

Pay and bonus trends in the technology sector

Analysis of the Cendex database, which collects data covering over 66,000 UK employees in specialist technology roles, explores pay and bonus data by Cendex job level, region, and sector of employment.

Basic salary rises

In the 12 months to May 2023, employees in the technology function have received a median increase of 3% to their base salaries, not including promotions. This was highest for employees in the charities/not-for-profit sectors and public sector services.

Median base salary increases in the 12 months to May 2023, by broad sector

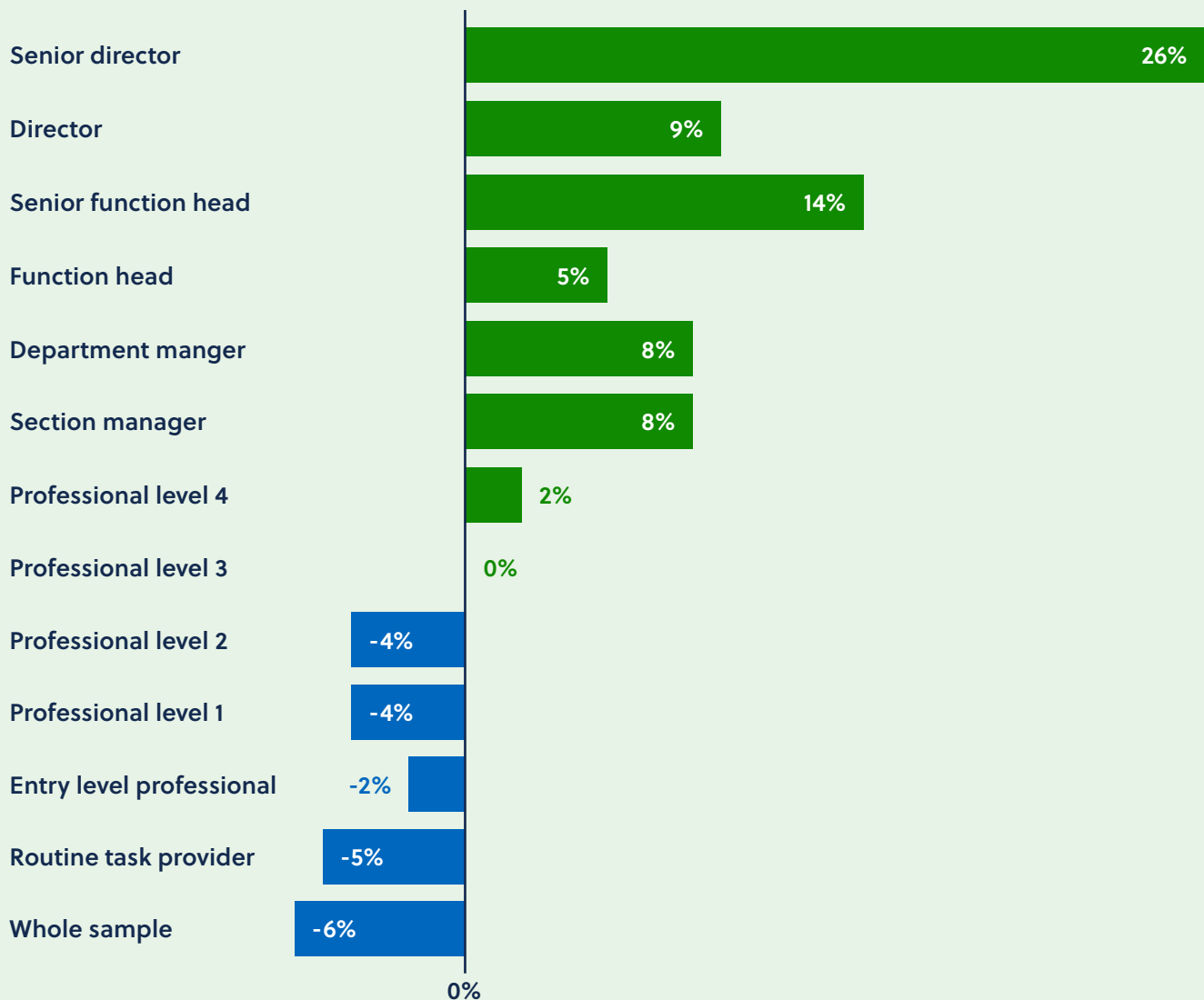
Broad sector	Median basic increase (%)
Private sector services	2.0%
Manufacturing and production	2.8%
Public services	3.7%
Charities/not-for-profit	4.0%
Whole sample	3.0%
Sample size (number of organisations)	406
Sample size (number of individuals)	20,021

Some industries have seen greater basic salary increases than others, with median increases of at least 5% within the public safety, professional and business services, and transport and storage industries.

Salaries of new starters compared with existing employees

Across the whole sample, the median basic salary for those in the technology function was higher for incumbent employees, with new employees earning 6.2% less (£40,745 median basic pay for new starters compared with £43,452 for incumbent employees). However, in more senior job levels, the median new starter salary was higher compared with that of incumbent employees.

Difference between new starter basic salary and incumbent employees



When exploring salary differences by broad sector, the manufacturing-and-production sector had the largest difference between new and incumbent colleagues, with new colleagues earning salaries 15.1% lower than incumbent employees (median of £38,582 compared with £45,428).

