

MANAGEMENT AT WORK

The Temptations of Temping

Back in 2002, New Yorker Diana Bloom logged on to Craigslist, an online network that posts free classified ads, and offered her services as a tutor, editor, and translator. She's been making a living on the short-term jobs that come her way from the website ever since. A former English professor who couldn't find secure long-term employment, Bloom works out of her home in order to take care of a young son. Temp work is also appealing, she says, because "I'm not very outgoing, and getting my foot in the door to companies would have been hard."

Craigslist works in the other direction, too, with employers posting openings for jobs both permanent

and temporary. Another New Yorker, Simone Sneed, scours the Craigslist "Gigs" section for jobs that last for perhaps a day, often for just a few hours. Whether as a backup singer or a grants writer, she's turned the strategy of patching together "gigs" into a convenient way to supplement the income from her full-time job. "I'll use the extra money to pay off my school loan," she says. "Every little bit helps."

In the current economic climate, unfortunately, overall job postings are down on Craigslist and everywhere else, except for short-term jobs—gigs that usually include no health benefits, sick days, or paid vacations. If you're employed short term or part-time for economic reasons (probably because you got laid



off), the Bureau of Labor Statistics (BLS) classifies you as “underemployed.”

Naturally, most people who are “underemployed” are, by definition, “overqualified.” In fact, they often have years of professional experience but are willing to take jobs that don’t call for their levels of training or experience. Take the case of Gloria Christ. As national project manager for an information technology company in the Chicago area, Christ used to coordinate the installation of Wi-Fi hot spots all over the country. She has nearly 20 years of managerial experience, but today she’s willing to put it to use as a temporary office manager. Of course, she’d like something with a little more long-term promise: “At this point in time,” she says, “I think even if there was something that was temporary it could become full-time later on.... Sometimes,” she explains, “you can go in at a low level to interview just to get your foot in the door.”

It may be small compensation (so to speak), but during the current recession, although many companies are reluctant to add costly permanent jobs, they are increasingly willing to open up temporary positions to tide them over. Often, of course, you’ll have to take a job that isn’t exactly what you’ve trained for or set your sights on, but as one employment-services manager observes, job seekers today “are more than willing to try new occupations—much more willing than they were even a year ago.”

It is interesting that for a lot of people, the adjustment to current labor-market conditions isn’t necessarily as traumatic as you might think. A recent survey conducted by the temporary-staffing agency Kelly Services found that as many as 26 percent of employed American adults regard themselves as “free agents” when it comes to the type of job that they’re willing to take (up from 19 percent in 2006). Of all those polled, only 10 percent said that they’re doing temporary work because they’ve been laid off from permanent jobs; 90 percent said that they’re doing it because they like the variety and flexibility that temping affords them.

Kelly client Jaime Gacharna’s first assignment was packaging products for a light-industrial wholesaler—“putting doorknobs into little bags,” he recalls. Since then, he’s worked for eight different employers, working at a job for a few days, a few weeks, or a few months. He doesn’t mind the constant adjustments because the variety in his work life compensates for the drawbacks. “If I want to try something out, and I like it,” says Gacharna, “I can stay with [the company].

If I don’t, I can always just call up Kelly and say I want something different.”

In fact, temping offers several advantages. It can, for example, provide income during career transitions, and it’s a good way to exercise a little control over the balance between your work and the rest of your life. In 1995, for example, when she was seven months pregnant with her first child, veteran retail manager Stacey Schick accepted a two-week data-entry job with the Orange County (New York) Association of Realtors. “I didn’t know how to turn on a computer,” she remembers, but “they needed bodies.” Now the mother of two, Schick is still with the Association as its education coordinator. “I would never have considered it,” she says, if a job in her field had come up, but the job she landed in has turned out to be a much better fit with her lifestyle: “It’s afforded me the opportunity to have a family and be able to have time with them.”

The path taken by Schick is called *temp-to-perm*, and it offers employers several advantages as well. Companies that are hesitant to make commitments to untested employees can try before they buy—they get a chance to see employees in action before finalizing hiring decisions. Because there are no fees to pay when an employee goes from temp to perm, trying out temps is also cheaper than paying an agency outright to find a hire. The big savings, of course, come from benefits, which can amount to one-third of the total cost of compensating a permanent position.

