

## SECTOR ANALYSIS

## IT &amp; TELECOMS

## There has been plenty of speculation regarding negative forces at play in the IT and telecoms sector. Yet some say it is the strongest permanent market for years

The financial services sector is a big employer of IT and telecoms staff, and it has been coming under increasing pressure from the global credit crisis. The future remains uncertain, but it would appear that, so far, the market remains resilient.

Ann Swain, chief executive of the Association of Technology Staffing Companies (ATSCO) told *Recruiter*: "We have had a lot of meetings where people have been talking about recession and a slowdown, but we haven't seen anything yet. We're still holding our breath." Paul Allen, business manager for IT recruiter CITR, agrees: "We recruit primarily for the banking and finance sector, and they are still making big investments in infrastructure across the board." Chris Short, managing director of technology recruiter Concept IT, adds: "We have just reported our record month ever for March."

Figures from Reed.co.uk's Market Index show that the number of permanent vacancies in England remain roughly where they were a year ago, at around 20,000. It saw a brief peak at the end of 2007, but has tailed off a little since. The number of permanent jobs in Scotland and Wales has grown substantially since the beginning of the year. Swain says among ATSCO members "it's the strongest permanent market we've seen for years — against the predicted trends".

Contractors are also in demand, with the number of vacancies in England doubling since this time last year. Contract hires are particularly appealing to employers who have an immediate need for staff, but who are uncertain what the future holds. However, Bryan Glick, editor of *computing*, told *Recruiter* that some activity in this area is driven by necessity rather than desire: "Rates and demand for contractors have gone up in some areas as employers need to meet demand in the short-term. In an ideal world they would rather make permanent hires, but they are constrained by a perennial skills shortage."

It is still a candidate-led market. Short agrees: "There's a shortage of skilled software developers, particularly with Java, .net and C

Sharp. There's no sign of demand for this slowing." Where employers are also looking for broader skills, for client-facing roles or management teams, candidates are even thinner on the ground. Glick says this often manifests itself in a shortage of middle and senior managers.

Software developers remain in demand, but Swain adds that: "security and compliance are also hot to trot". Dave Pye, chief executive of Highams, which recruits IT staff for the insurance sector; points out that demand in his market has been driven by both compliance requirements, and market developments. Online quotes, for example, have become the norm in the industry in a relatively short time, and companies need the resources to ensure their quotation systems are up and running.

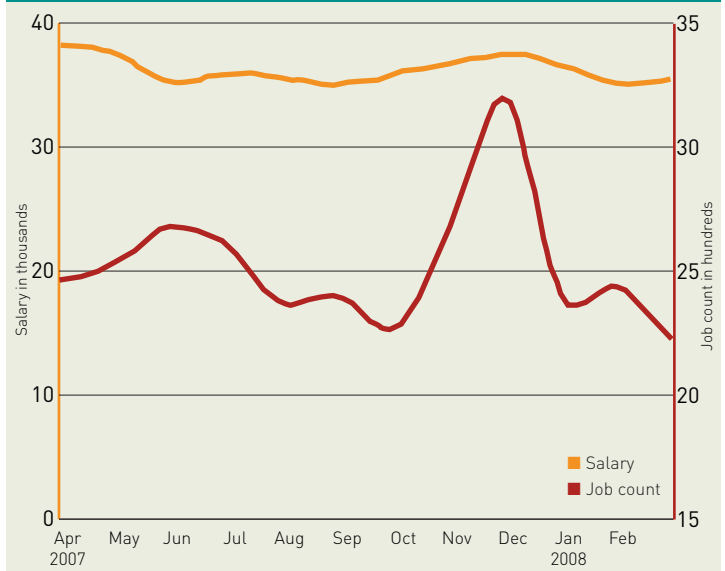
However, employers remain reluctant to boost salaries in order to attract staff. The Reed figures show that across the UK permanent salaries remain around £32,000. This has remained constant since last summer, and is down from a peak of £41,000 this time last year. Contractors, meanwhile, saw a peak in salaries around £40,000 at the end of last year, but have since fallen back to match permanent salaries at around £30,000.

Short explains: "Companies don't want to offer more. They have their own teams of people who have been cross-trained internally and they are still on lower salaries compared to those who have moved jobs. Employers don't want a big disparity in how much they are paying new hires."

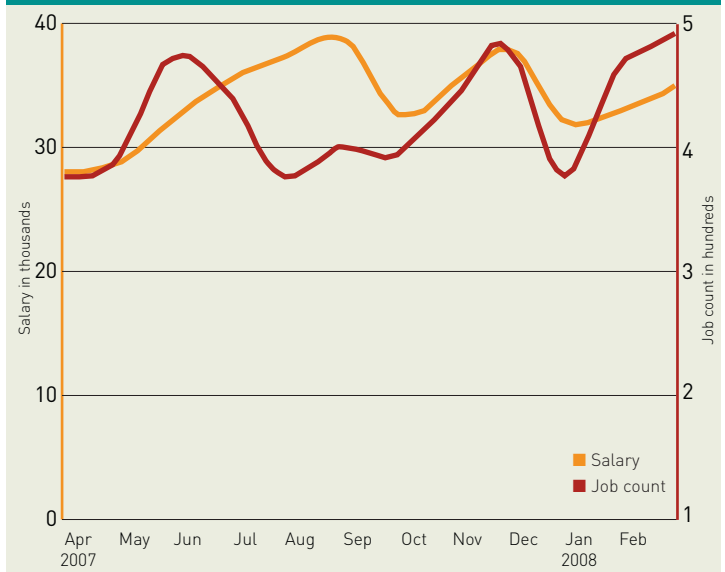
However, even among those who are offering to pay more, money alone may not be enough to secure the talent they need. Short says: "Employers also have to be creative in terms of the benefits packages they offer to staff. We are finding candidates are particularly interested in flexible working hours, training opportunities, and career development."

For some roles, employers have gone elsewhere. Glick says: "More junior roles are now tending to be filled by contracting-in or offshoring the jobs to India."

## ENGLAND



## SCOTLAND



## WALES

