2017 Hiring Trends

Recruiting the Talent. Staffing the Culture

About This Paper:

CultureFit Technology Staffing has entered it's 3rd year of actively tracking and monitoring IT industry hiring trends from the perspective of the IT Professional. According to [Manpower](#), there is no other Professional Services category contending with the same extreme talent shortages. Our goal is to empower our clients and businesses throughout the Chicagoland area with information that will competitively position and prepare the company to hire the talent with the experience, skill sets, and organizational cultural fit. This paper will outline the results of our first quarter 2017 survey of over 500 respondents – comparing 2016 results and the year over year changes:

- Current Compensation and Benefit Trends
- Top 3 Reasons Qualified Candidates Switched Jobs
- Top 3 Priorities Candidates Consider Before Switching
- Motivating Drivers Influencing the Trends

Because technology innovation, from both a productivity and criminal perspective, continues to evolve at a hyper rate we have also included trend information respective to the unique skill sets businesses are adding to their IT workforce.
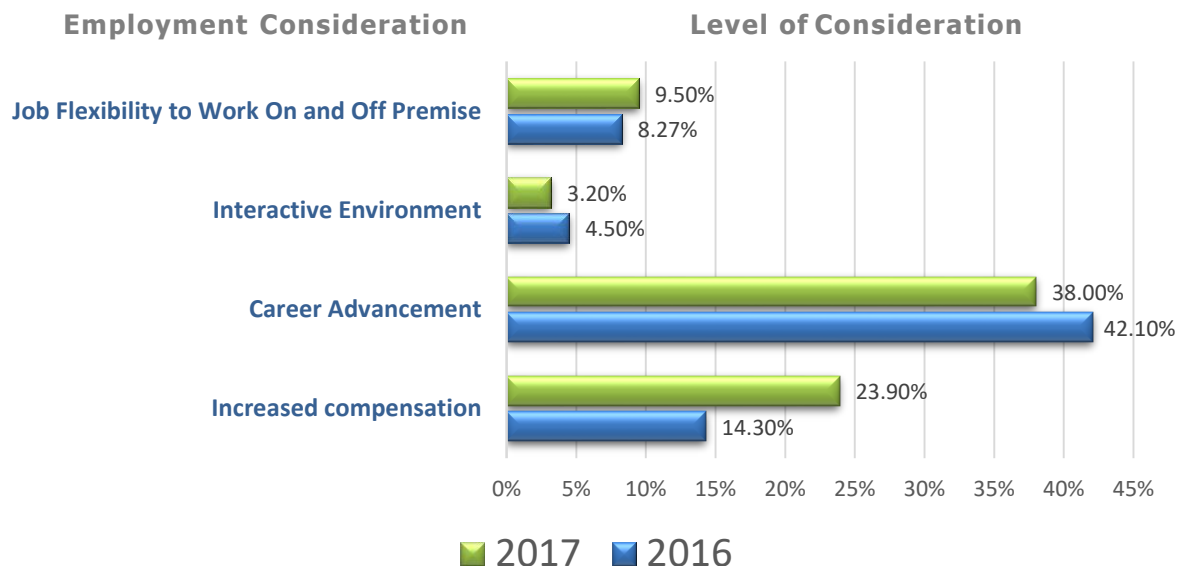
2017 Compensation and Benefit Trends

Why Switch?

Considering the current competitive environment , retention has become a critical strategy in keeping an IT team fully staffed. Hence, there's significant value in understanding the primary motivating factors an IT professional took into consideration when accepting an offer at a new business. Two significant key learnings were gleaned from this years survey:

1) Although **career advancement** still dominates as a primary consideration, we saw a downward shift of 4% in 2017 when compared to 2016

2) Like 2016, **compensation** is the second most important consideration criteria, but there was a significant increase of nearly 10% in 2017 as a reason an IT professional made a switch to a new company.

Adding to the pressures of this trend is how IT employees often perceive their compensation value. According to a recent survey by [Payscale Human Capital](): 80% of employees paid above market *believe they're paid at or below their true value,* regardless of the true reality.

