



The LeadDev

Engineering Leadership Report 2025

We asked 600+ engineering leaders how their roles are evolving in response to a rapidly changing economic landscape in 2025. Here's what we found.

Editor's note

After years of relative stability, the role of engineering leaders is changing rapidly to adapt to new economic and technological realities.

Last year, we collaborated with Lena Reinhard to launch the Engineering Leadership Report, which investigated these changes and their impact on engineering leaders across various organizational types and levels.

One year later, we have seen a significant shift. Tightening budgets and the rise of generative AI are impacting how work is prioritized, the shape of engineering teams, and the way folks are rewarded for their work. This puts new pressure on managers to pivot and focus on efficiency.

Communicating change, effectively reorganizing teams, and motivating engineers have all become increasingly important

leadership skills in the interim, while opportunities to hire and dive into the codebase have dried up.

In this report, you'll find out how engineering organizations are changing and the impact this is having on leaders.

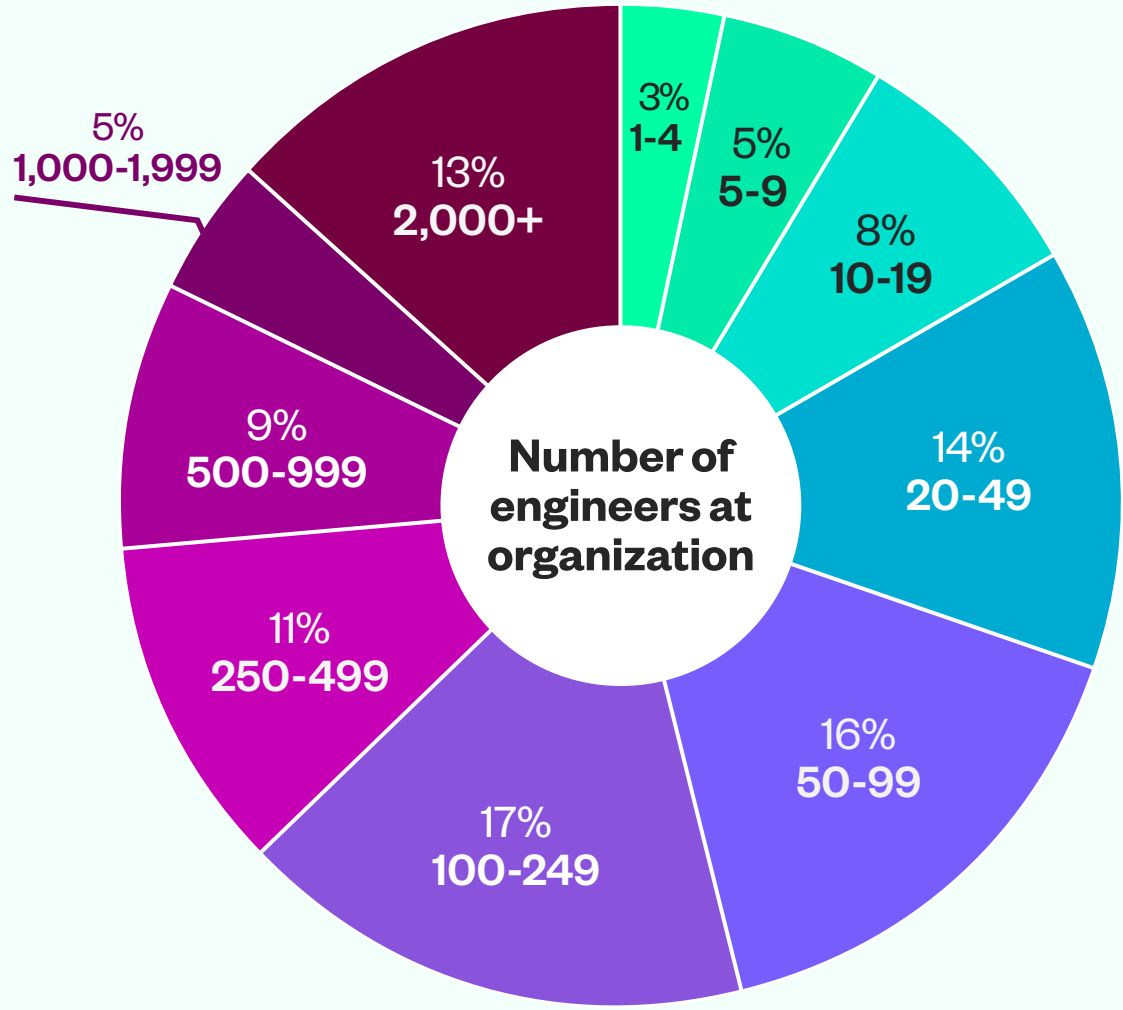
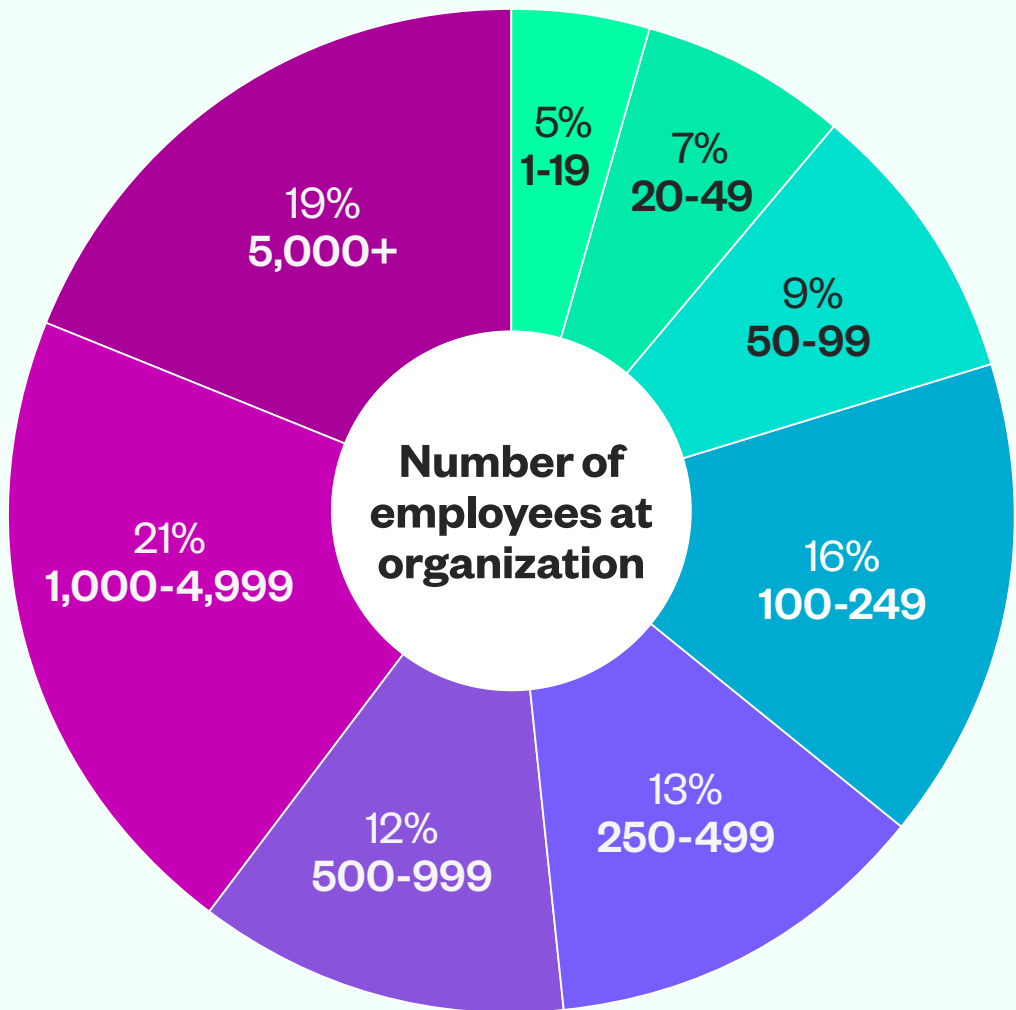
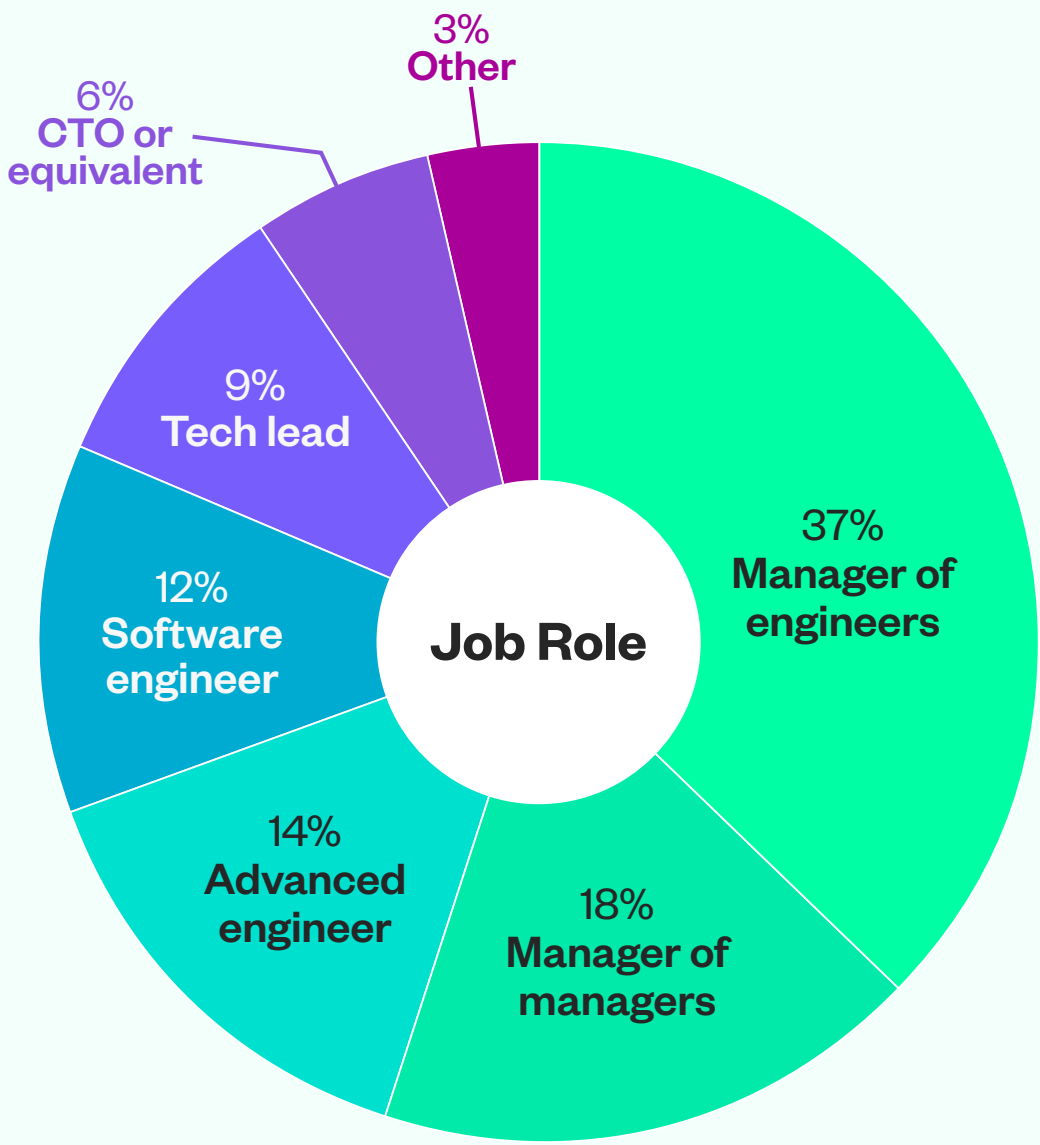
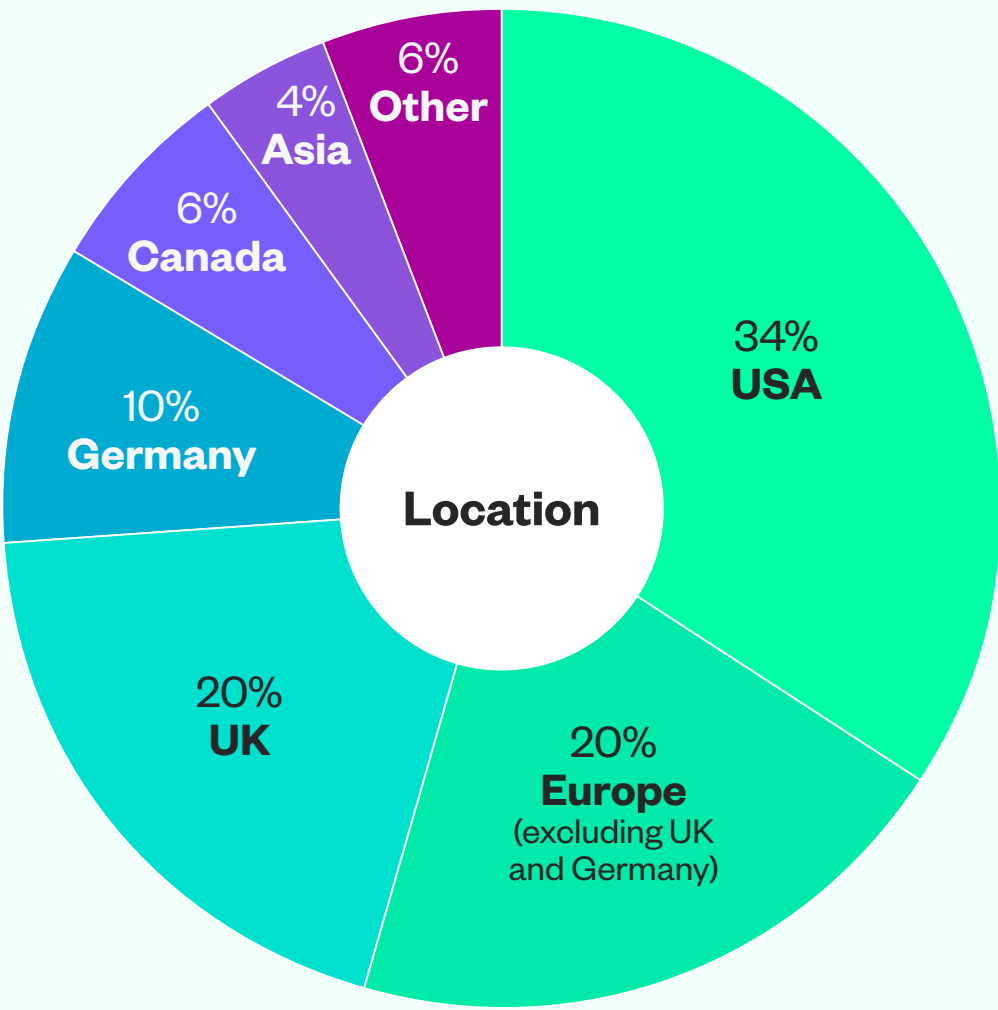
Scott Carey

