

Are Product Managers the New Software Engineers?



by Whitney Ricketts

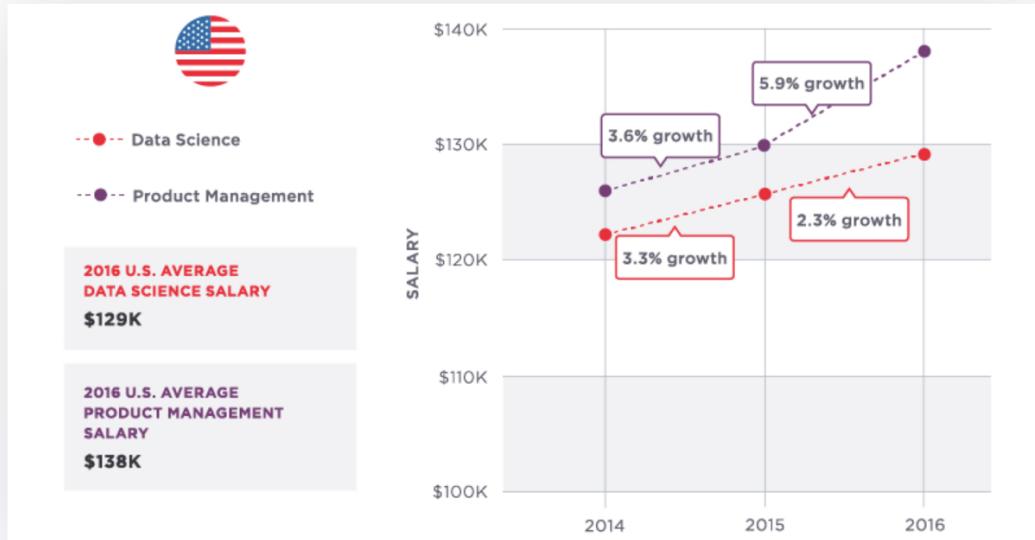


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Software engineers have long been the vaunted kings of Silicon Valley, but a new power nexus is rapidly emerging: Product management. Now the highest paid role in technology in the United States, United Kingdom, and Australia, the meteoric rise of product management mirrors that of software developers in the 1990s — not just in monetary terms, but also in terms of cultural clout and ‘unicorn’-like scarcity.

Are product managers the new software developers? All signs point to a resounding yes — as it relates to the scarcity of *good* PMs with the experience or skills needed to scale a product. Here are some key corollaries we’re seeing between the market for product managers now and the market for software engineers historically:

Higher demand is driving higher salaries, with no signs of stopping.



Per Hired’s 2017 Global State of Tech Salaries, Product managers bring in the highest average salary offers of any tech role. In 2016, product managers saw a 5.9 percent increase in US salaries to an average of \$138k, and 1.6 percent in the UK to an average of £64k (\$84k).. While UK salaries are lower across the board, product managers are still coming out on top at \$83K (£64K) on average in 2016.

Good PMs merge technical skills with marketing acumen.

We analyzed more than 280,000 interview requests and job offers from the past year to identify the most in-demand PM skills, and the top 6 skills (see right-side image) reflect the cross-functional, full-stack nature of the PM function.

"Good product managers are good marketers," explains Twitter product lead Hernal Shah. "They know their target audience and the best ways to reach them. They design their product for distribution." In a prescient 2005 comment on Ken Norton's now-infamous [How to Hire a Product Manager](#), PM-turned-Greylock-VC Josh Elman (then a PM lead at LinkedIn) wrote: "[Product management] one of the most difficult jobs to measure—not in lines of code, press releases, ad sales, etc. The hardest (and most exciting) part of the job is being responsible for answering and understanding the why... "Why do users need this?" "Why is this going to support the business?" "Why can't we get this done faster?" "Why should it work *this* way?"

Mature markets have raised the stakes.

Product adoption is increasingly key to company success; it's not just about shipping quality code anymore. With software eating the world, all industries are anchored in technology — and must think like one to secure (and keep) market leadership. Plus, according to Deloitte & Touche, customer-centric companies are 60% more profitable than their peers. "It's not just about shipping software," explains Matt LeMay in [The Past and Future of Product Management](#). "As venture capital becomes more interested in companies that are revenue-focused and truly understand their market, there is an appreciable shift away from 'just ship software' and towards 'ship the right software.'

It's hard to hire good product managers.

Depending on who you ask, finding and hiring good [product managers](#) is now a more challenging endeavor than finding and hiring good software engineers. Why is this? "Hiring developers is by no means easy, but mastery of technical systems is ultimately easier to display and quantify than mastery of human systems (if the latter is even possible)," explains Matt LeMay in [The Past and Future of Product Management](#). "As more companies acknowledge the importance of product management, there is also a growing sense of anxiety and confusion around what makes a "good" product manager and how to find them."

There's no clear rubric for evaluating PM talent.

Due to a wildly varying understanding as to what [product managers](#) actually do, there's no clear industry framework for evaluating how good any PM is at their job. "Right now, being 'good' at Product isn't about skills," writes Lola VP of Product [Ellen Chisa](#). "It's about if someone will give you a chance." Absent of a shared understanding of how to grade PM candidates, hiring managers judge candidates based on where they've worked (which is problematic for both parties, and often results in homogenous teams).

The PM CEO has replaced the programmer CEO.

In the same way the 90s was the decade that minted hacker CEOs, we are now witnessing the era of the PM CEO. Technical idols like Bill Gates and Steve Wozniak of the 90s have since been replaced by a legion of CEOs who cut their teeth on product teams (Yahoo's Marissa Mayer, Slack's Stewart Butterfield, Google's Sundar Pichai, Drift's David Cancel, Fog Creek Software's Anil Dash, and more). What's driving this PM flooding of the C-suite? "Because a PM has a disproportionate impact on setting strategy and deciding what work actually gets done, she is the key to success or failure," writes David Auerbach in his masterful [The Age of the Product Manager](#). As markets mature, the stakes are higher, market leadership is no longer secure just by being first; the product has to earn it. "Though it's easier to start a company than ever before, it's harder to compete," [Medium's Ev Williams](#) laments.

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