



**TECHNOLOGY AND RECRUITMENT LANDSCAPE**  
AUSTRALIA AND NEW ZEALAND 2018

ROBERT WALTERS

## FOREWORD

It doesn't matter what industry you work in, everyone is in the technology business nowadays. The advent of big data, automation and mobile (to name but three) means technology is no longer just a tool – it has become a central part of how everyone works and transacts.

That means every business, every charity, and every government agency is more reliant than ever upon IT professionals.

If you read some recent headlines, you could be forgiven for thinking that demand for IT talent is massive across the board, and all salaries are skyrocketing. But this whitepaper reveals the true story: The technology jobs market is much more nuanced, and it's changing all the time.

At Robert Walters, we talk with hiring managers and professionals every day in every major city in Australia and New Zealand – as well as London, San Francisco, Tokyo and many more. This allows us to keep clients apprised of the technology skills in demand today, and where the IT jobs market is heading tomorrow.

This whitepaper gathers what we've learned, combined with a survey of technology professionals, to reveal how the IT jobs market is set to look in 2018. This knowledge can save you time and money, in a market where everyone is in the technology business.



**James Nicholson**  
Managing Director – ANZ, Robert Walters

## METHODOLOGY

This Robert Walters whitepaper is based on the findings of a survey of 1000 IT professionals across Australia and New Zealand. The survey was managed and conducted by Robert Walters.

## ABOUT ROBERT WALTERS

Established in 1985, we are a world-leading specialist professional recruitment consultancy. Hiring managers world-wide rely on us to find their best specialist professionals and our clients range from the global corporates through to SMEs and start ups. We recruit people for permanent, contract and interim roles across the world.

## INTRODUCTION

This Robert Walters whitepaper explores the demand for technology professionals in Australia and New Zealand, and how this will impact organisations and the people who work in them in 2018. This includes:

- Technology resource needs of employers.
- Challenges and opportunities for hiring managers seeking to recruit and retain technology professionals.
- How the technology landscape is changing, including areas of expected growth in 2018.



## IN DEMAND IN 2018

# 80%

Employers in Australia and New Zealand expect the workload to increase.

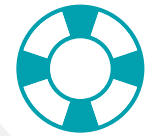
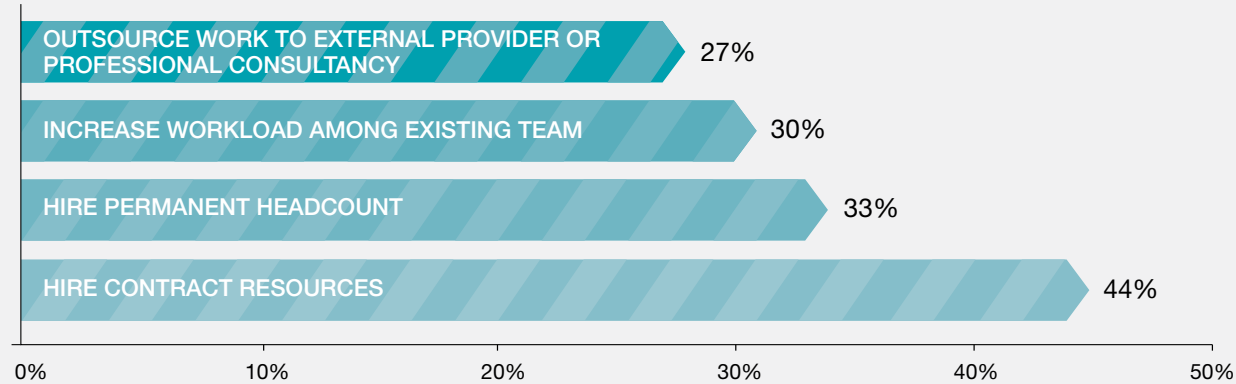
Technology is no longer a 'nice to have'. Business leaders across Australia and New Zealand have placed technology at the core of their operations. Digital transformations are underway in organisations across the corporate, government and not-for-profit sectors.

