

MARCH 2017

Sourced Report

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

From this year on, we'll also be examining the Auckland IT sector, analysing the unique trends and movements in the market as well as exploring how it compares with Christchurch.

CHRISTCHURCH

Hiring Stays Strong

Nearly 90% of employers have hired for IT roles in the past 6 months, and 78% intend to continue hiring in the next 6 months – far higher than the previous two reports. The reason behind this variance has also changed from previous early-year reports. This time around, the key explanation for hiring given by employers is *new work and projects*, which ranked higher than it did this time last year, unseating *replacement of staff* as the primary reason for

hiring. Although, as expected, the proportion of people citing *new projects* as the key cause of hiring was lower than in our mid-year report, replacement of staff has dropped by over 30% compared to our March 2016 report.

This data suggests that there has been real growth in the region compared to the start of last year, with more work enabling organisations to keep hold of their best people for longer. The other side of this is that, 36% of

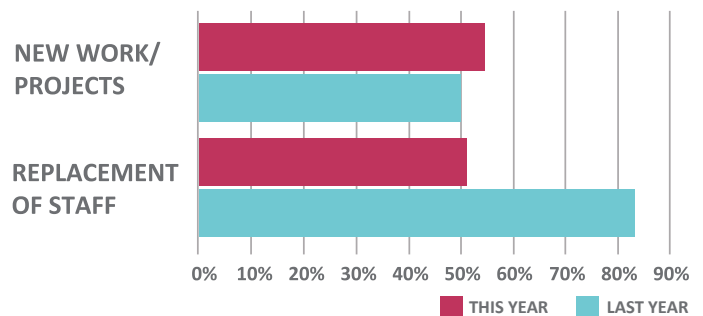


intend to continue hiring in the next 6 months

Welcome to the seventh Sourced Report – your insight into the Christchurch, and now Auckland, IT sector.

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.

KEY REASONS FOR HIRING



employers stated that they were not able to fill one or more IT roles in the last 6 months. With employees also stating they're less likely to move, this indicates that competition is increasing and people need greater incentives to switch roles. More work has potentially forced operating standards to lift to meet demands – signifying that importing talent from overseas or

drawing from the graduate talent pool isn't always the answer to supplementing the existing workforce.

On the whole, this is great news for the IT industry as it shows companies are growing and needing more people to cover the workload, rather than job movement being focused around staff replacement.

Flexibility to the Fore

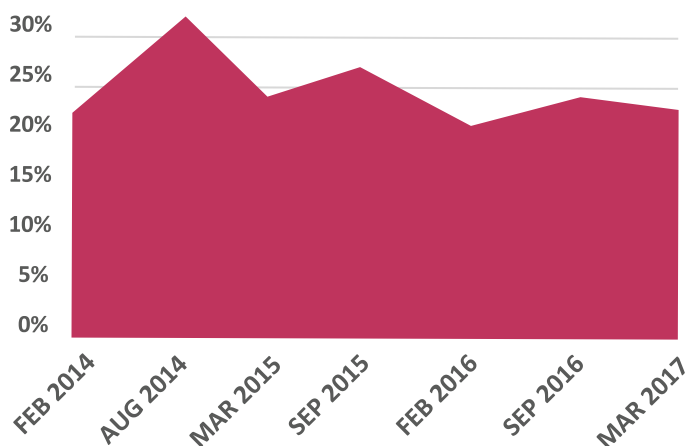
66% of Christchurch IT professionals have flexible working hours as part of their role benefits, an increase on the last survey but a similar number to what it has been previously. With flexible working imposed on Cantabrians due to the

earthquakes, flexible working hours are becoming less of a benefit, and more of an expectation. We are quickly approaching a point where it seems not offering flexible working hours may no longer be an option for employers. With

this in mind, the big question now is: what does true workplace flexibility look like? We have also seen a slight decrease in contractor numbers, as expected according to the cyclical trend we've seen in Christchurch over the past three years. The volume

of contractors is generally lower early in the year but peaks later on, as workload increases and projects continue to come online. In line with the trend we discovered in the last report, this number is continuing to normalise.

PRESENCE OF CONTRACTORS IN THE WORKFORCE

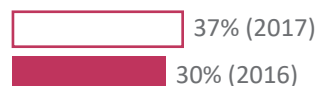


Taking a Long-Term Outlook

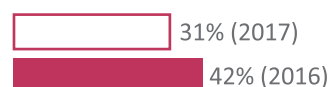
We've seen a strong rise in the number of people looking to stay in their roles indefinitely (from 30% in September to 37%). This ties into the previous point that the IT market is growing, with new work coming in and making it more attractive for people to stay in their roles long-term.

This coincides with less people being dissatisfied with their salary (down to 31% from 42%). In conjunction with the workforce statistics from earlier, this could mean that companies are accepting that they might need to pay slightly higher salaries in order to attract and retain top talent.

