

Friday, April 2, 2010

Temporary staff hiring trends toward growth for economy

South Florida Business Journal - by [Bill Frogameni](#)

More hiring of temporary staff is beginning, which may signify signs of economic recovery for South Florida.

February marked the first time since March 2007 that the U.S. had year-over-year growth in the number of temporary workers hired. According to the U.S. Bureau of Labor Statistics, the country added 47,500 temporary jobs, in February – 3.9 percent more than in the prior-year period.

The trend is good for staffing companies, which were among the first to feel the recession – and the first to feel the recovery, SFN Group President and CEO Roy Krause said. The Fort Lauderdale-based staffing giant (NYSE: SFN) saw the number of temp workers requested slide starting in early 2008.

The number of temps has been showing strong sequential improvement for the last few months, Krause said. SFN is “within shooting distance” of seeing its temp assignments reach positive year-over-year growth, he noted.

Judging from SFN’s stock price, investors apparently think good things are ahead for the company. Shares price has risen 35 percent this year – to \$8.25 on March 29 from \$6.11 on Jan. 1.

Companies who need to hire, but are still shy to jump in, are testing the waters by turning to SFN.

“This recession has made a lot of customers pretty hesitant about adding to their permanent workforce,” Krause said.

Most of the growth in temp workers will likely happen in the light industrial and clerical sectors first, he said. While the pay is not typically high, these types of workers are needed to process growing inventories for companies that were reluctant to restock during the leaner months, Krause said.

Growing inventories could be good for South Florida as the region’s many warehouses are again filled with goods and logistics companies are employed to transport them, said Tal Gross, an economics professor at the University of Miami.

“Certainly, it’s a positive sign for South Florida,” he said. “Those industries are certainly a big part of our economy here.”

Still, there’s reason to remain concerned, as Florida’s 12.2 percent unemployment rate outpaces the nation, and key sectors like housing and construction remain anemic, Gross said.

But, there’s a sense the region is nearing the bottom, if not bouncing back.

“There’s no way to say right now where unemployment is going, either across the country or in Florida,” Gross said. “But it can’t get much worse.”

strong uptick in hiring

Deborah Vazquez, CEO of **Protech**, a technical staffing firm in Boca Raton, said her company has seen a strong uptick in the number of temp workers it provides other businesses. The company was averaging 15 to 20 job orders for temps every month, but Protech currently has 35 orders.

Though Protech places full-time employees, temp work is rapidly growing to be the largest part of its business. In 2008, temp placements accounted for 62 percent of the overall business, but that grew to 90 percent last year, Vazquez said.

“Information technology with a services economy is one of the fastest-growing sectors in terms of temporary workers,” she said. “You can streamline your operations and, therefore, save costs.”

Business has picked up at Miami Beach-based Sherlock Technology Staffing, too. After an anemic year, the company felt a bump starting in October, as IT departments began long-delayed projects, President Alex Funkhouser said. Over the last six months, Sherlock’s business has picked up about 40 percent, year-over-year, he noted.

One of the companies Sherlock helped staff is Carnival Cruise Lines, which added three IT contract workers in February, said Andrew Tabone, who oversees recruitment for Carnival’s IT department.

As business picks up again and projects get approved, Carnival could easily add at least 10 more jobs, Tabone said. That would be a relatively small portion of the cruise giant’s 360-person IT department, but Tabone said he’s hopeful about where staffing is headed.

“I think you’ll start to see a steady increase of staffing, and usually what comes back is the temp staffing,” he said. “We are starting to see movement.”

Bob Rodgers, president of R2 Innovative Technologies in Wellington, said his company recently hired one temp worker to help service the IT needs of professional golf tournaments, R2’s core business. He is also looking to hire a pair of temps to work on Cisco technology as soon as he can find them. And, Rodgers said he plans to hire a pair of full-time operations managers sometime this summer.

SFN’s Krause said the hiring trends are cause for optimism.

“When you think about it,” he said, “a year ago, things were pretty much in a free fall.”