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WE SPEED YOUR TIME TO TALENT

Four Winning Talent Strategies For The New IT

If you were in IT back in the late 90's, you will remember the war for IT talent: large sign-on bonuses, stock options, and even BMW giveaways. If you were not, buckle your seat belt. The IT job market is heating up and top talent is becoming scarce. Industry reports and professional polls like Computerworld's annual employment survey forecast strong competition for information technology (IT) workers in 2011.[i] Agile believes it's essential that you start defining strategies for acquiring employees who will propel your company forward – or run the risk of losing out to the competition for the best qualified technical and business minded people.

Here's why.

Technology Will Accelerate Business Performance

You don't have to be an economist to know that the Great Recession and the Jobless Recovery have been extremely challenging for employers and their employees. Management has had to take drastic steps to align their organizations with market conditions, including cutting critical IT staff, reducing operational budgets and delaying capital investments.

Results reported in a recent IT Industry Trend Survey commissioned by the Society for Information Management (SIM) suggest that CIOs believe their companies will continue to depend on IT to drive business performance when economic conditions improve.[ii] The survey also indicates that they expect their now-smaller departments will have to guide an assortment of complex initiatives involving the deployment of new technologies for virtualization, cloud computing, globalization, and security.

While we agree with the SIM findings, we are concerned that many IT departments are not well positioned to meet the challenges. Our frequent interactions with senior decision makers suggest they may be unaware of the extent of the current employment market, which could be detrimental to their business as a reinvigorated economy gains momentum.

IT Unemployment and General Unemployment are Not The Same

More than two years of historically high unemployment has contributed to a perception that the labor pool contains an abundance of experienced job seekers. One frequently repeated statistic even notes that there are "five unemployed workers for every job opening."

While this 5-to-1 ratio may be valid for general employment, it is not true for highly skilled technology workers. In fact, one recent analysis based on U.S. Department of Labor figures found that unemployment for technology workers has remained between

4 and 5 percent throughout the recession and recovery.[iii] The U.S. statute defines this level of unemployment percentage as being close to full employment.[iv]

Technology leaders are only beginning to realize the scarcity of top IT talent. One reason is that the low level of IT unemployment is being balanced by a corresponding low demand for new hires.

Psychological angst about job prospects is also contributing to lower turnover among employees. Employees are also contending with a real estate crash that has left many workers unable to relocate because they own homes that are essentially "unsellable." In a healthy housing and job market, there is always considerable "churn" as workers are able to easily leave companies for new opportunities, challenges, and destinations.

We believe there is actually quite a bit of pent-up desire among workers for an employment change, and a recent IT Job Board survey supports our conclusion with data suggesting that 80 percent of IT workers will be looking for better opportunities in the near term.[v]

Hiring Implications for Technology Leaders

Top Talent has Multiple Options

So what do these market conditions mean for you as a decision maker? For starters, while growth in IT employment has been modest since the end of the recession, new hiring and turnover are about to create much more demand. Economists at Goldman Sachs and Morgan Stanley are anticipating growth of 4 percent and 4.5 percent, respectively.[vi] If these projections hold, and we are already seeing evidence that they will, companies that are ready to add employees will be in a stronger competitive position than firms that are caught unprepared.

We anticipate intense competition for top technology talent. Workers with high-demand skills who are also capable of solving real business challenges will be entertaining a multitude of employment options as hiring increases. IT professionals are also likely to recover some of their prerecession swagger as coworkers move to more lucrative positions and they begin to receive unsolicited calls from industry recruiters.

Your Competitors Are Already Headhunting Top Talent

We believe changes in the employment market are already underway. That means you must begin adjusting your strategies and practices if you hope to retain current employees with valuable institutional knowledge while also attracting new talent with cutting-edge skills. Success in both of these areas of human capital management will be necessary to address emerging priorities such as further improving business agility and speed to market, as well as expanding opportunities to compete globally.

The consequences of inaction on the hiring front will be significant. Without the right mix of resources, critical projects designed to improve your competitiveness will languish. Just as important, new market opportunities will be lost to competitors who have the in-house knowledge and expertise to deliver on customer needs—and you don't.

