

Contractors benefit as flexible working enters mainstream employment

According to a new survey by the [Keep Britain Working](#) campaign, an astonishing 28% of UK workers in the business services sector have taken pay cuts, 25% have had their hours cut and 23% have lost benefits as a result of the recession.

This unprecedented level of flexibility on the part of permanent employees and their employers is good news for contractors, as UK organisations start to appreciate the benefits of a flexible contractor workforce, and one that has no 'employment risk' associated.

Further [research just published](#), from the [Interim Management Association \(IMA\)](#) and specialist IT recruiters [Harvey Nash](#), highlights the positive impact interim executives and IT contractors are having in achieving technology innovation within large organisations, despite reduced budgets.

'Unprecedented flexibility'

Contractors are no strangers to the concept of flexible working – indeed, it's the highly skilled flexible contractor and freelance workforce of about 1.4m people that has made the UK such an attractive place to do business.

As UK PLC attempts to trade its way out of the economic downturn, it is hugely gratifying for contractors to see that the flexibility and creativity for which they are known are being heralded as the potential saviours of the UK economy.

"The UK workforce has demonstrated unprecedented flexibility during this recession," comments Keep Britain Working founder James Reed, "allowing organisations to explore a whole range of cost-cutting responses, other than relying solely on redundancies."

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James Reed, Keep Britain Working

Flexibility key to survival

Research by Harvey Nash shows that 76% of senior IT executives throughout Europe plan to increase their outsourcing activity in the next 12 months, and it is likely that a significant chunk of this work will come to contractors, particularly those working in IT, project management and interim management.

The research also highlights that IT departments face the challenge of being targeted to over-perform, despite having smaller budgets and shrinking teams. Contractors have a key role to play in this process, as within most businesses they do not contribute to official headcount and can be used by managers to increase much-needed capacity.

Contractors can also take advantage of the inflexibility of their European counterparts by exploiting contracting opportunities abroad, as highlighted by Reed, who says: "In contrast to parts of Continental Europe – workers overall appear to be making common cause with their managers to help keep people working."

Short-term fix or long term adoption?

Will the wider embrace of flexible working remain as an effective management tool in the longer term, or will organisations return to the unwieldy employment practices of the pre-recession years?

Contractors could see their markets open up significantly if major employers decide they enjoy the benefits of a flexible and responsive workforce. It is also possible that the ranks of contractors could swell as redundant employees decide to explore the attractions of the contracting lifestyle.

Whatever the future may hold, contractors now know that the pain of their rate cuts is being shared by the employed workforce taking pay cuts. Those finding it tough out there right now should focus on honing their contracting skills to ensure they stay in contract and stick it out for when the economy, and contractors' prospects, pick up again.

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