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People Feature

Shops Up Recruiting Game Amid Tight Tech Hiring Market

By Beagan Wilcox Volz February 3, 2020

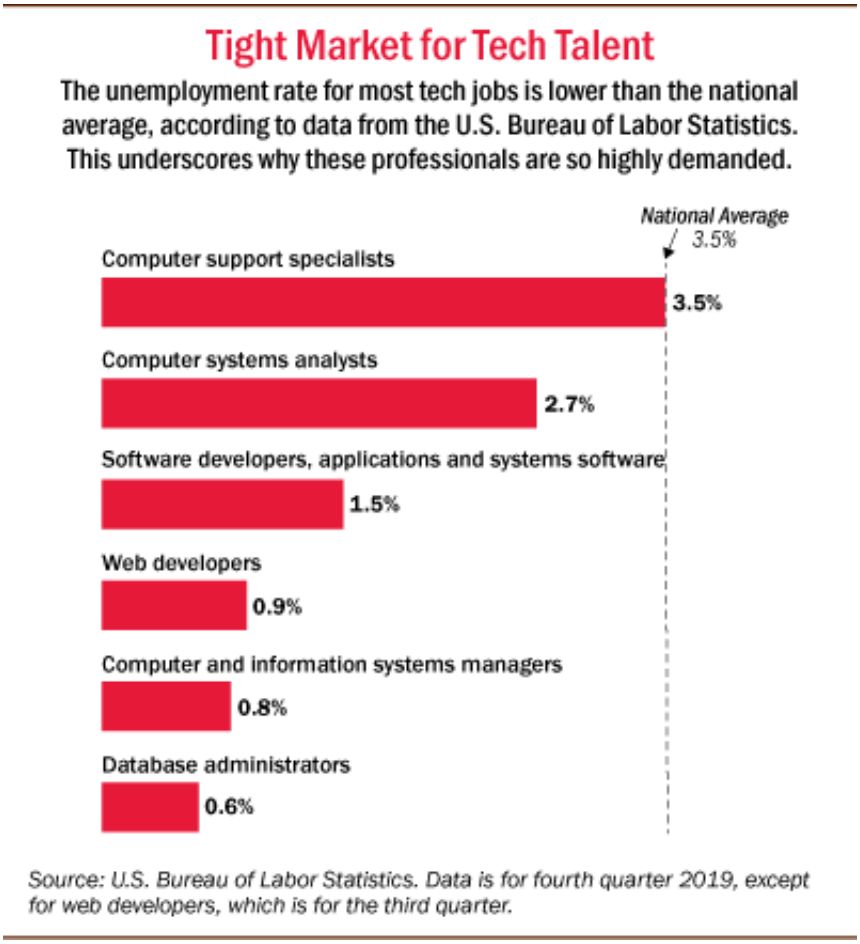
Fierce competition among companies of all kinds for talented technology professionals has led many firms to offer such recruits richer perks and benefits than those in other departments, according to a new survey.

About three quarters of technology leaders across industries said their companies offer IT staff "more than the norm" with sign-on bonuses and remote work opportunities, the **Robert Half** survey found.

Among respondents at financial services firms, slightly more — 78% — said they sweeten the pot for tech recruits. The 2,800 survey participants each had hiring authority for the information systems or information technology department of their company, according to the staffing and consulting company.

"Hiring good, strong IT people is a challenge, period, because there are more jobs than there are people," says Jeanne Branthover, head of the global financial services practice at executive search firm DHR International. "Wherever there's flexibility [in perks and benefits], they'll use it for IT people much more frequently than [for] other people."

For example, more tech workers ask future employers to allow remote work than did a few years ago, says Katie Plankey, branch manager of technical staffing services at Robert Half. That's in part because "IT never sleeps," she says. "A lot of companies are starting to realize, 'If we're demanding so much work from IT people, we need to allow them to be flexible in how they handle it.'"



The scarcity of tech employees has also led companies to be more open to remote work because they may hire people who are not located near their offices, Plankey adds.

Some 76% of financial services CEOs said skills shortages represent an overall threat to their companies' growth prospects, a 2019 PwC survey found.

Schroders is among numerous asset managers that offer flexible working policies for all employees.

"We recognize the needs of our employees are different and are willing to accommodate various arrangements to support our staff," said Sudhir Khanna, Schroders's head of technology and change for the Americas. "We have invested in the technology to allow for this ability to work remotely with ease for our employees."

Sign-on bonuses have become more common at asset managers for sealing the deal with job candidates in all fields, says DHR International's Branthover. But that's especially true for tech employees.

"This is their way of getting someone who wants more money, but you can't put it in the base or bonus," she says. "Very often that sign-on bonus is telling them, 'We really want you.'"

The amount that companies offer in sign-on bonuses varies widely, depending on the position and recruit, but typically ranges between 5% to 15% of salary, says Plankey.

Companies that poach tech workers readily reimburse them for any penalties that their prior companies impose related to a sign-on bonus, if the person leaves a former employer after only a short stint, Plankey says.

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Landing a recruit is only half the battle, of course. Tech workers are known for high turnover rates, in part because they are in such demand.

A major draw for tech workers once they are on the job is access to training and continued education, according to **HackerRank**, a tech hiring firm. More than 64% of developers said the opportunity for professional growth and learning is important to them, according to the firm's survey of more than 71,000 developers. In contrast, about 36% said competitive pay was a top priority.

For tech staffers, continuing education and development "are of critical importance, especially since technology is moving so quickly," writes Natasha Radden, TIAA's chief human resources officer of client services and technology, in an e-mail to *Ignites*.

In addition to internal training, TIAA supports employees who opt to obtain a master's degree in cyber security from the NYU Tandon School of Engineering. A partnership between TIAA and the school allows employees to complete the degree "at almost no personal cost," Radden writes. The shop also supports employees with Amazon Web Services certification or continuing education in other areas, Radden adds.

Similarly, money manager and tech provider SoFi covers tuition costs for approved programs, with a limit of $5,250 per year, according to its website.

"Most employees want to develop professionally, and you want to be sure you have an environment that meets those expectations," says John Reed Stark, a cyber-security consultant and former head of the SEC's Office of Internet Enforcement.

In addition to footing the bill for such training, companies should also recognize that taking time away from regular work will impact the employee's productivity and metrics, says Stark.

"You have to have a system that doesn't penalize people for going and doing that," he says.

Many developers also prize being challenged, the HackerRank survey found. More than a third of participating developers said having "interesting problems to solve" was important to them.

Some firms, like Schroders, feed that urge by holding “regular hackathons” aimed at driving innovation, says Khanna.

Given the shortage of tech talent, paying more for those employees or offering sign-on bonuses is “totally appropriate,” says Mike Delikat, a partner in Orrick’s New York office. Where companies need to be careful is with ensuring that they offer equal pay for equal work, he says. Orrick typically represents companies defending employment claims.

A company can get into legal trouble if a male recruit gets a larger sign-on bonus than a female recruit with a similar background, and they do the same type of work, says Jennifer Schwartz, a partner in Outten & Golden’s San Francisco office. The law firm represents plaintiffs in employment litigation.

“I’ve had cases like this,” she says.

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