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IT Job Market Report

May 2021

A NOTE ON THIS REPORT

Last year we published this report as we emerged from our first nationwide lockdown, at a time where uncertainty was our daily reality. As we publish this year, we are looking ahead to a remarkably buoyant yet uniquely challenging job market. The overarching trend we see is a candidate and skill short market, with more organisations than ever investing in growing their IT capability, alongside transformation projects, and innovation.

At the time of writing, New Zealand's borders remain closed, which creates both challenges and the opportunity to leverage and develop the breadth of IT professionals that already reside in New Zealand. The demand for skilled IT professionals is high, and we predict this need will be sustained for the foreseeable future. The primary challenges are how we attract, engage, and retain talent in the market. Career development is a key trend and focus, with many organisations prioritising investment in their employees to upskill and retain them.

Within Government organisations, recent influences such as potential pay increase freezes and a focus on increased transparency of contractor resourcing versus permanent hiring, means that there will be another layer of pressure to be innovative and thoughtful about how they can retain existing talent and foster internal career progression. Those who have chosen (or prefer) a career that focuses on contracting will likely continue to work on projects on a contractual basis, however we expect to see the continuation of a shift away from contracting toward fixed term and permanent employment.

It is clear that our tech industry leaders will continue to invest in innovation and digital transformation that supports organisational resilience and growth. Continued change and ambiguity is our new reality, however the technology sector is proving time and time again that it will continue to prosper despite local and global challenges. We are excited to see how New Zealand businesses will grow and evolve over the year ahead.

We hope you enjoy reading this report, and welcome any questions, feedback or discussion about the topics and trends we have covered.

Steve and Sarah,
Absolute IT Regional Managers

STEVE COTTON
REGIONAL MANAGER - AUCKLAND, WAIKATO, BOP & TARANAKI

Steve has over 20 years' experience in the recruitment industry. As Auckland Regional Manager, Steve is passionate about the team, their clients, and the role we play in New Zealand's thriving and exciting tech industry.
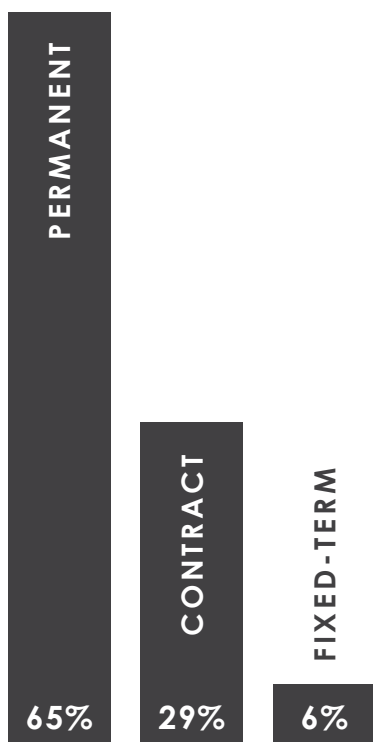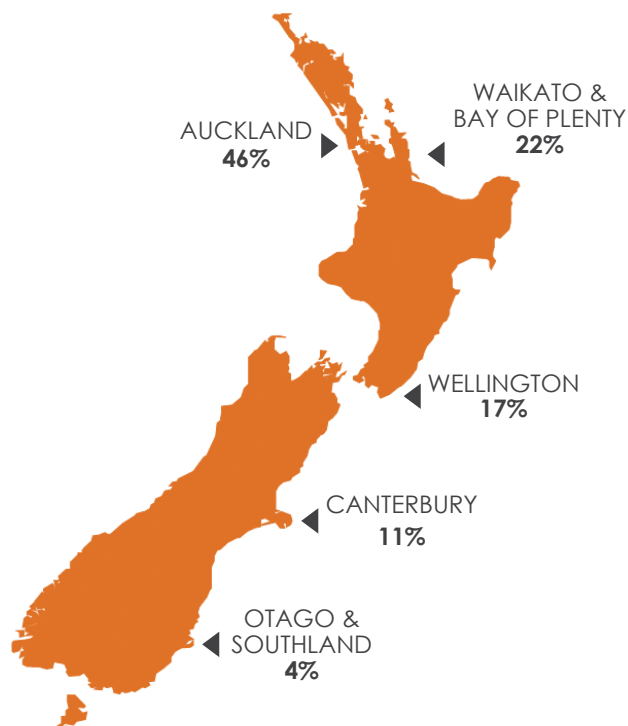
SARAH BILLS
REGIONAL MANAGER - WELLINGTON & SOUTH ISLAND
Sarah joined Absolute IT to manage the service delivery for the All of Government recruitment contract, before moving into the role of Wellington Regional Manager. Sarah has over 22 years' experience working in the Wellington ICT consultancy and recruitment industry.
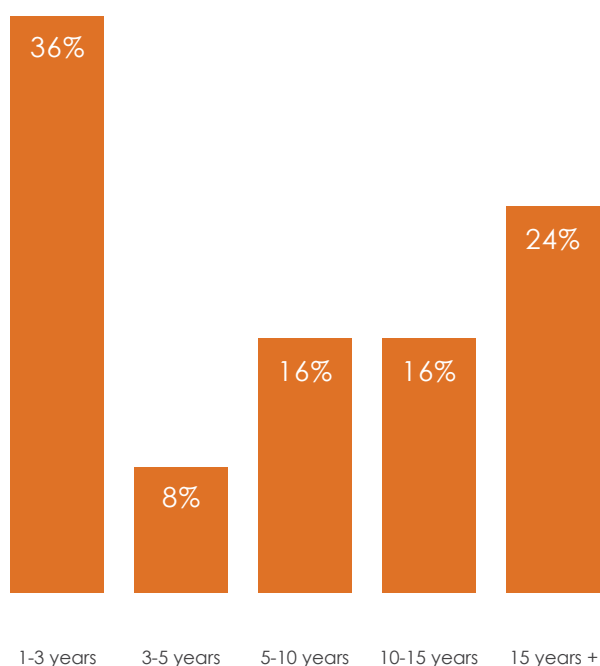
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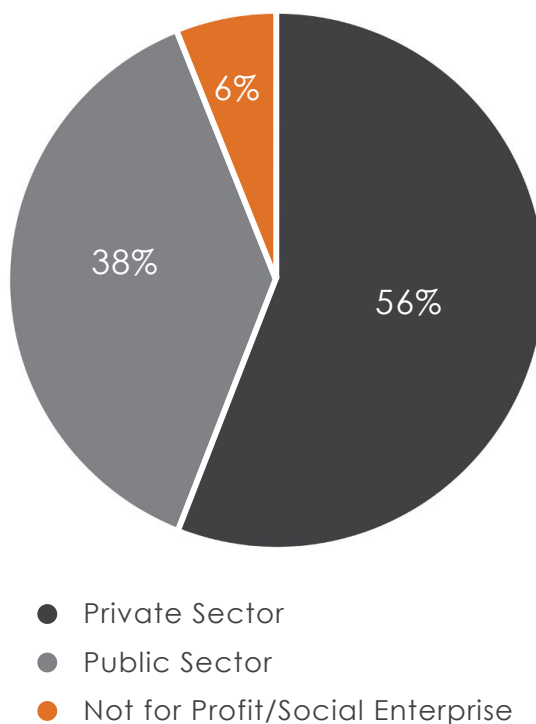
IT PROFESSIONALS
RESPONDENT OVERVIEW

