**SEPTEMBER 2016**

# Sourced Report

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

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

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

## Organisational Shift

There has been a significant shift in the make-up of the Christchurch IT sector over the past six months. This shift has been driven by a number of long-term trends, as well as some recent changes in the market. One of the most prominent changes over the last six months has been the growing numbers of startups and SMEs within the Canterbury market, with the proportion of companies consisting of 1-5 people nearly doubling. We are also seeing a greater proportion of companies with 6-15 (22.7% increase) and 16-50 people (11.3% increase) within the market. This is great news and shows that business confidence is still on the up in Canterbury, with initiatives like Enterprise Precinct and Innovation Campus (EPIC) and the Canterbury Tech Cluster (CTC) stimulating the growth of startups and small businesses within the region.

We have also seen a change in the IT-centrism of companies in the market, with a far lower proportion of employers than ever before stating that IT is the primary focus of their organisation. Most employers surveyed indicated that IT accounts for just 1-5% of their organisation, which shows how the IT sector is starting to expand and diversify. With many large organisations moving back into Christchurch recently, we're starting to see the impact their in-house tech teams are having on the make-up of the market. While this might read as though IT in Christchurch is becoming more diluted, in reality this is further good news. The presence of larger companies will strengthen the market, and with the aforementioned increase in startups we're seeing an evolving Christchurch IT sector with a hugely diverse range of opportunities on offer.

## SME GROWTH IN THE CHRISTCHURCH IT MARKET



| Enterprise | SMEs |
|---|---|
| -13.2% | +32.6% |
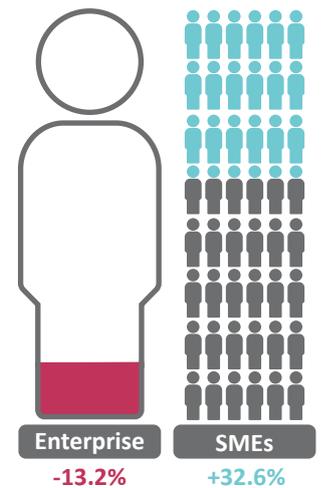
## TECHNOLOGY IS EVERYWHERE

### Size of the IT Function in Respondents' Organisation

| 1-30% of the organisation | 31-50% of the organisation |
|---|---|
| 54.17% | 12.50% |

| 51-75% of the organisation | 75+% of the organisation |
|---|---|
| 12.50% | 20.83% |
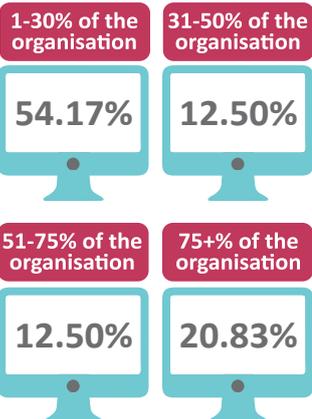
## A Younger Market

The average Christchurch IT professional is becoming younger. Similar to our last report, we have seen another strong increase in the 31-40 year-old demographic, which has coincided with a notable decrease in the 41-50 and 51+ bracket. With the 24-30 demographic at its highest level since February 2014, more than half of Christchurch IT professionals are now under the age of 40. Previously, the 40+ year-old demographic has made up around 60% of respondents, with nearly 68% of respondents identifying as 40+ this time last year. As IT is traditionally a fairly young industry, this is a positive sign, showing that more young talent is now coming into the Christchurch IT market – whether they are coming through locally or moving into the market from outside of Canterbury.

## CANTERBURY IT MARKET: AGE DEMOGRAPHICS

| 18-30 | 31-40 | 41-50 | 51-60 | 61 + |
|---|---|---|---|---|
| 17.57% ▲4.7% | 31.91% ▲7.9% | 27.89% ▼14.1% | 18.84% ▼12.6% | 3.77% ▼0.78% |
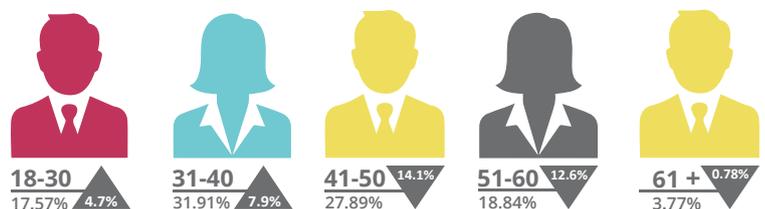
## Freedom of Movement

Previously our report has shown that hiring intentions are cyclical, reflecting the various stages of project and business lifecycles. That trend has continued in this report, with hiring intentions slightly down on March, as they were last year. However, although this is usually a relatively good predictor of hiring behaviour, there was some disparity between hiring intentions in March and the hiring behaviour in the six

months since. In our previous survey, only 29.41% of respondents stated that they were not intending to recruit for an IT role in the next six months. However, of the employers surveyed for this report, only 14.89% stated that they had not recruited any IT roles in the past six months; only half of the number six months previous.

