APRIL 2018

Sourced Report

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

Last year we also started to examine the Auckland IT sector, analysing the unique trends and movements in the market as well as exploring how it compares with Christchurch.

Welcome to the ninth 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 Intentions

In Christchurch, hiring over the last six months was significantly more subdued compared to the six months before, with just 57% of organisations taking on IT professionals since September. In Auckland, by contrast, 100% of employers that responded to the survey stated that they hired IT professionals in the same time period. This is likely due to a slight shift that we saw in the Christchurch market around Spring of last year, where the focus was more on BAU activities, with fewer larger projects in the market resulting in less job movement for IT professionals.

However, while the percentage of employers hiring in Christchurch may have gone down, a significant number of organisations filled a larger number of IT roles, with half of the employers that had hired IT professionals hiring five or more in the last six months. This hiring decrease also had an impact on the other side of the spectrum, with no employers reporting that they were able to successfully hire for every role they tried to fill – suggesting that the relative lack of movement made the talent market more competitive.

There was also a significant split in this regard between organisations for which IT professionals make up the majority of their workforce, and those which don't. This was

ORGANISATIONS THAT HAVE HIRED IN THE LAST SIX MONTHS

Christchurch - 57.14%

Auckland - 100%

especially evident in Christchurch; companies where more than 50% of the workforce was IT-focused had all recruited for ten or more IT roles, and in companies where less than 50% of the workforce was IT focused, two thirds of them hadn't recruited for any IT roles at all.

In terms of reasons for hiring, however, not much had changed. Replacement of staff and new projects remained the core reasons, but increased demand from customers, and a need for

tech upgrades (the first time this had featured as a key reason) were also listed as significant drivers for recruitment. This could point to organisations undertaking more granular, tech-specific projects, after what was at times a turbulent 2017 for businesses; which could also be linked to the increased demand for Security Specialists.
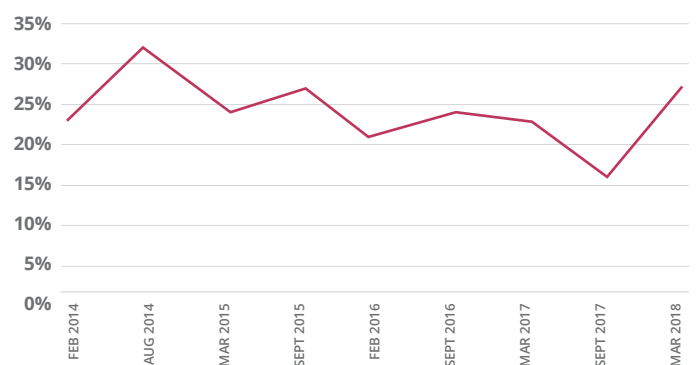
Contracting Overview

After two decreases in a row over the past 12 months, we've seen a significant increase in the number of contractors in the market this time around. 27.16% of Christchurch respondents and 26.32% of Auckland respondents stated that they were working as contractors, a big rise from around 16% just six months ago. This is one of the higher levels of contractors that we've seen in the market over the past four years, which could be a reflection of the kind of projects that organisations are currently undertaking. Technology upgrade projects, for example, require more

in the way of specialist skills and expertise.

What's also interesting is to look at the things that contractors want out of their jobs. Much like the rest of the field, the aspects of their jobs they enjoyed most were flexible hours, variety of work, and access to good technology. Surprisingly, considering the perception that contracting is a highly lucrative pursuit, financial incentives were a very clear fourth behind these three elements. In terms of attractors for new roles, work/life balance, challenges and career

PRESENCE OF CONTRACTORS IN THE IT WORKFORCE

	FEB 2014	AUG 2014	MAR 2015	SEPT 2015	FEB 2016	SEPT 2016	MAR 2017	SEPT 2017	MAR 2018
35%									
30%									
25%									
20%									
15%									
10%									
5%									
0%									

opportunities were clear leaders, again comparable to permanent employees. In essence, this shows that while they may be engaged on a different basis, contractors

are not all that different from permanent employees in terms of their motivators and the aspects of their role that keep them happy.

Generation Gaps

Another key discussion in the Tech industry, and the workforce at large, is around the differences between generations. There is a school of thought that dictates that different generations have different motivators and priorities at work, and thus they need to be treated differently in the workplace. However, once again, our data suggests that demographics aren't necessarily the key differentiator.

