



American Staffing Association

VIA ELECTRONIC AND REGULAR MAIL

May 21, 2012

Mr. Lee Webster
Director, HR Standards
HR Standards Secretariat
Society for Human Resource Management (SHRM)
1800 Duke Street
Alexandria, Virginia 22314

RE: SHRM Proposed Guidelines for Reporting Human Capital Metrics to Investors
("Guidelines")

Dear Mr. Webster:

The American Staffing Association ("ASA") is the national trade association for the U.S. staffing industry. ASA members account for 85% of the \$110 billion U.S. staffing industry market, operating more than 14,000 offices throughout the nation. Approximately three million Americans go to work for U.S. staffing companies every business day—about 13 million annually—in virtually every job category, including industrial labor, office support, health care, information technology, and professional and managerial positions. In addition to temporary and contract staffing, ASA members provide a wide range of employment services and solutions, including recruiting and permanent placement; outplacement and outsourcing; training; and human resource consulting.

ASA shares the general substantive concerns regarding the Guidelines cogently expressed by the HR Policy Association in its correspondence to you dated May 18, 2012. In addition, we are concerned that the Guidelines would require companies to disclose certain "human capital metrics" regarding companies' use of and reliance on contingent workers as well as their overall staffing strategies. Although the stated purpose of such disclosure is to enhance investor information, in reality such disclosure would (i) result in reducing companies' work force flexibility to adjust their work forces as demand conditions change and limit their access to talent as they seek to hone their competitive edge; (ii) compel such companies to disclose proprietary staffing practices, trade secrets, and confidential information that, at best, would be misleading to investors; and (iii) increase such companies' already enormous information tracking and reporting burdens.

We therefore urge SHRM to withdraw the Guidelines in their entirety.

The Guidelines Would Result in Less Work Force Flexibility for U.S. Businesses

Labor market flexibility is widely recognized by economists as a key factor in innovation, growth of new technologies, and job creation. Staffing firms play a vital role in providing that flexibility to businesses. Businesses use temporary and contract labor primarily because it allows them to adjust the supply of workers quickly and at a predictable cost. They use temporary and contract labor to:

- Fill in for absent employees or to fill a vacancy temporarily
- Provide extra support during busy times or seasons
- Staff special short-term projects

Additionally, businesses view temporary and contract workers as a good source of talent for permanent employees.

The Guidelines, however, would artificially constrain businesses' labor flexibility. Public disclosure of businesses' contingent labor expenditures without a full and complete explanation about the strategic rationale for those expenditures would invariably result in pressure to reduce such spending whether or not justified by business necessity or other compelling reasons. Companies would lose the flexibility and other benefits attendant to using temporary and contract labor, and temporary and contract workers could lose jobs.

Given the still fragile state of the country's economic recovery, any proposed metric that would constrain businesses' ability to quickly and efficiently adjust their work forces in response to changes in market demand should be rejected.

The Guidelines Would Needlessly Compel Businesses to Disclose Proprietary Staffing Practices, Trade Secrets, and Confidential Information, and Would be Misleading

Staffing expenditures constitute confidential information that, if disclosed to the public, could put companies at a disadvantage with respect to their competitors. Moreover, simply indicating the costs of contingent labor in a vacuum would be misleading. For example, more or less- or increasing or decreasing- contingent labor costs could signal a company's strategy or its future performance. Perhaps the company is tapping specialized talent to develop a new product or service, or it's embarking on a new venture, or its shifting its work force from one line of business to another. Companies' staffing needs vary according to their size, geographic location, revenue, and products sold or services rendered, among other factors; it would be a fruitless effort to attempt to develop benchmarks against which companies' contingent labor expenditures could be compared. Scrutiny of contingent labor expenditures without context would be pointless at best and potentially harmful to companies and workers alike.

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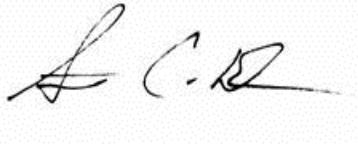
The Guidelines Would Increase Businesses' Enormous Tracking and Recordkeeping Burdens

Public and private companies already have a tremendous legal burden to track and retain company information. From a human resources standpoint alone, companies must retain resumes; employment applications; tax information and forms; Forms I-9, W-2, W-4, and EEO-1; payroll information; contracts and collective bargaining information; personnel records; medical-related information; documents pertaining to training, promotions, demotions, layoffs, and all other personnel actions; and the list goes on. Requiring them to devote even more resources to track and disclose contingent labor expenditures, as well as all other information set forth in the Guidelines; would only serve to needlessly interfere with their ability to conduct business.

For all of the foregoing reasons, as well as those set forth in detail in the HR Policy Association's May 18 correspondence, we urge SHRM to withdraw the Guidelines in their entirety.

Thank you for your consideration.

Very truly yours,

A handwritten signature in black ink, appearing to read "S. C. Dwyer", is written over a light gray dotted rectangular background.

Stephen C. Dwyer
General Counsel