

Kelly services essay



Founded by William R. Kelly in 1946, Kelly Services has provided workforce solutions to customers in a variety of industries throughout its history.

Kelly's range of workforce solutions and geographic coverage has grown steadily over the years to match the needs of our customers. Kelly's traditional expertise began with office services, call center, light industrial, and electronic assembly staffing. Today, Kelly also offers a comprehensive array of outsourcing and consulting services for its customers, including recruitment, human resource management, vendor management, and outplacement services on a global basis. Kelly has evolved from a United States-focused company concentrating primarily on traditional office services into a global workforce solutions leader with a breadth of specialty businesses. Kelly assigns professional and technical employees in the fields of finance and accounting, education, engineering, information technology, law, science, and healthcare. Kelly is the world's largest scientific staffing provider and it ranks among the leaders in IT, engineering, and financial staffing.

Awards and Recognition Kelly Services has been recognized for its quality processes, management practices, supplier diversity, and community involvement with the awarding of Intel Corporation's Certified Supplier Quality Award, Johnson & Johnson's Supplier Diversity Partnership Award, Sara Lee Corporation's Outstanding Service and Support Award, American Red Cross/Southeast Michigan Corporate Citizen Award, Michigan Minority Business Development Council's "Corporation of the Year", Fortune Magazine's "Most Admired Companies" list, and Workforce Magazine's "80 People, Events & Trends that Shaped HR". <http://www.kellyservices.com>

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com/Global/About- Us/Company_Background/ CompanyHistory: Kelly Services, Inc.

s one of the oldest and largest staffing support companies in the United States. It serves numerous markets, providing temporary employees with general office skills; experience in accounting, engineering, and information technology; and the ability to work in many manufacturing and distribution positions. In addition, Kelly Assisted Living Services provides in-home care for people physically unable to live on their own. Kelly Scientific Resources supplies professionals experienced in biology, chemistry, geology, biochemistry, and physics, and the Wallace Law Registry provides paralegals and lawyers for temporary or long-term assignments.

Early History Kelly Services was founded in 1946 by William Russell Kelly. After dropping out of the University of Pittsburgh, Kelly worked as a car salesman before being called to serve in the U. S. Army. As a fiscal management analyst for the Army's Quartermaster Market Center during World War II, Kelly became acquainted with office procedures the end of the war, Kelly set up Russell Kelly Office Services, Inc.

, a general office services bureau in Detroit, Michigan. At first he took in typing, copying, and inventory calculating work from other firms and performed the duties in his own office, using his machines and employees. Eventually, however, Russell Kelly began sending employees and machines to his clients' offices to work onsite. At a certain point, his clients began to acquire their own office machines, and it was no longer necessary for Kelly to

provide equipment. As he later told the New York Times, though, clients “ were impressed by the way my girls had been trained.

It just seemed to be a natural development to send out the girls and forget about the machines. ” With this innovation, an industry was born. In 1947, the first full year of operation for Kelly, his company racked up \$92, 000 in sales, and Kelly asked his brother Richard to assist im. In 1952 the rapidly growing Russell Kelly Office Services was reincorporated in Delaware as Personnel Service, Inc.

, and three years later, Richard Kelly opened the company’s first branch office in Louisville, Kentucky. By the end of 1955 Kelly boasted 35 offices in cities across the nation, and the company opened a new, larger national headquarters in Highland Park, Michigan. Two years later, to reflect the all-female composition of Kelly’s work force, the company changed its name to Kelly Girl Service, Inc. By 1961 the company had \$19. 4 million in sales, and in 1962, revenues topped \$25 million. Kelly went public that year with an offering of 100, 000 shares, of which Russell Kelly retained two-thirds.

The company had expanded to include 148 wholly owned and operated offices across the country, with other Kelly brothers pioneering operations in Florida and New York. Kelly also began to expand away from its earlier, exclusive emphasis on office work, adding a marketing division to provide employees for a wider variety of tasks, such as demonstrating new products door-to-door or acting as hostesses at conventions. Demand Rises in the 1960s Business owners began to realize that temporary employees fit their business cycles, ince they were available to work during peak periods of

business activity. As a result, the demand for temporary employees grew rapidly. Kelly's biggest problem became not placing its employees, but finding them.

