



Published on *Enterprise Innovation* (<http://www.enterpriseinnovation.net>)

IT professionals feel the surge

By **Chee Sing Chan & Stefan Hammond** | Oct 30, 2009

Companies across the region are clearly warming to the idea of a **economic recovery** ^[7] with 64% of companies surveyed indicating a plan to hire within the next 12 months, with 32% looking to hire immediately.

The IT and Telecom Skills and Hiring Trends 2009 survey was conducted by Enterprise Innovation in conjunction with professional recruitment firm Robert Walters. The survey covered over 700 firms across Hong Kong, Singapore, Malaysia, India, Philippines and China.

In Hong Kong 55% of firms expect to hire within the next 12 months while Singapore had 62% with the same expectation (charts 2 & 3). China led the march in **hiring** ^[8] optimism with 75% and India with 64% expecting hires in the next year.

Singapore record surge

While business confidence is clearly picking up, hires in the last quarter has been mixed in some countries with the number of IT jobs actually dropping 5.8% in Hong Kong though overall vacancies across various professional roles was up 11.2% from April to June this year, said recruitment consultancy Robert Walters, which released its Asia job index recently.

The Robert Walters Asia Jobs Index tracks advertisements in major newspapers and job listing Websites in Asian markets including Hong Kong, China, Singapore, and Japan.

But contrary to Hong Kong's IT job market, the number of IT vacancies grew 16.5% in Singapore. Having been in Singapore for over 11 years, Robert Olofsson, associate director, Information Technology at Robert Walters, has seen all the ups and downs of recent years from the dotcom bust to SARS. "But the last two months has been the quickest turnaround we've seen in years," he said.

Olofsson noted that Q2 leading into Q3 was grim but currently the IT team is at its busiest in the last 18 months. "I've never seen such rate of change."

The pickup has primarily been on the IT vendor side where the vacancies have doubled in the last six weeks. This is in line with the rise in business confidence as vendors anticipate the economic recovery and begin hiring to be ready to serve the uptick in demand. "Often takes months for new hires to get up to speed and vendors need to be ahead of the competition for when deals start to appear," added Olofsson.

In the end user market, enterprises are seeing much less activity as the cuts were less severe than in the financial and IT vendor sectors. "This is the real economy and the green shoots of recovery have yet to take real effect here," Olofsson said.

The banks who were worst hit at the start of crisis have been first to react and many more IT jobs are now appearing, while the telecoms side has also seen some growth.

Olofsson believes the rapid upswing in Singapore is probably down to the very sharp cuts at the

end of 2008, as well as the growing global influence that Asia plays.

Significantly the eyes of the world are now on Asia. What is different from previous downturns is that, "Asia is now the key battleground for multinationals and regional firms," Olofsson stated. "For firms vying to lead in this region, they need to get their act together now as that's where the growth will be."

Elusive skills

Despite record unemployment in most countries, 58% of the executives said they are facing difficulties finding people with the right skills, according to the IT and Telecom Skills and Hiring Trends 2009 Survey. The vast majority - 80% - indicated that the problem was due to candidates lacking the correct mix of skills.

Wilson Hon, EVP of HR at CSL noted that the Hong Kong operator was having difficulty finding people with the skill sets it requires. "Salary expectations have not been lowered for candidates with the correct skill sets. We have a medium- to long-term plan to develop and groom people with the skills we need."

About half of executives found too few candidates. Almost a third of those hiring said they lacked the budget to hire the talent they were searching for. Some 44% said there were too few candidates while 21% said the applicants were too demanding.

Project management topped the hot skills in demand as 39% of respondents identified this area as one of the positions most in need of filling. Other hot skills included applications specialists (33%), business analysts and networking engineers/managers (both at 24%). Security surprisingly came in low at just 16%.

The survey respondents were made up of 57% enterprise end users, 24% technology vendors and 19% telecoms operators and service providers. A total of 72% of the respondents were designated with hiring responsibilities.

Public sector spend in HK

Daniel Lai, head of IT for the MTRC, was also bearish on the overall Hong Kong job picture. "Despite the rebound in the stock and property markets, recovery in general is slow," he said. "Large IT spends come mainly from the public sector."

