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Regaining Control

An Award Staffing
Workforce Management
Case Study

Award Staffing
(952) 925-1500
salesteam@awardstaffing.com



Regaining Control of Your Contingent Workforce: An Award Staffing Workforce Management Case Study

At Award Staffing, we specialize in providing managed services to employers. Using our workforce management solutions, Award can help you gain control of your contingent workforce, mitigating the resources required to manage it.

Meet Our Client

Our client is a major supplier and manufacturer of product graphics for the automotive industry. They have been in business for almost a century, and are based in Minnesota.

Key Statistics

With the help of Award Staffing, our client was able to:

- Reduce temporary hires down from 20 or more new temporary employees per day to five per week
- Reduce their workforce from being 50 percent contingent to 20 percent contingent in one quarter
- Improve temporary workers' show rate from 40 percent to 90 percent in four weeks
- Eliminate paying expedited shipping costs for 12 months because of missed deadlines

The Challenge: Who Works Here, Anyway?

Our client was experiencing an extreme staffing tsunami. A regular staffing order looked like this: contact seven different temporary staffing agencies; place orders for 10 workers from each agency; and then cross fingers that at least five *total* workers arrived on the floor.

Turnover was so high that our client was onboarding 20 to 30 new temporary employees daily. There were so many new people that supervisors were unable to provide feedback on who was actually working, how well individuals performed, and which staffing agency was meeting expectations. Not only did this lead to work inefficiencies, but also the parking lot became a traffic nightmare, and the time clock could not take all the punching.

Though the client paid its temporary workers more than the state minimum wage, it was still on the low end of the current market rate. Staffing agencies repeatedly provided feedback that higher wages would attract better workers,

but raising the wages of roughly 300 employees by \$2 an hour would put the client out of business. They could not absorb the cost by raising prices because of long-standing contracts with their clients.

The lack of competitive pay and over-utilizing the wrong staffing agencies led this organization to onboard **almost three people for every position they needed.**

The client realized it was time to act when they were unable to reconcile their financials. Because of the chaotic staffing process, the client was hiring workers before their contract terms began, paying significant overtime and seeing substantial timecard fraud because no one knew who these workers were, or where they were.

Something clearly needed to change, but acknowledging the source of the problem proved difficult. Supervisors had built strong relationships with staffing agencies, which provided sweetheart deals, making it easier for the client to overlook the apparent inefficiencies and unreliable service. It was also very difficult to pinpoint which agencies were performing well.

As a result of these factors, our client was even missing production goals. They were paying significant expedited shipping costs, having to charter a private plane to move their product. Product quality was at an all-time low because workers were not properly oriented and trained, and may not have been qualified for their assignments.

The Solution: Taking It Back To Basics

When we connected with the client, we were eager to provide them with Award Staffing's solutions for their staffing challenges. Award supplied the client with a comprehensive solution for documenting, measuring, and managing their temporary workforce, with proactive recommendations for creating a healthy and efficient system. Because the client was in firefighting mode, they could not realize the scope of the issue and how their internal practices were exacerbating the problems they experienced with the staffing agencies.

The first solution we proposed was tracking the client's workforce. We reviewed every individual timecard over a three-week period and aggregated the data, allowing the client to see every temporary associate working by the department for the first time. We asked the staffing agencies to provide us critical data about the worker, including his or her pay rate and start date.

The following step was to control the distribution of orders to the staffing agencies. Each new order was given a requisition number, allowing us to track all activity against that requisition number. Staffing agencies had to provide a requisition number for every new worker, allowing us to control the flow of new candidates to the organization.

Next, it was time to revamp the orientation process. With the system we designed for our client, we were able to validate who actually showed up to work. When we started this process, there was a 40 percent show rate. Within four weeks, and with aggressive management of the staffing agencies, the show rate exceeded 90 percent.

Next was us managing the time clocks. We began evaluating who was or was not punched in on every shift. We walked the floor to verify which workers were present. We helped the client quickly regain control of their own floor, allowing them to shift their focus to worker quality.

Our last step was evaluating the quality of the temporary workers the agencies were sending. Every temporary employee was evaluated during their first week to ensure they were meeting the client's standards. However, to ensure high worker quality, we needed to revisit the wage issue.

We met with the client's financial leadership to evaluate the breakeven points for reducing headcount to offset the proposed wage increase. We quickly realized which departments were overstaffed, and began experimenting with higher-wage individuals and measuring their performance. Almost immediately, the organization identified the benefits of a better quality (and thus higher-paid) worker. Attendance rates increased, parts produced per minute increased, and scrap was reduced.

We expanded this solution to other departments. We started with the department that had the most significant impact on product quality. We focused on staffing this area with better workers and reduced department headcount by 50 percent in 45 days. Despite fewer people, workers increased production and met deadlines with higher quality. This strategy was then taken to most other departments, and the client reduced their headcount from 300 people to 140 in just three months.

The Results: Doing More – And Better – With Less

Award's mastery of the client's timekeeping system offered real-time access to attendance figures for the first time in decades. Supervisors now receive an attendance report 15 minutes after the start of the shift, noting who is working and who is absent. With our help, the client assigned headcount numbers to every department, and our system reported any shortages –temporary or full-time – during the shift.

By reducing the number of temporary employees, the client was able to convert basic supervisors into trainers and quality control personnel, encouraging higher success rates for new employees and increasing productivity across the board.

Because the quality of worker increased so much, the client reduced their workforce from being 50 percent contingent to 20 percent contingent in one quarter. Where temporary assignments were once project-based with high turnover, they are now temp-to-hire positions. The client went from bringing in 20 or more new workers a day to hiring five new workers a week. Associate satisfaction skyrocketed, which boosted productivity, and workforce management is now better than ever.

In the past 12 months, the client has not incurred any expedited shipping costs and has regained confidence in their product output and quality.

Award not only implemented an effective solution; we also restored the client's faith in their ability to regain control of their systems. Supervisors had believed that all staffing agencies are the same, and the quality of temporary employees would never improve. Higher wages were deemed impossible and unlikely to solve the problem. Our solution effectively holds staffing agencies, workers, and supervisors accountable for ensuring that everyone is committed to creating the best product.

Our client is a better company because of their relationship with Award. We gave them real-time data to inform staffing and business decisions. We helped them reduce their headcount by more than 50 percent and increase their production at the same time. The success of our system in working with the staffing agencies exceeded all expectations.

Bridge the Divide with Award Staffing

If our client's challenges sound familiar, or if you're struggling with your contingent workforce, Award Staffing is here to help. We manage every aspect of your contingent workforce so you can focus on achieving your objectives – the business relationships and the outcomes.

What results can Award generate for your business?

Contact us today to learn how Award's Managed Workforce Solutions can help your organization redefine work.