IT SALARY SURVEY 2014: THE RESULTS

ACN'S ANNUAL IT SALARY SURVEY AIMS TO SHINE A LIGHT ON THE STATE OF REMUNERATION IN THE REGION'S IT SECTOR, AS WELL AS TAKE A CLOSER LOOK AT RELATED ISSUES SUCH AS JOB SATISFACTION, TRAINING AND STAFFING LEVELS. READ ON TO FIND OUT THIS YEAR'S RESULTS.

BY MARK SUTTON

The 2014 ACN IT Salary Survey received 386 qualified responses from IT professionals working in the Middle East.

With new technologies coming to market in the Middle East, the region is still facing ongoing pressure on IT resources and skills. Many analysts have predicted that skills shortages will hold up the deployment of new solutions in the region, and may even impact on overall economic development if organisations are not able to deploy the skilled personnel that they need.

In a global IT market, the Middle East is still in competition with other regions around the world, and attracting and retaining the right personnel mainly comes down to one thing – pay. The ACN IT Salary Survey consistently shows the importance of remuneration to employees, but also aims to go beyond just salary numbers, to provide a guide to salary bands, job satisfaction, workforce mobility and other factors which are central to the issues of how organisations can get the right talent to drive their IT projects, and keep those vital resources.

The ACN IT Salary Survey is an anonymous survey which was conducted online through www.itp.net between July and early September 2014. Requests for responses were sent to members of the Middle East user groups for SAP and Oracle, and to the local chapter of ISACA.

THE RESPONDENTS

The 2014 salary survey drew a response from 386 respondents who identified themselves as IT professionals currently working in the Middle East, including GCC and wider region. The response was up on the total number of 171 respondents in 2014, and while the sample size is still small, the responses can still give some good guidelines to key figures and an understanding of attitudes and confidence in the market.

In geographic terms, 92% of respondents said they are working in the GCC region, with 61% in the UAE and 22% in Saudi Arabia. Over three quarters of respondents (78%) were between the ages of 25 and 44, while this year's survey drew a greater proportion of female respondents, with 10% of female respondents, up from just 2.9% female respondents last year. Eighty-three percent of respondents had been working in the IT sector for at least five years, with over half (52%) having been in the sector for more than ten years.

In terms of education, the sample was in line with last year's results, with 55% educated to degree level, and 40% with a Masters/MBA.

The respondents were employed mainly by organisations across a wide spread of vertical sectors, although more worked in large organisations, with 1,000 or more employees (57%), than companies with less than 1,000 employees (43%).

By job role, the most represented category was IT managers, who made up 16% of respondents, with consultant/strategists representing 10% and CIO/CTO/IT directors accounting for 9.5%. This year's survey showed a wider range of respondents across job titles (see chart).

SALARIES

The salary survey asks respondents to give their total annual salary, including allowances, but excluding bonuses, according to $10,000 bands ie $21,000-30,000. This response means that any mean value calculated is approximate, although median values are more accurate. Due to the high number of respondents in the uppermost band, this top range was extended to between $151,000 and $200,000 per year, and over $200,000 per year.
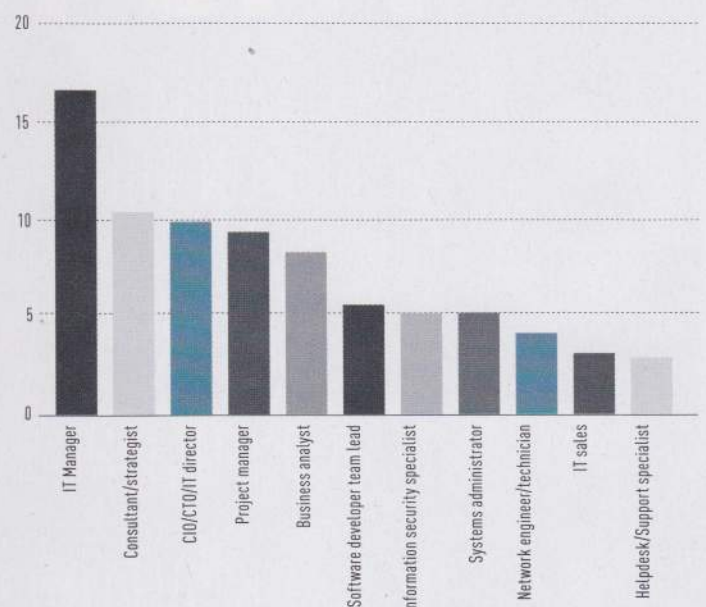
The range of responses showed an even wider spread than last year, with all of the job roles with 20 responses or more reporting salaries across the full range of less than $20,000 to more than $200,000 per annum. While this is indicative of the huge range of different definitions of job roles in the industry, differences in pay between different size of companies and sectors, and likely a few aberrant results, the results are still broadly inline with last year and with other industry yardsticks.

