FOXTEK

TECHNOLOGY MARKET & SALARY INSIGHTS
REPORT

2023

Discover how the Netherlands' tech market is evolving in 2023, where its biggest recruitment challenges are – and what impact it's having on the region's salary and retention strategies.

Founders

TOM PAGE

I'm incredibly excited to release our debut Salary Benchmarking Report as we head into 2023.

Over the last 12 months, we've seen companies respond to a post-pandemic way of working, hyperinflation, global geopolitical tensions and what looks to be a period of economic contraction ahead. For companies in the Dutch Tech Space, having the right talent in place to face these upcoming challenges will be critical to continued success.

Here in this report, we are exploring the factors involved, ensuring you're ready for the new environment.

TOM BAKER

As Founders, we have grown and developed our network in The Netherlands over the last five years. I have seen our clients go from start-up to scale-up and beyond. On this journey, the value of great talent can never be underestimated. As well as working with some incredible VC-backed companies, we partner with bootstrapped businesses too. The attraction and retention of talent can impact an organisation of any size, the last 18 months have proven this.

We hope this guide provides the insights that are needed to acquire and retain top tech talent!

Contents

WHAT A YEAR...

The ever-changing tide of a global pandemic. Disrupted supply chains. Navigating political pressures. From a spike in living costs and salary expectations – to a slump in loyalty and risk appetite – the past 12 months have certainly painted a challenging scene for Dutch companies looking to recruit top-tier tech talent.

64%

of Dutch companies had concerns with the tight labour market in 2022.
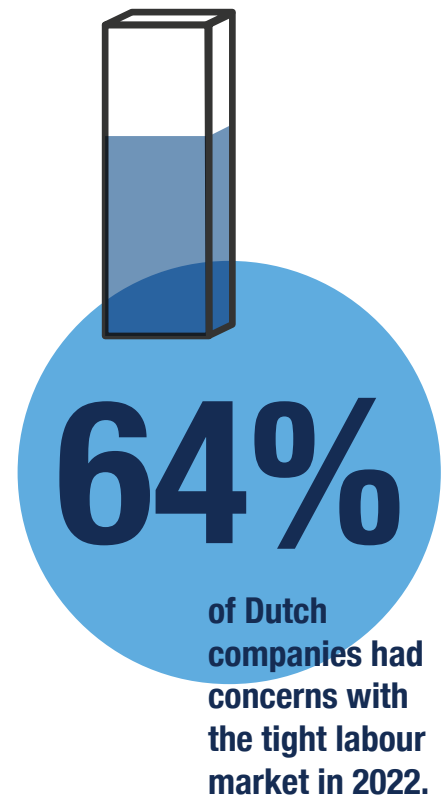
But with every challenge comes new opportunity. And for the relentlessly innovative Dutch tech sector working against a backdrop of candidate and economic squeeze – being able to identify, recalibrate and react effectively to the region's specific recruitment challenges is the key to unlocking new talent opportunities and gaining that all-important competitive edge.

Without question, 2023 will reveal its own set of challenges – both known and unknown – for the resilient tech sector. Engaging with the foundations those challenges will build upon today, will reveal the route to securing tomorrow's talent future.

To accelerate that insight, we've surveyed the region's Engineers, Developers, and Managers to understand how the Netherlands' tech market is evolving in 2023, where its biggest challenges are – and what it all means for staying salary savvy in one of Europe's most competitive recruitment markets.

"COMPANIES ARE COMPETING TO ATTRACT AND RETAIN EMPLOYEES WHO HAVE MORE CHOICE THAN AT ANY POINT IN RECENT YEARS."

Mary Cloosterman-Hughes
Benelux Rewards Data & Intelligence Leader
WTW

DATA OVERVIEW: THE WHO

Before we delve into the whats and whys, here's an overview of the who. The following data provides a shop window into our respondents from two datasets – who they are, where they come from and what they do.

