



# Attracting & Retaining Employees *in the Technology Industry*

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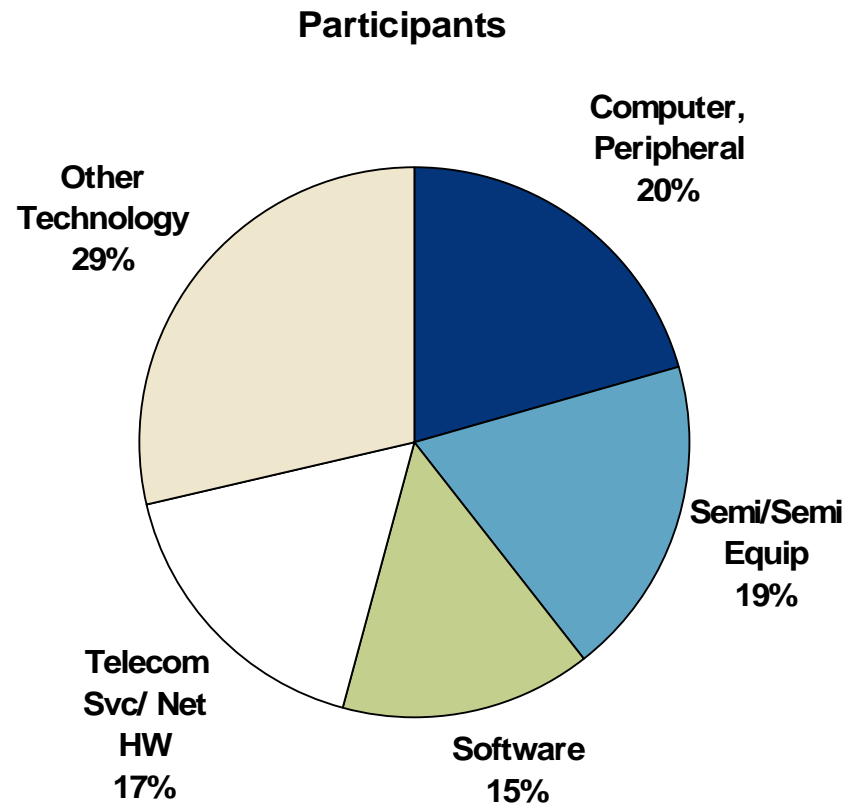
## ■ Evening Topic

- **Review of employment and recruiting/retaining trends and approaches among Technology companies including**
  - Employment levels – U.S. and Worldwide
  - Hiring and turnover rates
  - Sign-on and retention bonuses
  - Short-term incentive changes
  - Long-term incentive grant practices
  - Perquisite approaches

## Trends

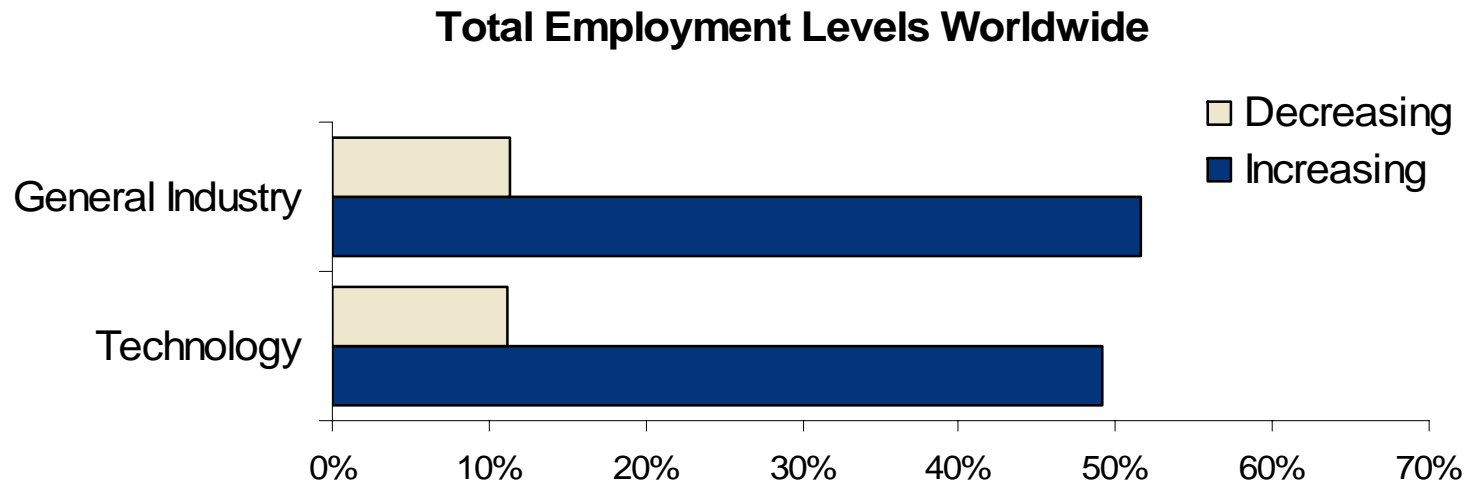
- Each quarter, PM&P surveys +100 Companies representing a broad range of size and technologies

