



February 2023

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# Market Trends

# Employment outlook

## Confidence in making hiring and investment decisions fell slightly

Employers' confidence in making hiring and investment decisions fell by 1% compared to the previous rolling quarter. At net: -30, the barometer has been in negative territory for 9 months.

## Perm recruitment intentions fell but remains positive

In October-December 2022, employers' intentions to hire permanent staff in the short-term dropped by 6% to net: +11.

In this rolling quarter, medium-term hiring intentions for permanent staff declined by 4% to net: +15.

## Contingent employment demand rose in both short and medium-term

In contrast, employers' intentions to hire contingent staff in the short-term rose by 4% to net: +7.

In the three months to December, medium-term hiring intentions for contingent staff also increased by 2% to net: +8.

Source: Recruitment and Employment Confederation





# ONS - job vacancies fell on the quarter

**-6.1%**

Quarterly growth fell for the sixth consecutive period to negative **-6.1%** in October to December 2022.

**1.0**

In September to November 2022, the number of unemployed people per vacancy was at **1.0**, which remains indicative of a tight labour market.

Source: Office for National Statistics



# Indeed UK: Job market still tight despite recession concerns



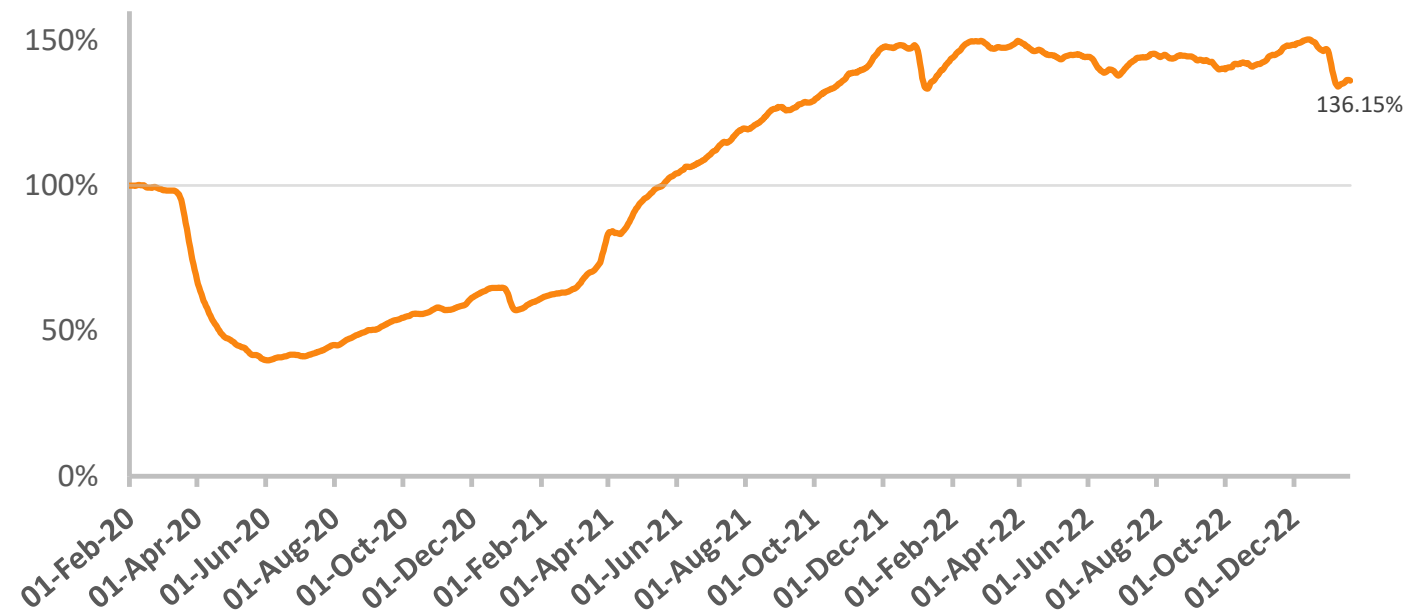
The market has cooled from last year's peaks, but remains tight, with job postings still **36%** above pre-pandemic levels.

Rising searches for part-time, weekend and night shift work suggest growing interest in second jobs as cost-of-living pressures bite.

Though pay growth remains strong, workers continue to see wages squeezed by inflation.

## Job postings on Indeed UK

% change in job postings since 01 Feb 2020, seasonally adjusted, to 20 January 2023



Source: Indeed UK \*Indeed re-released their Job Postings Tracker as the Job Postings Index. The level (0 on the legacy tracker) is now set to 100 on February 1, 2020.

# How candidates rank their priorities



**1. Compensation** - Excellent compensation and benefits



**2. Balance** - Organisational support to balance work/ personal life



**3. Flexibility** - Flexible work arrangements (when and where you work)



**4. Upskilling** - Opportunities to learn new, highly desired skills

# Only 32% of Employees Believe Their Pay is Fair

While just **34%** of employees believe their pay is equitable.

Employees who perceive their pay as inequitable have a **15%** lower intent to stay with their employer and are 13% less engaged at work than employees who perceive their pay as equitable.

**43%** of employees discuss their pay with colleagues in the same role, while 45% of employees consult third-party pay sites at least once a year.

Source: Gartner HR Research



"Employee perceptions of pay equity aren't rooted in compensation," said Tony Guadagni, senior principal in the Gartner HR practice. "Instead, the main driver of perception is **organisational trust**."

To increase employee perceptions of pay, rebuild employees' trust in the organisation.

**38%** of the employees report that they understand how their pay is determined. When organisations educate employees about how pay is determined, employee trust increases by **10%** and pay equity perceptions increase by **11%**.



# Salary transparency matters, but most are uncomfortable having to ask about it

72%

72% of employees they would prefer to work in a company where pay was openly discussed

76%

76% more women than males desire pay transparency

55%

55% Of females are uncomfortable asking colleagues about their salary



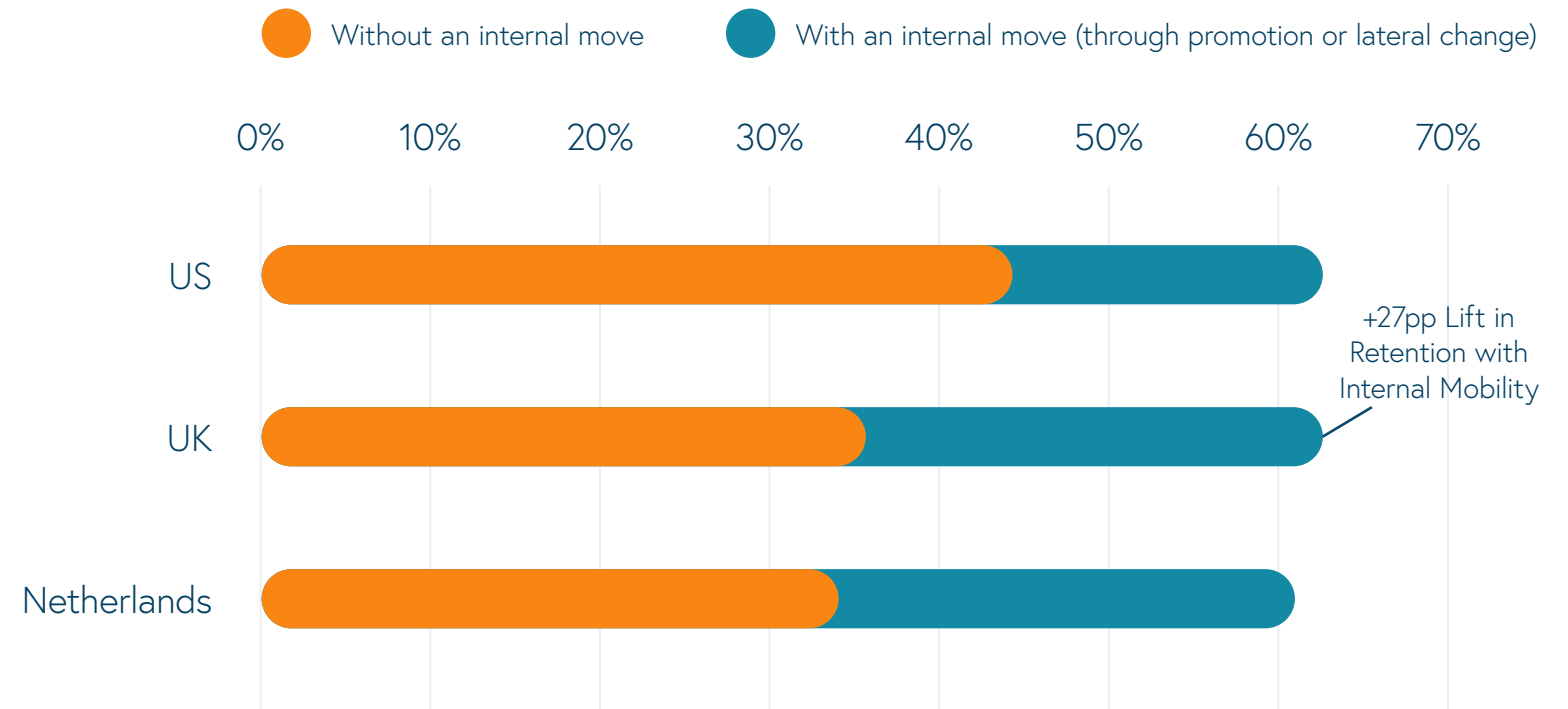


# Internal mobility increases employee retention

Internal mobility feeds employee retention in the UK.

