The IT Talent Shift

7 Competitive Strategies for Hiring Top IT Consultants

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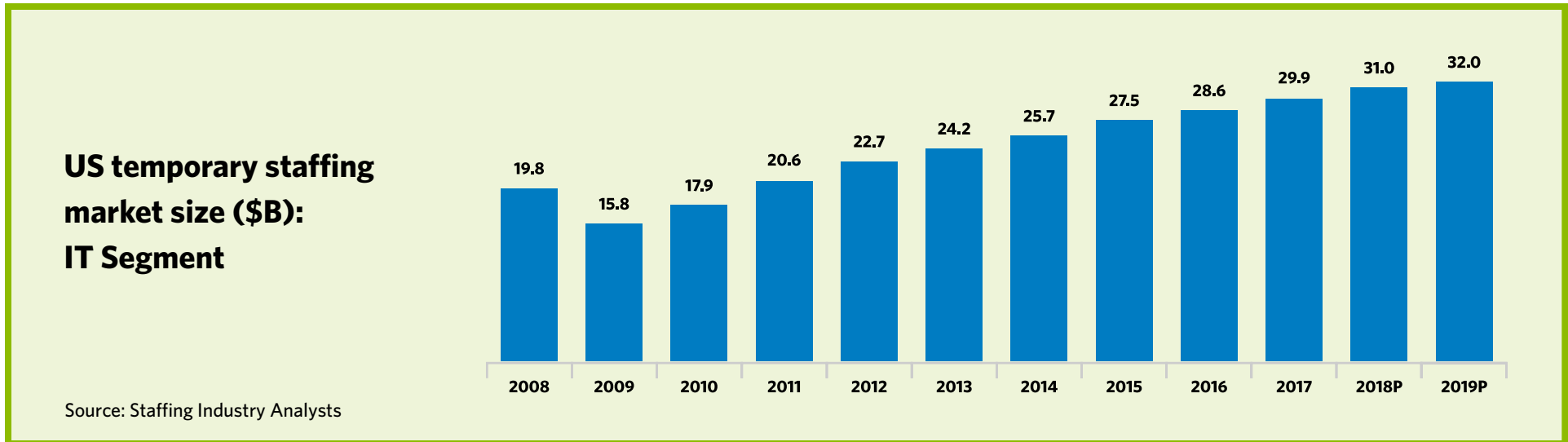
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Current Market Conditions

There is a dynamic shift happening in the way organizations are finding and retaining IT talent. As technology continues to evolve at unprecedented rates, the demand for talented IT professionals is rising exponentially. Unfortunately, the supply of IT consultants is not meeting the current demand.

According to the Bureau of Labor Statistics, from 2016 to 2026, total IT employment is expected to increase by 13 percent, faster than the average for all occupations.[1] Unfortunately, this increased demand is met by an IT unemployment rate that stands at just 2.9 percent[2] (compared to the national rate of 4.0 percent[3]).

A significant factor behind why many of these jobs go unfilled is the growing STEM crisis. Computer science is still one of the least awarded degrees in higher education, according to a report from the National Science Board.[4] This results in a tangible skills gap, with fewer professionals available to fill the demand. While many companies have traditionally turned to offshore talent sourcing to bridge the gap, this alternative is now challenged by growing immigration uncertainty.

As a result, more companies are turning to professional staffing partners, and Staffing Industry Analysts (SIA) forecasts a continued acceleration in temporary IT staffing growth.[5] Not only does this sector boast a massive 24 percent share of the entire US temporary staffing industry, but IT staffing revenue is on track to surpass $32 billion in 2019, doubling in market size since 2009, when revenue was only $15.8 billion.