And then there’s the recession. While many employers are laying off full-time workers, many are also trying to compensate by turning over some of the work to temp staff. Ironically, of course, many of those who’ve been laid off are highly qualified, and as they hit the job market willing to accept lower-level positions, the ranks of job hunters are being joined by a substantial number of highly qualified (which is to say, overqualified) workers. “The quality of candidates,” says Laura Long of Banner Personnel, a Chicago-area staffing agency, “is tremendous.... As an employer, you can get great employees for a great price.”

As a matter of fact, if you’re a U.S. employer, you’ve always been able to get temp workers at a relatively good price. As of December 2010, according to the BLS, the average cost of a full-time worker in private industry was \$22.26 per hour in wages plus \$9.75 in benefits, for a total of \$32.01 in compensation. By contrast, the average wages for a temp were \$12.14 and the average benefits were \$3.42, for total compensation of \$15.56. One of the results of this cost differential has



been a long-term increase in the number of temp workers which, over the last 20 years, has far outstripped the increase in jobs occupied by full-time workers.

Case Questions

1. You're a senior manager at a growing business and you're ready to add employees. Your HR manager has recommended a temp-to-perm policy. You know the advantages of this approach, but what might be some of the disadvantages?
2. Assume that you're a prospective job seeker (which you may very well be). What do you personally see as the advantages and disadvantages of taking a temp-to-perm position? Under what circumstances are you most likely to take a temp-to-perm position?
3. What sort of challenges are likely to confront a manager who supervises a mix of temporary and permanent employees? In what ways might these challenges differ if the temporary workers have

been hired on a temp-to-perm basis rather than on a strictly temporary basis?

Case References

"For Some, a Patchwork of Jobs Pays the Bills," *Boston.com*, www.boston.com, accessed on November 17, 2013; Kristin Kridel, "Overqualified Applying for Temporary Work," *Spokesman.com*, www.spokesman.com, accessed on November 17, 2013; Anne Fisher, "Be a Manager and a Temp?" *CNN Money.com*, www.cmfassociates.com, accessed on November 17, 2013; Sital Patel, "Skill Level of Temp Workers Rises amid Recession," *Fox Business*, www.jobs-work-employment.com, accessed on November 17, 2013; U.S. Bureau of Labor Statistics (BLS), "Employer Costs for Employee Compensation," news release, December 2010, www.bls.gov/ooh, accessed on November 17, 2013; and BLS, "Table 12. Private Industry, by Industry Group and Full-Time and Part-Time Status," news release, www.bls.gov/ooh, accessed on November 17, 2013.

You Make the Call

No Company for Old-Fashioned Management

1. If you were an HR executive at Wegmans, would you focus more on *internal recruiting* or on *external recruiting*? Would your strategy for higher-level positions differ from your strategy for lower-level positions? How would current economic conditions influence your strategy?
2. As an HR executive at Wegmans, you need to hire a group of new employees as part of your management-trainee program—people who will
3. be put on a track leading, ultimately, to positions as store managers. Briefly outline your program for developing these employees.
3. If you were an employee at Wegmans, how would you expect your annual performance appraisal to be conducted? Given the company's customer-relations strategy, which appraisal methods do you think would be most appropriate?

ENDNOTES

¹ Jon Springer, "Danny Wegman," *Supermarket News*, <http://supermarketnews.com>, accessed on November 17, 2013; Michael A. Prospero, "Employee Innovator: Wegmans," *Fast Company*, www.fastcompany.com, accessed on November 17, 2013; Dan Mitchell, "Wegmans Price War Against Itself," *The Big Money*, www.slate.com/articles/business.html, accessed on November 17, 2013; "100 Best Companies to Work For," <http://money.cnn.com>, accessed on November 17, 2013; Business Civic Leadership Center, "Wegmans," *2009 Corporate Citizenship Awards* (Washington, DC: U.S. Chamber of Commerce, 2009), www.bcl.uschamber.com, accessed on November 17, 2013; and "In 2010, Wegmans Announces Largest Group of Employee Scholar-

ship Recipients Yet," press release, www.wegmans.com, accessed on November 17, 2013.

² For a complete review of HRM, see Angelo S. DeNisi and Ricky W. Griffin, *HRM*, 2nd ed. (Cincinnati, OH: Cengage, 2013).

³ Patrick Wright and Gary McMahan, "Strategic Human Resources Management: A Review of the Literature," *Journal of Management*, June 1992, pp. 280–319. See also Peter Cappelli, "Talent Management for the Twenty-First Century," *Harvard Business Review*, March 2008, pp. 74–84; and Edward E. Lawler III, "Make Human Capital a Source of Competitive Advantage," *Organizational Dynamics*, January–March 2009, Vol. 38, No. 1, pp. 1–7.