Over a three-year period, those who make internal moves in the UK are 27 percentage points more likely to stay with the company.

Likelihood of employee retention after 3 years:



# Hybrid work in 2023 – End productivity paranoia



87%

**Employees** report they are productive at work

Clarity is key in a distributed work world

Employees who report having clarity on their work priorities are:

**3.95x** as likely to say they plan to stay at the company for at least two years

**7.1x** as likely to say they rarely think about looking for a new job

**4.5x** as likely to say they're happy at their current company.

12%

**Leaders** say they have full confidence their team is productive

## Take action

Set goals like OKRs and establish NO-KRs.

Create and reinforce a culture that rewards employees' impact, not just activity.

Collect employee feedback regularly. Empower managers and leaders to actively listen, coach, and make better decisions to improve the performance and wellbeing of their teams.



# Hybrid work in 2023 – Embrace the fact that people come in for each other

## Social connection is worth the commute

Workers say they are even more interested in going into the office for their friends and peers than for managers and leadership.

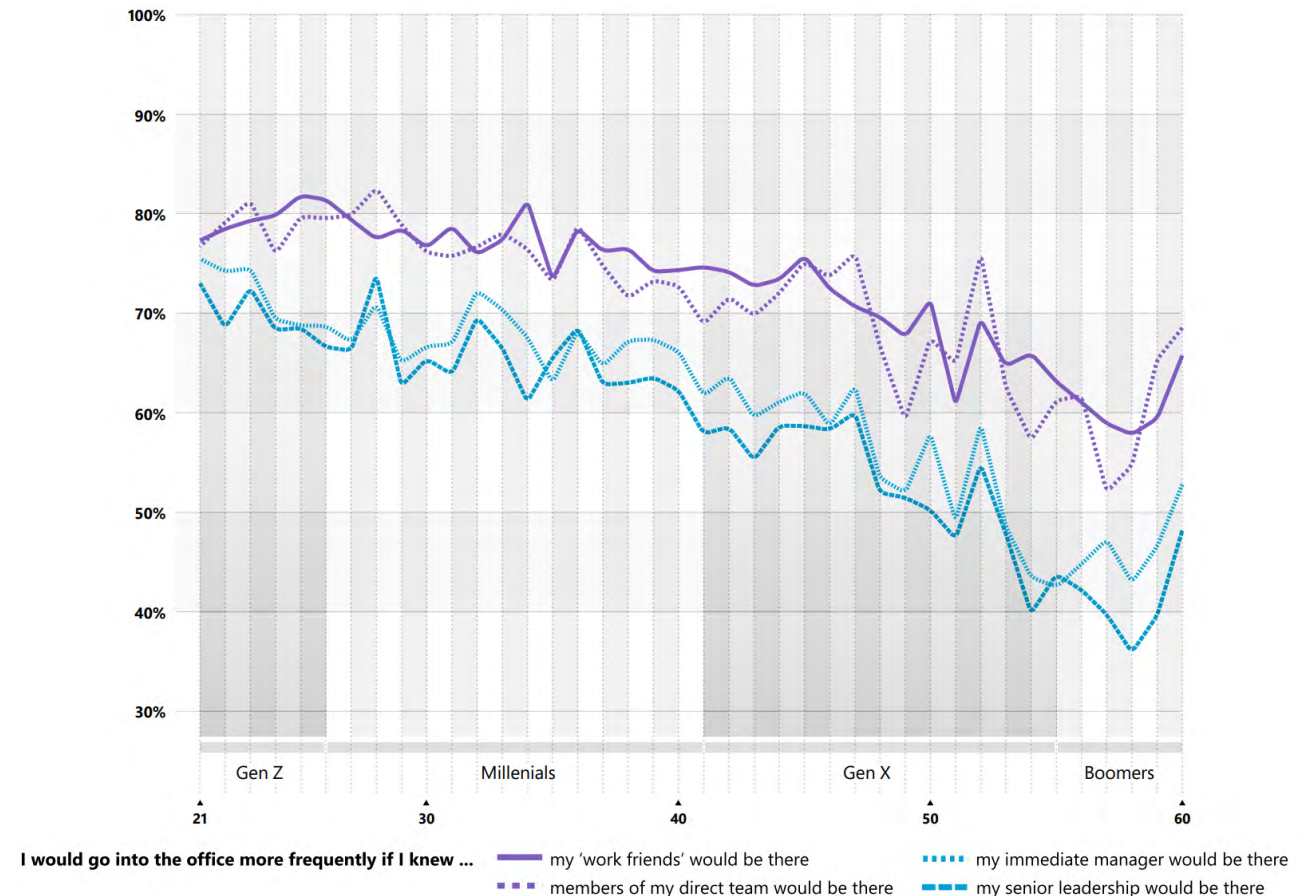
## Take action

Use in-person time to help employees rebuild team bonds and networks.

Build a digital employee experience to stay connected to each other, to leadership, and to the company culture.

Create digital community, empower people to express themselves.

Source: Microsoft, Work Trend Index

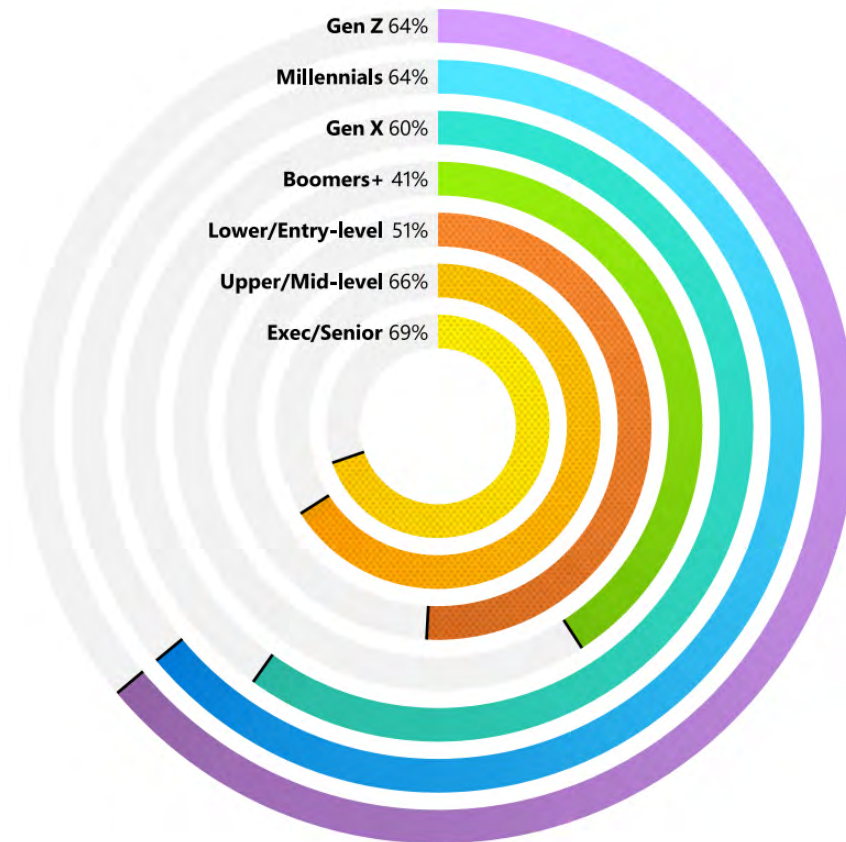




# Hybrid work in 2023 – Re-recruit your employees

## If people can't learn, they'll leave

Many workers feel that they need to leave a company to develop their skills.



## Take action

Make learning and growth core to the employee experience to close the skills gap.

Recognise that people want opportunities not just for promotion but to broaden their skills. Organisations need to make internal mobility a key priority.

Shift your mindset to create an internal talent marketplace where people can grow their skills, build their careers, and find purpose.

# The future world of work – fitting in and financing flexibility

**46%** of people think businesses must find ways to welcome this upcoming spike in contingent workers, helping them to enjoy parity with their permanent peers.

**70%** acknowledge the most skilled people will only work under conditions that favour them, companies must embrace flexibility in its many forms.

**65%** are well aware they need to play the 'flexibility game' to attract the right talent.

**15%** of businesses are actively implementing new organisational structures to enable more effective collaboration between permanent and temporary employees.

