



Staffing Agencies Role in Today's Labor Market

What do you think when you hear the words staffing agency? Do you automatically think of low-pay and temporary positions? Or do you think of a great opportunity to further your career?

US staffing companies employed an average of 3.2 million temporary and contract workers per week in the 2nd quarter of 2018 (American Staffing Association). Richard Wahlquist, ASA President and CEO notes, "Businesses are turning to staffing companies for flexible workforce solutions, which is driving up demand for temporary and contract employees. This means more opportunities for job seekers in an ever-tightening labor market as employers focus on talent as a way to differentiate their businesses" (American Staffing Association, 2018)

There are many reasons why companies choose to work with staffing agencies. Staffing agencies spend a large chunk of their time recruiting for open positions. Staffing agencies also have ready-to-access databases of eligible employees which help employers extend their reach to even more people. This can be a huge time and cost saver for Human Resources departments.

There is a lot of risk and cost in directly hiring a new employee. While it is difficult to give an exact amount, the average cost per newly hired employee is \$4,129 (Society for Human Resource Management, 2016). Because of this, staffing agencies are often used to evaluate and test employees before hiring them on full time.

According to Manpower Market Leader Christina Lammerding, "Companies choose to work with Manpower because we can assist in all aspects of HR/Recruiting, payroll and consulting. The labor market is very tight in Central Wisconsin, so casting a wide net takes time and most companies do not have any extra of that these days. Manpower has the ability and specializes in building personal recruiting plans for each individual company to partner with them to find the perfect candidates for their open positions."

If you are struggling to find a permanent job, working with a staffing agency can help you find a job in the interim. Job seekers are more marketable when they are employed versus having an extended period(s) of unemployment. On the other hand, a staffing agency can help you if you already have employment history gaps in giving you a chance to work for a company you want to work for.

Working with a staffing agency is also a great way to gain experience and additional work skills if a person has minimal work experience. If a person has issues in their background that have made it difficult to find a job directly, staffing agencies can help better a person's chances of finding a job.

"Staffing firms are an ideal way to get your foot in the door with many local companies," according to Anne Jabusch, assistant marketing manager at QPS. "In this tight labor



market, more companies are turning to staffing firms as a way to find employees. Our recruiters take the time to meet with you, listen to your career interests and then best match you with an opportunity. This is especially helpful for those who are thinking of changing industries and need help identifying the skills that they possess that would be transferable to a position in another industry.”

Northcentral FSET has strong relationships with many staffing agencies in our 9-county region. Please talk to your FSET case manager for suggestions on how to proceed if you're interested in working with a staffing agency to reach your employment goals.

References:

<https://americanstaffing.net/posts/2018/09/12/staffing-employment-at-18-year-high-for-second-quarter/>

<https://www.shrm.org/about-shrm/press-room/press-releases/pages/human-capital-benchmarking-report.aspx>