<b>Total Employment Represented</b>	
Computer, Peripheral	270,000
Semi/Semi Equip	130,000
Software	90,000
Telecome Svc/ Net HW	720,000
Other Technology	250,000
	<b>1,460,000</b>



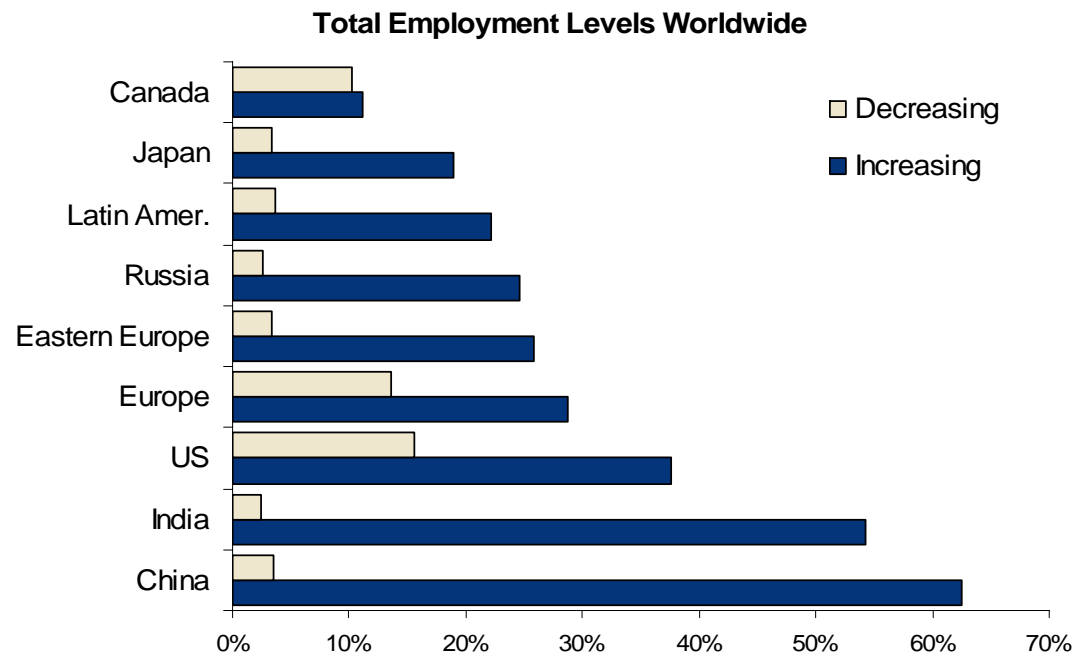
## ■ Employment Growth - Worldwide

- Employment growth remains positive, with 50% of technology companies increasing worldwide employment
- Technology companies neither leading nor lagging other US companies



