



Contract staffing supports construction business models

Staffing needs in the construction industry during this current economic climate are much different than what they have been in recent years. In the past, construction firms primarily utilized staffing companies to augment their staff by directly placing candidates in full-time positions. But that was then and this is now.

Earlier this year, the national unemployment rate reached its highest level since December 1983. The recession has significantly impacted the construction industry resulting in fewer projects to bid on, forcing companies to be creative when it comes to finding solutions to fit their hiring needs. Many companies have chosen to partner with staffing companies that utilize contract or contract-to-hire models to staff project-based needs. Contract positions have the potential to develop into long-term opportunities in the future, assuming there is a sufficient backlog of work.

PARTNERING WITH A STAFFING AGENCY

Construction firms specifically have begun to partner with staffing companies that specialize in the industry to augment their staff through contract hiring. International staffing providers offer the flexibility to add staff to meet an immediate need, while allowing companies to still maintain their bottom line.

A working relationship with a staffing company allows construction firms financial flexibility to spread out the cost of an employee over the contract period in addition to the ability to focus on winning new business instead of concentrating on hiring full-time talent. Hiring an employee on a contract or contract-to-hire basis offers a flexible cost cushion because the cost to hire contract employees can be significantly less than the amount to hire and train a full-time employee directly.

For example, contract positions are gaining popularity in the construction industry, specifically when hiring for new construction projects or other projects with a definitive schedule. As new projects develop, staffing companies can provide qualified contract staffing employees with an agreed upon start and end date, alleviating the need to lay off employees after the completion of a project. Hiring employees on a contractual basis can also open doors to potential future employment opportunities, such as converting an employee to a permanent position after the contract period is complete.

SAVES TIME AND MONEY

Companies that take advantage of contract staffing services save time and money spent on hiring and interviewing candidates which can span over several

weeks, making it a time-consuming process. Staffing companies identify, screen, and place candidates with a company and administer insurance, benefits, and paychecks so internal resources are not overwhelmed with these tasks. A staffing company can take full responsibility for employee-related costs including unemployment, workers' compensation, benefits, 401(k), and more. Staffing companies can better absorb costs associated with workers' compensation, unemployment, and benefits due to the sheer number of employees that they manage.

By partnering with a staffing company to augment their staff, construction firms are able to retain control of all management responsibilities of the contracted employees. Contractors typically subcontract project responsibilities—partnering with a staffing company is no different.

The economy will begin to turn around at some point and some indicators are showing that it may be sooner rather than later. The companies that are best positioned will be able to reap the benefits sooner. While construction firms need to decide how to balance new business versus hiring, contract staffing is an option that warrants careful consideration for short- and long-term solutions that will have lasting benefit no matter what the economic climate. ■

FOR more INFORMATION

Aerotek, headquartered in Hanover, Maryland, is a leading provider of technical, professional, and industrial staffing and program services. Established in 1983, Aerotek is an operating company of the Allegis Group, the largest provider of staffing services in the United States. Aerotek operates a network of more than 150 non-franchised offices throughout the United States, Canada, and Europe. For more information, call 888.237.6835 or visit www.aerotek.com/construction.