Editor in Chief, LeadDev



Methodology

The survey was conducted between **14–27 March 2025** and is based on **617 respondents**.



Some charts in this report may not add up to 100% due to rounding.

5 top takeaways

5%

of respondents said their organization has eliminated DEI programs in the last year.

60%

do not believe AI has significantly boosted their team's productivity.

50%

worry there are fewer jobs available, up from 48% in 2024.

40%

believe their team is less motivated to come to work than they were 12 months ago.

65%

of respondents are worried about a recession.

**How companies
are changing**



SUMMARY

- **65%** of respondents are worried about a recession.
- **5%** of respondents said their organization has eliminated DEI programs in the last year.
- The number of respondents experiencing layoffs or hiring freezes was down **17 percentage points** year-over-year.

The great resignation, the great flattening, the end of zero interest-rate policy (ZIRP), the decline of diversity, equity, and inclusion (DEI). This year has seen more than its fair share of dramatic headlines about how organizations are changing in the face of significant economic, political, and AI-driven disruptions.

At least it looks like the waves of layoffs and hiring freezes that dominated 2024 have abated. In fact, the average company represented in the study was

more likely to have increased staffing levels overall, which included growing its engineering and IT ranks.

Yet, managers have faced a bleaker outlook, as 28% more organizations cut managerial staffing than those that added managers.

Changes in staffing in the last 12 months

33% increased vs **29%** decreased the number of employees companywide

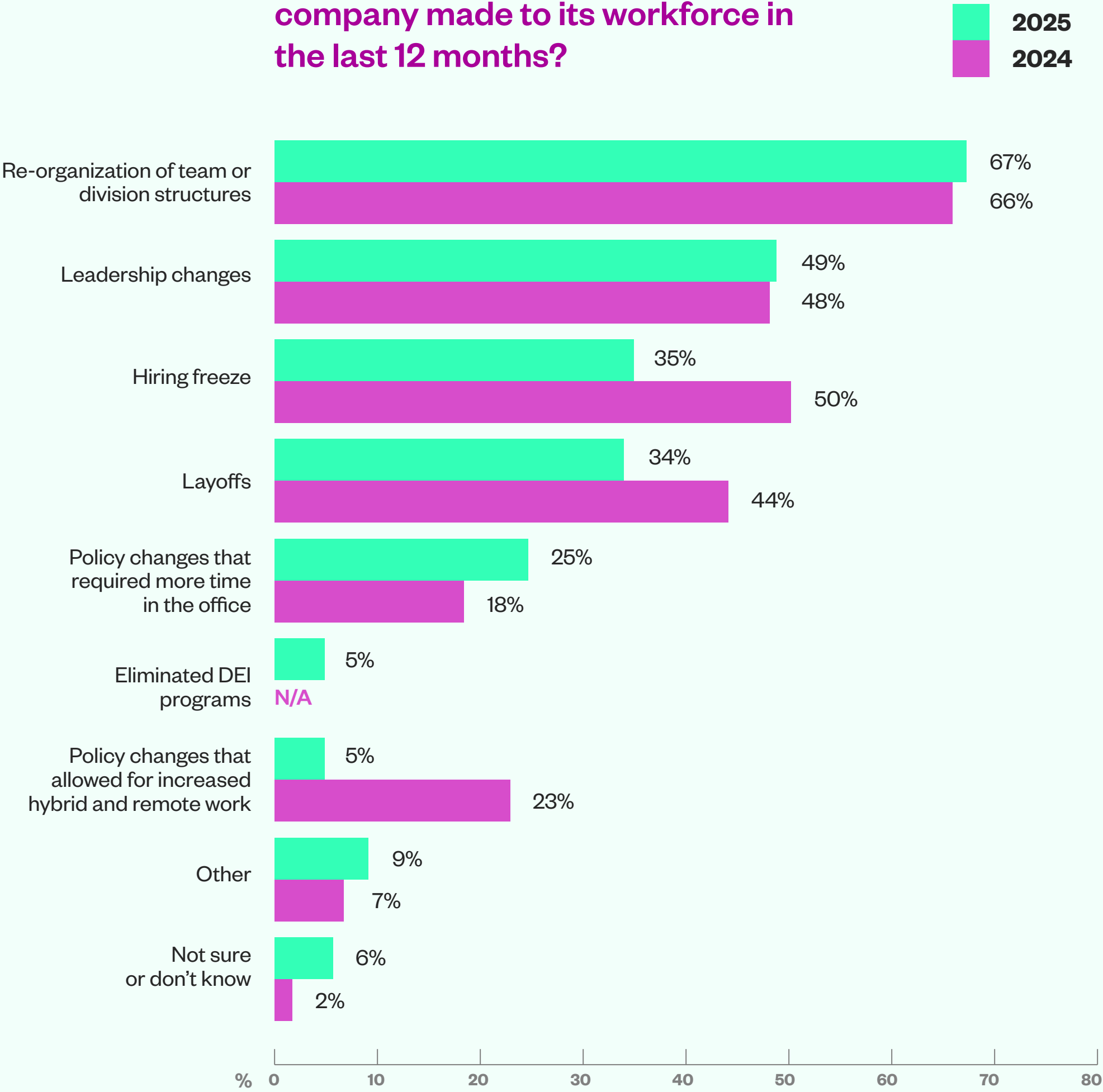
36% increased vs **30%** decreased the engineering and IT workforce

22% increased vs **28%** decreased the number of managers

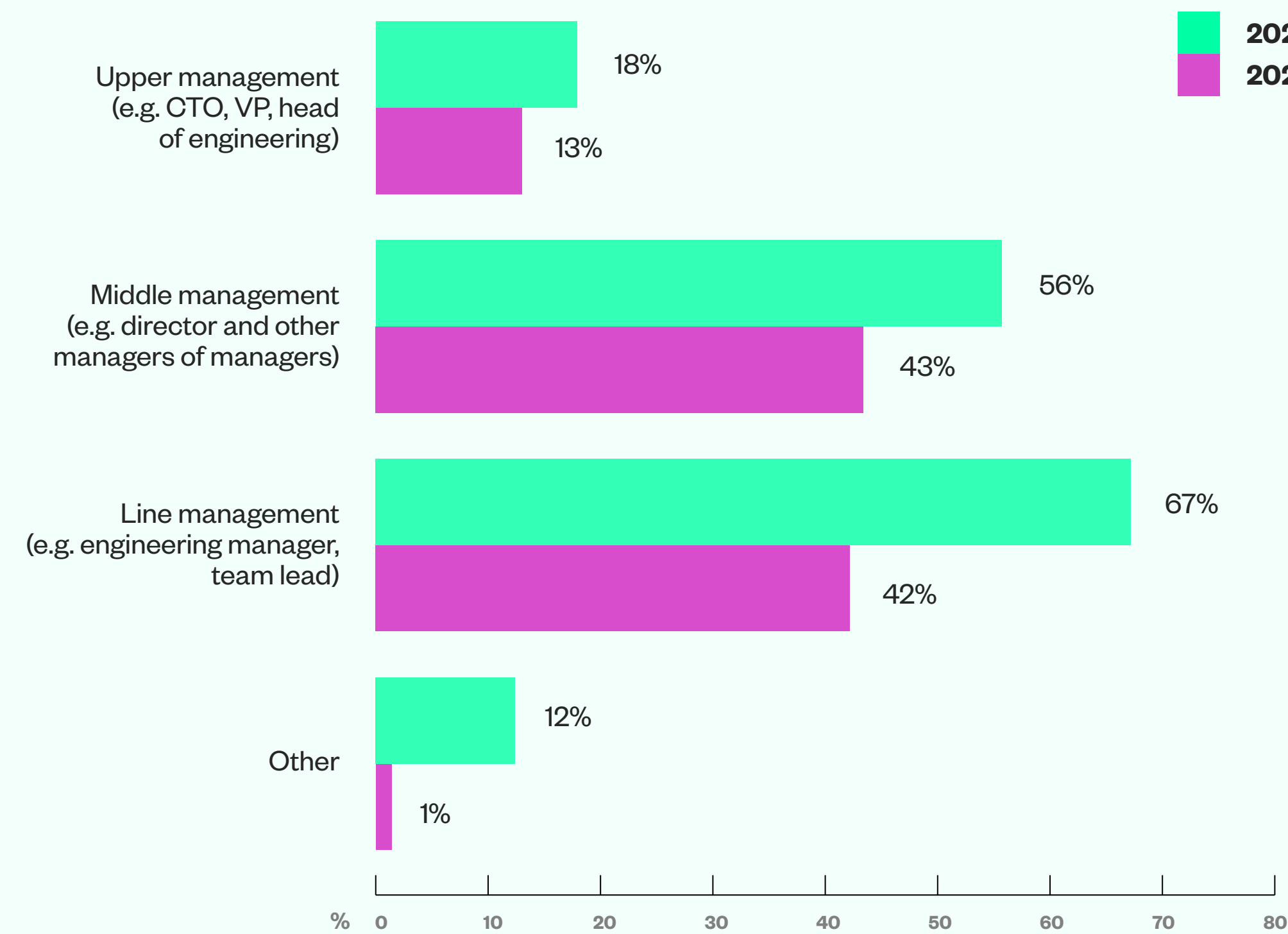
Overall, 50% of companies experienced either a layoff or a hiring freeze in the last 12 months, which is down from 67% in last year’s study.

