Rise of the Contract Workforce



The way organizations use talent is changing. More companies are relying on executives, technical specialists, and senior advisors who are not full-time employees. They work fractionally. They rotate in and out on FIFO schedules. They live in one province and work in another.

For HR, this shift brings real opportunity. It also creates real risk.

When someone works across provincial boundaries, even part time, the old assumptions about employment status, payroll, workers' compensation, and occupational health and safety stop holding up. Regulators do not care that the role is fractional. They care about where the work happens, who controls it, and what risks exist on the ground.

This article explains what is driving the rise of the contract workforce in Canada, where organizations are getting exposed, and what HR needs to do differently to stay compliant and credible.

Why Fractional and FIFO Work is Accelerating

Several forces are converging.

Senior talent is scarce. Experienced executives and specialists are choosing portfolio careers. They sit on two or three leadership teams instead of one. Organizations accept this because the alternative is not hiring at all.

At the same time, remote and hybrid work has normalized cross-provincial arrangements. A safety director may live in Alberta, advise a mining operation in British Columbia, and fly to Saskatchewan once a month. A CFO may work from Ontario while overseeing payroll and finance teams in Atlantic Canada.

FIFO work has also expanded beyond resource sectors. Healthcare, construction, utilities, and transportation increasingly rely on fly-in specialists for short rotations rather than permanent relocation.

From a business perspective, this is efficient. From an HR and compliance perspective, it is complex.

Why HR Cannot Treat These Roles as Informal Arrangements

A common mistake is to treat fractional executives or FIFO specialists as "low HR impact" roles.

They are senior. They are trusted. They are often engaged through professional corporations or consulting agreements. As a result, organizations assume the risk is minimal.

In practice, these roles carry outsized exposure.

Senior people influence decisions. Specialists perform high-risk work. When something goes wrong, regulators look closely at who had authority, who directed work, and who controlled conditions.

HR sits at the centre of this analysis whether the worker is called an employee, a contractor, or an advisor.

Employment Status Does Not Override Reality

One of the biggest traps is over-reliance on labels.

Calling someone an independent contractor does not make them one. Incorporation does not eliminate employment-like obligations. Courts and regulators assess substance, not paperwork.

Key questions always come back to control, integration, and dependency.

If the organization sets schedules, directs how work is performed, supplies tools, or embeds the individual into management decision-making, employment-like obligations may follow.

This matters because employment status drives which provincial laws apply, how payroll is handled, and who is responsible for statutory protections.

HR needs to work with legal counsel early, not after a problem arises, to stress-test these arrangements.

Cross-Provincial Work Changes: Which Laws Apply

In Canada, employment and occupational health and safety are largely provincial matters.

That creates immediate complexity when work crosses borders.

The province where the work is performed usually governs occupational health and safety obligations. Workers' compensation coverage also typically follows the location of the work, not the worker's home address.

For HR, this means:

- A fractional executive based in Ontario but performing work in British Columbia may trigger British Columbia safety obligations.
- A FIFO specialist flying into Alberta must be covered under Alberta workers' compensation rules for the period they are working there.
- A contractor rotating through multiple provinces may require multi-

jurisdictional coverage and reporting.

This is not theoretical. Regulators routinely investigate jurisdictional gaps after incidents.

Workers' Compensation Exposure is Often Underestimated

Workers' compensation is one of the most common failure points in fractional and FIFO arrangements.

Organizations assume the individual's corporation carries coverage. Sometimes it does. Sometimes it does not. Sometimes it covers the wrong province.

If coverage is missing or invalid, the host organization may be deemed the employer for compensation purposes. That can trigger retroactive premiums, penalties, and personal liability exposure for officers and directors.

HR should never assume coverage exists. Verification needs to be routine, documented, and refreshed when work locations change.

Occupational Health and Safety Duties Still Apply

Another common misconception is that seniority reduces safety obligations.

It does not.

If someone is present at a worksite, performs work, or directs others, occupational health and safety duties attach. This includes orientation, hazard awareness, supervision clarity, and incident reporting.

FIFO specialists often arrive, do the work, and leave. That makes it easy to skip basic safety processes. It also makes incidents harder to investigate and defend.

HR needs to ensure that onboarding, training, and reporting expectations are clear even for short rotations.

Supervisory Authority Creates Additional Risk

Fractional executives and specialists often act as supervisors in practice, even if not in title.

They approve work. They set priorities. They tolerate or correct unsafe practices.

Under occupational health and safety law, supervisors carry specific duties. Their knowledge and actions are often imputed to the organization.

This means that a fractional operations director or project lead can unintentionally create enforcement exposure if their authority is not clearly defined and supported.

HR plays a critical role in clarifying who is a supervisor, what authority they hold, and what training they must receive.

FIFO Work Increases Fatigue and Mental Health Risk

FIFO arrangements introduce risks that are not always visible.

Travel fatigue. Extended shifts. Isolation. Disrupted sleep. These factors increase

incident risk and psychological strain.

Canadian regulators increasingly expect employers to account for these factors, particularly in high-risk industries.

HR should be asking how FIFO schedules are designed, how fatigue is managed, and how mental health supports are communicated to non-resident workers.

Ignoring these issues can undermine both safety outcomes and duty to accommodate obligations.

Documentation Matters More Than Ever

When work arrangements are unconventional, documentation becomes critical.

Clear contracts are only the starting point. HR also needs:

- Written role definitions that match reality.
- Clear statements of authority and reporting lines.
- Records of safety orientation and training.
- Proof of workers' compensation coverage by province.
- Travel and rotation schedules that can be reviewed after an incident.

When something goes wrong, investigators reconstruct what was known and who controlled decisions. Informal arrangements do not hold up well under scrutiny.

HR's Role is Shifting from Administration to Risk Design

The rise of the contract workforce pushes HR into a more strategic role.

This is not just about drafting agreements or processing invoices. It is about designing systems that reflect how work actually happens across jurisdictions.

Strong HR teams are now asking:

- Where is work physically performed?
- Who directs it?
- Which province's laws apply?
- What assumptions are we making that could fail under investigation?

This mindset shift is essential. Fractional and FIFO work is not an exception anymore. It is a core operating model for many organizations.

Practical Steps HR Should Take Now

HR does not need to slow innovation. It needs to stabilize it.

Start by mapping all fractional, FIFO, and cross-provincial roles. Identify where work occurs and how often. Review whether employment status aligns with reality.

Next, audit workers' compensation coverage by province. Do not rely on verbal assurances. Require documentation and update it when work locations change.

Clarify supervisory roles and ensure appropriate training is in place. Seniority does not replace safety responsibility.

Finally, build consistent onboarding and safety processes that apply to all workers, regardless of how they are engaged. Consistency reduces confusion and exposure.

The Bottom Line for HR Leaders

The contract workforce is not a trend. It is the new normal.

HR sits at the intersection of talent strategy, compliance, and risk management. When executives and specialists work fractionally or FIFO across provinces, informal approaches break down quickly.

Organizations that treat these roles seriously, design for jurisdictional reality, and document decisions clearly are better positioned to attract talent without inviting enforcement surprises.

Those that do not often learn the hard way.