The overall industry salary average, across all roles was approximately $81,000. Eighteen percent of respondents said they made $150,000 per year or more, compared to 13% last year, while 7% were in the top bracket of $200,000 or more. Once again, around one third of respondents reported they made $50,000 per year or less.
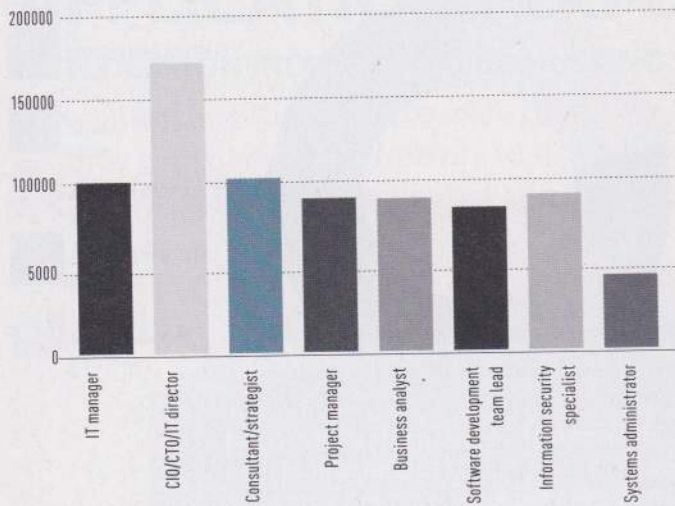
The top earners were unsurprisingly, the CIOs, CTOs and IT directors, with an average of $151,000, although more respondents in this category reported making $200,000 or more than any other salary band. In the US, according to InformationWeek's 2014 Salary Survey, CIOs made an average of $163,000; CTOs $131,000 and IT Directors $132,000.

Middle East IT managers made an approximate average of $89,100; with a median value of $81,000-$90,000 up considerably

Respondents by job title

Average salary by role

Bar chart with y-axis values 200000, 150000, 100000, 5000, 0. Roles: IT manager, CIO/CTO/IT director, Consultant/strategist, Project manager, Business analyst, Software development team lead, Information security specialist, Systems administrator.

from last year's median of $61,000-$70,000. In comparison, InformationWeek reported average salary for 'Managers' of $102,000, while 'Senior Managers' averaged $140,000.

Fifty-four percent of respondents added that they would get a bonus on top of salary this year, mainly based on personal and corporate performance.