TYPE OF EMPLOYMENT

PERMANENT
CONTRACT
FIXED-TERM

65% **29%** **6%**

PRIMARY WORK LOCATION

AUCKLAND
46%

WAIKATO &
BAY OF PLENTY
22%

WELLINGTON
17%

CANTERBURY
11%

OTAGO &
SOUTHLAND
4%

YEARS OF EXPERIENCE

36%
8%
16%
16%
24%

1-3 years 3-5 years 5-10 years 10-15 years 15 years +

SECTOR

6%
38%
56%

- Private Sector
- Public Sector
- Not for Profit/Social Enterprise

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IT PROFESSIONALS
CHANGING JOBS

TOP FIVE REASONS FOR CHANGING JOBS

CAREER DEVELOPMENT

27%

IMPROVED INCOME

16%

PROJECT COMING TO AN END

13%

TIME FOR A CHANGE

10%

MOVING TO ANOTHER CITY

10%

SKILLS NOT BEING UTILISED

8%

In the last year (2020) **35%** of IT professionals surveyed changed jobs; topping the list of reasons was career development. It is commonly perceived that IT professionals prioritise remuneration over other motivators for considering new opportunities however our recent results would indicate that career development is just as, if not more important, for many.

Interestingly, whilst career development is the top reason for considering a new role, the main reason for accepting a job offer was an increase in remuneration. The preference for career development above all else aligns with the nature of technology; constant evolution which drives users and adopters to evolve along with it.

Conversely, the primary detractors from workplace satisfaction were recorded as poor management style by **39%** of respondents and a lack of career progression by **19%** of respondents.

IT professionals want to develop their career and skills and earn more while doing it.

90% of IT professionals who do not consider their workplace to be a good place to work are considering a move to a new job this year.

47% of IT professionals who consider their workplace to be a good place to work are considering a move to a new job this year.

51% of IT professionals are considering a move to a new workplace in 2021, a **13%** decrease from 2020.

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PRIMARY DECIDING FACTOR WHEN
ACCEPTING A NEW JOB OFFER

BETTER SALARY

26%

CHALLENGING WORK

18%

TRAINING AND DEVELOPMENT

16%

FLEXIBLE WORKING OPTIONS

14%

BETTER WORKPACE CULTURE

11%

CAREER DEVELOPMENT AS A BENEFIT

Due to COVID-19 highly qualified and uniquely skilled candidates are in short supply in New Zealand. Typically, we see highly skilled tech candidates emigrating to the country as well as international students studying and graduating from IT courses and entering the local employment market.

From early 2020 until the time of writing this report that influx of new tech talent has not occurred, which has heavily contributed to a candidate short market that we find ourselves in presently.

Now, more than ever, a robust benefits offering is essential for attracting and retaining talent. The most valued non-financial benefit by our respondents is career development. Initiatives such as formal or informal training, one-on-one career guidance, or secondments allow employees with potential to identify and develop skills that are required by the organisation, both now and for the future.

The facilitation of career development can be clearly linked to increases in productivity, decreases in employee turnover, and an overall increase to an employee's loyalty to a company. This is of particular importance in the tech sector where highly skilled employees are crucial for business success.

