



INDUSTRIAL STAFFING SOLUTIONS:

Examining the Benefits of CONTINGENT, RETAINER, & CONTRACT STAFFING MODELS

Examining the Benefits of Contingent, Retainer, & Contract Staffing Models

If we told you that 2 out of 5 manufacturing companies report an average of at least 20 percent annual turnover, would this surprise you?

Perhaps you're already aware because your company falls into the 43 percent that experiences this issue. When an employee leaves, your company may be left scrambling to fill the position—costing you time, resources, and money.

It's not just turnover that can cause hiring woes. Even positive changes such as rapid growth can pose an issue when your company isn't prepared to handle the sudden influx of new roles that need to be filled. Successful recruitment efforts require dedicated energy and focus—things that many busy manufacturing companies may not have to spare, with everything else going on.

This is where staffing and recruiting services, such as those offered by Allied Reliability, can help. However, there are several options to consider, such as whether you'll need help on a case-by-case basis or want to invest in a longer-term solution. How do you decide if a contingent (direct hire), retainer, or contract staffing model is best for you? We explore the most common hiring issues that industrial companies face today and provide an overview of various staffing options to help you decide on the right solution.

The Frustrations of Hiring & Staffing: Common Challenges

As a staffing and recruiting resource helping industrial companies find the workers they need, Allied Reliability has unique insight into the problems many industrial companies encounter when it comes to filling open positions. Here are some of the most common pain points that the industrial companies we work with experience.

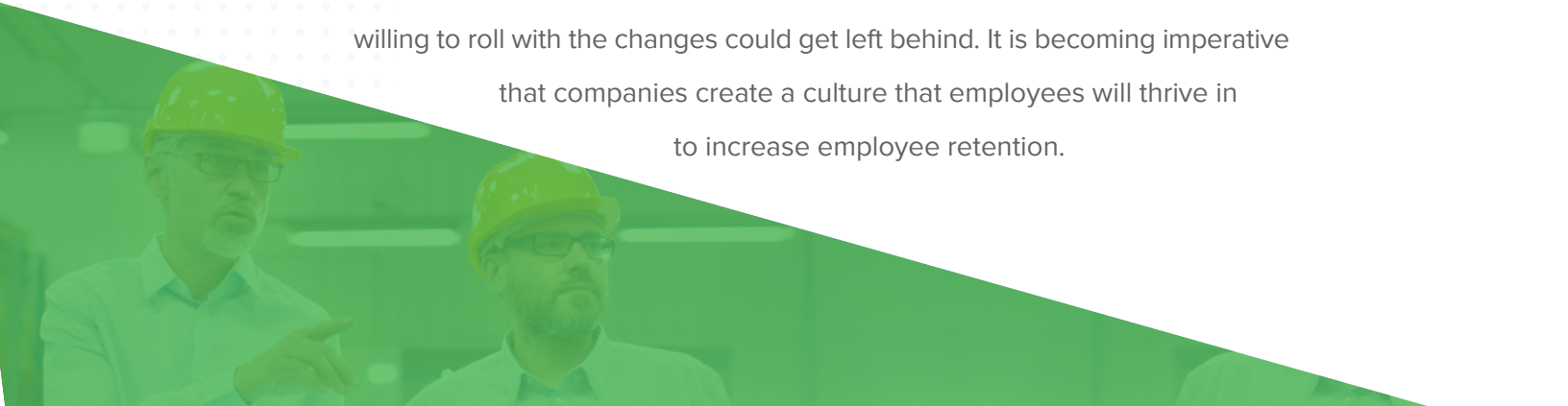
Difficulty Matching Talent to Open Positions

One of the biggest issues plaguing many industrial companies has to do with the number of open positions—and, subsequently, the time it takes to fill these positions. Companies also complain that there is a discrepancy between the types of positions they're looking to fill and the talent that's available. Though the industrial sector has been showing promising growth and opportunity, companies are discovering that many jobs are remaining unfilled. Why? It's not that workers aren't out there. The problem lies with a gap in the skill level that the position demands and what workers possess. A [study by the Manufacturing Institute](#) showed that more than 75 percent of manufacturers report difficulty in filling skilled manufacturing roles. This scenario has been a problem for several years—and it is only growing in scope as digital innovations make roles more specialized.

High Turnover

Change is inevitable, and eventually employees will move on, whether due to retirement or accepting new positions. Factors that can contribute to high turnover rates include “organizational mistakes and inadequate training during the first year of employment for new hires, baby boomer retirements, and a decrease in training for incumbent workers.”

In addition, poor company culture could be to blame. As we move into 2020 and beyond, employee expectations are evolving, and companies that aren't flexible and willing to roll with the changes could get left behind. It is becoming imperative that companies create a culture that employees will thrive in to increase employee retention.