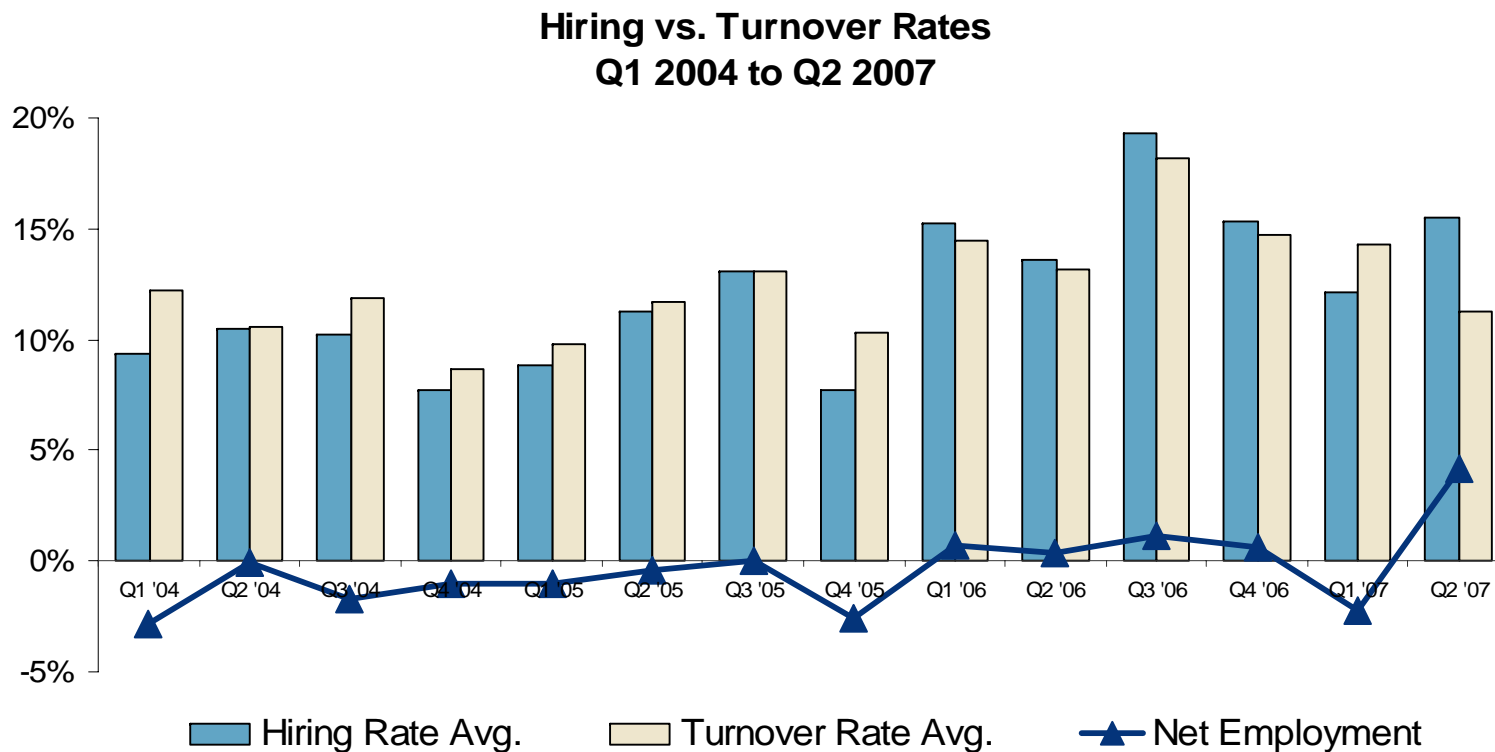
## ■ Employment Growth – Nation Specific

- **Employment growth continues to be highest among developing countries with the least growth in U.S, Europe & Canada**
  - However, India and US have become less attractive, and Eastern Europe more



