# Tech Talent Snapshot

Changing the game in 2018

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Connecting Great People

"Ours is an industry built on connection, talent and a firm focus on the future."

# A note from Finite

**Tracy Thomson**
Managing Director, Finite

For twenty years, Finite has been helping clients answer their tech and digital talent needs. From humble beginnings, we've grown into a broad network of recruitment professionals. Our energy is always focused on giving our clients access to the talent they need to deliver on their vision.

The future will never be less complex – or fast-moving – than it is today. We live in an era of unprecedented change. We are disrupted every day by new technologies, new approaches and new ideas. And the people that turn those ideas into realities are scarce, expensive and difficult to nail down. Advances in machine learning, artificial intelligence and the ever-expanding mobility of workers and consumers, forces new attitudes and priorities.

We've used a range of data for this snapshot, with the aim of answering some pretty tough questions. What does talent look like for technology teams? Where are the talent droughts or floodplains? Who should you be chasing now? And who will help you lead the inevitable change that new projects and initiatives require? What will leadership want from their teams, their partners and their advisors?

We've combined interview responses, industry surveys, back end reporting and industry-wide data to pull together a snapshot of the past, to help us predict the future. We hope it's useful. And of course, if you'd like to know more, don't hesitate to get in touch with your local Finite account manager.

Warm regards,
Tracy Thomson.

# What's been happening?

## Our industry market research uncovered a significant shift towards placing new contract resources over the last two years.

Our insights into the market showed us that roughly half of all placements were contractors, dropping slightly from 54% to 47% over the two year period. Permanent placements also dropped over the period from 14% to just 8%. Contractor renewals grew massively over the same period, climbing from 29% in early 2016 to 43% by the end of June 2017. Temporary roles stayed low, averaging around 2% across the period. Interesting statistic!

Market intelligence shows that the overwhelming bulk of roles were recruited in New South Wales (47%), predominately around the Sydney area. Victoria accounted for 24% of positions hired, with Queensland coming third at 12%. WA, SA and the ACT all came in roughly equal at around 5%, with Tasmania and the Northern Territory at approximately 1%.

While this isn't surprising given the concentration of corporate headquarters in Sydney, it does contribute to local talent scarcity and the ongoing conversations about remuneration. While Sydney's homeownership challenges dominate the news, it's still trying hard to attract talent from other regions and countries to fill available contract and permanent roles. And with significant and onerous changes to the 457 visa program, the traditional fallback of bringing in overseas talent has shifted substantially.

