

### +++ IT administrator highlight the IT employee threat

'A fired computer engineer for Fannie Mae has been charged with planting a malicious software script designed to permanently destroy the data on all 4,000 servers operated by the mortgage giant ... Had this malicious script executed ... it would have caused millions of dollars of damage and reduced if not shut down operations for a least one week ... It was only by chance that a senior engineer at Fannie stumbled on to the script five days after Makwana's dismissal.' Thus reports The Register, hopefully prompting IT and HR managers everywhere to redouble their efforts in managing IT employee risk. Somewhere in every IT function there are people who have the capability to do this kind of thing. It may only be a matter of time before a major company has to stop trading because of an incident like this. We have been warned!

[www.theregister.co.uk/2009/01/29/fannie\\_mae\\_sabotage\\_averted/](http://www.theregister.co.uk/2009/01/29/fannie_mae_sabotage_averted/)

### +++ IT's best paid employee: a woman in Bank of America

All surveys of the numbers of women in CIO positions indicate that an average of just 10% of CIOs are women. Yet one of those select few turned out to be the best paid IT employee in 2007. Barbara Desoer headed up Technology and operations at Bank of America from 2005 to 2008 and earned over \$10,000,000 in 2007, \$800,000 of which was salary, comfortably beating her nearest competitor. True to the average of there being just one woman for every nine men at senior levels in IT, she was the only woman in the top ten. (She moved on, in late 2008, to sort out problems at the Bank's Countrywide Financial group.)

[www.cio.com/article/415663/Meet\\_the\\_Millionaire\\_CIOs](http://www.cio.com/article/415663/Meet_the_Millionaire_CIOs)

### +++ Workforce planning: the new black art?

Workforce planning in IT has always been tough. No-one really understands IT productivity nor can anyone ever be sure about what information systems might be urgently needed a year from now. So the question of how many IT people will be needed at any point beyond the next six months is largely down to guesswork, with history showing that the best guess generally is '*a few more in total (onshore plus offshore) than we've got now*'. In 2009, those companies looking to lose a few IT people will be struggling with these difficult matters. **We would like to hear from anyone** who thinks they have a decent methodology for doing this or who wants to exchange experiences with others. Contact us by reply to this Newsletter.

### +++ IT jobs in banking: an update

Readers in the banking sector will find eFinancialCareers' summary of some IT staff cuts depressing (see link below). Many of these are however from last year. Some do not affect IT but other parts of the back office. And others were announced and implemented some time ago. But contacts in a range of banks tell us there is no room whatsoever for complacency and that what is really damaging morale is the possibility (not the likelihood) that there might be a few more cuts. The most common pattern seems to be one of repeated rounds of headcount 'trimming', not massive layoffs: very stressful.

[http://news.efinancialcareers.co.uk/newsandviews\\_item/newsItemId-18079](http://news.efinancialcareers.co.uk/newsandviews_item/newsItemId-18079)

### +++ IT staffing levels elsewhere: now holding up?

Although IT recruitment has slumped and IT contractors cut, corporate users of IT do not appear to be laying IT people to the same extent as IT vendors. The picture seems to be one mainly of selected layoffs - often engineered via compromise agreements and reasonably generous payoffs in order to save the bother of going through consultation, selection and so on. And that way one can control exactly who goes and who stays.

In the US, a recent Robert Half survey (found on [cioupdate.com](http://cioupdate.com)) seems to indicate that the picture has stabilized, with very few changes in the numbers of IT staff planned in Q2 of 2009. **(Clients please note:** we will be producing a Snapshot Report on IT resources and resourcing in June 2009.)

[www.cioupdate.com/career/article.php/3808566/IT-Hiring-and-Staffing-Holding-Steady.htm](http://www.cioupdate.com/career/article.php/3808566/IT-Hiring-and-Staffing-Holding-Steady.htm)

### +++ HP seeks to cut pay

An interesting item about Hewlett-Packard seeking to cut the pay of its European employees surfaced recently (see below). This raises the interesting question about the trade-off between pay and job security. Very broadly, a pay cut of x% should increase job security by about the same amount: does

this feel right from the employee's point of view? The answer will depend on the employee - for those who are unmarketable (and know it) this must be a good option, but it might not be for the most marketable workers, raising questions about this whole approach - and strengthening the case for a properly implemented company-and-individual performance-related bonus system.

[www.theregister.co.uk/2009/02/20/hp\\_pay\\_cuts\\_europe\\_not\\_compulsory/](http://www.theregister.co.uk/2009/02/20/hp_pay_cuts_europe_not_compulsory/)

### +++ Contractor 'daily rate' cuts reach the public sector ...

In the UK it has been interesting over the last 18 months to track the progress of unilateral cuts in IT contractors' daily rates. They started in investment banking then moved to retail banking then to insurance companies then to non-financial service companies. But now the last bit of the jigsaw is slipping into place with cuts in the UK public sector, for example in Leeds, where a 10% cut has been imposed: see link below. (**Clients please note:** you still have time to participate in the latest update of our IT contractors daily rates survey - questionnaire sent out recently.)

[www.theregister.co.uk/2009/03/30/leeds\\_contractor\\_rates/](http://www.theregister.co.uk/2009/03/30/leeds_contractor_rates/)

### +++ Diaz news

Expanded version of all this and more is available at:

<http://www.diazresearch.com/DiazClientBulletinNo1Spring2009.pdf>.

### +++ Dates

23 April: North West England breakfast meeting

29 April: Dublin breakfast meeting

30 April: Online Webex session on LMS: hindrance or help? with Alan Bellinger

11 May: East Midlands breakfast meeting

12 May: Edinburgh breakfast meeting

14 May: Teleconference on SAP skills and pay issues

18 May: West of England breakfast meeting

11 June: IT HR Executive Update Programme meeting, London

16 June: Online Webex session on Remotivating the mid-life worker with Professor John Arnold

25 June: Teleconference on IT productivity measurement and improvement

### Research sent out

7041 Analyst Note: **Setting IT contractors' daily rates**

7042 Analyst Note: **Changing the culture in the IT function**

6029-1 Snapshot Research: **Contractor daily rates**

### Research due

6029-2 Snapshot Research: **Contractor daily rates (EXPANDED ISSUE)**

Analyst Note: **IT bonuses**

Snapshot Research: **IT Learning and development**

Analyst Note: **Standby pay rates**

Analyst Note: **Exit packages**

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