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Manpower Calls for New Zealand Employers to Evolve Talent Strategies in the Post-Recession World

Over half of NZ employers don't view contingent labour as strategic workforce accelerators

3 November 2009 – According to a survey released by Manpower New Zealand today, more than half (60%) of Kiwi employers do not view contingent labour as a strategic part of their workforce, despite the fact that the economy's recovery phase will require employers to use contingent staff when demand begins to increase.

Mr Chris Riley, General Manager, Sales and Marketing at Manpower New Zealand, said that forward-looking companies will use the current environment as an opportunity to practice how to better manage a mixed workforce of permanent and contingent workers.

“What began as a financial and economic crisis has evolved into a workforce crisis – and employers are struggling to adapt to a rapidly changing marketplace and the growing mismatch between needed skill sets and available talent,” said Mr Riley.

“As New Zealand emerges from the recession, employers' natural instincts will be to exercise caution around hiring permanent talent, reaching first for contingent workers to fill the gap – and they should. But, the winners in the post-recovery world will be the companies that leverage contingent workers as workforce accelerators. These employers have mastered the art of managing a flexible mix of permanent and contingent workers to optimise performance, increase speed of execution, build talent capability, keep fixed costs low and do more with less.”

In New Zealand, 61 percent of companies do not expose their contingent workforce to the same induction and assimilation processes as their permanent employees. “To maximise the full potential of the New Zealand's contingent workforce, companies will have to revise their engagement policies to ensure their temporary workers are committed to the company, its business goals and its overall strategy,” says Mr Riley.

Over 20 percent of companies in New Zealand use contingent workers primarily to complete work during peak seasonal periods. But according to Manpower, the contingent workforce can be used more strategically.

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“As we move towards more flexible ways of working to suit lifestyle changes, it is time to start leveraging the contingent workforce strategically to gain access to people with scarce, specialised skill sets, outsource non-core business functions, try out candidates before hiring for full-time positions, and provide longer-term workforce flexibility,” Mr Riley added.

These recommendations and findings come from *the “Rules of Engagement: Harnessing the Potential of The Contingent Workforce,”* white paper and survey released by Manpower today. The paper calls for companies to adopt a more strategic and flexible approach to workforce management in order to reach their goals and better manage risk in the post-recovery world. Key to this approach will be a growing reliance on the four types of non-permanent – or contingent – workers: temporary employees, outsourced workers, contractors and consultants.

Manpower predicts that in order to take full advantage of opportunities in the recovering economy, employers will need to move away from viewing contingent workers as a practical resource to cover maternity leave, meet seasonal demand or keep permanent payrolls in check, and move towards viewing them as a valuable strategic asset. According to Manpower’s research, the most common reason worldwide for employing contingent workers is to meet peak seasonal demand – and nearly one in five employers do this. Only 14% of employers across the globe now turn to contingent employees to derive greater strategic value.

“The upturn is likely to present employers with a whole new set of challenges, which will require a considered, strategic response in terms of talent management. This response will need to be very closely aligned to the wider business strategy, and flexibility will be vital in an unpredictable, growing marketplace,” Mr Riley said.

Visit www.manpower.co.nz for a copy of the white paper.

-ENDS-

Note to editors

Manpower Inc. (NYSE: MAN) surveyed more than 41,000 employers across 35 countries and territories to learn more about the perceived role of contingent workers in workforce strategy among organisations today. To obtain the full Manpower Survey results, click on the following link:
<http://www.manpower.com/ResearchCenter>

For the purpose of this survey, we define “contingent workers” as the non-permanent members of an organisation’s workforce, such as consultants, contractors (generally higher skilled specialty roles), outsourced workers and temporary employees (generally lower skilled general roles).

About Manpower Inc.

Manpower Inc. (NYSE: MAN) is a world leader in the employment services industry; creating and delivering services that enable clients to win in the changing world of work. With over 60 years of experience, the \$22 billion company offers a range of services for the entire employment and business cycle including permanent, temporary and contract recruitment; employee assessment and selection; training; outplacement; outsourcing and consulting. Manpower’s network of 4,100 offices in 82 countries and territories enables the company to meet the needs of 400,000 clients per year, including small and medium size enterprises in all industry sectors, as well as the world’s largest multinational corporations. Manpower focuses on raising productivity through improved quality, efficiency and cost-reduction across the total workforce, enabling clients to concentrate on their core business activities. Manpower Inc. operates under five brands: Manpower, Manpower Professional, Elan, Jefferson Wells and Right Management. Web site is www.manpower.com.