Employees Reaching Retirement Age

Ten years ago, the average age of the manufacturing labor force was reported to be 44 years. As the years go by, these workers creep ever closer to retirement age—leading to an even larger labor shortage in the industry when coupled with the skill gap issue. As workers age out of roles, companies will have to work harder to fill the shoes of skilled and experienced workers who have grown to know the ins and outs of their positions. Subsequently, companies will be hard-pressed to find someone with the depth of expertise along with the updated skills that these roles will demand as they continue to evolve.

Lacking a Competitive Edge

In addition, companies may not feel they have enough clout to attract the sort of talent they need. Perhaps your online presence is non-existent, or maybe you just don't have enough resources to properly dedicate to the recruiting process. Regardless of why your company might be struggling, trying to find talent without the necessary tools can make it even harder to recruit qualified workers.

Ineffective Hiring Process

Many industrial companies express frustration at their current hiring process. Writing a job description that attracts attention, figuring out where to post your jobs, fielding resumes, and deciding who to interview: all of it takes time—time that many companies just don't have. As a result, companies could find themselves with a pool of candidates who are less-than-ideal, meaning the position remains unfilled or, worse, gets filled by someone who is not qualified.

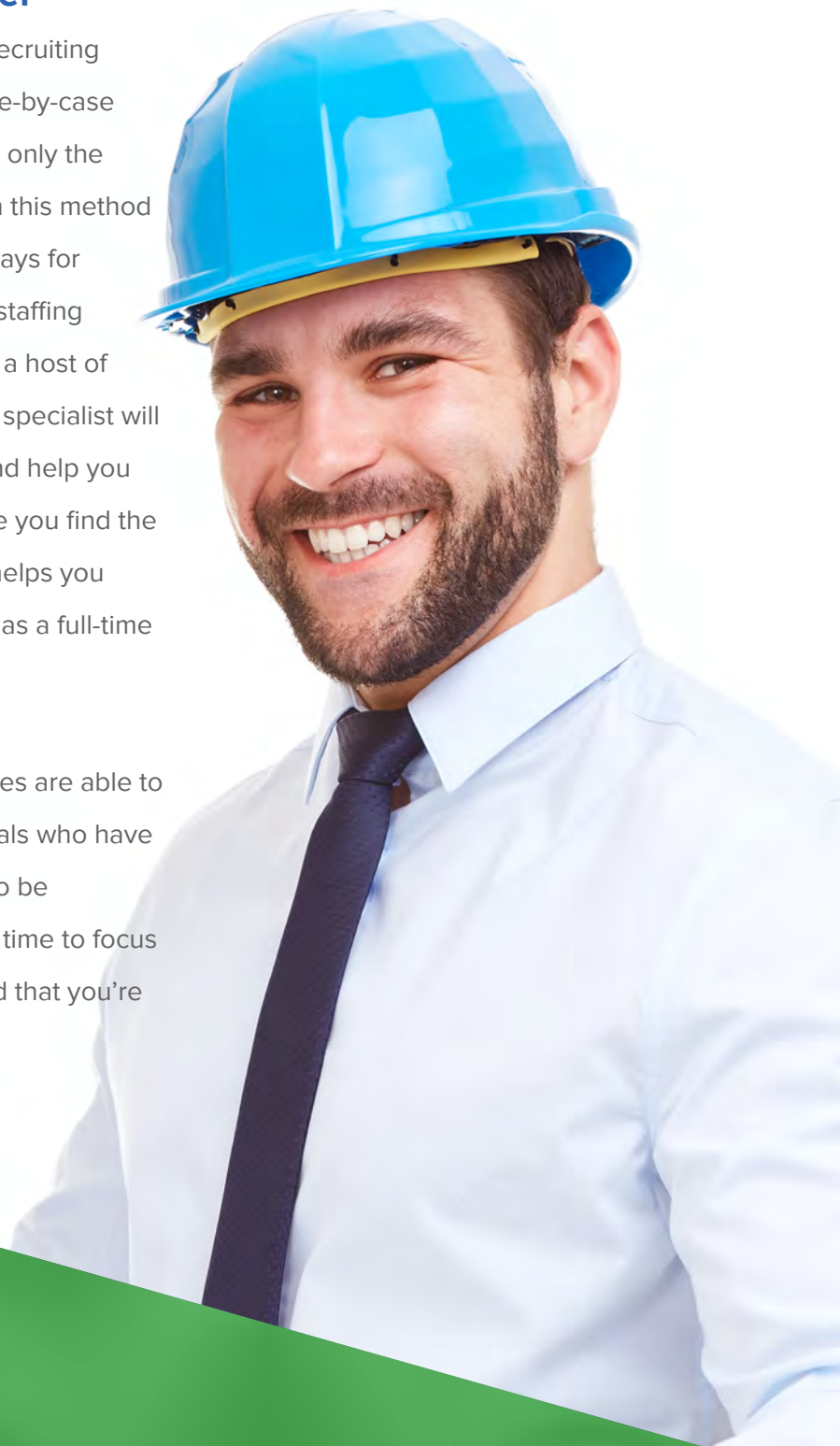
Assessing Your Staffing Options: Retainer vs. Contingent Model

Attracting top talent can be a challenge for many industrial companies. However, recruiting and staffing companies can make the process much smoother. Not all services are created equal, though, and the right choice for your company will depend on your particular needs. Let's examine the advantages of two distinct models: retainer and contingent.