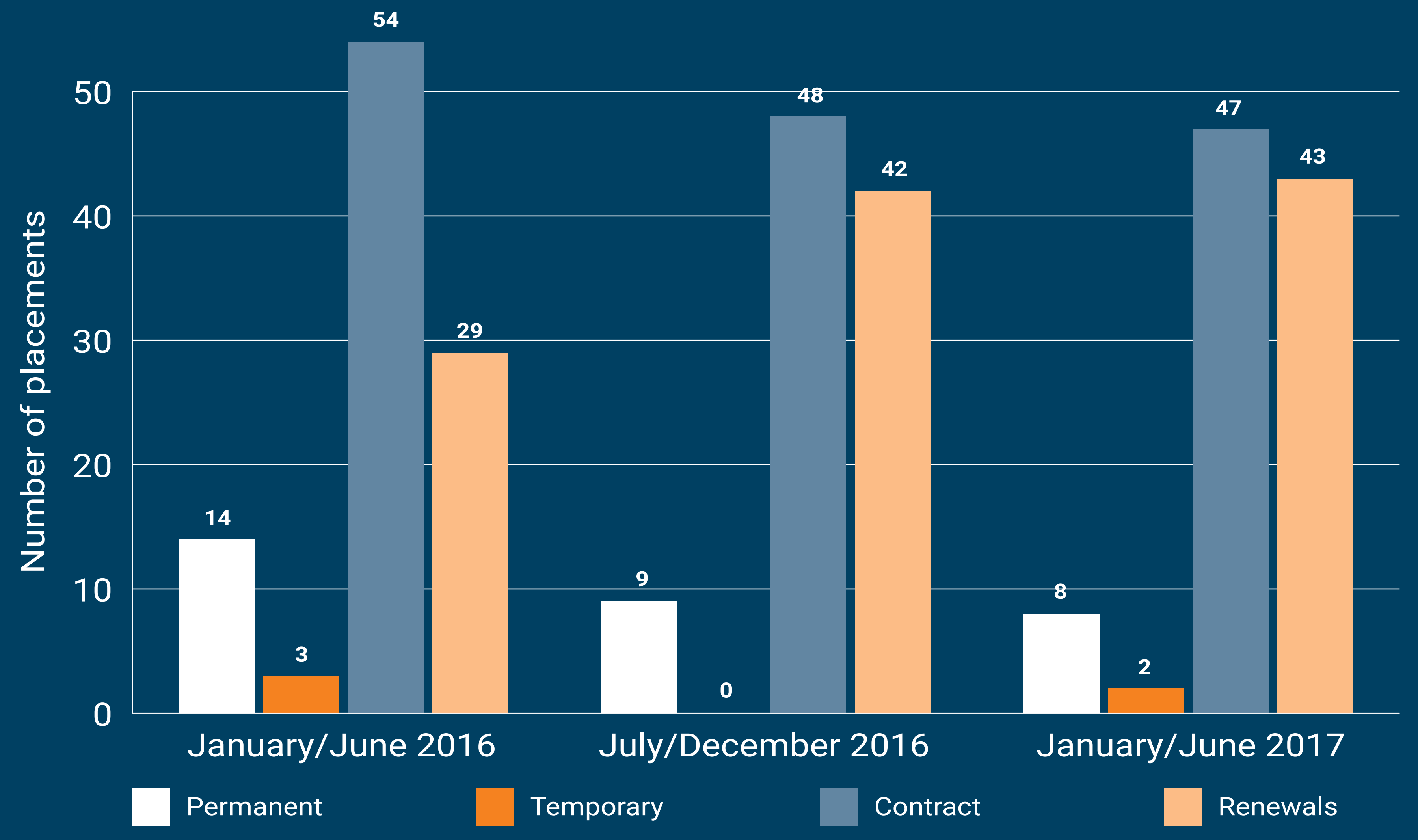
Not surprisingly, a few key industries were responsible for more than 60% of roles recruited across the period. Professional, scientific and technical services made up 21% of all roles recruited, with public administration and safety just behind at 19%. Financial and insurance services made up an additional 12%, and Information, Media, and Telecommunications accounted for 9% of roles.

When looking at the benefits likely to attract staff, there were some definite themes. For permanent staff, the possibility of a bonus was still the strongest drawcard, motivating 31% of employees to join an organisation. Flexible hours, telecommuting and a mobile allowance were also strong drawcards for technical staff.

