



Nelson Tasman  
**Innovation  
Neighbourhood**

# Nelson Tasman: The Talent Challenge

August 2020

## About the Nelson Tasman Innovation Neighbourhood

The Nelson Tasman Innovation Neighbourhood is a group of local organisations who have come together in collaboration, to tackle common business challenges and identify common opportunities, by working better together.

Through sharing knowledge, connections and fresh ideas, the group's focus is on improving outcomes for the individual organisations while also contributing to the greater good of the Nelson Tasman community and region. The ultimate aim is regional development through uplifting prosperity, wellbeing and capability individually, collectively and for Nelson Tasman.

Members include Datacom, Sealord, NZ King Salmon, Cawthron Institute, Pic's Peanut Butter, Wakatū, Intepeople, Nelmac, NMIT, and the Nelson Regional Development Agency (NRDA).

## Why we did this

To other New Zealanders, an ordinary day in Nelson Tasman is often considered extraordinary. Highly connected both locally and globally, the region is a place of surprising diversity. It's home to vibrant arts and artisans and clever city and rural businesses – all thriving among stunning natural landscapes. Combined, this creates a place that locals never want to leave, and one that visitors keep coming back to: an ideal place to live, work and play.

But is this enough to attract great talent? What is stopping Nelson Tasman from realising its full potential as a place where the world's top talent wants to live and work?

Recently, we, the Nelson Tasman Innovation Neighbourhood (NTIN) commissioned research to find out more about attracting and retaining talent in our region, from both the employer's and the employee's point of view. The research was conducted by local Nelson Tasman research consultancy, Q&A Research.

From employers, we wanted to know to what extent talent attraction and retention is an issue for them, and where talent gaps are most prevalent.

From prospective employees, we wanted to know what attracts them to our region, what puts them off, and why they were unable to find roles.

Finally, we wanted both groups' thoughts on what we can do to solve these problems and address talent shortages.

As well as reporting on the issues and solutions identified in the research, we're also offering practical solutions and ideas that we as a business community can implement to address this challenge.

## How we did this

Over 100 Nelson Tasman employers and recruiters were interviewed, both in-person and through an online survey. Responses came from a wide range of sectors, business size, and length of time in business. The in-person interviews focussed on six key sectors: Primary Industries (seafood, fishing, forestry); Viticulture and Horticulture; Food and Beverage; Science and Research; Engineering and ICT; and Other.

Interviews were also conducted with people who represent our 'talent': highly-skilled employees or prospective employees, a mix of gender, age, and life stage. Some of them had recently taken up a role in Nelson Tasman, and some were currently looking for a role. They represented a wide range of sectors and roles, including seafood, forestry, engineering, IT, construction and property, retail, marketing, and media, and engineering.

What is stopping Nelson Tasman from realising its full potential as a place where the world's top talent wants to live and work?



## What employers told us

### How is business going?

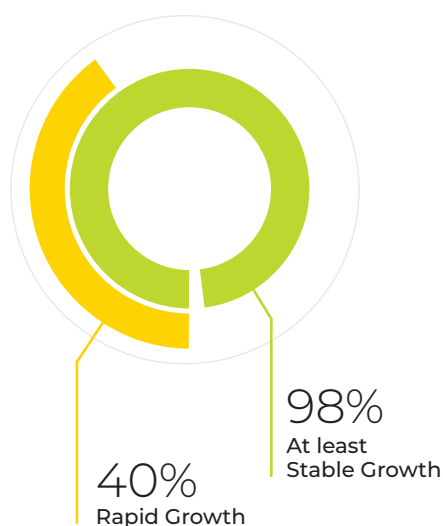
Business is solid. 98% of businesses report they are stable or growing, with 40% saying their business is growing at a reasonable or rapid pace.

Many said it felt like the region as a whole was on the cusp of significant growth and likely to reach a pinnacle in the near future, while some family-run businesses recognised the high growth they are experiencing means they have reached a point where they require professional/specialist managers.

*"We have grown from 3 to 17 employees in just three years. We now have a total of 65 employees in offices across the globe."*  
(Employer)

*"We are in a high growth phase. We've had double digit growth since 2000 and expect it will continue."* (Employer)

### BUSINESS GROWTH IN NELSON TASMAN



### The big issues for business

Despite reported growth, businesses in the region are struggling with similar issues to the rest of the country. Constraints on growth include poor infrastructure, particularly a lack of available land and space to build, with a construction sector at capacity. There is uncertainty around Government policy, legislation, and tax. This includes immigration policy, the slow processing of work visas, and uncertainty around the RSE scheme.

