

# UTAH

## Tech in Focus

**2023 TRENDS REPORT | PEAK POTENTIAL**



TECHNOLOGY PROFESSIONALS

# Seeking new heights.

Every day, **ProFocus Technology** talks to tech leaders and candidates across Utah, and there's a lot on your minds. From the talent market to tech investments, the *Utah Tech in Focus: 2023 Trends Report* examines the choices local organizations are making with their time, energy, and budgets.

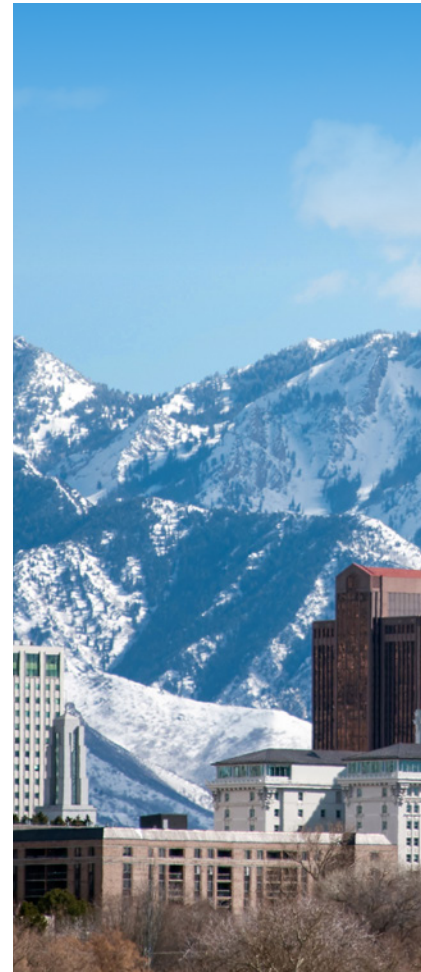
Coming off of a rebound year, near-term business prospects remain positive despite economic uncertainty, and long-term prospects even more so. **There's good news on the horizon for revenue, headcount, and innovation.**

## Real talk about talent issues.

Of course, the tech talent shortage is still in full force, and firms have choices to make. What initiatives should be prioritized? How much should we pay for talent? How can we build a strong culture? Those decisions impact the ability to get tech talent in the door and keep it there.

In this report based on an online survey, we invite you to examine the local tech landscape and compare how your organization stacks up. In particular, large and enterprise firms may benefit from emulating their smaller counterparts in terms of culture and compensation.

No matter your sector or size, Utah's expanding reputation as a tech hub means the opportunity is there for the taking. **Here we grow.**





## The Silicon Slopes story.

Out with the old, in with the new. That's the promise of every new year, and at ProFocus Technology we look forward to all the best that 2023 has to offer. From what you've shared first-hand and in our survey, there's a lot to be proud of and a lot of high-profile projects underway.

We're glass-half-full type of people. Although optimistic by nature, we don't underestimate the challenges in the tech landscape. But there are silver linings to be found in this year's research and in the strategies in play from our clients and consultants. We recognize your hard work and your efforts to make local tech workplaces welcoming and dynamic.

To maintain momentum, get to know the wants and needs of tech talent. That's a big takeaway from this year's report and one we take to heart. Thanks for coming along for the ride.

**Sean McKeehan** | Market Director, Utah  
ProFocus Technology



# Your voice counts.

We appreciate the technology leaders and professionals who responded to ProFocus Technology's inaugural survey for the region. Thanks to our engaged tech community, we're able to share this snapshot of what's on tap for local employers in 2023.

The *Utah Tech in Focus: 2023 Trends Report* addresses key operational metrics and cultural assessments. Inside, you'll find ratings on innovation, compensation, and collaboration, plus much more.

We encourage you to use the report to benchmark strategic priorities against industry peers, as well as to reflect on the opinions of the people who keep things running smoothly and make the magic happen. Let's dive in.

