

SEPTEMBER 2019

Sourced Report



The Sourced Report has now been providing insights into the Christchurch IT sector for over five years, and in recent years we have also examined the Auckland market, analysing the unique trends and movements in the market as well as exploring how the two sectors compare.

Welcome to the twelfth Sourced Report – your insight into the Christchurch and Auckland IT sectors. The data we have collected over the course of our research allows us to provide Canterbury and Auckland technology professionals with the most up to date trends and changes occurring in your local market.

Hiring Activity

In our previous report released in March, we found that 76.47% of Christchurch employers had recruited in the six months previous – an increase of nearly 20%. Six months on, and we've seen another increase, with 90.91% of Christchurch employers hiring for at least one IT role in the last six months. While results in relation to hiring are higher than usual across the board, this trend is roughly in line with what we have established in previous reports: hiring activity picks up as the year progresses, and new projects come to the fore.

This shows that organisations are not only hiring to replace outgoing staff, but they are also recruiting to address growing requirements for work.

You can also see evidence of this uptick in the need for talent in the number of hires made, which skewed higher than usual in this report. 20% of respondents had successfully filled five or more IT roles in the last six months. However, it's not just the number of successfully filled roles that tell the story; 54.55% of respondents also stated that they were unable to fill at least one role, with 9.09% being unable to fill five or more. As a result, we've seen an uptick in organisations reporting using a recruitment agency to help engage talent, as companies look to find ways to meet their hiring requirements.

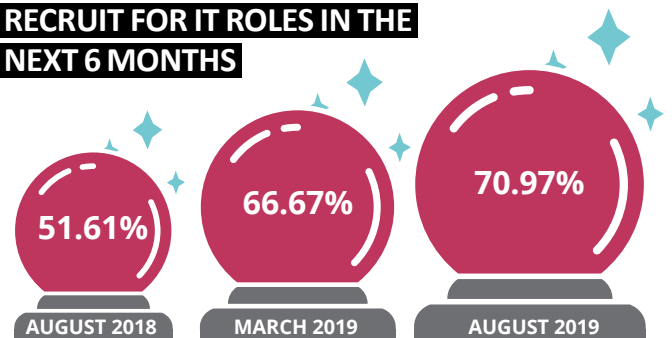
Projections for the future also remain positive, with 70.97% of Christchurch employers stating that they intend to recruit for an IT role in the next six months. This continues a positive trend over the last year-and-a-half and indicates that the demand for IT professionals in the Canterbury region is increasing. This shouldn't come at a surprise when looking at the reasons why employers are hiring; new work and projects, and replacement of staff, are tied as the top reasons.

As usual, most organisations are primarily recruiting for permanent talent, however this has dropped from 96.88% six months ago to 90% in this survey. This is likely due to the increasing volume of new

PERCENTAGE OF EMPLOYERS THAT HAVE RECRUITED FOR IT ROLES IN THE LAST 6 MONTHS



PERCENTAGE OF EMPLOYERS WHO EXPECT TO RECRUIT FOR IT ROLES IN THE NEXT 6 MONTHS



projects causing more employers to delve into the contract market. However, the fact that the vast majority are still mainly engaging permanent employees is a positive sign. It shows that employers feel the growth they are currently experiencing isn't expected to be temporary, and they are looking to accommodate it long-term.

While there was some discrepancy between employers and employees on the importance of salary, it seems that despite the seemingly more pressing need to hire this time around, the most important thing to employers is still culture fit (96.67% of respondents stated this was important, with 80% of that number citing it as very important).

Employee Priorities

With hiring showing no sign of slowing down and organisations needing to fill roles with the right people, the ball is somewhat in the employee's court.

there has been little in terms of a drastic change, the results from our most recent survey reinforce the trends we've been seeing over the last couple of years.

We examine employee priorities in all of our reports, and while

Flexibility is still king for candidates, with flexible hours being the most

IT PROFESSIONALS ENJOY THESE ASPECTS OF THEIR ROLES THE MOST:

- 1 Flexible Hours
- 2 Variety of work
- 3 Access to good technology



enjoyed aspect of their roles (beating out variety of work and access to good technology), and work/life balance was the top priority when it came to looking for a new job (ahead of challenges and career opportunities). Flexible working hours was also the most commonly received benefits for employees, with 70.62% of respondents receiving this perk.

