

Sourced Report

IT and Technology

Twice a year we release the Sourced Report, providing insights into the Christchurch and Auckland IT sectors to analyse unique trends and movements in the market, as well as how the two sectors compare.

Welcome to the fourteenth Sourced Report - your guide into the Christchurch and Auckland IT sectors. Little did we know earlier in 2020 how the year would go, but now that it has been six months since the first case of COVID-19 in NZ, we can provide a snapshot at how the pandemic has impacted IT employees and employers alike. This valuable context has informed all of our data this year, from trends in recruitment to unemployment levels, in-demand roles, the importance of salary and more.

KEY FACTS

- 1** The majority of IT workers (65.29% Christchurch and 57.69% Auckland) escaped the first COVID-19 lockdown without changes to their hours or pay.
- 2** Most New Zealanders in the IT sector switched to a work from home model during the first lockdown, and enjoyed the experience.
- 3** Hiring activity slowed significantly since our March report, however over 75% of employers expect to recruit new employees in the next six months.
- 4** Employers and employees rank salary differently in terms of importance, with IT workers feeling it is more important than employers do.

How has COVID-19 affected IT in NZ?

Key Findings:

- Well over half of IT workers in NZ got through the first COVID-19 lockdown without changes to their hours or pay
- Nearly 45% of respondents in both Auckland and Christchurch worked from home as a result of COVID-19, and in both cities the majority found the experience great.
- Less than 10% of Christchurch employers feel they will have to downsize as a result of COVID-19.

For many, the first COVID-19 lockdown resulted in a change to their pay and hours. However, the majority of IT workers escaped without such changes, totalling 65.29% in Christchurch and 57.69% in Auckland. In more good news, many Aucklanders (15.37%) who did suffer temporary changes returned to normal before the August lockdown, although Christchurch appears to be recovering more slowly (just 5.79%). That leaves 10.74% of respondents (Christchurch) and 11.54% (Auckland) still on reduced pay/hours, and a further 5.79% (Christchurch) and 7.69% (Auckland) who were made redundant.

ATTITUDES REGARDING JOB PROSPECTS, UNEMPLOYED PEOPLE



<input checked="" type="checkbox"/>	I feel I need to lower my salary expectations	31.25%	30.43%
<input checked="" type="checkbox"/>	I was optimistic about securing a role, but not anymore	18.75%	52.17%
<input checked="" type="checkbox"/>	I don't feel COVID-19 has changed my likelihood of securing a new role	12.50%	13.04%
<input checked="" type="checkbox"/>	I now feel more optimistic about securing a new role	6.25%	4.35%

As for employers, have organisations' plans changed? A third of Christchurch employers said yes, they actually plan to hire more staff. Beyond them, a similar number of employers (just less than 20%) intend to make no changes to their core business as a result of COVID-19, while only a minority (less than 10%) feel they must downsize.

Working from home exploded in popularity due to lockdown restrictions, and indeed most New Zealanders switched to this model - 44.63% (Christchurch) and 42.31% (Auckland). Some have even moved permanently to this type of flexible work, including 5.79% of Christchurch respondents and 9.62% in Auckland. Results are positive too, about how employees found the experience. 53.72% of Christchurch respondents said it was great, compared to 9.92% who claimed the opposite. In Auckland, 71.16% said it was great, while 5.77% said it wasn't for them.

HAS YOUR ATTITUDE TO YOUR ROLE CHANGED?

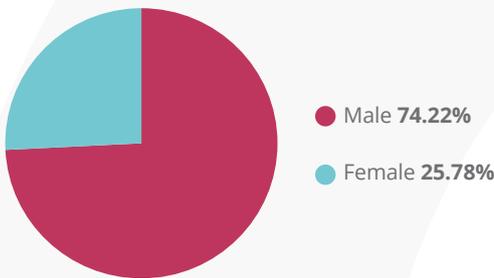
	CHRISTCHURCH	AUCKLAND
<input checked="" type="checkbox"/>	57.85%	46.15%
<input checked="" type="checkbox"/>	17.36%	26.92%
<input checked="" type="checkbox"/>	9.92%	17.31%