- |                                 |                                   |
|---------------------------------|-----------------------------------|
| <b>1</b> Outlook & Core Metrics | <b>4</b> Compensation Trends      |
| <b>2</b> Talent Challenges      | <b>5</b> Tech Trends & Innovation |
| <b>3</b> Talent Demands         | <b>6</b> Cultural Considerations  |

Please note, some figures in the report do not add up to 100 percent due to rounding or question design (e.g., the ability to provide multiple answers). Some participant quotes were edited for clarity and length.

# 1 2023 tech outlook: a largely favorable forecast.

Utah's economy is booming, thanks in large part to the tech sector. Bolstered by the Silicon Slopes, Utah has earned accolades:

- second highest growth rate in the U.S. over the past five years<sup>1</sup>
- the top 10 best states for working in the tech industry<sup>2</sup>
- top national economic outlook for the 15th year running<sup>3</sup>

Heading into 2023, Utah tech firms are making plans to invest and grow, while still navigating market uncertainty. "The cyclical nature of economics, combined with unprecedented global events has placed tech and cybersecurity workers in the position of having to perform at higher levels, with fewer resources, over longer periods of time," says Taylor Chew, IT Team Lead at Greenix. "Add in the massive layoffs in tech companies, and we're in for an interesting few years."

## A glass half full situation.

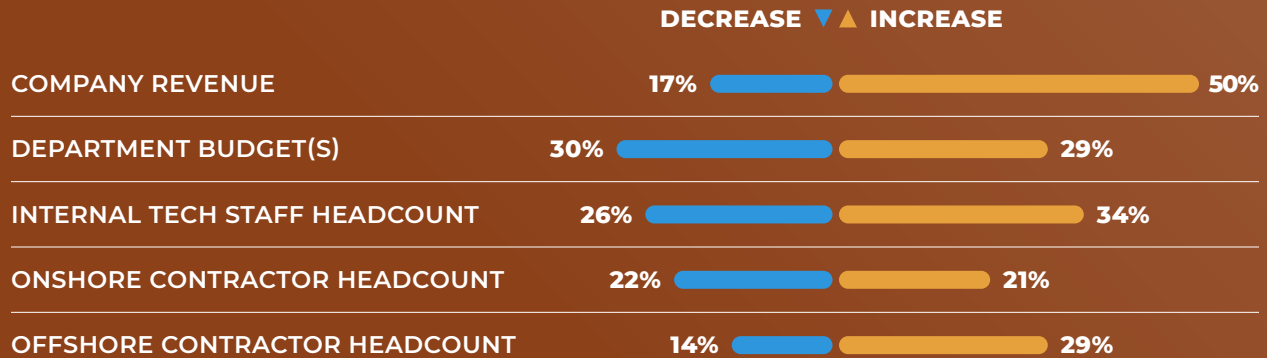
Half of those surveyed (50%) expect their company revenue to increase, compared to 17% who expect a decrease. Large firms are the most confident, with 62% predicting an increase. Sean McKeehan, ProFocus Technology Market Director for Utah, indicates, "The long-term trendline for tech in Utah is clearly on an upward trajectory. A period of normalization after the post-pandemic bounce was expected, and we're seeing strong demand for talent now."

Predictions for other core metrics suggest there will always be pressure to do more than less. Budget predictions are mixed. A third of firms (34%) expect internal headcount to increase, but 26% expect a decrease. Predictions are also split for onshore tech contractor headcount, but offshore talent usage shows a bump, fueled by enterprise firms.



## Poised for growth.

Expectations for core metrics

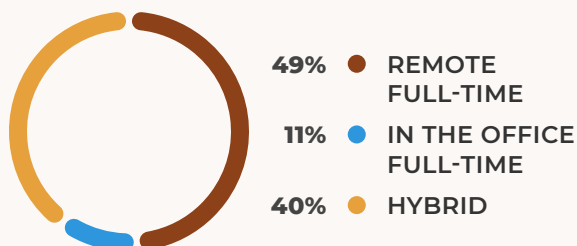


“We’re focused on connecting with our customers with beautiful and intuitive software. Tech hiring and slow, sustained growth will be key. Hiring and retaining the best is a risk for us. A massive market downturn in our sector (or black swan event) is also a risk.”