SATISFACTION

The overall outlook in the IT industry was better for 2014 than 2013, based on pay increases, satisfaction with salary and overall job satisfaction. Salaries appear to be increasing to a greater degree, with 70% of respondents saying they had a raise in the year, compared to 63% in 2013. Average increases were 2-5%. The proportion of those whose salary stayed the same fell correspondingly, from 32.9% in 2013 to 27% in 2014.
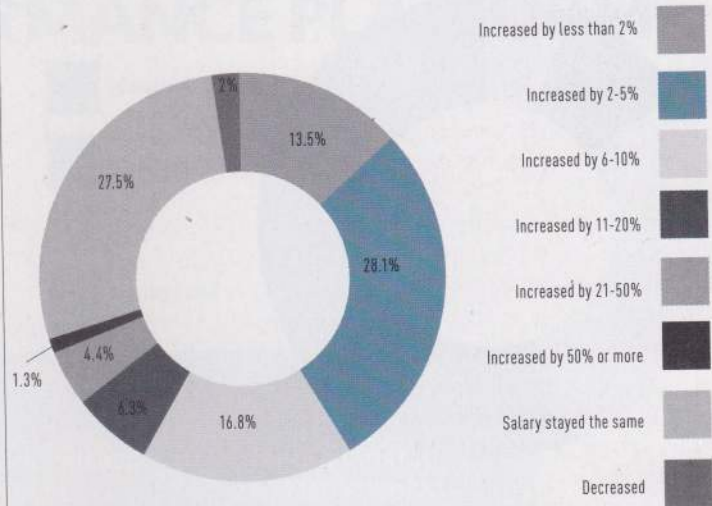
Satisfaction with salary levels was also up, with 35% satisfied with salary compared to 31% last year, although the split between those happy with salaries, neutral and unhappy stayed at roughly one third for each.

Overall job satisfaction was also up slightly from 2013, with 56% reporting that they were satisfied with their jobs compared to 48% the previous year. The percentage of respondents who were dissatisfied also fell from 17% to 15%. Good work environment was cited as slightly more important than salary for job satisfaction, while good employer, challenging job, job stability and skills development were also given as important factors in job satisfaction.
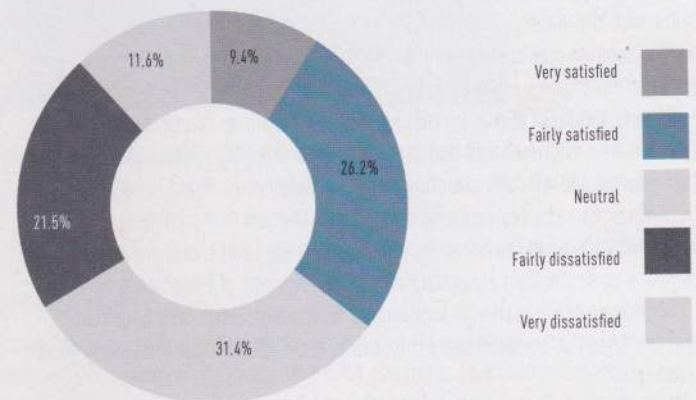
In common with previous years, staff retention is still an issue for the IT sector. In terms of longevity, half of the respondents had been with their current employer for up to five years; half been with them over five years; however, in line with 2013, one third were thinking of changing jobs within 6 months, and two thirds expected to change jobs within two years.

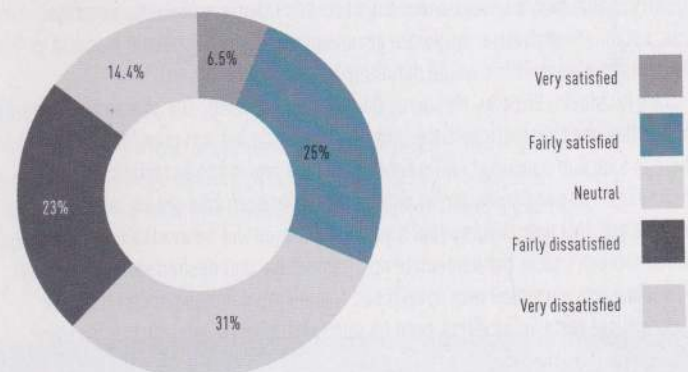Better salary was given as the most important factor in decid-
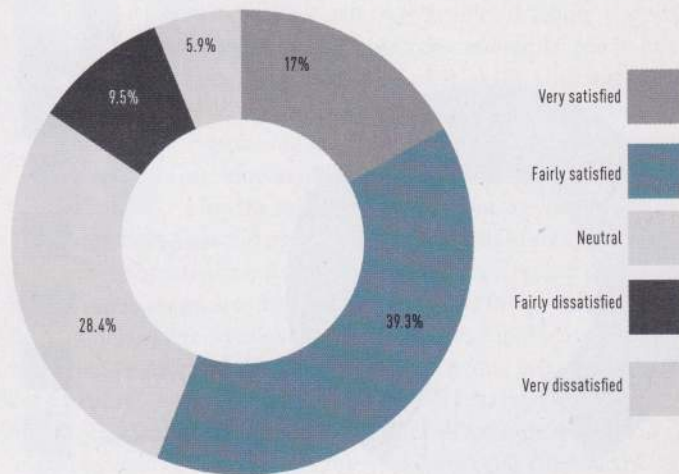
Has your salary changed in the past 12 months?

