

# COMPANIES FAIL TO CONTROL EMPLOYMENT COSTS

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Who is paying for you?

In three-quarters of UK companies, budget for staff is spread widely across many different departments making cost control a daily burden for heads of HR, says new independent research commissioned by Professional Staff Solutions.

To support the findings of the research, Professional Staff Solutions' audits of large organisations show that poor recruitment processes, complex costing and payroll models added to poor management visibility of resource planning leak millions of pounds a year in direct and indirect costs. More worryingly, Professional Staff Solutions finds that many companies simply have no idea of the total size of its workforce.

25% of procurement heads admit that they do not liaise with the HR department regarding the hiring of non-permanent workers as a matter of course.

The research, investigating human capital management control in Britain's biggest companies, also found that the heads of HR do not have a clear view of how contract and permanent staff interact, suggesting deeper discontinuity of control.

"Companies do need the flexibility for local autonomy in how staff are hired and paid for. But managing this flexibility opens organisations to very high costs and poor quality control," says Tony Borrill, Managing Director of leading Employment Process Outsourcing company Professional Staff Solutions.

"By taking all the elements of the employment process lifecycle, from attraction through to exit of staff, we give companies much higher levels of transparency about what resource they have now and what resource they will need in the future. EPO gives organisations company wide controls using collaborative management tools that remain in the hands of the organisation. We manage aspects such as legislation, payroll, recruitment and brand building processes that are proven to make instant savings running into many millions of pounds a year," commented Borrill.

Notes to Editors

Quantitative Survey:

A total of 200 interviews were collected with HR and procurement heads in companies with at least 1200 employees. 100 interviews from each respondent group were completed. The resulting sample includes a variety of industry sectors. Interviews were conducted by telephone by Dynamic Markets Limited between 2nd and 18th February 2004. Before and during the interviews, respondents were not aware that PSS had commissioned the research. Respondents were offered a summary of the findings of the research in an exchange for their contribution to it.

About Professional Staff Solutions

Professional Staff Solutions (PSS) is the Employment Process Outsourcing business of the Professional

Staff Group, a specialist staffing solutions provider with revenues in excess of £89 million. Its core business is the supply and management of large volumes of highly skilled technical staff into such industries as technology, telecommunications, automotive, aerospace, healthcare and the sciences. With over 20 years' experience, its clients include British Telecom, EADS, Marconi, the MOD and Vodafone.

EPO is the means by which organisations outsource every aspect of the supply and management of skilled labour (contract and permanent) finding the right person, for the right job at the right time. The way it works makes it possible for organisations to save significant amounts of money while guaranteeing a better service for both hiring managers and candidates. Sophisticated management tools and metrics are used to ensure that skills supply and demand are properly aligned to the needs and culture of the business.