

Tech Sector in Hiring Drive

Google, Intel Add Workers as Profits Snap Back; Start-Ups Also Fight for Talent

The technology industry, an engine of innovation and U.S. prosperity for more than half a century, is accelerating its recovery from the recession with surging earnings that have spurred companies to sharply ramp up their hiring.

The latest evidence for the rebound came Thursday, when Internet giant [Google Inc.](#) posted a 37% profit jump for the first quarter and chip maker [Advanced Micro Devices Inc.](#) reported a 34% revenue increase to record levels. The results follow the strong showing of bellwether [Intel Corp.](#), which Tuesday announced quarterly profit that nearly quadrupled on a 44% jump in sales (Please see related articles on page B7.)

The trio of results kicks off what is likely to be a strong earnings streak as tech spending by companies and consumers picks up. Standard & Poor's forecasts a 79% increase in tech earnings for the quarter from year-ago levels.

The growth has reached a level where tech companies are pushing to hire again, in some cases engaging in heated competition for talent. That's a turnabout for the industry, which had a series of layoffs last year, when some tech giants—notably [Microsoft Corp.](#)—had mass layoffs for the first time.

The hiring ramp-up began late last year, with demand for tech goods and services stabilizing after months of declines. At the time, Google Chief Executive [Eric Schmidt](#) said the Mountain View, Calif., company was ready to spend again, including on new recruits. On Thursday, Google said it hired 786 new employees in the first quarter and was just getting started.

"We expect to continue hiring aggressively through the year," said Google Chief Financial Officer Patrick Pichette on a call with analysts. "We have a strong pipeline of candidates primarily focused on engineering and sales, and we are on-boarding them to fuel our growth agenda as fast as possible."

Earlier this week Intel disclosed plans for what it called its first substantial hiring in five years. The company expects to hire 1,000 to 2,000 people in 2010, an Intel spokeswoman said. The Santa Clara, Calif., chip maker, which has trimmed about 20,000 workers from its payrolls since 2006, ended 2009 with 79,800 employees.

[Cisco Systems Inc.](#) in February said it plans to hire between 2,000 and 3,000 workers, after adding 2,100 employees in the three months ended Jan. 23, mostly through acquisitions. In total, the networking-gear maker employs about 66,000 workers.

The hiring isn't limited to tech behemoths, with smaller Silicon Valley companies also diving headlong into the race for people. Twitter Inc. has added about 125 employees since last May for a total of 170, and will continue ramping up, said Chief Executive Evan Williams this week. The San Francisco company, which relocated to a new headquarters last year, will have to move again in the next year or so, he added.

Social-networking company [LinkedIn Corp.](#) said it recruited 184 people last year to bring its work force to around 500 people, with most of that hiring done in the fourth quarter. The company has hired an additional 154 people so far this year.

"It's a very competitive job market," said Steve Cadigan, LinkedIn's vice president of people operations, who added that the company is targeting an additional 300 hires this year.

In an indicator of the growing demand, tech-jobs Web site [Dice.com](#) said it now lists more than 62,000 tech positions nationwide, up nearly 22% from 51,000 a year earlier. Year-over-year growth in tech-job listings picked up in March, the first time job listings rose on an annual basis since December 2007, according to Dice.

The demand has turned some hires into all-out bidding wars again, reminiscent of last decade's tech boom. Sam Shah, 30 years old, a San Francisco resident and computer science Ph.D., began job-hunting in February. Within a week, he says he had job offers from five Internet companies including [LinkedIn](#).

"I interviewed on a Friday and had an offer by Tuesday," Mr. Shah says. When he accepted LinkedIn's offer to become a senior software engineer, he says the other companies "called me again and offered more money." Mr. Shah, who says he makes more than \$120,000 a year, started with LinkedIn in late March.

Many tech companies continue to shed some jobs while adding in other categories. [Oracle Corp.](#) is cutting some workers as it integrates its acquisition of Sun Microsystems but is also hiring 2,000 employees "to beef up the Sun businesses," said CEO Larry Ellison in January. [Hewlett-Packard Co.](#) Chief Executive [Mark Hurd](#) has said he plans to add to the company's salesforce even as it has cut some jobs following acquisitions such as [Electronic Data Systems](#); H-P had 304,000 employees as of last October, down from around 321,000 a year earlier.

The tech hiring contrasts with a relatively weak U.S. labor market, with the national unemployment rate holding steady at 9.7% in March. Few other major employers have reported plans to add or call back workers. On Wednesday, [J.P. Morgan Chase & Co.](#) said it plans to hire nearly

9,000 U.S. employees, and [CSX Corp.](#), a major U.S. rail company, said it is calling back furloughed workers and even hiring new employees in some locations.

The recovery in the tech industry is broad, touching a diverse set of products and services from personal computers to online advertising. On Wednesday, research firms Gartner and IDC said global PC sales jumped more than 24% in the first quarter as consumers and businesses got back into the buying game.

Internet ad-spending rebounded late last year after some slow months, with fourth-quarter spending rising 2.6% from a year ago to \$6.3 billion, according to a report this month from PricewaterhouseCoopers and the Interactive Advertising Bureau.

"The tech recovery has started in the U.S. and around the world," says Andrew Bartels, an analyst at Forrester Research. He estimates the U.S. technology market will increase 8.4% this year to \$550 billion after shrinking 7.9% in 2009.

And the momentum isn't dependent on just companies and consumers beginning to spend again on tech categories they had cut back on. Newer tech products such as videoconferencing systems and electronic medical records are also gaining traction. "That means this tech recovery has legs," says Mr. Bartels.

Google's results demonstrate why tech hiring has ramped up. The company's Internet-ad business continued to improve during the first quarter as advertisers increased spending across geographies and products.

Overall, Google's revenue rose to \$6.77 billion from \$5.51 billion a year ago, with net income jumping to \$1.96 billion from \$1.42 billion a year earlier. The revenue growth of 23% was the fastest year-over-year growth since the third quarter of 2008.

While the results were slightly better than analysts expected, some of the expectations had been built into Google's stock. The shares fell 4.6%, or \$27.24, to \$568.06 in after-hours trading on the Nasdaq Stock Market.

Analysts also expressed concerns about online-ad pricing, which has been under pressure as Google expands into new geographies. Google's average cost-per-click rose 7% from a year ago and fell 4% from the fourth quarter, when the closely watched metric grew 5% year-over-year.

Mr. Pichette led the analyst call in lieu of Google CEO Mr. Schmidt, who he said would no longer participate in the calls in the interest of "streamlining." Mr. Pichette added that improving market conditions were fueling Google's desire to expand and that the company had a "strong M&A pipeline in place."

—Don Clark
contributed to this article.