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TOP FOUR MOST VALUED NON-FINANCIAL BENEFITS

CAREER DEVELOPMENT OPPORTUNITIES

FLEXIBLE WORKING OPTIONS

REMOTE WORKING

ADDITIONAL ANNUAL LEAVE

PRIMARY DECIDING FACTOR WHEN ACCEPTING A JOB OFFER BY GENERATION

	Challenging Work	Improved Income	Flexible Working Options	Training and Development	Better Workplace Culture
Generation Z	18%	26%	12%	21%	12%
Millennial	17%	28%	16%	16%	8%
Generation X	16%	30%	11%	15%	11%
Baby Boomer	30%	5%	20%	5%	20%
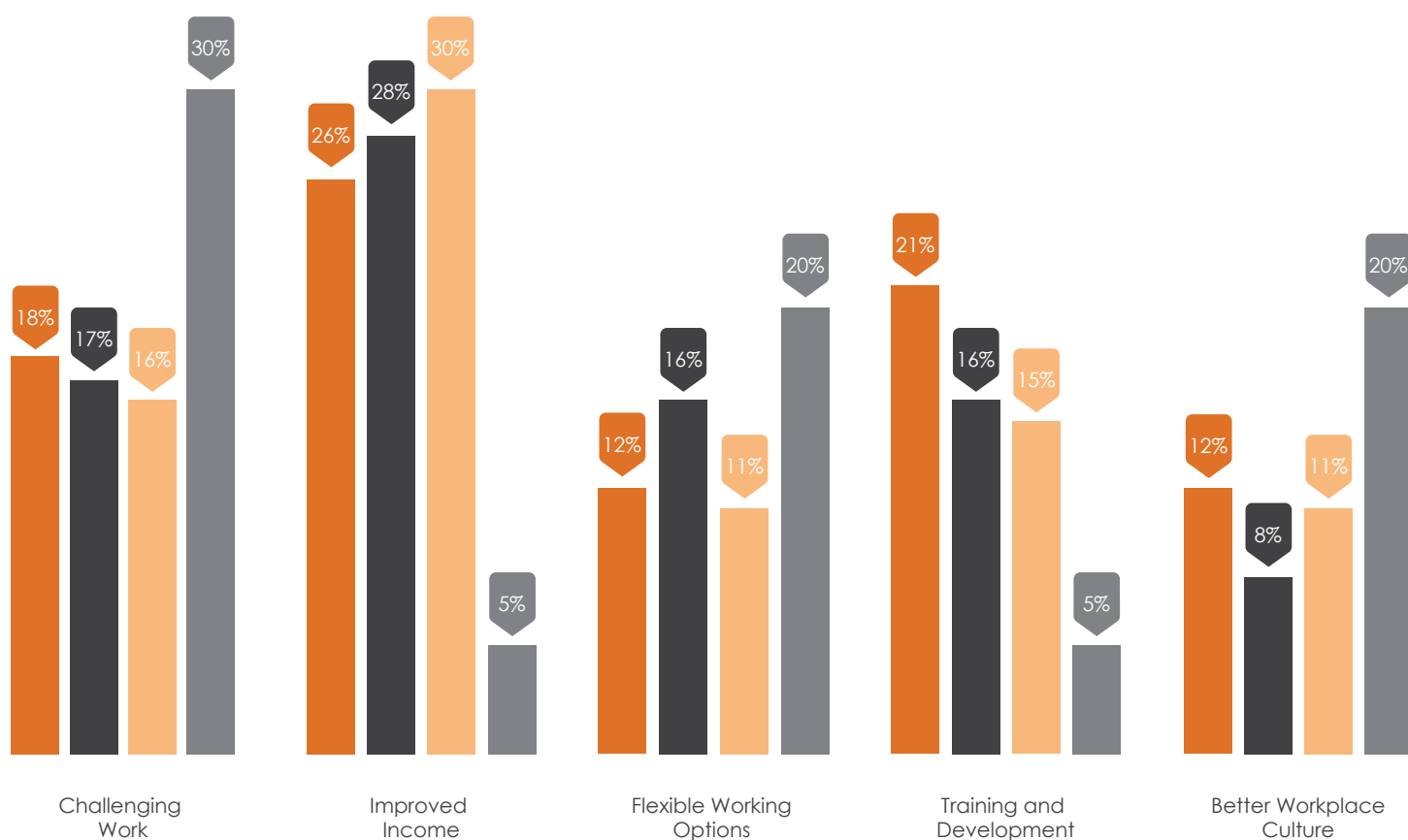
Generations defined as:

Generation Z: those born between 1996-2012

Millennial: those born between 1980-1995

Generation X: those born between 1965-1979
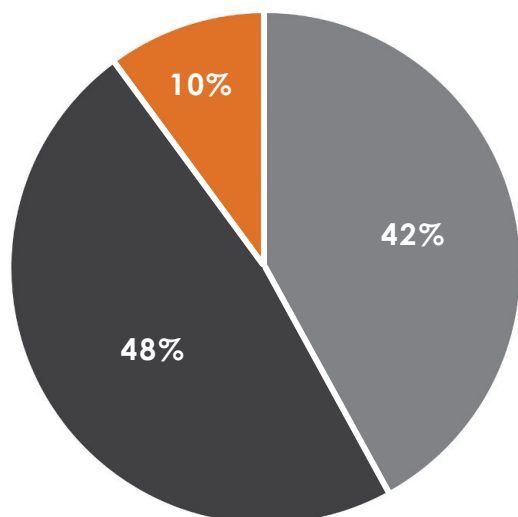
Baby Boomer: those born between 1944-1964

- ● Generation Z
- ● Millennial
- ● Generation X
- ● Baby Boomer

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IT PROFESSIONALS
WORK-LIFE BALANCE

