

# Africa's Untapped Tech Talent Pool



## If there's one thing hovering near the top of every company's priority list, it's finding tech talent.

Despite ongoing uncertainty in the global economy, 43 percent of companies plan to increase the size of their IT staff in 2025, according to the <u>Spiceworks 2025 State of IT Report</u>. Yet this will be tough for most organizations to do, since the same survey reveals:

## **57%**

of senior tech leaders believe "hiring tech talent is difficult" due to existing global skills gaps

Tech leaders rank the IT skills and labor shortage

No. 2 among all business challenges and concerns for 2025 The demand for talent is relentless. Traditional recruitment, education, and training methods can't keep up with the pace of technology itself. Searching for skilled talent in the same old places simply doesn't cut it. A <u>Korn Ferry</u> study estimates that, by 2030:

The size of the global human talent shortage will surpass more than

**85 million** people, equivalent to the

population of Germany

Without significant intervention, the talent shortage could result in about

\$8.5 trillion

It's time to free your recruiting efforts from the limitations of geographical borders. It's time to discover an emerging talent marketplace rich with expertise, experience, and exciting possibilities: Africa.

Tech startups on the African continent <u>raised \$1.4</u> <u>billion</u> in the second half of 2024, an 80 percent jump from H1 and a 25 percent increase year-over-year. The world's recruiters and hiring managers are clearly discovering Africa's tech talent. Isn't it time your organization did too? Here's what you need to know.

#### Improved connectivity

Internet use in Sub-Saharan Africa has rocketed from less than one percent in 2000 to <u>30 percent today</u>, giving Africa the highest regional increase in global Internet penetration. <u>5G mobile connections are</u> <u>projected to reach 40 million</u> in 2025. The installation of several underwater network cables has expanded Internet access throughout Africa and <u>reduced</u> broadband costs by up to 90 percent.



#### A growing tech ecosystem

Africa's technology industry has experienced a seismic shift over the last decade, becoming one of the fastest growing tech ecosystems in the world. According to <u>Disrupt Africa</u>, the number of tech hubs in Africa has grown by over 40 percent since 2019.

<u>The number of African tech startups rose to over</u> <u>5,200</u> in 2021. <u>Eight African startups</u> have already achieved "unicorn" status — a valuation of \$1 billion or more. FinTech startups such as Interswitch (Nigeria) and JUMO (South Africa) have led the charge, raising more than \$4 billion in funding since 2015.

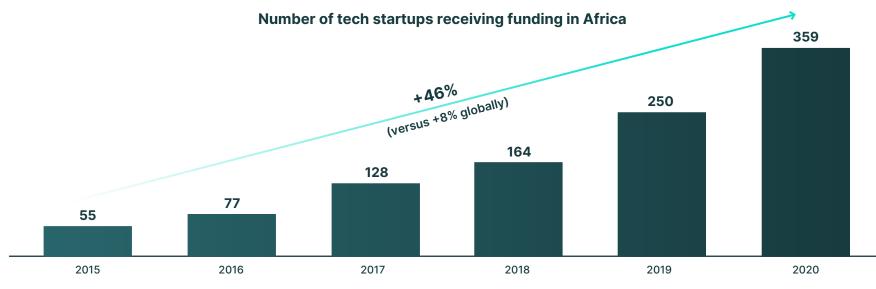
Africa's Al market was projected to reach \$6.9 billion

in 2024, powered by machine learning, natural language processing, and autonomous and sensor technology. Investors are literally buying into the potential of Africa's tech scene, with <u>VCs pouring</u> <u>over \$4 billion into African startups</u> in 2021 alone, 2.5 times the amount in 2020. The number of startups receiving VC funding in Africa grew by 46 percent between 2015 and 2020, far higher than the eight percent growth rate for startups globally.

African governments are collaborating on the trade and regulatory fronts to spark further growth in the tech sector. The African Continental Free Trade Area agreement (AfCFTA) cut tariffs and regulatory red tape so access to tech products and talent can flow more easily among the 54 member states.

In 2020 the Protocol on Digital Trade was incorporated into AfCFTA to streamline trade across Africa via e-commerce and digital platforms. That same year, the African Union also adopted the Digital Transformation Strategy for Africa 2020–2030, committing to harness digital technology for economic growth, inclusion, and diversity in the region.

Africa's tech ecosystem is building the foundations for a stabilizing economy that's primed to support a growing population of young digital tech talent. And speaking of talent ...