Total Number and Location of Participants:

Total # of respondents:

1339

— Almere, Flevoland
— Eindhoven, North Brabant
— Amsterdam, North Holland
— Hilversum, North Holland
— Volendam, North Holland
— Zaandam, North Holland
— Noordwijk, South Holland
— Rotterdam, South Holland
— The Hague, South Holland
— Utrecht

Most Common Job Titles:

Back End Engineer	41%
Software Engineer	23%
Front End Engineer	21%
DevOps Engineer	7%
Product Owner	5%
Android Developer	2%
iOS Developer	1%

Most Common Languages:

JavaScript
Java
PHP
C#
Typescript
Golang
Python
Swift

As the complexity of technical requirements accelerates, so too do the language and framework proficiencies of the region's top talent – with over 50% experienced in multiple programming languages.

2100

686 Start-ups founded after 2016 have injected over 2100 jobs into the Amsterdam market since January 2020

Source: Dealroom's 'Amsterdam Employment 2021'

MARKET EVOLUTION

The regions' tech talent shortage reported in Amsterdam Economic Board's 2017 showed that the demand for tech talent "…reached a shocking figure of x26 job vacancy openings per available tech worker," – 6 years on, add a global pandemic, rise in the cost of living and a remote working talent pool, the region is now being impacted by an increase in financial uncertainty, with 1000's of software engineers being let go from their roles.

It is clear that today's tech recruitment challenge is no longer just about attracting the right talent, but about finding ways to retain its native talent pool while protecting recruitment budgets.

IN Q1 2022, THERE WERE 133 JOB VACANCIES FOR EVERY 100 JOB SEEKERS*. THIS TREND IS SET TO CONTINUE INTO 2023.

*Source: Dutch Central Bureau of Statistics (CBS)

While the Netherlands tech ecosystem has continued to thrive over the past 24 months, no doubt driven by Amsterdam's listing as the second most valuable European tech hub at €227bn and European HQ to big players including Uber, Netflix and Tesla, under the surface, the market remains challenging. This is due to an imbalance of available candidates to role demand; salaries to skill sets; and the attraction of remote work with higher pay outside of the region.

Combine the increasing cost of living with a sharp inflation incline, a risk-averse candidate pool and international competition with higher salaries entering the market – and it's clear that the region's tech companies are contending with a landscape rife with expensive candidate expectations.

So just how has the market evolved – and what candidate insights can help tech businesses attract and retain top talent? Here's what we've seen…

Today, the advantage of choice sits candidate-side. As international roles continue to flood the region's market – complete with higher salaries and fully remote working opportunities – candidates are being attracted with location flexibility and elevated pay by tech companies from Europe, the US and UK who no longer require their talent on-site. The resulting choice of 'stay-or-go' from company, country (or both) for candidates is becoming one based on the fastest route to salary increase.

Conflating this, candidate perception is increasingly skewed by local job adverts touting extremely high salary offers from international firms, blurring the lines of remuneration between senior-level salaries and seemingly 'lesser-paid' roles with high-impact opportunities from companies in scale-up mode. This perception can, and often is, further stifling the region's tech companies to show their true worth.

For international candidates taking roles within the region – and despite the Netherlands government's support in lowering visa fees and speeding up the application process – talent relocating into the region are increasingly requesting to start roles remotely and relocate with successful visas in hand. This is typically due to shorter notice periods and mitigating a lack of compensation between roles.

Finally, those looking to relocate or already on visas consider the size and stability of a company as a significantly higher priority when comparing like-for-like roles. The attraction for candidates is no longer just one of higher pay, but of proven job security.
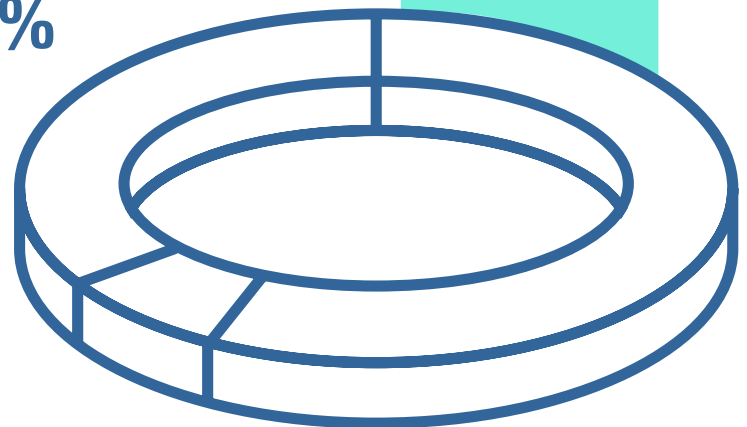
Salary Differentiation:

