At the crossroads: barriers to rebuilding ICT capability following the 2009/10 global financial crisis. A report by the Association of Professional Engineers, Scientists and Managers, Australia’s IT Group—the Information Technology Professionals Association, June 2011.
Identifying what demotivates ICT Professionals in the workplace helps us understand the barriers to their retention and engagement.

As we emerge from the GFC, competition for talent will increase as organisations expand headcount to capitalise on new project opportunities and try to rebuild depth into their ICT workforce.

Employee demotivation is likely to create instability and volatility which will impact not only the productivity and innovative capability of organisations themselves, but Australia’s national growth and competitiveness in both the short and long-term.

The objective of this survey was to explore patterns in demotivating influences in the workplace thereby providing an evidence base for working toward improvements in those areas.

“Almost 65 per cent of respondents reported that they had contributed to their organisation surviving the global financial crisis, but only 33 per cent felt their contribution had been acknowledged and recognised.”

“While the survey found that salaries keeping pace with the market and challenging work were key issues for ICT Professionals—confirming that the right incentives are critical to retaining staff—ICT Professionals reported that the influences which demotivate them at work also need to be addressed—and very often these factors go beyond their immediate job responsibilities and personal rewards.”
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REBUILDING ICT CAPABILITY POST-GFC

WHY DOES IT MATTER?

A range of critical workforce development questions currently face the ICT sector …

How can we sustain the profession when gaps in ICT capacity continue to be a drag on project development and implementation? How do we attract the next generation of ICT professionals to the sector? How do we broaden the pool of talent from which our ICT Professionals are drawn and then engage and retain them? How can organisations better define and develop their ICT people and services? And how can professional development practices support a profession which is so characterised by rapidly evolving and updated hardware and software?

Another fundamental question as we emerge from the global financial crisis is what barriers operate at the enterprise level to constrain innovation, productivity and competitiveness?

All these questions go to the heart of how organisations can maximise their ICT capability in 2011 and beyond, and highlight how important it is for key stakeholders in the ICT sector to work together to support the maintenance and continuing development of a world-class ICT workforce in Australia.

The Information Technology Professionals Association—a special interest group of the Association of Professional Engineers, Scientists and Managers, Australia—saw a need to explore the barriers to rebuilding ICT capability at the enterprise level following the global financial crisis. We’ve conducted this research to help identify factors in the workplace which demotivate ICT Professionals in an effort to provide an evidence base for working toward improvements.

With the retention of engaged and motivated ICT and knowledge workers absolutely critical in both the business and government sectors, understanding not only the drivers but the demotivators for ICT staff just makes sense.

Without an understanding of what’s happening at the enterprise level, and the opportunities that exist to engage and motivate ICT staff, other initiatives being undertaken towards a sustainable ICT workforce both at the enterprise and systemic levels are likely to be undermined.

APESMA considers it vital that we play an active and considered role in helping identify barriers to building talent management strategies which encourage engagement and a commitment to innovation and quality—a challenge that can best be tackled with the shared cooperation and commitment of business, government, their ICT staff and other key stakeholders including professional associations.

CHRIS WALTON
APESMA
Chief Executive Officer
The survey findings confirm that the ICT sector is at the crossroads—unless the barriers identified in this report are addressed, industry and government’s ability to capitalise on growth opportunities as we emerge from the GFC will be constrained.

Working together to address them will help us realise the continuing development of a world-class ICT sector in Australia.
One of the most critical findings overall was that there are no short-cuts with getting the big picture right. Ensuring that individuals’ roles and the reward system are aligned with strategic goals, that the workplace culture values and recognises team and individual contribution, that senior management takes the time to listen to the needs of ICT staff about skills development, staffing levels and investment in software and other resources, that the contribution of ICT contractors is acknowledged and that they’re engaged fairly and are part of the workplace culture, that organisations invest in their ICT graduates and take the time to make their induction useful and ongoing, and that managers overseeing ICT staff are equipped with the right skills to understand the types of approaches that will motivate and demotivate them—were all shown to be fundamental to ICT professionals’ engagement alongside the primary motivators of challenging work and a good remuneration package.

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Identifying what demotivates ICT Professionals in the workplace helps us understand the barriers to their retention and engagement.

The survey found a range of demotivating factors at the enterprise level were significant barriers to business and government rebuilding their ICT capability following the GFC.

ICT Professionals post-GFC want their contribution acknowledged and appropriately recognised. Almost 65 per cent reported that while they had contributed to their organisation surviving the GFC, only 33 per cent felt their contribution had been acknowledged and recognised. Over half the respondents said their organisation regarded ICT staff as a resource or cost which could be cut rather than a part of moving forward post-GFC, and perhaps not surprisingly 58 per cent said they were seriously considering moving jobs in the next 12 months.

