



DAVID GRIFFITHS | MANAGER

David specialises in contract and permanent resourcing within technology and engineering. With twelve years experience he has an excellent track record managing high-volume, high-profile and multiple-location accounts across diverse sectors.

uk.linkedin.com/in/davidgriffithsadvantage

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Over 90% of respondents envisage they will maintain or increase their headcount over the next 12 months.

39% of employers are concerned that good applicants will be lost to competitors this year.

Specific knowledge of mortgage and financial systems are in high demand.

Flexible working hours, discretionary bonuses and child care vouchers are the most popular benefit retention tools.

EXPECTATIONS ON PERFORMANCE

2014 continues to see a sharp rise in both temporary and permanent vacancies throughout the Technology industry, a trend that began early last year. Over 90% of the clients surveyed envisage they will either maintain or increase their headcount over the next 12 months. The key factor for this rise is the relatively new stability of the UK's economy.

This sustained confidence in the economy has instigated growth throughout the industry and is reflected in our Summer Survey results. Over 90% of respondents stated that they were satisfied their organisation will either maintain or enhance its performance over the next 12 months. Among those expecting the most growth include SME's, which is an encouraging sign for the future of the Technology industry.

Continued growth has unsurprisingly yielded an increase in demand for talent across the Technology industry and we are seeing a moderate rise in IT salaries across the UK. Carrying on from our Winter Survey they continue to move forward, averaging a modest 2.1% increase in pay in 2014. However, average bonuses are up only 0.7%, slightly slower than the 0.9% increase seen in 2013.

RECRUITMENT

The rising demand for new recruits throughout the Technology industry has created talent attraction difficulties across the board. Qualified candidates are becoming increasingly hard to find in a dissipating talent pool, having to deal with growth across the industry. 39% of respondents report that a lack of talent in the marketplace is their biggest problem when trying to attract talent to their organisation. Coupled with this a further 39% are concerned that good applicants will be lost to competitors over the next 12 months.

This 'war for talent' has meant many organisations within the Technology industry plan to change their recruitment expenditure plans. Our latest report shows that 36% of respondents consider talent attraction their second highest priority when planning their future recruitment costs. However, company and sector performance is still of paramount concern, with over 50% of the vote.

Application development remains the most in-demand skill for managers who plan to hire IT staff in the next 12 months. Business intelligence and database analysis and development skills are also becoming increasingly sought after. While mobile application experience, e-commerce and specific knowledge of mortgage and financial systems are in high demand.

When planning recruitment drives for these hard to fill positions, organisations are choosing varying avenues based on the size of their business. The current recruitment trend for SME's seems to be in engaging with trusted PSL's, whereas larger organisations are planning to utilise MSP or RPO specialists in an effort to meet their hiring requirements for the rest of 2014.

RETENTION

Retention rates have always been a problem throughout the Technology industry with focus on hiring contractors to work on specific projects rather than filling permanent roles that might be surplus to requirements a year or two down the line. It is crucial that these contractors are retained for the duration of a project to avoid unnecessary delays. However, we have seen a marked rise in permanent hires over the last year as companies focus on the future stability of their organisations and financial restructuring.

Our latest survey shows that increased training and development is the favourite retention tool for organisations in the Technology industry. 36% of respondents cited this as their main strategy to counteract falling retention rates, which is a 20% rise since our last survey 6 months ago.

Benefit packages have seen a dip in popularity compared to our Winter Survey however, with less than 10% of the vote. Employers who choose to utilise these packages as a retention tool reported that flexible working hours, discretionary bonuses and child care vouchers were their most popular selections. These benefits illustrate a shift in focus away from traditional benefits such as private health care.

The lack of women working in the Technology industry has always been a big concern. However, England's new computing curriculum which includes the running of 'Code Clubs' is encouraging younger women to consider a career in Technology. Around 50% of the students participating in "Code Clubs" are female, which is a positive sign for the future balance of the industry.

As the economy has improved, the percentage of Technology professionals who feel secure or very secure in their jobs has risen slightly from 59% in 2013 to 61% this year. Overall, Technology professionals view a career path in IT as slightly more secure than others with 48% feeling it is more secure than most career paths, while 41% feel it is equally secure as other career paths surveyed.

CONCLUSION

The Technology industry continues to grow despite reports earlier in the year that it was beginning to stabilise. Respondents are confident that performance over the next 12 months will be either maintained or enhanced as the economy continues to experience growth. Coinciding with this progression, over 90% of Technology employers expect to either maintain or increase their headcount over the coming year in what is looking a great year for the industry.

Our survey correlates with the views of Tudor Aw, Head of Technology at KPMG, who said "the Technology sector's growth in the UK is outstripping the wider economy. Importantly, this good news story looks like it will continue in the year ahead with many tech companies planning to loosen the purse strings to hire staff and raise capital expenditure."

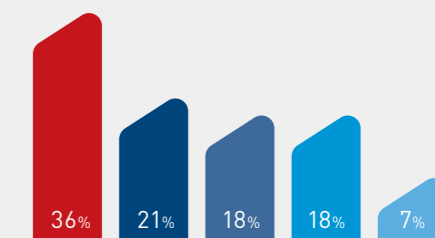
Unfortunately the rising demand for talent has created a battle between organisations to obtain qualified candidates who have the unique skills sets required in what is a constantly evolving industry. To combat this, companies have started to both increase their talent attraction spend and also their permanent to contract hire ratio.

ⁱ Computer World Survey, July 2014.

ⁱⁱ Computer Week: "UK Technology sector sees strongest growth since 2007 crash" July 2014.

UK SURVEY RESULTS

Staff retention and engagement are key challenges for any business, what has been your approach/strategy to this over the past 12 months



- 36% Increased training & employee development
- 21% Active employee engagement strategy
- 18% Changing & enhancing compensation packages
- 18% Changing & enhancing benefit packages
- 7% Other

In the discipline that you recruit for, what are the talent shortages that you encountering?

TOP THREE

- .NET & PHP
- Mobile Application
- Database Analysts

90%

hope to increase their headcount this year

61%

of Technology professionals feel secure in their jobs