

Flexible Staffing Offers Agility during Recovery

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By Stephanie Klein

March's labor statistics-8.5 percent national unemployment and 3.3 million employees out of work in just five months-is a stark reminder that we operate in an entirely new environment today. Luckily, we've fared a little better than national averages in Colorado, with a jobless rate of 7.3 percent at the end of March, according to the most recent data available for our state.

The labor department called these job losses "large and widespread," and if you haven't already tuned out the steady stream of bad news, you've heard more job losses are likely nationwide and in Colorado before it gets better.

Folks more knowledgeable than me have voiced opinions about when we will come out of this downturn. I've heard summer, third quarter, even well into 2010 from varying sources. From my 25 years of human resources' experience, though, I know we will not see companies jump the gun on the recovery with huge hiring surges. Instead, companies will be cautious and try to avoid fixed costs like human capital.

In fact, even when workers leave positions today, companies are less likely to replace this job, unless it is mission critical. Instead, work is distributed among remaining staffers to help keep costs in check.

When uncertainty such as this hits, companies tighten their grip on cash, try to trim fixed costs at any turn, and wait-for a sign,

signal, trend, or momentum that says 'we're coming out of the downturn.' Until then, though, new hires are often a luxury.

Yet companies-now more than ever-need to deliver quality products and services that will help them retain their customers and attract new ones. In fact, many companies I work with are doubling down to retain their current business levels while simultaneously ratcheting down on costs. The mantra you'll hear over and over today is 'we need to do more with less.'

The challenge for companies is ensuring the quality of its work doesn't dip while it's doing more with less. And when necessary new projects come in the door, how does a company get the job done in a timely, quality fashion with fewer workers?

If history and current trends are an indicator, more firms will turn to contract labor. We saw this during the downturn earlier this decade, and I suggest we'll see it again now and in months to come.

Assessing staff needs strategically

Today, more than 2.6 million workers fill daily staffing needs for firms nationwide to solve two needs: flexibility and access to talent. Contract staff can provide an instant boost without adding to fixed cost during the downturn.

For routine needs, staffing firms can quickly provide workers for daily, seasonal or cyclical assignments. Beyond this flexibility, a contract staffer can bring specialized skills for a certain project-today's staffing firms can help you insert highly skilled labor that includes tax, accounting,

human resources, legal, project management, engineering, even medical expertise on an as needed basis.

For example, because our firm focuses on finding more experienced contract workers for companies, we have established relationships with financial service firms locally. These financial firms seek experienced support each quarter when they distribute 401(k) statements. Why? These days, when investors receive their statements in the mail, first thing they do is gasp. Then they pick up the phone for customer service. For about three weeks each quarter, it's intense at these financial firms, hence the need for smart, experienced workers who can provide calm advice. As a result, these experts, some of whom have extensive experience but seek more flexible or part-time work only, can plug right in and make a difference.

You'll be ready for the bounce

Contract staffing gives you a hedge when the economy begins its rebound. If you want to take the position to full-time, often the contract person is a first, likely candidate for the position. This cuts down on training costs and productivity is high immediately. This can work both ways. In fact, according to industry reports, 77% of staffing employees say a temporary position is a good way to obtain something permanent, and 80% of companies who bring in contractors believe this is a good method for finding quality permanent hires.

If your firm decides to pursue contract staffing during this recession, make intelligent and informed business decisions prior to incorporating alternative workers

in your workplace. There are hundreds of staffing agencies in Colorado that can assist with finding the right person for a temporary position. Some firms have specialties, such as our firm's focus on the experienced 40 to 60-year-old worker. Others specialize in clerical, technology, or general staffing needs.

To find a staffing firm, shop around, get a sense of how well run the staffing organization is, see if they have a good stable of qualified workers, and test references. Ask how they recruit, screen and test these staffers. Finally, get a sense of whether this staffing firm is going to take the time to understand your business so they can help provide quality staff that supports you during this challenging time.

Good companies focus on short-term challenges and long-term strategies. It is essential to stay on top of market demands, especially today, while setting the stage for a competitive advantage once the recession ends. Firms that look at staffing needs strategically remain agile and gain competitive advantages by scaling up or down without the burden of excessive head count, legal exposure and fixed costs.

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