

# Growth in employment due to increase in temporary contracts

Labour trends in Africa differ to such an extent from the US, UK and Europe norms that international trends seldom, if ever, reach South Africa.



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"Sometimes we fall into line with these trends despite our great differences and our seemingly buck-the-trend labour policies and practices," says Kay Vittee, CEO of Quest Staffing Solutions.

Vittee refers to a recent research study conducted by recruitment firm, PageGroup, which found that employers from 17 different countries were positive and confident about temporary employment.

"The majority of these employers expect the need for temporary workers to remain at high levels or to increase," says Vittee.

## Some of the research findings are:

- 80,4% of all employers surveyed had a positive perception of temporary employment;
- 78,1% expect the need for temporary workers to stay the same or increase in the future;
- 50,5% of the employers chose to hire temporary workers to replace absent permanent staff; and
- 40,8% of employers used temporary staff to cope with an unexpected increase in activity.

Vittee notes that over the past decade, the international trend has been to limit or remove restrictive labour laws in order to ensure global competitiveness. However, she highlights that this is not the case in South Africa, considering the many current additions and amendments proposed to our labour laws, some of which have been criticised for potentially making South Africa a less attractive investment option. This concern is supported by The World Economic Forum, which suggests that South Africa has arguably the most restrictive labour laws in the world.

## Labour brokers

Some of the proposed amendments are in response to the ongoing call on the South African government to ban temporary employment agencies, referred to often as labour brokers.

Rather than ban labour brokers, the South African government has developed The Employment Services Bill, which is intended to regulate the industry. This was passed in the National Assembly late in 2013 and is pending presidential sign-off to be put into law.

The debate on whether the proposed Act will positively or negatively contribute to the creation of employment rages on, with labour organisations, political parties and business weighing in on the topic.

But what seems quite obvious in the Statistics SA's Labour Force Survey for the last quarter of 2013 and the most recent Adcorp Employment Index, is that despite this impending legislation, the only growth in South Africa's employment level is due to an increase in temporary or short-term contracts. In fact, permanent employment is in outright decline.

The ultimate irony of course is that one of the reasons identified in the latest Adcorp Employment Index as to why temporary staffing is strong is in fact our restrictive labour laws.

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