Donut chart with legend: Increased by less than 2%, Increased by 2-5%, Increased by 6-10%, Increased by 11-20%, Increased by 21-50%, Increased by 50% or more, Salary stayed the same, Decreased. Values shown: 2%, 13.5%, 27.5%, 28.1%, 1.3%, 4.4%, 6.3%, 16.8%.

How satisfied are you with your salary 2014?

Donut chart with legend: Very satisfied, Fairly satisfied, Neutral, Fairly dissatisfied, Very dissatisfied. Values shown: 9.4%, 11.6%, 21.5%, 26.2%, 31.4%.

How satisfied are you with your salary 2013?

Donut chart with legend: Very satisfied, Fairly satisfied, Neutral, Fairly dissatisfied, Very dissatisfied. Values shown: 6.5%, 14.4%, 23%, 25%, 31%.

How satisfied are you with your current job?

- 17% — 5.9% — 9.5% — 28.4% — 39.3%

Legend:
- Very satisfied
- Fairly satisfied
- Neutral
- Fairly dissatisfied
- Very dissatisfied

Are you thinking of changing jobs

- 21.2% — 17.6% — 30.6% — 19.8% — 10.9%

Legend:
- I have no plans to change jobs
- Yes, within the next 6 months
- Yes, within the next 12 months
- Yes, within the next 24 months
- Undecided/have not considered it
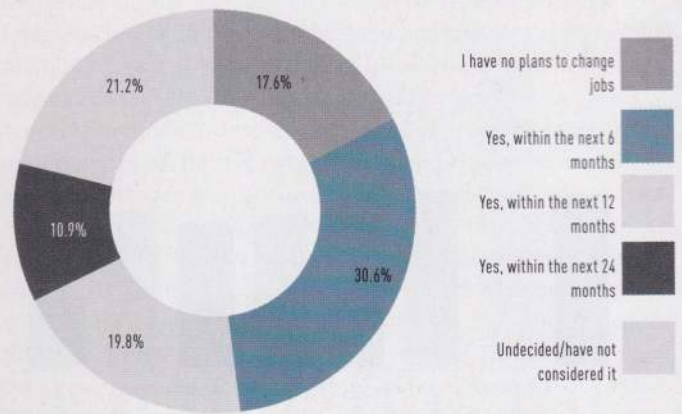
GLOBAL COMPETITION

According to the survey, the Middle East IT sector offers salaries that are broadly inline with the industry in other markets, particularly at higher levels. At lower levels, salaries may be somewhat below the average in other markets, with some peculiarities in some organisations.

"There is definite alignment that key talents are higher compensated as everywhere else. We would add that there is greater diversity in packages due to the fast growing and not fully structured market environment. What is very different from other markets we operate in worldwide is the fact that sometimes salaries are directly linked to the countries of origin (average level there) and there is no company-wide standard approach," noted Daiga Trumpe of Pedersen & Partners.
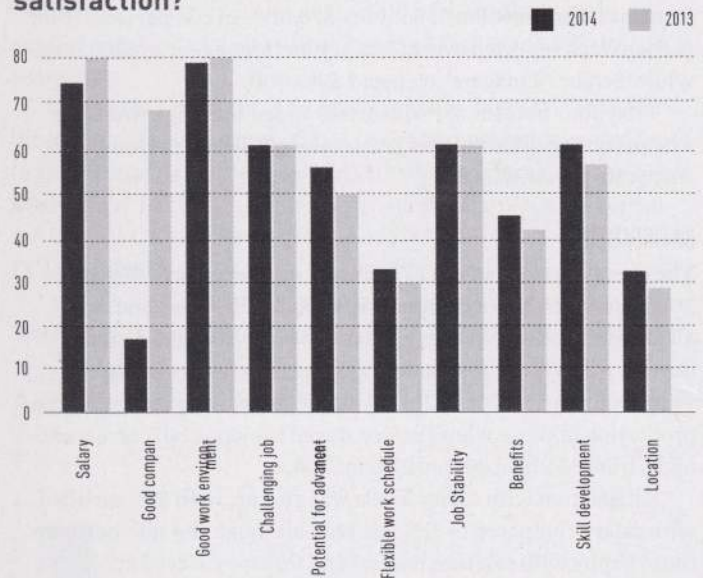
Confidence in the market is high among respondents, with 58% believing that the region offers good career prospects, and 18% saying it offers very good prospects.