The primary motivating factor continued to be salary with 88 per cent of respondents identifying their remuneration package as a critical motivator—but a major concern for business when over 40 per cent of the private sector staff surveyed didn’t have their salary reviewed last year. The survey revealed that the main demotivators were lack of recognition or appreciation, and poor management with 88 and 85 per cent of respondents respectively indicating that these were the primary demotivating factors in their workplace.

One of the most critical findings overall was that there are no short-cuts with getting the big picture right. Ensuring that individuals’ roles and the reward system are aligned with strategic goals, that the workplace culture values and recognises team and individual contribution, that senior management takes the time to listen to the needs of ICT staff about skills development, staffing levels and investment in software and other resources, that the contribution of ICT contractors is acknowledged and that they’re engaged fairly and are part of the workplace culture, that organisations invest in their ICT graduates and take the time to make their induction useful and ongoing, and that managers overseeing ICT staff are equipped with the right skills to understand the types of approaches that will motivate and demotivate them—were all shown to be fundamental to ICT professionals’ engagement alongside the primary motivators of challenging work and a good remuneration package.

The survey findings confirm that the ICT sector is at the crossroads—unless the barriers identified in this report are addressed, industry and government’s ability to capitalise on growth opportunities as we emerge from the GFC will be constrained. Working together to address them will help us realise the continuing development of a world-class ICT sector in Australia.
It’s a given that staff involved in such critical tasks should ideally be engaged and motivated. While APESMA is committed to providing evidence-based information about the issues for ICT Professionals in the workplace, beyond commentary on salary movements we found there was limited data available on what actually motivated and demotivated ICT staff in the Australian context. We considered this information vital for organisations looking at hanging on to their ICT talent.
In the period following the GFC and moving into a growth phase, ICT staff will be responsible for developing and delivering the architecture for new projects which are technology-dependent, for recommending appropriate acquisitions, monitoring the rollout of new ICT infrastructure, integrating new technology with existing systems to implement the strategic priorities of their organisations, and working closely with the people who use the organisation’s ICT systems.

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While APESMA is committed to providing evidence-based information about the issues for ICT Professionals in the workplace, beyond commentary on salary movements we found there was limited data available on what actually motivated and demotivated ICT staff in the Australian context. We considered this information vital for organisations looking at hanging on to their ICT talent.

The survey methodology is based on Herzberg’s motivation theory as a useful way to account for some of the complexity around what motivates and demotivates people in a workplace. Herzberg highlighted the importance of both job content—satisfiers or motivators—and job context factors—or dissatisfiers—in motivating employees. He argued that managers should give proper attention to satisfiers AND dissatisfiers—and noted that the risk of dealing only with satisfiers or motivation drivers is that the benefits may be cancelled out by not dealing with the so-called dissatisfiers. APESMA’s workplace issues survey suggests that Herzberg was on the right track ...
The aim of this survey was to explore patterns in demotivating influences in the workplace thereby providing a basis for benchmarking, and an evidence base for working toward improvements in the areas which emerged as the most significant motivators and demotivators. While different workplace practices and individual experiences gave rise to interesting variation in a range of areas, the survey also found significant commonality and convergence around some of the broader workplace issues which often held across private and public sectors, age groups and gender.
That survey found the average increase for private sector ICT Professionals was three per cent, while the average increase in the public sector was just over four per cent.

This compared with other technology professionals who generally received increases in the order of four to five per cent.

The results in this survey echo those findings, and flag the issue of reward and recognition strategies in the private sector as a critical issue.

88 per cent of respondents reported that they were concerned with salaries keeping pace with the market, and 86 per cent said they found inadequate salary very, moderately or somewhat demotivating.

Both these measures were consistent across age groups, gender and public/private sectors.

Of those who reported intending to change jobs in the next 12 months, 59 per cent of respondents indicated that a salary review would change their intention.

While just over 65 per cent of respondents reported receiving a salary increase in the previous 12 month period, just over 33 per cent reported that they received no increase. Of those working in the public sector, 81 per cent reported receiving an increase while a significantly smaller proportion—only 60 per cent—of ICT Professionals working in the private sector received an increase.

This suggests, not unexpectedly, that the GFC differentially impacted pay increases in the business sector. With salary a primary motivating factor and a key component of an ICT Professional’s remuneration package, the demotivating implications for the 40 per cent of private sector staff who didn’t receive an increase in the previous 12 months—and the businesses they work in—should be of significant concern."