To examine age group differences, we broke the data down into 18-30-year-olds, 31-50-year-olds, and 51+-year-olds. Much like the other comparisons we've drawn between gender and employment-type, we found very little discrepancy between what people at different age brackets wanted out of their roles. Work/life balance, challenges, variety of work, and flexible hours all featured prominently across every age range. Most differences in the way that each generation approached their work had more to do with lifestyle changes outside of work, and the fact that age and career development are linearly correlated, rather than any specific attitude to employment.

For example, those in the 51+ age bracket placed the lowest importance on salary out of all of the generations, because they're most likely to be already well into their careers and have reached their peak in terms of earnings. Whereas the 18-30-year-olds valued career opportunities the most, as that's what they need most to progress their careers. However, our survey also highlighted a number of issues with the assumptions that are often made about the market.

There is a significant amount of discussion, especially in the IT sector, about young professionals being more willing to move and take on several different roles in a short space of time. However, according to our data, the 18-30 bracket wasn't any more likely to move jobs than either of the others. In fact, most of the numbers were fairly comparable, with the 31-50 bracket being the highest when it came to the percentage of people currently looking for a new role.

Additionally, those at the younger and older ends of the spectrum stated that it was harder to progress their careers than those in the 31-50-year-old bracket.

Another issue was highlighted when it came to salary satisfaction. Across the board, there was a fair level of discontent when it came to salary. However, the most dissatisfied group was the group to whom salary had the least importance: 51+-year-olds, 43.18% of whom stated that their salary did not reach their expectations. With the issues New Zealand faces in terms of the ageing workforce, this is a warning sign of sorts for employers, showing that experienced workers still need to be compensated fairly for their work, else they're at risk of becoming disengaged. These older employees still have a lot to offer organisations, and it's crucial that their skills and knowledge are passed on so future leaders can flourish.
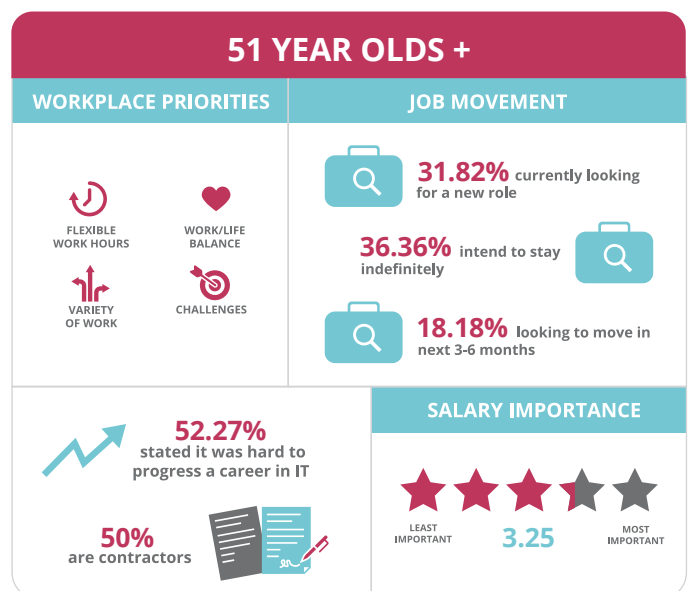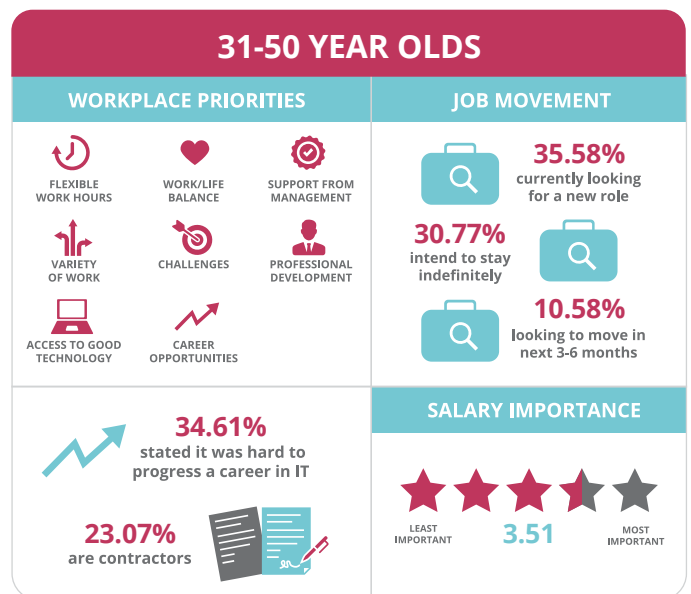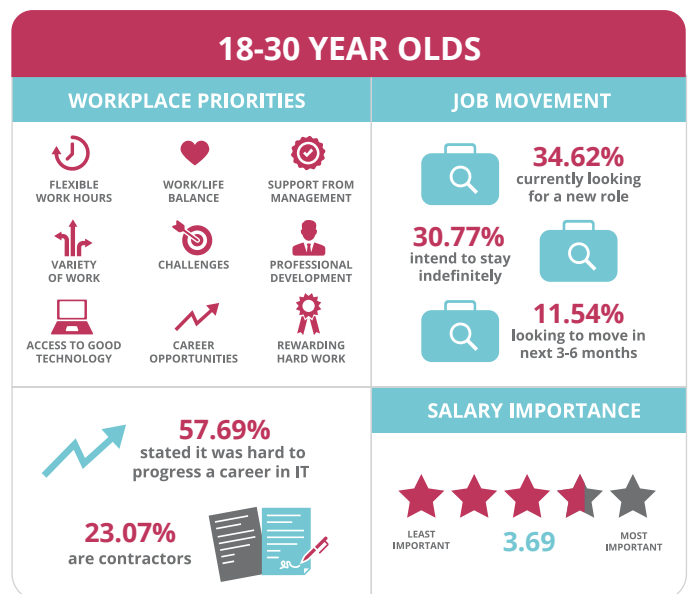
One positive sign is the prevalence of flexibility across all generations. Amongst the 31-50 bracket, 79.81% were receiving flexible working hours – compared to 68.18% of 51+year-olds and 50.46% of the 18-30-year-old group. Considering that flexibility and work-life balance are top priorities for IT professionals throughout each demographic, it's encouraging to see that employers are increasingly able to provide this.

