



Q1 MARKET UPDATE

Technology

Q1 Overview

The 2026 technology hiring market began with renewed momentum. Vacancy levels increased compared with Q4 and are notably higher than at the same point in 2025, driven primarily by new annual budgets and project approvals. After a more measured hiring environment last year, many organizations entered Q1 with clearer investment plans, particularly around data, analytics, and artificial intelligence.

Client confidence has improved but remains pragmatic. Companies are hiring, but they are doing so with a strong emphasis on impact and capability rather than headcount expansion alone. The prevailing sentiment mirrors the latter part of 2025. Businesses want high-performing professionals who can deliver measurable value on critical initiatives.

Growth hiring has been a key theme in Q1. Promotions finalized at the end of 2025 and early 2026 have created secondary vacancies, particularly at senior and manager levels, prompting organizations to backfill roles while continuing to build capability.

Artificial intelligence remains the dominant force shaping hiring priorities. Demand is not limited to AI-native companies. Enterprise organizations and mid-sized firms alike are increasing investment in AI-led transformation programs.

Overall, hiring activity is accelerating in line with typical early-year patterns as companies begin executing on new initiatives.

Demand Trends

Demand in Q1 has been strongest for analytics engineering and data analytics roles, largely driven by AI initiatives, data infrastructure modernization, and improved decision-making capabilities across organizations. Increasingly, data analysts are also becoming more stakeholder-facing, presenting insights directly to senior leadership and business executives, which is placing greater emphasis on strong communication and commercial awareness alongside technical expertise.

Compared with 2025, there has been a clear shift toward newly created roles rather than backfills as companies actively build out data capability. This is especially evident in analytics engineering, where teams are bridging the gap between traditional data engineering and business-facing analytics.

Senior and manager-level professionals are seeing the most competitive hiring conditions. Promotions at the end of 2025 created leadership gaps, increasing demand for professionals who can combine technical delivery with strong stakeholder management. These roles are also moving fastest through hiring processes, with many progressing from interview to offer within a few weeks and often receiving multiple offers.

Permanent hiring remains the dominant model. While some large organizations continue to rely on contractors, most new openings in Q1 are permanent roles as companies invest in long-term internal data capability. AI adoption continues to drive demand across sectors including media, financial services, and enterprise technology.

Compensation

Compensation trends in Q1 show selective increases rather than widespread salary growth. After stabilizing in 2025 following several years of rapid escalation, salary movement remained measured in early 2026, with the strongest upward pressure for professionals with niche skills in data, AI, and advanced analytics.

Senior and managerial data professionals continue to command premium salaries, particularly those who combine technical expertise with strong business leadership. As living costs rise across many US markets, some employers are adjusting salary ranges modestly to stay competitive.

Bonus structures remain largely unchanged, with discretionary bonuses typically around 10 percent. However, private and growth-stage companies are increasingly using equity packages to strengthen offers.

Counter offers appear less common than in previous years, with many more aware of the potential downsides and therefore less likely to accept them once they have committed to a new role.

Candidate Behaviour

Activity typically rises at the start of the year, and Q1 2026 has followed that trend. Many professionals reassess their career trajectory after year-end reviews and bonus cycles, leading to an increase in proactive job searches.

Most professionals are open to exploring new opportunities, particularly when those roles offer stronger compensation or exposure to more innovative projects. However, professionals tend to be more cautious when moving from large, established organizations to early-stage companies.

Compensation and stability are currently the most important decision drivers. With economic uncertainty still present in some sectors, talent is placing greater emphasis on financial security and long-term career progression.

Attitudes toward remote work have evolved compared with the height of remote-first hiring. While flexibility remains important, many now recognize the value of in-person collaboration for mentorship, career development, and visibility. As a result, hybrid or even partially onsite roles are meeting less resistance than they did in previous years.

Junior professionals often enter the market with more ambitious salary expectations. Managing these expectations through transparent market guidance is becoming an important part of the hiring process.

Hiring Process Trends

The average time to offer in Q1 is around three weeks for companies running efficient hiring processes. Organizations that move quickly are typically able to secure top talent before competitors enter the process. Delays most commonly occur around interview scheduling. Prolonged gaps between interview stages often result in talent progressing with other employers.

Roles also tend to stall when organizations lose budget approval mid-process or when internal stakeholders disagree on the scope of the role. These situations create uncertainty that can slow decision-making and ultimately lead to dropouts.

High-performing employers are taking a more decisive approach. They maintain tightly scheduled interview stages, provide quick feedback, and move directly to offers when the right individual is identified. This level of decisiveness has become a key differentiator in securing high-demand talent.

Q2 Outlook

Looking ahead to Q2, competition for niche data and AI-related skills is expected to intensify further.

Professionals with specialized AI capabilities within data environments, particularly those combining analytics engineering with machine learning or automation expertise, are likely to become increasingly difficult to secure. Demand will also continue to rise for professionals who can translate complex data insights into clear business recommendations for senior stakeholders.

Organizations planning major AI initiatives in 2026 should anticipate rising competition for this talent. Delaying hiring decisions could result in extended vacancy periods or increased hiring costs later in the year.

The broader outlook for technology hiring remains positive. As AI adoption continues to reshape enterprise strategy, data and analytics talent will remain central to business transformation. Companies that move early and hire strategically will be best positioned to capture the next wave of innovation.

KEY TRENDS



Investment in AI initiatives is fueling hiring demand



Growth hiring is increasing in early 2026



Strong competition for senior data talent



Selective salary increases for niche skills



Speed becoming a hiring advantage