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IT talent retention gets trickier in 2010

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RECRUITMENT SALARY

Singapore - Salary increments for IT professionals in Singapore will see a steady increase from 5% to 12% as employers compete to retain and motivate existing IT talent in the recovering economy.

With more companies from US and Europe setting up offices in Singapore, companies here are currently facing two key challenges when it comes to retaining existing IT talent in 2010. IT services consultancy Emerio GlobeSoft's executive director Madhavan S. says this is a distinct change from the "status quo" situation in compensation in 2009. Employers would now have "to balance between new hires' salary hikes with a lower increment rate of existing staff" and "to simultaneously manage the staff turnover rates caused by attractive salary hikes offered by the new entrants". The new entrants are offering salary jumps of "as much as 15% to 20% in order to ramp up their IT manpower needs", says Madhavan.

HR and recruiting managers should expect an upsurge in talent demand for roles across the application development and infrastructure deployment functions, says Madhavan. The market is also likely to see more jobs created in data centre operations and disaster recovery centres. "With Singapore aggressively leveraging on its status as a stable and reliable offshore location vis-à-vis the cost benefits provided by India and China," says Madhavan. "The successful promotion will attract more jobs requirements from the US, Japan and Europe market."

As the banking and finance industry recovers from recession, Madhavan says core roles in project management, architecting and business analysis for banks that have onsite delivery models are expected to remain in Singapore. But non-core positions in development and testing functions could be "off-shored to lower cost locations like India, China and the Philippines", says Madhavan. Hiring in other industries like telecom and manufacturing is expected to remain flat in the year ahead.

But the talent shortage will be particularly felt in "niche" areas such as deep domain and technology-related, product-centric expertise roles. Madhavan says, "This trend is likely to continue and the only solution is to fill this gap through foreign supply."

In the next five years however, Madhavan predicts employers to start focusing on developing talent with domain and niche product-related technology skills to meet future business needs. "Companies will be achieving these with a mixture of lateral fresh grads, as well as, polytechnics hires."

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