

Case #3c. Google's Shadow Work Force: Temps Who Outnumber Full-Time Employees

A temp agency hired Mindy Cruz to be a recruiter for Google. She worked side by side with full-time employees but was fired after rejecting her Google manager's advances, she said. Credit: Jessica Eve Rattner for The New York Times

By Daisuke Wakabayashi May 28, 2019 New York Times

SAN FRANCISCO — Mindy Cruz had an offer for a full-time position at another big tech company when she accepted a temporary job as a recruiter at **Google** in 2017. The pay was less and the benefits were not as good, but it was one step closer to her dream of becoming a Google employee.

Ms. Cruz became one of Google's many temps and contractors — a shadow work force that now outnumbers the company's full-time employees. But she never made the jump to full time. She was swiftly fired after a Google manager, who she said had harassed her for months, told the temp agency that had hired her that he wanted her gone.

High-tech companies have long promoted the idea that they are egalitarian, idyllic workplaces. And Google, perhaps more than any other, has represented that image, with a reputation for enviable salaries and benefits and lavish perks.

But the company's increasing reliance on temps and contractors has some Google employees wondering if management is undermining its carefully crafted culture. As of March, Google worked with roughly 121,000 temps and contractors around the world, compared with 102,000 full-time employees, according to an internal document obtained by The New York Times.

Though they often work side by side with full-timers, Google temps are usually employed by outside staffing agencies. They make less money, have different benefits plans and have no paid vacation time in the United States, according to more than a dozen current and former Google temp and contract workers, most of whom spoke on the condition of anonymity because they had signed nondisclosure agreements.

Better treatment for those workers was one of the demands made by organizers of a Google employee walkout last year to protest the company's handling of sexual harassment complaints.

"It's time to end the two-tier system that treats some workers as expendable," the walkout organizers wrote on Twitter in March.

When Sundar Pichai, Google's chief executive, did not respond to those demands, a group of anonymous contractors sent an open letter demanding equal pay and better opportunities for advancement. In April, hundreds of Google employees signed another letter protesting the dismissal of about 80 percent of a 43-person team of contingent workers working on the company's artificial intelligence assistant.

In response, Google said it was changing a number of its policies to improve conditions for its temps and contractors.

The reliance on temporary help has generated more controversy inside Google than it has at other big tech outfits, but the practice is common in Silicon Valley. Contingent labor accounts for 40 to 50 percent of the workers at most technology firms, according to estimates by **OnContracting**, a site that helps people find tech contracting positions.

OnContracting estimates that a technology company can save \$100,000 a year on average per American job by using a contractor instead of a full-time employee.

"It's creating a caste system inside companies," said Pradeep Chauhan, who runs **OnContracting**.

In statements to The New York Times, Google did not directly address concerns that it had created a two-tiered work force, but said it did not hire contractors simply to save money.

Eileen Naughton, Google's vice president of people operations, said that if a contingent worker "is not having a good experience, we provide lots of ways to report complaints or express concerns."

She added, "We investigate, we hold individuals to account and we work to make things right for any person impacted."

'Googlers Are Everything'

When Google became a public company in 2004, its founders, Larry Page and Sergey Brin, wrote that they believed in rewarding employees with unusual benefits because "our employees, who have named themselves Googlers, are everything."

But not everyone doing work for Google over the years has been a Googler. The company has been using temps and contractors since its early years in projects like scanning books for online search. According to one former Google employee, temps and contractors accounted for about a third of the work force about a decade ago, and that share has steadily climbed.

Google's contractors handle a range of jobs, from content moderation to software testing. Their hourly pay varies, from \$16 per hour for an entry-level content reviewer to \$125 per hour for a top-shelf software developer.

Google usually pays **outside staffing agencies**, which find the workers and provide them with salaries and benefits as their employer.

But the current and former contract and temp workers, as well as four Google employees, said Google was the employer in all but name. It decides what jobs they do, dictates where and what hours they work, and often decides if and when to fire them.

Google's contractors are barred from company events like holiday parties and all-hands meetings. They are not permitted to look at internal job postings or attend company job fairs.

In some instances, email messages about workplace security concerns that went out to full-time staff were not shared with contract workers even though they worked in the same offices, the contractors and temps told The New York Times.

In their letter to Mr. Pichai, the temp workers said the company sent security updates only to full-time employees during a shooting at YouTube's (*a Google subsidiary*) offices last year, leaving contractors "defenseless in the line of fire." They were also barred from a meeting the next day to discuss the attack.

Andrea Faville, a YouTube spokeswoman, said that the exclusion had been an oversight and that contractors had been invited to another companywide meeting later that week. She said all security updates went out to all staff, including contractors and temps, although two contractors working at YouTube said they had not received notices.



Google limits contractors to two years of work on a project, but on one code-named Pygmalion, they returned after a six-month break. Credit Jim Wilson/The New York Times

Google has relied on temporary workers even when the work has become more permanent.

When the company started a research project code-named Pygmalion in 2014 to improve its speech-recognition technology, it hired temporary employees — many of whom had doctorates in linguistics — to help annotate and structure data so Google’s computers could better understand what people were saying, according to five people familiar with the project.

The team grew to about 250, and the majority were contractors. Some contractors worked two years on the project, which is Google’s limit, and took a six-month break before returning in a similar role.

As the project grew, Google managers pressed contractors to do more. In a complaint to the human resources department, one full-time employee said project leaders pressured contractors to work longer hours than stated in their contracts without reporting overtime. The project leaders made subtle promises of conversion to full-time status, two of the employees said.