More importantly, our survey indicates a willingness for hiring businesses to increase compensation budgets in order to meet the demand vs. leaving a position vacant.
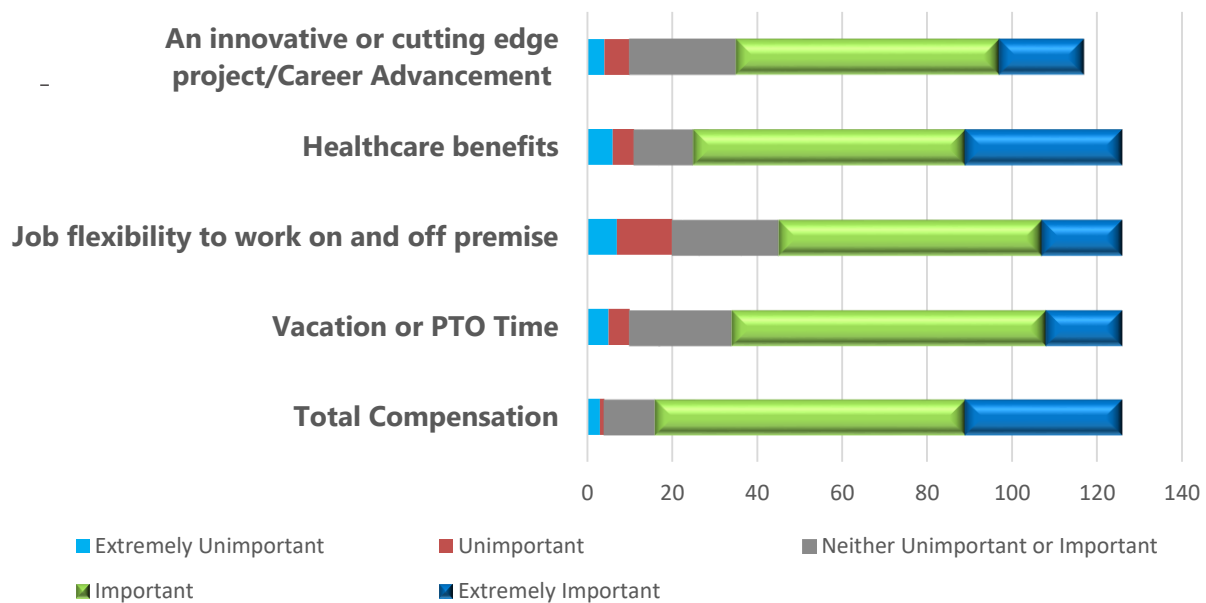
Employment Consideration   Level of Consideration

Category	2017	2016
Job Flexibility to Work On and Off Premise	9.50%	8.27%
Interactive Environment	3.20%	4.50%
Career Advancement	38.00%	42.10%
Increased compensation	23.90%	14.30%

0% 5% 10% 15% 20% 25% 30% 35% 40% 45%

■ 2017   ■ 2016

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

Reality Check – Priorities Before & After Making a Switch

We wanted to understand if there was alignment between the reasons an IT Professional actually made a switch vs. what they deem important prior to making a shift. We learned the decision to switch includes many other variables, and although compensation is certainly a primary driver, we found vacation and job flexibility, as important consideration factors, are also playing a significant role when making a final decision to accept an offer. The key take-away : A better strategy for IT talent acquisition is to increase the perceived value of an offer by including soft benefits.

