

FEBRUARY 2019

# Sourced Report



The Sourced Report has now been providing insights into the Christchurch IT sector for 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 eleventh 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.

## The Fresh Start Effect

The start of the year is always an interesting time when it comes to job movement. With the symbolic “fresh start” that a new year brings, it’s always the preferred time for candidates to start a new role; finishing up their previous commitments before the break and entering their new workplace refreshed and motivated. We noted in our quarterly update that last year was a big year for retention in our local market of Christchurch, with organisations going out of their way to retain their best people, and this is reflected in job movement numbers having dropped towards the end of last year – 19.41% of Christchurch respondents had been in their roles for six months or less, as opposed to 26.80% in our September survey.

In Auckland however, we can see the opposite, with hiring ramping up in the latter half of the year. In our September report, 17.95% of

Auckland respondents had been in their role for six months or less – this time around, that number stood at 31.58%.

Another thing we found is that the power of a new role is not to be underestimated. There were a number of significant differences between those who had been in their roles for six months or less (“new” employees) and the rest of the respondents. Perhaps most notably, new employees were more financially satisfied than the average respondents. 51.72% of new employees stated that financial incentives were their most enjoyed aspect of their role, as opposed to 34.45% for the rest of the respondents. Similarly, 79.31% of those who had recently moved into new roles stated that their salary met their expectations, versus 57.14% of the rest of the respondents.

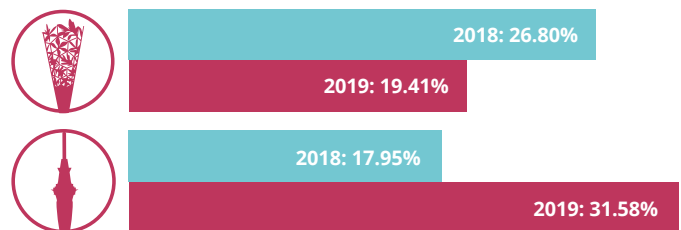
## Outlook from Employers

While retention was the key focus in the Christchurch IT market in the second half of 2018, we also saw a significant increase in the amount of recruitment – likely in preparation for the new year. Where just 57.14% of employers surveyed in September had recruited in the six months previous, that number rose to 76.47% in this survey, showing that there was a significant increase in hiring activity in the back end of the year.

This increase in activity coincided with an increase in volume, with a third of employers having recruited for four or more roles over the last six months, and 72.73% of employer stating that they had no trouble filling any of the roles they had available in that time.

The outlook for the future is similar. Just over two thirds of employers see themselves hiring for IT roles in the next six months, an increase from the last survey’s 57%. However,

## PERCENTAGE OF RESPONDENTS THAT WERE IN A ROLE FOR LESS THAN 6 MONTHS



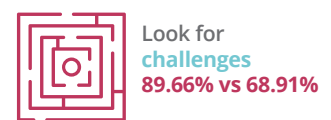
There were also some differences in motivation between the two groups. New employees valued variety of work more (75.86% vs 61.34%) and saw career opportunities as less important (55.17% vs 65.55%). They were also much more likely to be looking for a challenge in their role (89.66% vs 68.91%).

This can give some idea of the differences between the two groups. While some may see it as a lack of “loyalty”, it also ties into the wider trends we’ve seen over the past few years. Employees know what they want out of their role, and are willing to move if they don’t have

access to the aspects they value in a role. If variety of work, challenges, and finances come first, then career opportunities take a back seat, as they’re aware that in a buoyant, growing market, the opportunities will come.

It is important to note though that while those in new roles weren’t concentrated to any specific type of role or area of IT, there were a significantly higher proportion of contractors in this segment (48.28% vs 19.33% in Christchurch, 33.33% vs 19.45% in Auckland), which will have had some bearing on the results.

## THOSE IN NEW ROLES HAVE SLIGHTLY DIFFERENT PRIORITIES AND ARE MORE LIKELY TO:



## BUT LESS LIKELY TO:



this is still much more measured than previous years' results where we were regularly seeing results of 80-90%. Software Development, Business Analysis and Testing/QA were cited as the areas most likely to be hired for by employers.

As far as the reasons behind this increase in hiring, replacement of staff was the primary motivation indicated by employers, with two thirds selecting this as a driver for hiring activity. Increased demand for IT from within the business came in at a fairly distant second, cited by 38.10% of employers. Interestingly, new work and projects came in third at 28.57%, lower than one might think, given that this time of the year is often sign-off season for strategies and new projects.

