



Is Your Engineering Team Ready for the Remote Future?

Insights From our Technology Leadership Survey on Remote Maturity




Introduction

From Slack to Twitter to HubSpot, more companies than ever before are choosing to go **permanently remote**.

Boston Consulting Group estimates that remote working models lead to a 20% cost reduction in real estate and resource usage, as well as a 15-40% increase in productivity.

Andela Remote Maturity Survey



This makes sense both from an employer and an employee perspective. The benefits of hiring talent where it is found are enormous to the company and to the many talented people who live in tucked away and far away places. **Boston Consulting Group** estimates that remote working models lead to a 20% cost reduction in real estate and resource usage, as well as a 15-40% increase in productivity. According to PwC's US Remote Work Survey, conducted in January of 2021, more employee respondents say they're more productive now than they were before the pandemic, and executives agree—over half say average employee productivity has improved.

For the employee, working remotely also improves quality of life. And a survey from **Buffer** found that over 97% of people who started working remotely as a result of the pandemic would choose to continue to do so for the rest of their career, even if it was just for the part of the time.

However, there's a disconnect, as our research indicates that only a small percentage of companies (**21.5%**) are able to hire talent wherever it may be found in the world. Even fewer companies are truly remote-ready global organizations.

With so many benefits of remote work, including access to global talent, companies are now grappling with how to improve their processes, people, and technology to be successful in this new era.

In this whitepaper, we'll identify some of the common challenges that companies face as they transition to working remotely and how you can increase your organization's global hiring maturity to stay competitive and reap the benefits of remote work.



SECTION ONE

About This Research

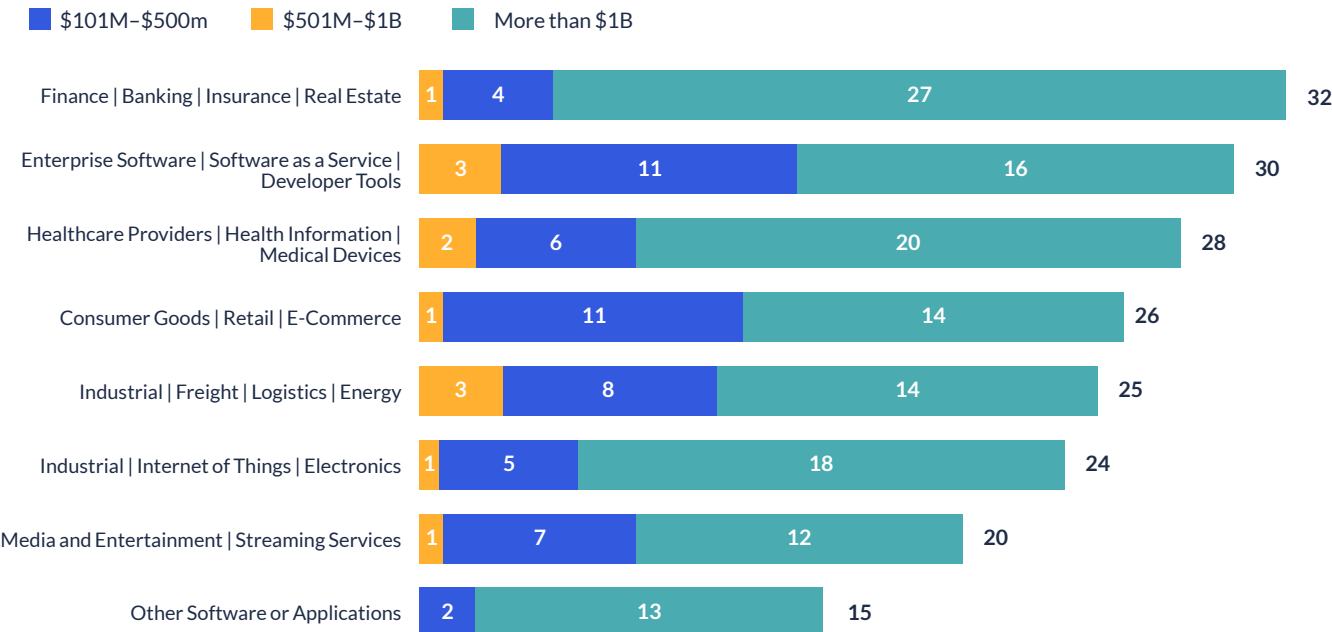
More than a third (**39.5% of the people surveyed**) worked at companies with more than 500 engineers on staff.

