

Sourced Report

IT and Technology



Welcome to the fifteenth Sourced Report - your guide into the Christchurch and Auckland IT sectors. It's been a year since the onset of the COVID-19 pandemic, and what a year it's been. Our September 2020 report showed that while IT was not as damaged as other industries, it still experienced a downturn. This report looks back at the ups and downs of 2020 and highlights current industry developments to determine if the sector is moving on from recent challenges, and where it might be headed in the future.

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.

KEY FACTS

- 1 Due to COVID-19, almost 40% of IT workers are no longer optimistic about finding a new role.
- 2 Most IT workers escaped the pandemic without changes to their hours or pay.
- 3 Workers in small companies are more likely to feel that their salary is unfairly low than workers in large companies.
- 4 Recruitment activity is getting back to pre-pandemic levels, and 75% of organisations intend to hire even more employees in the coming six months.

How has COVID-19 affected IT in NZ?

Key Findings:

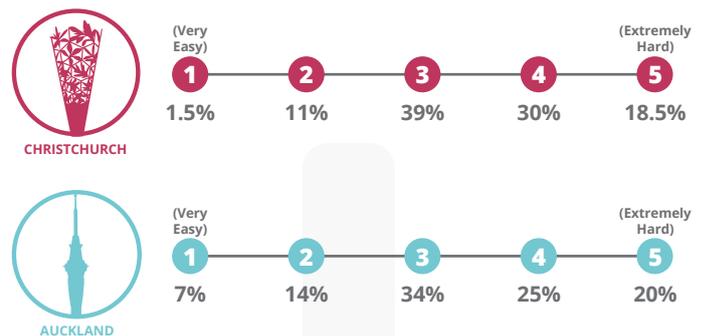
1. Over half of IT workers in both cities have continued to avoid working with reduced hours or pay.
2. 16% of Christchurch and 24% of Auckland workers became less happy in their work last year, and now desire a new job.
3. Nearly 40% of IT workers were optimistic about securing a new role before COVID-19, but aren't anymore.

Half a year since our previous report, we can see that IT workers have continued to avoid major changes to their hours or pay. Most (61% Christchurch, 53% Auckland) saw no change, and a further 14% and 22% respectively saw temporary changes that have since returned to normal. This leaves only a small number who were made redundant or who are still on reduced hours/pay.

Perhaps as a result of this stability, attitudes to work have not changed, either. Around half of the people in both cities (57% Christchurch, 48% Auckland) say their desire to stay in their role has not moved up or down. That said, 16% of Christchurch respondents and 24% of Aucklanders became less happy in their role last year and now seek a new one, compared to 7.5% and 16% who were looking previously but are now staying put. Those who work in larger organisations (100 employees or more) were more likely to desire a new role than those in smaller organisations (50 or fewer employees), by about 8 percentage points. We had few respondents in the medium business category (50 to 100 people) and therefore cannot draw reliable data from them.

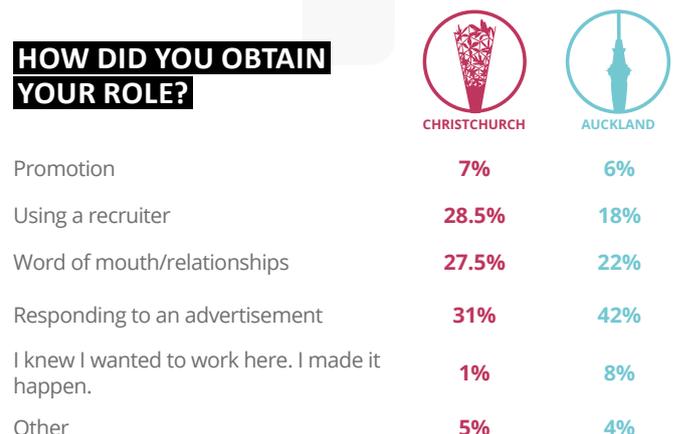
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HOW EASY IS IT TO FURTHER A CAREER IN CHRISTCHURCH VERSUS AUCKLAND?



