



White paper

Decoding distributed work



The way we work is changing.

Surviving (and thriving) post pandemic meant workplaces had to change and prioritize digital transformation to adapt to an ever-evolving economical and work environment. Remote work is a workplace trend that is here to stay. And businesses are realizing how to expand hiring initiatives to include global talent, specifically in technical roles.

With remote work now a viable option, companies could hire talent based on skills, not location. They're no longer competing for the same local engineers, but looking elsewhere to prioritize quality and flexibility.

Companies, as a result, have had to alter the way they approach hiring and retention in order to appeal to this new mindset, including offering a distributed work environment. Many organizations have also discovered that by **widening their hiring pool to remote workers**, they are able to attract more diverse and specialized talent.

"If any company is looking to be truly global, then hiring from around the world is the way of the future. When you come to these markets, you see brilliance everywhere," says Mike B. Ndimurukundo, Managing Director, Andela Rwanda.

With that in mind, many companies have adopted distributed work as the new normal. While **remote work** refers to an individual's ability to work from any location — whether in an office, at home, or somewhere else, such as a coworking space — distributed work refers to an organization's approach to office culture. Distributed workforces may follow a hybrid model of splitting time between an office and work-from-home, or more often allow staff to work completely from where they are.

Distributed work isn't just a passing trend — it's likely to reshape the entire workforce for years to come. In a 2019 **Vox article**, Kate Lister, the president of research-based consultancy **Global Workplace Analytics**, estimated that by 2025, around 70% of the workforce will be remote at least five days a month. A survey of 2,500 remote workers conducted in the same year by social media-management company, Buffer found that 99% of respondents would like to work remotely at least partially for the rest of their careers.

Beyond being a preference for many workers, **distributed work provides several benefits** for organizations of all shapes, sizes, and locations, including increased productivity, lower overhead costs, and higher employee engagement and satisfaction.

Future Forum surveyed more than 10,000 workers around the world in 2022 and found that **workers with location flexibility report 4% higher productivity scores than fully in-office workers.**



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Mike B. Ndimurukundo
Managing Director
Andela Rwanda

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Andela Community member

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48%

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The push and pull of **return to office**

After pandemic restrictions were lifted, many companies and employees alike have pushed to return to the office either part-time or full-time, arguing that face-to-face interaction is crucial for productivity and company culture.

In some ways, the research supports this: A **2021 paper** published in Nature Human Behaviour studying the performance of U.S. Microsoft employees in the first six months of 2020 found that remote work negatively impacted collaboration. “Our results show that firm-wide remote work caused the collaboration network of workers to become more static and siloed, with fewer bridges between disparate parts,” the researchers wrote. “Furthermore, there was a decrease in synchronous communication and an increase in asynchronous communication. Together, these effects may make it harder for employees to acquire and share new information across the network.”

However, not every remote team has faced this hitch: A 2022 **Future Forum Pulse Report** found that remote and hybrid workers were more likely to feel connected to their bosses and company’s values, and equally or more likely to feel connected to their immediate teams, as fully in-office workers were.

Return-to-office mandates can also be detrimental to employee engagement and happiness. **A recent survey** conducted by nonprofit think tank, The Conference Board of predominantly office workers found that 34% of respondents said their self-reported level of mental health was lower than six months ago, while 37% said their sense of belonging had decreased lower. Fifty-two percent of respondents said a flexible or hybrid work schedule would improve their mental health, while 48% argued for a “work from anywhere” policy. Moreover, a push for office-based employees limits who companies can hire and could result in a less diverse, less skilled workforce.

One **Andela Community member** noted the benefits of distributed work beyond output, including less time wasted traveling to and from an office and fewer distractions: “With these new freedoms and greater choice, I am able to perform my job better than ever before.”

The tech shortage: myth vs fact

In the wake of the pandemic, the Great Resignation, and **a rapidly growing tech sector**, there's concerns of a tech talent shortage. Organizations are facing more competition to fill highly skilled roles, and emerging talent can't keep up with demand. A 2022 survey conducted by management-consulting firm Gartner found that 86% of CIOs reported facing more competition for qualified candidates, and 73% were worried about IT talent attrition.