Winning Talent Strategies

Strategy #1: Maximize Retention

For the last couple of years, employers have been able to make workers more productive without incurring demands for increased benefits or salaries. As growth returns and hiring expands, we believe you must be prepared to begin compensating employees for their loyalty, sacrifice, and performance during a time of extreme economic retrenchment.

Even if across-the-board salary increases are not possible, you should begin awarding targeted raises to individuals in key positions within IT. While staffing is under a microscope, we also recommend using confidential surveys to find out how employees feel about working at your company. Using these responses, you can identify areas of strength (and weakness) and begin implementing policies, practices, or benefits to improve your firm's profile as a desirable place to work.

Relatively low-cost changes such as implementing flexible work hours and telecommuting arrangements, offering funds for continuing education and certifications, upgrading onsite facilities, and sponsoring programs geared to community involvement may help with retention—and enable you to reduce the disruption associated with high levels of employee turnover. Enhancing your corporate persona will also help to attract new talent by positioning your firm as a great place to work.

Strategy #2: Streamline the Hiring Process

Even as you tune up retention, you should also improve your new-hire process with a special emphasis on reducing the average time for completing a search. During the Great Recession, hiring at many organizations evolved into a months-long ordeal as market conditions discouraged hiring and management concluded there was little downside to dragging out the selection process.

While these assumptions may have been reasonable during an economic crisis, several technology-focused surveys are forecasting much stronger hiring in the months ahead.[vii] Consequently, we believe conditions are changing and that well-qualified candidates will be in high demand as the economy continues to improve.

You can begin by changing how you market vacancies. In our experience, most organizations fail to take full advantage of social media, professional societies, resume databases, and specialized staffing firms to get the word out to qualified job seekers. Using all these channels will increase your marketplace exposure and help to ensure that you receive the largest possible response from qualified candidates.

As you tweet, blog, network, and recruit for resources, consider broadening your search pool even further by offering current employees referral bonuses. It's likely that your employees know individuals who are available or, while not actively seeking a new position, open to being recruited.

While evaluating your requirements, we also suggest identifying and prioritizing the skills, certifications, and capabilities that will be desirable in new hires. Consider the difficulty of relocating in the current real estate market, and determine if a home-office arrangement is possible. Many jobs, such as technology sales and support, can be performed quite well from a home-based office (with significantly lower overhead for the employer). By building detailed profiles for high-value positions, you can quickly screen for the most promising candidates to contact for in-person interviews.

When it's time to interview, be sure to include all the stakeholders who need to weigh in on the hiring decision. Equally important, make sure you can extend a job offer as soon as the best resource is identified. The last thing you want is to lose your number one choice because an ultimate decision maker doesn't share your sense of urgency.

Strategy #3: Target Soft Skills

As you interview your short list of promising candidates, we suggest looking for individuals who embrace an "it's not my fault but it's my problem" approach to work. Even when you are able to add staff, your firm is likely to continue operating with a smaller headcount. While it might seem obvious, recruiting individuals who are not only technically competent but also instilled with a positive, can-do attitude will be invaluable when timelines are short and the challenges seem insurmountable.

It will be equally important to recruit individuals who are able to assess and solve business problems. As Computerworld magazine notes in a recent article, the high-tech industry is full of one-dimensional specialists.[viii] While these individuals play an important role in ensuring system and infrastructure availability, companies also need technical generalists who understand how to use technology to create new products and services and solve real-world business problems.

Workers of this type usually have a job title like business systems analyst or business solutions consultant. They not only offer technical knowledge but also great business, communication, and analytical skills. They have a solid understanding of emerging

technologies but not necessarily the knowledge of someone who specializes in network engineering or security, for example.

Now is the time to allocate funds for hiring this type of worker. Every company is different, but we think most firms will need fewer technical specialists to maintain core systems. Instead, they will need more individuals who understand how to combine and use technologies to meet employer and customer needs.