US temporary staffing market size ($B): IT Segment

Year	Value
2008	19.8
2009	15.8
2010	17.9
2011	20.6
2012	22.7
2013	24.2
2014	25.7
2015	27.5
2016	28.6
2017	29.9
2018P	31.0
2019P	32.0

Source: Staffing Industry Analysts

This is a dramatic change from what the IT market looked like less than a decade ago. In 2009, if an IT consultant was offered a job, they would accept the position and start within a week. Today, however, IT consultants are receiving multiple job offers at once. This shift in supply and demand of technical talent has given the IT professional much to consider when accepting a new job. As a result, candidates are becoming more selective in the roles they accept based on compensation, technology, flexibility, longevity of the assignment, and the client location.

Even in current IT market conditions, recruiting the best IT talent for your company is not impossible. There are many potential complications that can be avoided when hiring IT consultants. This eBook highlights best practices in recruiting and retention strategies for top IT consultants.

1 How Competitive Are Your Current IT Rates?

Rising demand and short supply means the best IT talent has the ability to be picky, especially in regards to compensation. The high competition within the current IT market has led to increased wages. Organizations must be prepared to do their due diligence in market research and be willing to adjust their compensation structure to stay competitive. To put it into perspective, imagine going to a car dealership looking for a Mercedes with a Toyota budget. It is simply not realistic. This is especially true when hiring IT consultants.

According to the 2018 Dice Tech Salary Report, the average IT consultant hourly rate rose 13 percent in the past 5 years.[6] These rates depend on a company's regional market and on the type of skills required. In Silicon Valley, New York, or Chicago, for example, competitive IT rates are expected to be above the national average. Rates for professionals skilled in Big Data, Cloud, DevOps, Mobile, Project Management, and UI design will be even higher.

When partnering with an IT consulting firm for Staff Augmentation services it is important to be aware of the nuances in bill rate and how it is valued in the marketplace. Consider that, depending on their current employment status, consultants often make more than salaried professionals because they must pay for benefits, taxes, and insurance out of their income. A solid firm will be able to articulate how industry competitors are managing their compensation strategy and how these actions are driving the marketplace.

If your company falls short of current market rates for hourly pay, it is extremely unlikely that a consultant will accept your offer. Competing companies vying for the same talent are keeping pace with these market changes. Today, it is common for IT professionals to have multiple offers on the table at the same time. Positioning yourself with a competitive hourly rate will increase the odds that the candidate will choose your contract over another job offer. Though many IT managers may be tempted to start a new search if a candidate rejects the offer on the table, it is important to fight for your talent and work with your staffing partner to negotiate. Don't hold back on raising your hourly rates and counteroffering. If you do not, you risk your position being left open.

Often times, you'll find top IT talent already placed in other contracts. Although most consultants will honor their current assignment, those who are approaching the end of that contract or are considering extensions may be open to new opportunities. If you can offer them a better project, more bleeding edge technology to work with, or a better hourly rate, many will jump at the chance as soon as their existing contract has ended.