With these conditions, the region can attract top talent to fill skills gaps, Suhail Masri of Bayt suggested: "The GCC and the UAE in particular have always attracted top talents from around the world."

Trumpe added: "We believe that region is very attractive due to large-scale developments (Expo 2020, FIFA 2022 etc) and therefore can offer highly professionally challenging business environment for top talents worldwide. Nevertheless, establishing stronger corporate governance and growing people leadership skills in the organisations would definitely help."

Gary Kitanoski, Director, HRSource Consulting countered: The short answer to this is they can't compete with the immediate demand but can plan for the future. There is a lack of specialist skills sets here in the region in key technical areas and though many regionally based universities offer such courses for instance in big data etc, this only ensures that a young workforce will be available for the future and doesn't solve the immediate requirement for that desired skills set. Many IT vendors also have their own specialised trainee programs to combat this, but again will not resolve the direct need for such skilled staff, who must ultimately be targeted from overseas."

What factors are most important to job satisfaction?

Legend: 2014, 2013

Categories: Salary, Good compan, Good work environment, Challenging job, Potential for advancement, Flexible work schedule, Job Stability, Benefits, Skill development, Location

ing to look for a new job, and opportunity for advancement ranked a clear second. New challenge, better environments, opportunity to develop skills and better benefits were also important.

STAFFING & TRAINING

When it comes to staffing levels, many IT organisations in the region struggle with maintaining a full complement of staff, particularly as demand for skills shifts to new technologies and companies have to attract new staff, or train up existing personnel.

In this year's survey, 31% of organisations said they were understaffed and not hiring, slightly down from 36% in 2013. A small proportion (7%) were shrinking the IT department; more interestingly, only 17% of respondents said that their organisation was hir-

ing in IT roles. This figure was down from one third of respondent organisations, and considerably out of line with other surveys. A 2013 survey by CompTIA showed 62% of organisations in the Middle East were hiring IT staff. Similarly, Bayt.com's MENA'Job Index survey of August 2014, showed 64% of IT organisations were hiring, up from 48% in from the same index in February. Bayt also identified that most of these positions will be junior executives, as they are the highest in demand according to 37% employers.

Daiga Trumpe, Principal, Head of Technology Practice Group, Middle East & Africa, Pedersen & Partners said that there is some focus on developing more focused IT teams and looking to outside sources for some expertise, but that there is still a high level of recruitment in growth markets.

"The current high tech industry development phase requires a more 'quality than quantity' approach which was less dominant in the previous phase. We see GCC companies optimizing their in-house IT teams — shifting resources towards core competencies and trying to find reasonable scenarios for less business critical workloads (subcontracting, freelancers, outsourced IT service)," she explained.

'"In other words, the industry is gradually entering a more mature phase. Nevertheless, we still see bulk hirings in high growth markets such as Saudi Arabia, and Africa where companies are entering the new territories of growing existing teams."

John McGlinchey, Senior Vice President, Global Business Development at CompTIA said that while a survey of IT firms in the US found that 33% of organisations felt they were understaffed, 42% were hoping to expand their operations.