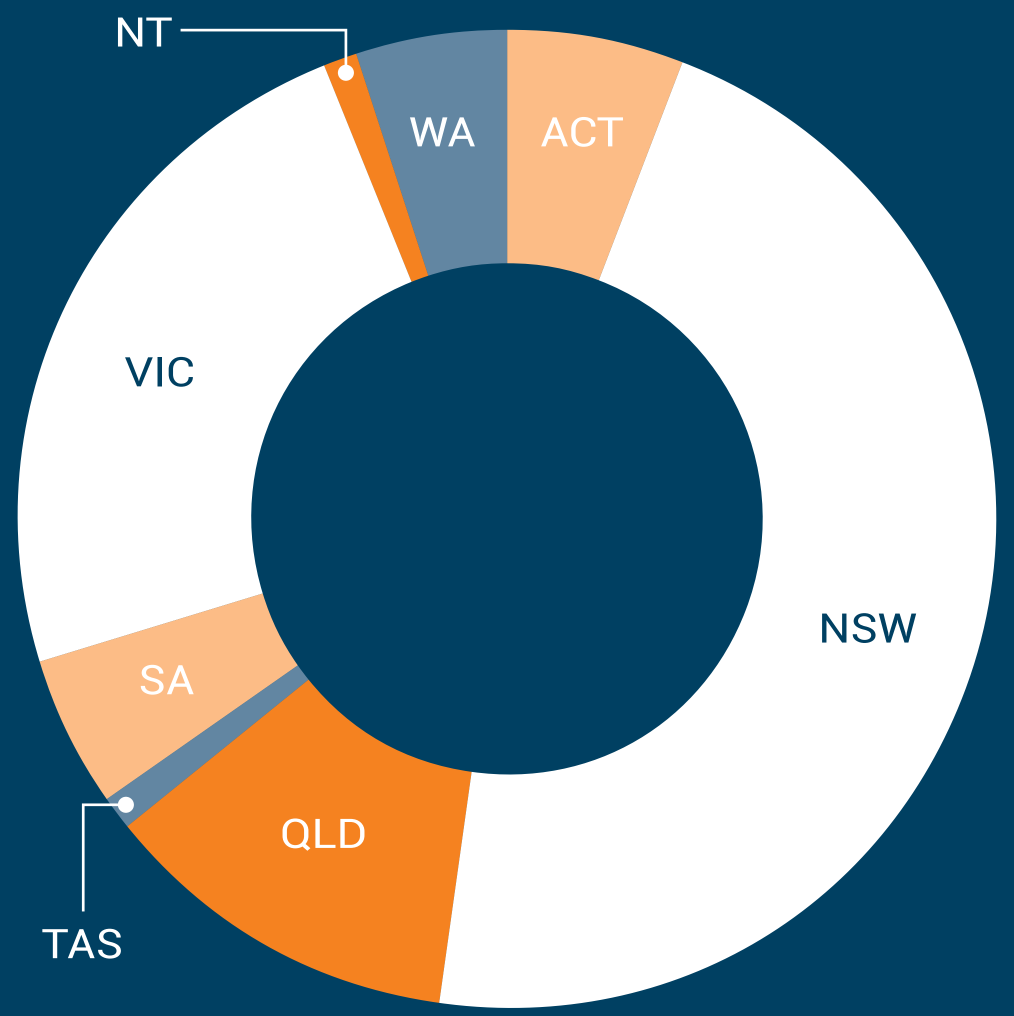
For contractors, a bonus was still a high incentive at 21%, but less attractive overall than flexible hours and telecommuting.

Contractors were far more motivated by telecommuting and flexible hours, with overtime being a clear drawcard at 7%. For contractors, a bonus was only motivating to 2% of respondents, possibly because it is rarely offered!

## Placements by work type




## Placements by state




> "Flexible working might change the place your team sits while they work, but hubs of activity still centre around, leadership, influence and efficiency."

# ‘Time to fill’ and ‘time in role’

## Time to fill remained reasonably stable over the period surveyed. Perm roles average 35 days to fill, and new contract placements stayed around the 21-day mark.