Criteria Used In Making a Decision to Switch Companies

Legend:
- Extremely Unimportant
- Unimportant
- Neither Unimportant or Important
- Important
- Extremely Important

Categories (top to bottom):
- An innovative or cutting edge project/Career Advancement
- Healthcare benefits
- Job flexibility to work on and off premise
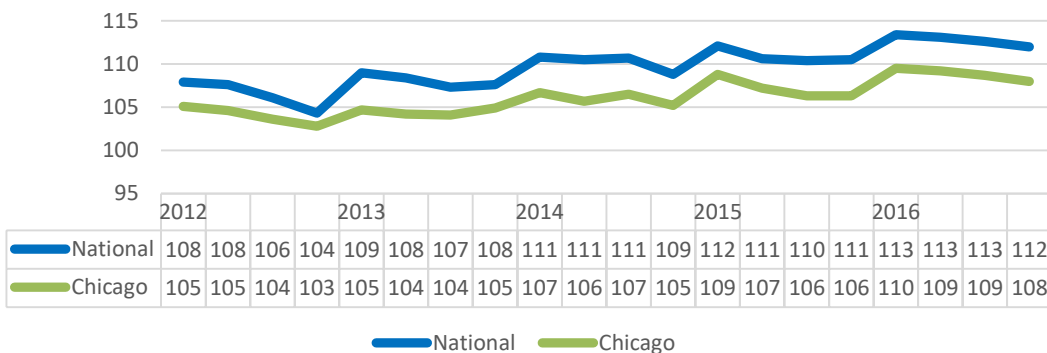- Vacation or PTO Time
- Total Compensation

Current Compensation and Benefit Trends

## National vs. Greater Chicagoland

The best way to explain how IT compensation requires to be treated uniquely to the rest of the organization is to first look at year over year indexing at both a National level and then at the Chicagoland market level, as tracked by [Payscale](#), Inc. When compared to other business support groups, Chicago IT professionals are achieving a pay compensation that is nearly 9% lower than the average of the other support groups. The silver lining- the local index is only 4.2% lower than the national averages.

IT Compensation
National Index vs. Greater Chicagoland

	2012				2013				2014				2015				2016			
National	108	108	106	104	109	108	107	108	111	111	111	109	112	111	110	111	113	113	113	112
Chicago	105	105	104	103	105	104	104	105	107	106	107	105	109	107	106	106	110	109	109	108

National ▬▬ Chicago

Although the Chicagoland indexing trend line has somewhat flat-lined the past year, we found a similar trend in the percent of IT professionals who indicated they received an increase in compensation, with 53% of respondents receiving an increase vs. 52% in 2017. Also on trend is the amount of pay increases received, with little variances:

2016 vs. 2017
Percent of Income Increase

■ 2016   ■ 2017
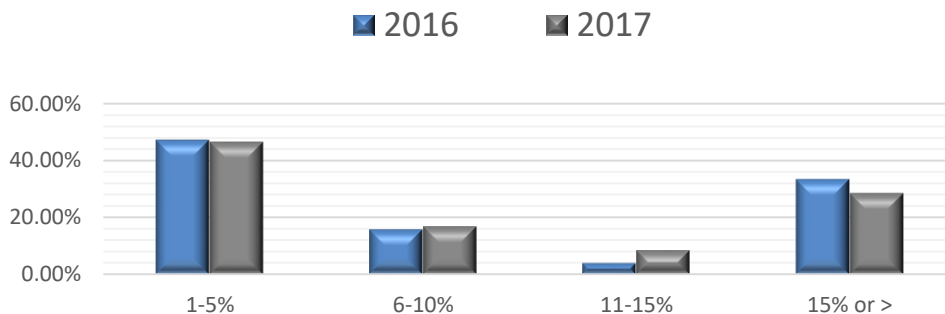
Reality Check – 2017 Forecasted Tech Budgets

Despite 2016's reality, the question businesses are struggling with in 2017 is when does an IT department's compensation budget reach the ceiling? Based on Computerworld's Tech Forecast, this may be the year businesses attempt to defy the economic supply and demand trend lines. And if successful, is there an operational consequence?

