Terminal

The State of Remote Engineering

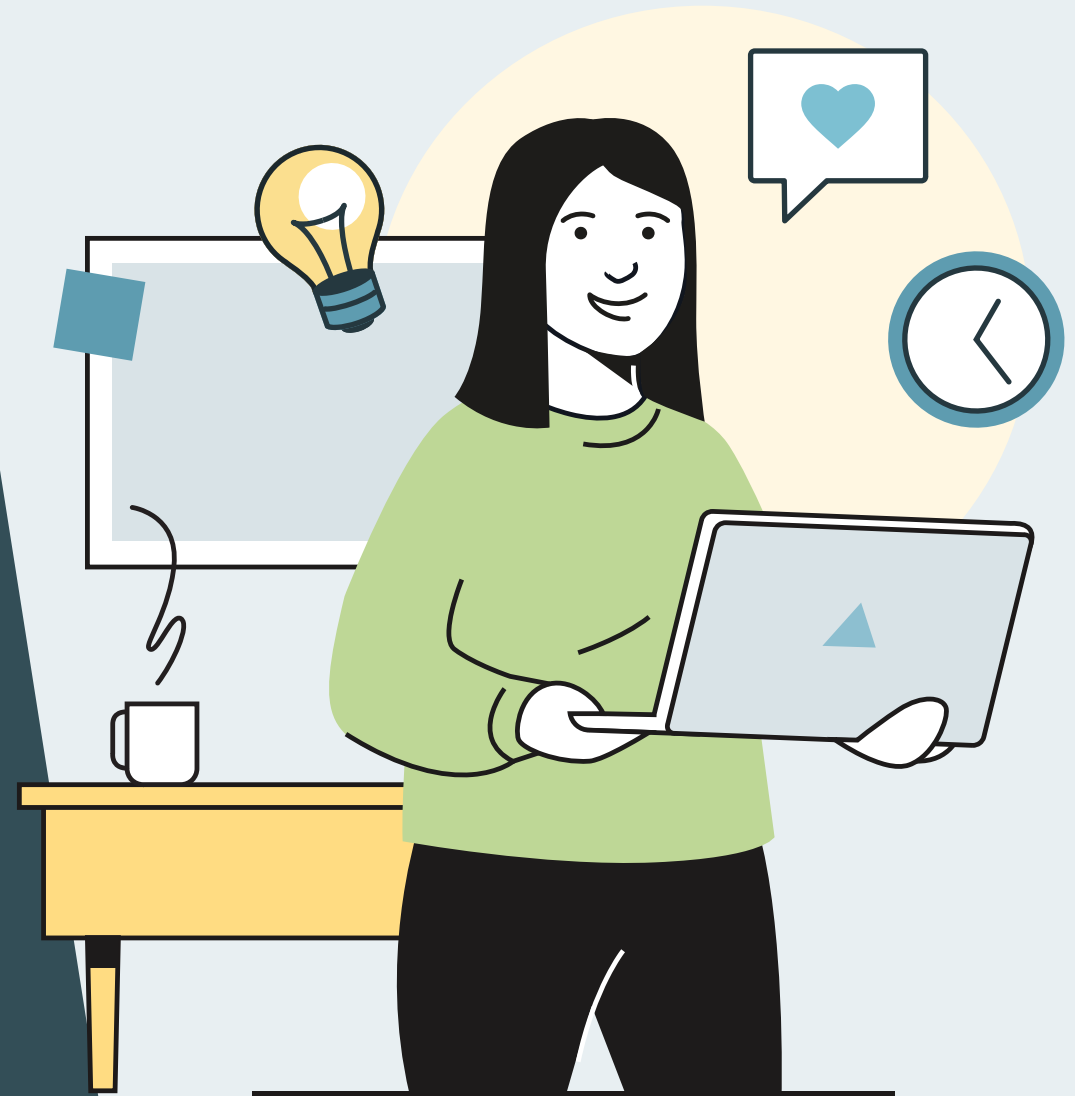**2024 EDITION**

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Embracing Change: Letter from our CEO

In a year of considerable upheaval in tech, our latest State of Remote Engineering Report captures the sentiments of 1000+ engineers working across the globe.

We're seeing significant shifts: a doubling in unemployment, widespread layoffs, and concerns over job security. But in the midst of this, we're also witnessing a transformation in how engineers approach their work and what they value in their careers.

This challenging period is a chance to hit the reset button and really listen to what engineers are saying. They're asking for a clearer understanding of your organizational vision, reflecting a need for alignment and purpose in their roles. They're voicing the desire to stay remote, with more flexibility and autonomy in the workplace. They're excited about the promise of AI and new technologies to reduce routine tasks and allow for higher-level problem-solving.

It's times like these that open up new opportunities and paths we might not have considered before. It's when we find the greatest opportunities to grow.

Thanks for being part of this journey.

Dylan Serota
CEO, Terminal

Key insights

Unemployment doubled from last year.

Tech turbulence has brought uneasy changes. 18% of developers told us they're currently unemployed, while 42% experienced layoffs, 41% hiring freezes and 37% budget cuts. Developers reported little confidence in their future hiring prospects, particularly those in Europe.

US engineers put a premium on equity.

70% of US-based developers say that a higher paycheck is the biggest motivation for finding a new job. Equity isn't far behind – over half rank it as very or somewhat important. This is a marked difference from their LatAm and European candidates, who ranked equity very low among job priorities. Only 16% of European engineers ranked it in the top five.

Developers seek greater clarity and transparency from leaders.

58% of developers impacted by disruptions are asking for clearer organizational vision, a 10% jump from last year, while over half call for more openness about business performance.

Return to office? Developers say "no thanks."

Remote work continues to be preferred among global developers: 63% say they want location-independent teams, 54% want to work from home full-time and only 4% want to go to the office 5 days a week. This highlights a disconnect with companies – developers want flexible, remote work while many companies are requiring hybrid or full return-to-office.

Key insights

Greater flexibility and variety lure engineers to contract work.

Contract work is getting a nod from developers, drawn by its greater flexibility (55%) and project diversity (50%). 58% say they'd be open to contract-to-hire work. Preferences for more freedom and variety may point to the value of balancing teams with contract and full-time employees.