If your hourly rates are already competitive or you simply do not have any wiggle room within your already tight budget, read on for other key tactics for attracting IT consultants to your organization.
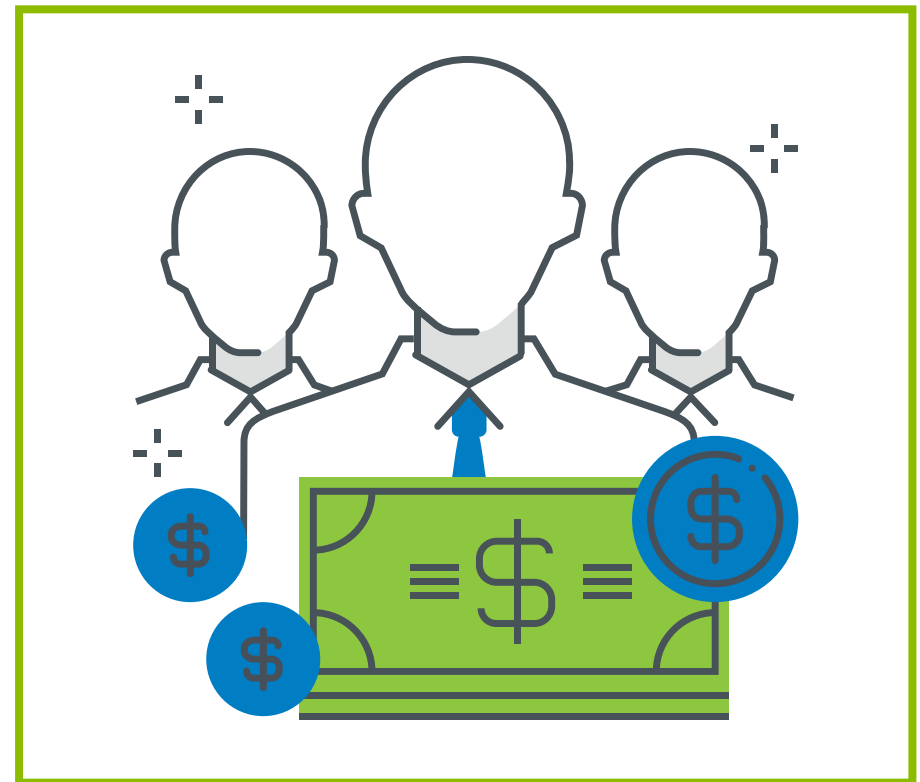
2 Are You Being Realistic About Contract Length?

Contract length is an important factor when a consultant is considering a new opportunity. Regardless of the type of work an individual seeks, stable employment is a constant requirement. After all, a longer contract signifies sustained job security for the IT professional.

If the project length is known to be a year or longer, make sure your contract specifications reflect that appropriately. For example, even if they know a contract will run longer, many managers will put a shorter contract length down on the initial requisition and then extend the contract out one to three months at a time. This practice can really hinder hiring efforts. By offering a short initial contract length, companies risk losing a valued consultant, as they may dismiss the opportunity to continue frequent extensions and seek something longer-term. Others who accept a short contract without knowing whether it will be extended or not may stay active in the job market, always looking for new opportunities that offer a more stable environment for them and their families.

Additionally, if a contract is extended, regardless of the length, signing new paperwork opens the door for rate negotiations. This could unexpectedly impact project budget and delivery timelines. Being realistic and transparent about the duration of a contract and potential for extensions can help your company recruit and retain IT talent.

3 Is the Length of Your Interview Process Turning Consultants Away?

When your company has identified the need for hiring new IT talent, the race begins. The hiring process is likely to include reviewing resumes, scheduling phone screens, and first/second interviews. Depending on how your company's internal process works, there may be a need to receive approval from upper management, obtain a purchase order, complete internal paperwork, and secure a workspace for the new consultant. If this process takes too long, the candidate may find another opportunity with a company where this process is expedited.

It is not just the milestones of the hiring process that need to move quickly. Companies also need to consider how quickly they provide feedback to candidates. Data from SIA shows that 23 percent of candidates lose interest in a job if they do not receive feedback within the first week after an interview. This number jumps to a massive 46 percent after one to two weeks without feedback.[7]

One key strategy is to align yourself with a top IT consulting firm that has a well-established recruiting department that knows how to efficiently identify, recruit, and technically screen candidates. When the firm presents candidates for consideration, it is important for your company to move quickly. Waiting two weeks to review and set up an interview allows competing organizations to recruit the talent. If you receive a candidate of interest from your consulting firm, schedule an interview as soon as possible. If you know that this individual is the consultant you want, make the offer quickly. You shouldn't need to see three more candidates to provide yourself affirmation on what you already know. This will help to avoid your ideal candidate being swept up by another company.

