

Hire ALL the developers!



Being able to leverage information to gain a competitive advantage has become crucial in succeeding in any industry. It is no wonder that all of the thirty companies of the German stock index (DAX) have manifested a digital strategy in one form or another. As a consequence, experts in the fields are sought after more than ever. These developments are ubiquitous across industries and companies. Small companies face the same challenge as the big ones. At the same time developers' salaries have increased significantly - a function of supply and demand. While some companies can afford to offer astronomic remunerations, smaller companies may struggle. It is that very point that interests me in this article.

How can a company attract developers without breaking the bank?

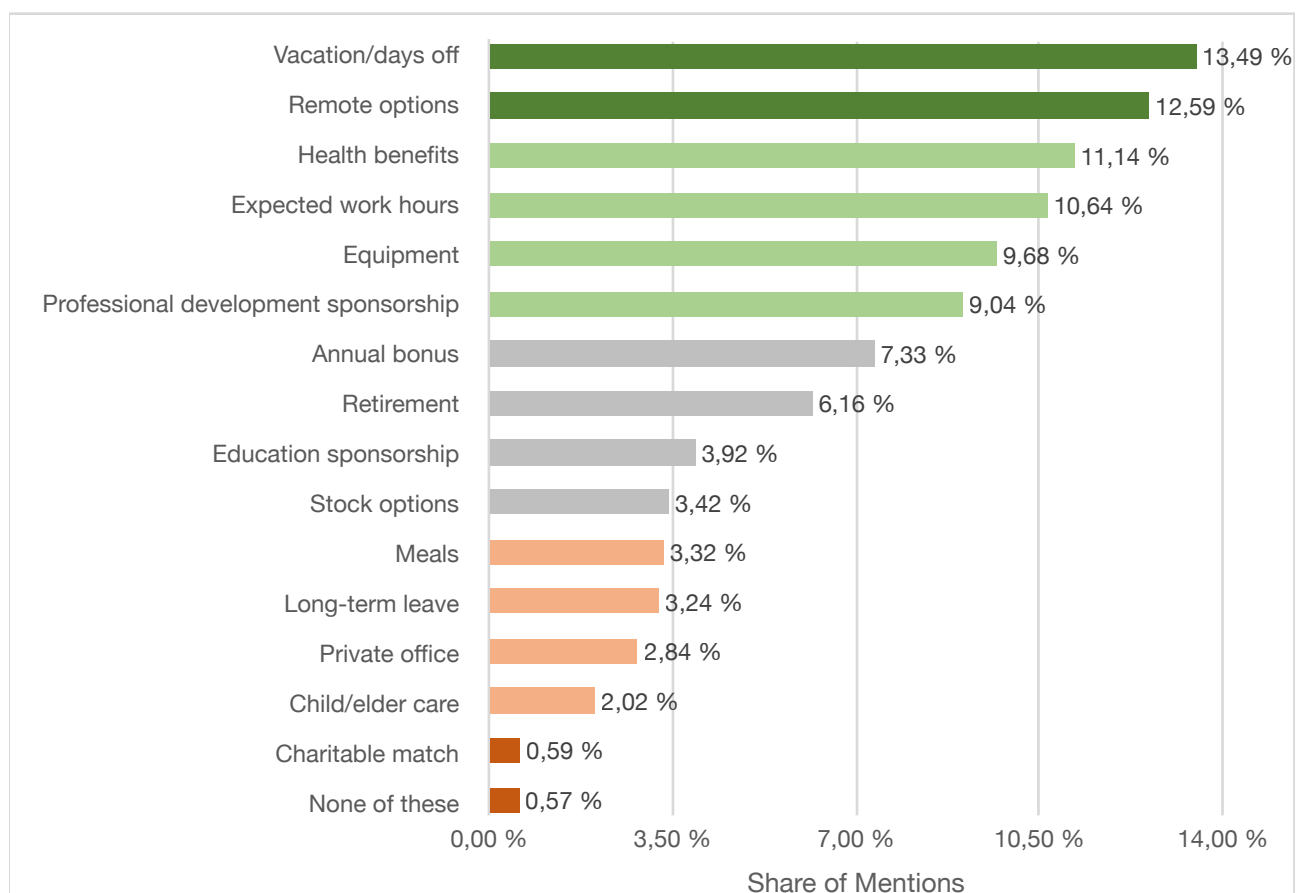
It is a topic of resource allocation. The provided data set can be used to better understand which factors apart from the salary are important to developers.
The first question we will be answering is:

1. Which benefits apart from salary are important to the respondents?

Insights: As the table below shows, the most important benefits are *vacation days*, *remote options* and *health benefits* while a *private office*, *child / elder care* and *charitable match* are the least important benefits for the respondents. This means that companies should rather offer remote options than investing in fancy new offices for example.

Share of mentioned non-financial benefits:

Question raised: When it comes to compensation and benefits, other than base salary, which of the following are most important to you?



Depending on the budget of the company it might be interesting to get a better understanding of the respondents preferences with regards to non-financial benefits in different salary groups. If a company wants to attract more experienced developers, do they have to adapt their offerings? If the budget for the salary is lower, which should be the benefits to focus on?

2. Of those who earn a lot / average / less than average, what are their priorities for other benefits?

Insights: Non-financial benefits are generally expected, as only < 0.3% of the answers indicated indifference towards benefits. Throughout all salary groups, *vacation/ days off* were the most mentioned. For Q1, however, it was less important than for the other groups. Same is true for the *remote options*.

Interestingly, *expected work hours* were less important to lower salary respondents compared to higher income respondents. This would be an interesting point to explore further. It seems intuitive to think that these are probably the individuals that are at the beginning of their career and therefore willing to prove themselves - not putting the focus on work hours. However, one would also expect that top earners are readily available when they are needed and this flexibility is at the expense of work hours.