Gender Trouble

The gender gap in the workplace is a discussion of significant national and global importance. The IT sector has come under fire in the past for having particularly inequitable outcomes for women, mainly due to the traditionally male dominated nature of the industry. So, is this a fair assessment?

In terms of pure numbers, women are clearly in the minority in the Christchurch and Auckland IT sectors, with 19.89% and 15.38% of respondents respectively identifying as female. As far as priority goes, men and women both value the same things in their role. Work-life balance, challenges, and career opportunities

A LOOK AT THE GENERATIONS

18-30 YEAR OLDS

WORKPLACE PRIORITIES
- FLEXIBLE WORK HOURS
- WORK/LIFE BALANCE
- SUPPORT FROM MANAGEMENT
- VARIETY OF WORK
- CHALLENGES
- PROFESSIONAL DEVELOPMENT
- ACCESS TO GOOD TECHNOLOGY
- CAREER OPPORTUNITIES
- REWARDING HARD WORK

JOB MOVEMENT
- **34.62%** currently looking for a new role
- **30.77%** intend to stay indefinitely
- **11.54%** looking to move in next 3-6 months

57.69% stated it was hard to progress a career in IT
23.07% are contractors

SALARY IMPORTANCE
LEAST IMPORTANT — 3.69 — MOST IMPORTANT

31-50 YEAR OLDS

WORKPLACE PRIORITIES
- FLEXIBLE WORK HOURS
- WORK/LIFE BALANCE
- SUPPORT FROM MANAGEMENT
- VARIETY OF WORK
- CHALLENGES
- PROFESSIONAL DEVELOPMENT
- ACCESS TO GOOD TECHNOLOGY
- CAREER OPPORTUNITIES

JOB MOVEMENT
- **35.58%** currently looking for a new role
- **30.77%** intend to stay indefinitely
- **10.58%** looking to move in next 3-6 months

34.61% stated it was hard to progress a career in IT
23.07% are contractors

SALARY IMPORTANCE
LEAST IMPORTANT — 3.51 — MOST IMPORTANT

51 YEAR OLDS +

WORKPLACE PRIORITIES
- FLEXIBLE WORK HOURS
- WORK/LIFE BALANCE
- VARIETY OF WORK
- CHALLENGES

JOB MOVEMENT
- **31.82%** currently looking for a new role
- **36.36%** intend to stay indefinitely
- **18.18%** looking to move in next 3-6 months

52.27% stated it was hard to progress a career in IT
50% are contractors

SALARY IMPORTANCE
LEAST IMPORTANT — 3.25 — MOST IMPORTANT

are key attractors, and flexibility, support from management, and career opportunities are the things they value most in their roles. One of the arguments often put forward is that a gender gap exists because women do not prioritise remuneration, however, the evidence in our survey goes against this assumption. When asked to rate the importance of salary on a scale of one (least important) to five (most important), women actually came out slightly higher than men, with an average of 3.69 compared to 3.46 for men.

