



**Tradewind Solutions** LLC

## *Executive Search*

### **The Advantages of Hiring on a Contract Basis**

Hiring a new employee can become a rather large investment in terms of time, energy, and money, and even after that investment is made up front, sometimes the employee doesn't work out. In such a situation, not only does the company **not** receive a return on its investment, it also suffers due to lost productivity.

Losing an investment is not something that a company wants to do in any kind of market, but especially during down economic times. Risks can be great, and rewards could be few. However, business still has to be conducted, and project deadlines and assignments still have to be met. As a result, hiring candidates on a **contract basis** instead of full time helps to minimize the risk and greatly increase the odds of receiving a reward—or in other words, a substantial return on your investment.

What makes contracting so attractive, not to mention easy, is that there are numerous advantages for both the company and the contractor. Consequently, it truly is a win-win situation for everybody involved. We'll start with the company side of the equation. Below are the major objectives that companies are able to accomplish through contract staffing.

#### **Company Advantages**

- Increase staffing flexibility
- Outsource accounting issues (payroll, timesheets, tax filings, etc.)
- Outsource human resource issues (workers' compensation, benefits, etc.)
- Immediate access to candidates with specific skill sets
- Option of temp-to-perm conversions ("try before you buy")
- Reduction of unemployment exposure
- Maintain budget controls (operating budget vs. capital budget)
- Eliminate pre-hire costs (advertising, background checks, drug screening, etc.)
- Avoid office politics

Now let's consider the candidate. There are candidates who prefer to work contract positions as opposed to full-time jobs because of the flexibility and freedom that contracting offers. Plus, they love the fact that they get paid for every hour they work, including overtime. Below are the primary advantages that contracting offers to candidates.

#### **Candidate Advantages**

- Higher earning potential
- Flexible lifestyle
- Opportunity to travel
- Variety in work scope



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- Enhanced resume (acquiring new skills)
- Weekly paycheck
- Full benefit options
- Get their foot in the door (if they eventually desire a full-time job at the company)

Does contract staffing fit into your hiring plans? If not, would your company benefit if it did? Conduct an analysis of your current situation, using the “Company Advantages” bullet points above as a guideline. You might be surprised at how contracting can help you enjoy a greater return on the investment you make in terms of hiring key employees.

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