IT STAFFING

How to Get the Most From Your
IT Staffing Partners
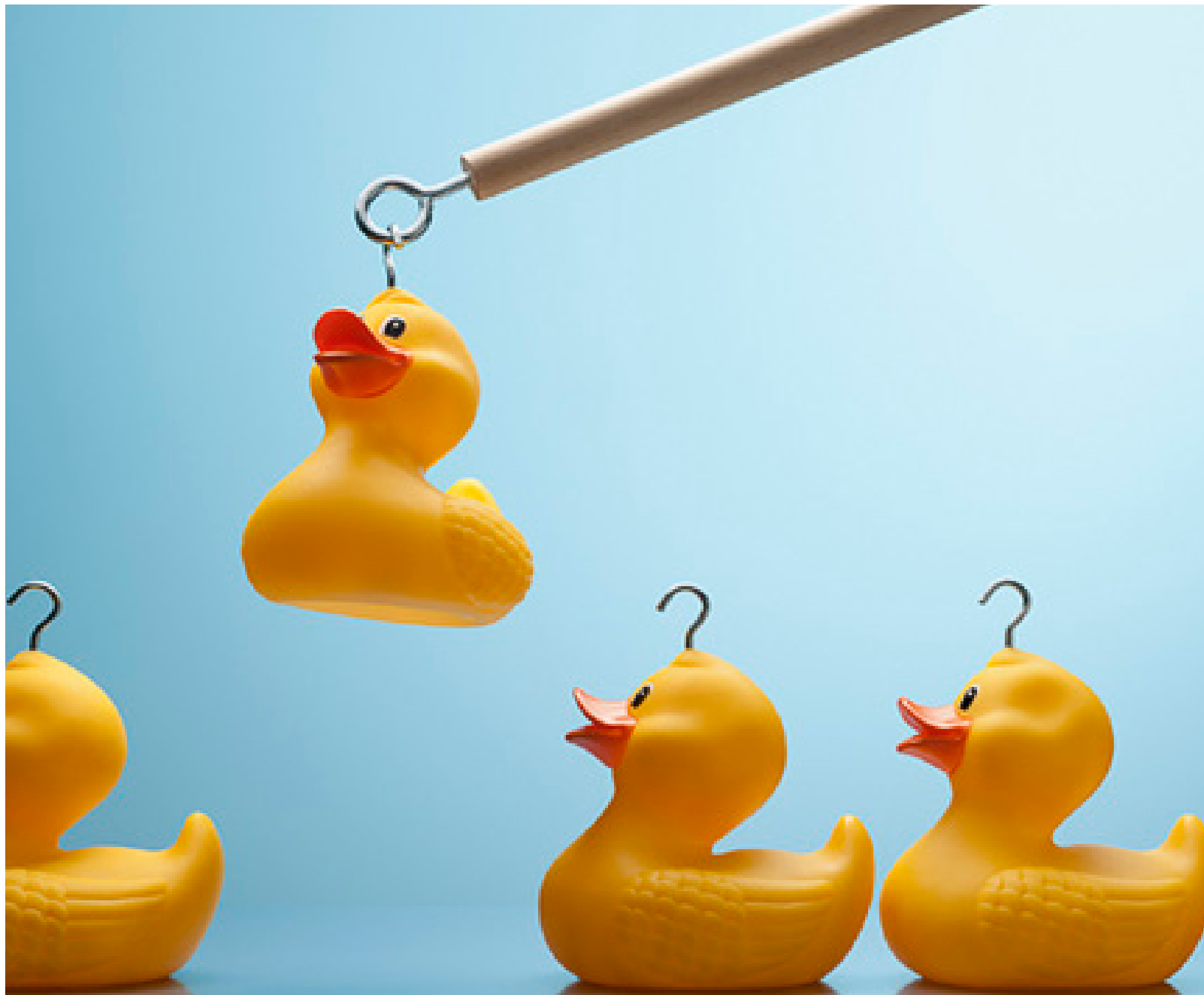
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WHAT'S INSIDE

INTRO

Due to the complex nature of IT staffing, there are generally many different resources that can be utilized. IT hiring managers are usually bombarded with various suppliers, consultants, independent contractors, and software/hardware vendors, looking to "make their lives easier."