3.2x

The Netherlands noted the highest differentiation

BETWEEN TOP AND AVERAGE PERFORMANCE

in 2021, which is projected to top the global rankings again in 2023.

Working Location of Survey Participants:

29.1%
Remote /WFH

11.1%
Office Based

59.8%
Hybrid Working

Seniority Of All Participants:

5.7%
JUNIOR

20%
MEDIOR

54.3%
SENIOR

20%
PRINCIPLE/ MANAGER LEVEL

But the challenges aren't merely across borders. At home, the cost of living and general economic climate has made candidates more risk-averse. While bonus schemes and Indefinite Contracts remain relatively attractive, they're increasingly sidelined in place of the safety of a guaranteed income from a larger employer.

As a result, it's creating a double-edged sword. Candidates are either leaving their current employers after shorter tenures to follow better job security – or reluctant to move because of the stability and benefits already in receipt. Throughout the survey, it was noted that a growing number of existing Developers are also looking for Principal and Staff Engineer level positions over heading into leadership and management roles. Why? Simply put: More opportunity, more compensation, more direct technical input, less perceived stress from people management.

To buck the trend, companies need to re-frame and re-energise what routes into leadership mean for candidates, with their core values in mind. Those that do it well will catalyse the integrity of their reputation in the market.

And when it comes to reputation, it's not just about size, stability and salary. Candidates are choosing purpose-led, sustainability-focused enterprises to align with. Working for companies who are truly environmentally-minded, 'doing good' in the world – and can show it in action – are key drivers for eco-savvy tech candidates. Candidates are also paying far closer attention to the financials too. They are keen to understand the funding situation of their new potential employers, wanting visibility into the fiscal backing and longevity of the business.

Larger corporates that were previously considered "uncool", are now appearing to be safer options over earlier stage start-ups & scale-ups. If you're hiring in a larger company, that historically has found it hard to attract talent over the "sexier" product startups, 2023 should be the year where you're able to balance the scales!

But attracting the right candidates is only half the battle. Businesses securing the best talent are able to do so by aligning effective front-end prospecting with efficient back-end interviewing – moving quickly with time-to-hire of three to four weeks, tight feedback loops and well-defined, condensed stages. Get that tension right, and companies will find themselves front of line when securing the best talent.

> **"BUSINESSES SECURING THE BEST TALENT ARE ABLE TO DO SO BY ALIGNING EFFECTIVE FRONT-END PROSPECTING WITH EFFICIENT BACK-END INTERVIEWING."**

Preferred Perks of all Participants

- ☑ Relocation Allowance (Including Housing Assistance)
- ☑ Wellbeing Allowance
- ☑ Unlimited Holiday
- ☑ Nomad Working Opportunities
- ☑ Increased Pension Contributions
- ☑ Bonus
- ☑ Flexible Working Hours
- ☑ Unlimited Remote Working
- ☑ Company Vacations
- ☑ Bi-Annual Tech Budget
- ☑ "Google" Days / Hackathons

RETENTION

Talent acquisition and employee retention work lock-step when it comes to securing – and keeping – top tech talent in the region. Get the latter wrong, and watch as negativity ripples through the employee base and out into the candidate pool.

So, how do tech firms remove the tension from their employee retention and elevate a competitive reputation?

87%
of employees consider employee experience, engagement and empowerment an important factor when evaluating a new employer.