Expected Changes in IT Budgets

	2017 Forecast	2016 Forecast
DECREASE	11%	12%
REMAIN THE SAME	48%	42%
INCREASE	41%	46%
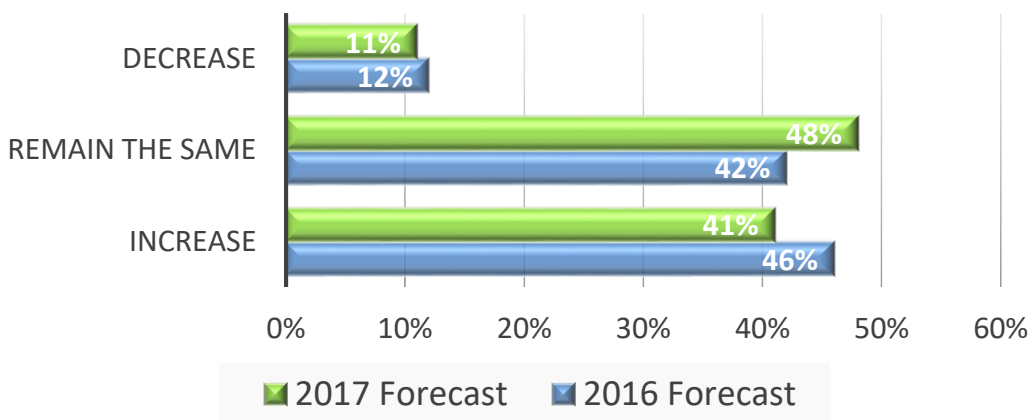
Reality Check – 2017 Forecasted Hiring Changes

How does the latter compare to anticipated hiring in 2017? Based on the same Computerworld Forecast, the outlook is a fairly close comparison, with a 2% slow down in anticipated decreases in the IT Workforce. But a 37% increase in hiring could prove to be a budget challenge:

IT Hiring Forecasts

	2017	2016
DECREASE	15%	17%
REMAIN THE SAME	56%	46%
INCREASE	29%	37%
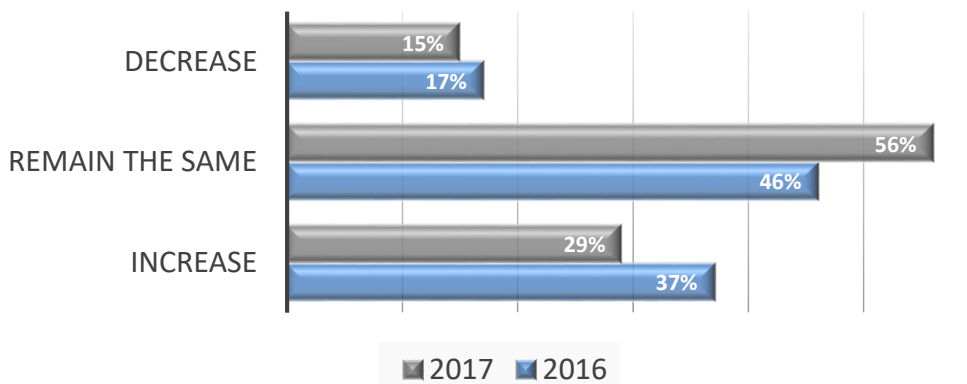
Hiring Advantage Through Certification

Despite the high demand for IT professionals, and the potential budget constraints, there's a large percentage of talent who continually seek to gain both a competitive advantage, as well as a compensation advantage, through continuous certification education.
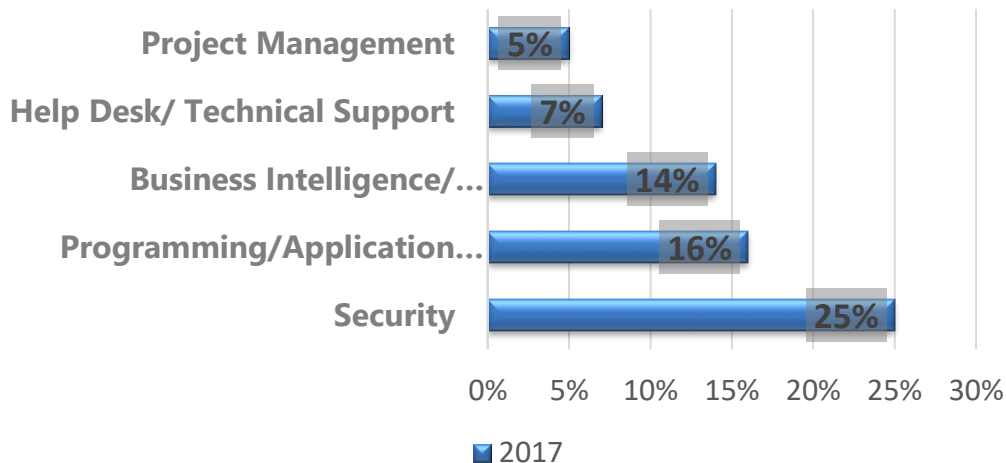
HAVE YOU COMPLETED ANY CERTIFICATIONS?