In reality, labor is still the most important tool in any IT department. So, staffing for IT becomes critical to ensuring that an IT manager can service his or her company and/or clients.

When selecting and evaluating suppliers, it's not just about who they are; it's about what they do and how they do it. IT managers typically have several projects going at once and so rely on many different groups of employees and non-employees to get things done.

Specifically related to IT staffing is the use of temporary or contingent labor for augmenting an IT department. This can be a great way to gain access to specific skills, or ramp up without hiring directly onto the company's payroll. However, when the flood gates are opened, it can mean work to keep track of staffing suppliers and the reasons they have been engaged.

THIS EBOOK WILL SHOW:

• How to Think About Choosing IT Suppliers and Key Measurements

• Why Understanding Supply and Demand is Important

• Speaking the Same Language as IT Recruiters

• What Makes IT Suppliers Tick and How to Incentivize Them

First, we must look at the number of staffing suppliers, where they are providing service (skill areas and geographies, if appropriate), and one of the most important questions: why?
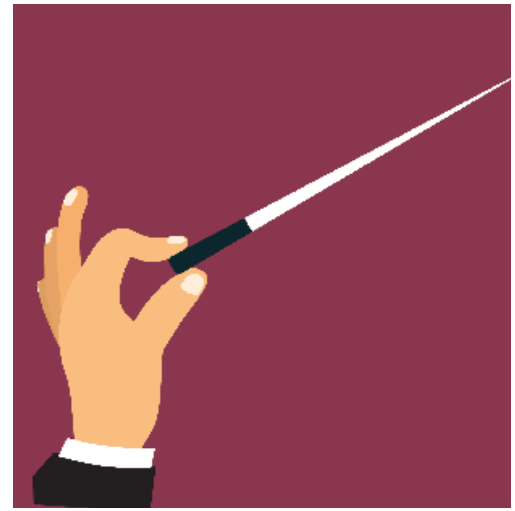
Which Staffing Suppliers to Use & How to Measure

Why a company uses particular IT staffing suppliers is important because it takes time and energy to engage with suppliers and the return on that investment should be good hires. But that's not always the case.

Some questions to ask include: Are the suppliers able to consistently provide a certain skill set? Are they local and thus more accessible? Are they larger and therefore can cover a wider range of skills or geographies? Are they used because they have always been used or are they on the list at the request of one hiring manager? Is there no real compelling reason they are on the list?

Managing the "why" along with measuring performance is important. There will always be cases where suppliers fill a specific need or become "favored" providers. However, to optimize an IT staffing supply chain and get to the optimum number of suppliers (see the next section) there should be several criteria in place.

SMALLER NICHE SUPPLIERS VS. LARGER SUPPLIERS

Small niche suppliers have an advantage in that they can usually specialize in one area and focus their resources on that area. This can be limiting

yet it also provides a clear indication of what skills they can be used for. Small niche suppliers also typically have fewer clients and thus, fewer priorities. These suppliers may pay more attention to their one or two very large clients, knowing they have to compete to stay imbedded with the larger clients who may have more orders for them.

Large suppliers can cover more area geographically, as well as, with skill areas. In some cases, they may have recruiters who specialize in certain areas. They have more resources; however, they generally have more clients and are spread out among many different clients.

MEASURING SUPPLIERS

There are several general measurements that can apply to any staffing supplier, but for IT suppliers there are a few additional measures to be aware of.

