

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 3 to 5 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 payroll 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.