

Temporary services make cents

The effective use of a temporary service **Interviewed by Marcia Passos Duffy**

While many business owners consider using temporary service workers for primarily traditional support functions — such as receptionists, secretaries and assistants — a new breed of temporary services firms has emerged that can help businesses overcome worker shortages in a variety of specialties and higher-function roles.

“Temporary firms are now highly specialized,” says Rob Wilson, president of The Employco Group, an Illinois-based human resource firm. “This opens up a whole world of time and money savings opportunities for a business.”

Smart Business spoke with Wilson about how businesses can best use temporary employees to help improve their bottom line.

Could you give an example of the types of specialized temporary firms that are available today?

There are temporary firms that specialize in placing workers with experience in manufacturing, accounting, nursing, IT, engineering, marketing and even executive roles, such as CEOs or CFOs. The places in which these workers are placed also range widely from offices to hospitals to industrial and construction sites.

Why is there a demand for such a wide range of temporary workers?

Typical reasons why businesses need temporary workers include the short-term vacancy of a full-time employee for vacation, maternity leave or medical leave. There has also traditionally been high demand for temporary workers in industries that are cyclical, such as retail or assembly work.

But with the uncertainty of the economy, the high cost of health care for employees and the current talent shortage, the reasons for hiring temporary workers have changed. Temporary workers are now hired for long-term staffing solutions. This can save a business money because the onus is on the staffing firm for the employee’s taxes, health care, hiring and firing.



Rob Wilson
President
The Employco Group

Where are you seeing the biggest growth in temporary service placements?

Businesses are demanding more accountants, IT workers and engineers, and hospitals have an increased need for nurses. We’re also seeing a high demand for companies that need workers to help them start up or shut down a division or help a business make the transition to relocate to another part of the country. In these cases, these temporary executives can stay at a business for two months or two years.

Generally, what kind of worker or executive decides to only take on temporary assignments?

We see individuals with a lot of experience who have retired after 20 or 30 years of service. These people are usually collecting retirement benefits or pensions. What they want is to supplement their retirement income — but they don’t want to commit to a part- or full-time job.

Other younger temporary workers consider themselves more like consultants than ‘temp’ workers. They do not want the constraints of a full-time job and consider themselves sole proprietors.

What, then, is the difference between hiring a temporary executive and a consultant?

Bigger companies usually have a stable of consultants that they can contact whenever it is needed. However, the small-to-medium-sized company often does not. It is very time-consuming to find the right consultant for a particular job, particularly if a company does not have a human resources department. Using a specialized temporary staffing firm gives a company the benefits of tapping into talent that is available immediately. And, if the person is not the right fit, there is no firing involved; the temporary agency can replace that person with a better fit.

What questions should a business owner ask a firm when trying to make a selection?

1. Does the firm have a specialty or specialties? Do these specialties match up with your needs?
2. Can the firm provide personnel who are familiar with your type of industry or the specialties you are looking for?
3. How well can the firm source these people for you?
4. Does the firm have multiple candidates it can send?
5. How well-documented are these employees from an immigration standpoint?
6. What are the costs — are they competitive with other staffing firms?

How can using a temporary service firm help a business save money?

Typically, a business will pay a staffing company within 30 to 60 days. So, instead of paying an employee each week the business has the benefit of keeping cash longer — thus improving its cash flow. The business is also not responsible for paying the temporary employee vacation, sick time, disability, health care, 401(k) or other benefits.

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