstitutional as Labour Broking unreasonably restricted the right to carry on a trade or business, a constitutional right under the Namibian constitution. Naidoo (2012: 1) further assert that when Namibia banned Labour Brokers they thought that the industry would have no option but to re- hire workers, but the majority of workers ended up unemployed.

The reality is that the South African businesses cannot sustain the large percentage of unemployed workforce who are so desperately in need of work. As much as COSATU echoes words of exploitation and zero benefits, the unemployed need work to survive and decent work is being offered by Labour Brokers. Banning may certainly deprive those unemployed from accessing work, even in the form of casual work in order to feed their families.

3.15. NEDLAC Negotiations on Regulations

Paton and Mjikeliso (2012: 1) reported that the Congress of South African Trade Unions (COSATU) was preparing for a strike over the banning of Labour Brokers as talks at the National Economic and Labour Council (NEDLAC) looked like ending without agreement. It was then agreed by government, business and labour unions that the Labour Broking industry is not to be banned but regulated. The Bill, therefore, does not ban Labour Brokers but moves to regulate the industry. Some significant amendments briefly are as follows:

TES contracts – longer than three months TES contracts should be justified because of the abuse of temporary contracts and the draft includes no less favourable treatment of temporary employees than to permanent employees

Temporary Employment Agencies–The client and the temporary employment agency (TES) are now jointly liable against unfair labour practices and dismissals

Part-time work- provision of equal access to training and skills development and being employed on part time basis for a lengthy period of time

Probation- To increase opportunities for new entrants into the job market and encourage employers to take on new employees (Ramutloa, 2010: 1).

These amendments to the Labour Relations Act (LRA) may significantly deter the employers from using temporary employment agencies; the main reasons offered for making use of brokers, in summary are:

Minimum risk because the agency is the employer

Less costly because all benefits that permanent employees enjoy does not apply to temporary employees

Greater flexibility on staff turnover

Less pressure to take on new permanent employees (Sharp, 2011: 1).

3.16. The Amendments with Regard to Temporary Employment Services (TES)

On Tuesday, 20 March 2012 Cabinet approved the submission of the Amendment Bill for the Labour Relations Act 66 of 1995 (LRA) and the Basic Conditions of Employment Act 95 of 1997 (BCEA) to Parliament where the Bills were considered by the Portfolio Committee on Labour. Once considered by the Portfolio Committee on Labour, these Bills were submitted to the National Assembly and the National Council of Provinces for adoption (Vatalidis and Davies, 2012). The Amendments had undergone the following processes:

The Basic Conditions of Employment Act, no. 20 of 2013

Assented on the 4th December 2013

Gazetted on the 9th of December 2013 (GG37139)

Promulgated on the 01 September 2014

Employment Equity Act, no 47 of 2013

Assented on the 14th January 2014

Gazetted on the 16th January 2014 (GG37238)

Promulgated on the 7th April 2014

Employment Services Act, no. 4 of 2014

Assented on the 12th April 2014

Gazetted on the 7th April 2014 (GG37539)

Promulgated on the 9th August 2015

Labour Relations Amendment Act, 2012

Assented by the State President on 17th August 2014

Promulgated on the 1st April 2015

I. The amendments to the BCEA include:

Empowering the Minister of Labour to regulate a broader range of matters in sectoral determinations

Changing the Minister's powers in relation to sectoral determinations in that the Minister is given the power to publish a sectoral determination to cover all employers and employees who are not covered by any other sectoral determination, which might be used by the Minister to effectively legislate a general minimum wage

Changing enforcement procedures intended to simplify the Department of Labour's ability to take enforcement steps against non-compliant employers and to access the Labour Court for this purpose

Increasing penalties and maximum sentences for non-compliance for example the fine for a first failure to comply with a provision of the BCEA is raised from R100 per employee in respect of whom the failure occurs, to R300 per employee

In an amendment aimed at assisting trade unions which have historically struggled to secure representation in certain sectors due to, for example, the structure of the workplaces in those sectors, the Minister intends to prescribe thresholds of union representation within industries which are subject to sectoral determinations. This is to allow trade unions to automatically acquire organisational rights in all workplaces covered by the sectoral determination upon achieving a prescribed threshold of representation in that sector (Government Gazette, 2013).

With greater powers given to the Minister of labour in sectoral determinations may pose a challenge for labour agencies that have targeted and capitalised on unprotected industries. Clients of these industries may fear the higher fines and opt to run their own contracts. The encouragement of more union representation will also be a deterrent for agencies that have historically never seen eye to eye on labour matters in particular temporary staffing. These changes may have a direct impact on temporary contracts and prove challenging for the agency to retain these staff if they are no longer in demand by clients in these sectors.

II. The amendments to the LRA include:

Amendment of section 198 of Act 66 of 1995 from the LRA are as follows:

- (3) *For the purposes of this Act, an employee—*
- (a) *performing a temporary service as contemplated in subsection (1) for the client is the employee of the temporary employment services in terms of section 198(2); or*
 - (b) *not performing such temporary service for the client is—*
 - (i) *deemed to be the employee of that client and the client is deemed to be the employer; and*
 - (ii) *subject to the provisions of section 198B, employed on an indefinite basis by the client.*
- (4) *The termination by the temporary employment services of an employee's service with a client, whether at the instance of the temporary employment service or the client, for the purpose of avoiding the operation of subsection (3)(b) or because the employee exercised a right in terms of this Act, is a dismissal.*
- (5) *An employee deemed to be an employee of the client in terms of subsection (3)(b) must be treated on the whole not less favourably than an employee of the client performing the same or similar work, unless there is a justifiable reason for different treatment(Labour Relations Amendment Act, 2014).*

Arguable the most anticipated amendment to the LRA is section 198 which aims to regulate rather than ban the practice of Labour Broking. In terms of the proposed Amendments, Labour Brokers will have to be registered as such in accordance with applicable legislation. Once registered, the Labour Broker and the client is jointly and severally liable in the event that the Labour Broker contravenes a collective agreement, concluded in a Bargaining Council, that regulate terms and conditions of employment, a binding arbitration award that regulates terms and conditions of employment, the BCEA and any determination made in terms of the BCEA (Vatalidis and Davies, 2012).

If the Minister's proposed amendments dealing with Labour Brokers are introduced into law, an employee employed by a Labour Broker, earning below the threshold prescribed in the BCEA (R205 433 for 2019), assigned to a client for more than three months could be deemed to be the employee of the client. And must, unless there is a justifiable reason for the differentiation, be employed on terms which are no less favourable than the terms applicable to the client's other employees performing the same or similar work (Labour Relations Amendment Act, 2019, Vatalidis and Davies, 2012).

This Amendment, if introduced into law, may be tantamount to banning the practice of Labour Broking as in essence, Labour Brokers are utilised by business to avoid liability on temporary contracts and the benefits associated with the employment relationship. Although the Amendment stipulates that the employee is deemed to be the employee of the client after three months there are provisions of justifiable reasons for extending the contract. Section 198 B refers as below:

- (4) Without limiting the generality of subsection (3), the conclusion of a fixed term contract is be justified if the employee—*
- (a) is replacing another employee who is temporarily absent from work;*
 - (b) is employed on account of a temporary increase in the volume of work which is not expected to endure beyond 12 months;*
 - (c) is a student or recent graduate who is employed for the purpose of being trained or gaining work experience in order to enter a job or profession;*
 - (d) is employed to work exclusively on a specific project that has a limited or defined duration;*
 - (e) is a non-citizen who has been granted a work permit for a defined period;*
 - (f) is employed to perform seasonal work;*
 - (g) is employed for the purpose of an official public works scheme or similar public job creation scheme;*
 - (h) is employed in a position which is funded by an external source for a limited period; or*
 - (i) has reached the normal or agreed retirement age applicable in the employer's business(Labour Relations Amendment Act, 2014).*

Businesses that use Labour Brokers for longer periods of time may find difficulty motivating for longer contracts and may, therefore, convert temporary contracts into permanent contracts. Alternatively they may end contracts and restructure their work load amongst their internal staff. Both these remedies results in the loss of temporary employee headcount for the Labour Broker.

Cognisance should however be taken that the 3-month definition of temporary work is not applicable to genuine replacement employees, such as maternity cover. The 'deeming clause', applies to situations where the employee is earning less than the threshold, currently set at R205 433.00 per annum, and where they are placed with the client for a period exceeding 3 months. In terms of the amendments the employee, in essence, gets extra protections in terms of the LRA. The temporary employment service provider may remain after three months. The extra protections have already led to confusion in the labour market.

According to the LRA and for the purposes for sections 198A (5)198B(3) and 198C(3)a, equal treatment is also provided for. Justifiable reasons for difference in treatment includes that different treatment is a result of certain factors, taking into account seniority, experience or length of service, Merit, the quality or quantity of work performed or any other criteria of a similar nature, if such justification is not prohibited by section 6 of the Employment Equity Act 1998 (Act no 55 of 1998).

The 3-month and extra protection does not only apply to the TES providers though. Section 200B (3) places limitations and restricts the utilisation of fixed term contract employees and the equal treatment provision is brought in for the fixed term and part time employees. Section 200B (10) places a greater burden on employers, as employees employed on a fixed term contract for longer than 24 months, need to be paid one week severance for every year of service. No actual retrenchment process needs to be engaged on; however, the severance pay needs to be paid (Goldberg and Wilkinson, 2014: 1).

The deeming as permanent clause after three months of service and equal treatment, although the acts allows for justifiable reasons to extend a contract or unequal treatment, may hasten companies into prematurely converting temporary contracts into permanent positions after three months. The fear of severance pay-outs as a standard for temporary contracts may also prove as an added cost. These

amendments coupled with the joint and several liability clauses may question if companies actually find any advantage in using a labour agency. Dependant on the market's reaction to these amendments may well leave labour agencies in an uncertain and volatile position. The conversion of temporary into permanent contracts may limit temporary demand reducing the agencies' endeavour to remain competitive and sustainable.

III. The Amendments to the Employment Equity Act include:

Discriminatory grounds expanded: The grounds for discrimination are no longer limited to those listed in section 6 of the Act (race, gender, sex, pregnancy, etc.), but also include discrimination 'on any other arbitrary ground'. This change is consistent with the terminology used in section 187(1)(f) of the Labour Relations Act, 1995 (Act No. 66 of 1995), that prohibits discriminatory dismissals (Truter, 2014: 1).

The inclusion of discrimination on any arbitrary ground may provide grounds for litigation on merits of dismissals. It is common practice to merely end employment contracts on a client's request; however, many brokers end contracts as a result of the client's unfounded or unsubstantiated reasons for dismissing an employee. Such dismissal cases were previously the responsibility of the agency only. The joint liability now allows both the client and agency to justify dismissals. This added risk may deter companies from using agencies as the benefit of reckless dismissals to now more prescriptive dismissals, may burden clients of Labour Brokers.

Psychometric tests: Previously psychological tests could be used on employees (including prospective employees) if they had been shown to be scientifically valid and reliable, could be applied fairly to all employees and were not biased against any employee or group. The new additional requirement prescribes that only psychometric tests that have been certified by the Health Professions Council of South Africa, or another body which is authorised to certify such tests, may be used (Truter, 2014: 1). This matter was brought by the Association of Test Publishers (ATP) and a judgement was delivered by Judge Mali on the 2 May 2017. The outcome of the case allowed for the Act to be amended and added another sub-clause to section 8. The addition of section (d) stated that such testing would be prohibited unless it had been "certified by the HPCSA or any other body which may be authorised by law to certify those tests or assessments (Kriek, 2017:1). Labour

Brokers usually administer generic psychometric testing which they use across all industries as an added benefit to clients. With the regulation of psychometric testing and the burden of proof on validity, reliability, fairness and non-biased nature per industry, this may prove to be a challenge for the Labour Broker, even though the latest ruling has extended the testing to approved psychologists and psychometrists. The absence of this added benefit offer may deter clients from utilising the Labour Broker service thus affecting the workload and demand.

CCMA jurisdiction: Previously the adjudication of all unfair discrimination claims fell within the exclusive jurisdiction of the Labour Court. Now an employee would also be able to refer the dispute to the CCMA for arbitration if the employee complains about sexual harassment (as a form of discrimination). Any other discrimination claims by lower-paid employees (those earning less than the earnings threshold prescribed under section 6(3) of the BCEA, which is currently at R205433 per year) may now be referred to the CCMA for arbitration. In the case discrimination claims by higher earning employees, the parties may consent to the referral of a discrimination dispute to the CCMA for arbitration. However, the maximum award that the CCMA can make in respect of damages is an amount equal to the earnings threshold referred to above. A party affected by an arbitrator's award in a discrimination case is entitled to appeal to the Labour Court (Truter, 2014: 1).

Discrimination claims may become quite common as the practice of temporary labour and the employment contract may be construed by the employee of the Labour Broker, as a form of unfair discrimination. With free access to the CCMA and the joint and several liability clauses in the LRA, clients of Labour Brokers may regard this as a risk should unfair discrimination charges be filed by temporary employees.

Work of equal value: A newly introduced section deals explicitly with unfair discrimination by an employer in respect of wages and other terms and conditions of employment of employees doing 'the same or similar work or work of equal value'. A differentiation based on a ground envisaged by the Act amounts to unfair discrimination unless the employer can show that differences in wages or other conditions of employment are in fact based on fair criteria such as experience, skill, responsibility, etc. The Minister of Labour is empowered to publish a code of good

practice dealing with criteria and methodologies for assessing work of equal value (Truter, 2014: 1).

Only apartheid victims to benefit: The definition of ‘designated groups’ has been amended to ensure that beneficiaries of affirmative action are limited to persons who were citizens of South Africa before the democratic era, or would have been entitled to citizenship but for the policies of apartheid, and their descendants. As a result, persons who are foreign nationals or who have become citizens after April 1994 may not be taken into account for the purposes of affirmative action targets (Truter, 2014: 1). The skills shortage in South Africa has given rise to Labour Brokers supplying foreigners to clients in most times at a reasonably lower charge to the industry standard and previously fell within the designated group requirement. The demand for these types of skills from broker clients may now be reduced as it does not fall within designated group profile, therefore placing strain on the retention of these scarce skills.

Threshold for ‘designated employers’: The total annual turnover thresholds set for employers in various industries (in order to be classified as a ‘designated employers’ for the purposes of the affirmative action provisions of the Act), has been increased to three times the current amount. This means that several employers that were obliged to comply by virtue of their turnover, no longer have to do so. Employers that employ 50 or more employees are still to be regarded as ‘designated employers’ irrespective of their turnover (Truter, 2014: 1).

This amendment may put added pressure on smaller companies on their affirmation action provisions and compliances. Labour Brokers are quite common amongst smaller companies who enjoy their expertise of flexible staffing, lower pay rates and HR and IR services. This extension of designated employers to smaller companies on compliance may limit use of Labour Brokers purely on the grounds of fear of the cost of litigation from unfair dismissals.

Enforcement procedures: Enforcement procedures have been truncated to promote more effective and efficient enforcement. For example, a labour inspector would be able to issue a compliance order without first having to obtain a written undertaking from an employer. The opportunity to object to a compliance order has been removed, but a decision may still be challenged at an appropriate juncture. The

added powers to the labour inspector may question all compliance matters within the company including the practices of the Labour Broker. This may place an added burden upon the client to ensure that the Labour Broker is complying with all procedures as it directly impacts upon the client environment (Truter, 2014: 1).

Increased fines: The maximum fines that may be imposed for contraventions of the Act have been increased threefold (in order to reflect the change in the value of money since 1998). In addition, an employer's turnover could be taken into account in determining the maximum fine that may be imposed for substantive failures to comply with the affirmative action provisions of the Act. Through the introduction of hefty fines based on percentage from the clients turnover compliance has become critical and partnering with a Labour Broker may prove a quite risky exercise as contraventions may become a 'who to blame game' with joint liability.

IV. The Proposed Employment Services Bill.

The intended purposes of this Bill is to improve access to the labour market for work seekers, to provide opportunities for new entrants to the labour market to gain work experience, to improve employment prospects for persons with disabilities, to facilitate access by work seekers to training and to promote employment growth and workplace productivity (Bowman, 2014).The purpose of the Public Employment Services Bill seems to mimic the core purpose of TES companies. This may be viewed as a replacement or alternate option for companies seeking employees and effectively may be intended to ban the practice of Labour Broking. The Public Employment Services Bill is to be provided free of charge by matching work seekers with available work opportunities. This requires work seekers to register, and employers to register job vacancies and other placement opportunities (Bowman, 2014).

Currently TES companies supply temporary staff at a fee to administrate the employment contract and take over all the related employer-employee responsibilities. The free service from the public sector can then only mean supply of candidates to companies free of charge with the company obviously running the employment contract. Employment agencies do charge clients permanent placement fees for permanent positions and, therefore, the free offering from the public sector

can be seen as a benefit. This, therefore, may impact negatively on perm placement services by employment agencies or specialist permanent agencies. However, the intended deliverables by the Bill may be seen as a tall order to fill taking into account the speed of service that companies seek and judging by the current quality of service by most public departments. The Bill further seeks to regulate and provide a licensing system, for what are referred to as 'private employment agencies'. The Bill then proceeds, it appears, to restrict the activities of private employment agencies to certain limited activities that are typical of what are presently known as recruitment agencies matching work seekers to job opportunities, referring workers to employers, and providing career information and similar services. The Bill provides a licensing system for agencies of this kind, and makes it a criminal offence to operate without a licence (Bowman, 2014: 1; Labuschagne, 2014:1).

This further regulation may purge smaller TES companies that operate informally within the industry however the restriction of activities provided by the Bill is in fact a total consent to operate as TES companies are practising currently. The Bill however, does regulate employment agencies which further narrows the Labour Broking industry and this may impact on job security of its employees currently employed by the industry.

3.17. The Effects of the Amendments on Labour Broking

Whilst the Labour Broking industry becomes regulated the typical services provided by the Labour Broker now becomes a joint liability relationship with the broker client, specifically relating to dismissals and terminations of contracts. These regulations may in turn discourage the client from utilising Labour Brokers and may not deem it as a valuable benefit, and then the industry will face the risk of losing these skills to other industries by agency temps seeking employment directly from agency clients and other companies and industries.

Mahlakoana (2015:1) reported that thousands of contract workers across the country are concerned about their jobs after the labour law amendments were implemented. The labour law amendments were meant to protect vulnerable contract workers

employed through Labour Brokers with better benefits and permanent employment. However it was reported that employers were locking out contract workers for refusing to sign new temporary employment contracts after being refused permanent employment. It was also reported that some 2000 temporary employees were dismissed by Labour Brokers after they were contracted to UNISA for years. CCMA Director Nerine Kahn predicted that problems would arise as a result of the amendments and made the following statement.

“The most contentious one (amendment) relates to the regulation of Labour Brokers. We are anticipating that there will be some termination of contracts. And there might be some confusion on how the law is applied,”(Mahlakoana, 2015: 1).

3.18. A Critical Analysis of the Regulations Tabled at NEDLAC

Vecchiatto (2012: 1) states that government is confident that NEDLAC (National Economic Development and Labour Council) will find solutions on the issue of Labour Broking according to the Minister in the Presidency, Collins Chabane. Although the draft bill does not ban Labour Brokers but moves to regulate the industry, four laws were under negotiation. The four amendments that were tabled were as follows:

Temporary Work Thresholds- Temporary employees earning less than R205 433 per annum must be made permanent after three months and if the contract is extended beyond three months then the employer must demonstrate a justifiable reason for extension of the contract (Labour online, 2012: 1 and Info Gov, 2012: 1). The three month threshold will affect the Labour Broking industry where the majority of temporary employees work for longer than six months. The loss of these temporary staff to the industry will affect permanent employees as well those who have been employed to administrate these accounts thus leading to job losses. Companies may probably use Labour Brokers solely for permanent placements because temporary contracts will be too short to outsource.

Equal Treatment- All workers, whether temporary or permanent, must be paid at the same rate and benefits (labour online, 2012: 1 and Info Gov, 2012: 1). A study by

George, Kube and Zultan (2010: 747-772) on workers motivation in companies through equal treatment found that unequal rewards can potentially increase productivity and therefore equal treatment is not a prerequisite for eliciting high performance. This amendment does not reward exceptional performance by staff and did not encourage motivation to excel and as per the George, Kube and Zultan, performance and productivity at companies can reduce. Companies may resort to keeping their staff compliments at a lower level and invest in more technology to increase production thus leaving temporary and permanent staffs that are hired through Labour Brokers, jobless. These affected employees will not see the Labour Broking industry as a viable employment destination (Ramutloa, 2012: 1).

Unfair dismissals- A dismissal is automatically unfair if an employee refused to accept a change brought about by the employer's operational requirements (Labour online, 2012: 1 and Info Gov, 2012: 1). Business Unity South Africa (BUSA) did voice its concern on this amendment stating that this will limit company's ability to adapt and adjust to changing market conditions (Ramutloa, 2012: 1). Brown and Harvey (2006: 7) assert that given the increasing complex global environment, it is critical that companies respond to social and technical changes as the only constant in business is change. This amendment does not allow companies to change but merely puts the vision and mission of the organisation in the hands of those employees who may not necessarily want change. Meyer and Stensaker (2006: 217-231) assert that studies on developing a capacity to change concluded while change can have adverse effects on daily operations, customising change and recruiting personnel are likely to have positive effects on change processes. Studies as per Meyer and Stensaker, and Brown and Harvey above indicate that change is necessary to the company's growth and sustainability and if companies are hindered from constantly improving operations and processes then they will die resulting in closures, retrenchments followed by reduced economic growth.

Power to the Labour Minister- the Bills propose that the Labour Minister will determine wages in sectors not covered by sectoral determination or a centralized bargaining council agreement (Info Gov, 2012: 1 and Cloete, 2012: 1). The Democratic Alliance, BUSA and CAPES, according to Ramutloa (2012: 1), stated that these amendments placed too much power in the minister's hands. Labour Brokers in these sectors will move away from providing labour for the fear of rate

increases that can prove too risky for the client and the agency. This can cause employees in these sectors to lose work with the labour agencies and Labour Broking internal employees will fear retrenchment due to this reduction in temporary worker head count.

3.19. Effects of Labour Regulations on Employee Retention

Sapa (2012: 1) reports former Finance Minister, Pravin Gordhan in the 2012 Budget Speech arguing that the labour laws reforms can improve employment through flexibility, skills development, improve job searches and job matching into the labour market. The former Minister Pravin Gordhan asserted that more flexibility attracts investment and encourages employment with less rigid labour laws. His mention of flexibility, skills matching and job searches describes what the Labour Broking industry claims it provides; with tougher labour laws companies may not be able to use this flexible service.

Jonathan Goldberg and Grant Wilkinson are CEO and Executive at Global Business Solutions and are members of the Confederation of Associations in the Private Employment Sector (CAPES) which represent Labour Brokers and Business at the NEDLAC negotiations. Their opinions of the regulations on job retention and job creation in South Africa are as follows:

‘Jobs are a sought after commodity in this country with unemployment rates sitting stubbornly at unacceptable levels. Unfortunately in an economy that should be seeking legislative opportunities to generate a business friendly environment that is generate private sector jobs, we find ourselves increasing over regulatory environment not conducive to job creation’(Goldberg and Wilkinson, 2014: 1).

They further assert that one of the fundamental requirements of any business is the need to remain fairly flexible in order for it to meet the ever-changing landscape of the environment. They suggest that rather than create excessively restrictive environments for private sector employment, surely government should meet with business to establish how jobs may be created in what has become a barren desert of jobs.

One can therefore conclude that the lack of flexibility for business does impact negativity on job creation. Without the creation of jobs, there is a lesser need for temporary employment services and this may test employee retention strategies within the Labour Broking environment. A study of employment effects of labour legislation in India through government's intervention to improve job security, concluded that tightened job security legislation affected negatively on employment (D'Souza, 2009: 122-135). The study of Nunziata and Staffolani (2007: 72-104) also argues that flexible temporary agency work regulations seem to induce a substitution of permanent with temporary contracts. Biggs (2006: 249-263) study asserts that the employment of temporary workers has been affected by legislation over a period from 1997 to 2004; the United Kingdom (UK) economy has shown a reduction of a quarter of a million temporary workers due to the preference by companies for permanent workers.

The above review suggests that with an increase in labour regulations, temporary labour requirements can reduce thus leaving agencies scrambling for work. While companies are moving towards securing a permanent workforce, the Labour Broking employees face employment challenges and therefore leave the industry for better prospects. Feldman (2009: 2389-2401) performed a study into the effects of hiring and firing regulation of employment in 19 industrial companies between 1992 to 2002 and revealed that more flexible regulations are likely to lower unemployment and increase employment rates. Companies are often faced with employees who are not productive but know that dismissals are highly procedural and, therefore, employees may feel secure that their incapacity issues will be difficult to prove given the tough labour laws on dismissals. A study by Elia (2010: 178-200) assert that by easing restrictions on short term contracts that more flexibility was experienced in the Italian labour market. Germany's latest unemployment figures indicate that the country could soon have fewer than three million people out of work, a new low. While some media commentators praise the German economic model, which has helped the country ride out the recession (Dowling and Donath, 2010: 1). Antoni and Jahn (2009: 226-251) had similar findings in their study over the past three decades in Germany who has repeatedly liberalized the law on temporary agency employment. They find that successive extensions of the maximum assignment period significantly increased average employment duration, while 'liberalizing'

legislation, such as those allowing fixed-term contracts, tended to reduce it therefore allowing greater flexibility for companies.

With the tightening up of temporary labour in South Africa, job creation is, therefore, reduced causing an increase in unemployment as studies have already proven. The request for temporary employees through Labour Brokers may drop significantly and their permanent staff are to be left without sufficient work at the various clients that they are employed at to administrate and manage. Gyeong and Changhui (2012: 578-606) investigated the effects of recent South Korean employment protection legislation (EPL), designed to protect temporary workers, permanent, and overall employment in that country. The impacts of the reform on both temporary and overall employment are negative at first and fades away in two years after the reform. However, an increase in protection for workers comes at a cost of reduced levels of employment.

The opposite, which is the deregulation of temporary employment, has also proved detrimental to employee retention where encouraging temporary staffing contributes significantly to a rise in perceived job insecurity among workers. A study by Kuroki (2012: 560-577) investigated the expansion of temporary employment in Japan that allowed firms to use more temporary staffing on production lines, further contributed to a rise in job insecurity amongst workers. The above studies do suggest that labour regulations or deregulations do impact on the job security of agency workers which inadvertently makes the retention of these employees a challenging exercise for the industry.

3.20. The South African Legal Perspective

Labour (2010: 1) outlines the amended Labour Relations Act Section 198 as follows.

“(1)In this section, ‘temporary employment service’ means any person who, for reward, procures for or provides to a client other persons-

(a) who render services to, or perform work for, the client; and

(b) who are remunerated by the temporary employment service.

(2) For the purposes of this Act, a person whose services have been procured for or provided to a client by a temporary employment service is the

employee of that temporary employment service, and the temporary employment service is that person's employer.

(4) The temporary employment service and the client are jointly and severally liable if the temporary employment service, in respect of any of its employees, contravenes-“(Labour, 2010: 1)

The Temporary Employment Agency is the employee; however the act also in section 198 (4) stipulates joint liability from the client and agency in respect to the employee. The debate around these negotiations is, therefore, who the employee is as the Labour Broker is the employer; however the employee is under the direction or supervision of the client. Therefore, the question is whether an employment relationship exists between the employee and the client? This was confirmed in Bower (2011: 1) where the Labour Court, in the case of Mandla v LAD Brokers (Pty) Ltd, confirmed that the contract between a temporary employment service and an employee creates a unique and sui generis tripartite relationship where the employee renders personal services not to the employer but to the employer's client.

Companies use labour agencies solely because the liability rests with the Labour Broker who has an employment contract with the worker. Joint liability as proved in the Mandla LAD Brokers suggests that two employers are involved, the Labour Broker and the client. This can deter companies from using Labour Brokers as joint liability defeats the purpose of using a Labour Broker as most clients enjoy flexible staffing with zero human resource liability. Should regulations force this concept onto companies to share employee risk via employment contracts with Labour Brokers, many companies may opt to run their own limited duration contracts, therefore tightening the market for TES. This will cause permanent staff employed within the agencies to feel insecure as their primary service that is being offered by labour companies is under threat.

3.21. The Labour Broker Defense

Dlamini (2012: 1) interviewed the Managing Director of Umkhonto Holdings, Debbie Liebenthal, who argued that Labour Broking adds value to companies by supplying companies with staff for short term contracts, provision of staff at short notice with minimum HR cost by the company, from replacing permanent staff on leave or off sick and facilitating work seekers securing work. It is this value that the Labour

Broking industry is trying to enforce and in its defence as employed various bodies to ensure the industry remains in business. The Confederation of Associations in the Private Employment Sector (CAPES) was formed in 2002 to proactively lobby government and regulators to challenge adverse legislation surrounding the staffing industry became apparent. CAPES provide an umbrella body for the Labour Broking companies and associations to speak in a unified voice (APSO, 2011). The Association for Personnel Service Organisation (APSO) asserts that despite global research proving the importance of the private employment agency sector, the unions seem to be stuck in twentieth century thinking, demanding permanent employment with full benefits for all. The continued calls for a ban on Labour Brokers in South Africa mirror this global out-dated notion (Anderson, 2012: 1).

The Labour Broking industry, therefore, has the right to legitimately perform business in South Africa and stresses its existence as a job creator and not a job exploiter. According to CAPES, the industry does acknowledge that some regulations need to be instituted against those agencies who are engaging in unethical practices, it does not feel that banning nor further regulation is necessary.

Kelly Groups Chairman Moss Ngoasheng states that since 2000, the industry has introduced 3,5million temporary, part-time and contract employees into SA's labour force and TES providers contributed R415million to the national skills fund in financial 2009 alone. According to Statistics SA, TES represent between 13,1% and 59,2% of total sector employment in SA, with the highest proportions of atypical employees found in construction (59,2%), wholesale and retail trade (42,8%) and transport and communications(39,7%) (Mantshantsha, 2010: 1).

3.22. Government Reaction

Biz Community (2012: 1) argues that government has ignored COSATUs' call for the outright ban on Labour Brokers. The National Economic Development and Labour Council (NEDLAC) have, therefore, been called to mediate between the Labour Brokers and COSATU to regulate the Labour Broking industry instead of banning it. Government has decided to curb unfair practices by the Labour Broking industry and has realized that an outright ban will leave thousands of workers unemployed. The

Association of Personnel Services Organisation (2012: 1) reports on the state of the nation address by President Zuma:

'Meanwhile, the NEDLAC Process on the A-typical Forms of Employment and Labour Broking has now been completed. Government seeks to eliminate all forms of abusive practices inherent in Labour Broking, in order to strengthen the protection of vulnerable workers. We trust that common ground is be found this year on this matter'.

Government stance is quite clear through the President's State of the Nation speech- Labour Broking is here to stay; however, proper solutions through regulation needs to be found to ensure workers are protected.

3.23. Why Government Wants Labour Brokers to be regulated and not banned

Flexible Staffing- Leadership Online (2012: 1) reported that government has resisted demands from COSATU to ban Labour Broking despite threats of more strikes. At least three government departments and the South African Police Services have since also admitted they rely quite substantially on the use of temporary workers and at least two Cabinet Ministers have called for more flexible labour laws.

Government is one of the largest users of temporary staffing. It has been observed that Labour Brokers supply government with temporary workers, of which some workers have been on contract at government departments for more than ten years.

Revenue- In addition, the National Treasury revealed that Labour Brokers generated R10 billion in tax revenue in the 2008/09 financial year and R15 billion for 2007/08 (Leadership online, 2012: 1). This revenue through the Labour Broking industry is quite significant as R15 billion generated from Labour Brokers can service governments Gauteng Freeway Improvement Programme's entire budget. Finance Minister Pravin Gordhan's National budget for 2012 for Gauteng Freeway Improvement Program was R20 billion (Treasury, 2012: 1). A recent report by Professors Borat and Cassim (2016:19), addressing the economic contributions of the TES industry in South Africa, revealed that TES employment contributed

R256 157 million to GDP in 2013. Considered at a sectoral level, the R256 157 million came from the business services subsector made up 39.27% of financial and business services sector output. There are also employment and poverty alleviation contributions outlined in the report. This confirms that the TES industry plays a significant role in the South African economy.

Job Creation- Bisseker (2011: 1) reports that government called on Prof. Borat, Director of the Development Policy Research Unit at the University of Cape Town (UCT) findings that a substantial 20%, or 600 000 to 700 000 of all jobs created since 1994, were temporary jobs generated by Labour Brokers. He also concluded that there was insufficient evidence to prove that Labour Brokers pay lower wages, and was responsible for about a fifth of all job creation in South Africa.

South African Constitution- the Constitution of South Africa (No.108 of 1996) through the Bill of Rights provides the freedom of trade, occupation and profession (Info Gov, 2012: 1). Government banning a legitimate globally practiced business is not only unconstitutional but can infringe on the right to employment as well. It is obvious that government did not know the extent and value of the Labour Broking industry when it initially agreed with COSATU's call to ban Labour Brokers. Regulation does make sense however regulating an industry because of a few unethical agencies can prove detrimental to the industry and work seeker.

3.24. Business Perspective on Labour Broking

Business Unity SA (BUSA) argued that amendments to 1990s framework 'will destroy employment and growth' in South Africa (Anderson, 2012: 1 and Ensor, 2012: 1). Biz-Community (2012: 1) reports that the Steel and Engineering Industries' Federation of South Africa (SEIFSA) has expressed concern about Amendments contained in the Basic conditions of Employment Act and Labour Relations Amendment Bills. One authority, the Black Business Council (BBC), argues regulating rather than banning Labour Brokers would be a preferable solution in ensuring the dignity for already employed people through Labour Brokers (Biz Community, 2012: 1). Business is the key driver for employment and without business there is no economic revenue and no employment. Although the recent

calls by government to regulate temporary employment services, it must be regulated to a point that business still remains sustainably productive and competitive within the borders of South Africa and the global arena.

Business Unity South Africa (BUSA) supports the need to protect vulnerable workers, but does not endorse the bills being placed before Parliament given the extensive areas of disagreement and their impact on job creation, business and the economy. Therefore, BUSA had requested more research be conducted prior to approval (Lehihi, 2012: 1-4). Business News (2012: 1) reports that the over-regulation of atypical employment, most notably the new equal treatment requirements across categories of work, will result in the cost of employment rising significantly. Regulation that infringes on the right of businesses to be productive and competitive will resort to internal restrictions to ensure that its obligations are met. Business will, therefore, use lesser flexibility and will turn down projects that require more staffing. This may keep business sustainable but at the same time make business uncompetitive to the fast evolving business environment globally.

Hatton's (2014: 86-110) study on US employers assert that since the 1970's there has been a rise in the use of temporary or nonstandard workers in particular agency temps. Employers use temps as weapons against unions to prevent unions from forming, to weaken existing unions, to apply pressure on unions during negotiations, and to intimidate or harass striking workers. The conclusion can be drawn that deploying agency temps in this way is a qualitatively new phenomenon and is not simply a continuation of employers' longstanding practice of replacing union workers with 'scab' labour. One can conclude that flexibility to curb cost of labour and temporary staffing as a weapon against strong union activity, are essential for businesses to remain sustainable within this competitive global environment.

3.25. Recent Studies on Labour Broking in South Africa

There were some studies done on the labour broking industry in South Africa between the periods 2010 to 2018. The range of studies centred around the effects of atypical employment and employment services on the economy. The researcher did not find any study that specifically dealt with employment retention within the

labour broking industry in South Africa or globally. Some of the studies were as follows:

- ***Regulations on TES***

Van Eck (2010: 107-126) looked into the labour broking industry in South Africa and Namibia. Namibia moved to ban labour broking however this was overturned by the supreme court of Namibia which resulted in regulation and not prohibition of labour broking. The study confirms that labour broking is problematic however a total ban on labour broking will have serious consequences on the economy. The study further states that stricter regulations will prevent the current abuses within the industry especially towards vulnerable workers. The effects of the regulations in South Africa is being tested currently between NUMSA and TES provider Assign Services. This is further elaborated in the next section. Should NUMSA win this fight, TES will be limited to 3 months only which could effectively see the decline of Temporary Employment Services.