Bryan Sant | VP and Head of IT, Advantis Medical

## Half at home.

Working arrangements



## Where Utahns work.

There’s a split between the number of employees who work remotely full-time (49%) and those who go into an office some (40%) or all (11%) of the time. The well-covered shift to remote work shows up in the core metrics, with a quarter of firms (24%) expecting a decrease in their real estate footprint. The biggest decline occurs among enterprise firms, where nearly a third (32%) predict a decrease in office space.

While CFOs may appreciate the lower CapEx investment, respondents have mixed feelings about remote work. “We have disparate teams that must work together,” shares Carl Miner, Senior Professional Services Engineer at NICE CXOne. “New remote employees that never work in the office (many of our employees are scattered in home offices around the world), don’t easily get a sense for whom to go to when support tasks from others are needed. But our management is excellent in helping to connect employees where the need exists.”

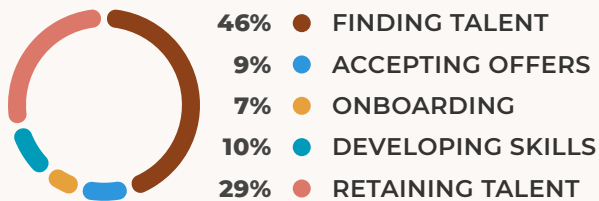
# 2 Sizing up talent woes: bigger not always better.

With an overall Utah unemployment hovering around a shockingly low 2%—and tech unemployment even lower—the struggle to find tech talent is alive and well.<sup>4</sup> Close to half of respondents (46%) rank finding people as their biggest tech talent headache.

What’s more, nearly 60% of employees rate their firms poor or average at attracting tech candidates. As one respondent notes, “I can work from anywhere for anyone.” Employers know this all too well and contend with maintaining a full pipeline of talent.

## Sourcing struggles.

Top talent challenges



## A study in contrasts.

Looking more closely at company size, we notice a dramatic difference in the top talent challenge. Compared to their smaller counterparts, enterprise firms struggle more with retaining talent. At the enterprise level, retention becomes the number one tech talent challenge, ranked higher than finding talent (49% vs. 32%).

In related news, enterprise firms are also rated lower by employees at onboarding, maintaining a strong culture, and providing work-life balance. You might expect higher pay to compensate for these shortfalls, but that’s not the case, as we’ll explore further on.

## Retention on the radar.

Retention comes in as the second biggest tech talent challenge at 29%. Respondents generally rate their firm’s ability to retain talent better than their capacity to attract candidates, but 46% still say their firm always has backfilled tech positions due to turnover. Among enterprise firms, that figure rises to 68%.

A connection between culture and retention stands out. Tech pros who rate their firm as excellent in retaining talent give more favorable ratings on just about every matter, from onboarding and training to compensation and innovation. For example, 94% giving the top retention rating say their firm supports work-life balance, compared to 62% of all respondents. And 94% say they’re empowered to innovate, compared to 57% overall.



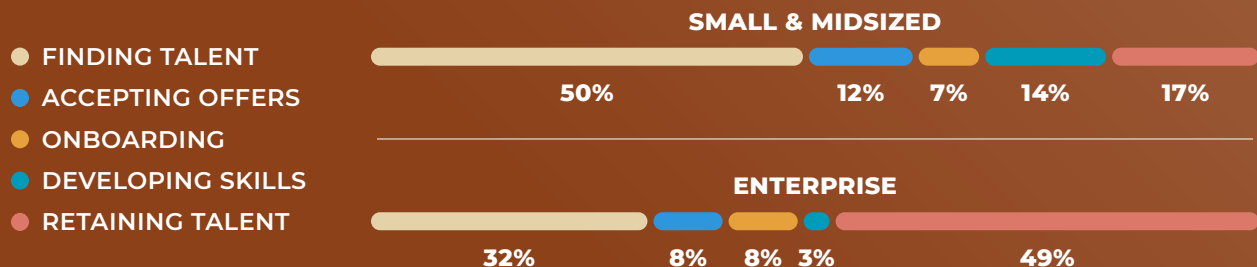
“ I am educating myself to make a career move laterally. I would like to try something else or maybe use the many skills I have obtained to be more of service to people. The most critical risk would be income. And barriers are employers who only look at past experience as job titles rather than skillsets.

