



MIQ Quarterly

Q3 2023

Foreword



Seize the opportunity of a lifetime! With sluggish UK economic growth, there is a unique opportunity to **obtain the top 1% of talent, at the cheapest rate it will ever be.**

Shrewd businesses are swiftly acquiring skills and assembling teams in preparation for the imminent economic rebound. **Don't be left in the dust.**

Postponing digital investments and talent acquisition will come back to haunt you, resulting in exorbitant costs down the road. **Act now or pay the price later!**

Capture highly sought-after tech talent who are actively seeking job security.

But it doesn't end there. **Safeguard your existing talent** before they wander off to greener pastures.



Greg Coleshill,
CEO, InterQuest Group

Email me



Connect



Meet Our Experts



Rob Sugden, Managing Director, ECOM

Rob is ECOM's Managing Director for Manchester. He leads our teams across the North & Midlands operating in Digital Tech, UX & Design, Product & Project, Marketing & eCommerce and Data. He's had over 19 years of recruitment experience in Manchester, building an extensive network.

Hiren Vekaria Director, ECOM

As Director for the Technical Team at ECOM, Hiren manages the contract and permanent recruitment for a range of Software, E-commerce, FinTech & Digital companies and supply them with exceptional candidates as well as managing a team of consultants.

Alex Onoufriou Managing Director, evolve

Alex is a senior recruitment leader who has built new recruitment functions and enhanced existing ones. Alex has run RPO solutions both from an in-house and supplier side and has worked with some of the most innovative recruitment technologies in the market.



Anna Massey Managing Consultant, InterQuest Group

Anna, based in Amsterdam, drives InterQuest's client base growth. She specialises in assisting fast-growing fintech clients in digital assets, crypto, banking, cards, and payments. With a proven track record, Anna builds senior risk leadership teams and wider risk teams, enabling clients to scale rapidly with top talent.

Michelle Khan, Director, InterQuest Group

Michelle is the Director of InterQuest's Risk, Regulation and Compliance practice. Michelle has spent the last 15 years investing in her reputation within risk and compliance in financial services.

Kam Bhangu, Managing Director, InterQuest Group

Kam excels in building and managing successful sales teams in the technology sector, particularly in senior roles. With 18+ years of recruitment experience, Kam has shaped careers and provided invaluable advice to clients across diverse sectors, from SMEs to Blue-Chip companies. He prioritises placing the right people in the right roles, fostering long-term relationships.

Contents



05
Summary

10
Economic Trends

27
Digital & Tech
Trends

34
Financial Services
Trends

47
Events





The **UK Tech Economy is enormous and incredibly robust.** Recent news around market disruptions hugely underplays a fundamental truth; there simply **aren't enough skilled people to meet the demands** of this market.

As the Government and commerce increasingly seek out technological solutions such as AI and Automation, generating requirements for new skills and disciplines, the **demand for specialist talent is growing exponentially.**

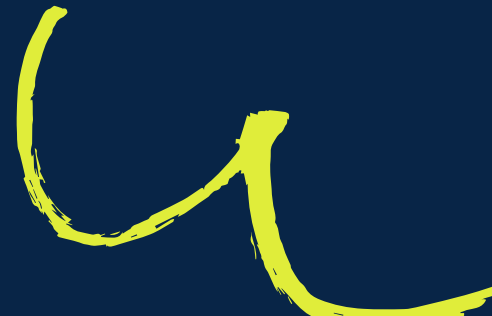


Rob Sugden,
Managing Director, ECOM

Email me



Connect





UK tech sector now worth \$1 trillion



\$1,000,000,000,000

UK tech sector leads in Europe, ranks third globally with \$1 trillion market value. Surpasses Germany and France by a wide margin.

3
million

By 2025, the UK is projected to witness an additional 3 million tech jobs.

69%

Continuous growth is expected as tech advancements outpace our adaptability. 69% of leaders report a digital skills gap in their organisations.



UK to become a 'tech superpower' by 2030



The Government has launched plans to cement the UK's place as a **science and technology** superpower by 2030.

£370 million

The new Science and Technology Framework plans to grow the UK economy, create the **high-paid jobs** of the future, protect security and radically improve people's lives through science, innovation and technology.

It is backed by over **£370 million** (€418 million) in new government funding to boost infrastructure, bring the world's best talent to the UK and seize the potential of deep-tech innovations.



Skills are changing – fast

Automation skills
needed in

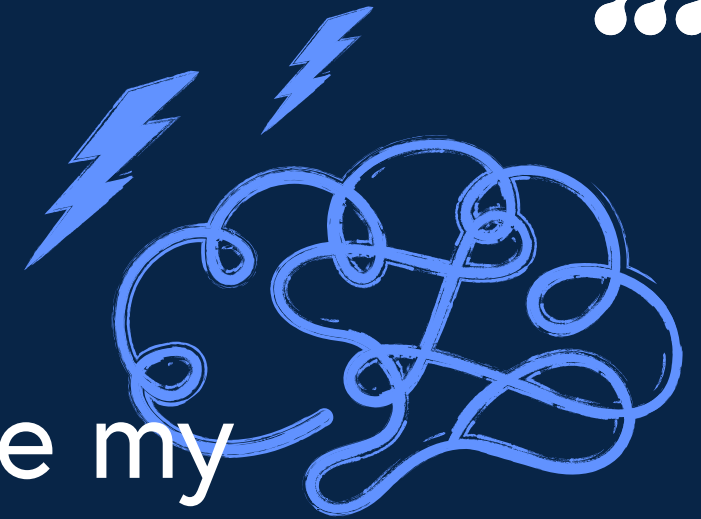
1/8
Jobs

1/10
Government Jobs

37%

Digital skills are vital for economic growth. 37% of skills are **becoming redundant**, replaced by AI, ML, social, data analytics, and product management.

Workers aren't afraid of AI



AI will help me increase my productivity/efficiency at work.

Respondents see **more positive impacts (31%)** than negative ones from AI.





Economic Trends



During challenging consumer conditions, job moves temporarily decrease but rebound sharply, exceeding pre-condition levels. Short-term market uncertainty suppresses job mobility, while medium-term unrest leads to higher worker movement.

Currently, we observe **reduced job moves due to inflation adjustments**. However, **after summer, we anticipate record increases** as candidates seek better wages and opportunities, **especially in technology**.

