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GLOSSARY OF TERMS

CONTINGENT WORKFORCE LANGUAGE

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One of the major challenges an organization will face when building its contingent workforce program is understanding the language used within this workforce solutions ecosystem. Procom has curated a list of common terms, as defined by Staffing Industry Analysts, to help alleviate this issue.

TERM	DEFINITION	ALSO KNOWN AS
Administrative fee	The additional fee charged to a client by an MSP for administering the contingent worker program. This fee is usually expressed as a per cent of bill rate.	
Agency	A shorthand term applying to any staffing firm providing temporary or direct hire services.	
Agent of Record	A term used to describe a service whereby the agency acts as a third-party intermediary between a client and its contingent workforce - administering the back-office functions related to engaging contingent workers, including payroll and compliance.	
Applicant Tracking System (ATS)	An Applicant Tracking System is a software application that staffing agencies and internal HR departments use that enables the electronic handling of recruitment needs.	
Approved supplier list	A Contingent Workforce Sourcing Model in which the provision of a contingent workforce, in whole or in part, is exclusively granted to a limited number of staffing providers, at specified conditions.	
Bill rate	The amount the client partner of a staffing agency is expected to pay the agency that includes the pay, statutory expenses, benefits and agency markup.	
Blended workforce	Blended workforce refers to the use of full-time employees and contingent workers to meet the strategic and workforce needs of the organization.	
Business Process Outsourcing (BPO)	Business process outsourcing (BPO) is the practice of outsourcing specific work processes to an external service provider.	
Candidate	A job applicant who has been pre-qualified for a contingent engagement or a full time position.	
Co-employment	Legally referred to as a "Joint Employer" relationship, co-employment describes the relationship among two or more organizations that exert some level of control over a contingent worker.	

TERM	DEFINITION	ALSO KNOWN AS
Co-employment risk	The specific legal and financial risk to employers arising from co-employment. These risks typically include contingent worker pay, benefits or unemployment claims; discrimination claims; harassment claims; and, within the United States, workers compensation claims.	
Contingent worker	Defined outsourced, non-permanent workers who are hired on a per-project basis. These worker types can work on site or remotely.	- Agency Contractor - Contractor - Independent Contractor (IC) - Freelancer - Gig Worker - Temporary Worker - Temporary Talent - Pre-identified Contractor - Consultant
Contingent Workforce Management (CWM)	The strategic approach to managing an organization's contingent workforce in order to reduce the organization's cost, increase efficiencies and mitigate risk.	
Contingent Workforce program	The way an organization organizes its need for and use of contingent workers.	
Contractor payrolling	The process by which an organization manages engagements for contingent workers that the organization has itself sourced directly.	- Payrolls - Directly Sourced Contractors - Contract Administration - Flow Throughs
Direct hire	Talent services provided by a staffing agency whereby the agency helps a client organization obtain a full-time employee to work on their payroll as opposed to a temporary staffing relationship where the worker is typically on staffing firm's payroll. In a direct hire arrangement, the staffing agency is only paid a fee if a placement is made, as opposed to a retained search arrangement.	
Direct sourcing	Direct sourcing happens when an organizations recruits it own workforce directly rather than engaging the services of a third party vendor like a Managed Services Provider (MSP) or a staffing agency. Direct sourcing allows the organization to establish its own talent pool and control its employer brand.	- Self Sourced - Pass Through - Pre-identified - Payroll

TERM	DEFINITION	ALSO KNOWN AS
Employer of Record	An organization that serves as an employer for tax purposes while a worker performs work for another company. An Employer of Record handles all HR functions, including payroll, tax deposits and filing; and employment contracts and paperwork. An Employer of Record also administers benefits, terminates employment or contracts and may perform background checks.	
Fixed rates	Uniform, fixed candidate staffing agency bill rates are pre-determined for each job title.	
Fixed-term contract	A contract that will terminate at a future date when a specific 'term' expires – e.g. the completion of a project or task or when a specified date is reached.	
H-1B Visa	A visa classification that allows a foreign worker to enter the U.S. temporarily for the purpose of performing services in a “specialty occupation” for a U.S. employer.	
Human Capital Management (HCM)	A set of practices that are focused on the organizational need to provide specific workforce competencies and are implemented in three categories: workforce acquisition, workforce management and workforce optimization.	
Human cloud	The human cloud is an emerging set of online/digital labor marketplaces where talent and organizations looking to hire talent can find and engage one another in a work arrangement.	
Independent Contractor or 1099 worker	A self-employed individual performing services for a company under a contract for services. The individual may provide their services as a self-employed person (1099 in the US) or through the intermediary of a single-person corporate entity.	
IRS 3 Factor test	A simplified test of contingent worker status that replaces the previous IRS Twenty Factor test. The test considers behavior control, financial control and relationship of the parties.	
ISO certification	An ISO standard is a document that provides requirements, specifications, guidelines or characteristics that can be used consistently to ensure that materials, products, processes and services are fit for their purpose.	

