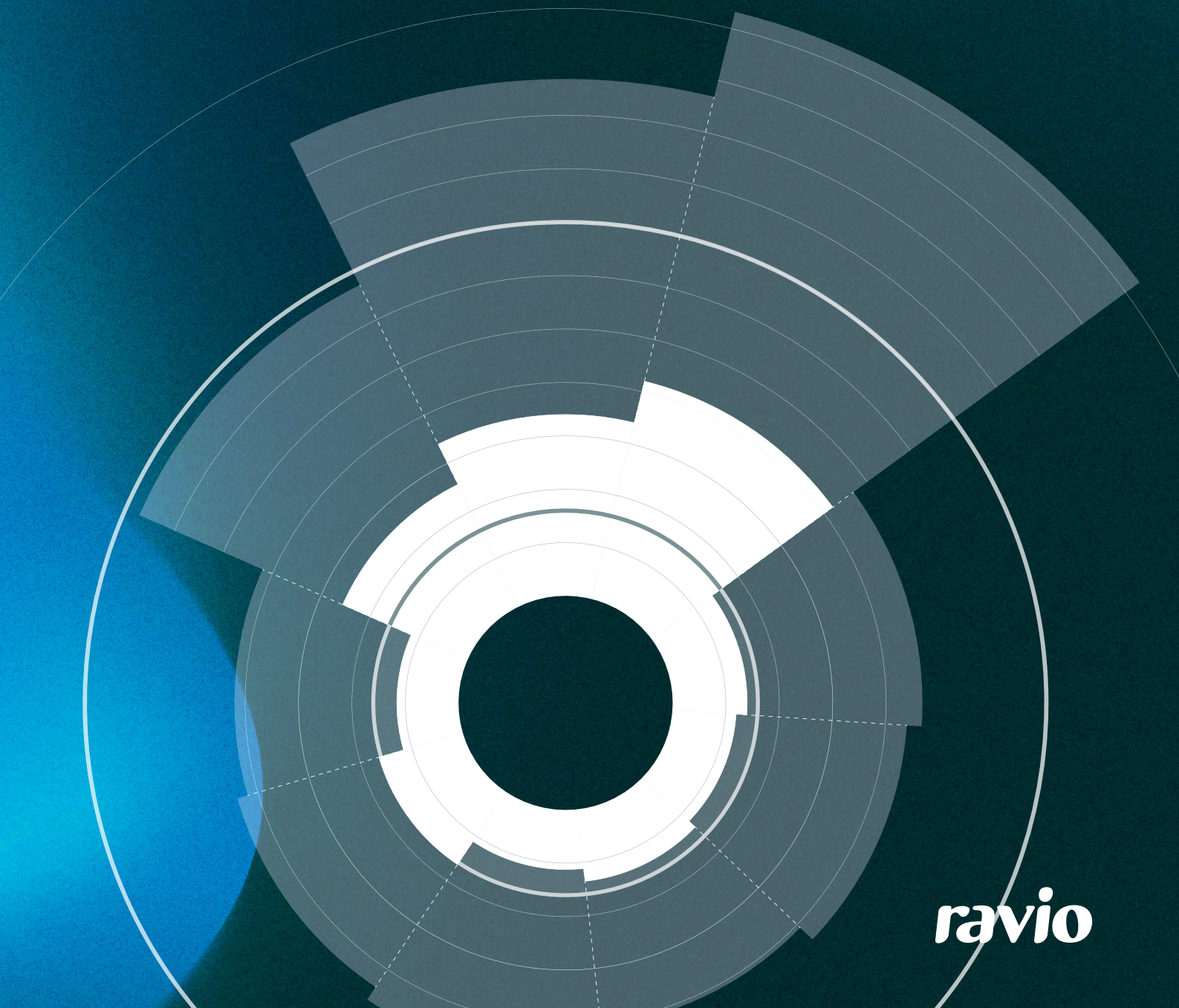
# The tech job market in 2025

## AI demand surges as admin and entry-level jobs suffer



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# Executive summary

**AI is increasingly being used to handle routine tasks, reshaping how work gets done in European tech. So far, the most significant impact is seen in changing demand for administrative and entry-level roles.**

With AI capabilities reaching a level of maturity, we're witnessing a transformation in how tech companies structure their workforce.

The data findings in this report reveal that AI job titles have seen a gargantuan surge this year in European tech companies – from 0.32% of new hires in 2024 to 2.17% in just the first months of 2025. This signals that businesses are moving beyond experimentation with new tools towards an integration of AI into product features and working practices.

This surge is creating ripple effects across organisational structures. So far, the impact is being seen the most in relation to routine and repetitive tasks. As these tasks are increasingly being automated through AI, we're seeing dramatic hiring declines for administrative roles and entry-level positions.

For HR and business leaders, the question to answer on hiring in 2025 becomes: "What work truly requires human judgement and creativity, and what task-based outputs could we automate?"

Further, this shift raises profound questions about what a new AI-augmented workplace means for employers and employees. If there are 75% less entry-level roles, where will future generations get their career starting point? And what does that mean for employers in terms of talent pipelines and succession planning?

Overall, the data points to a job market in the midst of transition. And in a fast-evolving landscape, access to accurate and real-time market data is increasingly essential for making informed decisions about talent and compensation strategies.

## Key findings

**↗578%**

### AI job titles are surging

Growth in AI job titles from 2024 (0.32%) to early 2025 (2.17%).

**↗9.5%**

### AI skillsets now attract a pay premium

Premium in new hire salary offers for Software Engineers with AI job titles.

**↘35.5%**

### Support-focused roles are seeing reduced demand

Drop in hiring for the Administration job family – with some specific roles seeing even higher drops.

**↘46.1%**

### Support roles across all families are being impacted

Drop in hiring rates for Scrum Masters, as support-focused roles are impacted by AI across all functions.