No
48%

Yes
52%
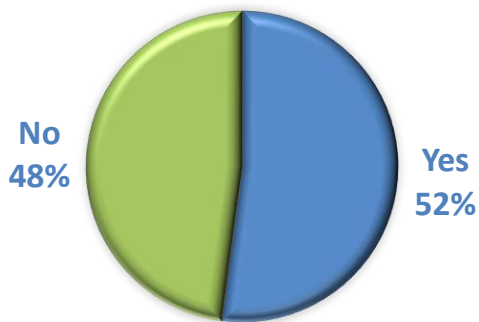
Finding the Skill Set Advantage

IT talent would be well served to take note of the skill sets that businesses perceive to be not only the most difficult skill set to hire in 2017, but also the skill sets that justify the greatest compensation consideration:
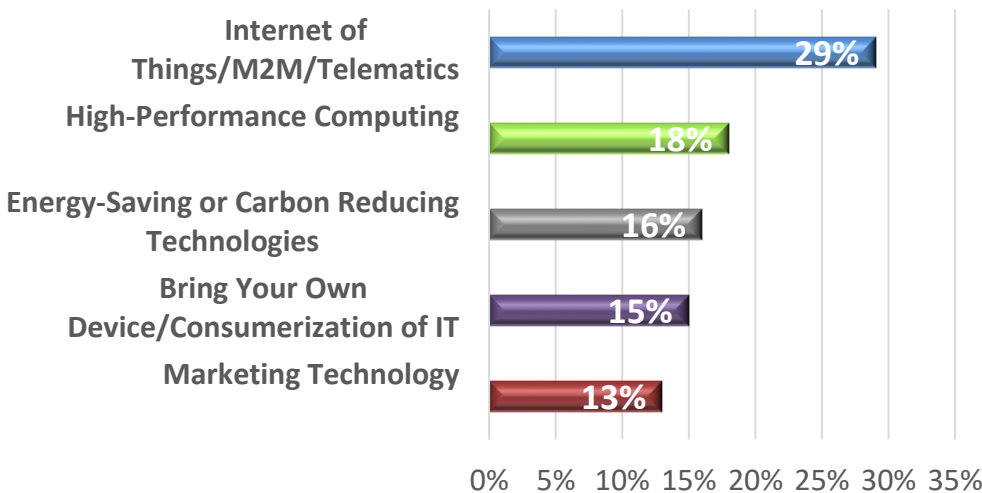
MOST DIFFICULT SKILL SETS TO HIRE

Skill Set	2017
Project Management	5%
Help Desk/ Technical Support	7%
Business Intelligence/...	14%
Programming/Application...	16%
Security	25%

0%   5%   10%   15%   20%   25%   30%

■ 2017

A Look To The Future

The savvy IT professional can also gain a competitive and compensation advantage by staying up-to-date on new and emerging categories. The best way to understand which trends are fleeting, and which trends are growing in traction, is to pay attention to which categories businesses are allocating new IT funds to:

Top 5 Categories*

Category	Percentage
Internet of Things/M2M/Telematics	29%
High-Performance Computing	18%
Energy-Saving or Carbon Reducing Technologies	16%
Bring Your Own Device/Consumerization of IT	15%
Marketing Technology	13%

