

Commentary

Nonstandard Work Arrangements and Worker Health and Safety

John Howard, MD, JD*

Arrangements between those who perform work and those who provide jobs come in many different forms. Standard work arrangements now exist alongside several nonstandard arrangements: agency work, contract work, and gig work. While standard work arrangements are still the most prevalent types, the rise of nonstandard work arrangements, especially temporary agency, contract, and “gig” arrangements, and the potential effects of these new arrangements on worker health and safety have captured the attention of government, business, labor, and academia. This article describes the major work arrangements in use today, profiles the nonstandard workforce, discusses several legal questions about how established principles of labor and employment law apply to nonstandard work arrangements, summarizes findings published in the past 20 years about the health and safety risks for workers in nonstandard work arrangements, and outlines current research efforts in the area of healthy work design and worker well-being. Am. J. Ind. Med. 60:1–10, 2017. © 2016 Wiley Periodicals, Inc.

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INTRODUCTION

In the late 20th century, many firms began abandoning their reliance on the traditional employer–employee relationship and moved toward increasing reliance on nonstandard work arrangements, shifting much of the risk of doing business on the worker [Cappelli, 1999; Karoly and Panis, 2004; Cappelli and Keller, 2012]. This move toward enhanced labor market flexibility has aided firms economically [Ono, 2009], but has also launched a debate about whether this trend has hurt workers, particularly low-wage

workers [Hatton, 2013; Weil, 2014; Hill, 2015]. Much of the debate centers on what legal rules govern workers in these nonstandard work relationships [Kalleberg et al., 2000, 2013; Stone, 2004, 2006].

Although arrangements between those who perform work and those who provide jobs now come in many different forms, there is no single taxonomy to uniformly describe standard and nonstandard work arrangements [Bernhardt, 2014]. Public and private sector estimates of the size of the nonstandard workforce use different definitions, making occupational health and safety surveillance and research challenging.

The field of occupational safety and health involves the identification and elimination of the risks associated with work. The list of potential risk factors is long and includes chemical, physical, and biological agents, as well as psychosocial and organizational factors. Do the new, nonstandard ways work is being arranged present health and safety risks to workers? Evidence is accumulating that the work arrangement itself may put the health of workers at

National Institute for Occupational Safety and Health, Washington, DC

*Correspondence to: John Howard, National Institute for Occupational Safety and Health, 395 E Street, SW, Suite 9200, Washington, DC 20201. E-mail: zkz1@cdc.gov

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that from 2012 to 2015, about 0.6% of the workforce earned income from the online labor platform economy [Farrell and Greig, 2016].

Industry

In 1984, most temporary agency workers were engaged in office and administrative support occupations [Carey and Hazelbaker, 1986]. By 2008, 65% of agency workers could still be found in office support, but were also found in occupations in the transportation, utilities, material moving, manufacturing, and professional and business services industries [Dey et al., 2010]. Even though agency workers are engaged in hazardous jobs across several different industry sectors, especially in for-hire transportation, for the purpose of tracking labor participation, they are generally classified as working in the *services* sector because all staffing agency employers are *services* sector employers [Luo et al., 2010]. Given this approach to classification, the burden of injury and illness in some higher hazard industries may be underestimated.

Demographics

Independent contractors compared to workers in standard arrangements are more likely to be older, male, and white [BLS, 2005]. Internationally and in the United States, agency workers are more likely to be women, younger, minority, have no high school degree, and earn a lower hourly wage [International Labour Organization, 2013; GAO, 2015; Nicholson, 2015]. Historically, only a minority of nonstandard workers—chiefly independent contractors—were found in higher wage occupations in healthcare, business and financial operations, and construction and extraction industries. Recently, though, nonstandard occupational groups are expanding out of the low-wage sector into legal services, business and financial operations, informational technology, and education occupations [Luo et al., 2010].

Safety Management Issues in Nonstandard Work Arrangements

Nonstandard arrangements pose a number of challenging management issues for providers of nonstandard jobs, for workers involved in these arrangements, and for occupational health and safety professionals. The use of nonstandard arrangements creates a blended workforce where standard and nonstandard workers work together on the same project or do the same type of work. Differences in the way standard and nonstandard workers are managed can negatively affect standard workers' attitudes toward the firm and toward their nonstandard co-workers [Davis-Blake et al.,

2003]. Even though standard workers have been perceived as shielded from the deconstruction of the employment relationship, there is accumulating evidence that the use of temporary workers can be negatively associated with a standard employee's perception of their own job security [Pedulla, 2013].

A blended workforce can pose challenges for safety managers. Temporary and permanent employees may differ in the training they receive for the job, the protective equipment they are provided, the dangers associated with the tasks they are assigned, and their perception of safety practices [Zohar and Luria, 2005]. Perception of the organizational culture, including safety climate, may not be uniform across standard and nonstandard work arrangements. To account for this, safety managers need to take employee heterogeneity into account when developing workplace safety practices [Luria and Yagil, 2010].

Some host or client employers incorrectly behave as if they do not share safety and health responsibilities to protect temporary agency or leased workers in their workplaces. Rather, they act as if the safety and health responsibilities for workers lie with agency or with the employee leasing company. OSHA has historically relied upon its multi-employer citation policy to ensure shared safety and health responsibilities to protect all workers at a site. Recent tragic fatalities and serious injuries involving temporary help agency workers have refocused OSHA's attention on the temporary worker safety issue [Broward, 2013]. In 2015, OSHA and NIOSH jointly developed a set of recommendations aimed at how agency and host employers can fulfill their mutual responsibilities to safeguard temporary agency workers at hazardous workplaces [Occupational Safety and Health Administration and National Institute for Occupational Safety and Health, 2015].