> " **HAPPY EMPLOYEES WHO ARE WILLING TO ADVOCATE FOR THE ORGANISATION CAN BE HIGHLY EFFECTIVE RECRUITMENT AMBASSADORS** "
>
> Source: IBM's Smarter Workforce Institute

As the market shows repeatedly, companies with strong employee retention reduce acquisition costs and time-to-hire. From leveraging employee advocacy and referrals – to building a trusted reputation and proving a positive company culture – reaping the rewards of robust employee retention is no longer a nice to have. It's business-critical.

Source: Lumapps, 'Employee Engagement – The Complete Guide'

Companies showing signs of instability, either through layoffs or poorly communicated structural changes, are increasingly watching both employees and potential candidates vote with their feet.

At the same time, businesses with proactive employee engagement strategies are finding their reputations putting them in pole position with priority candidates. Here are three key areas those getting it right are focused on with their employee retention...

WHAT EMPLOYEES WANT
VS WHAT COMPANIES OFFER

Growth & Development

Employees want clearly defined growth opportunities and career progression. They want development. They want to align with purpose. Companies able to champion this at both the individual and organisational levels not only gain more productive and happier staff, they elevate job satisfaction, ignite employee engagement – and reap the benefits of a loyal and committed workforce that translates into a real-world reputation for both recruitment and retention.

It's precisely this reputation that candidates expect to see from potential employers, and their research will start far in advance of any interview. Companies with motivated employees know the impact those advocates have on potential candidates, and consider growth opportunities a core strategic component of retaining existing talent, and recruiting new.

	WHAT EMPLOYEES SAY IS IMPORTANT	WHAT EXECUTIVES SAY THEIR COMPANY WIDELY OFFERS
COMPETITIVE COMPENSATION	77%	53%
TRAINING PROGRAMS	36%	50%
FLEXIBLE WORKING LOCATION	35%	34%
FLEXIBLE WORKING SCHEDULE	34%	43%

Source: Oxford Economics' 'Workforce 2020: Netherlands'

Salary & Benefits

In a marketplace lit up with attractive salaries, employees are increasingly privy to what their current roles are worth, and what new starters are potentially joining with. Uncontrolled salary comparison can breed discontent, demotivate and even provoke employees to become candidates themselves, in the search for better remuneration.

Knowing what your external salary shop window looks like to existing employees is the first step in identifying any retention risks. And how that's handled doesn't exclusively come down to salary. Many companies are exploring how additional benefits related to time and flexibility serve their existing employees, to redress any potential churn.

34.3% OF PARTICIPANTS SURVEYED STATED THEY RECEIVED 'NO EXTRA INCENTIVES' FROM THEIR EMPLOYER.

Frustration & Uncertainty

While companies continue to evolve their working modes and management structures in a new and fluid hybrid world, employees still expect clarity to govern organisational decisions. Sudden or poorly communicated changes in management and team structures – alongside unannounced colleague and team layoffs – create frustration and job uncertainty for employees, and bring into question the company's longer-term stability.

Echoing this, the perceived feeling of a 'bait-and-switch' between previously agreed hybrid working and the creeping of a majority in-office working week, can cause additional frustration and resentment in the workforce. Employees who feel empowered to deliver outcomes and are trusted to do so regardless of location, become ambassadors for a positive employee experience and bolster retention.

