

Microsoft's vendors, temps nearly equal regular staff numbers

March 4 2009, By Benjamin J. Romano

It's widely known Microsoft has a large contingent work force in addition to its 96,000 direct, regular employees worldwide. But the company has never publicly quantified these people, who typically work through third-party firms and do everything from mow the lawns to write software.

According to numbers reviewed by The Seattle Times, Microsoft has roughly 70,700 vendors, as well as 8,600 "other" workers worldwide. The "other" category includes mostly agency temps - commonly referred to as "a-dash" workers - but also visiting researchers and interns.

The numbers come from HeadTrax, an internal software used to track human-resources information at the company. It lists a total head count of more than 175,700 people who could be broadly described as earning some portion of their living through work for Microsoft.

The figure does not appear to include the impact of 1,400 layoffs announced in January and to take effect later this month as part of an 18-month plan to cut a net 2,000 to 3,000 full-time jobs.

Microsoft spokesman Lou Gellos said the numbers are "within the ballpark" but added that HeadTrax is essentially a "running barometer" for the company to keep a handle on things.

He added that the vendor number "varies widely depending upon what's going on at any given time."

Vendors perform a range of functions of varying durations, usually through outside providers.

A landscaping company, for example, may get identification badges so that a crew of workers can come on campus to mow lawns. But even though the crew is included in the count of vendors, they might not work at Microsoft every day.

This can cause the vendor figure to appear artificially high, Gellos said.

Other functions performed by contingent staff, both vendors and agency temps, include staffing reception desks, driving the company's shuttles and Connector buses, writing technical documentation, providing security, moving offices, writing and testing software code, lending specific expertise to major projects and more.

The HeadTrax information did not indicate where the employees are located.

Matt Rosoff, analyst with Kirkland, Wash.-based independent research firm Directions on Microsoft, said the number of contract workers is not surprising, but is interesting to see quantified.

"We had always heard that Microsoft has about as many contract employees as it does full-time employees, so 70,000 (vendors) seems very reasonable to me," Rosoff said.

A segment of the contingent staff has been in the spotlight in recent days after Microsoft lowered by 10 percent the amount it pays U.S. third-party temporary agencies that place these workers in assignments at the company.

Many of the temp agencies are passing a similar cut on to the contract

employees. (The 10 percent cut, part of a broader Microsoft cost-cutting effort, has so far affected only the "a-dash" agency temp workers, of whom there recently were about 7,200 worldwide.)

Microsoft's use of contingent workers matches the broader trend in the technology industry, said Eric Gregg, a managing partner at the Inavero Institute, a Portland firm that provides research on and for the staffing industry.

"It is no longer the case that companies view temporary and contract strategy as their 'contingent' work force, but rather their flexible work force," Gregg said via e-mail. "... In the technology space, this reliance on temporary and contract labor is even more pronounced than in many of the other sectors."

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