Among the set of eight recommendations made by OSHA and NIOSH about how temporary agency/employee leasing employer, and the host employer, can better protect their shared workers, three propose expanded responsibilities for agencies and employee leasing companies. First, prior to accepting a new host employer as a client, or taking on a new project for an existing host employer, the agency and host employers should conduct an on-site risk assessment of the work to identify the training and personal protective equipment necessary to keep newly assigned workers safe. Second, agency employers should train their staff to recognize basic safety and health hazards that may exist at a host employer's worksite [Occupational Safety and Health Administration and National Institute for Occupational Safety and Health, 2015]. These two recommendations involve the agency or leasing company employer much more in the safety of dispatched workers than appears the current business practice of many temporary help services agencies or employee leasing

companies. A third important recommendation is directed at the host employer who should provide agency employees with general and site-specific safety training that is identical or equivalent to the training provided to the host employer's employees prior to their performing the job. Often the host employer assumes that the temporary services workers have received sufficient training prior to being dispatched.

Legal Issues in Nonstandard Work Arrangements

A significant challenge facing nonstandard arrangement workers and their job providers involves determining which entity, if any, is responsible for providing various job protections to these workers. Two questions often arise. First, is a nonstandard worker an employee or an independent contractor? Employers often label workers as independent but increasingly those labels are being challenged. Second, when a worker is hired by one employer—often a staffing agency—when is the host employer jointly responsible for with the staffing agency for ensuring compliance with labor and employment laws? Each law establishing labor standards relies upon a different test for who is an employer of an employee. As a result, an employer may be responsible for safety and health compliance and paying wages for a group of nonstandard workers, even if that employer is not responsible for providing health insurance or pension benefits to those workers [Dau-Schmidt and Ray, 2004].

In *Nationwide Mutual Insurance Co. v. Darde* (1992), the Supreme Court held that the common law “direction and control” test determined the existence of an employer–employee relationship when any federal law—including the Occupational Safety and Health Act of 1970—defines an employer as an entity “who has employees.” The Court said that several different factors must be considered in determining “the hiring party’s right to control the manner and means by which the product is accomplished,” including the extent of the hired party’s discretion over when and how long to work, the method of payment, whether the work is part of the regular business of the hiring party, and other similar factors indicating the level of control exerted by the hiring party.

In *Secretary of Labor v. Froedtert Memorial Hospital* (2004), the Occupational Safety and Health Review Commission (OSHRC) applied the *Darden* factors that indicate “direction and control” to determine when one employer is jointly responsible for safety and health compliance with another employer. According to OSHRC, no one factor is decisive, but control over the manner and means by which a worker accomplishes the assigned tasks remains an important consideration. In addition, even when one employer is not a “joint employer” with another, one

employer may have a legal duty under the OSH Act to protect the employees of another employer from hazards under OSHA’s multi-employer citation policy [Rabinowitz, 2016].

Under the Fair Labor Standards Act (FLSA), which controls wage and working hour conditions, an employer may be responsible for the wages of an employee if the employer “suffers or permits” the work [Weil, 2015]. The “suffer and permit” standard for identifying joint employers is the broadest test among the employment laws.

The classification of gig workers has become controversial and has led to court challenges in several states, especially the classification of workers involved with Internet transportation platforms firm like Uber. Many firms in the gig economy maintain they are not employers, they have no employees, and their business model merely offers an online platform, allowing independent contractors and consumers to find each other [Smith and Leberstein, 2015]. However, workers claim the “platform” directs and controls many employment-like activities, treating them *as if* they were employees and not independent contractors [Smith and Leberstein, 2015]. As independent contractors, these workers are denied access to the government labor safety net established through Federal and state labor laws [Abraham and Taylor, 1996]. In a recent California case, a Federal district court judge said “the Court cannot conclude as a matter of law that Plaintiffs are Uber’s independent contractors rather than their employees” [*O’Connor v. Uber Technologies, Inc.*, 2015]. Uber appealed and the case settled, so there is no resolution of the issue for now.

The misclassification of employees as independent contractors has grown into such a prevalent practice, denying workers critical protections and legal benefits, that the U.S. Department of Labor launched a “*DOL Misclassification Initiative*,” partnering with 31 states and the Internal Revenue Service to get workers the wages, benefits and protections to which they are entitled as employees [U.S. Department of Labor, 2015]. Denying injured workers coverage under state workers’ compensation insurance can lead to financial ruin for the worker and his or her family, and transfer the costs of injury care to the public when it should be borne by the employer or job provider [Berkowitz and Smith, 2016].

Misclassification is international in scope. In 2006, the International Labour Organization (ILO) noted the difficulties of establishing whether or not an employment relationship exist. The ILO also noted an increase in the attempt to disguise the employment relationship leading to uncertainty about access to labor protections and benefits, and urged the development of national labor policies responsive to worker protections in new employment arrangements (ILO, 2006). While international and national government efforts are directed at providing guidance to resolve the (mis)classification of employees as independent contractors, others are

