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Construction, property sectors to see retrenchments — Randstad

BY GIGI CHUA

KUALA LUMPUR: Malaysia's construction and property sectors are likely to see retrenchments in the first half of this year, said recruitment agency Randstad.

Bulk hiring activities have slowed down since May last year and companies have since focused on getting their projects approved or reapproved by the new government, the agency said in its 2019 market outlook report.

While the government's decision to prolong the duration of projects can save on operational costs in the long term, it will also cause the demand for manpower to drop, the report noted.

"Companies will not need to mass hire people to complete the project within a relatively short period of time. With the extended deadlines, companies can hire fewer people for the project, spreading the manpower cost across a longer period.

"Unfortunately, this means that retrenchments will likely take place in the first half of 2019," it said.

Some human resources teams have already started to speak with their industry counterparts on the likelihood of transitioning their workers to other companies which are in need of talent, said Randstad.

"Depending on the individual's

work experience, there is a high possibility that these candidates are able to receive job offers from other companies quickly," it said.

Turning to the information technology sector, Randstad said more opportunities are available in Malaysia within the application development space, as companies are aggressively expanding their teams to develop or improve products.

"We expect more job opportunities for Java developers [this] year to cater to the increasing activities around the development of microservice architecture, cloud deployment as well as large-scale mobile or web platforms.

"Companies looking to improve efficiencies with a leaner workforce will actively look for full-stack Javascript developers, who will be responsible for the development of back-end, front-end and mobile applications of the product or platform. As all the components are heavily linked, having full-stack developers with proficiency across all three applications will be a competitive advantage for the company.

"Professionals who have knowledge and experience in popular programming languages such as Ruby on Rails, Python and Golang will be highly sought after by application development companies and development centres," said the report.

On the manufacturing sector, which remains the largest contributor to Malaysia's gross domestic product, Randstad said there will be a mix of ups and downs.

It foresees a higher manufacturing growth in the automotive sector, as "the newly elected government is in serious discussions [for a locally-manufactured automobile] with and has received proposals from several manufacturers".

This move, said the report, will create more competition not only for imported vehicles but also automobiles produced by home-grown companies like Proton Holdings Bhd.

However, a contraction in building materials remains a concern due to the trade war tension and project evaluation following a change in government.

"The ongoing debate on global tax tariffs between China and the US has inadvertently affected Malaysia, as manufacturing companies that specialise in building materials (such as steel) have not been able to record profit due to the prolonged discussions.

"The change in the government also had a significant impact on the country's demand for building materials, as major national projects had to be re-evaluated or placed on hold until further notice," noted Randstad.