Manager | Large enterprise



## Finders not always keepers.

Top talent challenges by company size



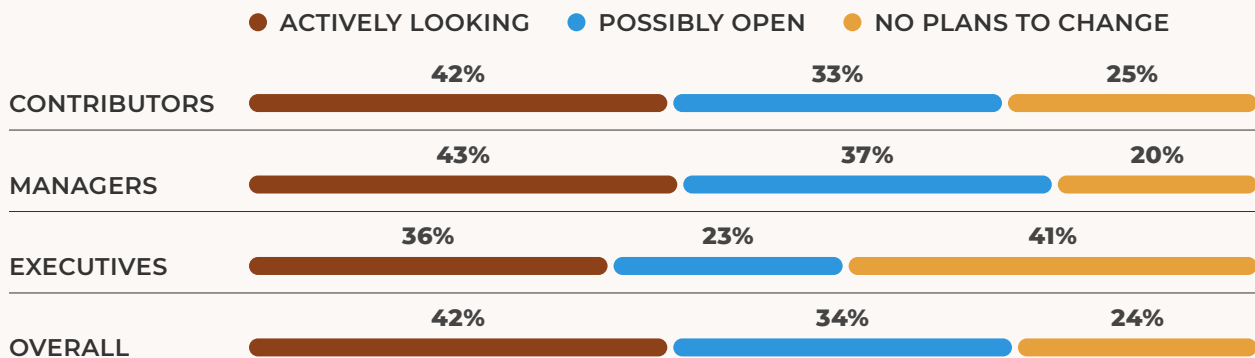
# 3 What talent wants: motivation to stay.

More than three quarters of Silicon Slopes tech professionals are either actively looking to change jobs in 2023 (42%) or are open to considering a move for the right opportunity (34%). Yes, that’s 76% of individuals at all organizational levels at least open to a move. Like the one who shared, “I’m investing time and money in trying to no longer work for a company, but for myself.”

**It’s an expensive equation. For technical positions, the cost of turnover can represent 100% to 150% of an employee’s salary.<sup>5</sup>**

## Stay or go?

Job change interest by worker level



## Top talent demands.

We asked tech pros what offerings are most important to both attract and retain top candidates. At the top of the list: salary/compensation. Forty percent of respondents classified salary/compensation as the highest priority for talent.

Meaningful/interesting work came in second, followed by benefits. Remote and hybrid work options appeared lower on the list (perhaps because they are now considered status quo). Although one remote supervisor might disagree, because as they say, “I can ski 100 days a year.”

## Money talks.

“Candidates in this market still have the upper hand, many with multiple competing offers,” says Christine Nguyen, ProFocus Technology Director of Recruiting. “While many top candidates care deeply about shared values and interesting work on a modern tech stack, financial considerations often come to the forefront during negotiations—particularly with contract opportunities.” A reminder for employers: remote work trends increase the complexity of salary calculations and contractor compliance.

## Talent in control.

Top 5 talent attraction and retention factors

- 1 **Salary/  
compensation**
- 2 **Meaningful/  
interesting work**
- 3 **Employee  
benefits**
- 4 **Flexible  
hours**
- 5 **Career development/  
advancement**



“Frequent 1:1’s and clear deliverables are extremely helpful, and letting go of the need to ‘watch’ or ‘monitor’ employees is a must. I’m looking for flexibility in ‘how’ work gets done.

