

Expectations of Customers from Staffing Companies – India

Indian Staffing Federation Short Report August 2015

Indian flexi staffing firms are gearing up each year through their expertise to augment the market, yet it is still a nascent sector. With only 2% penetration of Flexi Staff in a diverse country like India; customer engaging tactics are few and alike.

About Indian Staffing Federation

Indian Staffing Federation (ISF) has been created with one common goal - Staffing India's Growth.

Staffing, an established form of outsourcing globally, is yet to be recognised and adopted as an effective means of running a businesses in India. The Staffing Industry provides a platform for recognised employment, work choice, even compensation, annual benefits and health benefits for the temporary workforce that constitutes around 40% of India's total workforce. Staffing creates jobs that would not otherwise exist, enhancing competitiveness and workers employability, thereby promoting a labour market that corresponds better to peoples – and companies – needs and aspirations.

The purpose of ISF is to enhance long-term growth of the staffing industry and to ensure its continued ability to make positive contributions to the economy and society. The principal focus of the Federation's activities is to strengthen triangular employment relationships, in which the staffing company is the employer of the temporary worker, who works under the supervision of the user company

About the Research

Indian Staffing Federation (ISF) conducts its half yearly research, to explore ways of growing the flexi staffing industry. Through a survey based research ISF has tried to understand the expectations from customers, while looking at various dimensions of

staffing services and highlight best practices for enabling the growth of the industry. Below is the synopsis of the study conducted with senior HR professionals across the country to gather the unique insights for the readers of the study.

Methodology

The research is based on primary email sent to over 30000 HR professionals across the country in a span of two and a half months. The research was completed with online input collection from HR professionals who happened to be the top notch designated professionals within their company. The data has been closely evaluated to avoid any misrepresentation and avoid manual biases.

REPORT FINDINGS

CRITERION FOR SELECTING A STAFFING FIRM FOR CORPORATES

Overwhelmingly over 60% Customers emphasized that they select staffing firms based on their Past Work, Compliance Track Record and Geographical Spread as top priority,

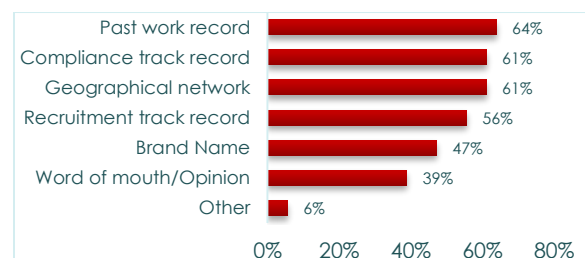


Figure 1: Data representation on Ways a customer prefers to select a staffing company for partnership

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From the overall group of respondents, **overwhelming 64%** of the customers prefer to choose their staffing partner basis the **past work record** along with **60% favouring - compliance track** and **geographical spread** to choose their staffing partner.

While **Past work record** led the selection criteria for all companies, on close inspection of the trend, companies **with below 15%** of flexi staff, have a slightly different priority. Almost upto **61% respondents** highlighted that the decision making is based on the staffing partner's **Compliance Track Record** as **equal priority** (Fig 1.1). On the other hand, companies **with over 15% flexi staff** choose partners based on **Geographical network along with Compliance record**, with **over 62%** as closely following selection criteria. **Recruitment Track Record** comes close to the above mostly for the companies **below 15% flexi staff** while **Brand name** came as an important factor for companies with **more than 15% flexi staff**.

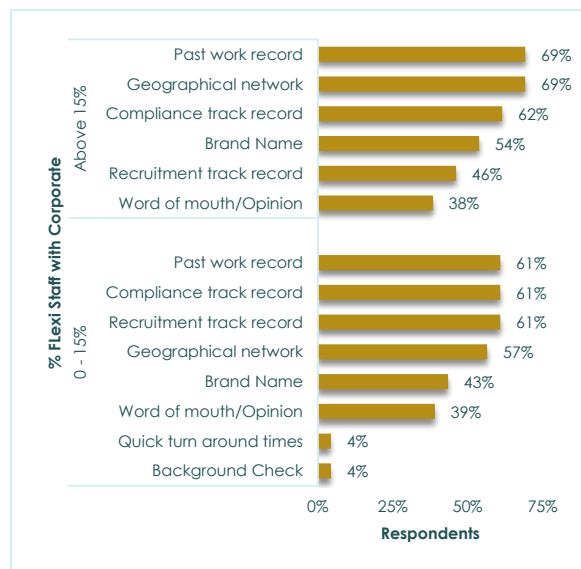


Figure 1.1: Data bifurcation as per flexi-staff strength of a customer on top methods to select a staffing company for partnership

DELIVERY EXPECTATIONS FROM STAFFING FIRMS

Significant 75% of the Customers expect service advantage based on No Compliance Hassles and Suitable Candidates,

Customers were asked to identify the service advantage they most emphasize from their staffing partners, in other words what exactly they seek from their staffing suppliers. The top choices with **75% of buyers** calling out for was, **No compliance hassles and suitable candidates** followed closely with **Less Turnaround Time** and **Trained resources** at **67% from respondents**.