Where are these engineers working from? The evidence points to further reversal of hybrid and remote working policies, with 25% of organizations requiring more time in the office, adding to the 18% that did so last year. Just 5% implemented a policy to increase hybrid or remote working.

What significant changes has your company made to its workforce in the last 12 months?



If the number of managers has DECREASED, which levels were significantly impacted?

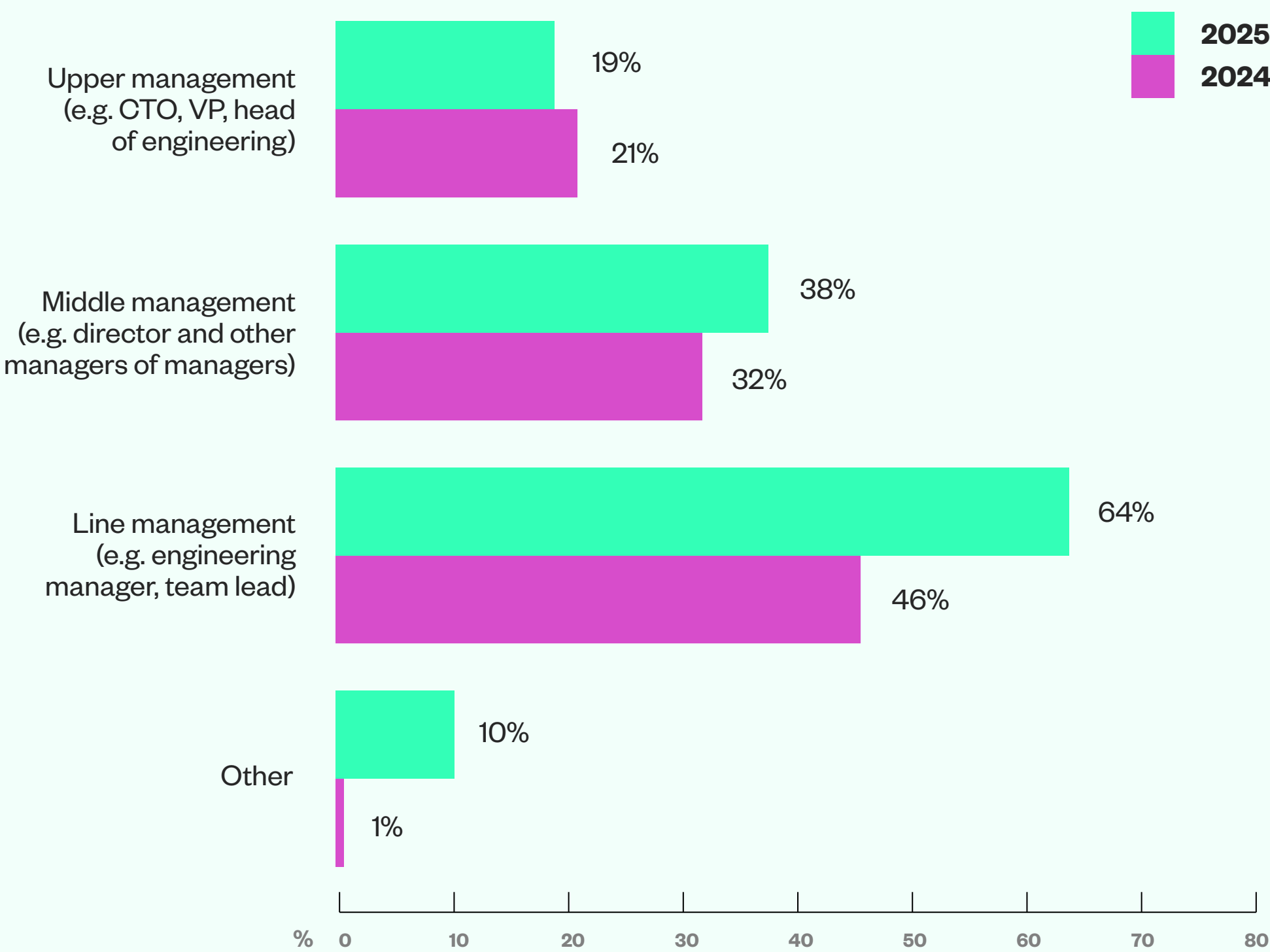


For companies that cut the number of managers, 67% were line managers and 56% middle managers, an increase from last year as companies continue to flatten out their structures. Overall, 22% of respondents reported increases in managerial roles or titles at all levels,

while 28% reported a decline. The remaining 44% reported no change, and 6% didn't know.

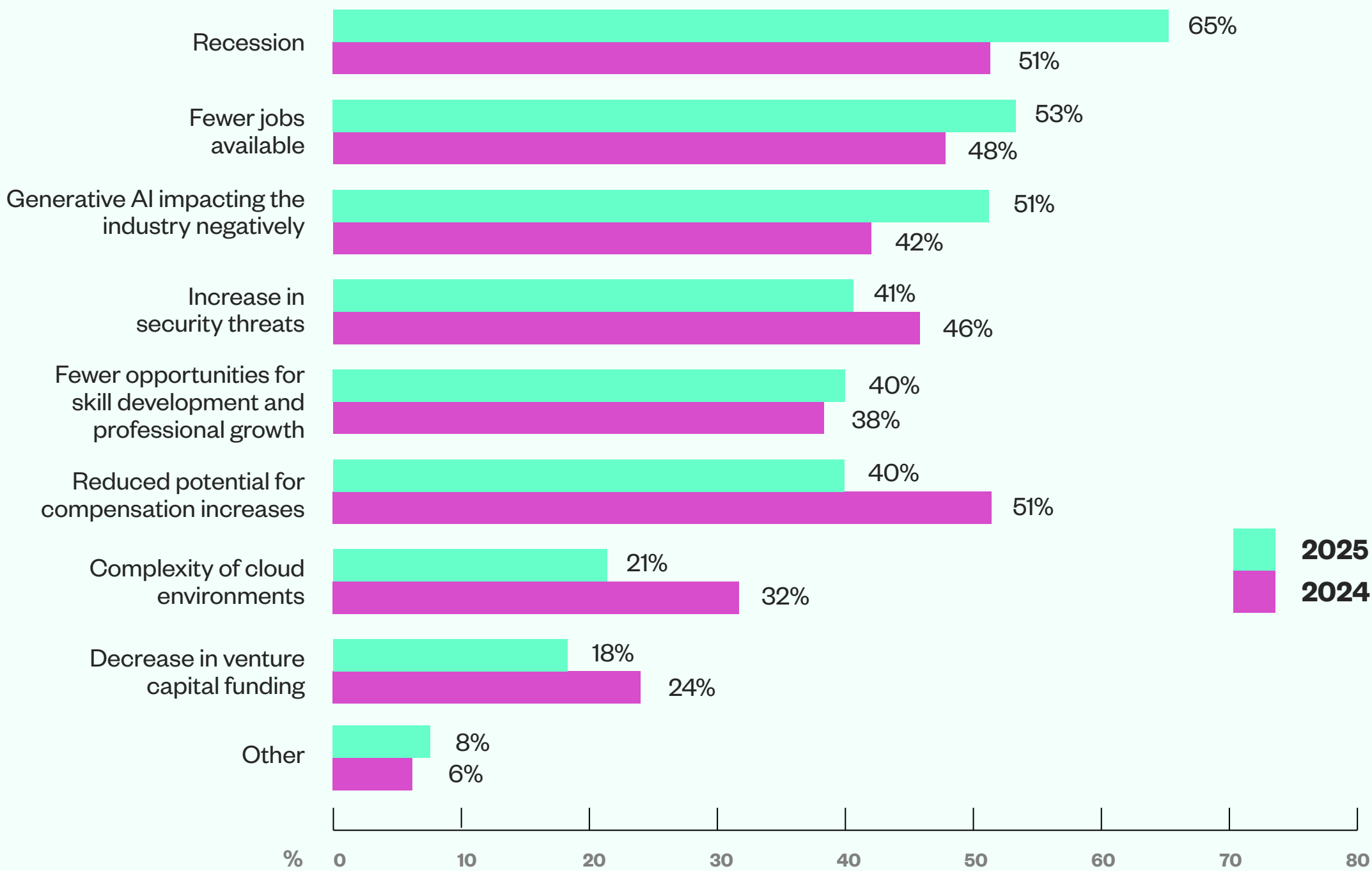
For companies that grew headcount over the past year, 64% noted gains amongst the ranks of line managers.

If the number of managers has INCREASED, which levels were significantly impacted?

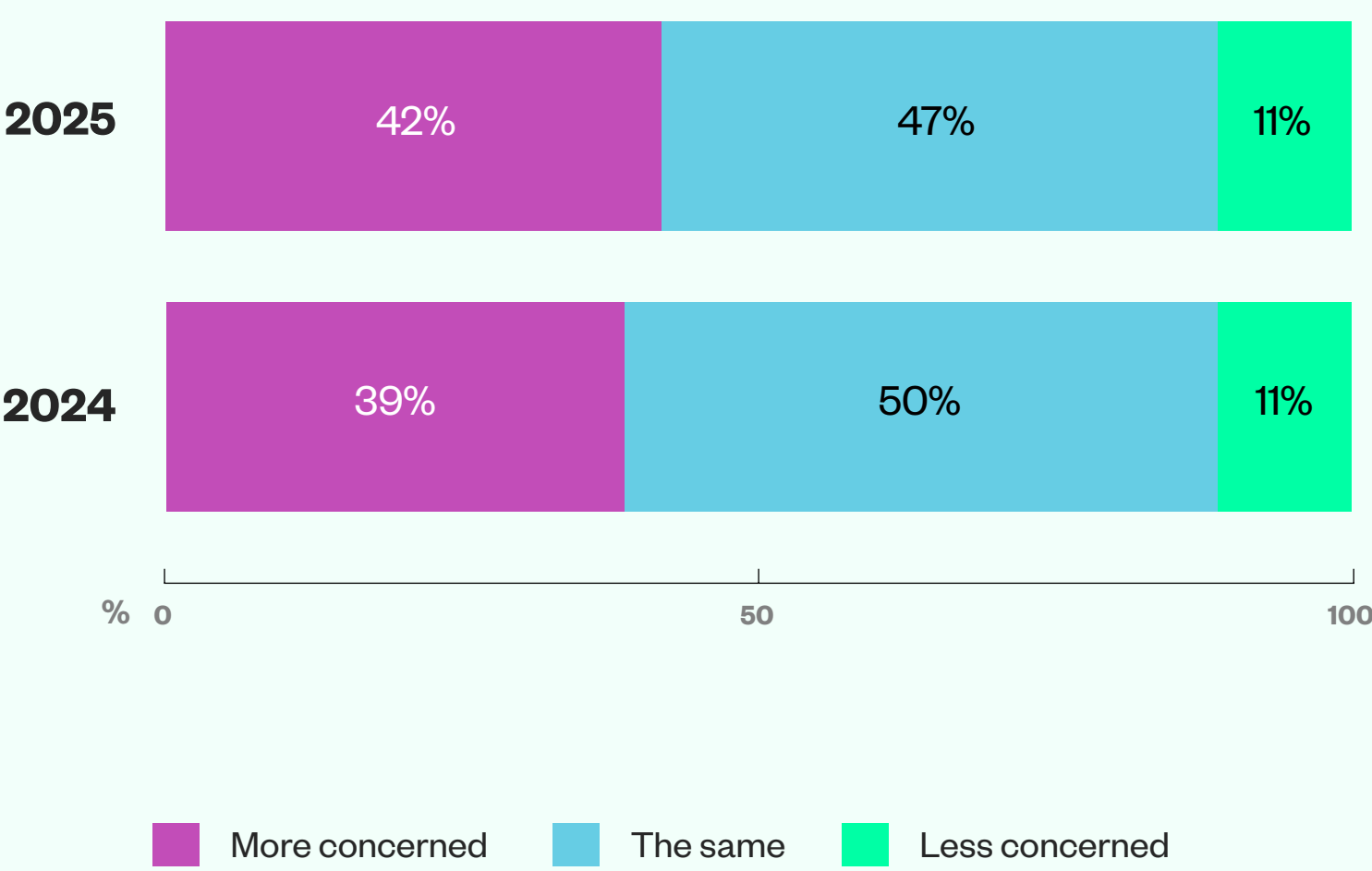


Job security

What tech industry trends are you most concerned about?



