

Glossary of Staffing Terms

Administrative Fee

The additional fee charged to a client (subscriber) by a professional employer organization (PEO)/staff leasing company to cover selling, general, and administrative costs over and above the costs of leased employee salary, taxes, and benefits provided.

Candidate

An applicant for a job who has been pre-qualified for a specific position or a general category of jobs. Also used to distinguish an individual from a pool of unqualified applicants.

Clerical/Office Support

The largest market segment for temporary help and permanent placement, which includes secretaries, general office clerks, typists, word processing operators, and data entry keyers requiring no professional training. The standard definition also includes telemarketers, cashiers, product demonstrators, and other related office occupations.

Co-Employment (Co-Employer)

Legally, referred to as a "Joint Employer" relationship, co-employment is often used to describe the relationship among two or more employers when each has specific actual or potential legal responsibilities to the same worker or group of workers.

Commercial Staffing

Term often used to distinguish "traditional" temporary help services such as office/clerical and industrial services from businesses that provide more highly skilled workers in areas such as IT, technical, accounting, legal, and other professional-skilled areas.

Contingency Recruiting (Search)

Refers to exempt-level recruitment or executive level searches, with payment of all (or most) of the fee contingent on the hiring of a referred candidate.

Contract Services

The provision of supervised services under contract.

Coordinator (Service Coordinator)

The staff employee of a temporary help service who recruits and assigns temporary help employees to work on assignment at the customer's site.

Cost-per-hire

A common measure used in human resources to evaluate the average costs incurred in recruiting and hiring new employees. Generally the equation is total recruitment costs divided by total number of new hires. Typical components of this measure include relocation costs, advertising/job board fees, interviewing expenses, referral bonuses, recruitment staff compensation, skills assessment and pre-employment screening.

Day Labor

The provision of temporary workers to clients on a daily pay, daily availability basis, often on a multiple worker basis. Day labor offices typically provide unskilled labor and may include transportation to and from the job site.

Direct Employment

A two-way direct employment relationship between a worker and an employer, with no third party broker or co-employer involved.

Direct Placement

The bringing together of a job seeker and a prospective employer for the purpose of effecting a permanent employment relationship, for a fee. Also refers to the process of arranging such a relationship.

Employee Relationship Management (ERM)

ERM applications work in conjunction with ERP systems, which hold critical employee data. Through the Internet, ERM applications give employees access to their own training, benefit and payroll information.

Employment Agency (Private)

A for-profit, private entity that brings together a job seeker and a prospective employer, for a fee, for the purpose of effecting a permanent employment relationship. In a vast majority of cases the fee is paid by the new employer

Equal Employment Opportunity Commission (EEOC)

The federal agency responsible for administration of several statutes that prohibit discrimination; has power to subpoena witnesses, issue guidelines that have the force of law, render decisions, provide technical assistance to employers, and provide legal assistance to complainants.

Executive Search

Refers to the process of recruiting for exempt-level managers or professionals.

Flexible Staffing

A generic term used to convey the use of various nontraditional work approaches, such as contingent employment arrangements, planned staffing strategies, or flexible work arrangements.

Form I9

Federal form required of all appointees to verify their U.S. citizenship, or if they are aliens, their eligibility for employment in accordance with the Immigration and Naturalization Act of 1986.

General Employer

A legal term, usually referring to the staffing company employer in a co-employer or joint employer relationship who is maintaining the employee on a payroll.

Gross Margin

The difference between the bill rate for the temporary services and the direct costs of employment (pay rate plus mandatory benefits such as workers' comp, unemployment insurance, employer's share of FICA and state or local taxes and optional benefits) for each temporary employee on assignment. A company's gross margin is the difference between its total billings and its direct employee costs.

Joint Employment

Where two employers exercise significant and simultaneous control over the same employee. For example, when a temporary help or leasing firm exercises control over personnel matters while the client company exercises supervisory and workplace control. Both employers may be liable for payment of taxes, workplace safety, etc. Such relationships are sometimes not thought to be "joint-employment" relationships, since the client company is indemnified from some liabilities -- but since control is shared significantly between the general employer and the client workplace supervisor, these may be considered "co-employer" relationships as well.

Just-In-Time Staffing (JIT Staffing)

A loosely used term that equates "flexible staffing" arrangements with the concept of "just-in-time" inventory control or delivery of parts for a manufacturing process. Rather than carrying inventory (or permanent employees), arrangements are made with a supplier to deliver parts (or help supply workers) just at the time when they are needed in the work process.

Leave of Absence

An authorized period of time away from work, without loss of employment rights, that may be paid or unpaid.

Long-term Staffing

Sometimes described as "facilities staffing" when workers from a staffing service are conducting a specific function for a customer on an ongoing, indefinite basis,

it also refers to long-term assignments. Workers are most commonly recruited by the staffing services, although the customer, because of specific skills requirements of the positions, may be in the best position to locate the worker or workers.

Medical Staffing Services

Within the temporary help sector, this segment includes supplemental staffing to medical facilities (hospitals, nursing homes, and outpatient clinics), as well as the provision of licensed personnel (RNs, LVNs), trained (medical technologists), and unlicensed staff (home health aides, homemakers, personal assistants, etc.) to home healthcare agencies.