- ***Exploitation of Temporary Workers***

Cottle and Elsley (2016: 53-59) did a study on the effects of outsourcing in South African universities between 1990 and 2000. The universities divided skilled workers from unskilled workers and named these non-core functions who were majority cleaners and placed them with outsourcing agencies. Their rate of pay significantly dropped from R14 to R11 per hour and then to R6 per hour. This move was condemned by Trade unions, workers and concerned members of the university community. The study concluded that workers under outsourcing contracts suffered many struggles over the years on dismissals, victimisation, racism, wages and job insecurity. Mathekga (2016: 139-151) did an analysis on non-standard employment in South African universities and Post offices. The paper concluded that the move from these entities to cut labour costs through flexibility increased exploitation, poor work conditions, lower wages and lack of job security. The study focused on primary and secondary resources without the use of empirical research. Van Eck (2010: 107-204) interviewed Unions in South Africa and concluded that the South African labour market has failed to provide adequate security to workers employed by labour

brokers This insecurity in turn places these workers in a vulnerable position and makes them open for exploitation by both the labour broking company and the client. From the experience of the unions interviewed, the exploitation mainly takes the form of low wages, and the risk of unfair dismissal. The temporary nature of the employment is also a challenge both to the workers themselves and to the unions trying to organize them. The presence of labour broker workers alongside other forms of contingent work has created a fragmented work place that poses a threat to work place solidarity, and thus to the potential for unions to organize these workers. The different groups of workers in the work place often perceive of each other as rivals. These studies focused on the practise of labour broking and concluded its exploitory nature especially amongst vulnerable workers. This has in turn lead to regulations to redress this situation however questions still immerge on whether the regulations will lead to new and further labour exploitation and job losses.

- ***Safety and Risk through Sub Contractor Arrangements with TES***

Kenny and Bezuidenhout (1999: 185-191) did a study on the impact of labour broking within the South African Mining industry. Historical data and Qualitative research(interviews and focus groups) with mineworkers concluded that in some cases whole shafts were outsourced by labour brokers. This arrangement compromised health and safety and resulted in conflict between the various categories workers and instability within the industry. This study further depicts the viability of temporary staffing and also signals a growing trend of Labour Brokers not just being human capital recruiters but the conclusion sub-contractor arrangements as well.

- ***Global Studies***

Kaur (2012: 225-252) did a study on the mobility of workers across the borders in Asia. The study confirmed the salient role of labour brokers in organising, recruitment, travel and facilitating the relocation of migrant workers. Barrientos (2013: 1058-1071) analysed the role of labour brokers Globally and concluded that through a case study within South Africa and the UK the labour broking industry is

driven by commercial dynamics of Global outsourcing. This results in unscrupulous operators who often exploit vulnerable workers. These studies assert the important role of temporary employment for business profitability but at the risk of exploitation of vulnerable workers.

3.26. Latest Policy update on the Labour Broking Industry in SA

The amendments on TES was tested between NUMSA and Assign Labour Services on the interpretation of section 198 (TES and Temporary employment) in the LRA. Salt (2017: 1) stated that The Labour Appeal Court handed down judgment on 10 July 2017 in a highly anticipated appeal ruling on the interpretation of section 198A of the Labour Relations Act, 1995 (LRA) and the nature of temporary employment service employees' "deemed employment" with the client after 3 months. The deeming provision is reflected below in Section 198A,(3b) of the LRA:

- (3) For the purposes of this Act, an employee—*
 - (a) Performing a temporary service as contemplated in subsection (1) for the client is the employee of the temporary employment services in terms of section 198(2); or*
 - (b) Not performing such temporary service for the client is—*
 - (i) Deemed to be the employee of that client and the client is deemed to be the employer; .(Labour Relations Amendment Act, 2014)*

Prior to the Labour Appeal Court's judgment in *NUMSA v Assign Services (Pty) Ltd and Others (case number JA96/15)*, the Labour Court interpreted section 198A to mean that there was a dual employment relationship between the TES and the client of the TES. The Labour Appeal Court handed down judgment on 10 July 2017 in a highly anticipated appeal ruling on the interpretation of section 198A of the Labour Relations Act, 1995 (LRA) and the nature of temporary employment service employees' deemed employment with the client. The TES remains the sole employer of the placed employee until the employee is deemed the employee of the client (Salt, 2017). The sole employer approach would not be a transfer of the TES employees' contracts of employment as is the case in instances of section 197 transfers. The purpose of the deeming provision is not to transfer the contract of

employment between the TES and the placed worker to the client, but to create a statutory employment relationship between the client and the placed worker.

Assign has taken this to the constitutional court on the 22nd of February 2018 and maintains its position that the LRA provides that, regardless of any common law contract, the TES is deemed an employer once a worker is placed until the end of the three-month temporary period, then the TES's client will be deemed to be the worker's employer together with the TES (Watkins, 2018: 1). Pertinent questions were put throughout the day, but it was important to note that the judge's did, in the afternoon session, seem to appreciate the extra protection that the TES interpretation would provide according to APSO representative Jacqui Ford representing the Labour Broking body (Ford, 2018).

The outcome of this deeming provision if in the favour of NUMSA (sole employer interpretation) will effectively reduce TES contracts to 3 months and end the dual employment between the labour broker and the client. The TES reaction to this ruling will determine its continued existence or demise.

3.27. Conclusion

Apso (2012: 1) reports on the state of the nation address by President Zuma:

'Meanwhile, the NEDLAC Process on the A-typical Forms of Employment and Labour Broking has now been completed. Government seeks to eliminate all forms of abusive practices inherent in Labour Broking, in order to strengthen the protection of vulnerable workers. We trust that common ground is be found this year on this matter.'

Employee retention specifically within the labour broking industry was explored together with a detail of the regulation tabled at NEDLAC was illustrated. An investigation into how the Labour Broker, its employees, Government, trade unions and business view these regulations within the industry were explored and this will help to indicate what the future holds for the Labour Broking industry, their staff turnover, continued profitability and indispensability.

CHAPTER FOUR

Research Methodology

4.1. Introduction

In the preceding chapter employee retention within the labour broking industry, the Labour Broking industry both internally and globally, the amendments with regards to TES agencies and the latest studies on labour broking were presented. In this chapter, the research methodology is presented, with the research design and the steps and techniques used in the collection and analysis of data, with the aim of effectively answering the research questions. This chapter will outline the research design, philosophy, sampling strategies and discuss issues of validity, reliability and bias in relation to the research.

4.2. Research Design

Coldwell and Herbst (2004: 36-37) explained that research design is the strategy for the study plan, by which the strategy is to be carried out; and descriptive research is an attempt to define a subject by creating a profile of a group that reveals who, what, where, when and how much. Research design is a general plan of how one goes about answering research questions. This study research design is a combination of quantitative research and qualitative research method, commonly known as a multiple research method. Quantitative research is associated with positivism and involves the use of numerical data .The quantitative approach places great emphasis on objectivity and reliability of findings and encourages replication. Qualitative research is associated with interpretative philosophy because it deals with the subjective and social meanings about the phenomenon being investigated, therefore establishing a deeper understanding and meaning to the investigation (Saunders et al., 2012: 159-163). Qualitative research is, therefore, more subjective or personal in nature. The research design was conducted in four phases as illustrated in Figure 10 below and explained thereafter in detail. Firstly, a general overview of the case study strategy and the research design method will be discussed.

4.3. Case Study Research Strategy

According to Rumelt (2011: 2) a strategy is the discovery of critical factors in a situation and designing a plan of action to deal with those factors. Saunders et al. (2012: 173) explains that a case study explores a research topic or phenomenon within its context or a number of real-life contexts, therefore gaining a rich understanding of the context of the research and the processes being enacted. The case study has the ability to answer the why, what, and how questions, and may use qualitative, quantitative or mixed methods approach where multiple sources of data can be triangulated. A single case study analysis through the application of multiple qualitative and/or quantitative research methods provide a nuanced, empirically-rich, holistic account of specific phenomena (Willis, 2014:1). A single case study has been used as it provides for the opportunity to analyse and observe the phenomenon and suitable for the nature of the research questions and objectives of the research. It is also an effective method to narrow down a broad issue amongst TES companies into one focused researchable topic.

4.4. Secondary Research - The Case Study Organisation

The case Study company is the 5th largest Temporary and Permanent Employment Services company in South Africa. Having a national footprint in South Africa, the company strives to offer speed delivery in Temporary/Contract Staffing and Permanent Recruitment. The organisation belonged to the worldwide leader in Temporary employment established in 1969 and was thereafter sold to their Managing Director in South Africa. The case study company services over 400 Clients and employs over 1000 Temporary Workers nationally. The organisation is the founding member of CAPES (Confederation of Associations of Private Employment Services) that was established to represent the Labour Broking industry during the NEDLAC negotiations. By far the most important study regarding the Labour Broking industry was conducted by Topline Research Solutions using client databases provided by the Confederation of Associations in the Private Employment Sector (CAPES). Topline conducted surveys of 110 Labour Brokers, representing 268,777 Labour Broker workers or 29.8% of the industry total. According to the

Topline survey 60% of Labour Brokers are “small” (<20 internal employees) and just 12% are “large” (>200 internal employees) (Topline, 2012). The case study company’s annual turnover for 2018 was R210 million and employs 100 permanent employees and approximately 1000 temporary employees nationally. The case study organisation therefore, falls within the 40% of larger Labour Broker companies in South Africa which is significant for this study.

The case study data collection method was relevant in gaining a rich understanding of the context of the research and the processes within the organisation. This is the overarching research construct. The organisation’s financials, communications, employee turnover and client retention records were examined to tell the detailed story of the evaluation of the company in the context of the history of Labour Brokering in South Africa.

4.5. Practitioner research- The Researcher

Practitioner Research refers to an individual who is employed in a professional capacity and is required to undertake research. As a research paradigm, it claims that practitioners doing research can be more successful in the research they are engaged in (Fox et al., 2007: 1-5) The advantage of practitioner research is that the researcher can negotiate internal access to the organisation with ease and understands the complexities of what goes on in the organisation. The researcher also has knowledge of the organisations services, clients, employees and challenges. However, a significant disadvantage of practitioner or internal research is that the researcher may carry assumptions and preconceptions of the research problem and may prevent the researcher from exploring problems or asking basic questions to respondents that would enrich the research.

The researcher in this study was actively involved in the professional lives of the individuals being researched. Prior to conducting this study, as an employee of a Labour Broker, the researcher used his expertise in both managing temporary and permanent employees, interactions with clients and other stakeholders. In conducting qualitative research, the researcher played a non-obvious role by taking

part in the ongoing activities of the participants, without bringing specific attention to his self. Being a non-obvious informal participant and researcher provided the researcher with a unique lens that was influenced by the expertise and background of the researcher. Therefore, the researchers' expertise enabled him to fulfil the role as an informal participant and researcher with more ease than someone without this expertise. The researcher attempted to be as non-obtrusive as possible by active involvement in the participants' formal work sessions. In addition, the researcher's consistent attendance at the organisation allowed for a more trusting relationship with the participants. This acceptance allowed the researcher to gather authentic data from the participants within the limitations of the practitioner research paradigm. Saunders et al. (2012: 243) states that undertaking a covert study is a possible solution to practitioner research bias so that those being observed are not aware of the fact. The validity and reliability of the data is dependent on the existing nature of the researcher's relationships of the participants, managerial style and time to develop trust amongst the participants. The researcher does not directly manage the internal and external workforce and maintains a professional relationship with the company's clients, work seekers, unions and other stakeholders. It is, therefore, through these relationships the researcher has gained the trust and confidence of both the Labour Broker workforce and the external participants.

The researcher does have a bias in that he does believe that that the regulations associated with the Labour Broking industry will have a significant effect on employee retention and the TES industry will lose contract positions through its conversion to permanent jobs with its clients or terminations of contracts. The researcher also believes that Labour Broker clients will discontinue or reduce their use of temporary employment services affecting the sustainability of the TES industry. For that reason, the researcher chose this study to investigate the influence of the Labour Broking regulations and other factors on employee retention in order to make recommendations to the Labour Broking Industry, to improve its employee retention and remain sustainable in the future. In addition, it is possible that because the researcher played a dual role as an informal participant and researcher, the findings may have been influenced. On that account, the researcher paid close attention to the biases these expertise and beliefs presented. The researcher sought consultation about evidence of bias with his focus group and addressed them

accordingly. The research methodology reflects this transparent awareness of the significance of the researcher in this case study research.

4.6. Multiple Methods Research Design

Saunders et al. (2012: 164) asserts that a research design may use either an inductive or deductive approach or both. Qualitative and quantitative approaches develop a richer theoretical perspective and effectively provide some direction in the research. Multiple methods are in turn divided into multi-method research and mixed method research. Multi-method research combines more than one data collection technique but is restricted to either quantitative or qualitative research design. The mixed method research combines both qualitative and quantitative approach. The multiple research method will provide a richer approach to data collection, analysis and interpretation. Combining and systematically integrating quantitative and qualitative methods in this study to obtain a fuller picture and deeper understanding of the phenomenon using the mixed method research will be used. The phases of the multiple methods research design and research approaches incorporating the Pilot test is reflected in Figure 10 below.

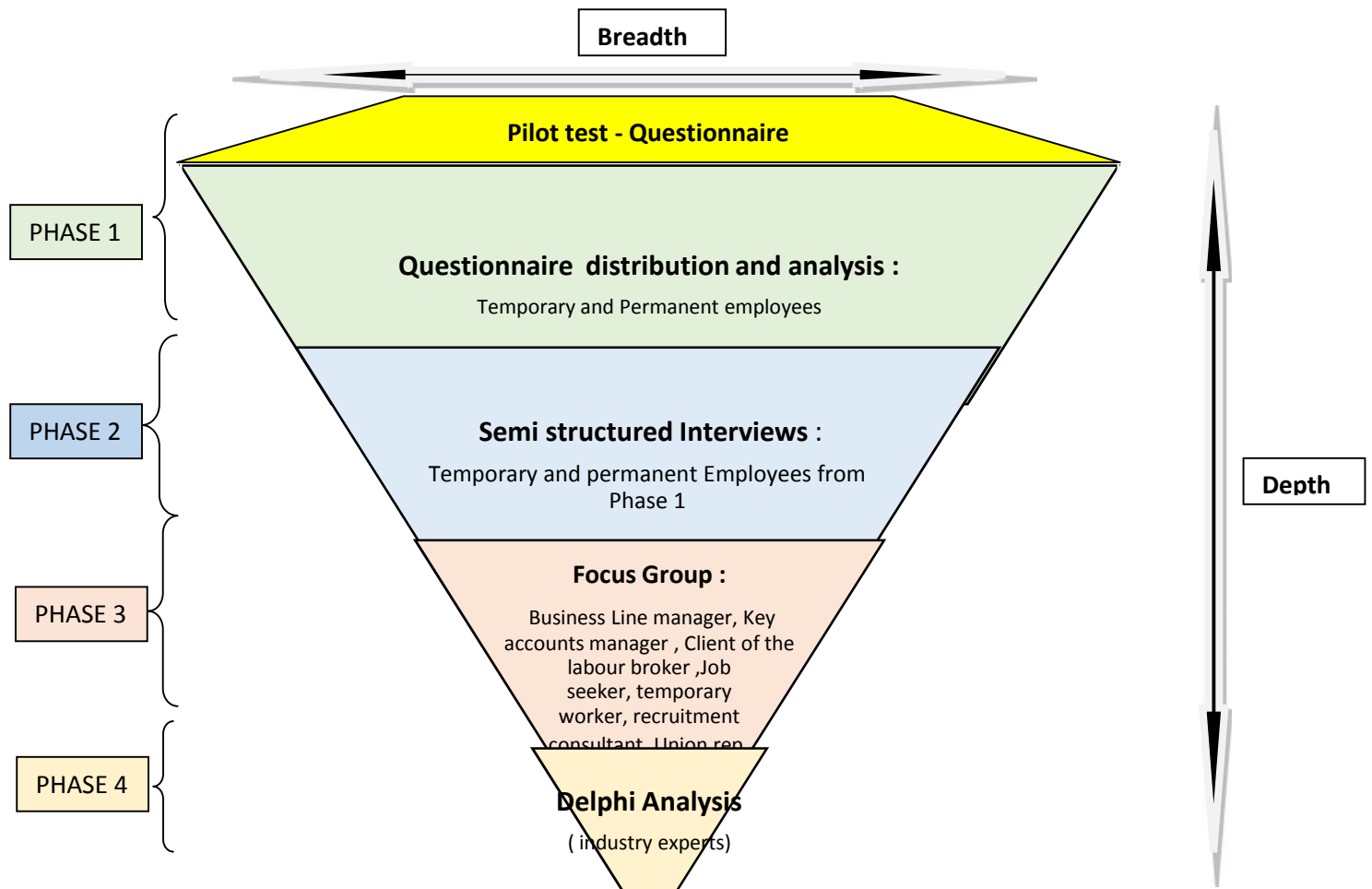
The sequence of research methods below was used for the following reasons:

The phase one quantitative survey allowed for a greater number of participants to enhance the generalisation of results. However this phase is limited to numerical descriptions rather than a detailed narrative of the employees perceptions. The phase 2 structured interviews allowed for the researcher to obtain more depth and detail from the results received in the phase 1 survey. A structured interview was used to focus discussions more on the phase 1 results. The interviews alongside quantitative data collection, was able to explain why a particular response was given.

The researcher noted that interviews may result in participants giving widely differing responses that are highly subjective. This needed a platform for further discussion and elaboration. The focus group was then used to seek clarification . However because focus groups have a group setting the researcher was afraid that

some sensitive topics would not be easily attained from the participants. These sensitive topics or topics that needed professional clarity and consensus.

Figure 10: Multiple methods research design



Source: Self compilation

4.7. Rationale for the mixed method design

According to Yin (2006: 41-47) using mixed methods within the confines of a single study can simultaneously broaden and strengthen the study. The primary reason why the mixed method was used is to give a better understanding of the problem and yield more complete evidence in gaining both depth and breadth in the research study. By using a single case study and adopting an evolving mixed method from

quantitative surveys to interviews , focus groups and ultimately a Delphi analysis ensured a broader understanding of the research questions. In adopting this approach the researcher's aim was not to use each stage to answer a specific research question but to increase the validity and reliability of the research findings through the transition of the different phases.

The researcher also considered a multiple case study method. The advantages with multiple case studies are that they create a more convincing theory when the suggestions are more intensely grounded in several empirical evidence. Thus, multiple cases allow wider exploring of research questions and theoretical evolution (Eisenhardt & Graebner, 2007). This approach was not possible as the researcher was employed by the case study organisation and approaching similar competitors would be a breach of his contract. The only alternative to achieve similar richness of findings was to then adopt a single case study with a multiple methods research approach.

4.8. Phase One : Pilot Test and Quantitative Survey

The research was conducted in four phases (Figure 10). In the first phase, a pilot test was conducted and thereafter self-completion questionnaires were handed to the permanent and contract employees in the labour broking industry. During this phase perceptions from the workforce on the future of the temporary employment services in South Africa, the nature and uncertainties working within the industry and the implications of TES demand in the future were investigated.

4.8.1. Pilot Test – Questionnaire

Terre Blanche et al. (2006: 490) assert that the purpose of pilot studies is to identify possible problems with proposed research by using a small sample of respondents before the main study is conducted. Pilot studies are essential in order to reveal flaws in some questions and suggest possible improvements in order to enable the researcher to:

- Make amendments in order to reduce the error rate on answers

- Sort open ended questions to a reasonable degree
- Evaluate the sufficiency of the data for the research questions
- Check clarity of questions
- Allow respondent to comment on questions to achieve new insight (Terre Blanche et al., 2006: 490).

The researcher conducted a pilot study on a small sample of 2 permanent workers and 2 contract workers .

4.8.1.1. Findings from Pilot Study

The respondents had problems understanding section B (The TES regulations) that dealt with the amendments of the TES industry. The questions were then clarified in further detail and specific amendments from the LRA were stipulated in the questionnaire.

The results of the pilot study was not analysed in detail because of the small sample size and it was intended simply to ascertain clarity, simplicity and sufficiency of the questions per sub section.

4.8.2. Target Population- Survey

Welman and Kruger (1999: 122) define target population as a group of individuals to which the researcher ideally would like to generalize his or her results. The target population in phase one of the study are permanent and temporary workers at various positions within the Labour Broking environment . The target population is the temporary employees of the Labour Broker who are outsourced externally to its client and permanent workers employed internally by the Labour Broker. The views of these two types of employees together with a variation of demographic factors produced an accurate understanding of the Labour Broking employee's opinion of the industry and their reasons for remaining or leaving the industry. The Table below outlines the temporary and permanent employees, the targeted job categories for the study and the extrapolated sample size for the study .

Table 1.0 Study Population Demographics

Temporary/ permanent	Job Category	target population	Sample size	sample size % of target pop.
permanent	General Assistant	2	1	50%
	Admin/ support	18	11	61%
	Sales	3	2	67%
	Site agent	13	8	62%
	Key accounts manager	7	4	57%
	Branch / Dept manager	3	2	67%
	Senior management	3	2	67%
	total	49	30	61%
Temporary	General Assistant	117	50	43%
	Admin/ support	58	25	43%
	Driver	70	30	43%
	Semi-skilled Artisan	70	30	43%
	Skilled Artisan	23	10	43%
	Supervisor	7	3	43%
	total	350	150	43%

The Table above reflects the target population from selecting the total number of permanent and contract staff per job category. In order to receive a credible sample size from the target population, 61% of permanent respondents and 43% of temporary employee responses was targeted per job category.

4.8.3. Purposive Sampling Method

Coldwell and Herbst (2004: 74) describes sampling as an act, process or technique of selecting a representative part of a population for purposes of determining parameters or characteristics of the whole population. Terre Blanche et al. (2006: 144) assert that the main aim of sample selection is representativeness of the whole population in order to draw effective conclusions. The two broad categories of sampling designs are probability sampling and non-probability sampling. Non-probability sampling, specifically purposive sampling, was used as the sampling method throughout the research design.

Purposive sampling is a non-probability procedure in which elements are selected from a target population on the basis of their fit with the purposes of the study. Also known as judgmental, selective or subjective sampling, purposive sampling relies on the judgement of the researcher. The main goal of purposive sampling is to focus on particular characteristics of a population that are of interest, which is best enable the researcher to answer the research questions (Daniel, 2012: 87-91). The

questionnaire sample population was, therefore, selected with this philosophy in mind.

4.8.4. Questionnaires

Inclusion– A sample of 30 permanent workers and 150 temporary workers were issued questionnaires to complete. These workers were currently employed by the Labour Broker, KZN, and have a significant representation of the entire workforce currently employed as similar types of workers are placed throughout KZN. The total population job categories are represented in Table 1 which makes up almost 99% the employees. The targeted sample size of temporary and permanent employees represents 43% and 61% respectively which is a significant percentage of the target population. The purposive selection of the job categories are commonly utilised by most TES organisations.

Exclusion-Directors are part owners and are not included during sampling. There exists a 1% temporary employee workforce that do not fall under the major categories of workers that are commonly hired by the Labour Broking industry, and are, therefore, excluded. Work seekers that apply for positions at a Labour Broker were also excluded as they are not employees of the Labour Broking industry.

4.8.5. Recruitment process

A letter to all employees outlining the purpose and objectives of the study was issued. Employees were advised of their anonymity and confidentiality of their responses and their involvement in the study being totally voluntary. These letters were hand delivered to all employees and a follow up face to face consultation was held to document all interested respondents. The responses were categorized per job function in order to obtain a reasonable amount of representation according to Table 1 above. When certain categories lacked representation a final plea was made for participation stressing the academic nature of the research and having no bearing on their employment status and company in any way.

4.8.6. Data Collection Method

Respondents were visited at their place of employment and the questionnaires were administered by the researcher. The purpose of the research was clearly explained and the voluntary nature, anonymity and confidentiality were also reaffirmed. An interpreter was present to assist in explaining questions to respondents with IsiZulu dialect.

4.8.7. Data Analysis

Closed questions were designed as a Likert Scale. A highly structured question format allows for the use of closed questions that require the respondent to choose from a predetermined set of responses or scale points. Blumberg, Cooper and Schindler (2005: 61) state that a Likert scale format on the other hand, involves the use of special rating scale that asks respondents to indicate the extent to which they agree or disagree with a series of mental belief of the statements about a given subject (strongly agree, agree, neutral, disagree and strongly disagree). The 5 point Likert scale was chosen because it facilitates robust statistical analysis. The analysis explored data using both tables and diagrams. Analysis involved describing the data and exploring relationships using statistics such as chi square, cross tabulation and frequency tables. The items of the questionnaire that contributes mainly to the research problem were analysed and these selected items were the main factors influencing employee retention within the Labour Broking industry.

4.8.8. Validity

Clark- Carter (2004: 29-30) defines validity as the degree to which what is being measured is what the researcher intended. Face validity is an aspect of validity that refers to the perception of the people being measured have of the measure. Assessments and suggestions arising from the Pilot study ensured that the questionnaires content and order of questions was relevant to the research to ensure face validity. The survey was held at a specific period to ensure that the organisational and other internal and external factors were relevant to that period to

ensure validity of the responses.

Hair et al. (2014:123) states that content validity is the assessment of the correspondence of the variables to be included in a summated scale and its conceptual definition. This form of validity, also known as face validity, subjectively assesses the correspondence between the individual items and the concept through ratings by expert judges, pretests with multiple subpopulations, or other means. According to Hair et al. (2014: 450) in establishing criterion validity the researcher may attempt to establish some form of criterion or predictive validity. To do so, the researcher selects variable(s) not used to form the clusters but known to vary across the clusters. Factor analysis and correlation analysis were executed and the results of these analyses are explained in the following analysis and interpretation chapter.

Saunders et al. (2012: 193) states that testing is the impact of participant's views or actions. For example, informing participants about the research project may alter their work behaviour and responses if they believe it may lead to future consequences for them. Respondents were advised of the nature of the study and ensured their anonymity and confidentiality of their responses to guarantee the validity of the collected data. Questionnaires generally have low validity because they don't explore questions in any detail or depth; complex issues such as requiring a respondent to explain their reasons for believing something was difficult to explore. However, the questions asked were, by definition, those considered important by the researcher. The fact that questionnaires are anonymous means respondents may be encouraged to answer questions truthfully with the knowledge that they cannot be identified. This increased the credibility and validity of their responses.

4.8.9. Reliability

According to Trochim (2006: 109), reliability of the measuring instrument addresses the question of whether the results of the measuring processes are consistent on occasions when they should be consistent. Burns and Bush(2010: 73) state that reliability is a statistical concept and is related to consistency and dependability, that is, consistency in obtaining the same relative answer when measuring phenomena that have not changed. According to Norval (2006: 13), questionnaires have a very

limited purpose. The questionnaires are often one-time data gathering methods with a very short life, administered to a limited population. According to Blumberg et al. (2005: 84), the types of reliability include the following:

- Test-retest reliability (coefficient of stability). Consistency is estimated by comparing two or more repeated questions of the measuring instruments. This gives an indication of the dependability of the result on one occasion which may then be compared with the results obtained on another occasion.
- Internal consistency reliability. This indicates how well the test items measure the same thing.

Internal consistency ensured reliability by grouping questions in the questionnaire that measure the same concept. An average of 6 questions was asked per category as reflected in the attached questionnaire (Appendix D and E) to ensure the responses are reliable. Assurances of confidentiality and anonymity also contributed to the reliability of data. The quantitative approach encourages reliability and, therefore, a high reliability and dependability.

4.8.10. Survey Questionnaire Construction

Hair et al. (2014:374) states that recent developments in interviewing methods make conducting conjoint analyses feasible both through the mail (with pencil-and-paper questionnaires or computer-based surveys) and by telephone. If the survey is designed to ensure that the respondent can assimilate and process the profiles properly, then all of the interviewing methods produce relatively equal predictive accuracy. The researcher applied the basics of writing a user friendly questionnaire and practiced the following basic steps to ensure a valuable quantitative research tool:

- a. **Research objective alignment:** The research objective was to assess employee retention specifically after the regulations with regards to temporary employment and the Labour Broking industry. Other factors such as job satisfaction, security, the value of Labour Broking and employee perception of

the industry were critical in assessing employee loyalty and retention. These perceptions could only be answered by both permanent and temporary employees working with the industry, which underpinned the foundation for the choice and content of the questionnaires. The rationale for using a questionnaire as a research tool was the ease of dissemination because most employees were not office bound. Skilled to unskilled employees, the language barrier and cultural diversities were noted and the hard copy questionnaire seemed the best research tool given the context.

- b. **Simplicity of the questions:** The researcher took into account the intricacies of the regulations and considered the varying literacy levels of the survey participants. The salient points of the regulations were simplified to cater for these various educational and cultural levels of employees. The questions were structured in a manner that was language appropriate, especially with the lower skilled employees, The statements were kept short, simple and specific questions using as few words as possible. In order to capture the respondent's actual beliefs, it was best to write a clear statement that can be responded to without too much deliberation. During the pilot test more instinctual reactions were received, which ensured greater effectiveness of the research tool. For example, when testing the value of Labour Broking the following questions were asked:

“Labour brokers should close down because they exploit workers”

“Labour brokers are important because they find jobs for people”

The above statements speak to the core function of Labour Brokers and to the numerous reports already mentioned in the literature review of exploitation by Labour Brokers. These factors set the comprehensibility of the questions and therefore greater accuracy was reached.

- c. **Likert scale:** The main advantage of Likert Scale statements that a universal method of collecting data is used, which facilitates research population understanding. Working with quantitative data, it is easy to draw conclusions, reports, results and graphs from the responses (Smart Survey, 2017:1).This

choice of rating system by the researcher was used because of the sensitivity of the questions, the volatility of the Labour Broking industry and Union influence on labour broker employees. This approach, therefore, allows the respondents not to be forced in expressing an opinion, and allows a neutral response should they so choose.

- d. **The Delivery Method:** Wegner (2007: 28- 30) clarifies that there are four approaches to gathering survey data: personal interviews, postal surveys, telephone surveys and e-surveys. The personal interview or face to face contact allows a higher response rate, and such questioning allows for further probing but can be time consuming. The researcher opted for a face to face contact with the respondents because the advantages outweighed the disadvantages. The sample size was manageable for face to face contact as most employees were deployed to a few major sites. This further allowed the interviewer to clarify questions and sometimes used the services of an interpreter to explain the reasons of the survey and the questions.
- e. **Clarification of Questions:** In order to ensure the interviewer could record a respondent's true opinion on a given topic, the same question was asked and elaborated on or translated more than once. This tactic mitigated against respondent bias and gave a better chance at observing the person's true opinion on the subject matter. Different questions in some cases were used for permanent and temporary employees because of the nature of their employment contracts. For example permanent staff are not outsourced to clients and have little or no interference from labour unions or the Clients permanent staff. Temporary employees on the other hand are exposed to a dual employer relationship (Labour broker and Client) which give rise to varying challenges.
- f. **Piloting the Questionnaires:** The survey questionnaires were tested with a small population to determine its suitability and practicality. This soft launch enabled the researcher to determine whether some questions needed to be paraphrased, reordered or removed. The researcher also discussed the questionnaires with work colleagues at various levels in the organization and solicited their input.

4.9. Phase Two (Qualitative Approach - Interviews)

4.9.1. Target population

Semi- structured interviews were administered, within a qualitative research paradigm. This research involves interviews with a selection of workers that participated in the phase one survey using stratified sampling method. Table 2 below reflects the sample size for the phase two interviews extracted from the surveyed employees from phase one.

Table 2.0 Study Population Demographics

Temporary/ permanent	Job Category	Sample size of quantitative study	participants for qualitative study
permanent	General Assistant	1	0
	Admin/ support	11	1
	Sales	2	0
	Site agent	8	1
	Key accounts manager	4	1
	Branch / Dept manager	2	0
	Senior management	2	0
	total	30	3(10%)
Temporary	General Assistant	50	5
	Admin/ support	25	3
	Driver	30	3
	Semi-skilled Artisan	30	3
	Skilled Artisan	10	1
	Supervisor	3	0
	total	150	15(10%)

The above table reflects a ten percent selection of both permanent and temporary workers that participated in the original quantitative survey. Semi-structured interviews were carried out with the above pre-selected individuals for a more subjective and holistic view of the research problem. Participants were selected from job categories with the highest overall representation.

4.9.2. Sampling Method: Non- Probability Sampling - Interviews

Saunders et al. (2012: 281) states that non- probability sampling includes an element of subjective judgement that provides the researcher with information- rich insight into the research questions.

Purposive sampling or judgmental sampling requires the researcher's judgment to select cases that will best enable one to answer the research questions. Purposive sampling was used to identify representatives from the various job categories that are directly employed by the Labour Broking industry in order to obtain explorative or holistic insight into the research questions and problem presented in the quantitative survey.

Inclusion- representatives from the following job categories were interviewed

Permanent Employees: Admin support, site agent, key account manager.

Temporary employees: general assists, admin/support, drivers, artisans and semi-skilled artisans.

Exclusion- Sales, branch and senior managers lacked the adequate representation in the quantitative survey and was, therefore excluded from the permanent participants.

Supervisors were excluded from the temporary workforce as they only represented 2% of the quantitative sample size.

4.9.3. Measuring Instrument

Guion et al. (2011: 1) describes semi- structured interviews as excellent data collection tools because they use an open-ended, discovery-oriented method, which allows the interviewer to deeply explore the respondent's feelings and perspectives on a subject. This results in rich background information that can shape further questions relevant to the topic. Interviews were designed by utilising an interview schedule.

4.9.4. Data collection method

An appointment was made by the researcher to meet with representatives from the various job categories as reflected in Table 2. A semi structured interview was held with the use of a recording device and a documented transcript. All participants agreed with being recorded. The interviews were transcribed verbatim. The purpose of the research was clearly explained and the voluntary nature, anonymity and confidentiality were reaffirmed.

4.9.5. Semi- structured interview construction

Hair et al. (2014: 373) states that personal interviews enable the interviewer to explain the sometimes more difficult tasks associated with data analysis. The researcher opted for semi structured interviews because the interview data added to and developed the insights of the phase one pilot survey. The interview design ensured that the interview was not highly structured, as is the case of an interview that consists of all closed-ended questions, nor unstructured, the latter dominated by open ended questions. The semi-structured interviews were specifically designed to elicit the interviewee's opinions on the sub groups of the survey questionnaires, by following up with probes to get in-depth information on points surveyed. The researcher was mindful that the semi- structured interview strategy avoided leading the interview or imposing preconceived meanings but strived towards a relaxed, comfortable conversation. The following preparations for the semi structured interview design and construction were made:

- a. **Planning and time allocation:** The topics for discussion were defined in tandem with the results of the phase 1 survey and stayed faithful to the study's research aims. The questions were arranged in the same order of the phase one questionnaire. Questions per sub group were pre-selected with room for probing questions. Not all questions per sub group were selected in order to limit the interview time to one hour.
- b. **Record and transcribe the interview:** In order for the interviewer to

communicate and interact naturally with the interviewee without the burden of note taking the decision was made to record the interview and transcribe verbatim. This allowed for a more thorough examination of the responses and allowed for flexibility in any probing questions. This also allowed for a more thorough examination of the responses and a more accurate evaluation and analysis of the responses received. More importantly it helped to counter accusations that the analysis might have been influenced by researcher's values and biases. The researcher also considered that recording may make the interviewees uncomfortable and transcribing can a very time consuming exercise. The researcher made special arrangements to make the interview as relaxing as possible and the recording was done via a laptop to make it as inconspicuous as possible. The accuracy of the responses was of utmost importance because of the cultural diversities and language barriers. The recordings helped clarify answers with colleagues during the data analysis stage.

c. **The interviewer:** all the interviews were carried out by the researcher and were personally recorded and transcribed. The number of interviewees selected was adequate to conduct the exercise exclusively. The researcher's employment history suggested that he brought a high degree of sensitivity and empathy towards the labour broking environment and its workforce and this characteristic was vital to maintain rapport with the interviewees. In addition it was also important for the interviewer to ensure that the interviewee understood the aims of the study, and that ethical considerations were communicated.

d. **Development of the interview questions:** The questions were simplified and were structured to illicit detailed answers. The researcher allowed respondents to expand on responses should they wish, and closed every question with the following:

"Is there anything else you would like to say about this topic"

The researcher made use of :

Direct questions (*what do you think of*),

Probing questions, (*why do you think.....*),

Follow up questions (*Could you elaborate....*)

Interpreting questions (*Do you mean ...*), and

Open questions (Is there anything else ...)

e. General procedures used by the researcher: Questions were developed within each major area of employee retention. The questions were designed to fit the varying groups of respondents. The language and delivery of the questions was adjusted per respondent, according to demographic and cultural and associated linguistic background. Questions were predominately asked with “ How” and “Why” to solicit stories or otherwise detailed responses . A logical flow of the interview questions were taken into account with demographic information as a warm up question in the beginning to relax and build rapport with the interviewee. The last question was kept open to discuss anything the interviewee wanted to discuss. This strategy was intended to leave the interviewee feeling empowered, listened to and glad that they were talked to, and to allow for unanticipated themes to emerge.