Most of the people surveyed work for companies with more than \$1 billion in annual revenue, with the highest percentage of responses coming from the Finance, Software, and Healthcare industries.

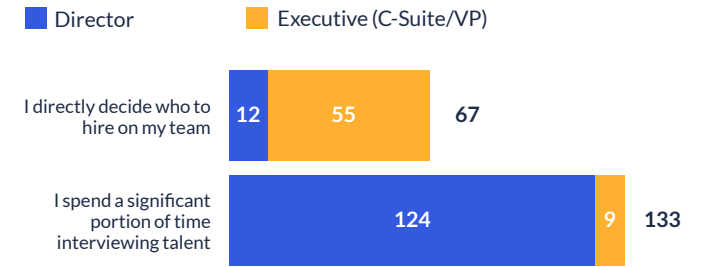
The survey results were used to benchmark against a maturity model, which places respondents in categories based on their relative ability to hire talent at a global scale.

The whitepaper provides the results and insights we found from our study and expert interviews, providing you with a roadmap to better understand the benefits of remote hiring and management, how your peers are approaching it, what challenges they have, and how to increase your company's remote readiness.

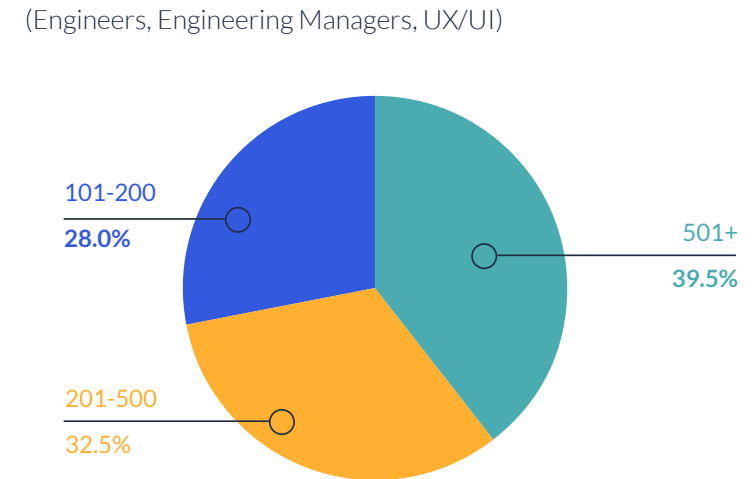
What is Your Firm's Approximate Annual Revenue?



Which Statement Most Closely Describes Your Role as it Relates to Hiring?



Approximately How Many Full-Time Employees are in Your Technology Department? (Engineers, Engineering Managers, UX/UI)



SECTION TWO

The Shift to Remote Work

In 2020, average salaries for top engineering roles went up by 5% in the SF Bay Area, 3% in New York, 7% in Toronto, and 6% in London, despite the massive economic downturn and overall drop in hiring demand due to the COVID-19 pandemic. As the pandemic evolved, companies found that their employees embraced remote work, preferring to work from home (or elsewhere) over an office. In addition, companies also began to recognize benefits from remote work, including:

- > Faster time-to-hire
- > Regional market expertise
- > More high-quality talent to choose from
- > Diverse perspectives
- > Higher value for the cost

A study from [McKinsey](#) notes that: “Considering only remote work that can be done without a loss of productivity, we find that about 20 to 25 percent of the workforces in advanced economies could work from home between three and five days a week. This represents four to five times more remote work than before the pandemic and could prompt a large change in the geography of work, as individuals and companies shift out of large cities into suburbs and small cities.”

