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## TECH JOBS SOAR AS OVERALL US JOB MARKET DIPS

*A tight labor market has prompted some companies to wrangle tech talent by acquiring smaller firms.*

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High demand for skilled information-technology workers ramped up further in December, even as companies across the economy shed jobs.

US employers added an estimated 391,000 IT jobs last month, following both gains and losses in the sector in recent months, IT trade group CompTIA Inc. reported Friday.

The unemployment rate for technology jobs held roughly steady at 3 percent – the same level as a year ago – compared with a 6.7 percent overall unemployment rate.

Companies in all sectors cut 140,000 jobs in December, ending seven months of job growth in the wake of a sharp contraction in March and April, the Labor Department reported Friday.

Within the technology sector, employers last month added 22,200 jobs, after cutting 8,600 in November, including technology workers, as well as sales, marketing and other non-tech staff, CompTIA said.

Technology teams, both inside and outside the tech sector, have become an essential resource during the pandemic, as businesses rely on remote work and business-continuity tools to keep running amid lockdowns and travel restrictions.

In a global survey of about 3,000 corporate tech leaders by staffing firm Robert Half International Inc., more than 90 percent said they plan to either fill IT vacancies or create new IT positions in the year ahead. Cybersecurity, cloud and data or database management experts were among the most sought-after workers, according to the survey, which was fielded in November and December.

As of the end of December, US employers posted more than 200,000 job openings for IT workers, CompTIA said.

The tight labor market, which predates the pandemic, has prompted some companies, many within the tech sector, to wrangle tech talent by acquiring smaller firms and startups, a strategy known as acquihiring.

Red Hat, a software unit of International Business Machines Corp., this week said it was acquiring container-security startup StackRox Inc., in part to get hold of its employees, said Ashesh Badani, Red Hat's senior vice president of cloud platforms.

"Yes, that's obviously a factor and helps us bring that Kubernetes-native security expertise directly into Red Hat," Mr. Badani said, referring to open-source management software. Terms of the deal weren't disclosed. IBM itself acquired Red Hat in 2019 for roughly \$34 billion.

Despite the recession sparked by the coronavirus pandemic, companies world-wide spent a record \$606 billion on tech mergers and acquisitions in 2020, up from \$476 billion in 2019, according to a report Thursday by 451 Research, the enterprise and emerging technology division of research firm S&P Global Market Intelligence.

The report tracked a total of 3,995 deals last year, up from 3,729 in 2019, the highest volume in four years.

"Acquihires will always be a feature of the tech M&A market," said Scott Denne, a senior research analyst at 451 Research.

Mr. Denne said the strategy was used decades ago by fast-growth companies such as Alphabet Inc.'s Google, Yahoo Inc. and Facebook Inc., which were vying for a smaller pool of tech workers. Today's generation of tech firms "don't seem as inclined to use this strategy," he added.

That may change, as investors continue to pump cash into mature tech startups, providing growth capital to scoop up coveted workers through acquisitions, analysts said.