

# Hiring Contractors: A Guide

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The skills you need, for when  
**it matters most.**



## ■ Are you planning on hiring temporary or contract employees?

If 'yes' is the case, then you're definitely not alone: An increasing number of organisations are hiring contractors in order to be more agile and reactive to changeable market conditions.

Many companies have recognised that they need specific talent to start as soon as possible. The best way to secure the right people you require at a quick turnaround? By hiring highly-skilled, agile contractors.

Whether you are trying to **find specific skills** to help formulate a recovery plan, or you are increasing headcount to **help with a surge in demand** for products/services, or even **preparing for upcoming, business critical projects**, companies always need to hire.

In this guide, we are going to give you a whistle-stop tour of how to hire contractors in the current market. Broken down into four key areas - as outlined below - this guide will give you an overview of how to find and hire contracting talent.

- Information about the market and the benefits of hiring contractors
- Working out how much to pay someone in a contract role
- Writing the best contract for your soon-to-join contractor
- How to find and hire the right contracting talent you need





## ■ What is contracting and is a contract workforce the right choice for your business?

Contracting roles are typically positions that are required for a set period of time. As an employer, you may focus on contract recruitment when:

- You require individuals with specific skills for important projects
- You are looking to optimise growth so need expert abilities
- You are seeking an immediate solution where there has been a sudden departure
- You require additional cover for busy periods
- You need cover for maternity leave or absences

Whatever is going on in your industry, there are business-critical processes that must come first, but they may require extra headcount or additional skills that existing employees do not possess. Many hiring organisations are finding that contract professionals are the best way to meet their current needs.

**“Engage with a contractor who has the niche skills and experiences to help your situation.”**

## ■ How hiring a contractor normally works

A contractor is essentially an external business that bills you for their services over a set period of time, according to a fixed project fee or daily/hourly rate.

Most businesses find their contractors through a recruitment or staffing agency. In that instance, the agency will pay the contractor’s wages.

Alongside looking after invoicing and payroll, the agency’s contractor experience team is likely to provide additional support that will help the assignment run smoothly for both you, the *hiring organisation*, and the *contractor*.

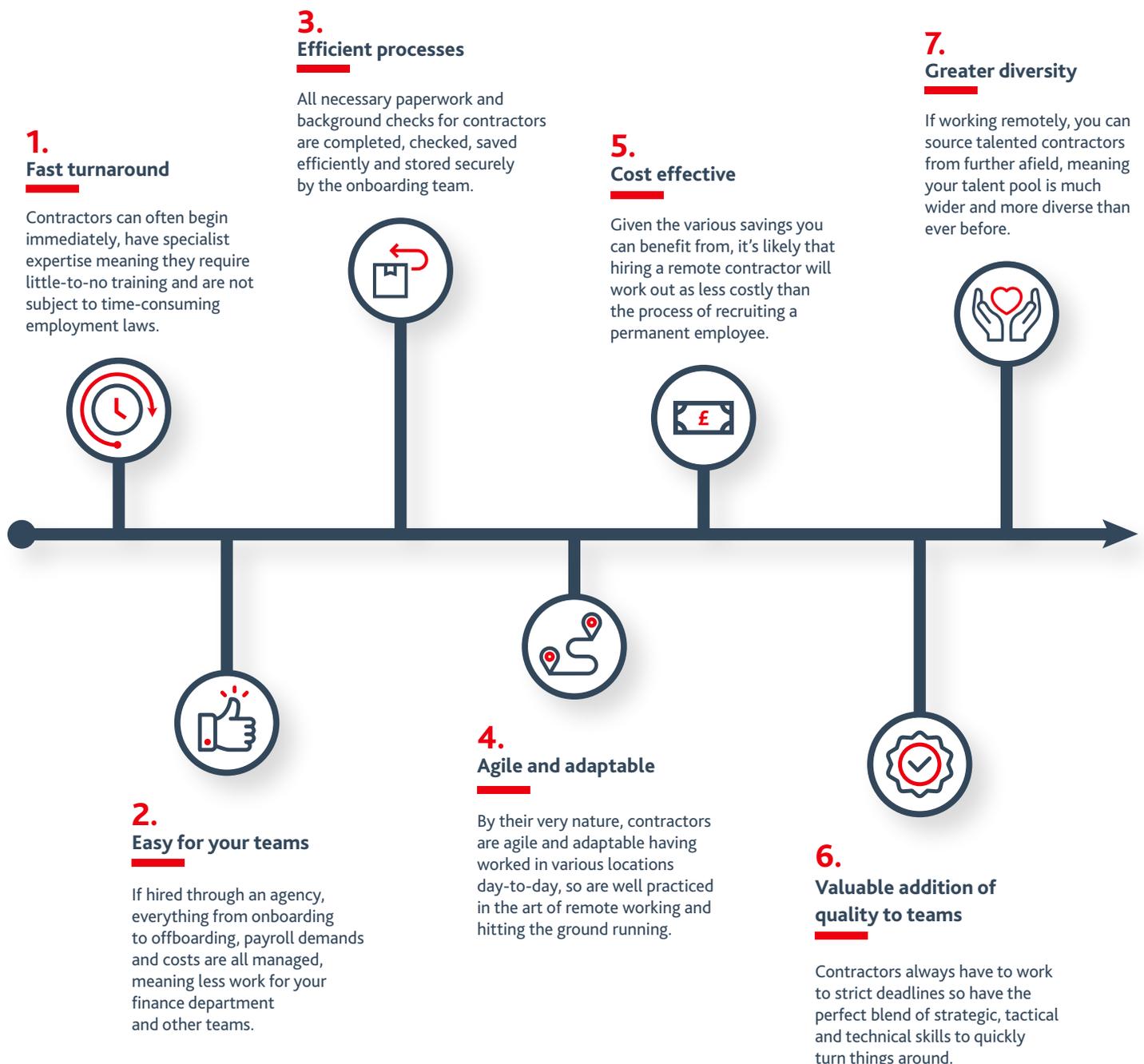
This can include assistance with onboarding (in the office or remotely) and regular check ups to provide progression feedback to both parties.