Our survey focuses on that “large change in the geography of work.” As the US and other developed countries start to experience these major changes in work, it will start to affect how companies utilize global talent.

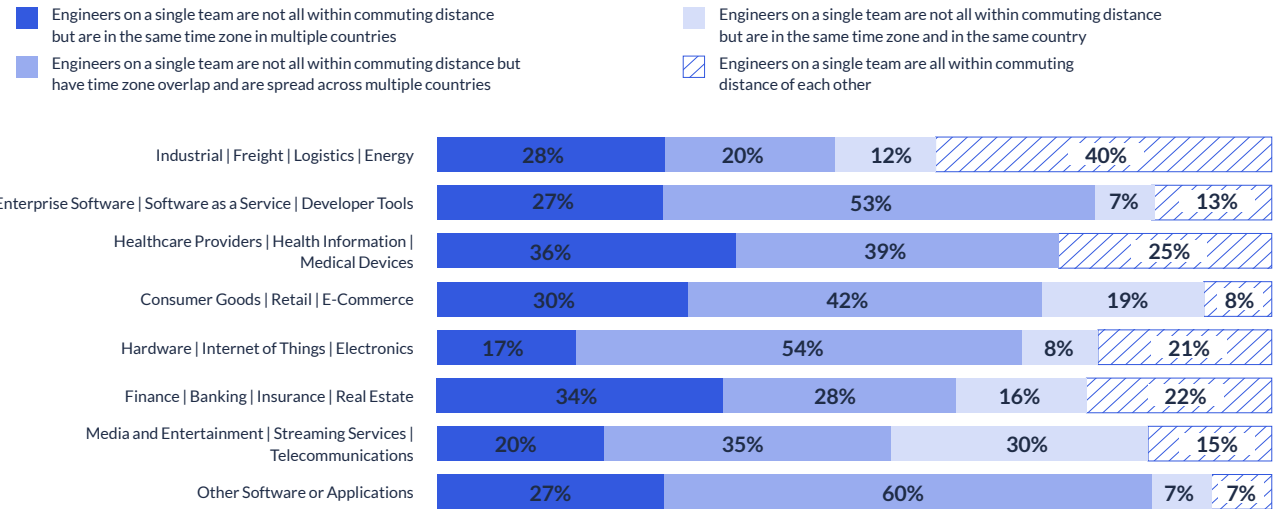
Let’s look at the ways companies surveyed describe how their engineering teams operate in the present and how the model will evolve as they look to the future.



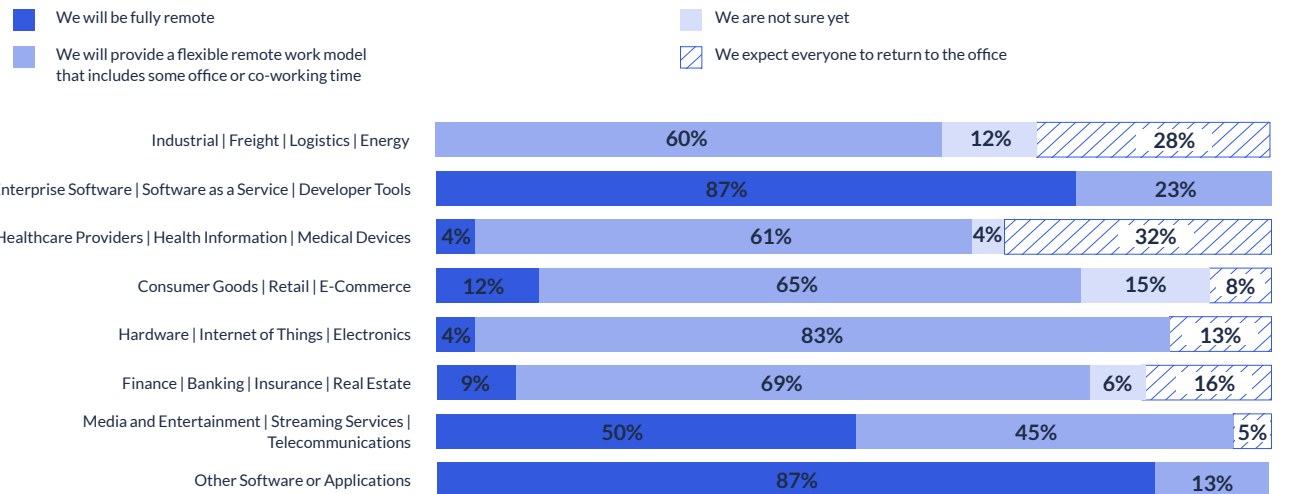
I have always been a believer that for tech teams, you can have a distributed team and it can work very efficiently. We need to change the minds of other executives who would have been not as favorable to it in the past from not having seen that it works.”