Strategy #4: Invest in Training

One legacy of the Great Recession is that many companies have scaled back if not eliminated training and professional development activities. We strongly advise our clients to reverse these cutbacks and begin setting aside new funds for improving staff skills. Training can actually represent a lower expense than recruiting a new employee, which human resources experts calculate can cost as much as 1.5 times the departing employee's salary.[ix]

You may even want to adopt a "pipeline" approach to staffing similar to the one employed by Zappos, one of the world's most successful online retailers. The Zappos philosophy, which is detailed in CEO Tony Hsieh's "Delivering Happiness,"[x] is to build a pipeline of people with varying levels of skills and experience to meet the needs of each of its departments. By keeping the pipeline full and continuously offering training to all employees, they are able to constantly transition highly qualified individuals to more senior and demanding roles.

This strategy means the company is never exposed if a key individual moves on. At its core, the pipeline philosophy emphasizes recruiting individuals who are a good fit for the company's culture and its ongoing commitment to employee training and development.

With the current scarcity of "ideal" candidates, we advise our clients to consider a more long-term approach to nurturing the employee through training. Priority should go to valued employees, of course. Individuals who are challenged by their work (while also seeing their professional marketability improved through ongoing training) are more likely to maintain loyalty to an organization even as other firms are trying to recruit them away.

We also recommend providing advanced technical and business analytics training for new employees on a case-by-case basis. As organizations compete for talent, we think it will become much more difficult to identify "ideal" candidates for an increasing number of job titles. In some cases, it may make sense to hire the most promising individual and then use intensive training to bridge shortfall in skills or knowledge.

Building Your "A" Team for 2011 and Beyond

Your company is about to encounter an employment market where key skills will be in high demand. By implementing these talent acquisition and retention practices now, you will be able to manage these changes without losing competitive advantage or incurring unsustainable labor costs.

We are advising our clients to recognize that IT workers are an increasingly scarce resource.

Being proactive on salaries and benefits will help you to maximize employee retention and avoid having to conduct time-consuming searches. When hiring is necessary, you can improve your chances of landing the best candidate by carefully defining your needs and streamlining the hiring process. Searches will take more time, but improving your selection process to support quick decision-making will enable you to engage candidates before they become lost to other opportunities.

As you look for new for candidates, remember to use social media and specialized recruiting firms to reach the most qualified applicants. Also keep in mind that technical expertise is not the only (or even necessarily the most important) qualification. Technology is becoming more and more of a tool for solving real-world problems. Your needs may be better met by an individual who is a big-picture type with the experience, knowledge, and communication skills for interacting with a range of technical and non-technical audiences.

Finally, don't short-change training. We suggest developing a long-term strategy for nurturing your workforce. The Zappos approach may not be right for your organization, but you should have a plan for assessing and enhancing the potential of everyone on your team.

Follow these recommendations – while there is time – and your organization will be ready to take on the employment challenges that lie ahead. But the key to success is taking action—NOW! Don't let the rush for IT talent catch you by surprise.

About Agile

Agile is a unique IT talent and consulting firm that transforms the way IT organizations do business by providing them with a faster route to top talent and technology solutions. The Agile Advantage Model provides technology leaders flexible delivery options in five core areas:

- CIO Advisory Services

- Application Architecture & Delivery

- Enterprise Operations

- Information Lifecycle Management; and

- Project Management

By delivering top talent with core expertise, clients benefit from increased productivity and innovative solutions that speed their time to market and deliver business value.

Founded by Tricia Dempsey, Agile has been serving technology leaders in Atlanta and the Southeast since 2003. Agile is a certified woman-owned business (WBENC) with a strong commitment to community involvement and charitable causes, including Agile on the Green, an annual golf tournament to benefit Susan G. Komen for the Cure.

To learn more about Agile, contact Jon Prete at jprete@gotoagile.com or 678-679-4816. www.gotoagile.com

Endnotes

[i] "11 Hot Skills for 2011." Computerworld, September 13, 2010.

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[iii] "Dice: US IT Hiring Set to Rise in 2011." PC World. December 14, 2010.

[iv] "Full Employment." Wikipedia. (The Full Employment Act of 1978 defines full employment as 3 percent unemployment.)

[v] "Most IT Workers Eye Job Move in 2011." Silicon.com. December 14, 2010.

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[vii] "The 2011 IT Salary Guide." Datamation. October 26, 2010.

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