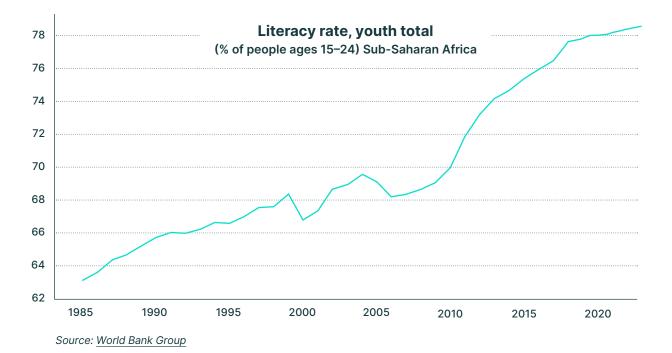
Source: Paratech chart published in the article "Overcoming Africa's Tech Startup Obstacles" by Boston Consulting Group

#### Huge and expanding talent pool

If you're looking to increase your IT talent pool exponentially, the sheer size of Africa's workforce makes it an extremely appealing marketplace. Besides having the <u>fastest-growing population in</u> <u>the world</u>, the continent is already home to <u>450</u> <u>million</u> working-age individuals.

Africa's rapidly growing population is projected to reach <u>2.5 billion by 2050</u> — one-quarter of the global total. Of those 2.5 billion people, 60 percent will be under 25 years old. This demographic shift presents a rare opportunity for organizations to leverage one of the world's largest and most promising pools of technical talent. The pool of African professional developers climbed from <u>690,000 to 716,000</u> between 2020 and 2021, an increase of 3.8 percent. According to the <u>Africa</u> <u>Developer Ecosystem</u> report, the average developer employed by an international firm in Africa has six years of experience, while developers working for local companies have an average of four years of experience. Africa's young digital talent is eager to innovate, keenly aware of emerging technologies, and ready to take on the world's challenges.

To keep the pipeline of fresh talent flowing, Africa's training and education systems are ramping up. The <u>literacy rate for African citizens aged 15 to</u> 24 has increased significantly since 2008.



And <u>enrolment in post-secondary education more</u> <u>than doubled</u> in the decade between 2011 and 2021, according to a 2024 academic research paper:

Over the past ten years, students' enrolment rose from five percent to about 11 percent in 2021, marking one of the fastest increases globally. While higher education in Africa is rather more recent than in most other world regions, the pace of change in Africa's higher education sector could be one of the most dramatic.

#### James Otieno Jowi

The Journal of International Cooperation in Education

EdTech companies have emerged across Africa to help train and support local tech leaders of tomorrow. For example, <u>CWW Tech Africa</u> has pledged to equip one million African youth with digital and tech skills by 2030.

#### **High degree of English fluency**

About 130 million people in Africa speak English, which is an official language of communication in <u>27 out</u> of <u>54 African countries</u>. A significant portion of African graduates possess intermediate or higher English proficiency. Moreover, African professionals are adept at adapting to different cultures and working environments, making them valuable assets in today's globalized workforce.

#### The digital economy closes time zone gaps

It might surprise you to learn that several regions in Africa are only one to two hours behind many time zones of Europe. Central European Time (CET) is usually just one hour ahead of West Africa Time (WAT) while Greenwich Mean Time (GMT) is only two hours behind Central Africa Time (CAT). New York City is eight hours behind Nairobi, comparable to the six-hour time difference between NYC and Paris.

In a truly digital economy, remote work and asynchronous collaboration tools give people the flexibility to work how and when they want, with a focus on end results rather than time zone gaps. Time zone differences are a necessary ingredient of the 'follow the sun' model that's been used by companies such as IBM: with multiple teams in different time zones, work can be completed during more than just one eight-hour workday period, boosting productivity and efficiency across your organization. And for global firms operating in multiple markets, hiring talent in those regions strengthens their strategic presence in those markets.

#### **Emerging trend: Borderless hiring**

If reading this has opened your eyes to the incredible talent beyond your company's immediate geographic

borders, you've joined a growing club. The rest of the world has already discovered that brilliance doesn't have a zip code.

As the talent shortage worsens, global organizations are increasingly expanding their horizons — and crossing borders — to source and hire the skilled technical talent they need. This has led to the rise of an emerging trend: borderless hiring.

In this bold new approach, employees work remotely from different locations, often across international borders and time zones. Instead of being limited to hiring workers within the same city, region, or country, more organizations are tapping into a truly global talent pool by leveraging the flexibility and agility of remote work.