The list of measures can be long but, in general, here are a few of the most important ones to consider:

General Measures for Staffing Suppliers:

- Time to fill and/or time to respond - Ability to respond quickly to requests. This is a general measure and can vary greatly depending on the position. However, there should be some tracking to establish reasonable guidelines and to see who is being responsive. Are suppliers "keeping up" with other suppliers?

- Quality – Number of accepted candidates or resumes. This is a better measure overall. This allows a comparison between one supplier

who submits 20 resumes, with only one acceptable candidate vs. the supplier who submits three, who are all accepted and hired.

- Process - Compliance with the established procedures. For them to achieve accurate measurements, all suppliers must follow the same rules. Consistent measurement applied to all IT suppliers produces the best results.

IT Specific Measures:

- Turnover - Contractors stay until projects are completed. This is important. It's also important to consider whether temporary workers can be extended or used in other projects. It's another good measure of quality from a supplier if permanent hires are made from the ranks of their contractors.

- Alignment – Response to requests in the areas suppliers say they can fill. Are they not responding or not successful in areas they claim to have coverage? Sending a job order

Rank and File

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to a staffing supplier who can't really fill it is just time wasted, for all parties involved.

- Proactive Recruiting – This is arguably a softer measure, but what about the IT supplier who brings talent before it's needed or recruits ahead of a large project?

PERFORMANCE METRICS

The measurements setup with suppliers should be documented in performance metrics and reviewed on a periodic basis. This is a primary argument for a centralized managed staffing program managed by a Managed Service Provider (MSP). Whether the program is managed in-house or by an MSP, the program owner should set forth the performance expectations for suppliers and track their progress.

A common complaint of IT hiring managers is that they want to utilize their favorite niche suppliers, or the ones "they have always used." The only way to find out if they are truly performing is to track their metrics and compare them with other suppliers. This may show that truly great suppliers are not being utilized to their full potential, or that while managers may like working with them, there are other suppliers doing a better job.

Understanding Supply and Demand

To adequately plan for talent needs, it's important for IT hiring managers to keep an eye on changes in skill supply and demand. Fluctuations in the labor market may mean that skills will be harder to find, or may be more expensive. This will impact projects on two important axes: cost and time. This will also impact the number of suppliers needed to fulfill the IT department's requirements.

There are several methods, both formal and informal, for keeping tabs on supply and demand. They include:

- Salary Surveys – Many sites and services provide information on current salaries. While this is a good indicator, no survey is exactly 100% accurate for every job title and situation. This should be one data point.

- Job Postings – A good, general indication of demand can also come from observing job postings on relevant job boards. Some job boards also provide supply and demand reports as part of corporate memberships or services.

- Human Resources – Many HR departments have access to the tools above, however, some may not have access to very technical positions, or may need extensive information to render a judgment on salary or demand.

- Recruiters – Both internal and external recruiters, if used, can also provide information on supply and demand and current salaries. They may also provide good indications of trends they see across the company, the geographic area, or other clients (in the case of external recruiters).

Supply Side: How Many IT Staffing Suppliers Are Enough?

First, there is no single answer to this question. It will depend on the company and the types of IT positions. However, there are some things to consider, in order to help decide on the appropriate number to ensure coverage, quality and responsiveness.

- Skill Coverage – Are the suppliers able to adequately source in all the IT areas required? Typically, suppliers are either niche or generalists. It is usually more cost effective to have generalists cover as much as possible, however, niche suppliers may be unavoidable.

- Geographic Coverage – Not as important in today's digital world as it once was. However, there are companies with in-depth knowledge of talent communities in certain geographic areas. This is also typically an argument for niche suppliers who usually operate locally or regionally.

- Resources – Generally speaking, larger IT staffing companies have more recruiters and more reach. Smaller companies tend to have fewer resources and less reach. When a larger volume of workers is needed, it may be good to have larger companies available. This is typically the argument for having larger, generalist staffing companies as part of the staffing supply chain.

Demand Side: Why Limit the Number of Suppliers?

