

The Contractor Conundrum

Training and managing your
contingent workforce

 **kineo**
A City & Guilds Group Business

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A recipe for risk

Contractors are now a part of your workforce ecosystem, and if you're failing to train them, you're not only playing a risky game, but also missing out on making the most of their skills, ideas and contributions.

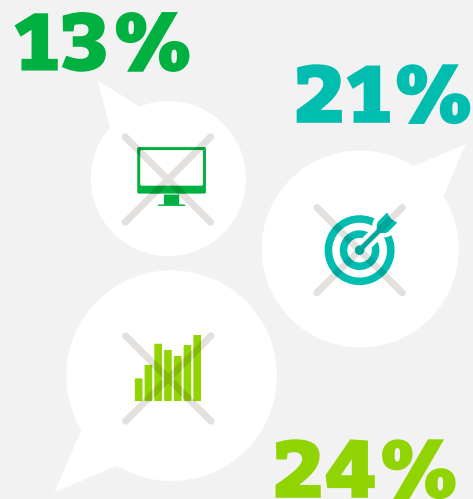
A large part of the global workforce is now made up of contract staff, whether that's on site engineers or construction teams, or back office admin, project management or digital expertise. In fact, the use of contractors or contingent workers continues to rise. will continue to rise. In our 2019 Learning Insights research, we discovered that 50% of employers say their use of contractors is going to increase in the next 3-5 years.

Are contract staff receiving training?

One in ten (13%) employers say they don't do any training

One in five (21%) employers say the training they do offer is ineffective

One in four (24%) contingent workers say training they are offering has no impact on performance



Identifying your contract staff

The basic test of whether a person is an independent contractor is one of control over the undertaking of the work specified.

The term contractor applies to anyone you get in to work for you who is not an employee and will include individuals as well as organisations. It includes any individual or company who enters premises to fulfill a contractual obligation agreed with the business that is occupying those premises.

Improving contractor experience

While contractors may not be part of your permanent workforce, they still represent you. Do they have any type of customer interaction? Then you can't have them not understanding your ethos, mission and values. Failing to get them on board, up to speed and speaking your language can hurt your brand.

Even without external interaction, they represent your organisation's culture to internal stakeholders, agencies and even other contract workers.

So how can you get better at capitalizing on this pool of great talent? And how do you make the experience of working with your organisation a positive one?

1. Get better at onboarding

"Failure to retain talent costs UK firms £42 billion a year"
PwC

Establishing a great working relationship begins even before their very first day on site or in the office. Setting expectations, goals, working practices and more early on is essential to getting a good start with a new contract worker.

Start with the basics – ensure they receive a warm welcome, set expectations for their role, project and working patterns, and agree how you'll measure performance.

Scope out the role properly

Also, think of the wider picture - how does their task or project fit in with the organisations' workflow and goals? To hit the ground running, a contractor needs to quickly come to grips with how the business operates (structure and strategy), who they report to, and recognise which stakeholders have a vested interest in the work they have been engaged to complete. Effective onboarding activities can ensure your contractor connects with the right people faster.

Create the right network

Having regular access to their manager and other seasoned employees to discuss and resolve issues along the way will also help the contractor navigate any tricky politics and cultural sensitivities.

"For us, [it] starts from the point of recruitment; we want to make sure that people, whatever type of contract they are on, fit into our culture."
UK Fast

Have an exit plan

Another thing to consider is passing off of work, and the winding down process once the project or contract is over. You don't want a contractor leaving with valuable information that only they know.

Most types of contractors will need to undertake induction training. This is usually provided in the form of training guides, eLearning or classroom-based training sessions. Typical examples include:

- Health and safety
- Bullying and harassment
- Site induction training

While a construction worker will undertake similar bullying and harassment training to a financial services consultant, each will have their own very specific induction needs.

2. Get them the right training

“It’s far preferable to help upskill someone – even if they aren’t going to be with you for a long time – than go back to the drawing board and look for the complete employee that might not fit into our business’s culture and values.”