NATIONALLY
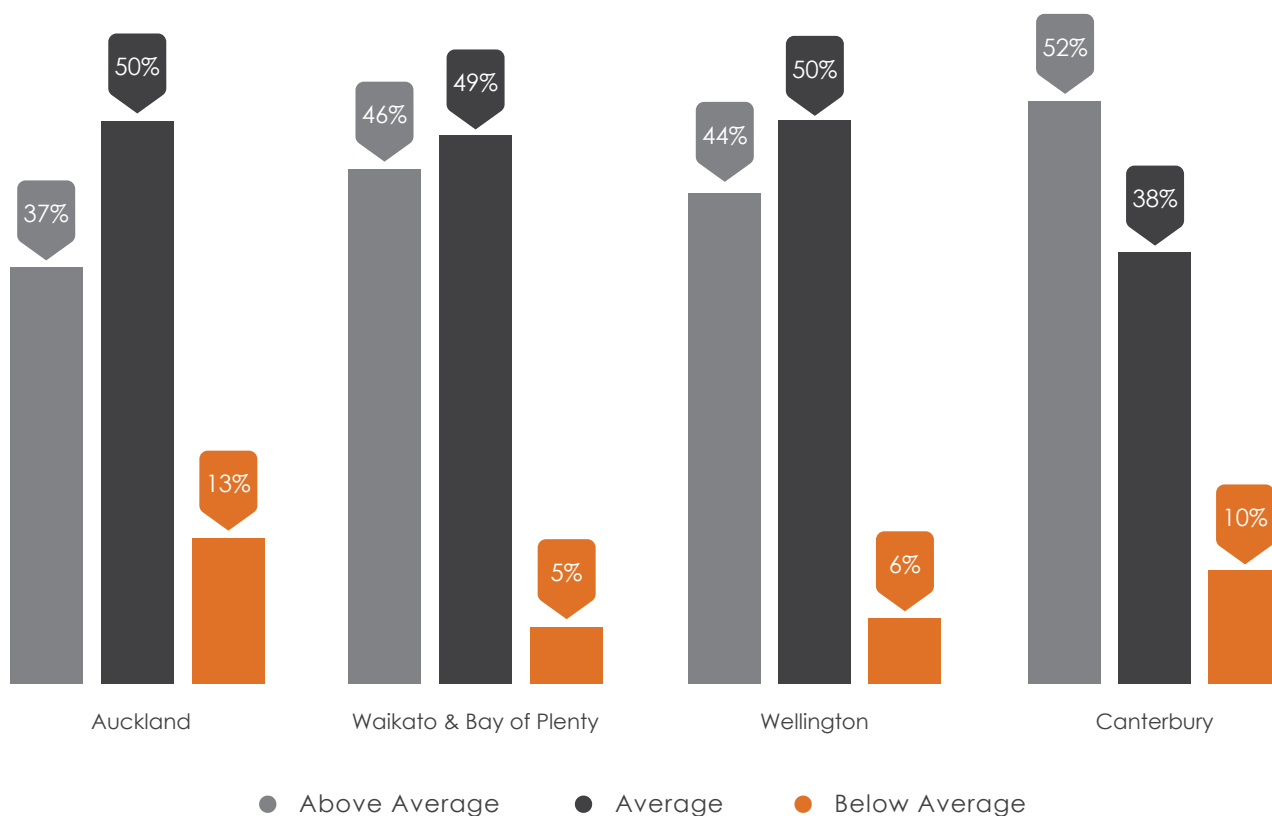

Work-Life Balance Ratings
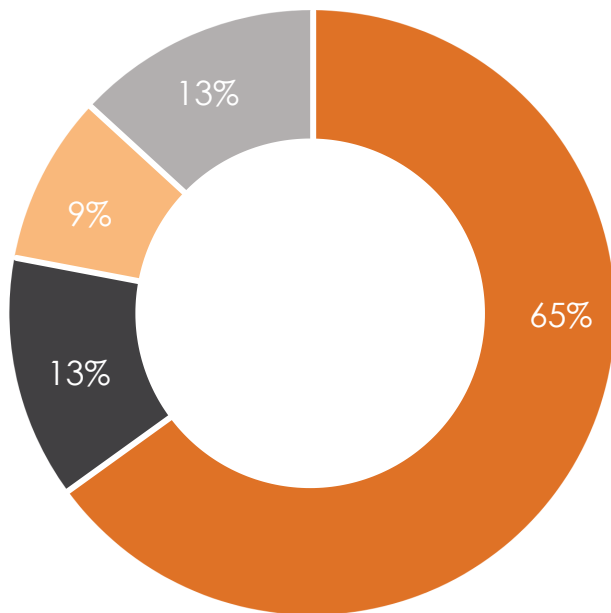
- Above Average
- Average
- Below Average

Across the board, IT professionals tend to be satisfied with their work-life balance.

Since 2018 we have seen a **3%** increase in IT professionals reporting a poor work-life balance and a **2%** decrease in those reporting an average or above average work-life balance.

Overall the satisfaction with work-life balance has stayed relatively consistent in the past three years.

BY REGION

	Above Average	Average	Below Average
Auckland	37%	50%	13%
Waikato & Bay of Plenty	46%	49%	5%
Wellington	44%	50%	6%
Canterbury	52%	38%	10%

- Above Average
- Average
- Below Average

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IT PROFESSIONALS
FLEXIBLE WORKING

Not including enforced lockdowns, we found that the vast majority of IT professionals have the option to work flexibly and remotely.

One notable difference is that Waikato, Bay of Plenty and Canterbury all offer more flexibility of working hours when compared to the Auckland and Wellington regions.

Flexible Working Capabilities

- Flexible Hours & Remote Working
- Flexible Hours Only
- Remote Access Only
- None

13% **65%** **13%** **9%**

## THE ROLE OF REMOTE WORK IN WORK-LIFE BALANCE

COVID-19 brought about an unprecedented and large-scale work-from-home 'experiment' which has led to some organisations reimagining how work is done and what role physical offices should have in the future. In the pre-pandemic era, offices were the status quo and seen as crucial for employee productivity, engendering a cohesive workplace culture, and an asset when competing for talent.

By the end of the year **66%** percent of all IT professionals reported they worked remotely, either full time or as an option in 2020 (during and after the lockdowns).

We found that despite the disruption of 2020, there was little change in IT professionals' overall **48%** satisfaction with their work-life balance. stated that their work-life balance was average and **42%** stated that it was above average, which is only a **1%** decrease from the previous year.

Based on our data we see that most IT employers have embraced remote working as an element of their employee care strategy, with **56%** percent offering remote working (separate to enforced lockdowns). This is a **10%** increase from 2020. A further **8%** of employers plan to implement remote working this year.

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IT PROFESSIONALS
WORKPLACE SATISFACTION

TOP CONTRIBUTORS AND DETRACTORS TO WORKPLACE SATISFACTION

● Contributors to Workplace Satisfaction	● Detractors from Workplace Satisfaction
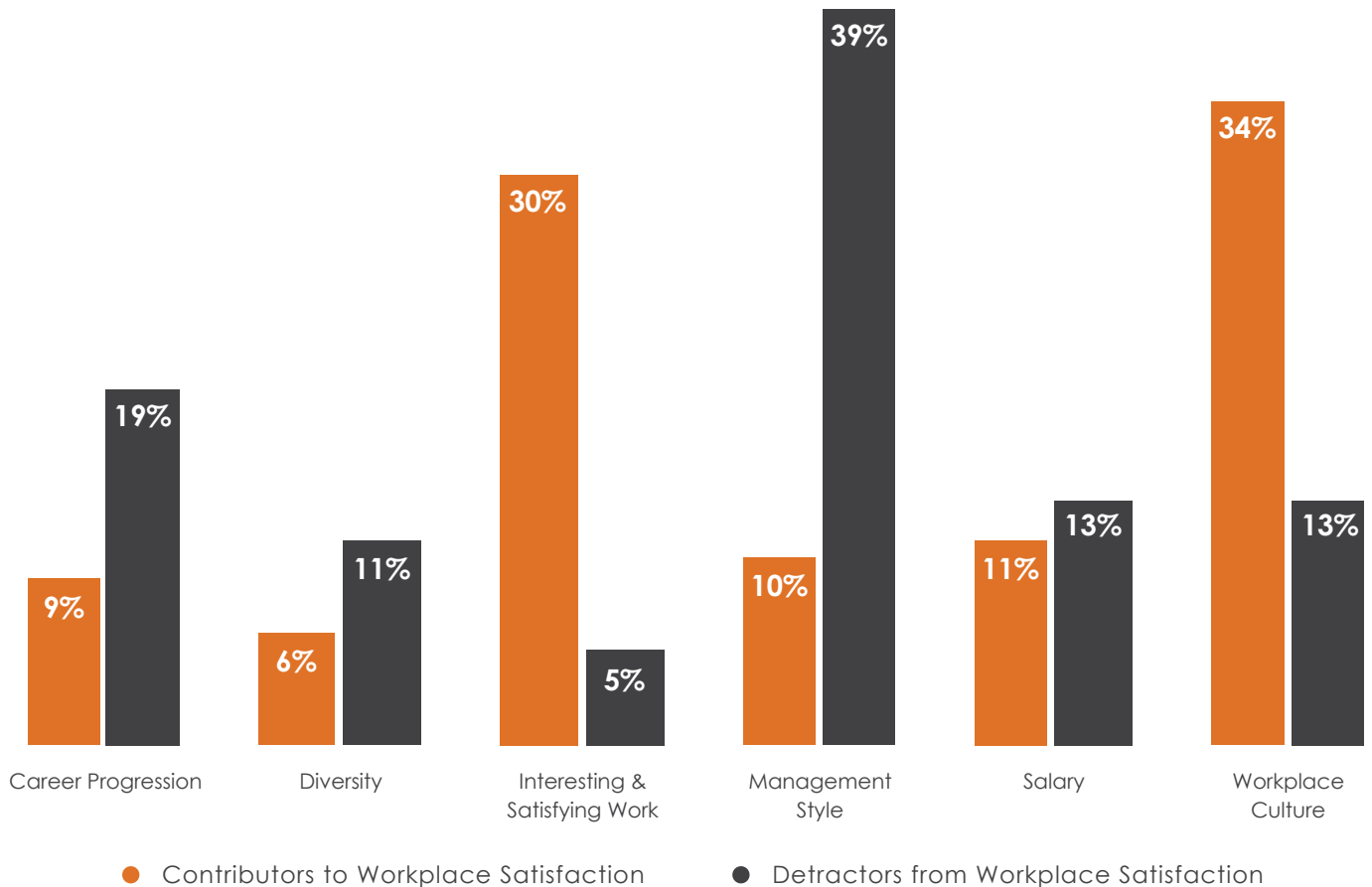
89% of IT professionals consider their workplace to be a good place to work; a **3%** increase from 2020. Despite this, **47%** of the same respondents will consider pursuing a new job this year. Creating and maintaining a positive workplace culture, alongside ensuring interesting and satisfying work, are vital as dissatisfied IT professionals will not hesitate to seek out new employment.