Are you more or less concerned about your job security than at this point a year ago?



Fears of fewer available jobs rose from 48% in 2024 to 53% in 2025, and concerns that a recession is coming have risen from 51% to 65% this year.

42% of respondents are more concerned about job security than a year ago, up from 39% the previous year. These fears are most pronounced in Canada and least felt in Germany.

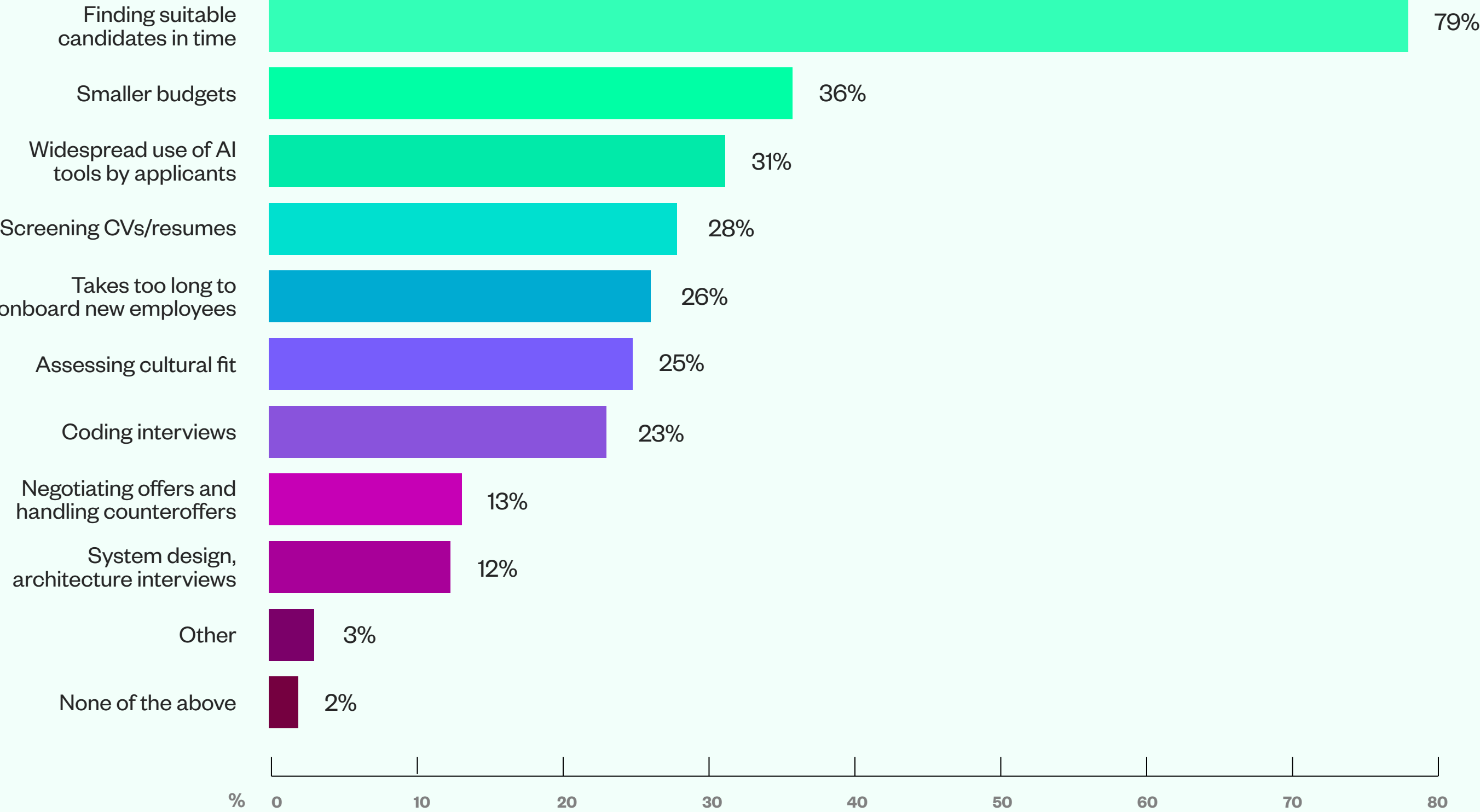
On the hiring side, finding suitable candidates and the time required to do so is by far the biggest challenge. In fact, one or both of these concerns topped the list for 79% of hiring managers surveyed. Use of AI tools by applicants isn't yet creating a widespread issue, with just 31% of respondents flagging it as a challenge.

UK respondents were more likely to cite **“finding suitable candidates”** (69%) as the biggest challenge

Germans were more likely to cite **“smaller budgets”** (47%) and **“negotiating offers and handling counter-offers”** (19%)

The remaining Europeans were more likely to cite **“assessing cultural fit”** (32%)

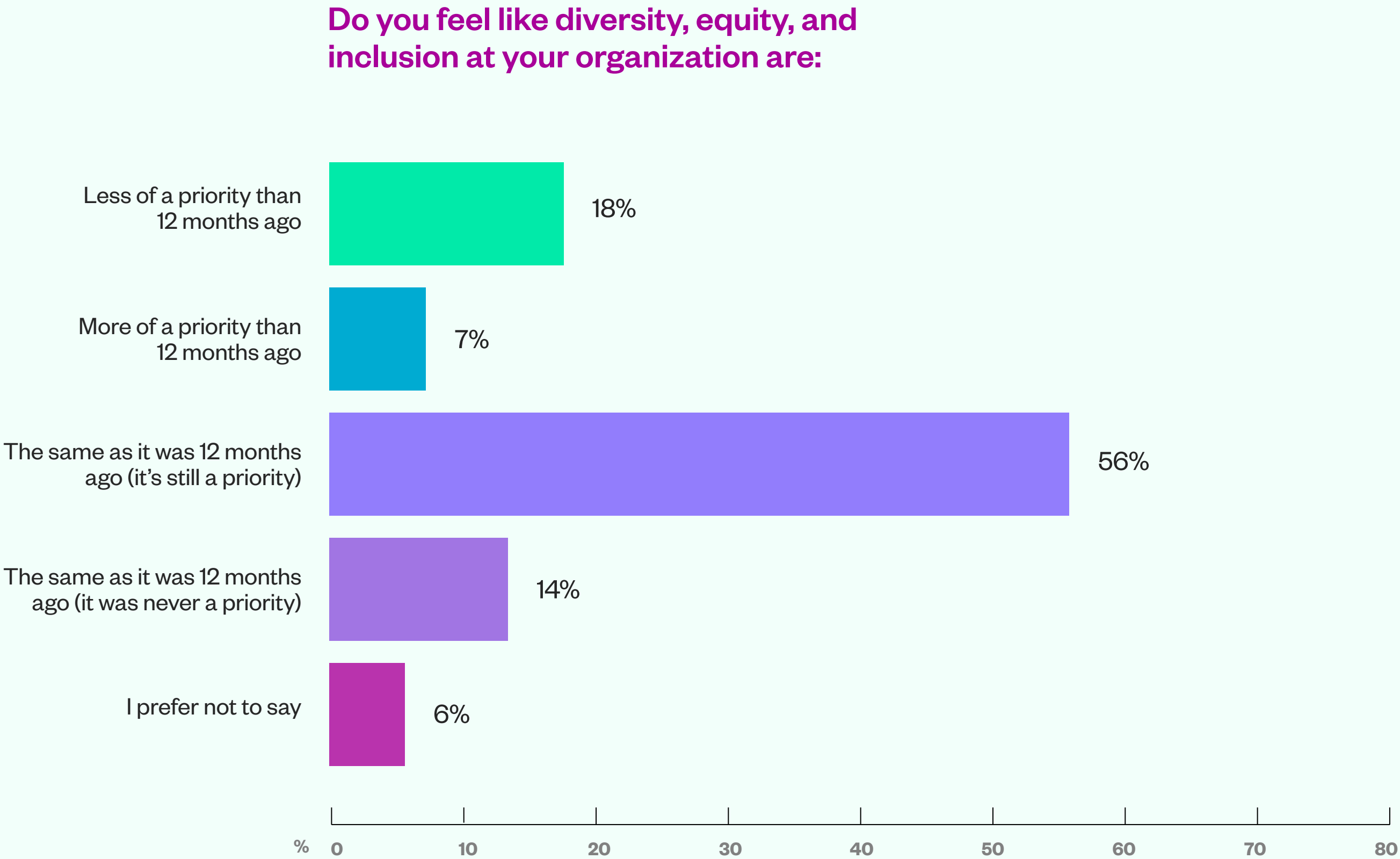
What are currently the most challenging aspects of the hiring process?

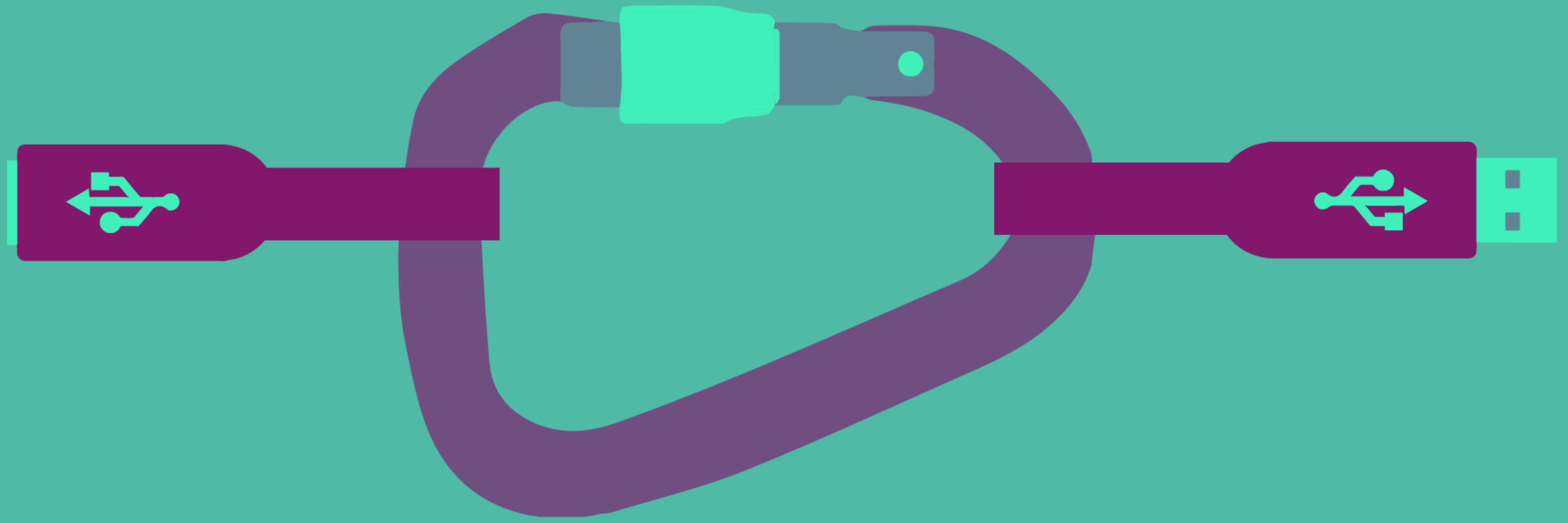


DEI under threat

DEI has become a charged term in 2025, with some high-profile technology companies such as Meta and Amazon notably rolling back key DEI programs, particularly in the United States.

However, only 5% of respondents said their organization has eliminated DEI programs in the last year. The majority of respondents (56%) still see DEI as an organizational priority, compared to just 18% who see these initiatives being deprioritized. That leaves 14% where DEI was never a priority, and 7% of organizations swimming against the tide by making DEI more of a priority in 2025.