Individual contributor | Enterprise firm

# 4 Compensation trends: tech careers pay off.

Utah's engineering and computer science workforce generated \$19.1 billion in earnings a year according to a recent study, representing 12–15% of the state's economy.<sup>6</sup> With tech workers earning an average salary of \$89,500, median wages in Utah are 9% higher than national figures.<sup>7</sup> The cost of living typically comes in near or above the national average.<sup>8,9</sup>

Wages are only going higher, according to ProFocus Technology research. Expect upward pressure for tech worker compensation, say 76% of survey respondents. Among those, nearly a third (31%) strongly agree wage inflation will be an issue in 2023.



“ We are investing in emerging tech, ML/AI, IOT, data science, etc. Finding and paying competitively for top talent is our top challenge.

Technology executive | Enterprise firm

## Compensation in the spotlight.

Utah pay trends

**38%**  
INCREASE  
IN TEAM  
COMPENSATION  
EXPECTED

**76%**  
UPWARD  
WAGE  
PRESSURE  
EXPECTED

**57%**  
COMPANY  
OFFERS  
COMPETITIVE  
MARKET PAY

**64%**  
PAY EQUITY  
EXISTS FOR  
REMOTE AND  
LOCAL STAFF

### Local compensation trends.

So how do Utah firms stack up on compensation? Even with rising inflation, just 38% of respondents say the overall compensation for the tech team is increasing. More than half (57%) say their firm offers competitive market pay.

### The compensation-retention link.

As discussed, compensation is Utah's number one tech talent attraction/retention factor. Fully 100% of employees who disagree that their employer offers competitive compensation are at risk of leaving, either actively looking (59%) or possibly for the right opportunity (41%). "Switching jobs is often the fastest route to higher pay for many IT consultants," says Jennifer Waldrip, VP of Client & Talent Services, ProFocus Technology. "When candidates get multiple offers every month, it's incumbent on employers to put their best effort into crafting relevant and market-responsive offers."

### Enterprise firms lag here, too.

Two thirds (67%) of workers at small and mid-sized firms say they offer competitive market compensation, compared to 49% at enterprise firms. And the smaller firms also get higher ratings for providing pay equity for remote and local staff. These results offer a cautionary tale to larger and enterprise firms. Brand awareness may make it easier to get talent in the door, but keeping workers happy is another matter altogether.

### Utah tech wages.

**\$89,500**

AVERAGE SALARY

**9%**

HIGHER THAN U.S. AVERAGE

# 5 Innovation and efficiency: striking a balance.

Utah's stature as a tech hub continues to grow. Strategic 2023 initiatives shared by tech leaders run the gamut from investing in emerging tech (AI/ML) to security and compliance and cloud migration. Finding the right balance between internally and externally driven initiatives may be tough, considering 29% of respondents disagree that business leaders and the tech team are aligned on top priorities. As one enterprise manager shares, there are "too many people making the decisions when it should be the people doing the work."

## Inspiration from innovation.

And yet, half (50%) applaud their firm's forward-looking stance, agreeing it uses tech innovation to disrupt the industry. On an individual level, 57% of Utah's tech professionals feel empowered to personally innovate. "Productivity has gone UP for 'heads down' coding/thought work," notes one midsized firm executive.

## Charting the path.

Top 5 initiatives for 2023

- 1 **Improving the customer experience**
- 2 **Increasing operational efficiency**
- 3 **Bringing new services or products to market**
- 4 **Maintaining or improving IT infrastructure**
- 5 **Improving analytics and decision-making**

## Setting the roadmap.

When asked about their team's top strategic priorities for 2023, improving the customer experience heads up the list, with 59% giving it a top three spot. Right behind that with 58% is increasing operational efficiency. Bringing new services or products to market comes in just below at 54%. Larger firms rate operational efficiency highest.

"With economic uncertainty, business leaders must carefully consider growth plans," says ProFocus Technology Founder & President John Boone. "They may opt to squeeze productivity out of current systems rather than invest in new initiatives."

One supervisor at a large firm notes that they're focused mostly on security and data privacy: "We've had huge growing pains the past couple of years and that's causing some major shifts in utilizing technology that the company is not ready for. We are wanting to migrate to Windows but we are getting backlash, and we'll save money as well."

