



Article 1
A Flexible Force

Submitted to:
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Summary

According to Dr. Sullivan, companies will examine labor costs more closely when tough economic times are evident. The reason for considering labor costs during these times is that they constitute a large portion of a company's variable costs. Unfortunately, human resource departments are typically forced into issuing layoffs when tasked with lowering labor costs. Layoffs are painful for those employees that must leave a company and for those employees in HR that must contact employees about layoffs. What would help alleviate the situation is if companies adopted a contingent workforce strategy. This strategy would accomplish the goal of cutting cost while avoiding the negative emotions that stem from layoffs.

A contingent labor strategy is a practical means that carries many benefits. Companies are not forced into freezing hiring, budgets, pay, or promotions, according to Dr. Sullivan. Most employees typically dislike seeing their coworkers eliminated during layoffs, no matter how much job security they have. This contingent labor strategy can also prevent the best workers in a company from becoming disenchanted with a company's cost-cutting measures. HR will identify certain positions in a company as contingent. This idea means that when management instructs HR to commence layoffs, contingent workers can be let go without as much hardship. A contingent workforce is a pool of temporary workers, contract workers, and part-time workers. Instead of layoffs, electing to not extend contracts is a choice. Unfortunately, few companies have developed a contingent labor strategy. The greater majority of companies cannot accurately determine the total cost of their part-timers and contractors, despite these workers being a significant component of the workforce. Added benefits of contingent workers include availability during tough times, few benefit requirements, flexibility, extended job evaluation, and maintenance of "strong employment brand". (Sullivan) To effectively implement this strategy, HR should designate that 5% to 25% of staff are contingent, depending on the economic times, according to Dr. Sullivan.

Critique

Dr. John Sullivan presented an idea about a contingent workforce strategy that could be used to assist companies that are experiencing difficult financial times. While Dr. Sullivan presented a theory that could be feasible, he does not present any vivid examples. At which companies has the contingent workforce strategy worked? Where has it not worked? Are there organizations or industries in which such a strategy might be inappropriate? Having a contingent workforce is an interesting idea, but Dr. Sullivan's assessment was rather brief. One omission from the article is the cost of employing a contingent workforce strategy. For instance, in a software company, would it be more cost-effective to maintain a staff of only full-time programmers or to hire several contractors? How critical is it that the programmers possess knowledge of the business processes within a particular company? For organizations with complex systems, the learning curve for contingent staff could be considerable depending on experience and knowledge. It could be costly to bring in contractors to work on critical internal information systems. Dr. Sullivan might have presented a convincing argument had he mentioned niche markets. For staff at a winter ski lodge, the work is seasonal, and a contingent workforce strategy is more appropriate. Another issue that Dr. Sullivan does not mention is that of comparable skill levels among contingent work force. If a company hires contractors frequently, it is likely that both competent and incompetent workers will be hired. How can a company guarantee that the quality of the product or service will be consistent? For project work, it is common for organizations to hire contractors to fulfill particular project requirements. How can project managers effectively plan and budget for workers when they have not been hired? Time and costs estimates can be made by the project manager, but if she is unaware of a potential worker's skill level, variability (and risk) will increase. Dr. Sullivan also does not consider the question of how much time HR should spend searching for contingent workers. Overall, Dr. Sullivan presents an interesting idea, or theory, about contingent workers, but evidence is needed to make it more than a theory.

References

Sullivan, Dr. John. "A Flexible Force." Workforce Management 14 July 2008. 25 Sept. 2008
<<http://www.workforce.com/archive/feature/25/67/20/index.php?ht=>>.

Nice job Paul! Please see the comments I made. I think they will be of help. I am attaching an APA format that I think will help you on future assignments. I pray all is well.
Grade 93