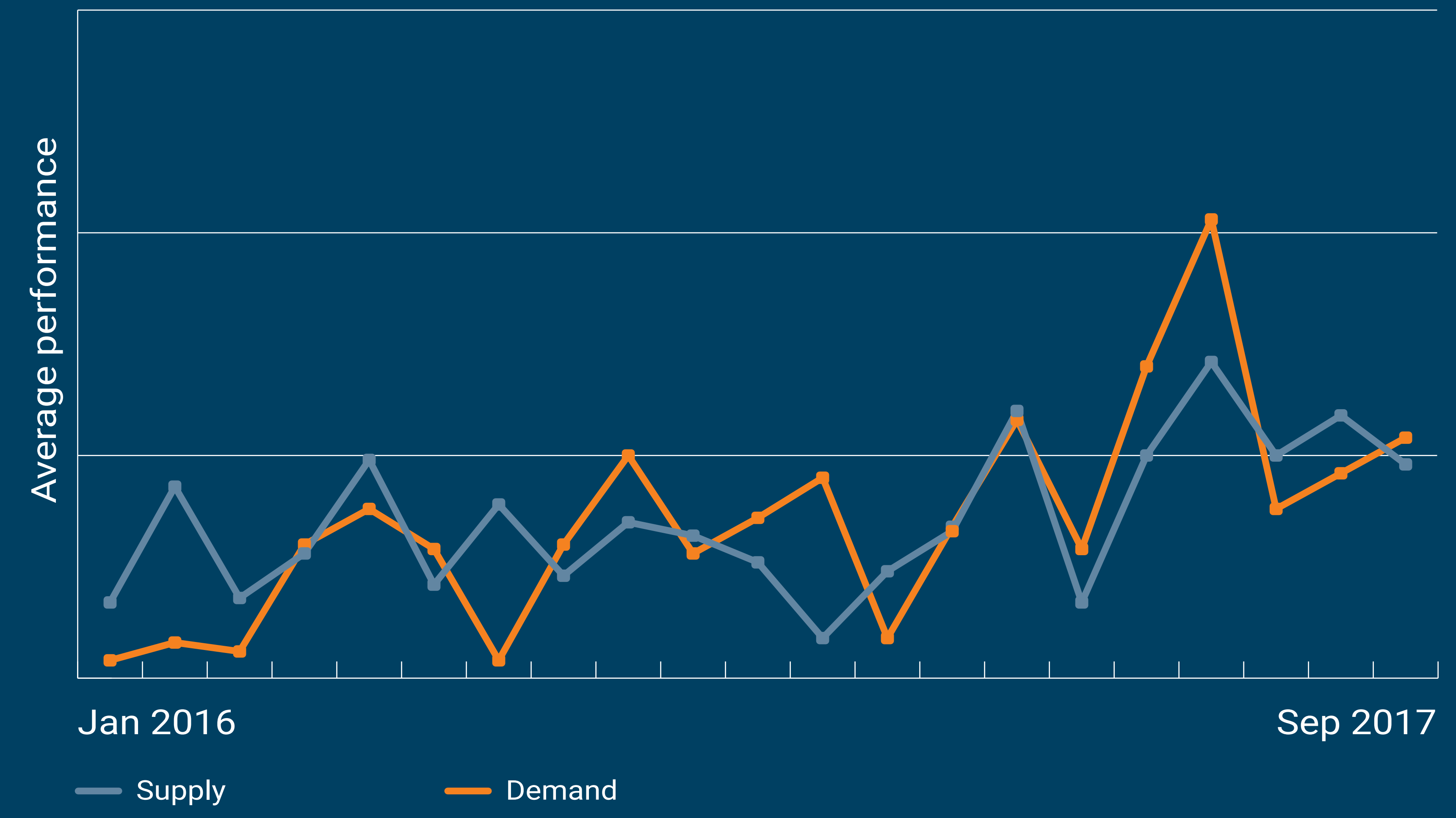
The most significant shift was in temporary positions, which took nearly 50% longer to fill in Jan-June 2017 than the same period the previous year. Talent scarcity and long-term contracts may be contributing to this problem.

During the surveyed period, there were some exciting variances in the time to fill. There are observable periods of activity on both sides when compared to an average benchmark of performance.