“ Persistent tech skill shortages aren’t going away. Keeping up necessitates a balanced talent strategy. A successful approach includes ongoing development for the in-house team combined with an infusion of new skills for critical projects and goals.

Jennifer Waldrip | VP of Client & Talent Services, ProFocus Technology

### Smart talent strategies.

A consistent theme emerges in the results: there’s plenty of work to be done and not enough people to do it. Forty-one percent of respondents say a tech talent shortage keeps their team from meeting key goals. Agreement is highest among executives (48%) and mid-sized firms (50%).

Utah firms may not be fully taking advantage of opportunities to boost their teams’ capacity and capabilities through training, development, and upskilling. Employees are eager to advance, like this one supervisor who shares their 2023 goals: “1. Constantly upgrade skills 2. Acquire industry recognized certifications 3. Be productive and grow in the company.” But just over a third of workers (36%) say their firm provides sufficient training and development opportunities, and 45% say they plan to upskill for new technologies.



### Investing in talent.

Two Problems

41%

TALENT SHORTAGE DERAILS GOALS

46%

ALWAYS HAVE UNFILLED JOBS DUE TO TURNOVER

Two Solutions

36%

PROVIDES SUFFICIENT TRAINING AND DEVELOPMENT

45%

PLANS TO UPSKILL TO PREPARE FOR NEW TECH

# 6 Spotlight on culture: room for improvement.

Utah tech professionals rate their firms as above average on supporting work-life balance, with 62% labeling performance as good (30%) or excellent (32%). The total figure rises to 73% among small firms. That bodes well for downtime to enjoy the state's considerable outdoor amenities or dine at favored restaurants like Texas Roadhouse, Slackwater, and Red Iguana. But other indicators present a more balanced perspective.

## Burnout or business as usual?

Working in tech is demanding. More than half of respondents (59%) say their tech team is overworked, and 38% anticipate working more hours in 2023. Long hours are the norm, but burnout shouldn't be. Among Utah tech professionals this year, 63% report feeling burned out.

After a determined focus on employees' mental and physical health during the pandemic, the rate is notable. It's comparable to a national study indicating that 56% of IT professionals can't relax when their workday is over, and 62% feel physically and emotionally drained.<sup>10</sup>

The highest levels of burnout are recorded among enterprise firms (65%) and managers (70%). Respondents vent about feeling like a "cog in the machine" and "working over hours most of the time as people are no longer sensitive about time zones."

## Investing in DEI.

In Utah and the U.S., high tech employment is disproportionately male,<sup>11</sup> and the same is true for our survey respondents. Overall, local tech professionals estimate that 39% of their workforce is diverse. Nearly two thirds of employers (64%) are investing in formal diversity, equity, and inclusion programs. Here's one place enterprise firms outperform their counterparts: 86% invest in formal programs compared to 40% of small and mid-sized firms.

## Cultural considerations.

An employer's brand and company culture are driving factors in tech professionals' decision to join a new employer. According to a Dice survey, nearly eight in 10 say they would not apply for a higher paying job at a company with a bad reputation.<sup>12</sup>

In Utah, 56% of tech pros say their firm does a good (29%) or excellent (26%) job of maintaining a strong culture. Employees struggle with communication and logistics in remote and hybrid arrangements, in part because "...keeping authentic connections and having organic brainstorming and learning sessions has been a challenge."