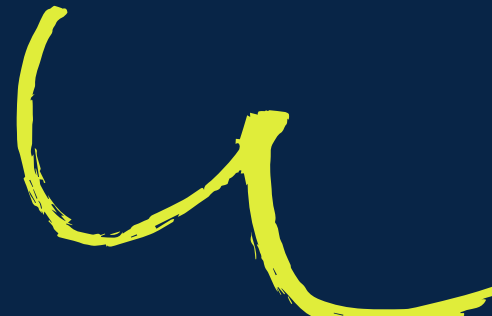


Alex Onoufriou
Managing Director, evolve

Email me



Connect



Inflation: No change



8.7%

Inflation stays at 8.7%,
defying expectations

UK inflation higher than expected driven by higher flight and second-hand car prices.

Supermarket food prices continue to **rise rapidly**.

Core inflation at its **fastest rate in 31 years**, excluding volatile factors.

UK stands out from US and Germany where inflation is declining.

UK interest rates rise

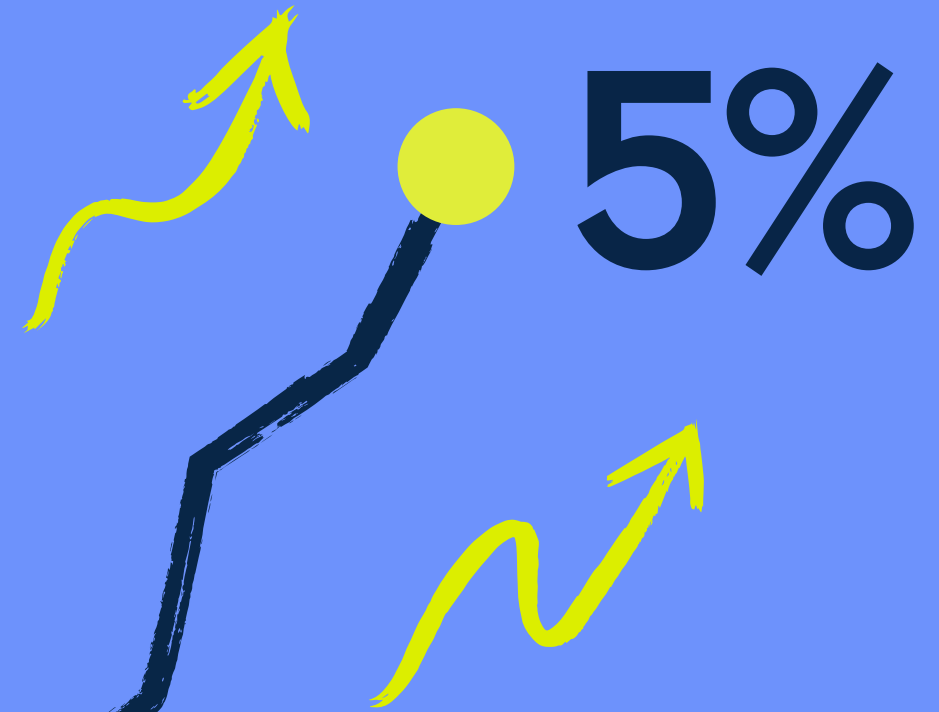


Bank increased rates from 4.5% to 5%, 13th consecutive rate hike. Rates this high were last seen before the 2008 financial crisis.

The 0.5% increase signifies a more aggressive approach by the Bank. Inflation stuck at 8.7%, prompting decision.

Higher mortgage and loan payments expected, while savers may benefit.

Bank predicts a fall in inflation in the coming months, but additional rate hikes planned from August if data disappoints.





Wage growth **eroded** by high inflation

Strong wage growth and high inflation signal interest rate hikes, while reducing workers' pay value.

Average regular pay (excluding bonuses) **rose by 7.2%**. This is the largest growth rate seen since the pandemic.



Wage expectations have **risen**



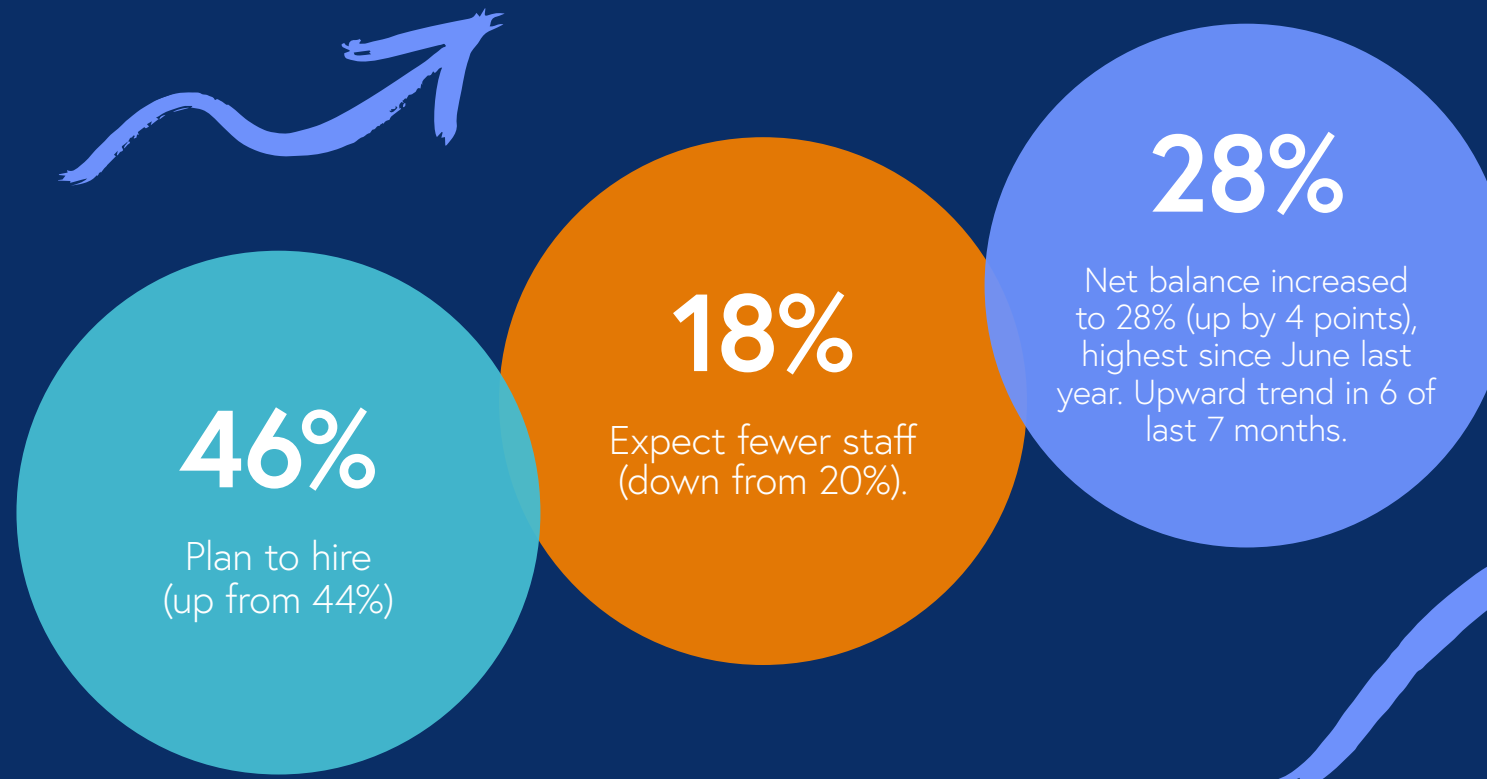
Pay growth expectations rise: **48% expect $\geq 2\%$ growth** (up from 44% Q1 average), **27% expect $\geq 3\%$ growth** (up from 25% Q1 average).