More engineers are adopting AI/ML into their daily work.

AI and ML are increasingly significant to engineering teams, though their integration isn't comprehensive just yet. More than half of the engineers (55%) aren't using ML/AI in their current roles. Of those who do, about 60% dedicate less than half of their time to these tasks. While gradual, the impact is undeniable, with 48% of engineers saying AI will eventually automate most routine tasks.

Engineers felt the pinch of economic uncertainty.

2023's been a year of readjustments, with economic shifts making waves in the lives of most tech workers. 42% of engineers saw layoffs at their companies, an unsettling jump from 26% in 2022. Hiring freezes and budget cuts weren't far behind, affecting nearly half of respondents. In the midst of these challenges, engineers are speaking up about what they need, from more clarity to opportunities for advancement. And with 60% planning to seek a new role next year, now's the time for employers to tune in and adapt.

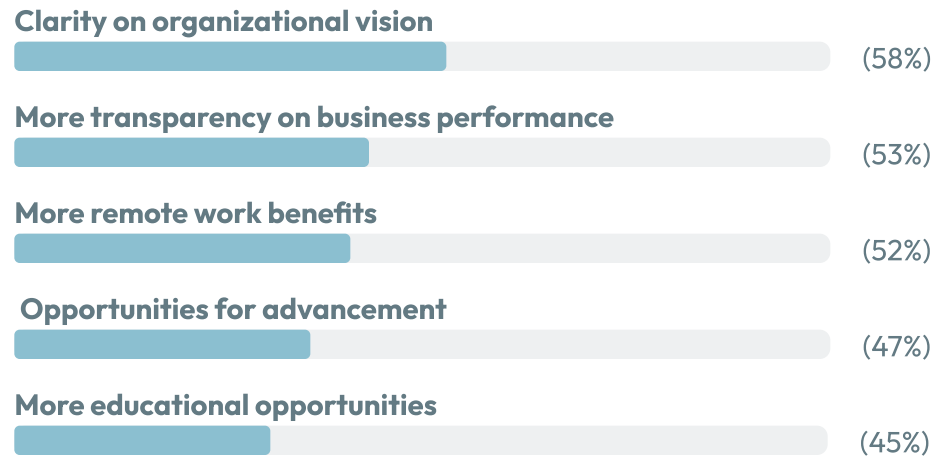## Negative Impacts of Economic Uncertainties

- Layoffs at their current company (42%)
- Hiring freezes (41%)
- Budget cuts (37%)
- Experiencing low morale (29%)
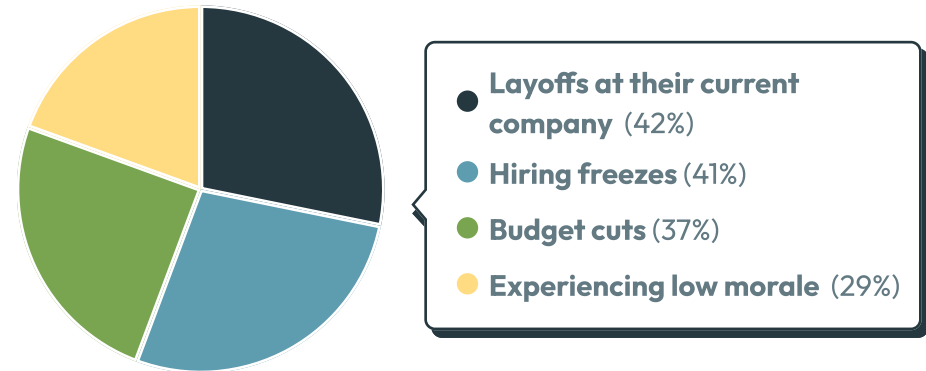
Future fears: **83% of European developers ranked job security** as their number one concern.

What do you think employers could do to best support engineers at impacted companies?

Clarity on organizational vision

(58%)

More transparency on business performance

(53%)

More remote work benefits

(52%)

Opportunities for advancement

(47%)

More educational opportunities

(45%)

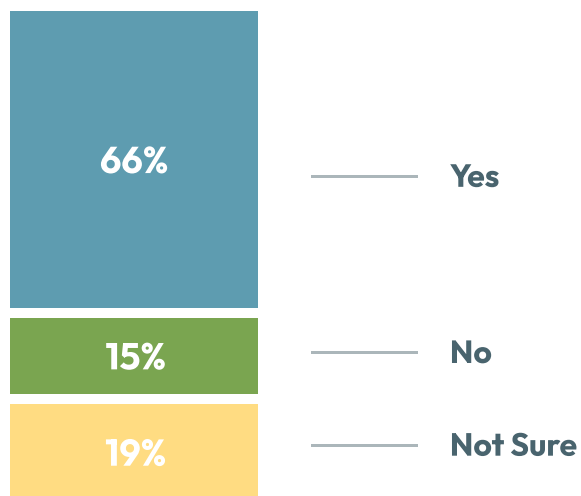**Clarity matters in LatAm: 58% of LatAm engineers were looking for clarity** on where their companies are headed.

Movement in the market: 66% of developers say they plan to seek a new job next year – a 14% jump from last year.

Engineers who plan to start a job search in the next 12 months

66% — Yes

15% — No

19% — Not Sure

Salary woes: Among **Latin American engineers, 78% report they plan to look for a new job, 48% of them for salary-based reasons.**

