

Still hiring: Big Tech layoffs give other sectors an opening

June 27 2023, by Alexandra Olson



Georgia State University students Kavita Javalagi, left, and Gana Natarajan, second from left, speak with Shetundra Pinkston, during the Startup Student Connection job fair, Wednesday, March 29, 2023, in Atlanta. For the thousands of workers who'd never experienced upheaval in the tech sector, the recent mass layoffs at companies like Google, Microsoft, Amazon and Meta came as a shock. Now they are being courted by long-established employers whose names aren't typically synonymous with tech work, including hotel chains, retailers, investment firms, railroad companies and even the Internal Revenue Service.

Credit: AP Photo/Alex Sliz

For the thousands of workers who'd never experienced upheaval in the tech sector, the recent mass layoffs at companies like Google, Microsoft, Amazon and Meta came as a shock.

Now they are being courted by long-established employers whose names aren't typically synonymous with tech work, including hotel chains, retailers, investment firms, railroad companies and even the Internal Revenue Service.

All of those sectors have signaled on recruiting platforms that they are still hiring [software engineers](#), data scientists and cybersecurity specialists despite the layoffs in Big Tech. It's a chance for them to level the playing field against [tech giants](#) that have long had their pick of the top talent with lucrative compensation, alluring perks and sheer name recognition.

No employer is making a more aggressive push than the country's largest: the [federal government](#), which is aiming to hire 22,000 tech workers in [fiscal year](#) 2023. Federal agencies have participated in a series of "Tech to Gov" job forums targeted in part at laid off workers, hoping to ease their own chronic labor shortages that have hindered efforts to strengthen cybersecurity defenses and modernize the way they deliver benefits and collect taxes.



Area college students arrive for the Startup Student Connection job fair at Atlanta Tech Village, Wednesday, March 29, 2023, in Atlanta. For the thousands of workers who'd never experienced upheaval in the tech sector, the recent mass layoffs at companies like Google, Microsoft, Amazon and Meta came as a shock. Now they are being courted by long-established employers whose names aren't typically synonymous with tech work, including hotel chains, retailers, investment firms, railroad companies and even the Internal Revenue Service. Credit: AP Photo/Alex Slitz

"It's a real opportunity for the federal government," said Rob Shriver deputy director of the U.S. office of Personnel Management. "We have just about any tech job that anybody could possibly be interested in the federal government."

Federal, state and local government tech job postings soared 48% in the first three months of 2023 compared to the same period last year, according to an analysis by tech trade group CompTIA of data from Lightcast, a labor analytics firm. It was a sharp contrast to the 33% decrease in tech job openings during that period in the [tech industry](#), and a 31.5% slowdown in such postings across the economy, according to CompTIA's figures.

Tech hiring reached a historic high of more than 4 million in 2022, although hiring began to fall off in the second half of the year, according to CompTIA. This year, there have been about 1.26 million tech postings between January and May, a level more on par with the pre-pandemic years, said Tim Herbert, chief research officer at CompTIA.

To be sure, the competition for tech talent remains tight, and many companies, including tech companies, are still hiring—just more slowly. The unemployment rate for tech workers is just 2%. But some who lost their jobs in Big Tech swiftly landed jobs at non-tech firms.