**↘73.3%**

### Entry-level roles are also experiencing a sharp decline

Drop in hiring rates for entry-level roles (P1, P2).

# What's happening in tech hiring in 2025?

> Administrative and entry-level roles have seen a significant drop in hiring in the past year, as AI takes on routine tasks.

## Admin vs AI: In-demand skillsets this year

The past year has seen hiring rates continue to decrease across-the-board, but administration is the job family that has seen the steepest drop in hiring rates (-35.5%).

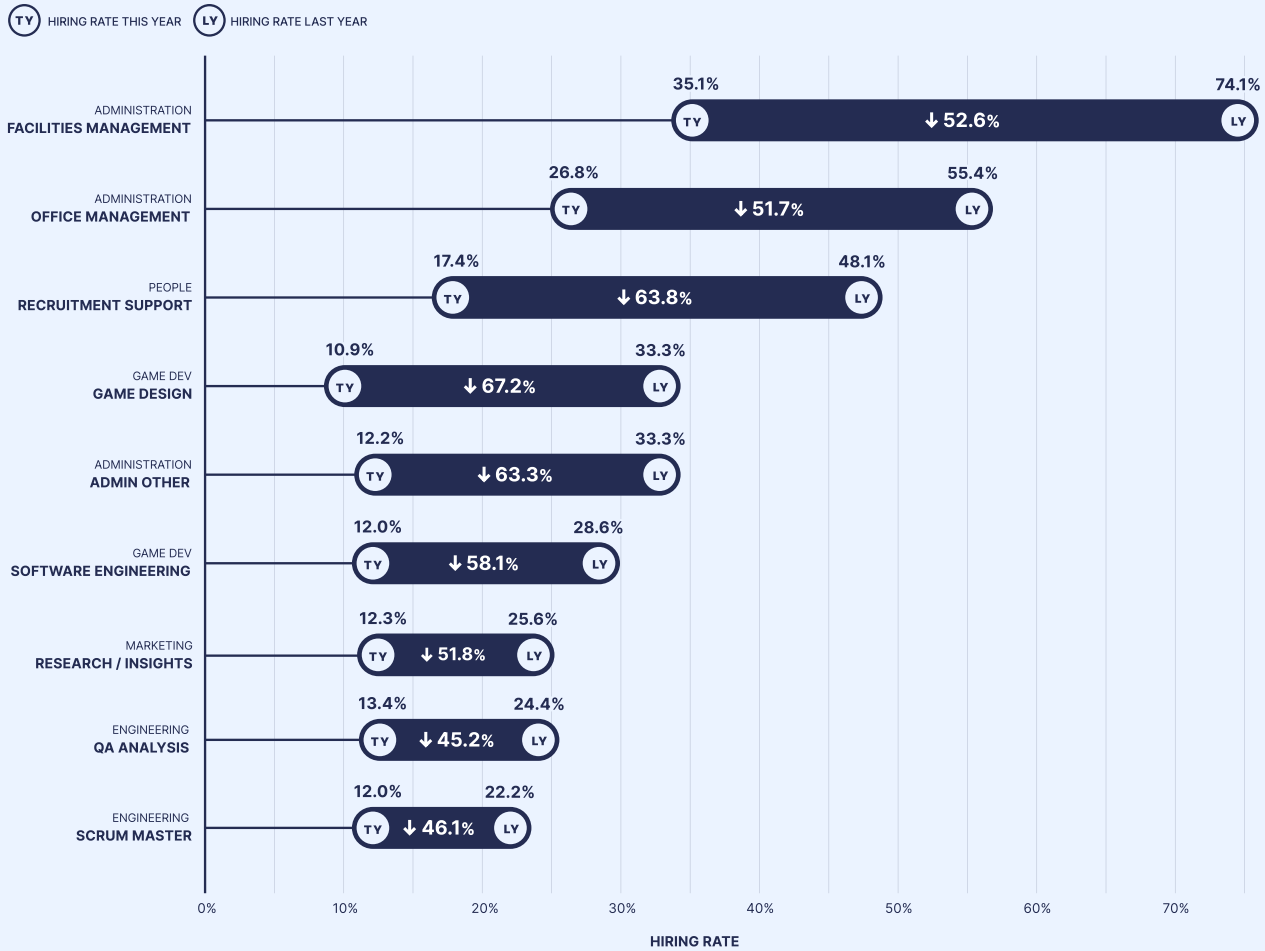
Administrative and support-focused roles typically contain a significant proportion of repetitive, routine tasks which AI tools are now able to automate, leading to this reduction in hiring.

Some subfamilies have seen even bigger decreases, such as Admin – Other with a 63.3% drop in hiring, Facilities Management at -52.6%, and Office Management at -51.7% – areas where the shift to remote working also plays a key role.

However, it's important to note that the use of AI is very much in a state of flux: the technology is still developing, and leaders are still learning how to apply AI to effectively drive business outcomes.

As an example, one support-focused area that has been heavily discussed is using AI agents for customer support. Many companies made the switch for efficiency gains, but we're now seeing large players like Klarna back-tracking. Our data reflects this: Operations – Customer Support isn't in the top subfamilies for hiring rate decreases, but it has seen a higher than average decrease of -16.7%, down from 49.9% last year to 41.7% this year.

## Subfamilies with the biggest decrease in hiring rate this year vs last year




Ravio data | 2024-2025

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## The impact of AI on entry-level roles

With AI seeming to be driving shifts in the job market this year, one other area that has been questioned is the impact of AI on entry-level roles. Again, these are roles often focused on relatively routine and repetitive tasks, which are ripe for disruption by AI.

Our findings support this narrative. P1 and P2 roles have seen a staggering **average decrease in hiring rates of 73.4%** in the last year – compared to the overall picture of a 7.4% decrease in hiring rates across all job levels in the past year.

