

2023

DEVOPS

UK TALENT & SALARY REPORT

understanding
RECRUITMENT

KEY TAKEAWAYS

- There has been a short-term injection of Engineering talent into the market, but **hiring within DevOps, Cloud, and SRE remains hugely competitive**, particularly at a senior level.
- DevOps, Cloud, and SRE skillsets are potentially more valuable in reduced Engineering teams, taking more infrastructure weight.
- Layoffs, particularly in North America, have led to a temporary easing of the talent shortage, however, this is likely to be a temporary situation.
- The large percentage growth in salaries we have seen is now reducing, but **levels are holding steady and are unlikely to reduce in 2023**.
- In-house recruitment teams have been some of the **worst impacted by layoffs**. Tech teams will have to reconsider their talent acquisition strategy through 2023.
- **Cloud adoption and growth remain strong**, with bullish predictions over the next three years.
- **Demand for specialist skill sets remains high** and there has been particular growth within systems and data observability, cloud, and container security.

The gender split in the industry, with males accounting for the majority of professionals across different locations:

81% | 19%

1.7 YRS

Is the median tenure of DevOps, Cloud & SRE professionals before they are most likely to move into a new role.

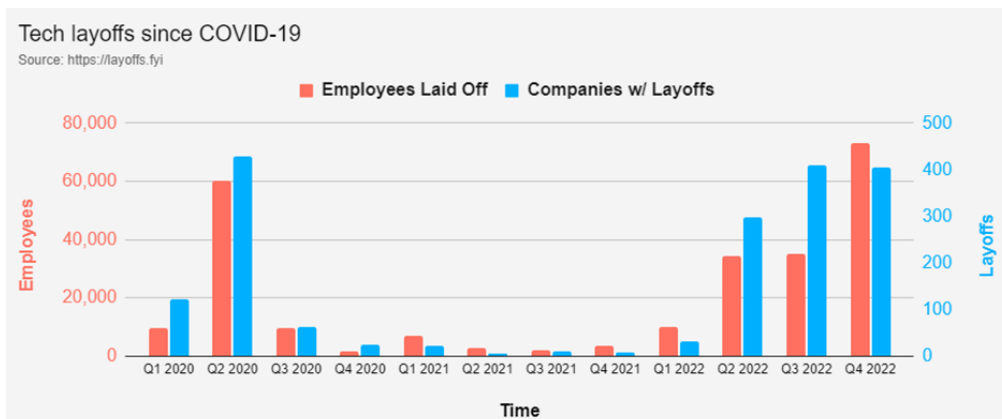
OVERVIEW

Following our 2022 DevOps, SRE, and Cloud Talent Report we are delighted to share our latest market insight as we move into 2023.

It's impossible to report on 2022 without discussing the current outlook in tech. After the relative stability of 2021 and early 2022, where we saw a huge post-lockdown bounce, an explosion of remote tech hiring, salary levels making significant percentage increases, and tech layoffs at 18% of the 2020 total, **mid to late 2022 has seen a significant shift due to both macroeconomic events and the fallout of mass tech hiring** and overextension in late 2021 and the early part of 2022.

Tech layoffs increased quarter on quarter over the course of the year, with 9,829 people Q1, jumping to 34,183 Q2, stabilising at 35,199 Q3 before making a significant rise to 73,257 in Q4, as the likes of Twitter, Meta, Oracle, and Lyft made deep workforce cuts. This trend has continued into early 2023, with substantial layoffs across the FANGs.

The industry you worked in had a significant impact on the likelihood of layoffs. **Consumer tech layoffs grew fivefold from 2021 figures**, Health and Med Tech figures grew tenfold since 2020 and the well-publicised difficulties in cryptocurrency, particularly deep cuts made, or the wholesale collapse of some large exchanges led to nearly 8,000 people being laid off in 2022, against a low of 91 in 2020, increasing more than 8,500% (figures are taken from website layoffs.fyi).



HOW MUCH IMPACT ARE LAYOFFS HAVING?

