

Scaling tech teams in 2024?

Here's what you need to know.

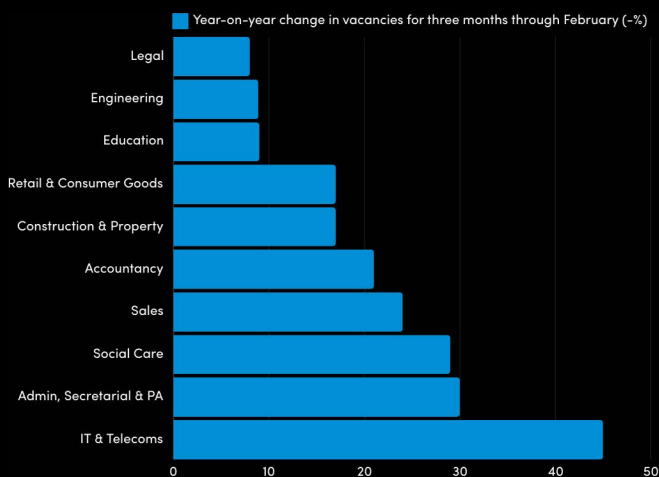
In this comprehensive report, Maxwell Bond presents an in-depth analysis of the UK tech employment market, outlining current trends and future projections. From addressing talent shortages to leveraging emerging technologies, we provide insights and strategies to empower organisations in navigating the dynamic landscape of tech recruitment. Join us as we explore the challenges and opportunities shaping the future of the industry.

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Where are we at now?

Sustainable growth is high on the agenda for many Hiring Managers this year. Although the current state of the UK economy is marked by recession, there is already speculation about when the market might experience a turnaround. Despite the ongoing challenges, it's crucial to understand the dynamics of the tech employment market within this broader economic context.

A recent Bloomberg study indicates a significant decline in job listings, with a staggering 45% decrease for the three months through February compared to their peak at 362,000.



This decline brings job listings to the lowest level since late 2020, following the initial Covid-19 lockdown. According to Bloomberg, the technology sector has experienced a notable contraction, with a 43% year-on-year drop in postings. This trend suggests that the proliferation of artificial intelligence has led to redundancies rather than generating new hirings.

Interestingly, despite the economic downturn, unemployment rates remain at record lows. While this might seem counterintuitive, it indicates that when the market eventually rebounds, it is likely to result in talent shortages. As companies begin to recover and ramp up their hiring efforts, they may face challenges in finding qualified candidates due to the diminished pool of available talent.

In summary, the current landscape of the UK tech employment market reflects a complex interplay of economic recession, declining job listings in the technology sector, and record-low unemployment rates. Understanding these dynamics is essential for stakeholders navigating the evolving job market and preparing for the eventual turnaround.

What to watch out for in 2024 and beyond.

The tech employment landscape continues to evolve at a rapid pace, presenting both opportunities and challenges for organisations. Delve into the six key areas that will shape talent strategies in the years to come:

1 The Modern Workforce

2 Remote Working

3 Technology Acceleration

4 Sustainability

5 Diversity & Inclusion

6 Skills-First Hiring



The Modern Workforce

The workforce landscape is rapidly evolving, with Gen Z expected to represent over a quarter of the workforce by 2025.

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Accessing this new generation of talent presents both a priority and a challenge for talent teams. According to LinkedIn, attracting and retaining Gen Z is among the biggest challenges facing talent teams in the next five years.

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Ensuring an authentic employer brand that resonates with Gen Z values, such as professional development, will be crucial.

Remote Working

Still in demand, companies offering remote options are finding attracting talent easier.

↓ **46% decrease**
in remote job
postings

↑ **146% increase**
in remote job
applications

A 46% decrease in remote job postings last year resulted in a 146% increase in remote job applications, according to LinkedIn. Partnering with informed talent advisors, who can help advocate for effective flex work policies will attract top talent.