Junior roles in People, Marketing, and Engineering are particularly impacted – all with an even higher drop than the overall average.

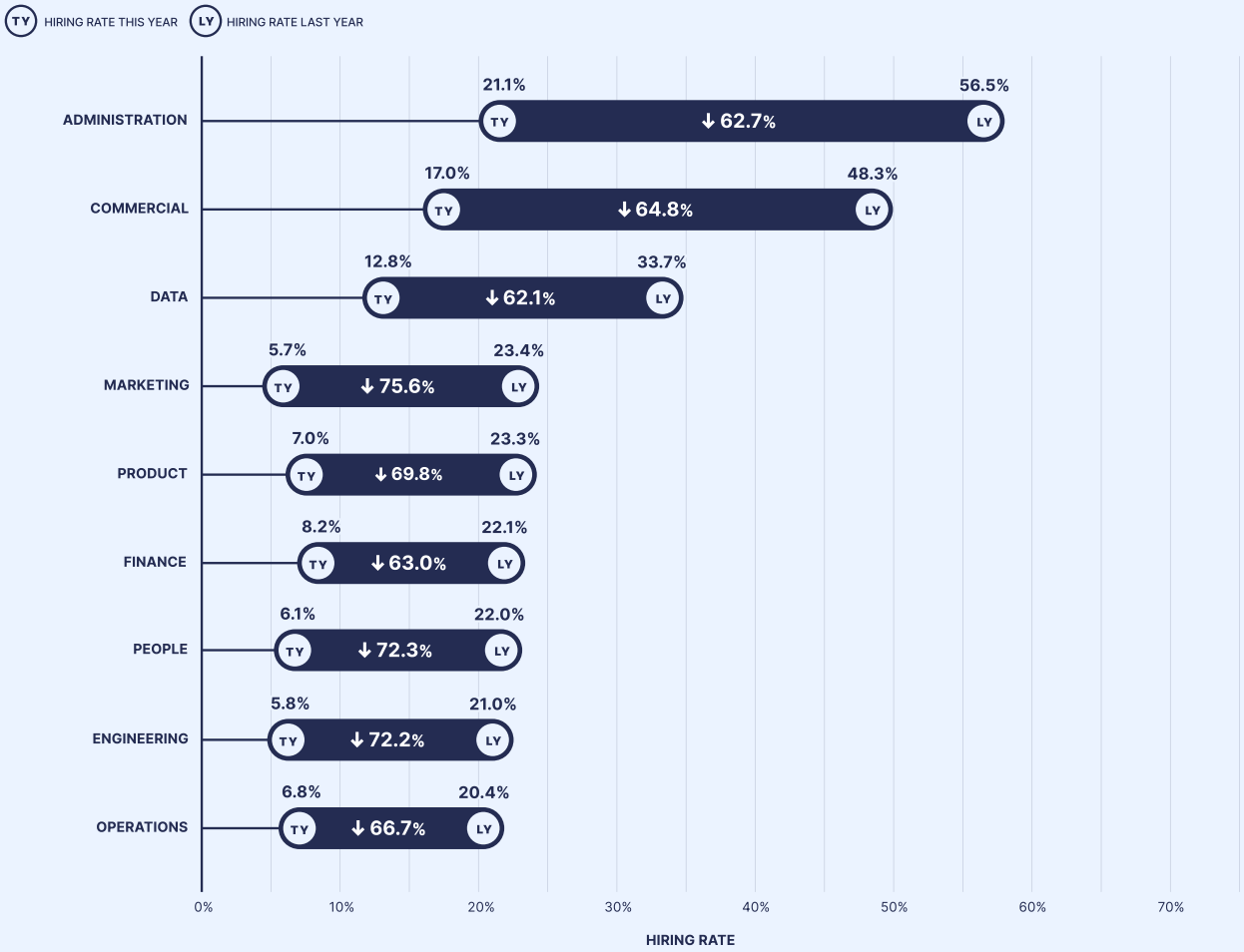
Entry-level roles have traditionally been a way for companies to bring fresh perspectives and to develop junior team members into best-fit talent for mid-career roles.

Without this pipeline in place, HR and business leaders may need to reconsider career pathways and succession planning.

On a broader societal note, this trend represents a reality of graduates and early career professionals (as well as those administration and support specialists) facing an incredibly difficult job market. The human implications, and what this means for the future of work, are profound challenges that are only just beginning to be explored.

Of course, it's also important to note that whilst AI is playing a role in the decline of entry-level hiring, there's also a wider context of economic uncertainty and companies maintaining lean operations after years of layoffs and restructuring. The uncertain global economic environment is making employers more cautious about investing in new hires, particularly at the entry level.

### Hiring rate trends for entry-level (P1) jobs this year vs last year




Ravio data | 2024-2025

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# How is this shift impacting hiring in Software Engineering specifically?

> Roles containing tasks ripe for AI automation – like Scrum Master or QA Analysis – are in decline, whilst AI and Blockchain Engineering skills are in-demand.