**Building loyalty.**  
Cultural trends

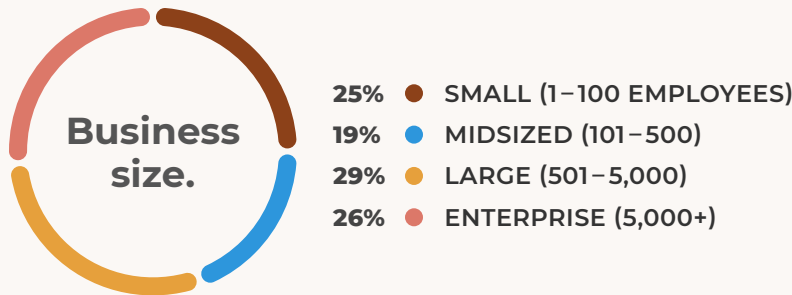
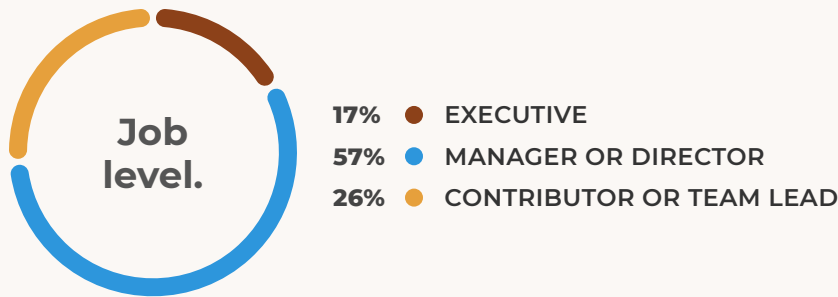


63%  
OF UTAH TECH PROS  
FEEL BURNED OUT



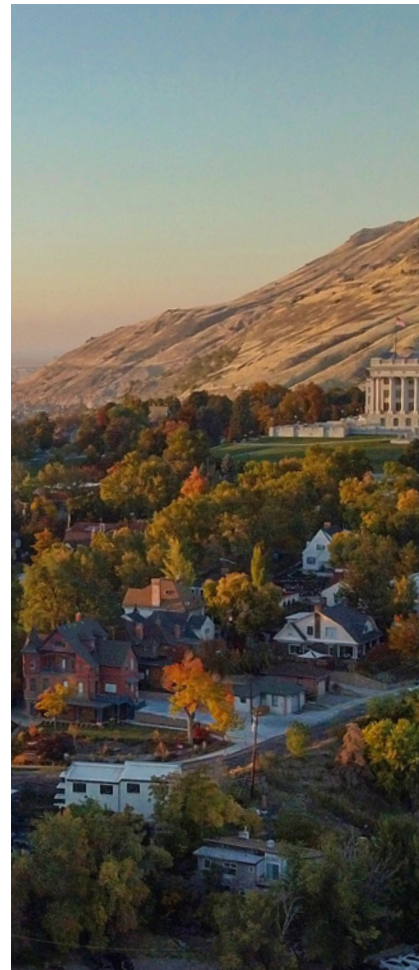
# Survey demographics.

The *Utah Tech in Focus: 2023 Trends Report* is based on 173 responses to an online survey of Silicon Slopes technology professionals conducted between October 19 and November 19, 2022.



## Endnotes.

- 1 <https://www.ibisworld.com/united-states/economic-profiles/utah/>
- 2 <https://www.ksl.com/article/50481283/utah-ranks-in-top-10-best-states-for-working-in-tech-industry-new-research-says>
- 3 <https://www.deseret.com/utah/2022/4/18/23030927/best-economy-us-nation-utah-ranks-no-1-economic-outlook-rich-states-poor-states-alec-report>
- 4 <https://jobs.utah.gov/wi/update/index.html>
- 5 <https://www.peoplekeep.com/blog/employee-retention-the-real-cost-of-losing-an-employee>
- 6 <https://www.ksl.com/article/50493455/new-report-reveals-trends-in-utahs-booming-tech-industry->
- 7 [https://www.cyberstates.org/#interactiveMap?geoid=49\\_\\_utah](https://www.cyberstates.org/#interactiveMap?geoid=49__utah)
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**Let's connect.**

Have questions about the report or want to know more? We'd love to hear your perspective on Utah tech trends.

[SMcKeehan@ProFocusTechnology.com](mailto:SMcKeehan@ProFocusTechnology.com)  
[ProFocusTechnology.com](https://ProFocusTechnology.com)





TECHNOLOGY PROFESSIONALS

[ProFocusTechnology.com](http://ProFocusTechnology.com) | [Info@ProFocusTechnology.com](mailto:Info@ProFocusTechnology.com) | (503) 236-2000  
1633 W Innovation Way, 4th Floor, Lehi, UT 84043