For the purposes of this report, it is important to differentiate overarching tech layoffs, with Engineering, DevOps, Cloud, and SRE layoffs, which have fortunately been a small percentage of the numbers discussed. This is to take nothing away from the personal impact individuals across the community have felt. **The fallout has led to a short-term injection of talented Engineers in the market**, temporarily easing some talent shortages, but in our opinion, having a small impact on the overall competitiveness of hiring in this space.

The location of companies has been a major factor in the scale of impact. In the US, which has taken the brunt of the layoffs so far, **23% of those with DevOps, SRE, and Cloud Engineering titles on LinkedIn are open to new opportunities**. A huge percentage against 11% in Europe, and a 13% average across tech hubs in Israel, Singapore, Australia, and New Zealand. Looking at the statistics from individual states is even more revealing, 18% in California, 19% in Massachusetts, 26% in New York, and a staggering 39% in Texas. Whilst we are unable to break these figures down between those open for opportunities to layoffs and those open to opportunities in secure roles, it does show a marked increase from what we would expect to see (information via LinkedIn stats, December 2022).

We are viewing this as a short-term injection of Engineering talent that will reduce quickly as people move back into roles (as we will come on to, teams are very much still hiring) and a potential window for teams still able to hire to access and attract those who are rarely available. It has also been suggested that **2023 could produce some of the most interesting tech teams** and products in recent years, as hugely experienced industry Engineers, otherwise settled in established teams, find themselves looking at new options either as senior-level employees or founders.

"The history of Silicon Valley is awash with stories of companies that were founded, or gained traction, in the ruins of recession."

- Bloomberg's Tim Culpan

The impact of reducing hiring competitiveness and the ‘war for talent’, particularly within DevOps, Cloud, and SRE has from anecdotal evidence from both hiring teams and candidates working in the market, has been lower than expected. **Most candidates we are speaking with continue to have multiple interview processes and opportunities**, and the impact on salaries has been muted, and whilst we aren’t seeing the continued percentage increase we had post-COVID to early 2022, **we certainly aren’t seeing either reduction in salary** from those hiring, or the general feeling amongst those seeking new opportunities that there is a need for this. It is important to note that this isn’t the case for everyone – those who have traditionally been remunerated very well (top % of the market) at FANG teams, or some of the well-funded early series VC tech ventures, may need to temper expectations, at least in the short-term.

Particularly sought-after skill sets within production container environments, observability tooling and process across complex distributed systems, Python and Go coding, reliability at scale and in live environments, alongside specialist knowledge in growth areas such as DevSecOps, MLOps, Data Observability, and Ops within Blockchain and Web3 environments (and yes, hiring is still happening here) remain highly competitive.

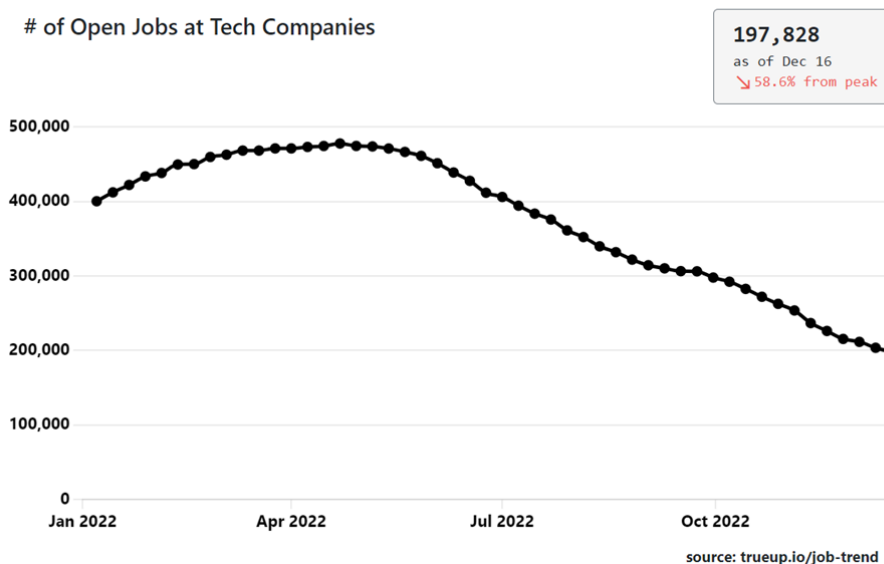
23%

Of individuals in the US with DevOps, SRE, and Cloud Engineering titles on LinkedIn, are open to new opportunities.