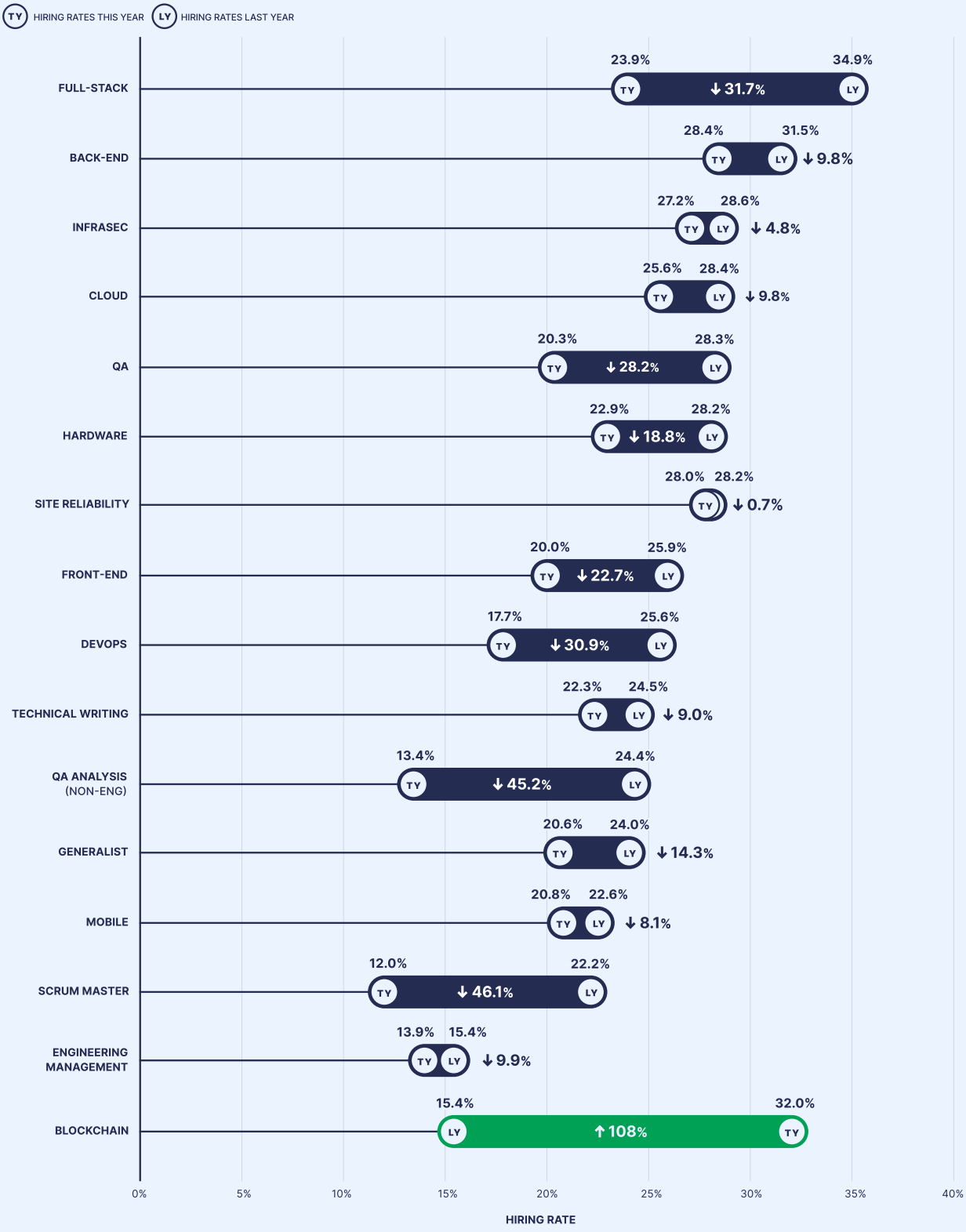
Scrum Master has the lowest hiring rate this year (12.0%) and has seen a large drop compared to last year too (-46.1%). It's a role that focuses on facilitation, sprint management, and data analysis to improve efficiency – all areas that can be supported through AI.

Alongside this, the 'Scrum Master' role has also become less in fashion in the past couple of years, with teams moving towards distributing responsibilities across the wider engineering team rather than maintaining a dedicated facilitator position.

QA Analysis and DevOps are also amongst the lowest hiring rates. Again, these are roles which contain many aspects that are ripe for being automated or augmented through the use of AI – the same trend we're seeing overall across all functions.

On the other hand, roles with the highest hiring rates are those in emerging skillsets of AI/Machine Learning Engineering and Blockchain Engineering – whilst core developer roles (Generalist, Back-end, Front-end, Fullstack) form the middle of the pack.

# Hiring rate trends for Software Engineering job roles this year vs last year




Ravio data | 2024-2025

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# The view from the frontlines: What's driving these trends?

> Reward leader survey responses confirm our data findings, with AI talent acquisition the top priority in 2025.

To put our dataset into context and find out what's actually happening on the ground, we surveyed our network of People and Reward Leaders. When we asked which skillsets their company was prioritising and deprioritising, a couple of clear themes emerged.

AI/Machine Learning expertise is the priority skillset on the job market in 2025.

This trend is particularly profound at large companies who are building their capabilities the fastest, with 100% of respondents at companies with over 1,000 employees including AI in their top priority hires this year.

Responses on why AI is such a priority highlight a need to keep up with competitors: "we need to embrace AI or be left behind", optimise business processes: "to increase speed and efficiency, and reduce costs", and differentiate products: "to accelerate AI transformation within our product".

Alongside this, technical expertise and skills in business optimisation and strategic direction-planning are also high priority this year – business critical roles that require creative thinking and cross-functional relationships, which AI systems are not (yet) able to take on.

*"Which skillsets is your company prioritising in 2025?" (multi-choice)*


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Ravio survey | 2025

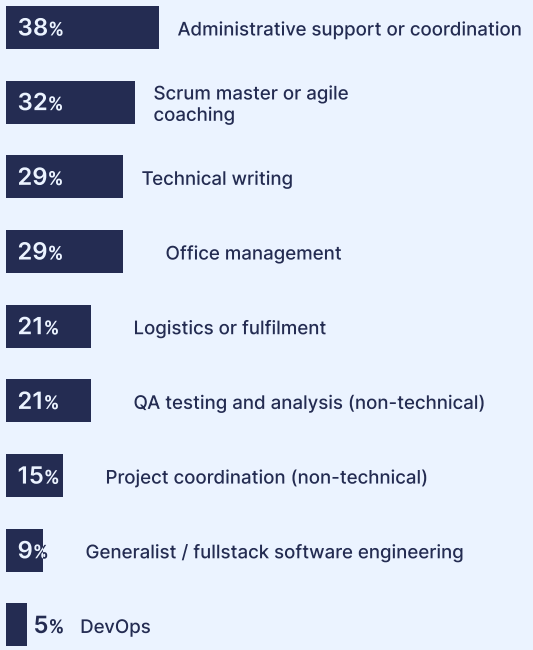
> 50% of Reward leaders explicitly cite AI automation as the reason they're deprioritising administrative roles.