Technology Acceleration

Hiring Managers often face the challenge of staying ahead of the curve in terms of technology innovation and adoption.

“Emerging technologies such as blockchain, virtual reality, and biometrics offer new possibilities in the hiring process”

Emerging technologies such as blockchain, virtual reality, and biometrics offer new possibilities in the hiring process but may face barriers such as accessibility, affordability, and stakeholder resistance. To foster innovation, you must research and educate while demonstrating value.

Sustainability

While sustainability initiatives are gaining traction globally, integrating sustainability into business strategies remains a challenge for many SMEs.

“36% of companies viewed sustainability as a high priority for the next year”

A recent NatWest survey found that 36% of companies viewed sustainability as a high priority for the next year. Despite the modest increase, prioritising sustainability efforts is crucial for recruitment and retention, particularly among younger generations.

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Proactive adoption of sustainability measures can positively impact growth and talent acquisition.

Diversity & Inclusion

Bias and lack of diversity remain challenges in recruiting technology. While recruiters aim to hire the best talent, they must ensure fairness and inclusivity in the hiring process.

“Technologies that utilise AI and algorithms can inadvertently introduce bias”

Technologies that utilise AI and algorithms can inadvertently introduce bias, highlighting the need for diverse data sets and human input to mitigate these risks.



Skills-First Hiring

Skills-based hiring and upskilling will be prioritised by organisations seeking to widen talent pools and attract qualified workers.



73% of recruiting professionals prioritise sourcing based on skills

LinkedIn reports that 73% of recruiting professionals prioritise sourcing based on skills.

“Interpersonal skills such as problem solving, time management, resilience, communication, and adaptability will be especially important”

Interpersonal skills such as problem solving, time management, resilience, communication, and adaptability will be especially important as AI continues to grow, emphasising the importance of strategic partnerships to inform skills-based hiring strategies.

An acute impending talent shortage?

Unemployment is currently at record lows, indicating that when the market rebounds, talent shortages will be inevitable. Recent research underscores this challenge, with 77% of recruitment professionals identifying skills shortages as a top hiring hurdle (Bullhorn). Within the IT sector, the deficit of talent is starkly evident. In January 2024, the REC reported that 14 technology roles faced shortages, including Front-End Developers, IT Directors, IT System Administrators, ML Engineers, Senior IT Engineers, Software Architects, Software Engineers, and UX Developers.

Where the talent needed may not be readily available when required, the critical importance of candidate attraction strategies and retention rates is emphasised. Organisations must prepare for potential shortages by ensuring they have robust recruitment and retention plans in place.



**When shortages
arise, will your
organisation be
ready to navigate
the competitive
talent landscape?**



Our tips for tech talent scaling in 2024.

In an era defined by rapid technological evolution and shifting workforce dynamics, scaling tech teams requires innovative approaches and strategic foresight. As organisations adapt to the demands of the digital age, three key tips emerge for scaling success in 2024. From harnessing the power of AI to revolutionise productivity to redefining hiring strategies and prioritising quality of hire and retention rates, navigating the complexities of talent scaling demands a holistic approach aligned with the needs of the modern workforce and the imperatives of the digital landscape.

Increase Productivity using AI

The **adoption of AI saw a significant 22% increase last year**, with the number of non-technical workers taking courses on AI Literacy growing by 2.6 times over just six months (LinkedIn).

Generative AI, in particular, is poised to revolutionise recruiting processes, with **57% of recruiting professionals using Gen AI tools** reporting faster and easier job description writing.



Exploring the potential of AI while ensuring responsible usage guidelines are followed is critical. In this new era of work, professionals who cultivate both their people skills and AI literacy will thrive.

Evolution of Hiring Strategy

Traditional hiring models are becoming outdated, with archaic processes like PSLs proving restrictive.

Embracing a skills-based hiring model allows organisations to prioritise potential and problem-solving skills over traditional metrics such as years of experience or academic grades.