4.9.6. Data Analysis

Open questions were used to collect qualitative data from respondents. The interviews were audio recorded and responses or sections that are pertinent to the research were transcribed. The accuracy of the transcript were assured by listening to the recording at least three times. A transcript documented verbatim was then compiled with key points that have emerged from the interviews. Powers (2005: 38-45) state that a transcript begins verbatim in which every word is documented and a summary compresses of long statements into briefer ones with the principal themes being highlighted. According to Saunders et al. (2012: 567) an inductive approach to data analysis allows a good fit to develop between the social reality of the research participants and the theory that emerges. In order for qualitative data to be analysable it was first grouped into the meaningful patterns, statements and/or themes that were observed through a process called content analysis.

Content analysis was carried out by:

1. Coding the data for certain words or content
2. Identifying their patterns

3. Interpreting their meanings.

This type of coding is done by going through all of the text and labelling words, phrases, and sections of text (either using words or symbols) that relate to the research questions of interest. After the data is coded the researcher could sort and examine the data by code to look for patterns (Pell institute, 2014).

4.9.7. Validity

Petterson and Durivage (2008: 13) states that interviews are one of the best tools of research and possess a high level of validity where these are conducted carefully to clarify questions, to probe meanings and explore themes and meanings from a variety of angles. The assurance that confidential information was not sought from the interviewer assisted in the interviewee being more relaxed and open about the information they were asked to discuss. This reduced participant and response bias, therefore increasing the validity of the responses. The use of open questions help respondents define or describe an event, provide an extensive and developmental answer to reveal attitudes and obtain facts. Open questions and probing questions to explore responses and the assurance of confidentiality increased the validity of responses. Audio recording and note making was instrumental in ensuring accuracy and rich detail of the participant's responses and researcher thoughts thus increasing validity.

Qualitative research of high quality may be achieved in three ways. Firstly by those who continue to use validity and reliability by amending them to fit qualitative or multiple methods research design. Secondly, there are those who have formulated new names for versions of these criteria which is "dependability" for "reliability", "credibility" for "internal validity" and "transferability" for "external validity". Thirdly there are those who have sought to develop new concepts to ensure quality of qualitative research (Saunders et al., 2012: 194). The researcher chose to rely on the option 2 strategy for the interview phase of the study.

- ***Credibility***

The research made use of methodological strategies to ensure credibility of the findings of the semi structured interviews. These interventions included:

The researcher chose to perform all the interviews and transcribe all the recordings. This ensured consistency in the data collection. The researcher acknowledged his personal biases which could have influenced the findings. He ensured that a third party researcher was engaged to reduce researcher bias by forwarding the transcripts and recordings for scrutiny. The researcher chose five work colleagues to listen to the recordings and validate the accuracy of the transcript. They were also asked to clarify words or expressions that were unfamiliar to the researcher as some respondents used combinations of their native language, slang and the English language. The researcher also ensured a meticulous record keeping, by ensuring interpretations of data were consistent and transparent. Rich verbatim descriptions and statements from respondents were also highlighted in the findings to support credibility. Opposing statements by respondents were also highlighted in the findings. The researcher being a practitioner researcher, added credibility to the interview phase. Fox et al. (2017: 1-5) claims that practitioners doing research can in itself secure validity because of the integrity of the research-respondent relationship.

- ***Transferability***

According to Guba and Lincoln (2016: 104-105) transferability refers to the degree to which the results of qualitative research can be generalised or transferred to other contexts or settings. From a qualitative perspective transferability is primarily the responsibility of the one doing the generalising. The researcher therefore made use of the descriptive research context and assumptions to increase transferability. The size of the case study company's turnover is within the range of approximately 8% of TES companies in South Africa (Topline research on Annual turnovers). The fact that the case study company has a national footprint, suggests that similar companies with national presence in South Africa may reflect broadly similar findings. The services offered by the case study company is very similar to the majority of labour brokers in South Africa and Globally. Factors such as the regulations and employee

opinion of the regulations can be transferable to all companies affected by the TES regulations.

The researcher also ensured that the interviews were representative of a demographic profile that is common to most TES companies operating in South Africa. Sales, admin, semi-skilled, low skilled, drivers and skilled artisans are common job categories within the industrial and logistics sector in South Africa. Companies utilising temporary employees within these sectors can find the findings transferable. Other demographic similarities such as job category, race, gender, age, highest qualification and period of service can be transferable to other TES companies or companies within similar sectors. The application of transferability, however, remains subjective, and is still very dependent on the specific case as there can be numerous variables affecting successful transferability. Given the study research design includes the use of a case study, the latter in itself suggests the uniqueness of the findings but does not preclude the possibility that the findings are generalizable, to a degree.

- ***Dependability***

Reliability in quantitative research is observed when similar findings are found when repeating the research exercise. Qualitative research, however, does not require reliability, as it is not possible to exactly replicate the study. Qualitative research requires dependability rather than reliability. Dependability is the description of changes that occur during the course of research, and an understanding of how such changes affect the research or the study (Guba and Lincoln, 2016: 104-105). The outside researcher discussed in the previous section and the five colleagues who authenticated the findings of the semi-structured interviews increased the dependability of the study. Other factors increasing the dependability factor were that there has been no significant legislative changes with regards to temporary employment or Labour Broking during the course of the study. The researcher further ensured the interviewed participants had varying periods of service within the TES industry. A double check on data throughout the analysis phase of the study was always carried out. A final check on the data collection was done approximately three weeks after the first analysis was made.

- ***Conformability***

Qualitative research tends to assume that each researcher brings a unique perspective to the study. Conformability refers to the objectivity, that is, the potential for congruence between two or more independent people about the data's accuracy, relevance, or meaning. (Guba and Lincoln, 2016: 104-105). The researcher documented the procedures for checking and rechecking the data throughout the study. The use of an outside researcher and the five colleagues were used to examine the findings and inconsistencies were addressed. During the data capturing and documenting the results phase the researcher made note of unique statements and grouped similar themes by the various participants. This proved to be useful for providing a rationale on merging codes and themes throughout the data analysis process. This therefore increased the conformability and overall validity of the study.

4.9.8. Reliability

Semi-structured interviews allow participants the freedom to express their views in their own terms. Semi-structured interviews provide reliable, comparable qualitative data.

- ***Participant error and bias***

Saunders et al. (2012: 192) asserts that participant error is any factor that adversely affects the way in which a participant performs. Participant bias is any factor that induces a participant to respond falsely. Interviews were administered at a time that was suitable for respondents and did not hinder their work, production or breaks at the organisation. An interview room that is private and less intimidating was used to ensure reliability. Interviews were performed in a time, situation or environment that is conducive so that the ideal responses by the participant to reduce the degree of participant error and bias.

- **Researcher error and bias**

Saunders et al. (2012: 192) defines researcher error as any factor that alters the researcher's interpretation or lack of sensitivity or understanding of the participant's responses. Researcher bias is when a researcher allows her or his own subjective view get in the way of recording the participant's responses. According to a study by Chenail (2009: 14-21) the researcher can be the greatest threat to trustworthiness in qualitative research . The study further suggests that the researcher identify personal feelings and vulnerability of the participant. Demographic and cultural differences were taken into account by the researcher and the researcher was sensitive to the various levels and backgrounds of participants that assisted in the reliability of the data.

4.10. Phase Three (Focus Group)

Krueger and Casie (2014: 36) describes focus groups as a special type of group in terms of composition, size, purpose and procedures and is used to gather opinions on an issue, idea, product or service in order to gain a better understanding.

Specifically, the focus group session concentrated on:

- Gathering opinions, beliefs, and attitudes about issues of interest to the organisation
- Encouraging discussion about the Labour Brokering industry
- Building excitement from spontaneous combination of participants' comments
- Providing an opportunity to learn more about the topic or issue.

The focus group comprises along the common job functions with the organisation and is comprises of five participants within the organisation, a facilitator and two participants outside the organisation.

The participants invited were selected through purposive sampling:

- I. **Recruitment Consultant-** The consultant is involved with the recruitment and selection of temporary and permanent workers for the organisations clients. Their interaction with the various job seekers and interviews with potential

applicants together with the customer recruitment needs was instrumental in gathering more insight into the topics of discussion. The consultant is also involved in payroll and other HR related functions.

- II. **Temporary Worker-** The temporary worker is on a limited duration contract and is contractual through the Labour Broker at the client's premises. He/she is under the supervision of the client but is the employee of the Labour Broker. The Labour Broker takes care of all HR and IR related matters. The Labour Broker further ensures that the temporary worker gets reasonable access to temporary work opportunities.
- III. **Key Accounts Manager-** The key accounts manager is in direct contact with the broker's clients and the quality of service that the clients expect from the agency. His interaction within the various levels in the client's organisation was beneficial to gathering greater insight on the significance of the Labour Broking industry to its clients.
- IV. **Business Line Manager-** The Business Line manager is involved with the overall operations of the organisation and with the sales and marketing aspects of the business. His insight into the perceptions of organisations who are clients of the organisation, companies who utilise other temporary service providers and organisations that do not utilise Labour Brokers was significant to the focus group discussion.
- V. **Work seeker –** A regular work seeker was invited with experience of working with TES companies and his knowledge of the general work environment. The views expressed by a work seeker will assist in assessing the value of labour broking and the perceptions of the industry by work seekers externally.
- VI. **Client of Labour Broker-**The client utilises the services of TES companies and is familiar with temporary staffing. The views expressed by clients who utilise Labour Brokers will be instrumental in assessing the value of labour broking from a business perspective.

VII. **Union Representative-** The union representative is also a temporary employee and is affiliated to a union with major representation amongst all the organisations temporary labour. The union is affiliated with the Road freight and engineering bargaining councils which falls within the domain of the Labour Brokers offerings.

All questions were constructed to get a greater understanding of the research questions. For example, 'What is your perception of the clients and workers views of the Labour Broking industry?' 'What value do you see in the Labour Broking industry for work seekers and business?' 'What are your views of the amendments to the LRA and BCEA with regard to Temporary Employment Services'?

4.10.1. The Focus Group Facilitation Process

The researcher coordinated the facilitation process. The internal participants were stationed at the Labour Broker's offices and the external participants were invited at a time that was suitable for them. The facilitator thanked the participants and reviewed the purpose of the focus group meeting. Open participation was encouraged.

The general findings of the semi- structured interviews and salient points of discussion were introduced in a systematic manner. The facilitator stated the findings of the semi – structured interviews and posed an open question similar to the following: “ *What do you think of the findings*”. The facilitator tried to solicit feedback from all participants on all points although some participants reserved their right to comment. In order to ensure all opinions from participants were heard the facilitator summarised the responses and probed if all agreed. Sometimes during the sessions the questions were restructured in order for all to understand and participate. Follow up questions were also asked and debate amongst participants was encouraged and documented. The facilitator also respected varying opinions and remained neutral throughout the session.

The preceding questions, order of the questions and period of the question

responses were decided by the facilitator. After all the questions were asked the participants were invited to make final comments. This allowed other participants to voice their opinions who were not initially heard. During the closing phase, the facilitator thanked the group and explained the process of data collection and took further contact details of those participants who wished to be informed of the study's main findings and recommendations.

4.10.2. Data collection method

Focus groups are a primary format for qualitative research. This is a type of research that seeks open-ended thoughts and feelings from participants and therefore was qualitative in nature. The Focus Group consists of 7 participants engaged in a discussion with a research moderator. The purpose of conducting a focus group is too better understand how people feel or think about an issue, idea, product, or service (Krueger and Casey, 2014: 2). Through this interaction, the researcher can get the feedback from emotional responses as opposed to a survey method of data collection. A written summary as well as a recording from the group was carried out. The reason for the recording was to extract verbatim statements from the participants. An independent researcher viewed the data to illuminate any biases. The five colleagues who assisted with the phase one data analysis also assisted with authenticating the statements and assisted with interpretations and meanings if necessary.

4.10.3. Reliability

Reliability refers to whether data collection techniques would produce consistent findings if repeated on another occasion by another researcher (Saunders et al., 2012: 192). Reliability therefore, is the extent to which a measure (such as a Focus Group) is accurate and replicable. The challenges with semi structured interviews were already discussed in phase two. The fact that the Focus Group is the third and penultimate phase of the research design allows the research to structure questions for discussion based on feedback received from the workforce and the stakeholders within the industry. This allowed questions to be more focused and specific to achieve a higher degree of reliability, and to facilitate the collection of finer detail

from respondents.

4.10.4. Validity

In interviews and focus groups a high level of validity is achieved due to scope, clarity of questions, and the ability to explore responses and themes from a variety of angles (Saunders et al., 2012: 384). Validity is therefore, the extent to which a measure measures what it purports to measure. For Focus Groups, this could mean whether it is reasonably certain that people are talking about what you think they are talking about. Focus Groups are strong on validity. The information gathering will be similar to that of phase two and the fact that the open questions are specific to the feedback already obtained in phase one and two of the study increased the validity of the responses.

4.11. Phase Four – (Delphi Analysis)

4.11.1. Definition and historical background

The Delphi technique is the reliable and creative exploration of ideas or the production of suitable information for decision making. It involves using a group of people who are interested in the research to explore the research idea in greater depth through controlled opinion feedback (Adler and Ziglio, 1996: 4-11). The name "Delphi" derives from the Oracle of Delphi in ancient Greece. Forecasts and advice from Gods were sought through intermediaries (Priests) at this oracle. The Delphi method is based on the assumption that iterative group judgments add another layer of meaning to individual judgments (Gunaydin, 2012).

4.11.2. The Basics of the Delphi Method

The Delphi method involves group communication among a panel of experts. This technique allows experts to deal in a systematic manner with a complex problem or issue. It comprises a series of questionnaires sent either by mail or telephonically to a pre-selected group of experts. The group interaction in Delphi is anonymous and is presented to the group in such a way as to suppress any identification (Gunaydin, 2012).

4.11.3. The Method

The analysis from the questionnaire, semi structured interviews and the group study formed the basis for the themes of the Delphi analysis. The complexities of certain issues within the studies were prepared in a structured interview and posed to 3 interested individuals selected from the focus group and semi structured interview participants for further feedback and clarification through purposive sampling. purposive or convenience sampling is selecting those members of the community who would provide the best information (Krueger and Casey, 2015). The Delphi method is particularly useful in areas where research is limited, and where substantive themes are not established. The research in the Labour Broking industry, more particularly employee retention within the South African context is limited, as indicated in Chapter Three.

The method, therefore, involved the formation of panellists who were experts in their fields and the areas that were investigated. A thorough development of the questionnaire and testing of the questionnaire was actioned. The questionnaire was transmitted via email or telephonically to the panellists. Analyses of the responses were collated and the conclusions were presented.

4.11.4. Limitations, Validity and Reliability of the Delphi Method

The fact that the Dephi Method only addressed the presented issues and discounted future events gives the method low reliability yet high dependability. Some of the experts were experts within their specific industries but were not experts on the research topic or areas of the research and, therefore, their responses may lack a degree of validity. The email and telephonic execution of the Delphi method may have determined the attention of the respondents, as is normal in such work.

4.12. Limitations of the study

- ✓ The use of quantitative research in the study is limited to numerical descriptions rather than detailed narrative and generally provides a less elaborate account of the respondent's perception.

- ✓ The use of a questionnaire has pre-set responses and may not necessarily reflect how respondents really feel about a subject as they default to the closest match.
- ✓ A cautious note against assuming representation as the sample was drawn from KZN only.
- ✓ The exploratory nature of qualitative research concerning respondents belonging to bodies affiliated directly or indirectly to the organization may not necessarily reflect the views of the entire organization or bodies they belong to, or the industry as whole.
- ✓ Although findings of the research may be valid for the case study it is impossible to draw definitive wider conclusions for all Labour Broking organisations and their employees.

4.13. Delimitations of the study

- ✓ The researcher has opted not to obtain feedback from employees who do not have significant representation within the organisation as their feedback does not impact on the overall findings.
- ✓ The literature review was limited to the Labour Broking amendments in South Africa and not globally, as these amendments are only applicable to those within the South African labour environment.
- ✓ Directors who are shareholders were not part of the sample group.

4.14. Ethical Considerations

Terre Blanche et al. (2006: 61) state that ethical research is essential in protecting the welfare of the research participants. Elements of ethical research according to Terre Blanche (2006: 61) are creating collaborative partnerships to ensure sensitivity towards the target populations values, traditions and cultures. Social value addresses questions that are of value to society with a fair selection of participants to whom the research question applies. Participants of the study were given a holistic understanding of the nature of the study and a full understanding of their requested involvement in the research project with the following considerations:

- ✓ The participants have the intellectual capacity and maturity to understand their involvement in the study
- ✓ Involvement in the study is absolutely voluntary and total absence of coercion
- ✓ Identities of participants is protected and their absolute anonymity was assured by the researcher
- ✓ The reported findings were conducted in a manner that does not allow for ready identification of any participant, and
- ✓ Permission from Labour Broker to perform study with permanent and contract staff has been obtained and the anonymity of the organisation was assured.

- ***Confidentiality and Anonymity***

The research is designed to answer the research questions and is not focused on the respondent's personal characteristics, although some basic descriptive data about respondents was gathered, such as age, gender, work history, time in the company, and so on. Assurances about privacy, anonymity and confidentiality was upheld when analysing and reporting data. The researcher clarified the steps taken to ensure protection of respondents' identities and provide assurances concerning security measures for the storage of any data collected in the course of the research. Moreover, research participants were made aware that they are entitled to reject particular forms of data-gathering (for example, the use of devices such as tape-recorders and video cameras).

4.15. Conclusion

The research methodology of the study has been outlined. Methodologies were presented for temporary employees, permanent employees and other stakeholders affiliated or employed within the Labour Broking industry. Multi-method research was discussed with a combination of quantitative and qualitative approach for richer data collection, analysis and interpretation. A distinguishing feature of the study was a research design which has both breadth and depth in terms of the size of the research population and the degree to which the research questions are investigated, utilising a variety of research methods. The next Chapter presents the data generated by the research.

CHAPTER FIVE

5.1. Statement of Results - Phase 1- Surveys

5.1.1. Introduction

This chapter aims to show the socio– economic profile of the respondents that are both permanently and temporarily employed within the Labour Broking industry. It presents responses to questions outlined in the survey questionnaire with analysis of the broker regulations, social factors, security and retention. This Chapter will, therefore, demonstrate what employees within the Labour Broking industry perceive about the industry. Frequency tables, chi square, statistical and the graphical analysis of data was carried out using SPSS software to identify and confirm these perceptions.

The findings were analysed in relation to the literature review in order to ascertain whether employment demand within the Labour Broking industry will have future impacts on staff turnover. An analysis of the temporary and permanent workforce survey results on all sections in the questionnaire is presented.

5.1.2. Reliability and Validity

- **Reliability**

The results of Cronbach's Alpha for the Permanent and Temporary Staff are shown in Tables 3 and 4 below.

Table 3: Reliability Statistics for the Permanent Staff

Variables	Cronbach's Alpha	No of Items	Sample (n)
TES Regulations	0.661	8	30
Job Security and Motivation	0.71	9	30
Social and Political Factors	0.736	7	30
Value and Future of Labour Broking in SA	0.71	6	30
Intention to Leave/Stay	0.831	6	30
TOTAL	0.73	36	30

The Alpha Coefficients range from 0.661 to 0.831 which is above 0.60 and is considered to be adequate according to the acceptable level set by Sekaran and Bougie (2010).

Table 4: Reliability Statistics for the Temporary Staff

Variables	Cronbach's Alpha	No of Items	Sample (n)
TES Regulations	0.147	8	150
Job Security and Motivation	0.167	14	150
Social and Political Factors	0.230	7	150
Value and Future of Labour Broking in SA	0.269	6	150
Intention to Leave/Stay	0.190	6	150
TOTAL	0.40	41	150

The Alpha Coefficients range from 0.147 to 0.269 and an overall reliability of 0.4 are below the criteria stipulated by Sekaran and Bougie (2010). The low reliability (0.4) on temporary respondents were further analysed through semi structured interviews in phase 2 of the study.

- **Validity**

Face Validity was established. "The extent to which an instrument looks as if it measures what it is intended to measure" (Patton, 1997). Reliability and validity was problematic in the phase 1 of the study. The researcher ensured that all responses were completed in his presence and clarified any misconceptions. An interpreter was also used to assist with the comprehension or interpretation of the questions. To establish the reliability, Cronbach's Coefficient Alpha was used which is an index of Inter item Consistency Reliability. For a questionnaire to be considered reliable, the coefficient must be 0.60 and higher. Sekaran typically states that a coefficient of above 0.60 is considered adequate. In the case of the Temporary Staff, all the reliabilities are below 0.60.

Validity tells us whether a questionnaire measures what it is supposed to measure. This means that all the questions that fall under a section must go with that section. To do this factor analysis was used. Before Factor Analysis can be conducted, the KMO Measure of Sampling Adequacy was computed. The index must be 0.60. In this case, the index was 0.360. A decision was made not compute the factor analysis for the Temporary Staff due to the very low reliabilities; validity was established by using Face Validity. In any case the research design always allowed for the questionnaire to offer breadth in the study, given the number of respondents. The multiple methods-multi trait research design, building on the questionnaire findings to go deeper and deeper into respondent's views, with fewer and fewer respondents at each level (the usual logistics constraint applying to numbers), using semi structured interviews, a focus group and a Delphi analysis, all led substantial reliability and validity to the data.

- **Descriptive Statistics**

Descriptive Statistics in the form of frequencies and percentages were used to ascertain the profile of the sample as well as the responses to the questions relating to the study variables for the Permanent and Temporary Staff. Schwarz (1999: 93-105) stresses that respondent's behaviours and attitudes are strongly influenced by the features of the research instrument. A clear focus on question comprehension improves the questionnaire design. Lewis and Sauro (2009: 94-103) states that a

combination of negatively worded items lessens acquiescent bias (when users generally go on auto-pilot and agree to all statements) and a combination of negative and positive questions forces attentive responses and to either agree or disagree on some statements. Lewis, however, acknowledged a mix of positively and negatively worded items does cause reliability and validity issues. Qasem and Gul (2014: 77) study concluded that both positive and negative questions can have an effect on factorial construction on a Likert scale. The study also concluded that the criterion related validity is not affected even when the items' directions for Likert's type differ (positive or negative). A recent study by Chyung et al. (2018:16-25) stated that if mixing positive and negative worded statements are done it is important to use strategies to improve the reliability and validity of the instrument. The study cited .Likert (1932; 5-55) that it is suggested to use straight forward questions and did not specifically indicate the use of positive or negative worded statements. Chyung goes on to explain that simply excluding a negative statement does not make the instrument problem free and set bias can also be a concern when all questions are positive. The study concluded that the key is making the design choices that result in the most valid responses whether using all positively worded items, all negatively worded items or a mix of positively and negatively worded items.

The researcher elected to use alternating item wording in the questionnaire with a higher degree of familiarity and comprehension on some statements and to ensure that respondents responded truthfully. The researcher also considered the effects of acquiescent bias and whether the survey was administered with positive worded or negatives worded or a mixture of both; this risk can exist. In addition the completion of the questionnaire was administered in the presence of the researcher who was available to clarify and ensure the response was as intended. By including the positive and negative questions the respondent was also forced to consider the question and provide a most suitable response.

5.1.3. Demographic Profile of the Sample

The demographic profile, results and discussion of the Permanent and Temporary Staff are shown below:

Table 5: Demographic Profile of the Permanent Staff

		n	%
Race	African	12	40.0%
	White	0	0.0%
	Indian	17	56.7%
	Coloured	1	3.3%
	Other	0	0.0%
	Total	30	100.0%
Gender	Male	14	46.7%
	Female	16	53.3%
	Total	30	100.0%
Age	Below 20 years	0	0.0%
	20-29 years	10	33.3%
	30-39 years	13	43.3%
	40-49 years	6	20.0%
	50-59 years	0	0.0%
	60 years and over	1	3.3%
	Total	30	100.0%
Job	General Assistant	1	3.3%
	Admin/ support	11	36.7%
	Sales	2	6.7%
	Site agent	8	26.7%
	Key accounts manager	4	13.3%
	Branch / Dept manager	2	6.7%
	Senior management	2	6.7%
	Total	30	100.0%
Qual	Below Matric	3	10.0%
	Matric	5	16.7%
	Certificate	10	33.3%
	Diploma	10	33.3%
	Degree	2	6.7%
	Postgraduate degree and over	0	0.0%
	Total	30	100.0%
Service	0-1 year	9	30.0%
	2-5years	9	30.0%
	6-9years	9	30.0%
	10-15 years	3	10.0%
	Over 15 years	0	0.0%
	Total	30	100.0%

For the Race Groups, the majority of participants were Indian (56.7%) followed by African (40%) and one Coloured participant (3.3%). In terms of Gender, the majority of participants were Female (53.3%) with Males comprising 46.7%. The Age Group of the participants showed the majority were in the 30 – 39 year age group (43.3%) followed by those in the 20 – 29 year group (33.3%) and 40 – 49 years (20%). There was one participant who was 60 years and over (3.3%). The majority of participants were admin staff (36.7%) followed by site supervisors (26.7%) which represent approximately 63% of the permanent participants. Over two third (66.6%) of the respondents have certificate or diploma qualification level and 90% having below 10 years of service with the company and 60% with five years and below service.

The majority of the permanent workers are fairly young and with under six years of service. Most of the permanent workers have administrative roles and, therefore, have very limited contact between the company's clients and temporary workers. These workers will not have much insight on the effects of the labour amendments on temporary staffing and exposure to the reactions from clients, Unions and the temporary workers. They will, however, have an indication of the effects of the amendments on temporary services demand. These permanent workers will also more likely seek training from the organisation and will be assessing the stability and potential for growth within the industry.

Table 6: Demographic Profile of the Temporary Staff

		n	%
Race	African	113	75.3%
	White	5	3.3%
	Indian	24	16.0%
	Coloured	8	5.3%
	Other	0	0.0%
	Total	150	100.0%
Gender	Male	123	82.0%
	Female	27	18.0%
	Total	150	100.0%
Age	Below 20 years	0	0.0%
	20-29 years	33	22.0%
	30-39 years	70	46.7%
	40-49 years	32	21.3%
	50-59 years	15	10.0%
	60 years and over	0	0.0%
	Total	150	100.0%
Job	General Assistant	50	33.3%
	Admin/ support	25	16.7%
	Driver	30	20.0%
	Semi-skilled Artisan	30	20.0%
	Skilled Artisan	10	6.7%
	Supervisor	3	2.0%
	Total	150	100.0%
Qual	Below Matric	25	16.7%
	Matric	79	52.7%
	Certificate	30	20.0%
	Diploma	15	10.0%
	Degree	1	0.7%
	Postgraduate degree and over	0	0.0%
Total	150	100.0%	
Service	0-3 months	30	20.0%
	4-6 months	33	22.0%
	7-12 months	32	21.3%
	1-5 years	34	22.7%
	Over 5 years	21	14.0%
	Total	150	100.0%

For the Race Groups, the majority of participants were African (75.3%) followed by Indian (16%). In terms of Gender, the majority of participants were Male (82%) with females comprising 18%. The Age Group of the participants showed the majority were in the 30 – 39 year age group (46.7%) followed by those in the 20 – 29 year group (22%) and 40 – 49 years (21.3%). The majority of participants were general workers (33.3%) followed by drivers (20%) and semi-skilled artisans (20%) which represent approximately 73% of the temporary participants. Over 82% of the respondents have Matric, certificate or diploma qualification level and 86% having below 5 years' service with the company and 14% with over five years' service.

It is quite evident that the company specialises in lower skilled recruitment and employment within the logistics sector with only 26% comprising of artisans and semi-skilled artisans within the industrial (engineering and manufacturing) sector. The workforce represents 78% of workers between 30 and 60 years old. These workers are fairly experienced and will be seeking stability and growth as opposed to experience. Lengths of contracts are on average 20% for 0-3 months, 4-6 months and 2-12 months respectively. This comprises of a total of 60% of workers who are employed under a year. The majority of workers are on short term contracts or have been on consecutive short term contracts throughout their working career. The age groups of the participants coupled with their educational background and exposure within the temporary employment industry does suggest that they are quite familiar with the temporary employment industry and the changes within the environment.

5.1.4. Results and Discussion – Permanent Staff

The table below reflects the results on questions posed to permanent employees on the regulations pertaining to the labour broking industry and temporary employment in general.

Table 7: THE TES REGULATIONS

	Strongly Disagree/Disagree		Not sure		Strongly Agree/Agree		Total	
	n	%	n	%	n	%	n	%
	B1	13	43.3%	5	16.7%	12	40.0%	30
B2	16	53.3%	5	16.7%	9	30.0%	30	100.0%
B3	9	30.0%	10	33.3%	11	36.7%	30	100.0%
B4	9	30.0%	4	13.3%	17	56.7%	30	100.0%
B5	11	36.7%	3	10.0%	16	53.3%	30	100.0%
B6	5	16.7%	15	50.0%	10	33.3%	30	100.0%
B7	5	16.7%	14	46.7%	11	36.7%	30	100.0%
B8	2	6.7%	16	53.3%	12	40.0%	30	100.0%

B1- Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so. This rule will reduce temporary staffing demand

The results showed that 43.3% strongly disagreed/disagreed while 40% strongly agreed/agreed with 16.7% of the participants being unsure of the above statement. The fact that there is a very negligible difference between the two extreme responses does suggest that the permanent employees within the TES Company have very opposing views of this piece of legislation having an effect on temporary staffing demand. This also suggests that there is a mixed consensus on the stability of the company with this new legislation. This suggests that at least half the workforce views the legislation as detrimental on the TES industry and these employees will seek employment in more lucrative, stable sectors making retention a challenge for the Labour Broking industry.

B2- Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so. This rule will cause Labour Brokers to retrench staff.

The results showed that 53.3% strongly disagreed/disagreed while 30% strongly agreed/agreed with 16.7% of the participants being unsure of the above statement. Over half the workforce does not foresee any retrenchments because of this piece of legislation. This may be because they are on permanent employment and do not view the 3 month contract rule having a direct effect on their job security. Labour Brokers utilise a very small permanent staff compliment and the flexible temporary staffing turnover does not directly affect their permanent staff compliment.

B3- The new employment services bill offers free recruitment and placement of workers by government departments. This rule will put Labour Broker employees out of work

The results indicated that 30% strongly disagreed/disagreed while 33.3% strongly agreed/agreed with 36.7% of the participants being unsure of the above statement. The introduction of the employment services bill does certainly concern the permanent staff (33.3%); however, the fact that a higher amount of respondents are unsure (36.7%) may point to the fact that the bill hasn't been introduced as yet and are unsure of its effect on temporary staffing services demand. The fact that the majority feel that the bill will put TES companies out of work does suggest it will be a threat to their employment and these employees will seek employment in other industry sectors.

B4- The client and the Labour Broker are now responsible for temporary contracts by law. This law will cause clients to stop using our services

The results indicated that 30% strongly disagreed/disagreed while 56.7% strongly agreed/agreed with 13.3% of the participants being unsure of the above statement. Majority of permanent employees do consider the joint and several liabilities shared by the client and the Labour Broker having an effect TES service demand. Permanent employees may be seeing a reduction in their workload were clients are opting to do their own payroll, recruitment and other administrative functions.

B5- The law states that both contract and permanent employees must be paid the similar wages for the same or similar work. This rule will cause friction between the client and my company.

A total of 53.3% of respondents strongly agreed/ agreed with the above statement leaving a total of 37.7% who strongly disagree/agree and 10% unsure. The results shows that employees are well aware of the competitive pricing that clients are accustomed to and view this as an obstacle when negotiating fees. This does indicate that permanent staff will likely view this as a threat to their employment stability.

B6- My working conditions have improved because of the regulations

Fifty percent of respondents were unsure if their working conditions improved because of the regulations although 33.3% agreed/strongly agreed with the statement. One can conclude that the company may have made improvements or alignments on employees receiving the same pay and benefits for similar work or work of equal value. The fact that more permanent staff agree with the statement does show that the company has been forced to pay higher wages to retain these employees.

B7- The regulations makes me feel more secure in my job

The results indicated that 36.7% strongly agreed/agreed, while 46.7% were unsure and 16.7% strongly disagreed/ disagreed. Over a third of permanent employees do certainly feel more job security as the regulations did not have a direct effect on their employment status and was intended at regulating temporary employment. However, almost half of the workforce is uncertain of their job security and if this uncertainty persists the company will lose these employees to other industries. A study by Samuel and Chipunza (2009: 410-415) on the reduction of staff turnover for public and private companies, stresses that job security is one of the motivational variables that significantly influences employee retention. The majority do not feel secure in their current jobs and this is concern for the Labour Broking Industry. The permanent employees have very specialised skills and unique exposure with the clients and temps. Retaining these employees is critical to the company as these employees may leave with Clients and temps that they have already formed lasting bonds with.

B8- I have more rights now working for Labour Broker

Forty percent of respondents strongly agreed/agreed with the above statement while 53.3 % were left unsure and 6.7% strongly disagreed/disagreed. The regulations does to a certain extent protect all vulnerable employees were companies are compelled to remunerate workers the same wages for work of equal value. It is, therefore, evident that the permanent employees have benefited from some changes to their employment contract following the regulations.

Table 8 below provides analysis on feedback from permanent employees on their perception of job security and motivation within the Labour Broking industry.

Table 8: JOB SECURITY AND MOTIVATION

	Strongly Disagree/Disagree		Not sure		Strongly Agree/Agree		Total	
	n	%	n	%	n	%	n	%
	C1	8	26.7%	6	20.0%	16	53.3%	30
C2	10	33.3%	10	33.3%	10	33.3%	30	100.0%
C3	24	80.0%	4	13.3%	2	6.7%	30	100.0%
C4	10	33.3%	15	50.0%	5	16.7%	30	100.0%
C5	5	16.7%	17	56.7%	8	26.7%	30	100.0%
C6	7	23.3%	6	20.0%	17	56.7%	30	100.0%
C7	11	36.7%	2	6.7%	17	56.7%	30	100.0%
C8	5	16.7%	8	26.7%	17	56.7%	30	100.0%
C9	13	43.3%	11	36.7%	6	20.0%	30	100.0%

C1- I feel safe working for a Labour Broker

The results show that over half of the permanent respondents (53.3%) do feel safe working within the Labour Broking industry. Although the Labour Broking industry’s primary service is temporary employment the industry does hire a considerable number of permanent staff as a support functions on its offerings to its clients. The fusion of security and stability with permanent employment is obviously being acknowledged by these employees.

C2- I am happy to spend the rest of my life working for a Labour Broker

The results indicated that 33.3% strongly disagreed/disagreed, 33.3% strongly agreed/agreed and 33.3% were unsure. The fact the two thirds of the participants were unsure and are not happy to spend the rest of their life within the labour industry will more than likely look for other employment in other sectors. There is obviously a sentiment of doubt working within the industry and this is felt by permanent employees. This uncertainty of their long term security within the industry will cause them to seek employment elsewhere. Replacing an already small permanent staff compliment with experience in the industry will prove to be a challenge for the Labour Broking industry and therefore retention of these employees is critical.

C3- I do not feel part of the family in this organisation

A staggering 80% of respondents enjoy close relationships within the organisation. Permanent employment has more stable working relationships and camaraderie is formed amongst workers. The industry also provides a fixed location for these employees in the form of branches or central business support premises. Temporary employees on the contrary are exposed to changes in work environments on a constant basis. The fact that employment agencies have a very small compliment of permanent workers suggest there is a greater sense of connectivity. If these employees feel any threat to their employment, this will permeate throughout the tight knit group. It is, therefore, critical to ensure that this sense of security is felt not only on an individual basis but collectively as well.

C4- The benefits are good in this organisation

The results with regard to the above statement showed that a larger amount of respondents (50%) were unsure about their benefits being good while 33.3% have shown dissatisfaction with their benefits. The uncertainty can be attributed to the fact the most employees within the organisation are fairly young and new entrants into the working environment. The others can definitely see a difference in benefits in other industries or from past employment in other companies. Employees who seek good benefits will leave the industry for more lucrative offerings thereby having a detrimental effect on staff turnover. A study by Chew (2005: 87-104) on employee

retention in Malaysian institutions supports the fact that HRM activities such as salary and compensation and fringe benefits are integral to employee retention.

C5- I have a bright future working for the Labour Broker

Over half the respondents were unsure (56.7%) of their future being bright working for a Labour Broker while 26.7% do see a bright future. It is concerning that over half the respondents are unsure if they have a future within the industry. This negative outlook will certainly force employees to look for other opportunities that present a more positive outlook for their working career to the detriment of the company's retention targets.