UK Fast

In addition to compliance type training, appropriate levels of other training should be built into contractor onboarding. Sometimes contractors are hired for their particular expertise (eg consultants) and won’t require training in the technical aspects of how to do their job. In contrast, low skilled or unskilled contractors are going to need a lot of

input and direction from their manager in order to be productive.

To promote a safer and more effective work environment, make sure your contractors have completed all the relevant training before you let them on site. Knowing what training they’ve completed, that it’s up-to-date, and that it meets all your regulatory requirements allows you to manage your workforce safely.

It also means you can get them up to speed on areas that need skills development quickly, or identify where they already have the requisite skills and experience.



3. Optimise your documents

Half the battle with managing a contract workforce is knowing who you have in the organisation, and building a network you can access when workloads get too heavy to be managed by existing staff.

For your records to work for you, you need to set up the right record keeping system for your business; one that meets your regulatory requirements.

It’s important to know who’s working for your business, what qualifications they have, what insurances they have, whether they are covered by you or by the contractor, and when their records expire.

Aim to put all your contractor information together. Reduce spreadsheets, emails, and loose documents. You could also consider using a single platform to manage the risk, compliance, and safety of your contractor workforce.

Furthermore, you can make your records work for you by setting alerts to occur when a document, qualification, licence, or insurance is about to expire.

Ensure they’re qualified

Make sure your contractors have the right qualifications for the job at hand. Knowing that your contractors are qualified helps you to mitigate risk. For example, if you have a job that requires a tradie to work on your roof, do you know if they have a working from heights permit? Falling from a height is one of the leading causes of workplace deaths in Australia.

If your contractor will be using heavy machinery, have you received proof that they have the right machinery operating certification? Having a central location to store that information makes things easier.



4. Crack the compliance issue

There are some basic documents, forms and records you should be including in your Contractor Onboarding depending on what type of contractor they are.

Employees on Temporary Contracts

As employees of your business, staff on temporary contracts will have the same basic paperwork as other employees including:

- Employment Contract
- Confidentiality Agreement
- Tax File Number Declaration Form
- Superannuation Standard Choice Form
- Fair Work Information Statement
- Evidence of qualifications, certifications and licences required
- Health declaration and medical information (if required)

Independent contractors

Independent contractors are usually sole traders or small businesses and need a different set of documents to employees. At a minimum, an independent contractor's paperwork should include:

- Commercial contract (not an employment contract) outlining the terms of the engagement
- Confidentiality Agreement
- Restraint of Trade Agreement
- Intellectual Property Agreement
- Evidence of insurance cover (eg Professional Indemnity, Public Liability, Workers Compensation)
- Evidence of qualifications, certifications and licences required to provide services
- Health declaration and medical information (if required)

Consultants

When you engage contractors from a professional consultancy firm, your business is making a commercial arrangement with that firm – not the individual contractors. Your paperwork in this instance should include:

- Scope of work and services to be provided
- Consultancy Agreement outlining the terms that govern the relationship

- Evidence of insurance cover (eg Professional Indemnity, Public Liability, Workers Compensation)
- Evidence of the qualifications, certifications and licences of the contractors deployed by the consulting firm to provide the services
- Health declaration and medical information (if required) for the contractors deployed by the consulting firm to provide the services

Workers provided by temp agencies and labour hire firms

A temp is employed by a recruitment agency or labour hire firm – not you, the client. Therefore when using a temp, businesses should make sure the following items are on the compliance checklist:

- Recruitment Agency/Labour Hire Terms and Conditions
- Evidence of insurance cover (eg Professional Indemnity, Public Liability, Workers Compensation)
- Evidence of the qualifications, certifications and licences of the temps provided (where required)
- Health declarations and medical information for the temps (where required)

Policies and Procedures

You cannot assume that your contractor understands their rights and responsibilities whilst working with your company. Every worker should be educated in policies and procedures relevant to the industry and situation, particularly where health and safety is at stake.

