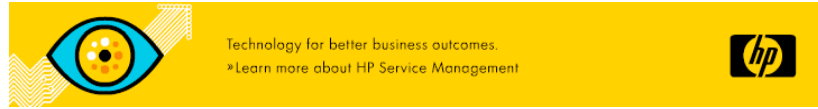


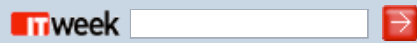
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## Agency rules will hurt IT

Agency Workers Directive will impede IT operations

Gareth Morgan, IT Week, 22 May 2008



The agreement brokered by the government to give agency staff many of the same employment rights as permanent employees will cause havoc for IT managers, it has been claimed.

The government, along with the [Confederation of British Industry](#) (CBI) and the [Trade Union Congress](#) (TUC), agreed a deal which would see agency workers will be given the same basic rights, such as holiday pay, as permanent staff after 12 weeks employment.

"It will give people a fair deal at work without putting their jobs at risk or cutting off a valuable route into employment," said business secretary John Hutton.

But the effect on IT departments could be far from fair, warn some industry watchers.

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The requirement to give time off for holidays or sickness will add delays to business-critical IT projects, and could deter employers from working with contract staff.

Currently, IT leaders frequently employ agency staff, and many IT projects would be impossible without hiring specialist skills externally.

Typically contract work is very well paid and allows the contractors far greater freedom over when and where they work, said Gary Ashworth, executive chairman of IT recruitment company InterQuest. "The whole directive is ridiculous and anti-entrepreneurial. Generally, contractors aren't exploited: they earn more money and many prefer to work in this way."

But Ashworth also noted that both employers and IT contractors were likely to use loopholes to circumvent the rules. "Employers will probably start looking for replacements after 11 weeks," he said. "While IT contractors will set themselves up as single person limited companies."

The 12 week rule could have severely detrimental impacts on IT projects, warned Marika Hall, business manager at HR supplier NorthgateArinso. Project overruns are relatively common in IT, she noted, therefore the new proposals create additional risk: a contractor could be employed in good faith for a project designated to last 10 weeks, but if there are delays, the employer would be faced with bringing in someone new for the last crucial stages of that project.

"As the employment of contractors is often undertaken by line managers, it becomes difficult for business leaders to understand their exposure to these risks," she added.

The Government will now work with its European partners to try and get the Agency Workers Directive on to the European statutory book.

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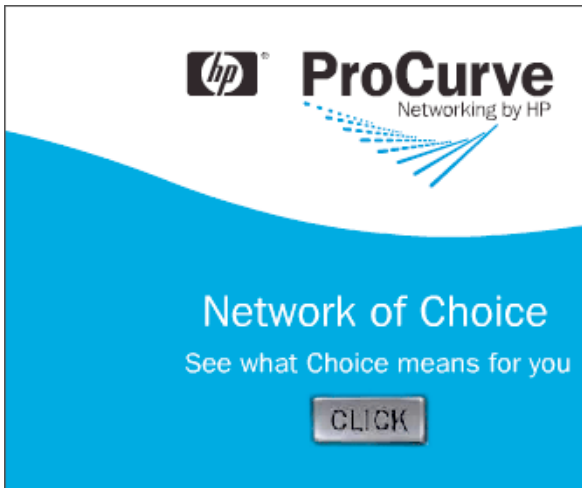
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