While private sector investment in ICT projects placed on hold and many projects postponed or abandoned throughout the GFC, the most recent ACS/APESMA ICT salary survey^6 not unexpectedly found that the GFC most seriously impacted salaries for ICT professionals in the private sector, with their incomes increasing slowly relative to other technology professionals and ICT Professionals in the public sector.

"The policy of promoting to new levels of responsibility but not altering the remuneration package is extremely demotivating.”
SURVEY FINDINGS

RECOGNITION

“Of the 65 per cent of respondents who reported that they had contributed to their organisation surviving the GFC, 67 per cent felt their contribution had not been acknowledged or recognised.”

Recognition and the lack of it was a critical concern for 88 per cent of respondents who indicated that they found lack of recognition or appreciation in their organisations demotivating.

Almost 65 per cent of respondents reported that they had contributed to their organisation surviving the GFC, but only 33 per cent felt their contribution had been acknowledged and recognised. This means the remaining 67 per cent of respondents did not feel their contribution to their organisation surviving the GFC had been acknowledged or recognised either in monetary or other terms.

On being asked about their employer’s perception of them, a disturbing 52 per cent said they were seen as a cost which could be cut without impacting on the organisation. Further comments on how ICT staff were regarded by their organisation included the following:

Comments on how ICT staff are perceived by their organisation:

> As necessary but high maintenance
> A necessary evil that they can’t do without
> A commodity—cheaper will do just as well
> Something it needs but doesn’t understand
> Factory workers on a production line
> Somewhere in between a cost and indispensable—they know ICT is important but would like to get away with spending less if they could

On a positive note, just over 40 per cent reported that they were regarded as an indispensable part of the path towards growth, innovation, increased competitiveness and productivity, and commented that they were seen as core staff.

Of interest also was the finding that the perception of a lack of recognition of the ICT function was more prevalent in the public than private sector. Of those that said their organisation regarded them as a cost which could be cut, 49 per cent were in the private sector and just over 58 per cent worked in the public sector, likely to be related to problems associated with implementation of the Gershon Review.

And finally, when asked about their perception of belonging to the organisation for which they worked, 77 per cent indicated that feeling they were not an integral part of the organisation’s future was very, moderately or somewhat demotivating.
Of interest was the finding that women were more than twice as likely than their male counterparts to be very concerned about long working hours (37.9% compared with 18.5%) and to find lack of workplace flexibility very demotivating (34.5% compared with 13.4%). 76 per cent said that lack of work/life balance was a very, moderately or somewhat demotivating factor in their workplace.

**WORKLOAD, WORKING HOURS AND FLEXIBILITY**

The survey found that increased workload, increased hours of work and reduced staffing levels were found to be present in post-GFC workplaces, and the data suggest they are all potentially significant demotivators for ICT Professionals.

**WORKLOAD**

“Of those who reported an increased workload, 83 per cent indicated that they had not been compensated for it.”

83 per cent of respondents indicated that their workload had increased over the previous 12 month period, and of those 42 per cent said their workload had increased moderately, 24 per cent said their workload had increased significantly and almost 15 per cent said their workload had increased very significantly.

Of those who reported an increased workload, 83 per cent indicated that they had not been compensated for it, flagging this issue as a significant demotivator for a large proportion of ICT Professionals over the last 12 months.

**HOURS OF WORK**

“Over 50 per cent of respondents were doing up to 5 hours a week more unpaid overtime than in the previous 12 months, and 7 per cent were doing more than 15 hours extra hours.”

“Women were more than twice as likely than their male counterparts to find lack of workplace flexibility and long working hours very demotivating.”

Long working hours were a concern for 77 per cent of respondents and 63 per cent said they were concerned about working hours flexibility. 37 per cent of respondents indicated that the level of unpaid overtime they’d undertaken in the previous 12 months had increased. Of these over 50 per cent were doing up to five hours more, 24 per cent 5 to 10 hours more, 10 per cent were doing 10 to 15 hours more, and 7 per cent were doing more than 15 hours additional overtime.

The impact of lack of project planning on work/life balance was also highlighted. This comment sets out the sentiment expressed by a number of respondents:

“Overall one of the biggest demotivations for myself and those around is lack of effective project planning. A lax management attitude at the start of the project often leads to a rush at the end to get things finished. The work/life balance then disappears.”

**STAFFING LEVELS**

“53 per cent of respondents reported that the number of ICT staff in their organisation had been reduced due to redundancy or natural attrition. Of those, 81 per cent reported that staffing levels had not yet returned to their former levels.”

