

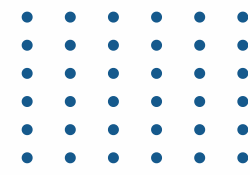


IntaPeople



ENGINEERING MARKET INSIGHTS GUIDE 2026

Navigating Talent, Trends &
Compensation in a Competitive Market



INTRODUCTION

As we move into 2026, the UK engineering sector continues to evolve rapidly, driven by innovation. While demand for skilled engineers remains high, businesses face mounting challenges in attracting and retaining top talent. Approx. 91,000 engineers (~20%) in the UK will have retired or be nearing retirement by 2026 with an estimated 186,000 skilled engineers annually being needed just to plug the existing skills gap in manufacturing / engineering in the UK.

This guide is designed to support hiring managers, HR leaders, and talent acquisition professionals with up-to-date insights into salary benchmarks, hiring trends, and candidate expectations. Whether you're scaling your engineering team or refining your EVP, understanding the market dynamics is key to staying competitive.



MARKET TRENDS

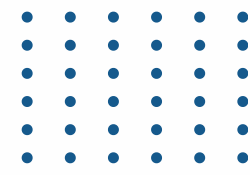
Key Hiring Trends for 2026

- **Persistent Talent Shortages:** The pipeline of new engineering talent remains limited, intensifying competition for experienced professionals. 77% of UK engineering businesses say they are struggling to find the talent they need.
- **Skills Gap in Emerging Tech:** Expertise in AI, IoT, and advanced electronics is in short supply, making niche roles harder to fill. 53% of companies say they currently have inadequate skills to leverage AI.
- **Remote Work Normalisation:** Hybrid models are now standard, enabling access to broader talent pools but requiring new strategies for collaboration and retention. 65% of engineers prefer hybrid work models.
- **Diversity & Inclusion Focus:** Employers are prioritising inclusive hiring practices to build more representative and innovative teams. Women make up only 16.9% of the engineering & technology workforce in the UK.





IntaPeople



INDUSTRY INSIGHTS

Embedded Systems & Electronics

Growth areas

Automotive (EVs) +1-4%, aerospace +2-5%, medical devices +4-7%, and smart manufacturing +5-10%

Key Skills

C/C++, RTOS, PCB design, FPGA, microcontrollers, and low-level debugging.

Hiring Challenge

Engineers with cross-functional knowledge (hardware + software) are rare and highly sought after with only estimated 25% having both.

Automation & Control Systems

Trend

Increased adoption of Industry 4.0 technologies +69%, including PLCs, SCADA, and robotics.

Key Skills

Ladder logic, HMI programming, industrial networking, and safety systems.

Hiring Challenge

Experience with legacy systems and modern platforms is often required simultaneously.

Mechanical & Product Design

Trend

Demand is rising for engineers who can blend mechanical design with user-centric product development. expected +9% from 2024-2034.

Key Skills

SolidWorks, Creo, FEA, DFM/DFA, GD&T, and rapid prototyping.

Hiring Challenge

Employers seek candidates who understand both mechanical performance and aesthetic design, with experience in cross-functional collaboration



IntaPeople

INDUSTRY INSIGHTS

Electrical & Electronic Design

Trend

Push toward energy-efficient and sustainable designs.

Key Skills

Circuit simulation, EMC compliance, power electronics, and CAD tools (Altium, OrCAD).

Hiring Challenge

Experience of compliance (industry specific safety standards), power/high voltage electronics, or working on full product lifecycles.

Sustainability

Trend

ESG goals and net-zero targets are making sustainability a core engineering priority, not a niche. The global climate talent gap could reach 18.7% by 2030.

Key Skills

Lifecycle analysis, eco-design principles, energy efficiency modelling, and materials innovation (e.g., biodegradable or recyclable materials).

Hiring Challenge

Engineers with sustainability credentials and circular economy experience are scarce but increasingly vital. 1/2 of renewable energy workers got pay rises in 2025, 20% over 5%.





IntaPeople



AI-Driven Engineering

Engineers with AI/ML knowledge are increasingly needed for smart systems and predictive maintenance. In the UK, AI-related job postings account for 69% of automation and AI vacancies across 17 sectors



IoT Expansion

Connectivity and data security are now core competencies in embedded roles. IoT software engineer salaries average around £70,045



Cyber Security

Cybersecurity threats are forcing tighter integration of secure-by-design principles, increasing compliance demands, and raising skills gaps. - with the UK expected to face a shortfall of around 5,000 skilled cyber professionals by 2026.



