



January 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 2% compared to the previous rolling quarter to net: -29. Similarly, the barometer has been in negative territory for 8 months.

## Perm recruitment intentions remain stable

In September-November 2022, employers' intentions to hire permanent staff in the short-term dropped by 1% to net: +17.

In this rolling quarter, medium-term hiring intentions for permanent staff stayed the same at net: +19.

## Contingent employment demand fell in the short-term but stable in the medium-term

In the three months to November, employers' intentions to hire temporary agency workers in the short-term declined by 4% to net: +3.

Medium-term hiring intentions for temporary agency workers stayed the same at net: +6 in this rolling quarter.

Source: Recruitment and Employment Confederation



# ONS - job vacancies fell on the quarter

**-5.2%**

Quarterly growth fell for the fifth consecutive period to **-5.2%** in September to November 2022.

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**1.0**

In August to October 2022, the number of unemployed people per vacancy remained at **1.0**, despite the number of vacancies falling and unemployment rising.

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Source: Office for National Statistics

1,187,000

A decrease of 65,000 from  
June to August 2022.

Sept

Nov



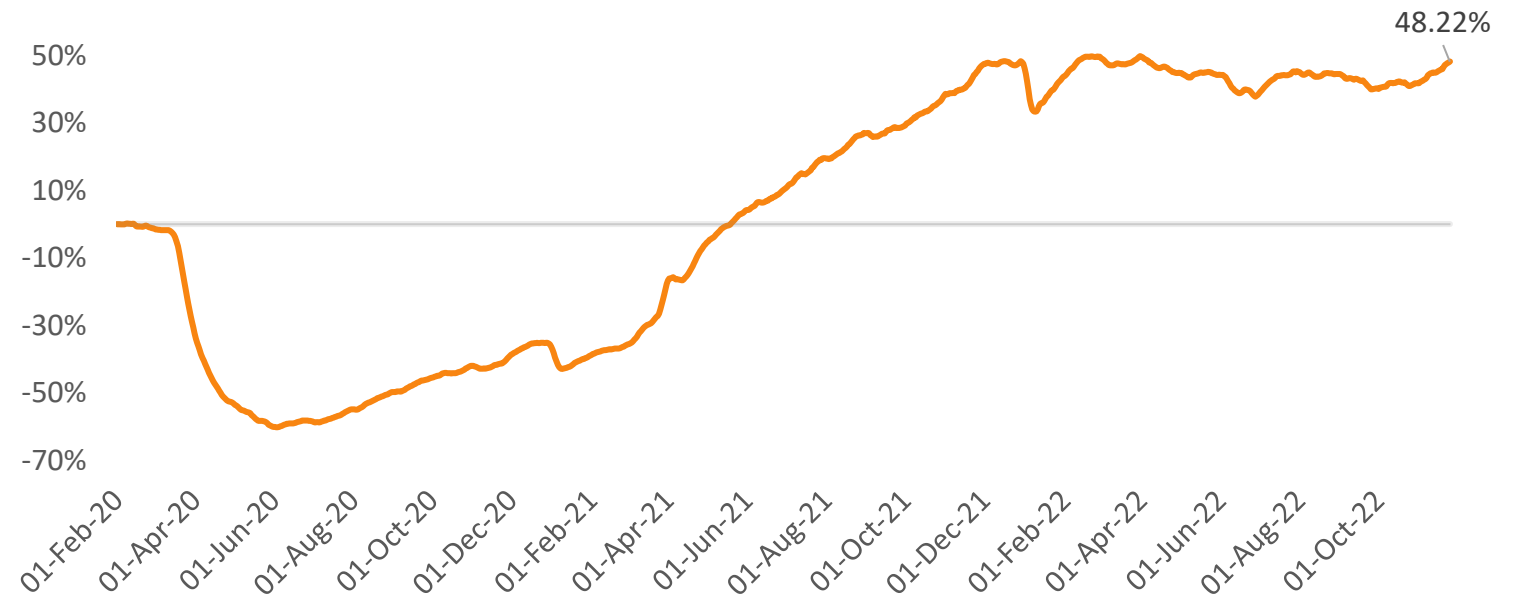
# Indeed UK job postings continue to show resilience

Job postings remain elevated at **48.22%** above the pre-pandemic baseline. That's the highest level since December 2021.

Hiring demand continues to show resilience to economic headwinds.

Additionally, job-to-job flows remain high and continue to be driven by resignations rather than dismissals.

**Job postings on Indeed UK**  
% change in job postings since 01 Feb 2020, seasonally adjusted, to 25 November 2022



# How candidates rank their priorities



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



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

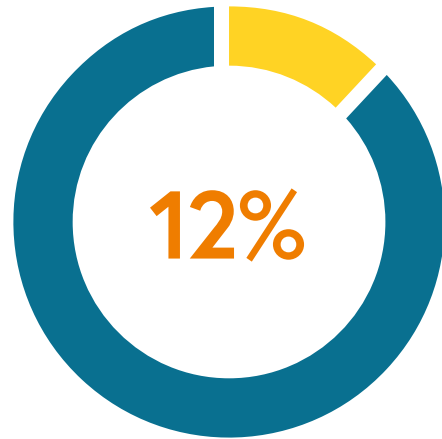


**3. Flexibility** - Flexible work arrangements (when and where you work)



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

# Pressing need for more money overtakes culture and values



**12%** are looking for an environmentally-aware employer

On average, **19%** say that D&I matters to them when looking for a new job, and only **12%** are looking for an environmentally-aware employer.

They do seem to matter a little more to younger employees, though, with a higher than average **23.5%** concerned about D&I and **14%** about ESG.

**57%** say that the rising cost of living is the main reason to seek another role.

Females in particular remain determined to seek a better deal, with two-thirds (**72%**) stating salary as the biggest attraction factor, followed by a good company reputation, fun company culture and benefits (all **42%**).