## Cumulative Hiring versus Turnover Rates

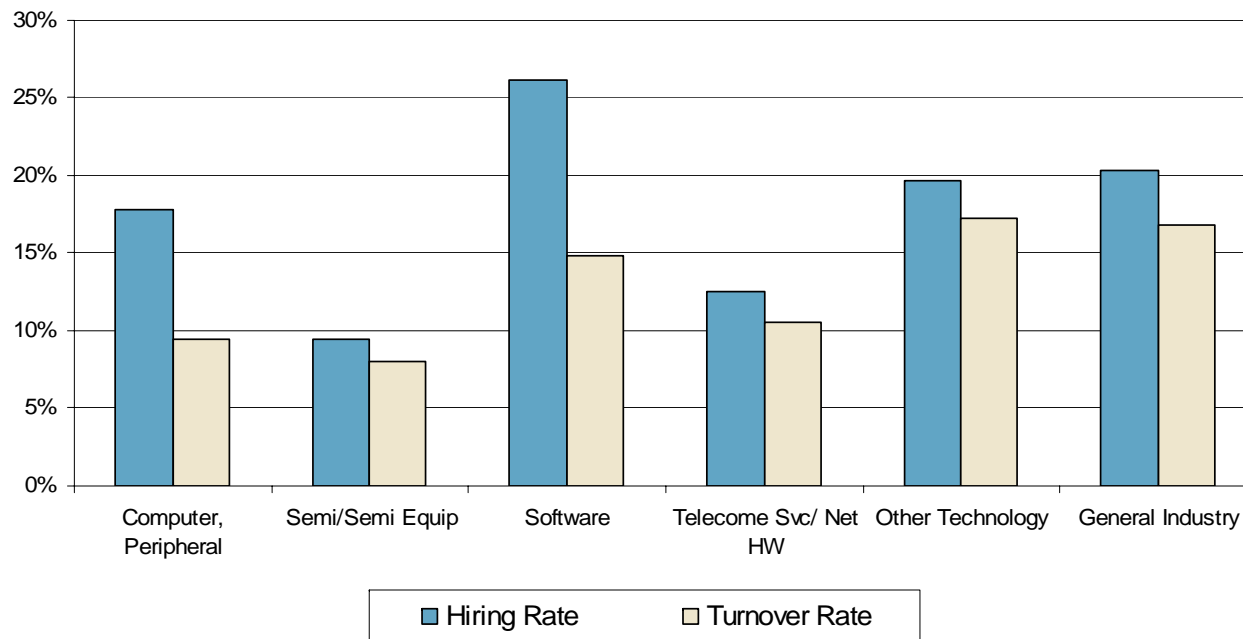
- From 2004 to early 2006 cumulative hiring rates were below turnover rates. The trend has reversed



## Hiring versus Turnover Rates

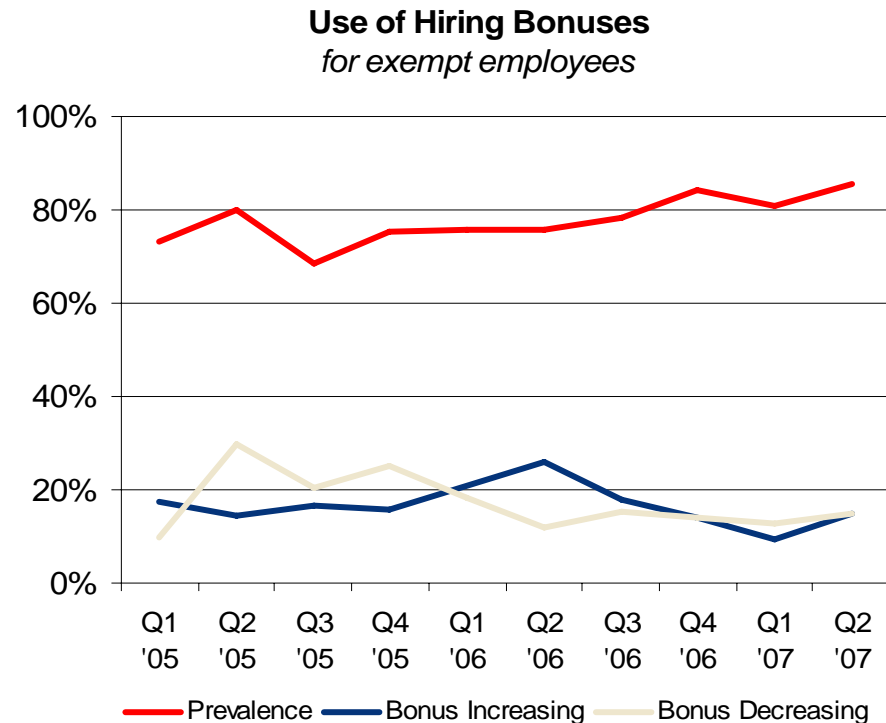
- Hiring and turnover rates are below general industry with the exception of Software hiring
  - Computer, Peripheral is up and Semiconductor is down since mid 2005