C6- There are lots of opportunities for promotion working through a Labour Broker

The results showed that 56.7% of participants strongly agree/agree that there are lots of opportunities for promotion while 23.3% strongly disagree/ disagree and 20% are unsure. The fact that Labour Brokers have a small permanent staff compliment will mean that there will be a greater chance of securing employment that are advertised internally. It must also be noted that Labour Brokers do not extend these internal vacancies to their temporary employees. Opportunities for growth and promotion will certainly stabilise employee retention.

C7- The Company involves me when they make decisions on my job

A greater amount of respondents (56.7%) strongly agree/agree with the above statement and over two third of the respondents strongly disagree/ disagree while 6.7% are neutral on this point. It is quite evident that the company does involve its employees on decisions in their jobs. However, the two thirds that disagree may be attributed to the fact that the agency hires small numbers of permanent staff that are often subjected to multitasking or cross functional activities during fluctuations in temporary staff demand or unforeseen absenteeism. Studies into employee retention suggest that employees try harder and are easily retained when they know the organisation is open to new ideas (Council, 2004; Samuel and Chipunza,2009).

C8- The Labour Broker recognises my good work

Most respondents strongly agree/agree (56.7%) with the above statement. Permanent employees are in charge of a selected number of clients to service or administrate. The satisfactory levels of these clients are measured by the quality of service from the Labour Brokers permanent employee. Labour Broker management interacts with clients constantly and can very quickly recognise good effort by their employees on client feedback. Recognition is an important factor that helps with employee retention. However, there is still a significant percentage (43.3%) of permanent workers who are unsure or do not feel that their efforts are being recognised.

C9- The salary is good in this organisation

The result indicated that 43.3% of the participants strongly disagreed/ disagreed, 36.7% were unsure and 20% strongly agreed/ agreed with their salary being good. It is therefore quite evident that the salaries offered by the Labour Broking company are not competitive in comparison to other industry offerings. This will pose retention challenges as employees gain experience and increase their employability. A study by Chew (2005: 87-104) on employee retention already mentioned supports the fact that HRM activities such as salary and compensation and fringe benefits are integral to employee retention.

The table below show the results on social and political factors on permanent employees.

Table 9: SOCIAL AND POLITICAL FACTORS

	Strongly Disagree/Disagree		Not sure		Strongly Agree/Agree		Total	
	n	%	n	%	n	%	n	%
D1	18	60.0%	2	6.7%	10	33.3%	30	100.0%
D2	23	76.7%	6	20.0%	1	3.3%	30	100.0%
D3	22	73.3%	4	13.3%	4	13.3%	30	100.0%
D4	16	53.3%	8	26.7%	6	20.0%	30	100.0%
D5	17	56.7%	9	30.0%	4	13.3%	30	100.0%
D6	25	83.3%	3	10.0%	2	6.7%	30	100.0%
D7	26	86.7%	3	10.0%	1	3.3%	30	100.0%

D1- The Labour Brokers have a bad reputation in the country

Sixty percent of respondents are unhindered by the negative publicity of the Labour Broking industry in the media or by unions. The results also reflect that 33.3% strongly agree/agree and a mere 6.7% are unsure. It is, therefore, quite evident that the permanent employees see value in Labour Broking. The negative reputation of the industry is most felt when interacting with client employees and Unions who are against the practice of Labour Broking. It can be based on these interactions that a third of permanent staff (33.3%) do feel that Labour Broking does have a bad reputation. Chun (2005: 91-109) looked into corporate reputation and the study asserts that corporate reputation increases customer and employee satisfaction which in turn helps in the retention of employees and customers.

D2- I am intimidated by permanent workers employed by the client

The results show a huge percentage of respondents (76.7%) strongly disagree/disagree that they are intimidated by permanent workers of the client. Twenty percent were unsure with only 3.3% agreeing with the above statement. The fact that most permanent employees of the Labour Broker are not intimidated by client's employees is because their interaction with them is fairly limited. The 3.3% in agreement does point to the fact that there is some intimidation even with workers employed permanently by the Labour Broker. These workers will most likely be key accounts managers and site agents that deal directly with client employees, unions and temporary workers at the client premises. These workers are the face of the Labour Broking industry and are integral in maintaining client satisfaction. The loss of these workers because of intimidation will be detrimental to the agencies profitability and customer satisfaction.

D3- My family and friends do not like me working for a Labour Broker

The results indicated that 73.3% of respondents strongly disagree/disagree, 13.3% are unsure and 13.3% strongly agree/agree with the above statement. It is quite evident that there is not much external pressure from family and friends. This may be attributed to the fact that these employees are on permanent jobs and are not directly affected by changes to temporary employment. However, there is some pressure from family and friends to leave the Labour Broking industry (13.3%) because of the negative publicity already advertised in the media and union strikes

calling for the ban of Labour Broking. Families and friends who are concerned about the safety of these workers will persuade them to leave the industry. The fact that the majority of these workers are young, they will be more susceptible to influence from their family and friends.

D4- The unions are against me because I work for a Labour Broker

Most of the respondents do not feel any pressure from Unions (53.3%), although 20% do agree with the above statement. One can conclude that employees who are in human resource departments or operational positions do feel some resistance from Unions however the majority will not leave the Labour Broking industry because of union intimidation.

D5- I am afraid that the Labour Broking regulations is going to cause more job losses

The results on the above statement reflect that 56.7% of respondents strongly disagree/disagree, 30% are unsure and 13.3% strongly agree/agree. Permanent employees do not necessarily see job losses internally; however, there is evidence of some employees that foresee job losses and will seek employment in more stable industries. Decreasing staffing demand will further influence the remaining 30% who are unsure to seek other opportunities.

D6- I feel exploited working for the Labour Broker

A large number of respondents do not feel exploited working for a Labour Broker (83.3%). This is due to the fact that they are on permanent employment with considerable benefits. One can conclude that the company will not experience major challenges retaining these permanent employees on the basis of exploitation.

D7- I tell outsiders that this Labour Broking Company is not a good place to work

A total of 87.6% of respondents do not tell outsiders that the Labour Broking company is not a good place to work. It is evident that the permanent workers do not view the company or its activity negatively.

The following table compares feedback from permanent employees on their perception on the value and future of Labour Broking in South Africa.

Table 10: VALUE AND FUTURE OF LABOUR BROKING IN SOUTH AFRICA

	Strongly Disagree/Disagree		Not sure		Strongly Agree/Agree		Total	
	n	%	n	%	n	%	n	%
	E1	29	96.7%	1	3.3%	0	0.0%	30
E2	5	16.7%	8	26.7%	17	56.7%	30	100.0%
E3	28	93.3%	2	6.7%	0	0.0%	30	100.0%
E4	1	3.3%	2	6.7%	27	90.0%	30	100.0%
E5	0	0.0%	2	6.7%	28	93.3%	30	100.0%
E6	0	0.0%	3	10.0%	27	90.0%	30	100.0%

E1- They should ban Labour Brokers

Almost the entire group of respondents are against the ban of Labour Broking (96.7%). It should be noted that the results reveal the remaining 3.3% as unsure. It is, therefore, unquestionable that the permanent employees see value in the practise of Labour Broking. This view can be interpreted that employment whether temporary or permanent in nature is viewed as work for the unemployed. Permanent workers have first-hand experience through interacting with work seekers that walk through the companies' doors seeking employment. The fact that permanent workers see social significance in their jobs, they will not leave the industry because of this.

E2- I see lots of benefits in Labour Broking

The results showed the 56.7% see lots of benefits in Labour Broking. Permanent employees are better equipped to understand the value of Labour Broking services for the clients who need staffing flexibility to remain competitive. The permanent workers also view the benefits in their own employment and the benefits to both temporary workers and clients. The model of Labour Broking is, therefore, seen as valuable and employees will be easily retained if this value permeates through all of the misconceptions around Labour Broking.

E3- Labour Brokers should close down because they exploit the workers

A total of 93.3% of respondents strongly disagree/ disagree with the statement above. Although permanent workers may have some concern of the current situation within the Labour Broking industry or their personal employment contracts, they undeniably do not see Labour Broking as exploitative.

E4- There will always be a need for Labour Brokers in the future

The result of 90% of respondents feeling that there will always be a need for Labour Brokers indicates that they do see a value and future for Labour Broking in South Africa. However, the value they perceive compared to the negative perceptions of the industry will be the determining factor as to whether they intend staying with the Labour Broker industry.

E5- Our clients value Labour Broking services

A majority of respondents (93.3%) see the value clients enjoy through Labour Broking services. It is evident that flexibility and on time staffing services are beneficial for clients. The permanent employees who see customer value will view their jobs as beneficial. This mind-set is instrumental in retaining the permanent employees within the Labour Broking sector. The value of Labour Brokers to clients can be seen in a study by Houseman et al. (2003: 105-127) into the role of temporary agencies in Labour markets. The findings of the study were that the use of agency temporaries in low-skill occupations relieved pressure on companies facing tight labour markets.

E6- Work seekers need Labour Brokers to find work

The fact that 90% agree that work seekers need Labour Brokers to secure work, indicates that most permanent workers do not have confidence in any other system of securing employment. The value of the industry with regard to job creation will certainly help guarantee its required retention levels within industry. However, this value to workers needs also extend to clients, unions and the general population as a whole. The fact the permanent employees view Labour Broking as fundamental for securing employment suggests they will consider this a factor in a decision to remain within the industry.

Table 11 below reflects the responses to 6 questions posed to permanent employees to ascertain their intention to either leave or stay within the labour broking industry.

Table 11: INTENTION TO LEAVE/ STAY

	Strongly Disagree/Disagree		Not sure		Strongly Agree/Agree		Total	
	n	%	n	%	n	%	n	%
	F1	4	13.3%	11	36.7%	15	50.0%	30
F2	6	20.0%	13	43.3%	11	36.7%	30	100.0%
F3	9	30.0%	11	36.7%	10	33.3%	30	100.0%
F4	5	16.7%	11	36.7%	14	46.7%	30	100.0%
F5	8	26.7%	7	23.3%	15	50.0%	30	100.0%
F6	19	63.3%	6	20.0%	5	16.7%	30	100.0%

F1- I see a successful future for myself working for a Labour Broker

The results indicated that 50% of respondents do see a successful future working within the Labour Broking industry with 36.7% unsure and 13.3% on the statement above. It is evident that the majority of permanent respondents do see a future within the industry. This outlook will definitely assist the company in retaining its permanent staff compliment. However, the remaining 50% will be a challenge considering the permanent staff compliment within the industry is fairly small and specialised.

F2- I want to remain in the Labour Broking industry

A larger number of respondent were unsure (43.3%)of whether they want to remain in the Labour Broking industry although 36% seem certain of remaining in the industry. The 43.3% of uncertainty amongst the participants points to the fact that there still exists a considerable uncertainty of the impact of the regulations on temporary employment, its clients and the TES companies as a whole. The viability of the Labour Broking service and its long term reputation amongst business, the unions and the general population as a whole will have an influence on these employees who are uncertain of their future within the industry.

F3- I am looking for a job outside the Labour Broking industry

The results indicated that 30% strongly disagreed/disagreed, 33.3% strongly agreed/agreed and 36.7% were unsure if they were looking for job opportunities outside the Labour Broking industry. There seems to be an even distribution of views regarding their future plans. The fact that 70% of the participants are either unsure or looking for other opportunities does point to some concern for the Labour Broking industry. Participants who are unclear on their future are more likely experiencing a degree of instability and uneasiness in their current positions.

F4- The Labour Broker will keep me working continuously

The results show that 46.7% of participants view Labour Brokers as providers of stable employment, while 36.7% are unsure and 16.7% strongly disagree/disagree. Once more this statistic shows a high number of participants (36.7%) who are doubtful that the Labour Broker can keep them employed continuously. In addition the 16.7% of participants which do not feel that employment within the industry is sustainable can have a significant impact on employee retention for the Labour Broking industry.

F5- I am looking for a more stable job

Fifty percent of participants are looking for a more stable job which indicates that the permanent employees do see instability within the industry. Their reaction to this statement undoubtedly means that stability and security is of utmost importance to these employees.

F6- The Labour Broking issues is making me look for another job

The result of the above statement shows that a small percentage of employees (16.7%) are considering alternate work because of the volatility of the Labour Broking industry. The fact that 63.3% have no intention of securing alternate work means that the industry will be able to retain the majority of its staff even through these challenging times. The impact of the regulations and TES demand in the future will be the determinant on the majority who intend staying within the industry.

5.1.5. Results and Discussion – Temporary Staff

The results from the survey with temporary employees are presented on Tables 12 to 16. Table 12 below compares feedback on the temporary employment services (TES) regulations and the level of employee agreement or disagreement.

Table 12: THE TES REGULATIONS

	Strongly Disagree/Disagree		Not sure		Strongly Agree/Agree		Total	
	n	%	n	%	n	%	n	%
	B1	23	15.3%	36	24.0%	91	60.7%	150
B2	90	60.0%	25	16.7%	35	23.3%	150	100.0%
B3	104	69.3%	41	27.3%	5	3.3%	150	100.0%
B4	43	28.7%	23	15.3%	84	56.0%	150	100.0%
B5	33	22.0%	31	20.7%	86	57.3%	150	100.0%
B6	69	46.0%	17	11.3%	64	42.7%	150	100.0%
B7	91	60.7%	19	12.7%	40	26.7%	150	100.0%
B8	21	14.0%	29	19.3%	100	66.7%	150	100.0%

B1- Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so. This rule will put me out of a job.

The results indicated that out of 150 respondents that were employed on a temporary basis 15.3% strongly disagreed/disagreed, 24% were unsure and 60.7% strongly agreed/ agreed on the above statement. Most temporary employment contracts before the regulation were open ended contracts lasting anywhere from three months to ten years through TES companies without any validation for the period of contract. This regulation on periods of contracts of contracts being restricted to only three months does threaten contract workers on extended contracts. There is evidence of contract workers whose contracts ended because of this rule causing this sentiment amongst the majority (60.7%) temporary employees.

B2- Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so. This rule will make me get a permanent job with the client of the Labour Broker

The results showed that 60% strongly disagree/ disagree, 16.7% were unsure and 23.3% strongly agree/agree that the 3 month regulation will secure them permanent employment with the client of the Labour Broker. These percentages can infer that only 23.3% of temporary employees do secure permanent jobs while the remainder was not been given any indication of their contracts being extended or offer of permanent employment. The costs associated with permanent employment are substantial and it is highly unlikely that businesses will convert all temporary positions into permanent employment. The fact that the regulations were intended to encourage permanent employment; this consequence is certainly not being reported by the temporary employees. Employees who cannot see this conversion will seek employment in other sectors that offer more job security.

B3- The new employment services bill offers free recruitment and placement of workers by government departments. I am happy to find a job through a government department instead of the Labour Broker.

The majority of respondents (69.3%) are against the Employment Services Bill as they will need to secure employment through government institutions. There is consensus amongst these employees that they will not receive the same degree of attention or service from a government institution. Most government run departments are constantly under the radar because of service delivery or the lack thereof; and therefore it is unlikely that the employment services bill will run as it is anticipated. However, should the Employment Services Bill become effective the Labour Broking industry will lose skilled workers through placements via government institutions.

B4- The client and the Labour Broker are now responsible for my contract by law. The Labour Broker cannot end my contract easily because of this law

The results reflect the view that the majority of respondents (56%) were in agreement that the Labour Broker cannot end their contracts easily because of the joint and several liability law. The regulation does give employees recourse on unfair dismissals however this in turn drives clients to either run their own temporary contracts or keep Labour Broking contracts under strict regulation. This will cause

temporary employment demand through Labour Brokers to reduce significantly. Labour Brokers will have challenges retaining scarce skills if they cannot keep these workers constantly employed.

B5- The law states that both contract and permanent employees must be paid the same wage for the same work or work of equal value. This rule will make the Labour Broker pay me a better wage.

The results indicated that 57.3% strongly agree/ agree, 15.3% were unsure and 22% of the respondents strongly disagreed/ disagreed with the above statement. It is quite evident that the majority of respondents have seen an improvement in their wage because of the section 138D amendment on equal treatment in the LRA. This rule although positive, effectively compels clients to match salary and benefits to workers who are permanent employed by them. This will increase the cost associated with temporary employment or temporary employment services. Clients will either take on temporary workers permanent or end temporary contracts altogether. It is however highly unlikely that those clients will convert all temporary contracts into permanent positions because of the cost implications and the fact that temporary work is temporary in nature which does not warrant permanent employment. However, improved salary offerings by the Labour Broker will encourage employee retention.

B6- My working conditions have improved because of the regulations

There was a mixed consensus on the above statement with 46% of respondents who strongly disagreed/disagreed, 11.3% were unsure and 42.7% agreed/ strongly agreed with regulations improving working conditions. These varied views may be attributed to the fact that although clients and Labour Brokers are required to abide by the regulations, the demand for temporary staffing may have reduced. More pressure from Unions may have contributed to the working conditions being better or its deterioration. The majority of employees will look for more stable work if clients and unions constantly resist temporary employment through Labour Brokers.

B7- The regulations makes me feel more secure in my job

The majority of respondents (60.7%) do not feel secure because of the regulations. The regulations was intended to safeguard the vulnerable and regulate temporary

employment; however it has reduced temporary staffing demand and increased unemployment amongst the very workers they were intending to safeguard. This sense of insecurity will force temporary workers to leave the Labour Broking industry as clients move towards in house recruitment. Wilthagen and Tros (2004: 166-186) stressed the growing need for regulating flexible employment and the enhancement of job security (*Flexicurity*). This imbalance between flexibility and job security amongst temporary workers will affect adversely on employee retention.

B8- I have more rights now working for Labour Broker

Most respondents (66.7%) conceded that they do enjoy more rights after the regulations were promulgated. This is clear evidence that the regulations have improved working conditions for temporary workers through Labour Brokers. With the introduction of these regulations, protection does exist for employees who have secured permanent jobs or those who were lucky enough to retain their temporary employment status. Retaining employees will be challenging for the Labour Broking Industry when workers are being offered permanent opportunities by the client or the Labour Broker experiences a reduction in temporary service demand. Results on job security and motivation from temporary employees are presented in Table 13 below.

Table 13: JOB SECURITY AND MOTIVATION

	Strongly Disagree/Disagree		Not sure		Strongly Agree/Agree		Total	
	n	%	n	%	n	%	n	%
	C1	107	71.3%	30	20.0%	13	8.7%	150
C2	89	59.3%	41	27.3%	20	13.3%	150	100.0%
C3	90	60.0%	15	10.0%	45	30.0%	150	100.0%
C4	147	98.0%	0	0.0%	3	2.0%	150	100.0%
C5	1	0.7%	1	0.7%	148	98.7%	150	100.0%
C6	118	78.7%	27	18.0%	5	3.3%	150	100.0%
C7	27	18.0%	14	9.3%	109	72.7%	150	100.0%
C8	0	0.0%	0	0.0%	150	100.0%	150	100.0%
C9	95	63.3%	21	14.0%	34	22.7%	150	100.0%
C10	114	76.0%	28	18.7%	8	5.3%	150	100.0%
C11	108	72.0%	33	22.0%	9	6.0%	150	100.0%
C12	73	48.7%	33	22.0%	44	29.3%	150	100.0%
C13	89	59.3%	37	24.7%	24	16.0%	150	100.0%
C14	101	67.3%	18	12.0%	31	20.7%	150	100.0%

C1- I feel safe working for a Labour Broker

Over two third (71.3%) of respondents do not feel safe working for a Labour Broker, 20 % were unsure and 8.7% agreed with the above statement. Labour Broking contracts are temporary in nature and naturally will not offer any substantial stability although it does abide by basic conditions of employment and other statutory requirements. The regulations have reduced the temporary duration of contracts even further creating an element of insecurity amongst temporary workers. This sense of insecurity will definitely drive workers to find employment in more stable environments.

C2- I feel I can finally secure a permanent job working through a Labour Broker

The results show that 59.3% of the respondents do not feel that they can secure a permanent job with the client working through a Labour Broker. Although the regulations were intended to encourage permanent work most clients using Labour Brokers have not converted these contracts into permanent positions. Temporary workers will seek opportunities with companies that offer permanent work as clients resist the conversion of all contract employment to permanent employment.

C3- I am happy with the wage I am getting from the Labour Broker

Sixty percentage of contract workers are satisfied with the wage they are receiving through the Labour Broker. This can be attributed to the equal treatment law and the fact that most Labour Brokers are bound into complying with the regulations of the bargaining councils within the industries they supply staffing. Employees will remain within the Labour Broking sector simply because there is less exploitation in this regard.

C4- I prefer working on a temporary basis

Almost all the respondents (98%) unequivocally prefer permanent employment to contract employment. The fact that permanent employment offers stability and security, the Labour Broking industry will constantly have challenges in retaining contract employees. These contract employees may remain in the industry to gain experience and exposure but will move on onto a more permanent employment structure.

C5- It is hard to find a permanent job therefore I am working through a Labour Broker.

Almost all the respondents (98.7%) primarily work for Labour Brokers because they cannot secure permanent work. The current economic climate in South Africa cannot afford permanent employment for all job seekers. With unemployment rates up to 26% it is highly unlikely that businesses can absorb all of these work seekers therefore temporary work seems the only viable option. Temporary staffing companies will always have the availability of temporary workers. The challenge will be retaining them as they become more employable, experienced and seek more stable employment.

C6- I will be happy to spend the rest of my life working for a Labour Broker

The results show that 78.7% of respondents are not happy to spend the rest of their working careers working for Labour Brokers while 18% were unsure and 3.3% in agreement. One can conclude that the nature of temporary employment offered by Labour Brokers is not seen as sustainable employment by the majority of respondents. These employees will definitely look out for better opportunities.

C7- I do not feel part of the family working for the Labour Broker

The majority of respondents (72.7%) do not feel part of the family working for the Labour Broker. Although the Labour Broker takes care of the HR and IR issues around the employment contract, the client is responsible for the delivery of instructions and other operational issues. There is, therefore, a closer relationship between the client's management and staff than those of the Labour Broker. This limited interaction disregards the social interaction that people in general seek with a company in order to be retained (Maslow's Hierarchy of Needs may apply). This lack of community amongst Labour Broking employees will make employees feel abandoned causing these employees to migrate to companies that offer more social integration.

C8- I prefer permanent work rather than contract work

All of the respondents (100%) indisputably agreed that they do prefer permanent work to contract work. The fact that most employees essentially seek the security in permanent work does pose challenges to the Labour Broking industry in retaining

their experienced and skilled temporary employees. The results supports the study by Booth et al. (2002: 189-213) which looked at temporary workers in Britain in the 1990's. The study confirmed that temporary jobs are generally not desirable when compared to permanent employment. Temporary workers have lower levels of job satisfaction, receive less training and are less well-paid.

C9- The benefits are good in this organisation

With regards to benefits most respondents strongly disagreed/ disagreed that the benefits offered by the Labour Broker was good. Only 22.7% agreed on this. The 22.7% may be employees falling under the jurisdiction of bargaining councils that offer social benefits for example pension, funeral, bonus benefits and so on. A study by De Cuyper (2008: 25-51) on the psychological effect of temporary employment in Canada and Australia, findings were the increased use of temporary contracts has affected employees' attitudes, well-being and behaviour because of the absence of entitlements, benefits and lack of protection. The fact that most agencies do not offer pension and medical aid because of the limited duration of contracts does place them at a disadvantage in comparison to other sectors. Most workers seek the security of social benefits as they progress in their working careers and will, therefore, leave the Labour Broker for benefits and future security.

C10- I have a bright future working for the Labour Broker

The majority of respondents (76%) do not see a bright future working for Labour Brokers. It is felt more intensely amongst temporary workers who seem to seek security over and above diversity and salary. Retaining these employees through security will be a challenge for the Labour Broking Industry when clients dictate lengths and terms of contracts.

C11- There is lots of opportunities for promotion working through a Labour Broker

Seventy two percent of respondents do not see opportunities for promotion. This is as a result of temporary workers not falling under the direct supervision of the Labour Broker. Their work performance can only be seen by the client who either recognises it or the contracts are too short for any form of promotion. The fact that most labour agencies do not have a system of performance management for temporary staffing

makes it difficult to recognise and reward good performance. Temporary workers like most people have an inherent need for recognition from their employers. If this need is not met workers will seek it in other sectors where they feel valued.

C12- The Company involves me when they make decisions on my job

The majority of respondents (48.7%) do not agree with the above statement. This is owed to the fact that decisions of lengths of contracts, salary, benefits and terminations are dictated by the client and not the broker. Most decisions therefore are not negotiable as the agency is subjected to its client authority to maintain their service and client satisfaction. These employees who do not have a voice regarding their employment status or union representation will look for opportunities where there is communication and collectivism on employment decisions.

C13- The Labour Broker recognises my good work

The results indicate that 59.3% of respondents do not feel that the Labour Broker recognises their work. This is again due to the fact that the Labour Broker is not directly involved in the supervision of the employees and the broker seldom uses a system of performance management with temporary workers. Site agents on the other hand do have a relationship on a level where they can assess reliability and feedback of certain employees from the clients they service. These employees will be used by the agency on a more regular basis which is evident in the 29.3% of temporary respondents who do feel that their good work is recognised. However, recognition of attendance or reliability alone is inadequate to retain workers who seek career advancement.

C14- The salary is good in this organisation

A larger percentage of respondents (67.3%) do not feel that the salary is good at the Labour Broker. This may be because most labour agencies abide by bargaining councils minimum rates per job category. Without a system of performance management in place good workers are still restricted to earning these minimum rates. Employees seek recognition for their efforts and will naturally seek better rewards for their efforts. Workers who cannot see an improvement in their packages for hard work will look for opportunities where there is more focus on employee performance and reward. The study of Kalleberg et al. (2000: 256-278) looked into

labour from temporary agencies in 1995 in the United States and concluded that 31% of workers are on temporary jobs with low pay and the absence of health and pension benefits. The authors conceptualized this type of employment as “bad jobs”. The following table presents the results from temporary workers on their perception of social and political factors affecting employee retention within the TES industry(Table 14).

Table 14: SOCIAL AND POLITICAL FACTORS

	Strongly Disagree/Disagree		Not sure		Strongly Agree/Agree		Total	
	n	%	n	%	n	%	n	%
	D1	5	3.3%	21	14.0%	124	82.7%	150
D2	75	50.0%	6	4.0%	69	46.0%	150	100.0%
D3	64	42.7%	27	18.0%	59	39.3%	150	100.0%
D4	22	14.7%	28	18.7%	100	66.7%	150	100.0%
D5	25	16.7%	29	19.3%	96	64.0%	150	100.0%
D6	64	42.7%	18	12.0%	68	45.3%	150	100.0%
D7	49	32.7%	33	22.0%	68	45.3%	150	100.0%

D1- The Labour Brokers have a bad reputation in the country

The results showed that 82.7% of respondents strongly agree/ agree that Labour Brokers have a bad reputation in the country. Only 3.3% disagreed about this. There has been considerable focus on Labour Brokers, strikes against the practice of Labour Broking and negative publicity and perceptions of Labour Broking. The temporary employees are most exposed to union activity, negative media reports and the defamation of Labour Brokers. This in itself indicates the disrepute of Labour Broking companies. The fact that they are employed within an industry with a bad reputation, workers will not want to be part of this disrepute at work and in their social settings. This will create retention challenges for the company to retain and attract workers to the industry.

D2- I am intimidated by permanent workers employed by the client

Fifty percent of respondents were not intimidated by their permanent counterparts employed by the clients of Labour Brokers. However, a very close 46% were intimidated. The results show that at least half of these temporary employees are

subjected to intimidation in the workplace. Most temporary workers work in highly unionised environments. Permanent workers may also feel threatened on their own job security when the clients introduce contract staffing. These tensions are a recipe for friction and disparity amongst these workers. The fact that workers are on different employment contracts and different employers causes a division between temporary and permanent workers. Sites that are not highly unionised or lack volume would feel lesser intimidation as expressed by some temporary workers. Intimidation speaks to the heart of employee satisfaction and motivation. Employees will leave the industry if their work environments have coercive or threatening encounters.

D3- My family and friends do not like me working for a Labour Broker

Temporary employees do experience pressure from family and friends (39.3%) not to work for Labour Brokers, although an almost equivalent percentage (42.7%) do not experience much pressure from family and friends. Unemployment in South Africa is high and employment therefore becomes a luxury with limited choices for employment environments. The fact that family and friends discourage employment with Labour Brokers during tough economic times points to the degree of negativity towards the industry. Employees who feel this pessimism by those closest to them will obviously seek employment in other sectors to maintain their self-esteem and personal reputation.

D4- The unions are against me because I work for a Labour Broker

The results show that 66.7% of temporary respondents strongly agree/ agree that unions are against them because they work for a Labour Broker. A Union's primary mandate is to recruit union members besides addressing the injustices of employment relationships. The fact that Labour Brokers discourage union association and holds temporary employees' future assignments as ransom for union participation causes friction between unions and temporary workers. Heery (2004: 434-450) asserts that Labour agencies poses a challenge for British trade Unions on acceptance of labour agencies as legitimate labour market players. Trade Unions responses to labour agencies were exclusion, replacement or regulation of labour agencies. This tension will extend beyond the workplace to their social environments and discourage temporary workers from working for Labour Brokers. Workers in most industries are used to the culture of collective bargaining. The absence of this

right will cause temporary employees to seek employment were they have a united voice.

D5- I am treated unfairly compared to the permanent workers

There is significance evidence of disparity (64%) between permanent and temporary workers. Temporary workers seldom receive social benefits such as pension and medical aid. Their salaries in most cases are not aligned to permanent employee's salaries because the law allows for justifiable reasons for unequal treatment for example merit, seniority and length of service. However, earnings which are unequal when temporary workers' performance outweighs the permanent staff will cause dissatisfaction and outrage amongst temporary workers. The absence of a system of performance management and reward affects employee motivation and satisfaction. This will cause them to look at other opportunities outside the Labour Broking sector.

D6- I feel exploited working for the Labour Broker

The results show that 45.3% of respondents do feel exploited working for a Labour Broker, while 42.7% disagree/strongly disagree. Exploitation may not necessarily point to salary or benefits. It can be the nature or conditions of the temporary contract. Some employees are on flexible contracts through Labour Brokers which basically means work on an as and when needed basis. Fixed term Employment contracts have in most cases been reduced to 3 months. Employees are sent to various clients in various geographical locations for employment at short notice. These factors can be frustrating for these employees and, therefore, feel a sense of exploitation. This therefore affects employee satisfaction and will leave the industry to more stable work environments.

D7- I tell outsiders that this Labour Broking company is not a good place to work

The majority of temporary workers (45.3%) communicate to others their dissatisfaction working within the Labour Broking industry as opposed to 32.7%. It is a combination of frustration, the instability of contract work coupled with the external pressures from Unions, permanent workers and family members that make working for a Labour Broker undesirable. This negative sentiment felt by these workers and the fact that they discourage other workers seeking employment will pose challenges

for the Labour Broking company to attract skills to the industry. The value and future of labour broking amongst temporary employees is presented in table 15 below.

Table 15: VALUE AND FUTURE OF LABOUR BROKING IN SOUTH AFRICA

	Strongly Disagree/Disagree		Not sure		Strongly Agree/Agree		Total	
	n	%	n	%	n	%	n	%
	E1	66	44.0%	30	20.0%	54	36.0%	150
E2	16	10.7%	20	13.3%	114	76.0%	150	100.0%
E3	74	49.3%	12	8.0%	64	42.7%	150	100.0%
E4	54	36.0%	45	30.0%	51	34.0%	150	100.0%
E5	11	7.3%	13	8.7%	126	84.0%	150	100.0%
E6	36	24.0%	31	20.7%	83	55.3%	150	100.0%

E1- They should ban Labour Brokers

The results indicated that a higher percentage of respondents (44%) were against the banning of Labour Brokers although 36% feel the contrary. The results do indicate that most employees do see value in Labour Broking. Labour agencies do provide much needed work to most work seekers. There are very limited avenues to secure employment and if such opportunities do exist they are usually done through Labour Brokers. Most temporary workers may not be happy with the nature of their contracts; however, they do concede that TES companies are valuable for job creation.

E2- I want to work directly with the client of the Labour Broker

Seventy six percent of respondents prefer working with the client of the Labour Broker. Employment with the client will mean permanent employment, more benefits and room for advancement within the organisation. There is a more interactive working relationship between temporary workers and the client’s employees. Temporary employees see more value working for the client directly and if clients were to do their own recruitment like some companies, Labour Brokers will lose these temporary workers to permanent work. If this trend continues labour agencies will be scrambling for work and skilled human capital in the future.

E3- Labour Brokers should close down because they exploit the workers

The results indicated that 49.3% strongly disagree/ disagree, 8% were unsure and 42.7% strongly agree/ agree that Labour Brokers should close down because they exploit staff. Although a greater percentage of workers are of the opinion that Labour Brokers shouldn't close down there seems to be a significant percentage that do feel that Labour Brokers should close down. This is indicative of Labour Broking being seen by temporary employees as an obstacle to employment directly with the client of the Labour Broker.

E4- There is no need for Labour Brokers in South Africa

A greater percentage (36%) of temporary respondents feels that there is a need for Labour Brokers. However, an almost equal number of temporary employees (34%) do not see a need for Labour Brokers. Temporary employees see a need for Labour Broking for employment but do not, however, see a need for Labour Broking after they have secured work. They see Labour Brokers as recruiters but not employers. The Labour Broking industry will have no challenge in recruiting work seekers; however, retaining them on their contract will be a challenge.

E5- Labour Broking industry is important because they find jobs for people

Eighty four percent of respondents see importance in Labour Broking because of their primary purpose of securing employment for work seekers. This is an indication of the value seen of Labour Broking by temporary workers. As mentioned above workers see value in the recruitment service but do not want to work as employees of these agencies.

E6- Labour Brokers take money which is due to me

A greater percentage of temporary workers (55.3%) do feel that Labour Brokers take a portion of their income. This mind-set if not addressed can further tarnish the reputation of Labour Broking. Employees feel cheated and will either cause friction or voice their dissatisfaction with the client. This can frustrate clients who already have to deal with their permanent staff demands. People will always feel deceived when there is a middle player and this role is quite evident in Labour Broking. Employees will look for other opportunities as they more employable. Even if this view from employees is a misconception, Labour Brokers will find it challenging to clear this

misconception unless they adopt more transparency with their employees as they do with their clients. This is done by insurance brokers and estate agencies who divulge their commission percentages to achieve transparency and credibility with their clients.

Temporary employees were finally asked to answer questions pertaining to their intention to leave or stay in the employ of the labour broking industry. Table 16 reflects the results.

Table 16: INTENTION TO LEAVE/ STAY

	Strongly Disagree/Disagree		Not sure		Strongly Agree/Agree		Total	
	n	%	n	%	n	%	n	%
	F1	97	64.7%	32	21.3%	21	14.0%	150
F2	114	76.0%	28	18.7%	8	5.3%	150	100.0%
F3	15	10.0%	17	11.3%	118	78.7%	150	100.0%
F4	112	74.7%	27	18.0%	11	7.3%	150	100.0%
F5	3	2.0%	5	3.3%	142	94.7%	150	100.0%
F6	10	6.7%	29	19.3%	111	74.0%	150	100.0%

F1- I see a successful future for myself working for a Labour Broker

The results showed that 64.7% of respondents did not see a successful future working for a Labour Broker, 21.35% were unsure and 14 % do see a successful future. The majority of temporary workers do not see any future in temporary work and will leave the industry for more permanent offerings.

F2- I want to remain in the Labour Broking industry

Seventy six percent of respondents have no intention of remaining within the industry. This will ultimately mean a significant loss of these workers to other industries that provide more stable employment.

F3- I am looking for a job outside the Labour Broking industry

The majority of the respondents (78.7%) are looking for employment outside the Labour Broking industry. It seems the only reason the industry has managed to retain these workers is because of the current unemployment rate in South Africa.

When employment increases or employees become more skilled, they will migrate to more lucrative industries.

F4- The Labour Broker will keep me working continuously

The majority of the respondents (74.7%) strongly disagree/ disagree that the Labour Broker will be able to provide them with sustainable employment. The mere fact that the Labour Broking industry cannot offer sustainable employment will always present challenges when retaining scarce skills within the industry.

F5- I am looking for a more stable job

The results showed that 94.7% of respondents are in seek of a more stable job. It seems almost impossible for the Labour Broker to retain employees without giving them some assurance of permanence or stability in employment.