Main motivation for starting a job search

36% Looking for a higher salary

15% Laid off from previous job

14% Looking for more interesting challenges

13% Want more flexibility to work remotely

10% Seek more company stability

5% Want more remote work benefits

4% Feel burnout

3% Displeased with manager or company leadership
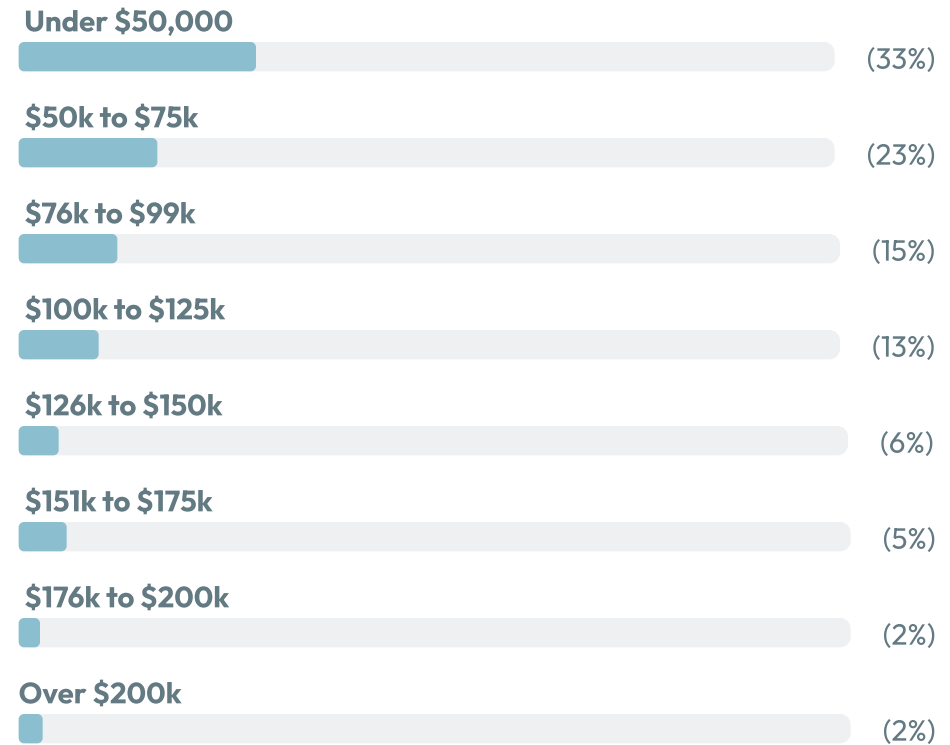
Salary rises in the US while focus on equity shifts.

The 2023 salary landscape for engineers reveals a mix of higher incomes, regional disparities, and changing attitudes towards equity and transparency. More US and Canadian engineers landed in higher income brackets this year – but when you look at Latin America and Europe, it's a different picture, with the majority earning below $75k. While over half of engineers feel good about their pay, the push for more transparency about salaries from recruiters is strong, particularly among engineers outside the US
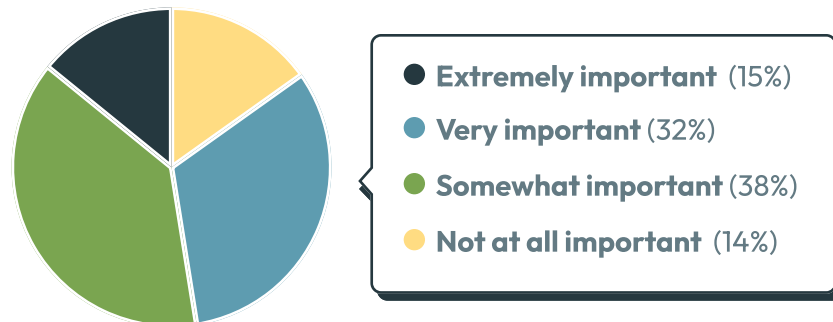
Salary ranges for engineers - in USD

Under $50,000
(33%)

$50k to $75k
(23%)

$76k to $99k
(15%)

$100k to $125k
(13%)

$126k to $150k
(6%)

$151k to $175k
(5%)

$176k to $200k
(2%)

Over $200k
(2%)

Equity is more valuable to US-based engineers than global counterparts.

Equity matters for job-hunting engineers in the US and Canada, but not so much for those in Latin America and Europe. Only 16% of European engineers said equity was a top-five job priority. Less than half (40%) think equity is important in a job package.

Importance of equity to engineers

- **Extremely important** (15%)
- **Very important** (32%)
- **Somewhat important** (38%)
- **Not at all important** (14%)

Declining equity: 31% of engineers have stock or will be awarded stock in their current company– a **21% decrease** from last year.

Moderate comp satisfaction: 54% of engineers are satisfied with their current compensation, while only 25% are dissatisfied.

Salary transparency: 69% of non-US engineers believe salary transparency would help them better understand the job market. 76% want all job listings to include salary ranges.

ENGAGING GLOBAL ENGINEERS

Global engineers, particularly those outside the US, opened up about the highs and lows of working with US-based tech companies. 85% appreciate the higher salary potential and opportunities for growth these companies offer. However, there are challenges too, like dealing with time zone differences – a problem for 58% of European engineers. For leaders looking to tailor policies that engage engineers globally, data points to offering flexible work arrangements alongside active engagement and development opportunities.

Remote work + global teams

63% of global developers say they prefer location- independent teams. Only a small fraction (4%) are inclined towards a traditional five-day office schedule.
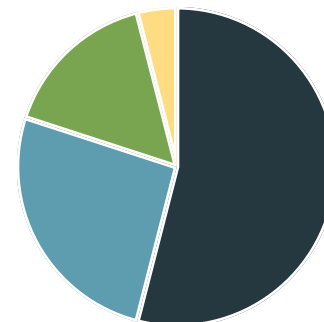
> **63% of global developers prefer to work in fully remote or autonomous teams.**

Preferred structure for global teams
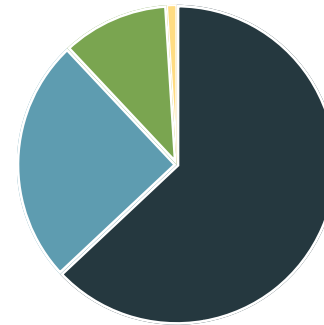
- **Location Independent (fully remote or autonomous teams)** (63%)
- **Fullstack (Mix of skillsets in the same location)** (25%)
- **Skillset-based (ex: all IoS engineers in same location)** (11%)
- **Other** (<1%)

