

Strategic Staffing

Why Care?

Are you interested in cutting costs, managing risk, and increasing productivity – all while improving employee morale? If this sounds like a wish list for your next strategic plan, you're not completely off base. These are achievable and realistic benefits for companies taking a strategic approach to staffing.

Strategic staffing enables you to use temporary help as a permanent solution for meeting workforce challenges – while at the same time providing you a means to gain a true competitive advantage.

Why make staffing strategic? Read on...

Cost Containment

All businesses must keep their eyes on the bottom-line. And staffing firms offer a number of effective solutions to keep costs under control. Consider the following:

Eliminate excess overhead.

Most businesses are overstaffed. To ensure sufficient capacity to meet peak demand, they employ more people than they need. Why carry the excess personnel expense? A strategic staffing program gives you the flexibility to bring in labor (or expertise) as needed. While the temporaries may cost more per hour than their full-time counterparts, you only pay for them when they're needed. Plus, there are no benefits to pay. In effect, a strategic staffing approach allows you to convert a fixed expense to variable.

Decrease employment costs.

Hiring and termination costs are very significant. A staffing firm can virtually eliminate many of the costs and time investment associated with hiring. Savings can include:

- *Recruiting.* Recruiting is non-productive (you don't hire most of the people you see). A staffing service can more efficiently manage resume screening, interviewing, testing, and reference checking.
- *Turnover.* The cost of replacing a person is three to five times the annual salary. Temporary staffing is an ideal way to reduce expense in high turnover positions.
- *Overtime.* Reduce the overtime worked by permanent employees by using temps to cover high demand periods.
- *Training.* Temporary employees can be productive quickly because they arrive ready to work, with the skills and training you need.
- *Administration.* Relieve burden on your HR department by using temporary staffing and payrolling services. A staffing service has legal responsibility for processing the paperwork for the employees on its payroll.
- *Termination.* There is no cost to letting a temp go. They know their assignment is going to be short-term.

Cut your staffing expense – and headaches.

The management and administration of temporary staff can be a significant challenge. Many staffing services offer special programs to help firms proactively, and cost-effectively, manage their staffing function, such as:

- *Vendor-on-Premise.* A staffing supplier provides you with an on-site coordinator to manage your temporary staff. The on-site manager ensures the productivity of temporary workers; handles scheduling and recruiting issues; and deals with payroll and other administrative issues.
- *Single Source.* Have one staffing firm assume total responsibility for your staffing. You only need to manage one vendor, which then either fills requests internally, or coordinates with other staffing vendors to ensure your needs are fulfilled.



Meeting Demand

Are you forced to do more with less? Planned staffing gives you the flexibility to effectively manage the ebbs and flows in your workload. Whether you have special projects requiring expertise beyond your core competencies or are trying to manage cyclical trends, staffing firms can give you the flexibility to proactively meet changing requirements. Ways staffing can help you meet demand include:

- **Seasonal demand / cyclical trends.** Many companies experience fluctuations in work requirements. Rather than hiring employees when the workload increases, and laying them off when it's back to normal levels, why not use temps? Temporary employees can give you the support you need during busy periods, and they understand that the assignment ends when the work is back to normal.
- **Projects / special expertise.** Sometimes businesses take on projects that require expertise permanent employees don't have. It's becoming more common for firms to bring in experts in fields, like information systems and engineering, to handle special assignments. Staffing firms can provide you with temporary professionals that have the skills and experience you need on a short-term basis.

Risk Management

All businesses face a certain amount of risk. As an executive, your challenge is limiting your company's exposure so you can focus on meeting key business objectives. Many business and employment risks can be effectively managed with a strategic approach to staffing. Staffing can limit the following risks:

- **Bad hires.** An employee who isn't meeting expectations can be a management, and sometimes legal,

nightmare. Staffing services provide flexibility to limit the risk of a bad hire. Temporary workers not meeting expectations can be easily replaced. Not only does this limit wrongful termination risk, but it's a great way to try out a worker before considering a direct hire.

- **Legal and financial issues.** Staffing firms ensure compliance with tax laws when payrolling or leasing employees. They also make sure hiring practices adhere to all legal guidelines. Finally, as the employer of the temporary

personnel, the staffing company assumes financial obligations including payroll, statutory taxes, and all government reporting.