Distribution matrix of the number of mentions per salary group:

Darker green indicates higher frequency while darker red indicates less frequent mentions.

One underline means that the value is the lowest in the row, meaning between salary groups.

Double underline means that the value is the highest in the row.

	Q1 - Lower Salary Quantile thresholds: 0,00 to 27.956,99	Q2 - Rather Lower Salary Quantile thresholds: 27.956,99 to 51.612,90	Q3 - Rather Higher Salary Quantile thresholds: 51.612,90 to 83.333,33	Q4 - Higher Salary Quantile thresholds: 83.333,33 to 19.5000,0
Vacation/days off	11,29 %	13,53 %	14,07 %	13,82 %
Remote options	11,15 %	11,35 %	11,75 %	<u>12,64 %</u>
Health benefits	10,49 %	8,99 %	9,27 %	<u>13,09 %</u>
Profess. dev. sponsorship	9,57 %	<u>9,67 %</u>	8,34 %	<u>6,58 %</u>
Equipment	9,29 %	<u>10,72 %</u>	9,86 %	<u>8,07 %</u>
Not answered	<u>8,79 %</u>	7,33 %	7,54 %	<u>6,28 %</u>
Expected work hours	8,65 %	10,51 %	<u>10,86 %</u>	10,38 %
Annual bonus	<u>8,44 %</u>	6,33 %	<u>5,97 %</u>	6,11 %
Meals	<u>4,35 %</u>	2,86 %	2,16 %	<u>1,60 %</u>
Education sponsorship	<u>4,09 %</u>	3,09 %	2,80 %	<u>1,41 %</u>
Retirement	3,73 %	5,11 %	7,49 %	<u>8,44 %</u>
Long-term leave	2,86 %	2,91 %	<u>3,14 %</u>	<u>2,48 %</u>
Stock options	<u>2,32 %</u>	2,57 %	2,48 %	<u>4,36 %</u>
Child/elder care	<u>1,98 %</u>	1,75 %	1,25 %	<u>0,92 %</u>
Private office	<u>1,94 %</u>	2,04 %	1,98 %	<u>2,58 %</u>
Charitable match	0,47 %	<u>0,36 %</u>	<u>0,36 %</u>	<u>0,64 %</u>
Other	<u>0,38 %</u>	<u>0,61 %</u>	0,41 %	<u>0,51 %</u>
None of these	0,21 %	<u>0,27 %</u>	0,25 %	<u>0,09 %</u>

Professional development sponsorship, educational sponsorship and equipment were clearly more important to lower salary groups. When trying to hire devs with lower budget these are important non-financial benefits. Also *annual bonus, meals, child / elder care* were more important to the lower income group.

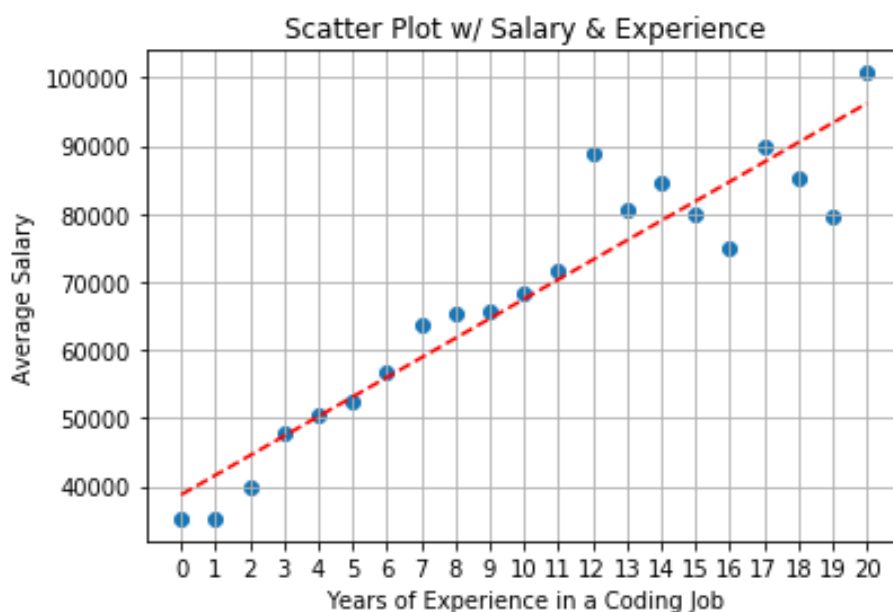
In summary, it can be said that companies with a lower budget trying to hire devs should focus on *annual bonus, meals, educational sponsorship, child / elder care*. While *vacation / days off* and *remote options* are less important for lower income candidates compared to their higher income peers, these are still the top priorities. Also, *equipment* tends to be more important to this group.

As mentioned companies have to keep an eye on the budget while still trying to achieve the best result for the money. Having an understanding of what set of experiences can be expected with a certain budget, is crucial in the hiring process. In the following analysis we will take a look at:

3. How many years of work experience can a company expect for which salary budget?

Insights: As might be expected, more experienced developers earn more money on average. Proving our assumption from before that the Q1 group is probably at the beginning of their coding career. However, it is interesting to see where the average lies approximately, so one can be better prepared for the salary negotiations. Also, the job listings can be adjusted accordingly so that we can stay within budget. The dots that are positioned below the reference line indicate a favourable relation between salary and experience from the perspective of the company. Developers with less experience will likely ask for a lower salary. Interestingly, with increasing experience the salary fluctuates more.

Scatter plot with average salary per „experience group“, where members of the experience group n have n to $n+1$ years of experience in a coding job



What non-financial benefits are important to you?