Portland
Tech in Focus

2022 TRENDS REPORT | BUILDING BRIDGES

PR0FOCUS
TECHNOLOGY PROFESSIONALS

Full speed ahead.

What's on the minds—and priority lists—of tech leaders and professionals in Portland? Once again, **ProFocus Technology** is proud to share the findings of our annual *Portland Tech in Focus: 2022 Trends Report*. The good news: a majority of firms are prospering, with revenues, budgets, and headcount going up. Innovation is flourishing. Business and tech team alignment is strong. And yet, a cautionary tale emerges from the findings.

The team behind the tech.

We know that finding, developing, and retaining tech talent is harder than ever. No wonder. About half of respondents say their teams are overworked and they feel burned out. Career pathing and development are lackluster. And technology can't shake its reputation for being unwelcome to diverse candidates.

To build a bridge to tech talent, Portland firms must listen and learn from their best employees and consultants. Effecting change is easier said than done, but expectations are high.

We're in this together.

Success is on the horizon.

Like many of the tech leaders and job candidates we talk to every day, I'm looking forward to the new year. Business is back better than ever, and I think it's going to be a wild ride. Tech firms are moving fast and setting aggressive goals for productivity and profitability.

Projects are in flight to shift to hybrid cloud models, personalize services through machine learning, and build out a robust monitoring and alarming framework. You're investing in disaster recovery and data intelligence. The work you do is impressive, as are the teams who do it.

It's our honor to share the opinions and insights of tech professionals who are making all of us—and our city—look good. As our businesses expand, so too must our growth mindset. To realize full potential, we must embrace new technologies, challenge assumptions, and support each other through uncertainty. As an industry, we're well-positioned to act on all of these imperatives. Let's dive in.

John Boone
Founder & President
ProFocus Technology

Balancing priorities.

In the *Portland Tech in Focus: 2022 Trends Report*, we took the opportunity to revisit questions from the 2021 report around core metrics and career development. Tracking against last year's findings gives us a directional snapshot as to expected performance, opportunities, and challenges.

In light of continued uncertainty about policies for returning to the office, we also expanded our survey to cover remote work and compensation equity, in addition to cultural ratings.

Thanks to the Portland area technology leaders and professionals who responded to our online survey. This year's report is organized into six thematic sections. We hope these findings help you evaluate your workplace and workforce strategies for greater success.

1 **Core Metrics**

2 **Tech Talent Shortage**

3 **Skills Development**

4 **Culture & DEI**

5 **Work Preferences**

6 **Employee Burnout**

Please note, some figures in the report do not add up to 100 percent due to rounding or question design (e.g., the ability to provide multiple answers). Some participant quotes were edited for clarity and length.

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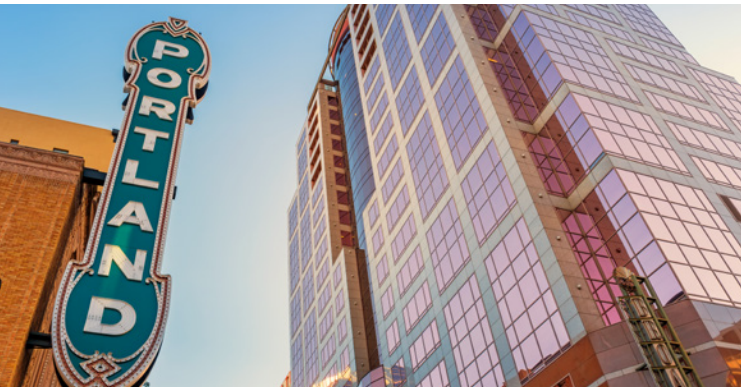
1 State of affairs: kicking into high gear.

By all accounts, Portland tech professionals have a busy year ahead. Nearly every core metric shows dramatic improvement over 2021 predictions. Higher revenue is expected at 76% of area firms. And budgets, headcount, and compensation are up — way up. "We've got an important and intensive year ahead," says Mandeep Sidhu, Director of IT at Fidelis Sustainability Distribution. "Our top priorities are uplifting our legacy platform to be at par with the latest technologies and also leveraging cloud capabilities for analytics."