Hiring vs. Turnover Rates for Q2 2007  
By Industry Group



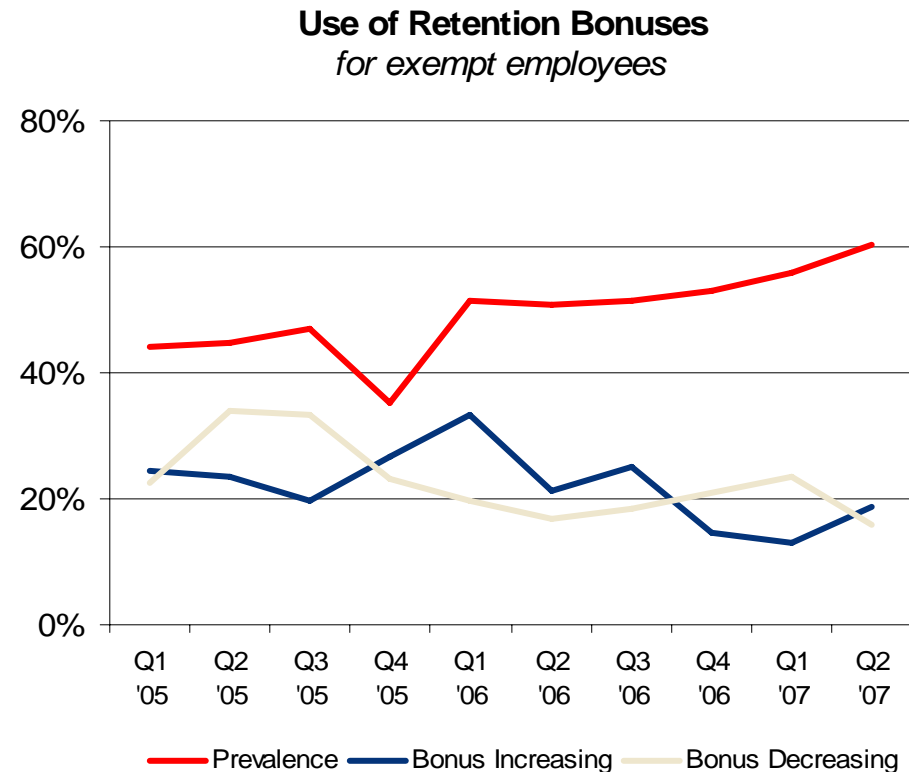
## ■ Sign-on Bonuses

- **Use of hiring bonuses continues to increase**
  - 30% of companies have either increased or decreased bonus use
- **Value of hiring bonus is relatively constant but there is some upward momentum**



## Retention Bonuses

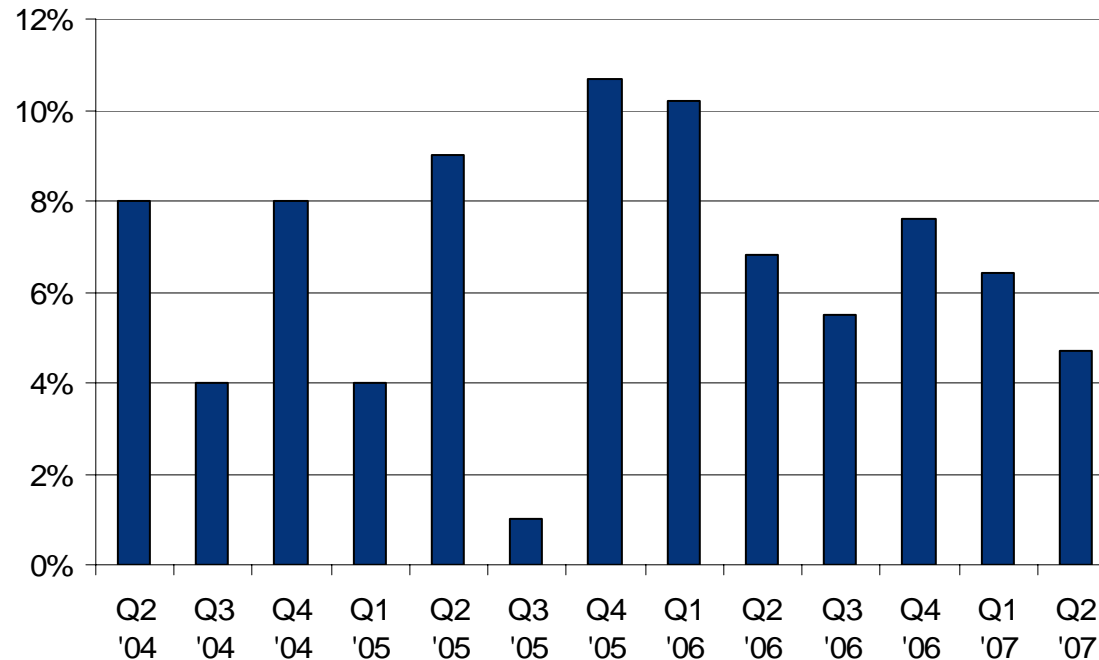
- **The use of retention bonuses is increasing**
  - 40% of companies have either increased or decreased retention value