In terms of which skills are being deprioritised, again, we see a familiar story. Administrative and coordination-focused roles are bottom of the list for hiring this year. This includes those Engineering support roles that came through from our data, with Scrum Master being the most pertinent example.

When asked why this was the case, 50% of respondents referenced the increased use of AI, with responses like: “they can be automated”, “AI can substitute”, “to make room for AI”, “we are going to automate processes and have less operative roles.”

Another theme was hiring and budgets being limited to high-impact roles, with responses including: “roles which are administrative are a luxury at present”, “not a priority for customer satisfaction”.

*“Which skillsets are becoming less important for your company?” (multi-choice)*

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"We're building for the future while quietly cutting the teams that hold it together. In the People function, for instance, admin and entry-level roles are often the people who coordinate, manage systems, and design candidate experiences. The companies that keep investing in their people, even as the shape of those teams changes, will be the ones who stand out."

Mark Shortall
Founder & Director, Tech
Re:work

# How quickly is AI transforming the tech job market?

AI-focused roles started to emerge in the job market in 2015, but demand has skyrocketed in 2025, particularly in Software Engineering.

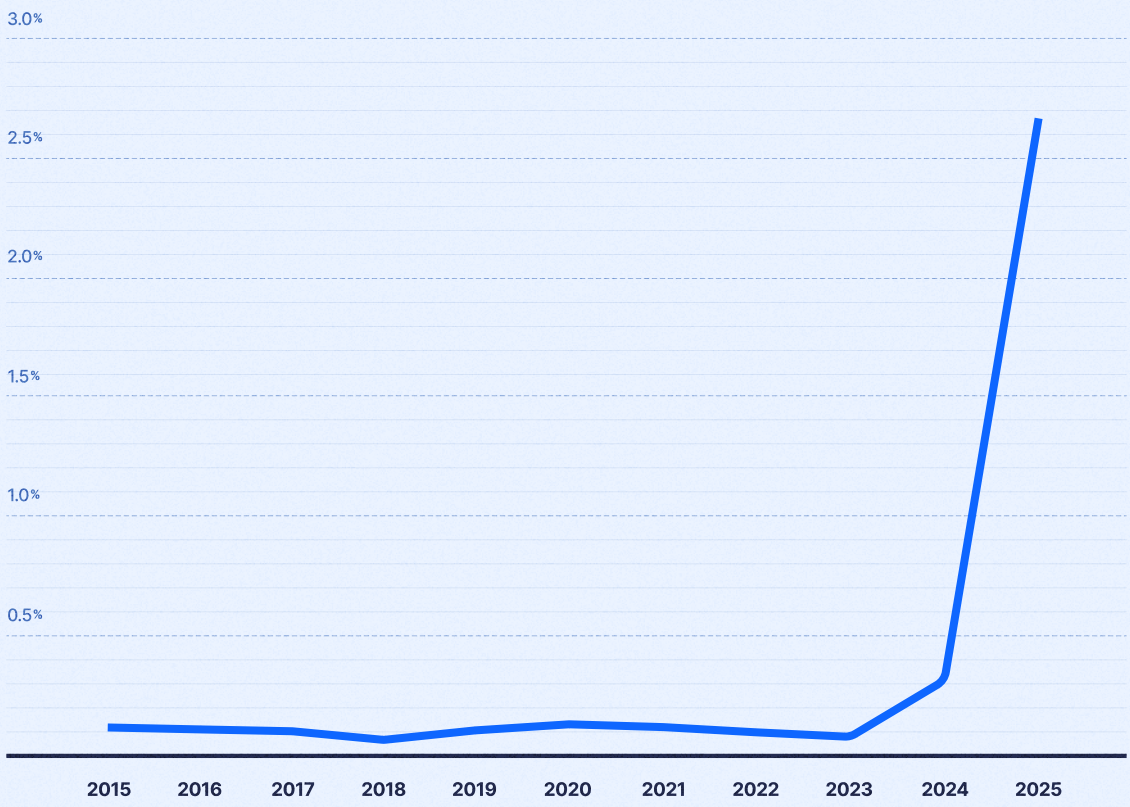
With the impact of AI coming through as a trend, we looked a little closer. The number of new hires with 'AI' in their job title has seen a huge jump from 0.08% in 2023, up to 0.32% in 2024, to 2.17% in the first few months of 2025 alone.

This aligns with the indication that AI may be driving the reduced demand for administrative and support roles, as well as highlighting the businesses are building capabilities to bring AI into their own products and services too.

Organisations which are not proactively building AI capabilities could fall behind competitors, and will face an increasingly competitive talent market with premium salary expectations when they do look to bring AI skillsets into the business.

There could also be an opportunity to support existing employees to build new skills in AI as a new career progression pathway – especially those (like administrative professionals) whose existing roles are being negatively impacted.