"While budgetary constraints may prevent firms from executing on issues of understaffing or expansion, there is healthy hiring for a variety of skills, from something traditional like a general IT technician to something new like a cloud architect. The crucial issue is the level of skill — many companies are looking for candidates with deep skills and may need to consider training or retraining a candidate that has foundational technical knowledge," he said.

Despite one third of respondents saying their organisations are under-staffed, it appears that internal training is still somewhat lacking in its use as a tool to increase organisational capabilities. Only 42% of respondents get ongoing training from their employ-

"WE SEE GCC COMPANIES OPTIMIZING THEIR IN-HOUSE IT TEAMS — SHIFTING RESOURCES TOWARDS CORE COMPETENCIES AND TRYING TO FIND REASONABLE SCENARIOS FOR LESS BUSINESS CRITICAL WORKLOADS."

STAFF RETENTION

The IT sector in the Middle East remains a highly dynamic market in terms of staff moving jobs. According to this year's survey, 60% of workers will look to shift jobs within two years. The churn of staff can represent a problem for companies in retaining knowledge, project planning and maintaining staff levels.

According to a 2013 survey by employment portal Bayt.com, IT has the second highest turnover of any job function in the region.

Suhail Masri, VP Sales at Bayt.com, said this can be a problem for all organisations: "Employee retention is pivotal for ensuring the smooth functioning of an organisation as well as growing and developing internal talent and knowledge. The perception of employee retention in the region is quite low, and not just in the IT industry."

Masri said that senior executives and management in the Middle East and North Africa (MENA) region are easier to retain than junior employees, which could be because 45% of professionals in those roles see it harder to change jobs as you rise up the career ranks.

Daiga Trumpe, Principal, Head of Technology Practice Group, Middle East & Africa, Pedersen & Partners, said there is more focus from companies in the region on talent retention, which marks a growing maturity from the market.

"Talent retention is one of top priorities of high tech companies operating in the region, because human capital is a key asset to stay on the competitive edge and ensure sustainable business growth. The recent trend is focus on longer term incentives, professional development opportunities, succession planning and other employee engagement and loyalty programs to keep the best talents on the board," she said.

"We see high mobility more as emerging/fast growing economy element than anything IT industry specific — the fact is that mobility tends to be much higher in emerging growing markets than in mature established ones."

John McGlinchey, Senior Vice President, Global Business Development at CompTIA, added that high mobility may also be a trait of a new generation.
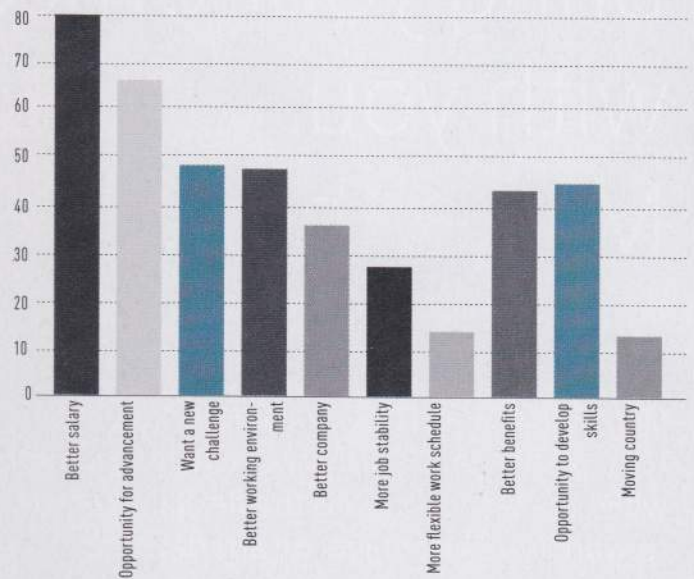
"Along with the high demand for technical skills which could drive employees to find a better offer, there is a growing sense that those employees recently entering the workforce are more likely to switch jobs while looking for a good match. CompTIA data shows that 80% of employees feel that low loyalty among younger workers is a common stereotype, with 53% feeling that there is some truth to that stereotype. While this trend may diminish over time, the current reality is that companies do face some difficulty in retaining knowledge and building a consistent workforce."