This is followed by 11% in Europe, and a 13% average across tech hubs in Israel, Singapore, Australia, and New Zealand.

SO, ARE TEAMS STILL HIRING?

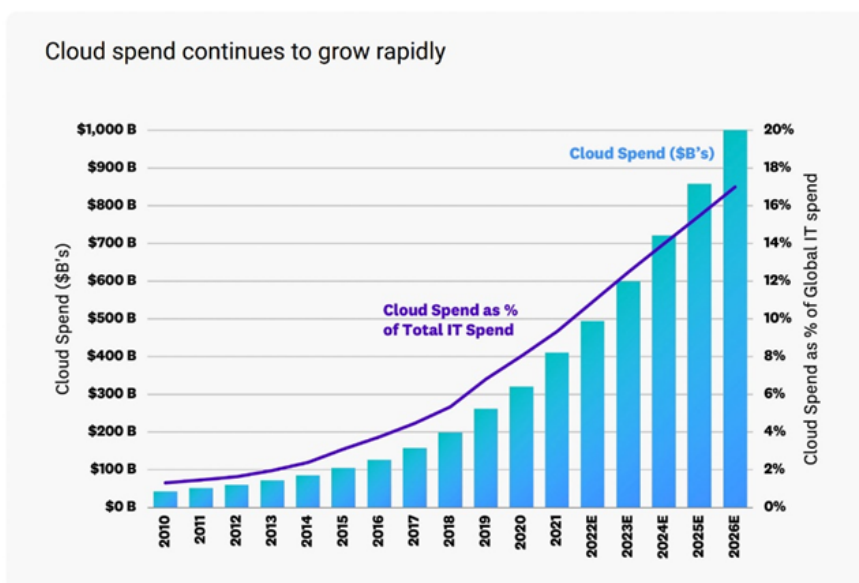
In short, yes, but not in the same numbers. **Open tech jobs have been declining after a peak in April 2022** (nearly 500,000 open roles) to 197,828 in December 2022, a 58.6% reduction from the peak. It is important to note we would expect a decline in December and these figures are likely to bounce in early 2023. By how much, may set the tone for the year (figures are taken from the website trueup.io/job-trend).



There are positives to be found – a simple search of live DevOps, Cloud, and SRE positions in December 2022 across the US returns nearly 4,000 results (using the website [Builtin.com](https://builtin.com)). Across Europe, live positions advertised via LinkedIn from late November to late December topped 7,000.

Gartner estimate 2022 cloud spending globally to be \$500 billion, projecting growth to \$600 billion by 2023, or around 12% of total global IT spending. By 2026, they project these figures will reach 17%. There remains a huge amount of growth opportunity in the space.

Long-term growth drivers are still in early stages



Gartner Forecast: Public Cloud Services, Worldwide - 2010-2016, 4Q12 Update; 2011-2017, 4Q13 Update; 2012-2018, 4Q14 Update; 2013-2019, 4Q15 Update; 2014-2020, 4Q16 Update; 2015-2021, 4Q17 Update; 2016-2022, 4Q18 Update; 2017-2023, 4Q19 Update; 2018-2024, 4Q20 Update; 2019-2025, 4Q21 Update; 2020-2026, 3Q22 Update.
Gartner Market Databook - 4Q12 Update; 4Q13 Update; 4Q14 Update; 4Q15 Update; 4Q16 Update; 4Q17 Update; 4Q18 Update; 4Q19 Update; 4Q20 Update; 4Q21 Update; 3Q22 Update.

What about remote working?

2021 was the year of remote work however throughout 2022 we have seen a shift in opinion from tech leadership, with some well-publicised teams **moving back towards office-based and hybrid roles** quoting productivity statistics and cultural impact as key reasons. This is yet to filter through to the majority of teams, however, who are continuing to hire on a fully remote basis, where structures and processes are now embedded and working well.