**62%** of companies think cost of expected salaries is a restriction to ambition.

**64%** of business respondents have increased salaries for their talent.

**54%** don't expect to be able to afford these inflated salaries for long.

Source: sonovate, The Future World of Work Report 2023





# The UK Economy



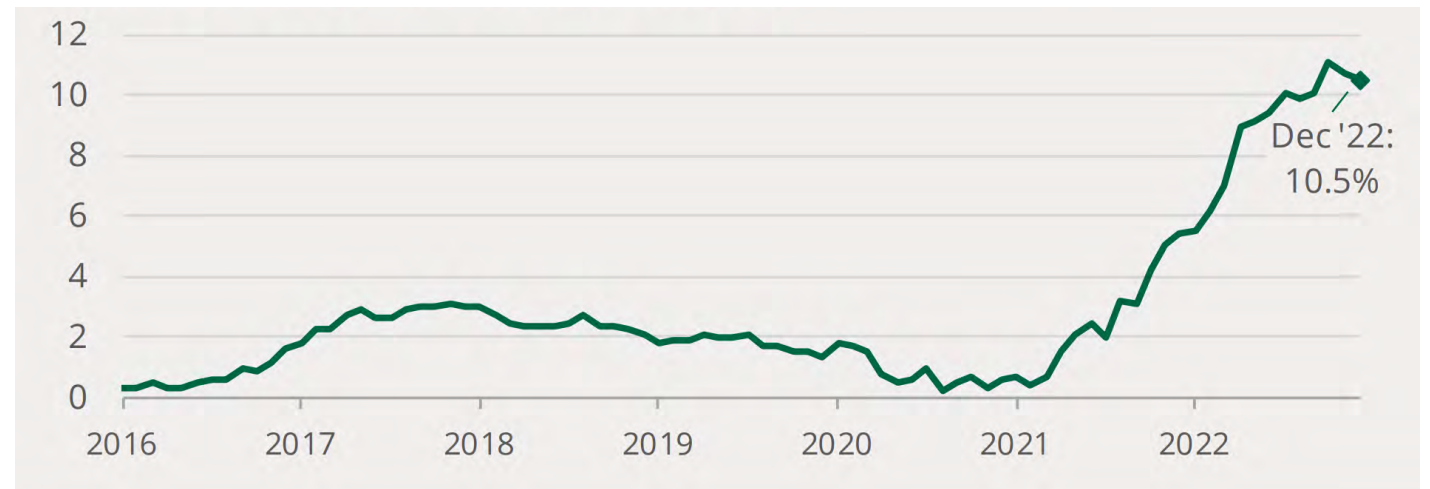
# UK inflation rate eases to 10.5% but food keeps inflation high

Inflation fell to **10.5%** in the year to December from **10.5%** in November.

Inflation rate is expected to fall in 2023 generally, as some past price increases "drop out" of the annual comparison.

**Inflation has risen sharply during 2021 and 2022**

% annual change in consumer prices (CPI)



# Food prices reach the highest since 1977



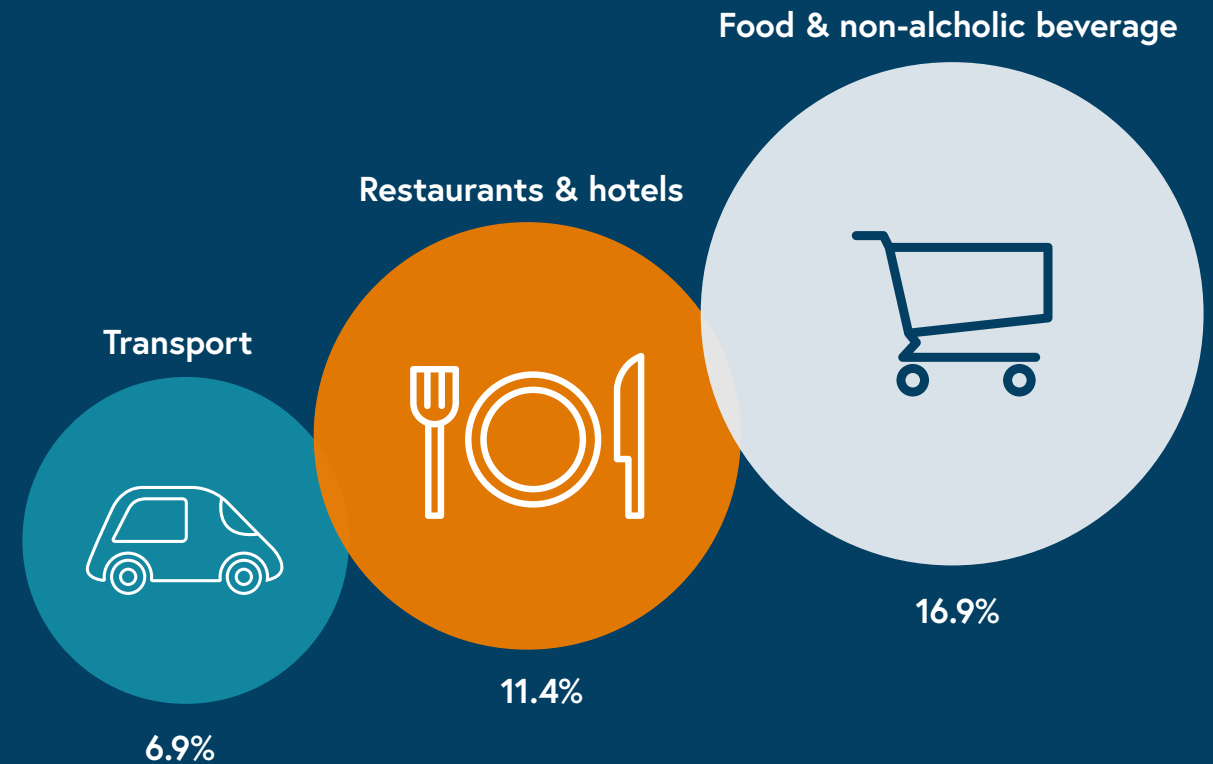
**92%** of adults reported their cost of living had increased compared with a year ago, while a lower percentage (**67%**) reported an increase in their cost of living compared with one month ago.

Food prices are still rising significantly - up **16.9%** over the last 12 months.

Restaurants and hotel prices also jumped in December along with a record rise in air fares.

Petrol and diesel costs eased last month.

## Notable movements in prices





# Further interest rate increases expected

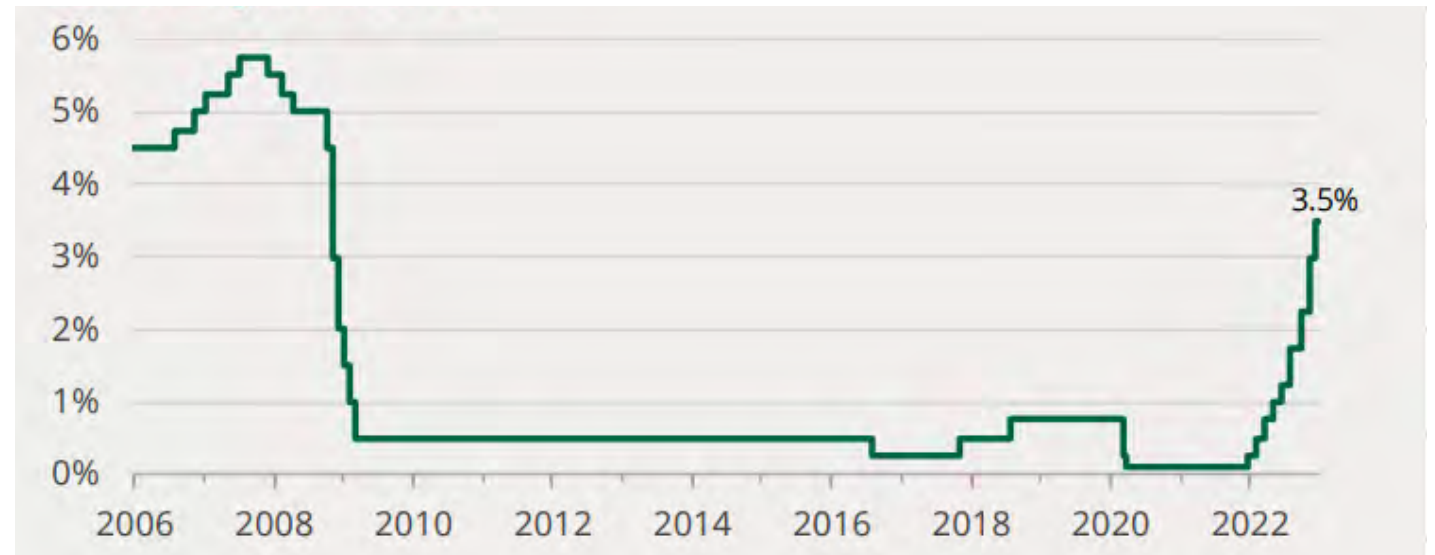


The Bank of England has raised interest rates from **3.00% to 3.50%** in December.

Further increases to interest rates are expected in an effort to bring down inflation to its **2%** target.

The next interest rate announcement is on 2 February.