Masri said that employers can implement certain practices to increase their retention rates. Salary and benefits packages are the primary factor, with 45% of respondents saying they switched job because their pay was too low.
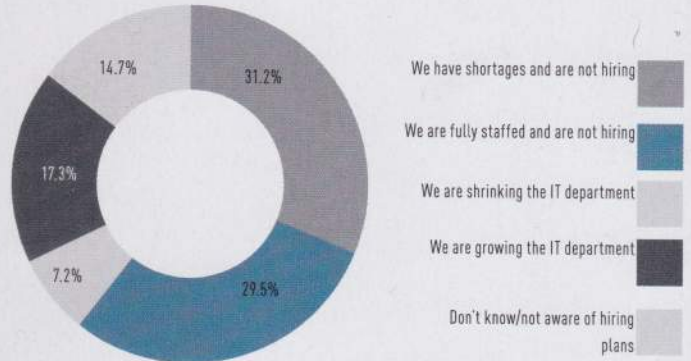
"Another way to retain employees is to instill a sense of job security. 46.1% professionals in the MENA say that companies offering job security guarantees would improve retention, while 44.7% state that fear of getting fired guides their decision to change jobs to a large extent. In order to increase employee loyalty, employers must value their employees, and instill sufficient encouragement and motivation," he said.

"Finally, companies should know that employees tend to put more effort into their jobs when they feel valuable to their company. If you invest in your employees and cater to their professional needs, they're most likely to invest right back in their jobs."
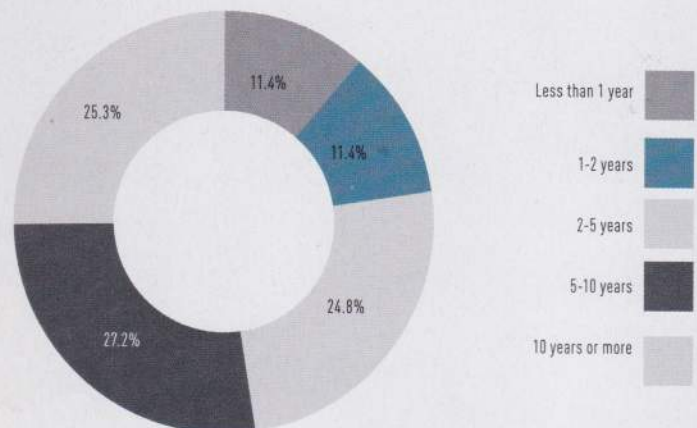
What would be your main reasons for changing job?

Is your IT department fully staffed?

- 31.2% — We have shortages and are not hiring
- 29.5% — We are fully staffed and are not hiring
- 7.2% — We are shrinking the IT department
- 17.3% — We are growing the IT department
- 14.7% — Don't know/not aware of hiring plans

How long have you worked at your current job?

- 11.4% — Less than 1 year
- 11.4% — 1-2 years
- 24.8% — 2-5 years
- 27.2% — 5-10 years
- 25.3% — 10 years or more

er, while 57% take training independent of their employer. Most respondents identify areas such as technology-specific training, project management, business skills and people management skills would help advance their careers.

With premium placed by employees on career development opportunities, and the issues of external recruitment most experts believe there should be more emphasis on internal training.

Suhail Masri, VP Sales at Bayt.com, commented: "Companies should most certainly invest in training their employees. The costs may seem large in the short run, but in the long run it will balance out, especially when it comes to attracting talent and retaining employees. Consider this; seven in ten professionals want to work for a company that has career growth prospects, encourages new ideas, and provides training opportunities."

McGlinchey added: "As skills are changing so rapidly, companies may find that they have to provide some level of training to get their current workforce up to speed or to bring in new talent that may have just a basic level of technical skill. CompTIA data shows that 61% of employees would like to see moderately more or significantly more training provided by their employer. According to the survey, this training would result in higher job satisfaction, higher motivation, and decreased likelihood of the employee leaving."

