

# Talent Needs Assessment: Full-time or Fractional?

Below are some considerations that will influence your decision to hire full-time or fractional.

## **Company size**

Best practices dictate that smaller companies often benefit from fractional hires that could evolve into full-time hires as the company grows and the workload increases.

## **Budget**

Fractional hires are often ideal solutions for startup and early growth-stage companies where budgets are tight. However, if the prospects for near-term funding are strong, companies should weigh the advantages of a full-time hire who will become embedded in the organization and become a valuable part of the executive team as it quickly scales.

## **Short-term growth plan**

If your strategic business plan calls for significant growth over the next 2-3 years, companies should consider the advantages of a full-time hire for a key position whose responsibilities will increase as the organization quickly scales. A fractional hire for that position could be transitioned to full-time later with the risk being that the fractional hire may leave in the meantime.

## **Job title**

Fractional leadership roles are well-suited for strategic and oversight functions rather than hands-on operational tasks. Positions like Chief Financial Officer (CFO), Chief Marketing Officer (CMO), Chief Technology Officer (CTO), and Chief Human Resources Officer (CHRO) are often good candidates for fractional hires, as they primarily focus on strategic direction and guidance.

## **Type of role**

If the position is an interim filler between permanent hires or short-term project based, a fractional hire is probably ideal. If it is a permanent position that is a critical piece of the company's operational infrastructure, a full-time hire should be given strong consideration, should budgets and workloads allow.

## **Current volume of responsibilities**

If the responsibilities of the position can be compressed into three days per week or less, strong consideration should be given to a fractional hire.

## **Anticipated increase in responsibilities**

If the volume of responsibilities is expected to significantly increase over the near term, consideration should be given to a full-time hire who will bring stability and commitment and will become a key member of the company's executive team.

Here are key questions companies should ask when deciding whether to hire a full-time or fractional employee:

#### Needs assessment and long-term vision

- What are the company's immediate needs and long-term objectives?
- Will these needs change over the near term?
- Does the role require a continuous, dedicated presence or can it function effectively with a part-time arrangement?
- What level of strategic involvement and hands-on execution is required?
- Are there existing skills gaps that need to be filled?

#### Budget and cost-effectiveness

- What is the company's budget for the role, including salary, benefits, and overhead costs?
- How is the budget impacted when benefits are subtracted? Does that make it more conducive for a fractional hire?
- Will the cost advantage of a fractional employee diminish as the workload increases?

#### Flexibility and scalability

- Does the role require a high degree of flexibility and scalability based on business needs?
- Can the company adjust the workload of the role as needed without impacting the employee or incurring additional costs?
- Is the company in a period of rapid growth or transition that might require a temporary solution?
- If the company is on a growth-stage trajectory, can it be expected that the role will also grow and the workload will become full-time fairly soon?

#### Integration and culture

- Does the role require a deep level of integration within the team and company culture?
- Is the company willing to adapt its processes and procedures to accommodate a fractional employee?
- How can the company's infrastructure include the support mechanisms necessary to maximize the opportunities for a fractional hire to succeed?

#### Risk and commitment

- How important is long-term commitment and loyalty from the employee?
- How will the company manage potential risks associated with limited availability, responsiveness, and communication challenges from a fractional employee?
- Is the company prepared and sufficiently resourced to transition the fractional hire to a full-time hire should circumstances dictate?