Being an engineering
leader in 2025

SUMMARY

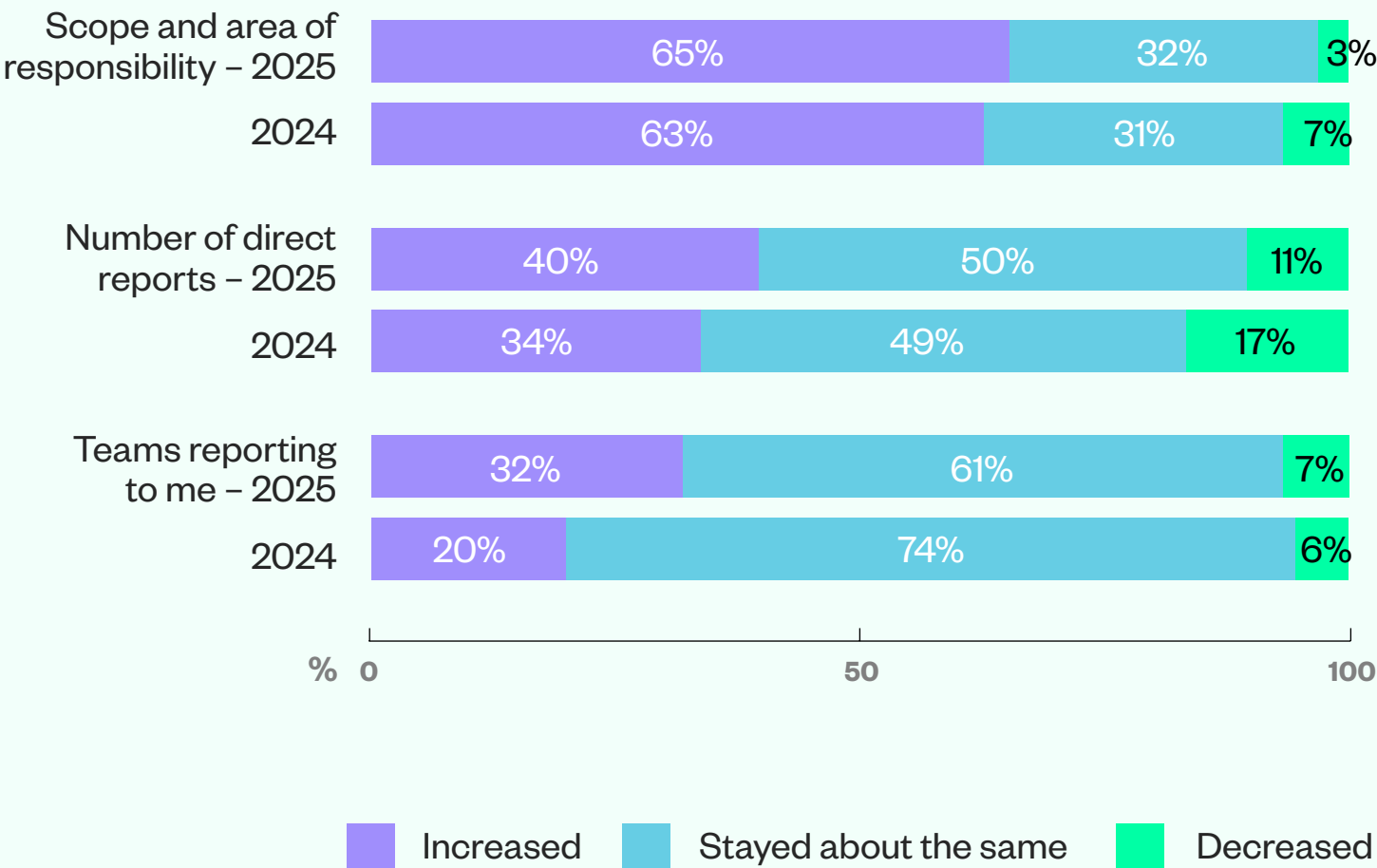
- **40%** believe their team is less motivated to come to work than they were 12 months ago.
- **38%** of engineering leaders worked longer hours than before in 2025.
- **22%** of respondents are facing critical levels of burnout

How engineering leaders spend their time

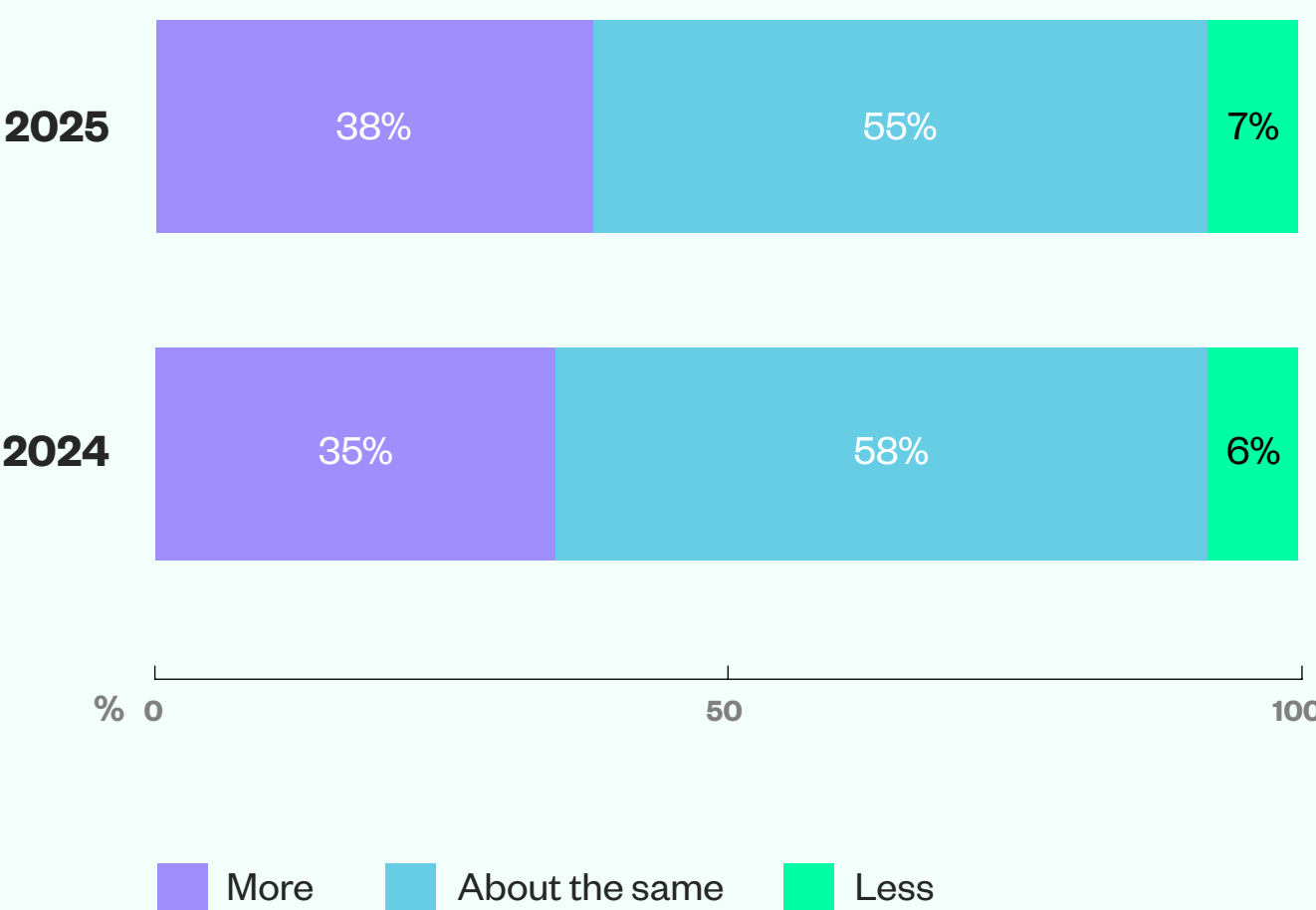
Organizational changes have left managers with expanded remits. 65% of respondents at all levels reported an increase in their scope, including wider areas of responsibility, and 40% took on more direct reports. Only 3% reported a decrease in their scope. This indicates a continued and accelerated trend started last year after waves of layoffs buffeted the technology industry.

Naturally, this has had an impact on their work-life balance, with 38% of engineering leaders working longer hours than before, and just 7% working less.

How have your roles and responsibilities changed over the past 12 months?



Are you working more or less hours each week than this time last year?



These organizational shifts have also driven engineering leaders to communicate change more often. 58% of respondents reported spending more time communicating with their team, customers, and stakeholders last year, while 26% said they spent less time writing or reviewing code.

Managers of other managers were the group most likely affected by this trend, as 70% spent more time communicating with their teams, customers, and stakeholders.

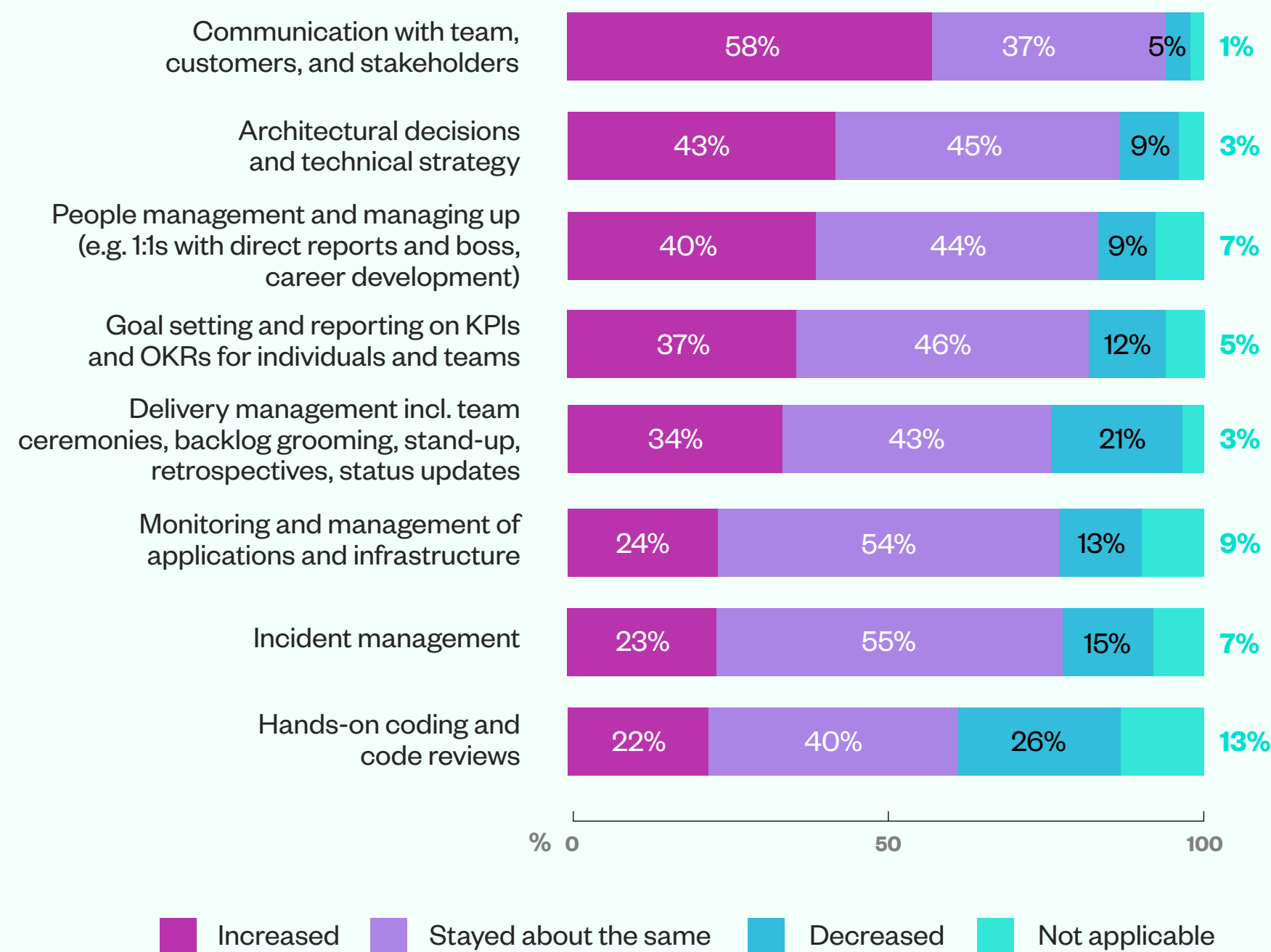
Despite some attempts to get more managers to step back into individual contributor roles at companies like Meta and Shopify, only 24% of all respondents are actively considering a move back into an individual contributor role.