Kartal Goksel
CTO at Kargo

Which of the Following Statements Most Accurately Describes the Way Your Engineering Department Operates?



Does Your Company Plan on Allowing Remote Work for Your Full-Time Engineering Staff After the Pandemic?



Most of the companies that are shifting to remote work or flexible work are in the software industry with a history of some remote work already. Additionally, many large companies are currently working in a patchwork of different locations and time zones, even within the countries where they have a major office presence. No industry has a majority of teams that are all within commuting distance of one another.

With that said, a huge number of other industries that once had primarily office-based work cultures are now planning on becoming much more flexible, which will create new competition for engineers outside of traditional technology industry hubs.

However, as exciting as this is, there is still work to be done in the shift toward remote work, as a significant number of companies are still not able to embrace a truly global remote hiring and management approach for a variety of reasons. In this next section, we'll provide insight into the challenges companies face on their path to remote work maturity.



Remote contractors are part of the innovation process and can provide technical leadership like architectural work. They can be part of the strategic conversations. It's more challenging when it comes to actual management."

Nick Branstator
CTO at Playwire Media

For Those Who Take a Global Approach to Hiring, Which of the Following Benefits Have You Experienced? (Respondents could pick more than one answer.)





SECTION THREE

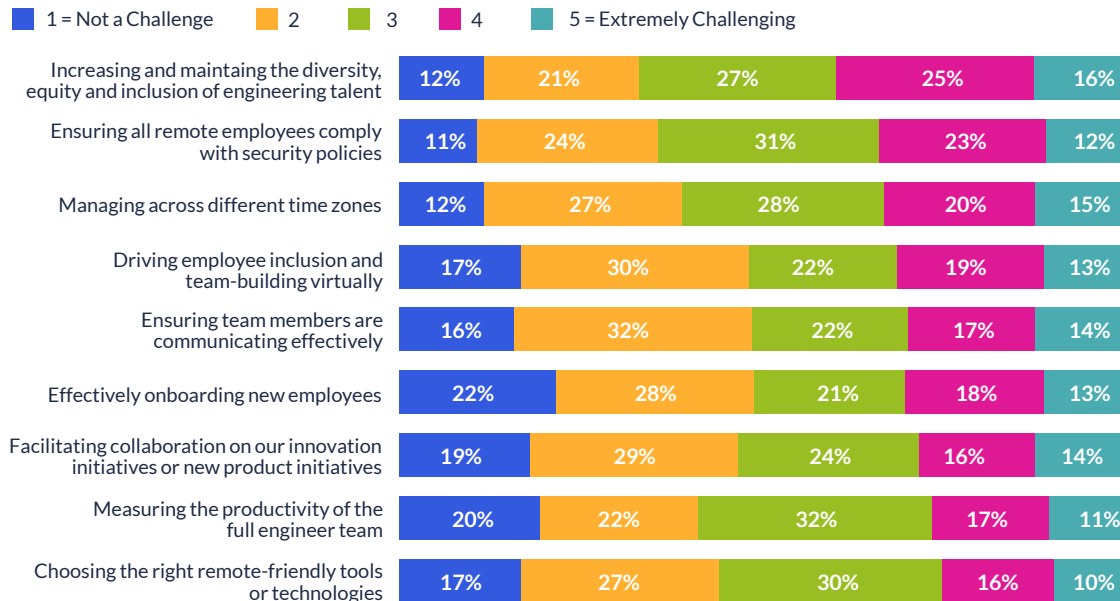
The Challenges Companies Face in Going Remote

Even within the highly distributed and large engineering organizations that participated in the survey, being truly free to hire the best talent anywhere in the world is not common.