Of those who reported an increased workload, 83 per cent indicated that they had not been compensated for it, flagging this issue as a significant demotivator for a large proportion of ICT Professionals over the last 12 months.
SURVEY FINDINGS

TRAINING AND PROFESSIONAL DEVELOPMENT

ICT skills learned have a limited lifespan because of the rapidly changing nature of technology—and as a consequence, ICT Professionals need to constantly update their skills to those their organisation needs or is going to need. It is therefore of particular concern that 44 per cent of respondents said their opportunities for training and professional development over the previous 12 months had been restricted due to the GFC or their organisation’s performance.

Of the 44 per cent that said opportunities for professional development had been restricted in the previous 12 months, 67 per cent indicated that training opportunities had not yet been made available again.

On a positive note, 55 per cent of respondents reported that professional development opportunities had not been restricted over the previous 12 month period.

75 per cent of respondents said that they were very, moderately or somewhat concerned about training and professional development, and a significant 77 per cent said the lack of training opportunities in their workplace was demotivating.

Of those who indicated that they intended changing jobs in the next 12 months, 18 per cent indicated that providing training and development opportunities would change this intention.

While the failure to address knowledge and skills gaps will inevitably impact productivity and innovative capability of organisations in the post-GFC environment, the survey showed that limiting access to training and development opportunities could also act as a significant demotivating influence for ICT Professionals in the workplace likely to impact engagement and retention.

“The survey found that 75 per cent of respondents were very, moderately or somewhat concerned about training and professional development, and a significant 77 per cent said the lack of training opportunities in their workplace was demotivating.”

“Of the 44 per cent that said opportunities for professional development had been restricted in the previous 12 months, 67 per cent indicated that training opportunities had not yet been made available again.”
**CAREER PATH AND WORK ROLE**

“Challenging professional work—including challenges for technical specialists as well as those who choose to move into roles with managerial responsibilities—and career advancement opportunities—were found to be critical for motivating “at risk” ICT Professionals.”

The survey explored how ICT Professionals felt about their current role and their career paths. There were some solid indicators that a range of demotivating factors in these areas that were likely to be impacting staff engagement and retention.

**Lack of challenging work**

Lack of challenging work was regarded as a significant demotivating influence by over two-thirds of respondents. It was particularly an issue for young professionals (the under 30s) who were more than twice as likely to be very concerned about opportunities to do project work which would extend their skills than the over 40s (20.8 per cent compared with average 10 per cent for the over 40 age groups).

**Underutilisation of advanced technical skills** was also highlighted as an issue by a number of respondents, these comments being typical:

> I was employed for my specialist skills and then assigned mundane tasks in gaps or lull periods

> Greater delegation, communication and appreciation for the skilled staff a company has are all priority improvements from my point of view

**Career path**

77% of respondents were concerned with the lack of career path in the ICT industry, and 79 per cent found lack of career path in ICT very, moderately or somewhat demotivating.

A number of respondents noted the lack of career path opportunities and reward mechanisms available to those who choose to remain in specialist technical roles rather than moving into management. This concern was in evidence in this respondent’s comments:

> "As a technical specialist my company does not offer a career path or recognition of specialist expertise beyond a promotion/remuneration limit, unless I wish to pursue managerial/project management roles. Essentially, it imposes a career ceiling for those who wish to stay experts in their field rather than becoming generalists again. This is quite demotivating.”

**Reasons for remaining in role**

While 13 and 23 per cent of respondents respectively said they stayed in their role over the previous 12 months because of the opportunities, rewards and/or culture, and interesting work, a further 36 per cent indicated that they remained in their role over the previous 12 months because it offered job security.

In looking at how ICT Professionals feel about their role in the coming 12 months, 29 per cent said they felt positive about the opportunities available to them, 27 per cent said they were not positive and expected more of the same, and 40 per cent indicated that they were taking a ‘wait-and-see’ approach about the prospects of the organisation, the health of the ICT sector and the job opportunities available.

ICT Professionals at the intersection of those who remained in their role because it offered job security, and those who are now adopting a ‘wait-and-see’ approach represent a group which are significantly “at risk” to their organisation in terms of retention and engagement.