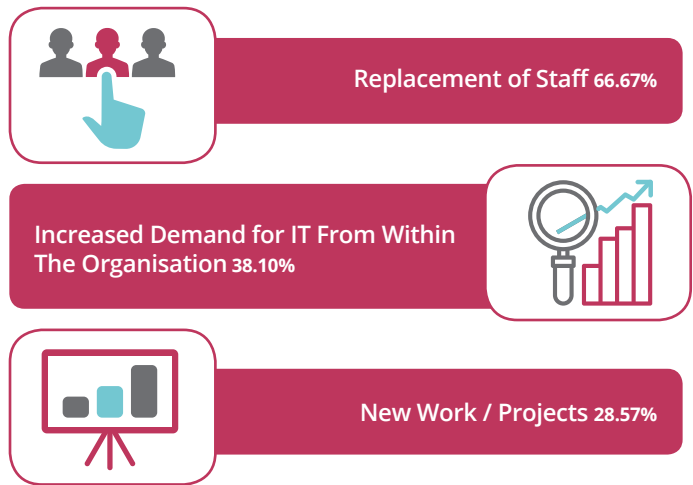


**The market was active over the last 6 months**

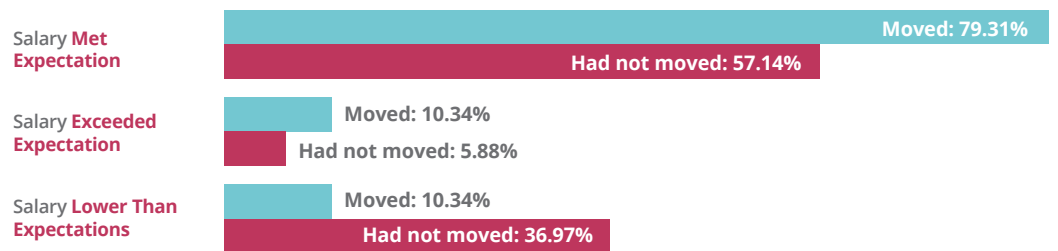
72.73% of employers had no issue filling available roles  
32% of employers hired for 4+ roles

Another interesting point that came out of our analysis of employers' responses was around the importance of salary. While just 21.88% of employers indicated that they think salary is a "very important" part of attracting and retaining staff, their perception of the importance of salary is fairly in line with that of employees. That said, 32.66% of employees stated that their salary is lower than expectation. With the results we have seen around new employees and the importance of financial incentives, it's clear that staying on top of market rates when it comes to salaries can only have a positive impact.

**TOP 3 REASONS FOR HIRING**



**RESPONDENTS WHO RECENTLY MOVED INTO A NEW ROLE WERE SIGNIFICANTLY MORE SATISFIED WITH THEIR SALARY THAN THOSE WHO HAD NOT:**



**Gender Trouble – Revisited**

In our first report of 2018, we looked at the impact of gender in the Christchurch and Auckland IT sectors. This year, we're revisiting those numbers to see if there has been any change, or if any trends have developed over the last 12 months. In this report we saw a proportion of a women respondents that was comparable to 2018, with 22.94% of Christchurch respondents being women and 17.54% in Auckland. There was also little change in priorities and the most enjoyed aspects of their roles.

One of the key issues we noted last year was the disparity between men and women receiving professional development as a benefit, and this year we've seen that turn around completely. Where in the last report, we saw just 16.81% of women stating that they receive professional development as a benefit, this year that has more than trebled, and is actually higher than men in both Christchurch and Auckland. This is also seen in the number of women not receiving benefits, which has dropped from

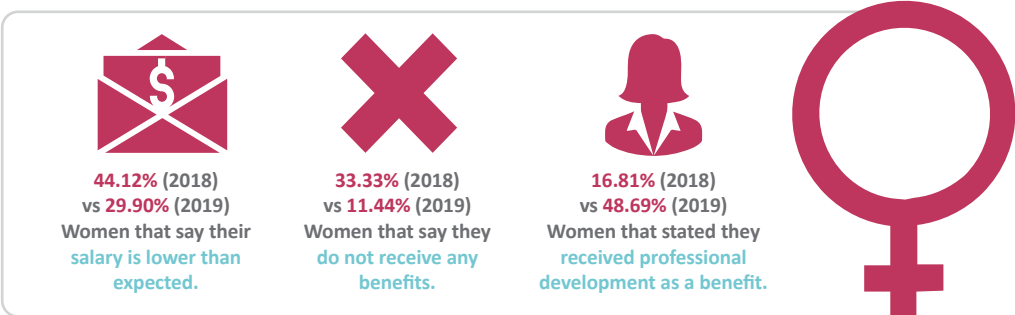
a third of all women in the sector, down to just 11.44%.