Many predict the shortage will only get worse: Organizational consulting firm **Korn Ferry** estimates that by 2030, **more than 4 million technical roles will go unfilled because there aren't enough skilled people to fill them**. In the tech sector, Korn Ferry reports, the US could lose out on \$162 billion worth of annual revenues unless it invests in training and recruiting more high-tech workers. Meanwhile, **Gartner reported in 2021** that a lack of talent was cited most often by IT executives as the most significant barrier to adopting emerging technologies, compared to other barriers, such as implementation cost and security risk.

For tech workers, however, the opportunities abound: A **2023 report** by management-consulting firm McKinsey found that 80% of tech workers in North America who had been let go in 2022 found a new position within three months, and new tech job postings far outnumbered laid-off workers.

Having to keep pace with growing demand and limited supply, companies are finding that they need to streamline their hiring processes to be faster, more efficient, and less costly. Recruiting in-house or bringing in a consultant can be expensive and a time suck, while traditional outsourcing can lead to lower-quality candidates.

Companies who expand their search outside of their local area, country, or region can have an advantage. Recruiting talent based on skill, need, and flexibility, instead of location, means companies get the exact talent they need quickly and more efficiently.

The Andela platform provides IT executives complete transparency into talent profiles and assessment results before they make a hiring decision, and has been proven to match talent up to 70% faster than internal recruiting processes — in as little as 48 hours — at 30% to 50% less cost. More than 200K spanning hundreds of specialized skill sets, tools, and frameworks have been evaluated by Andela, and more than 600 clients use it to hire with confidence.

4M



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Darren Murph

VP, Workplace Design and Remote Experience
Andela

Tech goes global

Adopting a distributed work model allows organizations to globalize their recruitment efforts. Not only does this open them up to more candidates, particularly for roles that are highly unique or difficult to fill, but it also offers up a more diverse pool of potential hires in terms of race, ethnicity, gender, age, culture, background, and expertise.

Building a diverse, global workforce benefits companies in a myriad of ways. A **2020 McKinsey report** on diversity in the workplace found that the greater representation companies have, the higher likelihood they outperformed their peers: **Companies with more than 30% women executives were more likely to outperform companies with fewer than 30%, while companies with more ethnic and cultural diversity were more profitable.**

Investing in international growth also opens the door to new markets and skill sets, allowing companies to better innovate and stay ahead of their competitors.

“Business today is inherently global,” Darren Murph, VP, Workplace Design and Remote Experience at Andela, says. “When you build systems and cultures that decouple business results from linear time, you unlock efficiency, productivity, and quality of life improvements that are not attainable in the old, rigid, time-bound model of work.”



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of companies with women executives were more likely to outperform companies with fewer than 30%

In-demand tech skills

As noted by McKinsey, digital means companies must focus on expanding their tech capabilities in a seven key areas to keep pace with the new technologies and demands on IT:

Automation

cognitive AI, robotic-process-automation (RPA) technologies, AI-enabled analytics

Cloud

multi cloud and hybrid-cloud architecture, smart distribution/metering

Customer experience

design thinking, user research, journey mapping, test-and-learn at scale, prototyping

Cybersecurity and privacy

data-protection laws and practices, shift-left security

Data management

analytics, data science, data engineering, use-case life-cycle management, automated machine learning

DevOps:

agile product-life-cycle management, scrum management, agile coaching, continuous integration and continuous delivery (CI/CD)

Platforms and products

product ownership, life-cycle management across platform layers, Industrial Internet of Things (IIoT)

