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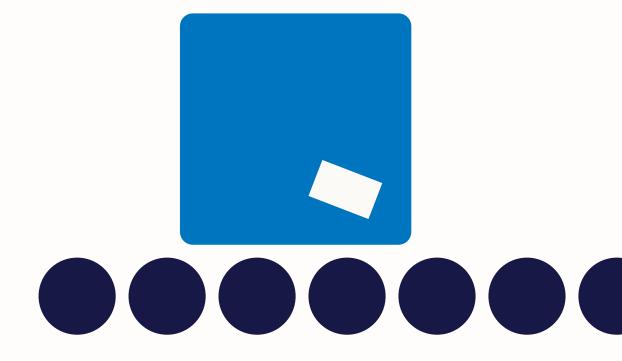
human forward.

There are numerous benefits to hiring contingent workers. One of the biggest and most immediate incentives is cutting costs, as well as reducing the time and commitment involved in recruiting permanent employees. Another is increasing workforce flexibility to respond to fluctuating demand or sudden changes in the marketplace.

One industry where these advantages will prove especially valuable right now is manufacturing. The manufacturing sector was hit hard by the COVID-19 pandemic. Three primary motivations for businesses to invest in flexible labour are:

- cost savings
- ability to scale up or down
- address project-specific needs

If you've already decided that stepping up your use of contingent talent is the right option for your business, you now face another choice: whether to outsource your recruitment activities or have your internal HR team oversee hiring. In this guide, we'll walk you through some pressing questions to help you decide which path makes most sense for your business.



#### question 1:

### how much will you spend on contingent labour?

Thinking about how much you're likely to spend on contingent labour will help you make an informed decision on the value of outsourcing recruitment to an external supplier. Doing the job yourself could be the best option if people on temporary contracts represent only a small portion of your overall workforce.

However, if you're anticipating an extensive need for flexible talent, outsourcing could be the best strategy. Working with an experienced partner will allow you to benefit from the economies of scale that recruitment firms can achieve. In the manufacturing sector, where turnover is often high, and a large volume of workers are needed, this can be especially important. The volatility and unpredictability created by COVID-19 have accelerated this issue and further highlighted how much businesses have to gain from stepping up their use of contingent talent.

Your flexible staffing requirements could also increase significantly if you're preparing to take on some large oneoff projects, you're going through a phase of rapid growth, or you're about to enter one of the busiest times of the year for your industry.



#### question 2:

### can you forecast your talent needs?

It can be difficult to predict what your talent needs are likely to be in the future, especially in a fast-moving, evolving industry like manufacturing. This is true even if you have a solid understanding of the sector, your business and your ability to respond to certain scenarios or challenges.

Achieving the right workforce capacity can be particularly tough when businesses are operating in unusual circumstances such as those created by COVID-19. The pandemic has had a particularly significant impact on industries that have had to respond quickly to fluctuating demand, such as manufacturing and retail.

If you don't feel confident in making accurate predictions of your talent requirements, an external HR services provider could offer valuable support and insights into where the job market is headed or help you rapidly scale your workforce up or down in response to the changing market.

The right partner will help you gain relevant insights from your data and connect you with beneficial HR technologies. A workforce scheduling tool like <u>Randstad YouPlan</u>, for instance, can be a lifesaver when you have a large number of shifts you need to fill quickly, or if the number of workers you need each day fluctuates. This tool automates much of the time-consuming work of sourcing workers and scheduling them for shifts.



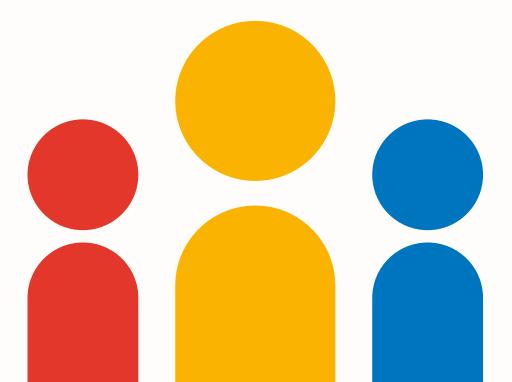
#### question 3:

# do you have the resources and expertise to hire contingent workers?

Before deciding to commit to insourced recruitment, you need to feel confident that your HR people have the necessary time, resources and capabilities to achieve positive outcomes. Without the right capabilities, you could soon find yourself wasting a lot of money and energy on inefficient practices that don't deliver results.

