

Hire anxiety: faced with lack of engineers, tech firms press H-1B issue

[Los Angeles Business Journal](#), [April 16, 2007](#) by [Booyeon Lee](#)

SANJAY Kucheria, president and co-founder of a thriving Glendale information technology company of 200 engineers, programmers and consultants, wants to hire more than 3,000 employees in the next seven years.

But Trinus Corp. doesn't expect to find many of them locally, because Kucheria believes there aren't enough talented American engineers to go around.

So last week, the company hand-delivered 80 applications for H-1B visas, the legal document required of businesses recruiting skilled workers from abroad or foreign students with degrees from U.S. universities.

The problem is they're stacked with 133,000 other applications that flooded the offices of the U.S. Citizenship and Immigration Services on April 2, the fast day companies could submit applications. As a result, the annual cap, set at 65,000 visas, was reached within hours. Last year, the application limit was reached in 50 days. A computerized lottery will be used to determine which applications will be approved.

But Kucheria is far from relying on the lottery to fill his personnel needs. He recently bought 3.5 acres in Pune, a city near New Bombay, with plans to build a campus there with capacity for 3,000 employees.

"We have to go wherever we can find talent," Kucheria said. "We live in a democracy where there is a free flow of ideas, talent, capital and people. They flow where they're welcome."

Kucheria said he's taking advantage of a trend in which many Indian engineers with higher degrees from American universities are packing their bags and heading back home to avoid the hassle of H-1B visas. Kucheria is also an example of an increasing number of American companies setting up shop in India to hire local talent, including tech giants Microsoft, Hewlett Packard and IBM.

The H-1B visa program allows companies to employ highly skilled engineers, scientists and computer programmers with expertise that cannot be found in the American workforce. Tech companies say that the domestic talent pool is too shallow and they must resort to importing qualified labor. Opponents concerned about saving jobs for American workers argue that qualified U.S. engineers are being turned away or fired for lower-paid foreign hires.

In Los Angeles, the unprecedented inundation of H-1B visa applications is being attributed to the rapid growth of the tech industry and companies filing applications early because they're nervous about the impending legislative changes to the federal immigration policy.

The local tech sector is also being showered with more venture capital than it has seen since the Internet boom.

"Los Angeles wasn't always one of the top 10 markets for technology. That's really changed in the last five years," said Douglas Gold, a board member of the Technology Council of Southern California. "So you end up with the talent equation. Where do you get the people?"

Ballooning demand

Gold, a chief financial officer for L.A.-based software company Core Objects, said that only about a dozen of his company's 430 employees are in Los Angeles. The rest are in India.

"We know the shortage is occurring nationwide. But we're experiencing a real struggle finding quality talent in the L.A. market," he said.

Navneet Chugh, a Cerritos immigration attorney whose practice filed 3,500 H-1B visa applications this year, said that the demand has ballooned. In 1994, Chugh estimates about 40,000 H-1B visa applications were filed nationally.

That number has more than tripled since then. The current cap of 65,000 is the same as when the program began in 1991, despite the onset of the Internet, which triggered a global technological boom and sent demand for IT workers skyrocketing worldwide. Congress has periodically raised the H-1B quota to as high as 195,000 from 2001 to 2004.

Last month, Microsoft Corp. Chairman Bill Gates urged Congress to let an "infinite" number of highly skilled foreign workers into the United States to fill engineering and computer-programming jobs that would otherwise be vacant.

JoElla Lapiana, executive director of the American Electronic Association's Los Angeles Santa Barbara Council, blamed the American education system for failing to build stronger math and science programs. She lamented that on top of that, the country is failing to hold onto the foreign talent that American universities do train in engineering and computer science because of the H- 1B cap.

"We're essentially losing our innovation," Lapiana said.

The electronic association recently released a study that shows China graduates almost six times as many engineers as the United States. Even South Korea graduates slightly more engineers than the United States.

But critics of the H-1B program say that tech companies are not hiring exceptional scientists and engineers from abroad, but rather mid-tier engineers who can be found at home.

John Miano, an engineer who became an attorney to take on the H-1B program, calls it a "cheap labor importation program" even though the law requires employers to pay foreign workers a prevailing wage.