Source: Foxtek Survey 2022

Salary insights

Our proprietary survey engaged with specialisms across Data, Design, Development, DevOps, Leadership, Product and QA functions to provide insights on both individual and team salary ranges. The data offers an indication of benchmarking across the Netherlands, with a specific focus on Amsterdam and its surrounding areas.
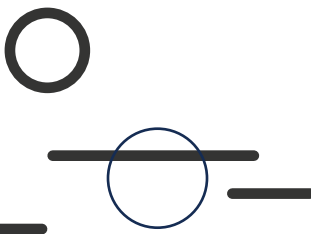
Specialism	Role	Junior	Medior	Senior	Lead/ Principal	Other
Development	JavaScript	40 - 60	60 - 75	75 - 100	100 – 130	
	PHP	40 - 55	55 - 70	70 - 85	85 - 110	
	Golang	55 - 70	70 - 85	85 - 110	110 - 130	
	Python	50 - 65	65 - 85	85 - 120	120 - 150	
	Typescript	50 - 65	65 - 85	85 - 120	120 - 140	
	Java	44 - 55	55 - 75	75 - 95	95 - 115	
	Ruby	50 - 60	60 - 75	75 - 90	90 - 110	
	.NET	50 - 60	60 - 75	75 - 95	95 - 115	
Product & Design	Product Designer	40 - 60	60 - 75	75 - 90	90 - 105	
	Product Owner / Manager	45 - 60	60 - 80	80 - 100	100 - 120	
	UI / UX Designer	40 - 55	55 - 70	70 - 85	85 - 105	
Data	Data Scientist	40 - 50	50 - 65	65 - 85	85 - 100	
	Data Architect	-	-	110 - 130	130 - 150	
	Data Engineer	55 - 65	65 - 80	80 - 100	100 - 120	
QA	QA Engineer	45 - 60	60 - 70	70 - 95	95 - 115	
Mobile	Android Developer	55 - 65	65 - 75	75 - 100	100 - 125	
	iOS Developer	60 - 70	70 - 80	80 - 100	100 - 125	
	React Native Developer	40 - 60	60 - 75	75 - 100	100 - 130	
Devops/Infra	DevOps Engineer	60 - 70	70 - 90	90 - 120	120 - 140	
	SRE(Site Reliability Engineer)	57 - 65	70 - 90	90 - 110	110 - 130	
	Platform Engineer	70 - 85	85 - 90	90 - 110	110 - 125	
Leadership	Engineering Manager	-	90 - 120	120 - 150	-	
	Staff Engineer					130 - 150
	Head of Development/Engineering					140 - 175
	CTO					135 - 250*

*Dependent upon Equity
All salaries have been rounded to nearest 5k. All salaries shown are inclusive of holiday allowance.

BIGGEST CHALLENGES:
THE ROAD AHEAD

For today's companies competing for tech talent in the region, it's not a case of seeing the glass half full or half empty, but both. Of acknowledging the supply gap and its drivers, and leveraging them to create new opportunities.

14%

of Amsterdam's overall employment comes from the tech sector.
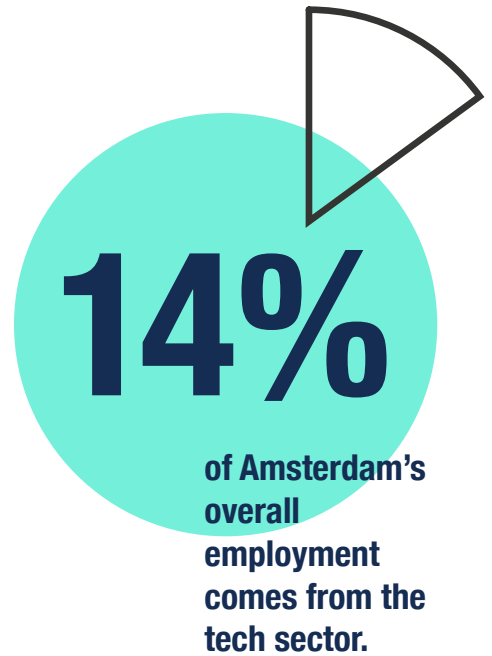
As a major player in the European tech space with continued investment and a thriving start-up scene, Amsterdam will remain fertile soil for world-leading tech talent. How companies harvest that talent will depend on their ability to balance opportunity with stability, salary with growth, and process with speed.

The half-glass full here is that companies have a real opportunity to find their unique blend of attraction to engage the candidate pool. For established companies with embedded reputations, it's a chance to prove stability with growth and lean into the advantage of hard-earned heritage. For start-ups and scale-ups, it's about framing the consistency of opportunity with impassioned vision – with speed and flexibility at its very core.

43,000

TOTAL JOBS PROVIDED BY DUTCH-FOUNDED TECH COMPANIES

TOTAL JOBS PROVIDED BY FOREIGN TECH COMPANIES

34,000

Source: Dealroom.co & StartupAmsterdam's 'Startup Jobs in Amsterdam, 2020'
'Startup Jobs in Amsterdam, 2020'

Ultimately, candidates are more risk-averse than pre-pandemic when it comes to leaving their current employers; the prospect of a higher salary only becomes attractive when it's attached to evidence of company and role stability.

