



# 2020 MARKET TRENDS REPORT

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## ➤ FORWARD

Last year no one could have predicted what 2020 had in store for us. The COVID-19 pandemic has caused a dramatic upheaval to all aspects of our lives. And as we're all still in the 'belly of the beast', we don't know the full extent of the economic and social consequences we'll have to face in a post-COVID-19 world.

In relation to the job market, it's had an enormous impact. Here at Paxus, we've seen a decrease in the number of permanent roles advertised since April. There has also been a slow increase of contract roles being advertised, but contract rates appear to be holding.

Additionally, there are some key trends that will help drive opportunities both now and in the future. The pandemic has brought into focus our vulnerabilities against cyber attacks, and the urgency of investing in cyber security measures to protect ourselves. It's also made us question the long-term viability of offshoring BPOs, and forced a large percentage of the population to work from home on a long-term basis, or for some, this will be permanent.

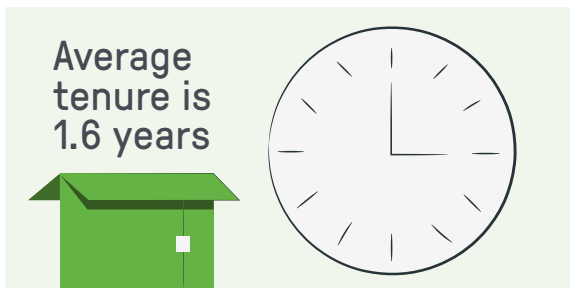
Another trend impacting the information technology job market is the increase of AI and automation technology. As the use of this technology increases, we'll also see further demand for AI and automation professionals to support it. Finally, achieving gender equity is still proving to be a challenge within the sector. However, this should improve as more companies recognise its importance of benefiting not only society, but their bottom line as well.

### **Jason Trevethick**

Group Executive Director of Staffing Services



# INFORMATION TECHNOLOGY MARKET SNAPSHOT



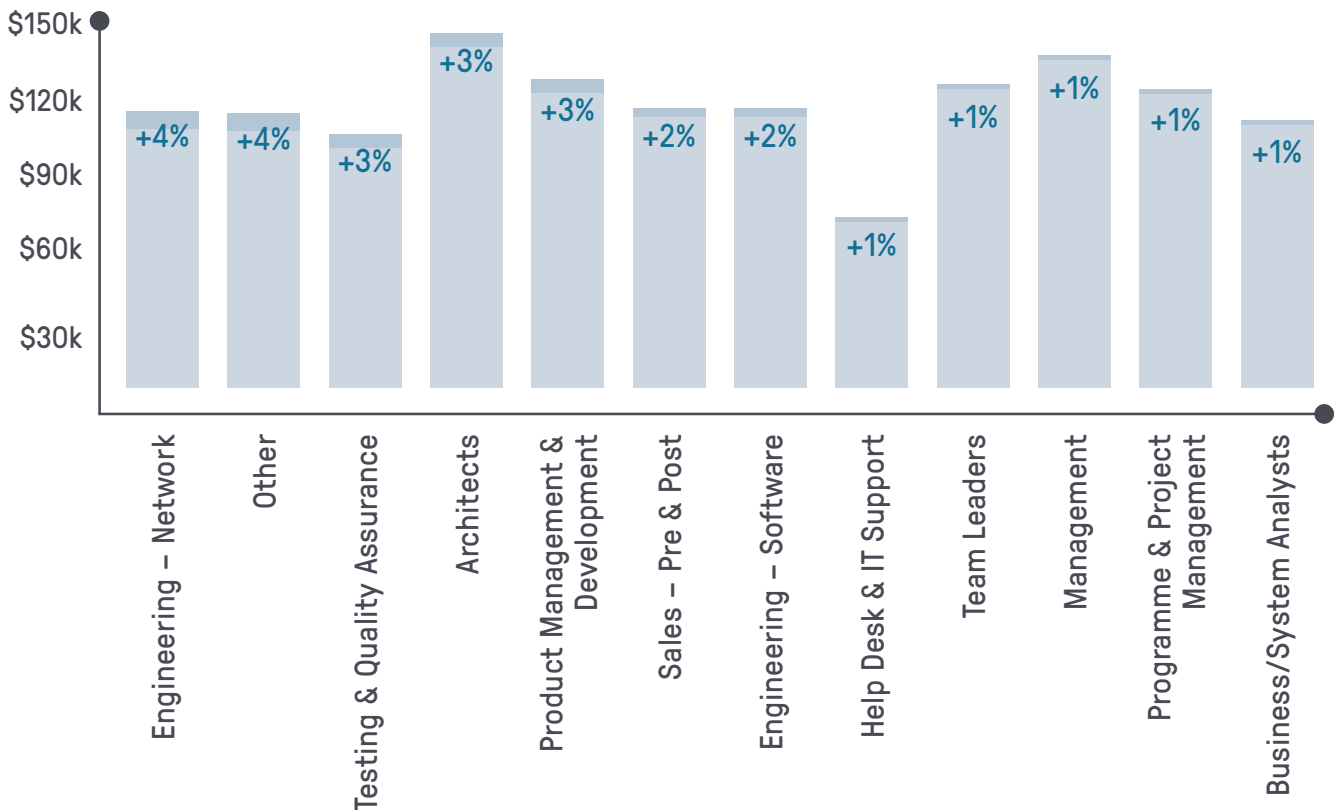
- ### Key industries employing ICT staff
- Information Technology Services
  - Government Administration
  - Telecommunications
  - Financial Services
  - Hospital and Healthcare