Elevated compared to pre-pandemic levels.

Expect 2% or more wage growth **48%**

Expect 3% or more wage growth **27%**

Hiring intentions at a one-year high



Source: Lloyds Bank Business Barometer (June 2023)



Month-on-month increase



10/12



10 out of 12 of the UK's regions saw a month-on-month increase in confidence in June



ONS – vacancies remain above pre-pandemic levels

-7%

Quarterly growth fell for the 11th consecutive period to negative 7% in December 2022 to February 2023.

250,000

In March to May 2023, total vacancies were down by 250,000 from the level of a year ago, although they remained 250,000 above their pre-pandemic January to March 2020 levels.





Job switches down from peaks

Oct-Dec



Peak

Job-to-job moves, while down from recent peaks, remain **20% above pre-pandemic levels.**

Jul-Sep



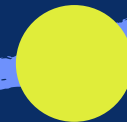
Significant increase

Jan-Mar



Significant reduction

Apr-Jun



Small increase



Unemployment rate is historically low

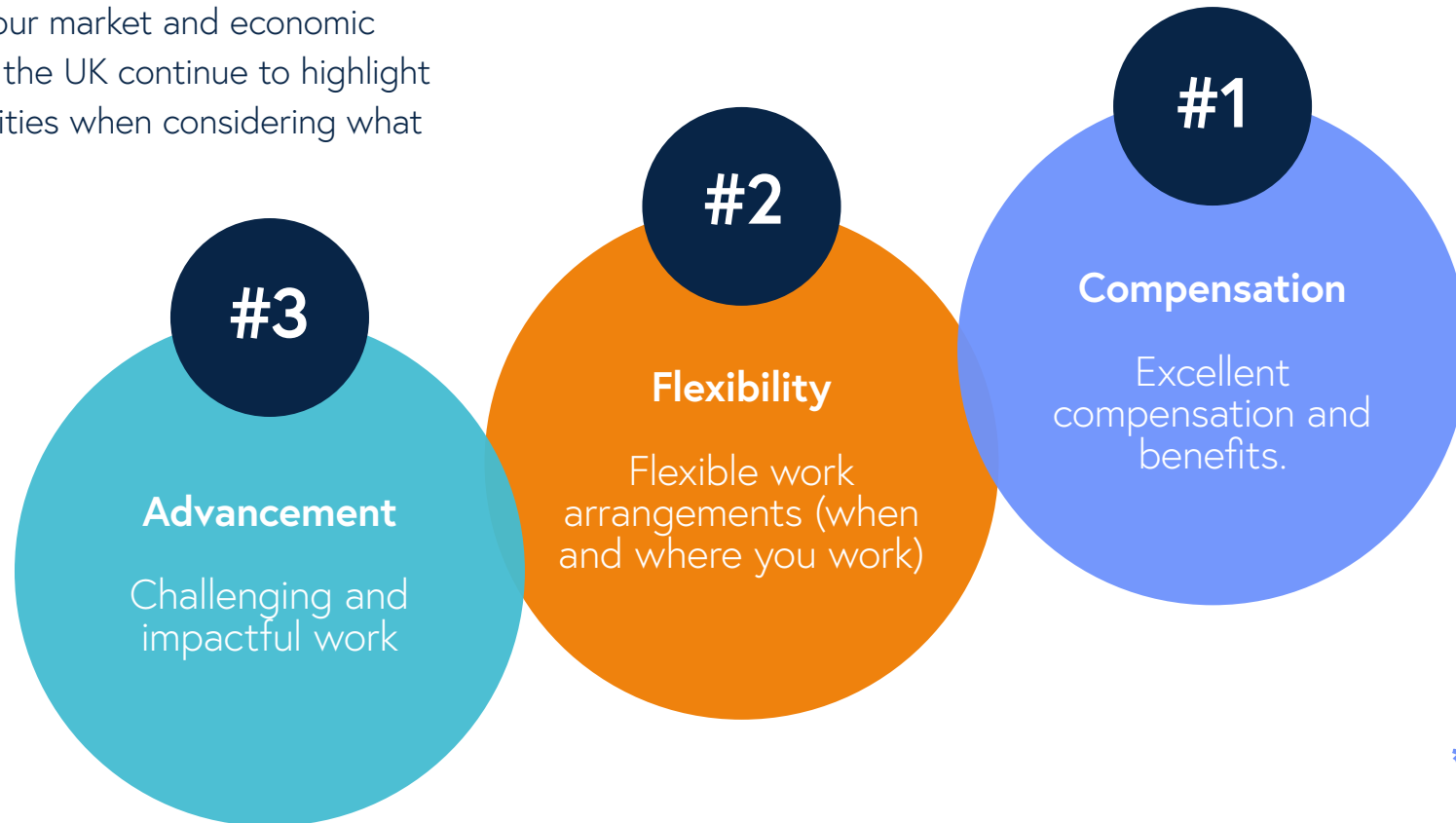


There are currently just **1.2 unemployed** jobseekers for each vacancy.

Inactivity rate fell by **0.4pp, to 21.0%**, rebalancing the labour market despite record high long-term sickness.

What talent want

Despite swings in the labour market and economic uncertainty, employees in the UK continue to highlight these 3 areas as top priorities when considering what they want out of work.



Source: LinkedIn, Talent Trends in the United Kingdom, March 2023



Financial hardships increase

14%



of employees **struggle to pay bills**

42%



have little or **no money left** after expenses.

Are you offering what talent wants?



70%

A successful EVP can decrease annual employee turnover by almost **70%**

30%

...and increase new hire commitment by nearly **30%**

50%

When you invest in developing and delivering a strong EVP, you are **50%** more likely to attract talent.



Our experts will benchmark your Employee Value Proposition (EVP), review talent competitors in a personalised workshop, and provide expert insight and opinion to help to you secure the best talent in the market.

We're offering a limited number completely free to our valued MIQ subscribers.

Book yours now to ensure you don't miss out

Greg Coleshill
CEO, InterQuest Group



Do or Die.