Many businesses provide awareness training to contractors in key compliance items like:

- Work Health and Safety (including site inductions, training in manual handling techniques and other safety procedures, licences and certifications required);
- Drug and Alcohol Policy and Procedures;
- Prevention of Discrimination, Workplace Bullying and Harassment; and
- Use of Information and Communication Technology and Social Media

5. Handle health and safety

You might have heard the common saying "If you think safety is expensive, try an accident!" – it's not a phrase thrown around for no reason. Getting health and safety front and centre as part of the induction and ongoing management process with contractors is just as important as with permanent employees.

The Health and Safety Executive (HSE) recently published their 2019 annual statistics report which documents the workplace fatal injury numbers for 2018/19 as provided by enforcing authorities. For example, the Agriculture, forestry, and fishing industry recorded the highest number of fatalities. Even though this industry covers only a small fraction of the UK's workforce, it attributed to more than 20% of work place fatalities.

Falls from heights was the leading cause of fatal accidents in the workplace.

Members of the public are also at risk with 92 related deaths caused by work related activities.

HSE chair Martin Temple said that the report is:

"... a reminder that despite the UK's leading position in health and safety, we cannot become complacent as we seek to fulfill our mission in preventing injury, ill health and death at work."

Focusing on workplace safety occurs globally, with risk management needing to be in the forefront of employer's minds when it comes to combating the number of workplace deaths and injuries.

Recently in Canada, to highlight the importance of workplace safety, almost 4,000 construction workers took part in the second annual stand-down, which was hosted by the Newfoundland and Labrador Construction Safety Association (NLCSA).

According to the association's CEO, Jackie Manuel, a stand-down is:

"a chance to stop, reassess, and think about what are the hazards here in my workplace? Am I doing — as an employer or as a worker — everything that I can do to make sure that we work safe every day?"

What can an employer do to combat workplace safety risks?

The employer is not always 100% at fault. Uninsured, unqualified, untrained, or under-the-influence contractors pose a threat to your business. However, by focusing on reducing these risks, you can mitigate these issues. After all, it is the employer's responsibility to know who's working with and for their business.

Insurance

Keeping track of your contractor's insurances is a big step towards reducing risk and making your worksites safe. Uninsured or inadequately insured contractors negate your compliance. They also jeopardise the credibility of your business if a health or safety incident occurs.

Qualifications

Engaging qualified contractors can greatly reduce the health and safety risks facing your workforce. It is crucial that your workers have the required qualifications to work on your job, project, or work site. Unqualified workers introduce greater risk of injury or death to themselves and to their fellow workmates. It is also vital to the health of your business to keep an accessible and current record of your contractors' qualifications.

Alcohol and drugs in the workplace

You cannot control how your contractors behave, but you can have a clear policy in place surrounding alcohol and drugs in the workplace. As with all policies and procedures, you need to implement them, review them regularly, and keep adequate records for them to make a difference.



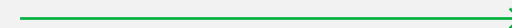
Mission Australia Early Learning

Mission Australia Early Learning (MAEL) is a not-for-profit provider of centre-based care, kindergarten and out of school hours care, operating throughout Australia.

Mission Australia does this by helping families to stay housed, providing parenting programs, running playgroups, giving advice on healthy eating and building strong relationships. Mission Australia is committed to ensuring the highest standards of safety and wellbeing for the children and young people who engage in their services.



This tool replaced manual processes, provided management with the ability for greater oversight of the skilled FDC educators.



Predicting and managing future risk

The challenge was first identified when an FDC educator that started with the organisation a few years earlier, had children who turned 18. One of the requirements of FDC is to ensure not only the educator holds a valid working with children check (WWCC), but also any person over the age of 18 who lives in the house or regularly visits the house, has a valid WWCC.

The incumbent software could run reports for the FDC educators, but not the household and the tracking of this was a manual process. The MA board (as the Approved Provider) had concerns that the existing process was not strong enough to ensure appropriate due diligence was being undertaken within the service. This created a strong call to action to strengthen the compliance.

Visibility is key, particularly when contractors are remote. This is not available where their information is primarily collated, managed and held in filing cabinets with the addition of manual spreadsheets and poor reporting output from the software used.

With such small-scale administrative support, it was important for MAEL to find a way to be efficient with reporting and compliance, at the same time ensuring documentary evidence and probative assurance when required.