Only 21.5% of companies surveyed said they could hire talent from anywhere, while only 16.5% are at the other end of the spectrum, requiring employees to be within commuting distance. The majority, 62%, are set up to hire across a variety of regions but are still bound by red tape, legal hurdles, and processes that slowed them down from true competitive global hiring (more details on the right).

The companies that are fortunate enough to go remote recognize a variety of benefits, as well as challenges, which the survey response below addresses.

How Challenging Do You Consider Each of the Following When Managing Remote Employees?



Ironically, the top challenge with managing remote employees—maintaining diversity, equity, and inclusion—can become a great strength if your organization prioritizes global hiring and management. However, making the shift is the challenge that faces the majority.

Major Challenges to Becoming a Fully Global Remote Organization Span Three General Categories:



Hiring Logistics

Paperwork, permits, taxes, and other hurdles can be costly and complicated for HR and legal departments to manage. It might not be cost-effective to hire in a new country that doesn't already have an office presence unless a large number of new hires are planned.



Diversity

Our survey finds that when operating globally, particularly in a remote hybrid setup, it can be difficult for organizations to implement a diverse and inclusive workforce. This, in turn, subsequently leads to further recruiting and retention issues.



Management

Ensuring effective communication across languages, cultures, and time zones can be burdensome for individual managers if best practices are not in place to support such a structure.

MAKING THE SHIFT:

Why Maintaining the Status Quo Won't Work Anymore

More and more, companies are realizing that the barriers to scaling the remote workforce are challenges that need to be solved. The urgency to hire in new territories is in response to growing competition at home and in other well-established regions, as reflected in the respondents' responses below.

Survey respondents expect growing competition for talent in the near term. The majority believe that companies will hire more remote talent outside the US to access a wider talent pool and that compensation everywhere will rise. This combined pressure on available talent and the cost of talent will change the equation for companies that have resisted solving the remote hiring challenges they faced in the past.

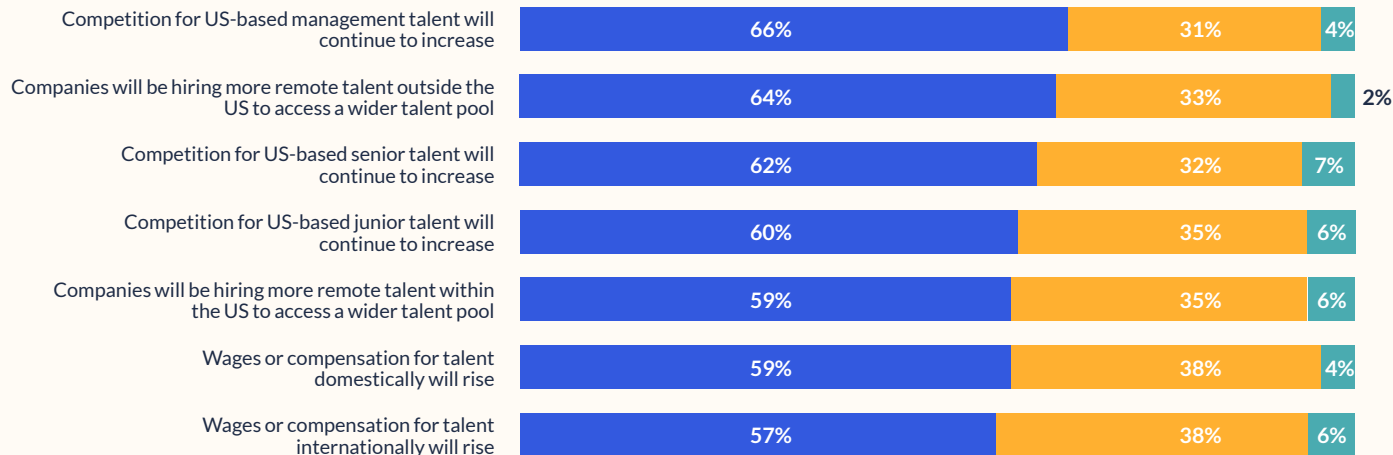


Cisco is open to flattening the hiring process to open the global opportunity. They have offices in nearly every country you can imagine.”

