

Evolving Ways To Find and Hire Independent Contractors



Finding talent to fill a short-term gap in the organization traditionally involves contacting a temporary or staffing agency and bringing on board a temporary employee. Historically most 'temp' roles were pink or blue-collar jobs but over the years they expanded to include any type of role from accountants to engineers, marketers, financial professionals, graphic designers, technology professionals and more. Now, as the gig economy has taken hold it seems that any role in an organization, from front line to the CEO, can be well filled with a 'temporary employee'.

Today we here frequent talk about the freelance or gig economy. The shift to a global workplace along with technology has enabled freelancers or independent contractors and organizations to more easily connect, opening doors for the growing pool of freelancers who want to remain independent and providing opportunities for organizations to minimize their investment in talent they only need on a short-term basis. Two of the largest suppliers of freelancers, Freelancer.com (founded in 2009) and Upwork (formerly Odesk, founded in 2003 and Elance, who merged in 2015) grew rapidly during the great recession.

Verification of Freelancers

Some of the challenges associated with working with freelancers is verifying the quality and veracity of the services and quality of services a freelancer claims to offer. Some freelancer marketplaces will vet or verify freelancers, either by having the freelancers complete (voluntarily) testing, on everything from English language skills to technical skills, verifying education or references and asking those who use the freelancer to rate their services. In these freelancer marketplaces as Freelancers gain experience and get more positive reviews their rankings will go up (similar to how e-bay rates sellers). The challenge with these methods of verification is that it can take a long time and a lot of effort for a freelancer to build their verification and ranking and not

all of the best freelancers want to jump through the hoops required in these marketplaces.

Costs

In these marketplaces freelancers present their rates and 'employers' can also indicate the fees they are willing to pay for services. The details of wages and project details can be negotiated once contact is made.

Some of these freelance connection organizations charge 'organizations' to post 'jobs' and but more take a percentage of the fee collected by the freelancer, 10% being a common amount.

The relative ease of use of the sites that connect freelancers with potential clients can make using these marketplaces an attractive way to find just-in-time hiring solutions. But Upwork, Freelancer and all the other freelance marketplaces face growing competition from organizations that are finding their own supply of independent contractors, skipping the temp agency and skipping the freelancer marketplaces.

Building Your Own Talent Exchange

Tools like the Referralkey and more notably LinkedIn (and the new LinkedIn Profinder – which currently provides US based experts in 12 fields of service) and other social networks allow organizations to find people who are looking to connect and build professional relationships. By searching and finding someone using a tool such as LinkedIn an organization can find talent at little or no fee. Organizations can then invite people they are interested in connecting with to join their LinkedIn group, connect directly a representative of the organization and/or have the persons name or business name added to a list or supplier database.

The downside of methods such as LinkedIn is that they can be a time and even labour intensive approach. While LinkedIn offers access to thousands, even ten's of thousands of potential contractors, LinkedIn does not let freelancers easily indicate their interest, relevance, openness and availability to an organization.

Recently, global powerhouse PwC officially launched what they have termed the 'PwC Talent Exchange", an online work intermediation platform (WIP) that directly connects independent professionals with internal PwC projects and project teams. By registering with the PwC Talent Exchange and creating a profile independent professionals gain access to project opportunities.

PwC has indicated that The Talent Exchange is about meeting the needs of PwC clients, and PwC delivery teams, by directly engaging independent contractors in a cost effective manner instead of relying on traditional staffing agencies and recruiting methods. If PwC is successful in building their talent exchange it could be a marketplace that gains a solid presence in the freelancer supply marketplace.

There remains a variety of ways to find and connect with talent including freelancer talent. Once you are ready to hire your next freelancer follow these 5 basic steps:

Independent Contractors Hiring Tips

1. **Clarify your need, the length of time and budget for the project** – although the initial project may change and even if you may need the work done on a recurring and remitting basis, when you first hire a contractor it is useful to have a timeline and budget clearly in your plan. Testing an independent contractor out on a limited basis is a great way to evaluate without a significant commitment.
2. **Determine how you will locate the independent contractor** – Finding a contractor through freelancer marketplaces is certainly one option, but using your network, past employees, and tools such as LinkedIn remain viable ways to find quality contractors. In Canada you can look for independent talent at these various platforms:
 - WorkHoppers
 - Peopleperhour
 - Airtasker
 - Guru
 - Freelancer
3. **Post or advertise your 'Job'** – clearly lay out the terms and details of what you need, including the requirements and scope of the job and share the posting in one of the marketplaces or with potential contractors you locate on your own.
4. **Identify your screening process** – when hiring an employee you plan several steps including recruiting, screening, interviewing, background and reference checks. Sometimes, however, when hiring short term independent contractors organizations take a more relaxed approach to hiring because the role is often short term and less of a cost investment. However, it is useful to consider how you will screen and verify your independent contractors. Interviewing, references and obtaining work samples are a minimal way to proceed.
5. **Create your contracts and agreements** – independent contractors may have an agreement they ask you to sign, some independent contractors may even require some of the fee for services up front. You may also choose to draw up an agreement that spells out the expectations and payment structure. CRA (Canada Revenue Agency) can look closely to see if your contractor relationships are really contractor relationships or employer-employee relationships. Carefully check to make sure your agreements and practices will stand up to scrutiny.

Hiring an independent contractor may be a cost effective way to fill temporary needs in your organization. Before you do so ensure you understand the rules that define what an independent contractor is in Canada. The Insider provides many articles and resources to help you clarify if a contractor is a contractor or employee so check them out thoroughly before you bring on board your next or your first independent contractor.

Model policy for classifying workers as employees or independent contractors

Employee or Independent contractor – how to tell the difference and why it matters

Are you prepared for your independent contractors employee rights