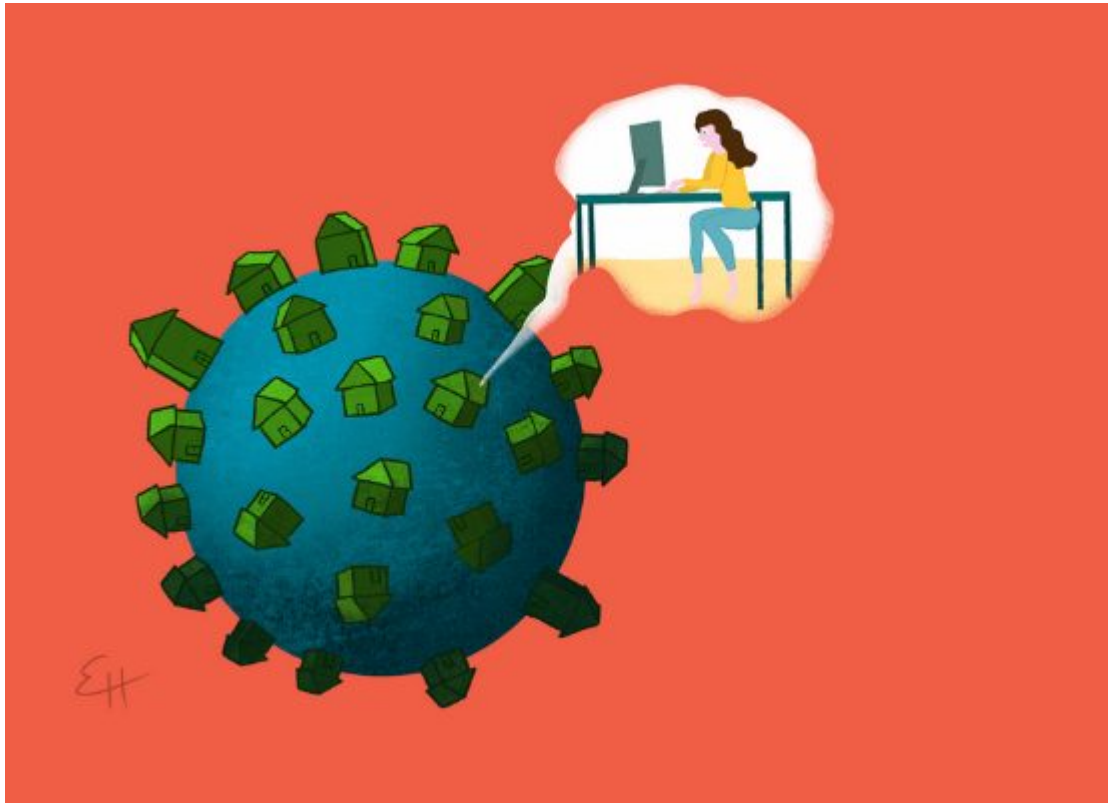


# 9 Ways to Improve Independent Contractor Retention



As more companies utilize independent contractors for long-term support, the retention of those contractors becomes an important focus. It's crucial to find the best independent contractors. However, it's even more important to keep them happy and committed to working with you.

Unlike an employee, your independent contractors are business owners who choose their clients. Once a contract is up, they can move on to the next company. Your contractors will be more likely to stay with you when you implement the strategies included below.

## 1. Have clarity

A good relationship with your independent contractors starts with having clarity before the contract is signed. You should identify what the independent contractor is looking for from the relationship. Are they seeking a few long-term contracts or do they prefer to take on numerous short projects for more variety? Their preferences can help you decide whether they are a good fit for your long term goals.

Clarity will also come from having a contract outlining the scope of work, set price or estimated budget, and work terms. While your independent contractor will likely have their own contract, you can offer to use yours or review theirs and make adjustments as you see fit. You will want to protect your interests in the relationship, but it should be fair on both sides if you're going to improve your independent contractors' retention.

## 2. Have clear expectations

Having upfront clarity should continue once the contract is signed by having clear expectations for both parties. You will have to communicate what projects need to be done, your deadline requirements, and other preferences. However, you also want to be clear about the independent contractors' expectations to improve retention.