More people are looking to stay in their roles indefinitely



Less people are dissatisfied with their salaries



INTRODUCING AUCKLAND

Different Strokes

This is the first time that we've surveyed the Auckland market, and it's immediately obvious that it's a slightly different proposition when compared to Christchurch. This becomes clear when looking at workplace priorities and its surrounding factors. Flexibility is far less of a priority for Aucklanders, with it ranking lower as an attractor, motivator and key culture priority than it did for their Cantabrian counterparts, and 10% less of them receiving it as a benefit.

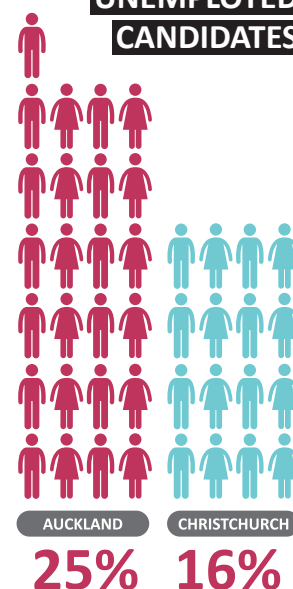
Aucklanders ranked access to good technology and variety of work as more important to their roles, and stated that career opportunities and challenges were bigger attractors for them for new roles. The average age of the sector is significantly lower in Auckland, with people aged 31-40 year making up 37% of the workforce (as opposed to 25% in Christchurch) and 24-30 being the next most common age group (23% compared to 12% in Christchurch). The other side

of this is that 25% of Auckland's candidate respondents are unemployed, significantly higher than Christchurch's 16%, suggesting that Auckland's large pool of graduates and migrants isn't necessarily the solution to the shortage many businesses are facing.

Aucklanders also, on average, see salary as slightly more important in their decision to stay in their role, and are less satisfied with their remuneration. 39% of Auckland respondents stated that their current salary did not meet their expectations, as opposed to 31% of Cantabrians. This, in combination with the data regarding workplace priorities, suggests that Auckland candidates have different motivations - more centred

around career opportunities - likely stemming from Auckland having a larger job market made up of younger professionals.

UNEMPLOYED CANDIDATES



ATTITUDE TOWARDS FLEXIBILITY

	PROPORTION RECEIVING FLEXIBILITY AS A BENEFIT	CULTURAL IMPORTANCE OF FLEXIBILITY
Christchurch	66%	76%
Auckland	56%	73%

EMPLOYEE PRIORITIES

WORKPLACE PRIORITIES	Christchurch: 65% VARIETY OF WORK	Christchurch: 66% FLEXIBLE WORK HOURS	Christchurch: 50% ACCESS TO GOOD TECHNOLOGY
	Auckland: 61%	Auckland: 53%	Auckland: 62%
KEY ATTRACTORS TO A ROLE	Christchurch: 78% CHALLENGES	Christchurch: 60% CAREER OPPORTUNITIES	Christchurch: 78% WORK/LIFE BALANCE
	Auckland: 73%	Auckland: 74%	Auckland: 72%
KEY CULTURE PRIORITIES	Christchurch: 78% SUPPORT FROM MANAGEMENT	Christchurch: 76% FLEXIBLE WORK HOURS	Christchurch: 64% PROFESSIONAL DEVELOPMENT
	Auckland: 74%	Auckland: 73%	Auckland: 75%



45% of Auckland respondents stated their organisation had less than 50 employees.

Small Business Hub

Although there has been growth in SME numbers in Christchurch over the past year, SME presence in Auckland is exceptionally strong. 45% of Auckland respondents stated that their organisation has less than 50 employees, nearly double than what was reported in Christchurch. Naturally, with Auckland having a larger market, this results in more organisations competing for market share – and thus more

small businesses. Although this can stimulate growth, the higher competition also brings a higher chance of failure along with it, so there is likely more startup churn too. However, with the reach and exposure of EPIC and the solid ground work of CDC, we've been seeing that the number of small businesses in Christchurch are continuing to grow, and we expect to see the results of this in future surveys.

Your Feedback

We'd like to thank everyone who participated in 2017's first Sourced Report. It's always enlightening to see your responses, and also your opinions and comments, a few of which we have included below. Key areas of commentary were around the role of education in driving the IT industry, as well as the impact of flexibility and the remote workforce.

CHRISTCHURCH

There are a lot of people who have worked tirelessly, and yet the norm seems to bring in someone from outside the group to fill a role rather than giving an existing resource the opportunity to take up the challenge and grow.

Christchurch business needs a second wind. The IT market lost all sorts of pressure on the back of the Kaikoura quake sequence. Christchurch needs to step up and stand on its own and start leading sales activity for the country.

In-Demand Roles

CHRISTCHURCH



AUCKLAND



AUCKLAND

Salary is pretty key to life at the moment, any opportunity to make some more money really has to be taken. Often it is easier to get a pay rise by changing roles than it is to stay in your current role.

Some companies pay terribly and expect excellence while others pay extremely well but hire underperforming staff. It's a very mixed bag.

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