0% 5% 10% 15% 20% 25% 30% 35%
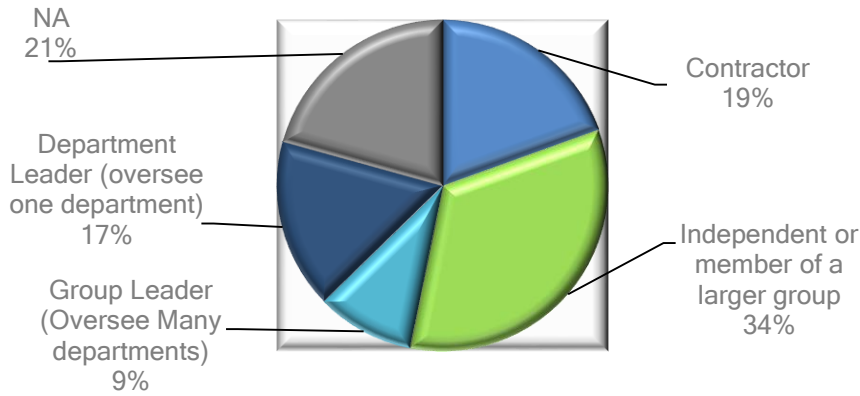
*Computerworld 2017 Forecast Survey

You can learn more about how the Internet of Things (IoT) and how Machine learning are being used in our recent blog article: www.culturefit.com/
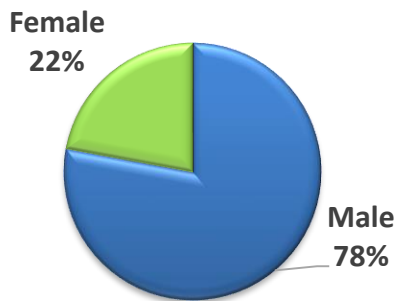
More About CultureFit's 2017 Survey:

This is the third year of CultureFit's annual compensation and benefits survey. Our respondents voluntarily participate over a 12 month window, with more than 80% participating in first quarter of 2017. Over 200 IT professionals provided responses to a 12 question survey. Survey results were augmented by Payscale surveys and Computerworld's 2017 Forecast Survey to provide a better perspective of the results. Additional profile information below.
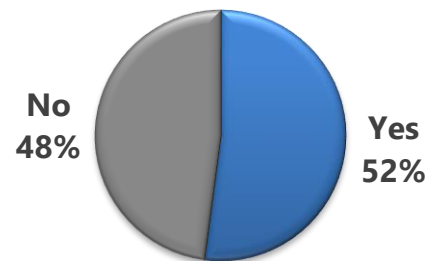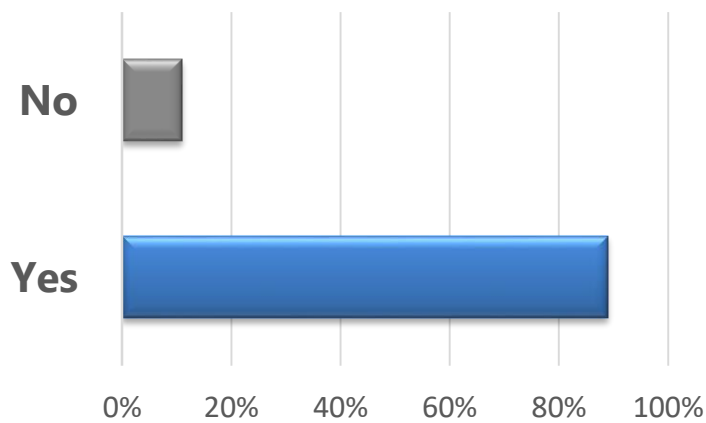
Respondent Profiles:

Current Departmental Role

NA
21%

Contractor
19%

Department Leader (oversee one department)
17%

Independent or member of a larger group
34%

Group Leader (Oversee Many departments)
9%

Gender

Female
22%

Male
78%

2016 Income Increase

No
48%

Yes
52%

College Degree

No

Yes

0%   20%   40%   60%   80%   100%

About CultureFit

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 organizational and talent's perspective.

CultureFit
Technology Staffing

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