Investment in internal resources may still be limited to core competencies, said Trumpe. "Investment in the right competencies and the right people (supporting business growth priorities) are giving the companies incredible advantage over competition, the key question still remains how to protect/sustain this knowledge in house. For this reason we see growing trend to outsource some competencies from specialised vendors and invest only in key competencies."
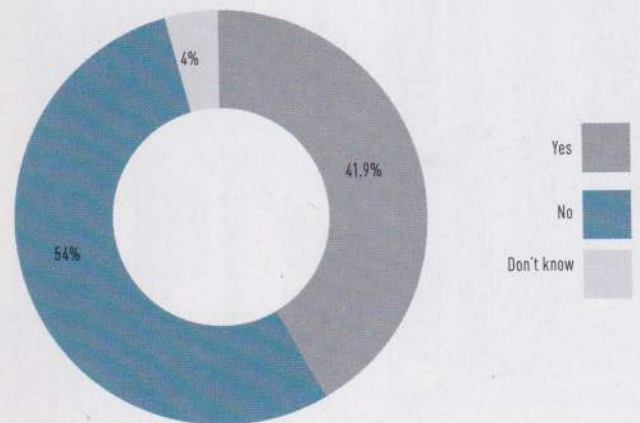
What sort of training would be most valuable to you in developing your career?
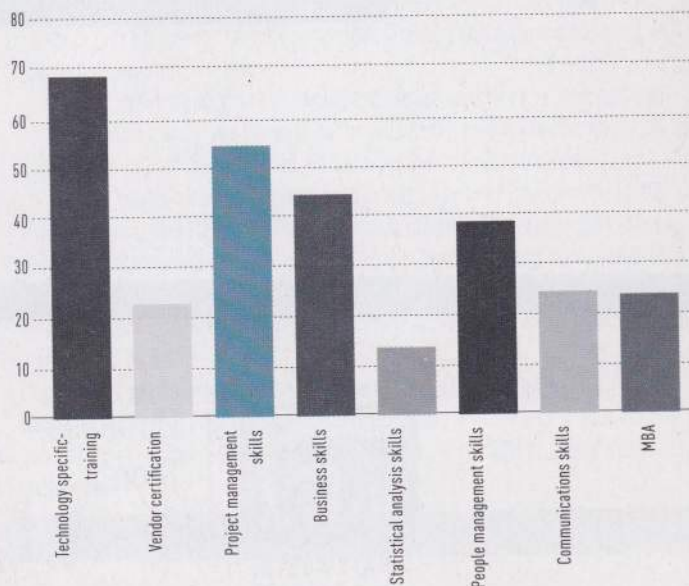
Popular qualifications
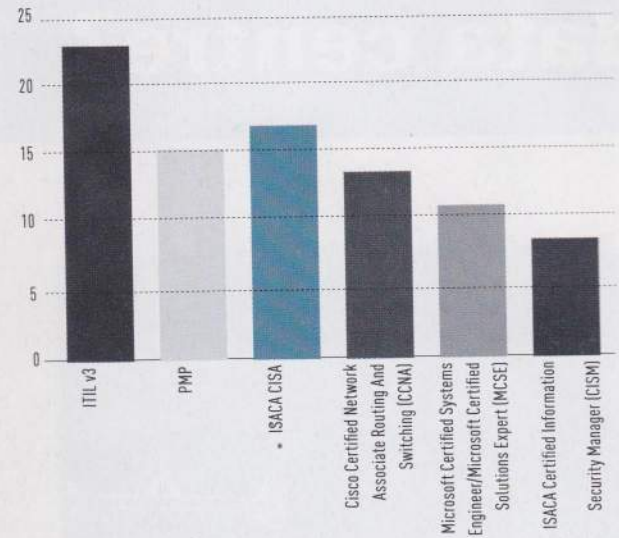
Do you currently receive ongoing training through your employer?

- Yes
- No
- Don't know

4% / 41.9% / 54%

Do you think that the IT sector in the Middle East offers good career prospects?

- Strongly agree
- Somewhat agree
- Neutral
- Somewhat disagree
- Strongly disagree
- No opinion

1.4 / 4.9 / 18.2 / 10.9 / 40.4 / 24