90% of IT professionals who do not perceive their workplace to be a good place to work have stated that they are likely to pursue a new job in 2021. This is a major concern for IT employers, as attracting and retaining staff is one of the primary business challenges they face. We have seen from our survey respondents that IT professionals are not willing to stay in what they do not perceive to be a good working environment, particularly if they have poor management and limited opportunities for career progression.

WORKPLACE SATISFACTION AND GENDER

Top contributor to workplace satisfaction:

Women: Interesting and satisfying work
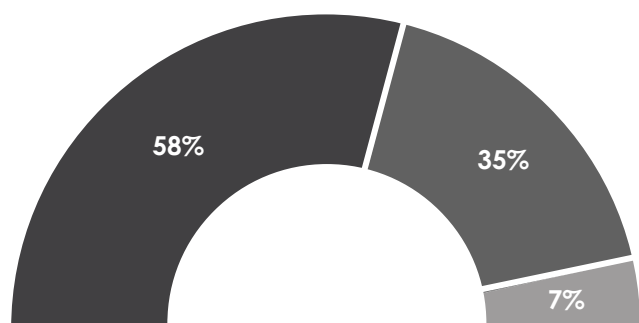**Men:** Workplace culture
Non-binary: Diversity

Top detractor workplace satisfaction:

Women: Management style
Men: Management style
Non-binary: Management style

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IT EMPLOYERS
RESPONDENT OVERVIEW

SECTOR

- 58% Private Sector
- 35% Public Sector
- 7% Not for profit / Social Enterprise

PRIMARY WORK LOCATION

AUCKLAND
47%

WAIKATO &
BAY OF PLENTY
14%

WELLINGTON
30%

CANTERBURY
9%
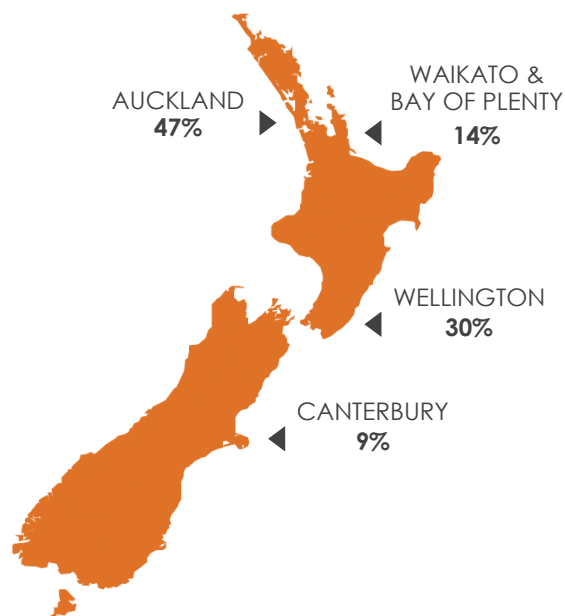
PERCENTAGE OF ORGANISATIONS WITH CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

60% YES   **40%** NO

23% of organisations are internationally owned, whereas **77%** are locally owned

COMPANY SIZE

1-10 STAFF
11%

11-50 STAFF
20%

51-100 STAFF
13%

101-150 STAFF
7%

151+ STAFF
49%

TYPES OF CORPORATE SOCIAL RESPONSIBILITY INITIATIVES INCLUDE

- **34%** Environmental initiatives
- **24%** Charitable giving
- **2%** Grants and sponsorships
- **26%** Volunteering
- **14%** Social procurement

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IT EMPLOYERS
REMOTE WORKERS

56%

8%

- IT employers that offer remote working for their staff

- IT employers who do not currently offer remote working but plan to offer it in 2021, primarily to attract IT talent from across New Zealand

The top three reasons why employers are currently offering remote working:

45% Adapt to changes in business operations due to COVID-19

29% Retain IT staff who want to work remotely

14% Attract IT talent from across New Zealand
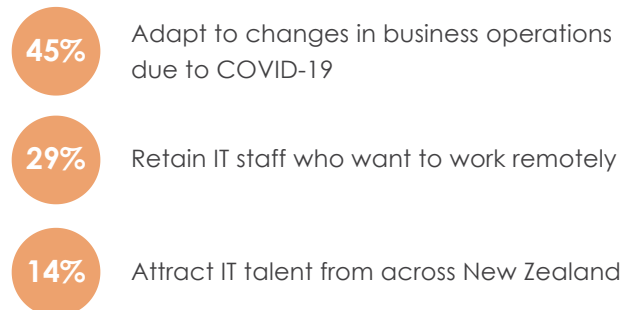
BENEFITS OF OFFERING REMOTE WORK