4 Is Your Start Date a Detractor to the Recruiting Process?

When making a job offer to a candidate, most managers push the start date out a week or two. This gives them time to prepare the project, source any equipment the consultant will need, and get all of the paperwork in order. While at first this might make sense, it is in the best interest of both the consultant and the company to expedite this process and have the consultant start as soon as they can. A significant detractor for consultants considering a job offer is a delayed start date, and subsequently a delayed paycheck. It is necessary to coordinate with the candidate to find a reasonable start date that works best for their needs.

Once again, it is the lack of IT talent in the marketplace that makes it risky to push the start date of a contract out. Even if the IT consultant has verbally accepted the job offer and agreed to start in two weeks, they are still receiving calls from other recruiters. If an offer with a higher hourly rate, better flexibility, and/or the chance to work with more bleeding edge technology is proposed by a different company, there is a high probability the candidate will readily accept the competing offer. This leaves your company without a consultant and forces you to start the recruitment process over.

Work with your recruiter and candidate to arrange a reasonable start date that does not leave much lag time for your candidate to find another contract. In some cases, we have seen consultants start at a company before the background screening and onboarding process is fully complete in order to streamline the length of time between the end of the recruitment process and start date.
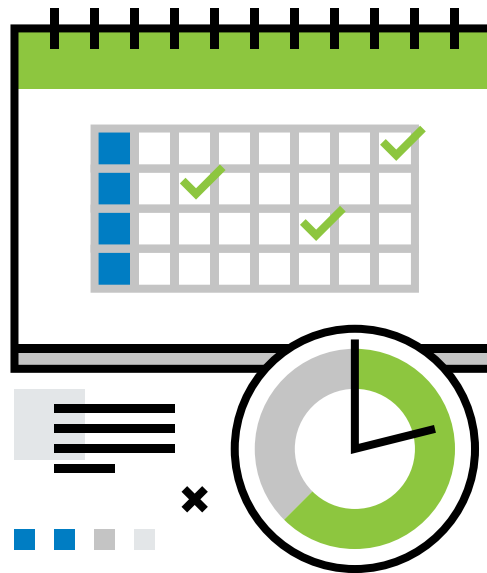
5 Are You Forgetting About Consultant Retention?

Executing a retention strategy for a consultant on a six-month contract might not be at the top of your company's to-do list. Your priorities are likely focused on retaining long-term members of your permanent workforce. However, losing consultants midway through their contract could be detrimental to the project, as well as overall IT planning and strategy.

The current state of the market makes losing a valued consultant much more likely. As we mentioned earlier, with the IT segment continuing to grow and the number of IT professionals staying relatively stagnant, many organizations are recruiting their needed talent directly from competitors and other organizations. Directing your attention towards retaining current consultants can make sure they don't get swept out from under you.

Furthermore, the supply of IT professionals will continue to fall short of the demand for the foreseeable future in 2019. Cybersecurity job openings continue to rise, projected to hit 1.5 million in 2019. Cloud architects, data scientists, and software engineers also top the list as the most challenging positions to recruit for.[8]

Top Reasons Why Consultants Leave a Contract Early

25% were offered a better job by another employer

18% had an unpleasant work environment or disliked their manager or coworkers

15% found the job was not what they were told it would be

10% say that pay or benefits were not delivered as promised

8% did not like being thrown into the project without training

6% found the commute longer or more difficult than they expected

**3%** felt ostracized or that no one paid attention to them

This is an eye-opening list for many companies in helping to define a more effective retention strategy. As previously discussed, companies must be competitive with their hourly rates, respond to negotiations proactively, and follow the market trends in order to remain competitive with both current and future consultants. Similarly, providing a positive work environment, nurturing a healthy work-life balance, assimilating consultants into the entire IT team, and delivering positive feedback are also essential steps to retaining both consultants and permanent members of the workforce.

Empowering your consultants to feel like a part of the team and being transparent about the logistics of their contract will make them think twice before leaving your company for another.