39%

One-third of workers and 39% of CEOs believe their company **won't survive without change.**



42%

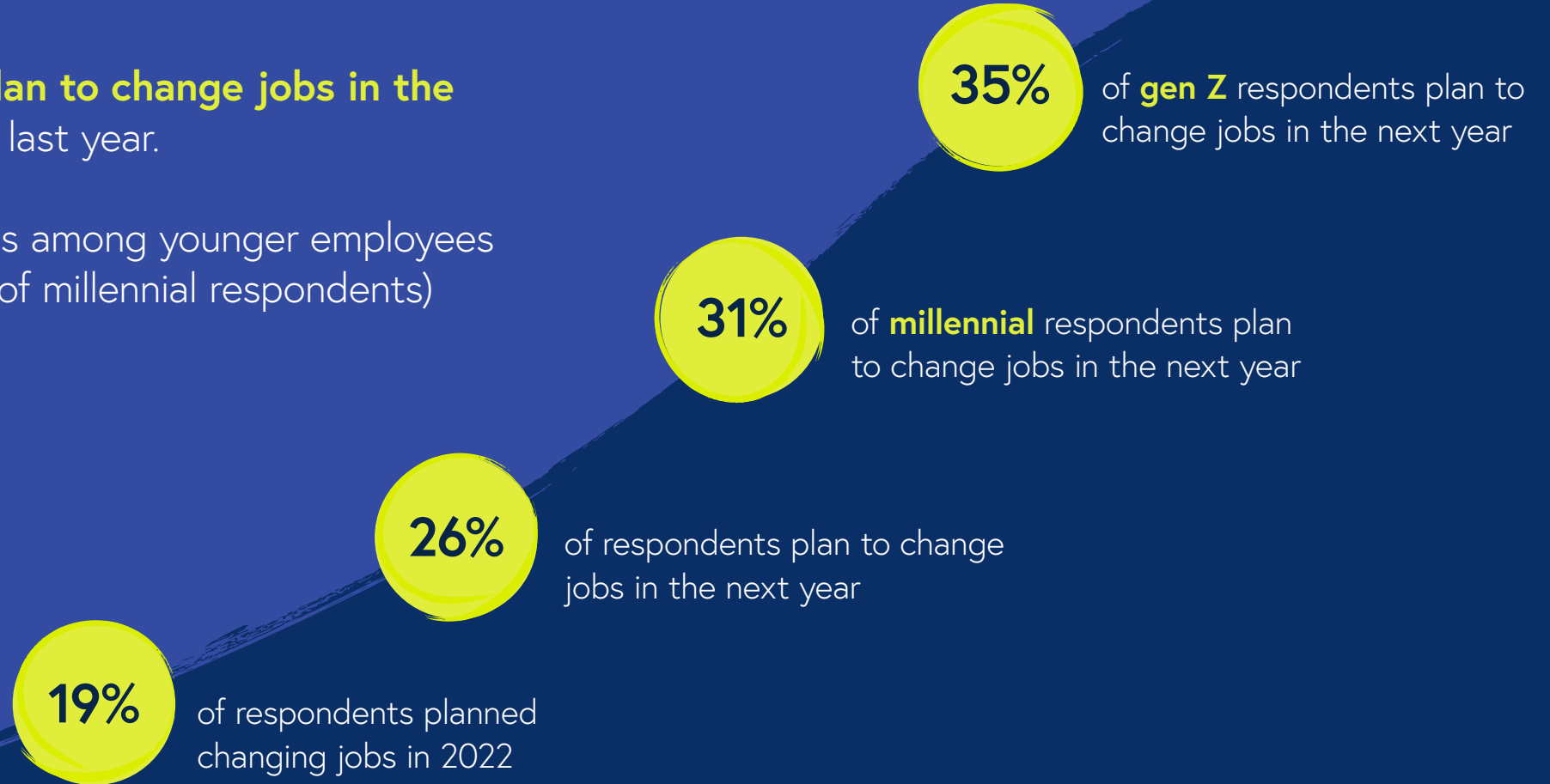
Notably, **gen Z workers are the most pessimistic:** 49% say their company won't survive another decade without change.