Key companies that employ ICT staff:

- Telstra
- IBM
- Optus
- Commonwealth Bank
- NAB

# INFORMATION TECHNOLOGY MARKET SNAPSHOT (CONTINUED)

Top areas for salary growth (%)



SOURCES

- LinkedIn Talent Insights Report, accessed August 2020
- Seek Industry Insights - Information Communication and Technology July 2020
- ICT Professionals Employment and Remuneration Report 2019

# ➤ CYBER SECURITY

In the advent of the global pandemic, organisations around the world reacted quickly to mobilise large numbers of their employees to work remotely. This helped to reduce the spread of COVID-19, but it also made us more vulnerable to cyber attacks as technology, policies and procedures couldn't keep up with the pace of change to our working environment.

It's no surprise then that cyber criminals and other countries have taken advantage of this vulnerability. The Australian Cyber Security Centre (ACSC) has reported a significant increase in COVID-19 themed cyber attacks on individuals, private and public organisations, including critical infrastructure and health organisations directly involved in the pandemic response<sup>1</sup>. Additionally, the Prime Minister also announced that the country is under attack by a 'state-based' entity<sup>2</sup>.

This pandemic has highlighted the critical importance of cyber security to not only protect against financial loss, but also to safeguard the health and national security of Australian citizens. In response, the Federal Government announced they will invest \$1.67 billion dollars<sup>3</sup> over the next decade to strengthen our cyber security capabilities, including a \$470 million dollar investment to expand our cyber security workforce with an additional 500 jobs<sup>4</sup>.

Cyber Security Specialists highlighted as an  
**EMERGING JOB**



**\$2.3 billion**  
stolen from Australian consumers in 2017

Cyberattacks occur every 39 seconds around the world



**Top industries hiring:**

- Information Technology and Services
- Computer and Network Security
- Financial Services
- Telecommunications
- Accounting
- Higher Education

**HIRING**

**SKILLS REQUIRED**

- Information Security
- Network Security
- Penetration Testing
- Security Information and Event Management (SIEM)
- Splunk