F6- The Labour Broking issues is making me look for another job

Seventy four percent of respondents are looking for alternate employment outside the Labour Broking industry. This is indicative of the volatility around Labour Broking, the instability of contract work and the negative reputation that has mottled the Labour Broking industry.

5.1.6. Conclusion

These results showed the socio– economic profile of the respondents that were both permanently and temporarily employed by within the Labour Broking industry. It presented responses to questions outlined in the survey questionnaire with analysis on the broker regulations, social factors, job security and retention. An analysis of the temporary workforce survey results on all sections in the questionnaire was presented.

5.2. Statement of Results - Phase 2- Interviews

5.2.1. Introduction

The primary purpose of Phase 2 is the use of semi structured interviews on a preselected group of temporary and permanent employees to explore a deeper understanding, feelings and perspectives of the questions from the results of the quantitative research. This section therefore deals with the analysis of data obtained through open ended questions for both temporary and permanent employees. This also assisted in increasing the reliability of the responses specifically with the temporary employees which reflected a low reliability in the phase one analysis.

Questions from both temporary and permanent questionnaires were selected per sub section and each question was structured in a three part format as listed below. The use of probing questions was also used dependent on the responses received.

A) Would you tell me more about the responses you made to the questionnaire you received? Was it strongly agree, agree, unsure strongly disagree or disagree?

Why did you respond on this comment?

B) The overall findings were that the majority ____ % (findings from quantitative research)

Why do you think the majority have this view?

C) Is there anything else you want to say about this topic?

5.2.2. Results and Discussion – Temporary Employees

Section A- Demographic Information

The use of stratified sampling was used to ensure adequate representation of employees from the quantitative analysis. The Table below reflects the fifteen temporary participants chosen for the interviews together with their demographic profiles. .

Table 17 : Demographic of Temporary Participants

Participant	job category	race	gender	age	highest qualification	period of service (months)
Participant 1	Administrator	Black	Female	26	Matric	6
Participant 2	Administrator	Indian	Female	32	Matric	2
Participant 3	Administrator	Black	Female	38	Matric	4
Participant 4	Driver	Black	Male	27	Matric	6
Participant 5	Driver	Black	Male	35	Matric	3
Participant 6	Driver	Black	Male	28	Matric	2
Participant 7	General worker	Black	Male	30	Matric	6
Participant 8	General worker	Black	Female	34	Matric	6
Participant 9	General worker	Black	Male	60	Matric	3
Participant 10	General worker	Black	Female	32	Matric	6
Participant 11	General worker	Black	Female	28	Matric	6
Participant 12	semi - skilled	Indian	Male	30	N4	4
Participant 13	semi - skilled	Indian	Male	30	Matric	3
Participant 14	semi - skilled	Black	Male	30	Matric	6
Participant 15	Artisan	Indian	Male	45	Trade Test	3

A ten percent sample of the original 150 temporary employees from phase 1 was selected. Selections were made using job category, age, gender, period of service and qualification as criteria for stratified sampling although job category was the primary criteria for selection. The stratified sampling method ensured optimal representation of the target population and a high reliability of responses.

Pre- selected questions

The table below reflects the questions per subsection that was extracted from the

quantitative questionnaire. The majority responses on the Likert scale in the original survey were compared to the responses to the semi- structured interview feedback.

Table 18: Preselected questions with phase 1 and 2 response comparisons

Quest.	SECTION B- The TES regulations	Quantitative findings %			Qualitative Findings %		
		Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree
B1	<i>Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so. This rule will put me out of a job.</i>			60.7			15(100%)
B2	<i>Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so. This rule will make me get a permanent job with the client of the Labour Broker</i>	60			15(100%)		
B3	<i>The new employment services bill offers free recruitment and placement of workers by government departments. I am happy to find a job through a government department instead of the Labour Broker.</i>	69.3			15(100%)		
	SECTION C- Job security and Motivation	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree
C1	I feel safe working for a Labour Broker	71			15(100%)		
C8	I prefer permanent work rather than contract work			100			15(100%)
C9	The benefits are good in this organisation	78			15(100%)		
	SECTION D- Social and political factors	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree
D1	The Labour Brokers have a bad reputation in the country			82.7	1(7%)		14(93%)
D4	The unions are against me because I work for a Labour Broker			66.7			15(100%)
	SECTION E - Value and Future of Labour Brokering in South Africa	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree
E1	They should ban Labour Brokers	44			15(100%)		
E5	Labour Brokering industry is important because they find jobs for people			84			15(100%)
	SECTION F - Intention to leave / stay	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree
F3	I am looking for a job outside the Labour Brokering industry			78.7			15(100%)

The above table reflects the 11 preselected questions. Overall 15 participants' responses were in line with the majority responses on the quantitative analysis. One Participant, however, disagreed with the statement D1 while the other 14 participants responded in line with the majority of the original survey. Each statement will be explored in detail under the relevant sub section in order to obtain a deeper understanding of the responses.

Section B – The TES Regulations

The interviewer established if the participants had a basic understanding of the regulations. Their responses are highlighted in the Table below on their familiarity of the TES regulations.

Table 19: Are you familiar with the regulations around Labour Broking or temporary employment?

Participant	participant response	Conclusion-Key Point
Participant 1	<i>"yes I am familiar with the regulations. I am aware of the 3 months probation period."</i>	3 month rule
Participant 2	<i>"banning of Labour Brokers and little bit about fixed term contracts"</i>	Fixed term contracts
Participant 3	<i>"not really, but I heard of some . The Labour Brokers cannot hire workers for more than 3 months "</i>	3 month rule
Participant 4	<i>"ya . You get employed for only 3 months and get again another place "</i>	3 month rule
Participant 5	<i>"yes, I have heard about this 3 months . With us we work one week one company and another week another company. It's difficult to work 3 months in one company."</i>	3 month rule
Participant 6	<i>"the contract regulation is 3 month"</i>	3 month rule
Participant 7	<i>"yes. You mean about the three months thing. Should be employed permanent"</i>	3 month rule
Participant 8	<i>"yes , ya that's the one that says after 3 months you can get a permanent and you get benefit"</i>	3 month rule
Participant 9	<i>"yes ,you have to work 3 months and then they decide if you want to be taken on permanent. Yes I am familiar with that".</i>	3 month rule
Participant 10	<i>"yes because my manager tell me about it. He was telling me about the 3 months that they can only keep us for 3 months."</i>	3 month rule
Participant 11	<i>"yes ,,, contracts 3 months"</i>	3 month rule
Participant 12	<i>"you talking about new labour relations act. After 3 months with the Labour Broker you supposed to be permanent".</i>	3 month rule
Participant 13	<i>"I am familiar with it. Not this much but. I know the 3 months contract. The three month contract. You can go permanent after 3 months."</i>	3 month rule
Participant 14	<i>"yes I heard about the three months contract"</i>	3 month rule
Participant 15	<i>"yes . Three months contract and then permanent"</i>	3 month rule

Fourteen participants did communicate their knowledge of the three month rule. Participant four referred to Section 198B of the LRA that specifically deals with fixed term contracts. It was concluded that although the participants did have a basic understanding of the regulations they lacked an in depth knowledge of the regulations. It was, therefore, important for the interviewer to highlight the legislation when necessary as an introduction before asking the respondent to comment on the statements that followed.

Statement B1: Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so. This rule will put me out of a job.

Eleven participants strongly agreed on the above statement and four participants agreed. The intention of limiting contracts to three months was to encourage permanent work as there was a general perception amongst labour unions and government that businesses were utilising temporary workers for permanent positions. However seven participants (P1, P4, P5, P7, P8, P12, P15) stated that companies are ending contracts after three months for the fear of taking temporary staff on a permanent basis. They further alluded to the fact that the rule has not encouraged permanent employment but has reduced temporary employment as well through shorter contracts.

The responses were as follows:

- **Participant 5**

“..... Ya, heh we working for a Labour Broker we do sometimes work for more than 3 months on temporary basis but still we do not get hired permanently. After three months they say our job has ended or come back after a month.”

- **Participant 12**

“..... Hey you know what, in the past I was working for like 6,7 months and I was not permanent. Now with this new rule the companies will give us 2 months to work and then put us out of a job.”

- **Participant 15**

“..... because the contracts are shorter. You only be able to work 3 months, the companies are scared to keep you on after 3 months. What happens is they need to make a decision on whether to make u permanent or end your contract. So because they didn't have enough time to assess you they terminate your contract.”

Participants 2 and 3 felt the contracts were too short and it does not give the client enough time to measure capabilities and performance which further hinders their opportunity to be taken on permanent or their contract increased. Participants 6,9,10 and 14 complained that because the contracts have reduced they are subjected to having to find alternate work more frequently. Participants 11 and 13 explained that planning becomes an issue with short contracts.

- **Participant 2**

“.....well if that is to be the case then my contract is being reduced and I am being placed at different sites all the time. It makes it very difficult for the clients to get to know me and for me to secure a permanent job due to the fact that I am moving around all the time.”

- **Participant 10**

“I'm agree with this because I have been working for three months and then I sit at home and wait for another client to call us for another 3 months. We have not been working on a permanent basis.”

The fact that the regulations does not encourage permanent work and the 3 month regulation has done little to encourage employment, employees within the industry will be discouraged working for a Labour Broker as they will not see a future for sustainable employment within the temporary employment sector.

Statement B2: Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so. This rule will make me get a permanent job with the client of the Labour Broker

Ten participants strongly disagreed with the above statement and 5 participants disagreed. The intention was to ascertain if the three month rule encouraged permanent employment and/or if there was evidence of contract employment being converted into permanent employment. Participants 2,3 and 15 were of the opinion that the three month contract wasn't long enough for clients to measure their performance or establish a relationship with the client.

- **Participant 2**

".....because it's more difficult to access a permanent job. The client doesn't know us like I said earlier he doesn't know us well enough. The period of time we actually there for doesn't warrant that kind of communication where he knows our capabilities, and we not able to prove our worth."

Seven participants (P4,P5,P7,P10,P12,P13,P14) complained that they have either worked for three months or over the 3 month period and have not secured permanent work. The 3 month regulation has done little to encourage temporary contracts conversions into permanent employment.

- **Participant 5**

"..... with that one .I would say that he,, he.. you see like I have been working for quite a long time on a temporary basis and as I have stated before that I have been working for more than 3 months. Sometimes we get taken out by the Labour Brokers and put at another client"

- **Participant 13**

"..... Well if you working for a Labour Broker and they giving you 3 months. As I said I worked 6 months. I never get permanent after the first 3 months. I wouldn't even bank on this. As I said after the 3 months I am still not permanent. You a temporary worker."

Participants P1, P6, P8,P9,P11 individually outlined that the three month rule has not encouraged permanent employment because of the costs that the broker demands for temporary to permanent conversions, permanent work is solely dependent on the client and because of the current employment challenges within the country not many jobs are being converted into permanent positions.

- **Participant 1**

“ because if the client can get a new person every three months then they wouldn't be using Labour Brokers. No it's not happening unfortunately. Maybe clients are afraid of taking on people because maybe they have to pay more money for the person and offer things like benefits and medical aid.”

- **Participant 6**

“..... Ok because there is nowhere where it says where they give us a guarantee where we will get a permanent job. They tell us it's temporary for 3 months. Up front it depends on the clients and some reasons we don't know”

- **Participant 8**

“..... because I am still working as a temp after 6 months. It is because there is not much work in this country and that's why most of us are getting temporary work.”

It's quite evident that the 3 month contract rule has not persuaded companies to convert temporary employment into permanent positions. Clearly the cost associated with these conversions and the nature of the employment contract does not allow for these conversions. Temporary workers will seek alternate industries to secure permanent work as clearly the contracting route bears little or no hope for permanent stable employment. Skilled workers who are marketable will seek employment directly with companies instead of the contracting route.

Statement B3: The new employment services bill offers free recruitment and placement of workers by government departments. I am happy to find a job through a government department instead of the Labour Broker.

Of the 15 participants interviewed, seven disagreed with the statement and eight strongly disagreed. Twelve (P1,P2,P3,P4,P5,P6,P8,P10,P12,P13,P14,P15) of the 15 participants listed corruption with respect to having to bribe these officials as the main reason for not wanting to secure employment through government institutions. What was surprising is that some of these participants did consult with the departments within government to secure permanent positions. Participant 10 specified that one would need to pay R1000.00 to secure employment.

Some of their responses:

- **Participant 10**

“hayyyy,,,I strongly disagree because government they want us to pay.Pay for job!!!, but I cannot pay for job ,,,,no ways ,,,me ,,,take out one thousand rand. Government is very very corrupt. They are full of corruption. They may say it’s free but it can never be free.”

- **Participant 8**

“Yes, I heard of this. I strongly disagree because you know there is a lot of nepotism in the government and the people have to pay bribes to get a job.”

- **Participant 12**

“..... With the government, they so corrupt its not what you know, it’s who you know.”

The participants below made the following additional claims to corruption in government departments as opposed to Labour Brokers

- Participant 8- Nepotism
- Participant 2- Racial discrimination
- Participant 3, 5 and 6 – long queues
- Participant 15 –disorganised

Their responses as follows:

- **Participant 2**

“..... Firstly, because I am the wrong colour. If that were to happen there’s no chance of me securing any sort of position either be it permanent or contract due to the fact that people are paying bribes and securing positions. We have attempted to submit our CVs. We don’t even know whether our CVs are getting to the right people, whether they getting delivered and with the government it’s not about what u know it’s about who u know.”

- **Participant 15**

“..... I think the situation will be worse of than getting a job through a Labour Broker. The government especially in our country is, there is too much of corruption. If you want to go to any of the government departments for an ID or a passport there’s long queues, there’s no system of working. I think the Labour Brokers are a bit more organised in fact a lot more organised than the government departments.”

Participants 7 and 11 did not list corruption as a primary reason for not wanting to go through a government department to secure employment. They listed that not much is done after an application is made. Participant 9 claimed that Labour Brokers handle recruitment much more effectively than government institutions.

- **Participant 7**

“..... Because if I could say something Yebo we go to government, you heard stories but I’ve heard that they do sometimes send your CV there and apparently they do look for a job but it never happens.”

- **Participant 9**

“..... So many people would like to work in the government. It won’t work because presently the Labour Brokers are doing the job and they are used to it. If they do, they won’t be compared to the people in the broker company.”

It is evident that the new Employment Services Bill which is intended to provide free recruitment to companies will have to seriously deal with the corruption and bribery that government workers allegedly commit. Labour Brokers clearly offer a more

effective non bias recruitment program to work seekers and this may be a primary reason to attract more work seekers and retain existing workforce for new contracting opportunities.

Section C – Job Security

Statement C1: I feel safe working for a Labour Broker

Of the 15 participants interviewed, 9 strongly disagreed with the statement and 6 disagreed. Ten participants stated that the fact the clients or/and the Labour Broker can end their contract at any time, it in itself causes job insecurity. The uncertainty associated with lengths of contracts, terminations and clients dictating terminations does create insecurity in their present jobs.

The participants' responses were as follows

- **Participant 1**

"..... I disagree with that because if you working for a Labour Broker the clients can just end the contract with the Labour Broker and I could be out of work.

- **Participant 7**

"..... because like I said almost 6 months working for a Labour Broker and I know it can end anytime. You know, I have been put here, I have been put there. The thing they tell me on Friday you employed on Monday you work the whole week and on that next Monday I amnot working, or else the job is finished."

- **Participant 13**

".....because as I said before you know u got a contract with the client and if you a Labour Broker you can get dropped off any moment. They can just tell you pack up and leave."

Participants 3, 12 and 15 associated their job insecurity with the lack of benefits that temporary employment offers. Participant 5 and 11 advised that the mere nature of

temporary employment makes them insecure in their work. Participant 15 indicated the challenges on assessing bank loans when one is on a contract job.

Their responses were:

- **Participant 5**

“..... because working for a Labour Broker it means I will always be temporary.”

- **Participant 12**

“There’s no benefits , there’s no pension , there’s no medical aid and also with Labour Brokeryou can be gone anytime and they can just end your contract.”

- **Participant 15**

“..... Because you on a contract and depending on the volume of work that the client has, your contract could come to an end at anytime. Then there’s the thing about benefits, there’s no stability. If you permanent you get pension fund, bonuses. majority of the time when you work for a Labour Broker you don’t get all those benefits. If you have to approach the bank or retailer to purchase something it’s difficult.”

The mere nature of temporary employment, the lack of benefits and the uncertainty on periods of contracts does create insecurity amongst temporary employees. These employees will leave the industry because of this instability. The Labour Broking industry will experience retention challenges if this inherent need for social benefits and job security are not met. Maslow’s hierarchy of needs stressed this fundamental physiological and safety need for job security and motivation.

Statement C8 I prefer permanent work rather than contract work

Eleven participants from the fifteen interviewed prefer permanent employment because of the security and benefits associated with permanent employment. Eleven participants strongly agreed with the above statement and 4 participants agreed.

- **Participant 2**

“ Well, permanent work will almost guarantee that I have a job, I have the benefits of

being a permanent employee. Enjoy the benefits of being a permanent employee and receive the perks like other permanent employees.”

- **Participant 4**

“.....how ya ,, hehehe anytime ya. Strongly, strongly, strongly agree. To be permanent, how!, I do not have to worry my family is gonna have food on the table. You getting provident fund. You getting all the benefits. “

- **Participant 12**

“Permanent work you get a set salary, you must know I got two kids so I need to take care of them as well. I go bills to pay. Medical aid, so u know it’s much better having a permanent job. With the recruitment agency? No!!.”

Participants 13 and 14 specified that it’s easier to plan and budget when one has a permanent job. Participant 9 claimed that it’s easier to access loans when one is permanent.

- **Participant 9**

“I telling you I agree. If I want a loan in the bank anywhere in SA it’s easier for me to get a loan or housing or whatever when I am working permanent.”

- **Participant 13**

“....You can plan yourself. Plan your life, plan your family, plan everything. Buy a house if you want, plus you get benefits.”

All the participants unequivocally prefer permanent work to contract work. The fact that the Labour Brokers do not offer permanent work and social benefits (medical aid, Pension, bonuses),the labour broking company will have challenges retaining these employees who prefer the stability and security that permanent employment offers.

Statement C9 -The benefits are good in this organisation

Based on the feedback on statement C8 it's evident that the participants are dissatisfied with the benefits, if any, offered by Labour Brokers. Of the 15 participants interviewed 9 participants disagreed with the above statement and the remaining 6 strongly disagreed.

Participants 1,4,6,9,10,11 and 15 advised that they do not receive any social benefits. The remaining eight participants stated that in addition to social benefits they were not receiving any statutory benefits, for example, leave pay, public holiday pay and sick pay. Statutory benefits is mandatory and it is a common practise amongst Labour Brokers to pay in leave , sick and public holiday pay inclusive in their hourly rate. This effectively means that these benefits are paid upfront on hours worked, however when a temporary is on leave or off sick no payment is made. This confuses temps but ensures the companies cost to serve is managed especially on very short contracts. Now that contracts are reduced to three months this practice has become more common to the frustration of these workers. The lack of social and statutory benefits will prove to be a challenge on employee retention.

Their responses were as follows:

- **Participant 2**

“When you a contract worker, there are very little or no benefits. Sometimes it's a case of no work no pay and you don't enjoy the benefits that permanent employees have. Depending on the client i am based at sometimes there's a no work no pay situation.”

- **Participant 7**

“..... because like I said you know I have been working for almost 6 months temporal you know, put in this company here and put in this company here, this company here is no work no pay. Come public holiday I don't get paid you know and medical aid, we don't get. Bonus we don't get. They can tell you there's no bonus, you have to accept it.”

- **Participant 13**

“..... Ok. There’s no leave pay , there’s no medical aid .there’s nothing so if I have to get sick I have to just stay at home and not get paid.”

Section D – Social and Political Factors

Statement D1-TheLabour Brokers have a bad reputation in the country

Of the 15 participants interviewed, 4 agreed with the statement, 10 strongly agreed and one participant disagreed with Labour Brokers having a bad reputation in the country. Eight participants (P1,P3,P5,P7,P10,P12,P13,P15) alleged that the move on COSATU wanting to ban the practice of labour broking coupled with the media reports on labour broking in general impacted on the reputation of Labour Brokers.

Their responses were as follows:

- **Participant 1**

“...because I have seen it several times on the news. COSATU is saying they want to get rid they want to ban Labour Brokers.”

- **Participant 3**

“I strongly agree because there’s a big talk about COSATU wanting to ban the Labour Brokers. They want people to become permanent. They wanted Labour Brokers to pay good salaries to people.”

- **Participant 5**

“I strongly agree with this because as we heard in the news they wanted to ban the Labour Brokers. Unions don’t want them. You know what I say it’s not good because when we work on site we get intimidated, you know, threatened as well”.

- **Participant 7**

“I strongly agree, it’s all over man, nobody likes Labour Brokers, especially amongst us workers you know talking and the media, COSATU and them, they been saying this thing.”

Participants 2 and 8 blamed the pay, benefits and overall treatment of Labour Brokers towards temporary staff has being the name reasons for their bad reputation. Participants 4 and 14 explained that the short contract work and the uncertainty around terminations gave Labour Brokers a bad reputation. Participant 11 referred to Labour Brokers as basically being untrustworthy. Participant 9 was the only that disagreed that Labour Brokers have a bad reputation because they are instrumental in offering some form of employment for the unemployed.

Their responses was as follows:

- **Participant 2**

"I strongly agree. Well firstly the rates are very bad. Secondly there's all sort of talk about the treatment that you get from Labour Brokers. The fact that if you a contractor nobody worries about you, so there are all sorts of talk about the reputation of Labour Brokers."

- **Participant 9**

"I disagree because they provide a slice of income to those people who don't qualify for other jobs. The people are getting something to eat instead of waiting for something."

- **Participant 14**

"strongly agree. because of their policies. When you working for a Labour Broker you can't say your job is secure because you not treated like the permanent staff. When you working for Labour Broker you can be fired anytime. They not treat you right."

It is quite evident that the media hype around labour broking and the moves by COSATU to ban labour broking has stained the labour broking industry. Employees within the industry do feel that the general treatment, pay structure and benefits are inferior as compared to permanent employees in other sectors.

Statement D4 The unions are against me because I work for a Labour Broker

Nine participants agreed with statement D and six participants strongly agreed. Of

the 15 participants interviewed 10 participants explained that the main reason for unions being against them was that the unions including the permanent unionised employees felt threatened by temporary employees and Labour Brokers.

Their responses were as follows:

- **Participant 2**

“..... We feel threatened by the unions and also the permanent staff feel threatened by us because they feel like we gonna take over their jobs so they treat us badly. So I think the general consensus is that if you work for a Labour Broker you a threat to permanent employees and the company is gonna get rid of perm staff because we better workers ...”

- **Participant 8**

“Yes I was working for one company in Cato Ridge and I was the only one that was working under the Labour Broker and the people was not happy because they think I am taking their jobs“

- **Participant 10**

“.....because they feel threatened by Labour Brokers . They feel threatened with us that are working for the Labour Broker. They think we want their job and we going to take their job. But we just want to be permanent as well.”

- **Participant 15**

“..... Union members tend to intimidate you. They sort of try and threaten you that you should leave your job and work elsewhere for a Labour Broker. That job is for someone that is permanent.”

Participants 4, 5, 6 and 14 pointed out that the unions place pressure on temporary employees to register with the union and when they resist the unions are against them. Participant 9 agreed with the statement but advised that he has never been approached by the union.

Their responses were as follows:

- **Participant 4**

“..... Because you know if I am working for a Labour Broker the union want something. They want me I must sign. They want me to join the union and take my money. They swearing me one time.”

- **Participant 5**

“I strongly agree because like I said before working in some companies especially big companies they got unions there, as temporary staff we do not participate in things like that. So the unions are never happy when they see temporary staff on site.”

- **Participant 6**

“I strongly agree. The Unions are against us because we are not contributing to them so it’s like they are losing by us being there.”

There exists clear evidence that unions do not want temporary employees, more especially employees through the Labour Brokers. There seems to be a resistance by permanent workers towards temporary workers as well. The unions obviously lose bargaining power with their employers who view temporary staffing as an alternative during negotiations. The fact that temporary employees resist union representation may be because they fear that the Labour Broker will not renew their contract or place them on other assignments.

Section E – Value and future of labour broking in SA

Statement E1 They should ban Labour Brokers

Nine participants strongly disagreed with the above statement and the remaining 6 participants disagreed. Ten participants had a general opinion that that Labour Brokers are the only means of securing employment. Participant 1 and 15 pointed out that it is quite difficult securing jobs with the company directly and if one is inexperienced. Participants 2,4 , 5,6,7 ,9,12 and 13 explained Labour Brokers should not be banned because they assist the unemployed with some form of sustainable income. Participant 8 pointed out that applying directly through a company also has

challenges such as long waits and nepotism.

Their responses were as follows:

- **Participant 15**

strongly disagree. Most people when they start looking for a job . If you had to go via an advert or put your cv on one of these career sites the chances are you not gonna be selected because you don't have the adequate experience . Those jobs are calling for 3 to 5 yrs and you don't have that. if you a new job seeker and you registering with a Labour Broker the chances are you'll get a job. Junior position maybe but you got somewhere to start and get some sort of experience.

- **Participant 2**

"I strongly disagree. Well for now we have a job, although it's a contract position and it might only be for 3 months the Labour Brokers are offering us some sort of sustainability and if they had to ban them altogether and its difficult for us to find permanent jobs , we will have absolutely nothing."

- **Participant 5**

"I strongly disagree because I have been job hunting for a long time and I tried looking for a job by myself. You know doors and gates but you never ever get a chance, only through Labour Brokers I started working even though its temporary. I do support them."

- **Participant 8**

".... because the Labour Brokers are the ones who look for work for the people. You just give your CV and if there is a job they will call you instead of the companies. The companies you have to sit there and wait, sometimes outside the gate .sometimes there's nepotism within the company."

- **Participant 9**

"I disagree with the banning of the Labour Brokers because they provide a slice of income for the people."

Participant 3 also explained that it is better going through a Labour Broker than through a government department as the government departments expects work seekers to wait until a position is advertised before applying. Participant 11 simply added that the banning of Labour Brokers will only cause more job losses and participant14 added working through a Labour Broker is a means to securing a permanent job.

- **Participant 3**

“Labour Brokers must be there because they giving people job opportunities of which it is very hard to go and knock on the government door and say I am looking for an admin position. They tell you to wait when the position is being advertised but the Labour Broker they taking CV, they just job hunt for you.”

- **Participant 11**

“Most people will lose their jobs”

- **Participant 14**

“Its easiest part to get a job for semi skilled people. Some people work for a Labour Broker and end up getting permanent”.

Temporary employees are clearly against the banning of Labour Brokers and do see a need for temporary staffing in South Africa. They do prefer accessing these jobs through a Labour Broker instead of government departments or directly by the company. They seem to value Labour Brokers for their swift recruitment, streamlined processes and introduction to employment for those who lack experience and the unemployed who desperately seek sustainable employment.

Statement E5 Labour Broking industry is important because they find jobs for people

With regards to statement E5, ten participants strongly agreed and 5 participants agreed that Labour Brokers are important because they find jobs for people. Participants 1,2,3 and 4 elaborated that Labour Brokers are integral in introducing new work seekers to employment opportunities.

Their responses were as follows:

- **Participant 1**

“.....because with me as well I was inexperienced, I did not have the experience of my current position that I am doing but I seem to be competent and the Labour Broker gave me a chance and a opportunity.”

- **Participant 3**

“I came through a Labour Broker because I had matric only. I never had any qualification for computers. I did computer as a subject in school but they gave me a temporary position to be an admin assistant. It’s where I learnt how to work in the office. It was through the Labour Broker.”

Participant 6, 7, 9 10, 11, 12 and 14 stated that the mere fact that they find jobs for the unemployed makes them an important entity in the market place. Some of their responses was as follows:

- **Participant 6**

“Their job is about finding jobs. That’s why they in the market. For that reason we can say they are important.”

- **Participant 7**

“I strongly agree. Like I said you know I been cutting the grass, now I am working 6 months. It’s not permanent here and there but I am working.”

- **Participant 10**

“ Actually I strongly agree because looking at me, I have been working for 3 months and then yes I do sleep sometimes but the Labour Broker make sure, they make sure that they find me another job.”

Participant 5 pointed out that there is a possibility that contract work gets converted into permanent employment and Participant 15 stated that most workers did start their initial employment with Labour Brokers. Participant 8 also pointed out that there

isn't a need to pay bribes when securing employment through a Labour Broker. Participant 13 explained that the recruitment and selection process through a Labour Broker is uncomplicated and instead of applying for a suitable position, the Labour Broker matches ones competencies with available jobs.

Their responses were as follows:

- **Participant 5**

"I strongly agree even though its temporary, it's not that you won't get permanent someday , it does happen , it does happen. I strongly agree that they do find jobs for us."

- **Participant 8**

"I strongly agree that they find jobs for people. You don't have to pay. But you don't have to pay a bribe to get in "

- **Participant 13**

"There is other ways you can find a job but there's a long procedure. With Labour Brokers they got plenty of clients and different job categories, different jobs, and I am sure one of the job categories will fit you and they will find you a job that will suit you or what you qualified for."

All the participants unanimously agreed that Labour Brokers are important for finding employment. Their streamlined processes, easy access to employment for new work seekers and job matching abilities does make them important for work seekers who desperately need employment.

Section F – Intention to leave/ Stay

Statement F3 I am looking for a job outside the Labour Broking industry

Of the 15 participants interviewed 8 participants strongly agreed and 7 participants agreed that they are looking for a job outside the labour broking industry. All the participants are looking for a permanent job with more stability and job security. Their responses were as follows:

- **Participant 5**

“As much as they get our foot through the door but I really like to be permanent you know. Getting employed outside the labour broking industry.”

- **Participant 6**

“I strongly agree. It’s not that I am against the Labour Brokers. The reason is I also need a permanent job. To get a permanent job I have to go outside.”

- **Participant 8**

“I am looking for something permanent, something secure so I can be able to take care of my family.”

- **Participant 10**

“To be honest with you I go and I leave my CV because I feel like it is not good that I working for three months, and I do not work but the only thing that I want is a permanent job. So I am looking for another position.”

Participant 9 asserted that with permanent jobs employees are able to access loans with ease. Participants 14 and 15 added that their need for social benefits (Medical Aid, pension) is the main reason for needing a permanent job outside the labour broking industry.

Their responses was as follows

- **Participant 9**

“I am looking for security and I qualify for so many things like when I go to the bank for a housing loan they don’t ask me a number of questions. I want to pay for my child at the university. It’s easy for me to get the loan from the bank. Otherwise I must push my son or daughter to cry for fees must fall and all those things which are not good.”

- **Participant 14**

“... Because I want something where I know my job is secured, get benefit and I get treated the same as the other colleagues with the same benefits.”

- **Participant 15**

“It’s mainly because of the benefits. If tomorrow for example I am working for a Labour Broker and I drop dead my wife and children won’t get any money. If I was on a provident fund or pension fund they will get some sort of money to actually survive without my income, and off course the medical aid. Presently I don’t have medical aid and to go to a provincial hospital it’s a nightmare. So with medical aid at least my wife, children and myself will be covered.

The Labour Broking industry will have challenges with retention if there is not much effort put into social benefits and job security. The fact that some temporary employees have been working for years on various contracts through Labour Brokers does suggest a permanent working relationship.

5.2.3. Results and Discussion – Permanent Employees

Section A- Demographic Information

The use of stratified sampling was used to ensure adequate representation of employees from the quantitative analysis. The table below reflects three permanent participants chosen for the interviews together with their demographic profiles.

Table 20: Demographic of Permanent employees

Participant	job category	race	gender	age	highest qualification	period of service (years)
Participant A	Business Line Manager	Indian	Male	46	Matric	10
Participant B	Administrator	Indian	Female	36	Matric	2
Participant C	Site Agent	Black	Male	42	Matric	10

A ten percent sample of the 30 permanent employees was selected. Selections were made using job category, age, gender, period of service and qualification as criteria for stratified sampling although job category was the primary criteria for selection.

The stratified sampling method ensured optimal representation of the target population and a high reliability of responses.

Pre- selected questions

Table 21 below reflects the questions per subsection that was extracted from the quantitative questionnaire. The majority responses on the Likert scale in the original survey were compared to the responses to the semi- structured interview feedback.

Table 21: Preselected questions with phase 1 and 2 response comparisons

Quest.	SECTION B- The TES regulations	Quantitative findings %			Qualitative findings No/%		
		Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree
B1	<i>Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so. This rule will reduce temporary staffing demand.</i>	43	40	16	3(100%)		
B2	<i>Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so. This rule will cause Labour Brokers to retrench staff.</i>	53	16	30	3(100%)		
B3	<i>The new employment services bill offers free recruitment and placement of workers by government departments. This rule will put labour broker employees out of work.</i>	30	33	36	3(100%)		
	SECTION C- Job security and Motivation	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree
C1	I feel safe working for a Labour Broker	26	20	53.3	1 (33.3%)		2 (66.6%)
C2	I am happy to spend the rest of my life working for a labour broker	33	33	33	1 (33.3%)	1(33.3%)	1 (33.3%)
C4	The benefits are good in this organisation	33	50	16	2 (66.6%)	1(33.3%)	
	SECTION D- Social and political factors	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree
D1	The Labour Brokers have a bad reputation in the country	60	6.7	33.3	1(33.3%)		2 (66.6%)
D3	My family and friends do not like me working for a Labour Broker	73.3	13.3	13.3	3(100%)		
	SECTION E - Value and Future of Labour Brokering in South Africa	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree
E1	They should ban Labour Brokers	96.7	3.3	0	3(100%)		
E6	Work seekers need Labour Brokers to find work	0	10	90			3(100%)
	SECTION F - Intention to leave / stay	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree
F3	I am looking for a job outside the Labour Broking industry	30	36	33	1 (33.3%)	1(33.3%)	1 (33.3%)

The above table reflects the 11 pre-selected questions. Three participants' were chosen and their responses were compared to the responses made from the 30

permanent employees selected during the quantitative survey. Most responses from the interview were in line with the higher percentages from the quantitative survey (marked in grey); however, the participants who were interviewed contradicted the majority from the quantitative survey on statement B3, C4 and D1.

Section B – The TES Regulations

Statement B1: Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so. This rule will reduce temporary staffing demand.

Of the 3 participants interviewed, all of the participants strongly disagreed with the statement. Participant B and C asserted that the regulation since its inception has not impacted on the companies staffing headcount. Participant A clarified that there is a misconception about the three month rule in that it simply means after 3 months there is dual liability (client and broker) on temporary employment contracts and clients still require the flexibility of temporary labour. Their responses was as follows:

- **Participant A**

“..... there is a big misconception about the interpretation of this here. In essence what this law means that after 3 months our client and ourselves are both recognised as employers and should a dispute arise both the client and ourselves need to be available at the CCMA. Clients like the flexibility so I don't think it will reduce the demand on staffing.”

- **Participant B**

“I responded strongly disagree and my reasons for that where I haven't seen any drop in the current headcount in the past year or ever since the legislation had changed. That would tell me that the demand for temporary staff has not reduced.”

It is quite evident that the regulation has not reduced temporary employment demand, confirming the assessment on the quantitative analysis. Clients do require the flexibility in having additional staffing when production demand is high and easily reducing staffing when demand is low. The fact the client demand is still high more

pressure will be on Labour Brokers to find ways of retaining their temporary staff pool.

Statement B2: Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so. This rule will cause Labour Brokers to retrench staff.

All three participants strongly disagreed on the above statement. Their responses echoed feedback from statement B1 stating that there is no evidence of any reduction in staffing demand or retrenchments in the past year after the regulation was promulgated. Their responses as follows:

- **Participant B**

“I responded strongly disagreed for the basis that we have not retrenched any employees thus far and the clients still need the flexibility so we are still staffing at client sites with no end of contracts or retrenchments. So basically the amendments haven’t affected us in any way.”

- **Participant C**

“I strongly disagreed. After this rule was passed we haven’t reduced any staff. We haven’t retrenched any staff. Clients have not asked us to reduce any staff.”

The participants’ clarification suggests that the regulations have not brought about any restructuring or retrenchments. One can conclude that both the companies that use Labour Brokers and Labour Brokers still place value on the service and the effectiveness of flexible staffing to remain competitive. The Labour Broking industry will therefore need to reemphasise this demand and the industry stability in order to retain their human capital both permanent and temporary.

Statement B3: The new employment services bill offers free recruitment and placement of workers by government departments. This rule will put Labour Broker employees out of work.