Innovation central.

Not only are firms growing, they're "stressing experimentation" and "launching new and innovative products." Improving the customer experience is again the number one strategic priority. Sixty percent say their firm uses technology to disrupt its industry, and an astonishing 80% feel personally empowered to innovate.

1.4 x

OREGON'S TECH WAGES EXCEED THE NATIONAL AVERAGE[1]

Rising pay pressure.

Of course, your ability to innovate is only as good as your talent pool. And Portland firms should get used to paying more for that talent. Rising rates show no signs of slowing down. The Technology Association of Oregon notes that this trend (dubbed the "Silicon Valley creep"[2]) is alive and well, and our survey backs that up. Sixty-four percent expect overall compensation to increase in 2022, and 85% report upward wage pressure. That last figure represents a significant increase over last year's 63%.

Overall, 59% agree their company offers competitive compensation in line with the market. But supply squeeze challenges may lie ahead. One manager explains, "Most of the companies struggling locally pay significantly less, they aren't viewing their market as national. I had a recruiter audibly gulp when I told her my current pay."

> **" To meet our new reality, we've reevaluated our pay bands and offer process, along with adjusting current employees who fall outside of the new bands. In doing so, our offer acceptance has increased 10–20 percentage points. "**
>
> **Engineering Director | Fintech**

Growing, and then some.

Percentage predicting an increase ● 2021 ● 2022

	2021	2022
TECH DEPARTMENT BUDGET	36%	61%
INTERNAL TECH STAFF HEADCOUNT	42%	60%
TECH CONTRACTOR HEADCOUNT	27%	30%
TECH EMPLOYEE COMPENSATION	41%	64%

Pay up or miss out.

High expectations are the norm in a talent market one executive describes as "hypercompetitive." Pay rate is the top criteria contract workers use to decide on an assignment,[3] and ProFocus has noticed candidates flat out demanding more, even if working remotely from an area with a lower cost of living.

Top strategic priorities.

1 IMPROVING THE CUSTOMER EXPERIENCE

2 INTRODUCING OR IMPROVING ENTERPRISE PLATFORMS

3 INCREASING OPERATIONAL EFFICIENCY

2 The biggest challenge by far? Finding tech talent.

It's not even close. For companies in desperate need of tech professionals, getting candidates in the door is the biggest talent challenge. Almost half (46%) ranked that at the top, followed distantly by retaining talent (18%) and developing skills of team members (16%). Regardless of company size, finding talent presents the biggest obstacle.

"Finders-keepers" not guaranteed.

Perhaps the most surprising thing about this year's data is how far down retention appears on the challenges list. "The best offense is a good defense," says Jennifer Waldrip, ProFocus VP, Client & Talent Services. "Once you've gone through the effort to land qualified talent, the job's not done. When the 'grass is always greener,' investing in retention strategies protects your investment."
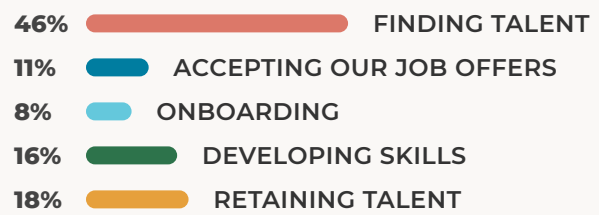
Headlines threatening a "great resignation" continue unabated. So what are Portland firms doing to keep their best people engaged? Here are some respondents' suggestions:

- **Create an elite technical leadership job grade focused exclusively on production**
- **Offer dedicated, meeting-free time to be creative and collaborative**
- **Repurpose building/facility funds to teams for fun and engaging activities**

Building relationships remains a preferred retention strategy. "It's going to sound obvious," says Michael Walker, VP of Engineering at Leanpath, Inc. "Trust and empower your technology workers. It's shocking how many horror stories I hear about antiquated management models."

