

The Hunt for High-Tech Talent

By Emily Sopensky

► Fall's cooling temperatures brought a cool-down in employment growth as well. After the heady activity during the first few months of 1998 was followed by worldwide economic strife, the slowdown in growth announced by the U.S. Labor Department at the end of October was not unexpected. The Texas unemployment rate, 5 percent, is a little higher than the 4.6 percent U.S. rate. Meanwhile, Austin's rate stands at 2.8 percent.

Despite both *Fortune* and *Newsweek* magazines anointing Austin as America's best place to do business, the question is, how long can Austin and its software sector remain impervious to a slowdown?

Apparently for some time, at least according to the results of an annual survey conducted by Austin-based Angelou Economic Advisors Inc. The firm surveys local software companies that account for 28,000 jobs, says Research Director Chris Engel. Results predict a strong increase in software development jobs and a moderate increase in computer manufacturing for 1999.

With the unemployment rate already relatively low, a tight labor market is inevitable. Earli-



Alexa Lange, HireTech CEO, and Mercedes Paul, HireTech director of operations, listen at ASC's seminar on recruiting high-tech professionals.

er this year, the Austin Chamber of Commerce released its annual economic review, noting that the area's high rate of labor force participation (60 percent vs. the national rate of 50 percent) means increased difficulty in filling jobs from the local pool.

In November, the American Electronics Association chimed in with its own report on Austin. Its conclusion: The only cities that added more tech jobs than Austin were Atlanta and Seattle. The best pay category, accord-

ing to the report, is in software.

Even the potential threat of increased immigration visas turned out to be fairly inconsequential. The legislation just passed by Congress raises the quota from 65,000 to 115,000 visas per year.

But before you pack your duds and hightail it to

Austin, note that these top-paying jobs are for those who have the right skills. Further, Engel adds, "Most of the labor gains are fueled by small business."

Gail Taylor-Russell, a patent attorney specializing in intellectual property, observes, "From my perspective, software companies are still having problems recruiting and keeping personnel, particularly software developers and seasoned software managers. Software engineers are still switching from one company to another frequently. Small companies are having the most trouble because they can't offer the same salaries and benefits."

Likewise, Linda Haines, executive vice president of

why a candidate should move to Austin. No income tax is one; affordable housing is another.

Attracting software talent at the mid-range level requires creativity. Increasingly, this candidate must be lured. Some want cutting-edge work. Some like security. Some seek a change of climate. Surprisingly, many do not care about flextime or telecommuting. And, of course, "money," Radosavljevic says, "is still in vogue."

Companies that are constantly recruiting, especially those with over 1000 employees, are turning to resources such as Worldhire Recruiter, an intelligent enterprise software tool that automates many of the recruiter's mundane repetitive tasks. (See related story on opposite page for more information.)

Local recruiters concur that the highest demand for talent is from Internet startups and associated activities. Also highly sought after in Austin are those with Java and telecom software experience.

For the long term, education remains a big issue.

Given the increased pace that successful startups must adopt to remain competitive and survive, workers, too, must learn quickly and be self-sufficient. But recruiters lament that many active job seekers lack the problem-solving skills necessary to survive in startups.

Between universities, community colleges, businesses, and even high schools, innovative programs that train for high-tech industries are starting to emerge in nontraditional forums. For example, with a little help from the business community and a lot of passion by one Austin high school teacher, Keith Rutledge, at-risk youths are pulled into a program that teaches them computer-aided graphic design skills.

Washington is starting to take some action, too. The same H-1B legislation that was just passed for immigration quotas provides for some of the visa fees to be cycled into job training and college scholarship programs.

There is no question that the future of Austin is bright in comparison to the rest of the country. But attracting and maintaining highly skilled talent remains a challenge in every high-tech city, including Austin.

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Human Resource Solutions, a Ft. Worth-Dallas-based firm, senses a slowdown. She says, "Since about six months ago, I have gotten far more calls from contract recruiters looking for work than from companies looking for contract recruiters. I am sensing some softening in the market. There certainly are more 'bodies' out there, but those skills that have been in short supply continue to be in short supply."

Dusan Radosavljevic sees the same problem. With over 31 years as an engineer, physicist, and now IT recruiter for CGN & Associates, Radosavljevic finds that the "plug-n-play" mentality reaches to recruitment as well. Managers under tremendous pressure to hire often look for the candidate who is a "perfect fit."

As more firms seek very specific skills, the recruiting net must be cast wider. Venture capitalist and Tandem Computers founder Jimmy Treybig now sits on the boards of several Austin high-tech startups. To attract top CEO talent to Austin, Treybig has a list of reasons ("no less than three; no more than six")

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