

EMPLOYEE INTENTIONS REPORT

January/February 2011

Welcome to the third absolutiveIT Employee Intentions Survey for January/February 2011, a six-monthly survey capturing the intentions of contract and permanent employees in the current New Zealand ICT sector.

It is complementary to absolutiveIT's regular ICT sector surveys covering Employer Intentions and ICT Salaries, combining to provide an important knowledge base to support employers, key-decision makers and stakeholders in New Zealand's ICT industry.

A total 2381 respondents took part in an electronic survey throughout December 2010 and January for the January/February 2011 Employee Intentions Survey.

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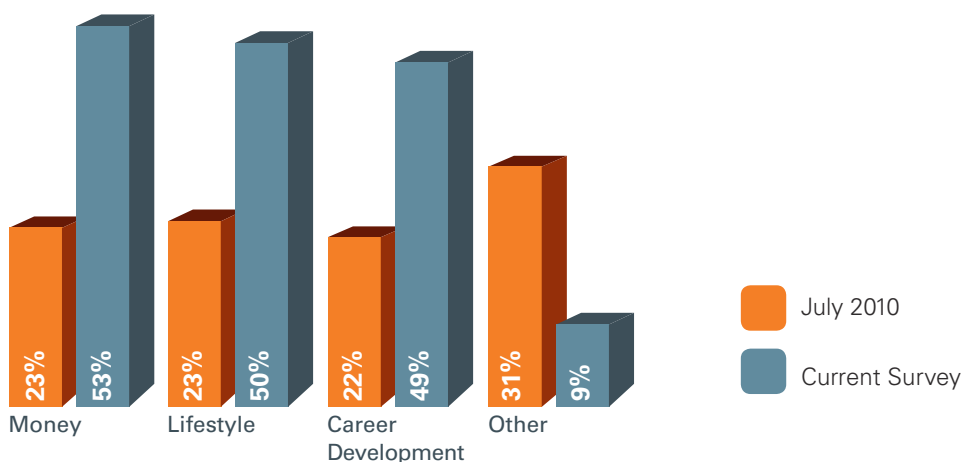
Coupled with our January and June 2010 surveys, the latest results confirm the continuing trend for a significant number of New Zealand's ICT talent pool looking to emigrate – with more than a third looking to work overseas in the next 12 months.

The Trans-Tasman pull has increased, now the favoured destination of 50% of respondents, up by around 5% over the past six months; followed by the United Kingdom at 11%, down by more than 4%.

Of those considering moving overseas, salary is the main motivation for 53%, which has more than doubled since July 2010 with 23%; followed by life style at 50% compared to 23% and career development at 49% compared to 22%.

It is not surprising money is a key driver for emigration due to the high salaries in the sector often resulting in high spending and debt. Australia is attractive promising higher take-home pay (median base package of \$91,560 which includes 9% superannuation) compared to New Zealand's \$80,000 median base package with an optional 2% superannuation provided by New Zealand employers.

Motivations for Emigration



KEY FINDINGS

- 83% of respondents are employed - 93% full-time; 68% permanent and 26% contract
- Nearly 68% want to move to new jobs in the next year
- 42% are actively seeking now, compared to 38% at the same time last year.
- Time for change is the key motivator for moving, followed by skills not being utilised and lack of career progression
- Higher salary is increasingly important – the main attraction for both taking a new job (28%) and staying with a current employer (31%)
- More than 35% want to work overseas, in keeping with trends over the past 12 months
- Salary is the key motivation for emigration, followed by lifestyle and career development
- The Trans-Tasman pull is increasing with Australia the most popular destination for more than 50% of respondents, up by 5% since June 2010

The majority of employees use recruitment agencies to find work (67%), followed by online job boards and referrals/networks/word of mouth.

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LOCAL JOB CHURN

Job churn in New Zealand's ICT sector remains high with 67% of employees actively looking to move on in the next 12 months compared to 67% at the same time last year.

The main reasons for moving are desire for a change, skills not being utilised, lack of career progression and low salary – all symptomatic of how the struggling economy has meant far fewer organisations can invest in new projects, growth and development.

Better salary remains the key attraction for taking a new position with 28% of respondents, followed by more challenging work and better career development. Likewise, better salary is the main reason for staying with a current employer at 31%, followed by promotion to a better role and more challenging work.

Our knowledge of the current market shows that organisations which do have capital reinvest in growth and development are the ones getting the best talent - particularly those developing products for offshore markets. However, they are finding it difficult to access key skill sets such as software developers due to the ongoing 'brain drain' and rising employer hiring intentions.