MAEL had developed a relationship with Kineo and had a Learning Management System platform in use across MAEL to support accessible online learning opportunities for staff and develop internal MAEL specific courses. The LMS was also used to update staff profiles to track external training records that also covered WWCC for MAEL educators.

MAEL already had a bespoke relationship with Kineo. MAEL's challenge was brought to Kineo and Sitepass' Contractor Management System was the tool to help solve the problem.



Breaking down needs complexity

The introduction of a contractor management system replaced tiresome manual processes, provided oversight into key issues and managed their FDC workforce rigorous certification and insurance requirement.

The national regulation is to ensure that all FDC educators contracted to MAEL, are meeting the National Quality

Standards and have appropriate checks in place to ensure strong due diligence and compliance is met.

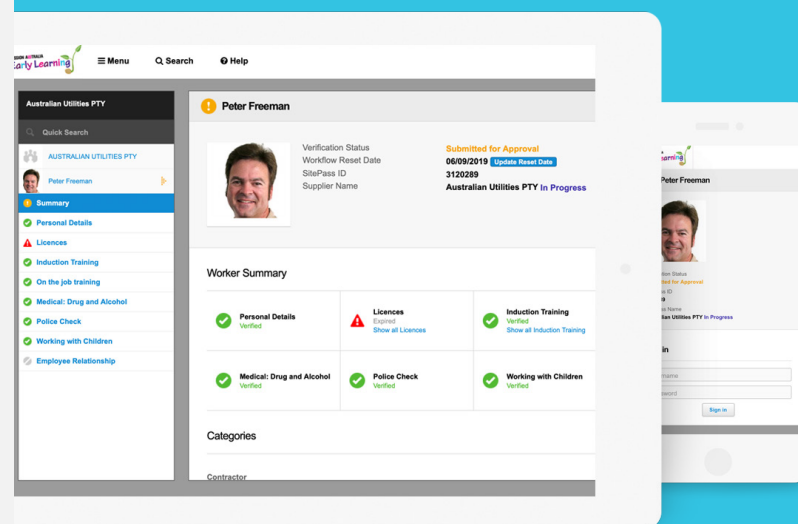
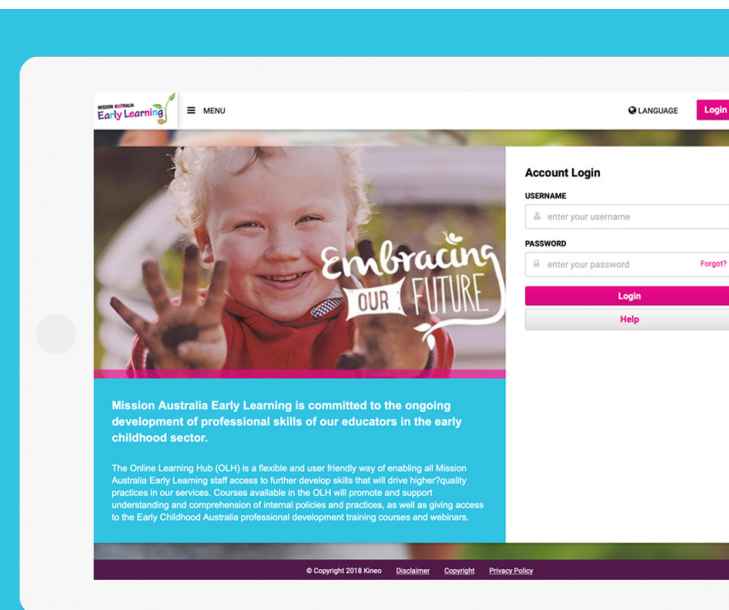
Increasing transparency, oversight of credentials licensing permits etc, real time reporting in one location. Ability to select and prequalify, engage and induct, monitor and authorise their contingent workforce.

Successes

MAEL were able to track other key household information that feeds into national legislation requirements such as pool fences, car registration, family members, regular visitor data. If the delegate of the Approved Provider for Mission Australia needed the WWCC for all people aged over 18 in an individual household, an authorised person at appropriate level of access, can log in and pass that information on.