Sourcing struggles.
Biggest talent challenge

46%	FINDING TALENT
11%	ACCEPTING OUR JOB OFFERS
8%	ONBOARDING
16%	DEVELOPING SKILLS
18%	RETAINING TALENT

> **❝** Before COVID remote, hiring managers were competing with a few local companies to hire talent. Now they are competing with hundreds or even thousands of companies. We are seeing that the speed of the hiring process and job offer is critical. **❞**

John Boone | Founder & President, ProFocus Technology

A lot at stake for Portland firms.

The dramatic talent shortage has direct implications for company outcomes and culture. The tech industry contributes over $9 billion in GDP and nearly 78,000 jobs to Oregon's economy,[4] but is that sustainable? Productivity is also at risk on a microeconomic level, with more than half of respondents (54%) saying the lack of candidates keeps their team from meeting key goals—an increase over last year's 45%.

Talent shortage disrupts key goals.

57%
EXECUTIVES

56%
MANAGERS

18%
PRODUCERS

3 Upskilling on the rise: making the commitment.

A remote-friendly working environment may make it easier to find and retain talent, but it adds layers of challenges to onboarding and developing team members. Only 8% of firms said onboarding is their biggest talent challenge, but that doesn't mean firms excel at the practice. Just over half (54%) agree their company onboards effectively, and one-fifth (19%) disagree.

A vicious cycle starts with strained hiring practices and ends with higher stress and attrition. As one manager states, "Finding qualified talent at our current wages often means hiring individuals with less tech skills and training them up, which puts more strain on the current team workload as it takes more time to onboard."

Build or buy?

It's a perennial debate for companies looking to build a flexible, functional tech team. To prepare for new technologies, 62% of companies have plans to upskill employees this year. When talent is scarce and poached, firms often respond by accelerating in-house development. And yet, just over half (51%) say their company provides sufficient training and development opportunities. Enterprise and large firms rank better than small and midsize ones.

Functional education is particularly difficult outside the office, according to one senior leader: "In-person mentorship and teaching/training was so much smoother." A "buddy system" for new hires and increased leadership contact may ease the burden of remote onboarding and collaboration.

> **"** Informal career development is not enough in this environment. Training and development opportunities must be robust and encouraged, not just passively available on demand. Your employees who need support pursuing their passion may not be the ones willing to speak up and ask for help. **"**
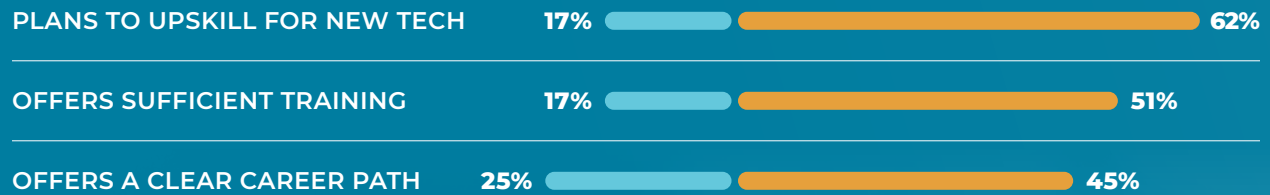
James Lund | Vice President, ProFocus Technology

Building next-level performance.

Assessment of company's development factors

Disagree + Strongly Disagree ◄► Agree + Strongly Agree

	Disagree	Agree
PLANS TO UPSKILL FOR NEW TECH	17%	62%
OFFERS SUFFICIENT TRAINING	17%	51%
OFFERS A CLEAR CAREER PATH	25%	45%

Career development lacking.

Although 78% say their companies demonstrate a clear vision and mission, we see a recurring and troubling pattern from last year. The C-suite ranks their firms—and by extension themselves—higher in this regard (90%) than their employees (76%).

What's more, fewer than half (45%) say their company offers a clear career path. And that number falls to 39% and 27% for female and racially diverse employees, respectively. "Employees are more than people who work to advance a business. They are multi-dimensional people who bring their personal and professional life experiences to every interaction," says Sean Hawkins, Co-Founder and VP of Software Development at HawkSoft. "Career development initiatives must recognize the unique backgrounds and contributions of diverse employees to make employer brands—and society—stronger."