However, while flexibility is a top priority and employees tend to be more interested in the intrinsic aspects of a role, that doesn't necessarily mean that salary isn't

important. In fact, when comparing employer and employee responses, we found that there was a discrepancy, with employees seeing salary as 16.67% more important than employers did. A further 35.50% of respondents stated that their salary was lower than their expectation. This shows that it's still important to provide potential employees with the right balance of intrinsic and extrinsic motivators for them to be happy in the workplace.

With hiring activity higher than usual, the expectation would be that average tenure length has

dropped. However, our results have stayed relatively consistent over the last six months, with just 17.57% of respondents having been in their roles for six months or less, just under 2% less than in March. Similarly, when asked how long they plan to stay in their roles, the largest proportion (39.53%) states that they plan to stay in their role indefinitely. This suggests that much of the hiring that's happening is growth, and relates more to new work/projects than the replacement of staff.



EMPLOYEES SEE SALARY AS 17% MORE IMPORTANT THAN EMPLOYERS.

Life of a Contractor

The proportion of contractors in the market sits at 20.93% in Christchurch (down from 25.87% in March) and 22.22% in Auckland (up marginally from 21.50%). This is fairly steady long term, with the number generally hovering between 20% and 25%.

This time around we thought we would take a more detailed look at the contract market. With so much talk around the gig economy and how our work-lives are going to be transformed, we wanted to examine results from contractors to see where they varied from the norm, and to find out what motivates contract talent and how they approach their careers.

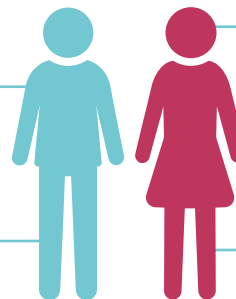
In terms of what they enjoy most in their roles, very little differs from the norm. Flexibility is still the number one priority, with variety of work and access to good technology also featuring strongly. Financial incentives is still the fourth most important aspect, but it is a more prominent response amongst contractors than it is for the overall respondent base.

When we look at what contractors look for in a role, we can see some more significant differences. Career opportunities (whilst still the third strongest response) are significantly

WHAT MAKES A CONTRACT IT PROFESSIONAL?

Salary is less important to contractors.
27.78% said it was very important, compared to 34.32% of permanent employees.

Contractors are more likely to be older, male, and work in smaller organisations.



Contractors primarily look for **challenges and work-life balance** in their roles

Contractors were also slightly **more satisfied with their salaries.**

Professional relationships, word of mouth, and working with recruiters are **how contractors most often find work.**

less important (38.75% compared to 60.99%), with contractors seeing challenges and work/life balance as twice as important.

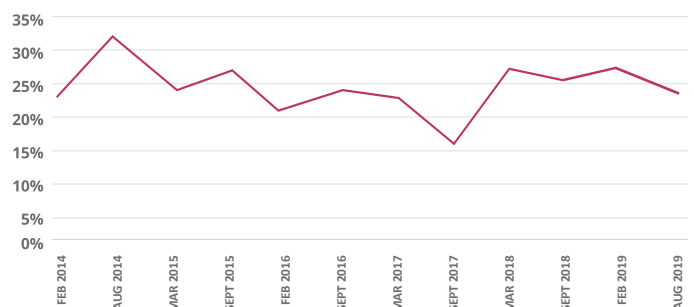
What is also interesting is that on average, salary is less important to contractors than it is to permanent employees. 27.78% of contractors said that salary was "very important", compared to 34.32% of permanent employees. Additionally, 8.33% of contractors stated that salary was "not important at all", compared to just 2.96% of permanent employees. This is potentially surprising, as the lucrative nature of contracting is often talked about as a major selling point. This result showcases that a stronger hourly rate isn't necessarily the sole thing contractors are looking for in a new role, with "variety of work" overperforming

compared to the norm. It shows that these intrinsic elements of a role are just as important, if not more so, when engaging contractors.