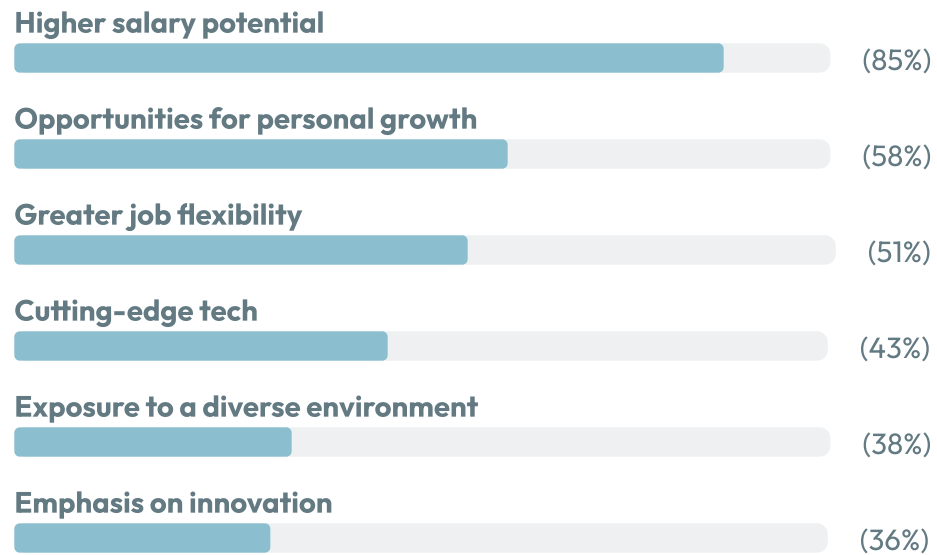## Engineer preferences for remote work

- **Want to work from home 100% of the time** (54%)
- **Office available but no requirements to come in** (26%)
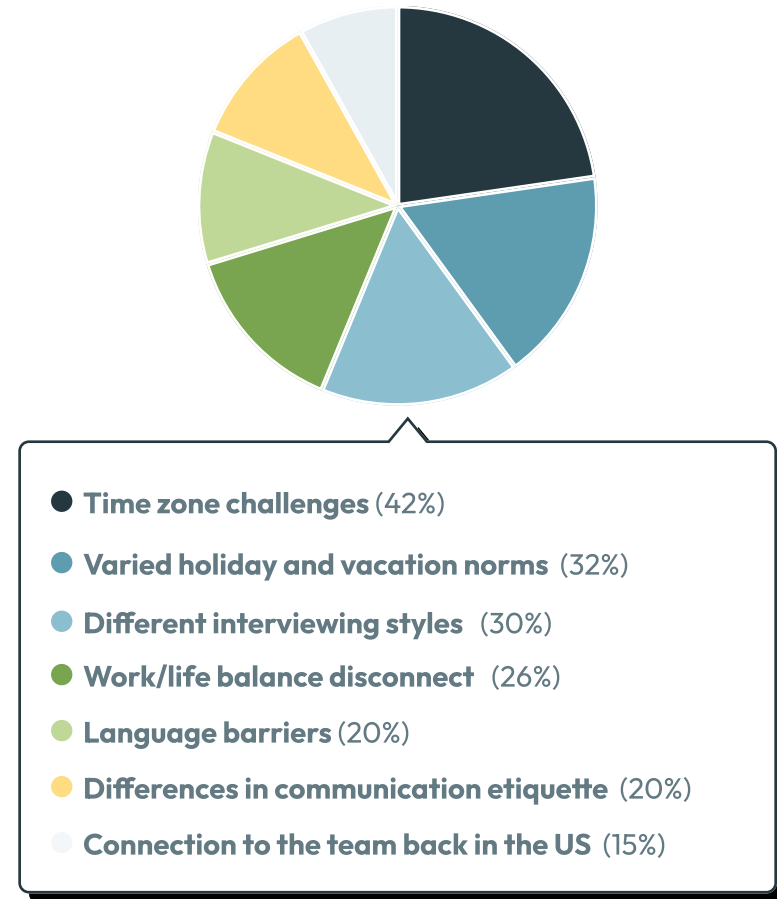- **In-office on a hybrid schedule** (16%)
- **In-office 5-days a week** (4%)

Challenges of working with US-based companies

Benefits of working with US-based companies

Higher salary potential
(85%)

Opportunities for personal growth
(58%)

Greater job flexibility
(51%)

Cutting-edge tech
(43%)

Exposure to a diverse environment
(38%)

Emphasis on innovation
(36%)

35% of European developers say they'd prefer if their company has an office they can use without requirements to come in.

- **Time zone challenges** (42%)
- **Varied holiday and vacation norms** (32%)
- **Different interviewing styles** (30%)
- **Work/life balance disconnect** (26%)
- **Language barriers** (20%)
- **Differences in communication etiquette** (20%)
- **Connection to the team back in the US** (15%)

How to engage global engineers

46% Frequent team-building across regions

45% Time-flexible meeting schedule to accommodate time zones

43% Clear and transparent communication channels

40% Employee exchange programs or shadowing

40% 40% Mentorship programs that bridge cultural differences

34% Cross-cultural training sessions

31% Language learning opportunities

Top requests by region

45% of LatAm engineers prioritize language learning

50% of European engineers want flexible meeting schedules

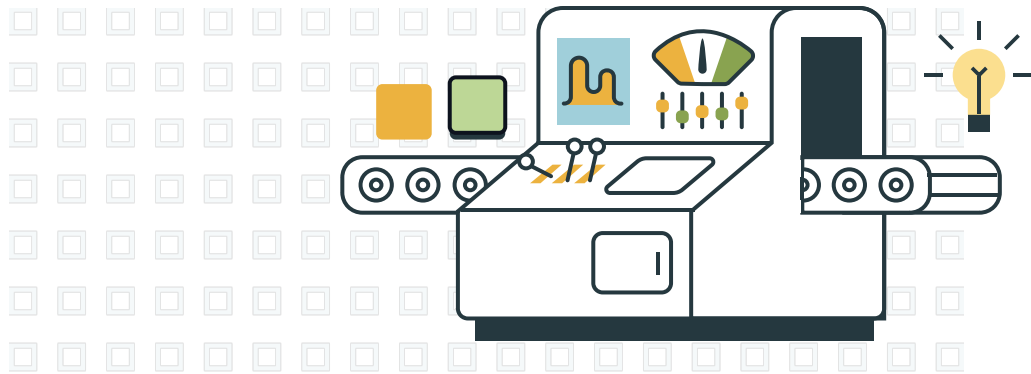**53%** of Canadian engineers seek more team-building activities

