

THE EMPLOYEE MYTH

The Myth:

Employers think that having employees will provide them with committed workers that provide their best work for the employer for the minimum cost. Employers also think that the alternative of having a 'Contract Worker' is not as good as having employees. This myth is explored and exposed herein.

Employees:

The "Law of Master / Servant" is the applicable law for the working relationship between an employer and its employees. As the name implies, the employer is the "master" and all employees are the "servants" a.k.a. "slaves". Thus, employers may think they can deal with employees as their slaves to work on whatever they are assigned to do. The only problem is that slavery and the slave trade are prohibited by International Law such that nobody can be forced to do something that he does not want to do.

Thus, there is no legal requirement that any employee do any work at any time. The legal requirement for employees only requires the following to be upheld: start on time, leave on time, no overtime without prior approval, take 2 x 15-minute breaks per day, take 1 x 30 minute lunch break per day, take 2 weeks vacation each year, do not steal, do not bad-mouth the company, do not release confidential information, and to give the requisite notice when quitting.

There is no requirement for any employee to do any work because that would be considered as slavery. Furthermore, since there is no written contract for any results (work product) to be produced, an employee only has to put in time on the job, not produce any results. It is not from the employer-employee relationship that any results are achieved; such only occurs from the dedication of the employee in an attempt to please his employer.

There are many hidden costs to an employer for having employees, as follows:

- Employer contribution to E.I. Program at 1.4 x amount from employee
- Employer contribution to C.P.P. Plan at 1.0 x amount from employee
- Holiday pay for 2 weeks per year for no results (for nothing)
- Termination pay of 2 weeks (or more) when employee leaves (for nothing)
- Pay increases every year & promotions based on time served (for nothing)
- No requirement for employee to document any work procedures for next employee to carry on with the project
- Except in exceptional cases of responsible and dedicated employees, most employees are not really committed to providing their best effort for their employer; they are just putting in time to collect a pay cheque
- Cheaper is never better; an employer gets what he pays for

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- Employees can obligate the company *via* the Principle of Agency
- Accounting and payroll overhead is greater for employees than Contract
- Employees may leave if they get a better job offer elsewhere
- There are re-training costs to employer for training new employees
- Possible wrongful termination and litigation costs
- Employees cannot come back once they start with a new employer
- Employees take the knowledge with them; it does not stay with the employer
- In reality, when it comes to disputes between employer and employee, the courts usually take the side of the employee who is considered to be the victim

Contract Workers:

The working arrangement between a company and a Contract Worker has many advantages, as follows:

- A written contract between company and Contract Worker clearly outlines the work that must be performed. Such contract is enforceable *via* Contract Law
- Work product is required before payment is due to Contract Worker
- Contract Worker is not paid training for the job; he comes ready to produce
- Contract Worker does not get paid for just putting in time at the office
- Contract Worker does not get paid for lunch breaks or coffee breaks
- Contract Worker can be required by contract to document all work and results
- Contract Worker is responsible for his performance and results
- Contract Workers tend to be more independent, responsible, and reliable
- Contract Worker's reputation requires that he work in best interests of company
- Contract Worker may be held liable for Breach of Contract
- Accounting overhead is simplified with no EI, CPP, IT, Holiday Pay, etc.
- Simpler termination of contract with no termination pay or litigation hassles
- Contractor cannot obligate the company; there is no Agency involved
- Contractor can be re-called later on, if necessary to continue work on the project, without any restrictions from future client, unlike getting an employee back
- Contract Workers bring their knowledge back to the company, if required

Conclusions:

The Contract Worker arrangement is better for a company than having employees. It is a Myth that having employees is better than having Contract Workers.