Without both, candidates are unlikely to make the switch. By fusing salary with stability in communications from the outset, companies stand a better success rate in approach.

Tied into the above is the sheer volume of options available in the market, driven by competitor one-upmanship but also remote working, with salaries for the latter being driven upwards by US companies. Given the lack of risk-appetite, candidates typically prefer 'guaranteed nows' over 'potential futures' when evaluating pay. Companies able to provide higher base salaries at point of contract will prevail over those suggesting potential future earnings.

When it comes to replacing and promoting roles (from outside or within), salary creates a fork in the road: pay to replace at the same (read lower) salary from two years ago and attract lesser quality talent, or match market-rate for the role and incur wider frustration from existing employees on lower salaries.

26%

The Top 10 tech employers in Amsterdam represented 85% of market value but only 26% of jobs in 2020. The other 74% are employed by over 2,000 start-ups and scale-ups across the city.

Source: Dealroom.co & StartupAmsterdam's 'Startup Jobs in Amsterdam, 2020'

Above and beyond remuneration, it's all about flexibility. Whether that's fully remote or formally hybrid – both locally and abroad – the region's companies are already competing with international businesses (and two-plus years of Covid WFH normality) who are offering full flexibility. Candidates expect employers to, at the very least, offer the option of flexibility with any arrangement.

As Corporate Social Responsibility (CSR) and environmental sustainability continue to climb the ranks of enterprise importance, Candidates are also choosing to engage with companies who are morally and ethically strong, environmentally conscious and looking to contribute to a more sustainable future.

Finally, it's all about the process. Companies lacking a clearly defined interview process with efficient feedback loops and communicated time-to-hire windows, negatively impact the candidate experience. For the company, that often results in mid-process decisions that lose candidates and damage reputations.

"CANDIDATES TYPICALLY PREFER 'GUARANTEED NOWS' OVER 'POTENTIAL FUTURES' WHEN EVALUATING PAY."

1

CANDIDATES CAN AFFORD TO BE MORE RISK-AVERSE. Showing company stability and growth opportunities in addition to competitive salaries is crucial when attracting top talent.

2

REMOTE AND HYBRID WORKING IS A GIVEN FOR MOST CANDIDATES.
Stay flexible and communicate with transparency from the outset.

3

BE KNOWN FOR YOUR PROCESS.
Tight feedback loops, clear interview phases and reduced time-to-hire not only get you candidates quicker, they help build reputation.
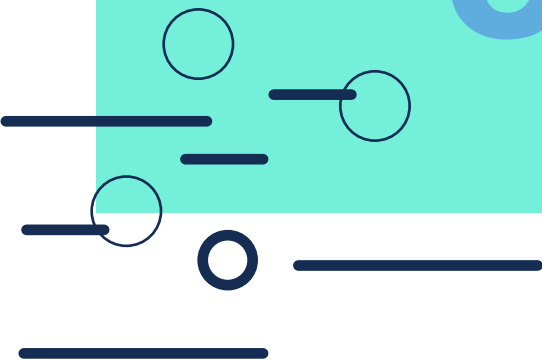
4

PROTECT AND ENGAGE YOUR CURRENT EMPLOYEES. Strong employee engagement strengthens retention, reducing the strain on additional recruitment needs.

5

BE GOOD, DO GOOD.
Candidates subscribe to environmentally ethical enterprises. If a candidate can't see your values, they can't align.

The sounds of salary will remain main stage in the Dutch tech market for some time yet. But for companies looking to differentiate and compete for top talent in 2023, it's about finding new ways to turn heads and offer something unique to attract the region's top talent. Something more than just the money.

STILL SEARCHING?

From disruptive start-ups and accelerating scale-ups, to innovative multinationals – we know what it takes to get the talent you need. If you're still searching for your next hire, we're here to help.

Drop us a line and find out how we're changing the way recruitment is done.

FOXTEKRS.COM

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