To recruit new Kelly Girls, the company ran newspaper advertisements appealing to “bored or needy housewives,” according to the New York Times. Women who responded to the ads were brought together in conference rooms in suburban hotels for a sales pitch, augmented by an inspirational film urging the women to Join Kelly Girl Service, “the next time you get fed up with the household routine. Most of the women who responded favorably to this approach and joined up, the company reported, had worked briefly before quitting to marry and have children. A survey of Midwestern Kelly offices in the early 1960s yielded a profile of the average Kelly girl as a 37-year-old who had been born in a city, graduated from high school, worked in an office for 7.

8 years, and then married and had two children. For those who were not yet married, Russell Kelly suggested to the New York Times in pre-politically correct 1963, that the company provided an added benefit: “Instead of working in an office where all the men are married, they have the chance to ‘case the field’ and work in as many offices as they wish in order to expose their charms to potential husbands. The company's reliance on homemakers led to seasonal shifts in the workforce, particularly during the employees in early June, before the “co-eds” arrived home from college, and in the late summer, after they left on vacation and before the mothers returned. To supplement the housewife corps, one Kelly branch office looked even further afield than the suburbs, adding women from England to its roster of

employees. In 1963 Kelly's New York office reported that 80 British women were employed there, up from 35 the year before. In addition, the company implemented a work-travel plan for foreigners, which allowed them to see the country by transferring from city to city, earning money as they moved.

By 1964 the company had expanded its operation to include 169 offices in 44 states. Though the bulk of these offices were licensee operations, the company made it a point to retain direct control in larger cities, such as New York, Chicago, Los Angeles, and Philadelphia, and it moved to reacquire direct ownership of some eastern licensee offices. Sales during the year increased by more than 20 percent, and the company predicted year-end revenues of \$37.5 million.

Also in 1964 Kelly expanded its scope of services further, adding a light industrial division to provide blue-collar employees to industrial firms and a technical services division to offer temporary drafting and data processing help to architects, engineers, and researchers. Among the services already offered by Kelly were manual accounting, electronic punch-card accounting, key punching, and mailing. By providing more highly skilled employees, Kelly Girl Service looked to increase its fees. In keeping with this goal, a survey in early 1965 indicated that more than one-third of Kelly's temporary employees had a college degree. By 1966 the company had added engineers to its pool of available labor, as the demand for these employees grew rapidly in the industrial build-up during the Vietnam War. To reflect the broader scope of the company's offerings, Kelly Girl Service changed its corporate name to Kelly Services, Inc.

n 1966, relegating the reference to “ girls” to its office services sector, which became known as the Kelly Girl Division. In 1968 Kelly opened its first office outside the United States, when it began operations in Toronto, Canada. The following year, the company moved to yet another larger headquarters building in Southfield, Michigan. Seeing its sales depressed by a brief recession at the onset of the 1970s, the company implemented cost-control measures to offset the impact of the slow-down in the economy.

Because Kelly’s customers were caught with unnecessarily large staffs when activity in the economy dropped, the demand for temporary employees decreased sharply in 1970 and 1971. Expansion Continued in the 1970s Sales and revenues began to recover in 1972, however, as the economy on the whole picked up and acceptance of temporary workers increased. In October of that year, Kelly opened its first European office, in Paris. This was followed in 1973 by the establishment of a London office. Kelly’s sales passed the landmark \$100 million level in 1973, and the company continued to expand with new offices, including a second outlet in Paris, which opened in early 1974.

For the rest of that year, Kelly was again beset by a general economic downturn, as the U. S. economy suffered the effects of the Middle East oil embargo. Since employers had pared their staffs significantly after past slowdowns, however, the impact on demand for temporary help was lessened somewhat. Kelly still managed to notch records in sales and curtailing company growth more sharply and resulting in a decrease in sales and earnings for the year.

The company responded by consolidating several offices, cutting back on promotional expenses, and postponing work on special projects. By the final quarter of 1975, however, the pace had begun to quicken, and Kelly rebounded to report record revenues of \$150 million in 1976. In May of that year, the company followed up on a pilot project it had conducted in several cities when it purchased a small healthcare services firm and launched a new division, Kelly Home Care, whose name would soon be changed to Kelly Health Care. With the aging of the American population and the increasing demand for healthcare services, Kelly looked forward to strong growth in this sector of the market, and indeed, it opened 20 healthcare offices during the division's first year in operation. In 1977 Kelly again reported record growth, as its sales nearly doubled in just two years.

