

Posted on Mon, Sep. 01, 2008

## Temp agencies go pro

BY SCOTT ANDRON

Sandra M. Diaz isn't the kind of person most people think of when they think about temps.

Diaz, 37, has a bachelor's degree in accounting. She spent 10 years as a staff accountant and manager at a Miami timeshare company before becoming a temp. She could easily land a traditional, permanent job again if she wanted to.

But she doesn't want to.

She likes tackling a project for a few months then moving on to the next challenge. And working as a temporary accountant, through Robert Half Management Resources, lets her do that.

"It was a perfect fit for me," she says. "I'm the kind of person who likes to go in and fix things. Once I start having to maintain things it becomes a chore to me."

Diaz is part of a growing number of professional and skilled workers who are employed as temps. They're often called "consultants" or "free-lancers" to distinguish them from traditional clerical temps. And these professionals now generate more than half of the staffing industry's revenues.

"We're seeing a shift in the staffing industry," said Roy Krause, president of Spherion, a Fort Lauderdale-based staffing giant. "Five or six years ago it was 60 percent light industrial/clerical and 40 percent professional." Now those figures have reversed, he said, and "the professional side is growing faster."

A majority of temporary workers are still in clerical and light industrial fields. But because temporary professionals command much higher wages and profit margins, they now account for a majority of the industry's gross sales.

The trend seems to be a happy one for the temp industry, many of its customers, and at least some workers -- although skeptics worry that employers are trying to take less and less responsibility for their employees' welfare.

For the staffing industry, temporary professionals have proven to be a profitable market segment. For many years, customers were squeezing the temp industry's profit margins for clerical and industrial

help. Customers came to view these workers as a commodity, and they would hire whichever staffing company offered the lowest price.

The problem is particularly acute now, because the industry is very sensitive to the business cycle. Temps are the first employees that clients cut when the economy starts to sour -- as it is now.

In 2007, the industry's sales of \$73.5 billion were virtually flat with the year before.

To make up for the slowing economy and the price-squeeze for less-skilled workers, the industry has sought out more profitable market segments. Professional staffing fit the bill.

While companies may think of receptionists or data-entry clerks as a commodity, the same isn't true of accountants, computer programmers or engineers.

By sorting through candidates and finding a good match for the client's needs, temp agencies can deliver a valuable service. And a profitable one.

Consider Aquent, a Boston-based firm that supplies workers in creative fields like marketing, advertising, graphic design and website development.

Most of the company's workers have five or more years of experience, while 41 percent have 10 years or more, said Matthew Grant, a company spokesman. Fifty-nine percent have college degrees, he added.

Skilled, pre-screened workers like these are so valuable that Aquent can charge a markup of up to 50 percent or even 100 percent above the worker's wages and benefits, Grant said.

And even then, the client may be saving money compared to the cost of finding and hiring a full-time worker who may be needed only for a few months -- or a traditional consulting firm that may charge \$100 an hour or more per consultant.

The staffing firms' customers seem to regard temporary professionals as a way to control costs and respond more nimbly to changes in the marketplace.

Some staffing firms can even help clients outsource their entire information technology department, from the chief information officer on down. If the client only needs three computer people most of the year, but 10 during the busy season, the staffing company can help. Clients only pay for the hours they use. But the workers may stay with the staffing firm year round, shifting from one client to another depending on their needs.

This type of service is growing 20 percent per year at the technology staffing firm Technisource, said John Gronen, the company's director of operations for the eastern region. Technisource is owned by

Spherion.

Technisource's outsourcing service fits with another business trend: focusing on so-called core competencies. Under this premise, companies are most efficient when they do what they do best -- designing widgets, say -- and hire someone else to handle other functions -- like human resources, payroll or accounting.

## **FLEXIBILITY APPEALING**

As for the employees themselves, many enjoy the flexibility that temping offers. Diaz typically works for several months on a special project for a client. For one company, she implemented a new type of accounting software. She also has helped clients comply with the Sarbanes-Oxley Act, a complicated federal law that governs how companies report their financial results.

She enjoys the opportunity to take on new challenges, as does Sheri Jordan, a marketing writer who does projects with Aquent.

"While I would love to just call one place home, I love the variety," Jordan said. "I like the creative initial push. I'm not much of a maintenance person."

## **FEWER HEADACHES**

She added that working with Aquent gives her freedom akin to being an independent marketing consultant but without the need to worry about billing and other administrative headaches.

Another draw for many freelancers is the ability to decide when and how much to work.

"When I need to take the time off, I can take the time off," said Jordan, who splits her time between Boca Raton and the New York suburbs. "If I want to work part of the year, I can work part of the year."

In most cases, skilled workers employed with specialized temp agencies get health insurance and other benefits.

In some cases, the wages are as high or even higher than what they'd make in a traditional job, helping to offset the risk that there will be times when the agencies can't find them a job.

Still, not all temporary professionals would choose it if they had a choice.

About 25 percent of temps don't want permanent jobs, said Steven Berchem, vice president of the American Staffing Association. But that leaves 75 percent who do want them.

Copywriter Chris Negelein is in the latter group. He counts himself lucky that Aquent has been able to find him a steady stream of gigs. And the company offers health insurance and a 401(k) retirement plan.

The trouble is, he'll occasionally have to wait weeks or even months between assignments.

"There were a couple of months where there was nothing in between," he said. "There are dead zones, no doubt about it. I would prefer to find something permanent."

Aquent is willing to help him find permanent work -- that's a part of their business, too -- but "the creative industry is always tough," Negelein said.

Not just in the creative business.

## **IN ACADEMIA, TOO**

Bruce Nissen, a labor sociologist at FIU, said the trend toward temps extends even into the ivory towers of academia, where administrators are relying increasingly on "adjunct" or other temporary and part-time professors. These teachers, often with doctoral degrees, are like ghosts condemned to wander from campus to campus until -- or unless -- they can finish their purgatory and find permanent jobs.

Nissen worries that the trend toward temporary professionals is part of a broader pattern of companies trying to "shed all responsibility for their workforce."

"For a small percentage, maybe like 10 percent, it's fine," Nissen said. "They may even find it an improvement. But for the great majority, losing a stable, permanent job, and all the benefits that went with it, is a bad thing."

And Nissen predicts that employers will reap what they sow.

"You can shed your responsibilities," he said, "but if you give no loyalty you get no loyalty back."