

Hiring Contractors:

WHAT EMPLOYERS NEED TO KNOW





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When I first started recruiting for contract roles in 2012, contract employment was seen as a less attractive option compared with permanent positions. Fast forward to 2018, and I receive over 50 queries from candidates each week. Most of these candidates are mid-career professionals looking to enter the contracting market for various reasons.

Contract roles are now seen as good entry points into multinational corporations or a way to achieve a better work-life balance. Professionals are also more open to contract roles due to the tightening of Singapore's labour market. As a result, the talent pool of skilled contractors has increased.

The gravitation towards contract employment is likely to be a win for employers who have had to grapple with talent shortages in the contracting pool for the past few years. With a ready pool of professional contractors in the labour market, employers can now afford to be selective about their contractors' expertise and skill sets.

Whilst there are wins, an increasing reliance on contingent workers will also present a new challenge to employers — how to better engage the contracting workforce. To introduce you to the world of contracting, our team has put together this guide with everything you need to know. We hope the insights from this guide will help you develop a robust talent sourcing strategy and incorporate contracting into your hiring mix.

Meet the other leads of our contracting team, Ken and Aarti:



Ken Ong
Manager



Aarti Budhrani
Manager

We hope you enjoy this as much as we did putting it together!

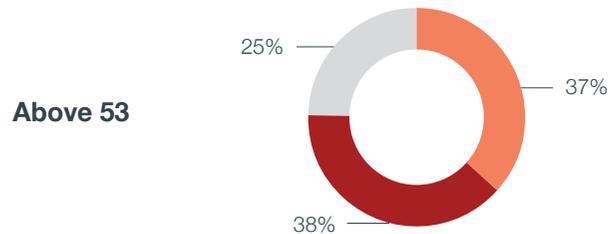
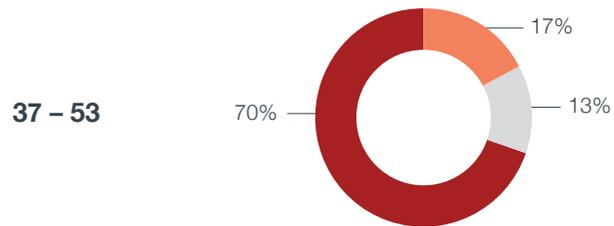
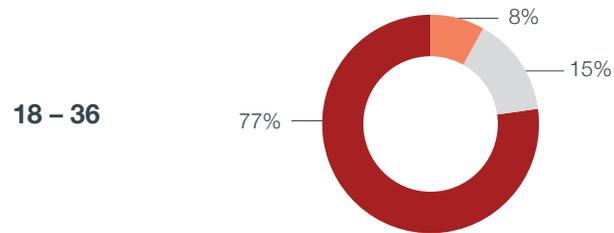
Warm Regards,
Melissa



Insights from Singapore's workforce

The following statistics are derived from a survey conducted in Singapore in November 2017. 3861 professionals from the **Page Personnel** database were surveyed.

Singapore's workforce is now split as such, based on **age groups**:



■ Employed in a contract job
 ■ Employed in a permanent job
 ■ Unemployed



Our insights show that the propensity for contracting increases with years of experience. At a more experienced career level, candidates show interest in new, challenging roles that will enable them to constantly upskill and keep up with market or industry trends.

15% of professionals are currently in contracting roles, of which

-  **22%** are in IT
-  **13%** are in Banking and Financial Services
-  **11%** are in Finance and Accounting
-  **11%** are in HR and Secretarial

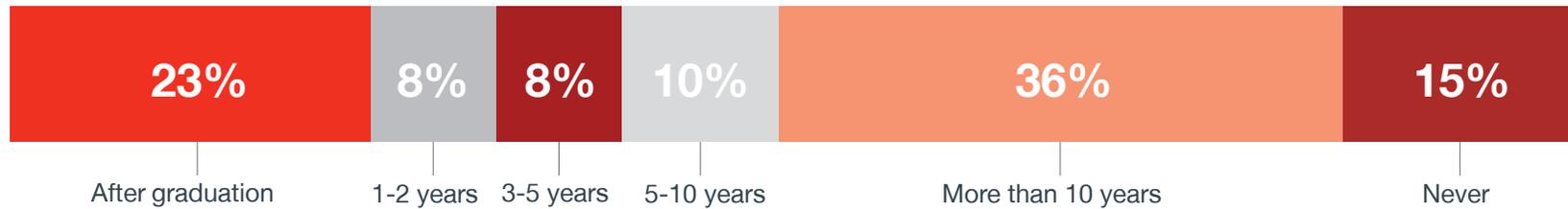
Unlike professionals in the other sectors, 36% of professionals in the Banking and Finance Services sector cite the opportunity to work in a specific organization of their choice as the main reason to take on a contracting role.