**UK official interest rate**  
Bank of England base rate



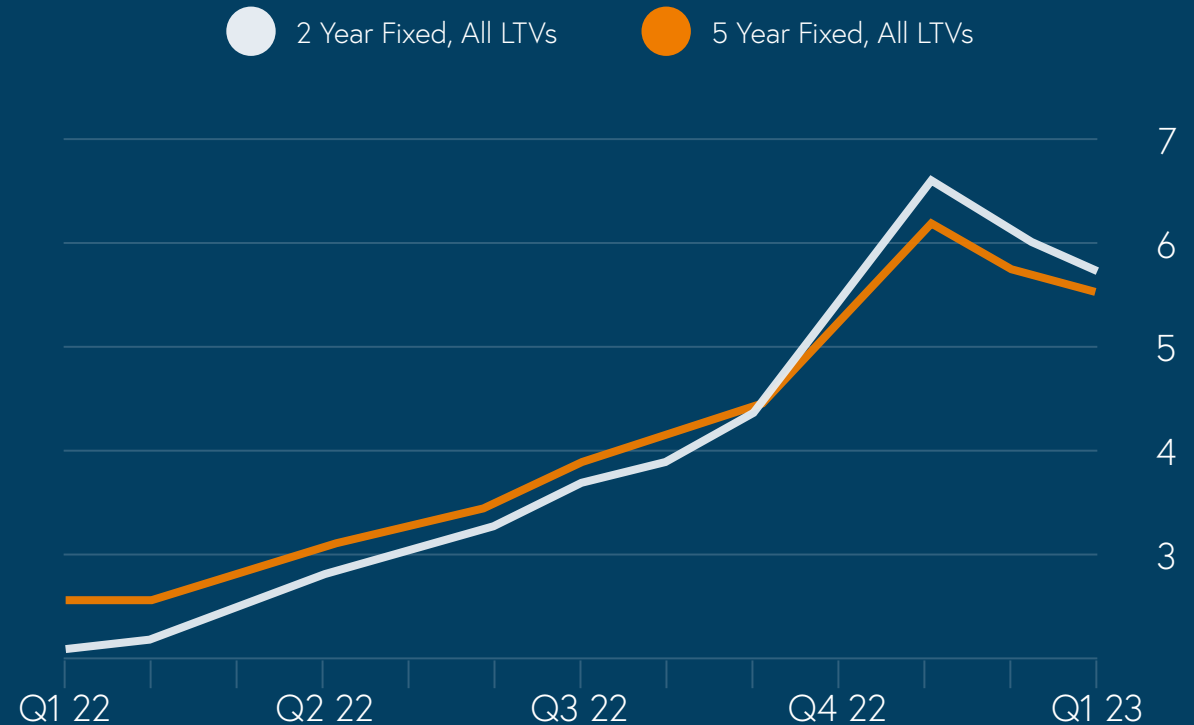


# New average mortgage rates fall below 6%

Since November, average mortgage rates have been trending down.

Two-year fixed rates have fallen **0.68%** percentage points on average over the past two months, according to Moneyfacts.

Average mortgage rates from January 2022 to January 2023



# What about energy prices?



Typical household energy bills are currently capped by the government at **£2,500** a year.

The guarantee will continue although increasing by £500 to **£3,000** from April 2023.

The amount you actually pay depends on the amount of energy you use.

These examples are illustrative with prices based on energy price guarantee rates and customers with 2019 median usage, paying for dual fuel by direct debit.

**Low** (flat or one-bedroom house)



Average annual cost

**£2,000**

(1-2 people)



**Gas**

8,000 kWh



**Electricity**

1,800 kWh

**Medium** (three-bedroom house)



**£3,000**

(2-3 people)



**Gas**

12,000 kWh



**Electricity**

2,900 kWh

**High** (five-bedroom house)



**£4,200**

(4-5 people)



**Gas**

17,000 kWh



**Electricity**

4,300 kWh



# Digital & Tech Trends

# Indeed UK job postings in digital & tech sectors



Job postings remain elevated in all digital & tech categories, although hiring demand is more stable in some than others.

% change from 23 Dec to 20 Jan 2023

Project Management +3.62%

Information Design +1.62%

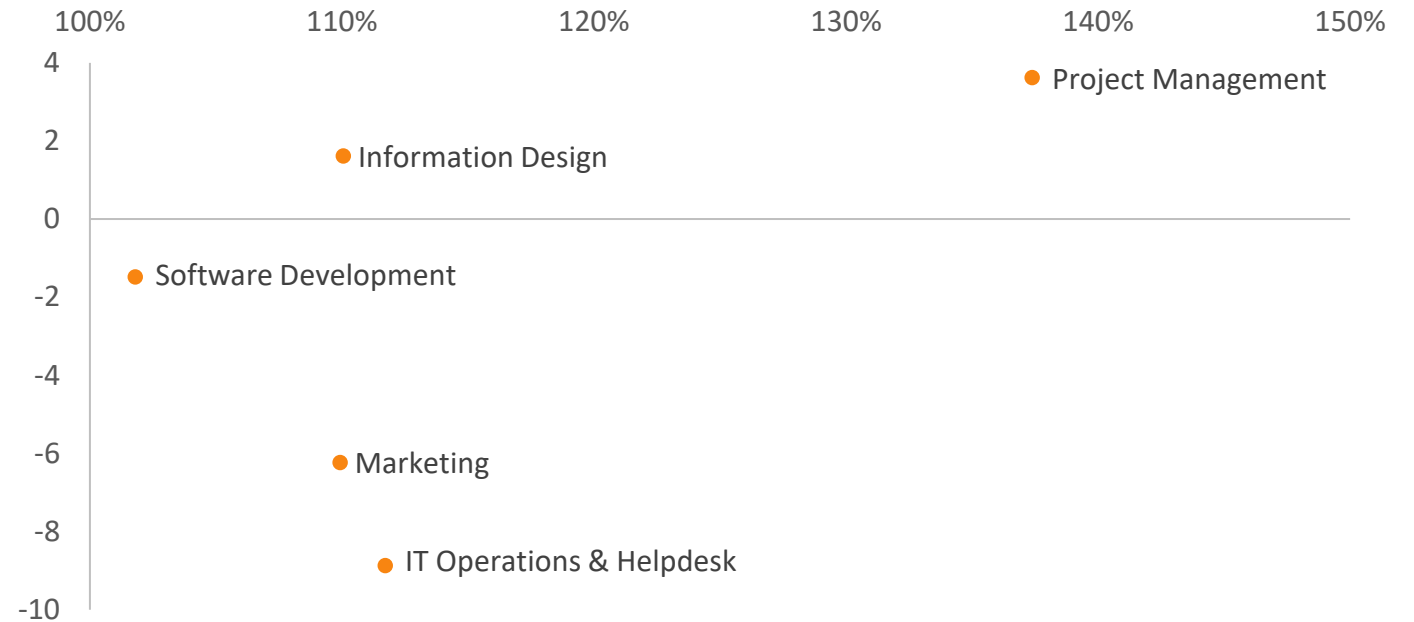
Software Development -1.48%

Marketing -6.23%

IT Operations & Helpdesk -8.87%

## Recent change vs. total change in UK job postings

% chg since 1 Feb, 2020 (x-axis), % chg since 23 Dec, 2022 (y-axis)



Scatter plot showing the percentage change in job postings from 1 Feb 2020 to 20 Jan 2023 on the horizontal axis and percentage-point change from 23 Dec 2022 to 20 Jan 2023 on the vertical axis.

Source: Indeed UK \*Indeed re-released their Job Postings Tracker as the Job Postings Index. The level (0 on the legacy tracker) is now set to 100 on February 1, 2020.

# UK may struggle to fill 'jobs of future'

Demand for jobs that require skills in artificial intelligence and machine learning is estimated to rise by **40%** over the next five years - but the UK risks falling behind if schools aren't given the resources needed to teach them.

Secondary school children were also surveyed - and **33%** had only heard of AI from sci-fi films and books.

According to YouGov, **72%** of secondary school teachers support making an active effort to increase education and resources around AI and computer science. Without it, **75%** fear long-term skill gaps.

But among STEM (science, technology, engineering, and mathematics) teachers surveyed, **64%** had limited access to computer science resources - rising to **79%** when focused on AI.

Source: Capital Economics | YouGov



# Top 10 'jobs of the future'



**Paramedic drone programmer** - an AI expert with medical knowledge to 'teach' drones to help emergency rescue teams

**Smart-assisted sports coach** - data and AI skills will help coaches measure player performance and welfare, predict outcomes, and adjust tactics

**AI speech coach** - help voice assistants and visual avatars become more realistic

**Metaverse architect** - create environments and activities to entertain people in the virtual world

**Zero carbon transport planner** - design and programme driverless public transport networks

Source: Amazon and futurologist Dr Ian Pearson

**Augmented learning technician** - use AI and augmented reality to create state-of-the-art tools for teachers and their lessons

**Agricultural AI engineer** - help farm sustainable foods like synthetic meats and insects at faster and grander scales

**AI creative skills producer** - help creators enhance their music and art by learning popular trends

**Community care technician** - use AI to detect loneliness in the community, alerting care workers to who needs their help the most

**Tech fashion designer** - create the next-generation of sustainable smart clothing and wearables, like garments that can react and respond to the weather



# UK businesses **look globally** for tech talent to combat talent shortage

25%

25% of UK businesses are looking to hire tech talent globally in order to combat the tech talent shortage in the UK.

