



2016 Hiring Trends



CultureFit
Technology Staffing

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Recruiting the Talent. Staffing the Culture

About This Paper:

Companies across all industries, and all sizes, continue to increase their dependency on technological advancements to support all aspects of their business - from process automation, document and data management, security and encryption, to driving marketing and sales revenue to name just a few. The innovation and adoption surge has made internal and outsourced IT teams operationally critical with **companies anticipating nearly a 40% increase in IT staffing in 2016**. Great news for IT professionals across the globe, but a broadening challenge for companies competing to fill critical vacancies as the shortage of available talent continues to increase.

CultureFit IT Staffing provides daily guidance to our clients to help develop a strategically smart workforce hiring plan which positions a company with the greatest opportunity to hire candidates that not only meet the necessary skill sets, but also the best culture fit to support long-term retention. Our successful results are based on a factual understanding behind this competitive category, including quantitative research designed to benchmark shifts in the trends. This paper will provide you a summary of key learnings extracted from our most recent 2016 report including:

- Current Compensation and Benefit Trends
- Top 3 Candidate Priorities in Accepting a New Position
- Top 3 Reasons Qualified Candidates Jump Ship to a New Company
- Motivating Drivers Influencing the Trends

Quick Summary

The CultureFit Benchmarking survey was designed to gain a clearer understanding on what IT Professionals are thinking about their past, current, and future positions with two primary purposes:

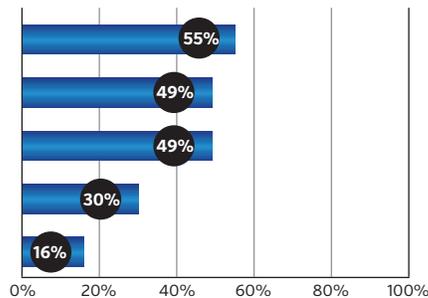
- 1) How does an organization restructure current employment packages to retain quality talent?
- 2) What changes and/or enhancements should an organization consider to attract quality talent to fill current and future IT vacancies?

Gaining the insights of over 500 IT Professionals, the following table prioritizes the employment considerations deemed as important or extremely important:

Employment Consideration

Compensation
Healthcare Insurance
Job Flexibility to Work On and Off Premise
Vacation or PTO Time
Innovative or Cutting Edge Project to Help Advance Career

Level of Consideration



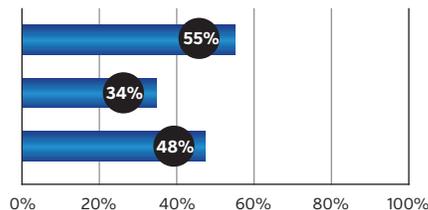
*Respondents were asked to weight each option on a scale of Not Important to Extremely Important

Respondents were also asked if they had left a position in the past 12 months, and if so, to list up to 3 of the top reasons they chose to make that transition:

Top 3 Reasons for Job Move

Compensation
Career Advancement
Job Flexibility to Work On or Off Premise

Consideration Weight



*Respondents were asked to select up to 3 components, not all candidates had 3 reasons. Other reasons were listed but fell below 20% and deemed insignificant.

While the weighting varies slightly, the top 3 reasons an IT professional has made a recent move vs. the criteria used in considering a move are closely aligned. However, it's important to understand the drivers that are underneath the responses before developing an effective workforce plan. The following provides additional context in the top 3 priorities:

1) Compensation Drivers

Compensation as a priority isn't unique to an IT Professionals career, but the career category represents a unique group possessing significantly more leverage respective to attaining higher than average compensation packages.

Competitive Reaction

Of the IT Professionals that responded to our survey, 62% secured a pay increase in the past 12 months. 33% of those pay increases were 15% or higher.

Companies are positively responding to the above average competition to acquire quality IT talent, and they've learned the best way to mitigate another vacancy is to meet the candidate's compensation demands. Hence, pay increases are becoming the new normal, garnering an average of 5.3% - exceeding the average pay increase by over 1% when compared to other professional careers.

Increased Hours

According to a recent [Gallup Poll](#), the 40-hour work week is projected to increase by up to 7 hours per week. The following is a breakdown of what our survey respondents projected to be the total amount of weekly work hours:

Expected Weekly Hours	Percent of Respondents
60 or > Hours	18%
50 - 59 Hours	21%
41 - 49 Hours	11%

Depending on the scope of responsibilities, some IT professionals are under even greater time pressures with the requirement to be "on-call" in the event of a data back-up or network failure, or a security breach. This added responsibility becomes a big contributor in compensation packages.

Demand

As we've reported previously, some companies are seeing vacancies exceeding [over 30%](#) within their IT department or group, with no end in the talent gap for the foreseeable future. According the Society for Human Resource Management [\[SHRM\]](#) and the Bureau of Labor and Statistics, they're anticipating a 37% increase in demand over the next 6 years, with an increased need for data and network security playing an even more significant role.

Although compensation ranks as the highest priority, it's also important to know 47% of the respondents indicated the amount of compensation is NOT a point of high consideration, with other criteria playing a much more significant role, such as the opportunity to advance their career, or having the flexibility to work on or off premise. Eric Edelsberg, CultureFit's Staffing Director, states succinctly: "The primary key learning is just like a business's culture, there is not a one size fits all IT candidate. Each will have their own unique needs."

Companies should develop a compensation framework, but maintain flexibility to adjust the structure to meet the needs of the candidate(s), which in turn ultimately fills the needs of the position and the hiring company.