SOURCES

- [https://business.linkedin.com/content/dam/me/business/en-us/talent-solutions/emerging-jobs-report/AUS-TOP-EMERGING-JOBS\\_compressedRevised.pdf](https://business.linkedin.com/content/dam/me/business/en-us/talent-solutions/emerging-jobs-report/AUS-TOP-EMERGING-JOBS_compressedRevised.pdf)
- <https://eng.umd.edu/news/story/study-hackers-attack-every-39-seconds>
- <https://www.cio.com/article/3500174/hackers-stole-2-3-billion-from-australians-last-year.html>

## ➤ TREND OF ONSHORING COULD BECOME PERMANENT

For the last 20 years, Australian companies have transitioned business process operations (BPOs) to offshore teams as a cost-saving measure. However, as countries around the world imposed strict lockdown measures to control the spread of COVID-19, many of these teams were forced to cease all activity.

Only last year, Telstra laid off 9,500 staff and moved these jobs offshore. However, due to COVID-19 restrictions in India and the Philippines, their offshore centres were forced to close driving Telstra to set up a temporary onshore contact centre of 1,000 staff<sup>5</sup>. Optus also faced the same issue with their offshore teams and hired 500 people locally so they could continue to handle customer enquiries<sup>6</sup>.

The pandemic has brought into focus the risk of relying heavily on offshore teams, and many believe this trend of transitioning back to onshoring BPOs is here to stay. Westpac recently announced that it's going to bring back approximately 1,000 jobs into its local centres permanently. Westpac's CEO, Peter King, says this announcement is another step towards "transforming our business and mortgage operations, helping to support local employment, reducing the risk of offshore disruption, and accelerating our ability to simplify processes through digitisation<sup>7</sup>."

Telstra has also appeared to change its position on relying so heavily on offshore centres with its CEO, Andy Penn, stating that some of the changes made during the pandemic will become permanent. He has advised that they plan to have all inbound calls answered locally in Australia by 2022, with their Philippines and India centres only providing support to their digital channels<sup>8</sup>.

Other Australian companies were already moving in this direction with the pandemic solidifying the decision. DuluxGroup has offshored most of its IT services. However, it has just announced that they are now moving away from this strategy. "In 2020, after an iteration of single-sourced offshoring for most IT services, a review of our operations led us to decide to move away from this model, replaced by a more dynamic blend of internal teams and smaller niche providers," the company stated. A DuluxGroup spokesperson has confirmed this change was unrelated to COVID-19 and was already being investigated before the pandemic struck<sup>9</sup>.

At this early stage, it's too difficult to tell how much of an impact the pandemic will have on companies' strategies to offshore services. However, what we can expect is the decision is now a C-suite issue. Companies are now realising the high degree of risk involved by offshoring critical functions. This may cause some to bring all work onshore and in-house. For others, it could mean the move away from a single offshore supplier and instead use a mix of multiple offshore and onshore teams to mitigate their risk.

**The pandemic has brought into focus the risk of relying heavily on offshore teams, and many believe this trend of transitioning back to onshoring BPOs is here to stay.**

## › FLEXIBILITY AS A GIVEN IN THE POST-COVID-19 WORLD

Flexible working arrangements are a perk some organisations have touted for some time to attract talent. However, it was unimaginable we would have a situation where most office-based employees would be forced to work from home for months on end. Such a drastic shift in the way in which we work will have a lasting impact post-COVID-19 where it's claimed this newfound flexibility will now be considered a given, not just a bonus that some offer.