Employees are restless

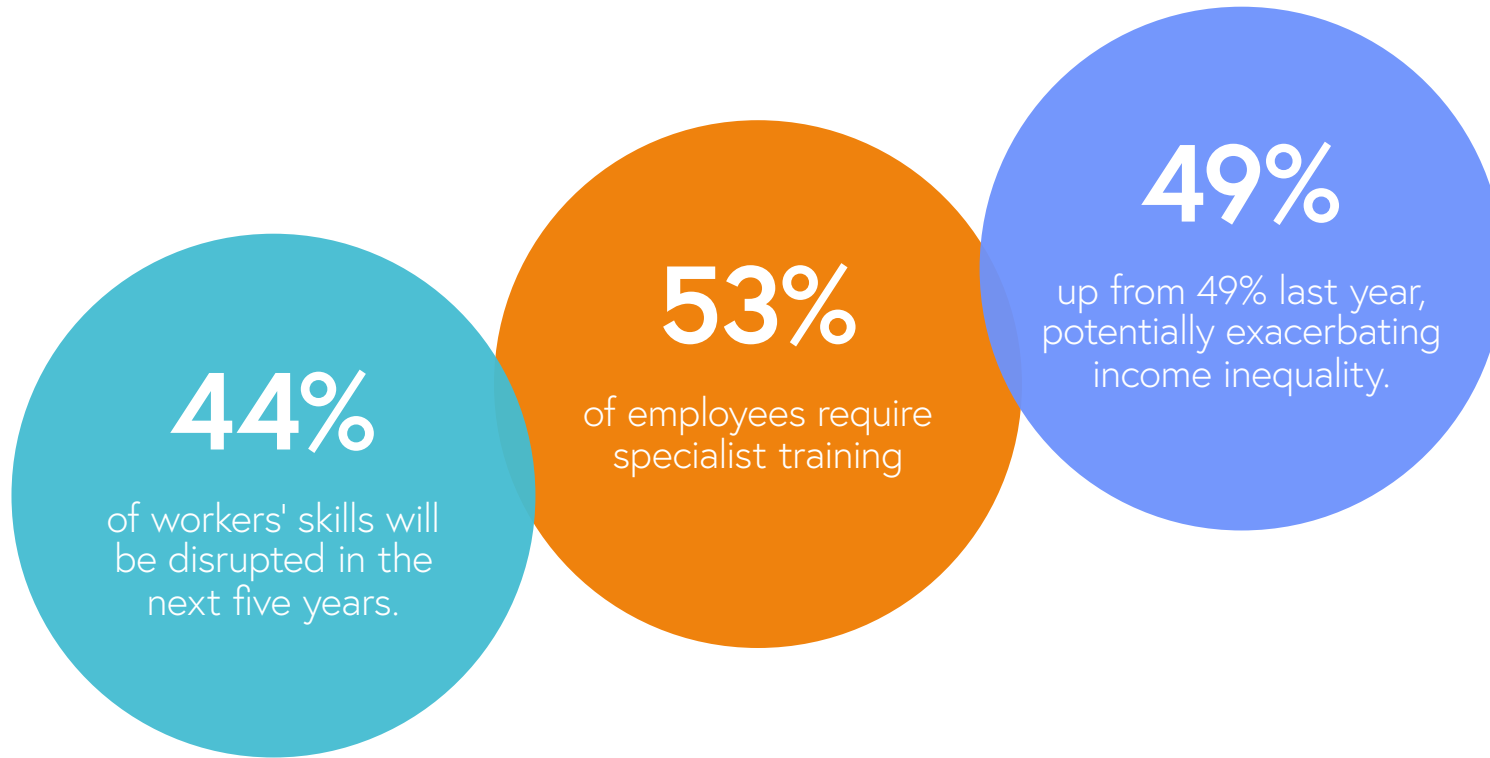


26% of respondents plan to change jobs in the next year, up from 19% last year.

With higher percentages among younger employees (35% of gen Z and 31% of millennial respondents)



Skills inequity on the rise



Source: PwC's Global Workforce Hopes and Fears Survey 2023 | World Economic Forum



Digital & Tech Trends



Tech shortages are not going anywhere. Time to hire with developers is still not where most clients want it to be and **multiple offers breeds rejection.**

Getting it right with the recruiters with their fingers on the pulse is key."



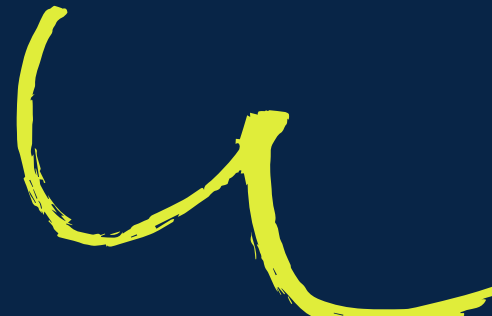
Hiren Vekaria

Director, ECOM

Email me



Connect



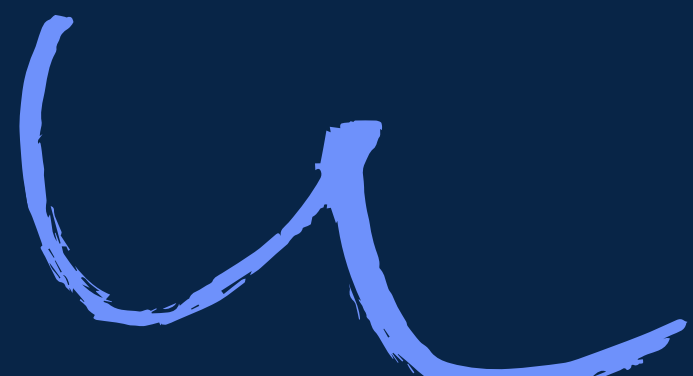


UK digital & tech job posting levels

Seize the opportunity of a lifetime!

With the sluggish UK economic growth, it's prime time to snatch up top-notch digital & tech talent at lower prices.

Percentage-point change from 1st Apr to 9th Jun 2023

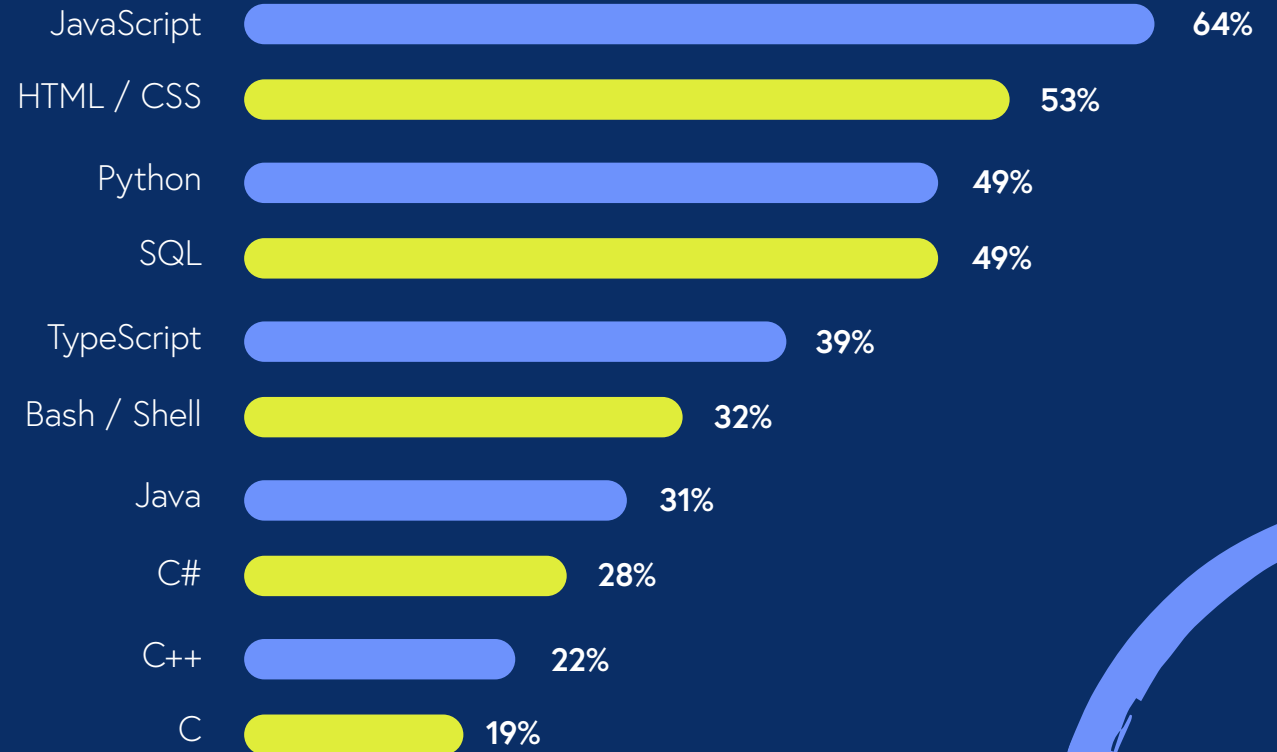


The times, they are a-changin'



Python, Bash/Shell (all shells), and C experience increased popularity. Python climbs to #3 in language popularity with NumPy and Pandas libraries maintaining high rankings.