2) Healthcare Factors

For many, healthcare is a table-stake to the compensation and benefits plan in order to be positioned as competitive. However, healthcare as a benefit has become an increasing challenge for companies of all sizes. A few facts to consider:

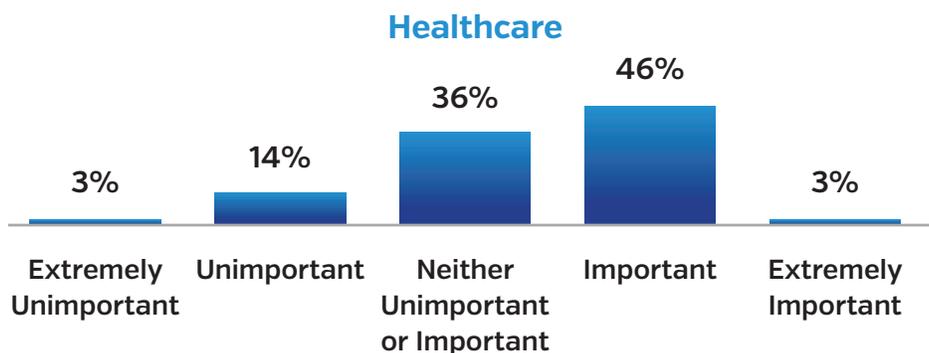
- According to the [Kaiser Family Foundation](#), only 48% of all privately owned businesses offer Healthcare Insurance in Illinois (approximately 1% less than the nation average).
- The [Bureau of US Labor](#) and Statistics estimates employer benefits cost on average \$10.52 per hour worked, with anticipated increases in 2016 ranging between 5.3% and 34% for the more comprehensive plans.
- The small business with less than 50 employees may be able to earn up to 35% in tax credits to offset increased costs.

Although healthcare insurance ranks as the second highest priority, nearly 50% of the respondents ranked this benefit as having no importance or unimportant in their decision to make a job change.

This leaves the door open for businesses to create offer packages with other attractive components in it, such as the flexibility to work on and off premise, which ranked 3rd in preferences.

"The primary key learning is just like a business's culture, there is not a one size fits all IT candidate. Each will have their own unique needs."

Eric Edelsberg,
CultureFit Staffing Director



3) Job Flexibility Basis

13.5% of the respondents from the CultureFit survey actually left their previous position to obtain this benefit. According to Adam Kooperman, President of CultureFit-

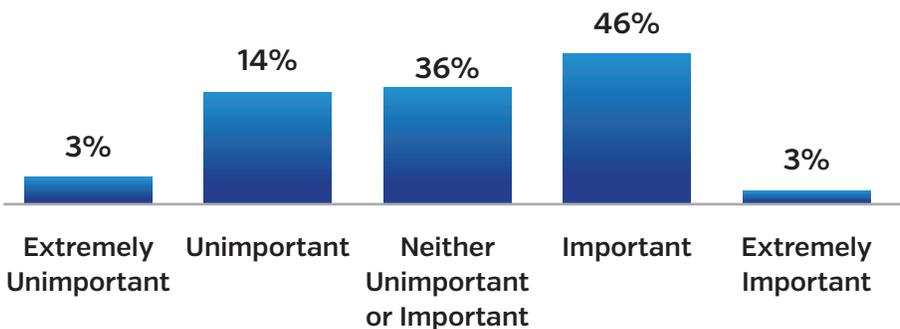
“In the Chicagoland area, commutes can exceed 2 hours. This is becoming a recurring preference for job seekers, which can cause a company to lose their ideal candidate to a competitor who offers either a shorter commute, or the flexibility to work on and off premise built in.”

Similar to our [2014 Benchmarking report](#), this trend is a recurring priority when reviewing the 49% of respondents that indicated this benefit was either important or extremely important when selecting a new company to work for in the future.

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Adam Kooperman,
President of CultureFit

Job flexibility to work on and off premise



The trend isn't native to the Chicagoland area, or other major metro areas, as a recent [2016 Computerworld survey](#) found a similar nationwide response of 31% of IT professionals expressed job flexibility as a priority preference.

Just as important as an attractive offer package is having a high-level understanding of how an IT candidate is managing their career. This highly talented group of professionals are also highly motivated, and career advancement matters.

- Over 30% of our survey respondents indicated they made a recent move due to the opportunity to develop their skill sets, experience, or a promotion.
- 43.9% have acquired a specialized certificate, believing continued education is critical to career development.
- According to the Computerworld survey, 44% believe specialized certification has provided a unique competitive advantage, outlining the following as the top 5 certification categories:
 1. Security
 2. Networking
 3. Project/Process Management
 4. Systems Administration
 5. Architecture

The most successful businesses develop a workforce plan designed to balance both the needs of the business as well as the candidates. Dorie Isaacson, CultureFit's Director of Recruitment, adds "It's a short and long-term strategy to help reduce hiring costs, attract the highest quality talent with the best culture fit, and retain the employees who make the greatest impact."

As previously reported in our 2014 CultureFit Benchmarking study, the average IT candidate who is actively interviewing, will do so with 3-4 companies at the same time. Tracking hiring trends from both a qualitative and quantitative perspective is essential to a successful recruitment plan.

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Dorie Isaacson,
CultureFit Director
of Recruitment

CultureFit and Advance Search bring a combination of over 10 years of IT Recruitment; entrusted to hire and place IT professionals throughout the Greater Chicagoland and Milwaukee area. Each year, they're charged to recruit, negotiate, and place 100's of open positions with quality talent that meet skill set requirements as well as compliment an organization's culture. Their unique position has afforded them the opportunity to identify hiring trends from both the organization and the talent's perspective.



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