51%

27%

19%

- Happy, motivated workers

- Not limited to talent in a specific location

- Safety and wellbeing of staff

DISADVANTAGES OF REMOTE WORK

59%

37%

4%

- Loss of personal connection

- Impact on team dynamics

- Setting up remote systems and processes
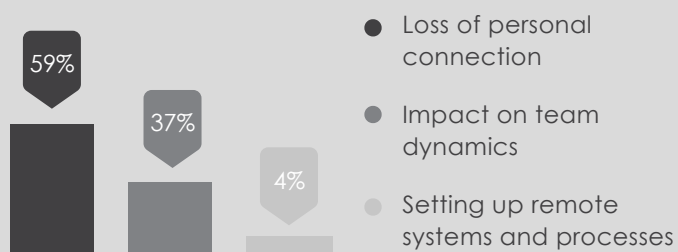
WHAT DOES REMOTE WORKING LOOK LIKE TO NEW ZEALAND EMPLOYERS
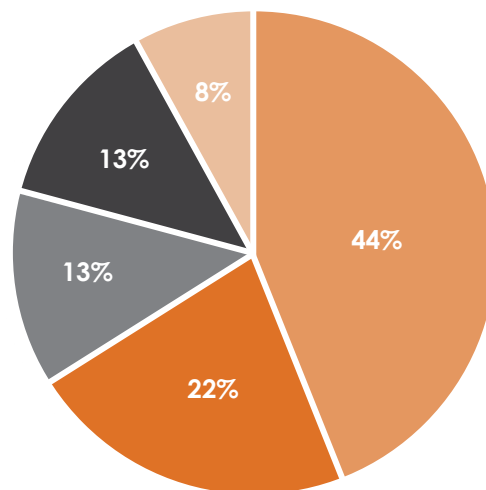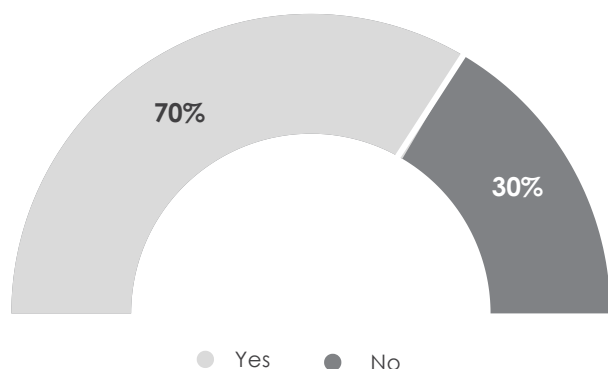
4%

14%

82%
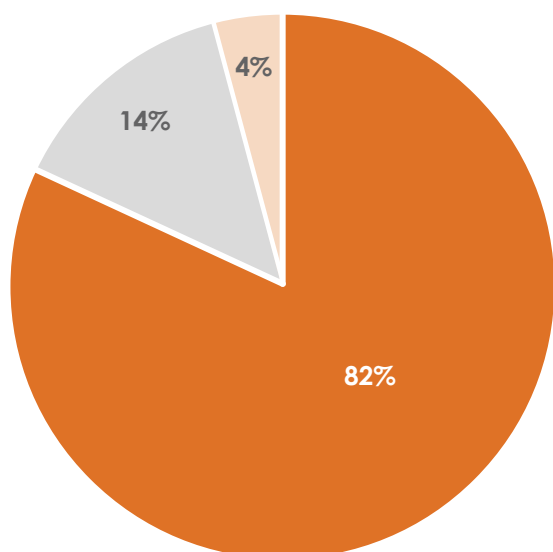
- Mix of working remotely and coming into the office

- All work and meetings are done remotely

- Mix of working remotely and a satellite office / shared office space

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IT EMPLOYERS
HIRING TRENDS 2021

RECRUITMENT PLANS

New projects are the primary driver for the need to recruit tech talent in 2021, followed by replacement of staff and an increase in demand of IT by the business.

50% of employers are planning to recruit contractors in 2021, with some of the reasons stated being:

PLANNING TO RECRUIT PERMANENT IT TALENT IN 2021

70%

30%

● Yes ● No

44%

22%

13%

13%

8%

● Opex vs. Capex spend
● For project work
● Skill availability
● For more business flexibility due to the impact of COVID-19
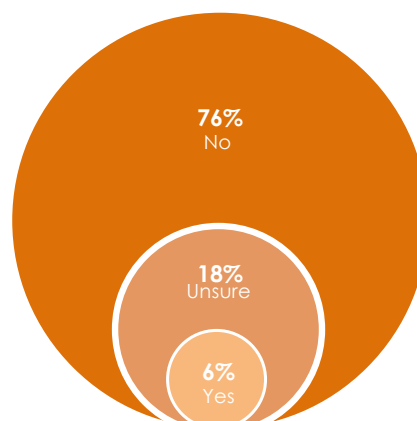● Needing a quick start

RECRUITMENT PLANS BY SECTOR

Over **70%** of organisations in the public and private sectors are planning to recruit for permanent staff, in comparison to only **55%** in the not-for-profit sector.

57% of organisations in the public sector are also planning to recruit for contractors, as compared to **48%** in the private sector, and **41%** in the not-for-profit sector.

EMPLOYERS PLANNING TO DECREASE THE SIZE OF THEIR TECH TEAM IN 2021

The impact of COVID-19, and the subsequent need to review functions for improved efficiency and productivity are the top two reasons stated by employers about the need to reduce the size of their tech team.

76%
No

18%
Unsure

6%
Yes

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EMPLOYERS PLANNING TO DECREASE THE SIZE OF THEIR TECH TEAM IN 2021 BY SECTOR

