

Contract workers offer staffing solution

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Contract workers offer staffing solution in an unpredictable market

Recruitment is a costly business. Writing an effective advertisement, placing it, interviewing, selecting, managing a hand-over with an outgoing member of staff, contracts, legalities and training all need to be undertaken each time you recruit.

It also consumes management time. As result all too often not enough attention is paid to finding the most appropriate employees for the business.

Employers need to consider if the potential employee will fit in well with their current mix of staff. And in the current economic climate, they must also review market forces and give serious thought to future staffing levels.

In an uncertain market, contract workers can be a cost-effective solution to short and medium term staffing issues.

The general rule of thumb is that recruitment costs 60 per cent of the first year's salary for a new worker, taking into account all the factors mentioned above, including human capital and staff turnover costs. But many companies still prefer to go down this route rather than to look at a shorter term solution.

The reason? Cost of course is a main factor. Contract or freelance workers will inevitably bring a higher day rate than permanent staff. In the short term, the costs are higher.

But the benefits of utilising fixed-term contract workers, or drawing from a pool of talent on an ad hoc basis is that, if business slows and you do not need to sustain such a high capacity, you can quickly reduce staffing without incurring any additional costs. As every business knows, redundancies can be extremely costly and time consuming.

Also, though the cost may be above the norm for a temporary worker, it is transparent. You can plan the staffing as a fixed cost and budget accordingly. And you only pay them when they are there. There is no sick pay, no benefits, and no pension plan.

When it comes to deciding whether to employ staff on a contract or permanent basis, there is no right answer. The decision has to be made on a case by case basis; the key to making the right choice is weighing up all your options and looking at long-term business needs.

For example, if an engineering firm secures a considerable new order, the immediate reaction can often be to expand the workforce. However the money may be there with the new order to support an expansion of the workforce in the short-term, but will there be a repeat order in six months' time?

ATA Selection is focused on the recruitment of engineering staff within SME organisations. As a

recruitment consultancy that specialises in both contract and permanent solutions, it can offer a cost-effective solution that will fit the realistic needs of an organisation.

It offers organisations objective advice on recruitment needs and highlights options such as temp to perm, where the employer has the flexibility to propose a permanent contract to a contract worker, should this model suit their business needs.

In an ideal world, all employees would be permanently on the books. This encourages loyalty, enables you to train them to best do the job and gives a more stable working environment. However, companies should not overlook the benefits and realities that come with employing contract staff. They offer can offer a much greater flexibility in today's fast-changing business climate.

Andrew Hardaker, is Managing Director of ATA Selection, a leading engineering recruitment consultancy, with a pedigree spanning over more than 40 years.

Editor's Note: For further information contact Century PR on 024 7622 8881.