This same flexibility is seen in job movement amongst employees. One trend that we have noted long-term, throughout all of the surveys we have conducted, is that actual job movement is always higher than intended job movement. Though this might not be the most surprising trend long-term, in this past set of results we've seen the second largest disparity thus far between those who intended to move jobs and those who

actually did. In March, only 7.64% of IT professionals stated that it was their intention to change jobs in the next six months, yet our September results show that 26.88% of those surveyed have been in their roles for 0-6 months.

### INTENTION TO MOVE VS. MOVED

**Intended to move jobs within 6 months**

**Moved in the next 6 months**

| | Feb 2014 | | Aug 2014 | | Mar 2015 | | Sept 2015 | | Mar 2016 | | Sept 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Intended to move jobs within 6 months | | 11.43% | | 11.68% | | 9.41% | | 9.33% | | 7.64% | | |
| Moved in the next 6 months | | 19.49% | | 21.09% | | 30.28% | | 17.42% | | 26.88% | | |
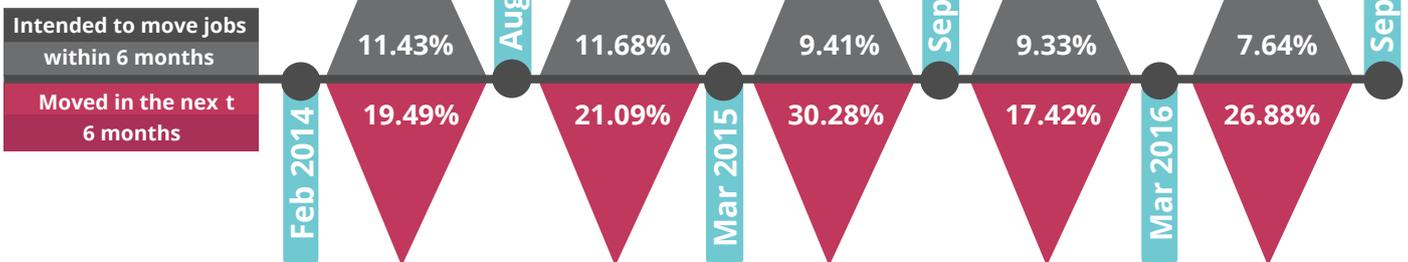
## Happiness the Key to Hiring Success

This willingness to move (and willingness to hire) shows that the Canterbury IT market is becoming increasingly competitive, which means more opportunities for talent in the region. The drivers of this movement are varied, and mostly related to the continuing influx of new businesses and organisations back into Christchurch and the different stages of projects throughout the year; as evidenced by employers citing new work and

projects coming online as their top reason for recruitment. However, there is also something to be said for employees' job satisfaction having an impact. Employees' key motivators have not changed since the previous survey, with a challenging, supportive and varied work environment remaining the biggest priorities for IT professionals.

Salary satisfaction is another significant part of the equation. One long-term trend that we have noted across the various surveys we have conducted is that salary expectations also seem to be cyclical. Over the past four surveys, we've seen salary expectations amongst Christchurch IT professionals go up and come down again at very similar levels. Although the shift in expectation is small, the change is strikingly regular between each report. Interestingly, when asked

about the importance of salary on a scale of 1 (very important) to 5 (not important at all), responses from job seekers have consistently averaged out at around 2.3. This further shows the willingness of Christchurch IT talent to move if their needs aren't being met by their current employer.

### EMPLOYEE PRIORITIES

| | | | |
|---|---|---|---|
| **Most enjoyed aspect of role** | 60.18% Variety of work | 58.05% Flexible work hours | 55.40% Access to good technology |
| **Key attractors to a role** | 69.38% Challenges | 69.03% Career opportunities | 66.90% Work/life balance |
| **Most important aspect of culture** | 78.64% Support from management team | 71.66% Flexible work hours | 70.06% Professional development |

### PERCENTAGE OF PEOPLE WHOSE SALARY DOESN'T MEET EXPECTATIONS

| Mar 2015 | Sep 2015 | Mar 2016 | Sep 2016 |
|---|---|---|---|
| 36% | 41% | 36% | 42% |

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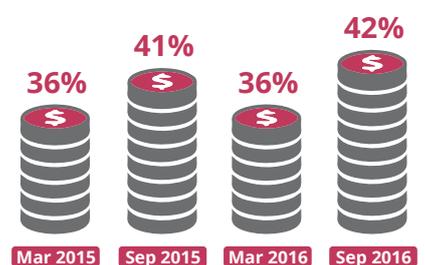
# Contractors

We have seen a slight increase in the representation of contractors in the market, up to 18.89% from 15.29% in February. This is comparable to the 20% of respondents who identified as contractors this time last year. Long term trends demonstrate that contractor percentages tend to shift slightly seasonally; from 22% in February 2014 to 32% in August, from 25% in March 2015 to 28% that August, and from 22% in February 2016 to 25% now. As these statistics show, this cyclical trend is starting to normalise. This shows that the market for IT contractors in Christchurch is becoming more stable, with less change in demand throughout the year.