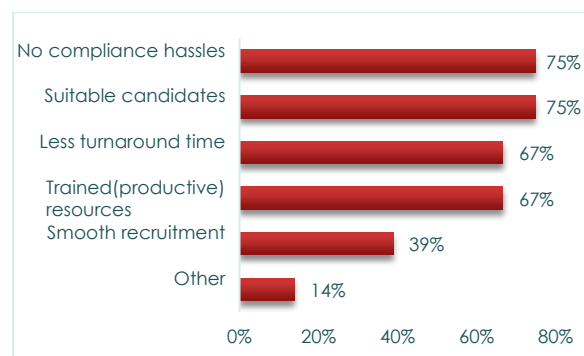


Figure 2: Data depicts the top expectations of customers from their staffing partners.

Invariably, when looked closely by the number of flexi staff and the region, we didn't find too much difference from the cumulative depiction. **No Compliance hassles and Suitable Candidates** were evidently the most important aspects across all regions for **customers with below 15% flexi staff in their workforce**.

Interestingly, North, West and South witnessed one unique parameter each, however low rated, still could be considered. **North** was rated for **Outplacement** to be one of the services, while **South** brought out **Less fees or Commission** with **West** asking for **Prompt response to requests**.

The following Figure 2.1, depicts the data by regional break from customers with below 15% of flexi staff in their workforce.

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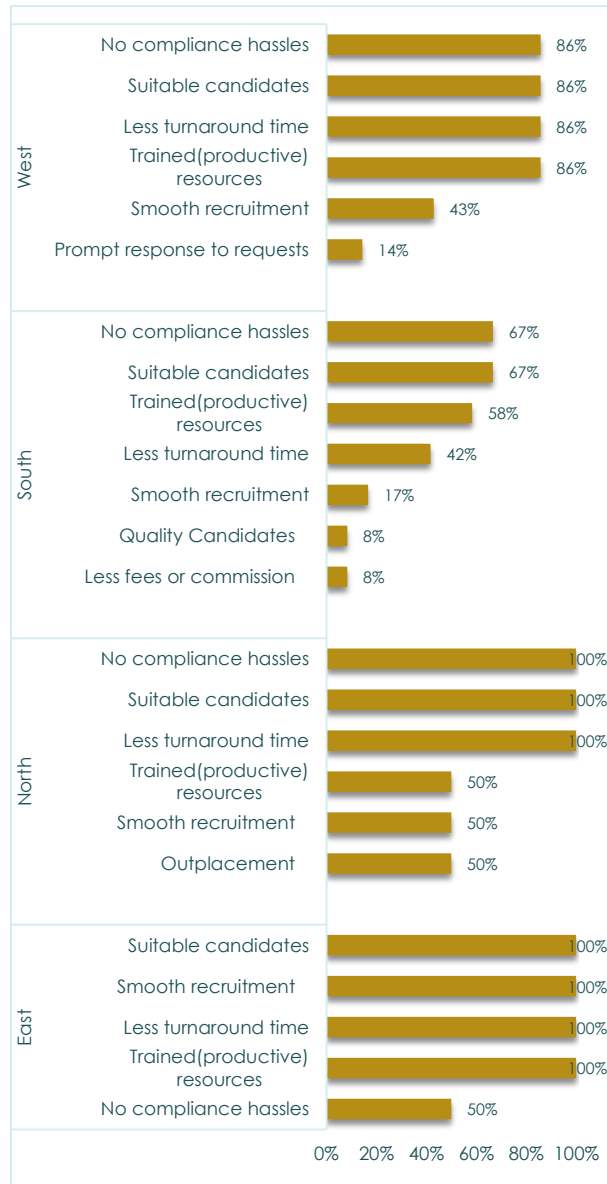


Figure 2.1: Data depicts the top expectations of customers with below 15% of flexi staff in their workforce by region.

While, the data from customers with above 15% flexi staff of their workforce was also looked at, evidently the same trend was found.