The majority of permanent employees agreed with the above statement (36%) in the quantitative analysis however the participants in the interviews inclined more to the 30% who disagreed in the quantitative survey. All 3 participants strongly disagreed

with the above statement. Participants A and C strongly reiterated that labour broking is more than just recruitment. It is dependent on other HR functions. Participant A detested being labelled as a Labour Broker and preferred being called a TES company. Participant B pointed out that there exists a strong relationship between the clients and the brokers who have a good understanding of client's demands, labour and recruitment guarantees and HR services that government will certainly not be able to provide. Their responses were as follows.

- **Participant A**

“ Firstly, I regard myself as a temporary employment service not a Labour Broker. We don't just do recruitment. Our job entails more than just recruitment. We do recruitment IR full hr function and labour relations issues. The government proposal is just getting cvs' out there expecting the clients to take people on a permanent basis which clients are not prepared to do.”

- **Participant B**

“..... Clients will still use Labour Brokers they are accustomed to because there are lots of flexibility with those Labour Brokers. There is a relationship that's been built, established. They understand the client. They understand what sort of temps to place at the site and we know the clients processes. In terms of government, government is too slow, they very laxidasical with working. The process with them is too long and I don't think the government will assist them with the HR related queries that a Labour Broker will do for them.”

The findings suggest that government intervention will only focus on recruitment and the labour broking industry does provide other HR services for example assisting with payroll, labour relations, contracts, risk management and so on. It is clear that no matter how effective government is with their recruitment companies will want the added value that Labour Brokers provide. The labour broking industry will have to be mindful that client commitment for labour and other services will remain and the retention of these valued staff will be critical for the labour broking industry to remain competitive and relevant.

SECTION C- Job security and Motivation

Statement C1: I feel safe working for a Labour Broker

Participants A and C strongly agreed with the above statement whilst Participant B disagreed. Participant A pointed out that it is immaterial which industry you work in as long as the company is established, been in operation for a long time and engages in ethical practices. The participant feels that his current employer meets these requirements and, therefore, feels safe. Participant C feels safe in that the services that is provided by the company is in demand by clients within the industry. Participant B felt unsafe because of the threat within the labour broking industry and the constant stress and pressure working for a Labour Broker. Their responses were as follows:

- **Participant A**

“Look whether you work for a Labour Broker or work for another company you still working for somebody and the fact that the establishment that you working for is long in business and their ethics and values are all in keeping with standards and that it’s a successful business why should you not feel safe. It doesn’t matter if you working for a Labour Broker.”

- **Participant B**

“My reason for disagreeing is that the industry is a threatened industry. There’s too much of pressure within this industry. There are too many unions. You sort of pressurised and overloaded with work. You are dealing with many bargaining councils so anything can happen at any time.”

- **Participant C**

“Lots of clients use us , use us for our flexibility. That’s actually growing from year to year, so I can see me keeping my job longer.”

Participants A and C are involved in operations whilst participant C is in an administrative role. It would seem that the operations employees see more stability based on the operational demand from clients whilst employees in an administrative role fear the reputation and threat to the labour broking industry in general. The

Labour Broking industry will face retention challenges specifically employees in administrative positions who rely more on media or external reports.

Statement C2: I am happy to spend the rest of my life working for a Labour Broker

Participant A was unsure, participant strongly disagreed and participant C strongly agreed with the above statement. Participant A maintained that he was presently happy working for a Labour Broker however the pace of work was not decreasing with age. Participant B cannot see herself spending the rest of her life working for a Labour Broker because of the poor salary and benefits in the industry. Participant C pointed out that he finds value in his job in finding jobs for work seekers and therefore sees employment within the industry in the long term. Their responses were as follows:

- **Participant A**

“Unsure, on the fence. The reason being, look at my age factor to start of with. As you get closer to the 50s and 60s you supposed to be toning down your pace in work. So if something is a bit more better later on in your age it can be considered but it doesn't mean that I am not happy. “

- **Participant B**

“I strongly disagreed. If I look at the current benefit structures that we have within this industry they not good. You can't see yourself long term if you have to go with that growth of salary benefits throughout your career. So the rest of my life at a Labour Broker? NO.”

- **Participant C**

“ I like what I do. I like finding people work.”

It is quite evident that employees within the labour broking industry are uncertain on being employed by a Labour Broker in the long term however employees do see value in labour broking as the creator of employment. The organisation will have to have to look at retention strategies to retain its employees who are still uncertain of their employment status in the long term.

Statement C4: The benefits are good in this organisation

Two participants strongly disagreed and one participant was unsure on the above statement. Participant A was unsure but elaborated that in comparison to other companies the benefits offered by Labour Brokers' needs improvement. Participant B and C criticised the fact that employees medical aid benefits were not subsidised by the company. Participant B also pointed out that the travel benefits are also below acceptable standards. Their responses were as follows:

- **Participant A**

"On the fence with that. The field I am exposed to a lot of other clients and the vacancies that they have. So I look at the benefits that they offering and I look at our company. I wouldn't say we too farfetched but there is room for improvement."

- **Participant B**

" In terms of your fringe benefits, your medical aid is not subsidised in Labour Broker companies. So you paying your own medical aid. So we all know the high cost of medical aid. If you look at the travel we spend at a Labour Broker company we do about 100km a day and the reimbursive that we receive, it's not viable to travel."

Social benefits play an essential role in the retention of employees. As employees progress in their career and personal lives these benefits become more crucial. The absence of fundamental benefits will prove a challenge when retaining employees as per the quantitative and qualitative findings.

SECTION D- Social and political factors

Statement D1: The Labour Brokers have a bad reputation in the country

Participant A strongly disagreed and Participants B and C strongly agreed with the above statement. Participant A explained that the labour broking industry does not have a bad reputation and it's the unethical service providers that are in all industries that give the industry a negative perception. Participant A added that how can an industry that provides work for people be bad. Participant B and C conceded that the labour industry does have a bad reputation because of the strikes and media reports

against the practice of labour broking. Participant C added that the “bakkie brigade” (unethical operators) also give the labour broking industry a bad reputation. Their responses were as follows:

- **Participant A**

“In every industry there’s a bad apple. You cannot categorise everybody as the same apple if one is causing a problem. So in all industries there’s bad apples. So let’s take for instance the bakkie brigade people. Because of them the unions are fighting with us and think everybody in the industry are exploiting workers and doing what the bakkie brigade people are doing which is wrong. If anything Labour Brokers are creating employment. We creating sustainability so how can we be classified as being bad.”

- **Participant B**

“I strongly agree. Look when you reading the newspapers the Labour Brokers are always on, in terms of the legislation changes, capes you always see them in the media. Apart from that there are various amounts of strikes at different clients sites and they all revolve around Labour Brokers. There are various CCMA issues as well regarding Labour Brokers.”

Statement D3: My family and friends do not like me working for a Labour Broker

All three participants strongly disagreed with the above statement. Participant A pointed out that the fact that he is bringing in an income and has been on the job for over ten years is enough proof for his family and friends to be pleased about the industry he is in. Participant B explained that family and friends were not familiar with the industry and are relieved that she has a job. Participant C shared a similar view as participant B and added that he assists family and friends in securing jobs and therefore they see value in the industry. Their responses were as follows:

- **Participant A**

“In the position I am in my family can see I am bringing income at home. Obviously that is because I am working for a Labour Broker. And they can see I have grown as I have been working for the company in the past 10 yrs.”

- **Participant B**

“Look my family members are not familiar with the industry. Basically they know you going to work you coming home and this is your salary. They are not familiar with the industry and they don’t take part in making day to day decisions.”

- **Participant C**

“As long as I got a job they are happy. Well at least they have someone in the labour broking industry to assist the rest of the family to find jobs.”

The fact that permanent employees within the labour broking industry have employment contracts as in any typical permanent job does not give family and friends much grounds to be against them working for Labour Brokers.

SECTION E - Value and Future of Labour Brokering in South Africa

Statement E1: They should ban Labour Brokers

All three participants strongly disagreed with the banning of Labour Brokers. This view affirms the quantitative study that permanent employees do see value in labour broking and the damage that banning will cause. Participant A elaborated that the industry creates employment, adds to the growth in the country and now that it is regulated there is no reason to ban the industry. Participant B added that banning the industry will only cause more unemployment of thousands of workers already employed within the industry and employees that have extensive experience within the industry will experience difficulty securing alternate employment in other industries. Participant C compared the employment initiatives from government in comparison to the Labour Brokering industry and asserted that the labour broking industry is adding more value to workers, clients and the economy. Their responses were as follows:

- **Participant A**

“As I mentioned previously we are creating employment, job opportunities and sustainability. We are contributing billions in the government coffers so what’s the need for us to be banned. We been regulated which we happy about. We got rid of

all the bad elements in our industry so why should they ban Labour Brokers when we adding value in this country.”

- **Participant B**

“Banning Labour Brokers would mean thousands of employees including myself would be retrenched and would be into the labour market looking for jobs. If you been an individual that always had experience within the labour broking sectors it would be very difficult for you to get back on track with life again. Apart from that the current Labour Brokers also assist the current workforce that we have, placing of your temps increases your overall workforce growth and we giving people employment.”

There is therefore clear consensus that the labour broking industry should not be banned. If one has to look at the one intrinsic value of labour broking it is undeniably the creation of much needed employment for the work seekers that struggle to find employment in South Africa.

Statement E6: Work seekers need Labour Brokers to find work

All three participants interviewed strongly agreed that work seekers need Labour Brokers to secure employment. Participant A pointed out that Labour Brokers have an extensive customer base and branch network to ease employment for work seekers. Participant B mentioned the uncomplicated recruitment process and Participant C asserted that Labour Brokers market candidates that have registered with the organisation to potential customers. Participant C maintained that this service will be highly improbable if government were to recruit for business.

Their responses were as follows:

- **Participant A**

“... more easy to get a job with us as we have a national footprint. We have more job opportunities available within our network of branches. We have easy access to customers. We create employment.”

- **Participant C**

“The Labour Brokers actually go out there and market these people that are looking for work and the government will not do that.”

It is quite evident that the permanent employees view labour broking as the only means of securing employment swiftly by not merely collecting applications but marketing the work seekers to potential clients. This marketing intervention does provide an added benefit to work seekers who struggle to conform to rigorous recruit and selection processes in most industries.

SECTION F - Intention to leave / stay

Statement F3: I am looking for a job outside the Labour Broking industry

Of the three participants interviewed Participant A was unsure, Participant B strongly agreed and participant C disagreed with the above statement. Participant A's uncertainty stemmed from the fact that irrespective of the industry position or years of service it is very probable that he would leave for better opportunities. Participant B stressed that the labour broking industry was very stressful and the wage is low and for that reason is looking for work outside the labour broking industry. Participant C asserted that he likes what he does and grown accustomed to the industry over his years of service. When asked why the majority of participants in the quantitative study intended leaving they conceded that it is most likely because of the union pressure and general reputation of the labour broking industry. Their responses were as follows:

- **Participant A**

“ the reason being everybody is looking to move up the ladder. In any industry if opportunity arises one is gonna look at it and consider it irrespective of how long you working in the company or how good a position you have.”

- **Participant B**

“ The labour broking industry for me and my type of work is very stressful. There's too many things happening all the time. When you faced with situations from the

clients the clients want it done immediately. As an individual you get to a certain point where you cannot handle the stress anymore. You away from your family , you constantly at work and you not coping.”

- **Participant C**

“I went into this industry which is completely different from where I came from and I’ve been here for the past 10 yrs and I like what I do.”

There seems to be a bit of mixed consensus on the intension of permanent employees to either stay or leave the industry. It is obviously a decision that is influenced by personal factors or external factors affecting the industry.

5.2.4. Conclusion

The use of semi structured interviews on a group of temporary and permanent employees to gain a deeper understanding of the responses from the results of the Phase One part of the study. The use of probing questions was also used in order for the researcher to explore in the phase three focus group discussions. The findings from Phase Two will be further discussed in Phase 3, the Focus Group, in the next section.

5.3. Statement of Results - Phase 3- Focus Group

5.3.1. Introduction

The focus group comprised of 7 participants to further explore the findings of the phase two discussions. The facilitator used probing questions for greater understanding and insight into the subject matter. The findings are documented and the results will form the basis for the final Phase discussions (Phase 4- Delphi).

5.3.2. Demographic Information

Table 22 below reflects the eight participants (including the facilitator) and their level of expertise and rationale for choice in the Focus Group. Their demographics are further reflected in Table 23. The participants were chosen using purposive sampling to ensure that perspectives from both internal (Labour Broker employees, management) and external (work seeker, client and union) stakeholders. Purposive sampling, also known as judgmental, selective or subjective sampling, is a type of non-probability sampling technique. Non-probability sampling focuses on sampling techniques where the units that are investigated are based on the judgement of the researcher (Saunders et al, 2012).

Table 22: Focus Group Area of expertise

1	Facilitator	The researcher
2.	Recruitment Consultant	The person in charge of recruitment of employees for the TES company
3.	Key accounts manager	The person in charge of client relationships , sales and handles all operational issues for the TES companies workers on the clients site
4.	Temporary worker	The person who is employed by the Labour Broker and stationed at the clients site for the duration of the temporary contract
5.	Business Line manager	Senior manager that is involved with client, temporary and operational management
6.	Client	A client of the TES company
7.	Work seeker	A person who uses TES companies to secure employment
8.	Union representative	A union rep at a client's site

Table 23: Demographic of Focus Group Participants

	Participant	race	gender	age	highest qualification	period in current function
1	Recruitment Administrator	Black	Female	36	Matric	6 years
2	Key accounts manager	Indian	Male	38	Matric	7 years
3	Temporary worker	Black	Male	38	Matric	6 years
4	Business Line manager	Indian	Female	47	Diploma	8 years
5	Client	White	Male	42	Degree	13 years
6	Work seeker	Black	female	32	Matric	2 months
7	Union representative	Black	Male	36	Matric	8 years

All participants invited to the focus group were selected with over 5 years of experience or exposure in their current positions. The work seeker was selected because of previous contracts with a Labour Broker but was out of work for two months during the focus group discussions. The client uses TES services for the past 13 years and is a current client of the Labour Broker. The researcher ensured adequate representation of race and gender as indicated on the table above. All the participants were between 30 and 50 years of age. All the participants possessed a Matric as a minimum qualification. The client and business line manager had a degree and diploma respectively within their relevant fields.

5.3.3. Pre- selected Discussion Points

The discussion points were structured following the analysis of the responses from the semi structured interviews in Phase 2 of the study.

TES regulations

The regulation on temporary employment contracts was reduced to 3 months unless the agency/client can provide a justifiable reason to extend the contract. All the permanent employees interviewed stated that the regulation will not reduce temporary staffing demand and all of the temporary workers disagreed with this and think that this rule will put temporary workers out of work.

- a) What do you think of these findings?

The recruitment administrator opened the discussion agreeing with the statement and stated that the three month regulation did not impact greatly on employment demand. However, she stated that some clients did lay off workers because of the legislation. The temporary worker stated that the 3 month rule was a hindrance to accessing permanent work. The union elaborated that the rule was intended to secure permanent work but it is not happening as anticipated. The client interjected that temporary employment agencies and workers were used purely for temporary work and permanent opportunities was only possible for some workers. Their responses were as follows:

- **Recruitment Consultant**

“As a recruiter I haven’t seen any reduction in labour demand . The clients still want workers however I agree that some clients have put our workers off.”

- **Temporary worker**

“eish, this three month contract thing is a problem. The companies are not taking the workers permanent. We want the permanent job.”

- **Union representative**

“I just want to say that the workers are crying. We as the union want all the workers to be paid the same money and to be taken permanent. This is our goal at the end of the day. I don’t see this thing happening.”

- **Client**

“Just to clarify, we as business solely use temporary staffing for temporary work. It’s based on production demand and therefore we utilise agencies. I agree occasionally permanent positions do come up. We have in the past filled those positions by first looking at our temporary pool of people.”

One can conclude that the opinion of temporary workers stating that the rule will reduce employment is plausible. However, the client clarified that there will always be demand because of the nature of production demand. It is quite clear that the 3 month rule did not encourage mass temporary to permanent work conversions as

intended by the law makers. The regulations therefore does not affect employee retention tremendously as a considerable amount of workers are still unemployed or on atypical work contracts.

b) **Probe:** In what ways do you think these regulations will increase/reduce temporary staffing demand?

There wasn't much response on this question from the panel except a few participants mentioned that the regulations do reduce temporary demand resulting in the loss of clients and temporary workers. Their responses were as follows:

- **Key accounts manager**

"well I think that because the contracts are reduced to 3 months lots of our clients are ending contracts and we are losing these valuable employees to other agencies or companies"

- **Business line manager**

"I agree with that because although the demand is still there we are losing lots of temporary workers as well."

- **Union representative**

"You see the brokers help people for jobs but the people must go permanent. That's why the law is there but this process is too slow. The companies and agencies are working together but are not thinking about the workers."

It is quite evident that the regulations have reduced temporary staffing demand however it's not due to permanent work conversations. The Labour Broking industry will still be able to retain its workers merely on demand. However, there is still a risk of losing these employees to other agencies and companies who hire workers in house

Job security

Permanent workers working for a TES company feel a greater sense of job security than temporary workers. In fact all 15 temporary workers interviewed do not feel safe working for a Labour Broker.

What do you think of these findings?

The general consensus amongst the participants was in agreement with the finding. The common reason was the nature of temporary contracts as opposed to permanent employment. The temporary worker and work seeker elaborated that temporary work can be terminated at any time with or without prior notice. The union representative reproved this employment condition and encouraged temporary workers to join the unions to pressurise employers to take them on permanent. Their successive responses were as follows:

- **Key accounts manager**

"I agree with this because these employees are on limited duration contracts and it's difficult to predict when the contracts will end as we are under the clients instruction."

- **Client**

"That may be so however you will agree that we do advise you guys of a definite or approximate termination date"

- **Temporary worker**

"Ya but we are always told at the last minute that the job is finish. Sometimes they don't give us the notice. They just say the job is finish. You must not come the next day."

- **Work seeker**

"Eish, I work piece, piece job. It is not enough. Now I am waiting. The permanent is better."

- **Union representative**

“My brother, that’s why we want you to join us, you need a permanent job. So that you can take care of your family and get some benefits.”

It’s quite apparent that there is a lack of job security amongst temporary workers as opposed to permanent workers. This not only extends to lengths of contracts and benefits but abrupt terminations that disadvantages agency employees.

Probe: What possible solutions can you suggest to improve job security of these workers?

The participants suggested that longer employment contracts, benefits and training are the main determinants for retaining employees. The client however questioned the cost associated with these benefits and was shut down by the union representative that criticized business for viewing workers as commodities instead of regarding them as valuable human capital. Their exchanges were as follows:

- **Business Line Manager**

“I think we need to look at better benefits for our temps. Maybe more training programs.”

- **Client**

“Look benefits are well and good. I cannot dispute that. We hire temporary workers from labour agencies to remain competitive and profitable. It’s tough out there. Yes I would like to pay everyone pension and medical aid but this is impossible. It is just too expensive.”

- **Union Representative**

“Ya,,,every time it is about the cost. But nobody sees the job of the workers. They just want to use us and throw us. Baba, look at cost when you buying groceries, not when you have workers who are pushing the job”.

There was a general agreement that improved job security is possible through longer work contracts, improved benefits, training and the security that comes with

permanent work although these may be a costly exercise for both the Labour Broking industry and their clients. If clients cannot settle on these costs in the long term then the labour broking industry will struggle to retain permanent and temporary workers. This will also reduce temporary staffing demand and business may be forced to relook at atypical work contracts and labour broking services altogether.

Social and political factors.

The majority of temporary and permanent employees interviewed agree that Labour Brokers have a bad reputation in the country.

a) What do you think of these findings?

Most of the participants agreed with this statement. However, the business line manager expressed that the reputation of the labour broking industry was contaminated by the media. The temporary worker contested the statement stating the negative reputation is uttered by workers and unions at their place of work. Their successive responses were as follows:

- **Recruitment Consultant**

“Well I agree with these findings because we have all heard in the news about the strikes against agencies.”

- **Business line manager**

“I disagree with that. I feel it’s the media that has given the agencies a bad reputation. They did not look at both sides of the story. “

- **Temporary worker**

“I am a temporal worker. I see lot of bad things that are said about the brokers. It comes from the unions, the workers and they don’t want to work for the brokers. They don’t give us the benefits like medical aid and pension”

It can be deduced that the labour broking industry does indeed have a bad reputation that they will have to defend in the future. This reputation if not addressed

will cause Labour Broker workers to seek other opportunities. The social and political factors that can affect these employees will be pressure from family and friends, their communities, unions and permanent employees to leave the industry. The Unions constant protests against Labour Brokering will cause more reputational damage to both the Labour Broking industry and its workers.

b) **Probe:** What effect do you think the industries reputation will have on employee retention?

The participants cautioned that the negative reputation can result in a loss of valuable human capital, client demand and clients. This may lead to retrenchments and job losses. Their responses were as follows:

- **Recruitment Consultant**

“On the recruitment side, we can lose a lot of good candidates”

- **Key Accounts manager**

“We can lose business and clients. Without clients we may not have a job.”

- **Business Line Manager**

“Retrenchments”

c) **Probe:** In what ways can the industry improve its reputation in the country and its employees?

Ironically the recruitment administrator, Business line manager and key accounts manager being permanent employees were silent on this question. The other participants suggested more employee engagement, quality recruitment, wage and benefits and ease of temporary to permanent employment conversions. Their responses were as follows:

- **Temporary Worker**

“ they can listen to the workers. I think that is the main thing. They can get the answers there.”

- **Client**

“from a business perspective, better skills programs and better quality employees.”

- **Work seeker**

“Give us more jobs with good wages and benefits, Ya, the benefits is important”

- **Union representative**

“ the brokers must stop abusing the workers . They must make sure that they assist the workers to get permanent jobs. You can’t keep the workers on contract jobs for years and years. This is not right.”

The feedback from the participants stresses the importance of better wages, benefits, training and effective communication as determinants for reputational enhancement. The Labour Broking industry will not only have to deal with the tainted reputation of the labour broking industry as a whole but look closer to home at its own employee and client submissions.

Value and Future of Labour broking

All temporary and permanent employees interviewed do not feel that labour broking should be banned although there are numerous factors that employees are dissatisfied with.

a) Why do you think that these workers do not want the industry banned?

The general consensus amongst the participants was that the labour broking industry is instrumental in job creation for the masses of unemployed workers. Business echoed the need for flexible staffing in the competitive global market whilst the temporary worker criticized the inefficiency of the government departments. The union representative felt that the only reason the labour broking industry is the only option for workers is because clients are not doing their own in house recruitment. Their responses were as follows:

- **Recruitment Consultant**

“Well the TES industry provides work for people. That is the main reason in my opinion.”

- **Temporary Worker**

“eish, the broker is the only one who help with the job. We can't rely on the government department. There is too much corruption there.”

- **Client**

“The reality is we need employment agencies because of the nature of our business and to remain competitive within the market in which we operate.”

- **Union Representative**

“I disagree with that. I think the workers want the industry banned but right now the broker is their only option. That is why we want the companies to hire them directly.”

The fact that the labour broking industry is essential for job creation for work seekers and employment flexibility for business in the global market confirms the significance of the industry and its relevance into the future. Therefore the stability of the labour broking industry is critical in ensuring employment retention for its current and future workforce.

b) **Probe:** What effects will it have if the labour broking industry were to be banned?

Most of the participants stated banning the industry will only amplify the already high rates of unemployment. They pointed out that unemployment also gives rise to other socio economic issues such as poverty, crime and political unrest. The union representative was the only participant that supported banning the industry as it would increase permanent employment. The Business line manager argued that the regulations have not had any effect on permanent placement so why will banning make any difference. Their responses were as follows

- **Key accounts manager**

“ Mass unemployment, poverty “

- **Business line Manager**

“ all what you have just mentioned will lead to more crime”

- **Client**

“I don’t believe banning a whole industry that provides employment will be a solution. I will probably limit the use of temporary employment contracts

- **Union representative**

“ I agree, and you will be forced to take people on permanent”

- **Client**

“ No , that is not what I meant. If one limits temporary staffing, one will limit permanent staffing as well “

- **Business Line Manager**

If I can come in here, the regulations have not increased permanent jobs but have decreased employment. Do you thinking banning will do any better?”

In general the discussion cautioned against the banning of the industry. Employee retention efforts would be pointless for the Labour Broking industry if they are banned. It is, however, quite clear that the industry is here to stay and employee retention will be integral in ensuring the industries sustainability and desirability for both work seeker and business.

Intension to leave/ stay

Of all the permanent workers interviewed there was mixed feelings on their intention to leave or stay in the industry. All temporary workers interviewed intend leaving the labour broking industry?

a) What do you think of this finding?

All the participants agreed with the findings. The temporary worker elaborated that the main reason for leaving the industry is to secure more stable employment in permanent work. The business line manager speculated that the mixed feeling from permanent labour broking staff is the volatility of the industry and temporary workers simple intend to leave because their contract is temporary in nature. The key accounts manager added that intimidation from unions and other employees also contributed to their intention to leave. The union representative fiercely contested the statement stating that its wage disparity and unfair treatment from Labour Brokers as the main contributors to employee intention to leave. Their successive responses were as follows:

- **Temporary Worker**

“from my side I need a permanent job. The broker is giving us a piece of bread. It is at least something to feed my family but we need the permanent job. You know with benefits, medical aid, the pension.”

- **Business line Manager**

“the permanent staff probably have mixed feelings because of the volatility of the industry. Our temporary staff are quite happy as far as I know however I think it’s just what (temporary worker) as mentioned of the fact that it’s temporary employment.”

- **Key accounts manager**

“ I agree with that but I think the workers want to leave because of the intimidation from the unions and some workers on the site.”

- **Union representative**

“How, you can’t say that. Every time there is a problem you are quick to blame the unions. We are on the workers side. You see the workers are unhappy with the brokers, the wages, and the treatment so that’s why they want to leave.”

The discussion was interrupted by the facilitator because of the heated exchanges between the participants and did not have any bearing on the discussion. What was clear is those both temporary and permanent workers intend leaving the industry for various reasons. The Labour Broking industry will have to be mindful of the nature of their temporary contracts and the industries volatility as the main contributing factors on retention challenges. If these challenges are not effectively addressed the industry will lose their human capital to other industries that provide a more stable work environment.

- b) Do you feel that workers are forced to work in the industry because there are no other options or opportunities available?

Only three participants took part in the discussion on this point. The business line manager disagreed that labour broking was the only option for workers. The client reiterated that temporary work is in itself not a bad option. The Union representative slammed the comment by stating that it has become the only option because companies are using Labour Broker services instead on hiring directly. The facilitator then posed the question to the work seeker who agreed that labour broking is the only option because companies don’t want to hire and government departments are corrupt. Their responses were as follows:

- **Business Line manager**

“I wouldn’t say they are forced to work for us. There are other options . They can apply to companies directly. There’s dept of labour as well. I think they work for us because there is lots of opportunities for them and it’s easier to access work through us”

- **Client**

“Let’s not fool ourselves here. There is not enough work and the only option that most people have is temporary work. And that’s not a bad option. I have three workers that I took permanently. Temporary work is an opportunity.”

- **Union Representative**

“let me say this. You see the problem is the companies are only using the Labour Brokers. So that’s why the Labour Broker is the only option. They are forced to use the brokers for jobs. I think this must change. The companies must take the people directly.”

- **Work seeker**

“yes for me the broker is my only option. You go by the company gate for job, they chase you away. The government department want bribes. They only take their family or those people who can pay. They are very corrupt.”

- c) **Probe:** How can the industry attract workers that would want to remain within the labour broking industry?

The participants suggested better wage and benefits, access to training and development and continuous employment. Their responses were as follows:

- **Key accounts manager**

“ I think maybe better benefits, like pension, medical aid”

- **Business line manager**

“ we need to do more on training and development and maybe relook at our contracts”

- **Work seeker**

“ I think if they can keep us working one way. Not sit at home then work and then sit at home. So if we can work one way, yah , it will be better.”

It is apparent that social benefits and training does improve employee retention however based on the feedback by the work seeker it is equally important to ensure these employees have work of a sustainable nature. Lengths of contracts although challenging for the broker to determine should be more closely looked at. Does the length of contracts add to employment stability and is the income generated from these contracts sustainable for the employee in the long term? These are questions that will need some focus to ensure employee retention and the overall sustainability of the Labour Brokering industry.

What do you think is the future of TES demand from a customer perspective?

The facilitator posed this question specifically to the client as their opinion is key to assessing TES demand from a business perspective. The client was adamant that running a business without flexible staffing is almost impossible. He further stipulated that temporary staffing is a global trend and as long as TES companies are in existence there will be a need for their services. The response was as follows:

- **Client**

"I cannot speculate on the future of Labour Brokers. I can however assure you without uncertainty that there will always be a need for temporary staffing. This is a global phenomena and running a business without outsourcing in my opinion is impractical and almost impossible. So back to your question of whether there will be a demand for brokers. Yes, as long as they are in existence, why not"

From a business perspective it is quite evident that flexible staffing adds positively to cost management, profitability and sustainability in the global arena. This only deepens the need for the Labour Broking industry to ensure they are able to retain their human capital for the present and future demands. Should their retention efforts not succeed; businesses will use internal platforms for recruitment eventually causing the labour broking services to become obsolete.

What in your opinion is the value of Labour broking if any, for the various stakeholders within the labour broking industry?

The facilitator wanted to re-examine the value of labour broking although a part of the topic was covered earlier in the conversation. The participants did express value in the fact that the industry provides employment, experience for new work seekers and flexibility for customers who utilise agencies. However, there was some debate on permanent work as opposed to temporary work. The union representative stated that Labour Brokers are mere middle men and clients use brokers to avoid taking employees on permanent. The client disagreed with the statement and said permanent jobs are only possible if one exists and it's almost impossible to have every worker on a permanent basis.

Their responses were as follows:

- **Recruitment Consultant**

"I am involved in recruitment. That is what I do on a daily basis. I place people on jobs daily. How can there be no value in that. It is very important industry."

- **Business Line Manager**

"I agree. Just to add to what you mentioned. Employment is the first thing. Secondly it's the experience that workers get. Thirdly, its work opportunities with big industry."

- **Work seeker**

"From my side the broker is the only one who can help us for the job. We don't have any choice but to work for the brokers"

- **Union Representative**

"I don't see the value for the workers because the brokers are just a middle man. The companies are using them because they don't want to take people permanent, yah."

- **Client**

“I disagree with that. It is not a matter of whether we want to take them permanent or not. It’s a matter of whether the jobs are of a permanent nature. In a perfect world yes we can take everyone permanent. This isn’t a perfect world.”

There is certainly value in temporary labour and by default the companies who provide these services will have to be seen as a value added benefit. The Labour Broking industry will still be able to access temporary staffing because clearly workers see this as the only option for securing employment. Retaining the workers will be dependent on other factors such as salary, benefits, career advancement and others.

a) **Probe:** what impact will this have on the retention of both temporary and permanent employees within the labour broking industry?

The participants made short statements when the question was posed. They stated that there will always be employment for work seekers however the Labour Brokers will have to find solutions to retain the employees by better working conditions, training and development and longer contracts. Their responses were as follows:

- **Client**

“ as i mentioned before there will always be a need for temporary workers. My advice would be to ensure that there is a proper career growth plan in place to retain these workers”

- **Temporary workers**

“ Pay the better wages and the benefits is important”

- **Work seeker**

“ don’t give us one day, one day jobs. We want the long contracts”

- **Business Line Manager**

“From my end as far as permanent workers are concerned the industry needs to weed out the bad operators to ensure that it regains its reputation in the country”

Although it's clear that there is a future for labour broking a lot needs to be done in retaining these workers who are unhappy with their working conditions and lengths of contracts. Another point that the Labour Broking industry should consider is temporary to permanent contracts. As much as the broker can retain its temporary employees, most workers want permanent positions and there has to be some consensus between the clients and brokers on this. Permanent workers with brokers will mostly be influenced by the demand of temporary staffing and the reputation of the industry.

Is there anything else that we haven't discussed that you wish to raise about employee retention in the labour broking industry?

The facilitator before closing the discussion asked the above question. The participants did not raise any other points.

5.3.4. Conclusion

The participants views were acknowledged with some predictable responses and some findings shed new light on the subject. The participants' feedback is summarised in the last Chapter of the study and underpinned with the Delphi phase.

5.4. Statement of Results– Phase 4- Delphi Study

5.4.1. Introduction

Three participants from the phase three focus group were selected as they were proved to be experts in their respective areas. The credentials of the participants have been listed below. Their feedback on the factors affecting employee retention was further explored. The researcher solicited feedback from the participants with a minimum of three rounds to attain consensus on the various points raised.

5.4.2. Demographic Information

The table below reflects the demographic profile of three experts that were chosen for the Delphi Study. The participants were chosen because of the extensive experience with or within the TES industry. The Table below reflects the demographic of the selected participants.

Table 24 : Demographic of Delphi Participants

	Participant (delphite)	race	gender	age	highest qualification	period in current function	TES Industry experience
1	Recruitment Consultant	Black	Female	36	Matric	6 years	7 years
2	Business Line manager	Indian	Female	47	Diploma	8 years	10 years
3	Client	White	Male	42	Degree	13 years	3 years

The Business line manager and recruiter were selected based on the period of service with the Labour Broker and their prior experience within the Labour Broking industry. The recruitment consultant was chosen specifically to shed light on TES demand. Her duties involve interaction with both work seekers and clients on available vacancies and the sourcing of the labour to fill these vacancies. The Business Line Manager was chosen because of his in depth knowledge of the TES industry. Temporary and permanent employee management, sales, operations and

risk management. An expert outside the TES industry was also necessary to make comments of the TES industry and its service in general. A client with over 15 years' experience of utilising TES staff was asked to participate as well. A structured interview questionnaire was send via email to the participants. However, feedback was not received after many appeals for completion. The researcher then solicited feedback telephonically on the first response. The second and third responses for clarity and consensus were received via email from the participants. The discussion points and findings are reflected below:

5.4.3. Factors affecting employee retention

- **TES Regulations**

All the participants did agree that the regulations have some impact within the labour broking industry evidently through the loss of clients and temporary workers. The Business line manager made specific mention of the joint and several liability clause in the LRA where both the client and the agency share liability on TES contracts. This was a deterrent for clients not to utilise TES services because of the risks associated with this dual employer relationship. The client also made mention of joint liability as a concern. However, he said the he does not foresee a significant impact on employee retention because of the scarcity of employment opportunities. The recruiter added that although the regulations may not put agencies out of business however clients are opting to do their own in house recruitment which is threatening the industry, its temps and permanent workers who have targets to meet. The client said that agencies will have no need to concern themselves with employee retention because temporary workers will not leave their jobs because not much alternative choices exist.

The researcher needed clarity from the participants on whether the Labour Broking industry will experience retention challenges resulting from temporary employees leaving the industry, losing these employees through permanent conversions, the loss of client demand, or as the client put it, that temps will merely remain in the industry for the lack of choice. The participants agreed that all of these factors did play a role. However, the general consensus was that the regulations affected both

the client and the labour broking industry and ultimately TES demand.

The researcher further needed clarity on why the regulations did not have a significant impact on employee retention within the Labour Broking industry. It then emerged that because the Labour Broking industry is predominantly operating within the logistics industry there was a significant need for flexibility of labour; hence few TES terminations. It was, therefore, concluded that the regulations did affect employee retention through the loss of TES demand and these employees either remain unemployed or have found alternate positions within competitor companies or other industries.

- **Job security**

The study needed to establish if the limited duration of temporary contracts, lack of social benefits and uncertainty on terminations, were the only major contributors to job insecurity. The participants all agreed that TES contracts are in essence temporary in nature and that most employees ideally seek permanent stable work with benefits. The Business Line Manager stated that temporary workers feel a greater sense of insecurity because they seldom get access to training and development. He also stated that Temps seldom get promoted because of the contract period being too short. The recruitment consultant agreed that all the factors contributed to job insecurity however stressed the fact the TES company cannot guarantee its employees how long the contract will last is the major contributor. The client echoed the need of most workers for permanent employment as another contributing factor to job insecurity. He also conceded that there isn't enough permanent work to fulfil this need and therefore temporary workers will always feel this sense of insecurity.