As folks move up the career ladder, the desire to step away from leadership shifts:

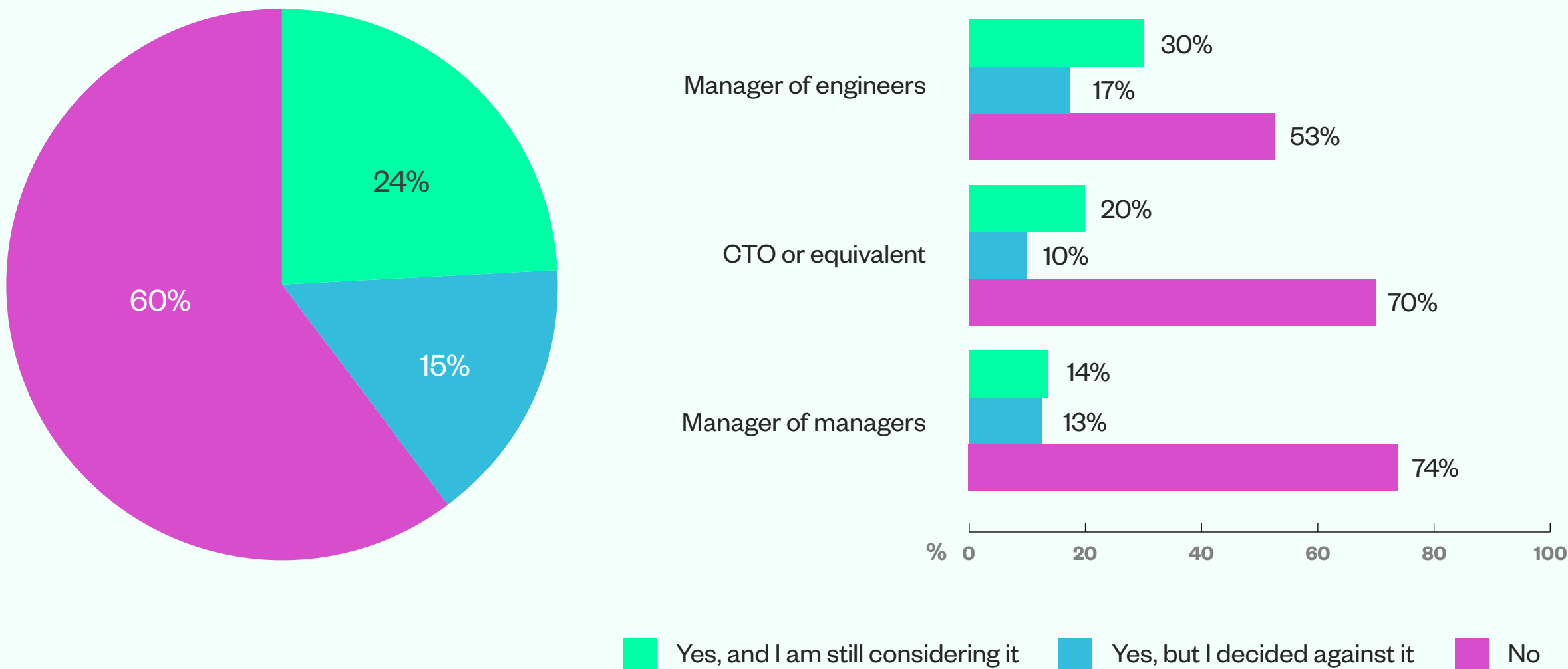
47% of managers of engineers at least considered a transition, compared to 27% of managers of managers.

When asked why they wanted to stay in a leadership position, most respondents mentioned better pay as a manager, fear of losing skills, and enjoyment in managerial roles.

How did the amount of time you spent on those tasks change compared to the previous year?



Have you considered transitioning back to an individual contributor role in the last year?

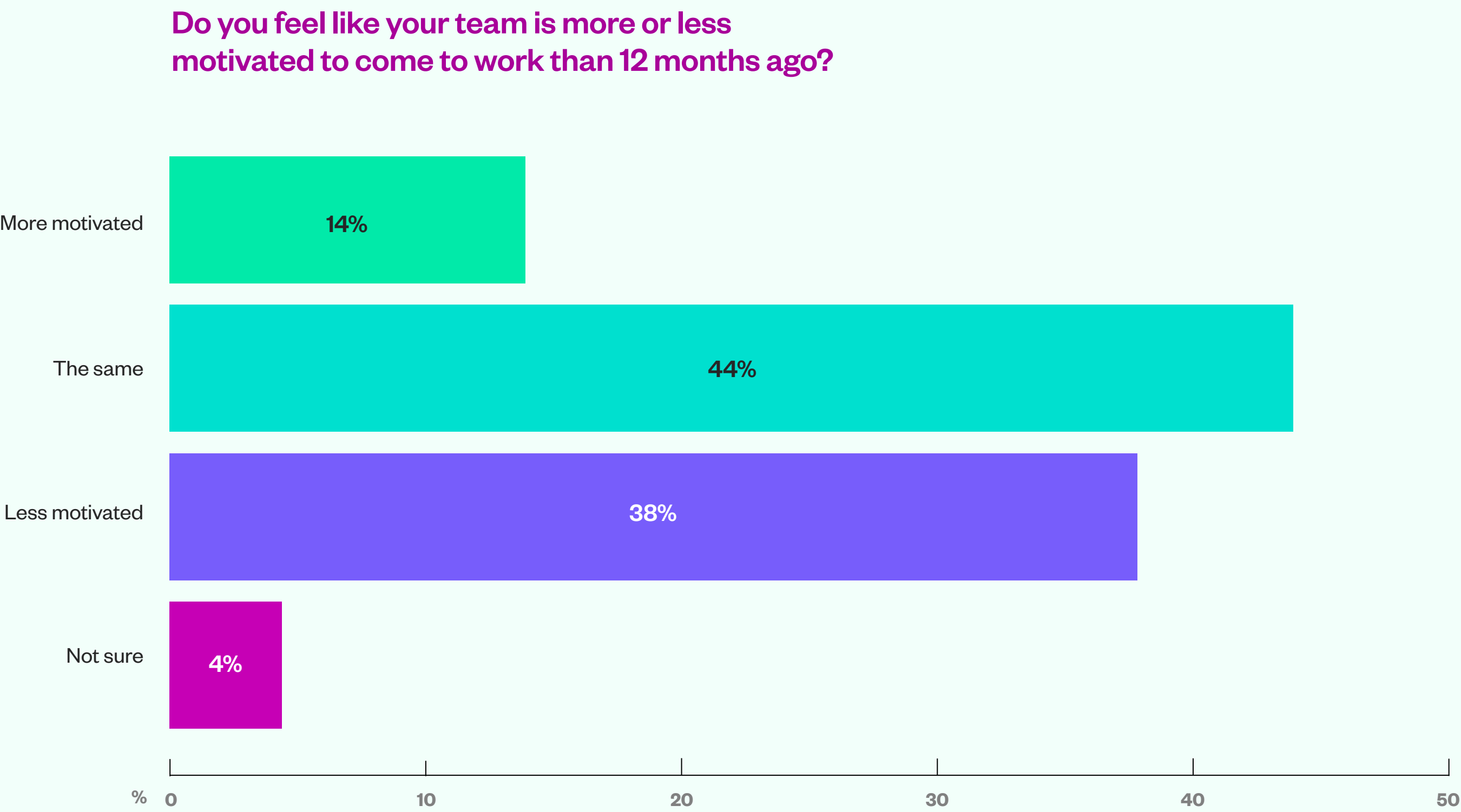


Maintaining motivation

Maintaining motivation among team members is also becoming a bigger challenge for engineering leaders, with 40% believing their team is less motivated to come to work than they were 12 months ago. That compares to just 14% saying the team is more motivated.

Among organizations with declining managerial levels, 56% of those respondents are less motivated than before. At companies adding managers, only 27% reported struggling with motivation.

Stress, pressure to do more with less, and political or economic uncertainty were often cited reasons for this trend amongst respondents.



Focus on burnout

Inspired by the [Maslach Burnout Inventory](#), we asked respondents how often they feel emotionally exhausted from work, how frequently they feel cynical about work, and how often job demands interfere with their personal time. We

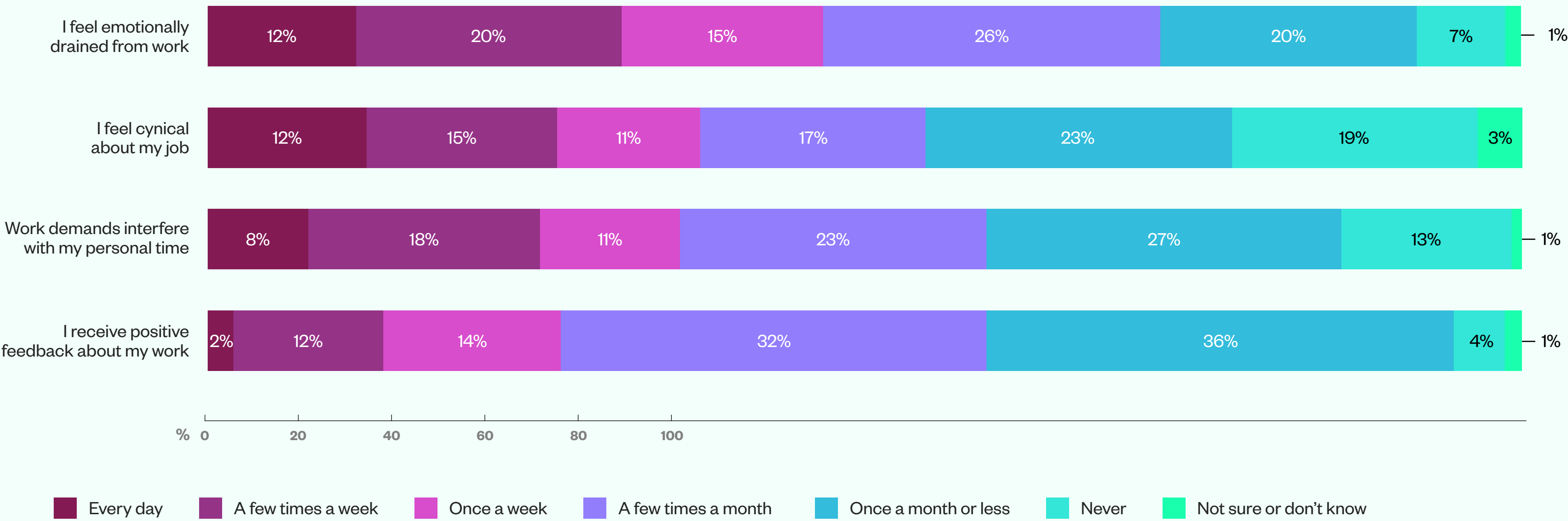
also asked how regularly engineering leaders receive positive feedback about their work, which is known to help lower the risk of burnout.

We divided respondents into four segments based on how often these negative and positive experiences occur. We found 22% of the respondents face critical levels of burnout, with 24% being moderately burned out, 33%

experiencing relatively low levels of burnout, while 21% can be categorized as being “healthy.”

Engineers who fall into the “healthy” category are more likely to receive encouragement at work, where 39% of them receive positive feedback at least once a week. They are also rarely emotionally drained from work, with 81% saying this happens less than once.

