

# The 'outliers': How to manage and get the most out of contractor employees

Now that some of the largest companies have transitioned up to 50% of their workforce to contract employees, according to the *Wall Street Journal*, managers are faced with a unique challenge.

Despite the fact that a manager may hire the contractor and approve his or her final invoice, it's not a relationship that involves ongoing coaching or evaluation from a manager.

Likewise, though many members of the team may interact with the contractor, he or she isn't a fixed part of the internal culture.

Though project-based relationships can be a win-win for contractors who want flexibility and employers who need temporary or occasional access to top talent without the cost of a full-time employee, it's a relationship that requires managers to reach a sensitive balance: How to develop a respectful and lasting relationship with contractors, without overstepping the boundaries of the arrangement or being perceived as a micromanager.

Here are three tips to help you build effective and symbiotic relationships with contractors who support your team.

**1. Remember that time is money.** Working with skilled contractors can raise the overall profitability, quality and cost-efficiency of projects.

Contractors can provide the expertise your team needs while allowing you to avoid the costs of recruiting, training and developing another full-time employee.

But unlike a salaried employee who is compensated to sit in meetings (regardless of how productive the conversation is), or work overtime, many contractors bill by the hour. Ambiguous direction, indecision and lack of organization can quickly cause the contractor's billable hours to escalate beyond the amount you've budgeted.

Maximize the ROI you realize from contractor work with well-established processes that reduce the potential for misdirection or misunderstanding, and eliminate redundancy and bottlenecks. For example:

**Provide contract employees with a detailed overview** of project requirements before establishing a contract or hourly rate. Determine how much time the contractor expects to spend on specific aspects of the project. Discuss how needs outside of scope will be handled if they arise.

**Identify all deliverables, deadlines, and review processes** that the contractor should be aware of before the project launches. If there are internal credentials, security clearances, data sources or background information the contractor needs to complete the job, establish the necessary access for the contractor before the job begins.

**Assign a person on your team to serve as a primary point** of contact for the contractor if your schedule

doesn't allow for timely responses to questions that may arise. A barrage of emails from several team members, time spent searching through shared drives or project management tools for information about the project or assets will likely lead to increased billable hours, delays in completion, and frustration for all involved.

**2. Give constructive and specific feedback.** Contractors may not have an intimate understanding of your company's brand, strategy, past projects, culture or dynamics, despite his or her level of professional knowledge. Expect a learning curve and be willing and able to provide guidance as the contractor familiarizes himself with your organization.

When you provide feedback to the contractor, remain positive, constructive, and encouraging. Be as specific as possible when requesting changes or edits.

A contractor doesn't technically work for you in a traditional manager-employee role, but the most productive contractor relationship will be long-term.

You won't speak to the contractor as frequently as your salaried staff, but the coaching style you use with a contractor should be similar to interactions with your direct reports.

**3. Use the contractor's insights to better your team.** Contractors are a guest of sorts on your team. Often, they will see opportunities your team could leverage to be more successful. Ask the contractor to share feedback about his or experience at least once when the project is underway, and again at its conclusion.

You'll learn new information about your department, and potentially gain insights into best practices used by other clients the contractor has worked with in the past.