



5 Dampers on IT Worker Confidence

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For the fourth month in a row, technology professionals have felt more confident in their jobs than the U.S. workforce at large, according to the Hudson Employment Index for IT Workers released July 5.

With a base score of 100, the IT index came in at 108.2, compared with the national index of 102.4. The trend of technology workers surpassing the larger market in security has had only one lapse in eight months.

The numbers mesh with findings from Spherion, a Fort Lauderdale, Fla.-based staffing and recruitment company, whose IT Confidence Index was up 4.4 points in January to 56.8, with more workers reporting confidence in the economy and their employment situation.

"There's more activity around the IT space, more projects rolling out, and everyone I talk to is building their staff with either contingent workers or full-time employees. Though the growth of employment opportunities, skilled IT workers are feeling bullish about their job prospects," said Brandon Courtney, vice president of Spherion professional services.

Just what makes technology professionals so much more confident than non-techies?

"A lot of employees themselves have seen their companies go through reorganizations and then reprocessing. These workers have a greater feeling of importance to their employers because they're part of making them more efficient," Jeff Nicoll, practice manager for New York-based Hudson IT & Telecommunications, told eWEEK.



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Yet IT professionals are a group who have experienced one of the worst white-collar recessions in history, said Courtney, and they don't take the current economy for granted.

In fact, many are quite far from a state of personal job exuberance or even satisfaction, concerned about larger issues from offshoring to the possibility of an economic downturn. Below, we round up five of these concerns and get some expert insight into the actual state of IT worker confidence.

1. Offshoring and outsourcing

It's impossible to have a conversation about the state of IT employment without someone bringing up what most U.S. IT workers consider their biggest threats: outsourcing and offshoring.

"The IT workforce is not confident," said Rick Brenner, a former software engineer who is now a principal at Chaco Canyon Consulting, in Cambridge, Mass.



"Over the last five years there's been a lot of IT outsourcing and while it's probably slowed down some, the threat has not subsided."

Despite reports that **offshoring's impact may be overstated** and that it has primarily affected "low-end" jobs such as database administration, while high-end jobs are showing a growth rate comparable to the tech boom years, tech professionals are not reassured.

"In large companies (500-plus seats) non-core functions are continuing to be outsourced. Help desk, deskside support, hardware maintenance, app development, etc., have continued to be the areas that these companies shift to other providers," said Steve Chase, executive vice president at Alphanumeric Systems, a Raleigh, N.C.-based technology solutions provider. "Employees that work in these areas are definitely watching for 'cost-saving' moves and are trying to position themselves for more strategic jobs. Those in strategic positions feel good, those that aren't are worried, or at least not comfortable."

2. Fear of wages undercut by H-1B workers

A report filed June 22 by the Government Accountability Office, a congressional oversight agency, confirmed what many critics of the H-1B visa program have long maintained: **Thousands of U.S. guest workers are being paid less than the prevailing wages** for their jobs. The report came on the heels of an announcement by the Programmers Guild, an IT worker interest group, that it had filed 300 discrimination complaints so far this year against companies alleged to have posted "H-1B visa holders only" ads on job boards.

Both of these stories reflect an ongoing concern by longtime IT professionals that their jobs are less secure because they cannot compete against companies undercutting the wages of temporary workers.

"Employers can and do give preference to H-1Bs over U.S. workers," said Ralph W. Wyndrum Jr., president of IEEE-USA, an organizational unit within the IEEE, which works to protect the career and policy interests of its members, in a statement.

"Employers who choose to do so can easily manipulate the system to pay below-market wages. And the program accelerates the offshoring of high-skilled jobs by training people who then become our overseas competition. Bringing in the best and brightest and keeping them here should be the goal of the program, but the H-1B program now does not serve that purpose."

3. Jobless tech recovery

IT employment accelerated in May, according to the National Association of Computer Consultants Business IT Employment Index, despite the Labor Department employment numbers failing to meet expectations. Yet, it doesn't mean that the larger economy does not weigh on the mind of IT workers, many of whom feel that the economy has not fully recovered from the post-dot-com boom recession years.

A study released June 14 by the CUED (Center for Urban Economic Development) at the University of Illinois, Chicago, on behalf of the WashTech/CWA (Washington Alliance of Technology Workers, an affiliate union of the Communications Workers of America) asserted that the **technology market is actually in a "jobless recovery"** despite industry claims to the contrary.



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The study argued that recent hiring in the IT industry reflects cyclical recovery in IT labor markets and not sustained secular growth, as just 76,300 new IT jobs have been added since April 2003. The number adds up to less than one-quarter of those lost during the recession, despite the fact that the recovery began more than five years ago.

Despite a decelerating market, IT is boasting growth. [Click here to read more.](#)

"Technology job growth is weak at best in most major markets across the country. Tens of thousands of highly-skilled American IT workers remain unemployed or underemployed, while at the same time, more and more technology jobs are being shipped out of the country," said WashTech/CWA President Marcus Courtney, in a statement.

4. Personal fiscal woes

For three consecutive months, workers have increasingly described their finances negatively, according to the Hudson Employment Index for IT Workers. 34 percent of tech pros indicated that their financial situation was getting worse, the fourth consecutive month this number has been in a decline. Only 13 percent of IT workers rated their personal financial situation as "excellent," the fourth month in a row this percentage has been on the decline. 40 percent felt that their personal finances were "good."

Nicoll felt that these concerns over personal finances were cyclical.

"There are seasonal effects. People are so focused on vacation that financial burdens come to the surface," said Nicoll.

Yet, both the percentages of tech pros who felt that their finances were "excellent" and "good" were down from June 2005, when they were each a percentage point up.

"This is the time of year when we see these things drop. From an index standpoint, though, if it's stable through vacation, it will look good at the year's end," said Nicoll.

5. Job contentment

Compared with May, when more than three-quarters (76 percent) of the IT workforce was content with their job, just 71 percent felt that way in June.

"Confidence should be on the rise because there are more jobs out there right now; we do sense that the trend of hiring is definitely on the upswing. There's more of a sense of security that there wasn't a year ago. But, it could be just that businesses have as a whole become more efficient," Carol Cornman, senior vice president at Sapphire Technologies, a provider of IT staffing solutions in Woburn, Mass., told eWEEK.

Courtney sees the decline in job contentment among IT workers as reflective of a change in perspective.

"IT workers look at the stability of an employer and the longevity and stability of the project they are working on more than they used to. They look at the general health of the economy, and if a company is in a fledgling industry or one that will be around for a while; as a whole, they are getting more savvy about their workplace choices and this can have an effect on their outlook," said Courtney.



It's not all bleak skies ahead for the IT worker. According to Hudson's findings, the number of IT workers worried about losing their jobs is at 19 percent, a 12-month low.

"Employees that have a perceived 'high value' to the company feel relatively safe, but with management seeing other options, raises and promotions are a little harder to come by. IT employees are figuring out that they must add value to the business rather than just run an IT component. This is actually much more motivating than a day-to-day support role, so both the company and the employee win," said Chase.

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