But Lai said certain skill-sets were in demand in Hong Kong, including J2EE and SOA developers, systems architects, business analysts, computer auditors, information security specialists and IT infrastructure specialists."

As for hiring channels, Lai pointed out head hunters, executive search, and agents through the Internet.

To find new staff, it is no surprise that the two primary sources of candidates were employee referrals and recruitment agencies by a large margin with over 70% of respondents pointing to these two as the primary channels. Online recruitment sites were a distant third, traditional print media fourth and social networking sites last (less than 15%).

There is an interesting mismatch between what options employers consider useful versus what employees do. While headhunters and employee referrals ranked near the top for both groups, employees rated online job sites much higher - by more than 16 percentage points.

Looking at the job scene from the employees' perspective, while many are positive about the hiring outlook, 52% expected further turnover. So while hiring is set to occur, the prospect of further cuts is not far away.

Meanwhile, 74% said they faced increased workloads and greater pressure - 33% said their stress levels had increased significantly while 52% said their stress was up moderately. Just 15% of respondents said it hadn't increased.

With job security down, little or no salary adjustments last year and again modest adjustments expected this year, the higher levels of stress are to be expected. Changes in the market have meant that a company's expectations of the performance required for an employee to be retained have risen. Baker noted that many of the poorer performers have been cut in the many rounds of redundancies. "Until hiring freezes are lifted, people will be expected to work a broader portfolio and work harder to deliver above pre-crunch levels."

CSL's Hon said that in this environment, "it's important to communicate with employees so they are aware of the business directions and shared a common goal. Our staff know very well what we need to achieve as a company in order to be rewarded accordingly, thus minimizing the threats and fears."

Shifting priorities

As employees search for new opportunities, the most critical factor impacting their decisions is base pay, which had an average rating of 3.3 out of 5. Some 89% of those surveyed considered base salary as critical or very important - up from 82% two years ago.

Ranking second was the quality of management and colleagues (3.2) equal with the potential for advancement. Only slightly less critical in their consideration was benefits and performance incentives and a challenging position (both with a 3.1 rating).

At the bottom were opportunities to travel and flexible work arrangement (telecommuting) - with 32% and 39% of respondents indicating these as critical or very important respectively. Both were down slightly from 2007.

Another factor impacted negatively by the downturn was having the resources to do the job well, which was ranked near the top in 2007. Employees have been forced to be more resilient and enterprising, enabling them to achieve their objectives with fewer resources. The percentage of respondents who considered this factor critical or very important in considering a new job dropped 6 percentage points.

© Joseph Waring contributed to this report

SIDEBAR: Hong Kong skills outlook

Sommer Owens, manager of the contract division of Robert Walters Hong Kong, gives an overview of recruitment outlook in Hong Kong this year and next.

"Throughout 2009," said Owen, "IT managers with the ability to reduce technology spend were in high demand as were IT professionals with hands-on technical skills for business as usual support."

In particular, developers and engineers with three to five years of industry experience have been preferred over more experienced candidates. Popular technologies have included Java, C# and .Net for the application layer, Oracle and Sybase for the database layer - and at a systems level, UNIX skills have more recently been in demand.

Those earnestly searching the fattest pay-packets need to learn communication skills, according to Owen. "IT professionals with a proven ability to communicate effectively with business users and stakeholders will always earn more than their counterparts with strong IT skills but no soft-skills," she said.

"For the banking and financial services sector, regulatory compliance is likely to be a key issue," she said, "so IT professionals with strong audit and compliance skills are likely to be in high demand. Also, as off-shoring continues to be popular with many multi-national corporations, the ability to work with teams across diverse geographical locations and cultural groups will be essential."

But don't overlook vendor-squabbles. "In terms of technology, the war continues between Microsoft and Sun Microsystems for majority market share," she said. "However, products from both technology super-vendors will be in high demand for the foreseeable future. On the ERP side, SAP is maintaining its popularity despite Oracle's aggressive push to become the leading ERP solution."

How should IT professionals stay competitive in the market? "The most effective way is to develop strength with one major technology - development language, database or operating system - and then gain secondary skills in a complementary area. For example, application developers should make the effort to understand database design and be able to write simple queries. Database administrators ideally should learn about system or network administration [to keep] their skill-set diversified and [reduce] the risk of becoming obsolete." - **Stefan Hammond**

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