Twice as many women as men stated that it was "extremely difficult" to progress a career in the IT industry.

However, despite this, women are less satisfied with their salary, with 44.12% saying it is lower than their expectation, as opposed to 38.13% of men. In Auckland, a third of women stated that they did not receive any benefits, as opposed to 19.70% of men. Twice as many women as men stated that it was extremely difficult to progress a career in the IT industry. Professional development is key to succeeding in this, and yet just 16.81% of women in Auckland stated that they received professional development as a benefit, compared to 34.85% of men.

A clear theme emerges from these statistics, and while progress is certainly being made when it comes to gender equality and diversity in the Technology sector, it's important to remember that there is still a long way to go. There are still inequalities to overcome, and it's only by rectifying them that we'll be able to build an industry where everyone has the opportunity to succeed.

WOMEN AND MEN WANT THE SAME THINGS

WORKPLACE PRIORITIES

| WORK/LIFE BALANCE | CHALLENGES | SUPPORT FROM MANAGEMENT | FLEXIBILITY | CAREER OPPORTUNITIES |

SALARY IMPORTANCE

LEAST IMPORTANT ★★★★★ 3.46 MOST IMPORTANT   LEAST IMPORTANT ★★★★★ 3.69 MOST IMPORTANT

44.12% of women say that their **salary is lower than expected.**

One third of women say that they **do not receive any benefits.**

16.81% of women stated they received **professional development** as a benefit

38.18% of men say that their **salary is lower than expected.**

20% of men say that they **do not receive any benefits.**

34.85% of men stated they received **professional development** as a benefit

Summary

Thank you again to everybody who has participated in the survey and contributed to the Sourced Report. It's been an interesting six months in the Christchurch and Auckland IT sectors, with a range of different market factors resulting in some unique outcomes when it came to recruitment time. We're seeing the long-term cyclical trend around contracting pick up again, as well as new variables driving hiring activity.

Our respondents have also shown us that, despite the commentary around different demographics requiring different treatment in the workplace, IT professionals are all looking to have a fairly basic set of needs met: they want to be challenged, they want to be valued, they want to be afforded flexibility, they want to be paid fairly, and they want to be supported to succeed.

This doesn't tend to change, no matter how old they are, how they're engaged, or whether they're male or female. While individual people will want individual things on a more granular level, getting the foundations right by meeting these needs is critical to retaining your best people. This isn't a movement-shy market, and if IT professionals believe that they would be happier elsewhere, they'll be open to moving on.
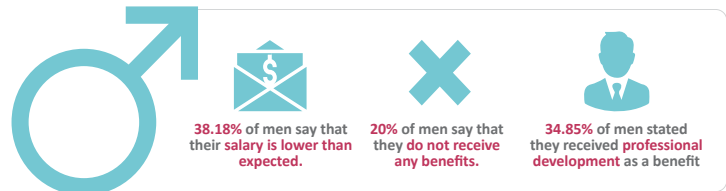
Your Comments

It often feels like employers won't hire someone without the exact experience they are looking for, while there are few opportunities to actually increase your skill set. Can't get a job without experience, can't get experience without a job.

Salary is important but what I consider to be more important is the value that I add to the company. If I work after hours and the company values that - pay accordingly.

I'm a keen participant and organiser of tech meetups. This is a vibrant source of innovation and networking, yet NZ business does not know how to value or engage with community social enterprise. Shine a light on the good work and opportunities being created and encourage 'traditional' sectors to support and become involved.

Internal development, while prevalent within most organisations, still rarely guarantees advancement without looking outside of the current organisation, which is disappointing. This makes it difficult as once settled into a company it can be hard to leave.

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

KEY ROLES IN DEMAND

| BUSINESS ANALYST | SYSTEMS ANALYST | CONSULTANT ERP SUPPLY | HELPDESK/ SUPPORT | IT SECURITY |

| SYSTEMS ADMINISTRATOR | DATA RECORD MANAGEMENT | DBA DATABASE DEVELOPER | MANAGEMENT | PROJECT MANAGER TEAM LEADER |

Sourced
We get people.