*Data taken from a Staffing Industry Analysts temporary worker survey.[9]

6 Are You Avoiding These Most Common Deal Breakers?
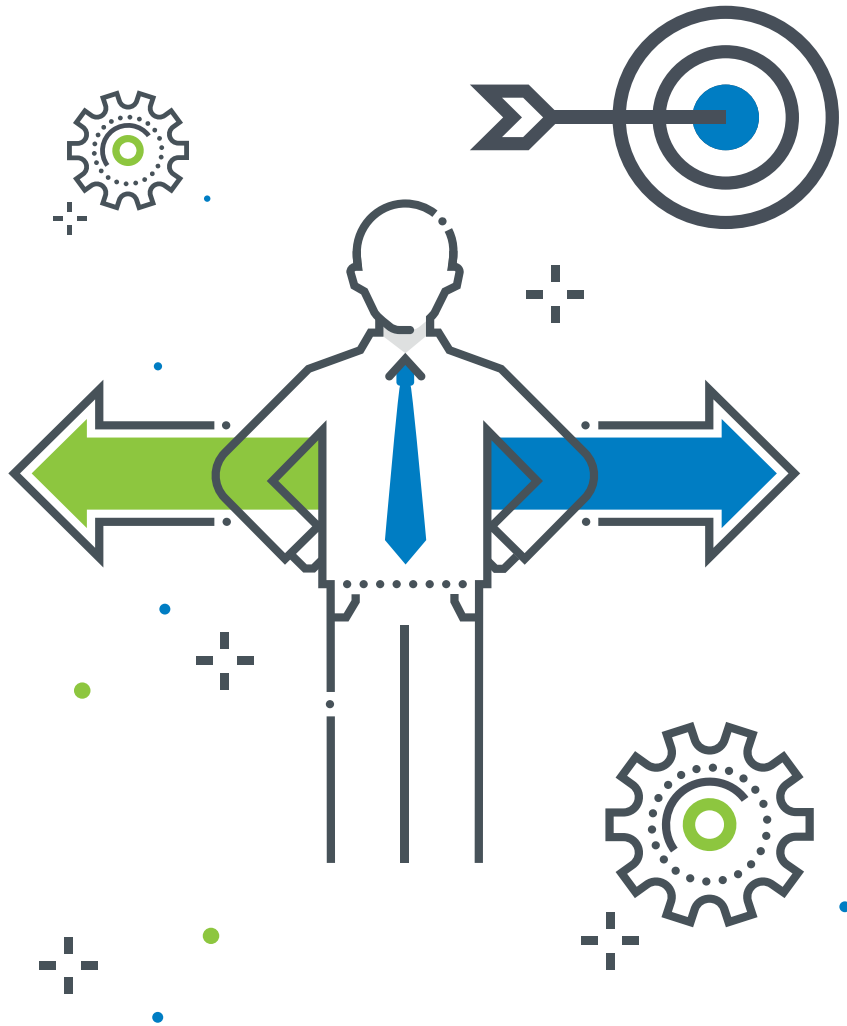
As previously mentioned, there are several concrete reasons for consultants to either leave a contract early or not accept the offer at all. Whether it is a negative work environment, toxic team dynamic, unexpected job responsibilities, or undelivered pay, common deal breakers should be avoided. Below are a few examples of what you should be mindful of.

It is not uncommon for organizations or managers to have specific requirements for their consultants regarding their workday hours. Some may ask that the consultant arrives at the office by 7 am sharp, while others assign an undetermined shift every week. These requirements may be detrimental to the acceptance of a job offer. If an individual has a child to get to school or is picky about their work hours, they are more likely to find and accept another contract that offers more flexibility with their schedule.

Additionally, while there are certainly many technical requirements that are non-negotiable, it is critical to be aware of other skills that, though important, may not be 'must-haves'. Choosing to advertise a highly targeted and specific set of skills rather than a long list of requirements will help attract the right level of talent. In fact, those long lists may be the very reason why your company is not finding the talent you need. Strategizing with a consulting firm to discuss which key skills should be required, along with their availability in the marketplace, will ultimately benefit your recruitment process.

