

Techies see light at end of dreary economic tunnel

By Lisa Baertlein, Reuters, 05/22/2002 - Updated 03:40 PM ET

PALO ALTO, Calif. — Evan Goldberg's software shop may be small, but it's doing something that many large high tech companies are still only talking about doing: Expanding to keep pace with growing sales.

Goldberg, president and chief executive of San Mateo, Calif.-based NetLedger, said he's beefing up the sales force of the online software provider because its alliance with No. 2 software maker Oracle is expected to help the company's 2002 revenues quadruple from \$2.5 million last year.

"We're one of the few dot-coms that made it through," said Goldberg, who expects NetLedger's head count to grow to 125 by year-end from 90 in 2001.

Operators of Internet employment sites and job hunters alike report that the number of "Help Wanted" ads are ticking up slightly, amid a lingering economic malaise that recently pushed the unemployment rate to its highest level in more than 7-1/2 years. Industry-focused research points to an eventual upturn in the technology labor market, which suffers from a chronic shortage of high-skilled workers.

For now, though, positive signs are overshadowed by continued sluggishness in the sector that saw about half of all technical positions eliminated in 2001 and remains vulnerable to shocks.

Just last week, computer giant IBM said it planned to slash up to 9,500 positions, or as much as 3% of its workforce, in an effort to align costs with the slack demand for technology.

On the other hand, Goldberg and other employers say, the tech downturn — which stalled corporate revenue growth, left thousands jobless and sent stocks of various companies crashing to earth — has also created hiring opportunities.

["Silicon Valley is enjoying the benefits of a humble, more eager workforce," said Brian Solis, president of Future Works, a public relations firm in San Jose, whose tech clients include the collaboration software provider Centric Software.](#)

During the dot-com boom, there was a glut of technology and support jobs and a dearth of qualified people to fill them.

"Companies were forced to hire only those they could afford. ... Now, companies again can hire the best person for the job at realistic market rates," Solis said.

In San Francisco, software maker Salesforce.com is adding staff as it prepares for an initial public offering early next year. Greg Erman, chief executive of Lexington, Mass.-based MarketSoft recently told Reuters that he also is looking to hire.

Christopher Jones, vice president of content and communities at HotJobs.com, has seen more "Help Wanted" postings on the recruiting Web site that is a service of Internet media company Yahoo.

"We have seen an upswing in IT job postings nationwide ... California has seen a higher upswing than the nation as a whole," said Jones, who said job listings there rose 4% from the end of February through the end of April 2002.

Steven Phenix was recently hired at Future Works after business from two clients who were supporting his home-based public relations shop suddenly evaporated. He has been getting e-mail updates from several Internet job sites since he was laid off soon after the deadly Sept. 11 attacks.

"I'd go days without a single e-mail," Phenix said. "Now there are three to six new job openings every day."

Craigslist.org Chief Executive Jim Buckmaster said job listings on his sites in 14 markets — including San Francisco and New York City — are up 40% from the beginning of the year. He added, however, that he isn't sure how much of the increase is due to economic improvement and how much to the demise of several of his competitors.

Buckmaster also hinted that his own company may soon be among those looking for people.

"We're not currently hiring, although we may be before long," he said.

Buckmaster is not alone. Professional services firm Deloitte & Touche found in a recent survey that 81% of the chief executives at fast-growing technology companies expect to hire in the next year — although at a significantly more modest pace than in recent times.

The number of CEOs who plan to hire fewer than 25 people nearly doubled from a year ago, while the number of CEOs who said they'd add more than 200 workers dropped from 8% in 2001 to 2% this year, Deloitte & Touche said.

The Information Technology Association of America (ITAA) said earlier this month that hiring managers expect to fill 1.15 million technology jobs in the next 12 months. If just half of those jobs are filled, the size of the workforce will be restored to pre-2001 levels, the trade group said.

But, for now, the layoff announcements keep coming.

On Monday, chipmaker National Semiconductor raised its revenue outlook for the quarter ended May 26 and said it would cut about 150 jobs — or less than 2% of its workforce — mostly from its slower growing wireless networking and set-top box divisions. Elsewhere, Veritas Software laid off hundreds of workers in certain divisions and hired in others.

HotJobs' Jones said job seekers should not despair over the current market, or get too optimistic about a return to the dot-com glory days.

"There are still opportunities out there, and there is an upswing," Jones said. "As far as re-creating that golden age, I'm not sure that's in the cards just yet."