

10 strategies for **CONTROLLING COSTS WITH STAFFING**

Looking to improve operating margins in your organization? Then take a look at your staffing strategy.

From the executive assistant to the executive director, effective staffing is essential to maximizing organizational effectiveness.

Below are 10 practical strategies for using staffing to reduce overhead, manage operating costs, and improve organizational

1 Convert Fixed Cost to Variable

If your organization is like most, labor is the biggest line item in your operating budget. To minimize that expense, implement a planned staffing model. Reduce core staff to levels necessary to maintain normal operations. Then partner with qualified temporary staffing vendors to supplement your staff to meet peak programmatic and operational demands as needed. This strategy is particularly effective for grant-funded environments where funding is available for a limited period of time.

2 Eliminate Overtime

Overtime is an extremely expensive way to get work done. Using temporary employees in place of overtime can reduce labor costs by 20% or more.



The right staffing strategy
can help you to control
cost, improve
effectiveness, and manage
risk.

3 **Limit Benefits Expense**

On average, benefits cost 25% - 30% in excess of payroll expenses. Where appropriate, use temporary and payrolled employees (employees who are paid through a staffing firm or professional employment service) to eliminate benefits expenses. This option is most often used for interns, project professionals, and other short-term employees. Using temporary and payrolled employees in place of independent contractors will also reduce your employment risks.

4 **Reduce Training Costs, Scrap & Rework**

Training is expensive—and not just the hard dollar cost of the training program. There are also the soft costs of lower productivity and poorer quality that result from employing novice staff. Cut training costs and improve productivity by employing skilled temporary employees. By working closely with your staffing partner, you can gain access to candidates who are well trained and have experience in the skills you need. To enhance productivity further, partner with your staffing firm to create an initial orientation and training program for new hires.

5 **Shift Administrative Burden**

When you use temporary staff instead of direct hires, all costs associated with processing and administering payroll and benefits are transferred from your organization to the staffing firm.

6 **Prevent Unemployment Claims**

Unlike short-term direct employees, temporary staff work for your staffing partner—not you. Consequently, their unemployment claims don't affect your rating or your bottom line.

7 **Reduce the Risk of Hiring Mistakes**

A bad hire can cost you between two and seven times the employee's annual salary. Staffing firms follow rigorous screening procedures for both temporary personnel and direct hires, which increases your chances of getting the right person.

They will most often provide candidates who not only possess the skills and experience you require, but who also have the personality traits needed to thrive in your work environment. To further reduce your hiring risk, you can also take advantage of your staffing partner's temp-to-hire services and direct placement guarantees.



Using temporary employees can relieve capacity constraints and save you money.

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Take Advantage of a Staffing Firm's HR Capabilities

If hiring duties are sidetracking your key employees, use your staffing partner to handle screening, testing, interviewing, and reference checking. Their expertise can free your personnel to concentrate on critical activities and can reduce your time to hire.

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Cut Costs by Hiring

Capacity constraints are a significant source of cost. Constraints may affect the impact of your mission or the productivity of an executive. To eliminate the bottlenecks, consider adding temporary or full-time staff. Bringing in administrative support frees key employees to focus on core job duties (not only do you get a more productive employee, but the administrative work gets done for significantly less cost). Add labor to relieve process constraints and improve productivity. Use technical and professional temps to add expertise to your team and keep projects on track. By adding the right people, work will get done more efficiently, with less administrative headache, and for less cost.

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Avert Costs Associated with Burnout

Many organizations may take the concept of "lean thinking" too far. They push direct staff to produce more with fewer resources. And as the stress increases, so do problems with quality, productivity, absenteeism, and turnover. Take the pressure off by using temporary employees. The additional personnel will help your staff avoid burnout, reduce the cost of defects, avoid productivity losses, and limit turnover expense.



To learn how your organization can get assistance with its temporary staffing needs, please contact Dawn Taylor at Nonprofit Staffing Solutions at (202) 785-2060 or via email at dtaylor@nonprofithr.com.