



*6 Ways To Optimize
Contract Employee
Performance*

A White Paper
For Buyers of
Temporary Labor Services

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Introduction

According to the American Staffing Association, 90% of companies use contract staffing services. The ability to effectively manage employee resources is a constant challenge for any manager — one that becomes even more complex with the addition of contract employees into the workforce mix.

As more companies utilize staffing firms, it becomes increasingly important for organizations to leverage their contract employee workforce to meet project needs and time-sensitive deadlines. The following are recommendations for optimizing contract employee performance, which are most successful when they are implemented in concert with your staffing partner:

- **Plan ahead**
- **Build a team consisting of staff and contract employees**
- **Allow your staffing partner to manage the contract employee**
- **Avoid co-employment issues by working with your staffing provider**

1. Plan Ahead

With proper planning you can ensure that your company's needs are fulfilled and that the contract resource is utilized effectively.

- **Develop a game plan for the contract employee** – Part of the planning process (and an important part in the next step) is to understand exactly how the contract employee will be utilized. Will the contractor supplement a team? Will he or she provide subject matter expertise? Will he or she work independently on a project, or will the contract employee be part of a well-defined project? Answering these questions will help to focus the resource and maximize the contribution made for the time he or she is on assignment.
- **Define job and expectations** – Once you have a game plan in place, the next step is to clearly define the specific job duties and role for the contract employee. Start with a general list of the areas of responsibility and specific deliverables or outcomes expected. Define any expected interaction with other departments or project areas and reliance on other project milestones. For example, will the contract employee be working with a team, or independently?
- **Define any project goals or dates and resources that the contract employee is to be provided.** Set out a clear reporting structure and define any approvals or procedures to be followed and discuss general productivity expectations (i.e. what is expected per day). This is also the time to discuss any special needs (work environment accommodations, work style, and schedule) and the safety procedures related to the specific job.
- **Develop success metrics.** A regular communications schedule is critical. This should include a review of any milestones, productivity goals and resources. It's important to note that a customer manager should only address issues related to specific job duties. Any employment related questions and concerns, such as pay, benefits, vacation or holidays, should be addressed by the staffing agency to avoid co-employment risks.

1. Plan Ahead (Cont'd)

- Ensure necessary resources are provided. Work with the contract employee to make certain that he or she has the resources necessary to meet expectations. Ask follow-up questions such as: Is your role here clear? Do you have everything you need to meet these goals? What barriers do you see, and how can I help? Discuss the formality of communications and information, including:

- **Type of documentation required**
- **Specific forms or project software**
- **Meetings and presentations**
- **Sign-offs and reports**

- Identify the type of documentation required. Specific forms or project software to be used? Will there be meetings and presentations? Are there sign-offs or reports required?

It is also important to recognize that contract employees generally have different career motivations than traditional staff employees. They enjoy assignments that offer flexibility and variety and present new challenges. As a result, when using contract employees, it's critical to capitalize on these motivations.

2. Build a Team Consisting of Staff And Contract Employees

- Create as much equality as possible – Contract resources sometimes utilize temporary space or may work off-site, away from other team members. Whenever possible, create a team atmosphere either by placing the team in close proximity to one another or create opportunities for collaboration either through in-person meetings or technology (e.g. instant messaging, conference calls, web conferencing and collaborative software).

- Build a team atmosphere – Some critical success factors for assuring such an environment include:

- **Communication – Clear and open communication of expectations, work environment and reporting structure.**
- **Trust – All team members should understand their roles and what part they play in the success of the project.**
- **Teamwork – It doesn't matter whether the team member is a direct employee of your organization or a contract employee, the team's ultimate success depends on each member and the expertise they bring to the table.**
- **Personal Accountability – Each member of the team should feel they can rely on the team, and in turn, the team can rely on them.**

3. Allow Your Staffing Partner to Manage The Administrative Aspects of the Contract Employee

In a typical third-party staffing arrangement, the staffing partner will identify, screen, secure and administratively manage the contract employee throughout the duration of their assignment with your organization. The customer is responsible for the direction, supervision and day-to-day job duties, while the staffing partner could be responsible for the following:

- **Pay and benefits** – The staffing provider is responsible for computing wages and for social security and federal, state and local taxes, as well as providing the employee with a paycheck.
- **Reviews/performance management** – The staffing provider should maintain regular contact with the contractor and work with the customer manager to assess the progress of the employee and ensure that they are working at an acceptable level. The provider should also conduct semi-annual or annual performance evaluations to gauge the employee's quality of work, job knowledge/application, cooperation/ participation and decision-making skills and determine, in conjunction with the customer, if the contract employee is entitled to a pay increase.
- **Vacation/time-off planning** – All vacation and time-off scheduling should be made through the staffing provider. Upon request, the staffing partner can provide supplemental resources to cover contract employee absences.

4. Avoid Co-Employment Issues

The term **co-employment** refers to situations where two companies maintain control over an employee's work. This typically occurs when companies utilize temporary or contingent employees as part of their workforce. Whether an individual is referred to as a contingent worker, non-employee, temporary employee, or contract employee, the employment arrangement presents both the customer and staffing provider with issues related to the employment of that individual. (For more information, please see Yoh's white paper on co-employment risks: "Managing Co-Employment Risks.")

For example, the involvement of customer employees in the actual hiring or firing of a contract employee can create co-employment risks under applicable state or federal laws. The ideal way to avoid the pitfalls of co-employment is to partner with an experienced staffing provider that has established policies and procedures in place to ensure compliance with employment laws.

The staffing provider should maintain control over the employment relationship at all times by following practices such as: administering all aspects of the economic relationship with contract employees (e.g. payroll, raises, bonuses, benefits), and keeping lines of communication open to address issues.

5. Create a Safety-Conscious Work Environment

Emphasize the importance of safe work practices and a safe work environment to your contract workforce. Clarify the safety roles that your organization is responsible for providing, and the ones that are the responsibility of your staffing partner.

A safety orientation should be provided to each contract employee. The orientation can be provided either by your organization, or the staffing provider. A typical orientation consists of a review of the organization's established policies and procedures, including applicable safety roles and emergency procedures. Some staffing providers will even develop a safety training program tailored to your organization's specific needs.

An example of an innovative approach to safety orientation is whybesafe.com, which is a unique safety web site dedicated to safety information and tips for the contract employee population, as well as tips for customers.

6. Learn from the Contract Employee

Contract employees are a great resource; encourage them to share their knowledge with your staff employees and other contractors, where allowable under confidentiality clauses.

During the assignment, shadow the employee and document methods and procedures for the work performed to ensure that knowledge transfer procedures occur prior to the contractor leaving the assignment. Upon completion of the assignment, the contract employee should be made available to the customer for specific knowledge updates.

Summary

As more companies utilize staffing firms, it becomes increasingly important for organizations to leverage their contract employee workforce to meet project needs and time-sensitive deadlines. By planning ahead, creating a safety-conscious environment, building a team of staff and contract employees, allowing your staffing partner to manage contract employees, avoiding co-employment issues by working with your staffing partner, and learning from the contract employee, you can optimize contract employee performance in concert with your staffing partner.

About Yoh

Yoh is one of the largest providers of talent and outsourcing services to customers in the United States. With over 374 million USD in total sales, Yoh operates from more than 75 locations and provides long- and short-term temporary and direct placement of technology and professional personnel, as well as managed staffing services, for the information technology, scientific, engineering, health care and telecommunications communities. For more information, visit yoh.com. Yoh is part of Yoh Services LLC, a Day & Zimmermann Company.

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