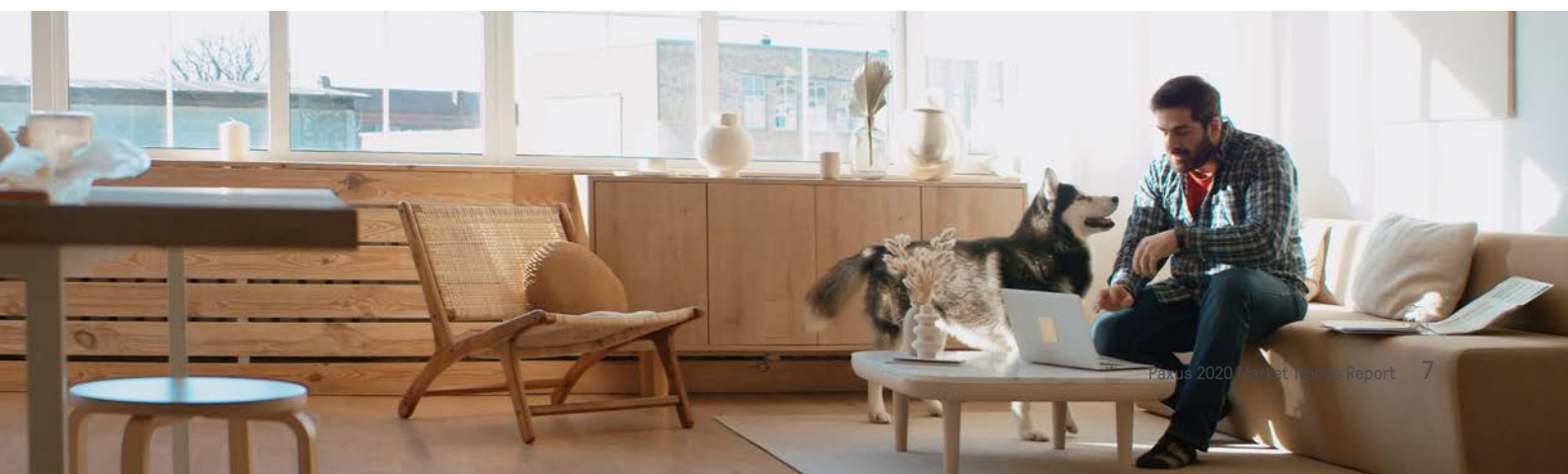
Recent studies have found the number of people working remotely for two days or more could increase by as much as 500 – 700%<sup>10</sup>. Many companies have been quick to react to this trend already with Facebook announcing that they expect half of their employees to work remotely over the next five to 10 years. Another large tech company, Twitter, announced their employees can continue to work from home indefinitely<sup>11</sup>. Plus, Gartner recently published research stating 74% of CFOs plan to transition a portion of their workforce to remote working on a permanent basis<sup>12</sup>.

For companies, this provides an opportunity to reduce costs spent on expensive real estate. It's also an attractive concept to those working in urban areas with long commute times. Plus, many find this new way of working more productive having with less distractions, as well as having higher control over managing their own timing.

It has also meant there's no hard separation between work and homelife, which calls into question the validity of the typical nine to five workday. Microsoft's second Work Trend Index discovered that the highest increase in the use of Microsoft Teams was between eight and nine in the morning and six to eight in the evening, compared with any other period during the day. It also saw a 200% increase in the use of Microsoft Teams during the weekend as well<sup>13</sup>.

Such a change in working behaviour for some could be a consequence of employees utilising their time more effectively around other non-work activity. However, it could also be a sign of some employers exerting pressure on their workforce to always be available, or the inability of employees to switch off from work.

In the post-pandemic world, it's more likely to see companies opt for a hybrid approach to working remotely. Instead of getting rid of the office completely, it's anticipated we'll start seeing downsized physical office spaces with employees working from home for some of the time, or a portion of employees working remotely all of the time.





# › FLEXIBILITY AS A GIVEN IN THE POST-COVID-19 WORLD

(CONTINUED)

## Over 70%

of Australian organisations in the private sector offer flexible working strategies and policies.

Flexible working is linked to the following benefits:

- Improved organisational productivity
- An enhanced ability to attract and retain employees
- Improved employee wellbeing
- An increased proportion of women in leadership
- Future-proofing the workplace

Flexible working includes:

Flexible hours of work

Compressed working week

Job sharing

Part-time work

Purchased leave

Telecommuting

Time-in-lieu

Unpaid leave

SOURCE

• <https://www.wgea.gov.au/sites/default/files/documents/Business%20Case%20February%202019%20Final.pdf>



# › ARTIFICIAL INTELLIGENCE (AI) AND AUTOMATION

AI and automation are drastically changing the way we work. The technology has started to penetrate all functions, such as IT, HR and marketing, and this is only the beginning. It's argued by Australia embracing AI and automation, the economy will grow, income levels will increase, and we'll experience a better quality of life. In fact, if we double the current automation rate, it's estimated Australia can realise a \$2.2 trillion opportunity by 2030<sup>14</sup>.