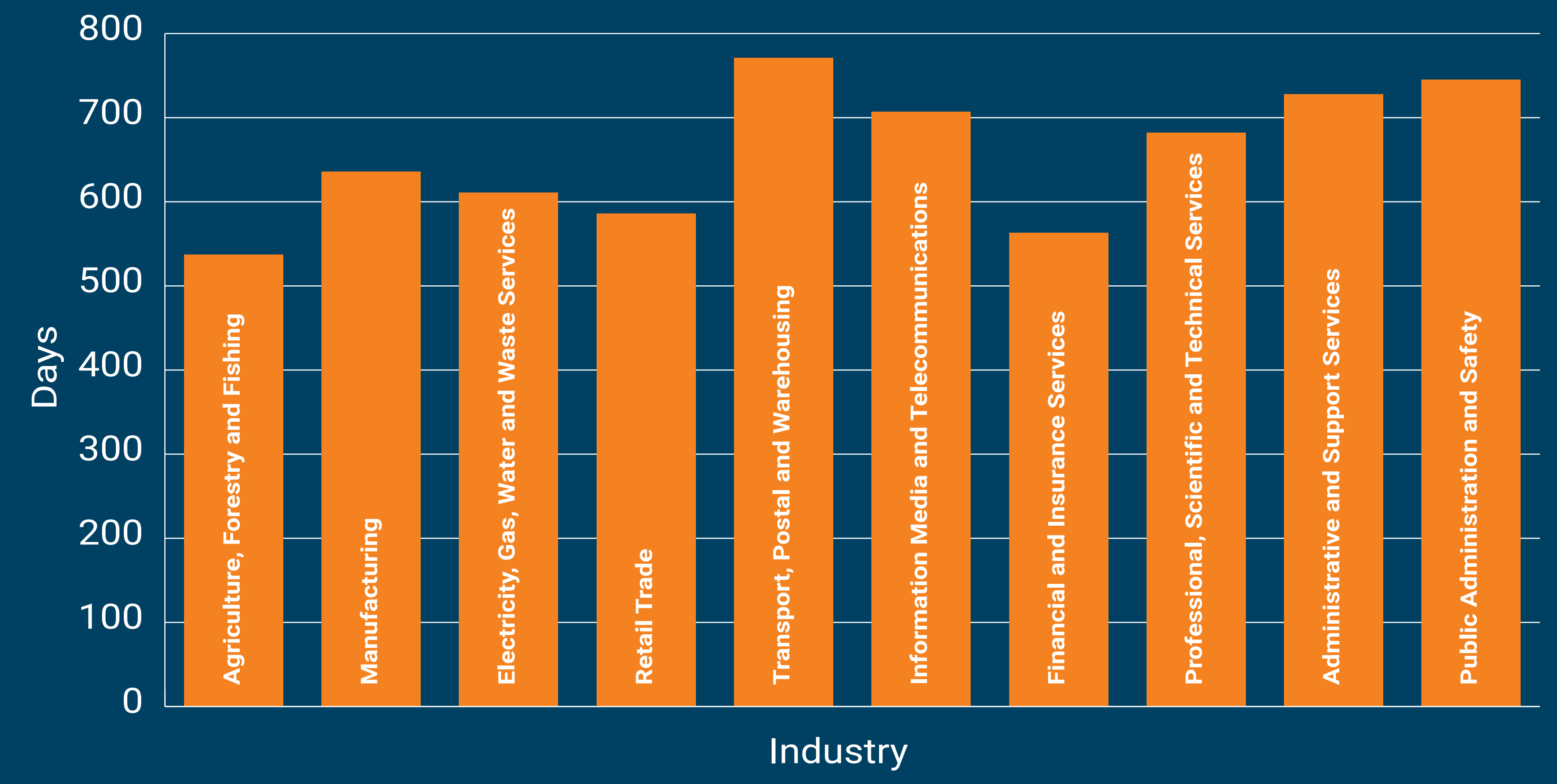
Role demand spiked strongly in February and May 16, with a smaller spike in July. Additional massive spikes in demand happened in March and June 2017.

Examining average engagement length by industry subset also showed some interesting statistics. Transport, Postal and warehousing roles delivered the longest tenure per role, at 771 days per position. The staff hung around in public administration and safety, averaging a tenure of 725 days per role. Other high tenure industries include telecommunications at 707 days, administrative and support services at 728 days, and professional, scientific and technical services at 682 days. The average tenure across industries was 645 days, or approximately 20 months.

## Demand supply




## Engagement length by industry



# What are you doing to drive a more equitable gender split?

- Equal pay initiatives, maternity/ paternity benefits, promoting women in leadership roles, requiring number of female candidates for recruiting.
- Strategically sourcing a gender diverse workforce.
- We ask recruiters for diversity in candidates.
- Ensuring we try to accommodate working mums' needs.
- Defining soft skills required to balance team.
- Investing in graduate training.
- Have changed company policy to improve gender split.
- Development plan, career progression and new opportunities provided to female employees.

# What has been happening in the IT talent market in 2018?

- Rates increasing, cloud based technology, More need for contractors with SCCM skills.
- Tightening Salaries & rates are marginally increasing I think the current modest growth is sustainable.
- Rates will stay stable. Good people are harder to source.
- More offshoring seems to be happening. Salaries/rates need to decrease to make the cost lower.
- Government only offering fixed permanent positions so hard to retain talent.
- Good people will always be available if you are prepared to pay.
- Project growth. Salaries rising in areas where soft skills are in demand.
- Overall demand will continue to increase but as always it will be in some areas only, cybersecurity, vendor management, customer service.

# Quick insights

## MOST RECRUITED

- 26% Help desk & IT support
- 13% Developers/ programmers
- 13% Tech consultants

## HARDEST TO SOURCE

- 13% Security
- 13% Networks & systems administrators

Clients rated technical skills (26%), good cultural fit (22%) and showing initiative (17%) as the mostly likely reasons to extend an individual's contract position.

**70%** of clients said that cloud infrastructure was having the most impact on how they do business.

## GROWTH AREAS

- 26% Infrastructure & networks
- 22% Digital
- 17% Cyber security

## IT snapshot

44% of internal technology teams grew

43% stayed the same.

