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Higher Skilled Positions in Greater Demand

By Mark R. Madler - 1/8/2007

San Fernando Valley Business Journal Staff

Data storage supplier DataDirect Networks Inc. is hanging out a help wanted sign in 2007.

The Chatsworth company looks to bring in up to 100 new hires between its San Fernando Valley facility and its research and development center in Maryland.

Unlike other companies in the technology industry, DataDirect keeps its technical support staff in the United States rather than shipping them overseas.

"It would take some time to get that level of skill in another country," said Bob Woolery, vice president of product marketing.

Internet service provider United Online will hire more employees as needed but being mindful that potential candidates are much sought after.

"We continuously look at new products, new technologies," said Paul Jordan, senior vice president, chief personnel officer for United Online. "We're looking at market trends and trying to be innovative and that always calls for a wide range of skills."

As the economy moves from a recovery mode to one of sustained growth, job creation in the Valley centers around the engineering, software, information, scientific and technical skills sectors, according to data from the San Fernando Valley Economic Research Center at California State University, Northridge.

That job creation in those sectors took root in 2005 and there is little reason to expect a downturn in the new year, economists say.

The information industry, which includes telecommunications, Internet service providers, Internet publishing and broadcasting, and the traditional broadcasting, film and music businesses, saw a 2.2 percent jump from 2004 to 2005, according to research center statistics.

The professional, scientific and technical skills arena saw a leap of 9.3 percent in that same time period. Included within that category are computer system design, scientific research and development, and science and technology consulting.

Good news for the Valley is these jobs have higher average salaries and attract those with advanced degrees.

"Anything in the technology space you are talking about scientist and engineers," said Benjamin Kuo, of SoCalTech.com, a website about the region's tech industry. "In most cases these are six-figure salaries or close to it."

The Valley saw a spike in 1994 and 1995 in creating tech and information sector jobs, said Dan Blake, director of CSUN's economic research center.

The industries experienced a slowdown in job creation in 2000, saw an uptick in 2001 and then held steady in 2002 and 2003, Blake said.

The flipside to the growth in the professional, tech and information sectors is that areas that had been growing – such as retail and accommodation and food services – saw a dropoff in job creation.

An economic recovery mode tends to open up jobs in restaurants and retail establishments as consumers have more money to spend on purchases put off during a recession.

"A lot of people who went in to refinance their house they bought new cars with that and made some big ticket purchases," Blake said. "They did remodeling so that drew in the building materials industry."

In the tech and information industries, DataDirect is not alone in looking for new employees. Companies needing highly skilled workers find themselves in stiff competition to land those employees.

The job board at SoCalTech.com regularly has postings for programmers, software engineers and quality assurance managers.

Tech Exec Partners, Inc., a Woodland Hills executive search and consulting firm, busies itself matching programmers, electrical engineers, environmental engineers, manufacturing engineers and information technology project managers with employers.

Good candidates for those positions tend to get multiple offers, said firm President Dianne Gubin, who added that she's seen an increase over the past several years in openings in the tech field and their support services.

Recruiters with United Online sense candidates they are interested in receive multiple job offers.

The Woodland Hills company has seen the market "heat up" in the past six months as it competes locally and nationally for talented people, said Jordan, its chief personnel officer.

"In today's IT market, employers are being aggressive in their hiring and willing to go the extra mile," Jordan said.

MRV Communications, Inc. finds itself looking to fill openings on the professional and tech side with candidates from other parts of California and out of state.

Filling manufacturing positions is easier because outsourcing to overseas has left behind workers seeking new employment, said Noam Lotan, president and CEO of the Chatsworth network equipment and optical components manufacturer.

"It's a bit of a quandary," Lotan said. "You want to hire locally but if you can't find the resources you'll also have to migrate some of those high-tech, professional jobs overseas as well because of the scarcity of the talent."

Tech companies, however, can often fall into the trap of concentrating on the technology at the expense of a strong plan to get that technology in front of potential customers.

So that is why web-based IT provider InfoStreet, Inc. will boost its sales and marketing team in 2007 along with its technical staff.

In these days when clients need to be captured as early as possible it's a mistake not to put efforts into increasing staff that gets its products into offices around the country, said company CEO Siamak Farah.

"You may have the most fantastic product in the world but if only two people use it, it's relatively useless in the grand scheme of things," Farah said.

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