## The growth in job titles containing 'AI'




Ravio data | 2015-2025

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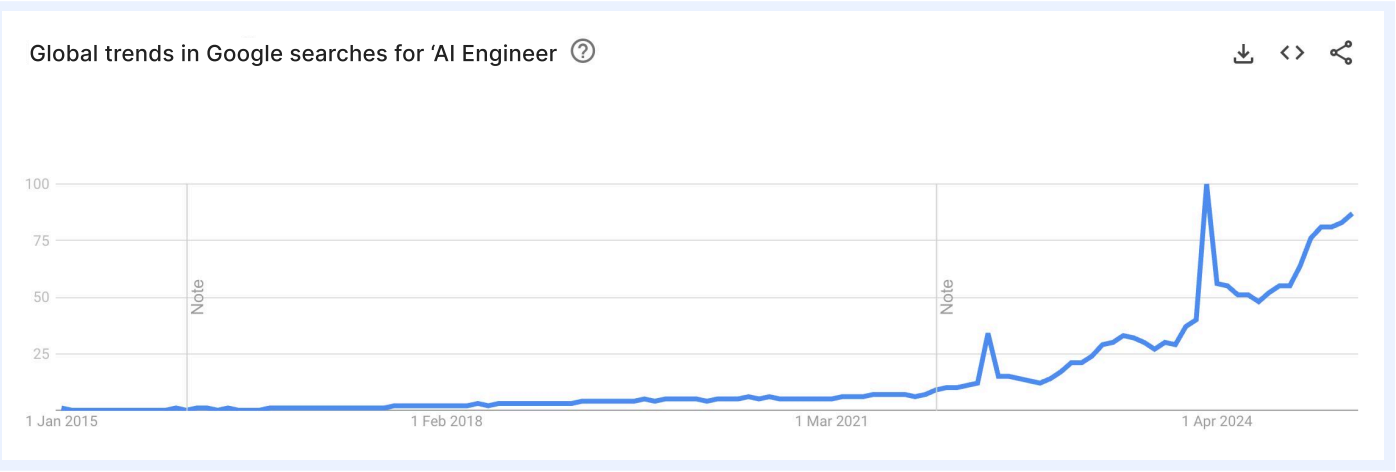
### The 5 most common AI job titles in 2025:

- AI Engineer
- AI Researcher
- Senior AI Engineer
- Senior AI Researcher
- AI Research Engineer

The vast majority of AI roles are being hired within the Engineering and Data Science functions, though AI job titles are also starting to emerge within other roles such as Sales Engineering, Operations Generalist, and Project Management.

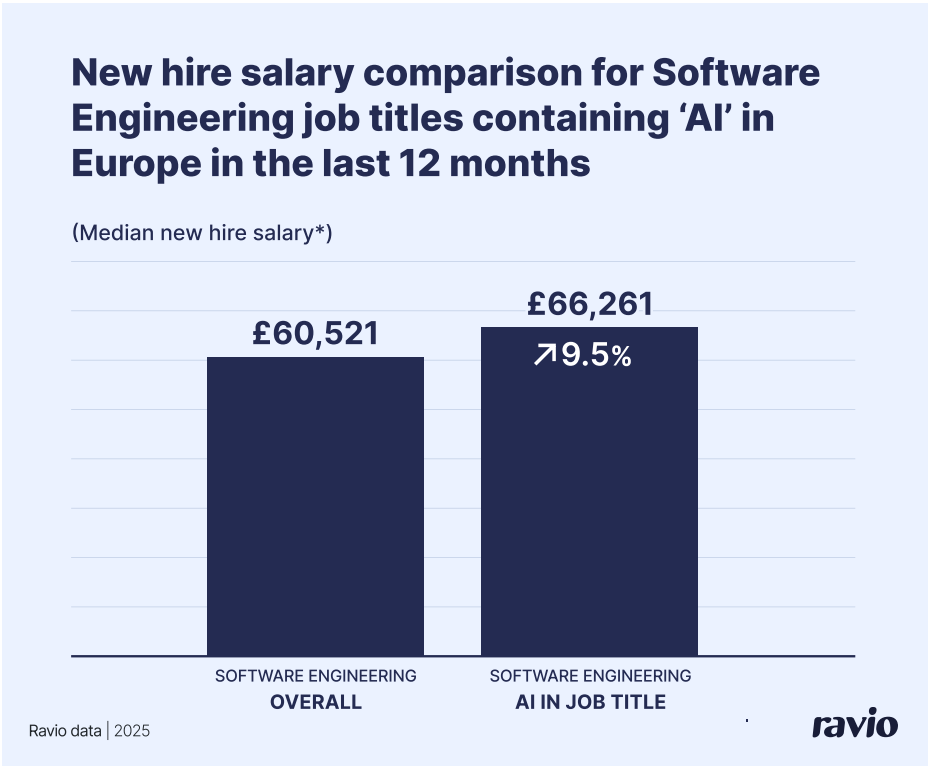
This reflects the fact that, as AI capabilities have developed, companies have become increasingly interested in building AI skillsets on their tech teams to leverage AI for new features or improved user experiences.

It also highlights how language and labels in the job market change as trends mature. AI Engineer is now a known job title, whereas a decade ago it would be a niche skill within a broader Engineering role, reflected in Google trends over that time.




Naturally, this increase in demand for AI skillsets within Software Engineering is starting to impact salaries too.

Looking at our new hire salary benchmarks in the last 12 months, the median salary* offer for Software Engineers with 'AI' in their job title is 9.5% higher than for Software Engineers who do not specialise in AI.

