kureos

Annual Review 2023

Salary Survey & Insights

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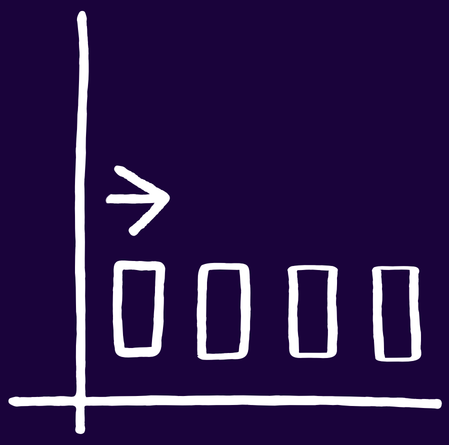
INFLATION, STAGNATION, INSTABILITY & AI-BILITY TO NAVIGATE 2024

Not a single year has been the same since the pandemic; it’s not easy to suggest what comes next. What do we take away from 2023 and what can we foresee in 2024?!



Inflation: Was The Predictable Interest Rates Hike The Right Answer?

Record levels of inflation this last year have dominated financial news headlines. As day follows night, interest rates followed inflation. From an extremely low base for many years, we now have the recipe for a challenging environment for both companies and consumers alike.

Within the market there have been wage adjustments across the board for 5 months in a row till October. Is this a sign of companies simply having to draw a halt to increasing their costs or just a temporary reprieve given the time of year?

Stagnation: Teetering On The Brink Of Recession?

The UK's economy showed no growth in Q3 2023, with concerns over a contracting service sector and weakened domestic demand. Higher interest rates are slowing growth, and since the Bank of England's rates hikes, the economy has only grown 1.1%, half the G7 average. There's now a significant risk of a recession which has been looming, emphasizing the urgent need for economic revitalization.

Instability: A Cry For UK Policy To Create A Positive Environment For Innovators To Flourish?

The UK's investment landscape faces instability, with the State of European Tech 2023 report indicating a 55% decline in total capital investment from the record year of 2021. Despite early-stage investments showing stability, there's a retreat in foreign investment in 2023, and the UK is gradually losing market share in European tech.

As the fastest-rising country in new tech start-ups, France surpasses the UK's growth. The report underscores the need to address the UK's declining market position and foster equal opportunities for sustained growth.

AI-bility: As Big As The Internet?

AI has and will revolutionise industries but what will the trend be for 2024 and will this help to spark the economy? Start-ups and scale-ups will help to lead the charge, leveraging AI for enhanced decision-making and scalability. As machine learning and deep learning progress, diverse applications will provide unprecedented opportunities for innovation. Embracing AI is no longer just a strategy; it's a necessity in the ever-evolving tech landscape, defining the significance of AI usage in 2024.

Candidate Insights

Salary and Benefits Insights:

· Above-Average Salaries: 51% receive salaries exceeding the UK tech & data averages, indicating competitive compensation.

· Flexibility Matters: The emphasis on flexible work arrangements—work from home, flexible hours, and hybrid options—underscores its importance in talent retention.

· Benefits Dissatisfaction: Despite industry changes post-pandemic, 53% polled express dissatisfaction with the benefits provided, citing nominal pension contributions and a lack of health cover as a frustration.

Location Shifts:

· Remote Work Dynamics: Remote work redefines geographical constraints, prompting shifts from London to diverse locations nationally and even globally with the likes of digital nomad visas and companies such as Deel and Oyster transforming the geographical landscape for smaller companies.

· New Remote Work-Life Balance: Southeast, Southwest, and Northern England emerge as popular choices for those relocating from Greater London.

· London's Relevance: While 40% still reside in London, its dominance has been challenged by the rise of remote work.

Financial Priorities & Changing Benefits Landscape:

· Hierarchy of Financial Needs: Perhaps unsurprisingly those polled, still firmly consider base salary as one of, if not the primary need.

· Tech Salary Surge: The average developer salary in the UK has surged to £67,530, data engineering has held at crudely 70,000 and the average Product professional averages £66,500. Despite the mix of partial growth and holding this last year, these wages are significantly higher than early 2021.

· Beyond Monetary Rewards: Recognition that attracting top talent requires more than financial incentives, with a focus on flexible work arrangements.

· Remote Work Desires: 61% express a desire to work from anywhere, emphasizing the importance of adapting to evolving work preferences.

· Adapting to Trends: Companies embracing remote work options position themselves to attract and retain tech talent more effectively.