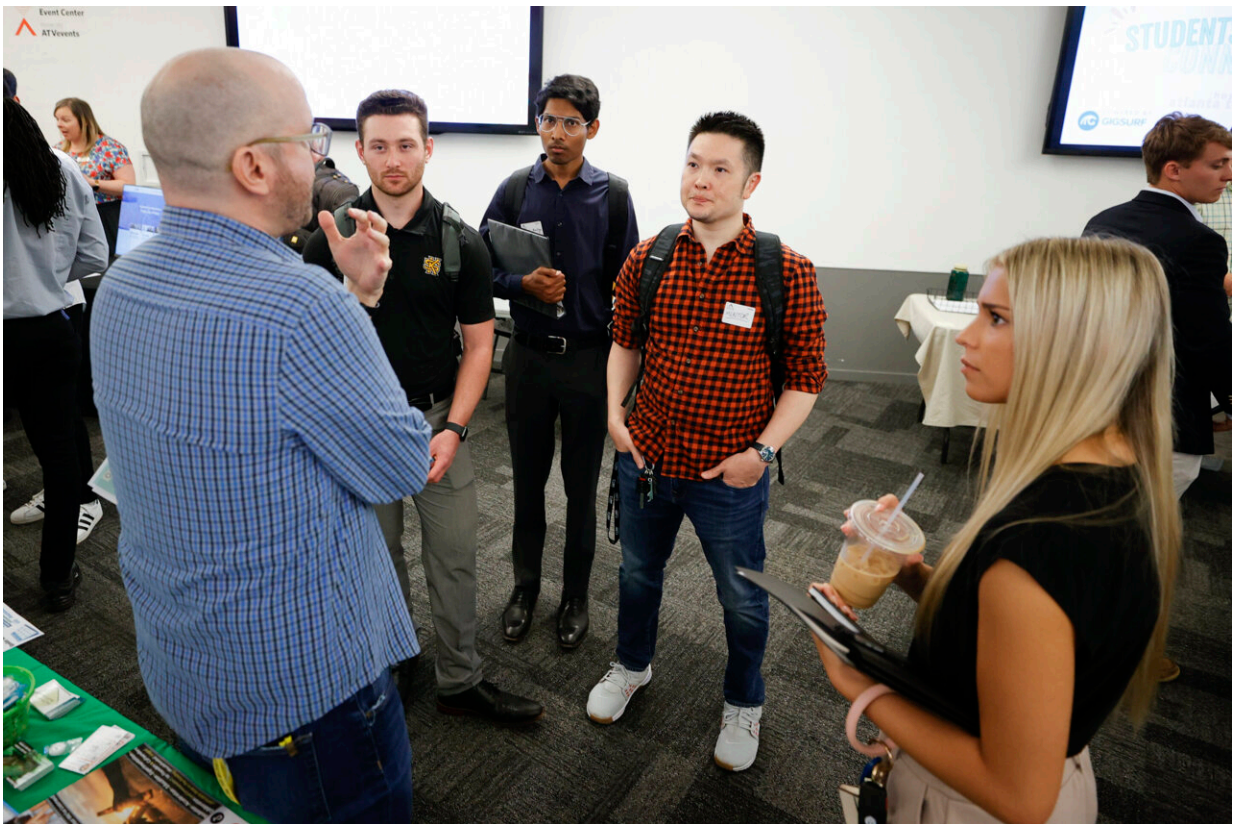
Mahtad Parsamehr, of Atlanta, checks her phone while handing out resumes during the Startup Student Connection job fair, Wednesday, March 29, 2023, in Atlanta. For the thousands of workers who'd never experienced upheaval in the tech sector, the recent mass layoffs at companies like Google, Microsoft, Amazon and Meta came as a shock. Now they are being courted by long-established employers whose names aren't typically synonymous with tech work, including hotel chains, retailers, investment firms, railroad companies and even the Internal Revenue Service. Credit: AP Photo/Alex Slitz

After Hector Garcia, 53, was laid off by Meta's Facebook in November, it didn't take long for him to be snapped up by Abbott, the Chicago-based global health company, which expects to hire hundreds of software engineers, data architects and cybersecurity analysts over the next years.

"I decided to go for something that I hadn't done before," said Garcia, a data architect who said he got offers from tech firms but was intrigued by the idea of working for a manufacturer that produces something tangible in medical devices.

Jonathan Johnson, CEO of online retailer Overstock, said that he has seen a 20% increase in applications for tech job openings in first quarter compared to a year ago. He also noted that it's taking a shorter time to fill a spot compared to a year ago and that the quality of applicants has improved.

"There's less demand and more supply," Johnson said.



College students speak with representatives of local tech companies during the Startup Student Connection job fair, Wednesday, March 29, 2023, in Atlanta.

For the thousands of workers who'd never experienced upheaval in the tech sector, the recent mass layoffs at companies like Google, Microsoft, Amazon and Meta came as a shock. Now they are being courted by long-established employers whose names aren't typically synonymous with tech work, including hotel chains, retailers, investment firms, railroad companies and even the Internal Revenue Service. Credit: AP Photo/Alex Slizt

The layoffs have been especially shocking for the newest generation of workers who are too young to remember the burst of the dot-com bubble in 2000 and "grew up consuming the apps and services of the big tech brands," said Christine Cruzvergara, chief education strategy officer for Handshake, a leading career site for [college students](#) and graduates.