# 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

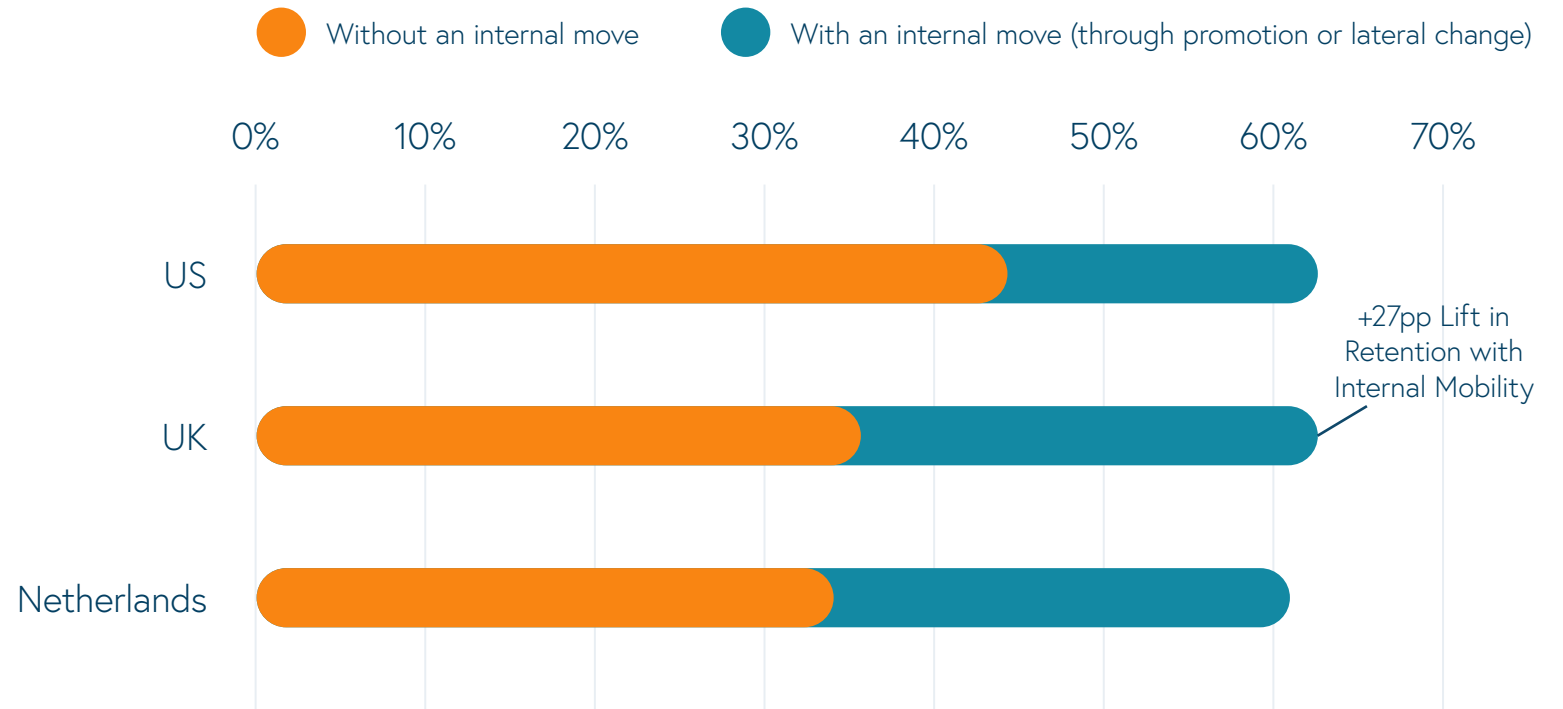


# Internal mobility increases employee retention

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.

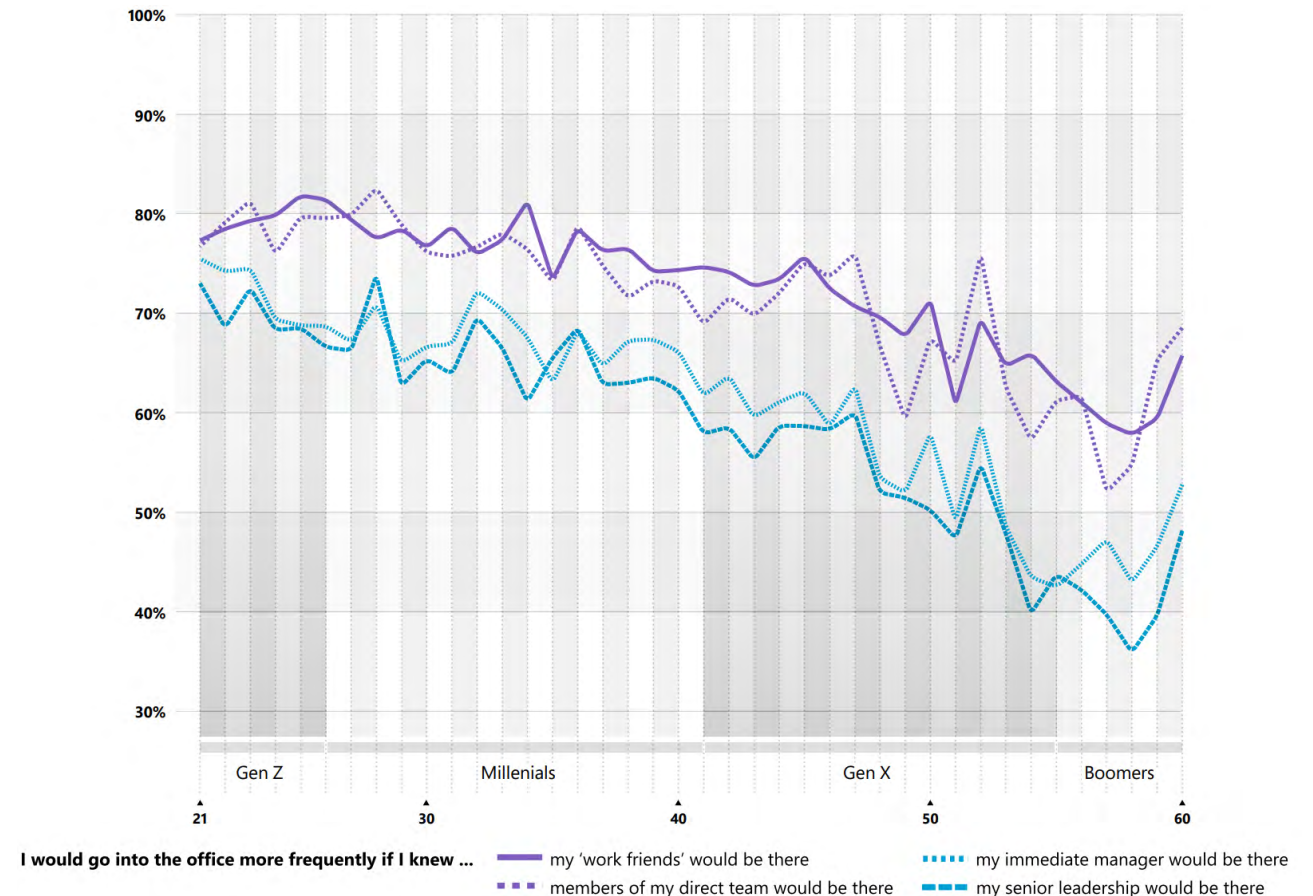
## Take action

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

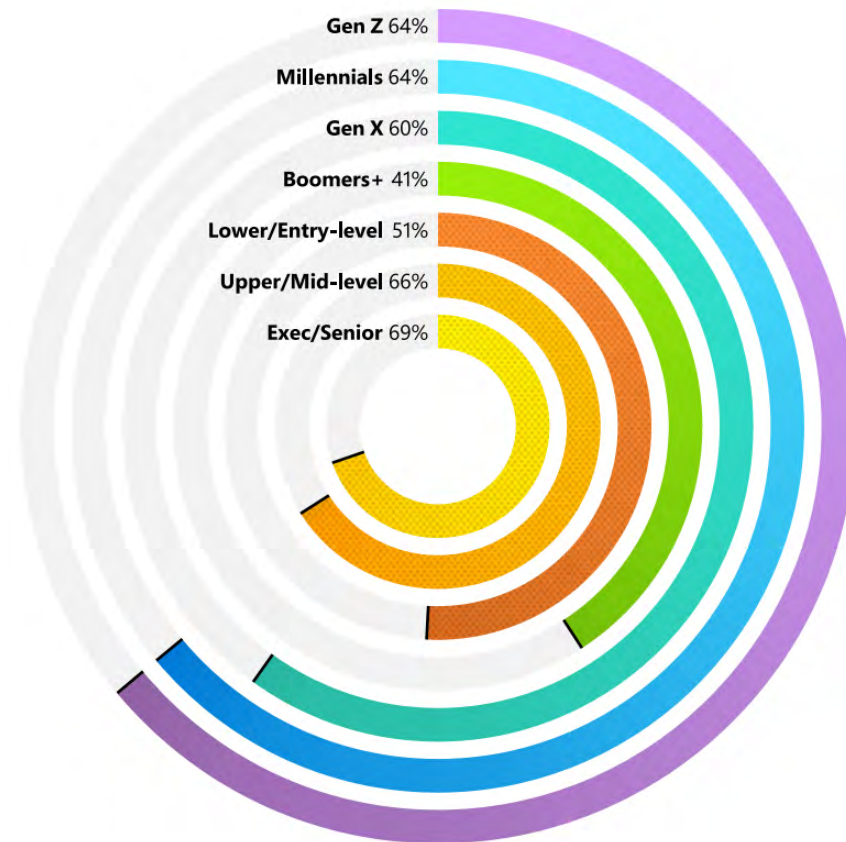




# Hybrid work in 2023 – Re-recruit your employees

## 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.

# Millions of Britons to be able to request flexible working on day one of employment

Millions of workers will be able to request flexible working from day one of their employment, under new Government plans.