58% of European developers struggle with time zones, compared to 38% of Latin American engineers.
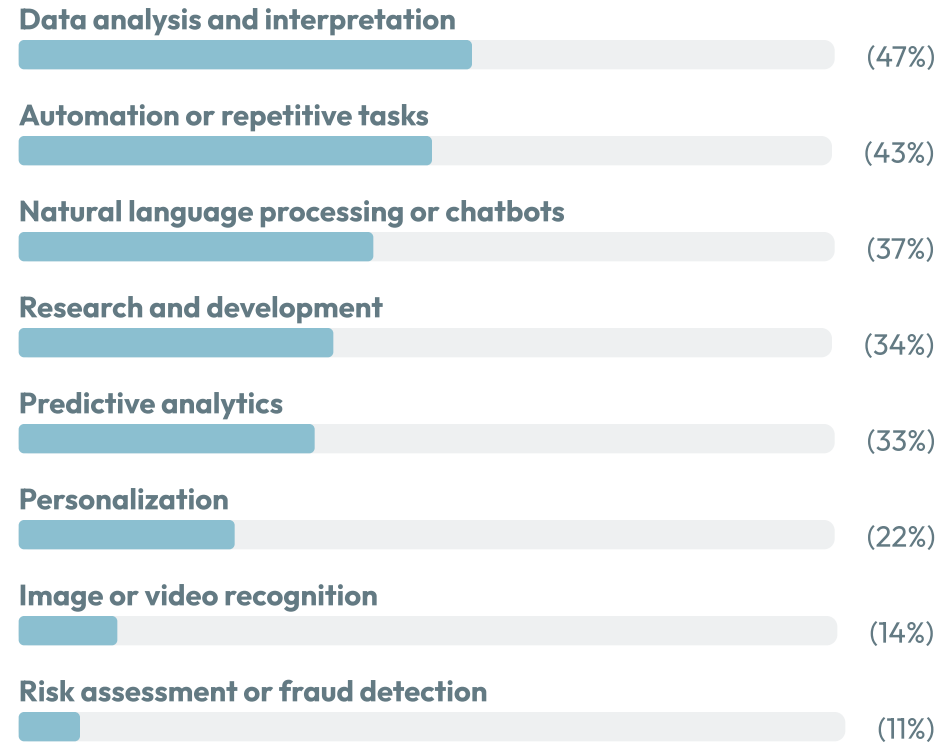
More engineers are adopting AI/ML into their daily work.

AI and ML are increasingly significant to engineering teams, though their integration isn't comprehensive just yet. More than half of the engineers (55%) aren't using ML/AI in their current roles. Of those who do, about 60% dedicate less than half of their time to these tasks. While gradual, the impact is undeniable, with 48% of engineers saying AI will eventually automate most routine tasks.

How do you primarily use AI in your role?

Data analysis and interpretation
(47%)

Automation or repetitive tasks
(43%)

Natural language processing or chatbots
(37%)

Research and development
(34%)

Predictive analytics
(33%)

Personalization
(22%)

Image or video recognition
(14%)

Risk assessment or fraud detection
(11%)

How do you think AI/ML will shape the future of engineering?
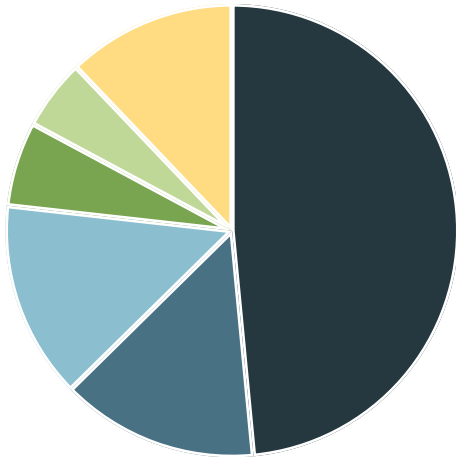
- It will automate most routine tasks, enabling engineers to focus on higher-level problem solving (48%)
- AI/ML will redefine design principles, leading to more efficient and innovation solutions (14%)
- There will be an increased demand for engineers to have interdisciplinary knowledge (traditional engineering with data science) (14%)
- AI/ML might reduce the need for human engineers in certain areas by making systems (6%)
- The impact of AI/ML on engineering will be minimal and limited to specific niches (5%)
- Not Sure / No Opinion (12%)

Engineers agree on AI's influence
Only 5% of developers felt that AI/ML would have minimal impact on engineering or that it would actually reduce the need for human engineers.

Automation is #1
48% of developers believe AI will automate most routine tasks, allowing engineers to focus on higher-level problem solving.

Contract and full-time employment both offer unique appeal.

The trend towards contract work is gaining momentum, with 55% of engineers appreciating the freedom to choose their projects and clients. Yet, the traditional appeal of full-time roles remains strong, as 77% of engineers still value job security and stability. For leaders, this may signal a need to embrace diverse work options, catering to the changing desires and needs of their workforce

58% of developers reported they are open to contract-to-hire work.
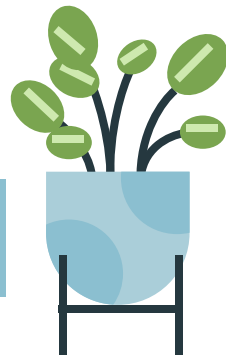
Top 5 benefits of contract work

55%
Enjoy the flexibility in choosing projects and clients

53%
Like flexibility in work hours and location

50%
Like opportunities to work on diverse projects

48%
Like the higher hourly rates and / or project-based compensation

27%
Feel less pressure to perform

Top 5 benefits of full-time work

- Job security and stability (77%)
- Comprehensive benefits (58%)
- Opportunities for career growth and advancement (55%)
- Consistent work schedule (45%)
- Stronger integration with the team and culture (40%)

Top 5 challenges of contract work
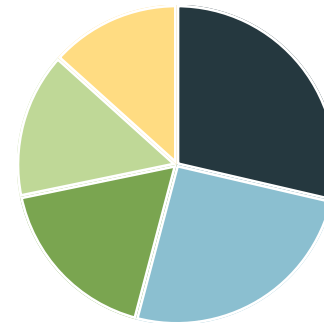
- Lack of job security and stability (73%)
- No guaranteed benefits (65%)
- Increased administrative tasks (45%)
- Continuous self-marketing and client acquisition (38%)
- Feelings of isolation or detachment (34%)

Healthcare first:
68% of Canadians value the comprehensive benefits of full-time employment.