There should be a conversation regarding the following points, though keep in mind that you don't want to cross the line into treating your independent contractor as an employee. Be sure to review all applicable laws and regulations related to independent contractor relationships.

- **Location.** Some independent contractors will be fine working on-site, while others will prefer to work at home.
- **Working Hours.** Do you expect your independent contractor to be available during a particular set of hours? Do they need to be available for specific meetings throughout the week or the month?
- **Communication Preferences.** Is your preferred communication daily phone check-ins, emails, weekly Zoom calls? Having clarity related to communication type and frequency is crucial to maintaining a good working relationship.
- **Time Off.** Be sure you know when they won't be available to work. If they don't initiate the conversation, ask about holiday plans or other select dates in which they won't be available to accept assignments or will require a lighter workload depending on the tasks they complete for you.

## 3. Have an onboarding process

Many independent contractors will have their onboarding process for you as the client, depending on the type of service they offer. Still, you want to consider how you onboard them into your company.

- What information will they need to complete the job?
- How will they access necessary documents or files?
- Who are the pertinent points of contact?

When your relationship with your independent contractor starts well with a straightforward onboarding process, it helps them feel confident and prepared. This start sets the tone throughout the relationship.

## 4. Build a relationship

Although your independent contractor won't be a full or part-time employee, he or she is still producing work for your company. In order to improve independent contractor retention, you should work to build a relationship with them.

While you might feel unsure how to build a relationship without crossing into the employee realm, remember you can keep it simple. The best way to do this is to get to know them outside of the tasks they have to complete. Ask questions about their interests, family, weekend, or holiday plans.

If you are having a work lunch or happy hour, there aren't any legal rules saying you can't invite independent contractors to attend.

Alternatively, if you usually give your employees a birthday or holiday gift, be sure to add contractors to the list. It might be a different treat — but including them can help build a relationship that makes them feel more valuable and included in the team.

## 5. Remember what a freelancer is

Independent contractors enjoy the benefits of not being an employee. Therefore, you don't want to cross the lines and start treating them as such.

Be sure to stay abreast of the difference between an independent contractor and an employee, so your expectations are in line. As mentioned above, there should be clarity regarding work location, hours, and the like - but you don't want to start demanding things that cross the line into employee expectations.

## 6. Pay well

To attract a quality independent contractor who will provide you with the results you expect and be willing to stick around, you need to offer a fair rate. Just because he or she isn't a full-time or part-time employee, it doesn't mean you should aim to pay as little as possible.

Not only will you gain a reputation for not paying well, but you're more likely to attract independent contractors who don't work out long term, which decreases your retention rate and can reduce the quality of the results you're seeking overtime.

## 7. Provide feedback

While you don't need to provide formal performance evaluations as you would for an employee, giving feedback to your independent contractors is essential. This can be as simple as letting them know that the work they submitted was great or that you're enjoying seeing the progress on a project.

Along with your positive feedback, you also want to make notes about things that can be improved. Independent contractors want to know how to serve you best, and knowing little or big changes they can make to ensure the work is closer to what you expect is a win-win for both parties.

## 8. Offer Perks

Employees often lean toward the companies that offer excellent benefits and perks, but most independent contractors don't receive perks because of the nature of being a contractor. However, you can stand out by finding ways to include small extras.

- **Offer a bonus.** As long as there's a bonus clause in your contract and you follow all tax and employment laws, you can legally pay your contractor a bonus quarterly, annually, or whenever you see fit — especially if you are thrilled with the work being done.
- **Offer group discounts.** If you have group discounts available through your company, provide that information to your contractors as well.
- **Health insurance.** While most 1099 employees cover their health insurance, you can offer an additional perk with self-employed group health insurance at a lower rate than they'd pay separately. Plus, depending on how you work out the plan, it could reduce premiums for you and your employees as well.

## 9. Recommend and refer

Finally, you can recommend your independent contractors to others seeking similar work. While this might seem counterintuitive, contractors will appreciate the fact that you help bring them business which can further improve your working relationship.