Basem Nayfeh
Director of Engineering at Cisco

Agree, Disagree, Unsure (Percentage of Survey Respondents)

■ Agree ■ Disagree ■ Unsure





SECTION FOUR

The Maturity Model

We assessed the responses to the survey and created a unique maturity model which assesses the percentage of engineering leaders that have organizations that are well-equipped to hire and manage a truly global talent pool. The results show that less than 20% of companies are mature or somewhat mature. The majority have some best practices in place but have an opportunity to improve.

DEEP DIVE:

Maturity Model

The Remote Maturity Model evaluates each company across five primary points, including their position around post-Covid remote work, the degree to which they find common remote work challenges a problem for their organization, the number of different countries they operate from today and plan to in the future, their ability to overcome legal, regulatory and operational hurdles to hire the best folks from anywhere in the world, and the degree to which they've moved away from engineering hubs.

1 Visionaries

The **16% of companies rated most mature** are fully remote and face no operational or logistical hurdles to hiring the best talent from wherever they are in the world. Their teams often include team members working together across different countries and time zones.

3 Strivers

The **24% of companies in this group are less mature** than the majority but have office presences in a variety of countries and have some degree of flexibility to remote work. They have a high risk of falling behind when hiring and retaining talent if they don't remove remote work barriers in the future.

2 Fast Followers

The majority of companies, **54% fall into the "fast followers" group**, having a variety of global remote capabilities but not a fully mature global remote organization. This group acts and feels like a distributed, remote organization, but they will start to feel pressure to mature as competition for available talent.

4 Laggards

The **7% of companies rated as least mature** are expected to bring all workers back to an office, plan to hire from no more than three different countries over the next couple of years, and have fully colocated teams, where each engineer works primarily with teammates from the same office (versus spreading teams across multiple offices and timezones).

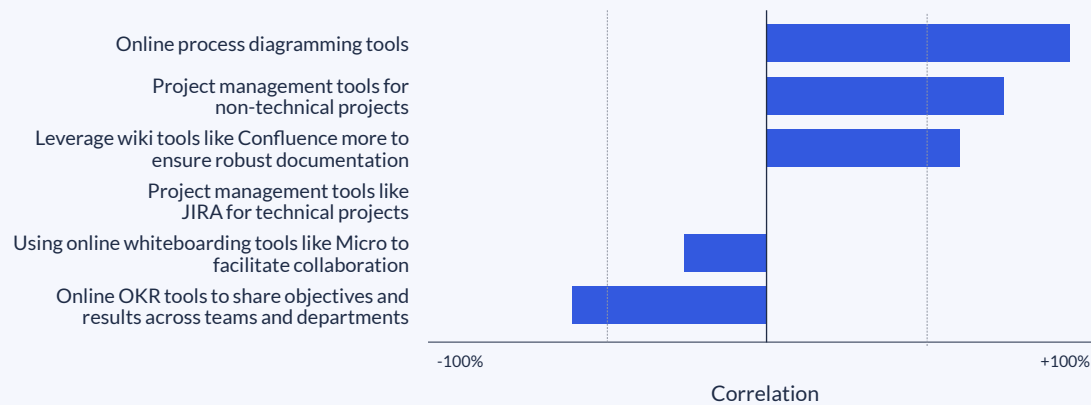
The Mature Global Company:

- > Has overcome common challenges in maintaining a fully remote team
- > Is set up to hire the best talent anywhere, operating across time zones and countries
- > Can manage teams and promote any good employee
- > Has a management/employee approach that supports remote hiring/teams

Deep Dive into Some of the Responses from the Survey

We also found a relatively high correlation between those companies with a high remote maturity score and the adoption of tools like Process Diagramming and Project Management tools.