The pandemic forced companies to run remote-only experiments, and many of them worked. That's given rise to the confidence that companies no longer have to be tethered to hometown cities. No longer is it a given that a new company sets up a physical headquarters and then expands from there, city by city. More companies will have leadership teams scattered across the globe and reap the benefits of digital collaboration across borders.

Carrol Chang CEO, Andela

#### **Borderless hiring**



of firms are currently practicing borderless hiring — a figure which has doubled in the last three years (<u>Gartner</u>)

27% of firms are considering

borderless hiring (Gartner)

88% ~~

of enterprise companies want to find tech talent in other countries (<u>Andela/Foundry study</u>)

There are an estimated 40 million digital nomad workers across

the globe, projected to reach 60 million by 2030 By embracing borderless hiring, companies can eliminate skills shortages and reap numerous benefits such as:

- Increased flexibility: Remote teams can be easily scaled up or down based on evolving project demands, market conditions, and business needs.
- Expanded talent access: Tap into talent pools that have previously been overlooked or inaccessible due to geographical barriers.
- Cost efficiency: Hiring talent from regions with a lower cost of living can translate into significant savings for companies.

As outlined earlier in our myth busting section, Africa has emerged as a wellspring of technical excellence in this widening pool of borderless talent. Now that you know more about Africa's untapped talent, how do you go about hiring them?

#### Introducing Adaptive Hiring: A new model

That's where Andela's <u>Adaptive Hiring</u> model comes in. The centrepiece is Andela Talent Cloud, which <u>leverages Al and ML</u> to streamline the recruiting and screening stages. Organizations can quickly find the best tech talent anywhere, without having to sort through dozens (or even hundreds) of candidates.

Using advanced matching algorithms, our dynamic "decision engine" learns from thousands of touchpoints across the hiring journey to pinpoint the best engineers for the roles and skills required. This transformative approach has the agility to secure quality talent with the right skills at the right time for any business objective, product initiative, or project. Business value of Andela's Adaptive Hiring model as <u>validated by Forrester</u>

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200+ hours saved in year one 106 hours saved on hiring efforts per talent brought onboard

5,200+ hours saved by year three

### Faster

time to market and reduced rework due to high-quality talent

accelerated project timelines by

By using the Andela talent network, an organization can avoid turnover-related costs of \$300,000 per employee, such as loss of knowledge, training, and productivity. Forrester concluded that sourcing talent from Andela is 40 percent more cost-efficient than hiring independently. Plus, Andela handles contractor paperwork and legal compliance, reducing a company's risk of misclassifying employees and facing significant fines.

The <u>success stories</u> of early adopters like HP, Indeed, and Scholastic prove that Adaptive Hiring really works.

#### Andela's African roots

Andela doesn't just source talent in Africa; <u>we were</u> <u>founded there</u>. Since Andela was established in Lagos, Nigeria back in 2014, we've trained about 15 percent of the 700,000+ developers in Africa. In fact, Andela sourced the first West African employee of Twitter (now X). Andela's African talent pool continues to grow by an average of 179 percent each year.

Tech companies aren't the only ones who benefit from Adaptive Hiring. Meet some of the <u>talented developers</u> <u>and engineers in Africa</u> to hear how Andela has transformed their careers and their lives.

We're constantly creating new programs and training initiatives for African talent to hone their skills. In Rwanda, for example, the Andela Technical Leadership Program (ATLP) successfully trained 380 junior engineers from across 10 African countries, with over 70 percent of ATLP graduates currently employed. Today, we're proud to see the representation of industry-leading engineers in Africa, and privileged to match their brilliance with opportunity. But we know there's still much more to discover about this exceptional and untapped talent pool.

Continental Africa holds limitless opportunities, and we look forward to the many groundbreaking innovations that developers from the region will further bring — to your organization, to their local communities, and to the world.



Each year, Andela's African talent pool continues to grow by an average of

179%

#### ♦ andela

Looking to build a remote tech team? We can help.

Andela operates one of the world's largest private marketplaces of skilled digital talent. Its adaptive hiring model gives companies greater flexibility to deploy qualified technical talent where it is most needed quickly. The company's exclusive AI-powered platform enables clients to select individual roles or engage fully managed teams up to 66% faster. Andela's diverse talent ecosystem spans over 135 countries and is highly skilled in advanced technologies to support Application Development, Artificial Intelligence, Cloud & DevOps, Data Engineering, and more. The world's best brands trust Andela, including GitHub, Mastercard, and Mindshare.

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