

Building a successful contingent workforce

YOUR QUESTIONS ANSWERED

#1 With SOW, what are the typical Client payment structures?

Payment structures for SOW engagements are typically based on either achievement of milestone/deliverable or a schedule (e.g. initial, progress, and final).

When payment structures for SOW engagements are purely time and material based, this is commonly referred to as sham/pseudo contracting (i.e. a contingent worker that has been engaged incorrectly which potentially will have cost and risk implications)

#2 Where is the risk if the person is not a permanent employee of the company and a contractor to them?

Risks of engaging a non-permanent worker into an organisation include co-employment risk, changes to tax structures and legislation, in addition to insurances & other risks. If you review the information we provide [here](#) and our video about risk mitigation [here](#), you'll see where the biggest risks lie.

This [blog](#) post will also provide some good insight.

#3 Could you please differentiate between timesheet contractors and those directly engaged by Companies on a Service Agreement so we understand the difference in conditions and risk please.

A Services Agreement sets out the required services, typically provided by an independent contractor to an organisation (the employer). The agreement outlines the obligations of both sides to the relationship – expected behaviours, duties, requirements. The agreement helps to clarify the responsibilities of both the employer and the contractor, including the parameters of the relationship, should any dispute or uncertainty arise in the course of the contract.

Timesheet contractors are not necessarily mutually exclusive to those working under a Services Agreement. The purpose of the timesheet is to document the days and hours of work performed by the contractor, to verify, amongst other things, the time worked for the purpose of remuneration.



#4

The need to move towards more of a contingent workforce is essential to operate and compete on a global platform. I find that the Australian business environment is still very conservative in their approach to contingent workforce, albeit making some progress in this area. What are we doing as a work community to drive this culture forward so that we can be ahead of the game?

- Employers are becoming increasingly adept at catering to the changing needs of workers who seek non-permanent work status. As we discussed in the webinar, the need for the 'right' worker – be they contract or permanent – that can help the organisation achieve their goals, prevails
- The acceptance of career contracting is on the rise: workers with esoteric knowledge and skills – often skills not required within an organisation on a full-time basis – are being called upon to step in, more and more. This often comes at a premium given the short-term, often highly specialised nature of the work required
- The rise of the gig economy is a real reflection of the shift in community beliefs: organisations of all sizes are tapping into platforms like ODesk, Freelancer and AlrTasker to achieve short-term (and sometimes, big picture) goals. There's increasing confidence in these workers

#5

As the Contingent Workforce continues to grow in its importance and Future of Work research advises that the growth has only just began, how do organisations create a compelling value proposition to ensure that they attract the best contingent talent available?

- They ensure contract workers are professionally managed, are onboarded properly, are integrated into the workplace and have clear parameters for the delivery of their services
- Organisations who approach the hiring, engagement and management of contract workers, with the same rigour and insight as permanent workers, will demonstrated a better value proposition
- Organisations who have clear processes for the payment and management of contract workers: most often, when an organisation engages an external party to manage contract workers, the experience for the worker is superior. In addition, some contractor management providers (like CXC Global) offer additional benefits to contractors (like discounts on travel, healthcare, industry body memberships, tax advice)



#6

How do you engage a business and get them on board with the implementation of a contingent workforce model? The appetite is there but it's a big change project. Tips to get it across the line would be helpful.

- Build a business case: demonstrate what you know about the numbers (costs and contingent worker headcount), highlight any flaws in engagement processes & output, look at the inefficiencies in cost control and risk management
- Gather support from across the business: managers, workers, finance team
- Highlight the current risks and the business benefits: better processes, improved output, cost control, smoother project delivery, higher quality talent, a more efficient workforce, risk mitigation

#7

Has either of the panelists had experience building a contingent workforce from an Alumni network of the organisation?

There's an increasing trend of tapping into organisational alumni to achieve specific business outcomes, including those workers nearing retiring age. With more & more organisations willing to engage contingent workers, there are definite advantages for bringing known talent back into the business, for short term or contract projects. With the right checks & processes in place, alumni are a smart resource to lean upon for speed-to-engage, onboard and importantly, productivity.

#8

When it comes to contingent workforce, who should manage this process? When it comes to Sole Traders, what are the risks in engaging directly?

Who should manage the process?

- In many organisations, there is no natural owner of the contingent workforce
- Typically, organisations who outsource the management of their contingent workers will allocate project oversight responsibility to HR, with Procurement involved in the appointment of the management provider

Sole Traders:

- We have provided a succinct guide to the differences in contractor types, including the advantages & disadvantage of each, right [here](#)
- In addition, you may find [this article](#) helpful