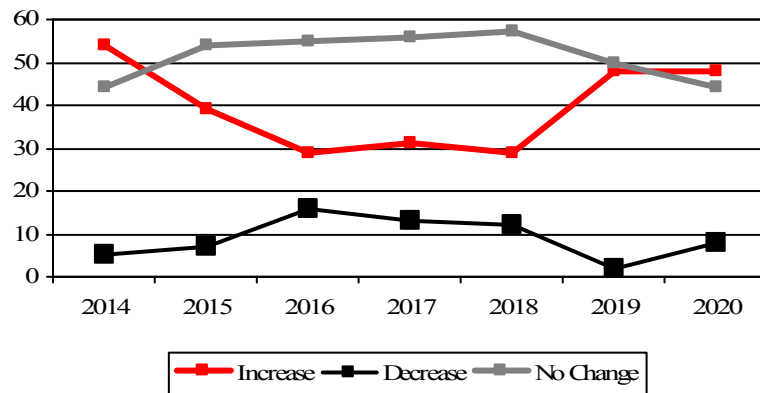


**Good News for Houston**  
**- by James Del Monte, JDA Professional Services, Inc.**

It seems like yesterday when we were passing through Y2K, the boom in technology, and hiring as a result. As it turns out 2019 had a lot of similarities to 1999 with a robust economy, low unemployment, demand for technical skills exceeding supply, and compensation on the rise. Our latest Hiring Trends report indicates that 2020 is going to be just as strong for hiring as 2019, and compensation will increase above normal averages for most positions. Close to 50 percent of respondents to our survey of CIO's, VP's, and Directors of IT anticipate a net gain to their staff this year, primarily in full-time positions.

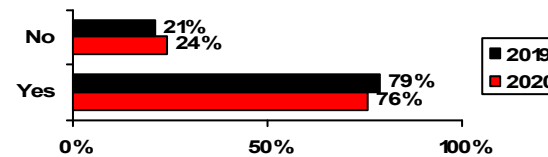
**Does your company anticipate a change in total IT staffing level?**



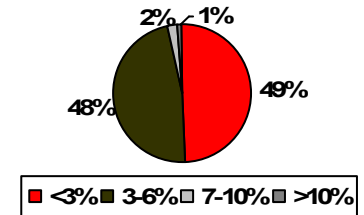
It is no surprise that the main areas of new hiring will be in cybersecurity and business intelligence/data analytics followed by cloud computing and software development. As we move to a more comprehensive compensation model, close to 50 percent of the respondents are anticipating a 3-6 percent

increase in base salaries, and 74 percent will be paying bonuses with close to 60 percent of them in the 10-20 percent range. This combined total is the largest we have seen since we started our compensation report over 25 years ago.

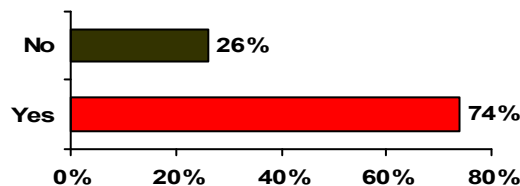
**Does your company plan to increase base salaries for IT staff in 2020?**



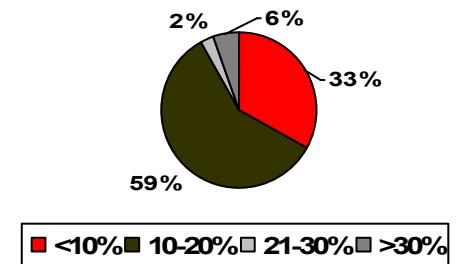
**By what percentage?**



**Are bonuses included as part of your company's compensation packages?**



**If yes, what percentage?**



Other areas of interest are the work/life balance incentives with 65 percent of respondents offering telecommuting, ranging from virtual to a couple of days per month and offering flex start times. Surprisingly flex scheduling came in close to 40 percent with either 9/80, 4/10, or half days on Fridays. We have found that this is a great strategy to attract or retain talent. This is also at the top of the list of job seekers and is a challenge when moving someone who has it. Note, however, that only 20 percent of respondents have a formal retention plan, and are proactively moving to minimize turnover and retain their top talent.

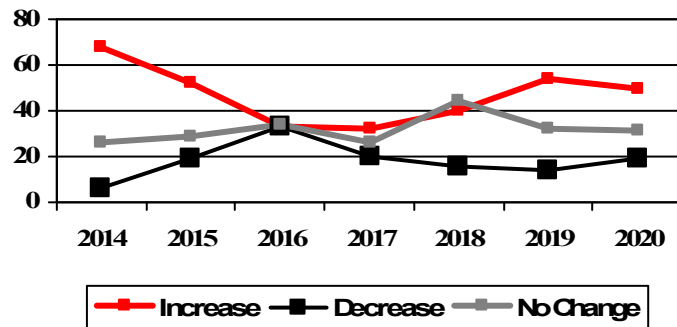
### If your company offers telecommuting, what is the average time employees commute?