C gains popularity despite not being in the previous top ten. TIOBE index ranks **C as the second most popular language**, especially in embedded programming for IoT devices.



Niche languages show double-digit growth



Salary growth in 2023: **10%**.

Varied growth and decline among programming languages (up to 42% growth, 69% contraction). Popular languages saw negative growth (-5% to -10%), while less popular languages had less growth (-8% to -80%).

Adjusting for below-average experience:

Top languages showed marginal growth. Niche languages experienced double-digit growth.

Developers' negotiating power impacted:

Less experience in niche languages offered more salary upside. Experienced developers in popular languages faced limitations.

Salary by developer type (UK)

Senior Executive (C-Suite, VP, etc.)	£121,270
Engineering Manager	£92,165
Cloud Infrastructure Engineer	£82,463
Developer, Mobile	£77,613
DevOps Specialist	£72,762
Developer, Back-end	£69,851
Data Scientist/Machine Learning Specialist	£67,911
Research & Development Role	£67,911
Developer, Game or Graphics	£64,516
Engineer, Data	£63,060
Developer, Desktop/Enterprise Applications	£60,735
Developer, Embedded Applications/Devices	£60,150
Developer, Full-stack	£58,209
Developer, Front-end	£56,027
Academic Researcher	£40,911
Data or Business Analyst	£36,381

Future-proof your talent

Source: London Tech Week 2023



Embrace diversity for innovation and rewards, adapt company structure accordingly.

Adapt job roles to avoid redundancy when automation takes over specific tasks.

Utilise aggregate diversity programs and **investor partnerships**.

Enhancing soft skills is crucial for upskilling and adaptability.

Foster a regulatory environment that promotes **growth and innovation**.





While **redundancies within "Big Tech" are rife**, and a lot of candidates are in the market, those who are being made redundant are not the ones that are going to struggle to find new jobs.

Companies are still working in a market where **skilled hires are difficult to find**, which is where **passive candidates are the key** to making permanent hires and where recruitment partners will continue to be key in enticing talent.



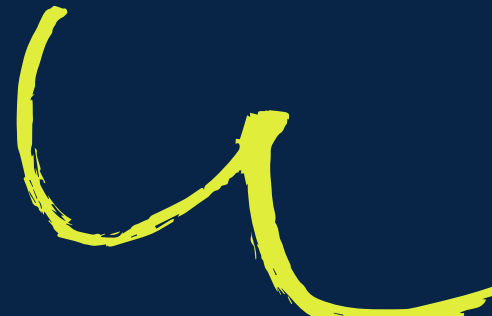
Hiren Vekaria

Director, ECOM

Email me



Connect





Financial Services Trends



Young and agile **FinTechs are stealing a march** on traditional Financial Institutions in the competition for talent. While traditional finance firms are slowing the pace of hiring, candidates are shifting their sights to FinTech as they **seek out more modern working arrangements.**

We're also seeing increasing **demand for the role of the CRO** as organisations **seek stability and agility** amidst increasingly adaptive economic conditions.

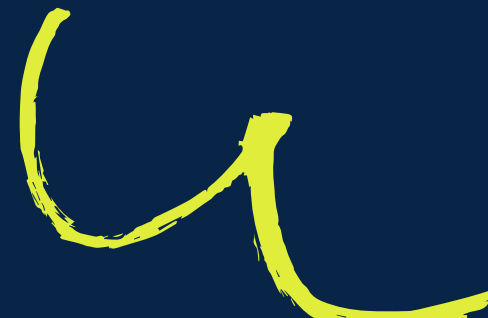


Michelle Khan,
Director, InterQuest Group

Email me



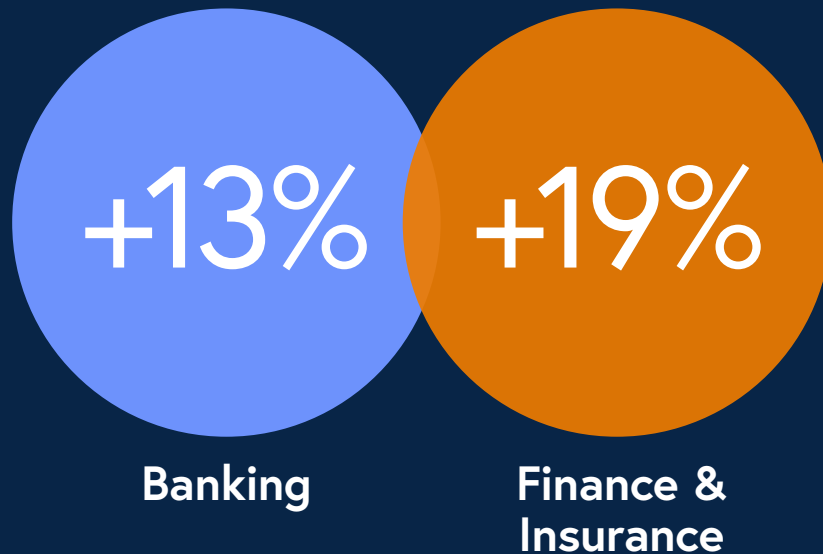
Connect





UK financial services job posting levels

Job postings in both Banking & Finance and Insurance fell over the quarter



Percentage-point change from 1 Apr - 9 Jun 2023





Q1 2023 hiring trends

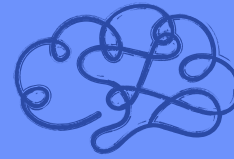
While applications are up, financial institutions are **typically taking weeks longer to fill** roles as they slow down their hiring decisions.



+85%

Q1 applications per job:
YoY change

The evolving role of CROs



The Chief Risk Officer (CRO) plays an increasingly important and complex role.

CROs manage financial and non-financial risks, such as cyber, climate change, and reputation. These risks often intersect, creating a dynamic risk landscape.

The collapse of SVB highlighted the need for a CRO.

They now have a **more strategic role** with greater access to the board and risk committee.



There is a **debate on whether CROs should sit on the board**, but their risk expertise is crucial.

CROs require new skills in areas like **fintech** and **geopolitical** trends.

Key qualities for CROs include **agility, resilience, collaboration, and business acumen**.

In the absence of a CRO, interim solutions like **external hires** or internal **talent development** can be considered, with a focus on building a strong team and succession planning.



