



# PRIME TIME FOR TEMPS

Contingent staffing isn't only for the reception desk anymore. By Jennifer J. Salopek

When Paula Grace was hired as the director of the training institute for a major healthcare organization of 160,000 employees, she became responsible for a traditional corporate university that focused on providing internal workplace training in project management and leadership development.

She also became responsible for totally revamping the company's sales training as part of a strategic transition to real-time selling in an increasingly competitive marketplace. She needed assessment, support, and recommendations for reformatting everything about the company's sales structure—roles, processes, procedures, and systems—within a short timeframe for execution.

So what did Grace do? She brought in temps.

Temporary employees, also known as contingent staffers, contingent labor, or project professionals, can be the key to completing high-profile, high-impact workplace learning initiatives without adding to the full-time headcount. And, as Grace will attest, working as a project professional can bring new challenges and varied experiences, even to a seasoned training and development executive: she had worked as a consultant for many years before being hired full time with the healthcare organization.

The labor shortage is here, and American businesses are increasingly turning to new work paradigms to get the jobs done. Consider these statistics:

- Between 1990 and 2025, the labor force growth rate will plummet from 11.9 percent annually to 0.2 percent (The Future of Work Institute).

- By 2010, open positions will outnumber available workers by 10 million (Bureau of Labor Statistics); this number may grow to 35 million by 2030 (Employment Policy Foundation).
- Occupations requiring postsecondary training or a college degree will increase 65 percent by 2030 (BLS).

Employers' needs conflict directly with employees' desires, as younger generations of workers tend to be less loyal, are not seeking employment for life, prefer greater work-life balance and self-directed, project-based work, and are comfortable with working remotely. A U.S. Department of Labor study found that 84 percent of contractual workers prefer it that way and do not intend to seek full-time employment.

Further, during times of economic uncertainty, companies are reluctant to add to the headcount. Full-time employees bring expenses for salary, benefits, training, and a host of other costs that companies sometimes would prefer to avoid.

Even so, says Lisa Rowan, program director for HR and talent management services at market intelligence and advisory firm IDC, companies are concerned about talent. IDC's spring 2008 talent pulse survey found that attracting top talent is still the most important talent initiative that respondents oversee. Competition for talent is increasing, the costs of talent acquisition and retention have risen in the past year, and 71 percent of respondents have increased their focus on talent management during the past year.

Temporary, project-based staffing may be a way to bring the disparate needs of employers and employees together—an arrangement that leverages the best of both worlds.

"The use of contingent labor has been on the increase in the United States for a number of years," says Rowan. "How much seems to fluctuate depending on the economy, whether there is a shortage of a particular skill set, and whether employers are less

likely to want to fill open, permanent positions." Rowan forecasts a 6.4 percent increase in contingent staffing through 2012.

This comes as no surprise to Alex Dodd, CEO of M<sup>2</sup> Consulting in San Francisco. M<sup>2</sup> specializes in providing managerial and executive-level temporary staffing to companies and organizations across the country. Dodd sees several trends at work driving the growth of his business, which now boasts 14,000 associates.

"More companies realize that some level of contingent staffing makes sense," Dodd says. "They are experiencing reduced access to talent combined with an increase in the complexity of work, which requires a greater degree of specialization. It is difficult and expensive to have all those skills in-house."

The use of contingent staffing can have a positive effect on a company's bottom line. Indeed, a finance professor at Lehigh University found that companies with workforces composed of at least 10 percent flexible workers realize better financial performance and share price growth.

"Companies use contingent staffing to avoid layoffs and minimize the impact of economic downturns," says Dodd.

The changing nature of work is also a driving force. Work is increasingly broken into chunks—projects, strategic initiatives, and so forth. Grace's sales-process reorganization and training project was challenging but limited in duration—an ideal opportunity for project professionals. And, because she had worked as a consultant herself, Grace knew exactly what she needed: "really high-caliber people to work on a short-term project—a dynamic team that wouldn't require much ramp-up time."

Patrick Reilly, a former director of training and development at Pacific Gas and Electric, was a member of the M<sup>2</sup> project team. He brought an extensive background in change management and organizational and individual assessment to bear on the project, as well

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as previous work experience with the healthcare organization.

“Project professionals allow the internal training and development staff to focus on other things,” he says. “Our team was assigned to conduct an assessment of the training in place, as well as organizational roles, capabilities, and staff, and objectivity was instrumental to the success of the effort.”

Jodi Gold, senior vice president of organizational development and training at LPL Financial in San Francisco, is also a former consultant who’s gone inside. Gold worked with LPL as principal of her own company for 12 years, then joined the company as a full-time employee in 2007.

LPL Financial is a financial services firm and broker-dealer that has experienced double-digit growth for the past 15 years. The company now employs nearly 3,000 people in its core business servicing independent financial advisors, and recently, has generated a new commitment to employee training, development, and retention.

Gold is now engaged in developing a robust and comprehensive infrastructure. She has assembled a team that is made up of both permanent and contingent staffers.

“We are a new function in this company, and are focused on the broad strokes,” she says. “We are using internal people to work on the basics, and external consultants for their specialized areas of expertise, such as developing our

diversity program. The internal consultants partner with the external ones to share discovery and learning, and later, we can integrate day-to-day.”

When contemplating how best to staff a workplace performance initiative, Gold recommends answering these questions:

- How long is the training need?
- What is the driver of the training need?
- Does it require specialized expertise?
- Do you require an unbiased perspective or an outsider’s credibility to sell new ideas within the organization?

Grace also recommends that you think about knowledge transfer issues up front. How will you ensure that knowledge generated by contingent staffers stays within your organization? Typically, deliverables that report on findings, learning, and recommendations are part of contractual engagement requirements, but having internal and external staff work side-by-side wherever possible can facilitate informal learning as well. For example, one end result of Reilly’s engagement was a 70-page report that outlined the process his team followed, as well as the results and their recommendations.

Also, ask yourself whether you want to be able to replicate what external consultants are doing, and what the effect on corporate culture might be, Grace advises. “Temp workers’ badge color is always different,” she notes. “It is unlikely that an organization can solve a large portion of its problems through temporary staffing—and it shouldn’t try if the issues involve building a solid, unchanging corporate culture. There will always be a need for a good, long-term professional training and development staff.”

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