

Understanding Tenure in Temporary Labour



What is Tenure?

Tenure in temporary labour refers to the length of time a temporary worker, contractor, or freelancer is engaged with a company, even when working through a supplier. It's not about how long they've worked for the supplier, but how long they've been assigned to your company.



Why Should You Care About Tenure?

As a Hiring Manager, understanding tenure is crucial because:

Legal Compliance:

Many countries have laws limiting how long a worker can be classified as 'temporary'.

Cost Management:

Extended tenures can lead to increased costs or obligations.

Risk Mitigation:

Proper tenure management helps avoid legal and financial risks.

Workforce Planning:

It affects how you plan and manage your team's composition.

Key Points for Hiring Managers

Be Aware of Time Limits

- Different countries and worker types have different maximum tenure periods.
- Your trusted suppliers should track this, but you should be aware too.

Plan for Transitions

- Start thinking about what happens when a worker approaches their tenure limit.

Options might include:

- Transitioning the worker to a permanent role
- Rotating in a new temporary worker
- Redistributing tasks among your team



Communicate with Your Supplier

- Keep in regular contact about tenure status of your temporary workers.
- Discuss any planned extensions or changes well in advance.

Understand the Risks

Exceeding tenure limits can lead to:

- Increased costs
- Legal issues
- Potential claims for permanent employment

Focus on Knowledge Transfer

- Develop processes to ensure critical knowledge isn't lost when workers rotate out.

Case Study:

The Unexpected Costs of Overlooking Tenure

Situation:

A marketing team engaged a graphic designer through a staffing agency for a "short-term" project. The project kept expanding, and the designer's contract was repeatedly extended.

Problem:

After 18 months, the company's annual audit revealed that the designer had exceeded the local tenure limit for temporary workers by 6 months.



Consequences:

- The company faced potential legal issues for non-compliance with local labour laws.
- There was a risk of the designer claiming rights to permanent employment.
- The finance department flagged unexpected costs due to the extended engagement.

Resolution:

- The Hiring Manager had to quickly end the designer's contract, causing project delays.
- HR initiated a review of all Temporary worker engagements.
- The company implemented a new system for Hiring Managers to receive alerts about approaching tenure limits.



Key Takeaway:

Regular communication with your staffing agency about tenure limits, and awareness of the duration of Temporary worker engagements, can help avoid unexpected costs and legal risks.

Best Practices for Hiring Managers

Stay Informed:

Familiarize yourself with basic tenure rules for your region.

Plan Ahead:

Think about long-term workforce needs when engaging temporary workers.

Regular Check-ins:

Schedule periodic reviews of your temporary workforce with your supplier.

Document Clearly:

Ensure all engagements have clear start and end dates.

Seek Help:

When in doubt, consult with HR or your temporary workforce programme manager.



Contact our specialist advisors today:

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