In addition to being able ask to work from home, it also means that employees can make use of job-sharing, flexitime, and working compressed, annualised, or staggered hours.

The raft of new measures will give employees greater access to flexibility over where, when, and how they work.

Flexible working has been found to help employees balance their work and home life, especially supporting those who have commitments or responsibilities such as caring for children or vulnerable people, the Government said.

Source: GOV.UK | SIA





# The UK Economy

# UK inflation rate eases to 10.7% but cost of a night out going up

Price rises year-on-year slowed in November, with the inflation rate down to **10.7%**

But the cost of living is still close to a 40-year high, squeezing millions of households and businesses.

Food prices are still rising significantly. The price of fuel has fallen from record highs but this was offset by a rise in the cost of alcohol in restaurants, cafes and pubs.





# Food prices are still rising significantly

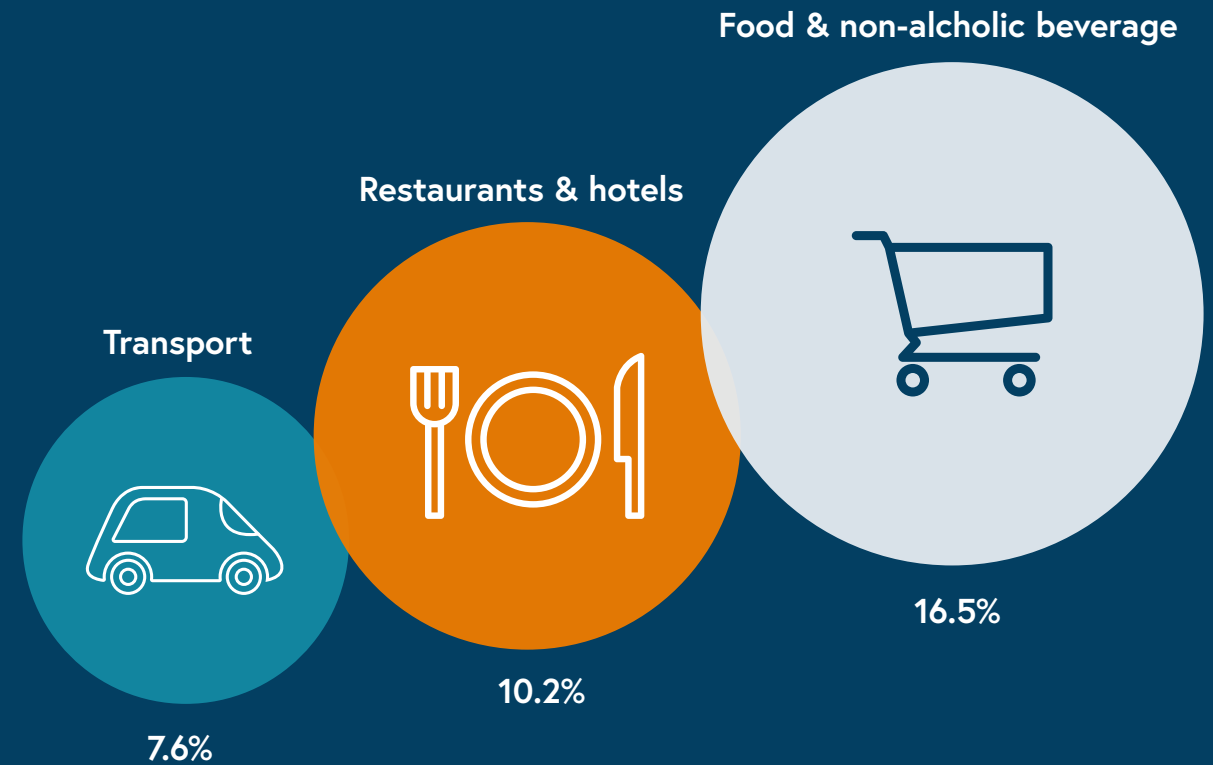


**92%** of adults reported their cost of living had increased compared with a year ago, while a lower percentage (**74%**) reported an increase in their cost of living compared with one month ago.

Food prices are still rising significantly - up **16.5%** over the last 12 months.

The price of fuel has fallen from record highs but this was offset by a rise in the cost of alcohol in restaurants, cafes and pubs.

## Notable movements in prices



# The Bank of England raises interest rates again



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

More rate rises are likely to come. Analysts suggest rates could reach **4.5%** by the middle of next year.

However, that peak is lower than predictions had suggested when the government was in turmoil after its mini-budget was badly received.



# Mortgage rates rise sharply as squeeze tightens

The Bank of England says about four million households face a higher monthly mortgage bill in 2023.

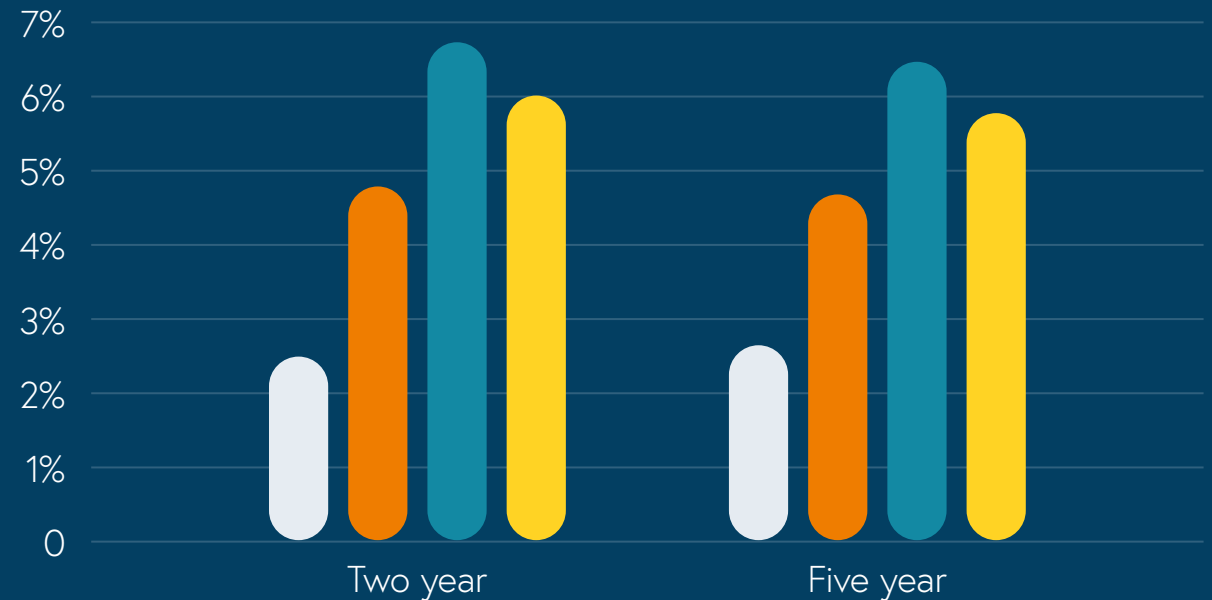
An average two-year fixed deal, which was **2.29%** in November 2021, is now just under **6%**.

The rates on two-year mortgages, which are more common, have also been falling gradually, from **6.65%** on 20 October to **6%**.