Direct Hire (Contingent) Model

A direct hire model involves a staffing and recruiting agency helping companies fill jobs on a case-by-case basis. It's a good choice for those who have only the occasional need to recruit new people. With this method of securing job candidates, your company pays for services as you need them. Working with a staffing specialist, your company will gain access to a host of qualified industrial candidates. Your staffing specialist will work with you to identify the right people and help you manage them throughout the process. Once you find the right person for the job, direct hire staffing helps you secure them in their new role, placing them as a full-time employee from the first day.

Utilizing Allied's contingent model, companies are able to easily connect with highly-qualified individuals who have the knowledge and experience necessary to be successful in their roles. You will have more time to focus on company operations while being assured that you're building the right team to move forward.





Retainer Model

With a retainer model, companies get help with staffing and recruiting throughout the entire hiring process, from start to finish, saving money through discounted placement fees. This option is ideal for companies who are experiencing steady growth, whether within one large centralized hub or for companies that have several locations. By continuously working with a team of professionals who are dedicated to finding your company employment solutions, your recruitment time is usually shortened significantly—in some cases, from 3 months to under 30 days, for both hourly and salaried positions.

One of the biggest perks of a retainer model is the guidance companies receive both during the hiring process and afterward. Weekly calls with the client team and the internal team ensure that everyone stays informed and nothing falls through the cracks. In addition, companies get real-time updates and 24/7 access into the hiring system. In essence, a hiring or staffing company like Allied working on a retainer basis becomes an extension of a company's HR and recruiting team. Afterward, the team can assess your hiring process to identify potential areas of improvement.

Having a recruiting and staffing resource on call helps companies be more proactive and strategic in their hiring processes. Instead of being reactive—with the internal team fighting fires and tackling problems on-the-fly—the retainer model allows companies to plan for a better future and make smarter and more informed hiring decisions.

The arrangement is beneficial not only for the hiring company, but also for the candidates seeking employment. The team is there to guide them through the process as well. Because candidates are constantly engaging with your dedicated team, they are less likely to fall off and more likely to keep your company top of mind.

In addition, companies have been able to evaluate and interview more candidates, giving them a better chance at finding the perfect fit. Not only has the number of candidates increased, but the quality of applicants has improved as well.

Above all else, the retainer model helps companies save money, as the rates that you pay over time are reduced when compared with getting recruitment help on an as-needed basis.



Contract Staffing Model

When your company has the need to fill a short-term position, hiring on a contract basis may be the ideal solution. Unlike temp staffing services, which provide flexibility but often not specialized staffing, a contract staffing model allows you to place highly-qualified individuals with the right skill sets into various types of roles.

Allied sees companies utilizing our contract staffing services in two main ways: for special short-term projects or for exploratory roles and/or opportunities that have the potential to grow into long-term positions in the future.

Whether your company's project is expected to last for one week or one year, Allied can connect you with highly-skilled workers who possess the precise skill set you need. The good news for companies is that a contract staffing model makes the administrative work of hiring simple—Allied does the work for you, identifying, engaging, hiring, and supporting. Your company works directly with Allied, freeing up your valuable time to focus on the work at hand.

Another common scenario we see with contract staffing is when a company expands or shifts operations, opening the door to new roles. When beginning a new venture, it can be hard to see how successfully a new role or new employee will integrate. Contract staffing allows you to experience a new working situation without committing to it long-term. Our model provides companies the freedom to either extend the role or end the assignment at any time. Better yet, the contracted worker remains an Allied employee who is contracted out to you and invoiced at a flat rate, saving you time and expense.



Deciding On the Right Option for You

Hiring today can be a very involved process that takes a significant amount of time. With the increasing demands on industrial companies, more and more are finding that recruiting without the help of a specialized partner isn't feasible. That's why [Allied Reliability is here to help](#) companies like yours, no matter what you need.

At Allied, we partner with companies to deliver the most qualified professionals for the job. Whether you decide to retain our staffing services on an ongoing basis or employ our help as the need arises, we are here to provide recruiting and staffing support.

[Reach out today to speak to one of our recruiting specialists to determine which staffing model will work best for you.](#)

Finding key talent
today,
developing your
workforce for
tomorrow.