4 Culture in the spotlight: room to improve on DEI.

Known for its natural beauty and vibrant neighborhoods, the City of Roses lives up to its reputation as a great place to live and work. Once again, Portland firms get high marks for company culture from tech professionals. More than three-quarters (78%) say their firm builds and maintains a positive culture, slightly up from 75% last year. Ratings are similar across companies of different sizes. However, cultural ratings vary significantly across gender and racial parameters.
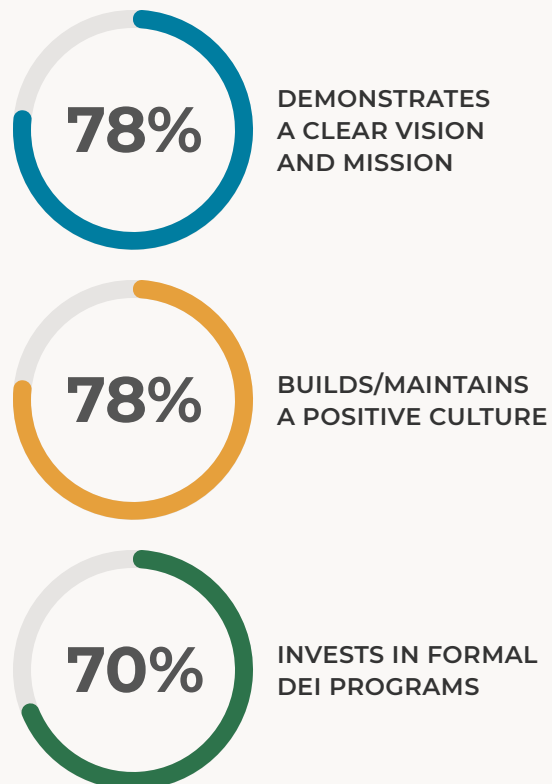
Compared to 82% of men, 67% of female, non-binary, and genderqueer respondents indicate a positive culture. And 70% of BIPOC respondents say they have a positive culture, compared to 81% of white respondents. In fact, on many other aspects of the survey related to culture—burnout, career pathing, training, etc.—non-white, non-male respondents rate their experiences less positively as well.

Walking the walk.

Portland firms are investing in diversity, equity, and inclusion programs, but to widely varying degrees based on company size. Overall, 70% of firms are investing in formal DEI programs. Awareness of these programs is similar across gender and racial parameters. But the larger the company, the more the investment. Enterprise firm employees are almost twice as likely as their small firm counterparts to indicate an investment in formal DEI programs, 88% vs. 47%.

When almost a third of U.S. job seekers say they wouldn't apply to a company where there's a lack of workforce diversity,[5] companies must actively support and promote a range of DEI initiatives. The most popular programs indicated in our survey address both recruiting and retention initiatives. Fewer firms have invested in an executive-level diversity officer or programmatic/analytic tracking of their diverse candidate pipeline, both 39%.

Opportunities to improve.

78% DEMONSTRATES A CLEAR VISION AND MISSION

78% BUILDS/MAINTAINS A POSITIVE CULTURE

70% INVESTS IN FORMAL DEI PROGRAMS

Top 3 DEI programs in place.

1 AFFINITY GROUPS, DIVERSITY COMMITTEES, OR MENTORSHIP PROGRAMS

2 DIVERSE INTERVIEW PANELS

3 TALENT ACQUISITION STRATEGIES FOR NON-TRADITIONAL CANDIDATES

❝ To expand on our biggest challenge, it's finding qualified and diverse candidates, then keeping them through the hiring process. Internal development is also a key factor, but the larger problem (for now) is getting talent in house. ❞

Technology Executive | Enterprise firm

5 Return to the office brings both risks and rewards.

Plans to return to the office in 2022 remain in flux for many firms. Our survey suggests that onsite full-time for everyone is a construct of the past. Just 4% of workers are in the office full-time now and only 4% say that's their preferred option.