Sustainable Engineering

ESG goals are influencing hiring for roles focused on energy efficiency and lifecycle design. Environmental engineering employment is projected to grow by 4% from 2024 to 2034

EMERGING TECH IMPACTING HIRING

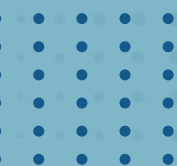


SALARY BENCHMARK



IntaPeople

Job Title	Jr Salary Min	Jr Salary Max	Mid Salary Min	Mid Salary Max	Senior Salary Min	Senior Salary Max
Mechanical Design Engineer	£31,200	£37,100	£36,400	£47,700	£46,800	£58,300
Electronic Engineer	£37,100	£48,600	£47,700	£59,400	£58,300	£70,200
Embedded Software Engineer	£37,100	£48,600	£47,700	£59,400	£58,300	£75,600
Firmware Engineer	£37,100	£48,600	£47,700	£59,400	£58,300	£75,600
Electrical Design Engineer	£31,200	£42,400	£41,600	£53,000	£52,000	£58,300
Process Development Engineer	£31,200	£42,400	£41,600	£47,700	£46,800	£58,300
Process Improvement Engineer	£31,200	£42,400	£41,600	£47,700	£46,800	£58,300
New Product Introduction Engineer	£31,200	£37,100	£36,400	£47,700	£46,800	£58,300
Production Engineer	£31,200	£37,100	£36,400	£47,700	£46,800	£53,000
Manufacturing Engineer	£31,200	£37,100	£36,400	£47,700	£46,800	£53,000
Quality Engineer	£31,200	£42,400	£36,400	£47,700	£46,800	£58,300
Project Engineer	£31,200	£42,400	£41,600	£47,700	£46,800	£53,000
Control Systems Engineer	£31,200	£42,400	£41,600	£47,700	£46,800	£53,000
Continuous Improvement/Lean Engineer	£31,200	£37,100	£36,400	£47,700	£46,800	£58,300
Maintenance Engineer	£26,000	£31,800	£31,200	£42,400	£41,600	£47,700
Test Engineer	£26,000	£31,800	£31,200	£42,400	£41,600	£53,000



ROLE INSIGHTS - WALES



IntaPeople

QUALITY ENGINEER

Median Tenure: 2.2 years

Number of professionals this year: +0.9%

Changed roles this year: 11.5%

PROCESS ENGINEER

Median Tenure: 2 years

Number of professionals this year: +1%

Changed roles this year: 12.85%

PROJECT MANAGER

Median Tenure: 2.8 years

Number of professionals this year: +0.2%

Changed roles this year: 8.9%



BENEFITS IN WALES

We asked 33 engineering & manufacturing companies in South Wales what benefits they offer for white-collar engineers and here's what we found:

Other common listed benefits: cycle to work schemes, free parking, critical illness cover, opportunity to "buy" additional holiday days, health & fitness (onsite gym or discounts), company share schemes



AVERAGE PENSION (EMPLOYER CONTRIBUTION)



AVG DAYS ANNUAL LEAVE (+8 BH) - MOST INCREASING WITH SERVICE



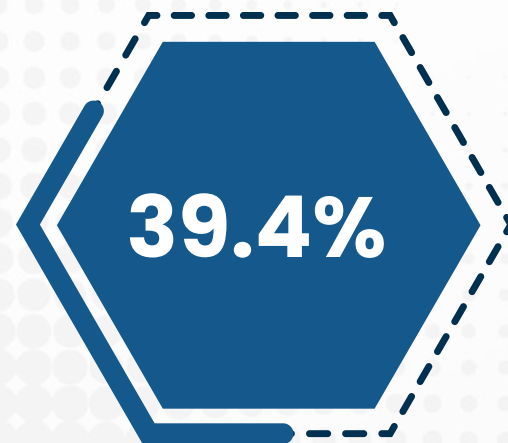
OFFER FLEXIBLE WORKING HOURS



OFFER HYBRID WORKING



OFFER PRIVATE HEALTH INSURANCE



OFFER HEALTH CASH PLAN/EMPLOYEE ASSISTANCE PROGRAMS



OFFER LIFE ASSURANCE OR DEATH IN SERVICE (MOST EITHER 3 OR 4 TIMES ANNUAL SALARY)



OFFER PAID FOR TRAINING & DEVELOPMENT (RELEVANT TO ROLE)



OFFER A BONUS (CONTRACTUALLY)