Career Dynamics:

· Degrees Becoming Optional Within Tech: A shift away from the necessity of tech degrees, with 56% being self-taught, indicating a broader spectrum of entry routes.

· Retraining Trends: A growing trend of professionals retraining for tech careers, with an average retraining age of 31.

· Job Satisfaction Challenge: While 49% express satisfaction, the active job-seeking rate of 31% signals a dynamic job market.

Talent dispersion : London down to 40% now for the UK Market

53% Disatisfied with their current benefits package

61% desire the freedom to work where they like

31% said to be considering a move in the next 6 months

Summary:

The survey illuminates nuanced trends. Competitive salaries, flexible work preferences, and adapting to evolving benefits expectations are pivotal.

Remote work reshapes geographical choices, and the financial landscape witnesses a notable surge. Recognizing the changing dynamics in tech, data and product careers, companies need holistic strategies to attract and retain talent, acknowledging that job satisfaction is multifaceted – something that will be touch on in later sections.

Salary Data : Q4 2023

	£ (,000)		
Job Title	**1-3yrs**	**3-5yrs**	**5yrs +**
Technology			
CTO	90 - 120	150 - 180	180 - 210+
Engineering Manager	90 - 110	110 - 140	140 - 175
Solution Architect	75 - 90	90 - 110	110 - 140
Scrum Master	50 - 57.5	57.5 - 65	65 - 75
Software Engineering			
Fullstack Developer	50 - 70	70 - 95	95 - 130
Frontend Developer (React / VueJS / Angular)	45 - 65	65 - 85	85 - 110
JS Developer (FS)	45 - 65	65 - 90	90 -130
PHP	37.5 - 60	60 - 80	80 - 105
Python Developer	50 - 70	70 - 95	95 - 125
C#	50 - 70	70 - 90	90 - 130
C++	50 - 70	70 - 95	95 - 135
Quant Developer (Python / C++)	65 - 90	95 -135	135 - 180
DevOps / Support			
Devops Manager	85 - 110	110 - 130	130 - 150
Devops	47.5 - 60	60 - 80	80 - 115
SRE Manager	85 - 100	100 - 130	130 - 170
SRE	60 - 75	75 - 95	95 - 130
Application Support Engineer	40 - 57.5	60 - 90	90 - 110
Implementation Engineer	40 - 55	55 - 70	70 - 90
Service Manager	50 - 60	60 - 70	70 - 85
Service Desk	32.5 - 38	38 - 48	48 - 60

TEST / QA			
SDET	55 - 70	70 - 85	85 - 100
QA / Test Manager	60 - 70	70 - 85	85 - 110
QA (Automation)	45 - 60	60 - 75	75 - 95
DATA Engineering			
CDO / CIO	120 - 150	150-190	190-250+
Head of Data Engineering	90 - 105	105 - 130	130 - 170
Data Engineering Manager	85 - 100	100 - 120	120 - 145
Data Engineer	45 - 65	70 - 90	90 - 115
Data Architect	70 - 85	85 - 100	100 - 135
AI			
AI engineer	60 - 75	75 - 90	90 - 115
AI Researcher	65 - 75	75 - 85	85 - 100
Data Science / ML Engineering			
Data Scientist	55 - 75	75 - 95	95 - 130
Head of Data Science	110 - 130	140 - 170	170 - 210
MLOps Engineer	65 - 77.5	77.5 - 95	95 - 130
ML Engineer	60 - 80	80 - 110	110 - 145
Product / Programme			
Chief Product Officer	170 - 190	190 - 210	230+
Head of Product	110 -130	130 -150	150 -180+
Product Manager	65-80	80-100	100-130
Product Owner	55 - 65	65 - 75	75 - 85
Programme Director	100 - 120	120 - 150	150 - 200+

*Base Salaries Only - not inclusive of Bonuses, Equity or Flexible Benefits

Make Your Company Stand Out

Given the challenging economic backdrop candidates are naturally wanting as much fixed certainty as possible, but how does this translate with regards to the specifics of what candidates are after?

• **Higher Base Salaries** : These demands will also be increased if candidates are having to commute to the office on a regular basis.

• **Bonus > Equity** : Bonus may not be guaranteed but with the volume of companies successfully achieving an exit, candidates have suggested they would take an annual bonus over equity and options.

• **Established Companies** : 40% of those polled have suggested they would sway towards the perceived security offered within a larger scale up or PE company versus an early-stage company.