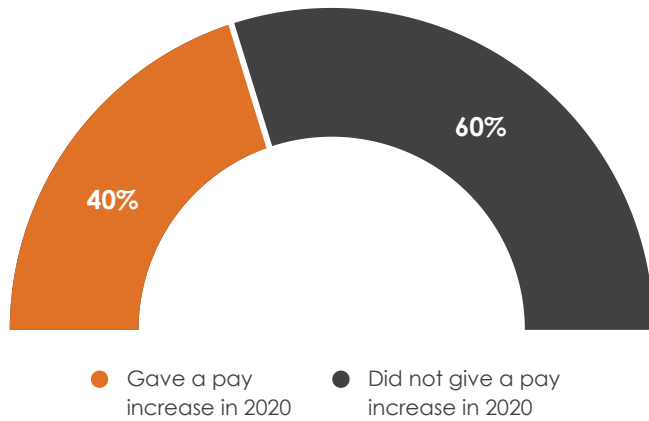|	Yes	No	Unsure
Public sector	7%	73%	20%
Private sector	4%	78%	18%
Not-for-profit	14%	73%	13%
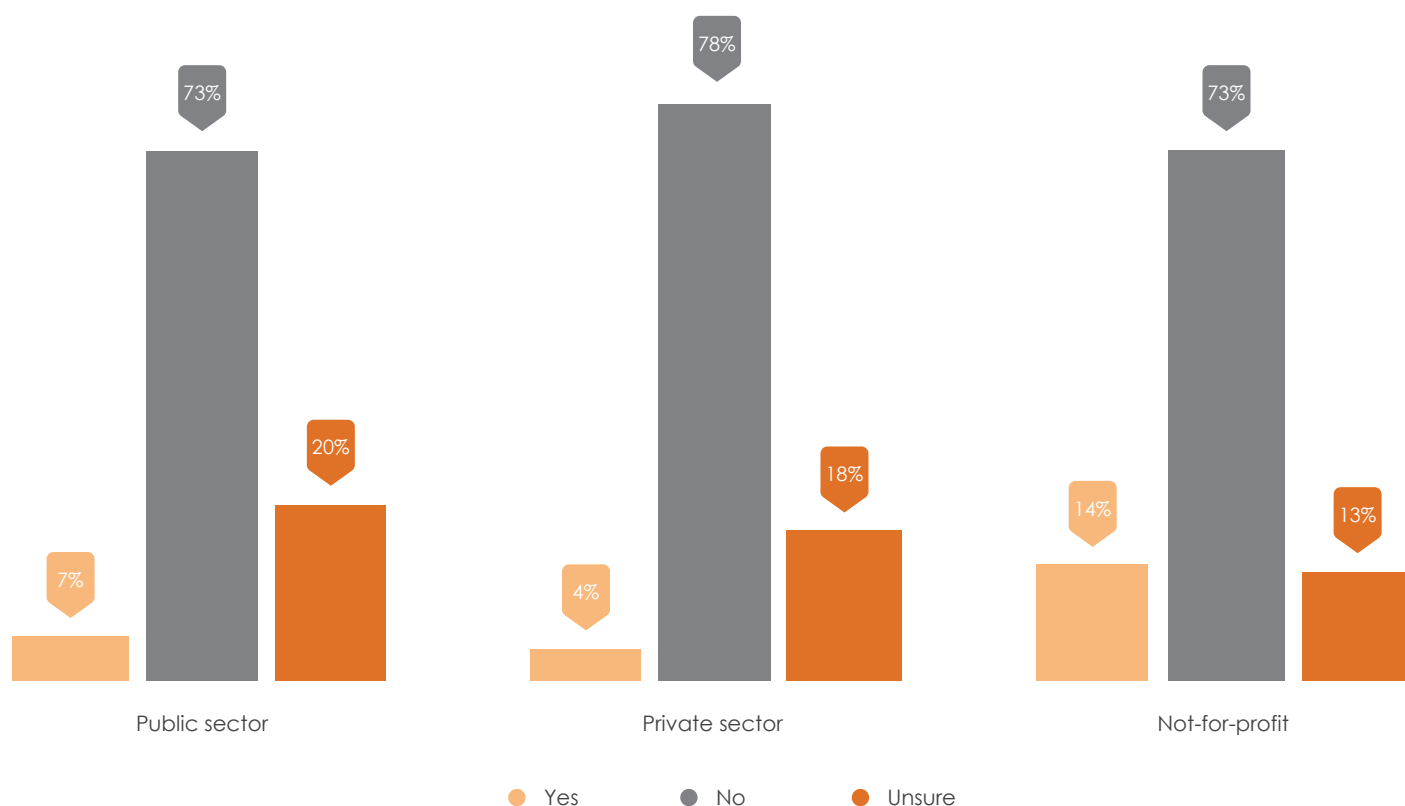
TOP TEN IN DEMAND SKILLS FOR 2021

1. BUSINESS ANALYSIS
2. PROJECT MANAGEMENT
3. SOFTWARE DEVELOPMENT
4. CLOUD
5. DEV OPS
6. TESTING / QA
7. ARCHITECTURE
8. DATA / DATABASE
9. NETWORKING & INFRASTRUCTURE
10. IT SUPPORT

With business confidence rising in New Zealand, organisations across the country are looking to protect their future. So, it comes as no surprise that there has been a considerable demand for tech professionals with skills that are critical to business operations, or for the successful delivery of a project.

Throughout the country we have seen a rising trend for offering fixed term contract and permanent employment in both the private and public sectors. Employers note the key reasons for this are for business continuity, retaining intellectual property, and to offer their employees stability.

With the increase in permanent and fixed term employment it will now be the employers' responsibility, and challenge to retain their staff.

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IT EMPLOYERS
REMUNERATION

The Impact of COVID-19 has been the primary reason for employers to reconsider offering pay increases in 2021, followed by budget cuts and loss of business.

60%

40%

- Gave a pay increase in 2020
- Did not give a pay increase in 2020

82%

11%

7%

- Impact of COVID-19
- Budget cuts
- Loss of business

However, **35%** of employers stated that they are planning to offer a pay increase for the year ahead, with only **7%** saying no. **58%** said that they were unsure if they will be providing a pay increase in 2021.
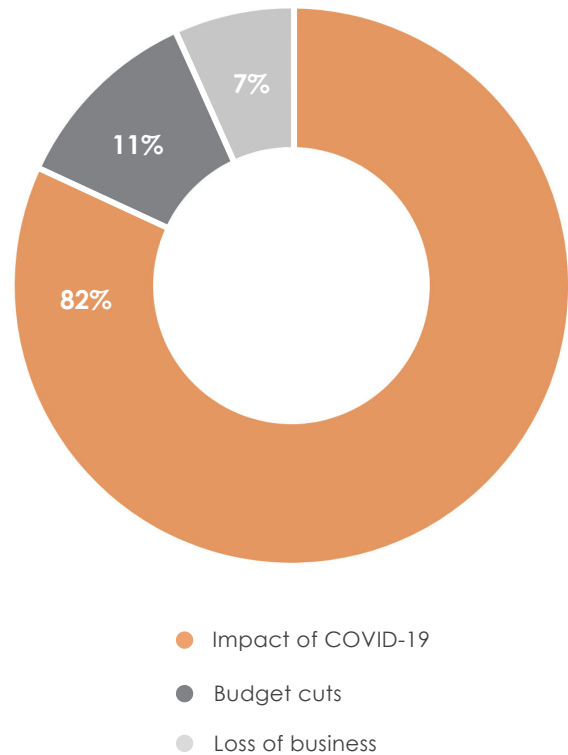
BUSINESS CHALLENGES

