

# Labour outsourcing: a necessity in South Africa

According to the Industrial Action Report, South Africa experiences an average of 85 strikes per annum. The research shows that ±335,000 workers are responsible for 5.2 million working days lost per year.



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It is usually the mining, transport, and agriculture sectors that are hit hardest by industrial action.

While it makes sense for companies to focus on their core business and outsource their staffing requirements, many remain cynical. As outsourcing is still a new concept in SA, labour broking and its ills are legendary.

## Difference between outsourcing and labour broking

Outsourcing is a vastly different business model to labour broking. One of the key differences between the two is the type of employment contract workers must sign. Employees appointed by labour brokers are temporary workers assigned to a client for a limited time frame. The employee enjoys no benefits and when the contract expires, so does his employment.

Outsourced employees remain on their company's staff roll, and enjoy permanent employee benefits. Irrespective of the duration of the outsourced client's contract, employees keep their jobs. If the contract expires, the outsource company will redeploy the employee to a new client.

Innovative Staffing Solutions MD, Arnoux Maré, says many companies outsource certain non-core services such as truck drivers, hospitality staff, cleaners, farm workers, etc.

## "Client can focus on growing their core business"

"By outsourcing their staff to an organisation that understands human resources and its related legalities, the client can focus on growing their core business."

Yet, some might argue that outsourcing results in the loss of control over certain business processes but the converse is true.

"Back office operations do not generate money for the business but take up an inordinate amount of time. It, therefore, makes sense to outsource non-essential functions such as driving, cleaning, administration and accounting. This allows clients to play a more strategic role in their business by concentrating on operations. It is impossible for a business owner to work in the business and on the business. Outsourcing allows them to focus on growth, rather than staffing issues and activities."

One of the unpleasant realities of business is having to let go of employees who are under-performing or do not fit the corporate culture. Outsourcing takes care of this. If staff don't fit in for some reason, an outsourcing company can replace them and move them onto another contract, with a better fit. The client is thus free of guilt and does not need to deal with the associated human resource issues. Or, the outsourcing company can follow its own disciplinary code and resolve the matter internally. This eliminates all risk involved for the client such as CCMA hearings or potential labour unrest.



### Three factors that decrease staff turnover, boost retention

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To ensure optimal client satisfaction, good outsourcing companies recruit the best talent in their respective fields, which results in repeat or increased business.

"We have stringent processes to check the credentials of all our staff. They are further provided with ongoing mentorship and training programmes to ensure they are business-ready. By developing and upskilling staff, we provide clients with the best possible service and operational solution for their specific business," concludes Maré.

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