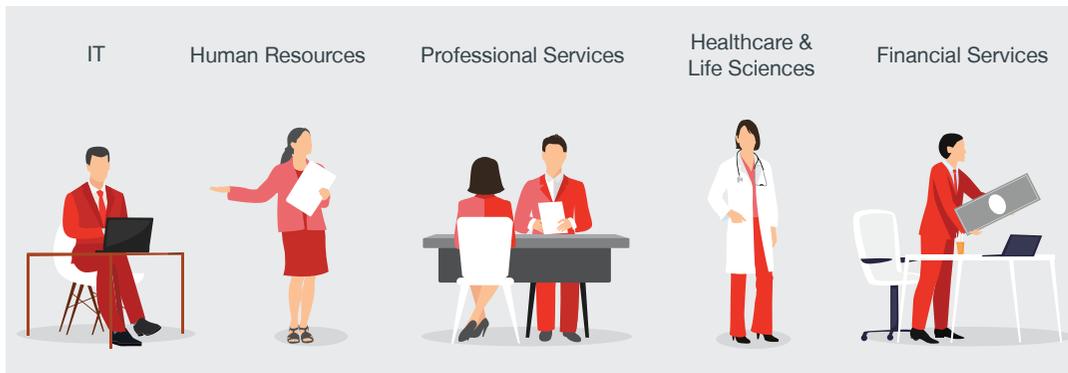
Why is contracting a **positive proposition** to candidates?



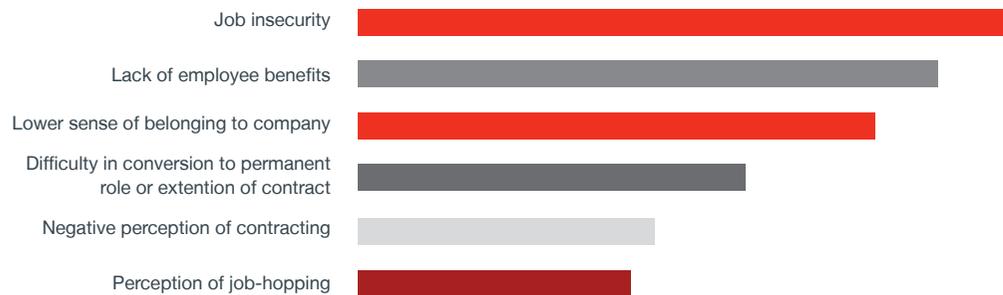
Professionals **will consider** contracting roles at these stages of their career



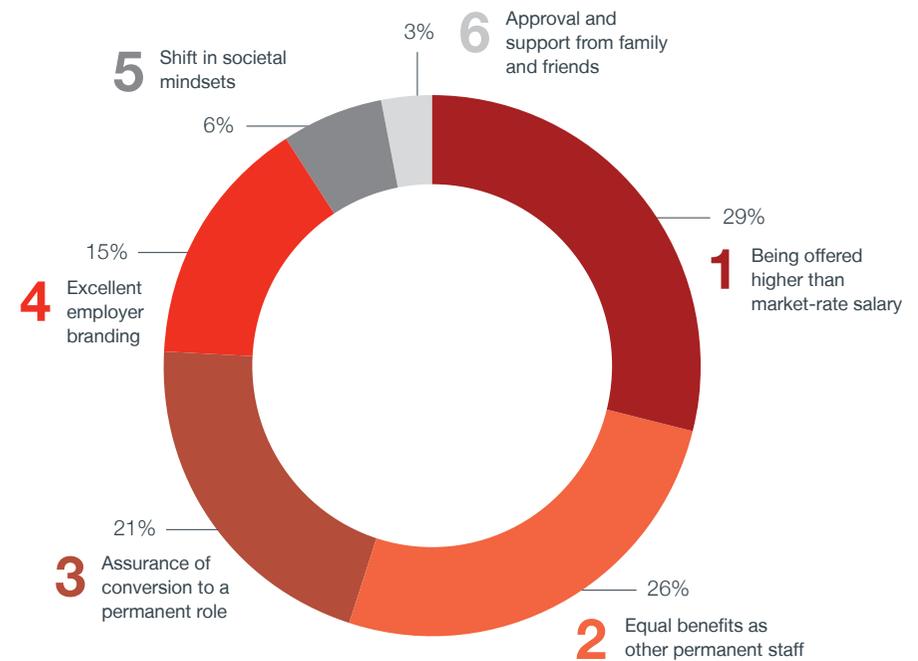
Candidates in these functions are **most receptive** to contracting roles:



Those who **perceive contracting negatively** state the following **reasons** as their main obstacles:



Doing these as an employer will help **encourage** more **professionals** to join as **contractors**:





Understanding the Mindsets of contractors



They are looking for that x factor

Contractors always look for new challenges when considering their next move. It could be a wider job scope in terms of responsibility or market coverage, or taking on a learning curve and building their skills on a new software, project, function or industry. They will match the job description to their current CV and find gaps which can enable them to learn. It will be helpful for you to be as detailed in your job description as possible.