## Five-year mortgage rates are back below 6%

Average interest charged on two and five-year fixed deals

01/12/2021 23/09/2022 20/10/2022 5/12/2022



# 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**

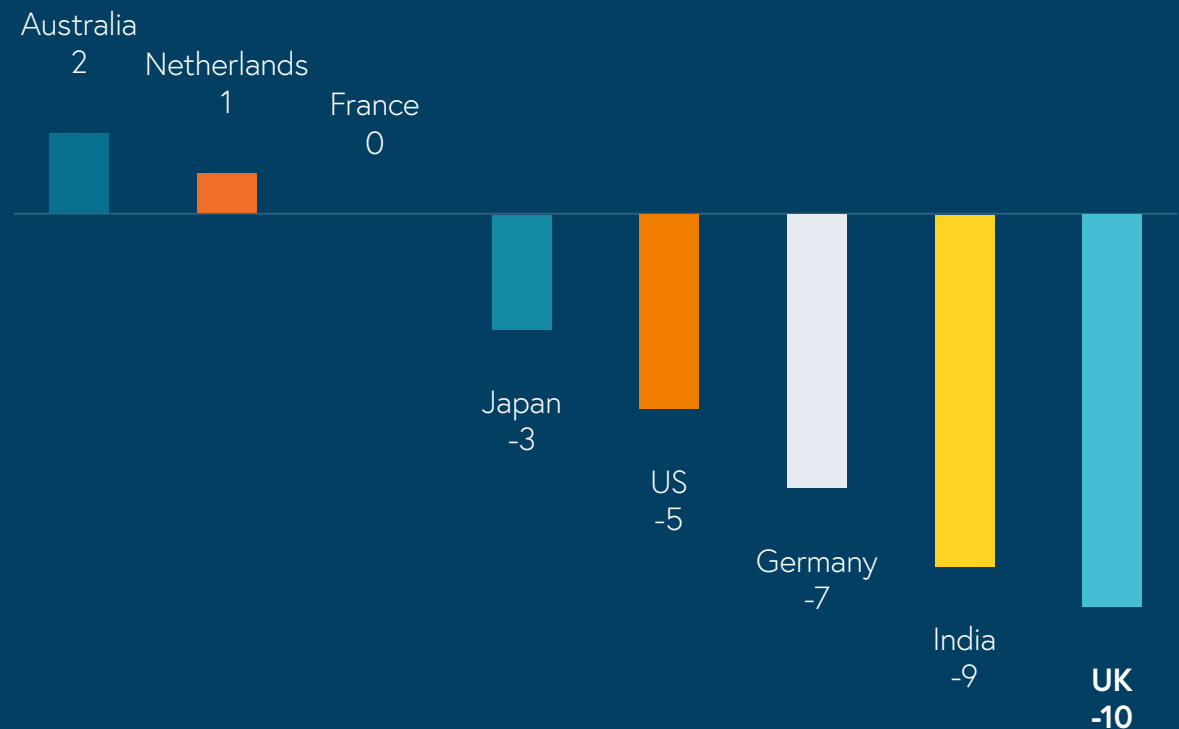
4,300 kWh



# Workers in the UK are bracing for an economic downturn

Company leaders should think about ways to maintain the confidence of their workforce – clarity on business conditions, a realistic conversation about compensation and living costs, and thinking about how financial support or greater flexibility can help with other costs like commuting and childcare.

Change in candidates' and employees' confidence in their ability to improve their financial situation. Aug vs Jan 2022



Source: LinkedIn, Talent Trends in the United Kingdom, October 2022



# 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 28 Oct to 25 Nov 2022

Marketing +0.33%

IT Operations & Helpdesk -0.27%

Project Management -0.52%

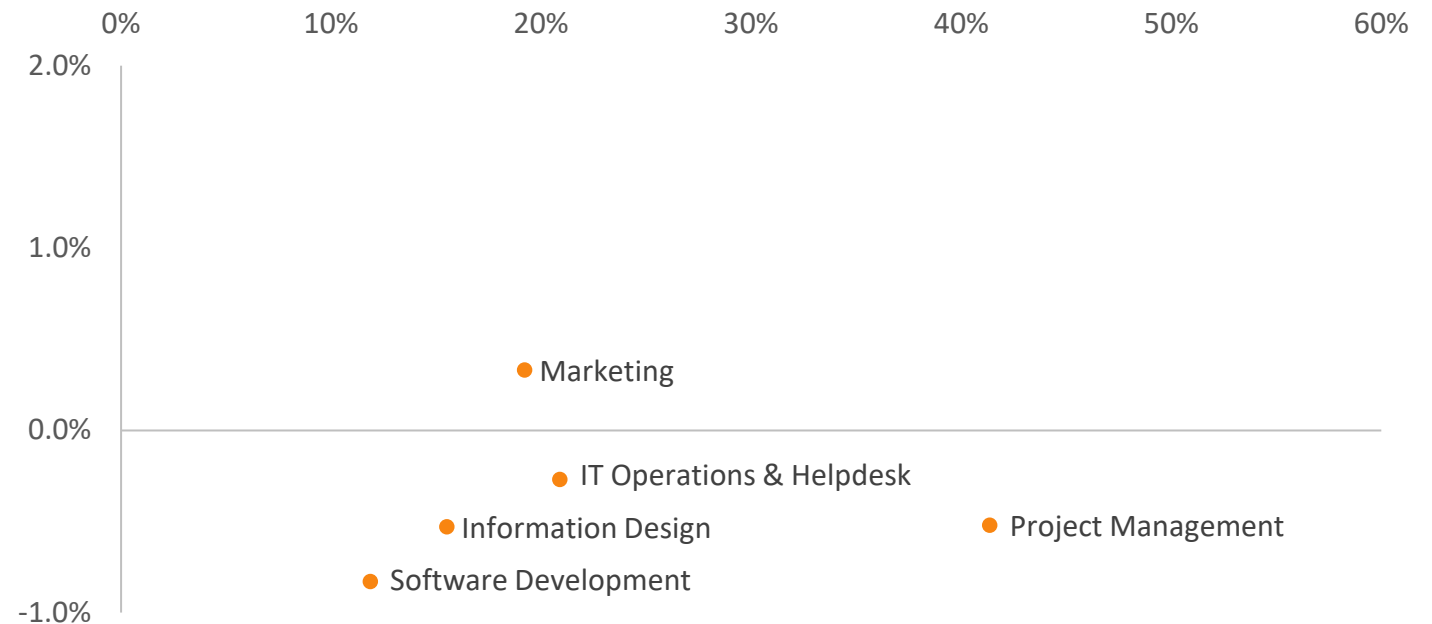
Information Design -0.53%

Software Development -0.83%

Source: Indeed UK

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

% chg since 1 Feb, 2020 (x-axis), % chg since 28 Oct, 2022 (y-axis)



Scatter plot showing the percentage change in job postings from 1 Feb 2020 to 25 Nov 2022 on the horizontal axis and the change from 28 Oct to 18 Nov 2022 on the vertical axis.