Auckland is seen as less desirable to live and work in than Christchurch. When asked if they were looking for jobs outside of their location, 53% of those in the latter city said yes. But for Aucklanders, this rises all the way up to 79%. However, the pandemic has hit respondents' optimism about finding new work - nearly 40% of workers from both cities were previously optimistic about securing a new role, but aren't anymore. A further quarter of Christchurch workers and a fifth of Aucklanders feel they have had to lower their salary expectations in order to find work.

HOW DID YOU OBTAIN YOUR ROLE?



NZ IT Workers in Focus

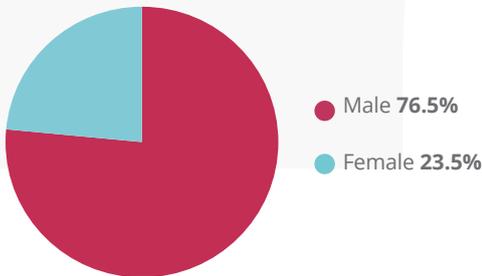
Key Findings:

1. More respondents indicated they were unemployed this year than last - rising from 5.5% of IT workers to 22%.
2. The length of time for which people have been unemployed also increased; 61% have been out of work for more than four months.
3. Workers in small companies were nearly 20 percentage points more likely to say that their salary is too low than those in large companies.

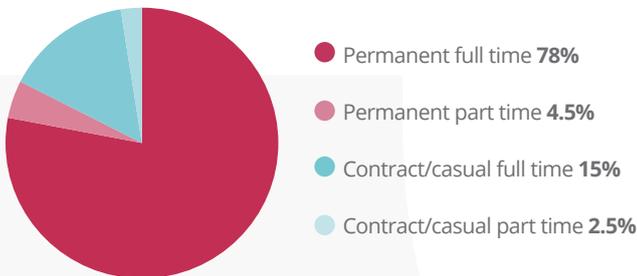
Employment has only gotten worse for some IT workers. We saw an increase in the number of people saying they are unemployed (5.5% to 22%), which could be a sign of a turbulent employment market, or simply an increase in responses generally from this category of people. Plus, those who have been unemployed for longer than four months increased from 54.5% to 61%, in addition to 14% who have been unemployed for one to four months. In Christchurch, most respondents felt their struggle was due to their being overqualified for the available roles (33%), whereas in Auckland most felt it was because they did not have enough experience (47.5%). Visa issues, an oversaturated market and perceived 'ageism' were also key trends.

Salary has gained a bit more importance since our September report,

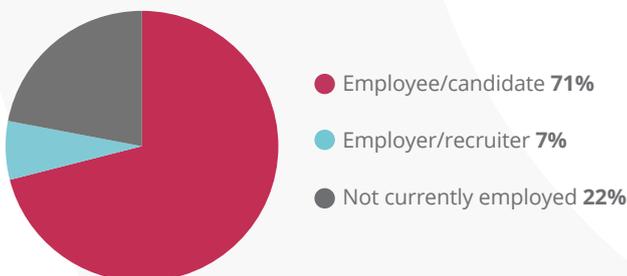
GENDER SPLIT



PERMANENT WORKERS VS. CONTRACTORS



UNEMPLOYMENT LEVELS



mostly in Auckland. We asked respondents to rank the importance of salary in their choosing to stay or leave a job on a scale of one to five, with one meaning 'Very Important' and five meaning 'Not Very Important'. Last year, 32.5% of Christchurch workers said it was two out of five, and an almost identical amount said the same this year. However in Auckland, September's majority (29.5%) said three out of five, while this report most respondents answered two out of five (29.5%). Results were similar when comparing respondents from small or large enterprises (both ranking two out of five), although those in the latter group felt more strongly.

But do these salaries meet people's expectations? While the majority of IT workers said yes, their salary is fair, those in small companies were nearly 20 percentage points more likely to say that it wasn't fair than was. 37.5% say their salary is lower than expected, compared to 23.5% of those larger organisations.

