

Worker Advocates Offer Ideas to Reform the Temp Industry

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The temp industry can be improved by teaching workers their rights, holding companies accountable and by enforcing and strengthening current laws.

By Siri Chilukuri, Daniela Tovar-Miranda, Sarah Conway and City Bureau



Art: David Alvarado for City Bureau

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Worker advocates said there is not one definitive solution that would fix the issues they see in the temp industry, including wage theft, racial discrimination and a lack of movement toward permanent positions. Solutions to these problems, they said, will have to be as complex and ever-evolving as the problems themselves. Instead, they offered multiple ideas that could help, from organizing workers, to holding companies accountable to enforcing and strengthening current laws.

INFORM WORKERS AND SUPPORT WORKER CENTERS

Many temp workers don't know that they have a right to organize at work, to be paid for all the hours worked and to work in a safe and healthy environment. This is where worker centers come in. Some, like Arise Chicago, have [created worker-rights manuals in multiple languages](#). Others like Warehouse Workers for Justice focus on organizing workers and holding companies [accountable for the well-being of temp workers](#).

That relationship with workers makes worker centers pivotal, as they often are the first to learn when staffing agencies or contracting companies are breaking the law. Some worker centers have banded together to push the state to enforce labor laws and to funnel tips and information to state officials.

Marina Faz-Huppert, director of fair labor standards at the Illinois Department of Labor, said it is key for the department to have community partnerships.

"We understand that problems are there and we can better utilize our resources when we know who is doing something wrong," Faz-Huppert said.



Related: [Worker Advocates Say More Temp Worker Protections Are Needed](#)

HOLD COMPANIES ACCOUNTABLE THROUGH THE COURT SYSTEM

Class actions lawsuits, which can be filed for a variety of reasons including workplace discrimination, wage theft or unsafe work conditions, are one of several tools to build worker power and hold companies accountable, said Birhanu of Raise the Floor Alliance.

If workers win the case, they might receive a monetary settlement. Worker advocates said lawsuits can also help highlight the issues that temp workers face. On the other hand, lawsuits can be expensive, as there are attorneys fees and an array of other costs. Free legal aid is limited and cases could take months — if not decades — to get resolved.



Gold Standard Baking, now named 37th Street Bakery, and the staffing agency that fed workers to it were accused of racial discrimination against Black workers in a lawsuit filed in 2013. The companies agreed to settle the case earlier this year. (Photo: Sebastián Hidalgo/City Bureau)

Consider the 2013 class action lawsuit against Gold Standard Baking, a factory in the city's Brighton Park neighborhood, and the staffing agency that fed workers to it, Personnel Staffing Group, known as Most Valuable Personnel or MVP.

Workers argued the companies discriminated against Black laborers who were not assigned to work at the industrial bakery even when positions were available. Earlier this year, almost a decade after litigation began, the companies agreed to pay \$1.04 million to settle the case. (Gold Standard Bakery was sold after filing for bankruptcy and is now named 37th Street Bakery.)

Chris Williams, one of the attorneys representing the factory workers, said he believes the lawsuit changed the racial makeup of workers at the factory.

A racial analysis of MVP temp workers included in court documents estimated that less than 4% of Black workers were referred to Gold Standard Baking in 2011. That number rose to about 34% in 2015, two years after the lawsuit was filed.

Williams said the number of Black workers has since increased to about 50%.

"These are two companies under the microscope for their practices, and they actually changed their practices," Williams said.

Similar lawsuits are increasingly difficult to bring to court because staffing agencies are requiring workers to resolve disputes outside the court, Williams said. The requirement is often included in contracts with temp workers. And if they don't agree, they won't get a job, he said.



Barry Rose, a worker at 37th Street Bakery, formerly known as Gold Standard Baking, looks out the window at the Chicago Workers Collaborative, a worker center. Rose said the lawsuit, which stretched for almost a decade, had a positive effect on him and other Black workers.