Stability matters:
83% of European Engineers rank job security as the #1 benefit of full-time work.

How can leaders better support contract employees?
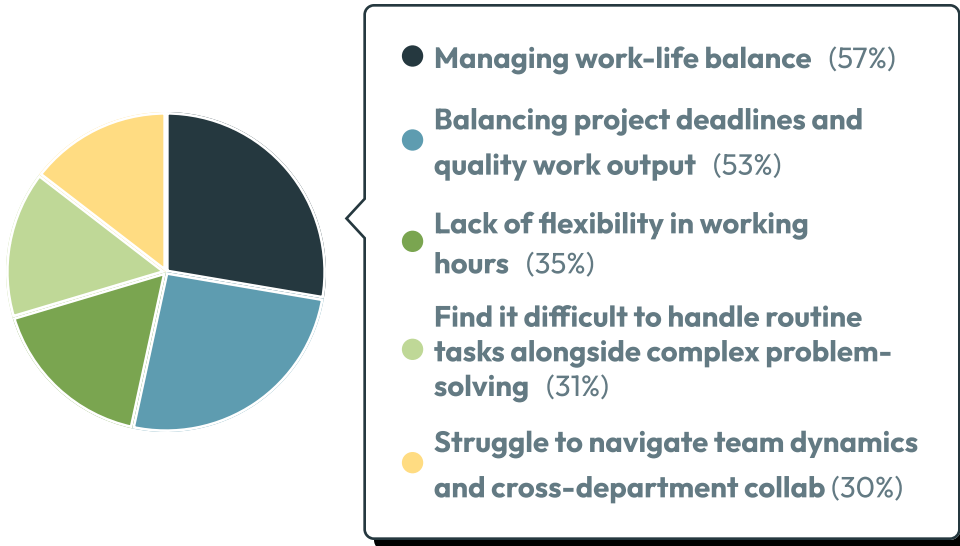
Top 5 challenges of full-time work

- Managing work-life balance (57%)
- Balancing project deadlines and quality work output (53%)
- Lack of flexibility in working hours (35%)
- Find it difficult to handle routine tasks alongside complex problem-solving (31%)
- Struggle to navigate team dynamics and cross-department collab (30%)

- Clear communication on project expectations and timelines (60%)
- Timely payment (60%)
- Feedback and acknowledgement of work (56%)
- Potential for contract extension or new opportunities (51%)
- Access to necessary tools and resources (48%)
- Integration into team meetings and company culture (45%)

Benefits are a sticking point:
 80% of US engineers found the lack of guaranteed benefits to be a major challenge of contract work.

The hustle is real:
50% of engineers in Europe, and 46% of Canadians, felt the challenge of continuous self-marketing and finding new clients.

Financial incentives and stability trump traditional office workspace.

Engineers told us what matters most when seeking a new job, and their priorities showcase the importance of pay, benefits and stability over elaborate offices and cultural programs. 85% of developers listed pay in their top five. Stability emerged as a significant concern, with 66% placing it high on their list, a 25% increase from last year. Much lower on the list was office space with only 7% placing it in their top five.

What engineers chose as their most important criteria when choosing a company

CRITERIA	ALL	EUROPEAN	LATAM	US	CANADA
Pay	85	84	87	70	88
Benefits	66	41	66	42	56
Stability	58	50	60	55	48
Flexible Hours	57	61	62	30	55
Learning & Development	36	33	44	27	29
Culture	33	33	35	18	38
Exciting Company	23	23	21	20	26
Stocks/Shares in the Company	23	16	19	52	23

Differences by region:

Flexible hours are highly valued in LatAm (62%) and Europe (61%), but significantly less so in the US (30%).

66% of LatAm engineers ranked benefits high. 41% of European engineers did the same.

Learning & development is most important to Latin American developers (44%).

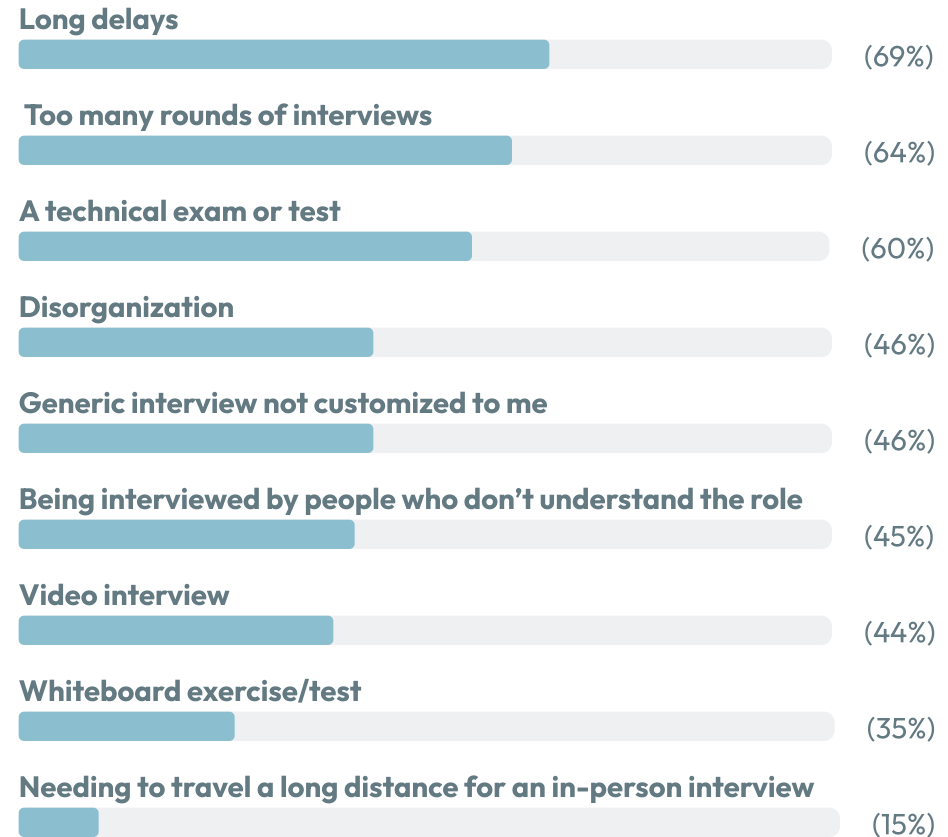# Engineers want faster interviews, more flexibility in assessments.