One vital area where you need to make the right decisions is setting your pay rates. Offering too much puts you at a financial disadvantage, but setting rates too low means you'll struggle to compete in the contingent talent market. If you operate in countries where labour laws state that temps must be paid the same as permanent employees, you need to ensure advertised rates are in line with staff salaries for certain positions. If you don't have this knowledge within your organization, outsourcing your recruitment could be the wisest option.

A trusted HR partner will have knowledge of standard rates for a wide number of jobs, locations and industries. An HR partner will help you benchmark salaries and ensure that you're setting competitive pay rates that will ensure you attract top-tier candidates without waste resources. At Randstad, for instance, each year we publish our Salary Guide which contains comprehensive information about pay rates across Canada.



#### question 4:

### are you tracking the right metrics?

Coming up with an effective strategy for setting and tracking recruitment metrics and KPIs is essential if you want the best possible outcomes. After all, if you're not actively measuring your performance and results, how will you know where you need to make changes to drive improvements and create efficiencies?

Common hiring metrics to track include:

- Time to hire
- Time to productivity
- · Cost per hire
- Offer acceptance rate
- Quality of hire
- Applicants per hire
- · Candidate net promoter score

It's important to establish which metrics are meaningful for your business, so you can feel confident in how your recruitment function is currently performing. Even more importantly, you'll be able to determine where actions are required to achieve better outcomes. For manufacturing businesses that are currently working hard to keep costs under control and stay efficient, identifying and tracking the most relevant metrics is crucial.

If your recruitment function isn't currently keeping track of these metrics, an HR partner can help you establish the right KPIs and key metrics to track to ensure your recruitment processes run like a well oiled machine and you always have an eye on areas for improvement.



#### question 5:

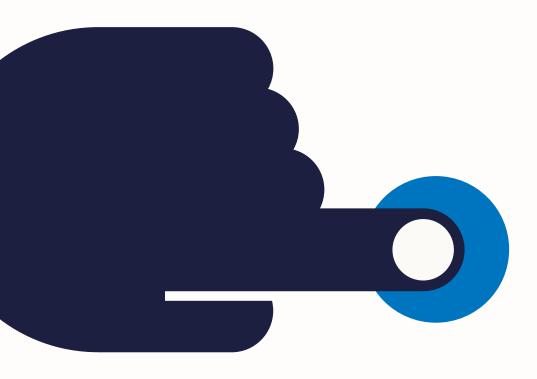
### are you confident about managing risks?

Taking charge of contingent staffing activities for your business internally means you need to be aware of the risks involved in the process and how to manage them. From a purely business-level perspective, recruitment raises certain financial considerations - such as the risk of spending a considerable amount of time and money on hiring someone who isn't a good match for your business.

An HR partner will often have some sort of guarantees to ensure you find the right candidate. From offering to replace candidates if they leave within a certain time period, to vetting candidates' credentials and background, an HR partner may offer additional resources that you can leverage to ensure you're making the most of your investment.

There are also broader legal and regulatory risks that must be taken into account when you're hiring flexible workers. Employee misclassification is one common danger that you certainly need to be aware of if you want to avoid the potential repercussions of non-compliance. Ensuring you follow local laws and regulations is critical to ensure your business is protected from lawsuits and other issues which can be costly and hurt your brand.

HR services firms specialize in taking responsibility for these sorts of issues on behalf of their clients, which can give you peace of mind and also free up your HR department's time to focus on other, value-adding activities.



## is your brand strong enough to attract top talent?

The contingent talent market is steadily increasing in size and taking on more importance for businesses. To gain maximum value from this evolving portion of the labour force, your brand needs to be attractive to candidates, which means having a strong employer brand.

If you've earned a reputation as a good place to work, where employees are respected, rewarded and given opportunities to grow and develop their careers, you'll have greater appeal to the most valuable talent. This could prove particularly important if you're struggling to overcome the current skills shortages in the manufacturing industry.

Optimizing your employer brand is one of the key areas where, if you choose to outsource your hiring of contingent workers, you can get valuable support from a partner like Randstad. HR and recruitment firms often bring broad HR expertise to the table and can make suggestions to help you optimize your employer brand.

Contact randstad to discuss how we can help you.



#### about randstad

Randstad is the global leader in the HR services industry. We support people and organizations in realizing their true potential by combining the power of today's technology with our passion for people. We call it Human Forward.