Some clients are surprised to hear that the mindsets of candidates are changing. Where in the past, most opted for stability, more and more candidates are now seeking exposure and don't mind a bit of uncertainty that comes with a contract role.



Expat contractors might have different expectations

If you are considering a seasoned expat for a contract role, don't be surprised to find that they expect to be more highly paid than the market rate. European contractors are used to getting a premium for their services in exchange for the steep learning curve and instability of contract roles.



They are not as 'flighty' as you think

Because contract roles can range anywhere from 3 months to 2 years, contractors might be labelled as being 'flighty'. However, their mobility should not be mistaken as fickle-mindedness. Most of the time, contractors are known to fulfill their full contract term with a company and sometimes companies have even offered to extend their contracts.



Tell it like it is

Contractors appreciate employers who give them advance notice on whether they will be offered a permanent role or have their contracts extended. Try to break the news at least one month in advance so they have the opportunity to start looking for a new job.



Think about their benefit package

As a potential employer, the best way for you to show your sincerity in engaging contractors is to offer them similar benefits to a permanent staff. Contractors hope to be fairly matched in areas such as medical leave, annual leave and flexible benefits. A one month completion bonus is usually awarded to contractors with every year of service rendered.



There is ongoing education with hiring managers to ensure they understand the necessity of competitive employee benefits and salaries in order for candidates to feel valued in their organisations. Most employers now cover medical insurance and follow our advice to offer a minimum of 14 days annual leave.



Contracting FAQS

We present the answers to some of the most commonly asked questions about contractors.

Are contracting candidates less qualified?

Absolutely not. About 70% of them have university degrees. Some of them are even brought in as consultants to our clients' and their main task is to train and share their expertise with the company's workforce. This is a common misconception but many of our clients have come to appreciate the value of contractors.

What are the availability of candidates?

We maintain a steady pool of candidates who are immediately available. Some candidates might have notice periods of up to 1 month but we seldom consider candidates with notice periods longer than that.

How do you work with employers to implement a hiring strategy?

First, we establish your specific needs and try to understand the job profiles you need to meet your expectations. At the end of the brief, we will design and recommend customised solutions to manage your resources efficiently within your budget. A PP manager will be your dedicated point of contact for the duration of the project. They will work to have a deep understanding of your core business needs, your organisation and your culture. As recruitment experts, we will optimise your recruitment and mobility processes, and recommend the top talent to help drive your current and future strategy.

You can be assured of an excellence-driven approach where we will put in place a reporting system and efficiency indicators to ensure we are meeting agreed objectives.

How do you source for the best contracting talent?

We develop a sourcing solution based around the combination of the following:

- International Database
- International Sourcing
- Targeted Search
- Network / Referrals
- Online Advertising / Social Media

I need a contractor urgently. How fast can you work?

We understand your need for speed, and can provide a shortlist within 24 hours. Most of our shortlists will include 5 candidate profiles. We fill contract positions within a week or two, but our record so far has been 20 hours!

Assuming I hire a contractor and then decide to convert him to a permanent role – will I have to pay the placement fee to Page Personnel?

Yes. Please have a chat with us if you have more questions on rates.

What are my options in terms of payroll?

You can either handle the payroll in-house, or outsource it to a third party. Our clients outsource the payroll with us for the following reasons:

- Pay as you go model to protect against back-outs or early termination
- As a solution to frozen headcounts or to expense salaries as a cost
- Save time and resources needed to manage timesheets, and leave applications
- Dedicated administrative and payroll team to support our clients

If I outsource the contractors' payroll to a third party, what will be included in the monthly cost?

The monthly cost can usually be broken down into the following components:

Monthly Salary + CPF + SDL + Work Permit levy + Insurance + Admin Fee + Placement Fee
= Monthly Overall Cost

Central Provident Fund (CPF) – 17% fixed

Skills Development Levy (SDL) – 0.25% fixed

Work Permit Levy (if applicable)

Insurance – dependent on third party rates

Admin Fee – dependent on third party rates

Placement Fee – dependent on third party rates

CPF, SDL and Work Permit Levy are based on statutory requirements required by law.



Clients who choose for us to handle their payroll have the comfort of knowing that our leave and medical application systems are fully managed online. This streamlines operations for both our clients and contractors.

Start a conversation

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Our contracting candidates range from

- fresh graduates
- junior management
- mid to senior executives
- C-suite

and are skilled across functions such as

-  customer service
-  finance and accounting
-  sales and marketing
-  financial services
-  human resources
-  secretarial and office support
-  technology

We'd love to speak to you about our available talent pool in contracting. Get in touch!

About Page Personnel

Part of PageGroup, Page Personnel delivers a specialised, high-quality recruitment service that places professionals across the contracting, customer service, secretarial and office support, finance and accounting, financial services, human resources, sales and marketing, and technology sectors.

The Group operates through 140 offices in 36 countries worldwide. First established in London in 1976, we have been bringing job seekers and employers together for more than 40 years.

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