Bonus payments

The median bonus paid to employees in specialist technology roles was £1,832. With the median salary being £43,155, the bonus equates to a payment worth 4.2% of the typical salary.

Bonuses differed by broad sector, with manufacturing and production and private-sector services having higher bonuses, with the median payment at over £2,000 per employee.

Bonus payments as a proportion of salaries

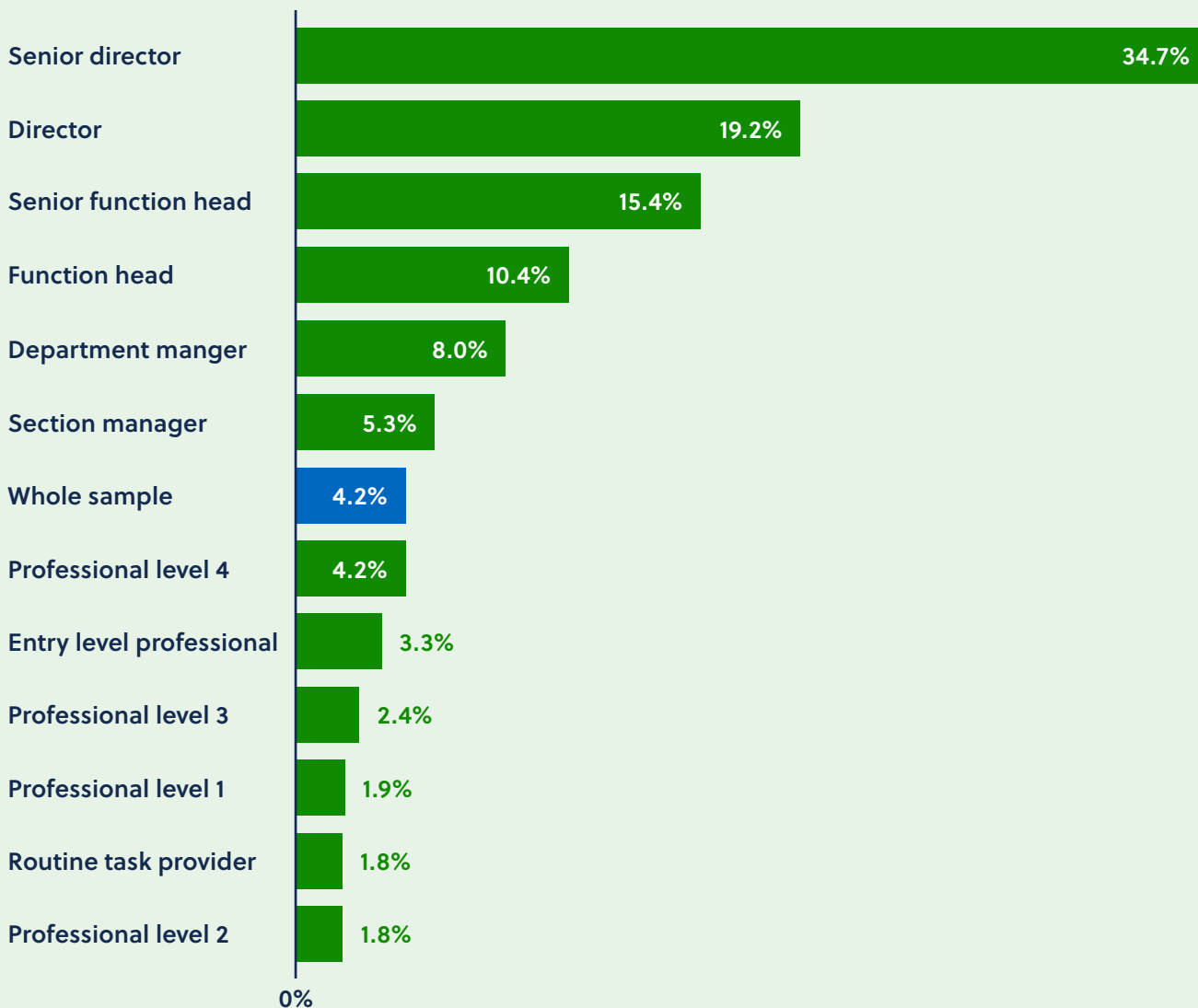
Broad sector	Median bonus (£)	Bonus as proportion of median salary (%)
Private sector services	£3,000	6.7%
Manufacturing and production	£2,448	5.5%
Public services	£600	1.5%
Charities / not for profit	£1,100	2.5%
Whole sample	£1,832	4.2%

Over half (56.3%) of employees in the technology function within the manufacturing-and-production sector received a bonus, compared with just one-fifth in public services and charities/not-for-profit (19.8% and 18.4% respectively).

Bonuses differed by region, with employees working in Inner London having the highest median bonus at £5,000, which works out to be a payment worth 9.1% of the median salary. In contrast, the South East had the lowest bonus to salary proportion, with the median bonus payment being worth just 1.5% of the median salary, where the median bonus was £600.

When breaking bonus payments down by Cendex job level, the most senior roles in organisations were in receipt of the largest median bonus payments, as well as being more likely than average to receive such payment. For example, the average bonus payment for a senior director stood at £52,000, with almost half (47.1%) of individuals in these roles receiving a bonus. This compares to the total sample, where one-third (33%) of individuals received a bonus payment.

Median bonus payments as a proportion of salary



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