BUSINESS ALIGNMENT PREFERENCE (PARAMETERS) FOR CORPORATES WITH STAFFING FIRMS

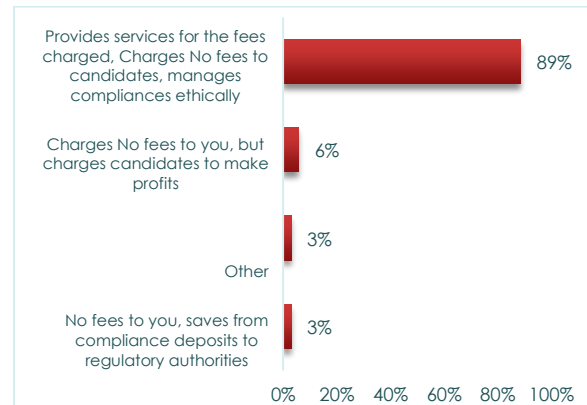


Figure 3: Data depicting the percentage of customers preference to work with staffing partner basis work ethics.

Unanimously, 89% of the respondents chose to work with a staffing partner, who ensure the following, Provide adequate service for the fees charged, Charges No Fees to Candidates and Manages Compliances ethically. We saw the same trend across all regions with customers both below and above 15% with flexi staff in their workforce.

POPULAR CHOICE OF COMPLIANCE EVALUATIONS UNDERTAKEN BY CORPORATES BEFORE ALIGNING BUSINESS WITH STAFFING FIRMS

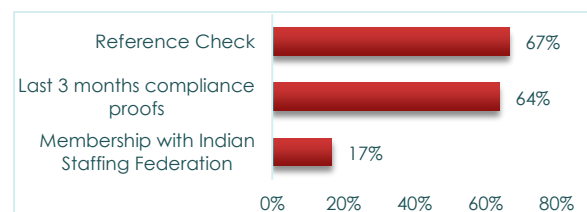


Figure 4: Data depicting the customers choice of compliance check on staffing firms.

Noticeably, Reference Check and Compliance Proofs are the top most checkpoints for the customers across region and across the flexi staff strength of their workforce.

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Few customers are in the process to add ISF membership as a criterion of selection process of the staffing partner.

single document of authentication, then this would be of great help.

CUSTOMER SUGGESTIONS

Below is a compilation the **Top 10 Customer recommendations** that would help a staffing firm improve their relation with their existing customers and also build more business and increase the share of flexi staffing industry.

1. Staffing firms must keep active relationship with placed members/candidates/job seekers at all time.
2. Fair labour practices. Transparent dealings with employees.
3. Consistent engagement with the customer while understanding the pain areas of self and customer
4. Pool of Flexi candidates /freelancers with their track record. Minimum Costs for Flexi candidates
5. Quick turnaround
6. Quality of staff provided & Compliance are paramount.
7. Use of standardized tools and processes - Visibility into prevailing practices for e.g. redeployment rates, employee satisfaction rates, grievance handling process etc. - Ability to support across different cities and countries
8. Staffing firms must keep very good internal communication between the various team-members, as they represent company.
9. Staffing company should have their own HR Helpdesk to address their employees queries like Salary Payment, Roll-offs etc
10. ISF to provide a certificate to the members for their fairness in terms of business practices, compliance track records etc. as a

REFERENCE: RESEARCH DATA BREAK UP

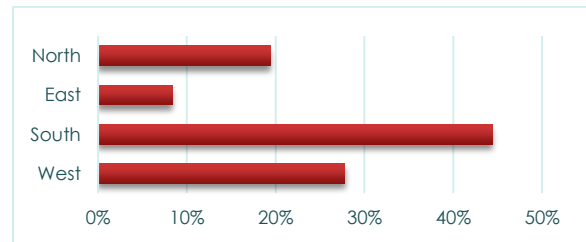


Figure 5: Data depicting the percentage of customers responded by region.

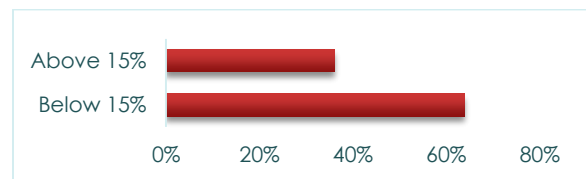


Figure 6: Data depicting the percentage of customers responded by the strength of flexi staff of their total workforce.

Disclaimer

The research is a property of Indian Staffing Federation (ISF), apex body of the Flexi staffing Industry in India.

The research report has been produced with no biases towards any person/company/industry, however, has not been conducted in controlled environment with the respondents. The respondents were free to reply basis their experience to the defined and close ended questions, executed and collected via a survey.

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