We've also seen a change in regards to salary. While as a whole, women see salary as ever so slightly less important than men, last year we saw 44.12% of women say that they felt their salary was lower than expected. This year, that number is much lower, at an average of 29.90%, including 26.47% in Christchurch, a number that is actually lower than the men's numbers.

Interestingly, some of this change

could have something to do with the uptick of women contractors that responded to this survey. 44.12% of this survey's women respondents in Christchurch said that they were contractors, along with a third of Auckland women – compared to 19.30% of men in Christchurch and 22.22% of men in Auckland. In comparison, last year, 31.42% of women in Christchurch were non-permanent employees. This may also be part of the reason that women are slightly more likely to look for work/life balance in their roles.

While we've seen some positive changes in this most recent survey, we are conscious that we have only been looking at this data for 12 months, and will continue to monitor trends in this area year-on-year and track progress.

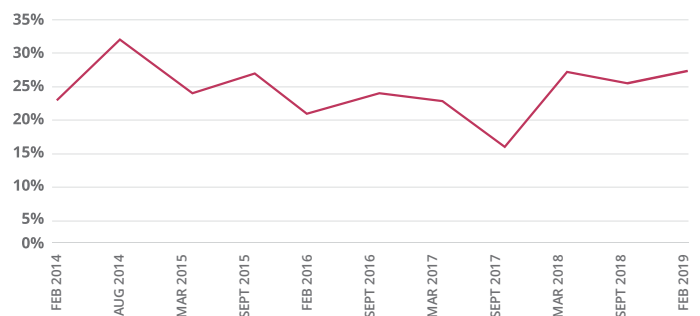


## Contractors

We also made sure to look at how the contract market is tracking. In our quarterly update we noted that contract recruitment in the local market was quieter than average last year, but saw a lift in the final quarter. Similarly in our Sourced Report results, we can see a real steadiness in the Christchurch market (27.16% to 25.87%), as well as a slight

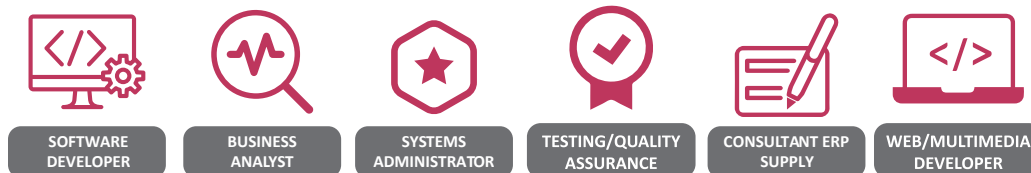
drop in Auckland (from 26.32% to 21.50%). The last 18 months have seen very little movement in the percentage of contractors in Christchurch, showing that non-permanent assignments are perhaps becoming more of a consistent option for IT professionals, with less back-and-forth between contract and permanent roles.

### PRESENCE OF CONTRACTORS IN THE IT WORKFORCE



## IN DEMAND ROLES

### AUCKLAND



### CHRISTCHURCH



## Summary

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, and we look forward to seeing what the rest of 2019 has in store.

The new year is always an interesting time when it comes to recruitment, and looking into what sets those in new roles apart from the rest of the respondents gave us a great insight into the impact that a new role can have.

It was great to see positive hiring intentions from employers both in the previous six months, and looking forward for the rest of the year. However, with those in new roles highlighting the importance of financial incentives, we're interested in how the emphasis employers place on salary will impact their attraction and retention hopes.

Finally, we saw some great steps forward in regard to gender equality in our most recent survey, and we're excited to see whether this is somewhat of a statistical anomaly or more of a long-term trend.

## Your Comments

I left my last role because I was paid less than my male counterparts, and less than market rate. I expect to be paid market rate and if my employer does not meet the market I will go elsewhere. If I discover I'm paid less than men of the same role/competence/experience I will certainly move on! I have no interest in helping organisations succeed if they are not fair to both genders.

More allowances should be provided to employed staff in profitable business so innovation can happen for those actually in a working environment to produce projects that genuinely add value to society. That is, businesses should provide time for employed staff to work on projects.

Companies need support to upskill staff especially in areas such as business development, future engineering technologies.

Very important, Christchurch is viewed as a strong technology centre and maintaining and growing that as a brand is key driver in success of the wider regional economy. Also need to foster and ensure the next generation of talent is being brought through to senior and influencing positions.

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