Teams are now far more geographically diverse, and for many, the hiring benefits (wider geographic candidate pool and diversity) alone outweigh any negatives.

In our experience, the majority of those within the DevOps, Cloud, and SRE community have retained a strong preference for full remote working, with the option to work in the office if desired. As with our guidance this year, those offering full remote will continue to have a huge advantage in attracting and retaining talent as we head through 2023.

WHAT'S THE OUTLOOK FOR 2023?

Despite a bruising end to 2022 for the tech industry, the **DevOps, Cloud, and SRE markets continued to grow** throughout the year as a whole. In Europe, those with related titles increased by 16% in 2021. Whilst lower in North America, we still saw 6% growth, and across tech hubs in Israel, Singapore, Australia, and New Zealand, 13% growth. Our outlook is that it will remain hugely competitive to attract and hire those within DevOps, Cloud, and SRE throughout 2023.

Whilst we have continued to see substantial cuts through early 2023, a large proportion of teams needing to restructure have now done so. **2023 is likely to see more prudent, researched, and need-led hiring**, a reduction in overall hiring numbers, and a focus on the value of individual hires. This may be particularly true in earlier-stage teams as VC funding slows and what funding is used for becomes more heavily scrutinised.

We will see green shoots of positivity as we head into Q1 2023 in that teams who have experienced little material change in their circumstances but paused hiring through caution and to take stock, are likely to be more active as budgets are set and we have a clearer picture of the year ahead. The short-term injection of Engineers into the market will filter back into teams continuing to hire, of which there are still large numbers. We are also already seeing many of the tech teams who have made recent layoffs, rightly or wrongly, restructure and continue hiring in other areas of the business, particularly specialist Engineering roles, something we are likely to continue to see throughout 2023.

Salary levels are currently holding, and our prediction is that whilst we won't continue to see the percentage growth we have, particularly in real terms given current inflationary pressures, we also won't see a drop throughout 2023.

SALARY GUIDE

'Tech, not title' salaries

Following our 2021 and 2022 reports, we are again focussing on 'Tech not title' salary information. We are continuing to see a huge range of titles in the DevOps, Cloud, and SRE world and our continued belief is that we can provide more valuable data and insight, by guiding on what value individual technologies hold, rather than individual titles.

As with last year, we have divided this into three sections; 'Core', 'In-Demand', and 'Premium'. We also avoid using years of experience as a barometer of value or knowledge, instead dividing into general Junior, Mid, and Senior levels.

WHAT'S THE CORE SKILLSET?

What to look for? Public Cloud (AWS or Azure), CI tooling, systems administration background, scripting knowledge. Exposure to monitoring and alerting tooling.

JUNIOR	£55,000 - £60,000
MID	£60,000 - £75,000
SENIOR	£75,000 - £85,000

WHAT'S THE IN-DEMAND SKILLSET?

Additional to the above and holding a higher market value.

What to look for? GCP (smaller candidate pool than AWS and Azure), Infrastructure as Code (Terraform or Cloudformation), Docker, some exposure to Kubernetes, development languages for automation and scripting, some exposure to observability tooling.

JUNIOR	£60,000 - £70,000
MID	£70,000 - £85,000
SENIOR	£80,000 - £95,000

WHAT'S THE 'PREMIUM' SKILLSET?

Additional to the above or in-depth knowledge, the most in-demand tech currently driving top-end salaries.

What to look for? Production Kubernetes, strong development skills (Python and Go most common), complex or large-scale cloud native environments with reliability challenges. Specialist skill sets; particularly cloud and container security/DevSecOps, MLOps, or experience of observability process and tooling across complex distributed systems environments.

JUNIOR

£70,000 - £75,000

MID

£75,000 - £95,000

SENIOR

£95,000 - £130,000



LET'S STAY IN TOUCH!

TOM PARKER

HEAD OF DEVOPS
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For any further information about the statistics in this report or other information about the DevOps, SRE & Cloud space, including competitors, tech on the rise, and hiring processes, feel free to book a chat with me!



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