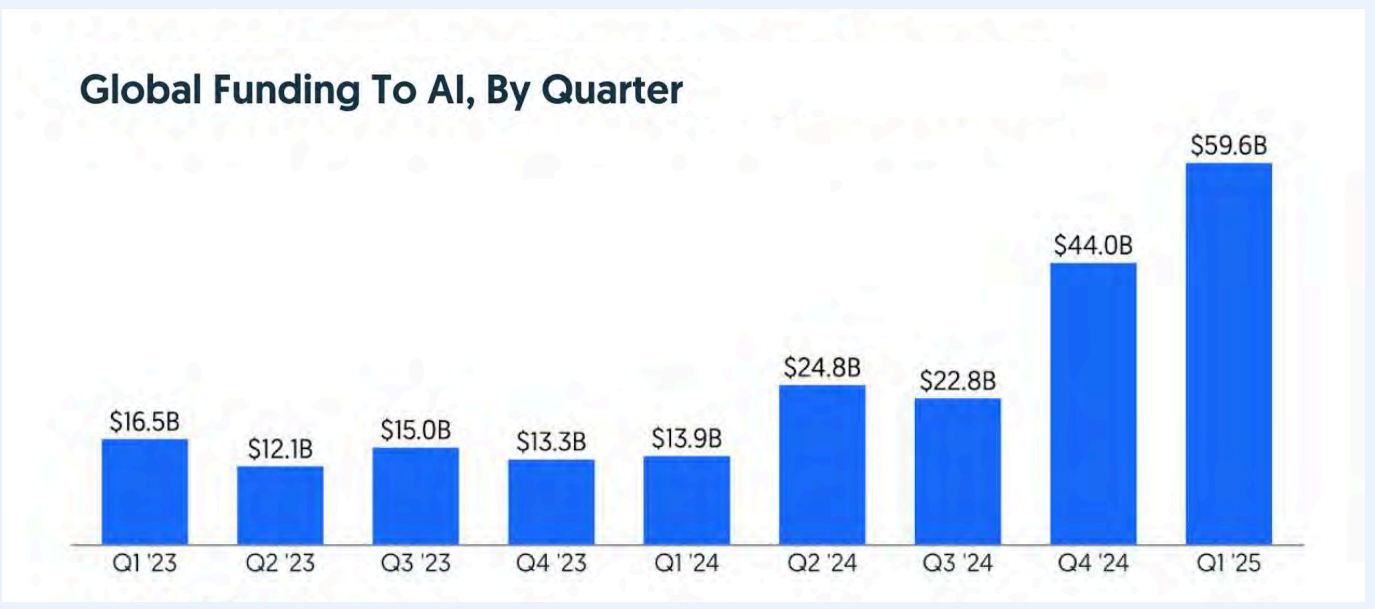



*In this case, median salary across all job roles, levels, and locations (in Europe) has been used for an indicative view on the trendline for AI roles.*

This salary premium highlights the value that companies are now placing on AI expertise.

According to Accenture's 2024 research, companies with AI-led processes are achieving 2.5x higher revenue growth and 2.4x greater productivity compared to their peers – so there's a lot to be gained from investing in AI capabilities now.

Further, AI is also now a key way for tech startups to create value (and valuations). Venture funding has seen a rebound in the last year, with 53% of total funding going to AI-related startups as investors place their bets on its growth trajectory. For startups aiming to raise funding rounds, showing how they're leveraging AI is now a must.




"AI engineers aren't just in tech teams, we're seeing Sales Prompt Engineers, Talent Analytics Engineers, Business Ops AI specialists. Young talent that can think creatively about impactful AI use integration across functions could be exactly what startups need to bridge the gap between declining entry-level roles and rising AI skill demand."

Jay Anna Harris-Theis
VP People at Earlybird

earlybird

# With AI the ‘hottest’ skill on the market, how are companies building capabilities?

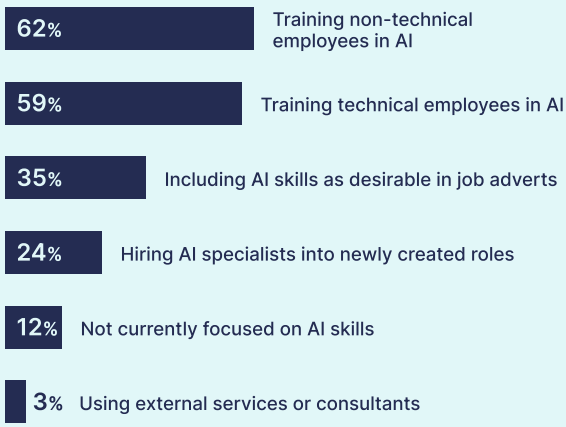
> Companies aren’t just hiring in AI talent, they’re upskilling existing team members too.

It’s clear that companies are increasingly hiring AI talent, but hiring is only one side of the story.

New and in-demand skillsets present an opportunity to support existing team members to develop in new ways, building new expertise in their existing role or opening up sideways progression opportunities.

When we asked Reward leaders how their company is approaching AI skills development, the majority of respondents shared that their company is indeed training up existing team members (both technical and non-technical) in AI – suggesting that the growth in AI roles and skills is even higher than it seems from our findings on hiring data.

*“How is your organisation approaching AI skills development?” (multi-choice)*

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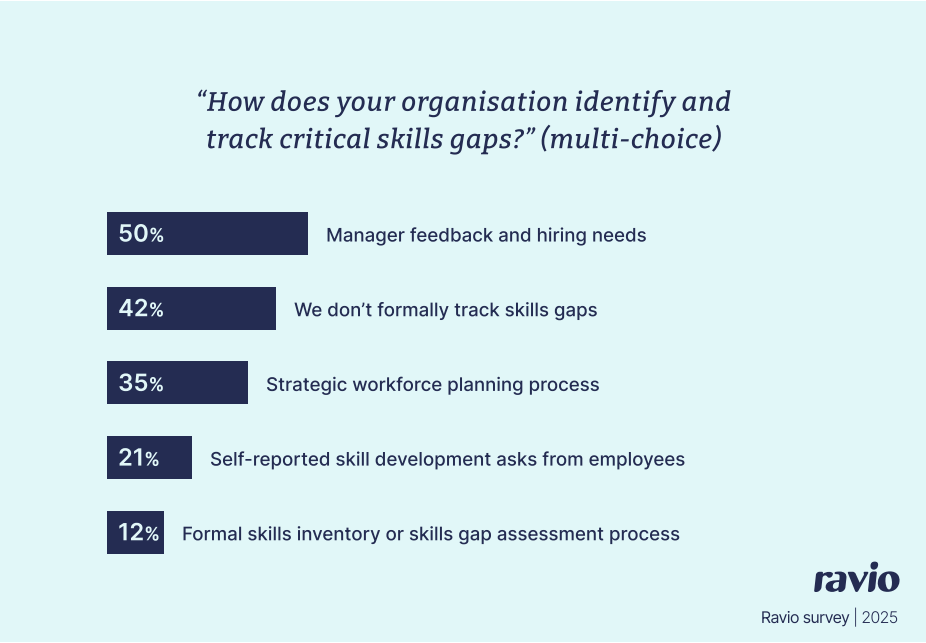
# The missing link: Skills gap identification is largely reactive




> Our findings highlight a fast-evolving job market with new roles arising, but the majority of companies have no formal way to identify skills gaps.