So the agency handles most of the admin side of it all. **Sounds pretty good, doesn’t it?**



## ■ Are there any clear benefits of hiring contractors?

Businesses should engage with specialist recruiters, so that roles can be filled quickly and by the right person. Beyond being the right decision for meeting your current needs, the benefits of hiring contractors through a contract recruitment agency are vast:





## ■ How to work out your contractor pay rate when hiring

**You've come to a decision on the contractor vs employee debate. The allure of adaptability, niche skills and flexibility swayed you; hiring a contractor is the right move for this specific role.**

Regardless of the reasons why you think contract recruitment is the most suitable way to go, you always want to ensure you hire the best person for the job.

It's well documented that a lot of professionals move into the contracting world in the pursuit of the opportunity to earn more than they would in a similar role on a permanent basis. Therefore, an important aspect of being able to attract the right contracting talent is meeting expectations in terms of pay.

### **So, how can you calculate what you should pay your contractors?**

If done via a recruitment agency, most of the 'after hire' admin work to make sure the individual is paid the right amount - at the right time - will be covered. But you do still need to figure out how much budget you can allocate towards the hiring of each contractor.

**Our interactive Salary Guide Calculator tool reveals salaries for a wide range of professions in various locations around the world, and you can even toggle years of experience to see how that impacts pay expectations.**

**Salary Guide Calculator 2021**

Select the most relevant options from each dropdown to calculate accurate salaries. Watch how the dial moves as you switch between different experience levels.

I want to find out...  
Please select

Country  
Please select

Expertise  
Please select

Sector  
Please select

Sub Sector  
Please select

Job Title  
Please select

**CALCULATE**

Years of Experience  
• Low • Median • High

Choose Experience  
Low Median High

The seniority levels in this salary guide are divided into low, median and high. These are determined by a candidate's experience level, their skillset and the complexity of the role.

Morgan McKinley Salary Guide Calculator tool

This will give you an accurate picture of what the industry benchmark is for the specific role you're hiring.



If you can't find the job title you are looking for, contacting a contract specific recruiter is a great way to get an insight into market rates - *they deal with them everyday, after all.*

“ Always bear in mind that **location, industry, seniority of the position, current demand, length of assignment** and other variables can impact this amount. ”

Perhaps the most important consideration when deciding on how much budget to allocate when hiring your contractor is the length of time that you require their services for - *3 months, half a year or longer?*

Typically, the shorter the project, the more costly it is going to be to get the right contract talent.

## ■ The difference between your contractor's rate and your budget for the hire

The figure you've got to is the pay rate you should advertise the role.

You should also remember to allocate a bit extra into your budget for the hire if you choose to use the services of a staffing agency - there will be a fee for their hard work of finding you the right contractor and then seamlessly integrating them into the assignment.

## ■ The value of the role to your business

It has to be a real balancing act when choosing the right contractor to hire.

At the one end, you can go for a highly experienced, senior professional who will provide direction to other employees on business critical and complex tasks - but you will have to pay for such a privilege.

You may conclude that it's worth the investment for the long-term benefits of the value they will add.

But if you're not so sure you can justify the high cost of a senior contractor, why not look at the other end of the spectrum...

Have you considered hiring multiple less experienced - but still perfectly skilled in their particular area - contractors to spread across the duties instead? You may even find that their abilities and varying experiences complement each other nicely and bring unexpected benefits!



