

# WORKING

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## 'Contingent' workforce set to rise rapidly

### Trend most apparent in oilpatch

DEREK SANKEY

FOR THE CALGARY HERALD

**T**wenty-five per cent of the workforce will consist of "contingent" workers within five years, as companies make plans to maximize this growing resource, according to a newly released study.

"The trend toward independent contractors . . . is no longer percolating to the surface, it's boiling," says Shannon Bowen-Smed, chief executive of Calgary-based **Bowen Workforce Solutions**, which sponsored the report.

More companies are turning to this segment of the workforce amid a rapidly tightening labour market and nowhere is the trend more apparent than in energy-rich Alberta, Bowen says.

Despite studies that reveal an aging population is nearing retirement, until now there has been a relative "demographic calm," says Al Saurette, a research consultant who helped compile the report.

"That demographic calm is about to be shattered," Saurette says.

"Now, people are really leaving the workforce and the next five years will (bring) the kinds of changes that have never been seen in the labour market."

The trend is partly due to a job candidate-driven market. At the forefront are senior workers who possess the industry experience and techni-

cal skills needed to oversee the transition period to a new generation of leadership.

The concept is also garnering attention from younger workers. The research suggests there are greater flexibility demands being placed on companies.

Many contractors indicated they would rather be judged by the value they add and the output of their efforts, rather than the numbers of hours spent in a chair.

Companies continue to offer new arrangements for people with specific skills in areas of industry that are experiencing sustained growth.

As part of many corporations' succession plans, human resource departments are offering more short-term compensation contracts to keep experienced workers on board.

Many of the large oil companies in Calgary have used contract workers for years, due to the cyclical nature of commodity-based industries, says Mike Buckner, a partner with Calgary career placement firm **Roneta Professional Search**.

Now, the change is rapidly intensifying in that sector.

"For that (risk), the contractors are getting paid a very good wage — probably more so than a permanent employee would get paid," says Buckner, who helps firms recruit people

in finance and accounting.

Saurette, himself an independent contractor with a background in market research and technology, says other factors are pushing the rise in numbers.

The No. 1 issue identified by several dozen independent contractors for pursuing that line of work was coping with "bad bosses and bad assignments," he says.

The No. 2 issue is flexibility, being able to work whenever they want to or have to, and choosing their hours.

However, companies are still highly focused on competing for the best permanent talent to secure a source of top-performing labour.

"We're teaching this incoming generation in the workplace that they are their own bosses," adds Bowen-Smed. "You're basically a corporation of one."

It takes a specific type of person to make it work as an independent contractor, though.

"You have to do everything that a successful corporation does by yourself," she says. That includes taxes and accounting, invoicing, marketing, and other administrative functions.

"It's a good thing if you understand a lot about who you are," says Bowen-Smed.

Discipline, time management, organization and networking ability are just some of the requirements to be successful.

Not to mention, you must possess skills that are in high demand, she adds.

Skill requirements are constantly changing and workers typically change careers several times, so it has become a necessity to include ongoing career development in your plans to build a successful career.

“The next five years will (bring) the kinds of changes that have never been seen in the labour market”

AL SAURETTE,  
RESEARCH  
CONSULTANT



Shannon Bowen-Smed, chief executive of Bowen Workforce Solutions, and Al Saurette, a research consultant. "The demographic calm is about to be shattered," says Saurette.

Leah Hennel, Calgary Herald

In Calgary, the majority of companies have traditionally looked for natural science backgrounds, for engineers, landmen, geologists and geophysicists. That's also changing as the city grows and diversifies its talent.

Chris Jackson, another partner with Roneta, says the trend is being compounded by an overall decrease in employee loyalty.

"There is less reason for someone to want to be an employee for a long time if there aren't those golden handcuffs," he says.

A rush of activity is catering to this need for labour in the form of consultants and independent contractors who have developed relationships with the firms they helped build, mostly related to the energy sector in Calgary.

The trend toward contingent workers is also fuelled by employers who want to save long-term costs on one hand; and, workers who demand more freedom and compensation for their highly targeted, technical skills, says Bowen-Smed.

"If the (contract) doesn't align for you in terms of values,

flexibility, opportunities, interest . . . you get to leave," she says.

"Companies are definitely coming up the learning curve," adds Saurette.

He conducted the study in conjunction with **Moreau and Associates** — a Calgary human capital management firm — and several partners. It was based on data from small to large corporations, entrepreneurs, independent contractors, educational institutions, and other sources.