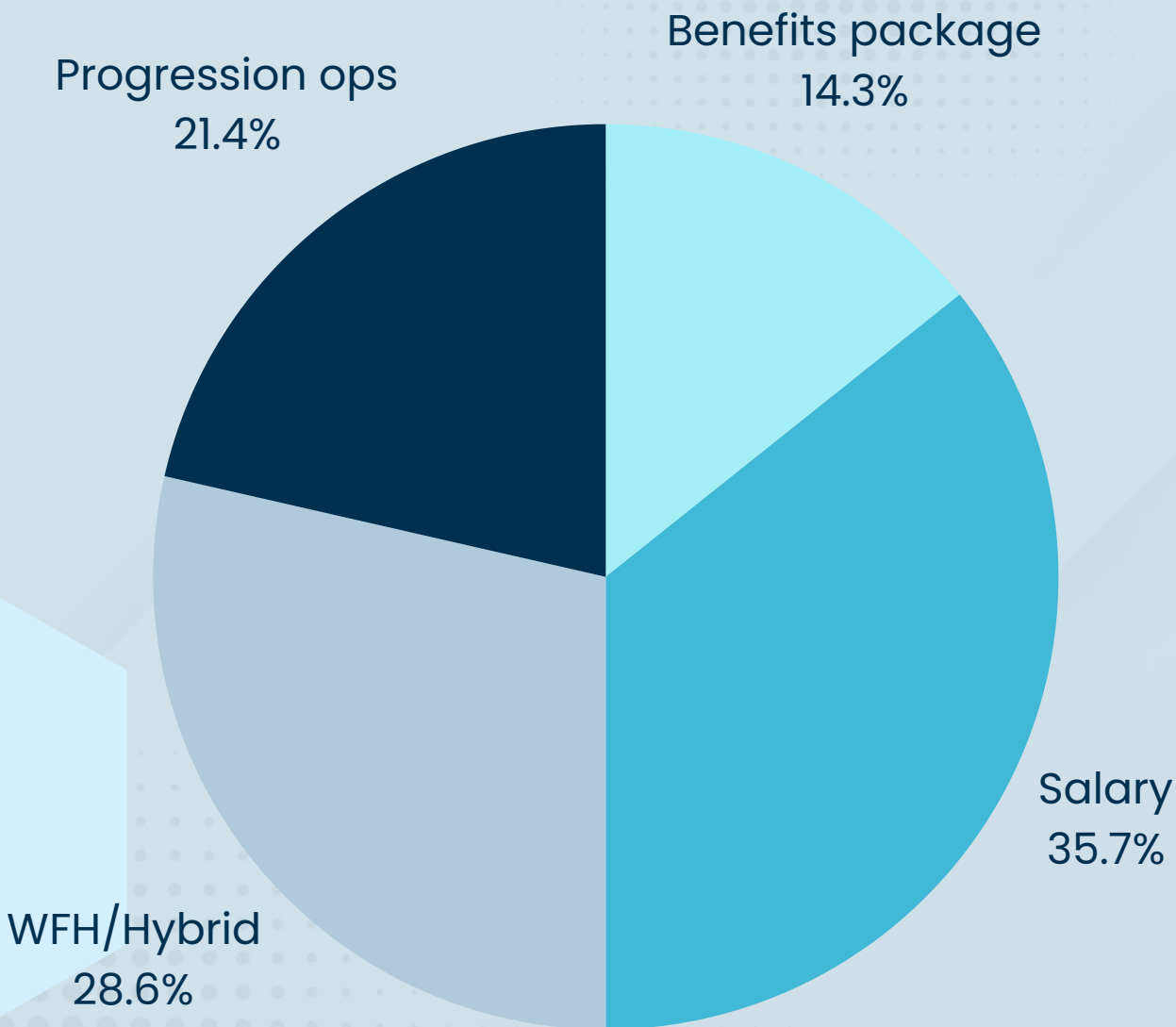


LIST EXTENDED MATERNITY, PATERNITY, BEREAVEMENT, ADOPTION AND/OR FERTILITY PAY

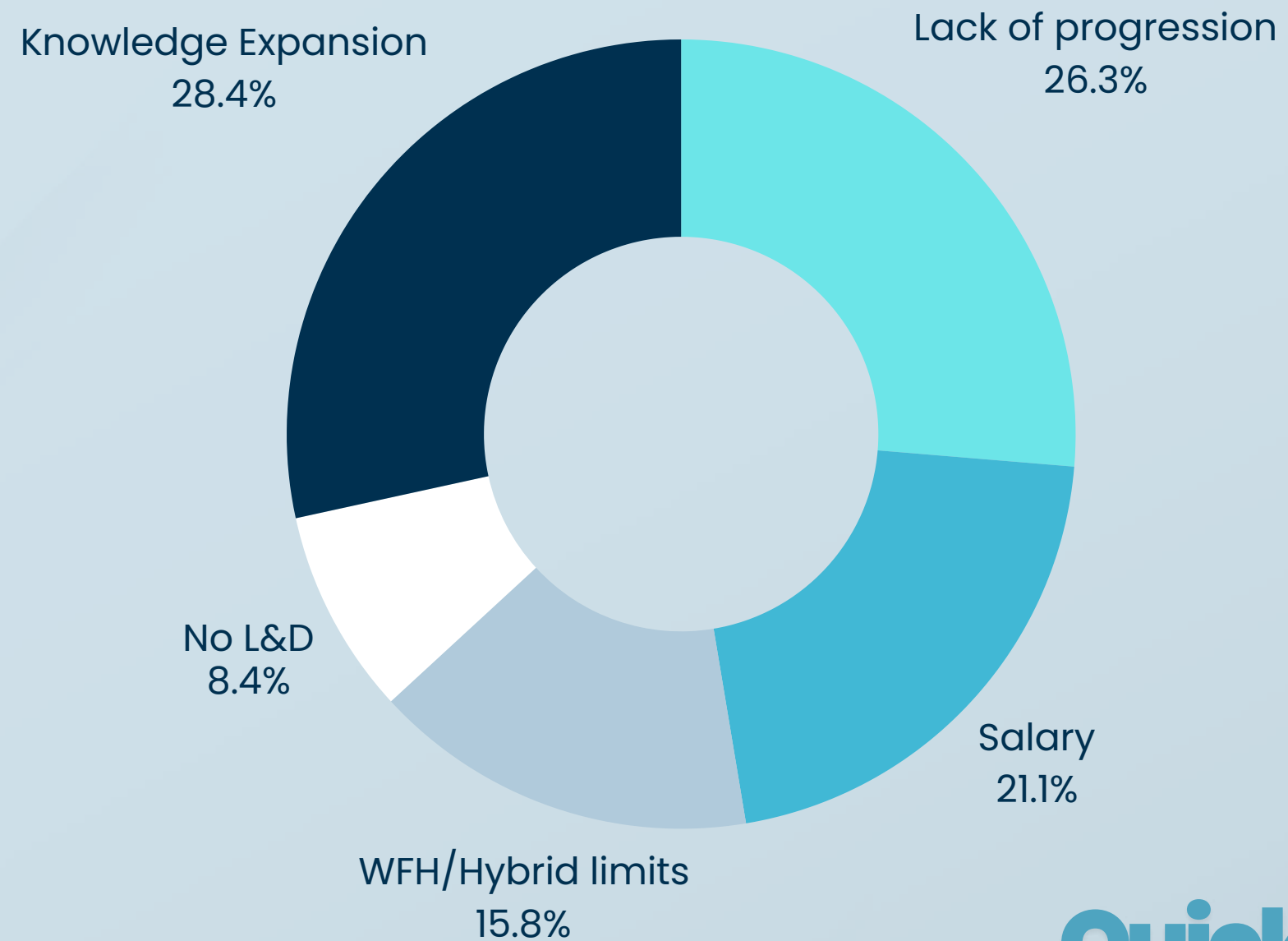


ATTRACTION/RETENTION

Important to candidates



Reasons for leaving



Quick Wins

- ✓ 2 stage interviews
- ✓ Fast feedback
- ✓ Learning and development
- ✓ Clear career paths



IntaPeople

STRATEGIC HIRING RECOMMENDATIONS



- ✓ **Upskill Internally:** Invest in training programs to bridge niche skill gaps.
- ✓ **Refine Job Specs:** Focus on core competencies and be flexible on secondary skills.
- ✓ **Promote EVP:** Highlight your tech stack, innovation culture, and career growth opportunities.
- ✓ **Use Specialist Recruiters:** Partner with an agency that understand technical engineering nuances.
- ✓ **Leverage AI Tools:** Streamline candidate screening and improve quality-of-hire.



IntaPeople

PARTNER WITH INTAPEOPLE

IntaPeople's engineering recruitment specialists are here to help you build high-performing technical teams. From market intelligence to candidate sourcing, we offer tailored solutions to meet your hiring goals.

✉ Email: info@intapeople.com

☎ Tel: +44 (0)29 20 252 500

🌐 Web: www.intapeople.com

