

In times of turmoil, business partnerships are crucial to support stable employment



Many South African businesses have been struggling since the initial Covid-19 lockdown in March 2020. While the economy has seen slight improvements from last year, conditions remain uncertain and unstable. Many businesses are struggling to balance the need to stay afloat with the desire not to retrench any further staff. Involving a trusted Temporary Employment Services (TES) provider can help businesses weather the storm through flexible staffing that meets both operational and budgetary requirements, while unlocking hidden business value.

Business interrupted

The latest statistics show that 997 business have liquidated from the start of the year to present, while around 2 000 closed in 2020 alone. This highlights the devastating impact that Covid-19 has had on businesses. The reality is that many organisations are struggling, and it no longer makes sense to maintain a full complement of permanent employees. Not only is it unsustainable when the future is uncertain, but the prospect of potential retrenchments is damaging to employee morale.

TES providers can help businesses to harness a more flexible model of employment by providing staff on demand, which adds an element of stability during these challenging economic times. They can also help businesses to achieve additional value, while providing employment continuity for the employees they place at various businesses.

Enhanced business benefits

A TES provider ensures greater agility in terms of the workforce, so businesses can scale up and down as required to meet their current needs as well as allowing them to adapt quickly to changing needs in the

future. Costs are more flexible, as businesses will only pay for staff they need, and when they need them, rather than having a large fixed cost associated with employment. This helps to reduce risk.

A trusted TES partner helps businesses to take advantage of preferential procurement. The Broad-Based Black Economic Empowerment (B-BBEE) status of the TES allows clients to take advantage of preferential procurement points for their scorecard. This is a quick and cost-effective way of improving a business' BEE scorecard, while also ensuring that skills development takes place and is relevant, since this is provided by the TES partner.

The right partner is crucial

Skills development is a key factor, so it is important to choose a reputable TES provider that offers the right level of skills development to boost the business' BEE scorecard. In terms of reducing liability and mitigating risk, a TES provider can assist businesses by indemnifying them in relation to relevant labour legislation, since the TES provider is ultimately the employer.

However, a credible partner is key here, since not all TES providers are able to offer this to the same degree. In the same vein, a financially-stable TES company will be able to offer an element of cash preservation, enabling businesses to take advantage of a 30-day account rather than having to do weekly runs for wages.

Not all TES providers have the same compliance certifications and can offer the same level of indemnification and liability reduction. If the TES is not compliant themselves, this could expose businesses to even greater risk and liability, which could be their downfall in these turbulent times. The right TES partner provides stability, and can deliver significant business value, which could be an important competitive edge.