There are several reasons:

- Time and Energy Coordinating All Suppliers – Someone has to coordinate the contracts, terms, rates and process related to temporary IT staffing. Suppliers are businesses expecting
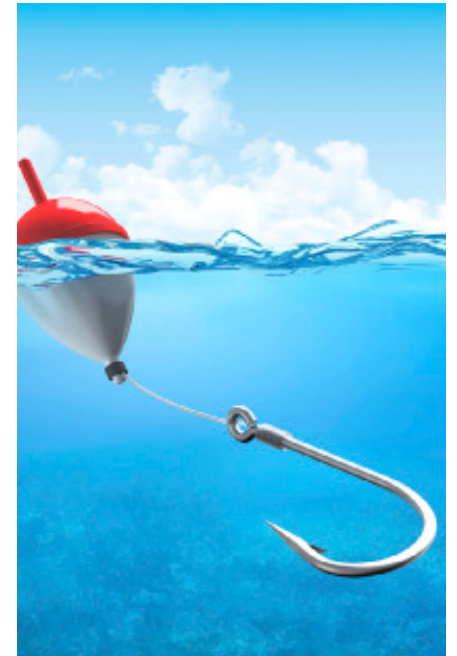
Hooking the Big Catch

When a larger volume of workers is needed, it may be good to have larger companies available. This is typically the argument for having larger, generalist staffing companies as part of the staffing supply chain.

to get paid, have access to buyers (possibly managers - see next bullet), and need good communication from client business partners to be successful. Running a program will take internal resources.

- Time from Hiring Managers – This is often missed in a listing of "soft" costs. This is also a good reason to centralize the contingent labor process so that it is efficient, and does not take away from a hiring manager's direct responsibilities.

- Visibility – With a limited number of suppliers it will be much easier to communicate and track all activities. When numbers get larger, it may require a Vendor Management System (VMS) to help coordinate activities.

The optimal number of suppliers may change over time, but with careful measurements, adjustments can be made when necessary. Often, the difference in suppliers is characterized by those who communicate well and work well with the processes setup for temporary labor.

DISCOVER TOP TALENT

Speaking the Same Language - Translating IT into Recruiting Terms

One of the most important issues related to recruiting for IT positions is communication of requirements. As in any other highly technical area, there are not only certain technical aspects that must be communicated, but also work style/ environment and structure of the department. A good recruiter will place emphasis not only on the technical qualifications of the candidate, but also the fit with the project, manager, or company.

Here are some of the standard questions that need to be answered:

1. What are the key technologies needed for the position?

2. What hardware and software will be used?

3. For development, what methodology is used?

4. Is the position an individual producer (as in a coder) or managing a function or a team?

5. What is the make-up of the team or department? All local or virtual? All inside or a combination of internal resources and external consultants?

6. Is this position for a specific project or more of an ongoing staff position with the potential for various projects? Even in "temporary" positions, this is good to know.

7. What are the work hours and what is the campus like?

8. Are there other contractors there (in the department) or will the contractor be one of only a few?

9. Are contractors generally offered a direct position after some period of time, or is this only a temporary position?

IT Work Culture

Every IT department is different, as is every IT manager. An effective IT staffing supplier should understand the client's environment, technologies, products, services, and the types of projects that are prominent in the client's business.

As such, there should be open conversations to communicate these areas to the suppliers.

Specifically for temporary, non-employee workers, it is important to understand any Adifferences in working conditions or access to facilities. Every campus is different and every team is different. Providing a staffing provider with information on the facilities, work hours (both posted and unspoken) and security conditions (both physical and virtual) can help.

A Note on Overtime

Many IT positions are exempt from overtime, even for temporary workers. However, many are not. It's important for the staffing provider to be clear about requirements for overtime; when and if a temporary employee can work overtime and the associated rates. Full transparency here can help eliminate billing and pay problems later.