Off-Site

Business services provided for a client (customer) at the service provider's location, not at the client premises.

On-Site

Vendored or outsourced services provided to the client (customer) at the client site.

Outsourcing

Use of an outside business services vendor (and its supervised personnel), either on the customer's premises or off-site at the vendor's location, to perform a function or run a department that was previously staffed and supervised by the customer directly.

Partnering

Long-term commitments focusing on "win-win" relationships between customers and suppliers (or among suppliers) which add value to both parties through increased sales, reduced expenses, and/or greater productivity.

Planned Staffing

Contracting for the regular use of temporaries to handle peak production periods, seasonal activities, or special projects. May involve the supplementation of a customer's permanent workforce, or the provision of a temporary workforce to handle a project which occurs periodically.

Pre-employment screening

Pre-employment screening services include background verification, drug screening, skills assessment and behavioral assessment tools. A thorough background screen verifies important factual information about a prospective employee (i.e. identity, employment history, education credentials). It also helps gain critical information about an applicant's character and past history that isn't always apparent in an interview or application, such as criminal history, credit history, and driving record.

Professional Employer Organization (PEO)

A staffing industry service that assumes, via contract, a significant portion of employer responsibilities and associated risk for either part or all of a client's workforce.

Professional Staffing

A segment of temporary help which includes professionals in the accounting field (accountants, auditors, CFOs, etc.), legal (paralegals and attorneys), sales and marketing professionals, and managerial temporaries.

Recruiting

The process of locating and screening a candidate or candidates for an employer as part of a search assignment. Also used to describe overall general efforts to bring in temporary employees. "Recruitment" generally implies the search for candidates who meet specific client specifications rather than the marketing of available applicants to employers.

Retained Search

Service provided by an executive search firm to locate a candidate for a specific position at a client company. Fee is payable whether or not hire is made.

Short-Term

Refers to a work assignment of limited duration. The duration implied here is open to some debate. Most would agree that "short-term" means employment of a year or less. Some companies use six months as a cut-off for all temporary assignments; others use 1,000 or 1,500 hours to ensure compliance with federal legislation regarding mandated coverages. The U.S. Federal Government in its use of temporary employees provided by private-sector staffing companies allows a maximum of 240 workdays in a 24-month period.

Sourcing

The process of developing lists of potential candidates for a specific recruiting assignment.

Special Employer

A legal term referring to the client employer's legal relationship to the employee in a joint employer relationship, which usually includes responsibility for day-to-day supervision at the worksite.

Strategic Staffing

The pre-planned use of alternative or flexible staffing strategies by the customer. May include the use of temp-to-perm hiring, planned temporary staffing for work cycle peaks or projects, or payrolling, for example.

Supplemental Staffing

The provision of temporary workers to a client company to supplement the

current workforce for peak loads, special projects, or planned and unplanned worker absences. Also describes the regular practice of using contract medical staff in hospitals and other medical institution settings.

Telecommuting

Working at home, or at another "off-site" (satellite) location, for an organization whose office is located elsewhere, with one-way or (usually) two-way electronic linkage to that organization via phone, fax, modem, and/or the Internet or a company Intranet. Home work may be full-time, occasional, or a scheduled part of the workweek.

Teletemporary

Workers employed by a Temporary Help Service, Contract Technical Service, or other e-business service supplier who perform services for and communicate with a third-party service customer via phone, fax, and/or modem.

Temporary Employee ("Temporary")

An employee who works for a staffing service fulfilling client assignments.

Temporary Help

The furnishing of employees to meet the short-term and/or project needs of another employer. Originally used primarily as replacements for office or light industrial workers, temporary help has come to be used across a broad range of skills and occupations to substitute for employees on leave, on vacation, or in emergencies, or to provide supplemental support where there are temporary skills shortages or specific projects or peak load needs.

Temporary-to-Permanent

(Abbr. Temp-to-perm.) An employment service concept where a client company plans to make a permanent placement hiring decision during or after a temporary help assignment. In a "temp-to-perm" situation, only temporary workers who are also seeking a similar type of permanent work would be sent on the assignment. Where a temporary assignment "just happens" to "go permanent," it may be called a "temp-to-perm" hire after the fact, but it is generally not considered to have been a permanent placement.

Time-to-hire

A common measure used in human resources to evaluate the average amount of time it takes to fill an open position. This is normally measured from the point the job request is submitted by the hiring manager to the point the new employee walks in the door.

Vendor On Premises (VOP)

On-site coordination of a customer's temporary help services through an exclusive, long-term general contractor relationship with a temporary help company. The designated Vendor On Premises may enter into subcontracting

relationships with other temporary help suppliers, or such relationships may be specified by the customer.

Work Sharing

The situation in which two or more workers may "share" one full-time position at a company, often for the purpose of schedule flexibility. The workers often stagger their schedule in order to meet outside personal commitments such as family responsibilities. In other cases, an employer, in lieu of a layoff, may combine two jobs into one and retain both workers, each working a reduced schedule.

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