"The volatility and layoffs of the past year rocked that image of stability and growth," Cruzvergara said.

During the September 2022-2023 school year, the share of applications by tech majors to tech companies fell by 4.4 percentage points on Handshake, compared to last year. In contrast, the share of applications by tech majors to government jobs on the platform grew by 2.5 percentage points.

Tech firms still saw a 46% increase applications from tech majors, as Handshake received more applications overall from that group. But the application to government jobs rose much faster, tripling from last year. Hospitality and health care jobs also saw an increase in applications from tech majors—18% and 82%, respectively—and their share of applicants from that pool remained steady.



Georgia Tech student Michael Oh-Yang, center, greets company representatives during the Startup Student Connection job fair, Wednesday, March 29, 2023, in Atlanta. For the thousands of workers who'd never experienced upheaval in the tech sector, the recent mass layoffs at companies like Google, Microsoft, Amazon and Meta came as a shock. Now they are being courted by long-established employers whose names aren't typically synonymous with tech work, including hotel chains, retailers, investment firms, railroad companies and even the Internal Revenue Service. Credit: AP Photo/Alex Sliz

Kevin Monahan, director of Carnegie Mellon University's Career and Professional Development Center, said he first saw a shift last fall before some of the biggest layoffs. More students returned from internships saying that tech companies weren't extending job offers or return internships at that time.

"Indirectly, students were able to see the writing on the wall," Monahan said.

Ly Na Nguyen, a computer science major at Columbia University, said she went off LinkedIn for a couple of weeks at the height of the layoffs because it was so disheartening to read posts from people shocked over their dismissals. Nguyen is happy to be returning to Amazon this summer for another internship, which she said has added prestige to her resume. But overtures from outside Big Tech has have grabbed her attention.

"Right now, I'm super flexible," Nguyen said. "I'd definitely look at a government job."



Georgia Tech student Sajad Abavisani, center, walks through the Startup Student Connection job fair, Wednesday, March 29, 2023, in Atlanta. For the thousands of workers who'd never experienced upheaval in the tech sector, the recent mass layoffs at companies like Google, Microsoft, Amazon and Meta came as a shock. Now they are being courted by long-established employers whose names aren't typically synonymous with tech work, including hotel chains, retailers, investment firms, railroad companies and even the Internal Revenue Service. Credit: AP Photo/Alex Sliz

In March, young tech workers from several [federal agencies](#) spoke at an online forum on Handshake about the government's urgent need to recruit new talent. Less than 7% of the federal workforce is under 30.

"No one is necessarily going to strike it rich working in the government," said Chris Kuang, co-founder of the U.S. Digital Corp, a federal fellowship program for early career technologists, answering a question about pay. But he encouraged students to consider benefits such as pension plans, job stability and the possibility of working on "any issue under the sun."

"In this economy, a federal job will be one of the most secure types out there," Kuang said.

The government faces plenty of competition from private sector companies making similar overtures.

Hotels and restaurants also posted slightly more tech jobs in the first quarter of 2023 compared to last year, according to CompTIA figures, as the sector emerges from the economic turmoil of the pandemic.



Emory University student Priyanka Somani, left, speaks with a representative of Sociallyn, a social media agency during the Startup Student Connection job fair, Wednesday, March 29, 2023, in Atlanta. For the thousands of workers who'd never experienced upheaval in the tech sector, the recent mass layoffs at companies like Google, Microsoft, Amazon and Meta came as a shock. Now they are being courted by long-established employers whose names aren't typically synonymous with tech work, including hotel chains, retailers, investment firms, railroad companies and even the Internal Revenue Service. Credit: AP Photo/Alex Slitz

Hilton saw a 152% increase in applications to internships and full-time jobs from tech majors on Handshake this school year, compared to the year prior.

"We do want to demystify the siloed thinking of 'Hey, if I want to work in tech, I have to go work at a tech firm,'" Hilton Chief Human Resources Officer Laura Fuentes said during a recent forum on Handshake.

© 2023 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: Still hiring: Big Tech layoffs give other sectors an opening (2023, June 27) retrieved 6 May 2024 from <https://techxplore.com/news/2023-06-hiring-big-tech-layoffs-sectors.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.