Open Communication

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Incentivizing Staffing Suppliers

Most IT staffing suppliers, and the recruiters who work there, are compensated on the hourly rate of the temporary IT worker. Bottom line: They get paid for placements of IT workers. The IT staffing company makes more money for more placements, as do individual recruiters. But there are also other factors.

The IT staffing business is not only about volume, although that is important; it's also about the time and resources that go into the recruiting process. Staffing partners want more jobs, but more so what they really want is more of the jobs they are likely to fill.

In the simplest terms, it also comes down to the level of effort required for the jobs:

- Heavy demand/niche skill/harder to find = more work and more time

- Low demand/common skill/easier to find = less work and less time

However, for many of the common skills, the pay rates may be lower, and thus it may take more lower-level IT workers placed to equal just a few higher paid workers. So there is a balance that the IT supplier must strike. In some cases, this is why "niche" suppliers only work on certain jobs in certain areas. This allows them to specialize, usually
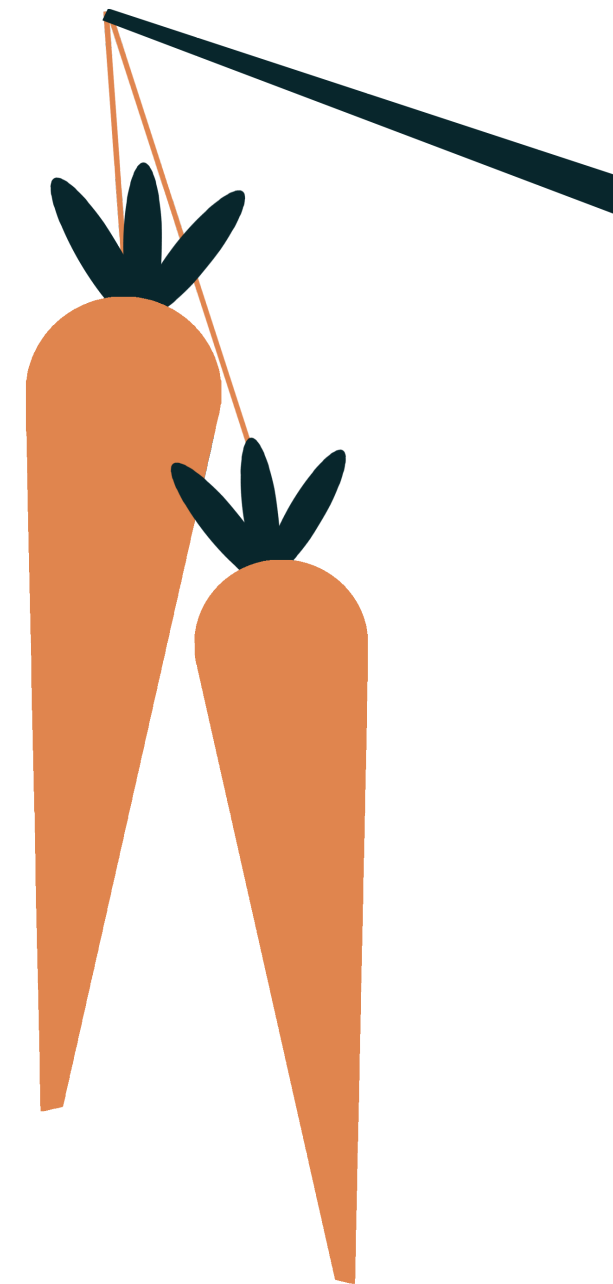
(but not always), in higher-level, higher-paying positions.

Incentivizing IT suppliers is really about good business. But especially in IT, there are several factors that can help an IT hiring manager get the best from suppliers. Here are a few suggestions:

- Competitive Pay Rates – Along with a general understanding of supply and demand, it's important to be realistic about pay rates for certain skills. Recruiters should give feedback on rates and while some may want to increase the rates just to increase their profit, it should be noted when rates are too low to attract quality candidates.