Some of the main challenges facing employers in 2021 include:

BUDGET CONSTRAINTS / FUNDING

24%

ATTRACTING AND RETAINING STAFF

23%
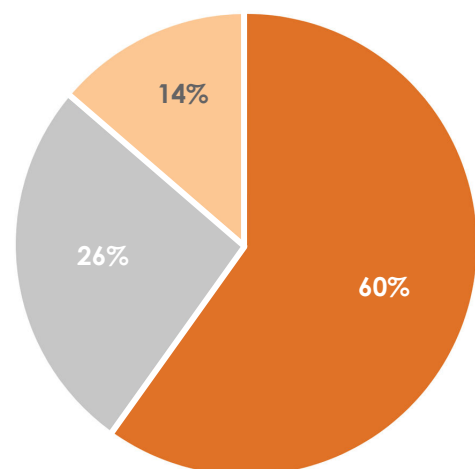
GROWING MARKET SHARE

17%

RETURNING TO PRE-COVID LEVEL OPERATIONS

9%

Level of difficulty attracting IT talent in 2020 compared to 2019:

- Harder
- The same
- Easier

14%

26%

60%

With border restrictions persisting, many organisations will need to think creatively in order to plug the skills gap in the market. To fill these gaps, employers that can offer learning and development opportunities, as well as internship programmes, should investigate these initiatives. `

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IT EMPLOYERS
INTERNS AND GRADUATES

51%
of employers have taken on an intern or graduate in 2020

49%
of employers have not taken on an intern or graduate in 2020

96%
found value in taking on interns or graduates

23%
of IT professionals have completed an internship or grad program

REASONS SOME ORGANISATIONS CHOOOSE NOT TO HIRE AN INTERN OR GRADUATE

- Cost factor to facilitate the programme

- Lack of appropriate positions available for entry-level tech employees

- Lack of time or bandwidth to provide a positive experience to the intern or graduate

BENEFITS OF HIRING AN INTERN OR GRADUATE

- Equip the next generation of IT specialists with practical experience, thus developing a talent pipeline

- Increase brand exposure

- Provide leadership opportunities to current employees

- Close the skills gap

- Positively impact culture and productivity

TIME SINCE IT PROFESSIONALS COMPLETED AN INTERNSHIP OR GRADUATE PROGRAMME

1-3 YEARS AGO
34%

4-5 YEARS AGO
12%

6-10 YEARS AGO
19%

11-15 YEARS AGO
18%

15+ YEARS AGO
19%
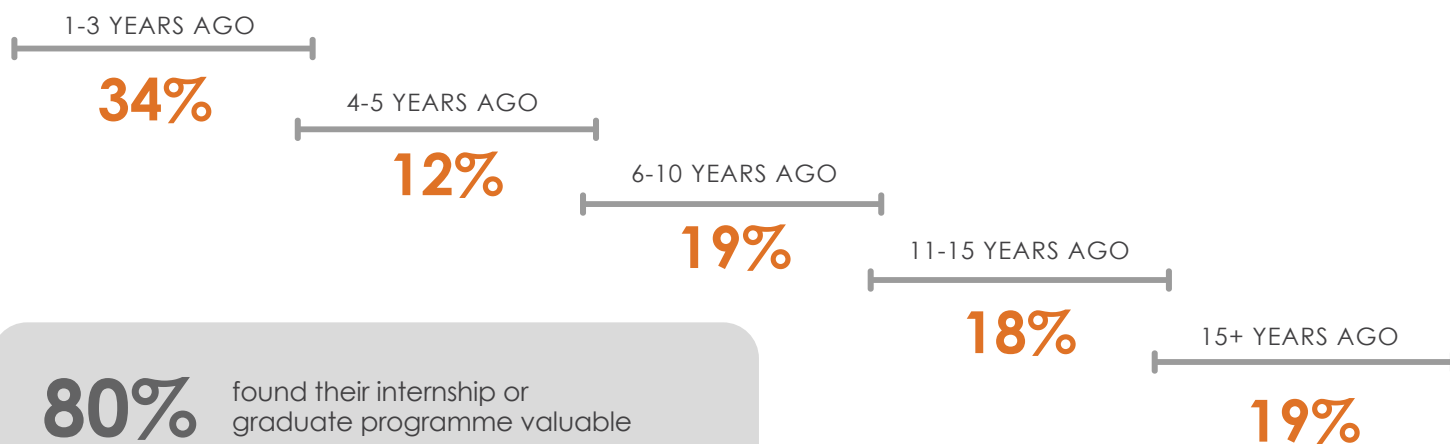
80% found their internship or graduate programme valuable

12% were neutral about their internship or graduate programme

8% did not find their internship or graduate programme to be valuable

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SUMMARY

TOP 7 RECOMMENDATIONS

1. Invest in organisational learning and development
2. Provide internships and graduate training programmes where possible
3. Demonstrate good career pathway opportunities for all employees
4. If your organisation is in a position to offer flexible working opportunities, make sure to communicate that to potential candidates
5. Provide mentorship, especially for less experienced employees
6. Provide leadership opportunities
7. Do not underestimate the power of wellbeing initiatives

ABOUT ABSOLUTE IT

Absolute IT is a specialist recruitment company operating across New Zealand, solely in the ICT market. We have been a proud and passionate contributor to New Zealand's tech sector for over 20 years. Our approach is based on fully understanding our clients, their needs and the sectors they operate in, so that we can recruit the right people for them.

Absolute IT was established in Wellington in 2000. We opened our Auckland office in 2004, Hamilton in 2012 and Christchurch in 2013. We are specialists in the recruitment of permanent and contract IT professionals for roles across the New Zealand market.

Our success has been built on honesty, integrity and the ability to provide quality people solutions to our information technology business partners. We do this through employing the right people, being guided by our values, and by utilising leading edge technology and effective marketing solutions.

These innovative marketing and advertising techniques are used connect with the best tech and digital talent in the market, and we have a reputation for delivering smart recruitment solutions that leverage the expertise and capability of our talented team.

From application and software development to AI, automation, business intelligence, data and analytics, cloud, cybersecurity, CX, UX, management, networks, project services and technical support, alongside many other tech and digital role types, we are a leading provider of talent to New Zealand's IT sector.

We are proud to be 100% New Zealand grown. We are a member of the Accordant Group, which is New Zealand's leading recruitment and resourcing company and the only staffing provider listed on the NZX.

CONTACT

For more information about this report, hiring tech talent, or finding your next opportunity please contact us here.

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