Which of the following types of software and work tools has your company (or division) adopted?

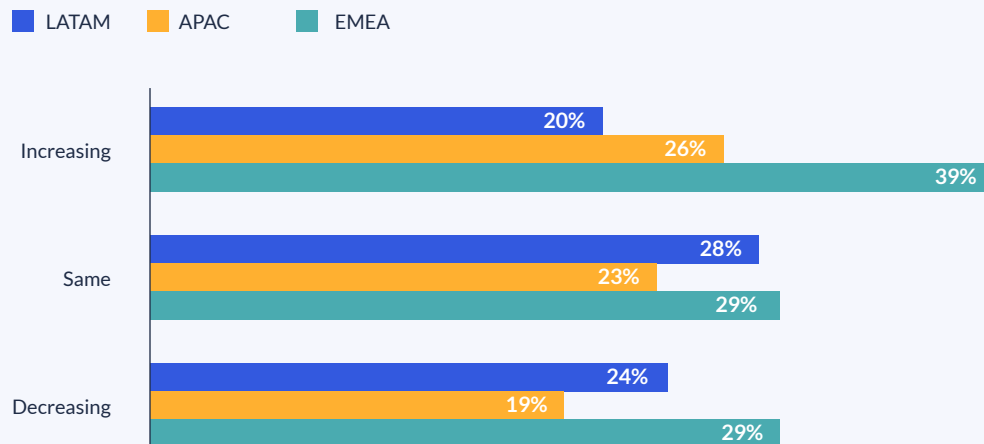


We found that there was a high correlation between remote mature companies and those that use shared living documents to manage meeting minutes, notes, and actions for meeting best practices.

Workers have more choice in a remote-first economy, and the competition for talent is heating up on a global scale. According to our survey, the number of companies sourcing talent from more than 10 countries will increase from 3% to 8% over the next two years.

Across the board, our data shows that companies are prioritizing hiring talent in the EMEA region, while the LATAM region is comparatively overlooked. We believe hiring engineering talent in LATAM presents a tremendous amount of opportunity for our clients, as there is a sizable and talented workforce in this region that works on a similar time zone to their North America counterparts.

Priority Regions for Companies who are Increasing, Keeping the Same or Decreasing the Number of Countries they Operate in Over the Next Two Years



Europe is good, South America is much better, almost the same workday. But in Europe, it's easy to overlap at least with the morning hours of the US, which gives enough collaboration, and the rest of the time they focus on their own work anyway."

Kartal Goksel
CTO at Kargo

QUESTIONNAIRE

Use These Questions to Assess Your Level of Remote Maturity

Starting From Zero

If you answered True for 2, 3, 4, 7, or 8, add 1 point to your score for each question.

If you answered True for 1, 5, 6, or 9, subtract 1 point from your score.'

5 Points = Visionary

4 Points = Fast Follower

3 Points = Striver

2 Points or Below = Laggard

For more information on each level refer to [Page 12](#)

- | | True | False |
|---|--------------------------|--------------------------|
| 1. After the pandemic, we expect everyone to return to the office | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. After the pandemic, we will be fully remote | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. In managing remote employees, we wouldn't consider any of the following to be extremely challenging: <ul style="list-style-type: none">• Choosing the right remote-friendly tools or technologies• Driving employee inclusion and team-building virtually• Effectively onboarding new employees• Ensuring all remote employees comply with security policies• Ensuring team members are communicating effectively• Facilitating collaboration on our innovation initiatives or new product initiatives• Increasing & maintaining the diversity, equity & inclusion of engineering talent• Managing across different time zones• Measuring the productivity of the full engineer team | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. We plan to operate in 7 or more countries globally within two years | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. We expect to operate in 3 or fewer countries globally for the foreseeable future | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. We plan to hire engineers within commuting distance to one of our offices | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. We plan to hire engineers wherever in the world we can find the best talent | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Engineers on a single team are often spread across multiple countries and timezones | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Engineers on a single team are often within commuting distance of their teammates | <input type="checkbox"/> | <input type="checkbox"/> |



SECTION FIVE

Maturity Checklist

Time to Work Backwards

Are you able to assess your team's needs and move quickly to fill in the gaps?

