



IS ECONOMIC UNCERTAINTY CREATING A

Rough Ride

for Your Business?

Use the power of staffing to stay on course no matter what lies ahead.

Prepared by the staff
and management of



What's on the Horizon?

Only one thing is certain: No one really knows.

Technically speaking, the U.S. entered a recession back in the second quarter of 2022 after two consecutive quarters of negative GDP. While that's only a textbook definition, it prompted many experts and business leaders to claim we're already there. For others not so sure, it started the wonderment of "what's next?"

And if economic uncertainty is not enough, the Society for Human Resource Management (SHRM) warns that employers will face **additional challenges in 2023 linked to anticipated government changes.** 

Here's What SHRM Says Will Make the Ride Rough:



Wage hikes. State and federal governments will continue to look for ways to regulate employee wages, putting pressure on employers to pay more. Locally, communities like Renton and Tukwila are already jockeying for employees by increasing the minimum wage. Both are looking for wage increases to \$19+ per hour, one of the highest minimum wage rates in the nation.



Higher employer costs. Policy changes from governmental agencies like the Equal Employment Opportunity Commission and the National Labor Relations Board are likely to increase the regulatory costs of being an employer. According to SHRM, we will likely manage more compliance requirements in 2023.



Greater social welfare costs. Washington state has already established itself as a leading proponent of social and mental health-based benefits. The costs of providing mandated Sick and Safe paid leave and Parental Leave have been around for a while now and will continue to increase the costs of being a Washington employer.



On the Other Hand...

The number of employees saying “I quit” doesn’t appear to be subsiding, even with the news of high-profile layoffs. Data from the Bureau of Labor Statistics shows the percentage of employees voluntarily leaving their jobs **rose to 2.7%**  in November of 2022 and has been holding tight at that rate since.

Despite the “quitting,” **BLS places the unemployment rate** going even lower in January to 3.4%, signaling that recruiting will continue to be a significant business  challenge for Northwest employers this year.

With so much volatility, uncertainty, and a **downright strange** labor market, it’s difficult to know how to prepare your business to weather the storm.