Digital disruption and the rapid pace of technological change is affecting businesses' ability to plan for the future, and there is also uncertainty around the need to restructure roles and increase automation to gain efficiencies. An increase in the minimum wage is also putting pressure on pay relativity, and the national housing crisis is also being felt in Nelson Tasman.

With Nelson Tasman and New Zealand being smaller centres, there is also pressure to find new markets overseas and be competitive on a global scale. Finally, generational change is having an impact, with a gulf between the baby boomers and millennials apparent. There are reported difficulties leading different generations in the workforce and a lack of understanding of how to attract and motivate younger workers.

## The talent challenge

### What is talent, anyway?

You don't necessarily need to be a superstar to be talent. Employers mostly define 'talent' as having the right attitude and personality, including:

- Reliability
- Cultural fit and shared values
- Enthusiasm and energy
- Willingness to embrace technology
- Ability to learn quickly
- Being prepared to give it a go, work hard, get your hands dirty, and stick at it
- Potential to grow
- Empathy
- Creativity
- Being able to cope with rapid change
- Innovation
- Good communication skills

## What brings talent here?

Unsurprisingly, lifestyle is the key drawcard. That means our climate, a slower pace of life, better commute, access to outdoor activities, a better place to bring up children, good schools, national parks, and events.

But is that enough to outweigh the perception of a big wage drop and stalled career? Increasingly, it's not.

*"We moved from Auckland to Wellington then to Nelson. Nelson is an amazing place to live. The best place I have seen for climate, people, outdoors, recreation, beaches and a good pace of life." (Talent)*

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## Overall – yes, we have a problem attracting talent

We found that although nearly all Nelson Tasman businesses are stable or experiencing growth – and 40% were undergoing reasonable or rapid growth – 60% of businesses surveyed report talent attraction is either the single biggest issue they face or one of their top three challenges. Nearly 30% said it was a concern, but was superseded by other issues. Just 5% said it was not an issue at all.

Almost all businesses have one vacant position, and more than half have two or more positions they're trying to fill.

Around 60% of employers believe it is going to become more difficult to recruit the talent they need in the future.

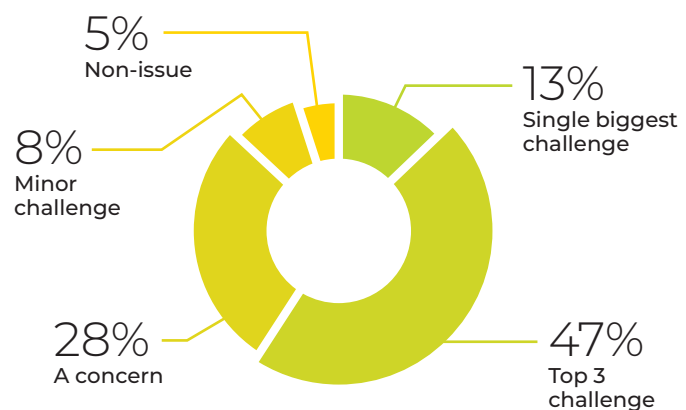
The most difficult roles to fill are mid-to senior technical roles, followed by senior executives. On average, these difficult-to-fill roles are taking two to three months to fill, and for nearly half, filling a role takes three months or more.

But 80% of employers say they need an employee to 'tick all the boxes' when it comes to hard skills and experience: evidence that they're not willing to think flexibly when it comes to recruitment.

*"We are recruiting all the time, it is time consuming, draining and hard work." (Employer)*

*"I expect it will reach crisis point in a few more years... we are having to spend a lot of time now working out how to manage. We are trying lots of different avenues to try and attract talent." (Employer)*

**HOW CHALLENGING IS ATTRACTING TALENT FOR NELSON TASMAN BUSINESSES**



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### Most impacted

The industries most impacted are those operating in the primary sector, with seasonal or casual workers, and those requiring skilled trades, technical, or operational staff at the mid to senior level; apprentices and graduates are less difficult to attract.

### Least impacted

Some businesses have waitlists for people wanting jobs and rely mostly on word of mouth or recruiting family members and friends of existing employees.

Those who are least impacted when it comes to attracting talent are companies with well-known or international brands; who are considered the best in their field; who don't have a high level of casual or seasonal workers and professional specialists; who have strong links to the local community; and who have a reputation as a good employer, which means they pay above average rates, offer the best option for unskilled, casual or part-time work locally, and have a high level of flexibility in days, hours and shifts.

