

For Quality Hires, On-Site Staffing Firms Are Best

By Scott Loomer and Rob Brand

January 27, 2016
ERE



It is rare to find a large medical device manufacturing facility today that doesn't take advantage of temporary labor. As the number of orders for products goes up and down, the demand for workers changes on a daily basis. Temporary workers play a crucial role — creating and inspecting a product and ensuring that orders are filled on time and on budget. However, it takes an exorbitant amount of time to recruit, hire, train, and integrate temporary laborers into an advanced manufacturing facility, especially when the environment requires strict system, process, and regulatory requirements.

At Nypro, a contract manufacturer of healthcare products in Clinton, Massachusetts, we used to have the human resources manager internally be responsible for managing the recruitment and onboarding of temporary workers. We quickly realized that those tasks consumed a majority of the HR department's time and that they were not a good use of our resources.

A company needs to carefully weigh the costs of outsourcing these requirements to a staffing agency versus bringing it in-house and hiring additional headcount to manage and recruit. The volume of workers determines the amount of time required to manage the process, and the range varies for each medical device manufacturer, but at Nypro, we found that once we started to average between 30 to 50 temporary workers each day, it became necessary to look for outside help. Nypro decided to contract with an on-site temporary staffing agency (also known as a Managed Service Provider) specializing in health care manufacturing, and we'll tell you why.

Location, Location, Location

Just as in real estate, location is everything when considering the repercussions of working with an on-site versus an off-site staffing model. Imagine interviewing for a new job without seeing your potential new office space. Would you take a chance and hope this new job offers a nice working environment? Or would you hesitate accepting the offer, not knowing what would be in store for you on your first day?

Off-site staffing firms operate a branch model. They intake and screen workers at a central location and then send them to the client's production center, site unseen. In the on-site model, these staffing firms typically have an office inside the client's facility where they recruit new workers, screen them, train them, and introduce them to their new working environment.

At Nypro, potential temporary workers come through our manufacturing center every day. They commute to the location, meet with our staffing agency, view the manufacturing floor, see the clean rooms and meet with staffing managers. This seemingly basic step has a number of benefits, specifically the reduction of turnover. By seeing the site first hand before accepting a position, potential hires get an idea of what the job entails and are more likely to stay at the job.

Reducing turnover saves time, money, and also facilitates a more positive work environment.

Thorough Training Produces Quality Workers

Wouldn't it be nice if temporary employees arrived on the first day of their new job with knowledge about the company, its culture, and already trained to the system, process, and protocol requirements of their new job? That is what we have developed over the years to ensure the optimal temporary labor support model for our business.

With the staffing firm being on site, their management team gets to know the complexities of the company and production facility by being close to the everyday action. The staffing team has daily

interactions with floor supervisors, which helps them develop a hands-on understanding of business needs and what skill sets are required for each employee. The staffing provider should be doing everything they can to ensure success for the temporary worker and manufacturer. That's when screening and training comes in.

For the best outcomes, manufacturers should look for staffing firms that have customizable pre-screening assessments to ensure each candidate is a good fit for the specific position and the company's environment. This includes everything from math, reading assessments, and measuring dexterity to teaching the value of work ethic and our expectations of them as workers. At Nypro, our temporary workers are evaluated against all of these elements and more, depending on the specific job or department in which they will be working. Once prime candidates are selected, they move on to the onboarding process.

Custom onboarding, training and orientation for temporary workers should encompass everything from dress code and parking to specialized clean room protocols. The more detailed and integrated the staffing provider's process is, the better the transition will be of worker-to-position. Quality training protocols are the most valuable tool when working with temporary labor, and if the staffing firm is on site and able to immerse itself in the client's business model, there is a better chance that workers can hit the ground running once they are on the manufacturing floor.

The entire onboarding process takes multiple days and in many respects we do have "just in time" labor requirements. It necessitates our service provider to perform the whole process on a regular weekly basis to ensure optimal availability of resources.