Contractors were also happier with their pay packets on average. 63.89% stated that their salary meets their expectation (compared

to 56.80% for normal candidates). However, they also stated that it was harder to progress a career – particularly in Christchurch. Just 5.71% of contractors stated that it was "relatively easy" to progress a career in Christchurch, compared to 13.25% of permanent employees.

PRESENCE OF CONTRACTORS IN THE IT WORKFORCE



Re-examining the Generation Gap

18 months ago, we took our first in-depth look at the difference between generations in the IT sector. In this report, we're revisiting that and taking a look at

how these trends have developed.

When examining what each generation looks for in an IT role, a number of interesting

patterns emerge. Some points are obvious – for example, the younger you are, the more important career opportunities are. Career opportunities are

the most important aspects for those 18-30-years-old, and the importance of this gradually declines as age increases. Work-life balance also becomes more

important for those in the middle (31-50-years-old), likely to do with the greater need for family time.

However, the aspect that highlights the clearest issue is the importance of being challenged in a role. As you'd expect, this starts out high – 86.89% of 18-30-year-olds selected it as important – and decreases as people settle into their careers (66.67% for 31-40-year-olds and 62.16% for 41-50-year-olds).

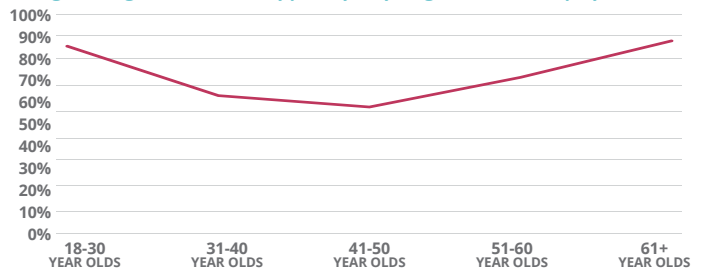
The importance of being challenged actually increases again when looking at respondents over 50. 74.19% of 51-60-year-olds and 88.89% of 61+-year-olds said challenges

were an important factor when looking for an IT role. This shows the importance of keeping older workers engaged – a factor that may fly under the radar for many organisations. If not, then these employees are unlikely to be as motivated in their roles, and employers won't be getting the most out of their valuable experience.

One thing that does increase over time is the importance of financial incentives in a role. While it never places higher than the third most important aspect for any generation, we see the proportion of respondents rating salary as "very important" increase from 11.11% at ages 18-30, to 46.15%

THE IMPORTANCE OF BEING CHALLENGED

Being challenged at work is a key priority for younger and older employees alike.



at ages 31-40, and 37.84% at ages 41-50. However, looking at salary statistics also highlights another generational concern, this time for the younger demographic. Our survey shows that 55.56% of respondents aged 18-30 are dissatisfied with their salary. This is a huge proportion of what an

organisation would consider to be their long-term employees going forward, and could present a considerable risk to retention. Opening a dialogue around this issue to address it could increase the chance that these employees stay for the foreseeable future.

Top 10 Most In-Demand Roles



Summary

Once again, we've seen the annual cycle of recruitment picking up as the year progresses, and this year we've seen that to a greater extent than ever before. With the sector seeing such significant growth, particularly in Christchurch, we're interested to see how that develops over the course of the next six months.

This report has also shone a light on some interesting outcomes around contractors and generational differences, some of which may have been unexpected. From a recruitment and management perspective, it highlights the importance of not falling prey to some of the easy assumptions that come with the different ways in which people work, or at which stage people are in their careers.

Thank you once again to everybody who participated in the survey and contributed to the Sourced Report. As always, we've been able to investigate a number of interesting trends and developments affecting the Christchurch and Auckland IT sectors. We look forward to seeing what the end of the year has in store, and revisiting the survey at the start of 2020.

Your Comments

I want to be paid fairly for what I do, but I would rather work for a company whose values I believe in that contributes to society and earn a bit less, than go for a higher salary and not be in tune with the company.

A competitive salary is an integral part of a happy and successful job contract for the next five years.

During any rebuild there is an opportunity to refresh technology and infrastructure, for Christchurch to be a leading city it needs to be a leader in tech.

For me, the most important aspect of company culture is a genuine commitment to ethics, sustainability and diversity.

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