While having a consultant with bleeding edge technical experience is great, it might be more than is necessary for your department or project. If this experience is not needed, your company will be paying for unused skills. Additionally, if a consultant becomes bored at work because of an overemphasized required skill set in the job description, that consultant will likely not be with the project for very long and will move to a company that allows them to use all of their technical abilities.

Finally, if your company is looking for a candidate with a certain bleeding edge technical skill that is difficult to find in the marketplace, try to be open-minded about accepting a candidate who has experience with a similar technology. Many technologies have attributes that can make these skill sets transferable. This hiring practice is also an excellent retention tool for consultants who wish to expand their technical experience and will have the opportunity to do so within your company.

7 Do You Have a Strategic Partner?

While the market is making it more difficult for companies to find IT talent, it is not impossible. One of the most important steps you can take to set your company up for success is to partner with an experienced IT consulting firm that specializes in Staff Augmentation, such as Resource 1. A commitment to quality, a true understanding of technology, treatment of consultants, and internal turnover are all areas that should be explored when selecting an IT staffing partner. Take a look at, **"What Should You Be Looking for in an IT Staffing Partner"** for tips to make your selection process clearer.

Additionally, be prepared to ask prospective partners a number of strategic questions to ensure they're the right fit. Do they have proven experience accomplishing what you need them to? What types of IT projects have they worked on in the past? Can they clearly articulate recruiting trends and challenges in the marketplace? How have they helped a client meet a critical goal? Or, how did they resolve an issue if a consultant did not succeed at a prior client? Make sure to check out **"5 Questions to Ask the 10th IT Staffing Firm that Calls You Today"** for more questions you should ask prospective staffing partners.

About Resource 1

Founded in 1982, Resource 1 is an established Information Technology consulting firm that provides Staff Augmentation services to corporations across North America. We pride ourselves on our ability to fully understand our clients' technical infrastructure and business objectives. Our extensive experience in full life-cycle software development and systems level support/integration positions Resource 1 to service multiple client initiatives as a single source provider of IT human capital.

Resource 1's passion towards technical innovation and deep-rooted industry expertise has allowed us to deliver superior Staff Augmentation services to our clients across a multigenerational workforce. Where other IT staffing and service suppliers see the industry business model as transactional in nature, Resource 1 takes a relationship-based approach to business and processes that go far deeper than any of our competitors. The result equates to client and consultant service levels that are well above industry standards.

RESOURCE 1
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Technical Expertise

At Resource 1, we have years of experience in matching top talent across a range of technologies and industries with leading organizations across North America. As the IT landscape evolves, so do we, guaranteeing our ability to connect technical talent with the companies that need it the most.

Enterprise Services Practice

Resource 1 provides a broad range of Information Technology Staff Augmentation services including full life-cycle application development (LINUS/UNIX, .Net, AS/400, IBM), database (development, administration, warehousing, business intelligence) and systems level support (integration, administration, programming).

Architecture/Design:
- Object Oriented (SOLID Principles, Gang of Four), 12 Factor/Cloud Native, Microservices, SOA, Message-Bus, Component Based/Aspect Oriented Programming, IoT

Language/Technologies:
- Java (J2EE/Spring/Hibernate), .Net (C#, ASP.Net, MVC, WebAPI), Python, PHP, RoR, Web Services (RESTful/SOAP), Node.js, C, C++, RPG, COBOL, Mainframe, AS/400 (iSeries)

Web/UI/Mobile:
- JavaScript, HTML5, CSS, Angular, Ember.js, Bootstrap, Sencha Ext JS, JQuery, JSON, Swift, Objective-C

DevOps/Continuous Integration:
- Puppet, Chef, Docker, Ansible, Kubernetes, Jenkins, Git, AWS Beanstalk

