

The Pitfalls of Outsourced Staffing and How to Avoid Them

As labor markets remain challenged, more hotels and resorts are turning to contract labor to help fill in gaps in their staffing. However, there are some pitfalls to working with staffing agencies. Here are some of the most common problem areas and tips on how to avoid them.

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COMPLIANCE SHORTCUTS

Agencies can cut corners and, as the labor market continues to be tight, many new players can enter the market. These new agencies offer low pay rates and markups that are simply too good to be true.

How do they do this? They hire ineligible workers, skip background checks, and pay workers improperly. This can blow back on properties and brands that are often left holding the bag for violations across a wide range of government agencies, such as OSHA, ICE and the IRS.

HOW TO AVOID: Work with a reputable agency with a long track record. Agencies that pop up or change names frequently can be a red flag for disreputable players.



Safety is often overlooked when it comes to staffing back of house at a hotel, but it is incredibly important.

Staffing agencies who don't train workers risk exposing them to chemical exposure, slips, trip and fall accidents, and a host of other injuries—not to mention the dangers of COVID exposure. This can expose a property to liability when it comes to worker injury and also endanger the safety of guests and staff.

HOW TO AVOID: Work with an agency that has an established safety team and ask about their training protocols. A dedicated safety department means that the agency invests in the resources to keep up with current regulations and can properly train staff.



SAFETY COMPROMISES




HIGH TURNOVER

Even for permanent staff, turnover is a problem. Turnover with agency staff can be equally frustrating, particularly since working with contingent labor is meant to reduce the problem. Turnover can erode quality and lead to distractions from recruiting, training, and productivity.

HOW TO AVOID: Work with a staffing agency to determine qualifications you are looking for and determine pay rates that will not only find candidates, but keep them.

Also work with the agency to keep a pulse on what staffing levels are needed to reduce turnover. Overtime can be expensive and teams that are stressed and overworked tend to have higher turnover.



A drop off in quality is a major concern when using a staffing agency, one that is often unnecessarily tolerated. Because contingent labor is often seen as a temporary fix, excuses are made. Short-term fixes can often lead to a long-term degradation of quality—impacting customer satisfaction, productivity, and profitability.

HOW TO AVOID: Working with a staffing agency on a regular basis helps establish a baseline of quality and avoids gaps in staffing from happening in the first place. Working with a staffing agency that specializes in the hospitality industry will help in pulling from a pool of qualified candidates who are experienced and screened for the skills needed to be successful at a hotel.

SACRIFICING QUALITY



LOSS OF EFFICIENCY

Staffing agencies are supposed to be a pathway to efficiency, but too often they can bring about more confusion to a property. Inaccurate billing, a lack of transparency, and inability to work with complex software systems are among the problem areas that actually create more work, not less.

HOW TO AVOID: Working with a staffing agency that has strong back-office support will help alleviate much of the inefficiencies associated with working with outside agencies. In fact, staffing firms with a strong national background can help train a property on software systems and provide compliance updates. An agency should be better equipped to deal with these issues – not become a drag on your overall efficiency.

While there are many pitfalls to working with outsourced staffing agencies, the benefits of contingent labor to hotels and hospitality venues are more important than ever during the recovery period. Knowing—and avoiding—these pitfalls will ensure near and long-term success in achieving a productive and profitable staffing strategy.

Choosing the right partner as part of an overall staffing strategy can position you and your hotel for success now and in the future. For more information and additional Staffing How-Tos, visit [hsstaffing.com](https://www.hsstaffing.com)