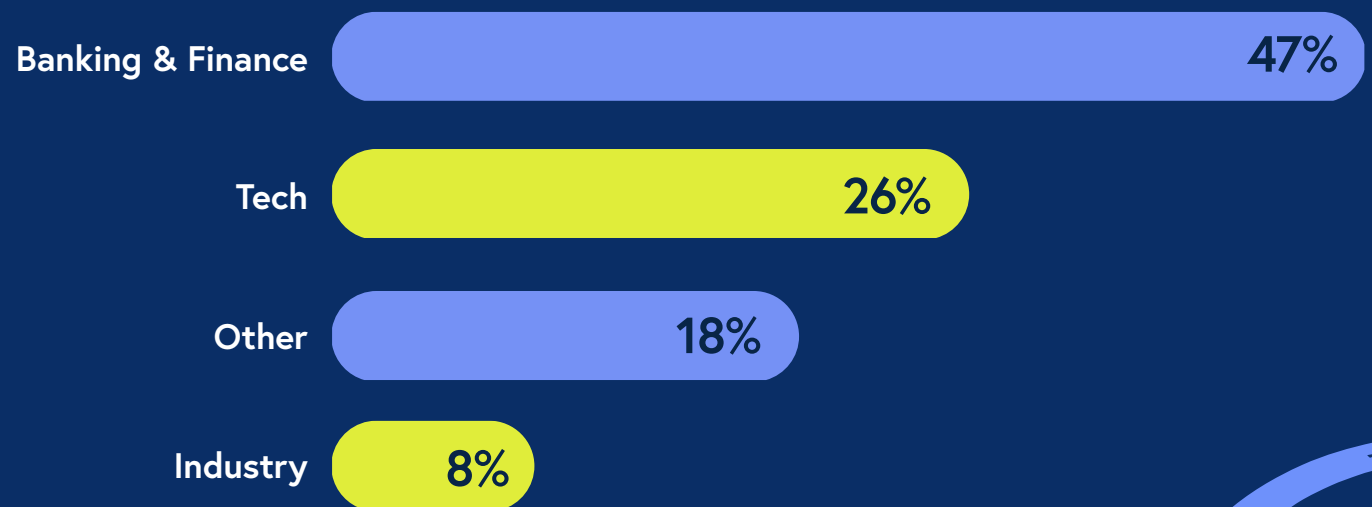
Where do fintech employees come from?

Fintech employees come from **diverse backgrounds**. There is no single source, and **no clearcut route into a fintech career**.

47.4% come from finance, 26% from tech, others from various careers.



Which Sectors from which employees have joined fintech





Why do people move into fintech?

Culture-shift opportunity, more like a startup and less like a big bank.

But there's a **danger of potential disappointment.** Fintech employees work more hours on average (44.4) than traditional finance tech.

Issue: high demand for engineers at startups.



44.4

Average Fintech hours
a week

Why do people move into fintech?



Fintechs offer work-from-home flexibility



Averaging **2.94 days** in the office.

Sell side (investment banks) slightly higher at **3.23 days**.

Buy side (hedge funds, retail banks) spend more time in the office at **3.56-3.55 days**.



Fintech still pays

Ideal: 100-200 employees, highest cash compensation

\$142,000

Future-oriented: 51-75 employees, highest stock-based compensation (+\$40k).



Fintechs are still hiring despite challenges

55%
of respondents plan to recruit in 2023.

75%
Medium-small firms hiring the most: 75% (11-20 employees), 70% (21-50 employees).

45.5%
Early, middle, and late growth stages show lower hiring intentions (45.45%, 33.33%, 45.95%)

6.84/10
Difficulty finding candidates rated 6.84/10 by fintech hiring respondents.

Why finance professionals think fintechs offer the best opportunities



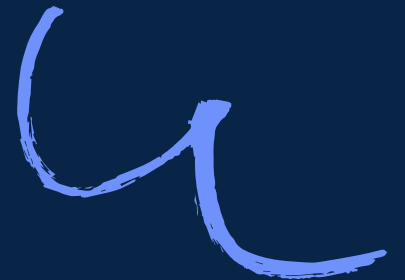
Traditional banking employees see **value in fintech** for their careers.

Respondents in technical roles were excited about interesting **tech stacks and new challenges**.

Challenge lies in finding **suitable fintech jobs**, as some wish hiring managers understood their needs better.

Reasons vary: dual-profile roles important, **technology adoption crucial** to stay relevant.

Confidence in **fintech's resilience** despite tough macroeconomic climate.





Fintech fears: The doubts you need to overcome



Survey reveals **concerns about fintech culture.**

Fears: inadequate pay for expected experience, difficulty finding desired jobs at suitable compensation levels.

Complaints: "crypto winter," job insecurity, poor management, overworked.

Some express doubts about fintech's market reputation and **slow decision-making process.**

Junior applicants face **intense competition** and perceive the sector as hype-driven.



How to overcome

Focus on fair compensation, financial stability, and a streamlined hiring processes.





There is **unrest in the FinTech market** with candidates frustrated by a number of concerns, including: inadequate pay for expected experience, difficulty finding desired jobs at suitable compensation levels, job insecurity, poor management, overwork, and doubts about market reputation and slow decision-making.

Clients that are proactively addressing these issues are finding it much easier and cost effective to attract and retain talent.

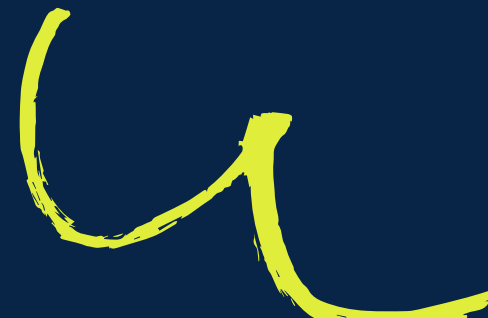


Anna Massey
Managing Consultant, InterQuest Group

Email me



Connect





Events: A solution to attract passive talent




Hosting roundtables and events attract passive talent by enabling networking, showcasing expertise, engaging with influencers, and showcasing company culture.

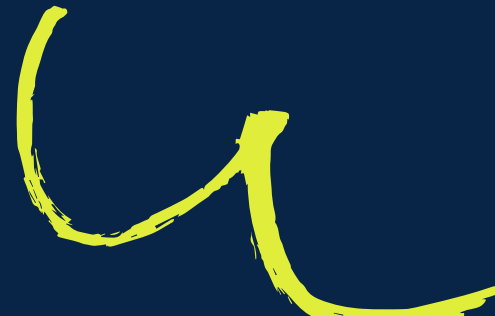
It grants access to untapped talent pools, effectively addressing the challenge of hiring passive talent for a Technology Recruitment business.