This strong performance came about as the American work force was entering a period of change that would eventually benefit the temporary industry enormously. Companies began to realize that the actual cost of hiring an employee was much higher than the mere cost of his or her salary. When items like recruitment and training, administrative overhead associated with payroll, fringe benefits such as health insurance and vacations, Social Security payments, pension plan contributions, taxes, and other expenses were taken into consideration, an employee's actual cost could reach 150 percent of her wages. To keep personnel expenditures down, companies began to reduce their permanent staffs, relying more heavily on temporary employees to fill in only when there was a genuine need for extra help.

This structural shift toward leaner staffs in all sectors of the economy resulted in a bonanza for the temporary employment industry and helped to

fuel dramatic growth throughout the decades of the 1970s and 1980s. In 1978 Kelly revenues topped a quarter of a billion dollars for the first time, and the company moved into a new high-rise world headquarters in Troy, Michigan. Also that year the company implemented service descriptions, a profile of the skills and background required to fulfill the duties of a given job, to help it better match temporary employees to a customer's needs. Kelly topped Offa decade of remarkable growth during 1979, when its sales grew by \$90 million, an amount greater than its total sales in 1970. With the addition of branch offices in Vermont and South Dakota, the company planted its flag in all 50 states.

Kelly also prepared for the gradual technological transformation of the American office that took place in the late 1970s and early 1980s, when the typewriter was being replaced by the word-processing computer. It would no longer be sufficient to simply test a potential secretary's typing speed. Rather, temps would now be required to make use of one or more of a variety of word-processing programs and packages. As a first step toward the extensive education and skills testing that would become necessary in the computer age, Kelly formed a professional training department and developed video training facilities in 1979. This grew into Guided Discovery Learning, a multimedia word-processing training program that was implemented in 1981. The program was put in place to aid the company in its "major thrust into the expanding field of word processing," as Russell Kelly put it in that year's annual report.

The expansion mandated by new technology the company closed its Service Bureau Division. Kelly experienced an unaccustomed decline in its revenues

and earnings in 1982, when it suffered the effects of a national recession and a severely decreased demand for temporary help. Sales also shrank for Kelly Health Care, the company's nursing division, as lower demand for temporary medical workers in hospitals and nursing homes offset the growth of the company's home healthcare practice. Most of Kelly's healthcare offices obtained Medicare certification in 1982, qualifying them to provide services paid for by the federal healthcare program for the elderly. Maintaining Quality in the 1980s By 1983 Kelly was once again reporting record gains. With the opening of offices in five new cities, the company's number of branches reached 550.

Also during 1983, Kelly moved to install in all of its Kelly Girl offices a computer simulation program that could be used to test potential temps on word-processing programs produced by Wang, 18M, and Lanier. The company made this large investment in response to the loss of confidence in temporary workers that ensued when secretaries unfamiliar with particular word-processing programs were sent out on jobs to use them and proved unable to do so. As a follow-up to this effort, Kelly unveiled a new advertising campaign in business publications in January 1984, in an attempt to upgrade the image of temporary help. Also in 1984 Kelly expanded its operations to its first new country since the addition of the United Kingdom office in 1973, when it opened a branch in Dublin, Ireland. In addition, the company moved its healthcare division out of the Medicare and Medicaid markets and repositioned its nurses and other personnel as a privately paid service.

Called Kelly Assisted Living Services, Inc. , the program featured nurses who made home visits and aides who handled household chores for elderly or

disabled people who were not seriously ill, allowing them to avoid institutionalization. By 1985 the Kelly network comprised 650 offices worldwide, filling Jobs with 160 different service descriptions. In keeping with the trend toward extensive testing of temporary employees to guarantee their abilities, the company introduced the Kelly Dexterity Indexer System in its light industrial division to electronically examine the broad arm and hand movements, as well as the more precise wrist and finger movements, of its manual laborers. Throughout 1986 the company worked to install Kelly PC-Pro—the next generation of its clerical skills testing program, which covered the 11 leading word-processing packages—in its offices around the world.

The program was introduced to customers in early 1987.