### Talent Retention

Talent retention is less of a problem. A third of businesses say talent retention is either their single biggest issue (3%) or in their top-three challenges (30%). Most businesses report low staff turnover at 5%, and report that is due to 'normal' reasons. Those in the 20-27 age group are usually lost to the big OE or bigger money elsewhere. Employers say it's easier to keep people than to attract them by using 'good employer' strategies, e.g. flexi-time. Some report that employee poaching, however, is starting to occur.

*"If there is a lack of opportunities in the region people lose confidence and will stick in a role even if they are no longer adding value. It would breathe life in businesses if people moved around more" (Employer)*

## What happens when we can't attract the best people?

Employers report that not having the best staff makes it difficult to plan ahead, and they have to be cautious about growth. They have less time to be innovative, and are "constantly" recruiting. They find it difficult to stay ahead of the game and have to make compromises on who they do hire.

*"We have to be selective about what opportunities we pursue as it will mean more work and pressure on existing staff." (Employer)*

*"It's difficult to stay ahead of the game and be proactive not reactive." (Employer)*

**'It's difficult to stay ahead of the game and to be proactive not reactive' (Employer)**

## Why do we struggle to attract the best talent?

Nelson Tasman's reputation for paying low wages (also known as sunshine wages) is rated as the number-one reason, with nearly 60% of employers agreeing it is definitely or probably a reality. But a fifth of employers surveyed denied that was an issue, and another fifth say nothing can be done about it.

In a related question, 70% of employers say they are working hard to ensure their organisation isn't known for paying sunshine wages and are doing all they can to increase pay rates ... but 18% feel they're inevitable, and 12% think it's a non-issue.

Talent reported that pay can be 10 – 50% lower, with some employers actually apologising for this in the recruitment process. And while families could cope with one partner earning sunshine wages, both earning them means family life does not stack up financially.

*"Employers try to sell the lifestyle but the job is the same, the hours are the same. A 10% pay drop is okay but 20% is not. I had to negotiate to get fair pay and it was hard work, it took 2 months. It's difficult when the cost of living is the same and you are young trying to build your career, save and build a future." (Talent)*

*"I'd heard of 'sunshine wages' before I moved here...it shouldn't exist, you should be paying on experience. Lifestyle is a good sales pitch, but it isn't enough to compensate for lower pay." (Talent)*

*"The cost of living in Nelson is very high but, in some cases, wages do not match the cost to live here. Having said that, the region cannot*

*sustain high wages as customers are not willing to pay a company with highly skilled staff." (Employer)*

*"We need to get rid of the sunshine wage mentality – we need to grow up and think about the whole package being offered, not just wages." (Employer)*

From a talent's perspective the other main barriers include a limited perception of opportunities in the region which leads to concerns about career stalling and a Plan B if the first role doesn't work out. There was a narrow understanding of the range and diversity of our business sector with most talent only being able to name businesses in the traditional primary sector or a few well-known brands such as Pic's Peanut Butter. There is also a real challenge in needing to find a role for their spouse/partners.

Other barriers include not many suitable roles, a highly competitive market, cost of living and availability of housing, and a perception of smallness/lack of connectedness.

*"I'd heard of 'sunshine wages' before I moved here... it shouldn't exist, you should be paying on experience. Lifestyle is a good sales pitch, but it isn't enough to compensate for lower pay." (Talent)*



*"Biggest negative is limited career opportunities, low wages, and difficulty getting work. It took me 6 months to find a role, and I only got it by chance." (Talent)*

*"I had a real concern that moving here would mean my career would stall or go backwards. That's okay if one of us does, but not both of us as a couple." (Talent)*

Employers echo that they are experiencing the same key barriers when recruiting talent. In addition, they identified a nationwide skills shortage as a major contributor for some roles as well as an aging population, not enough people going into trades and technical roles and increased competition for talent. Some also thought millennials had a lower work ethic and were less skilled – or perhaps an older leadership style does not attract or motivate the next generation?

A significant proportion of employers report that they are not particularly skilled at hiring, with 58% rating their organisation's ability to recruit talent as "average to poor". Most employers rely on recruiting locals.

*"We can't offer big corporates with extensive career paths. The region needs to up its game in terms of professionalism, needs to become more career focused, more corporate so people do see a Plan B and we have more of a critical mass." (Employer)*

*"Few understand what commercial opportunities the Nelson/Tasman region has to offer" (Employer)*

## Solutions

Every resident of this region has a role to play in making Nelson Tasman a better place to live and work.