Technical Expertise

Test Automation:
- HP Quality Center, Selenium, SoapUI, Telerik Test Studio, Cucumber,
- Watir, Ranorex, Junit

Database:
- Oracle, MS SQL Server, DB2, MySQL, Teradata

Business Intelligence:
- OBIEE, SSRS, Tableau, Cognos, Business Objects, Hyperion, MicroStrategy

Big Data:
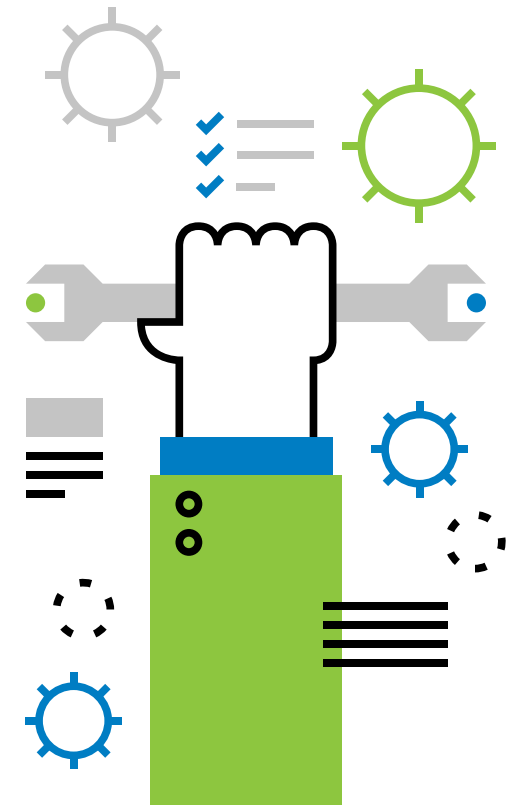- NoSQL, Cassandra, Hadoop, Hive, Pig, MongoDB, Apache Spark, Apache Kafka

ETL/ESB:
- Informatica, SSIS/SSAS, Oracle SOA Suite, Tibco, Spring Integration, Apache Camel, MuleSoft

Cloud/Infrastructure:
- AWS, Azure, Cloud Foundry, VMware, Hyper-V, SAN (EMC/HP), BladeLogic, SCCM

Data Science:
- Machine Learning, Predictive Analytics, Dynamic Modeling, R/RStudio, Python, Mathematica

Technical Expertise

HP Nonstop Services Practice

Our extensive IT Expertise positions us to deliver high quality HP NonStop Staff Augmentation services to clients nationwide in the areas of full-cycle application development, database (development, administration, warehousing, business intelligence) and systems level support (integration, administration, programming).

Platforms:
- HP Integrity NonStop Server, S Series, K Series

Operating Systems:
- OSS, Guardian

Languages:
- COBOL, SCOBOL, TAL, C, JAVA, C++, TACL

Software:
- BASE24 ATM, BASE24 POS, CONNEX, Phase3, SIS, GE Carecast/Centricity, GoldenGate, Data Express, Prognosis, XYGATE, iTP WebServer, MoneyNet

Databases:
- NonStop SQL/MX, NonStop SQL/MP, Enscribe

Utilities:
- TCP/IP, X.25, INSPECT, MEASURE, SAFEGUARD, PATHWAY, ENFORM

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As the Executive Vice President and Managing Director at Resource 1, Anastasia is responsible for technical infrastructure/architecture, technical recruiting, marketing and human resources initiatives. With over 20 years at Resource 1, she is on the Board of Directors involved in the overall strategic planning and implementation of long and short-term goals. Over the last 25 years, Anastasia has assisted global organizations in developing leading edge technology through identifying and positioning talent.

Anastasia is a two-time recipient of the Staffing Industry Analysts "Hackathon" award, featured technology panelist for StaffingTec, TechServe Alliance, Staffing Industry Analysts and featured in "Woman in Staffing" spotlight from ClearEdge Marketing.

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