When recruiting overseas, more than two-thirds (70%) of UK businesses are most likely to consider talent from more traditional tech hubs around the world – New York, Paris, Berlin, and San Francisco.

But whilst some are breaking geographical restraints when it comes to recruitment, almost two-thirds (63%) of UK businesses are continuing to focus their recruitment strategies predominantly on the UK.

What's more, one in five UK businesses (20%) say that they believe there is still a lot of tech talent in London and they are continuing to hire there as a result.

Source: Remote 2022 Tech Talent Report





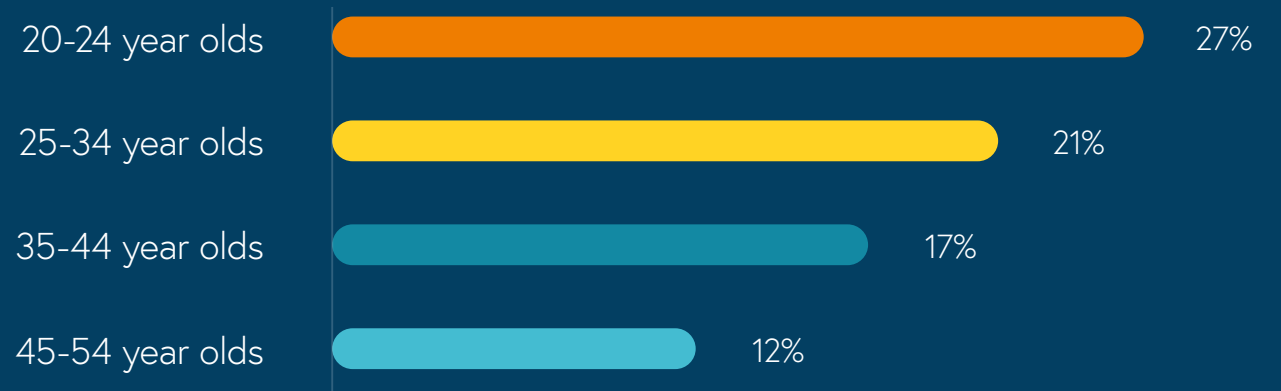
# Most technologists would take a new job, especially young tech talent

While not everyone is actively searching for a new job, most are open to considering new roles.

**74%** of technologists are actively looking for a job now or are open to new opportunities, which is consistent with last year's survey (also 74%).

Additionally, the percentage of young developers actively searching for their next role increased nine points year over year (**22%** in 2022 versus **13%** in 2021).

## Active job seekers (developers)



The 20-24 age group is succeeding at finding new jobs: **27%** have obtained as many roles as the average person in the 25-34 age group (3 or 4 professional jobs under their belt). Younger people are accepting new jobs more frequently, and the data shows they are hungry for more.

# Money is a good reason to job hop



Over half of developers agreed a better salary is still the largest motivator when considering a new opportunity (**54%**).

Experienced developers are more concerned with better pay than growth and leadership opportunities (**57%** vs. **37%** of 35-44 year olds and **62%** vs. **38%** of 25-34 year olds).

Across different team roles, better salary is a top motivator, as well (**61%** for individual contributors and **58%** of people managers).

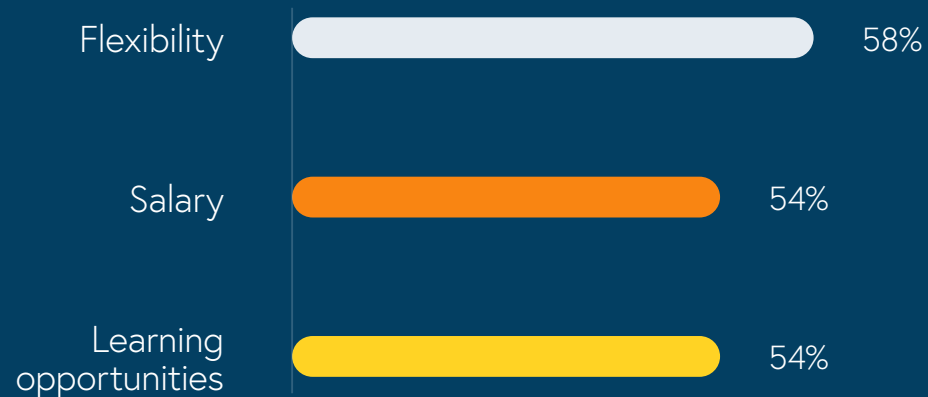
While salary remains a primary motivator for EU/UK developers, the desire to work with new technologies came in second as a reason to leave a role.

**38%** of EU/UK respondents are not interested in new job opportunities this year, which is an increase from last year (**27%**). This uptick could be related to the economic downturn with growing desire for stability and familiarity.

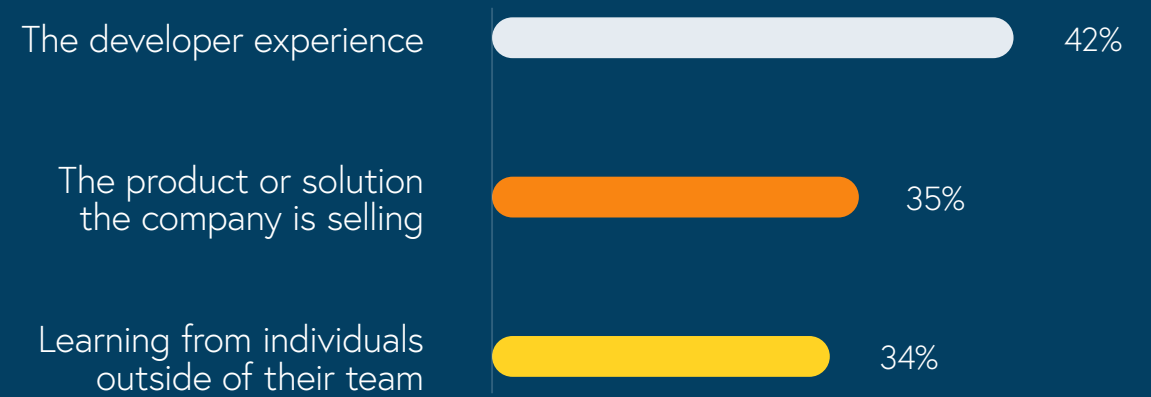
# What keeps tech professionals from looking?



## What factors convince developers to stay in their current role?



## Top factors that make a company more appealing to work for now or in the future





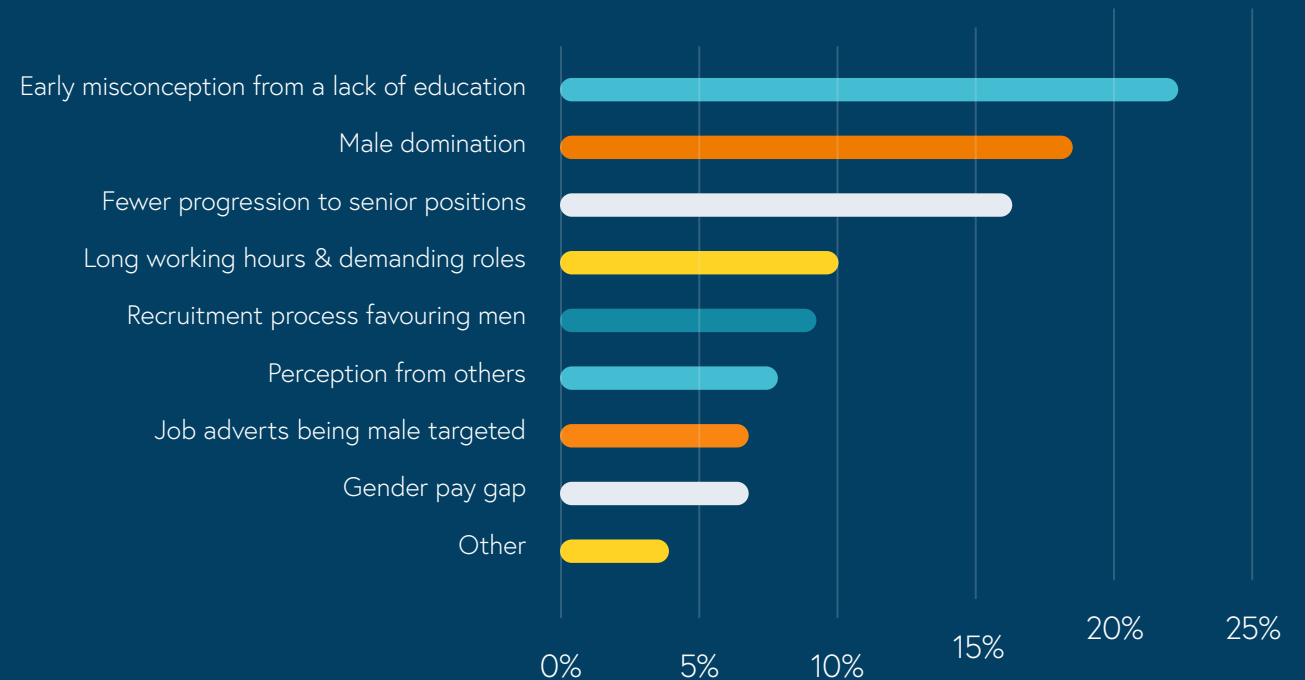
# Why are women put off from entering the tech industry?