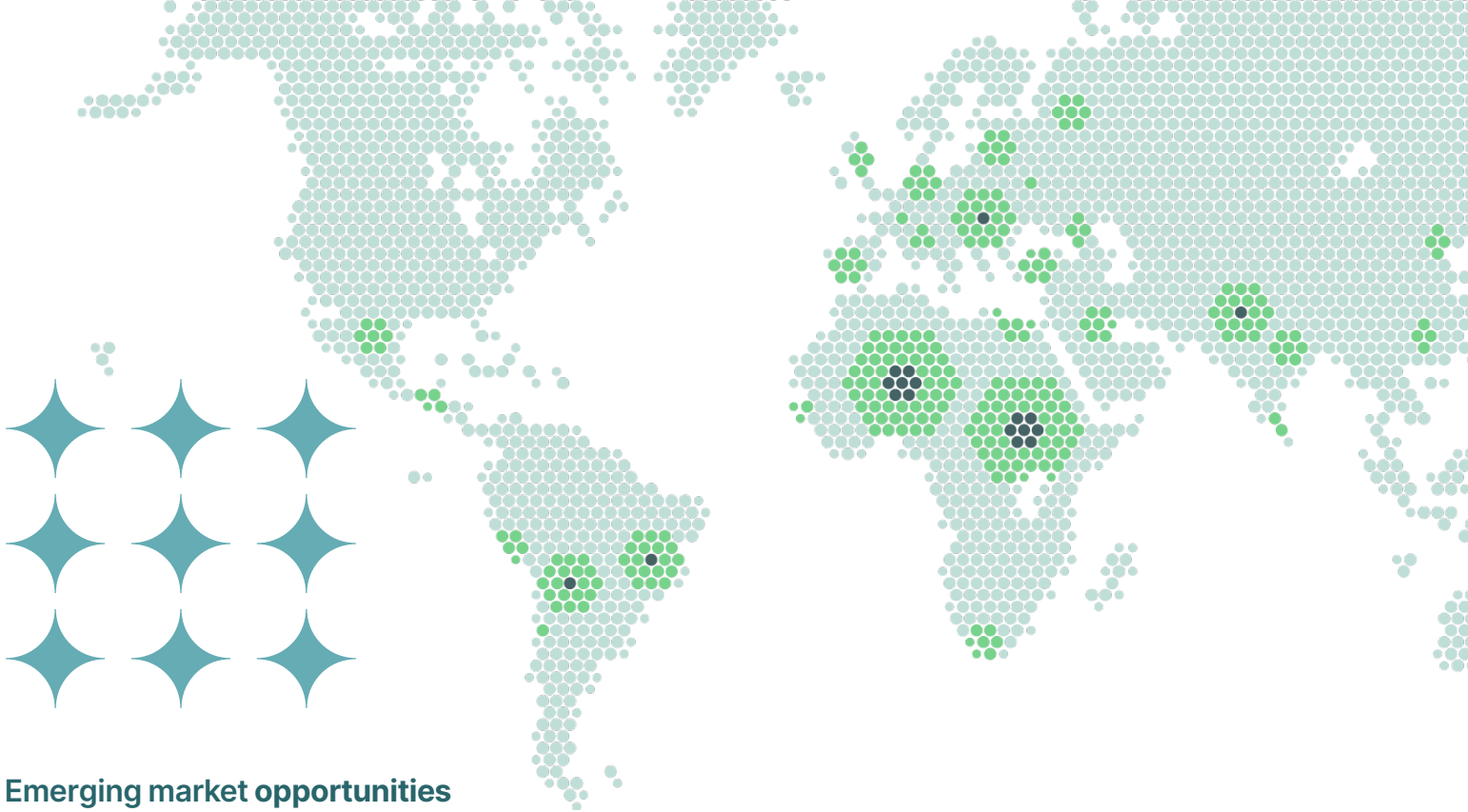
36%

of ethnically and racially diverse companies outperform their less diverse peers in meeting financial targets

“In 2023 and beyond, every company is a distributed company. Teams work everywhere, partners are globally distributed, and even folks wrapped up in return-to-office mandates have laptops and phones that enable progress outside of a specific physical space. Unless a CEO mandates that everyone return to an office and use a tethered desktop PC, elements of remote work will influence an organization’s culture and workflow. The only choice is whether or not to embrace the change and lean into the opportunity.”

Not only does hiring globally mean companies can hire operational specialists or subject matter experts to fill the exact needs they have, when they have them. It brings in new perspectives, which is especially helpful for companies that work with international clients, or are building products or services aimed at a specific region or area.

Global companies are starting to seek talent from emerging regions like Africa and Latin America to build more diverse teams with specialized talent in similar time zones. Why? A recent **McKinsey study** found that ethnically and racially diverse companies outperform their less-diverse peers by 36% in meeting financial targets.