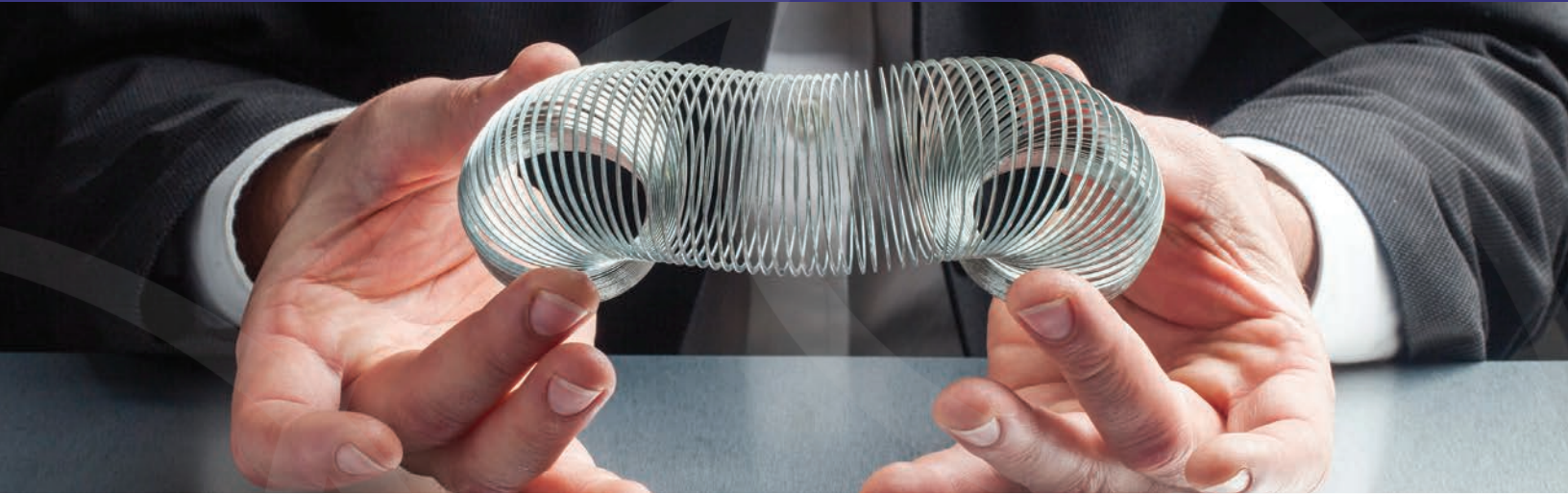


*PACE Staffing Network
Is Here to Help*

On the following pages, our recruiting team details FIVE recommendations for how small to midsize companies can thrive in today’s complex and rapidly changing employment marketplace. We’ll also share a few ideas about how PACE can help you get the best out of the people side of your business in 2023 and beyond!

Recommendation #1

Use Temporary Staffing to Stay Flexible!



Temporary staffing is designed to help companies like yours adapt to a changing environment. Employers can use temporary staff during peak periods to get work done, while avoiding the cost and risk of hiring directly. When the uptick in business goes away, so does the extra staff – with no impact on your fixed expenses.

But wait – there are a lot more benefits for using temporary staffing models:



Access expertise right (and only) when you need it. Temporaries can deliver the experience and skills you need without the high costs of developing those skills on your own. High level temporary staff can train your team, help you start and complete key initiatives, and then move on to other assignments once the job is done.



Save money. While a temporary employee's bill rate is higher than the base pay rate of a core employee in the same role, their **bottom-line cost to your organization is typically lower**. As the employer of record, PACE pays the temporary worker's payroll taxes, unemployment insurance, benefits, hiring, and management costs. When all those costs get factored in, core employees often cost more per hour.



Reduce stress and burnout. Keep core employees engaged and working at their peak by ensuring they have the support they need – even if you're not hiring. Temporary staff can take the stress off existing employees who already have a full plate of responsibilities and simply can't deal with "one more thing to do".

We predict that the need to turn fixed costs into variable costs, and avoid new long-term commitments, will make temporary staffing an attractive staffing option for employers in 2023. **PACE can help you get the best out of these flexible staffing models!**

Recommendation #2

Save Recruiting \$\$\$\$ With Temp-to-Hire Staffing



The temp-to-hire staffing model allows you to assess a temporary employee's job performance and "fit" on the job before extending an offer for employment. It's flexibility at its best!

The temp-to-hire recruiting model also significantly reduces your costs per hire:



Offload recruiting costs. As your temp-to-hire recruiting partner, PACE incurs all the costs of finding, vetting, and hiring employees on your behalf. If you can't afford an internal recruiting team, outsourcing all or a part of your recruiting operation to PACE is a smart business decision.



Prevent costly bad hires. Hiring mistakes are extremely expensive. The "working interview" feature of temp-to-hire reduces the likelihood of early hire turnover and, ultimately, your cost per hire.

Make Temp-to-Hire Work for You

Implementing a successful temp-to-hire program takes more than simply tweaking how you do temporary staffing. This article explains how to reap the benefits of temp-to-hire and other flexible staffing models.

While PACE is a full-service recruiting organization, our temp-to-hire service is our most popular staffing model!

Recommendation #3

Adjust Recruiting Profiles to Target Candidates Who Are the "Right Fit"!

The stakes for hiring right are higher than ever. Temporary, temp-to-hire, or direct hire, every member of your workforce has to fit, stay, and perform.

And because jobs are more complex than ever, the candidate who "fits" needs to have a combination of technical, communication, and "people" talents – making the perfect candidate harder than ever to find! Employers can't always find a candidate who checks every box...but they need to check the RIGHT boxes.

We'll help you do that – by adjusting your candidate profile to reflect the specific qualities needed to be successful, prioritizing what's essential – different from what would be a "nice to have".

- What qualities does the employee need from day one to be successful?
- What competencies are non-negotiable?
- In what areas can the "right" employee learn on the job?

Are You Operating in a Remote or Hybrid Work Model?

We've found the rules for success in these environments are different than what was required for an employee doing the same work but in a physical facility. Make sure you ***carefully screen for the candidate who "fits"*** your management style and work environment. 