TOP ASPECTS OF AN IT ROLE EMPLOYEES ENJOY



TOP THINGS EMPLOYEES LOOK FOR IN AN IT ROLE



TOP MOST IMPORTANT ASPECTS OF WORKPLACE CULTURE



TOP BENEFITS OFFERED TO IT WORKERS



Recruitment Trends in the The New Normal

Key Findings:

1. Hiring activity is bouncing back, with most recruiters hiring one to five employees in the past six months.
2. 75% of recruiters intend to hire more staff in the coming six months.
3. Recruitment agencies coupled with external promotion contributed to the most hiring success.

As we proceed into 2021 full steam ahead, it looks like hiring activity is once again picking up. Back in March 2020, 85% of recruiters said they had hired one to two employees in the six months prior. Then in September, right after the second lockdown, that had dropped to 36%. Now, hiring activity is returning to normal - a third of recruiters hired three to five employees in the past six months while another quarter hired one to two.

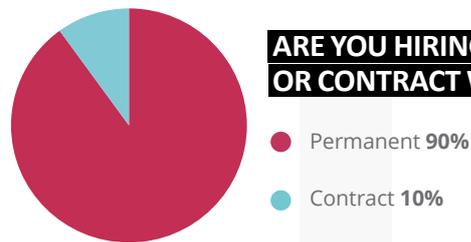
Hiring is getting easier again, too. Looking at September 2020, only 44.5% of recruiters had found success hiring three or more candidates, which itself was down from 60% the report prior. Now in March 2021, that's bumped to 73%, potentially a result of strong supply due to high unemployment levels. Even better, three quarters of respondents plan to hire even more staff in the coming six months, showing that this recruitment fervor can be expected to continue.

So where is this success coming from? Most successful recruiters (73%) are using a recruitment agency coupled with advertising and external promotion. This is followed by just over half who are using their professional networks to source right-fit candidates, and finally just over a third who are promoting people from within.

TOP ACTIVITIES THAT CONTRIBUTED TO HIRING SUCCESS



ARE YOU HIRING PERMANENT OR CONTRACT WORKERS?



Top Most In-Demand Roles



Help Desk/Support



IT Security



Management



Consultant BI/CRM



Network Engineer



Software Developer



Testing/Quality Assurance



Architect



Business Analyst



Consultant ERP/Supply

Your Comments

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

Salary is quite important as it is a big part of work/life balance. If work pays well, I don't have much to worry about outside work.

I will be looking for increases that reflect my increased experience.

Salary is one of the most important things as it is the only reason I come to work at any job.

A salary matching my experience and skills is important, but it is only one piece of the package.

WHY ARE YOU STRUGGLING TO FIND WORK RIGHT NOW?

I am not getting any interviews to demonstrate my skills.

My skills may be a bit outdated regarding product knowledge, and employers are more attracted to current knowledge rather than relationship skills.

Nobody is prepared to take on graduates. 'Entry level' jobs are going to people of an intermediate level at least.

Most employers prefer somebody who's directly recommended to them.

WHAT IS YOUR OPINION OF WORKING FROM HOME?

I love working from home, but I did find that I lacked time with employees in a personal aspect. I wanted to spend time with them.

Working from home for a couple of days a week is good but it's important to have the face-to-face communication with colleagues.

Great for lunches and family time. However, I felt that I had to work longer hours.

I don't like it but it reduces wasted commuting time.

Summary

New Zealand did not entirely escape the pandemic but fared a lot better than other nations. Our March Sourced Report reflects some of that relative stability - few IT workers saw a real change to their working lives in terms of hours and pay in both the last six months and the six months before that, and the vast majority have since gone back to normal.

The positive news out of this report is that hiring activity is bouncing back. We're almost back to pre-2020 levels and employers are expecting to continue this way for at least half a year. This could not be better timed, as increased demand may help some of those unemployed IT workers who have been out of work for over four months get back into the workplace.

Thank you again to everybody who participated in the survey and contributed to the important findings of this Sourced Report. As we look past COVID-19 to whatever is ahead, it's vital we stay on top of the trends affecting Christchurch and Auckland's IT sectors so we can properly prepare ourselves. Given the positivity we're seeing this report, we're very much looking forward to speaking with you all again come September 2021.

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