



Lean Times Call For Flexible Hiring Strategies

By Celeste Gudas

What's a hiring manager to do with today's economic forecasts?

No two economists agree on what the next month will look like, let alone the next year and beyond. While companies are tightening their belts, they still need to attract top talent to keep business moving forward. Flexibility is vital to an effective hiring strategy during these uncertain times. Expanding and collapsing your workforce to fit the ebb and flow of business is not only a smart way to control costs and stay profitable, it offers appealing options for talented employees that thrive on change.

Freelance Is Hot When Economy Is Not

Whether dealing with headcount limitations, budget reductions, fluctuating workloads, or marketplace uncertainty, well-run companies use freelance help to bridge the gap while analyzing the needs for future fulltime employees. Using solid, qualified freelance talent also provides continuity during staff transitions, such as maternity leaves, retirements and layoffs.

Folding freelancers into your hiring strategy helps you get the benefits of top talent while taking a load off your bottom line. Freelancers cut benefit costs, eliminate administrative costs, and reduce costly hiring mistakes. Given the rising cost of benefits, currently estimated conservatively at 36 percent*, and the fact that benefits are on an upward trajectory, the hourly cost of freelance help is below that of a full-time worker with comparable skills.

Delivering Top Quality Under Tight Deadlines

In an agency environment, scaling talent and turning last minute projects on a dime is simply the nature of the business. Case in point: Raina Bonthoux, Traffic/Production Manager at LA-based The Strausberg Group, knows her clients depend on a team that can shift into gear at the drop of a hat. From travel related clients such as

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Renaissance Hotels and AAA Travel, to transportation and city related organizations like MTA and Metrolink, the boutique agency delivers robust

strategic thinking and across-the-board capabilities normally reserved only for mega-brands. To cross the finish line beyond the bounds of her internal creative group, Bonthoux regularly folds freelancers into the mix. Production artists, copy writers and graphic artists work on a project basis with the agency's art directors to bring it all together, often under extraordinary deadlines.

For McCall Jones, Senior Project Manager at Dentsu America, using freelancers enables his team to develop projects that reach creative levels, otherwise out of reach without the added skills, talent and experience of his freelance teams. His department provides full service interactive development for a portfolio of international brands, such as Toyota, Canon, Berlitz, Bandai and Japan Airlines. Although Dentsu has long term relationships with clients, Jones' group works on a project-to-project basis, requiring a flexible talent pool with highly specialized skills. Hiring freelance talent through a recruiting agency allows him to manage the fluctuation of workflow and stay connected with the best coders and designers in the business, while saving the time and expense of pre-screening candidates.

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Flexibility Is A Key Benefit For Freelancers

For creative talent, one of the most precious job benefits is flexibility and freedom, and employers are increasingly in need of talent that can shift as quickly as the business environments in which they work. Many people opt for freelance positions while choosing new paths or expanding their careers.

For Candela Paz Turco, for instance, being independent has always been a goal, but particularly at the beginning of her career when she experienced a lot of uncertainty regarding the best path to take. Turco is a relative newcomer to the fashion industry with just five year's experience. Starting out as a freelancer gave Turco the opportunity to experience the industry from different perspectives and get an insider's view of several companies, until she found the right fit for a full-time position.

On the other hand, contract work has given Antonio Azzuolo the opportunity to develop his own line of hand-tailored menswear, while maintaining a steady paycheck and creative inspiration from his peers in the industry. With nearly 20 years experience in fashion, Azzuolo has designed menswear and women's wear for companies such as Aramis, Ralph Lauren, Kenzo, and Galleries Lafayette, and this arrangement enables him to put time into his own fashion line.

Freelancers with exceptional talent and experience like Turco and Azzuolo can hit the ground running in any organization. They have superior organizational productivity, and they are well aware that continued employment depends on constantly delivering good work.

Temp-to-perm or temp-to-hire arrangements also continue to grow in popularity with companies looking to hire. Many employers and talent prefer these arrangements because they allow prospects to ensure a good fit with job skills and a personality match in the company's culture

Avoiding Pitfalls Of A Contingent Workforce

If you're thinking a freelance, or contingent strategy makes sense for your company, it's important to take careful consideration on how your temporary workers are classified with the Internal Revenue Service. New legislation is in motion that more clearly defines worker classifications and holds employers to applicable payroll taxes and/or the liability of fines and in some cases criminal penalties.

Recent high profile legal decisions and fines levied against Microsoft and Federal Express to the tune of \$415 million illustrate the serious penalties for worker misclassifications and unpaid benefits. Employers nationwide rely on 3.5 million independent contractors and 5.7 million contingent workers to complete their workforce strategy. Hiring managers at these companies are often challenged to keep up with state and federal changes in IRS standards.

Of particular risk for employers are the benefits and tax implications associated with "common-law workers" that work side by side with employees, use office space and supplies, and whose livelihood is gained from a sole employer. Enactment of new laws will make employers increasingly vulnerable to the issue.

Using a third-party employment agency can help to avoid these pitfalls. Employment agencies can handle contractor taxes and benefits

as one solution to protect your company from the risks and liabilities associated with misclassifying employees.

Getting Started

Recruiting agencies are often much more involved in staff management than simply taking job requests and filling them. Company principals have an idea, but need help with their hiring strategy to meet demands. If you are building your freelance workforce strategy from the ground up, a full-service recruiting agency can perform a needs assessment and create an entire organizational chart, salary packages and job descriptions to fit the bill.

From the game changers, or strategic thinkers, to experienced staff to support them, top strategic talent can make or break a company's bottom line during challenging times. A good recruiting agency partner can tailor any size program to your company's staffing and budgetary needs. Many agencies also offer clients a customized competitive analysis to help determine the industry benchmark of salary and benefits and exceed it when making offers and retaining top talent.

Whatever path you take, learning to effectively scale your workforce with freelance talent will help you manage this period of economic challenges and changes with the greatest ease.

About The Author



Celeste Gudas is the nation's leading authority on workforce strategy in creative industries. As the CEO of 24 Seven, Gudas has established the company as an eight-year market leader in plac-

ing exceptional talent in the fashion, marketing, advertising, creative, beauty, retail, home furnishings and entertainment industries. The international agency is certified as a Women's Business Enterprise by the Women's Business Enterprise National Council and a recent recipient of the prestigious Ernst & Young Entrepreneur of the Year Award. **For more information about 24 Seven, visit www.24seveninc.com.**

*June 2008 Employer Costs for Employee Compensation Report of the Bureau of Labor Statistics