To attract better talent, we need to tell a better story about our region's business and employment opportunities to dispel the notion that Nelson Tasman is a slow, conservative retiree's paradise, and we need to raise our wages to match this.

There are some bigger issues which will require the input of not just businesses but also councils and the community. This includes ensuring the region keeps up with infrastructure needs, addressing housing affordability and availability, and improving the vibrancy of the City Centre to ensure Nelson Tasman is a place where talent does indeed want to live and work.

While these bigger issues are important for us as a business community to be aware of and advocate for, we wanted to focus on solutions that we can implement directly.

*"I had a real concern that moving here would mean my career would stall or go backwards. That's okay if one of us does, but not both of us as a couple." (Talent)*

## Tips for Attracting and Retaining Talent

Based on the research, we've developed some tips businesses can implement straight away.

### **Develop and promote your business story**

One of the major barriers for talent coming to the region is concerns around their career stalling, and a 'Plan B' if the role they move for doesn't work out. As a region we need to work together to raise the profile of our clever business story – to highlight the opportunities available for both talent and businesses coming to the region. Check out [www.nelsontasman.nz/our-story](http://www.nelsontasman.nz/our-story) for some tools and inspiration.

### **Sell the whole package, not just the lifestyle**

There's no denying we live in an extraordinary region, but focusing on this alone is not enough to attract talent. Talent are looking for a role they can really sink their teeth into, opportunities for growth and development, and the ability to get involved and make a difference.

### **Focus on soft skills**

With the rapid pace of technological change, the future of work is going to be very different to what it is today. Five years from now, more than one-third of skills that are considered important in today's workforce will have changed. Focusing on skills such as creativity, complex problem solving and critical thinking will set you up for the future, as well as looking for staff with motivation, enthusiasm and a willingness to learn and adapt to change.

### **Embrace flexible working**

Our region offers the perfect environment for flexible work, giving us a unique advantage over other regions. We live amongst stunning natural landscapes, have a vibrant culture and arts scene, and have consistently high sunshine hours to enjoy what's on offer. Everything is close and highly connected – freeing up more time to realise the benefits and make the reality of flexible working even easier.

### **Be willing to compete nationally for talent**

With one of the lowest unemployment rates in the country and a significantly disproportionate ageing population base, it is imperative that we are able to compete nationally to secure the talent required to support business and economic growth. To do this, our wages must line up and we need to work together to overcome any perceptions of sunshine wages.

There's no denying we live in an extraordinary region, but focusing on this alone is not enough to attract talent.

## Nelson Tasman Innovation Neighbourhood commitments

As a group we have also decided to commit to the following actions to address the talent challenge, and encourage other businesses to also commit to these and/or their own actions.

### **Work together to tell our clever business and talent story**

- In addition to telling our stories we need to share these with each other and the wider community to enable the message to amplify.
- Financially partner with the NRDA to support them to tell the wider Nelson Tasman regional clever business and talent story through targeted marketing and media campaigns.

### **Recognise that sunshine wages exist and that we need to address them**

- As a group we are committing to starting the conversation on how we can address sunshine wages, defining what fair wages means (because we need to address wages across all levels of work, not just the living wage) and work towards paying this.
- To support this, we will collate and share success stories and key learnings of how other businesses have achieved fair wages or used innovative solutions to address the challenge. A recent example is how Pic's Peanut Butter and Sea Dragon are job-sharing a senior position so they could utilise these critical skills without having to commit to a full salary each.

### **Develop and deliver some targeted in-region initiatives such as:**

- Summer Intern and Grad-share programmes: with the objective of creating ambassadors for the region and developing a future talent pipeline by demonstrating that there are viable career opportunities. The interns and grads may not come back or stay in the region long-term initially, but the longer-term play is to encourage them to come back 5-10 years earlier than they are currently.
- Partner placements: collaborate as a group to help place the partners of talent – which has been identified as a major barrier. We will create a closed LinkedIn group where we can share CVs and opportunities.
- New to region events: work with the NRDA, Chamber of Commerce and Intepeople to continue hosting these events. They have organised and hosted two events already, all receiving very positive feedback. The events are an opportunity for people who have moved to region in the last two years to meet with each other and people who have lived here for a while. This supports talent retention and attraction, especially of those who commute out of region to work and could offer valuable skills in-region.



To find out more or get in touch please  
visit [www.nelsontasman.nz/ntin](http://www.nelsontasman.nz/ntin)