- Realistic Lead Times – For any technical position, lead times for hire are generally longer. Throw in high demand for certain skills and it can take even longer. Giving a recruiter time to ramp up the sourcing process can

help position both the recruiter and the hiring manager for success.

- Volume, Higher Rates, or Both – In the evaluation of IT staffing suppliers, more successful suppliers should be given more business. This is good for both organizations. If the supplier fills lower level jobs, the
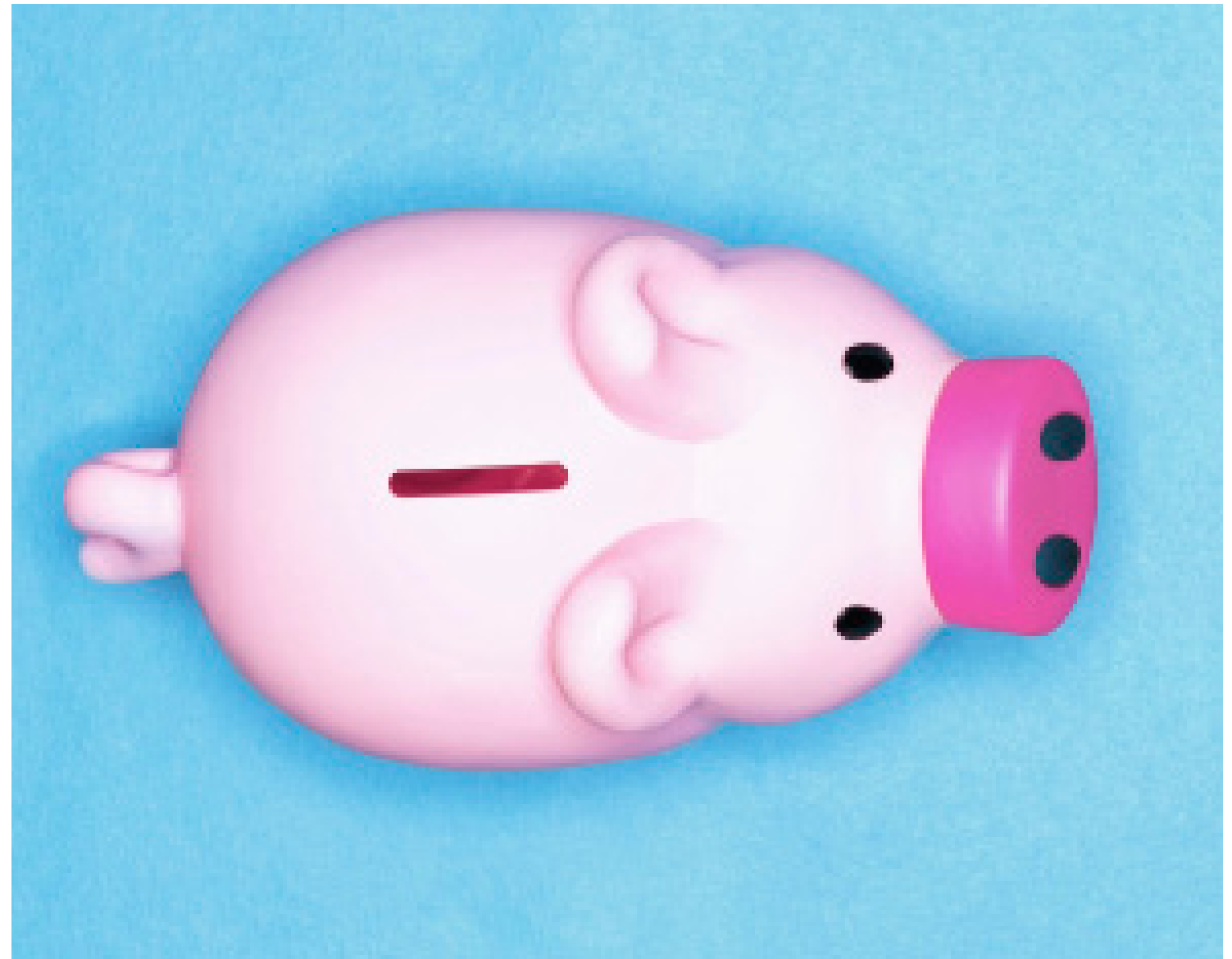
answer may be to give them more volume to compensate for low rates and incentivize them to commit more resources to the recruiting effort.

