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Luring Talent With Perks

Companies in Less-Popular Cities Cite Other Benefits in Recruiting IT Workers

By **EMILY GLAZER**

While Silicon Valley start-ups race to outdo each other with increasingly generous and creative perks, more established companies in less popular locales are finding it tough to attract tech talent. High salaries and increased bonuses aren't enough. The pressure is on to compete on fringe benefits.



SAS Institute

SAS Institute, based in Cary, N.C., hosts a subsidized summer camp for employees' children.

"Hiring developers is the bane of my existence; it's a tight market," says Christa Foley, recruiting manager for Henderson, Nev.-based Zappos.com. "Vegas just doesn't compete." When recruiting, Ms. Foley's team plays up the monthly computer programming events, themed mini-parades at product launches, an on-site free life coach and lack of dress code.

No longer a start-up—the shoe retailer was founded 10 years ago and employs 1,300 people—Zappos feels threatened by the latest tech hiring wave in the Bay Area and Seattle. "We've started targeting more Midwest [and] East Coast to try to attract folks just because there is so much opportunity" on the West Coast, says Ms.

Foley.

The company has about 100 open technical positions ranging from IT to project management to mobile development and three full-time "technical recruiters," Ms. Foley says. Last year it took up to six months to fill a technical opening whereas now it takes up to eight months, she says.



At the new headquarters of San Francisco startup

While unemployment remains high in the U.S. and most companies remain reluctant to hire, it's a different world for tech professionals, including software developers, engineers and telecommunications specialists. According to a recent report from the U.S. Bureau of Labor Statistics "demand for these workers will increase as organizations continue to upgrade their information technology capacity and incorporate the newest technologies." Employers competing for these

in-demand workers must figure out ways to stay appealing.

In Cary, N.C., SAS Institute Inc. offers a full roster of perks: racquetball courts, car detailing, even a subsidized summer camp for employees' children. "The bottom line is we have under 4% turnover in an industry that's seen closer to 20%," says Jenn Man, vice president of human resources at the 35-year-old software maker. The company is less interested in offering employees the kinds of "cool" extras making headlines at a lot of start-ups and banking more on making its pitch as a family-friendly place to work.

A June survey at IT job site Dice.com found that 65% of nearly 900 hiring managers and recruiters anticipate hiring more technology professionals in the second half of 2011 than in the preceding six months. And according to a July study by human resources consulting firm Mercer LLC, 82% of IT companies increased spot cash bonuses, up from 77% in 2010 and 42% offered "aggressive" pay increases, up from 39%.

Perks can be less of a hit to a company's bottom line. Many high-profile perks, like sponsored group sporting events, are "actually not expensive," says Dave Van De Voort, a partner in Mercer's human capital consulting business. "In total, if it's 1% of payroll, it would be surprising—the reason is that not everybody participates."

Later this month, [Chesapeake Energy Corp.](#), an Oklahoma City-based natural gas and oil producer, plans on opening an on-site child-care facility. This is added to a list of employee perks including its fitness center and health clinic and subsidized restaurants. On Wednesdays, employees can also head to the on-site farmer's market.

The company, which has more than 11,700 employees, increasingly finds itself touting perks to nab hires.

One challenge is getting candidates to move to Oklahoma City—not a first choice for many in-demand engineers these days. "The thought of living [in Oklahoma City] at any point in the future never crossed my mind," says Brian Donovan, who moved from New Jersey to be an engineer at Chesapeake Energy about a year ago. "But what they offer here is heads and tails above the other companies I was looking at."

Unlike some start-ups, which push a 24-7 work lifestyle and offer perks like on-site meals, more established companies aim to attract more family-oriented employees. Recruiters play up seemingly less appealing locales by selling their cost of living.

"We have hired people from California, and it's been a big plus for them to come here, no doubt," says Brad Ramsey, vice president of engineering at 10-year-old [NuStar Energy LP](#) in San Antonio. "The cost of living is so much better here than it is there and in other places."

NuStar's benefits are generous even within the well-paying energy sector: The petroleum and asphalt transportation and storage company has a no-layoff policy, has an all-or-none bonus policy and offers use of the corporate jet for emergencies.

"It is a competitive marketplace for sure, and as a result [technical workers] are paid very well," says Curt Anastasio, NuStar's chief executive and president. "We have to pay them what the market demands to get them to come here—and we do. ... You can have a really good quality of life here. ... San Antonio is not a backwater."