A new survey from [womenintech.co.uk](https://womenintech.co.uk) reveals that there may be several reasons as to why women are put off entering the technology industry.

**22%** said the early misconception from a lack of education in young girls was to blame.

The next most popular option was male domination. The **4%** that answered 'other' claimed that women would be put off working in the tech sector due to a lack of confidence, a lack of interest in technology (stemming from a young age) and family responsibilities limiting them.

## What do you think is the main reason women may be put off from working in the tech sector?



# Attracting women in tech

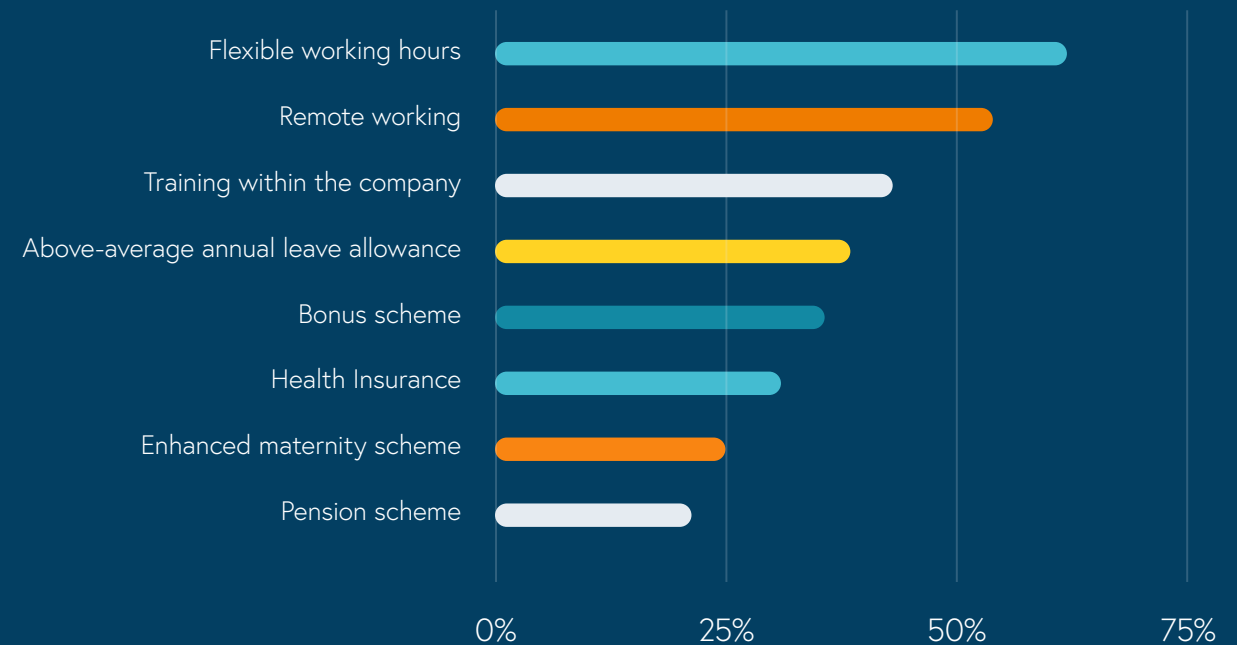


**61%** of employers are actively working on gender balance through promoting women in tech, compared to just **36%** last survey (2019).

The most popular ways businesses are trying to increase their gender diversity are by recruiting more women and introducing flexible working policies.

Respondents to the women in tech survey were asked what employee benefits would make a job description stand out to them. The most popular benefit chosen was flexible working hours (**63%**).

## Select the top 3 employee benefits which would attract you the most to apply for a job



# Day-rates for most in-demand tech skills



The median day rate of **70%** of the most in demand digital, data and tech contract skills fell in the last **3 months**.

Although all have increased YoY, the day rates among the most in demand specialist skills **either fell or remained stable** during economic uncertainty.

Skill / Job Role	Median Daily Rate	Day Rate Change
.NET	£575	-£10
AWS	£575	-£10
Azure	£565	-£9
DevOps	£600	-£12
Java	£600	-
JavaScript	£550	-£20
Node.js	£550	-
Python	£600	-
React.js	£550	-£12
SQL	£540	-£2

Source: ITJobsWatch (3 Months to January 2023)

# Salaries for most in-demand tech roles



Median salaries of **60%** of the most in demand digital, data and tech roles increased YoY.

Skill / Job Role	Median Salary	Salary Change YoY
.NET	£61,500	+6.95%
AWS	£75,000	+4.69%
Azure	£65,000	+4.00%
DevOps	£70,000	-
Java	£75,000	+7.14%
JavaScript	£65,000	+8.33%
Node.js	£70,000	-
Python	£70,000	-
React.js	£70,000	-
SQL	£60,000	+9.09%

Source: ITJobsWatch (3 Months to January 2023)



# Financial Services trends





# +59%

YoY change in Q4 UK  
average applications across  
all job functions

## UK market summary - more candidates are applying for jobs

UK candidates were seeking job moves while vacancy numbers remained high in late 2022 – ahead of a potentially deep recession in 2023 and first-quarter job cuts at banks.

Source: eFinancialCareers Hiring Trends Report – Review of Q4 2022

# UK standout job sectors



YoY change in average applications per job sector in UK financial services





## US market summary

Talent shortages are losing some of their intensity in US financial services.

But even with economic uncertainty rising and Wall Street banks making layoffs, it's still premature to call time on the era of high vacancy volumes.

Source: eFinancialCareers Hiring Trends Report – Review of Q4 2022

# +85%

YoY change in Q4 US  
average applications across  
all job functions

# US standout job sectors



YoY change in average applications per job sector in US financial services



# Financial services Indeed UK job postings



## Recent change vs. total change in UK job postings

% chg since 1 Feb, 2020 (x-axis), % chg since 23 Dec, 2022 (y-axis)

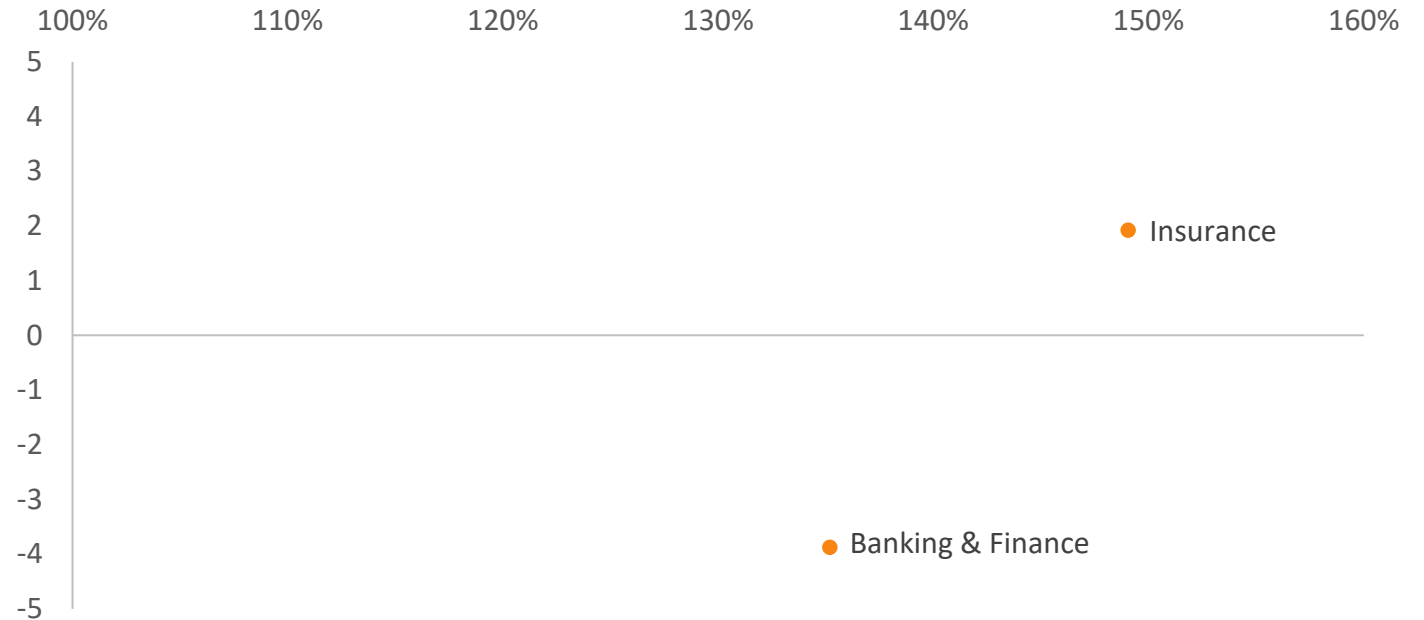
Job postings remain elevated in both financial services categories.