To assess if you are burnt out from work, please tell us how often each of the following occurs:



The impact of AI on engineering leadership



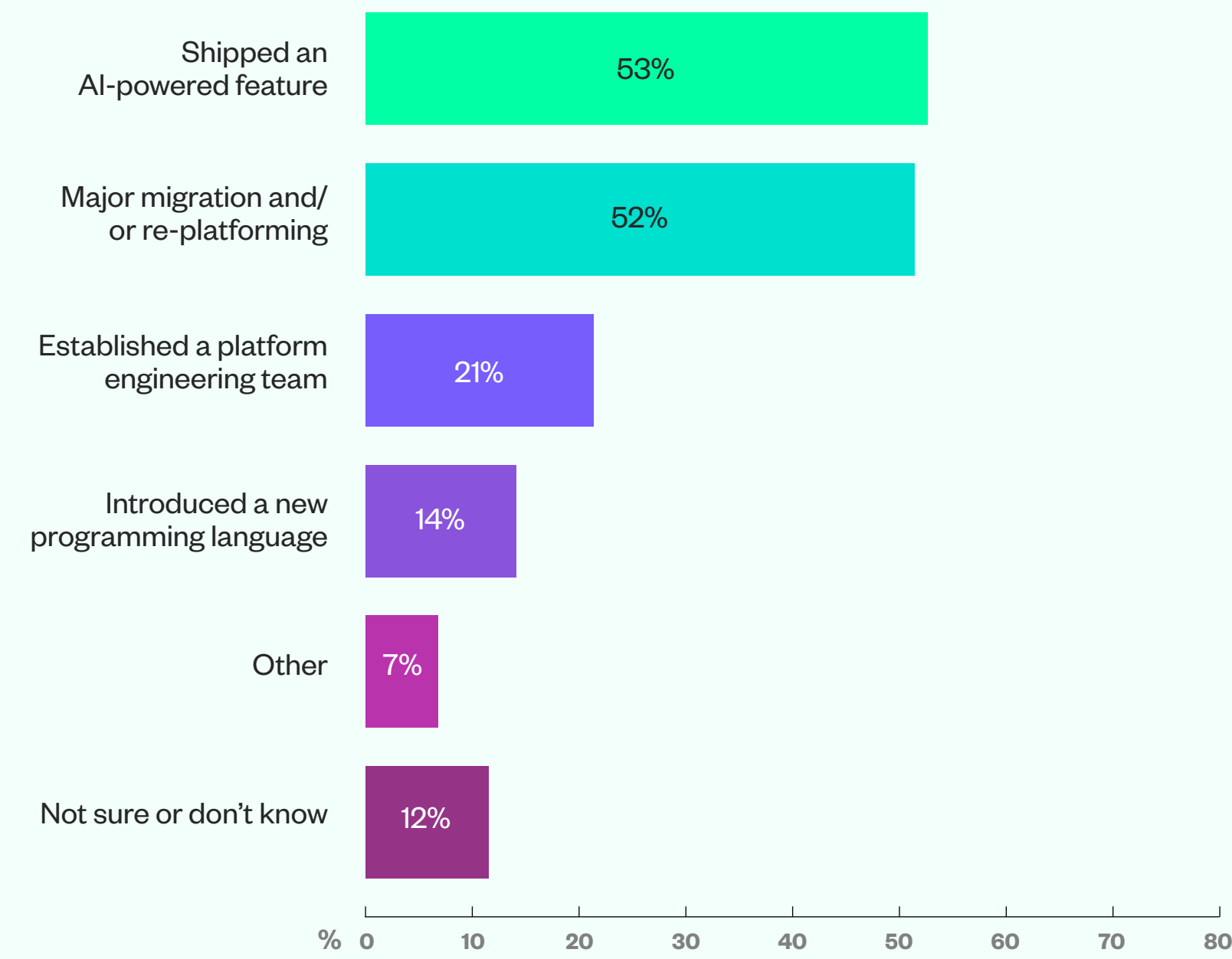
SUMMARY

- **54%** of respondents do not expect generative AI to impact headcount in 2025.
- AI coding tools are of interest to **58%** of engineering leaders, far outpacing any other tooling category.
- **60%** do not believe AI has significantly boosted their team’s productivity.

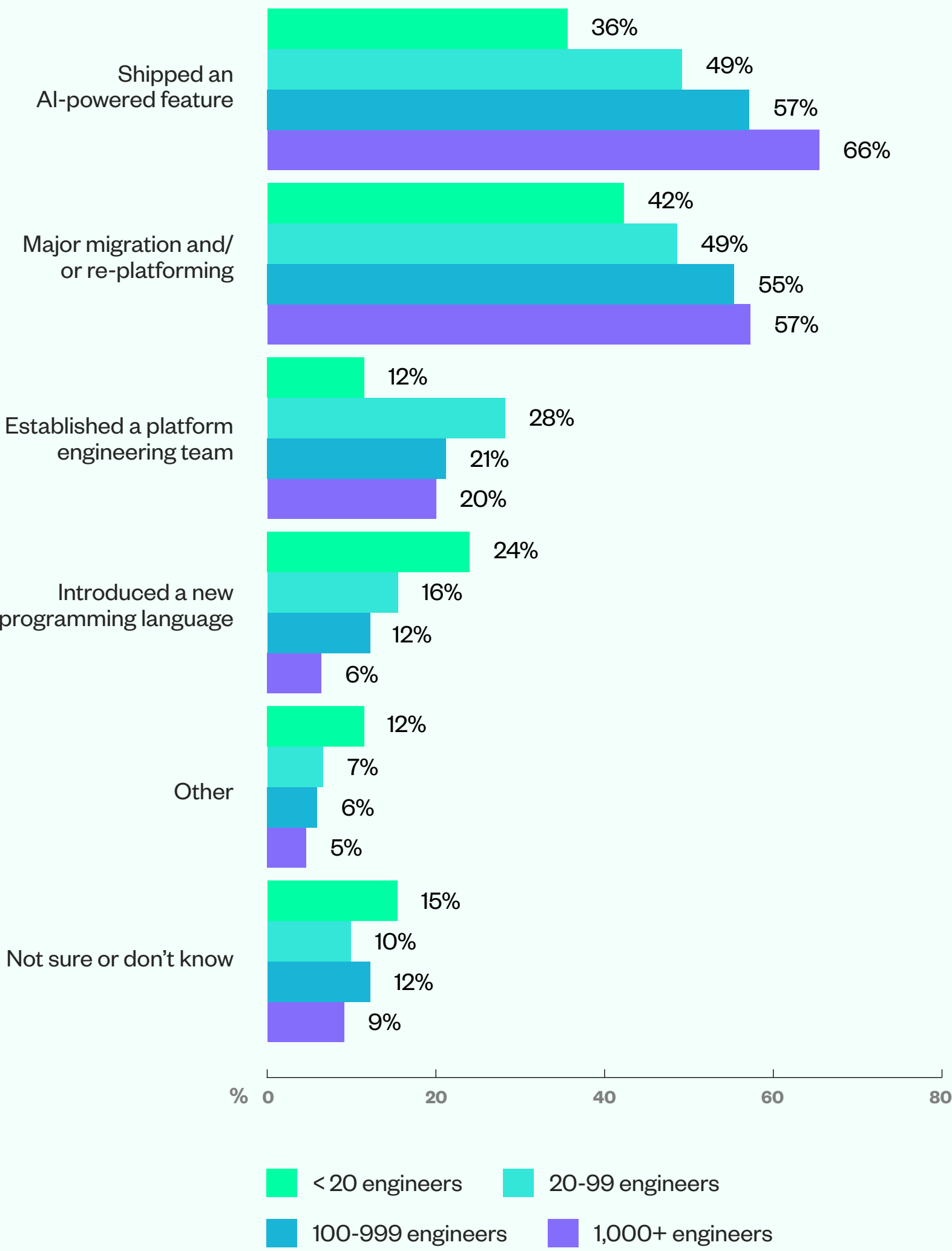
Generative AI made its way into more applications in 2025, with 53% of respondents shipping an AI-powered feature in the last twelve months. This made it the most popular engineering-related project amongst respondents, ahead of a major migration or re-platforming, at 52%.

This jumps to 65% when only looking at large organizations with 1,000+ engineers. In fact, looking at another question, we found that 55% of these organizations are prioritizing work related to AI for internal use, which is 10 percentage points higher than the average (45%).

Which of the following engineering-related activities occurred at your company in the last 12 months?



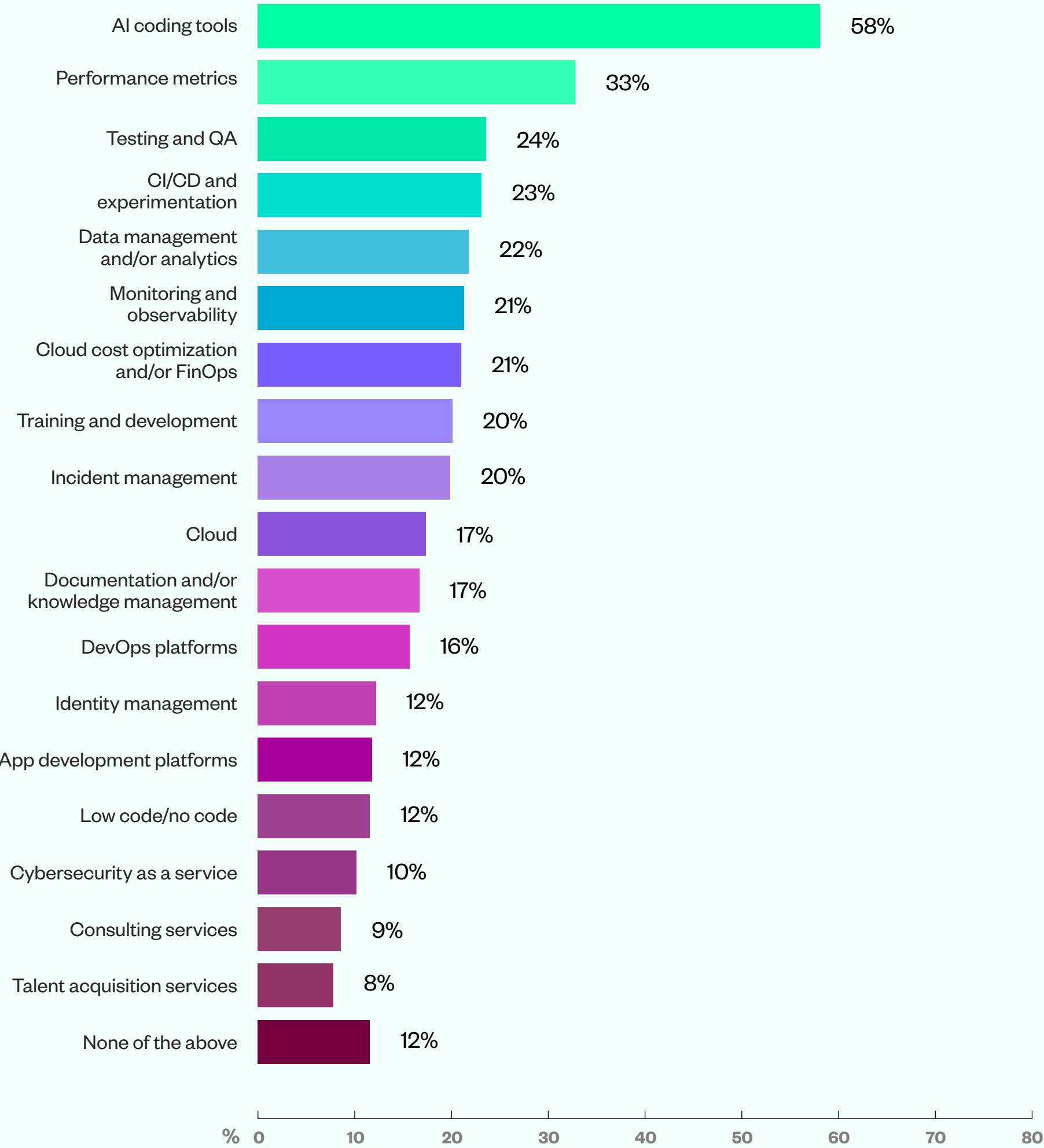
By company size: Which of the following engineering-related activities occurred at your company in the last 12 months?