A hybrid working model is strongly preferred. Two-thirds (68%) say their desired working arrangement is remote but with the option to go into an office as needed. "The return to office demands transparency and trust," says James Lund, ProFocus Vice President. "To address concerns about implicit pressure, we've started classifying in-person events as required (2–3 a year), encouraged (4–5 a year), and optional (6–7 a year)."

Flexibility on demand.

Employers without flexible work arrangements may find themselves at a disadvantage, unable to attract or retain talent. If required to be in the office full-time, 43% of respondents say they would likely leave their job. "Finding and retaining talent are equally difficult. We are a small company and the combination of inflation and salary competition now that the world is fully remote makes it difficult for us to compete," according to one operations leader surveyed.

Remote work has sparked productivity gains, with 60% agreeing that working remotely has made their team more productive. We see similar ratings by different job levels, but differences by company size. More large and enterprise teams agree their teams are more productive (71% and 67%) than their small and midsize counterparts (47% and 52%).

Working remotely has made my team more productive.

OVERALL	60%	
SMALL	47%	
MIDSIZE	52%	
LARGE	71%	
ENTERPRISE	67%	
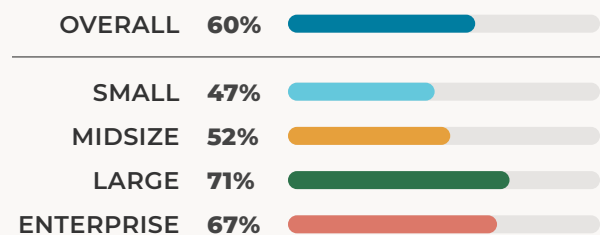
Another silver lining.

Remote work also benefits companies' talent acquisition and retention efforts. More than three times as many respondents agreed the shift makes it easier to recruit and retain talent. Embracing hybrid or remote work may offer a better chance to land candidates wooed by bigger brands. On the other hand, Technical Writer Mat Bradley-Tschirgi notes, "A shift to more remote work for everyone makes for more opportunities but also more competition. The world is not just your oyster, it's also trying to get your next job!"

❝ Our company does not offer great flexibility for work location. It requires a pay reduction to choose to work from home. That is a barrier in this market, which requires us to look locally for talent as opposed to opening ourselves up to a broader national pool of talent. ❞

Senior Leader | Enterprise firm

The appeal of remote work.
Preferred working arrangement

15%
REMOTE WITH NO
OFFICE AVAILABLE

13%
REMOTE BUT REQUIRED IN
PERSON AT LEAST 1 DAY / WEEK

68%
REMOTE WITH OFFICE
OPTION AS NEEDED

4%
IN THE OFFICE
FULL-TIME

6 Preparing for & preventing employee burnout.

Last but not least, we turn our attention to an issue with an outsized impact on talent strategies: employee burnout. About 70% of respondents say they expect the number of hours they work to stay the same or decrease this year, with just 25% expecting an increase. And we saw a decrease in those saying their teams are overworked compared to last year (53% vs. 58%).

Yet almost half of employees (46%) agree they feel burned out. Individual contributors and team leads report higher levels of burnout, 56% compared to 45% of managers and executives. And women report an even higher level at 64%.

Firms' good intentions.

As awareness of burnout spreads, Portland firms have responded. Survey takers rate their companies highly on their efforts. A majority agree their firms support employees' physical health and safety (89%) and mental health and well-being (84%). Programs aimed at improving attraction and retention double as burnout prevention, including adding extra wellness days and adopting unlimited PTO.

❝ It's important to be understanding that life happens and can cause interruptions within the work environment and then work together to help employees move forward. ❞

**Manager** | Large firm

Small firms growing & grinding.

Employees at small firms report being more burned out than their larger counterparts, 56% vs. 42%. Small firms were also more likely to predict an increase in the number of hours worked this year (32% vs. 22%). On the other hand, they feel personally more empowered to innovate (92% vs. 76%).

