



BY THE NUM BERS

Why firms address
talent gaps using
professional
contractors and the
challenges they face.



All firms experience volatility in talent demand at some point. It arises out of growth, changing processes or external factors. The challenge is how to meet these needs effectively and not just 'get by' through pouring additional work on top of current employees and risking gaps or reduced customer experience.

Hiring professional contractors is a regular tactic to address these needs for organisations of all sizes, however it requires planning and management. Contractors can bring more than a solution to a current need; their previous experience in other environments, can bring new ideas, to many different areas.

Top 5 reasons why organisations say they use contract professionals rather than permanent employees:

1. To acquire an otherwise not available specific or specialist skill for a defined purpose or project.
2. To provide cover for a key role arising from the absence of a permanent employee.
3. To support bottlenecks or periods of added demand.
4. To provide necessary additional resources to a function when permanent headcount approval cannot be secured.
5. To reduce overall costs by having skills on site when needed and cost reduction when it is not.

Top 3 challenges to overcome when using contractors:

Engagement - Though they must hit the ground running, professional contractors usually need to engage in a meaningful way with others to achieve their aims. Yet they do not have established relationships. Some firms see this as a positive, citing objectivity and absence of bias as yielding faster results.

Cost - As contractors carry a premium, the perception is that they are expensive. This is generally as the cost is more transparent, appearing on timesheets as hourly or daily gross rates. However, permanent employees are in fact more expensive when you factor in health insurance, holidays, paid sick leaves, Employer's PSRI, Pension and other benefits.

Loss of intellectual capital at contract end - Contractors are often central to a change (product or process) in an organisation. Firms fear that once a contract is complete, much of the intellectual capital leaves with the contractor. Address this by creating a simple offboarding process map that starts during the contract. Ensure all stakeholders are looped in and appoint a permanent employee to be accountable for its execution. Keep a copy of all meeting notes and project documentation related to the contractor's work in a single password protected file. Keep lines open with the contractor after they leave in case additional information is needed.

Plan all your contractor engagements to maximise value, set joint objectives and conduct regular feedback sessions. Use these to gather additional observations about your firm and processes, borne from the contractor's prior experiences. Maintain a personal touch to these relationships and remind the contractor of the importance of the contribution they are there to make.