## ■ How to write the best job contract for your contractors

Whatever reason you have for needing to recruit temporary employees and regardless of how you are going to find and attract those professionals, there is one consistency across all hiring organisations.

*You need to write a clear and thorough job contract for your contractors before you start your search and make a job offer to the most suitable job seeker.*

Here's how you can go about it...

## ■ What should be included on a temporary job contract?

An employment contract of any format is required to legally protect the employee, as well as the employer. Alongside this, it will outline what the chosen individual must do in order to do the job effectively and the company's commitments to them as a member of their staff. This is the same for permanent employees and contractors.

When you are hiring someone on a temporary basis - for a specific project or task which has a set deadline - a Contract for Services is required. This is an agreement which outlines the specific details such as **duration, timelines for start and finish dates, milestones** and expectations in terms of **deliverables**, as well as the usual terms of employment.

Here are a few things that should be included in the contract:

- The name of your business
- The contractor's name, address (and business name, if applicable)
- How much and when they will be paid
- Expected working hours
- Any entitlement to annual leave
- Notice period details
- How they can raise issues



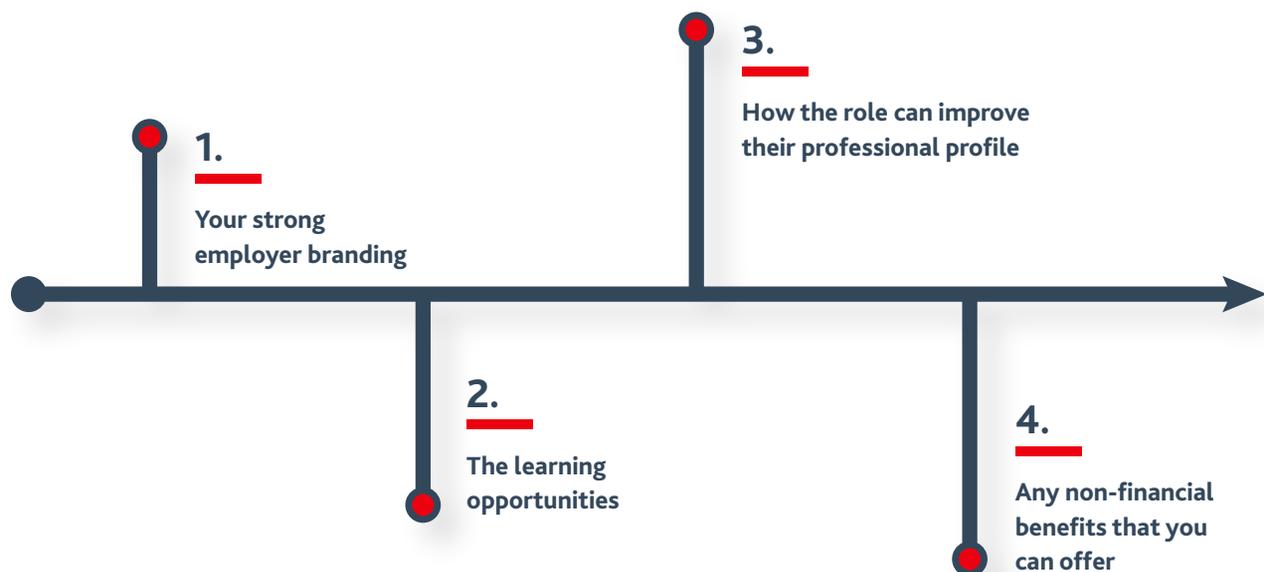


## ■ Remuneration and benefits for your contractors

It's important to remember that one of the best ways to attract top performing contract talent is by offering a highly competitive remuneration package.

When establishing what you are able to offer, take the time to research what other companies pay their contractors. Benchmark the role by title, industry, complexity of tasks, duration of the assignment and the region where your business is based.

If you aren't able to match the remuneration offered by employers with larger budgets, you can still attract the attention of top contractors by conveying:





## ■ 8 key things to remember when attracting and hiring contractors

### 1. Establish which projects or roles require temporary talent

One of the primary benefits that comes from hiring temporary talent is the ability to scale up or scale down headcount as and when needed. Before you press on and recruit contractors, carefully consider your business objectives and pinpoint where there may be talent deficits.

This will allow you to identify whether hiring contractors - as *niche specialists* - is the right move for your business, or if a permanent employee would be a better decision.

Taking this approach will help to reduce recruitment costs and having a clear plan of who to hire will ease stress levels of your existing teams who may be concerned about workloads.

### 2. Figure out the different contract options you can offer

After you've worked out which projects or openings require temporary talent, next you need to finalise how long you will need them for. You may have a certain date or deadline for a project in the diary which will essentially signify the 'end' of when you need their assistance, but their job contract shouldn't necessarily be tied to that.