Engineers continue to be frustrated when interviewing for new roles, with 70% of engineers experiencing long delays in their interview process. Beyond frustrating, this can actually hurt recruitment – 57% say that experiencing too many rounds of interviews during the recruiting process would turn them off from a job.

Largely, engineers prefer take-home coding challenges over live coding exercises – again emphasizing flexibility and remote working styles that continue to rise in popularity.

Culture clash:

56% of European developers felt that the interviews were generic and not customized to them. 60% of LatAm engineers were frustrated by disorganization.

Issues experienced during engineering interviews

Long delays
(69%)

Too many rounds of interviews
(64%)

A technical exam or test
(60%)

Disorganization
(46%)

Generic interview not customized to me
(46%)

Being interviewed by people who don't understand the role
(45%)

Video interview
(44%)

Whiteboard exercise/test
(35%)

Needing to travel a long distance for an in-person interview
(15%)

**Which coding assessment method do you prefer?**

Whiteboard vs. technical:

60% of engineers report they've taken a technical test while 35% say they've done a whiteboard exercise. 44% have completed a video interview.

Live coding more popular in the US:

44% of US engineers prefer live coding exercises, while 39% preferred take-home.

60% — Take-home coding challenge

21% — Live coding with real-time feedback
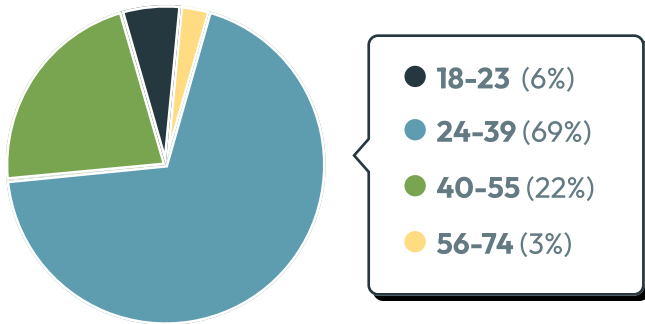
17% — No preference
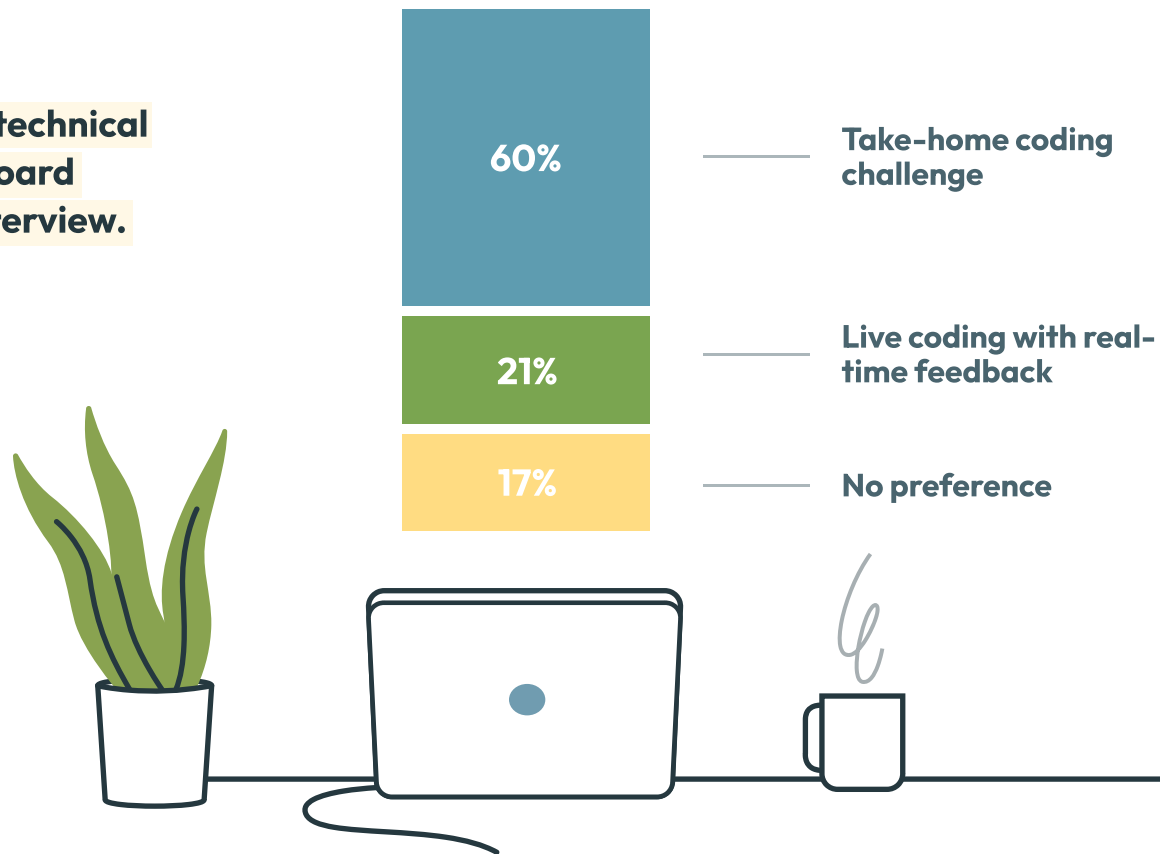
Conclusion

