

Contingent Work Force Strategy: Guidelines for Success

Kelly Ann Daly



Industrial Relations Centre (IRC)
School of Policy Studies
Queen's University
Kingston, ON K7L 3N6

Tel: 613-533-6628
Fax: 613-533-6812
Email: irc@queensu.ca
Visit us at: irc.queensu.ca

Contingent Work Force Strategy: Guidelines for Success

Kelly Ann Daly

Many organizations are scaling down their core work forces and increasing their use of contingent workers to reduce labour costs and meet the fluctuating demands of the global marketplace. Contingent employment may include non-regular part-time work, temporary work, independent contract work, dependent contract work, and employee leasing arrangements (Nollen and Axel 1996; Human Resources Development Canada 1994; duRivage 1992; Belous 1989). An organization's contingent work force may include professional, highly skilled, low-skilled and unskilled workers. If an organization does not manage its contingent work force effectively, the savings in labour costs may be more than offset by decreases in productivity and work quality."

The following are some guidelines for dealing with critical issues that can jeopardize a contingent work force strategy.

General Issues

- Have a contingent staffing strategy, developed and supported by top management.
- Communicate this strategy to core employees.
- Revise company policies, e.g. work dispute, hours of work and overtime, and harassment policies, to ensure that core and contingent workers receive equal treatment.
- Establish clear guidelines for managers with contingent workers, e.g. establish who is responsible for productivity rates, performance appraisals, work assignments, etc. for these workers.
- Clearly inform the contingent workers who their supervisors are.

Job Security Issues

- Offer longer contracts and provide the contract expiration date from the outset.
- Employ fewer contingent workers.
- Rehire effective contingent workers for additional contracts.
- Make internal job postings available to contingent workers.

Job Control Issues

- Give contingent workers the opportunity for input.
- Give contingent workers the same degree of autonomy as core workers.

Social Support and Interpersonal Relations Issues

- Give contingent workers an orientation program.
- Inform both contingent and permanent workers about the role and responsibilities of contingent workers in clear and specific terms.
- Identify support persons for contingent workers. Skill Utilization Issues
- Match the skills of the contingent worker with the requirements of the job and the culture of the organization.
- Train to familiarize contingent workers with their new responsibilities and surroundings.

Social Comparison Issues

- Differentiate the work of core and contingent workers to avoid inequity problems.
- Consider offering contingent workers a wage premium in partial replacement of benefits or choose contingency workers from a temp agency that pays some benefits to their workers.

Job Content Issues

- Provide interesting or challenging work assignments whenever possible.
- Use job rotation among low-skilled contingent workers to avoid the stress of repetitive work.
- Give contingent workers feedback during their assignments and at the end of the contract.

Role Stressor Issues

- Make performance standards clear to contingent workers from the outset.
- Monitor the workload of contingent workers to ensure against under- or over-utilization.

Psychological Contract Issues

- To avoid 'permanent temporaries' establish a policy that after a specified period in a job, say one year, the contingent worker will be hired as a full-time employee.

The information in these guidelines was extracted from the 1997 IRC Press Publication by Kelly Ann Daly entitled *Managing the Contingent Workforce: Lessons for Success*, which provides more detailed information on the topic.

Bibliography and Further Reading

Belous, Richard S. 1989. *The contingent economy: The growth of the temporary, part-time and subcontracted work force*. Washington, DC : National Planning Associates.

Coates, Joseph F. and Jennifer _Tarrant eds. 1995. Managing the contingent work force for greater productivity. *The Future at Work* 11:1-12.

Daly, Kelly Ann. 1997. *Managing the contingent work force: Lessons for success*. Kingston, ON IRC Press, Industrial Relations Centre, Queen's University.

Dolan, Shimon L. 1995. *An overview of work and stress*. Document 95-06. Montreal: Ecole de relations industrielles, University de Montreal.

duRivage, Virginia L. 1992. *New policies for the part-time and contingent work farce*, New York: M.E. Sharpe.

Feldman, Daniel C., Helen I. Doeringhaus, and William H. Turnley. 1994. Managing temporary workers: A permanent HRM challenge. *Organizational Dynamics* 23(2):49-63.

Human Resources Development Canada. 1994. *Report of the advisory group on working time and the distribution of work*. Ottawa: Minister of Supply and Services.

Nollen, Stanley and Helen Axel. 1996. *Managing contingent workers: How to reap the benefits and reduce the risks*. New York: AMACOM.

Sauter, Steven L., Lawrence R. Murphy, and Joseph J. Hurrell Jr. 1990. Prevention of work-related disorders. *American Psychologist* 45:1146- 58.