

The Supply and Demand of Temporary Staffing

As the economy slowly emerges from recession, the number of organizations relying on a contingent workforce is increasing. Whether driven by caution or the need to creatively manage employment costs, the reality is that the demand for temporary professionals is on the rise.

According to Staffing Industry Analysts' (SIA) [U.S. Staffing Industry Forecast](#), overall demand for temporary employees across all industries is set to reach 106 percent of its previous high set in 2007. These forecasts are supported by CareerBuilder's [2013 U.S. Job Forecast](#), which found that 40 percent of employers plan to hire temporary or contract workers in 2013, while 42 percent plan to transition some temporary workers into full-time, permanent employees.

With more opportunities available, the number of candidates opting for a contract or temporary career path is growing.

However, employers looking to fill some positions may experience some trouble, particularly those seeking temporary help in the finance and accounting fields. That is because 77 percent of respondents to a recent study from Kforce believe there is a shortage of qualified candidates available to fill the increased demand for temporary assignments.

Impact on the Market

As basic economics might suggest, the fluctuating demand creates a war for talent that impacts both the employer and the professional seeking temporary employment.

For those industries where the demand for workers exceeds supply, the temporary employee is likely to benefit from increased pay rates and decreased competition for openings. For employers, however, it means that labor costs will go up and time-to-fill will lengthen as they compete for increasingly scarce resources.

Organizations with a lengthy talent acquisition process will find themselves at a competitive disadvantage. That is because the best candidates often do not stay on the market long between engagements and the longer it takes for the employment decision to be made, the less likely it is that they will wait – which can hinder organizations' ability to secure the top talent.

To overcome this challenge, many have turned to professional staffing firms to handle the acquisition process. By utilizing a professional staffing firm, organizations mitigate the risk of missing out on top talent and streamline the process by which candidates are vetted and placed in the temporary or contract position.

Benefit to Employers/Employees

The reality is that leveraging contingent labor as a human capital strategy will continue to increase in popularity in the U.S. as organizations continue to look for ways to expand while managing cost.

For organizations, hiring temporary staff often means that they can fill their human resource needs while saving money on the benefits and training typically required for full-time staff. Training alone can be a major expense that many presently do not have the resources to provide. Thus, it makes sense for organizations to seek out temporary employees who are experienced in their field.

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Further, temporary staffing allows organizations to quickly expand or contract their labor force in response to changing market needs. When demand is high, organizations can rapidly increase their labor force. When it plateaus, headcount can just as quickly be reduced.

Temporary workers also benefit from these short-term relationships. For instance, temporary staffing allows individuals to broaden their skill sets and bolster résumés to better position themselves for future opportunities. It also allows them to put to use their highly specialized skills that might not be needed by organizations on a full-time basis.

The result is a win-win situation which is likely to alter the supply and demand of temporary staffing even further as organizations and individuals realize the benefits of temporary staffing.