- A few days per year: 20.83%
- A few days per month: 47.22%
- A few days per week: 18.06%
- Virtual 13.89%

There are other influences that could impact hiring and compensation in 2020. The latest recovery in the energy sector has ranged from slow to non-existent and is strained with over-supply, flat prices, and high debt. We anticipate more consolidations, bankruptcies, off-shoring, and lay-offs. With most of Houston’s anchor companies still energy-related, this could trickle into other sectors.

As more companies are moving to cloud solutions and out-of-the box software, the demand for certain skill sets such as project managers, business analysts, ERP specialists, and infrastructure support analysts will continue to be flat or even shrink.

Projected IT department spending YOY



With full employment and 50 percent of companies adding to their staff this year, there will continue to be churn in the market. We are also seeing an aging population combined with a great stock market, and a fair number of people retiring or moving out of Houston. Younger workers are taking advantage of this robust market to increase their skills and compensation by changing companies. Most of our clients have informed us that they will be able to replace turnover, and this could be an opportunity to do a skills upgrade or provide promotional opportunities for existing staff. Smaller and mid-size non-energy businesses with strong balance sheets are ramping up to take advantage of a strong national economy. New businesses are starting up and others are moving into our city. With an abundance of office space at competitive rates and a business-friendly climate, Houston has become a very attractive place in which to relocate. The downside is the traffic/commute times, which is one of the top 3 reasons for turnover.

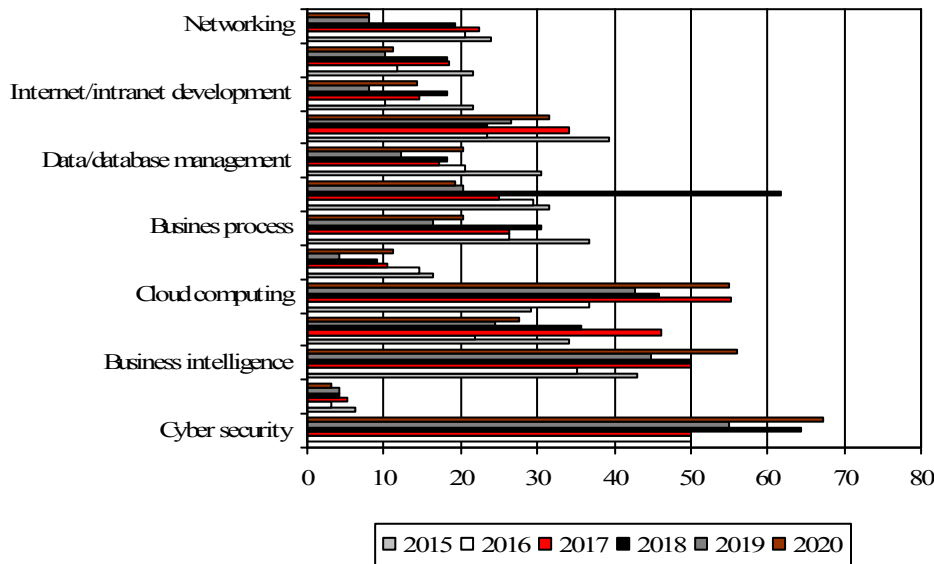
In our tight labor market, the quantity of local, qualified candidates has decreased, competition is tight, and the most qualified candidates are receiving multiple offers and strong counteroffers. Some companies are willing to train again to develop their resources instead of having an open requisition for many months.

### Conclusion

The market sets the price. In a competitive market where highly skilled people can make a huge difference to the bottom line and as IT moves from being a service group to more of an integral part of the business, the value of technology is key to organizational success. New technology that is client-facing, business intelligence, analytics, A/I, and other operational systems are having an impact on reducing cost and increasing revenue. The demands on the talent pool will continue to

increase and drive up compensation. With competition being national, we are seeing compensation set by the market, and for new hires an increase in the 10-30 percent range with additional perks and benefits is not uncommon. Finding these skills is becoming more difficult and will cost more. The good news is that the return on investment can be multiples of compensation.

**What areas are the largest growth potential over the next few years?**



We advise our clients to consider the cost of retention versus the cost of turnover, as existing staff is valuable. In addition to compensation, a good retention strategy could include lower cost options such as working from home, increased free time and flexibility, new projects, training, and expressing appreciation for employee efforts and loyalty. An accommodating work environment can make a huge difference in employee retention.

With the increase in hiring, there are a lot of new entries in the recruiting business locally, nationally, and internationally. If you are hiring, choose an established local resource that knows the market, city, and has the resources to find the right people. Choose JDA: we will take good care of you and get the job done.

**How JDA Can Help**

Since 1981 JDA has been helping Houston companies build great IT departments. An active recruiter of IT professionals in Houston, JDA is a resource to identify and recruit the passive job seeker either on a full-time or contract basis.

For more information on how we can help you develop a great career, send a resume to [jda@jdapsi.com](mailto:jda@jdapsi.com).

We're optimistic for the future and look forward to working with you.

**About the Report**

The information presented above was compiled from our annual IT leadership survey of Houston-area VPs of IT, CIOs and IT Directors, and a survey conducted from our employed candidate pool. Compensation numbers are based on current base salaries and exclude bonuses.