## Short-term Incentive (“STI”) Increases

- Companies continue to increase STI opportunities although at a slower rate than 2006

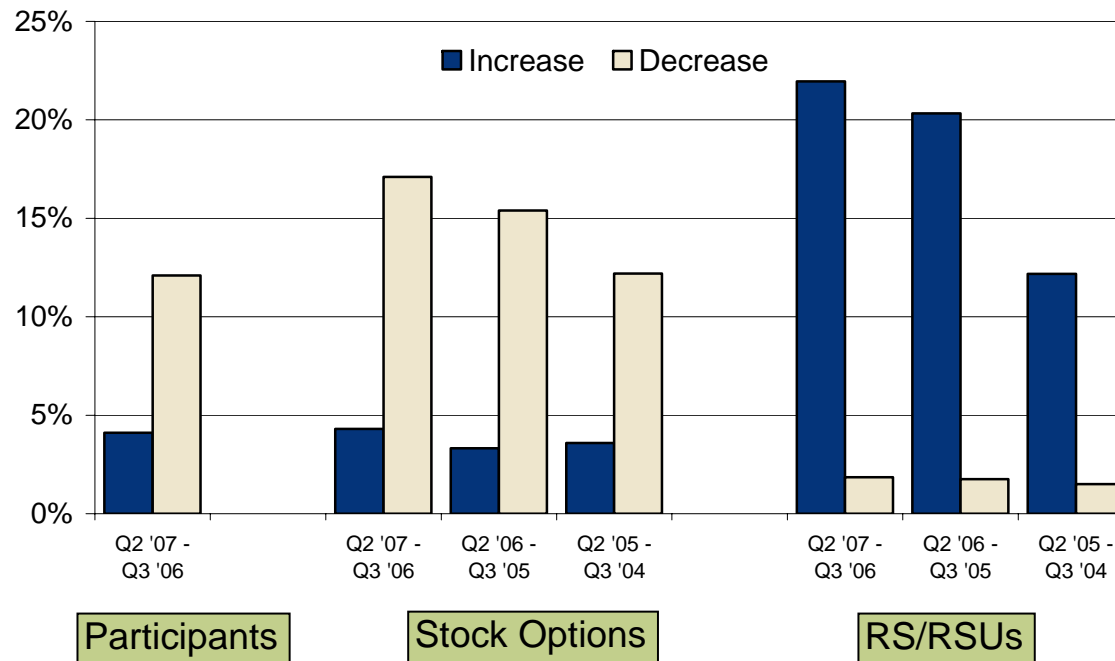
Prevalence of Companies  
Increasing Short-term Incentives