The study wanted clarity on whether, if the above mentioned issues were addressed, job security and ultimately employee retention would be improved. The participants agreed that more training and development, improved social benefits, certainty on terminations and longer contracts will only improve job security; however, it will not be entirely eliminated. The final consensus on this was that temporary work is temporary in nature and in essence will always have a degree of uncertainty and insecurity. A final appeal was made to solicit any other factors that could contribute

to job insecurity from the participants. Factors such as the lack of direct supervision from the TES company, the absence of a system of performance management from both the client and TES company, temporary workers not having interaction with all levels of the TES organisation and the alienation from the organisation that supposedly is its employer were added contributors to job insecurity. The attempt was further made to assess if job security would have an effect on employee retention. The participants agreed that it would. However, the consensus was reached that as the TES industry loses skilled workers who seek permanent work opportunities, there will certainly be an availability of replacements because of the high unemployment rate.

- **Social/political Factors**

All the participants agreed that the labour broking industry has a bad reputation because of negative media and Union resistance. The business line manager pointed out that the negative reputation stems from Unions who have exposed Labour Brokers not in the workplace only but in the perceptions of society as a whole. She added that the unions have failed to see the positive impact of job creation by legitimate employment agencies. The recruitment consultant pointed out that most clients are highly unionised and intimidation from permanent workers and unions affects TES employees. The client maintained that although union activity may have given the agencies bad reputations, agencies also are to blame for the treatment of the TES workers. He pointed out that agencies do not make efforts on up skilling these workers which in turn do not motivate their customers to make more temporary to perm conversions. Further clarity on whether the reputation of the TES industry will have an effect on employee retention was needed. The business line manager pointed out that it is very difficult to measure if the industries reputation affects employee retention however there have been reports of intimidation which does affect TES employees on a daily basis. The recruiter stated that TES employees are now joining the unions to access permanent work. The client stated that he has not received any reports of intimidation and cannot state if employees are resigning from TES companies because of their reputation. He did, however, add that the temporary workers have little choice in the matter. There are not enough job opportunities and temporary workers are more likely to adapt than throw in the towel. Other social or political issues may be perceived to cause employees to leave the

industry? The participants stated that the attractiveness of permanent work, skills shortages and the growing foreign job opportunities may cause skilled workers to leave the industry however unskilled workers are plentiful in South Africa and the retention of these workers will not be necessary because of the vast availability of replacement workers.

One final attempt was made to assess if the labour broking industry improved its reputation would they be able to retain skilled employees and attract new work seekers to the industry. The participants stated that a better reputation in the minds of workers and the public at large will assist in re-affirming the importance of temporary employment. The client added that the labour broking industry should do more for TES workers than mere recruitment. Adding more value to these workers will change the mind-sets of both clients and these workers.

- **Value and future of TES**

All the participants agreed on the importance of TES for business and work seekers. In general the participants maintained that there was consensus in South Africa about the role of TES. However, they conceded that not all groups will share this view. The business line manager pointed out that ironically it's the very same work seekers who become TES employees and then become permanent with the client seem to not recall the role TES played in their career advancement. The business line manager further stated the Unions and permanent workers for the clients are against TES agencies however these individuals constantly pester TES companies to secure work for their families and friends. She, therefore, stressed through all of this hypocrisy there is consensus in the value of TES although not as transparent as one would like. The recruiter added that resistance from permanent workers and Unions is inevitable because of their opposition to atypical employment; however, she was unsure of the future of TES as these opposing views become more widespread in the workplace. The client pointed out the importance of temporary work calling it a Global reality and further stated that as long as there is need for temporary workers there will be need for Labour Brokers.

The study further sought to establish from the participants if these opposing views from Unions with their enormous collective bargaining power will ultimately remove

Labour Brokers from the work place? The participants did not agree that TES companies will be banned. The one participant explained that the banning was a failed attempt by the unions because both business and government sees the value of job creation and the expense of banning an industry that hires thousands of workers on a daily basis. Another participant reported that the union pressure will certainly deter new work seekers to the industry. However, because of the scarcity of work their efforts will be a fruitless exercise. It was also added that in time those opposing TES will embrace the industry because of the regulations within the country and the mere global business trend that is pro TES.

The question was then raised: if this constant pressure from unions to ban labour broking companies continues, will TES companies have challenges in retaining their employees? The participants did agree that there will be challenges in retaining employees. The business line manager stated that TES employees are joining unions in order to secure permanent work. The recruiter stated that new work seekers are new to the work environment and the intimidation from unions may deter them from TES offers of employment. The client stated those unions mandates are to unionise as many employees as they can. Therefore, TES employees will be an added benefit for unions. He further stated that although this may happen business will always dictate temporary to permanent conversions.

5.4.4. Concluding Recommendations from “Delphites”

- **Relaxing the TES regulations**

All the participants agreed that relaxing the regulations will encourage TES employment. The client and recruiter stated that the joint liability (client and TES dual employer relationship) is a concern and can deter businesses from sharing liability for employees that are not legally employed by the client. The business line manager also stated that with current unemployment rates regulation seems a little too premature. The researcher raised the point that the regulations were intended to protect vulnerable workers who were exploited in the past.

Will relaxing the regulations not prejudice TES employees and discourage them from working for Labour Brokers?

The client stated that the solution was not to totally deregulate the industry but to ensure that the various stakeholders are protected under the employment relationship. The joint liability regulation aims to risk this symbiotic relationship of the client, TES and the temporary worker. The business line manager stated that TES employees have not seen any benefit from the regulations. It has not encouraged permanent work nor has it reduced terminations. The business line manager concluded that relaxing the regulations will ultimately encourage employment and retention. The recruiter conceded that the regulations has certainly improved salaries and benefits with some employees however it has done little to encourage employment.

- **Training and development**

The recruiter and business line manager although agreed with the recommendation that training and development will encourage employee retention, they expressed that is a very costly exercise. The recruiter further stated that training and development is seldom possible with short contracts. The client welcomed the recommendation and stated that Labour Brokers must make an effort in up skilling their employees. The researcher informed the other participants of the client's position on training and development. The participants agreed with the client's opinion; however, the business line manager stated that most companies are already complaining about the costs associated with higher salaries and benefits and it's quite challenging to recover the costs of the training programmes when training employees who aren't guaranteed a long term job. The recruiter stated that even if agencies were to up skill temporary workers the clients will make specific demands on the types of training programs they prefer which could jeopardise the viability and profitability of the employment contract.

The researcher advised the client of the feedback for comment. The client stated that there are government funded programmes and bursaries available from the relevant SETAs (Sector Education and Training Authority). The business line manager stated that these programmes are currently being accessed however the programmes are

only relevant and accessible through the services industry seta and cannot cater for all the skilled and unskilled TES workers. All participants, however, conceded that training and development is an important driver for employee retention.

- ***Incentivise TES Customers***

The client stated that the high fees charged by temporary agencies for temporary to permanent conversions is sometimes a deterrent. However, if this service were to be free it will encourage more temporary employment and temporary to permanent conversions. The recruiter stated although incentivising clients for temporary to perm conversions is a good idea to encourage more temporary demand, the loss of these staff to permanent work disadvantages the TES Company in the long term. The business line manager stated that it is common practice to revoke the placement fee after temporary workers first year of service.

The researcher wanted to know what types of incentives will encourage more TES demand and will more demand help the TES Company to retain this workers? All the participants agreed that incentivising the clients will encourage the TES demand. The recruiter stated that perhaps the company could look at providing a discount or free service for permanent placement service if the clients where to maintain an agreed temporary employee headcount. She added that this will encourage clients to maintain a temporary labour headcount, reduce terminations and increase job security. The business line manager stated that the only incentive that clients look for is cost reduction and perhaps more focus on competitive pricing may be a solution to encourage TES demand. The client maintained that more efforts must be put into training and development as well as a better quality of labour. The client complained of the calibre of temporary workers as the main factor for ending temporary contracts.

- ***Suggested additional Employee retention recommendations from “Delphites”***

Two participants stated that training and development for both skilled and unskilled TES employees will help with retention. One participant added that clients should be

more inclusive as well when they do in house training for their permanent employees. The third participant stated that focus needs to be put into better salaries and benefits for TES employees. She added that all workers whether temporary or permanent require social benefits. The absence of social benefits has a huge effect on job security and ultimately retention.

5.5. Summary of findings - Phases 1 to 4

5.5.1. PHASE 1 – Survey

PERMANENT EMPLOYEES	TEMPORARY EMPLOYEES
The TES regulations	
<p>The majority of permanent workers agreed that the regulations on limiting contract employment for three months will reduce staffing demand and cause retrenchments within the Labour Broking industry.</p> <p>A slightly higher percentage of workers also felt that the employment services bills which are intended for government to perform free recruitment will have a detrimental effect on employees within the Labour Broking industry.</p> <p>A greater percentage of permanent employees were unsure if the regulations added positively to their job security, better working conditions and more employee rights.</p>	<p>The majority of temporary employees surveyed agreed that the regulation limiting contract work to 3 months will put them out of work and disagreed that the 3 month rule will give them a permanent job with the client of the Labour Broker.</p> <p>Over two third of temporary employees rejected governments employment services bill and preferred finding a job with a Labour Broker instead of a government department</p> <p>A greater percentage of temporary worker did not feel that that regulations has helped improve their working conditions or increase their job security although they conceded that they do have more rights now as temporary workers.</p>

Job security and Motivation

Over half of the permanent employees surveyed felt safe in their employment however there was a mixed consensus on spending their entire working career with a Labour Broker.

Although 80% of the employees feel part of the family, over 50% of them were unsure of their benefits and having a bright future within the industry.

They conceded that they do receive employer recognition, work progression and involvement in decision making however a higher percentage of temporary workers felt that their salary was poor.

The majority of temporary workers did not feel safe working within the Labour Broking industry, were also unhappy with the wage and benefits.

Over two third of the temporary workers do not feel any sense of belonging in the organisation, do not see a bright future working in the industry and are not recognised for their work by the Labour Broker

All the temporary employees surveyed prefer permanent work to temporal work and are forced to work for the Labour Broker because of difficulties securing a permanent job.

Social and political factors

The majority of permanent employees disagreed that Labour Brokers have a bad reputation and did not experience any intimidation by the client's permanent employees and unions.

Over 80 percent of employees surveyed did not feel exploited by Labour Brokers or convey to outsiders that the industry or organisation is not good to work in.

Over 80 % of temporary staff feel that the industry has a bad reputation and a majority do experience some form of intimidation from the clients permanent workers and unions.

A higher percentage of workers do feel exploited by Labour Brokers as they feel they are treated unfairly in comparison to the client's permanent workers. The majority of employees convey this negative sentiment to outsiders.

Value and Future of Labour Broking in South Africa

Almost all of the permanent employees do not feel the industry should be banned and see an inherent need for the industry in the future.

Over 90% of those surveyed see value in labour broking for its clients and work seekers.

A larger percentage (44%) of employees do not feel Labour Brokers should be banned however a very close 36% feel the contrary.

Temporary workers do see a need for Labour Brokers because of work opportunities for the unemployed.

Intention to leave / stay

The majority of permanent workers do see a successful future working for a Labour Broker however a majority also conceded that they are unsure if they would want to remain within the industry.

A higher percentage of employees are seeking a more stable job but disagree that the labour broking issues are the reasons for them seeking alternate opportunities.

Almost two thirds of temporary workers do not see a successful future working for a Labour Broker and the majority are seeking employment outside the labour broking industry.

The majority of workers are seeking employment with more stability and do see continuous or sustainable work through the industry.

5.5.2. PHASE 2- Semi-Structured Interviews

PERMANENT EMPLOYEES	TEMPORARY EMPLOYEES
The TES regulations	
<p>All the permanent participants interviewed did not feel that the 3 month contract limit for temporary staffing will reduce staffing demand or cause retrenchments. It was deduced that clients will always need flexibility in staff turnover and there was no evidence of a reduction in temporary employment demand.</p> <p>All the participants further rejected the employment services bill as having an effect on Labour Broker services. It was pointed out that Labour Brokers provide more than recruitment services but other value added HR services and guarantees.</p>	<p>All 15 participants interviewed agreed that the 3 month contract limit will cause job losses. It was also deduced that the rule discouraged temporary and permanent job opportunities. Some participants pointed out that the 3 month rule hindered clients from assessing suitable workers for permanent positions.</p> <p>All the participants rejected the proposed employment services bill, whilst some pointed out that they will be subjected to governments unethical practices on securing positions.</p>

Job security and Motivation

Sixty six percentage of participants do feel safe working for a Labour Broking. Their reasons were the stability and ethical practices. They also pointed out the client demand that is still rife amidst the regulations. The opposing view was the eminent threat within the Labour Broking environment and the stresses and pressures associated with working for a Labour Broker.

There was a even response of unsure, agreed or disagreed on spending the rest of their working career within the industry. Reasons were the value of securing employment for work seekers, uncompetitive salary and benefits and the work stresses associated with Labour Broking.

All the participants did not report favourably on the salary and benefits offered by Labour Brokers. Complaints of unsubsidised medical aid benefits and low travel benefits were expressed by these permanent participants.

All participants interviewed do not feel their job is secured and pointed out on lengths of contracts, terminations and clients dictating terminations as demotivating factors.

All participants interviewed prefer permanent employment to contract employment because of job security, benefits and access to loans.

All temporary participants disagreed that the benefits were good at the Labour Broker. Most reported that they do not receive social benefits (Pension, medical aid) and some did not receive statutory benefits as well (leave, sick leave, and public holiday pay).

Social and political factors

The majority of the participants conceded that Labour Brokers do have a bad reputation. They pointed out that media reports, strikes on banning the industry and unethical Labour Brokers compounded the negative reputation of the industry.

All the participants rejected that their family and friends were against them working for a Labour Brokers. They explained that bringing an income was of more importance to their family. Some of their family and friends did not know much about the issues with labour broking and maintained that family and friends benefit from employment opportunities through them being employed through the Labour Broker.

All the participants except one agreed that Labour Brokers have a bad reputation in the country. Most participants were familiar with the negative media reports and publicity on COSATU wanting to ban the practice of Labour Broking and Labour Broking in general. This impacted on the reputation of Labour Brokers.

All participants further reported that the unions and the client's permanent workers were against them because they were hired through a Labour Broker. They explained that the unions feel threatened by them and are often forced to resist union representation for fear of their contracts not being renewed by the Labour Broker.

Value and Future of Labour Broking in South Africa

All the participants interviewed were against the banning of labour broking. They asserted that banning will only cause more job losses, have a detrimental effect on the economy, work seekers and clients who require the flexibility to remain competitive. They further maintained that work seekers need Labour Brokers to secure employment as Labour Brokers have a huge client and work seeker data base.

All the participants interviewed did not feel that Labour Brokers should be banned simply because they find much needed employment for work seekers and are the only viable entity for finding work. It was found that the Labour Brokers streamlined processes, easy access to employment for new work seekers and job matching abilities does make them important for work seekers.

Intention to leave / stay

Of the three participants interviewed, one was unsure, the other agreed and one disagreed that they were looking for work outside the industry. They explained the need of seeking better prospects, uncompetitive wage and benefits as reasons to consider leaving the industry. One participant maintained that he has been in the industry for many years and has grown accustomed to the industry and therefore does not intend leaving.

All the temporary participants interviewed were looking for work outside the labour broking industry. The rationale for seeking alternate employment was greater job security and benefits with permanent employment. Some explained that they have been working on contract through Labour Brokers for years without social benefits.

5.5.3. PHASE 3- Focus Group

- **The TES regulations**

The regulations did not have a major impact on TES demand although there has been a reduction in staffing demand. The need for temporary staffing was also confirmed however the three month regulation is a hindrance to securing permanent employment. It was concluded that the regulations does impact TES demand which was evident through the loss of clients and temporary workers.

- **Job security and Motivation**

Temporary workers do feel a greater sense of job insecurity because of the length of temporary contracts and the uncertainty on terminations. It was suggested that longer contracts, benefits and training can improve job security and employee retention.

- **Social and political factors**

There was a general consensus that the labour broking industry does have a bad reputation which can have a detrimental impact on employee retention. There were suggestions of more employee engagement, quality recruitment, wage and benefits and ease of temporary to permanent employment conversions to circumvent the labour broking industries reputational damage.

- **Value and Future of Labour Broking in South Africa**

The general consensus amongst the participants was that the labour broking industry is instrumental in job creation for the masses of unemployed workers. Business needs temporary staffing services to remain competitive. Banning the industry will only cause more unemployment and other socio economic factors.

It was further concluded that there is a future in TES demand. Temporary employment is a global practice and makes business sense to remain competitive. The participants did express value in labour broking given that the industry provides employment, experience for new work seekers and flexibility for customers who utilise agencies

- **Intention to leave / stay**

It was concluded that both permanent and temporary workers may have legitimate reasons for wanting to leave the industry. Permanent workers see the volatility and instability of the labour broking industry and temporary workers are in pursuit of more stable permanent work.

5.5.4. PHASE 4- Delphi Analysis

- **TES Regulations**

The participants agreed that the regulations had some impact within the labour broking industry evidently through the loss of clients and temporary workers. There was mention of the joint and several liability clause in the LRA where both the client and the agency share liability on TES contracts as a deterrent for clients not to utilise TES services. The general consensus was that the regulations affected client TES demand which has a knock on effect on employee retention. It was concluded that the regulations did affect employee retention through the loss of TES demand and these employees either remain unemployed or have found alternate positions within competitor companies or other industries.

- **Job security**

It was concluded that TES contracts is in essence temporary in nature and that most employees ideally seek permanent stable work with benefits hence a contributing factor to job insecurity. The participants agreed that more training and development, improved social benefits, certainty on terminations and longer contracts will only

improve job security however it will not be entirely eliminated. The final consensus on this was that temporary work is temporary in nature and in essence will always have a degree of uncertainty and insecurity.

- **Socio- political Factors**

All the participants agreed that the labour broking industry has a bad reputation because of negative media and Union resistance. There was also mention that clients are highly unionised and intimidation from permanent workers and unions affects TES employees. Reports of intimidation and TES employees joining the unions to access permanent work does have a negative effect on employee retention. It was concluded that if the labour broking industry improved its reputation it would re-affirm the importance of temporary employment and help improve employee retention to some degree.

- **Value and future of TES**

All the participants agreed on the importance of TES for business and work seekers. In general the participants maintained that there was consensus in South Africa about the role of TES however they conceded that not all groups will share this view. The participants did not agree that TES companies will be banned. The participants conceded that there will be challenges in retaining employees with continuous union pressure however business will always have need for temporary staffing to remain competitive.

Recommendations Proposed by "Delphites"

- **Relaxing the TES regulations**

All the participants agreed that relaxing the regulations will encourage TES employment and retention. There was some consensus that the regulations has certainly improved salaries and benefits with some employees however it has done

little to encourage employment.

- **Training and development**

The participants agreed that training and development is an important driver for employee retention however stated that it may be a costly exercise especially when contract periods are shortened. Challenges accessing government funded training was also discussed however it was concluded that training and development is an important factor for employee retention as a whole.

- **Incentivise TES Customers**

Competitive pricing, reductions or cancellations of temporary to permanent conversions will encourage TES demand. However an increase in permanent conversions will affect employment retention to permanent jobs. Therefore pros and cons were expressed. The general consensus was that incentives will increase TES demand. TES employees will be drawn to the industry because of the greater expectation of permanent work. This will help with attraction and retention of TES workers.

- **Suggested additional Employee retention recommendations**

It was concluded that training and development for both skilled and unskilled TES employees, more inclusivity with client in- house training, better salaries and social benefits will promote employee retention.

5. 6. Conclusion

The four phases mixed method research design was applied using both Qualitative and Quantitative approaches. In phase one a sample of 30 permanent workers and 150 temporary workers were issued questionnaires to complete with about 99% representatively of all job categories within the Labour Broking industry. The researcher ensured the sample size percentages were between 43% to 61%

representation of the target population to ensure significant representation. Phase two adopted a qualitative approach using semi structured interviews on 10% of the phase one respondents. This was recorded and transcribed verbatim in order to get a deeper understanding of the responses received in phase one. To further ensure breadth and depth of the study the researcher used 7 participants (Business Line manager, Key accounts manager , Client of the Labour Broker ,work seeker, temporary worker, recruitment consultant , Union representative) in a focus group for broader and deeper insights into the research questions and the phase one and two results. In the fourth and final phase the researcher selected three participants who were experts in their respective jobs and industries to tackle complex issues and bring clarity to the factors affecting employee retention and other research questions. The panel through a series of telephonic and email interactions recommended strategies for employee retention in the Labour Broking industry. The summary of the findings of all four phases was also documented.

CHAPTER SIX

Discussion on Results

6.1. Introduction

The results of the four phase case study research outlined in the previous chapter is discussed and examined. The factors affecting employee retention is discussed and the extent of the challenges is explored and analysed.

6.2. Impact of TES Regulations

The various phases of the case study research concluded that the TES regulations does have a negative impact on TES demand, hinders permanent job opportunities, and client and employee retention challenges. The regulations was intended to minimally regulate Temporary Employment Services (Labour Brokers) and atypical labour contracts, because of the negative publicity and reports about Labour broker abuse among vulnerable workers. It seems what the law makers did not take into account was the essential reason for Clients utilising labour brokers. Business in essence do not want the burden of running temporary contracts, the onerous obligations and risks associated with social benefits, terminations and administration of these workers. Business essentially want the flexibility of a temporary workforce and a talent pool as and when they deem necessary without any employer employee obligations. The TES regulations have over time moved away from sole employment (Labour Broker) to dual employment (Labour Broker and client of broker) to now sole employment (the client) which puts all of the legal burden of the employment contract on the client of the Labour broker. This is why business sees no advantage of utilising Labour brokers who have now become glorified payroll administrators and recruitment officers. This does little for employees working for Labour brokers who are now facing retrenchments and more employment uncertainty.

Prof. Richard Morgenstern's research focuses on the economic analysis of environmental issues with an emphasis on the costs, benefits, evaluation, and design of environmental policies, especially economic incentive measures. During an

interview he made the following statement on government regulations:

"Regulation imposes costs on firms, and these costs typically get passed along in the form of higher product prices. Consumers, in turn, respond by purchasing less and/or searching for alternative suppliers. Reduced sales, combined with additional outsourcing by firms for their material inputs, can lead to job losses".(Morgenstein, 2018: 1)

One can conclude that government regulations that create more cost and risk on business will result in job losses and a knock on effect on labour brokers facing challenges retaining their clients and employees.

6.3. Job Security

The results concluded that both temporary and permanent employees feel a sense on job insecurity. Temporary workers have limited duration contracts which have been further reduced to three months. Permanent employees are uncertain about their future with a reduction of TES demand. Job security is closely associated with job availability. With unemployment rates around 29% in South Africa good jobs are limited and stable work seems a luxury. It is this environment that reduces the opportunity for contract to permanent employment conversions.

Statistics South Africa's quarterly labour force survey for the second quarter for 2019 year shows that the country's unemployment crisis is deepening. By the official count, 6.7-million people are unemployed in South Africa, which is 29% of everybody who could be working. By the expanded definition, more than 10 million people are unemployed, or 38.5% of people who could be working.(Webster, 2019: 1). With unemployment at its highest and retrenchments on the increase businesses have little choice but to lay off temporary workers first to cushion permanent worker retrenchments. Labour brokers are therefore faced with large number of layoffs and these employees no longer enjoy an income while waiting for other placements. These workers will naturally migrate to areas or companies that have alternate work offerings.

6.4. Social and Political Factors

Results from the four phase case study confirmed that the labour broking industry has a bad reputation in South Africa. The Labour broking industry has defended this by asserting its positive contributions to employment creation but has also conceded that there are agencies that are sub-standard in their practices. This nonetheless has tainted the reputation of the entire industry and much has to be done to repair its reputational damage. On a political level Government and labour are pushing for more regulations and this is tantamount to banning the industry entirely. On a social level employees are discouraged by family, friends, the media and unions about the unscrupulous practices of labour brokers.

A study by Gilani and Cunningham (2017: 239-256) explored the influence that employer branding and reputation has on employee retention and their findings, concluded that employer branding does have a clear influence on employee retention. The labour broking industry will need to find creative ways to repair its negative brand and reputation to improve employee perception. Failing this its valued employees will seek jobs in industries with better reputational and brand images. More studies will have to be conducted to find creative solutions to improve the perceptions of all South African entities and citizens on the value of Labour broking offerings.

6.5. Value and Future of Labour Broking and Demand

The concluding result from the case study was that the labour broking industry is instrumental in job creation for the masses of unemployed workers. Business needs temporary staffing services to remain competitive. Workers require a reliable facility to actively facilitate securing employment. Labour broking does have a future in the South African economy as screening of work seekers and organising talent pools at short notice is essential for business during production peaks. New work seekers who are looking for work exposure to build experience need Labour Brokers for facilitation.

The constitutional court ruling in July 2018 held that the sole employer interpretation does not result in a transfer of employment but rather a change in the statutory attribution of responsibility as an employer; within the same triangular relationship (Milo, Froneman and Anestidis, 2018: 1). Practically this means that the triangular relationship will continue for as long as the commercial contract between the TES and the client remains in force and the TES continues to remunerate the employee. This ruling does allow for Labour Brokers to continue their services with the client beyond three months. Labour brokers may consider indemnifying their clients and providing added services for both employees and their clients to remain sustainable in the future.

6.6. Employee intention to leave or stay in the labour broking Industry

The results showed that both permanent and temporary workers do intend to leave the labour broking industry. They do have legitimate reasons for wanting to leave the industry. Permanent workers see the volatility and instability of the labour broking industry and temporary workers are in pursuit of more stable permanent work. The labour broking industry will have to ensure its employees feel a sense of stability in order to retain their employees. The challenge is twofold where employees are constantly seeking alternate work opportunities in other industries. This will lead to unexpected resignations. On the other hand TES demand is on the decrease. This results in mass terminations and the challenges associated with reassigning these workers with limited available assignments. Most studies on employee retention suggest training and development as the number one strategy for employee retention. This may be true for the labour broking industry as well. Government has set up Training SETAs nationally for free access to training programmes in the relevant industries.

Ranganathan (2018: 879-909) specifically explored training and development as a retention strategy for underrepresented groups. His findings are that training and development is effective in retaining entry level workers. His study further asserts that special focus must also be given to the people delivering the training and the training content to ensure employee retention in the long term. The labour broking

industry has similar applicants and work seekers with limited skills and highly skilled workers who would welcome valuable training and development. Labour brokers should look closely at government funded programmes for their unemployed employees who can get free access to training and earn a stipend as well. Labour brokers may be able to repair their damaged reputations by extending their services from employment providers to training and development champions.

6.7. Conclusion

The results in the previous chapter were further discussed. The following chapter will outline the conclusions of the study and provide recommendations to the Labour Broking industry. Limitations of the study, a review of the research objectives and future research will also be discussed.

CHAPTER SEVEN

Conclusions and Recommendations

7.1. Overview of Research Study

The aim of the research was to identify the key factors which influence employee retention and to critically analyse the amendments to the Labour Relations Act (LRA) and Basic Conditions of Employment Act (BCEA) with regard to temporary staffing and to reveal whether these amendments are thought to influence employee retention within the TES industry. This was achieved through a four phase research design. Phase one involved a quantitative research approach with the use of questionnaires on 150 temporary and 30 permanent workers employed at the case study company, a TES provider. Then a selection of 15 participants was selected for semi structured interviews for rich background information (Phase 2). This set the tone for Phase 3 – Focus group for more opinion and insight into the research topic. The final Phase, the Delphi Study (Phase 4) added further validity by choosing three experts in their respective fields. These objectives have been achieved.

7.2. Conclusions

- ***Exploratory research***

The literature review pointed out the importance of employee retention in that employee retention initiatives saves cost and retains valuable skills which ensures a more stable, dedicated and motivated workforce. Factors that affect employee retention in the labour broking sector was job security where temporary workers are uncertain on duration of contracts or the probability of permanent work. Employee motivation as a factor of employee retention was explored. Using Maslow's theory of motivation it was found that safety needs, ego needs and self-actualisation needs is essential to retain workers. This is challenging when employees have limited contracts filled with uncertainty on their future. The reputation and employee

perception of an organisation or industry specifically the labour broking industry was explored and literature expressed the importance of organisational reputation for the retention of workers. Evidence was presented in the literature review of negative practices within the Labour Brokering industry which affects the repute of the industry and the overall perception of employees that the industry hires.

The amendments to the LRA was intended to protect vulnerable workers against the abuse of temporary contracts which lead to new laws regarding TES services, Fixed term contracts and flexi contracts. However, employers locking out contract workers, ending existing contracts and refusing them permanent work causing further job insecurity was reported. Labour Brokers have thus maintained that although there are unethical operators in the industry they are job creators and not job exploiters. Government's stance has always been to regulate the industry while Trade unions want an outright ban of Labour Brokers. This will mean of loss of thousands of workers that are in the labour broking industry. Business who are they biggest users of temporary labour need the flexibility to remain competitive but does not endorse the bills as it will impact job creation, business and the economy. Business drives the economy and without the flexibility TES services will reduce as the labour broking industry will struggle to keep their employees working.

Literature has shown the growing need for employment flexibility globally and a strong practice to ensure sustainable and competitive economic development. Customers of labour broking companies have already begun reducing temporary staffing from fear of being forced to take on these workers on a permanent basis.

- ***The Amendments and its effect on Employee retention***

The 3 month contract period for temporary employment services does reduce staffing demand evidently through the loss of client and contract staff terminations. There was little evidence that the regulations encouraged temporary to permanent employment conversions. It was also deduced that the dual employer relationship between the TES and the client does not encourage temporary outsourcing but had very little impact on employee turnover. The employment services Bill was totally rejected by all participants in the study and it was found that TES companies provide

more HR services than just sourcing of potential employees for the client. If introduced, this will require clients to utilise this service first which will reduce TES demand. Essentially all available TES applicants will have to register for jobs at a government department. Overall the regulations with regards to temporary staffing has improved working conditions but has done little on job security. This lack of job security will cause an increase in staff turnover and retention challenges.

- ***Factors affecting employee Retention***

Findings suggest that permanent workers within the labour broking industry felt a higher sense of job security than temporary workers. The main reasons for the insecurity was the fact that temporary work in essence is temporary, the lack of social benefits , challenges in accessing loans and the preference to permanent work were contributing factors to low employee retention. Permanent workers see value in employment creation but were unhappy with their wage and benefits that could cause employee retention challenges for the Labour Broking industry. It was found that the labour broking industry does have a bad reputation. Most temporary workers feel that they are exploited by labour brokers and are treated unfairly in comparison to the client's staff. This sense of alienation does contribute to retention challenges for the Labour Broking industry. The study also revealed that labour broking does have value in that it is the only avenue for securing employment. It also revealed that there will always be a need for temporary work, ease of recruitment for both clients and worker seekers and therefore a sustainable future for TES. We can conclude that both permanent and temporary workers may have legitimate reasons for wanting to leave the industry. Permanent workers see the volatility and instability of the labour broking industry and temporary workers are in pursuit of more stable permanent work.

- ***Future implications of TES demand***

Both the workforce and clients see value in temporary employment services. Clients need the flexibility and the ability to compete in the global business landscape. TES demand is a global trend and companies enjoy the ease of administration, minimal risk and recruitment and termination. Workers feel that the ease of registration and

access to work are the main contributors to the importance and future success of the TES industry.

7.3. Recommendations

Based on the findings of the study the following recommendations are suggested to promote employee retention:

7.3.1. The South African Labour Broking industry:

- ***Improve the reputation and image***

The study has revealed that the labour broking industry has a tainted image due to disreputable practices in the past by a few unethical Labour Broking companies. This perception has sadly become the reality in the minds of the majority. The fact that the industry was not regulated led to further abuse of atypical staffing services. Through all of the negative publicity from both the media and the unions the Labour Broking industry adopted a defensive strategy in addressing these issues which tainted their reputation even further. It is, therefore, recommended that the industry adopt a more interactive role with the public. One effective way to get the message out is the use of social media and other public platforms. These interactions where both educational and relevant content about the labour broking industry will help build a positive image with the community. These interactions will lead to effective solutions and reduce negative perceptions.

- ***Functional outsourcing***

The current regulations with regards to TES are focused on job security for those vulnerable workers. Job security can only be achieved through sustainable employment and work stability. Labour brokers in South Africa have always neglected the operational responsibility for temps who have been contracted out to their clients. This neglect has led to unfair terminations and abuse of workers because of clients dictating terminations and the terms of contracts. In order to circumvent this is recommended that the Labour broking industry move away from just being an HR administrator but any active participant for the particular task,

project or contract. Functional outsourcing, therefore, takes care of a client's operational function and not only the labour aspect. The labour agencies can subcontract this function similar to any other service company with a sustainable workforce. Client intervention on staff welfare will thus be reduced because of subcontracting contract set ups and the labour agency be the sole dictator of employment contracts and terminations.

7.3.2. The Labour broking industry

- ***Improved Job security through a sustainable employment worker pool***

The length of contracts, scarcity of permanent job opportunities and the lack of social benefits were some of the factors for job insecurity for the Labour broker. The reality is that clients dictate the length of contracts based on their operational requirements. The cost of social benefits will decrease TES demand as clients only prefer temporary staffing as a cheaper alternative. It is, therefore, recommended that the Labour Broking industry changes their recruitment practices where instead of extending short contracts to a large community of worker seekers the industry should extend multiple short term contracts to a smaller pool of employees. This will ensure that every temporary worker has continuous employment and is employed by the labour broking industry on a full time basis. Short contracts with clients will no longer be terminations but reassignments to other contracts.

- ***Training and development***

One of the most common recommendations by most participants in the study was training and development. The most effective way to retain employees is by offering opportunities for growth and personal development. The Labour Broking industry should align themselves with the relevant training SETAs and ensure that their employees are able to improve their employability. Labour agencies are noted for hiring the same temporary worker on the same job description for many years. Training and development should be able to take this temporary worker to the next level of employment and ultimately to the scarce positions that client's demand and this will help retain these employees.

7.3.3. Labour Broking Globally

The introduction of regulations that impact the industry negatively will give rise to labour agencies moving to greener pastures where the industry is less regulated. This is evident in the case study company who have recently established operations in sub Saharan Africa because of lesser TES regulations. The abuse of temporary staffing is not limited to the South African context but was shown in the exploratory research of questionable labour practices globally as well. This is recommended that a global standard through the ILO be reached to regulate the labour broking industry globally.

7.4. The current Position of Labour Broking in South Africa

Currently the industry is still not clear on the interpretation of the regulations. This is currently being challenged at the constitutional court which was detailed in the previous chapter. Should clients become the legal employer after 3 months this will effectively ban the labour broking practice in the long term. If the dual employment relationship continues there will always be pressure from unions and employees for sustainable work and job security. The current "*slave with two masters*" regulatory set up will ultimately destroy the triangular relationship and temporary staffing much to the detriment of the work seeker and the labour broking industry as a whole. Equal treatment is also becoming a very pressing issue where both temps and permanent staff should be treated more or less the same. The parameters for equal treatment are also unclear at this stage with numerous cases being launched at the CCMA. One can, therefore, conclude that there is tremendous uncertainty within the industry and it will be only through constant referrals to the labour court and disputes that in time the industry will be able to plot a definite pathway in the South Africa economy.

7.5. Limitations of the Study

The research was confined to the case study company and the outcomes not necessary reflect the entire labour broking industry. Researcher subjectivity and bias may have played a role in the data collection process although the researcher made

many adjustments to minimise this. The participants in the research were predominantly temporary and permanent employees. The job categories that were sampled may not represent common job categories of other TES companies. Another limitation is that employee perceptions were analysed during the early introduction of the TES regulations and when the volatility within the industry was at its optimal.

The sample size used in the quantitative method was 30 permanent employees and 150 temporary employees. Although this sample size is adequately representative for the case study company, the total population of the labour broking industry is tremendously higher. For example the labour broking industry hires approximately one million temporary workers on a daily basis.

The results of the quantitative analysis presented low reliabilities hence the results of the study cannot be generalised against the total population, but rather are suggested. The Questionnaire was used as a tool for the survey and in itself has limitations as respondents have limited options of responses based on the selection made by the researcher. These responses therefore cannot always represent the actual occurring in a generalised form. The researcher does not possess a statistical background and therefore was unable to perform the complexities of this scientific discipline.

The respondents who participated in the study were met at a time during the early introduction of the LRA regulations. Their perceptions of the regulations and the labour broking industry as a whole may have changed over time. There has also been many court rulings on the interpretation of the amendments and these outcomes would have created added perceptions and opinions from the various stakeholders within the labour broking industry.

The qualitative method was time consuming and limited to 3 permanent employees and 15 temporary employees in the phase two interviews. Not all levels within the organisation was covered or job categories. These levels and job categories differ from company to company and cannot be representative of the entire Labour Broking workforce. The phase 2 to 4 research method adopted is extremely difficult

to replicate and is based more on opinion and judgement by the researcher. Participants in the various phases may not have shared their views publically and these views may have impacted the study's conclusions if they were voiced.