This year's report doesn't just reflect the opinions of a few global engineers; it signals a period of potential growth and evolution. It's an opportunity for leaders to recalibrate and align with the evolving needs and desires of their teams. By listening closely to these voices, adapting to new work models and embracing emerging technologies, you can build something powerful, even in difficult times. Together, we are not just navigating through change – we're harnessing it to build stronger, more resilient teams and organizations.
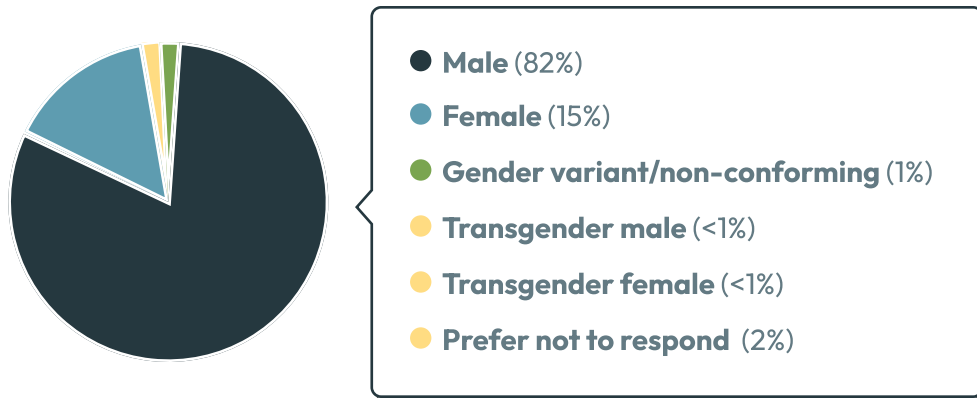
Profile of Respondents

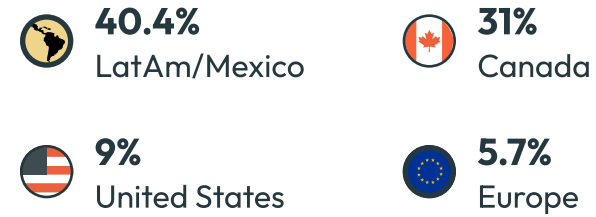We surveyed 1261 software engineers between October and November 2023.

Age

- 18-23 (6%)
- 24-39 (69%)
- 40-55 (22%)
- 56-74 (3%)

Gender

- **Male** (82%)
- **Female** (15%)
- **Gender variant/non-conforming** (1%)
- **Transgender male** (<1%)
- **Transgender female** (<1%)
- **Prefer not to respond** (2%)

Countries

- **40.4%** LatAm/Mexico
- **31%** Canada
- **9%** United States
- **5.7%** Europe

Employment Status

Employed full-time (63%)

Employed part-time (4%)

Freelancer / Contractor (13%)

Unemployed (18%)
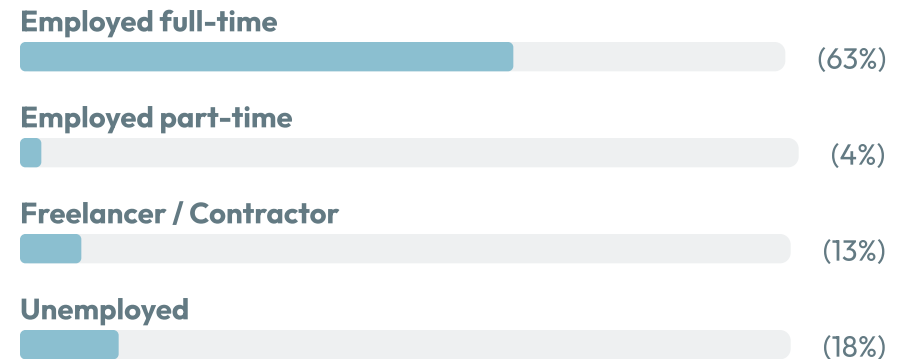
Profile of Respondents

Years of professional dev experience

- ● 1-3 (23%)
- ● 4-6 (21%)
- ● 7-9 (17%)
- ● 10-12 (13%)
- ● 13-15 (13%)
- ● + 15 (18%)
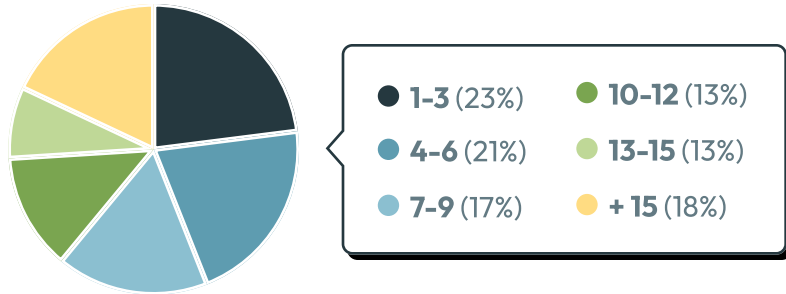
Job Title

25%
Full Stack Dev

16%
Frontend Dev

19%
Backend Dev

2%
AI/ML Dev

3%
Manual QA

4%
Automated QA

4%
DevOps Eng.

3%
Mobile Eng.

3%
Data Scientist

4%
Data Eng,

5%
Data Analyst

9%
Eng. Lead / Manager

2%
Engineering leadership

Organizational Size

1–10 employees (13%)

11-25 employees (9%)

26-50 employees (11%)

51 – 100 employees (12%)

101–500 employees (17%)

501–1,000 employees (10%)

1,001–2,500 employees (5%)

2,501–5,000 employees (5%)

More than 5,000 employees (17%)

Do you manage people?

✓ **27%** Yes   ✕ **73%** No

About Terminal

At Terminal, our mission is to push the world forward by bringing global opportunities to talent. Our goal is to break down geographical barriers, offering businesses an unparalleled edge by connecting them with top-tier AI and ML talent. As AI and ML domains continue to dominate the tech scene, partnering with a platform that understands your needs and provides access to global talent can be a game-changer.

For a deeper dive into our newest offering and to instantly view our AI developers for hire, sign up here, preview AI developer profiles, or contact our team.

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