TERM	DEFINITION	ALSO KNOWN AS
Job boards	Internet-based talent acquisition technologies that aggregate either local, national or international job offerings.	
Job order	An official request to a staffing firm to refer applicants for a specific position. A job order is the specific set of requirements set forth by an employer for an actual position.	
Joint employment	A US legal term where two employers exercise significant and simultaneous control over the same employee. For example, when a staffing agency exercises control over personnel matters while the client organization exercises supervisory and workplace control.	
Managed Services Provider (MSP)	An MSP is an outsourced contingent workforce management solution that will manage the entire talent life cycle of contingent workers from acquisition to payment. A Managed Services Provider (MSP) will incorporate a Vendor Management System (VMS) that will provide companies with complete visibility into the status of each contingent or SOW worker in the organization.	- Managed Services Program - Managed Service Program
Master Service Agreement (MSA)	A contract reached between parties, in which the parties agree to most of the terms that will govern future transactions or future agreements.	
Master Supplier	A staffing supplier that takes overall responsibility for providing clients with contingent workers. In a master supplier relationship, all orders will typically go first to the master supplier to either be filled or distributed to secondary suppliers.	Master Vendor
Max bill rates	Staffing agency bill rates that are capped at a maximum level by job title, agency, or geography.	
Offboarding	The process of ending the working engagement with a full time employee or a contingent worker at the close of an assignment. This process may include final compensation, equipment return, and an exit interview among other steps.	

TERM	DEFINITION	ALSO KNOWN AS
Onboarding	The process of bringing a full time employee or contingent worker into a position with a goal of providing all necessary tools to be productive as soon as possible.	
Open bill rates	Staffing agency bill rates that are open and determined per assignment.	
Pay rate	Direct compensation paid by the staffing agency employer to its contingent worker.	
Payrolling	Payrolling is the process by which an organization manages engagements for contingent workers that the organization has itself sourced directly.	- Payrolls - Directly Sourced Contractors - Contract Administration - Flow Throughs
Permanant placement	The bringing together of a job seeker and a prospective employer for the purpose of effecting a traditional employment relationship.	
Placement	A traditional direct employment relationship, usually used to describe a successful referral by a staffing agency.	
Placement fee	The fee due to a staffig agency when a referred candidate is hired by a client organization.	
Quarterly Business Review (QBR)	Conducted on a quarterly basis with strategic vendor partners and or MSPs, to review the contingent program ongoing business plans and program objectives.	
Recruitment Process Outsourcing (RPO)	RPO is a business strategy whereby an organization transfers all or part of its recruitment efforts to an external vendor. A trusted RPO partner will take ownership of the recruitment program design and execution of the recruitment process.	
Request for Proposal	An invitation for suppliers to bid on a specific product or service.	

TERM	DEFINITION	ALSO KNOWN AS
Requisition	A formal request from a client to recruit candidate(s) for a particular job or number of jobs.	Req
Service Level Agreement (SLA)	A document describing the minimum levels of service quality a vendor must comply with.	
Services procurement	The provision of complicated services categories, which are usually executed under a discrete contract per engagement such as Statement of Work (SOW), Management/Project Consulting and Outsourced Services.	Workforce Services Procurement
Statement of Work (SOW)	A document outlining the work products and services, including the work activities and deliverables to be supplied under a contract or as part of a project timeline. SOW agreements are typically billed based on a fixed price deliverable or reaching milestones.	
Total Talent Management (TTM)	An emerging workforce strategy that gives employers the ability to make better data-driven decisions about which type of resource is most appropriate for their business needs. A Total Workforce Management System integrates both an organization's full-time and contingent workforce, breaking the traditional barriers between permanent and non-permanent workers.	Total Workforce Management
Vendor Management System (VMS)	A software application, typically cloud-based, that helps to facilitate the process of contingent worker procurement and contingent workforce management. A VMS will automate and streamline the sourcing, engaging, managing and payrolling of contingent workers.	
Vendor management	A comprehensive approach to managing an organization's interactions with the vendors that supply the goods and services it uses.	Supplier Management
Vendor neutral	A state in which no one vendor can control the definition, revision or distribution of a specification. Vendor-neutral specifications encourage the development of competing yet compatible implementations.	

TERM	DEFINITION	ALSO KNOWN AS
W-2 workers	Workers in the U.S. who are paid hourly on a regular basis and work with a staffing agency that handles their payroll.	