Google said it had learned of a possible violation in February and immediately opened an investigation, which is still continuing, into unpaid overtime. The company said it instructed employees not to promise temps future employment.

“Our policy is clear that all temporary workers must be paid for any overtime worked,” Ms. Naughton said. “If we find that anyone isn’t properly paid, we make sure they are compensated appropriately and take action against any Google employee who violates this policy.”

Some U.S. States and the federal government are trying to define the distinction between contractors and employees more clearly. The difference usually depends on how much control the company exercises over the worker. That is based on certain criteria, like whether the company has the power to hire or fire the employee, or supervise and control work schedules or conditions of employment. As a result, companies keep contingent workers at arm’s length.

In response to the issues with its temp work force, Google is both trying to improve their treatment and distancing itself from their management.

Last month, Google said it would require staffing agencies to provide contract and temp workers with comprehensive health care, paid parental leave and an hourly minimum wage of \$15.

Many contractors who reported to a Google employee are now being managed by another contractor, who is the only one permitted to speak to full-time employees, three of the workers said. And Google is moving groups of contractors out of some offices in the United States and into separate buildings owned by Google but mostly managed by outside contractors.

When Ms. Cruz, the temp recruiter, worked in a Google office in Mountain View, Calif., she sat with permanent recruiters and used a Google email address. Her manager, a Google employee,

said he expected to convert her to full-time status after a year as long as she met her hiring quotas, which she did.

That's why she didn't say anything when her manager started asking her out. She repeatedly rebuffed him, she said, and his advances turned to harassment. He once invited her to a team outing at a winery that turned out to be just the two of them. That night, he tried to kiss her and put his hand up her dress.

"I had heard that a lot of times when you say something to your recruiting agency, they just take you out of the situation and put you somewhere else," Ms. Cruz said. "And I didn't want my job to go away."

She said she had considered reporting a claim when she suspected her manager was looking for a way to fire her. But she was fired in February before she had a chance. Her account was detailed in legal documents seen by The New York Times. Ms. Cruz's sister, Kristi Beck, said her sister had told her about the harassment while it had been going on.

Ms. Cruz's **outside staffing agency**, Search Wizards of Sarasota, Fla., told her that Google was dissatisfied with her work. She was told that the dismissal was unusual, but that there wasn't much the agency could do because her manager wanted her gone.

Miranda Hinshaw, chief executive of Search Wizards, said the company did not "discuss past or present employees/contractors with any third party."

Ms. Cruz filed a complaint to Google a month later. Google said it had fired the manager in April after it investigated.

Ms. Cruz agreed to a settlement in mediation after months of proceedings. (Google said the matter was now resolved.) But one part of the settlement still gnaws at her: She is not allowed to work for Google again.

"It feels so unfair," she said. "They took away this very big opportunity."

A version of this article appears in print on May 27, 2019, on Page A1 of the New York edition with the headline: Google Relies On Underclass Of Temp Labor.

Actors in the Case

Google

Temporary Workers

Outside Staffing Agencies

U.S. States and Federal Government

Case Questions:

Review the Google website. <https://about.google/supplier-code-of-conduct/> and <https://careers.google.com/>

There does not appear to be any statement on the website regarding temporary contract workers.

2. **If you were offered the opportunity to draft an ethical code for the company regarding hiring, treatment and retention of temporary employees, what might you recommend?**

In answering this question, segregate your answer into the following three categories:

- (1) general precepts and specific practices , (2) promulgation, and (3) enforcement (to assess whether or not your employees are adhering to your code).) **as in the segment from Module 3 below.**

IV. Ethical Codes (from Module 3)

Many companies use ethical codes to guide the behavior of employees. Similarly, many social media websites have *de facto* ethical codes to guide the behavior of users of their websites.

There are three steps in a successful ethical code:

1. Code Design. Ethical codes consist of a combination of general precept and specific practice elements. The general precepts permit broad application of a particular prohibition in a code, while specific practices define specific activities or practices that are NOT acceptable.
2. Code Promulgation, which means making sure the code is widely understood by company employees and they “buy in” to the code’s objectives and elements.
3. Code Enforcement, which includes:
 - a. Detection, monitoring employees to determine if an element of the code has been violated, and
 - b. Consequences for violation of the code.

2. **If you were a Google manager, what would be your most pressing ethical dilemma?**
 - a. **Under existing conditions at Google**
 - b. **If your proposed ethical code were implemented by Google**

In answering Q2, reference the „Resolving Ethical Dilemmas“ checklist in Module 3. (reproduced below)

Resolving Ethical Dilemmas Checklist

An ethics case poses an ethical dilemma for a manager (a) internal to the firm or (b) external to the firm – in which he/she is uncertain how to act. Ethical issues are raised, but ethical guidelines are unclear or contradictory. Often conflicting ethical signals come from one or more of the following:

- a. the manager's personal ethics (one can think of this as the baseline reference in ethical dilemmas for the individuals, just as profit is the baseline reference for the business enterprise)
- b. formal company policy (which may dictate how ethical dilemmas should be handled, either implicitly or explicitly)
- c. informal group norms within the company or industry
- d. societal values (which can be fragmented and contradictory)
- e. professional standards (which can be formalized in ethical codes)
- f. the ethics of one's superiors in the organization (which may have to be inferred)

Maximum length:400 words total