EMPLOYEE SATISFACTION

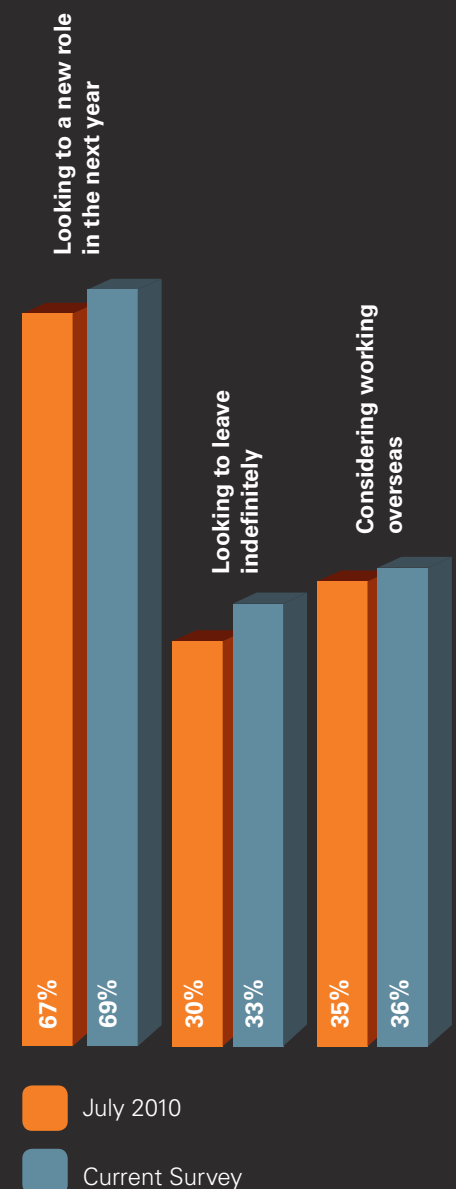
Surprisingly, despite high level staff churn, nearly 83% of employees appear to be happy with their current employer and would refer them as a good place to work. This suggests that employees understand the financial limitations many employers currently face.

However, top level talent is not going to be waiting until things improve.

Comparisons with our July 2010 Employee Intentions Survey

- 69% were looking to move to a new role in the next year compared to 67% now
- Top three motivations for taking a new role were better salary 29% - now 28%; career development 22% (23%) and more challenge 35% (20%).
- 35% were considering working overseas compared to 36% now; 30% were looking to leave indefinitely compared to 33% now.
- The top three motivations for working offshore were better lifestyle 23%; (50%), improved remuneration 23% (53%) and further career development 22%; (49%).
- Flexibility emerged as the most highly valued non-financial benefit

Comparisons with our July 2010 Employee Intentions Survey



Job flexibility emerged as the most highly valued non-financial benefit

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absoluteIT
RECRUITMENT SPECIALISTS

WHAT CAN EMPLOYERS DO?

As with our two previous surveys, workplace flexibility is the most highly valued non-financial benefit an employer can offer.

While New Zealand employers are doing well in this field, with our August 2010 Employer Intentions Survey showing that 30% of employees here enjoy a flexible work arrangement - almost double what is offered in Australia – not enough is being done to compete with Trans-Tasman pull of higher salaries and more work challenge.

Our survey shows a significant desire for not only flexible working hours but working location, in particular having the tools and ability to work remotely.

While our research shows that most employers offer flexible hours and remote access to a certain extent, there is still a strong call from employees for greater flexibility.

In a rapidly expanding industry and in the face of international talent competition, for New Zealand employers get the best talent and keep it, they should be:

- investing in the latest remote access technologies enabling staff to work offsite
- review flexible working hours policy in view of employee requests
- review career training and advancement opportunities and bonus policies
- review salary and workplace packages to get the best talent

About absoluteIT

absoluteIT is a specialist I.T recruitment solutions company, employing over 30 staff with offices in Auckland, Wellington and London U.K.

absoluteIT was established in 2000 and over this time has established an excellent reputation in recruitment services in the New Zealand Government and Corporate sectors.

Using some of the latest international recruitment practices, together with smart ideas, has enabled absoluteIT to position itself as a leader in the delivery of I.T recruitment solutions.

For further comment please contact Grant Burley, Director on 04 499 7848 or email grant@absoluteit.co.nz

To visit the absoluteIT website go to: <http://www.absoluteit.co.nz>