13% decreased.

(in the past 12 months)

**Flexible hours, training & development, lifestyle balance**

the most important benefits for retaining permanent staff

**Gender diversity**

less scarce than some believe

# Technology recruitment in 2018

## Here are some helpful insights we have derived from our wealth of data.

### 1 Contingent and on-demand workforce will continue to grow.

Australia's ongoing talent shortage around niche digital skill-sets is already impacting project delivery. Permanent placements are down compared to contract renewals and placements. This is only going to continue, which will amplify the existing bidding war for the right operators. Companies will have to adopt more flexible management and execution protocols to cater for an increasingly flexible workforce. Speed of need will drive pricing in the market, with big players and deep pockets leading the charge. Workplace culture will be less of an issue with a more transient workforce, leading to a reduction in employer brand investment for most digital teams.

### 2 Visa changes will impact tech talent shortages.

The Government's change to 457 visas is already impacting the rich vein of tech talent, making it harder for companies to attract from overseas. Combined with shifting market conditions, global political uncertainty and Australia's inconsistent stance on migration, this will impact with force. Delivery teams are more likely to be affected more than technical teams, with a shortage of talented PMs with technical capability to be almost a certainty.

### 3 Organisations will invest heavily in talented leadership retention within the tech space.

Finding project directors, senior project management and technical leadership continues to be a talent drought for most organisations. Increasingly driven to adopt a contingent approach to leadership, talent pools for commercially savvy senior executives will dry up. Smaller organisations and SMEs will find it difficult to get digital projects started, leading to more outsourcing to agencies and consultancies.

### 4 Ongoing tightening of salaries will lead more workers to examine and adopt a contractor footing and mindset.

The gig economy is flourishing in tech. Highly mobile skill-sets are rare enough that talent can migrate almost seamlessly across industries, projects and roles. And speed of delivery, combined with a project-based framework, means learning outcomes and skills development are easily trackable for most professionals.

### 5 Data and security professionals will overtake UX/CX as the dominant sought-after skill set.

As organisations continue to adopt cloud based methodologies, the twin pillars of data specialisation and data security are required. While user experience remains a priority, safeguarding data and ensuring a smooth transition to offsite infrastructure solutions will dominate talent conversations in 2018.

### 6 Talent scarcity will slow the speed of organisation-driven digital transformation.

There's only so much skill to go around. As more organisations focus on converting talent and retaining leadership, productivity will slow on projects. Many organisations will shelve or scale back projects until talent can be secured, rather than deliver an incomplete solution to their customers. And internal learning and development programs will increase in importance, to balance the skills drought.

### 7 Talent scarcity will also lead to project-based offshoring.

Between visa changes, talent scarcity and high demand in market, more companies will opt to outsource more digital transformation project work. A desire to achieve good results for customers will overwhelm a need for internal control, and project deliverables will be tasked out to teams, overseen by an internal project manager.

“What you do today can improve all your tomorrows.”

Ralph Marston

## Where to find us


### Sydney

Level 23, Angel Place
123 Pitt Street,
Sydney, NSW 2000
T +61 2 8243 6868
E sydney@finite.com.au

### Melbourne

Level 33
140 William Street
Melbourne, VIC 3000
T +61 3 9617 3900
E melbourne@finite.com.au

### Adelaide

Level 12
25 Grenfell Street,
Adelaide, SA 5000
T +61 8 8224 3800
E adelaide@finite.com.au

### Auckland

Level 10, AIG Building
41 Shortland Street
Auckland, NZ
T +64 9 300 3095
E auckland@finitegroup.co.nz

### Brisbane

Level 20
307 Queen Street
Brisbane, QLD 4000
T +61 7 3232 2300
E brisbane@finite.com.au

### Canberra

Level 6
14 Moore Street,
Canberra, ACT 2601
T +61 2 6243 6400
E canberra@finite.com.au

### Perth

Level 3, BGC Centre,
28 The Esplanade
Perth, WA 6000
T +61 8 9219 3500
E perth@ finite.com.au

### Wellington

Level 14, ASB Tower,
2 Hunter Street,
Wellington 6011, New Zealand
T +64 4 978 1888
E wellington@finitegroup.co.nz