## Long-term Incentive (“LTI”) Grant Practices

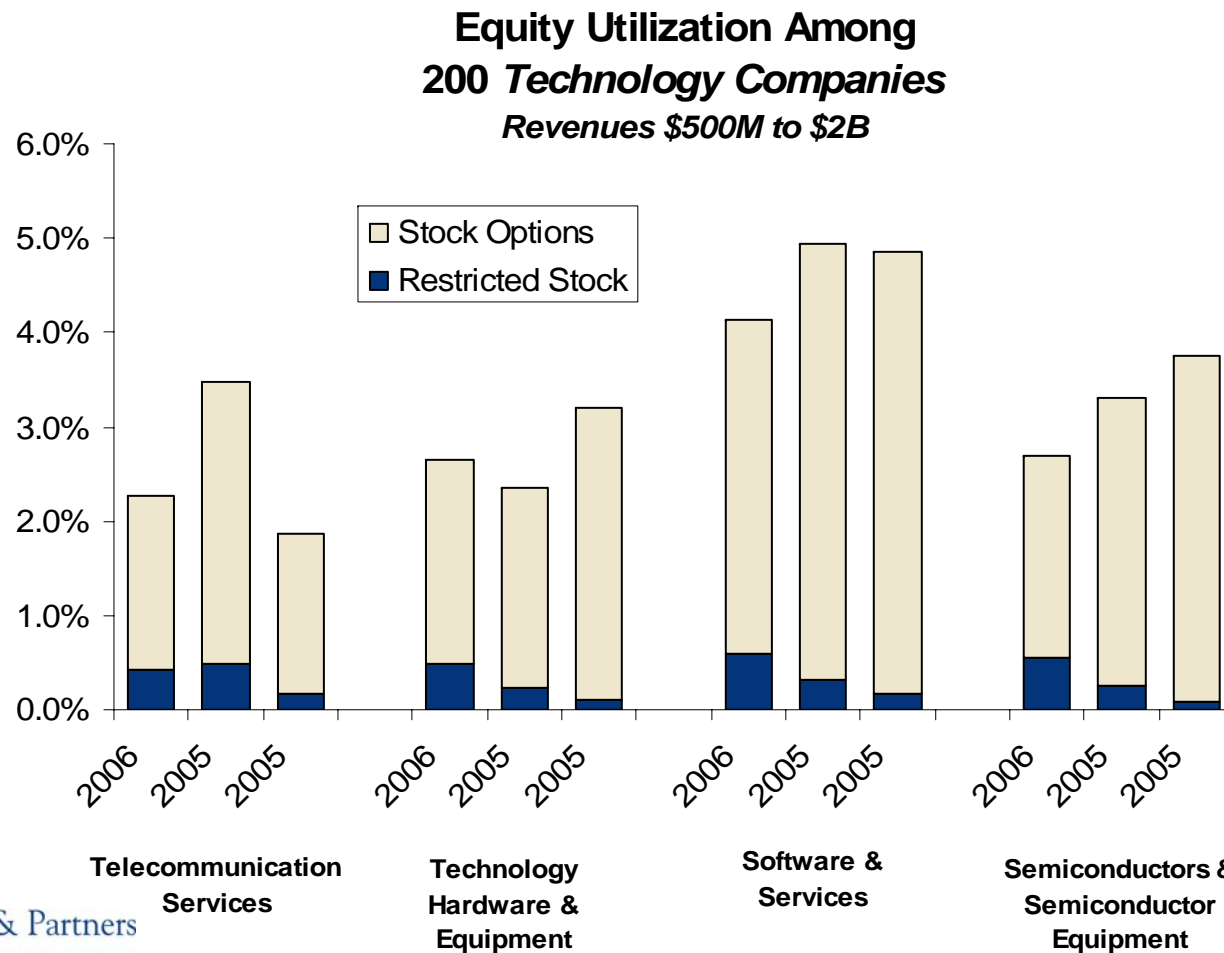
- Continued major shift away from options towards restricted stock
- Participation continues to decline as companies focus on key performers

Long-term Incentive Changes  
in Granting Practice



## Long-term Incentive (“LTI”) Grant Practices

- Results in lower burn-rates with some variation within industries



## ■ Perquisites

- **Gap between perquisites provided to executives among larger technology companies is lessening**

	CEO			Other Executives		
	Technology	General Industry	Difference	Technology	General Industry	Difference
Supplemental Executive Benefits	52%	70%	(18%)	23%	50%	(27%)
Financial/Tax Planning	45%	77%	(32%)	29%	60%	(30%)
Car or Car Allowance	35%	86%	(51%)	41%	65%	(25%)
Personal Use Corporate Aircraft	17%	65%	(48%)	9%	23%	(14%)
Annual Physical	60%	77%	(17%)	41%	58%	(17%)
Health Club Membership	21%	23%	(2%)	12%	20%	(9%)
Professional Memberships	89%	87%	2%	83%	79%	4%
Severance Agreement	66%	76%	(10%)	46%	61%	(14%)
CIC Agreement	57%	71%	(15%)	39%	55%	(17%)