Recommendation #4

Use What You Know About Gen Z to Build Tomorrow's Workforce



A big part of what contributed to [The Great Resignation](#) was the retirement of baby boomers as the pandemic took hold. And as these boomers left (and continue to leave), employers need to be realistic about the available workforce and what they are looking for in an employer of choice.

Enter Gen Z – that group of employees who will make up more than a third of the workforce by 2030, [according to the BLS.](#) 

It's important to know what this generation values – things like work-life balance, paid time off, flexible work environments, and the possibility for upskilling and career growth. Retooling your organization to cater to these needs will be key to successful hiring programs.

Our POV?

With decidedly different work environments than those offered by larger organizations, small to midsize employers are uniquely equipped to offer Gen Z employees what they need. You must communicate with them in the right way.

PACE can help you find the “Right Fit” Gen Z candidates across various industries and roles, from administrative and customer service to HR, technology, accounting, and more. We make sure our client’s recruiting message resonates with the kind of candidates they need to hire!

Recommendation #5

Top-Grade Your Talent

Uncertainty about the future has already spurred major employers to lay off employees. Locally, we've seen notices of layoffs daily – Microsoft, Google, Amazon, and more!

The result? In many skill disciplines, including administrative, accounting, customer service, and tech, the market is ripe with great talent – individuals with skills and expertise that, although acquired in a larger work environment, can be transferred into your smaller, more intimate work setting.

Now is an ideal time to strategically review your workforce – in some cases, releasing problem employees or underperformers and replacing them with employees who will help you improve your organization's productivity and performance.

Remember, Top Talent Won't Be in the Market for Long

Capitalize on this window of opportunity by partnering with PACE to help you comb the new marketplace for the candidates you need to kick start your success. ***You can't be in the candidate marketplace full time, but we can,*** able to identify candidates with transferable skills to your work environment. We'll bring them to you first!



Let's Review...



Here's how PACE can help you navigate the uncertainties of 2023:

- ✓ Access skilled temporary employees to keep your organization agile while saving money.
- ✓ Use a temp-to-hire recruiting model to evaluate an employee before extending a permanent offer, eliminate your in-house recruiting costs, and avoid the cost of a bad hire.
- ✓ Retool your candidate profiles to optimize your hiring success.
- ✓ Tap the Gen Z talent pool to build a stronger, more resilient workforce.
- ✓ Top-grade your workforce with the new candidates who will hit the marketplace in 2023.
- ✓ Get priority access to candidates with skills directly transferable to your organization (we'll be sure you see them first!).

Why Choose PACE?

As one of the Puget Sound's premier staffing and recruiting agencies, PACE has been helping small- to medium-size Northwest employers find and hire the "just right" employees for over 45 years. Whether you need an employee to hire direct or for an interim work assignment, PACE takes the time to ensure the candidates we refer will make a difference to your business.

We've provided our clients with solutions that work in all kinds of economic environments, using the power of staffing to help them adjust to whatever lies ahead!

We can do the same for you!



Check Out These Comments ...

... From PACE Clients Who Have Ranked Us in the Top 2% of Recruiting Organizations Nationwide!

“ People at PACE care. They want to be a business partner not just a vendor. They think about their placements and the fit, they care about the success of my business – not just theirs. PACE is a total JOY to work with. ”

“ They sourced an excellent candidate for our temporary needs based on our criteria. Then they followed up on the placement to make sure all was going well – several times. They are very clearly concerned for the happiness of their clients and temp staff. The best thing to this placement is that we found an excellent employee and hired as full time. ”

“ All the people I worked with at PACE were very helpful. Even on weekends I got updates on my needs. My recruiter was very supportive and helpful throughout the hiring process. ”

— ClearlyRated Customer Satisfaction Surveys 2017 – 2022.



The **PACE** *Staffing Network*

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Service Options

Temporary Staffing
Temp-to-Hire Staffing
Direct Hire
Contract Staffing
Employer of Record/Payrolling
And More

Roles We Fill

Customer Service
Healthcare Administration
Human Resources
Sales and Marketing
Administrative
Accounting and Finance



*Local. Trusted. Committed
to Making a Difference*

