



# Hiring Contractors

Our guide to painless  
contract hiring

JCW

# Contents

---

<b>Welcome</b> .....	<b>3</b>
<b>When to use a contractor</b> .....	<b>4</b>
<b>The benefits of using contract workers</b> .....	<b>5</b>
<b>How to attract the best contractors to your business</b> .....	<b>6</b>
<b>Preparing contracts that work for all parties</b> .....	<b>7</b>
<b>Preparing a contract</b> .....	<b>8</b>





# Welcome to our guide to hiring contractors

---

**Working with great contractors is a fundamental part of many recruitment models. It allows for flexible, agile and cost-effective resourcing that helps organisations manage changing market conditions and handle unexpected surprises.**

Businesses use contractors in different ways. For some, contractors are essential to completing dedicated projects, such as new product development, tendering or research and development. For others, contracting is more about enhancing a core team to help deliver products or services on time and on budget. Contractors can also bring niche expertise, allowing you to widen your scope and capabilities.

We're finding that organisations are increasingly looking at the benefits contractors can bring – particularly as ways of working and delivering projects changes. We've put together a useful guide that helps employers and hiring managers to see the benefits of contractors, and gives you practical advice on how to find the best people for your business.

## **We'll look at:**

- When to use a contractor
- The benefits of hiring contract workers
- How to attract the best contractors to your business
- Preparing contracts that work for all parties

Our job is to help you resource your business in the best way. If you'd like any support managing contract requirements, please contact your local office and we'll be happy to help.

# When to use a contractor

---

**Most businesses see a contract worker as a way to expand a team, fill a temporary position or bring wider expertise into the organisation. You may have plenty of notice and be able to put together a clear plan for hiring contractors, or you might be faced with a sudden change in your team or in a project that demands contractors be brought in quickly.**

When you're thinking about taking on a contractor, you have to balance a range of considerations. Do you choose a senior professional with a great CV – who may also be very expensive? Or do you look for someone who wants more experience, is ready to step up and might come at a lower price? Whilst budget is obviously a concern, you also need to think about what will bring most value to the business. It might be more effective to get someone senior in for a shorter time, for example. Or you could split the role and hire a couple of less experienced contractors who can manage things between them. Always consider different angles to come up with the best interim solution for your organisation.



There are several different ways to find the right contractors for your needs, and the easiest and more efficient for most companies is to use a dedicated agency. That way, someone else is handling the day-to-day recruitment for you, and agencies often also manage payrolls and advise on contracts, so you have a committed partner to support you at all times.

**Whatever your need, there are some clear and common occasions where contract workers are useful:**

- You have a project that requires specialist skills you don't have in-house
- You need to cover a specific period of leave, such as parental leave or long-term sickness
- You are expanding the business and need particular expertise to help you reach your goals
- You have a customer that's asked you to bring additional skills to a project
- You have a lot of work on and need to expand your teams on a temporary basis
- Value considerations

# The benefits of using contract workers

---

Also often known as ‘temporary workers’ contractors are a useful solution for businesses who need to navigate periods of transition or fill temporary gaps in a growing team. These workers bring new skills and expertise at a fixed, known cost and for an agreed period. They allow you to flex your business and hiring models so that you can resource your business the way you need to.

Temporary contract workers give your business a number of benefits:

## **They cost less**

As a temporary solution, you can budget easily for contract workers, and employing them does not come with the responsibilities and additional costs of a permanent hire.

## **They can start sooner**

It typically takes much less time to find a contractor than it does to find a permanent hire. So you can recruit faster and see the benefits straight away.

## **They make an impact**

Experienced contractors get stuck in straight away. They know they are there to make a measurable difference and so are ready to come in, have a brief induction, and get working.

## **They have a different outlook**

Bringing in a contractor is a great way to shake things up and give your teams a new perspective. Someone with substantial external experience and different ways of thinking can help to move teams out of their comfort zone, and you’ll get better results.

## **They have specific skills**

You often bring in a contractor because you need their area of expertise, experience or skill. This enhances your team and can even help with the learning and development progress of your permanent staff members.

## **They support agile businesses**

Contractors are used to working for businesses for short periods – anything from three to 12 months, typically. So they understand that you need them so that you can flex your business model, push a project forward or bring new expertise into the business.

# How to attract the best contractors to your business

---

Not all contractors are equal. If you're going to be spending precious budget on one or more contractors, you want to be sure you are getting the best people for your money. So, although you'll get support from your agency, and although a contractor is not a permanent employee, you should put some serious thought into how you are going to make your job offer appealing to what is a large contractor pool. Here are our top tips:

## **Do your research**

If you are new to hiring contractors, it's worth doing some research to find out what the average costs are, what contractors look for in temporary positions and how competitive the market is. This will help you to plan budgets and timescales and put together an attractive contractor package.

## **Use your brand reputation**

Contractors may work for lots of different companies, but they are still looking for many of the things that are important to permanent employees. So make the most of your culture, working environment, remote or hybrid working approach, and non-financial benefits, as this might be the thing that swings a contractor in your favour.