NZ IT Workers in Focus

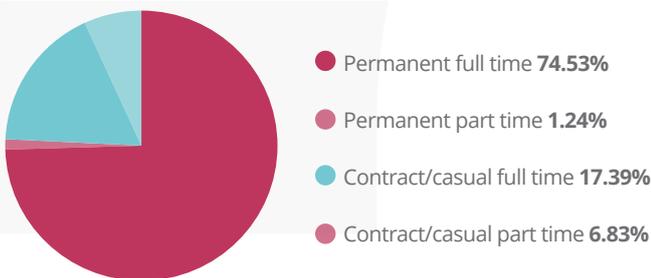
Key Findings:

1. 54.55% of unemployed IT workers have been without a job for more than four months.
2. Women feel their salary is more fair than men, and also rank salary as less important in their decision to stay at or leave a company.
3. IT workers in both Auckland and Christchurch want work/life balance in a new IT role, followed by career opportunities and a challenge.

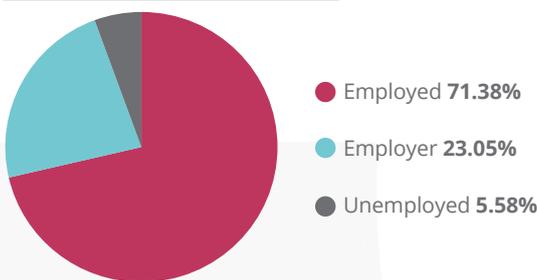
GENDER SPLIT



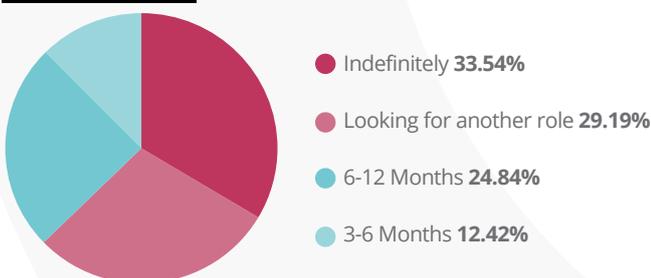
PERMANENT WORKERS VS. CONTRACTORS



UNEMPLOYMENT LEVELS



HOW LONG WORKERS INTEND TO REMAIN IN THEIR ROLE



For many, unemployment has been long and difficult. 54.55% of unemployed IT workers have been so for more than four months, followed by 18.18% who have been unemployed for one to four months. COVID-19 redundancies are a top reason for these figures, although respondents also indicated that they feel the job market is oversaturated. Visa issues are also an issue, with a large portion of respondents commenting that employers seem reluctant to hire migrant workers.

In this economy, how important is money? We asked employed respondents to rank the importance of salary in their decision to remain at a company or leave, with one being 'Very Important' and five being 'Not Important at All'. 32.64% of Christchurch IT workers - the majority - ranked it as two out of five, while Aucklanders felt it was less important - the majority (29.58%) ranking it as three out of five. Like our March report, men put more importance on pay than women, but only slightly - 2.12% more men than women in Christchurch and 10.58% more in Auckland ranked it as a one or two.

And are these salaries considered fair? Interestingly, our results have flipped since March. Previously, more men than women considered their salary fair. This time, in both cities feelings of fairness tipped towards women - 15.08% more Christchurch women than men think their pay is fair, with 25.98% more in Auckland.

So if not money, then what drives IT workers?

TOP ASPECTS OF AN IT ROLE EMPLOYEES ENJOY



Flexible hours
64.02%



Variety of work
56.71%



Team/colleagues
52.44%

TOP THINGS EMPLOYEES LOOK FOR IN AN IT ROLE



Work/life balance
83.54%



Career opportunities
67.07%



Challenges
61.59%

TOP MOST IMPORTANT ASPECTS OF WORKPLACE CULTURE



Support from management/leadership teams
81.60%



Flexible work hours
80.66%



Professional development
72.17%

TOP BENEFITS OFFERED TO IT WORKERS



Flexible work hours
68.10%



Parking space
36.20%



Professional development
33.74%

Recruitment Trends in the Changed Economy

Key Findings:

1. Hiring has slowed significantly in the last six months.
2. Despite recent slowdowns, over three-quarters of employers expect to recruit in the next six months.
3. Finding candidates who are the right 'fit' for the business (as opposed to simply meeting skills criteria) is now considered less important than it was in March.

Hiring activity has slowed dramatically in the IT space: In March, nearly 85% of recruiters said they had hired one to two IT employees in the six months prior. Now, that figure has dropped to just 35.71%. Looking at those who are hiring, it seems that recruitment has gotten more difficult. Last report, 60% of respondents indicated they had had success recruiting three or more candidates for their open roles. Now, that figure sits at 44.44%.