Demand for technology professionals in numerous specialist areas is high and rising. 17% of hiring managers expect their IT departments' already high workload to be sustained in 2018, while 80% say it will get even bigger. Only a fraction (3%) say it will decline.

Consequently, more than half (52%) the organisations in our survey expected to increase hiring levels of IT professionals in 2018. A further 35% planned to continue hiring at the same rate as they did in 2017.

### SWIMMING IN THE RISING TIDE

To stay afloat in the rising tide of work in 2018, IT managers will use a range of tactics:



"IT used to be seen as just a support service by some organisations, but that's changed dramatically. Technology professionals are now at the heart of every business transformation we see. Automation specialists are making business processes more efficient, data analysts are improving business decision making, and cyber security specialists are managing and mitigating major risks. This is truly an extraordinary time to work in IT."

**Kavi Rai**

Manager, Technology | Robert Walters, Auckland, New Zealand

### KEY LEARNING #1:

**The increased workload for IT departments in 2018 will bring opportunities.**

Organisations will be outsourcing services and projects to IT consultancies and specialist firms in 2018. Large employers will also be offering opportunities for permanent or interim in-house roles.

Contractors will be called upon for their specialist skills on short-term projects, as well as providing temporary cover to alleviate the workload on existing teams while hiring managers look for permanent employees.



## THE SPECIALISTS' TIME TO SHINE

Technology is evolving at a rapid rate and organisations constantly have to adapt. That means the demand for IT professionals is changing too. In 2018, hiring managers' recruitment strategies will seek to increase the intake of specialists in several areas.

In 2018, cyber security professionals will see the highest growth in demand for their services, in the wake of high profile security breaches and increased regulatory scrutiny in 2017.

Also high on the list will be development and digital specialists, especially those with experience in digital transformation. Likewise, more business intelligence and data management professionals will be required to guide the rebuilding of services and products around customer behaviour.

Demand will be lowest for roles in infrastructure, customer relationship management and systems analysis/engineering.

### TOP OF THE LIST IN 2018

1. CYBER SECURITY
2. DEVELOPMENT & DIGITAL
3. BUSINESS INTELLIGENCE & DATA MANAGEMENT



“With overflowing demand in several specialist areas, hiring managers have a tough job on their hands in 2018. If they have lengthy recruitment and selection processes then that task will be even harder. Those who are quick and nimble will have much more success. Managers need to clear the diary and make resourcing their team a priority – and be open and flexible in how they engage with candidates.”

**Melissa Brookes**

Manager, Technology | Robert Walters, Melbourne, Australia

### KEY LEARNING #2:

**Recruitment competition over a relatively small talent pool will be fiercer than ever in 2018.**

Most markets in Australia and New Zealand are already experiencing a shortage of specialists in cyber security, data management, and development/design. That will become even more acute in 2018, and employers must find ways to differentiate themselves in the jobs market, cast their net widely and upskill and retain their existing specialists.



## THE PERFECT STORM

74%

Employers say their hardest IT recruitment challenge is a lack of suitable candidates.

When it comes to recruiting IT talent in 2018, hiring managers face a perfect storm. There is already a lack of skilled and experienced candidates available – and even when hiring managers do find the right person, their salary expectations can prove hard to meet.

Then there is the problem of moving swiftly enough through the recruitment process – many hiring managers say they are hamstrung by lengthy recruitment processes in their organisation. Candidates are often weighing up multiple job opportunities, and delays can mean employers miss out.

### BIGGEST HEADACHES WHEN SEEKING TECH TALENT

1. LACK OF CANDIDATES WITH REQUIRED SKILLSET
2. LENGTH OF TIME IT TAKES TO RECRUIT
3. COST/BUDGET TO RECRUIT

## MORE PAYING MORE

Most hiring managers (72%) expect salaries in IT departments to increase in 2018, and only a fraction (2%) expect salaries to decline. About one in four (26%) of hiring managers expect to pay IT professionals the same in 2018 as they did in 2017.