# 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



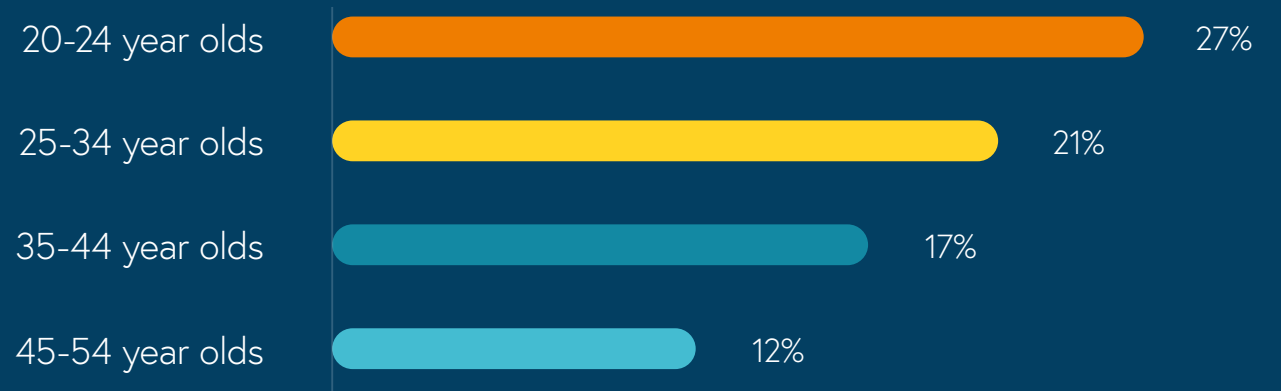
# Most technologists would take a new job, especially young tech talent

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).

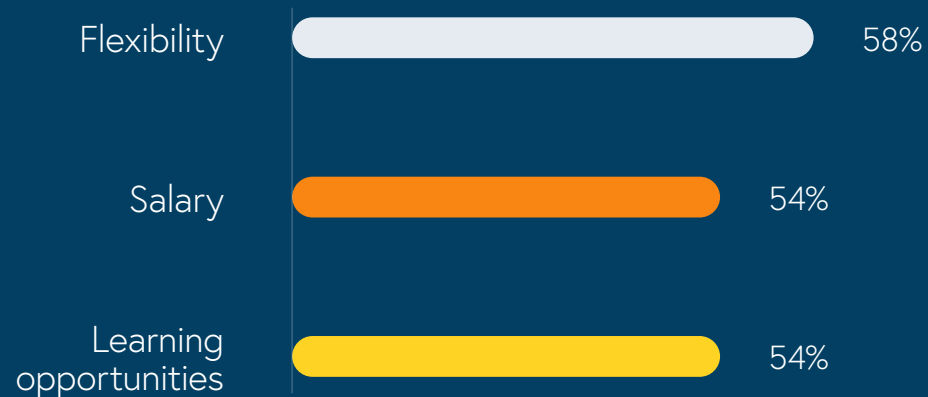
While salary remains a primary motivator for EU/UK developers, the desire to work with new technologies came in second as a reason to leave a role.

**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.

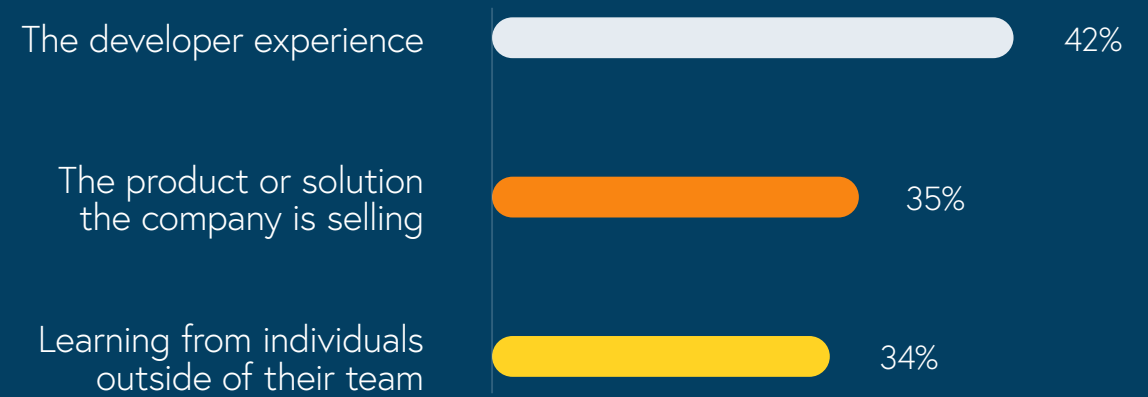
# What keeps tech professionals from looking?



## 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



# 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 stayed the same in the last **3 months**.

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	-£4
DevOps	£600	-
Java	£600	-
JavaScript	£550	-
Node.js	£550	-
Python	£600	-
React.js	£550	-
SQL	£540	-

Source: ITJobsWatch (3 Months to December 2022)

# Salaries for most in-demand tech roles



The salaries of **90%** of the most in demand digital, data and tech roles increased YoY.

Skill / Job Role	Median Salary	Salary Change YoY
.NET	£60,000	+4.34%
AWS	£75,000	+7.14%
Azure	£65,000	+4.00%
DevOps	£70,000	-
Java	£75,000	+7.14%
JavaScript	£65,000	+8.33%
Node.js	£72,500	+3.57%
Python	£72,500	+3.57%
React.js	£70,000	+7.69%
SQL	£60,000	+9.09%

Source: ITJobsWatch (3 Months to December 2022)



# Financial Services trends





# +33%

YoY change in Q3 UK average  
applications across all job  
functions

## UK market summary

Hiring in UK financial services remained fairly buoyant in Q3, despite a deteriorating economic outlook, and market turmoil at the end of the Quarter.

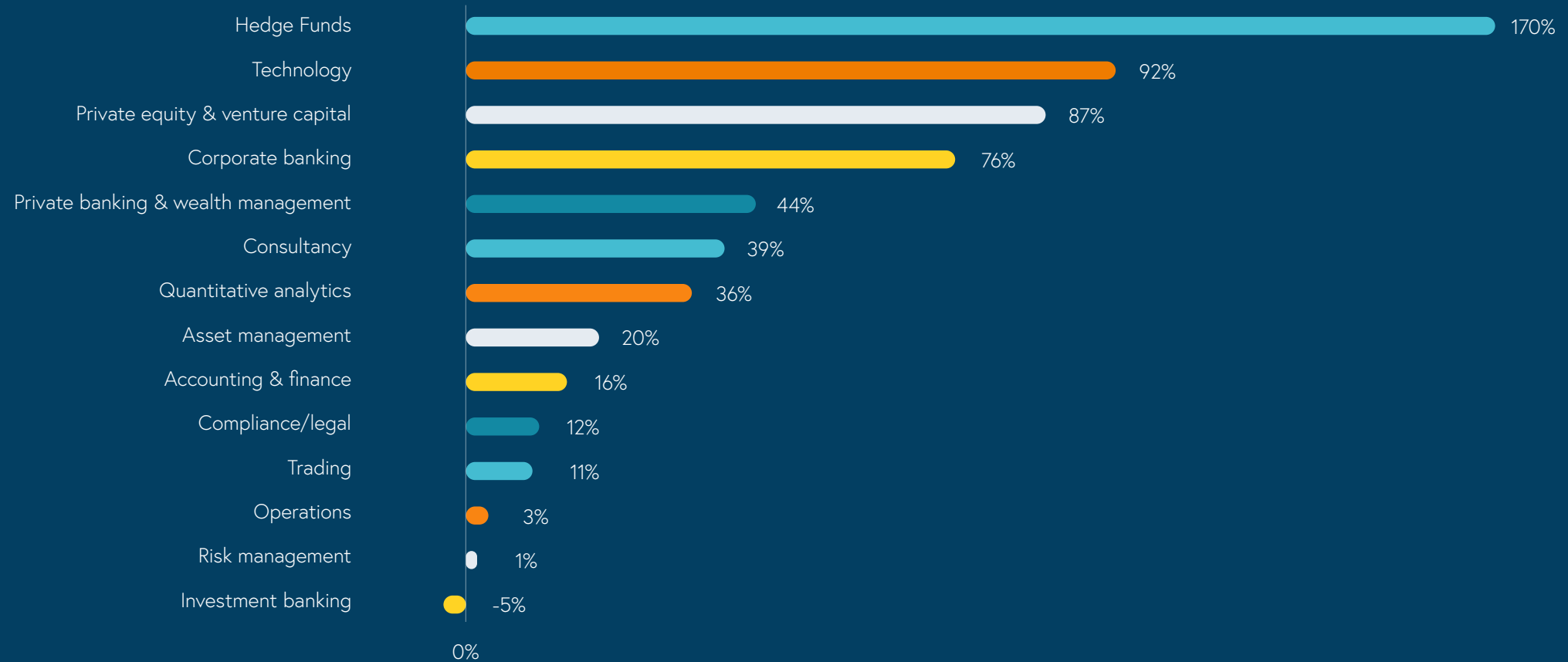
Finding new candidates remains the main concern in the UK staffing industry.