- Less Competition – Staffing companies know when open jobs are sent to 50 other suppliers. When this happens, one of the first things they will assess is whether they have a good chance of filling the job or not. If not, they may not even try. Clarifying the competitive landscape (and having clear performance measurements) and limiting the number of suppliers can help increase competition to a very few, high-performing IT staffing vendors.

- Good Communication – This should be a given, but an IT staffing provider is like any other business. If they get good business and good communication, they will invest in the relationship. If not, they will focus efforts on other clients who have good communication and some of the elements listed above. In the end, good communication can overcome some of the other areas. Bad communication, or resumes that go into a "black hole" with no response, will result in unmotivated, unsuccessful suppliers.

It's clear, from many years of observation, that the closest client-supplier relationships work the best. As with any business relationship, it must be mutually beneficial.

A Note About Volume and MSPs

There is a point when centralizing an IT staffing program, or joining a centralized managed staffing program makes sense. As noted in previous chapters, there is a lot of time and energy involved in managing staffing suppliers. When there are high-volume needs, or a combination of both, with different processes or requirements, it may be time to think about how to streamline the process or pass it off to an MSP.
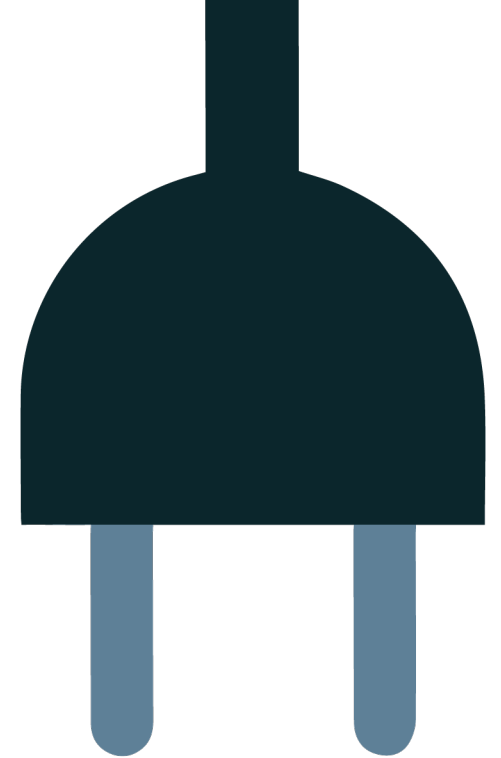
Plugged Into the Supplier Partnership

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WRAP UP

It's Not Your Father's IT Department

The key to any staffing program is to design a proactive, not reactive, supply chain for talent acquisition. It's no different with IT staffing. The key is to understand how staffing suppliers work and setup a process and program that allows for both the supplier and the IT hiring manger to be successful.

The important steps are:
- Carefully choose suppliers and measure performance
- Monitor supply and demand and limit the number of suppliers
- Give IT staffing suppliers good information on the position and culture of the company
- Incentivize suppliers and understand how they work

Access to good IT talent is critical for any organization. Staffing suppliers can play a role in ensuring talent is available. The key is to choose the right suppliers and to efficiently manage the IT staffing supply chain.

YOU NEED IT.
WE HAVE IT.

Yoh is here. Yoh is there. Yoh is virtually everywhere. All in and busy going all out, doing everything it takes to take you where you want to go – forward. How? By foregoing the talent pool in favor of our own sea of talent, helping you find just the right person for the job or just the career you've been searching for.

Yoh