The majority of hiring managers who say salaries will rise expect to pay up to 5% more in 2018. More than one in ten (14%) expect to increase salaries by 6% or more.

72%

Hiring managers expect salaries in IT departments to increase in 2018.

“Having the specialist technical skills is obviously important, but what separates the good technologists from the great ones is management skills and commercial nous. Employers need IT professionals who can consult and collaborate with colleagues across an organisation, and explain how technology impacts the bottom line. They’re the real game changers.”

**Jordan O’Halloran**

Senior Manager, Technology | Robert Walters, Perth, Australia

### KEY LEARNING #3:

#### Snooze, you lose.

Technologists who possess in-demand skills are likely to receive multiple job offers in 2018, often simultaneously. The recruitment process is the first impression a candidate gets of a prospective employer, and if that process is drawn out then candidates will see that as symptomatic of how the organisation operates. Conversely, if the recruitment process is streamlined and decisive, professionals are more likely to be attracted to the organisation.



# BUILDING FOR THE FUTURE

In a recruitment market as tight as Australia and New Zealand's technology space, it is absolutely vital that employers understand what drives and engages their IT professionals, in order to attract and retain them. This is especially important when the majority of hiring managers are planning to build their workforce upon a foundation of mostly permanent technology professionals in 2018.

## ATTRACTING NEW TECH RECRUITS

We asked hiring managers what enticements were most persuasive when trying to attract new technology recruits. We also asked professionals what was most likely to turn their heads.

A clear picture emerged, where competitive salary was but one of several influential factors. Working on cutting edge technology and high profile projects was also a major consideration for professionals eager to get their hands on the latest technology.

### MOST IMPORTANT FACTORS THAT ATTRACT IT PROFESSIONALS TO A NEW JOB

According to IT professionals	According to hiring managers
1. Pay and bonus scheme	The technology and projects they will be working on
2. The technology and projects I will be working on	Pay and bonus scheme
3. The organisation, its brand and industry	Career development potential
4. Career development potential	Benefits such as flexible working, private healthcare etc
5. Benefits such as flexible working, private healthcare etc	The organisation, its brand and industry

## RETAINING TECHNOLOGISTS

Given the preference of most hiring managers to establish an IT workforce of mostly permanent employees, it is vital to build loyalty and retain employees. We asked IT professionals what factors were most likely to keep them working at the same organisation. Flexible working was by far the top priority.



79% of IT professionals said that "the opportunity to work from home or other flexible working options" was an effective strategy to ensure staff retention. This rated much higher than increasing salaries and bonuses (60%), which rated joint second alongside varied and challenging work (60%).



IT professionals also said they were more likely to stay long term if their organisation and department had strong leadership with clearly defined objectives (59%).



57% of IT professionals said employers who clearly communicated opportunities for career development would be more likely to hold on to their people.



50% of IT professionals said mentoring programs were an important factor in retaining staff.

### KEY LEARNING #4:

#### Think outside the box.

A sizeable minority (26%) of employers are planning to pay IT professionals the same in 2018 as they did in 2017. It is imperative that these organisations look beyond remuneration to attract and retain talent in 2018.

### KEY LEARNING #5:

#### Money still talks...

You can't change the laws of supply and demand. Hiring managers who are looking to recruit new talent in 2018 need to be fully up-to-date with market rates. If a specialist works in an area where there is a skills shortage, they are likely to receive multiple job offers in 2018. They will know what a competitive salary offer looks like – hiring managers need to know this too.