This has also provided MAEL with the ability to support the Family Day Care educators with access to digital training

developed by Early Childhood Australia and internal training developed by Mission Australia specifically to support the Family Day Care educators who are working with them. By acknowledging that people learn different ways MAEL can use the platform to connect and provide growth opportunities that in previous cases would have meant the educator had to search for training opportunities on their own.



Stringent security with sensitive data

Mission Australia has strong policies around access of personal information and the CMS meets those requirements regarding privacy concerns and permits for appropriate levels of approvals.

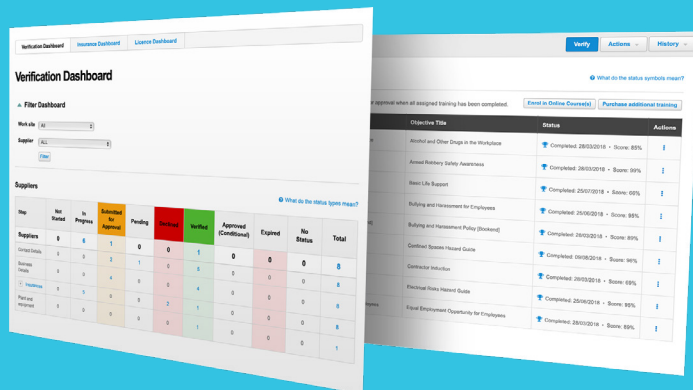
The dashboard provides a high-level overview of the status of the FDC educators and reporting output is generating more high- level insight.

MAEL can also store and access remotely to assist with compliance issues including any department investigations. Typically when department visits occur, copies of documents on file that meet legislative requirements are requested.

The CMS allows MAEL to be able to provide these documents quickly and efficiently and strengthens and demonstrates governance processes implemented within the service.

Sitepass provides MAEL with the flexibility to make ongoing adjustments to meet the needs of the business.

This tool replaced manual processes, provided management with the ability for greater oversight of the skilled FDC educators, managing qualifications in real time to not only meet the requirements from underpinned legislation in the early childhood industry, but also satisfy the Board/ Approved Provider.



Contractor checklist

A handy checklist for managers working with contract staff

✓ Planning

- Define the job
- Identify hazards
- Assess risks
- Eliminate and reduce the risks
- Specify health and safety conditions
- Discuss with contractor (if selected)



✓ Contractors working on site

- All contractors sign in and out
- Name a site contact
- Reinforce health and safety information and site rules
- Check the job and allow work to begin



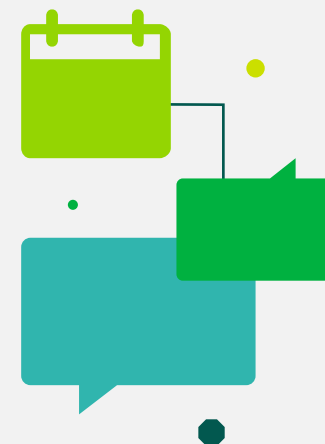
✓ Choosing a contractor

- What safety and technical competence is needed?
- Ask questions
- Get evidence
- Go through information about the job and the site, including site rules
- Ask for a safety method statement
- Decide whether subcontracting is acceptable. If so, how will health and safety be ensured?



✓ Keeping a check

- Assess the degree of contact needed
- Is the job going as planned?
- Is the contractor working safely and as agreed?
- Any incidents?
- Any changes in personnel?
- Are any special arrangements required?



✓ Reviewing the work

- Review the job and contractor
- How effective was your planning?
- How did the contractor perform?
- How did the job go?
- Record the lessons



Discover how we're shaping the future of learning

Everything we do at Kineo stems from a simple idea – if we design a better learning experience, together we'll get better results.

Kineo helps the world's leading businesses improve performance through learning and technology. We're proud of our reputation for being flexible and innovative, and of our award-winning work with clients across the world.

Whatever your business challenge, we will partner with you every step of the way to find the learning solution that fits best – and delivers results. So, how can we help you?



At Kineo, we offer a contractor management solution in Sitepass, one place to manage your workforce with complete transparency over your risk and compliance.

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