

Staffing plans change when economy stalls

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Staffing companies today provide a full range of employment services to all industries and have expanded into many professions. Traditionally, most people have a perception that staffing firms only provide temporary employees. However, staffing firms today have employees readily available to support temporary projects, gap coverage, probationary employment called temporary to permanent, contracted employees, third party vendor relationships, payroll services and permanent placement.

Since 2010, we have experienced a definite change in business strategies for staffing. Overall, hiring demands have increased, but hiring strategies have also changed especially for smaller companies.

Smaller companies are realigning their workforce with an attempt to stay below 50 employees. Strategically, this will give them the most flexibility, if and when, the health care mandates become official in 2014. Not knowing the full cost of health care benefits is a primary concern. Many companies have made a strategic move not to increase their permanent workforce. Instead, they are using a staffing firm to replace employees through attrition and new hires. Additionally, this strategy allows them to hire full time staff on a long term indefinite basis, with an option to hire in the future.

Midsized companies are identifying a percentage of their workforce to be maintained through a staffing firm. This strategy provides management with the ability to align their labor costs in response to their production changes. So as sales increase, the contracted staff increases and as sales slow, they choose to either reduce hours or reduce headcount. This strategy is embraced by human resource managers who want the ability to be responsive to the needs of the company.

Large companies are seeking both temporary and contracted staff due to growth, technology upgrades and mergers/acquisitions. Companies are once again investing in new technology and are seeking experienced staff with knowledge or work experience in Enterprise Resource Planning called ERP. With significant

system upgrades, they are also seeking support staff for project management, data entry, sourcing, accounting, finance, customer service, sales and human resources. Staff having direct experience with ERP software is an added bonus. There is also an increase in mergers and acquisitions, which requires experienced professionals in finance, accounting, benefits, and human resources.

The change in staffing strategies has been recognized on a national level as well. According to the US Bureau of Labor Statistics temporary help employment is 12.5% higher than March 2010. Statistics show 29,000 workers were added in the staffing industry in March, 2011. Temporary staffing firms have added approximately 500,000 workers to industry payrolls since August, 2009. We are seeing companies add to both their flexible and permanent workforce, which is encouraging news.

While hiring is picking up speed, the available talent pool remains strong. Individuals with solid work experience, education, software skills and great references are ready to work. Companies should strategically plan ahead and include staffing services in their 2011-2012 budgets. Companies who are taking the lead by investing in key talent will prosper. Now is the time to hire!

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