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**Wall Street &
Technology**

Property

by Craig McGuire

CIOs are sounding the call to staff their IT departments, yet no one is answering

IT technician at Brown Brothers Harriman & Co. by day/Columbia University student by night, 21 -year old Sean Lawler has a bright future ahead of him-especially considering the lucrative cash and prizes financial services firms throw at IT professionals these days. And, with technology becoming more sophisticated by the minute, and the shallow IT talent pool showing no signs of deepening, the stakes can only rise.

Lawler is one of the thousands of young up-and-coming IT professionals with the Street at his feet commanding top dollar for their services, vaulting from bidder to higher bidder. Last year Lawler joined New York-based BBH as an intern. Just a few short months later he was offered a second level technician post, including full benefits. Soon after, Lawler switched gears and left an undergraduate program at Pace University, enrolling in a Software Engineering program at Columbia's School of Continuing Studies.

"Where a degree offers primarily theory, programs like this give me real-world experience I can use right away," explains Lawler. "I'll eventually pursue my degree, but in the here and now, certification in any number of these new technologies makes me a more valuable asset to an employer." While a college degree will always be a prerequisite along the path to senior management, there are still several posts in an IT department where specialized skills supercede all other training. Besides, a limited IT talent pool, increasingly sophisticated technologies and the rise in contracting opportunities make it difficult enough for CIOs to keep a salaried staff intact.

"The bottom line is there are more jobs than people," says J. Patrick Bryan, chairman and CEO of Global Search Associates. "According to the Information Technology Association of America (ITAA), in a 1998 study, there was a nationwide shortage of 346,000 programmers, systems analysts and computer scientists."

Don't look for any short-term relief for the talent drought. Bryan points to a more recent 1999 Staffing and Compensation Guide by the Meta Group estimating a vacancy rate at 400,000 for these same positions.

What does this mean to the financial services industry? Competent IT professionals, from CIOs down the line to entry level programmers, have become properties - and what's more, they're more than aware of their value.

"We are most definitely experiencing a sellers market right now," says Marsha Underhill, Human Resources director for IT at Barclays Global Investors. "Talented

Home

About Us

Team

Clients

Dynamic
Leadership
Solution

Search
Process

News &Market
Intelligence

Contact Us

IT professionals who are actively seeking new employment inevitably receive multiple job offers. The burden rests on the employer to attract the most qualified candidates."

Lawler, like most IT professionals today, is routinely bombarded by unsolicited calls from recruiters, looking to stock understaffed IT departments and collect highly lucrative bounties.

"They're extremely aggressive in their pursuit, annoying, but definitely aggressive," says Lawler. "I don't know how they get my number, but they do. The majority of techs I work with, and many I know outside of the office, all receive similar calls, not only making offers, but wanting to know exactly what we do, and how we're compensated."

The message is clear: if you have the ability, certification and enough notches on your belt, you control your own destiny.

"Although the employer has the hiring and firing power, IT employees, from skilled Java programmers to CIOs, are in short supply, so on-balance employees have a bit of an edge right now," says Judy Homer, president of JB Homer Associates, a New York based recruiter. "And, it doesn't seem likely to change anytime soon."

Bryan agrees that the IT professionals clearly have the upper hand when it comes to contract negotiations. "Employers are bending over backwards to provide large salaries and benefits, or large hourly consulting rates to access and keep quality employees," Bryan explains. "This sets up a system, where because of such great demand, the U.S. candidates can job-jump at will for bigger and better opportunities."

Though in the industry a relatively short time, Lawler understands the rules of engagement. Satisfied in his current position at BBH, Lawler says it would take more than a ceremonial title to lure him away - at least for now.

"I would not consider leaving any company unless the job I was going to offered a bonus based on preset annual goals, profit sharing, full tuition reimbursement, at least two weeks new technology training per year, and a comprehensive retirement package," says Lawler.

When he completes his training at Columbia, and continues to expand his IT repertoire, it's a forgone conclusion that Lawler will command such compensation, and significantly more. In fact, Lawler's asking price is certainly reasonable when you consider what some of the financial industry's top guns garner. The question is, though, when will they say when?

"Star candidates are much more market savvy and know their value both in the marketplace and within their own companies," says Homer, whose firm specializes in placing senior-level financial IT executives. "You may find the right candidate, but the competition for his/her services is fiercer than ever."

"In desperation to find and retain employees, employers have been throwing more and more money at candidates," says Bryan. "The problem with this scenario for employers is that they are spending more money than is necessary, and still are not retaining top quality employees."

"Many companies are offering their key IT personnel retention bonuses relating to Y2k compliance, as well as retention bonuses tied to other major efforts their IT staff are involved with," says Homer. "This phenomenon again puts the employee in the driver's seat, as the employer must provide

these extra payments, and hope even with them, that his key IT people will stay."

Homer explains that there has been a shift toward sweetening compensation packages with more equity-based incentives. "Companies are going above and beyond the call to recruit top talent," she says. "They are doing this with more extensive stock option awards, up-front as well as on-going, and with heftier cash sign-on bonuses to offset what candidates are leaving on the table in terms of stock options and/or unpaid bonuses."

Meanwhile, with the market as lucrative as it is, many times IT professionals are looking at their job as more than a way to make a comfortable living.

"At [BBH], one measure used to keep people is to try and not make their jobs overly repetitive," says Lawler. "That involves rotating staff, and assigning people to work on new projects using interesting and innovative technologies. You want to work for a firm that is proactive in training its employees, arranging for you to attend seminars, and doesn't expect you to do it all yourself."

With IT growing increasingly sophisticated, mastery of emerging technologies moves you into the speed lane in the financial services industry.

"As most organizations migrate from mainframe computers to client/server capabilities; skill sets have shifted accordingly, from the architecture of client/server systems to the movement away from Cobol to more client/server and Net languages such as Java, Visual Basic and others," says Homer. "With the shift toward Internet and e-commerce, IT staff are expected to know, and be able to deploy, leading edge and cutting edge Net technology."

"The demand for skilled IT professionals continues to be strong across technologies," says BGI's Underhill "Our recruiting strategy focuses less on which languages or Relational Database Management system candidates have expertise in than their passion for the work they do and ability to pick new technologies."



JUDY HOMER, PRESIDENT

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[Back to index](#)

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4/9/03 - 02:30