The survey provides evidence that organisations that, as part of a strategic approach to talent management, provide challenging professional work—including challenges for technical specialists as well as those who choose to move into roles with managerial responsibilities—and career advancement opportunities—are likely to be addressing key demotivating issues for “at risk” ICT Professionals.
A number of respondents commented specifically on the limited understanding management and their organisation’s leaders often had of the link between the organisation’s strategic priorities—including the bottom line—and ICT. Lack of clarity around strategic priorities was a demotivating influence for 78 per cent of respondents. These comments were typical of many:

**Comments on ICT and strategic priorities:**

> Senior management are too focussed on fighting fires rather than exploring opportunities to develop the business. There also seems to be a fundamental lack of understanding of research and development opportunities. Management lacks fundamental understanding of ICT in a business sense, preferring instead to focus on quarterly revenue outcomes. More attention is needed on what ICT strategies are necessary
> ICT is something they need but don’t understand
> There is a lack of deep ICT understanding by senior management, for example poorly chosen software solutions/applications and/or poor implementation/integration, data management and KPIs
> Every agency I have worked in has had problems with Management not understanding about ICT and recognising its importance
> There is a lack of communication from management in the ICT department about important issues affecting staff. We need more planning, resourcing, scheduling of tasks and project work. We need ICT management to provide responsibility and accountability and set an example. We also need effective policies and procedures and not excessive bureaucracy
> The lack of clear direction and very poor decisions from senior management are very demotivating.

Management not listening to ICT staff about what can reasonably achieved with existing staffing levels was also described as demotivating for 80 per cent of respondents. An analysis of respondents’ views about the management and leadership of their organisations should also acknowledge one of the major flow on effects of the GFC in workplaces—staff redundancies—and ICT Professionals and their workplaces in this study were not exempt. Almost 70 per cent of respondents said that their colleagues and peers being made redundant was significantly demotivating—one respondent referred to those made redundant as “the disappeared”. Clearly there are widespread instances of redundancies that occurred in response to the GFC creating a fairly strong legacy in terms of workplace demotivation.
While the survey found that salaries keeping pace with the market and challenging work were key issues for ICT Professionals confirming that the right incentives are critical to retaining staff, ICT Professionals are also saying that the influences which demotivate them at work need to be addressed—and very often these factors are beyond their immediate job responsibilities and personal rewards.

CONCLUSION:
AT THE CROSSROADS

Overall—not only pay but hours, training, making a contribution and having that contribution recognised, staffing levels, management practices and clarity around strategic priorities were all found to be potential demotivators for the ICT professionals we surveyed if not handled well. ICT staff are ready to contribute, to broaden their skill sets in line with their organisation’s strategic priorities, to keep their tech skills up-to-date and be accountable for contributing to their organisation’s bottom line. But they’re also telling us that there are some fairly strong demotivating factors in their workplaces which organisations need to address if they’re genuinely trying to hang on to their good ICT staff.

The survey findings confirm that the ICT sector is at the crossroads—not addressing these issues will mean they remain barriers to rebuilding organisational ICT capability post-GFC. Left unchecked, they will manifest within organisations as a chronic inability to engage and retain quality staff, and will constrain their ability to capitalise on growth and innovation opportunities and deliver on business and government priorities.

Working together to address the barriers to the retention of our ICT talent will help us realise the continuing development of a world-class ICT sector in Australia.
The survey was conducted online by APESMA in early 2011.

The sample was drawn from the APESMA members who had a minimum 3-year ICT degree or were employed or usually employed in a professional ICT position which requires the exercise of professional skill, knowledge or expertise.

Respondents worked in ICT roles either directly in the ICT industry, in ICT-related industries or in ICT roles across other industries.

Out of a possible 1700, a total of 257 responses were received—a 15 per cent response rate which was in line with expectations.

The survey was aimed at those currently working resulting in a possible response bias in excluding those who had been made redundant or were not working either as a consequence of the GFC or for other reasons.

Responses were split 88 per cent male and 12 per cent reflecting reasonably closely the gender breakdown of the ICT workforce which is reported as 80 per cent male and 20 per cent female.

Around 67 per cent of respondents worked in the private sector and 27 per cent in the public sector.

The spread across age groups was as follows:

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<tr>
<th>Age Group</th>
<th>Percentage of Respondents</th>
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<tr>
<td>30 and under</td>
<td>19</td>
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<tr>
<td>31-40</td>
<td>32</td>
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<tr>
<td>41-50</td>
<td>31</td>
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<tr>
<td>50 and over</td>
<td>18</td>
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The survey utilised qualitative as well as quantitative methods to draw out detail and variation as well as patterns and convergences in responses.
Related report
This research builds on the work set out in the RADAR report which looks at strategies for addressing skills issues at the enterprise level. This report is available online at:

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5. Insights into IT Professionals Australia, Manpower Market Insights Paper, April 2009, p.3

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