

# Temp agencies: Help in the hiring game

By **Jen Zoghby**  
and **Randy Southerland**  
CONTRIBUTING WRITERS

**F**irst, the good news: Business is booming, sales are soaring and your overworked employees are getting all the overtime they can handle.

Now, the bad news: You're ready to hire new employees, but what if business drops off just after you've committed to higher labor costs?

Many small-business owners solve this conundrum by using temporary employment agencies. This path takes the risk out of expansion and allows entrepreneurs to manage the vagaries of the business cycle.

Finding the right temp agency that can supply just the right employees can be a challenge.

"It depends on the type of need they're looking to fill — do they need just an individual vacation-type replacement or are they looking for a project?" said Steve Sanders, president of the Georgia Staffing Association and a vice president at TRC Staffing Services Inc.

"It would depend on what the overall need is, but basically they should look for a company that specializes in the type of staffing they're looking for. If they're looking for an industrial-type project, they should look for a company that hires and places people in the industrial arena. If they're looking for a technical person, they should really go to a technical staffing company to get the best-qualified individuals."

The Virginia-based American Staffing Association reports that 90 percent of all companies use temporary staffing services. Hooked on the flexibility, employers enjoy the options and freedom of temporary staffing services.

Staffing companies nationwide employed some 2.18 million temporary and contract workers per day during the second quarter, a 9 percent increase over the same period last year, according to the American Staffing Association.

The average length of time for a temporary staffer to work with one employer is three to five months, but the jobs can last a few hours to a few years. While the fastest growth for temporary help is in professional and technical positions, the jobs range from basic labor to high-level management.

American Staffing Association vice president Steven Berchem said the temporary staffing services are a vital bridge during company growth spurts.

"Many companies find that when they are facing uncertainty, it's better to bring in temporary or contract help rather than incur large fixed costs," he said.

In fact, many companies are budgeting for temporary employment as part of their overall strategic plans, said Sanders.

Staffing services range from temporary help to permanent placement. A temporary employment agency can also guide a small-business owner in hiring full-time employees after a temporary trial period, Berchem said.

In fact, some 72 percent of temporary employees obtain permanent jobs while working for a staffing company, according to the American Staffing Association's Web site.

"An employer can see if the employee has the skills and personal fit for the organization," Berchem said. "They can make sure it's a good match. And it's a good way to make sure the employee likes the environment."

In many cases, employers can find stellar employees who are either new to the job market or re-entering the work force.

The right temporary employment agency can help startup business owners. In the early days, adding a staff member may mean a significant percentage increase of overall expenses. The trial period is a nice baby step toward expansion, he said.

Some workers — particularly those in the high-tech industry — prefer short-term assignments either because they want more time off or don't want to get pegged into a particular type of job, according to Sanders.

"For example, they may not want to be labeled as a CAD expert when CAD is being replaced by something else," he said.

Berchem recommends hiring a staffing firm that is a member of his national organization, whose members make up 85 percent of the \$62 billion market. They receive regular updates on the latest developments in employment law.

Because federal and state guidelines are frequently changing, Berchem said a temporary staffing agency can be a vital resource to the small-business owner. Plus, the members agree to abide by a code of ethics and good practices.

Gene Fairbrother, a consultant of the Dallas-based National Association for the Self-Employed, said temporary employment agencies help take the hiring burden off the already-stressed small-business owner.

"Small-business owners are bad about interviewing, hiring and finding the right person," he said.

Plus, temporary workers can help take the sting out of a seasonal business. If a retailer needs more help during a certain six-week cycle, temporary workers can come in, fill the gap and go away quietly if necessary.

Temporary employment agencies also help take the fear of hiring away from the small-business owner, Fairbrother said.

In addition, a staffing agency should do more than just send over

## Web resources

American Staffing Association  
<http://www.staffingtoday.net>

National Association  
of Professional Employer  
Organizations  
<http://www.napeo.org>

National Association  
for the Self-Employed  
<http://www.nase.org>



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employees. It should insist on visiting the company and getting to know both its workers and culture, according to Sanders.

The association also notes that some of its members are Professional Employer Organizations, which handle tasks such as payroll, benefits and other human resource functions for small-business owners. PEOs have been a hot sector in the temporary staffing firms market because they offer a slightly different approach to entrepreneurs' time-crunch problem.

Rather than helping hire addition-

al staff, the PEO actually manages various human-resource functions for the business. It can handle everything from employee screening and orientation to payroll to layoffs and golden parachutes.

"A doctor may have gone to advanced education, but he doesn't know how to hire a nurse or a receptionist," said Milan Yager, executive vice president of Alexandria, Va.-based National Association of Professional Employer Organizations. "Employment needs are the critical nightmare of these employers."





## Everything Changes.

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