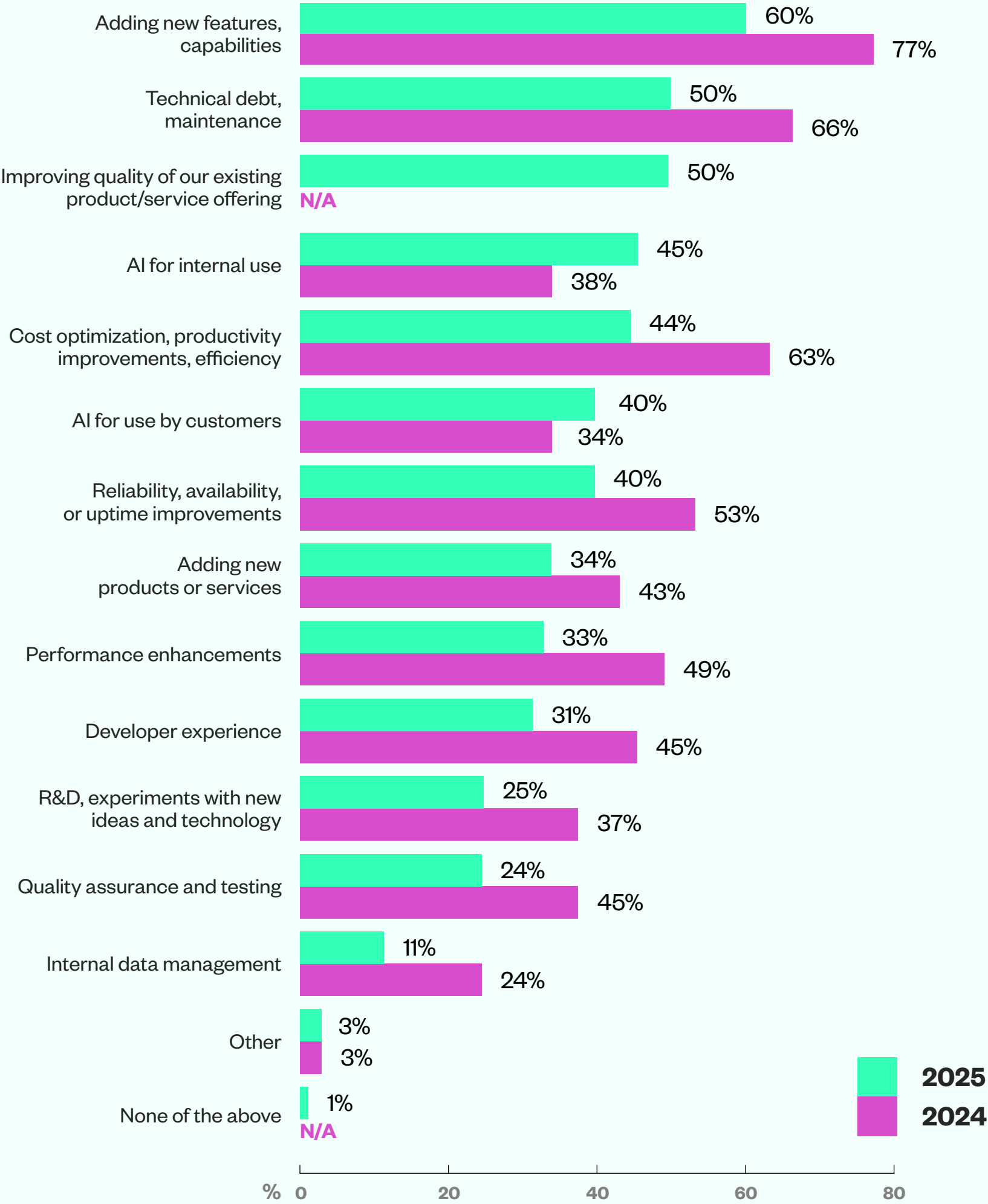
AI coding tools were also far and away the most interesting tooling area among engineering leaders surveyed, with 58% considering investing in it or switching suppliers. Next on the list was performance metrics, at 33%.

AI for internal and customer use has also jumped up the priority list by about six percentage points each in 2025.

Which of the following areas is your organization considering investing or changing suppliers in the next 12 months?



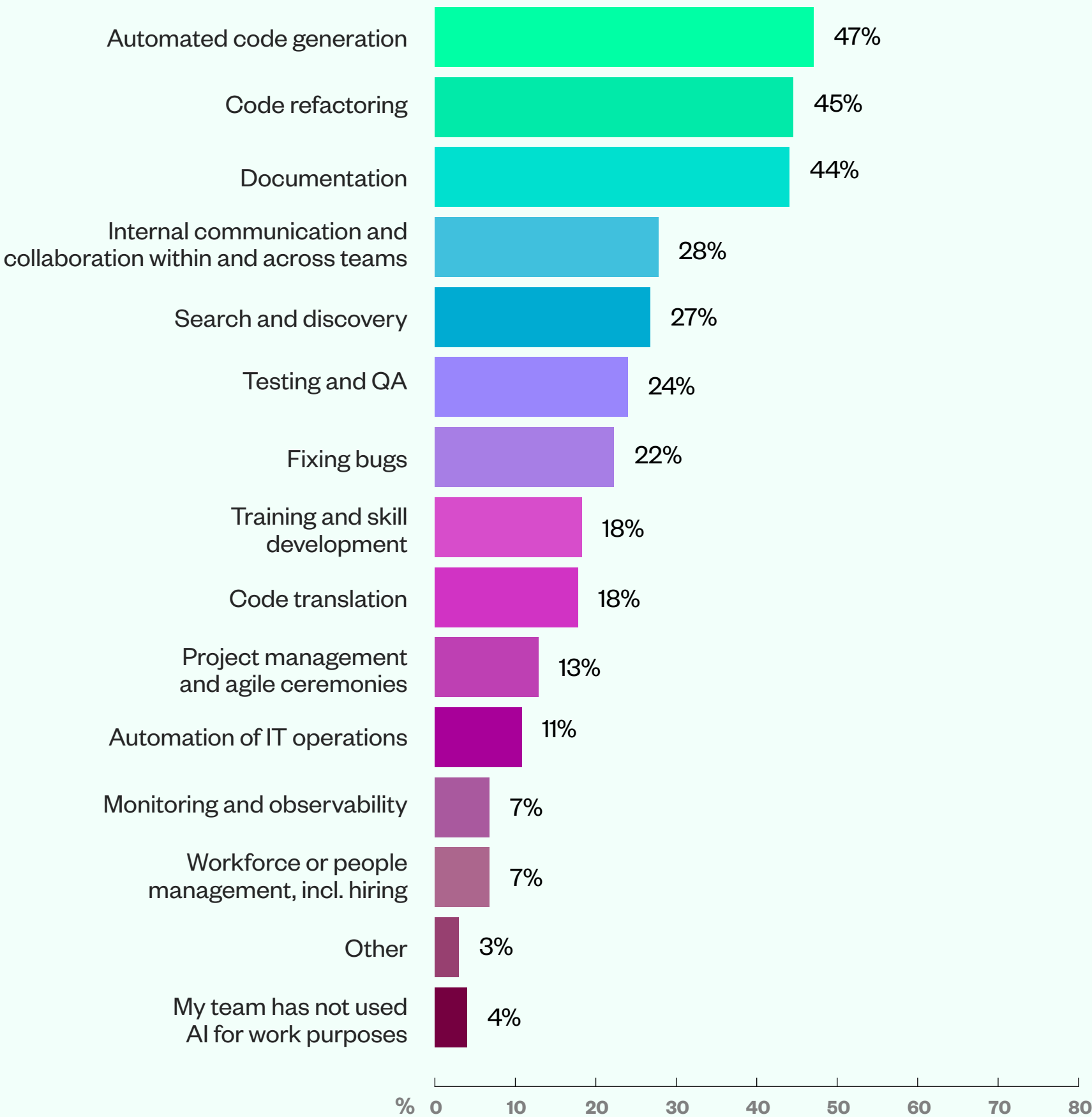
What type of work are you and your team(s) prioritizing over the next 12 months?



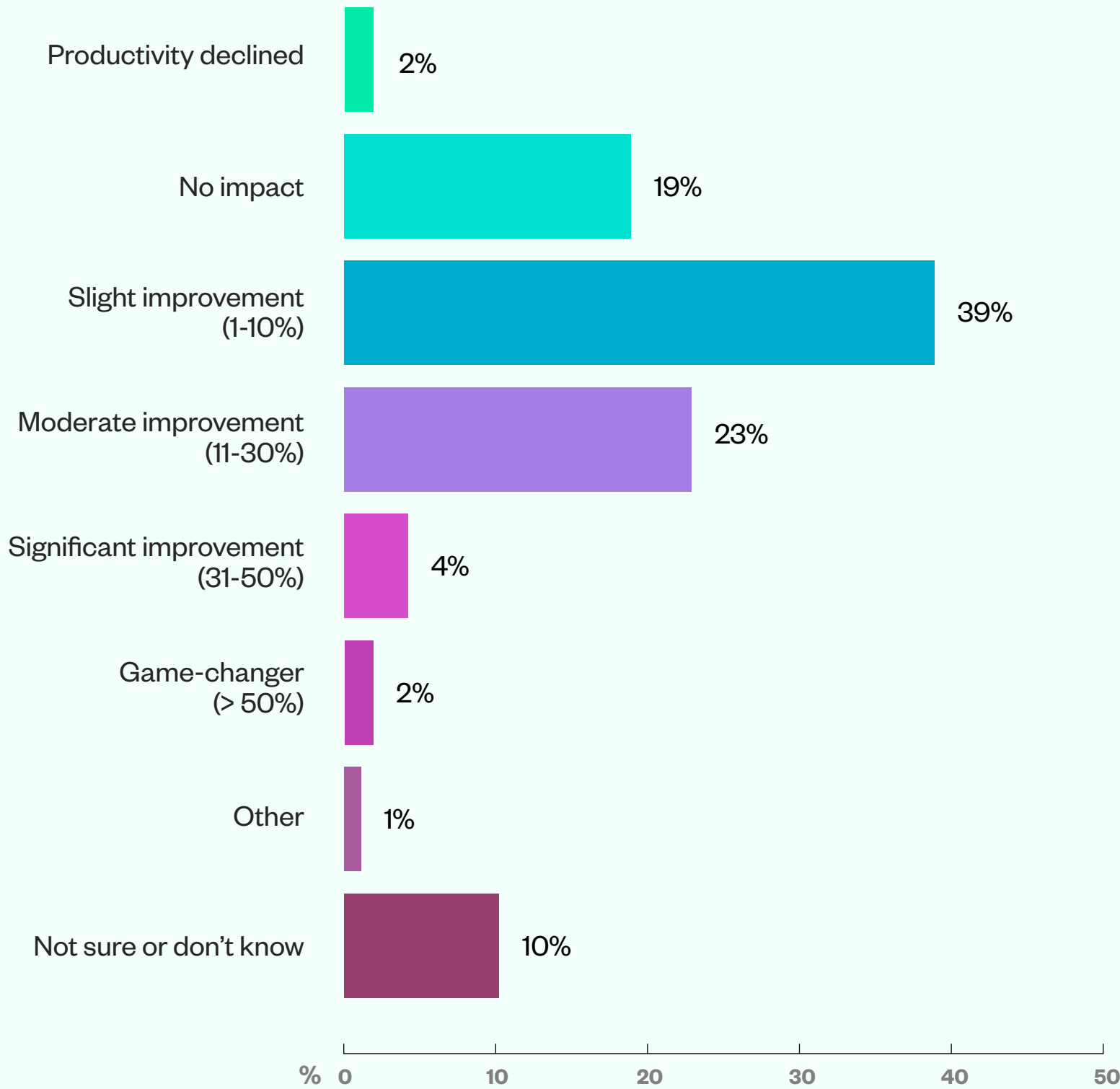
Internally, coding assistants for generating (47%) and refactoring code (45%) were the most popular use cases for AI, alongside documentation (44%).

But is it having an effect? 39% of respondents say productivity levels have risen slightly due to the impact of AI, and 21% have seen no impact at all or a decline in productivity. 23% have seen moderate improvements, and only 6% a significant or game-changing leap.

Have you or your team used any type of AI to help you with any of the following tasks?



How have developments in the broadly defined AI space impacted your engineering team’s productivity?



Sentiment around generative AI also shifted dramatically in 2025. Fears around privacy dropped from 63% to 44%, and concerns over the learning curve for engineers fell from 25% to just 18%.

Unease about generative AI’s long-term impact on code maintainability (from 39% in 2024 to 49% in 2025) and the impact on junior developers entering the industry (from 43% in 2024 to 54% in 2025) both rose.

There was wider apprehension toward generative AI’s broad negative impact, rising from 42% in 2024, to 51% this year. That is offset by 65% who also said they are excited about the positive influence of generative AI.

Despite fears of AI-driven job displacement, 54% of respondents don’t see these tools impacting headcount in 2025. Beyond that is anyone’s guess.