## **Be clear about benefits**

This isn't about financial benefits – it's about what the contractor will get from working with you. Is it a particularly prestigious project? Will they acquire new skills or experience that will look good on their CV? Can you offer additional learning opportunities, will they be responsible for staff? Is there a real challenge they can take on?

## **Think about the gaps**

Where are the skills and experience gaps in your organisation? Could you benefit from bringing in a contractor to fill this gap on a temporary basis? This might help to push your organisation forward or support your growth plans. From the contractor's perspective, this level of planning shows that you are serious about developing your business strategically.

## **Prepare to be flexible**

Some contractors are put off by very long contract terms – they want to have the ability to change roles. So it might be worth advertising a shorter contract with an option to renew – this gives both you and the contractor some flexibility, and may also attract a wider range of talented contractors to your role.

# Preparing contracts that work for all parties

To get the most from your contract hiring process, and to get best value for the business, you need to make sure you have a clear process in place for temporary workers.

You need to meet their expectations in terms of pay, role, reporting, responsibilities and working environment. In turn, they need to commit to your hours, understand what they are expected to deliver and work professionally within your organisation.

Probably the most important area to you as a hiring manager is pay. How much should you pay a contractor? An agency can help you here because they have the latest salary information

at their fingertips, but you'll still need to do the research and factor in the other costs that arise as a part of the recruitment process.

Why not take a look at our latest [salary guide](#) to get an idea of contractors' pay expectations?

It's also worth noting that it can work out cheaper hiring a contractor, even though their base pay rate is typically higher than a permanent employee. When you take into account things such as National Insurance, bonuses, benefits and pensions, the cost of hiring permanent staff extends far beyond their salary.

See below for an example of how a contractor could be less expensive than a permanent hire:

## Contract v Permanent

Perm rate: <b>£70k</b> a year		Contract rate: <b>£450</b> a day	
Salary Per Day	£307 a day	Pay Per Day	£450 a day
National Insurance (15.05%)	£46 a day	National Insurance	£0 a day
Agency Fee (25%)	£77 a day	Agency Fee	£0 a day
Discretionary Bonus (10%)	£31 a day	Discretionary bonus	£0 a day
Healthcare = (£1,000)	£4 a day	Healthcare	£0 a day
Life Assurance = (£500)	£2 a day	Life Assurance	£0 a day
Pension (3%)	£10 a day	Pension	£0 a day
Training = (£2,500)	£1 a day	Training	£0 a day
<b>Actual perm cost: £488</b> a day		<b>Contract: £450</b> a day	

# Preparing a contract

---

Contractors know the downsides of a poor contract and will have expectations. So, make sure you have a clear contract template that gives both you and the proposed contractor peace of mind. This should include a clear job description and any forms of review or measurement you will put in place.

It's necessary to set out standard protections and your organisation's commitments to the contractor. Like a standard job contract, it should include all your company information, plus the same information for your contractor. Be clear about how much and when the contractor will be paid, along with the hours you expect them to work, any details on offices or locations and their entitlement to leave or any other benefits.

You will also need a clear guide on reporting, including who to go to with issues or complaints, and a notice period for both parties.

You may choose to liaise with your contractor to find terms that suit you both – this is entirely up to you, but make sure you are conscious of protecting the business as well as meeting your legal responsibilities to employees.

A 'contract for services' is an agreement which sets out the terms of the contract and should be used when you are hiring someone on a temporary basis to complete a specific project or task. The agreement outlines the duration, deadline, milestones and expectations in terms of deliverables.

You should also keep in mind that the length of the contract is a deciding factor in many contractor's decisions on whether to take on a new role or not. Longer contracts restrict the contractor's ability to move roles and gain new experience, while shorter contracts suggest

the company is placing less importance on the project or role, and means the contractor will have to spend time finding their next contract sooner. So, try and be somewhat flexible if you want to secure the right talent for your project - there's usually a middle ground to be found.



# Has this guide been helpful?

---

We work regularly with businesses of all sizes to help them find experienced and skilled contractor support. Please contact your nearest office to find out more about how we can help you with this valuable area of resourcing.

## **London**

55 Old Broad Street  
London  
EC2M 1RX

## **Frankfurt**

WeWork Geothepplatz  
Neue Rothofstraße 13-19  
60313 Frankfurt am Main

## **Baar**

Oper46, Bockenheimer  
Anlage 46, 60322  
Frankfurt am Main

## **Los Angeles**

1351 3rd St Promenade,  
Suite 301, Santa Monica,  
CA, 90401

## **Austin, TX**

Suite 225, Two Park  
Place, 4009 Banister Ln,  
Austin, TX 78704

## **Boston**

200 Berkeley Street,  
Floor 19, Boston,  
MA 02116

## **New York**

232 Madison Avenue  
Suite 1600, New York  
NY 10016