Attorneys for the industrial bakery and Personnel Staffing Group did not respond to City Bureau's request for comment.

UPDATE THE DAY AND TEMPORARY LABOR SERVICES ACT

Illinois is one of the [first states](#) to regulate industrial temp work, but worker advocates said it still does not offer enough worker protections.

Worker-rights organizations have tried over the past two decades to push the state to do more. Solutions to these problems, they said, will have to be as complex and ever-evolving as the problems themselves. Otherwise, they said, they will continue to play catch-up to fix new issues.



Related: [Temp Workers' Labor Rights, Explained](#)

"Legislative victories on their own are not meaningful unless workers can claim those rights, unless they have the power to organize with their coworkers and to speak up without losing their jobs or losing their livelihood," said Sophia Zaman, executive director of Raise the Floor Alliance.

One idea is to amend the law to expand data requirements around race and gender reporting. Under the law, temp agencies are required to track and submit to the state race and gender data on temp workers sent out to jobs. That data show that a majority of workers hired are Latinx.

But worker advocates said they often hear from Black workers who are not sent out to jobs, even when they are first in line. And that's why they have been pushing for the state to also require agencies to collect and report data on workers who apply for jobs. They believe the data would show that Black workers are often denied work.

"You'll hear dispatchers talk about being told, we just want heavies or lights, which is a proxy really for men or women, or they'll be told we want bilingual workers, which is a proxy for Latinx workers as opposed to Black workers," said Williams, who has litigated hundreds of cases on behalf of temp workers, including several class action lawsuits.

EQUAL PAY FOR EQUAL WORK

New Jersey lawmakers [are considering](#) what may be the strongest regulation of the temp staffing industry nationwide.

Worker advocates said the New Jersey proposal goes further than Illinois' Day and Temporary Labor Services Act because it would require that temp workers receive the same pay and benefits as permanent workers.

Supporters of the bill hope the legislation will spark a national conversation on pay disparities between permanent employees and temp workers. "Why should two people who do the exact same thing get paid on totally different pay scales, except to allow the company to make more profits?" said Harris Freeman, a

nation. However, worker advocates and workers said enforcement doesn't go far enough.

Part of the problem is that Illinois relies on a complaint-based model, which puts the burden on workers to submit complaints. And because many temp workers are from vulnerable groups, like undocumented immigrants and formerly incarcerated people, worker advocates said there's a gap between how many violations occur and how many are reported.

"They're fearful that if they complain that they'll be retaliated against, or if they already have a job, they'll be terminated," said Daniel J. Galvin, an associate professor of political science at Northwestern University who has studied worker centers in Chicago and their impact on labor and employment policies.

State labor officials said in an email they "regularly initiate proactive" enforcement, but understaffing is an issue. There are 319 staffing agencies with 798 branches in Illinois, according to the state's registration data from September released under a public records request. Meanwhile, the Illinois Department of Labor, which is tasked with enforcing the law, has six compliance officers who investigate violations and are responsible for the enforcement of the Day and Temporary Labor Services Act and eight other laws.

"Most states' department of labor, not to mention the U.S. Department of Labor, do not have enough people on the ground to inspect the many places where we know there are problems with temp work," said Freeman, the professor at Western New England University School of Law.

Freeman said that one way to improve enforcement given the limited resources could be to partner with community organizations to try to figure out where violations are happening and make more headway on the department's proactive enforcement of the industry.

"It would be great if these organizations could be given financial resources to support organizers who could be the eyes and ears of government," Freeman said.

Siri Chilukuri and Daniela Tovar-Miranda are 2022 Fall Civic Reporting Fellows. Maia McDonald and Cristal Ramirez, 2022 Fall Civic Reporting Fellows, contributed to this report. Sarah Conway is City Bureau's senior reporter covering jobs and the economy of survival in Chicago. You can reach Sarah with tips at sarah@citybureau.org.

If you or someone you know experienced racial discrimination in temp hiring, connect with City Bureau reporting fellows at tips@citybureau.org.

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