Already we're starting to see a consequence of this technological shift in the growing number of AI and automation roles being advertised. LinkedIn's 2020 Emerging Jobs Report identifies a substantial growth in Artificial Intelligence Specialist, Marketing Automation Specialist, Robotics Engineer (Software) and Automation Consultant job titles<sup>15</sup>.

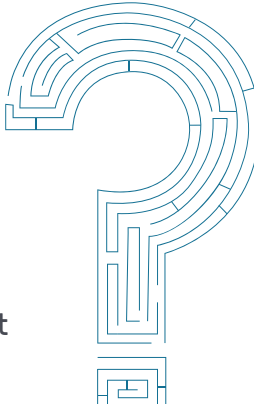
The benefits of AI and automation are immense, and it's also a necessity for Australia to compete with other countries already far ahead in terms of adoption of these technologies. However, like with the industrial revolution, it's estimated that it'll also displace 2.7m Australian workers and augment the jobs of another 4.5m<sup>16</sup>.



# ARTIFICIAL INTELLIGENCE (AI) AND AUTOMATION (CONTINUED)

Can help to solve challenges in areas:

- Health & Welfare
- Safety
- Environment
- Energy
- Infrastructure & Transport
- Education



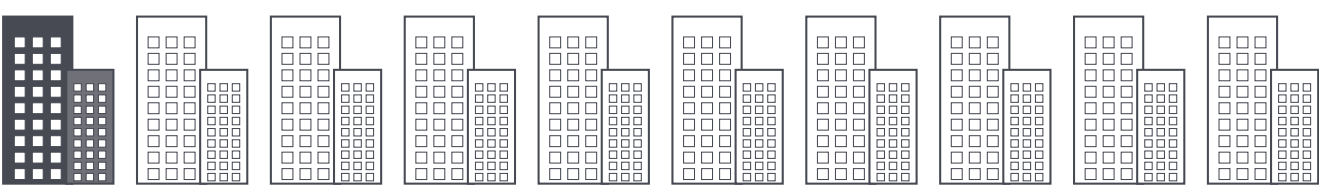
Jobs likely to be automated will often be those with the most risk and the lowest paid.

By transferring these to AI or robots, could lead to a **11% fall in workplace injuries** and a **20% increase in wages** through redeployment to non-automated activities.

AI is going to affect **25%** of technology spend going forward



Only one in ten Australian companies are embracing automation – half the rate of other global powers



**SKILLS REQUIRED** for emerging jobs in this field

- Machine Learning
- Marketo
- Computer Vision
- Deep Learning
- JIRA
- C (Programming Language)
- Digital Marketing
- Automation Anywhere
- Robotic Process Automation (RPA)
- Email Marketing
- Selenium
- Python (Programming Language)
- CRM Marketing
- TensorFlow
- Salesforce Marketing Cloud
- UiPath
- Automation
- Test Automation

## ➤ GENDER

Achieving an even gender balance within the information and technology sector continues to be a challenge. A gender pay gap of 17.1% endures between males and females, according to the ICT Employment and Remuneration Report. Plus, only 25% of those who hold a post-secondary ICT qualification are female. Participation in the information and technology workforce is also much lower than other industries, with only 29% of the workforce female compared to 44% in other professions<sup>17</sup>.

Additionally, OCED's Bridging the Digital Gender Divide Report found in software, the percentage of women were lower again and when they were there, they often played a relatively less important role. This was especially true in companies where there are only 15% of female (R) software authors<sup>18</sup>.

