Brightwater

RECRUITMENT SPECIALISTS

SALARY SURVEY
IT CONTRACTS
2022

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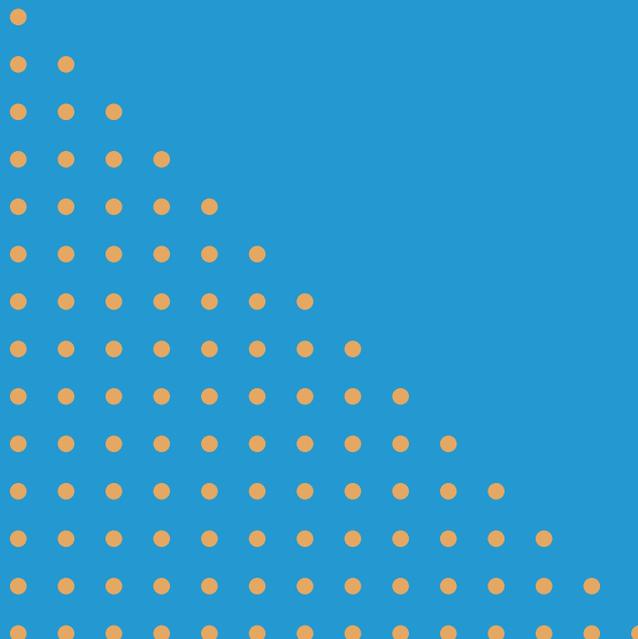
DEREK SMYTH
ASSOCIATE DIRECTOR
IT CONTRACTS

OVERVIEW

The IT contract market has been busy throughout 2021 and we expect it to continue to be busy through 2022.

During 2020 and into 2021, we saw that many job vacancies that would normally have been offered on a permanent basis being released instead as contract roles, while companies tried to forecast requirements in an uncertain and unpredictable time.

Other companies had stopped recruiting completely, while others struggled through the lockdown period and reduced staff or went out of business.

We noticed the first uplift in contract business in September 2020. Many companies began to release contract roles, and there was more candidate movement in the market. This growth continued into 2021, and the volume of contract roles available have increased each month during 2021. Suitable candidates to fill these roles are in short supply and there is genuine competition for good people. As a result, there has been some upward pressure on rates, particularly in highly specialised roles where demand is continuing to outstrip supply. In addition, some roles are being left unfilled for longer periods and that is putting increased pressure on teams.

One positive from this year was that because of the availability of fully remote working, there was more choice of candidates across the island of Ireland and also abroad to take up roles as commute wasn't a factor. However, candidates currently abroad are harder to source, and whereas Ireland would always have had an influx of foreign candidates eager to take up technical roles, during the lockdown when travel was curtailed, that supply on the ground was interrupted.

Some candidates who were previously open to temporary roles in the past were more interested in permanent roles this year because of the uncertainty in the market.

DEMAND

There has been solid demand from companies across all IT job categories throughout 2021.

As in previous years, the bulk of the demand has been across software development, and particularly in demand has been skills in Python, Java, UI, Cloud Automation and DevOps. Other broad areas of consistent demand include IT Security, Project Management, Business Analysis, Data Analysis, UX, QA and IT Infrastructure and Support. Because the demand is strong, candidates are frequently engaged in multiple processes at the time of interview, and this can often lead to disappointment at offer stage when candidates choose other options.

RATES

In 2020, we saw that IT contract rates stayed largely static. Some companies negotiated rate decreases when existing contracts were being reviewed, but the majority of rates stayed the same. As is usual, for niche roles or those in high demand, some candidates were able to secure rate increases when taking new assignments, or when renegotiating contracts.

In 2021, higher demand translated into more rate increases, particularly where demand was outstripping available supply. Across the market, we believe rates for contractors have increased by approx. 5% in Dublin and between 3 and 5% outside of Dublin. However, tthroughout 2021, we have seen some companies offering very generous rate increases in excess of that to secure contract resources and also when extending existing contractors. This is very much on a case-by-case basis based on business requirements, available budget and through negotiation.

Areas that have stood out in terms of rate inflation have been across the breadth of development, DevOps, Cloud Automation, IT Security, and senior Data roles.

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Many candidates coming to market can be quite negotiable on rate, with many valuing the role, the technology, good work life balance and work from home options more highly than the rate of offer. Some candidates have been prepared to be very flexible on their rate when the role was a strong match to their own requirements, or when the role could be fully remote. Remote work offers real potential to companies to secure talent at a more reasonable cost, particularly if the person is based outside of Dublin, or perhaps in Europe.

Rate can be the deciding factor for many candidates when choosing between options, but for many candidates, equally weighted are whether the role is interesting, the industry, access to modern technology and processes, work flexibility and the option of remote working.

We believe that the option of fully remote work, or hybrid models weighted more to remote work will be the deciding factor for many contractors going forward.

LOOKING AHEAD TO 2022

We expect the demand for contractors to continue to grow over the coming months and into 2022, particularly as the lockdown ends and the remaining Covid restrictions are lifted towards the end of the year. We believe the IT sector will continue strongly due to the sheer number of IT companies operating here and the health of our software sector, but also because IT is an essential business function, it is a driving force for competitive advantage, and many companies are continuing to embark on large digital transformation journeys.

We expect further upward pressure on rates, again, in those key areas where demand is strong, and companies have to offer more to secure the talent they need.

For candidates, we expect there will still be good quality, interesting roles available, and competitive rates being offered. In addition, we believe more companies will move to fully hybrid models of work and many roles will be offered fully remotely. This will continue to open up competition from candidates based outside of the main hubs and may open the door to cheaper rates in the future. Google have led the way recently by proposing a reduced salary for staff taking up remote work. This might become a feature of the contract market.

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NO.	POSITION	€ DAILY RATE*
01.	Snr Java Developer	450 – 550
02.	Python Developer	500 – 600
03.	DevOps Engineer	450 – 650
04.	IT Business Analyst	400 - 550
05.	IT Project Manager	500 – 650
06.	Software Tester	300 – 400
07.	Windows Systems Administrator	250 – 350

***THE ABOVE RATES ARE CONTRACTOR RATES AND DO NOT INCLUDE AGENCY FEES.**

Brightwater has selected roles that have been the most in demand this year and those we predict will be in demand in 2022 and we are showing typical salary ranges for each role. Please note that these salaries are base salaries only and do not include bonuses or other benefits.

For further details on salaries across the Technology space (contracts), please contact Derek Smyth on + 353 1 5927861 or d.smyth@brightwater.ie