Do you hire and manage remote teams effectively?

Do remote workers remain loyal to your company?

Use this Checklist to Guide Your Global Talent Plans

Hiring Gap Assessment

- Do an internal talent assessment. Determine what talent gaps you have on your team and create a list of your top priorities.
- Look at your budget and determine the difference between what you can get in your current hiring footprint vs. what you want.
- Assess options globally across full-time hires, contract workers, and talent networks.
- Identify the largest missed opportunities in regions where you currently can't hire.
- Remember to marry the global opportunity to your company logistics and needs (time zones, languages, etc.).
- Create a case for prioritizing key new hiring regions and removing barriers including legal, fiscal, and contractual.

Hiring and Recruiting Update

- Look for current biases across managers, HR, and recruiters.
- Create a plan for removing hiring bias against talent in different regions.
- Review interview guides for cultural or other biases.
- Train interviewers to become more objective about location.

Onboarding

- Create a remote-first onboarding program for all workers.
- Increase documentation for new hires.
- Add new hours for HR so that remote workers have easier access.
- Increase one-on-one meetings and get-togethers for new hires.
- Be consciously inclusive, train teams to include new members.
- Have scheduled check-ins to identify at-risk new employees.

Management

- Ensure that work is equally distributed so that there is no "A" team in the office.
- Use technologies that improve collaboration.
- Increase documentation for asynchronous work.
- Be respectful of time zones and over-work.
- Train managers to include remote workers in standups and code reviews.
- Build time in for teams to get to know each other.



CONCLUSION

Take the First Step

A move to embrace global remote work involves new challenges. Our research shows that the first step many companies need to take is to identify the gaps in their current team structure and assess what hiring strategy would provide the most effective path to filling those gaps.



Global Talent

Diverse Teams

Build Careers



Be honest about what your team is capable of. And then work backward and think about how you can utilize that spend, whether it's full-time employees, short-term contractors, long-term contractors. **What do you need to be successful?"**

Dana Lawson,
VP of Engineering, GitHub

Putting Remote Maturity Into Practice

Companies like GitHub, which have been largely remote for most of their existence, have technologies and processes to support more autonomous cultures. There is copious documentation to help people move forward with work even if they work off-hours compared to their teammates. And people use Slack, Microsoft Teams, and Jira to encourage digital communication and productivity.

Creating a strong work culture is more important than ever in a remote and diverse work environment, but it requires focus and planning. Define and communicate priorities and goals frequently. Think of the analogy of the racecar driver, trained to keep their eyes on the road, not the wall. You must constantly reinforce the new culturally diverse approach so that you and your team don't "hit a wall" in the process.

Teams need opportunities to get to know one another and build rapport. All of the work to locate and hire remote talent must not be wasted. High turnover or low morale will undermine those efforts. When diverse remote teams are managed well, companies build positive reputations, creating a flywheel effect that helps attract more and better talent—an enviable position to have.

If companies act on the fact that brilliance is evenly distributed around the world, remote work could be the biggest step toward equal opportunity in our lifetimes. It will enable companies to operate more efficiently and create pathways for talent to build careers commensurate with their ability. **Every company that hires remotely has the chance to be an impactful organization, and by overcoming cultural boundaries, we'll all play a role in bringing the world a little closer together.**



Andela is the first long-term global talent network that connects companies with vetted, remote engineers in emerging markets. Hundreds of leading companies like Cloudflare, InVision, and ViacomCBS leverage Andela to scale their engineering teams quickly and cost-effectively. A distributed organization spanning four continents, Andela is backed by investors including Generation Investment Management, Chan Zuckerberg Initiative, Spark Capital, and Google Ventures.