Source: eFinancialCareers Hiring Trends Report – Review of Q3 2022

# UK sector analysis



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



Source: eFinancialCareers Hiring Trends Report – Review of Q3 2022



## US market summary

# +69%

YoY change in Q3 US average  
applications across all job  
functions

Despite economic headwinds, there seems to be little anxiety in the minds of American job seekers. As in the UK, people are moving jobs while there are still plenty of jobs around.

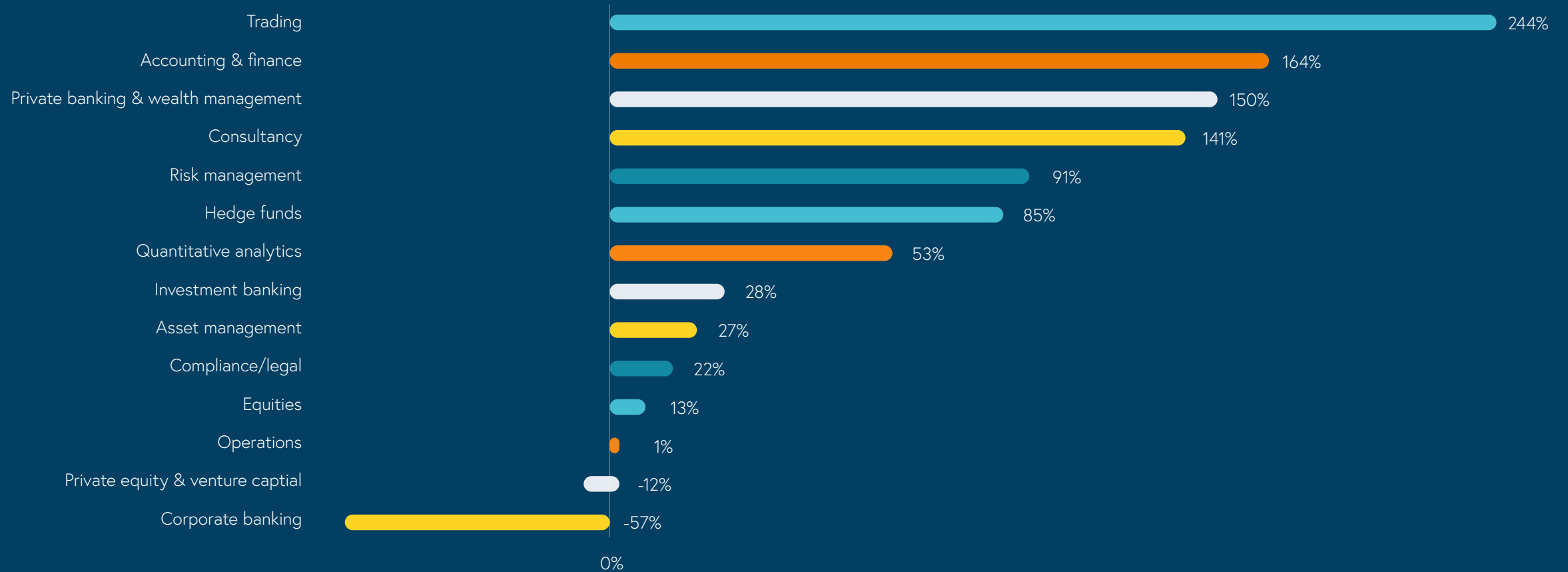
US recruiters have plenty of people to choose from, but they admit that they are all going after the same talent at the same time.

Source: eFinancialCareers Hiring Trends Report – Review of Q3 2022

# US sector analysis



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



Source: eFinancialCareers Hiring Trends Report – Review of Q3 2022

# Financial services Indeed UK job postings



Job postings remain elevated in both financial services categories.

Banking & Finance hiring demand experienced a boost vs four weeks ago. Insurance job postings only slightly increased.

**% change from 28 Oct to 25 Nov 2022**

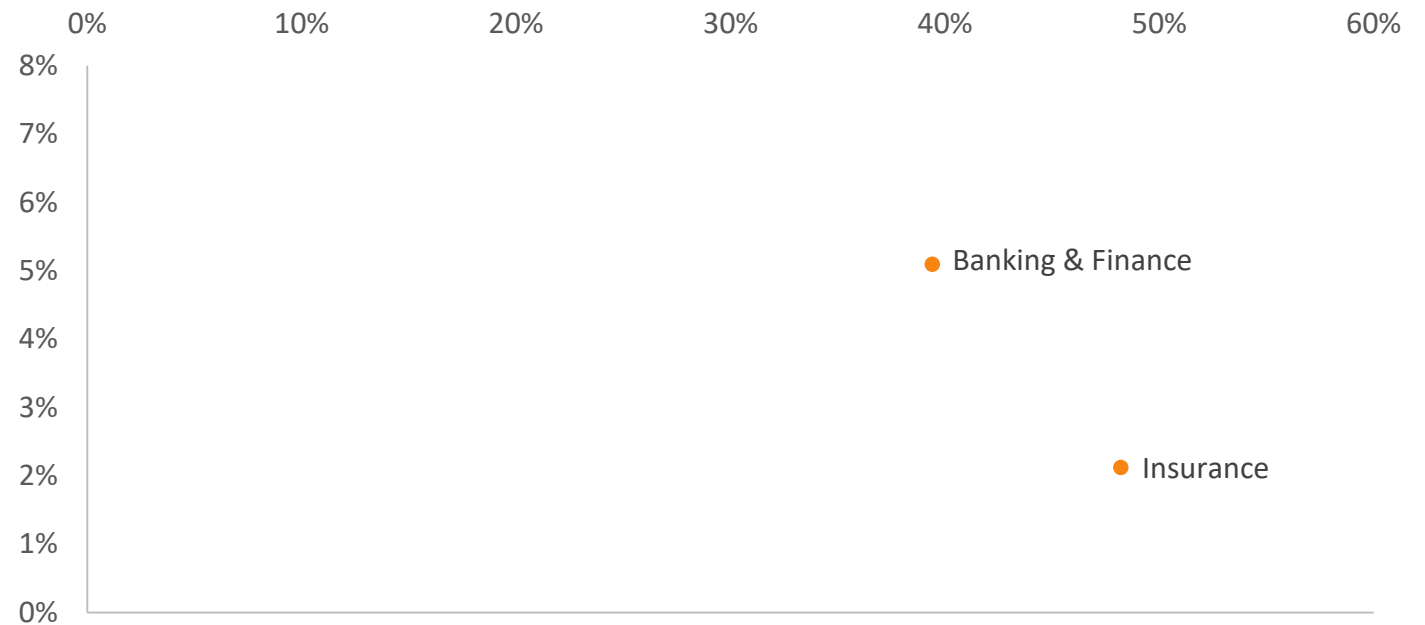
Insurance **+2.12%**

Banking & Finance **+5.09%**

Source: Indeed UK

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

% chg since 1 Feb, 2020 (x-axis), % chg since 28 Oct, 2022 (y-axis)



Scatter plot showing the percentage change in job postings from 1 Feb 2020 to 18 Nov 2022 on the horizontal axis and the change from 28 Oct to 25 Nov 2022 on the vertical axis.