Banking & Finance hiring demand fell compared to the previous month. Insurance job postings slightly increased and are close to **+50%** higher than pre-pandemic levels.

% change from 23 Dec to 20 Jan 2023

Insurance **+1.92%**

Banking & Finance **-3.88%**



Scatter plot showing the percentage change in job postings from 1 Feb 2020 to 20 Jan 2023 on the horizontal axis and percentage-point change from 23 Dec 2022 to 20 Jan 2023 on the vertical axis.

Source: Indeed UK \*Indeed re-released their Job Postings Tracker as the Job Postings Index. The level (0 on the legacy tracker) is now set to 100 on February 1, 2020.

# Your rundown on fintech in 2022



**\$75.2B**

Total fintech funding  
in 2022. Down  
**46%** YoY.

Global fintech funding reached **\$75.2B** in 2022 - down **46%** from 2021, but up **52%** when compared to 2020. Deal volume fell only 8% year-over-year (YoY).

**-60%**

YoY drop in  
megaround  
funding.

\$100M+ mega-rounds accounted for \$36.5B in funding in 2022, marking a **60%** drop from 2021's record activity. The number of global megarounds fell by **52%** YoY to 179 as investors scaled back amid market turmoil and rising inflation.

**5**

Unicorns born  
in Q4'22. Down  
**87%** YoY.

Fintech unicorn births declined throughout 2022, sinking to a low of 5 in Q4'22 — an **87%** drop compared to Q4'21. Unicorn births also showed a sharp drop on an annual basis, rising inflation.

**-63%**

Decline in  
banking funding  
in 2022

Banking funding reached **\$9.4B** across 299 deals in 2022, down **63%** and **33%** YoY, respectively — returning to pre-Covid levels. This was the largest drop in funding across all fintech categories analysed.

# Your rundown on fintech in 2022



**\$32.8B**

Total US fintech funding in 2022.  
**50%** drop YoY.

Funding to US-based fintechs halved from 2021's record high to **\$32.8B** in 2022. Despite the drop, 2022 was the second-highest funding year for US fintechs

**227**

Deals to Africa-based fintechs. Record high.

Africa-based fintechs saw a record **227** deals in 2022, a **25%** increase YoY. Africa was the only region to see a YoY increase in fintech deals.

**-39%**

Decrease in capital markets tech funding.

Capital markets tech funding declined **39%** YoY from **\$3.8B** in 2021 to **\$2.3B** in 2022. This was the lowest percentage drop in funding for any fintech sector analysed.

**81**

Insurtech M&A exits. New high.

Insurtech M&A exits rose **40%** in 2022 to **81**, up from **58** in 2021. Insurtech was the only fintech sector to see a YoY increase in M&A exits.

# Positive signs of progress for women in fintech but fundamental barriers still exist



**76%** of women in fintech believe their firm is inclusive and **56%** feel it is diverse.

This is more pronounced from the male perspective, with **95%** of men believing their firm is inclusive and **77%** claiming it is diverse.

**45%** of women founders surveyed feel able to raise equity capital, compared to **62%** of men, and less than a third (**31%**) of women feel able to access debt funding, compared to **44%** of men.

Among junior to mid-level employees, **63%** of female respondents believe their gender impacts on how they are perceived professionally.

**32%** of women claimed to have negotiated on compensation with **51%** getting all or nearly all what they asked for. That compares to **42%** of men saying they negotiated on compensation, with **69%** receiving all or nearly all of what they asked for.

One in four overall tech roles done by a woman is a technical one. In fintech, **26%** of women in the sector are in roles such as chief people officer or head of HR, followed by chief marketing officer and chief financial officer.





# In 2022, female founders raked in some of Europe's most high-profile fintech rounds

Among the most high-profile rounds were **12** European fintechs with women in the most powerful position of all — CEO — and **5** with female cofounders.

## 2022-funded fintechs with female cofounders

### Yokoy

Cofounder: Melanie Gabriel, CMO

### Formance

Cofounder: COO Anne-Sybille Pradelles

### GoHenry

Cofounder: Louise Hill, COO

### Lendable

Cofounder: Victoria van Lennep

### Brxs

Cofounder: Amrita Ramsaransing

## 2022-funded fintechs with female CEOs

### YourJuno

CEO: Margot & Alexia de Broglie

### Solvo

CEO: Ayelen Denovitzer

### Starling Bank

CEO: Anne Boden

### Ledgy

CEO: Yoko Spirig

### Tumelo

CEO: Georgia Stewart

### Moneyhub

CEO: Samantha Seaton

### Simpler

CEO: Rania Lamprou

### Pigment

CEO: Eléonore Crespo (co-CEO)

### Sequence

CEO: Riya Grover

### Near Foundation (NEAR Protocol)

CEO: Marieke Flament

### Pile

CEO: Jessica Holzbach

### Lilo

CEO: Emily Chan

# Women in financial services, Europe



Current share and projected growth of women in FSI by role category, region, and location