However, a growing body of evidence shows having workplace diversity brings about numerous benefits that help businesses thrive. In one study of 366 public companies, it identified those who were in the top quartile for gender diversity were also 15% more likely to have financial returns above the industry mean<sup>19</sup>. Companies also tend to be more innovative. In another study, they looked at research and development teams from over 4,000 organisations in Spain. Here, they discovered teams with a greater percentage of females had a higher chance to introduce radical new innovations into the market<sup>20</sup>.

There's also been numerous examples that correlate the incidences of females in senior leadership positions with the positive impact it can have on the bottom line. One example is a report that found Fortune 1,000 companies with female CEOs generated three times the returns compared to S&P 500 enterprises that were generally run by men<sup>21</sup>.

Gender equity within the information technology sector still lags in comparison to other professionals. However, this is set to change as more companies acknowledge the benefits achieving gender equity can bring.



## How can we encourage female participation in information technology roles?

The ACS recommends addressing the following areas:



### Leadership, Culture and Accountability

Gender equality isn't just an HR issue. It should be viewed as a priority to achieve key strategic outcomes at all levels of the business.



### Mentoring and Sponsorship

It's important for a company to create opportunities for mentoring and sponsorship so high-performing individuals can excel to their full potential, regardless of their gender.



### Targets and Quotas

Both targets and quotas can help to improve gender diversity within an organisation. However, the ACS prefers targets as this considers the circumstances of the individual company and is more likely to achieve buy-in from all areas of the business.



### Role Models

A primary reason females choose not to pursue careers in information technology is due to negative stereotypes that such roles are only held by men. A way to change this is to highlight successful females in the industry to show that it's possible to break through this.



### Flexible Work Practices

By providing flexible working conditions to both men and women to accommodate caring for children and a work/life balance will encourage both genders to contribute to their full potential.



## › WHAT DOES A POST-PANDEMIC WORLD LOOK LIKE?

With the ever-present threat of future lockdowns and no promise that we'll see restrictions lifting anytime soon, it's impossible to predict the full extent of damage it will cause our economy. As the pandemic hit and forced office-based workers to work remotely, IT departments had to pivot on their priorities quickly to provide the infrastructure that was required. On top of this, the revenue of businesses across most industries had taken a substantial hit. As a result, many IT projects currently in progress slowed in momentum, were delayed or even canceled.

However, it's highly likely the information and technology job market will eventually rebound to pre-COVID-19 levels. Not only that, it's argued the demand for these professionals will increase. The pandemic may have caused an immense disruption to the job market, but it can't erase the growing need for Australian organisations to continue to build on their technological capabilities. In fact, the fallout from the pandemic will help drive this growth further.

Some of the key trends which have been mentioned earlier in this report will support the future demand for IT professionals. The Australian Computer Society (ACS) predicts technology adoption and implementation could equate to an additional 1.2m new jobs by 2034<sup>22</sup>. Advancements in AI and automation, the necessity to protect ourselves against future cyber security threats, ensuring we have the ongoing capabilities for remote working, as well as the increased demand caused by reverting back to onshoring will all help to drive this.

The demand for information and technology professionals may have slumped while we are in the throes of the global pandemic. However, this is likely to be only temporary. As we start to recover economically, so will demand and it's expected that it will not only return to pre-COVID-19 levels, but surpass them.



## ABOUT US



Paxus is a leading technology and digital talent specialist with a genuine dedication to candidate, contractor and client service. With operations spanning throughout Australia, we partner with our clients to codesign creative and agile sourcing strategies to attract skilled talent locally, as well as rare talent from across the globe.

With more than 45 years in the industry and a client base that includes leading Australian and international corporations, SMEs, start-ups, as well as numerous government departments and agencies, we can leverage our market knowledge and experience to provide trusted solutions to help you meet your workforce objectives.

Visit [paxus.com.au](http://paxus.com.au) to find out more.

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- <sup>20</sup> <https://hbr.org/2016/11/why-diverse-teams-are-smarter>
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