That said, despite the slowdown just over three-quarters (78.57%) expect to recruit again within six months. Their reasons for doing so? Replacing staff (63.64%), meeting the demands of new work/projects (36.36%), and meeting an increased demand from the customer (27.27%).

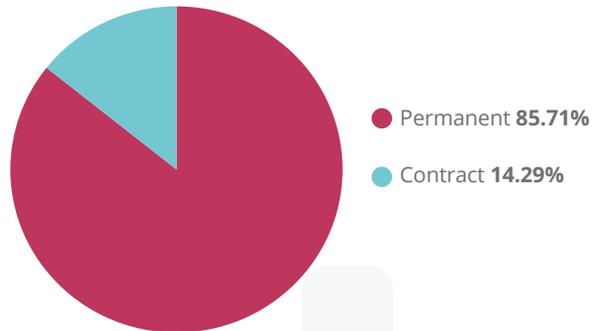
Interestingly, it appears that the uptick in hiring difficulties has resulted in a softening of the importance of a 'right fit' candidate, as opposed to hiring people who simply meet the skills criteria. We asked respondents in March and again this year to note whether they felt that finding a candidate who 'fits' was very important, important or not important. In March, an overwhelming majority of respondents (91.67%) indicated this was very important. Nobody indicated they felt it wasn't important. However, this time only 71.43% of respondents indicated it's very important, followed by 21.43% who felt it was important and 7.14% who felt it wasn't important.

Employers are also poorly aligned with their employees when it comes to the importance of salary. Compared to employees (who noted salary as a two or three out of five), the majority of employers (57.14%) felt it was a four out of five. Could a lack of alignment on the importance of salary be contributing to the current hiring difficulties? This is something we will have to look into further.

WHAT PERCENTAGE IS IT, AS A FUNCTION, IN YOUR BUSINESS?



ARE YOU HIRING PERMANENT OR CONTRACT WORKERS?



TOP ACTIVITIES THAT CONTRIBUTED TO HIRING SUCCESS



Top Most In-Demand Roles



Your Comments

HAS YOUR ATTITUDE TO YOUR ROLE CHANGED SINCE THE FIRST LOCKDOWN?

Mostly not changed, just feel a little more insecure in it than previously.

My company dealt with COVID-19 really well, and my attitude towards the company improved.

I was happy, but seeing how the company dealt with COVID-19 has left a bad taste in my mouth.

Based on the impending economic apocalypse, everyone should cling to whatever job they have.

WHAT INFLUENCE WILL SALARY HAVE ON YOUR CAREER DECISIONS IN THE NEXT FIVE YEARS?

Salary is not the most important part of a job, but it is a reward for the things that I am doing. Rewards can come in many forms.

I won't trade job satisfaction or security for compensation.

Organisations appear to be tightening - beginning with cutting perks and bonuses.

Higher salaries will be offered for specialist roles. General developer roles will have lower than normal offers given the higher supply versus demand in the current market environment.

REASONS WHY WE HAVEN'T SUCCESSFULLY FILLED OUR VACANT POSITIONS

Recruitment for one role got put on hold due to the uncertainty with COVID-19 and how that would impact our business.

Can't find the right mix of skill and personal attributes.

Lack of the required skills available.

Budget freeze during COVID-19.

Summary

Nobody expected the industry to look the same now as it did prior to the first COVID-19 lockdown. However, overall, the New Zealand IT industry held up well according to our findings. Most IT workers survived without being made redundant, and enjoyed being able to work from home.

Recruitment seems to have fared the worst. Hiring activity has slowed in the past six months, although prior to the August lockdown there was a high degree of optimism that it would begin anew in the coming six months. That said, we found that employers and employees are not aligned on the importance of salary, which may be contributing to some of the hiring difficulties - this is something to watch between now and next year.

Thank you again to everybody who participated in the survey and contributed to the important findings within this Sourced Report. Especially in the current climate, it's vital that we are all on top of trends and developments affecting the Christchurch and Auckland IT sectors. Now we look ahead to observe how NZ copes with the lingering effects of COVID-19, which we will revisit in our next Sourced Report in early 2021.

Many thanks to everyone who took the time to complete the Sourced Report.