7.6. Implications for theory

The research indicates that the Labour Broking industries' employees are predominantly dissatisfied with the current practises of labour broking, the structure of employment contracts and feel a high sense of insecurity within the industry. The study also stresses the importance of labour broking for flexibility in business, job creation in the economy and employees who need sustainable employment amidst the current high unemployment . The study has exposed the impact of the regulations on temporary staffing, business, and Labour Brokers. These challenges will impact on job creation, lead to more retrenchments and layoffs and ultimately an absence of the labour Broking industry. This study sets a foundation for government, Labour, business and the Labour broking industry to find suitable solutions for to coexist in the South African economy. It highlights the state of the industry from all perspectives and the methodology applied only reiterates the job insecurity and retention challenges of both skilled and unskilled workers. Sub contractor (functional outsourcing) arrangements, sustainable employee pools and training and development through the study were recommended. These recommendations should underpin future theoretical work on the significance of Labour Brokering and on creative strategies to boost employment, the economy and find a balance between Labour Broker practices, business profitability and worker Union tolerance incorporating employee satisfaction and stability.

7.7. Implications for Practice and Policy

The research indicates the need for a continuous improvement in temporary worker conditions. Continuing effort should be invested in worker security , social benefits and employment stability. The current triangular relationship (Labour broker, client and employee) should not be used only for the purposes of the LRA but business

and Labour Broking industry should negotiate contracts that would ensure workers are adequately trained, remunerated and are alleageable for easier temporary to permanent employment conversions. Interviews with both temporary and permanent employees suggest that the Labour Broking industry has a negative reputation internally and externally. Labour Unions are constantly placing pressure on Government to ban the practice. The employees and other stakeholders on the other hand confirmed the importance of the Labour Broking industry for job creation. Much effort is required to mend the broken reputation in the Labour Broking industry in order for it to retain its human capital . It is evident in the study that there exists a negative stigma about Labour Brokers abrupt terminations and the lack of social benefits. Although the LRA seeks to regulate this practice by holding the client accountable, this only discourages the use of temporary employment services. The Labour Broking Industry should ensure that their temporary employees are very much their employees during and in between assignments. The industry should forge partnerships with business that would ensure temporary employees are on performance management and training schemes instead of treating workers as commodities.

Section 198 for the LRA aims to regulate Temporary Employment Services (Labour Brokers) and temporary employment. The purpose of the regulations is essentially the protection of vulnerable workers employed within the Labour Broking industry. The policy gives added powers to commissioners and labour inspectors on non-compliance issues by both the labour broker and the client of the broker. The policy (section198a (3)b - deeming provision) after much litigation on its interpretation now places the client as the sole employer under the LRA after three months. Effectively this places pressure on business to take Labour Broker employees on a permanent basis after three months. This policy is therefore tantamount to banning the Labour Broking industry instead on regulating it. The policy should be adjusted to give added accountability for Labour Brokers and not place accountability in the hands of the Client of the Labour Broker. Policies should therefore be re-examined to ensure the socio-economic benefits associated with Temporary Employment Services is still a viable option for Business profitability and worker wellbeing.

7.8. Future Research

It is recommended that the following need further research and investigation.

- The impact of the TES regulations on employee turnover and the national unemployment rate over a ten year period after its inception.
- Employee retention on the TES industry in South Africa and globally using employee and customer perception from a wider range of TES agencies and customers.
- Explore sustainable job security solutions for temporary workers within South Africa and globally
- Other studies should also focus on why temporary to permanent work conversions have not increased and build models that can encourage these conversions and ultimately employee retention.
- Future research should also address the limitations mentioned above and adopt a research methodology that includes a larger target population or a multiple case study approach. This must include a larger sample size with a more reliable quantitative approach and analysis.
- A more in-depth study is required on how the Labour Broking industry impacts on employment creation, employment stability and security.
- Studies on Labour Broking should not be limited to its employees only but must include perspectives from business, government and Labour. An in-depth analysis from the various stakeholders will give a more holistic view of the labour broking industry and help with strategies to ensure its future sustainability and value.
- The similarities or differences of labour broking globally in comparison to the South African context. An analysis of its practices worldwide on the impact of the economy and stakeholders within the industry.
- A study should also be done on why unions perceive temporary employment and Labour brokers negatively and this may set a platform for misconceptions to be addressed and common ground for Labour and Labour Brokers to co-exist in a profitable and sustainable manner.

7.7. Review of Research Objectives

The literature emphasizes the importance of employee retention within the TES industry and the factors that influence employee retention. The regulations and factors of employee retention were explored through feedback from the employees of the TES company and the various internal and external stakeholders. This was initially done through a mixed methods design, targeting a culturally and linguistically varied research population. A questionnaire established broad data for the further depth inquiry using semi-structured interviews, a Focus Group and Delphi study. Given the paucity of research studies on labour brokering in South Africa, the decision to establish breadth and depth across and within the research population was deemed a necessary approach in order to generate useful data, in terms of the aims of the study and the specific research questions.

7.8. Conclusion

The objectives of the research study have been satisfied. It was possible to identify the important factors that influence employee retention and the impact of the TES regulations on the industry, its employees, clients and other stakeholders. The findings showed the important factors of employee retention and weaknesses of the industry reputation and practices which could be improved. The study has made recommendations for the TES industry in South Africa and globally.

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Appendices
Appendix A
Covering Letter to Respondents

Dear Sir / Madam

Research Questionnaire – Employee Retention within the Labour Broking industry

I am Bavendren Naidoo, a D. Tech (Doctorate of Management Sciences and Human Resources) student currently studying at the Durban University of Technology (DUT). Part of the requirements is to successfully complete my course work and a dissertation.

My dissertation focuses on the views of permanent and temporary employees with regards to the recent amendments to the Labour Relations Act (LRA) and Basic Conditions of Employment Act (BCEA) and focuses on employee retention within the Labour Broking industry.

The questionnaire has been designed by me with focus being mostly on open ended and opinion based questions. Your input and responses is be kept strictly confidential. Please complete the questionnaire as accurately as possible and answer ALL questions.

The following considerations is be taken into account in order to ensure confidentiality of your involvement in this study:

Your involvement in the study is absolutely voluntary.

Your identity and absolute protection is assured by the researcher.

The reported findings is not allow the Company to identify you as respondent.

The findings is be discussed with the Stake-Holders concerned.

Should you encounter any difficulty in completing the questionnaire, please do not hesitate to contact myself. Your prompt response and accurate completion of the questionnaire is be highly appreciated

Kind Regards

Bavendren Naidoo

Researcher

Appendix B-

Employee Questionnaire –Temporary Employees

Please mark with an X in the box which is the appropriate response. Mark only one box per question.

SECTION A: Demographic Information									
Your Race	African	White	Indian	Coloured	Other				
Your gender	Male	Female							
Your age	Below 20 years	20-29 years				30-39 years	40-49 years	50-59 years	60 years and over
Your job	General Assistant	Admin/ support	Driver	Semi –skilled Artisan	Skilled Artisan	Supervisor	manager		
Your Highest qualifications	Below Matric	Matric	Certificate	Diploma	Degree	Postgraduate deg. & over			
Your Period of service	0-3months	4-6months	7-12 months	1-5 years	Over 5 years				
SECTION B- The TES regulations					Strongly Agree			Agree	Not sure
1	<i>Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so.</i> This rule will put me out of a job.								
2	<i>Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so.</i> This rule will make me get a permanent job with the client of the Labour Broker								
3	<i>The new employment services bill offers free recruitment and placement of workers by government departments.</i> I am happy to find a job through a government department instead of the Labour Broker.								
4	<i>The client and the Labour Broker are now responsible for my contract by law.</i> The Labour Broker cannot end my contract easilybecause of this law								
5	<i>The law states that both contract and permanent employees must be paid the same for the same work or work of equal value.</i> This rule will make the Labour Broker pay me a better wage.								
6.	My working conditions have improved because of the regulations								
7.	The regulations makes me feel more secure in my job								
8.	I have more rights now working for Labour Broker								

	SECTION C- Job security and Motivation	Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
1.	I feel safe working for a Labour Broker					
2.	I feel I can finally secure a permanent job working through a Labour Broker					
3.	I am happy with the wage I am getting from the Labour Broker					
4.	I prefer working on a temporary basis					
5.	It is hard to find a permanent job therefore I am working through a Labour Broker.					
6.	I will be happy to spend the rest of my life working for a Labour Broker					
7.	I do not feel part of the family working for the Labour Broker					
8.	I prefer permanent work rather than contract work					
9.	The benefits are good in this organisation					
10	I have a bright future working for the Labour Broker					
11	There are lots of opportunities for promotion working through a Labour Broker					
12	The company involves me when they make decisions on my job					
13	The Labour Broker recognises my good work					
14	The salary is good in this organisation					
	SECTION D- Social and political factors	Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
1.	The Labour Brokers have a bad reputation in the country					
2.	I am intimidated by permanent workers employed by the client					
3.	My family and friends do not like me working for a Labour Broker					
4.	The unions are against me because I work for a Labour Broker					
5.	I am treated unfairly compared to the permanent workers					
6.	I feel exploited working for the Labour Broker					
7.	I tell outsiders that this Labour Broking company is not a good place to work					

SECTION E - Value and Future of Labour Brokering in South Africa		Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
1.	They should ban Labour Brokers					
2.	I want to work directly with the client of the Labour Broker					
3.	Labour Brokers should close down because they exploit the workers					
4.	There is no need for Labour Brokers in South Africa					
5.	Labour Broking industry is important because they find jobs for people					
6.	Labour Brokers take money which is due to me					
SECTION F - Intention to leave / stay						
		Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
1.	I see a successful future for myself working for a Labour Broker					
2.	I want to remain in the Labour Broking industry					
3.	I am looking for a job outside the Labour Broking industry					
4.	The Labour Broker will keep me working continuously					
5.	I am looking for a more stable job					
6.	The Labour Broking issues is making me look for another job					

Thank you for your time and co-operation

Appendix C-

Employee Questionnaire –Permanent Employees

SECTION A: Demographic Information

Please mark with an **X** in the box which is the appropriate response. Mark only one box per question.

SECTION A: Demographic Information									
Your Race	African	White	Indian	Coloured	Other				
Your gender	Male	Female							
Your age	Below 20 years	20-29 years	30-39 years	40-49 years	50-59 years	60 years and over			
Your job	General Assistant	Admin/ support	Sales	Site agent	Key accounts manager	Branch / dept manager	Senior management		
Your Highest qualifications	Below Matric	Matric	Certificate	Diploma	Degree	Postgraduate deg. & over			
Your Period of service	0-1 year	2-5years	6-10 months	10-15 years	Over 15 years				
	The TES regulations				Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
1	<i>Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so. This rule will reduce temporary staffing demand</i>								
2	<i>Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so. This rule will cause Labour Brokers to retrench staff.</i>								
3	<i>The new employment services bill offers free recruitment and placement of workers by government departments. This rule will put Labour Broker employees out of work</i>								
4	<i>The client and the Labour Broker are now responsible for temporary contracts by law. This law may cause clients to stop using our services</i>								
5	<i>The law states that both contract and permanent employees must be paid the similar wages for the same or similar work. This rule will cause friction between the client and my company.</i>								
6.	My working conditions have improved because of the regulations								
7.	The regulations makes me feel more secure in my job								
8.	I have more rights now working for Labour Broker								

	Job security and motivation	Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
1.	I feel safe working for a Labour Broker					
2.	I am happy to spend the rest of my life working for a Labour Broker					
3.	I do not feel part of the family in this organisation					
4.	The benefits are good in this organisation					
5.	I have a bright future working for the Labour Broker					
6.	There are lots of opportunities for promotion working through a Labour Broker					
7.	The company involves me when they make decisions on my job					
8.	The Labour Broker recognises my good work					
9.	The salary is good in this organisation					
	Social and political factors	Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
1.	The Labour Brokers have a bad reputation in the country					
2.	I am intimidated by permanent workers employed by the client					
3.	My family and friends do not like me working for a Labour Broker					
4.	The unions are against me because I work for a Labour Broker					
5.	I am afraid that the Labour Broking regulations is going to cause more job losses					
6.	I feel exploited working for the Labour Broker					
7.	I tell outsiders that this Labour Broking company is not a good place to work					
E	Value and Future of Labour Brokering in South Africa	Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
1.	They should ban Labour Brokers					
2.	I see lots of benefits in Labour Broking					
3.	Labour Brokers should close down because they exploit the workers					
4.	There will always be a need for Labour Brokers in the future					
5.	Our clients value Labour Broking services					
6.	Work seekers need Labour Brokers to find work					

	Intention to leave / stay	Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
1.	I see a successful future for myself working for a Labour Broker					
2.	I want to remain in the Labour Broking industry					
3.	I am looking for a job outside the Labour Broking industry					
4.	The Labour Broker will keep me working continuously					
5.	I am looking for a more stable job					
6.	The Labour Broking issues is making me look for another job					

Thank you for your time and co-operation

Appendix D

Semi structured interview – permanent employees

SEMI STRUCTURED INTERVIEW SCHEDULE _PERMANENT EMPLOYEES					
SECTION A- DEMOGRAPHIC INFORMATION					
Race		job			
gender		highest qualifications			
age		period of service			
SECTION B- The TES regulations		Quantitative Survey results			QUESTIONS
		Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	
1. Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so. This rule will reduce temporary staffing demand.		43			A. Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____. B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view? C. is there anything else you want to say about this topic?
2. Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so. This rule will cause Labour Brokers to retrench staff.		53			A. Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____. B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view? C. is there anything else you want to say about this topic?
3. The new employment services bill offers free recruitment and placement of workers by government departments. This rule will put labour broker employees out of work.				36	A. Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____. B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view? C. is there anything else you want to say about this topic?
SECTION C- Job security and Motivation		Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	
4. I feel safe working for a Labour Broker				53	A. Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____. B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view? C. is there anything else you want to say about this topic?
5. I am happy to spend the rest of my life working for a labour broker		33	33	33	A. Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____. B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view? C. is there anything else you want to say about this topic?
6. The benefits are good in this organisation			50		A. Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____. B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view? C. is there anything else you want to say about this topic?

SECTION D- Social and political factors	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	
7. The Labour Brokers have a bad reputation in the country	60			A. Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____.
				B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view?
				C. is there anything else you want to say about this topic?
8. My family and friends do not like me working for a Labour Broker	73.3			A. Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____.
				B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view?
				C. is there anything else you want to say about this topic?
SECTION E - Value and Future of Labour Brokering in South Africa	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	
9. They should ban Labour Brokers	96.7			A. Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____.
				B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view?
				C. is there anything else you want to say about this topic?
10. Work seekers need Labour Brokers to find work			90	A. Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____.
				B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view?
				C. is there anything else you want to say about this topic?
SECTION F - Intention to leave / stay	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	
11. I am looking for a job outside the Labour Broking industry	30	36	33	A. Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____.
				B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view?
				C. is there anything else you want to say about this topic?
GENERAL				
Is there anything you like to add in general about the labour broking industry or temporary staffing ?				

Appendix E semi structured interview – temporary employees

SEMI STRUCTURED INTERVIEW SCHEDULE _ TEMPORARY EMPLOYEES					
SECTION A- DEMOGRAPHIC INFORMATION					
Race			job		
gender			highest qualifications		
age			period of service		
SECTION B- The TES regulations		Quantitative Survey results			QUESTIONS
		Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	
1. Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so. This rule will put me out of a job.				60.7	A. Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____. B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view? C. is there anything else you want to say about this topic?
2. Labour Brokers cannot hire workers for more than 3 months on a temporary basis unless there is a valid reason to do so. This rule will make me get a permanent job with the client of the Labour Broker		60			A. Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____. B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view? C. is there anything else you want to say about this topic?
3. The new employment services bill offers free recruitment and placement of workers by government departments. I am happy to find a job through a government department instead of the Labour Broker.		69.3			A. Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____. B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view? C. is there anything else you want to say about this topic?
SECTION C- Job security and Motivation		Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	
4. I feel safe working for a Labour Broker		71			A. Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____. B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view? C. is there anything else you want to say about this topic?
5. I prefer permanent work rather than contract work				100	A. Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____. B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view? C. is there anything else you want to say about this topic?
6. The benefits are good in this organisation		78			A. Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____. B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view? C. is there anything else you want to say about this topic?

SECTION D- Social and political factors	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	
7. The Labour Brokers have a bad reputation in the country			82.7	A.Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____.
				B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view?
				C. is there anything else you want to say about this topic?
8. My family and friends do not like me working for a Labour Broker			66.7	A.Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____.
				B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view?
				C. is there anything else you want to say about this topic?
SECTION E - Value and Future of Labour Brokering in South Africa	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	
9. They should ban Labour Brokers	44			A.Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____.
				B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view?
				C. is there anything else you want to say about this topic?
10.Work seekers need Labour Brokers to find work			84	A.Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____.
				B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view?
				C. is there anything else you want to say about this topic?
SECTION F - Intention to leave / stay	Strongly disagree/ disagree	Not Sure	Strongly agree/ agree	
11. I am looking for a job outside the Labour Broking industry			78.7	A.Would you tell me more about the responses you made to the qn. you filled in. (Probe) Why did you respond with _____.
				B. The overall findings were What do you think about that? (Probe) - Why do you think the majority have this view?
				C. is there anything else you want to say about this topic?
GENERAL				
Is there anythin u like to add in general about the labour broking industry or temporary staffing ?				

Appendix F – Focus Group Discussion

Introduction by Facilitator

Hello, my name is Baven Naidoo.

I am a doctoral student at Durban University of Technology (DUT). Thank you for taking the time to participate in a focus group on employment retention within the Temporary employment services (TES) sector commonly known as the Labour Broking sector.

This focus group is part of a 4 phase assessment process that I am conducting to learn about the various factors that affect employee retention within the sector and the perceptions of these factors from the company's permanent and temporary employees. In Phase 1 a questionnaire was sent out to a group of permanent and temporary employees, and the feedback was discussed in phase 2 using semi structured interviews.

I have done a preliminary analysis of the data from the phase 2 assessments and I would like to present these findings to you and get your responses to them.

Also, I wish to discuss with you your views about the Labour Broking industry in general, from your own perspective.

I hope you will be comfortable speaking honestly and sharing your ideas with us. Please note that this session will be recorded during the focus group. However, the discussion from the focus group will remain confidential and your name will not be attached to any comments you make. I will also send you a draft transcript of the FG discussion, for you to amend your own comment should you wish to do so.

Do you have any questions before we begin?

TES regulations

The regulation on temporary employment contracts is reduced to 3 months unless the agency/client can provide a justifiable reason to extend the contract. All the permanent employees interviewed stated that the regulation will not reduce temporary staffing demand and all of the temporary workers disagreed with this and think that this rule will put temporary workers out of work.

- a) What do you think of these findings?
- b) Probe: In what ways do you think these regulations will increase/reduce temporary staffing demand?

Job security

Permanent workers working for a TES company feel a greater sense of job security than temporary workers. In fact all 15 temporary workers interviewed do not feel safe working for a Labour Broker.

- a) What do you think of these findings?
- b) Probe: In what ways do you think that job security or a lack there of will have an effect on employee retention for these workers?
- c) Probe: What possible solutions can you suggest to improve job security of these workers?

Social and political factors.

The majority of temporary and permanent employees interviewed agree that Labour Brokers have a bad reputation in the country.

- a) What do you think of these findings?
- b) **Probe:** What effect do you think the industries reputation will have on employee retention?
- c) **Probe:** In what ways can the industry improve its reputation in the country and its employees?

Value and Future of Labour broking

All temporary and permanent employees interviewed do not feel that labour broking should be banned although there are numerous factors that employees are dissatisfied with, some already mentioned.

- a) Why do you think that these workers do not want the industry banned?
- b) **Probe:** What effects will it have if the industry were to be banned?

Intension to leave/ stay

Of all the permanent workers interviewed there was mixed feelings on their intention to leave or stay in the industry. All temporary workers interviewed intend leaving the labour broking industry?

- d) What do you think of this finding?
- e) Do you feel that workers are forced to work in the industry because there are no other options or opportunities available?
- f) **Probe:** How can the industry attract workers that would want to remain within the labour broking industry?

What do you think is the future of TES demand from a customer and worker perspective?

- a) **Probe:** what effects if any will this have on the workers employed by TES companies.

What in your opinion is the value of Labour broking if any, for the various stakeholders within the labour broking industry?

- b) **Probe:** what impact will this have on the retention of both temporary and permanent employees currently and in the future within the labour broking industry?

Is there anything else that we haven't discussed that you wish to raise about employee retention in the labour broking industry?

APPENDIX G _ FIELD WORK DIARY

field work diary			
DATE	hour	event /activity	notes /comments
		PHASE 1 - SURVEY	
25/2/16	3	meeting with perm participants	explain the process and purpose .
		questionnaire completion	
26/2/16	2	timetable	drive to perm staff locations to secure times to complete
29/2/16	2	survey internal staff (perm)	drive to site office and meet general worker . Explain regulations . Zulu interpreter required
1/3/16	3	survey internal staff (perm)	meet at head office - 2 sales staff completed. Unfamiliar with regulations
2/3/16	6	survey internal staff (perm)	drive to 3 sites and survey 4 key accounts managers
3/3/16	6	survey internal staff (perm)	drive to pinetown and prospecton to survet 2 dept. Managers
4/3/16	6	survey internal staff (perm)	meet in headoffice and survey the 2 senior managers
8/3/16	6	survey internal staff (perm)	drive to various sites - complted 5 admin people
9/3/16	6	survey internal staff (perm)	drive to various sites completed 6 admin people
10/3/16	6	survey internal staff (perm)	visited 4 sites to interview 4 site agents
11/3/16	6	survey internal staff (perm)	visited 4 sites to interview 4 site agents
			the process was faily quick. Lots of driving . These participants had a gneeral understanding of the regulations. Much was explained in detail.
15/3/16	2	site agent meeting	need site agents to assist with survey distribution and meeting times.
18/3/16	3	questionnaire distribution	visited all the sites and delivered the questionnaires with a list of job categories. Some clients had to be advised on the process
22/3/16	3	survey temporary staff	drive to all sites in pinetown - 10 general workers surveyed. This process too slow.
23/3/16	2	survey temporary staff	drove to 3 sites - completed 3 supervisors, 5 drivers
24/3/16	5	survey temporary staff	drove to 6 sites - received 15 completed surveys for admin
25/3/16	2	survey temporary staff	drive to prospecton - surveyed 10 general workers,
28/3/16	4	survey temporary staff	drove to major logistics site completed 15 drivers
29/3/16	3	survey temporary staff	drove to north coast and surveyed 5 semi skilled
30/3/16	3	survey temporary staff	drive to nandi drive sites - survey 10 drivers
31/3/16	5	survey temporary staff	drove to 4 sites received 10 completed surveys for admin
1/4/16	3	survey temporary staff	drove to 5 site , completed 5 atisans and 5 semi skilled
4/4/16	2	survey temporary staff	drove to 3 sites - 5 artisans and 5 semi skilled
5/4/16	2	survey temporary staff	drive to durban central and north - surveyed 10 genral workers
6/4/16	2	survey temporary staff	collected 3 surveys for general workers
7/4/16	3	survey temporary staff	collected 3 surveys for general workers
8/4/16	3	survey temporary staff	collected 3 surveys for general workers
11/4/16	3	survey temporary staff	drive to pmb and surveyed 10 general workers
12/4/16	3	survey temporary staff	drove to 2 sites and surveyed 5 semi skilled
14/4/16	3	survey temporary staff	drove to 2 site and surveyed 5 semi skilled
			this process took over two weeks . It as been slow because most workers needed clarity. One on one consultations were necessary. Site agents assisted with the appointments. Feel most workers have a very vague understanding of the changes to tempoaray staffing.

field work diary

PHASE 2 - SEMI STRUCTURED INTERVIEWS			
26/9/16	2	interview - permanent staff	drive to prospecton - 1st interview recorded and completed-site agent
27/9/16	2	interview - permanent staff	drive to dbn north - 2nd completed - key accounts manager
28/9/16	2	interview - permanent staff	pinetown - 3rd interview completed - admin assistant
29/9/16	4	interview - temporary staff	target 2 a day . Interviewed semi skilled artisan and artisan
30/9/16	4	interview - temporary staff	drove to site in prospecton - completed two semi skilled artisans
3/10/16	4	interview - temporary staff	drove to nandi drive and interviewed 2 drivers
4/10/16	4	interview - temporary staff	arrange interviews with site agents . Completed 1 driver, 1 general worker
5/10/16	4	interview - temporary staff	went to site in durban central - 2 general workers interviewed
6/10/16	4	interview - temporary staff	visit two sites to do 2 admin workers.
7/10/16	5	interview - temporary staff	north coast site to complete one admin and two general workers.
			the interviews went quite smoothly. The participants seemed to be quite relaxed. I am satisfied with the feedback.
PHASE 3 - FOCUS GROUP			
12/3/17	1	client meeting - pinetown	invitation extended . To advise on availability
15/3/17	1	union rep meeting - dbn north	seems quite excited. Requires transport to venue
16/3/17	1	work seeker meeting - site office	arranged for her to be paid for her participation- R300
3/4/17	1	internal staff meeting - pinetown site office	KAM , business line manager and recruitment administrator asked to participate. No issues on availability.
5/4/17	1	site in dbn north	temp worker invited to participate. Client to be notified. Arrange payment for the day. - R 300
15/6/17	2	Focus group session 1	pick up job seeker and union rep. Session between 10 to 12pm. Site agent assisted in bringing in the temp worker. Stressful morning. Lots of exchanges during the session. Constantly have to facilitate and focus on salient points. Pinetown venue
16/6/17	2	focus group session 2	same venue . Smoother session. Lots of feedback.
			session from 9am to 11am. Union rep was a bit forceful but manageable. Lots of clarity received from the first two phases. Interesting feedback.
PHASE 4 - DELPHI			
15/10/17	1	meeting with participant 1	meeting at their location. Discuss the final phase and their input . Advised that mails will be sent out
16/10/17	1	meeting with participant 2	meeting at their location. Discuss the final phase and their input . Email will be sent out, available for telephonic or
17/10/17	1	meeting with participant 3	meeting at their location. Discuss the final phase and their input .

APPENDIX H _ DELPHI ANALYSIS QUESTIONNAIRE

Factors affecting employee retention	Your comments BUSINESS LINE MANAGER
TES Regulations	
<p>The surveys previously conducted suggested that the regulations impacted negatively within the labour broking industry evidently through some loss of clients and employees.</p> <p>Do you agree with this finding? Do you foresee a significant impact of the regulations on employee retention? If so why or why not?</p>	<p>I AGREE WITH THE FINDINGS. THERE HAS BEEN A LOSS OF TEMPS AND CLIENTS HOWEVER NOT A SIGNIFICANT LOSS. WE ARE CONSTANTLY LOSING TEMPORARY WORKERS AND EVEN PERMANENT STAFF HOWEVER THERE IS NO SHORTAGE OF OTHER WORK SEEKERS. THE REGULATIONS ON JOINT AND SEVERAL LIABILITY IS A CONCERN AS OUR CLIENTS SHARE LIABILITY ON EMPLOYMENT CONTRACTS. THIS IS A DETERRENT UNFORTUNATELY.</p>
Job security	
<p>The research found that the length of temporary contracts, the lack of employee benefits and the uncertainty on contract terminations within the TES industry contributed to job insecurity. Job security is a major factor that affects employee retention.</p> <p>Please comment on each of these three factors affecting job security? What is missing from this analysis?</p>	<p>THESE FACTORS DO AFFECT EMPLOYEE RETENTION AS MOST SKILLED WORKERS LEAVE FOR PERMENET JOBS AND BETTER BENEFITS AND STABILITY. I THINK EMPLOYEES DO NOT GET TRAINING AND OPPORTUNITIES TO GROW WITH SHORT CONTRACTS.</p>
Social/political factors	
<p>I found that, in general, the labour broking industry does have a bad reputation. The media, Unions and the move from COSATU to ban the industry were said to be major contributors to this. This will discourage potential employees to the industry whilst existing employees will also seek industries with better reputations.</p> <p>Do you agree with these findings? What is missing from this analysis?</p>	<p>I AGREE WITH THE FINDINGS. THE UNIONS HAVE TAINTED THE REPUTATION OF LEGITIMATE EMPLOYMENT AGENCIES AND THIS HAS CREATED A NEGATIVE PERCEPTION NOT JUST IN THE WORKPLACE BUT IN SOCIETY AS A WHOLE. WHEN UNIONS REALISE THAT AGENCIES ARE IMPORTANT FOR JOB CREATION THEN MAYBE THESE VIEWS WILL CHANGE.</p>
Value and future of TES	
<p>The TES was found to be significant in job creation. Business</p>	<p>I THINK CONSENSUS EXISTS BETWEEN CLIENTS, TES AND WORK SEEKERS. IT</p>

<p>requires flexibility and work seekers need easy access employment opportunities.</p> <p>How far do you think that there is a consensus in SA about the role of TES?</p>	<p>IS THESE WORK SEEKERS WHO ACCESS TEMPORARY WORK AND THEN BECOME PERMANENT THAT FORGET THE ROLE TES PLAYED IN THE ADVANCEMENT OF THEIR CAREERS. IRONICALLY THO IT'S THE UNIONS AND PERMANENT STAFF THAT CONSTANTLY NAG AGENCIES TO FIND JOBS FOR THEIR RELATIVES. YES THERE IS CONSENSUS ALTHOUGH NOT AS TRANSPARENT AS ONE WOULD LIKE.</p>
<p>Suggested Recommendations</p>	<p>Your comments</p>
<p>The TES industry is over regulated causing a reduction in job creation. Relaxing the TES regulations will help in retaining the industries employees.</p> <p>Your comments?</p>	<p>I AGREE WITH THE STATEMENT. TEMPORARY STAFFING IS IMPORTANT FOR THE ECONOMY AND JOB CREATION. UNEMPLOYMENT IS HIGH AND REGULATING EMPLOYMENT SEEMS PREMATURE.</p>
<p>If TES companies put more effort on training and development it will improve employee retention?</p>	<p>THIS WILL HELP HOWEVER IT AFFECTS THE COST TO SERVE TO REMAIN COMPETITIVE IN THE INDUSTRY</p>
<p>Employees within the TES industry should incentivise their customers to encourage more temporary to permanent conversations</p>	<p>YES WE CURRENTLY DO THIS WITH CUSTOMERS THAT HAVE TEMPS FOR OVER A YEARS SERVICE. ALTHOUGH THESE CONVERSIONS ARE LIMITED.</p>
<p>What in your opinion will improve employee retention within the TES industry?</p>	<p>LONGER CONTRACTS, BETTER ACCESS TO TRAINING AND DEVELOPMENT. CLIENTS OFFER TRAINING AS WELL AND NOT DIFFERENTIATE BETWEEN THEIR STAFF AND TES STAFF. MORE UNION BUY IN ON TEMPORARY STAFFING AND ITS BENEFITS TO THE ECONOMY.</p>

Appendix I

Factors affecting employee retention	Your comments CLIENT
TES Regulations	
<p>The surveys previously conducted suggested that the regulations impacted negatively within the labour broking industry evidently through some loss of clients and employees.</p> <p>Do you agree with this finding? Do you foresee a significant impact of the regulations on employee retention? If so why or why not?</p>	<p>I think there is some substance in the findings. I think the joint liability is a concern and therefore we recruit permanent and key positions internally. There is still however a need for temporary staffing. I don't see a significant impact on employee retention as unemployment is quite high and workers will have no choice but to keep their jobs,</p>
Job security	
<p>The research found that the length of temporary contracts, the lack of employee benefits and the uncertainty on contract terminations within the TES industry contributed to job insecurity. Job security is a major factor that affects employee retention.</p> <p>Please comment on each of these three factors affecting job security? What is missing from this analysis?</p>	<p>Well this is in essence the nature of temporary staffing. I think the need for permanent work is another factor to consider. However there isn't enough permanent work.</p>
Social/political factors	
<p>I found that, in general, the labour broking industry does have a bad reputation. The media, Unions and the move from COSATU to ban the industry were said to be major contributors to this. This will discourage potential employees to the industry whilst existing employees will also seek industries with better reputations.</p> <p>Do you agree with these findings? What is missing from this analysis?</p>	<p>I agree with this however where do employees go when there isn't permanent work. The industry may lose some employees however I cannot see masses seeking alternative work. I think more care needs to be taken with temporary employees. I am always asked by agencies for better income however I don't see the added benefit. I don't see these employees being given training or efforts made to encourage us as clients to keep them.</p>

Value and future of TES	
<p>The TES was found to be significant in job creation. Business requires flexibility and work seekers need easy access employment opportunities.</p> <p>How far do you think that there is a consensus in SA about the role of TES?</p>	<p>I think there is consensus on this to an extent. We need temporary labour. It just makes business sense. Job seekers needs jobs and can access this from Labour Brokers. There will always be an element of resistance. We in a democracy. Temporary staffing in a global reality and we will have to follow suit.</p>
Suggested Recommendations	Your comments -
<p>The TES industry is over regulated causing a reduction in job creation. Relaxing the TES regulations will help in retaining the industries employees.</p> <p>Your comments?</p>	<p>I agree. The joint liability is a issue. We cannot be responsible for employees who are not ours.</p>
<p>If TES companies put more effort on training and development it will improve employee retention?</p>	<p>I agree. People want growth and access to education is expensive. Labour Brokers must make an effort. It will retain employees.</p>
<p>Employees within the TES industry should incentivise their customers to encourage more temporary to permanent conversations</p>	<p>This is something that needs more discussion. Temporary to perm conversations should be free. We pay for this service.</p>
<p>What in your opinion will improve employee retention within the TES industry?</p>	<p>Training and development, access to basic training. Abet programs, too many unskilled people out there</p>

Appendix J

Factors affecting employee retention	Your comments
TES Regulations	
<p>The surveys previously conducted suggested that the regulations impacted negatively within the labour broking industry evidently through some loss of clients and employees.</p> <p>Do you agree with this finding? Do you foresee a significant impact of the regulations on employee retention? If so why or why not?</p>	<p>I agree. The regulations have definitely made it more difficult for labour agencies to operate. I see lots of clients doing their own in house recruitment, so the job specs has reduced.</p> <p>The regulation does impact on employee retention because if we do not meet our targets our jobs are at risk. We have so many of our temps that we cannot place on other jobs. I think it will get worse however I don't think it will put agencies out of business totally.</p>
Job security	
<p>The research found that the length of temporary contracts, the lack of employee benefits and the uncertainty on contract terminations within the TES industry contributed to job insecurity. Job security is a major factor that affects employee retention.</p> <p>Please comment on each of these three factors affecting job security? What is missing from this analysis?</p>	<p>I think all employees including myself look for stable work. The fact that the contract period has reduced is a huge issue for contract staff. There are no benefits like medical aid and pension and people are looking for this. Yes the contract period is determined by the client and can end at any time. This definitely deters employees from working for agencies. In my opinion the fact that we as the agency cannot guarantee the period of the contract will make workers very insecure.</p>
Social/political factors	
<p>I found that, in general, the labour broking industry does have a bad reputation. The media, Unions and the move from COSATU to ban the industry were said to be major contributors to this. This will discourage potential employees to the industry whilst existing employees will also seek industries with better reputations.</p> <p>Do you agree with these findings? What is missing from this analysis?</p>	<p>I agree with the statement. Most of our clients are unionised and I think they unions are really trying to get rid of agency activity at the workplace. The permanent staff are also threatened by this. So the intimidation from these individuals adds to the employees wanting to leave.</p>
Value and future of TES	
<p>The TES was found to be significant in job creation. Business requires flexibility and work seekers need easy access employment opportunities.</p> <p>How far do you think that there is a consensus in SA about the</p>	<p>I think most people see the value of temporary staffing. The unemployment rate is very high right now and the only other option is working on a temporary basis. There will always be that resistance from the unions because they want all jobs to be permanent but this is impossible. I feel there is a future for labour agencies but I am uncertain about how</p>

role of TES?	popular and how much work the agencies will have for work seekers in the future.
Suggested Recommendations	Your comments
The TES industry is over regulated causing a reduction in job creation. Relaxing the TES regulations will help in retaining the industries employees. Your comments?	I agree. I think that especially the regulation on the client and agency being seen as one employer is a huge problem. This is scaring clients from agencies.
If TES companies put more effort on training and development it will improve employee retention?	Yes this will help. However training is costly and contracts are short.
Employees within the TES industry should incentivise their customers to encourage more temporary to permanent conversations	This is a good idea but the problem is that the agencies make their money on temporary labour. By encouraging permanent they will lose out in the long term.
What in your opinion will improve employee retention within the TES industry?	I think maybe more benefits and better salaries.