Continuing last year's trends, smaller firms are fueling the region's growth. With more upside and room to grow, they lead the pack in increasing budget, revenue, internal headcount, and domestic contractor headcount. Even in an environment with ample opportunities, higher burnout signals that companies of all sizes must balance employees' mental health with productivity demands.

Company support ranks high.

89%

PHYSICAL HEALTH AND SAFETY

84%
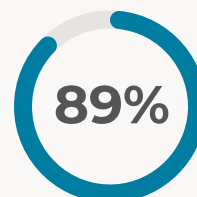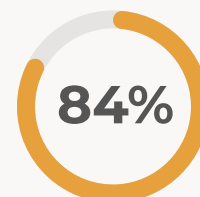
MENTAL HEALTH AND WELL-BEING

Feeling burned out?

Percentage who agree or strongly agree

OVERALL **46%**

BY ROLE

EXECUTIVES **48%**
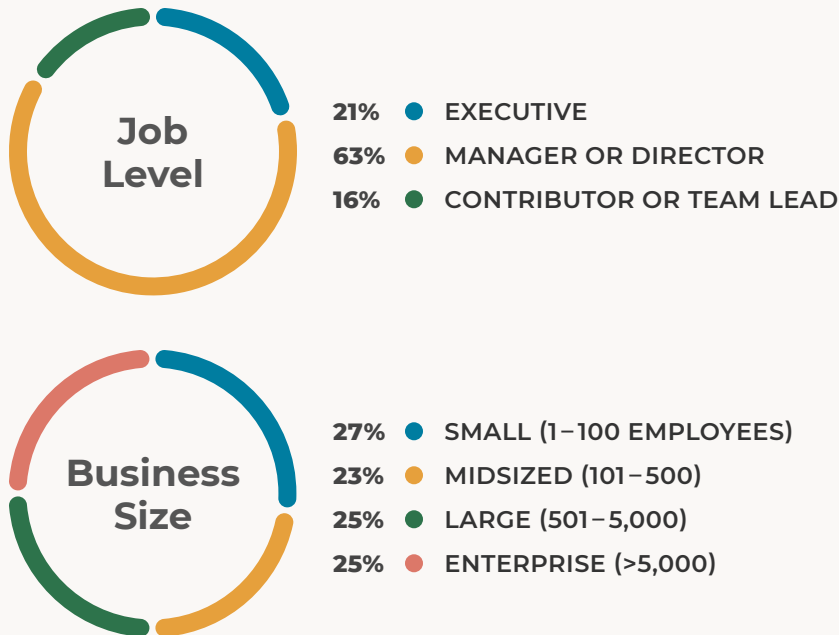MANAGERS & DIRECTORS **43%**
CONTRIBUTORS & TEAM LEADS **56%**

BY DEMOGRAPHIC GROUP

MEN **44%**
WOMEN **64%**
WHITE EMPLOYEES **46%**
BIPOC EMPLOYEES **48%**

Survey demographics.

The *Portland Tech in Focus: 2022 Trends Report* is based on 173 responses to an online survey of Portland-area technology professionals conducted between October 24 and November 23, 2021.

Job Level

- 21% ● EXECUTIVE
- 63% ● MANAGER OR DIRECTOR
- 16% ● CONTRIBUTOR OR TEAM LEAD

Business Size

- 27% ● SMALL (1–100 EMPLOYEES)
- 23% ● MIDSIZED (101–500)
- 25% ● LARGE (501–5,000)
- 25% ● ENTERPRISE (>5,000)

Endnotes.

1 https://www.techoregon.org/blog/report-shows-nuanced-story-continued-growth-oregon-tech-industry/
2 Ibid.
3 https://www2.staffingindustry.com/Research/Research-Reports/Americas/Temporary-Worker-Survey-2021-Full-Report
4 https://www.techoregon.org/blog/report-shows-nuanced-story-continued-growth-oregon-tech-industry/
5 https://www.glassdoor.com/employers/blog/diversity-inclusion-workplace-survey/

Get in touch.

Have questions about the report or want to know more? We'd love to connect about your view of Portland tech trends.

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