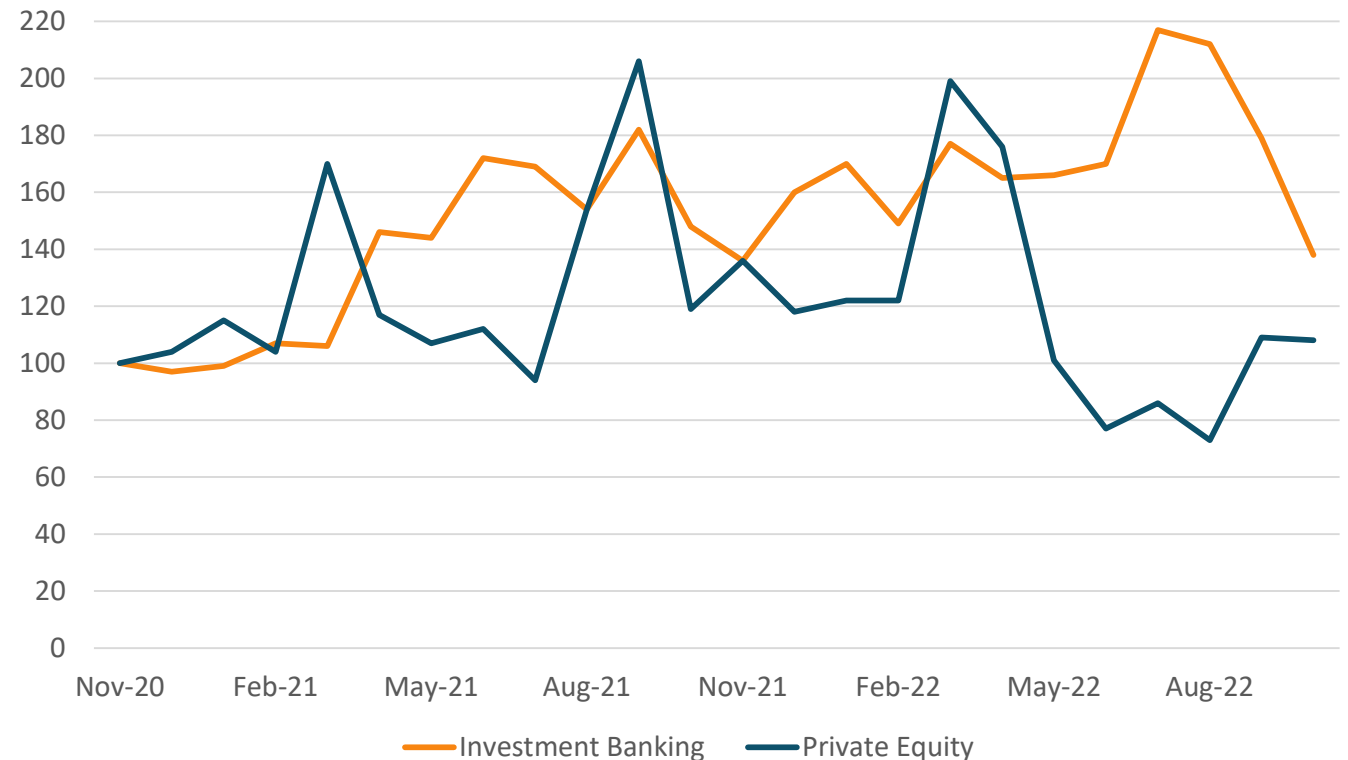
# Most active jobs sectors in financial services now aren't growing; they're stagnant



Deutsche Bank told investors on its Q3 earnings call that it expected a "better year" for investment banking in 2023.

Private equity hiring, meanwhile, seems to follow seasonal patterns, although its more recent fluctuations have driven jobs lower than for the past few years. For the moment, PE jobs appear to be plateauing at a low rate.

IB & PE job openings in 2022 - November 2020 index



Source: eFinancialCareers Hiring Trends Report – Review of Q3 2022

\*The charts are based on global figures and are indexed, with Nov 2020 as 100.

# Most active jobs sectors in financial services now aren't growing; they're stagnant

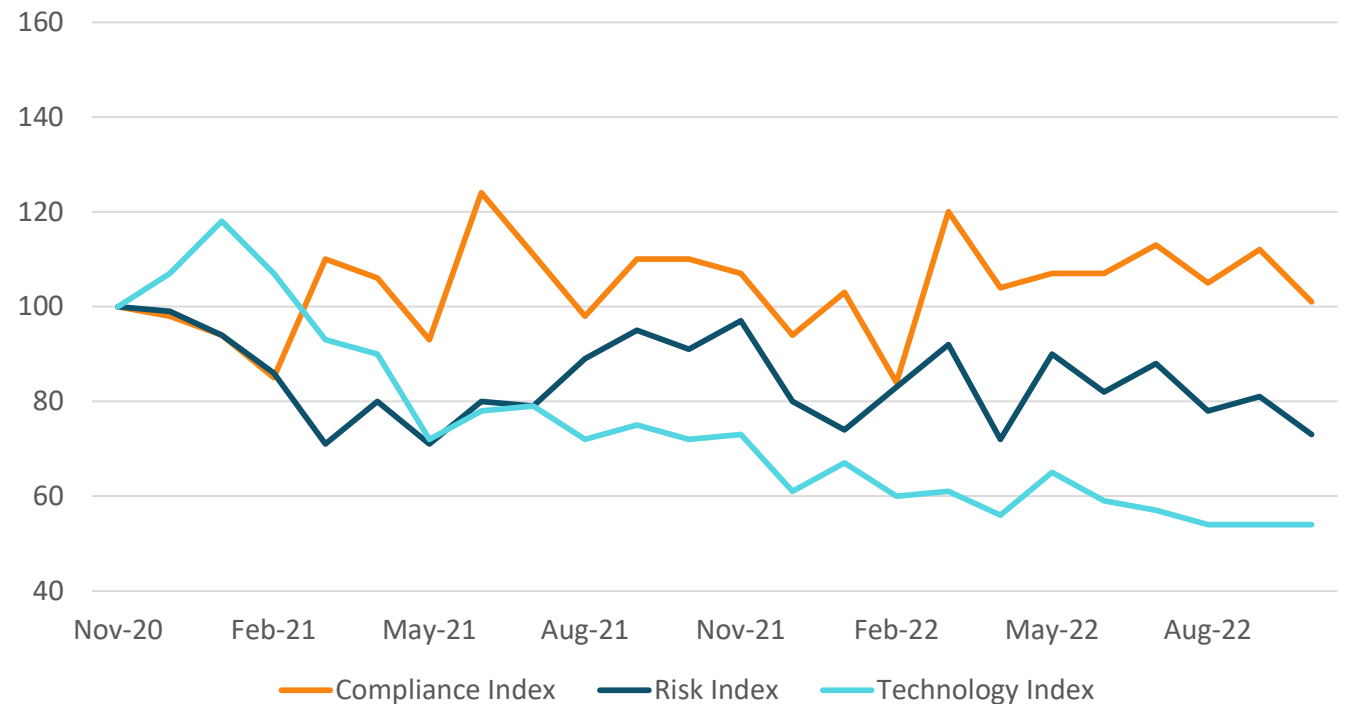


Jobs in the middle office are less erratic than in investment banking, but they're not growing either.