Foster a Symbiotic Relationship With the Staffing Firm

Responsiveness is key when working through issues happening in real time on the manufacturing floor. If your staffing firm is off site and a problem arises, it may take hours or days for the appropriate action to take place. However, with an on-site temporary staffing model, the site managers are intertwined with the production staff on the floor and can handle crises as soon as they come up.

In working so closely together, on-site staffing firms become ingrained in your business process yet are able to supply useful feedback. At Nypro, we've been working with Operon Resource Management, a specialized staffing firm in health care manufacturing, for almost 15 years. In our production facility, Nypro's supervisors can go directly to the on-site managers to address an issue with a temp, rather than going through HR. Additionally, on-site staff can be included in company safety training, allowing them to pass along any new safety information to temporary workers. The communication is constant and flows in both directions. Since our staffing provider is embedded in our business, it is able to give

us insight into what's working and what needs attention. Quarterly business reviews allow for the presentation and discussion of metrics and tracking tools to show us how our workforce is doing.

However, one requirement to make the on-site model work best is a strong partnership with the internal HR team, not just those managing workers on the manufacturing floor. HR needs to be aware of all the issues that the temp agency is dealing with, and because the staffing provider is on-site and has direct relationships with managers and supervisors on the floor, the HR team could get left out of the loop. The HR department needs to know about issues as they happen and not after the fact, so having constant communication between the shop floor, HR and the staffing provider is key.

The off-site model does not allow for this integrated and intimate relationship between a staffing firm and the manufacturer. Dynamic communications and facilitation between the shop-floor managers and the staffing firm is hard to accomplish from a branch office. The additional time it takes to get things done in an off-site model equates to cost, such as costs related to production delays, production efficiencies, supervisor efficiencies and overall worker productivity. The inability to respond quickly from an off-site location can further reflect poorly in terms of our customer response capability and the impact of risk management in our regulated environment. After all, this is a just-in-time production environment.

With the on-site model, temporary workers feel a strong connection to the parent company, and some issues could arise from that, like mistakes with employment verification and co-employment. These potential issues need to be carefully managed and reviewed regularly to ensure compliance. But given those safeguards, we've found it's better for the workplace environment when the temporary associates feel like they are an important part of the organization, and not a separate class of worker.

The True Value of the Service

Depending on the applicant screening, training, and orientation value-proposition of your staffing provider, the rewards can be huge. In this regard, one word of caution — don't get hung up in a straight mark-up comparison with other providers of lesser contribution. Look at *total cost of onboarding* and their ability to fill needs with qualified workers who are ready to make a contribution on the factory floor Day 1. To accommodate this model and take advantage of the potential savings, you may have to re-deploy some internal staff. That could be part of your total cost assessment. It is all about the total cost of labor applied to the product going out the back door, not a mark-up rate. So while a quality on-site staffing provider has a higher initial cost, the overall value is greater.

Nypro didn't baseline the situation before we started on this journey but being seasoned practitioners, we see great value that we didn't have before. It also translates into not having to have full-time

headcount to manage this whole process of securing contingency labor. That is measurable savings in it of itself.

In our experience, a qualified and experienced on-site temporary labor management firm pays for itself several times over in terms of service, efficiency, and overall improved work environment.

About the Authors

***Scott Loomer** has 20 years of experience as a human resources professional. He currently serves as a senior HR manager at Nypro-Healthcare in Clinton, Massachusetts. He attended the University of Massachusetts-Amherst and received his MBA from Western New England College.*

***Rob Brand** joined Nypro Inc. in 1997 and has over 18 years of experience in all areas of human resources management. Prior to joining Nypro, he managed operations in the semiconductor industry as well as directed high-end golf facilities. He received his BS in electrical engineering technology from the University of Massachusetts in Dartmouth. He is a former Class A member of the Professional Golfers Association of America and is a Certified Compensation Professional. In his current role, he is senior director of human resources for the Nypro division of Jabil.*

<http://www.eremedia.com/ere/for-quality-hires-on-site-staffing-firms-are-best/>