While companies are clearly responding to changing job market dynamics, our survey reveals a gap in how organisations identify which skills to prioritise in the first place.

42% of respondents admit they don't formally track skills gaps at all, and 50% rely primarily on reactive manager feedback rather than strategic assessment.

This is especially striking because of the industry buzz around skills-based hiring and compensation – its role in reducing bias and increasing pay equity by focusing on actual capabilities rather than traditional proxies like degrees, years of experience, or job titles.

The lack of organisational readiness to evaluate specific internal needs could significantly slow down the ability to adapt in a rapidly changing market.

Companies that move from reactive to proactive skills tracking are likely to spot emerging trends earlier, and make more strategic investments in both hiring and development.

"I'm seeing founders hire AI researchers and pay chunky salaries for their AI skillset when their actual experience doesn't match the compensation level. You don't need to pay OpenAI salaries unless you're solving OpenAI problems. It might be realistic to have one AI-native researcher, but you probably don't need ten of them."

Chloe Paramatti
Early Stage People Lead
EQT VENTURES

# Compensation strategies for in-demand roles

> Balancing competitive packages for in-demand skills while maintaining internal pay equity across the workforce is a key challenge to consider.

New roles and in-demand skills present a challenge for Rewards teams. Should these in-demand roles command higher salaries? How do you structure competitive packages for them, while managing overall costs and maintaining company-wide pay equity?

When we asked Reward leaders about the most challenging aspects of talent market trends, two key themes emerged.

Firstly, there's a clear need for reliable and up-to-date market data (like Ravio's) to identify and act on emerging or in-demand positions – outdated salary survey data or guesswork using unreliable sources simply doesn't cut it to stay on top of market trends.

*"What challenges do you face when setting compensation for emerging or in-demand roles?" (multi-choice)*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Ravio survey | 2025

"Setting pay for in-demand roles has always been challenging. Traditionally, we'd wait for salary surveys to catch up or use 75th / 90th percentiles for similar roles – but that's risky when managing your biggest expense line. The landscape is changing now. Every Reward team needs access to real-time benchmarks from HRIS and ATS data to get ahead of trends and be data-informed, not data-delayed."

Rob Green
Founder & Total Rewards Consultant

DARWIN
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Secondly, when certain roles or skills are in high demand, the salary premium they're able to command (typically 5-20% above the normal target percentile according to our survey respondents) causes very real pay equity concerns across the wider context of a company.

When we asked Reward leaders how they handle this, we found a wide variety of approaches with no clear consensus.

Notably, only 27% conduct regular pay equity analyses and only 18% document the reason for any discrepancies that arise.

This fragmented response is particularly notable as legislation like the EU Pay Transparency Directive will increasingly require companies to have a clear approach on maintaining equity and justifying any discrepancies that do arise in challenging scenarios like this.

*"How do you manage pay equity concerns when offering premium compensation to in-demand roles?" (multi-choice)*


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Ravio survey | 2024-2025

When you bring in AI talent at a premium, you need a clear internal parity check before those offers go out. Can you explain why a new hire is earning 10% more than a current employee doing similar work? The EU Pay Transparency Directive is making this conversation unavoidable – you can't treat comp as one-off negotiations anymore."

Monica Öberg
Fractional HR Leader & Pay Equity Consultant

## Methodology

**About the dataset**

All data included in this report is drawn from Ravio's dataset – 350,000+ real-time total compensation data points drawn directly from the HR systems of 1,400+ global companies.

The data for this report is correct as of Q2 2025. All data has been anonymised, and has been standardised (i.e. made comparable) by using the Ravio job levelling framework.

The survey was distributed to People and Reward Leaders in May 2025.

**Definitions**

- **Hiring rate** refers to the percentage of the workforce that have been hired by European tech companies in one year, calculated based on the average headcount of each organisation in that year.
- **Annual salary increase** refers to any pay increase that is not associated with a promotion. Only employees who receive a pay increase are considered in this calculation (i.e. 0% pay increases are not counted).
- **Competitive salaries** by core function refers to the base salary in GBP for core functions: software engineering, product management, and direct sales.
- **Equity** refers to the percentage of tech companies across Europe that offer equity to any employee.
- **Attrition rate** refers to the percentage of the workforce that have left their employers in the last year.

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## About Ravio

**Data confidence for modern compensation leaders**

Making confident compensation decisions is crucial for growth – but without access to reliable real-time data and live market trends, it's like scaling in the dark. With payroll accounting for 70%+ of operating costs, relying on stale data or guesswork can be costly.

Trusted by 1,400+ global companies including Adyen, Wise, and Octopus Energy, Ravio connects HR & Reward professionals to real-time data from 350,000+ employees for fair, competitive pay globally.

Tap into the pulse of today's compensation market with a live source for new hire benchmarks and market trends spanning annual pay and inflation rates, hiring and attrition rates, and team/payroll ratios.

Whether you're establishing your first levelling framework or scaling your compensation philosophy globally, Ravio provides the real-time data needed to make confident decisions quickly.

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