Only compliance jobs are currently more plentiful than they were in Nov 2020. Although risk jobs have been waning, they haven't been as lacklustre as tech jobs.

Offshoring remains an issue in major financial centres.

Compliance & Technology job openings in 2022 - November 2020 index



Source: eFinancialCareers Hiring Trends Report – Review of Q3 2022

\*The charts are based on global figures and are indexed, with Nov 2020 as 100.

# Most active jobs sectors in financial services now aren't growing; they're stagnant



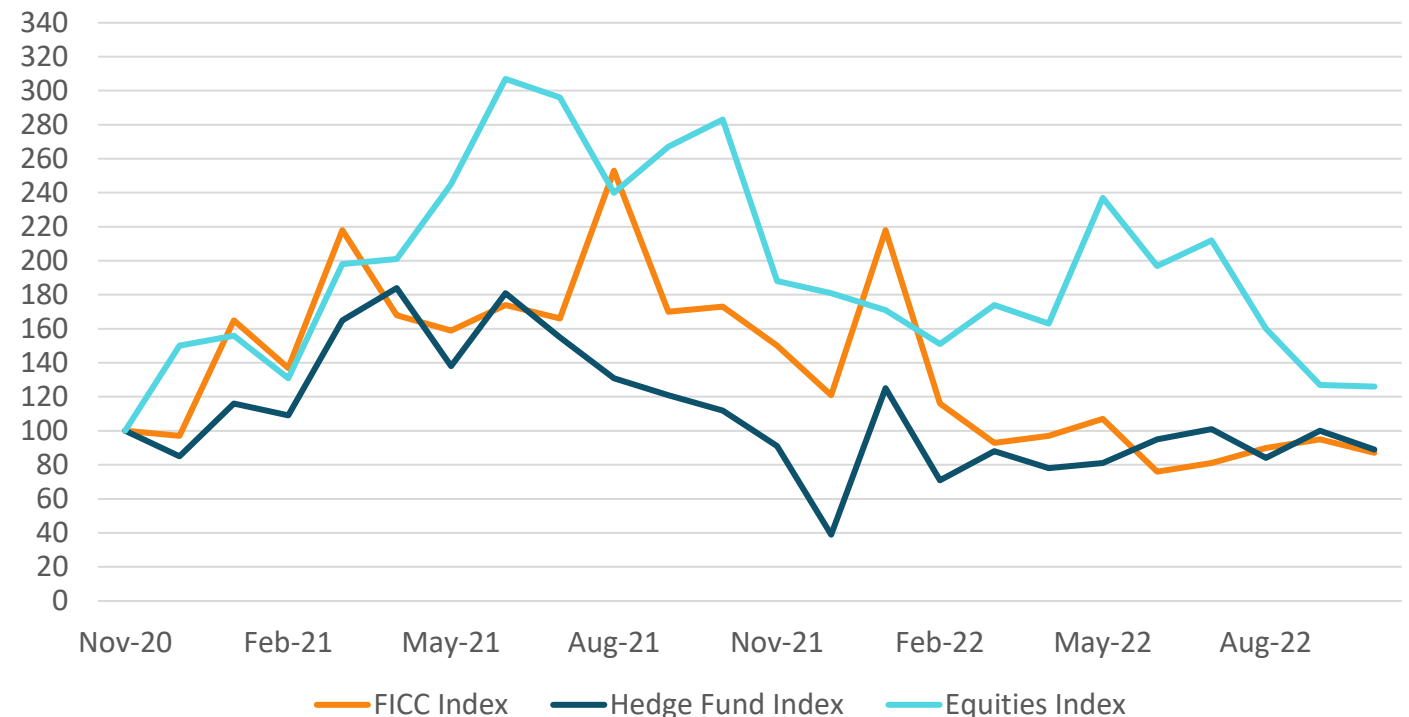
Trading jobs are down compared to last year.

FICC Jobs have been on a downward trajectory throughout the period, although have plateaued at a low level in the latter half of this year.

Hedge fund jobs have been more stable but are steady on last year.

Equities trading jobs are also waning.

FICC, Hedge Fund and Equity job openings in 2022 - November 2020 index



Source: eFinancialCareers Hiring Trends Report – Review of Q3 2022

\*The charts are based on global figures and are indexed, with Nov 2020 as 100.



# Digital Banking – The state of the market



Revolut

**£207m Loss**

2020 Annual Report

A Dire Economic Warning

"\$132bn was invested into fintech last year, leading to valuations that were often overinflated."

Adam Davis, Associate Partner, Bain



**£119m Loss**

2021 Annual Report

Rise Of The Down Rounds

"I think what is going on now is the market is resetting because there was so much money in the market it was unhealthy."

Ali Niknam, CEO and Founder, Bunq



**£32.1m Profit**

2021 Annual Report

Looking ahead

"We'll definitely see a wave of consolidation within the next few years driven by the current market turmoil and future regulation."

Ken Villum Klausen, CEO and Founder, Lunar



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.**

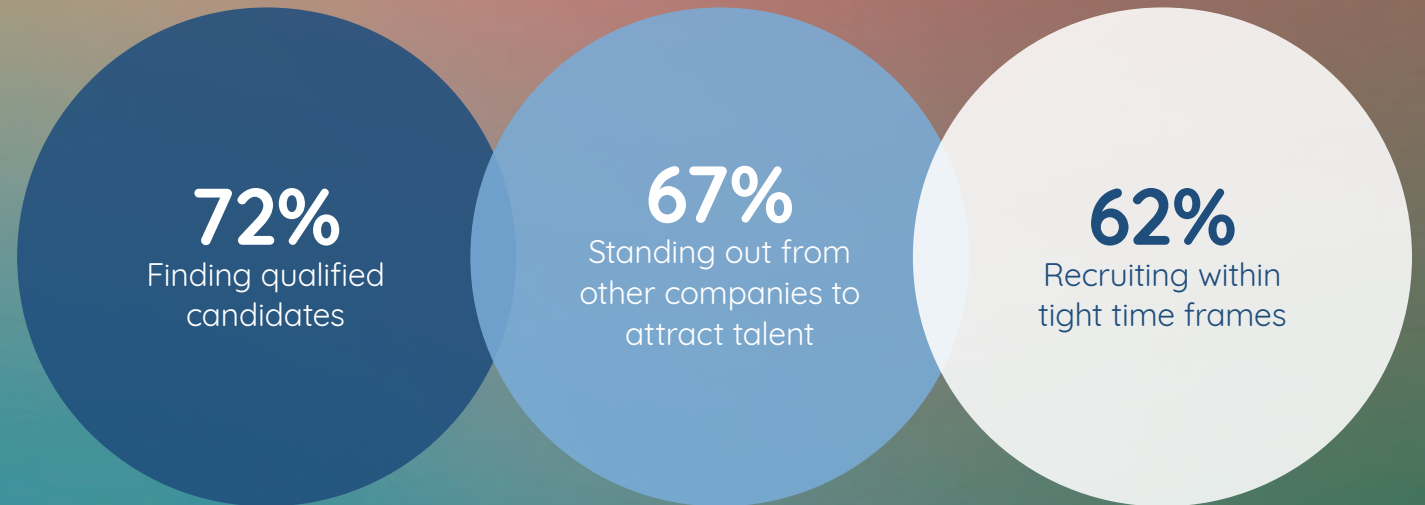
Specifically developed for start-ups, scale-ups and SMEs, our range of modular services reimagine the way you access the best candidates in the market.



**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

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# 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

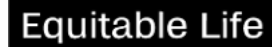
- Harrogate
- Manchester

- Berkhamsted
- Tunbridge Wells
- London

## Awards and Accreditations



# Our Customers



# Our Customers







January 2023

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