Emerging market opportunities

Africa and Latin America are just a few of the regions with the most potential for remote talent. Africa has the world's **largest and youngest workforce**. The International Finance Corporation, a member of the World Bank Group, predicted that by 2030, more than 230 million jobs in Sub-Saharan Africa will require digital skills, providing an estimated \$130 billion opportunity. **Latin America**, meanwhile, has invested heavily in developing tech talent, with Mexico and Brazil specifically seeing **hundreds of thousands of new tech graduates** each year.

Companies can have a lasting impact on not just the people hired from these regions, but their communities, too.

Joao Ferreira, a Software Engineer based in Brazil, was matched with a job on Andela and says that working with Andela has helped him to build his career, so he can buy his family a new home.

"Hiring in emerging regions gives people access to roles that they normally wouldn't have access to," Mike B. Ndimurukundo, Managing Director, Andela Rwanda, says. "In the past, getting these roles would mean moving to these countries. Andela makes it accessible from the comfort of their homes.

According to **Andela's 2022 Africa Developer Survey**, 77% of developers who responded indicated that they were self-taught, highlighting a need for technical training that companies looking to outsource hiring abroad can capitalize on. In April 2022, Andela launched a nine-month apprenticeship program in Rwanda to train and upskill aspiring engineers. Since launch, the program has taught more than 380 junior engineers from 10 different African nations.

"The Andela Rwanda program is Andela's way to contribute to building a great talent pool," Ndimurukundo says. "It's a good addition to efforts that Rwanda is already making to increase talent and education. We play a small part in building the talent pipeline in Rwanda and Africa."

"The impact has been massive on the local communities. People are co-founding their own companies, leading other tech companies. People have become CTOs and engineering managers."

What talent want in today's job market

Remote work has become increasingly important to today's workers. A **2022 Gallup poll** of more than 13,000 U.S. employees cited work-life balance — including “personal freedoms to work when, where, and how best suits” — as the second most important factor when considering a job, with pay and benefits, job security, staff diversity, COVID-19 vaccination policies, and “the ability to do what they do best” ranking in the top six.

Mental health is another emerging trend, particularly with millennials and Gen Z, with one **2021 report by consulting firm Mercer** stating that workers under 35 ranked mental health as their top concern.

Important factors when considering employment:

Work-life balance

Schedule flexibility

Job security

Staff diversity

53%

of workers who had full schedule flexibility had greater ability to focus

Productivity and distributed work

According to a **report last year from Microsoft**, 85% of leaders said that the shift to hybrid work has made it challenging to have confidence that employees are being productive. But research shows that distributed work is linked with higher productivity, with advocates noting that by allowing people to work at their own pace and in a safe, convenient, and comfortable environment, companies are able to get the best out of their teams. The Future Forum Pulse Report found that workers who had full schedule flexibility reported 29% higher productivity and 53% greater ability to focus than workers with no ability to shift their schedule.

But experts caution that **mismanaging a hybrid or remote work model** can negatively impact productivity over time. Addressing burnout, streamlining and utilizing tech tools, setting clear expectations, and regularly checking in are all crucial to maintaining productivity remotely.

Why **Andela**?

We connect **brilliance** with **opportunity**



Global Talent Network

200K skilled engineers in more than 175 countries

Andela Talent Cloud

Unified platform to manage the complete hiring cycle

Flexible Delivery Models

Hire individuals, teams or engage fully managed services

Your team is more than just your employees

Distributed work provides ample opportunity for businesses big and small. Investing in hiring and onboarding full-time staff is time-consuming for the recruiters and leaders involved, expensive, and often inefficient, and companies feel the costs even more with frequent turnover. Looking to hire globally can save companies money and give them access to niche talent otherwise unavailable or hard to come by.

Global talent can also be a great route for organizations looking to test new markets, products, or services without contributing a significant investment upfront. Particularly in light of the growing labor shortage, they can offer specialized support quickly and cheaply.

As the candidate pool becomes more limited and employees' values shift further in the direction of mental health, wellbeing, and work-life balance, tech companies will have to embrace a distributed work model to stay competitive and retain top talent — or else risk a loss in productivity and innovation.

Looking to find a remote tech job? [Join the Andela Talent Network.](#)

Want to build an elastic, global tech team? [Let us help.](#)

70%
faster

30-50%
Less cost