Maxwell Bond's recruitment and onboarding processes boast an impressive **92.5% placement rate**, significantly surpassing the industry average of 71% in 2023.



It's time to move away from rigid hiring criteria and focus on hiring for the future.

Focus on Quality of Hire & Retention Rates

Quality of hire tops the list of topics shaping the future of recruiting, highlighting the importance of thorough assessment processes free from biases.

Businesses are placing utmost importance on enhancing staff retention and engagement, with **46% prioritising** it (Total Jobs).

Among employees, **recognition emerged as a key factor for retention**, with over a third (37%) of the workforce prioritising acknowledgment above other forms of support.

★ With the volume of hiring on the decline, employers must become increasingly focused on ensuring every hire is the right fit and that employees are content, and therefore retained.

Rapid Contractor Deployment

By leveraging contractors, organisations can swiftly execute critical projects without the bureaucratic hurdles often associated with traditional hiring processes.

As talent shortages persist, mastering the art of deploying contractors swiftly is paramount for success.

At Maxwell Bond, we boast a proven track record of **delivering top-quality contract candidates within 24 hours**, empowering organisations to swiftly augment their teams and propel projects forward with confidence.

★ Whether it's tech upgrades, migrations, integrations, or deployment, tapping into a pool of skilled contractors can expedite project timelines and ensure delivery.

Why choose Maxwell Bond for contract hiring?

In the fast-paced landscape of tech, agility is the key to success. At Maxwell Bond, we understand the ever-changing dynamics of the tech industry. Our Rapid Deployment service is a strategic solution for businesses seeking agility, scalability, and access to top talent without the long-term commitments.

⚡ Swift Response to Market

In a dynamic market, agility is crucial. Our help ensures you can swiftly respond to market shifts, emerging opportunities, or sudden project requirements.

📈 Scalability on Demand

Whether you're facing a surge in project demands or require specialised skills for a short duration, our service allows you to scale up or down as needed.

★ Access to Top Talent

We have an extensive network of top-tier contractor talent. With us, you gain access to skilled professionals who are ready to hit the ground running.

💰 Cost-Efficient Solutions

Leverage the cost-effectiveness of a contractor workforce. Our service enables you to optimise resources and manage project budgets more efficiently.

🛡️ Minimise Hiring Risks

Hiring full-time staff for projects can pose unnecessary risks. Contract hiring mitigates risks by providing you talent for only the duration needed.

Moving forward.

As we navigate the ever-evolving landscape of the UK tech employment market in 2024 and beyond, it's evident that organisations face a myriad of challenges and opportunities. From adapting to the changing dynamics of the modern workforce to leveraging emerging technologies for recruitment and scaling tech teams, the path forward requires agility, innovation, and strategic foresight.

The current economic climate presents unique challenges, with a recession looming and talent shortages on the horizon. However, amidst these challenges lie opportunities for organisations to reimagine their recruitment strategies, embrace digital transformation, and prioritise skills-based hiring to future-proof their tech teams.

As we look ahead, it's clear that the key to success lies in harnessing the power of technology, fostering a culture of innovation, and placing a premium on talent acquisition and retention. By embracing these principles and staying attuned to emerging trends, organisations can position themselves for success in the competitive UK tech employment market.

At Maxwell Bond, we remain committed to supporting organisations in their talent acquisition and scaling endeavours. With our expertise, industry insights, and personalised approach, we stand ready to help organisations navigate the complexities of the tech employment market and achieve their recruitment goals in 2024 and beyond.



Steven Jagger

Founder & Managing Director
Maxwell Bond

Unlock valuable insights with our comprehensive range of salary guides tailored to the tech industry. Gain a deeper understanding of salary benchmarks and market trends across key sectors including IT & Infrastructure, Cyber & Information Security, Data Analytics, Artificial Intelligence, Cloud & DevOps, and Software Development & Engineering.

Stay informed and make data-driven decisions by scanning the QR code to download your copy of the 2024 salary guides today.

