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Survey: Tech companies freezing salaries, hiring in 2009

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Many tech companies are freezing both salaries and hiring in 2009, according to **Radford's Surveys and Consulting** firm in San Jose.

Radford's quarterly summary of industry trends revealed the "drastic measures companies are making with their employee and executive compensation programs in response to the economic downturn," the company said.

Radford said "an unprecedented number of companies report decreasing their overall salary increase budgets for next fiscal year rather than increasing" as has been the case in the fourth quarter for each of the last six years.

In addition, nearly half of surveyed respondents are reporting current change or predicting future change that will impact their U.S. workforce. The actions most likely to occur are to freeze all hiring except for replacements, followed by a reduction in staff or layoffs.

And as hiring slows to a halt, companies are focusing on retaining employees rather than attracting new hires. The number of companies implementing or re-establishing retention programs doubled in the fourth quarter, according to the survey.

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