

The Search for IT Talent: Internal or External Recruiting?

Internal

Best for sensitive projects that need to remain internal secrets

Can take advantage of direct access to corporate planning and resource allocation priorities at company

Enables a more natural recruiting message for candidates since discussion takes place with employee of company

External

Best for projects that require scale to bring on large number of people at once

Can take advantage of knowledge of "best practices" in staffing/recruiting at other companies in same marketplace

Enables a single source to turn to for quickly delivering resumes, screening candidates and replacing people who don't work out

We all know how challenging it can be for an organization to recruit and retain the best IT talent for their team. IT professionals are in constant demand, creating a very competitive labor market for the best and the brightest workers.

This race for the best IT talent has a number of organizations once again questioning a basic strategic question in HR circles: are we best-served to use internal resources for recruiting new workers or to outsource our recruiting function to an external agency with expertise in the IT space?

If your organization is one of the many who are currently conducting this analysis, here are some considerations to examine:

1. Timetable:

How important is it to you that qualified candidates are identified quickly? Staffing firms with expertise in the IT niche will likely have large applicant pools at the ready, so good external recruiters will usually be able to provide you with some candidates much faster than your internal recruiting team.

A related factor, though, is how your own business processes will affect the hiring timetable. If you are prone to recurring budget challenges that rear their ugly heads during a search for a new employee, or if the harsh realities of your organization are that schedule conflicts among managers slow down the interview process for weeks, the use of internal recruiters may allow you to better manage the starting and stopping of recruiting.

2. Organizational Culture:

When it comes to portraying how it feels to work for your organization, internal recruiters will obviously be in a much better position to relay nuances about the company's work environment to candidates. This can be a great way to communicate the day-to-day culture of the organization and make sure that candidates are comfortable with how things work on the inside.

On the other hand, external recruiters often come across as more credible sources of information about organizational culture. First of all, they have a wider breadth of exposure to multiple work environments and can provide a comparative assessment of your organization in a way that internal recruiters cannot. Second, as an "outside" voice, external recruiters can often be more persuasive with candidates about why your culture would be a good fit for them.

3. Candidate Quality:

Recruiters both inside an organization and in IT staffing firms have access to the same systems and technologies to assist them with the initial culling of applicants. There are important differences, however, in the important screening process that will ultimately lead to the identification of high-quality candidates for your open positions.

Internal recruiters typically have general guidelines for the type of candidates they're expected to identify and a basic process they need to follow to produce the candidates. But for the most part, they have very little incentive and very few penalties for the quality of the candidates they recruit to the organization.

By contrast, most external recruiters have their compensation either entirely or partially linked to the quality of hire that you are able to make through their assistance. This creates a very clear environment in which external recruiters must deliver high-quality, viable candidates for every open position they are retained to fill. The transparency of the process makes it easy to evaluate how effective an external recruiter has been with recruiting quality candidates.

4. Budget:

Finally, it's important to consider the relative cost structures with internal versus external recruiting. An easy starting place is by looking at your annual new hire levels; if you don't need to hire a lot of people each year, it will always be more cost-effective to adopt an external recruiting model. And regardless of your volume, external recruiters can also be more attractive for your HR budget when you consider the "hidden" costs of internal recruiting, such as creating a Careers site on the Internet, procuring contact information for high-quality IT candidates and implementing other technology systems to screen candidates.

However, using external recruiters can be expensive if you are a small company and do a large number of hires per year. In these situations, it might be prudent to invest in some sort of recruitment technology, as well as a good team of on-site recruiters who really understand your business objectives and the kinds of IT professionals who will help you get to where you want to go.

Regardless of whether you choose to go with an internal or external recruiting strategy -- or if you decide to use both internal and external recruiters -- the bottom line is that you need to efficiently find great candidates that fit your organizational culture and you need to find them in the most cost-effective manner possible. Never lose sight of the end game.

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