Current share in 2021: ● C-suite ● Senior leadership ● Next generation

Projected share in 2030: | XX%



Source: Deloitte Centre for Financial Services analysis of BoardEx LLC data

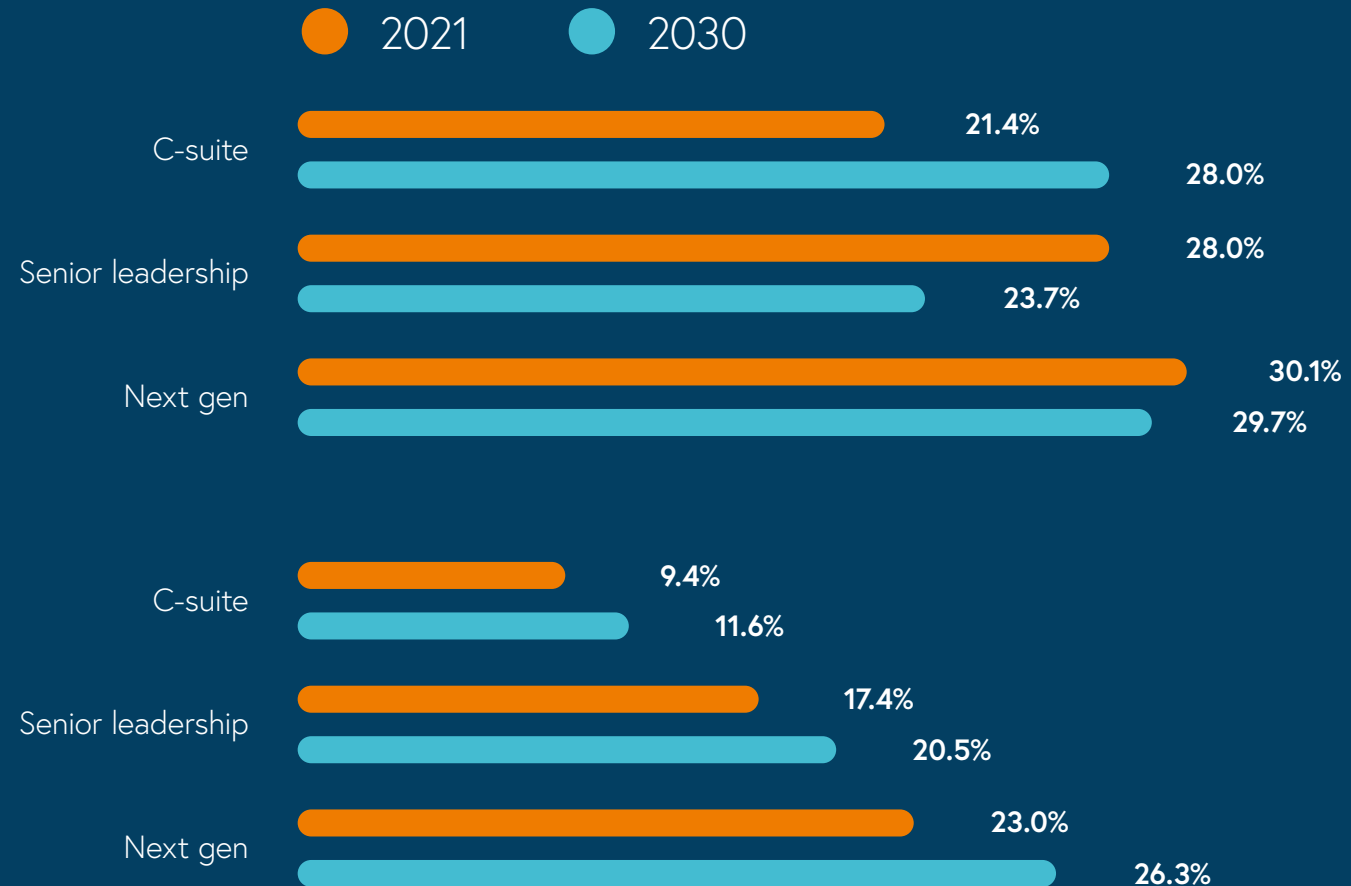
# Women in financial services, Europe



France



Germany



Source: Deloitte Centre for Financial Services analysis of BoardEx LLC data

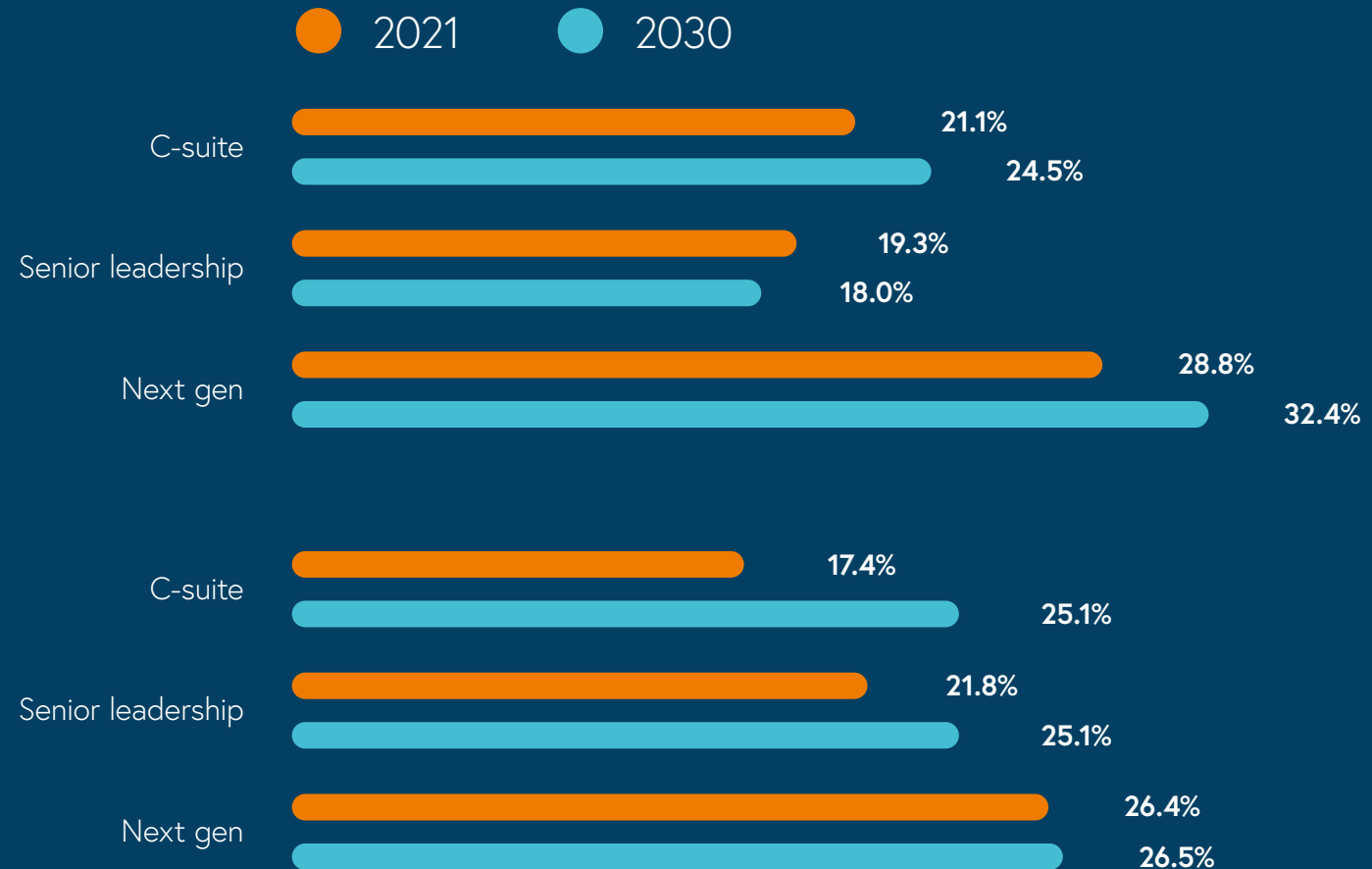
# Women in financial services, Europe



Netherlands



United Kingdom



Source: Deloitte Centre for Financial Services analysis of BoardEx LLC data



# UK financial boardrooms lead Europe in acceleration of female and sustainability appointments

**58%**

of UK financial services board appointments over the last year were female, relative to 50% across Europe.

**56%**

Over the past two years, 56% of board appointments at UK financial firms were female versus 46% across Europe.

**59%**

Female board members of UK financial services firms (59%) are more likely to have C-Suite experience than their European peers (51%).

**44%**

In the UK, 44% of firms monitored have board directors with professional sustainability experience; significantly above the 32% recorded across European firms.



Challenges hiring specialist technology roles?  
Or noticing a market shortage of talent?

We can help.

# evolve

**A fully flexible, cost-effective approach to manage recruitment and engage talent.**

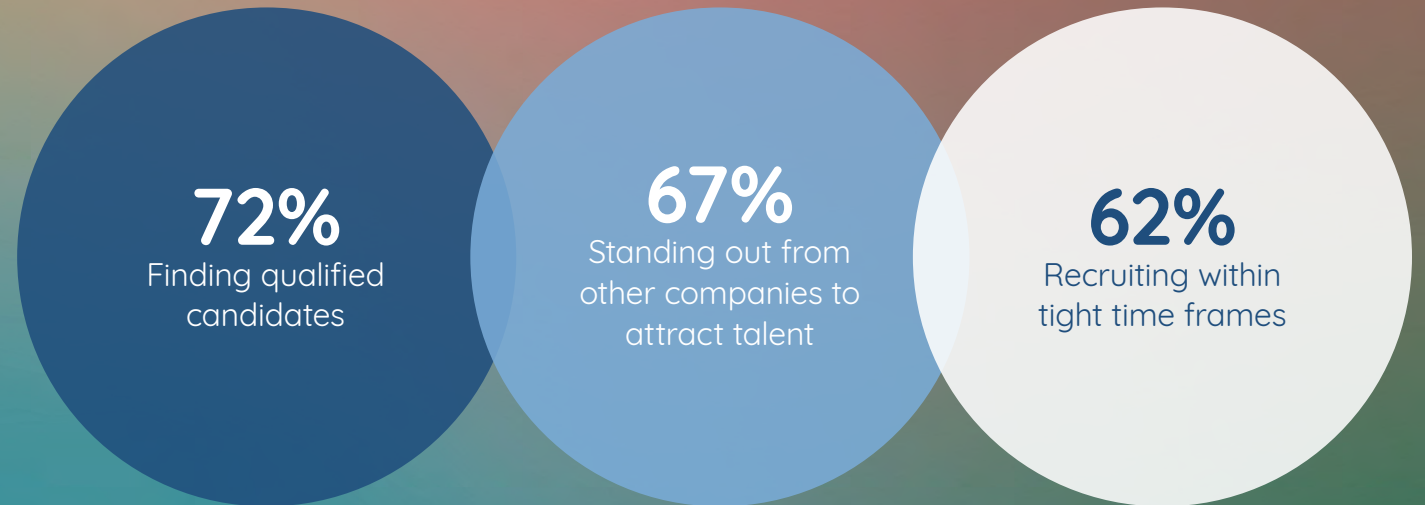
Specifically developed for start-ups, scale-ups and SMEs, our range of modular services reimagine the way you access the best candidates in the market.



**84%** of hiring managers say the tech labour market has changed since the Covid-19 pandemic.

**66%** of those surveyed say it is now more challenging to hire for specialist technology roles.

The following challenges were cited:



**Get in touch** / 020 7025 0100 / [info@evolve.com](mailto:info@evolve.com)

**IQUAD GIVES BUSINESSES  
ACCESS TO A FLEXIBLE  
PIPELINE OF DIVERSE TALENT,  
EMPOWERING ORGANISATIONS  
TO TRANSFORM TECHNOLOGY  
SKILL DEVELOPMENT  
AND INCLUSIVITY.**

Through our training programme and partners, we help widen the talent pool by supporting returners, retraining professionals and displaced employees giving new careers within technology developing those individuals' capabilities within some of the highest demand tech skill areas

Traditional career models are failing to close the digital skills gap. The challenges are often simply due to a lack of training resources available for diverse candidates not currently being identified by traditional candidate attraction methods. Furthermore, managers are without the capacity to manage the training needs of these professionals.

**66%**

Jobs for grads  
were down on  
pre-Covid levels

**30%**

Tech Sector job  
postings are up on  
pre covid levels

**76%**

of firms think a lack of  
digital skills would hit  
their profitability

**Get in touch** / 020 7025 0100 / [info@iquad.com](mailto:info@iquad.com)



# Webinar & Podcast Series

Join our meetup page here



# About us



## Our brands



**261**  
Members of staff

**700**  
Website users every day

**201,164**  
Social followers

**60mins**  
One of our candidates starts  
a new role every hour

## Our Locations

### Overseas locations

- New York
- Amsterdam

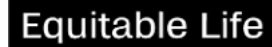
- Harrogate
- Manchester

- Berkhamsted
- Tunbridge Wells
- London

## Awards and Accreditations



# Our Customers



# Our Customers





February 2023

INTERQUEST 

 ECOM

RDW 

evolve

 IQUAD