# Could a Flexible Employment Contract Work For Your Employees?



‘Flexible’ in the workplaces has become a popular term. Flexible shifts, flexible hours, flexible locations, flexible agreements and contracts and even flexible roles. In some instance these flexible arrangements are informal agreements only, more of a social contract in other instances they are spelled out in a contract. The term ‘Flexible employment contracts’ and similar variations are interpreted differently by different organizations around the globe. There is a continuum between an employment contract that includes very specific and detailed elements of the employment relationship, through one that includes flexible elements of the contact to a contract that is a Flexible Employment Contract.

A traditional contract may have within it clear details about the outcomes of the work, location of work or the hours of work or it may contain fewer details about these elements, but it generally includes details along with the phrase other duties as assigned’. A Flexible Employment Contract will have many of the same elements as a traditional employment contract but it has a very different feel to it and, as a result, creates a different type of working relationship. The ‘Duties as assigned’ phrase may be make up the bulk of the details of the contract. A Flexible contract may mean that there are periods of work and periods of no work. The Flexible Employment contract most closely resembles the relationship between an organization and an independent consultant or contract worker.

**Elements of A Flexible Employment Contract**
The goal of an employment contract is to help both parties, the employer and employee, clearly communicate the parameters and expectations of the working relationship. Information about salary and output, in terms of job duties and expectations, is often painted in detailed information with reference to hours and days of work, location of work and more. In the instance where an employee is not working a standard work arrangement, for example, the employee works irregular hours or variable locations, the employment contract might look a little different then a traditional contract but this is not necessarily a ‘Flexible Employment Contract’.

Once example of a flexible employment contract is a contract that is based on outcome and not output or the details of how the outcome is achieved. This contract might be designed as a ‘minimum viable contract’, which means it has only the least amount of information in it to establish the relationship and then includes different agreements that spell out different elements of the relationship.

A Flexible Contract may tie part of the compensation to an outcomes delivered within the framework of a structure, thereby enabling adaptation based on changing circumstances. Within a flexible contract the smaller details of how an outcome is to be achieved may not included, only the general expectations of the work outcome.

The main element of this type of Flexible contract includes the 'schedule', setting forth the direction and constraints of the working relationship, including legal provisions and warranties. The secondary element includes a 'Statement of Target Outcomes' (SOTOs). This will look similar to a traditional contract but focus on outcomes instead of activities.

The Flexible contract includes information about the details of the Target Outcome:

1. Name of target outcome – in the form of an action verb and noun phrase
2. The value of the outcome – time or money over a defined period of time
3. The measure of the outcome
a. metrics used (percentage, time, number)
b. Party responsible for measurement
c. Method of measurement (data collection system)
d. Frequency of measurement (time period)
e. Baseline used as a starting point.

**Important Common Elements of Flexible Employment Contract.**

Flexible employment contracts are similar to traditional employment contacts and includes these key elements:

• Address the subject matter of the working relationship, as in for what purpose the employee has been hired
• include information about compensation and time parameters
• include warranties or guarantees
• include terms and terms for termination
• intellectual property, Non-disclosures, confidentiality and other restrictive clauses
• provisions for dispute resolution
• Included expected outcomes, bound by time or money and broken into small deliverables

**The advantages of a Flexible Employment Contract include:**
1. Focus on the desired results and not the process of getting the results.
2. Gives employees ownership of finding ways to achieve the desired results.
3. May include periods of work and non-work based on project requirements
4. Recognizes that outputs to achieve outcomes may need to change and provide opportunities for flexibility in what, how and when work is accomplished
5. Provides opportunity for more innovation and agility because they do not tie he employee to activities prescribed early in the process.
6. Does not require as many contract details which allows for easier changes to the work activities and other contract details

**Time and Money Elements of the Flexible Contract**
In today's evolving, agile and flexible workplace a flexible contract may work for some employees, although not all employees are going to embrace this model. One of the interesting elements of the contract is the flexibility it allows an employee to get the work completed early and get paid out. When structuring the flexible contract you may establish an amount of money to be paid out at the completion of the outcome. You can structure this such that the employee is paid a 'day rate' between the time the project starts and the completion of the achievement of the outcome or a time

period in the future based on when you agree the project will be completed. If the employee completes the outcome sooner that employee could receive the balance of the payment paid out early. This can be an incentive for the employee to complete the work quickly, thereby getting a new outcome based assignment sooner or having receiving the money and not having work to do until the next assignment.

Today not all jobs will fit a Flexible Employment contract model today. However, as more jobs become specialized and project focused and short-term employment becomes more common more and more jobs may suit a Flexible Employment Contract Model. The Flexible contract focuses on the results the employer is seeking rather then the details of how those results will be achieved potentially creating opportunities for innovation and agility within the workplace benefiting both the organization and the employee.