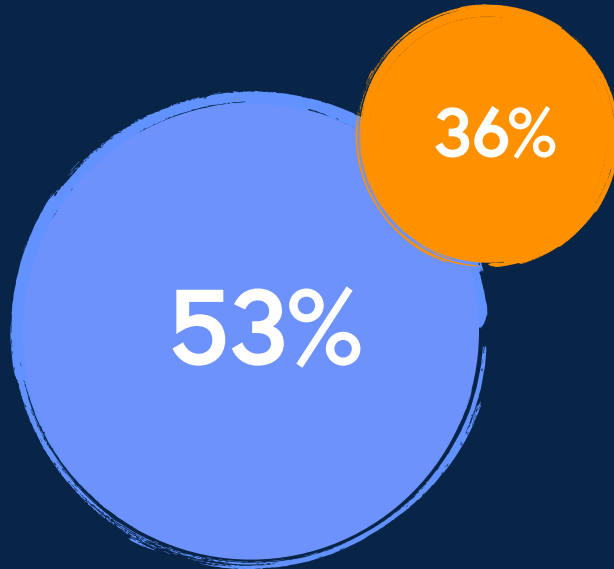
Kam Bhangu
Managing Director, InterQuest Group

Email me 

Connect 



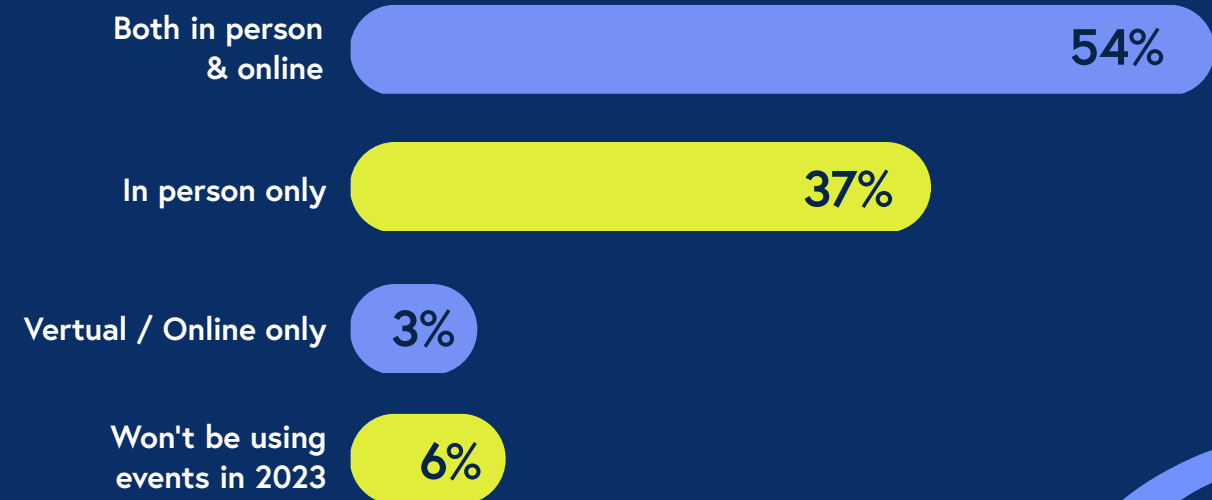
Why events?



53% of recruiters used events & careers fairs in 2022

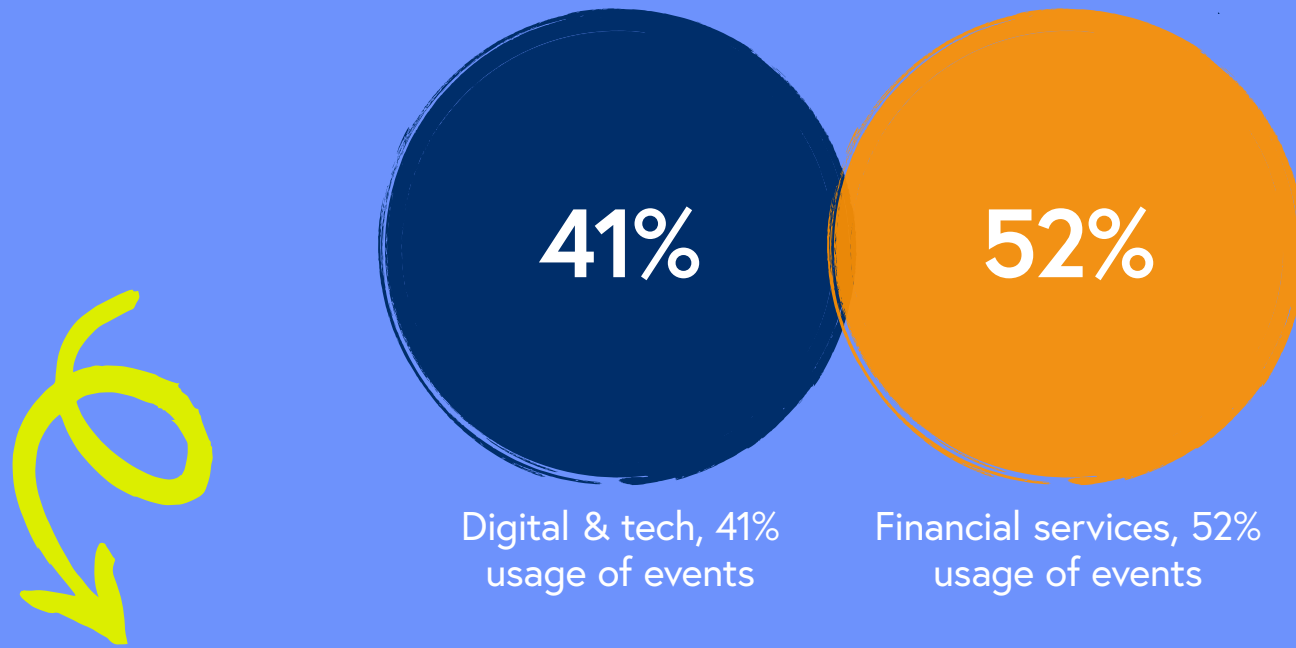
Up from 36% in 2021

In-person events only (37%, up from 20% in 2021), with a reduction in those using online only or a mix. **The trend appears to be toward getting back to face-to-face!**





Job ads are not enough



Events can unlock the gates to find and nurture top-tier passive talent.



The insights in this report are just the start

If you would like to book a free workshop for more tailored insights on your organisation and talent strategy, please click the link below

Click here to **book your free workshop**



Get in touch

Rob Sugden,
Managing Director, ECOM

 [Email me](#)
Connect 



Hiren Vekaria
Director, ECOM

 [Email me](#)
Connect 



Alex Onoufriou
Managing Director, evolve

 [Email me](#)
Connect 



Anna Massey
Managing Consultant, InterQuest Group

[Email me](#) 
Connect 

Michelle Khan,
Director, InterQuest Group

[Email me](#) 
Connect 

Kam Bhangu
Managing Director, InterQuest Group

[Email me](#) 
Connect 





MIQ Quarterly

July 2023