Contracts that are on the shorter side could fail to attract the attention of top temporary professionals as they don't display a strong commitment to your contract employees.

On the flipside, some contractors are put off by overly long job contracts as they have a tendency to want to change assignments relatively often to constantly improve their profiles.

Find the middle ground and be sure to have regular discussions about contract extensions - there's a good chance they will have their next assignment in mind already and you wouldn't want to lose them before your project concludes!



### 3. Challenging opportunities attract the top contractors

Talented contractors want to be tested. A challenging assignment is tempting as it will not only be a great addition to their CV, but it will also help bolster their skill sets.

When you're considering a temporary hire, pick out the most challenging aspects of the project or tasks they will be undertaking and make sure you draw attention to them. This will demonstrate how much value the contract opportunity could offer to a prospective new starter.

### 4. Contact a recruitment agency to help hire contractors

Recruiters that hire contract professionals will have numerous people in their contact book who have the skills and experience you need. They will also likely have placed them on assignments in the past, so will have a clear understanding of what they want from their next role and will be able to judge whether their biggest strengths match your key requirements.

When you approach the agency about assisting with your contract recruitment, there is every chance that they will already have someone in mind. This means that the hiring process is more likely to be **faster** and **easier** for you.

**Did you know:** We have a contractor experience team who carry out pre-employment screening and the necessary checks to ensure your prospective contractor is eligible to work for you.

### 5. Write an eye-catching temporary job description

Whilst it is relatively similar to writing a job description for a permanent position, a temporary job description should be more specific, listing requirements in a more functional, clear and concise way. Isolate the tasks that the selected individual will be carrying out and what skills will be required for them to be completed successfully.

Due to the fact that the individual will be required for a predetermined period of time (which can, of course, be extended once they start), make sure you outline the initial **duration of the contract** and start date in the job description.



## 6. Make sure your contractor rates are competitive

Contract professionals have chosen this path because they want more autonomy over their working lives and recognition of the skills they have accumulated over the course of their careers. They will also be looking for a pay packet that reflects this.

The earning potential as a contractor can be significant, so when budgeting for your contracting role, it's important to make sure you are familiar with what an attractive rate would be for the position you are hiring.

## 7. Shorten your recruitment process

You don't need us to tell you how detrimental a long, drawn out recruiting process can be to your ability to hire top talent, not to mention its negative impact on revenue and productivity.

Any indecision or delays can be even more damaging when you are looking to recruit contractors - *it could cost you your first-choice temporary professional!*

As already mentioned, your number one contractor probably has a number of potential opportunities in mind. Things move fast in the temporary recruitment world. They are likely to accept an offer from the company that engages them first. Try to limit the number of stakeholders involved in the process as this can often lengthen decision making.

**“ Be fast, be decisive. ”**

## 8. Plan ahead for smooth onboarding

It's well documented that a strong and engaging onboarding process is directly linked to decent retention rates of permanent staff and a high level of employee engagement.

For contractors, a thorough onboarding process allows them to hit the ground running and crack on with the tasks at hand.

Speak to your team members before the new contractor starts to establish a clear definition between roles and responsibilities of the contractor and your permanent employees. Without such clarification, work flows will be overlapping and productivity will not be what it could be, resulting in the contractor not being able to deliver maximum value.



## ■ Are you looking to recruit contractors or temporary staff?

If you have already decided that a temporary employee or contractor is the right hire for your requirements, get in touch and one of our specialist contract recruiters will contact you to find out more about what you exactly need.

We have the resources and capacity you would expect from a top-class temp agency. We have a dedicated Contractor Experience team who ensure the whole process runs smoothly for you and your contractor, from onboarding to completion.

The attention and level of onboarding every new contractor receives when they are placed through us lends to minimal stress and an enjoyable experience, meaning the process is just as smooth for the business hiring them.

## ■ Our locations:

### Ireland

Tel: +353 1 5225 444  
[www.morganmckinley.com/ie/contact](http://www.morganmckinley.com/ie/contact)

### UK

Tel: +44 2070 920 200  
[www.morganmckinley.com/uk/contact](http://www.morganmckinley.com/uk/contact)

### Toronto

Tel: +1 647 479 0155  
[www.morganmckinley.com/ca/contact](http://www.morganmckinley.com/ca/contact)

### Singapore

Tel: +65 6818 3188  
[www.morganmckinley.com/sg/contact](http://www.morganmckinley.com/sg/contact)

### Sydney

Tel: +61 280 156 829  
[www.morganmckinley.com/au/contact](http://www.morganmckinley.com/au/contact)

### Hong Kong

Tel: +852 3907 3907  
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### Tokyo

Tel: +813 4550 6560  
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### Shanghai

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