

MARCH 2016

Sourced Report

The Sourced Report has now been providing insights into the Christchurch IT sector for two and a half years.

The data we have collected over this time period allows us to provide Canterbury technology professionals with the most up to date trends and changes that are occurring in your local market.

Employer Priorities

Hiring intentions remain positive, with 71% of employers intending to recruit for an IT role in the next six months, a slight increase on the same number from September.

Companies have also reported an increase in the number of roles which have been a struggle to fill, with more employers than six months ago reporting that one or more IT vacancies have not been filled. Along with the normal challenges of finding the right skills blend, this also highlights the increased focus on cultural fit amongst employers.

Though previous surveys

have shown cultural fit as very important, this is the first time that 100% of employers have assigned the highest level of importance to hiring a candidate that fits their company culture. This shows that employer priorities are fairly in tune with those of their employees, as they both place a strong level of importance on the “softer” aspects of work.

Replacement of staff has pulled ahead as the top reason for hiring IT staff, increasing by 25% on September’s results. Though this significant increase is likely down to employees getting itchy feet over the New Year period, it reflects a long-term trend, with this metric having slowly increased over the past two years.

When hiring, employers continue to use a mixture of recruiting tools, including recruitment agencies, external advertising, professional networks and internal promotion. Most employers see salary as a fairly important factor in the hiring process, and all employers stated that permanent employees made up the majority of their placements as opposed to contractors.

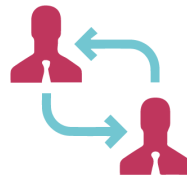


100%
of Employers
now see
cultural fit
as crucial

Welcome to the fifth Sourced Report – your insight into the Christchurch IT sector.

These six-monthly reports provide Canterbury employees and employers with an insight into the emerging trends in the Canterbury IT market.

REASONS FOR HIRING



Replacement of Staff



New Work/Projects



Increased Demand from Customers

Employee Priorities

In the last report we noted the increase in importance of more intrinsic, life-focused motivators. This trend has continued, with salary once again decreasing in importance to many IT professionals, especially after reaching a level of salary that allows for a comfortable lifestyle. Flexible hours, variety of work and access to good technology were once again the top three aspects that employees most enjoyed about their roles.

When looking for a new role, the top three factors that

people look for are strong work/life balance, a challenging work environment and strong career opportunities, also in keeping with the previous report.

With these trends in mind, we predict strong movement from permanent employees into the contract sector long term. Though contracting has not seen the growth we anticipated in the last six months, we expect that more and more employees will join the contingent workforce in the future as they look to pursue these

EMPLOYEE MOTIVATORS



Variety of Work



Flexible Hours



Access to Good Technology



intrinsic priorities, and recoup the financial benefits that come with contracting.

One significant change from the last survey is the number of employees that are looking

to move in the next three to six months decreasing by 18%. This is likely due to more employees being placed in new roles over the New Year's period and still going through their honeymoon period.



Importance of Remuneration

Although financial incentives might not be the driving factor in IT professionals' careers, salary is not irrelevant. On the contrary, there has been a slight increase in the part salary plays when employees are deciding to stay in their current role or look for a new opportunity

Comments from over half the respondents also reflected this, with most saying that the ability to provide for their family and live a comfortable lifestyle were important, but that salary was not so important beyond this. Although, naturally, pay is more important to contractors who do not receive the benefits of permanent work, the common theme amongst respondents was the desire for their salary to increase along with their skills and to be paid fairly compared to their peers.

However, interestingly, employees see pay as 10% more important in the job seeking process than employers do. This, in combination with comments from employers, suggests a disparity between employee and employer in the value of work, and a gap between where some employees position themselves on the pay scale as opposed to what exists across the industry.

Salary is 10% more important to employees than employers during the hiring process

Demographics

In regards to employment situation, 75% of employed respondents identified as full time permanent employees, whereas 15% identified as full time contractors.