Why Wait?

Human capital is a key driver to meeting corporate objectives. Why wait for a crisis situation to change? Progressive companies regard staffing decisions as key to their success. By making staffing strategic, you gain a tool to help you accomplish your objectives and an edge on the competition.



Am I Boosting My Bottom Line?

Does your staffing service help you save time and money, increase productivity, or give you peace of mind? If not, you may not be using staffing to your advantage. After reading the last article, we thought you might be curious to determine if your company is proactive or reactive in its staffing decisions. Once you've answered the questions, score your answers using the guide at the bottom to determine if you could be getting "more bang for your buck!"

1. We primarily use temps as fill-ins for unplanned or planned absences or for vacations.
True False
2. We use technical, managerial, and financial level temps for project assignments as well as using temps for clerical and/or light industrial requirements.
True False
3. Preparing for the use of temporary and contract staffing is part of our annual planning process.
True False

4. From time to time we evaluate our core competencies with the idea of outsourcing non-critical functions.
True False
5. We generally place orders for temps just before we need them.
True False
6. We conduct an orientation for every new temporary.
True False
7. We provide training to temporaries when they begin a new assignment.
True False
8. We have measurable performance standards for our permanent employees, but not for our temporaries.
True False
9. We periodically review our cost per hire.
True False
10. We have compared the cost of a temporary to the cost of a permanent employee in the same position.
True False

11. We use temporaries as one of our recruiting methodologies to find permanent employees.
True False
12. We always call two or more temporary services simultaneously to see who can most quickly fill the order.
True False

Answer Key

Give yourself one point for each correct answer.

- | | | | |
|-------------|--------------|--------------|--------------|
| 1. <i>F</i> | 2. <i>T</i> | 3. <i>T</i> | 4. <i>T</i> |
| 5. <i>F</i> | 6. <i>T</i> | 7. <i>T</i> | 8. <i>F</i> |
| 9. <i>T</i> | 10. <i>T</i> | 11. <i>T</i> | 12. <i>F</i> |

If you score:

0 - 3: It may be time to call your staffing service – you could be doing more;

4 - 7: You're doing okay – you're with the majority of companies today;

8 - 10: Congratulations. You're strategically staffing your company to success.

Why make staffing strategic?

1. The planned use of temporary help can be extremely cost and time effective.
2. If it saves you money to use clerical and light industrial staffing, it stands to reason that using professional staffing will save you money as well. Ask us, we'd be happy to elaborate.
3. Strategic use of staffing allows you to operate without extensive peaks and valleys. It helps you stay "right-sized" but flexible enough to handle increases in business or unforeseen opportunities and challenges
4. Strategic staffing will allow you to focus your strengths on activities that get you the greatest return on your assets. Leverage the expertise of others.
5. Your likelihood of getting the "cream of the crop" is greatly diminished under extreme time pressure. If you give a staffing service more lead time, you may be able to get back temporaries

6. you've used in the past – saving you time and money on training and orientation.
6. A temporary's level of comfort on the job affects their ability to perform – the more they know about the job and requirements, the better they'll do.
7. A well trained temporary is not going to do work incorrectly – saving you time, money, and potential aggravation. Trained temporaries are more productive in every way.
8. If they know your expectations, temporaries will try their best to meet them. Give them the opportunity to perform to the best of their ability while fulfilling your needs.
9. It can be less expensive to use a staffing firm as your recruiting source than doing it yourself. If you'd like more information on the costs of hiring, please call us and we'll send you a great

- article that details how to calculate your cost per hire.
10. The real costs of permanent employees are much higher than their wages. Don't forget about statutes, benefits, 401K plans, vacation time, and paid days off. These are all costs you don't incur when using a staffing firm, because you only pay for hours worked.
11. Try before you buy! Reduce your risk of a bad hire and increase your likelihood of hiring success by using the temp-to-hire option staffing services offer.
12. It may get you a faster response, but not necessarily a better person if you call two or more staffing services at the same time. Form a partnership with your staffing service – call them first and give them the chance to meet your needs. Give that service a reasonable time to fill your order and call a back-up service only if they fail to meet your schedule.