

## Assessing IT Talent Acquisition Models

Considered one of the best corporate leaders of his time, former CEO of General Electric Jack Welch estimated that one third of his time was dedicated to hiring 'A' players. He clearly understood that operational success depends on highly skilled talent and dedicated his time to acquiring that talent. This remains an important element to successful companies today as IT organizations continue to rely on 'A' talent in order to be top performers in a competitive marketplace.

As noted in our market research piece [IT Talent Crunch](#), there exists an imbalance in the current supply and demand of skilled IT professionals. Competition for highly skilled IT professionals places immense strain on recruiting organizations, lengthening the amount of time it takes to fill open IT positions. Whether lost technical talent needs to be replenished or new talent is needed, most companies have urgent IT recruitment needs as companies look to their internal IT department to drive business value and improve employee productivity. In order for recruiting organizations to optimize their operations, they must assess the proper recruiting model that aligns with their needs.

Over CDI's 50 plus years of providing temporary IT talent to our clients, we have seen talent acquisition models in every size, variation and level of complexity. However, over the past 10 years, the staffing industry has grown more sophisticated, driving a shift to four primary talent acquisition models: Just-In-Time, HR-Managed, Preferred/Tiered Supplier and Managed Staffing Program.



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There is no one-size-fits-all recruitment solution for every organization. Each model has its own set of advantages and disadvantages and the challenge is to properly align your recruitment needs with the best model for your organization.

### Just-In-Time (JIT)

A JIT talent acquisition model is largely based on company size and is predominantly found in small to mid-sized companies that have experienced growth and have a one-location, centralized IT department. As companies grow, so too does the demand on the IT department (more support, more applications, more mobility, more security, etc). Increasingly complex environments create additional needs that existing internal resources cannot keep up with, causing an increased demand for both temporary and permanent IT professionals. In addition to meeting internal service level agreements and project deliverables, IT management is also tasked with managing the recruitment process.

The advantages of the JIT model are:

- Ease of Deployment – IT defines job requirements and obtains the occasional talent it needs utilizing a staffing partner with little to no support from HR.
- Timeliness – The streamlined process requires fewer touch points for job candidates.
- Expectations – Since IT is driving the process, the skill set expectations will likely be met.

Disadvantages include:

- Pricing – IT departments will tend to utilize staffing companies they have worked with in the past, limiting competition and resulting in the company possibly not receiving the best pricing available.
- Level of Service – Due to the small volume of assistance needed, the level of service provided on an ongoing

basis by the staffing company will be limited as a majority of their resources will be focused on larger volume clients.

### HR-Managed

An HR-Managed model is one where a company introduces human resources into the buying process. The HR department often brings structure to the hiring process and will tend to bring additional staffing providers to the table. Company size is a key characteristic to this model as it is typically employed by mid-sized companies who have outgrown the JIT model.

The advantages to an HR-Managed model include:

- Centralized Ownership – HR, an internal function that innately knows the company culture, takes ownership of the talent acquisition process.
- Governance – HR has a strong grasp of employment regulations and can ensure compliance.
- Future Success – HR brings a future view to the recruitment process, ensuring that hiring managers’ aim ahead of, and not at, the moving target they want to hit.

Disadvantages to an HR-Managed model include:

- Additional Costs – HR tends to focus on activities that are not core to the company such as processes and compliance versus competition and cost objectives.
- Timeliness – At times, internal process complexity inhibits timeliness in the recruitment process.

### Preferred/Tiered Suppliers

The Preferred/Tiered Supplier model builds off of the HR-Managed model where procurement is brought to the table to select a number of preferred suppliers, commonly four to six suppliers. Companies that employ this model are typically mid to large sized companies that find their IT department with talent needs dispersed amongst multiple geographies.

In this model, procurement will issue a formal Request For Proposal to External Service Providers (ESP) that will include a standard process for candidate submittals, on-boarding compliance information and a rate card. It will also typically have a governance process in place to ensure coverage and results once the contract is executed. The services provided can encompass a specific portion of the recruitment lifecycle such as sourcing, or the entire recruitment process for IT.

With the Preferred/Tiered Supplier model, companies realize a number of advantages which include:

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- Flexibility and Scalability - The ESP is managed to a scorecard to ensure the company receives talent at a standard price and is responsible for ramping up or down along with hiring spikes.
- Experience and Expertise - The preferred ESPs have skilled recruiters trained in areas not core to internal resources and are able to leverage proven recruitment methodologies for either recruitment lifecycle or function specific programs.
- Efficiency – ESPs provide reduced time-to-hire metrics, resulting in cost savings through best practices and standardization.

Disadvantages to the Preferred/Tiered Supplier model include:

- Recruiting Top Talent – Standard pricing may inhibit top talent from joining the company, specifically for positions requiring high-demand, niche job skills.
- Governance Process – ESPs tend to select which open job requirements they want to work on, so adherence to a governance process is key to success.
- Volume - If a company moves to this model and the volume is lower then the ESP expected service levels may be abandoned, lengthening the time to hire.

### Managed Staffing Programs (MSP)

With a Managed Staffing Program model, a company essentially outsources the full recruitment lifecycle to one service provider who is then responsible for managing all other ESPs. Companies that employ this model are typically large companies with a high, ongoing volume of temporary staff. This is the most complex talent acquisition model as governance for such arrangements is the most important element. However, MSPs will utilize best practices, proven methodologies and technology to create customized recruitment programs for maximum operational efficiencies.

The advantages are the same as a Preferred/Tiered Supplier model but also provide additional benefits including:

- Technology - Typically a software platform will be introduced to automate the order, candidate flow, bill rates and other elements which allows for more in depth reporting and analysis on the temporary spend.

- Best Practices - An MSP will bring industry-tested best practices and methodologies to ensure a predictable process and costs.
- Single Point of Contact - The company will have a single point of contact for maximized efficiency.

Disadvantages to an MSP model include:

- Loss of Control – With an outside provider in charge of the recruiting process, governance is essential to ensure the program is successful.
- Commoditization – This model tends to commoditize the talent being acquired which will ultimately affect the quality of the candidates.

### **Talent Acquisition Assessment**

Knowing the ideal model for talent acquisition performance is important for all companies. The first step is to assess and identify where the company resides in its growth lifecycle. Is the company small and outgrowing the current IT infrastructure or small to mid-sized and looking to drive compliance? Is the company mid to large and looking to drive cost savings or a large company looking to implement technology and best practices?

The next area to evaluate is the IT demand in specific geographic locations. Is it one, two or many geographic locations? This will play a big role in the delivery of the services and how to go about selecting the right IT service provider.

### **Conclusion**

The IT talent acquisition model is not new, however, this function has grown in importance as technology touches nearly every worker at every company. Not only is IT responsible for “keeping the lights on,” they are also leaned upon to provide business value and drive employee productivity. The demand for IT talent remains high while supply continues to decrease, making the talent acquisition model critical to a company’s overall success. No single recruitment model can be universally applied to each company successfully. Realistically evaluating a company’s temporary staff requirements will allow them to align with the appropriate IT acquisition model. This will ensure delivery of the proper IT resources in the right time frame and at the right, predictable price.

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