### KEY LEARNING #6:

#### ...but professionals do listen to more than just money.

When weighing up a job offer, IT specialists are motivated by range of factors. For example, almost one in three (31%) said their first or second priority was the technology and projects they could work on. And when it comes to retaining top IT talent, some things talk louder than money – chief among them being flexible work arrangements. Employers should also see much less staff attrition if they offer varied and challenging work, strong leadership, clear career progression opportunities, and mentoring.



## THE CHANGING LANDSCAPE

90% said automation will impact the skillset of IT professionals within the next five years.

The sophistication of automation is accelerating faster than ever before thanks to artificial intelligence (AI). Job displacement has already begun in many sectors, and the ABC last year reported predictions that “more than five million Australian jobs will simply disappear in the next 15 years, as a result of technology. That’s 40% of the jobs that exist in Australia today”.

But while many jobs may be in jeopardy, many others will be created. According to Accenture PLC’s global study of more than 1,000 large organisations already using or testing AI and machine-learning systems, entire new categories of human jobs are being created.

Many technology professionals will need to adapt, upskill and retrain to thrive in the jobs market. Our survey suggests IT professionals in Australia and New Zealand are keenly aware of this – nine out of ten (90%) said automation will impact the skillset they need within the next five years.

But while two-thirds (66%) said automation is already impacting hiring strategies, the urgency of the situation may not have dawned on all IT professionals. 78% said shifts in automation meant they must upskill to futureproof their careers, yet only half (51%) had proactively enrolled on courses to do so. When IT professionals were asked what factors influenced them most when weighing up job offers, training ranked rock bottom.

“Automation is the sweet spot where cyber security, data science, digital and all the other in-demand IT specialisms intersect. Because it’s still a relatively new area, there is massive opportunity in 2018 for professionals with limited experience to gain exposure. Training courses and accreditation are now available, consultancies are embedding automation in organisations and showing IT departments the ropes, and groups of automation specialists are congregating via Meetups and conferences. Now is the time to put your hand up.”

### Peter Bateson

Director, Chatswood Office | Robert Walters, Sydney, Australia

### KEY LEARNING #7:

#### Seize the day.

Technology professionals are ideally placed to capitalise upon the growth in automation, robotics and artificial intelligence. Many organisations are short of experienced talent and are open to upskilling their existing IT workforce. There is much to gain for professionals who are brave enough to step outside their comfort zone and embrace opportunities.

### KEY LEARNING #8:

#### To attract and retain people, develop them.

In a job market where skills shortages exist in numerous specialisms, employers need to find ways to stand out from the crowd. Technology professionals are seeing automation reshape businesses, and know that they need to adapt and upskill accordingly. Employers who can demonstrate that they are committed to automation and to upskilling their people will have an edge over competitors in the job market. That means presenting a clear vision for where the organisation is heading, and how automation is central to that.

# CONCLUSION

Most employers in Australia and New Zealand expect workloads to increase for their IT departments in 2018. Employers plan to recruit more contractors, recruit more permanent resources and/or outsource work to IT consultancies in 2018. Skills shortages in several specialist areas will be more acute than ever.



## ATTRACTION

IT professionals in areas of high demand are likely to be subject to numerous job offers and counter offers in 2018. Beyond salary and benefits, several other factors can help seal the deal. These include offering the opportunity to work on cutting edge technology and projects and providing evidence of structured career progression. Quick and streamlined recruitment processes are also essential.



## RETENTION

IT professionals will be more likely to stay with an employer if they enjoy flexible working arrangements such as working remotely. Other factors that can engender greater loyalty include providing challenging work and projects, increasing salary/bonus, offering strong leadership with clearly defined objectives, articulating clear opportunities for career progression, and mentoring programs.



## EDUCATION

Most IT professionals expect their careers to be impacted by automation, and hiring managers are already changing their recruitment strategies to secure professionals with experience in artificial intelligence and automation. Professionals should look to upskill as soon as possible. Employers who help their existing workforce to upskill can benefit doubly, reaping the benefits of AI and automation, as well as improving talent retention.

# CONTACT US

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