Part time work across permanent and contract roles accounted for 10% of employed respondents. The number of unemployed respondents has also seen a 19% drop, reflecting the buoyancy of the current IT jobs market.

There have also been some interesting shifts in the demographics of the survey respondents. We have seen a 26% increase in women participating in the survey, which is testament to the great work organisations are doing locally to attract a greater diversity to the Canterbury technology sector.



We have also seen a rise in the number of 31-40 year old respondents to the survey, rising by 35%. This is likely due to a bubble of people making the jump from the 20-30 year old demographic.

When looked at in the long-term, this change also explains other trends, such as the importance of pay as a motivator de-

creasing as the workforce ages, with that generation starting to get married, buy houses and have families. This has also had an effect on the other end of the age scale, with the numbers of

respondents over 50 years old having dropped by 19%. This is something the industry needs to be cautious of as this trend continues to develop.

DEMOGRAPHICS OF THE CHRISTCHURCH IT MARKET



18-30
12.88% (+2.32%)



31-40
29.55% (+7.72%)



41-50
31.82% (-6.2%)



51-60
21.21% (-4.85%)

We have also seen a rise in the number of 31-40 year old respondents to the survey, rising by 35%. This is likely due to a bubble of people making the jump from the 20-30 year old demographic. When looked at in the long-term, this change also explains other trends, such as the importance of pay as a motivator de-

creasing as the workforce ages, with that generation starting to get married, buy houses and have families. This has also had an effect on the other end of the age scale, with the numbers of respondents over 50 years old having dropped by 19%. This is something the industry needs to be cautious of as this trend continues to develop,

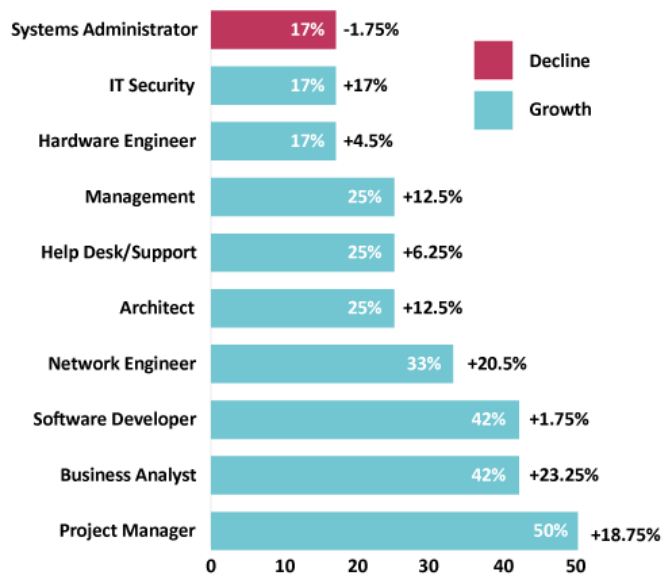
Upcoming Roles

71% of employers intend to hire for an IT role in the next six months. Overall, hiring intentions reflect the stage of project

and business life cycles, and the results overall are reminiscent of the Canterbury technology scene in 2012.

THE TOP 10 MOST SOUGHT AFTER ROLES

INCLUDE:



Looking to the Future

The IT sector is still seen as crucial to the Christchurch rebuild due to the way in which it supports other industries.

However, with many companies now moving back into the CBD (as indicated by 15% more employees now receiving parking spaces) we expect this to decrease.

Comments from employees and employers alike showed

that there is a strong consensus that viable start up companies should be supported in their endeavours by the Canterbury IT community, and also by central government.

Common suggestions included an increase in government tax benefits, financial incentives, mentoring programmes and incubators.

Other suggestions included:

IT is important for the Christchurch rebuild due to how it supports other industries

IT is key for Christchurch going forward as it adds high value products, exports and expertise to the region.

Start better mentoring and development programmes to support startups and SMEs

Increase government funding for startups

More networking events, incubators and cooperation



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