· **Flexible Working = A Significant Differential** : Conformity to 5 days a week from the office and 9-5:30 is no longer perceived as accepted. Very few companies have reverted to this policy, however with regards to work hours it's increasingly important to offer a degree of flexibility to staff. This flexibility is not only greatly appreciated but will significantly impact on the ability to attract primary care givers and ensure a greater level of diversity.

• **Healthcare Cover an Increasing Consideration** : Traditionally private medical and healthcare cover would be deemed a secondary consideration for the majority of candidates; i.e. a nice to have. However, given NHS backlogs and waiting times, many now consider the perk of health cover to be of increased significance when deciding between companies.

Small But Mighty

Much of the above understandably is centred on needs that will significantly increase operating costs, which for a smaller entity may be unfeasible.

Therefore, it is imperative for start-ups and scale-ups to play to their strengths in 2024.

Start-ups

· Ability to Impact / Accountability;
· Innovation;
· Hoghly Collaborative Environments;
· Learning Opportunities
(Ability to experience a wider more varied set of roles);
· Accelerated Career Progression.

Scale-ups

· Established Market / Product Fit;
· Market Presence (recognisable name);
· Growth Opportunities;
· Experienced Leadership to leverage;
· Remains Collaborative and not bureaucratic;
· Greater Role Definition;
· Traditionally more structured company benefits.

Hiring: Your agility is your strength!

- Applications: **Speed of Response** (If positioning as a dynamic employer – demonstrating the company's ability to screen and select within a couple of weeks will set you apart).

- **Feedback to Candidate**s – Candidates don't demand significant feedback, but the ability to provide it, has significance! (42% of those polled suggested if they interviewed for a company that did not provide feedback, they would not apply to them again)

- **Interviews** should be **structured** but the ability to condense stages (where feasible) and will provide you a significant advantage in hiring talent versus larger employers.

- Freedom to **create unique interview processes.** What does a good process look like. Less can, & should be more – those polled across our disciplines believed 2 stages would be optimal and 3 stages the maximum. (93% of respondents agreed a maximum of 3 stages)

Onboarding: More than water bottles and note pads....

The significance of a good onboarding process has never been more important. The notion that leaving a new company after a few weeks now says more about the company than the candidate, as traditionally may have been the case.

Weaker onboarding processes and a lack of engagement from hiring managers with their new hire will commonly result in candidates either returning to the market or reviving processes with competitors.

Welcome kits are nice and look good for social media however what candidates want (73%) is to have clearly defined onboarding plans (initial conversations set out, info re: key contacts + stakeholders, and a forward view of their diary for the first two weeks and ideally pre-planned 121s in the diary with their hiring manager).

(37% of those polled, state they would consider actively leaving a role within the first 6 months, if the position / company was not as described)

Retention: Sticking Around?

Naturally retention is a far larger topic. Reasons to remain or seek pastures new, can be plentiful. However our poll suggested the following to be of primary importance :

Compensation : Reviewed annually and fair market compensation.

Professional Development : Experienced Management, future prospects and the offer of internal mentoring stood out within the statistics. PDPs were also considered important – particularly within larger companies >300 headcount.

Recognition : Both financial and company wide recognition for achieving and exceeding high standards.

Communication : 360 feedback and clear communication from Snr management, was seen as very important by those surveyed (73%)

Work-life Balance : 83% suggested work life balance was of significant importance. 43% then suggested work flexibility (location) to be of key importance to them.

Company Vision : A strong alignment to the purpose or potential of the company.

Looking Ahead:

2024 shouldn't be about reinventing the wheel; but a commitment to best practices and a holistic hiring approach shall ensure Attraction and Retention are symbiotic. What makes you great at retaining staff will shine through for those you interview.

Proactive process adaptation, (based upon continuous feedback loops with partners and candidates as well as using internal and external data insights) a commitment to values + promises, and strategic talent management are crucial for navigating the complexities of the job market ahead. To hire the best talent for the best value, it's imperative to have strong strategies and partnerships.

If you could benefit from tailored insight and support, lets book a new year's conversation – feel free to use the Calendly link below:

https://calendly.com/craig-armstrong-hoi/annual-review-kureos

General enquiries please either email - Info@kureos.xyz or call - 0204 587 8779

We look forward to speaking to you very soon!

Data and Insights via the following sources:

- *Independent UK Poll conducted October - November 2023*
- *Recruit-Hub Community*
- *CBInsights*
- *Crunchbase*
- *Linkedin Insights*

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