



LEADERTHOUGHT

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Thoughtful Approaches to Powerful Leadership

Leadership of Contract Employees

Do you know what your contract employees are saying about you and your organization?

More and more organizations are utilizing the services of outside staffing agencies. Some organizations use the services to cut overhead by retaining fewer people on payroll. Others outsource functions that are not their core business. Although they may pay more in salary or wages, the company avoids the expense of benefits and other permanent employee expenditures. Even though these people are contract employees, they still represent your organization. Therefore, contract employees need the same sense of belonging, learning and contributing that permanent employees are afforded.

Recently, while traveling on an airplane, I sat next to such a contract employee. He had been working for the airline (which shall remain nameless) for two years. His job was to survey customers during the flight about their level of satisfaction with the service. In the two years that this contract employee had worked for the airline, he had never met the internal person who is managing this project. He had never gotten any feedback about how he is doing on the job or about the cumulative results of the surveys. Do you think that he has a sense of belonging to the company? Is he learning about how he could be more effective in his job? Does he have a sense of how his work is contributing to making the airline better? No wonder he told me he is looking for another job. And while he is looking, how much energy do you think he is putting into this job? He

certainly spent a great deal of energy on this flight explaining how much he disliked his job and the way he was being treated by the airline. From his perspective, the job was a means to an end until he could find a better place to work and the company had a lot to learn about how to treat contract employees.

I have a suspicion that this example is not an isolated one. In fact, I was talking with an IT executive who told me that IT contract people are treated in much the same way. An often-heard quote is, "Oh well, they're only temporary. Soon they'll go away." Maybe contract employees will leave soon but what are they saying about you and your organization **in the meantime and after they leave?**

Are you a little concerned? How about learning some practical steps your organization can take to ensure that contract employees are singing your praises to your customers?

1. Be certain that there are real reasons, other than the short-term thinking of cutting overhead to make the bottom-line look better, for terminating permanent employees and hiring contract employees. The long-term consequences could end up being more costly than the short-term benefit. In the case of the airline, outsourcing customer surveys might have been a good decision. On the other hand, one organization that laid off employees ended up hiring the same people back as consultants at a much higher cost. They still were required to get the work done but needed to satisfy a "budget-cut edict."

2. Make the contract staff feel a part of your organization. Meet with them initially so that they know who is leading their project. Provide the big picture. Talk with them about the importance of what they are doing and how it will help the organization. Make sure that they understand the expectations of the job, not only the tasks but also appropriate behavior related to the values of the organization. Mission, vision, values and beliefs create a framework within which people can be free to do their jobs.

3. Provide periodic feedback, specifically about how they are doing on the job and, in general, about the project. How could they be doing things better, more effectively and more efficiently, to meet customer needs? Include them in relevant organizational communications so that they feel kept "in the loop."

4. Thank them frequently for a job well done. Provide appropriate rewards and recognition.

You may be able to implement these suggestions directly or through the contracting agency. A web site to check concerning the legalities of leading contract employees is http://www.wwwebtax.com/general/independent_contractor.htm.

Belonging, learning and contributing are as important to contract people as they are to permanent employees. So...**do** you know what your contract employees are saying about you and your organization?