## CONTRACTOR PRESENCE IN THE WORKPLACE
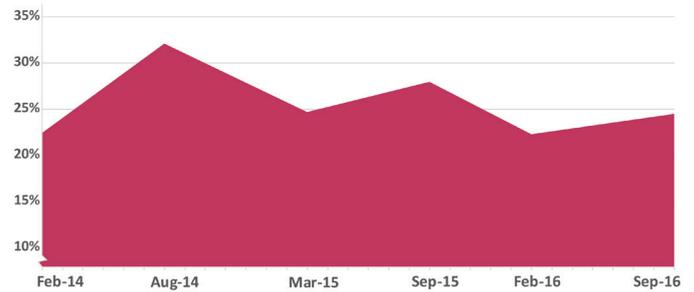


# Looking Forward

The importance of the IT sector to Christchurch was reinforced by both employers and employees. Comments left by both parties indicated that most feel IT is essential to growth in the region. Making Canterbury a leading innovation hub in New Zealand was the focus of many responses. Naturally, SMEs and startups will be a crucial part of this growth. When it comes to helping smaller companies thrive, many referred to the work that organisations such as EPIC and the CTC were doing as critical. Further financial aid, better engagement between businesses and tertiary institutions and deeper investment into local projects were cited as key initiatives to be undertaken to develop the market. Lastly, we would like to thank everyone for their taking part in the Sourced Report. This most recent survey received the highest volume of responses ever, and by some distance. It's great to see so many sharing their thoughts and getting involved with the community.

# Your Feedback

The IT sector is of critical importance to Christchurch. Over-reliance on one sector (e.g. dairy) brings large risks of boom-bust cycles.

EPIC & CDC are already doing a good job. But, if you go by statistics, how many of the startups or small SMEs have made a mark in the Global space or even in the Australasian space? More needs to be done.

Christchurch's IT sector should provide training and boot-camps in order for employees to be updated with the current trends.

We have a very good lifestyle here in Christchurch and therefore people want to live here. Having a vibrant, innovative IT sector not only attracts talent (to the benefit of us all) but retains talent within Christchurch. The sector is in need of some maturing and this will have facilitate it.

Looking at IT as a whole in the city and looking to bring together and integrate each business into a forward-thinking, Christchurch-centric model.

Christchurch and IT must go hand in hand. This is the moment to implement all new technology in buildings and city infrastructure for a wonderful future smart city today!

# Upcoming Roles

With 70.59% of organisations looking to recruit IT roles in the coming six months, the most in demand roles are as follows:

| Role | Demand | Change |
|------|--------|--------|
| Project Manager/Team Leader | 30% | -20% |
| Business Analyst | 26% | -16% |
| Software Developer | 26% | -16% |
| Testing/Quality Assurance | 22% | +14% |
| Web/Multimedia Designer | 22% | +22% |
| Help Desk/Support | 15% | -10% |
| Management | 11% | -14% |
| Web/Multimedia Developer | 7% | -10% |
| Architect | 7% | -18% |
| Consultant CI/CRM | 7% | 7% |
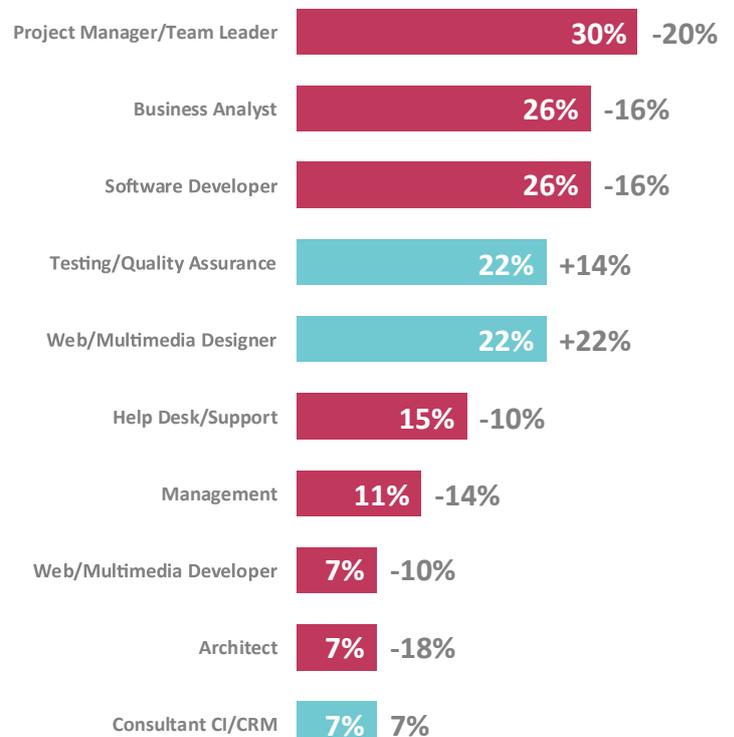
**Many thanks to everyone who took the time to complete the Sourced Report.**