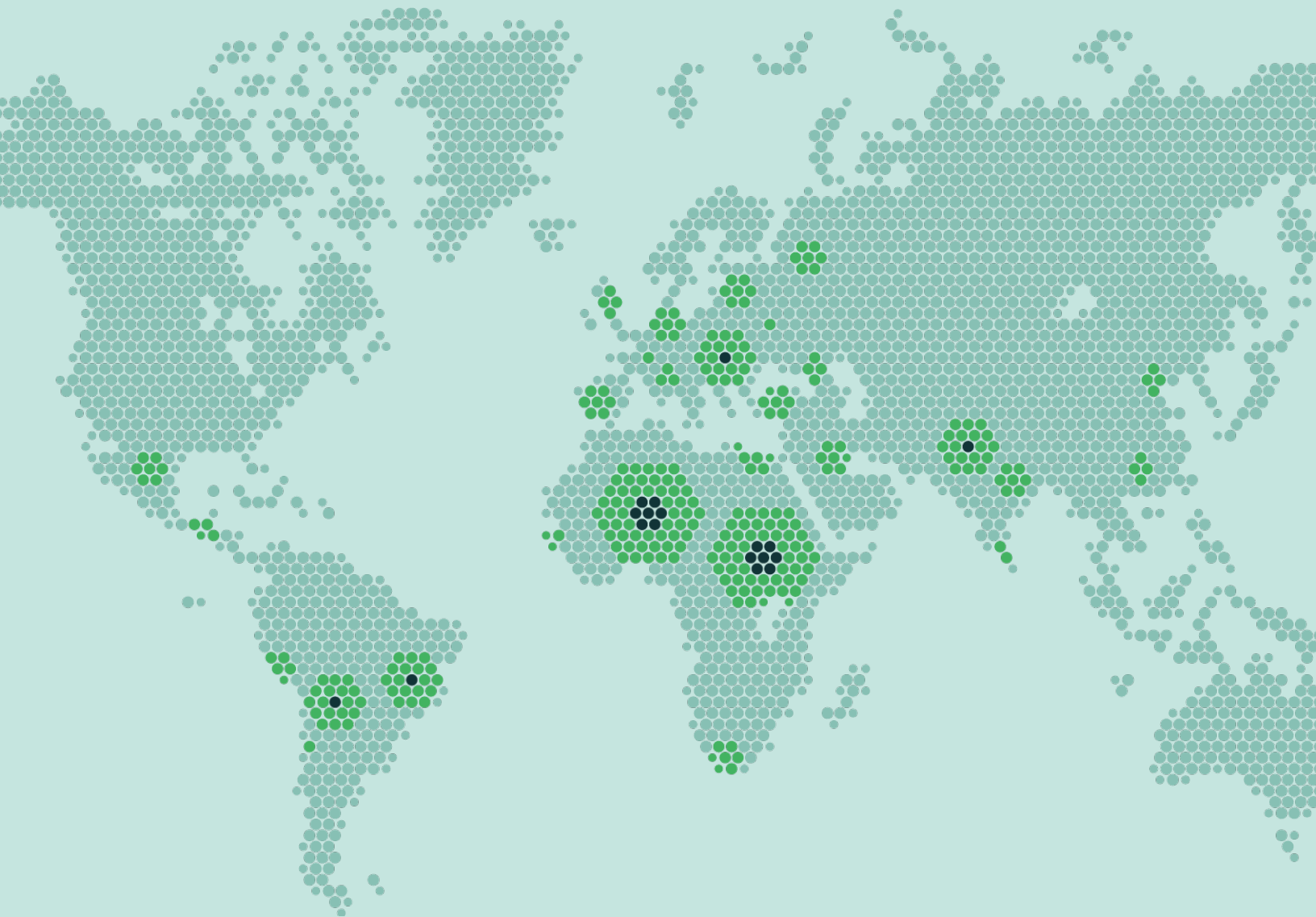
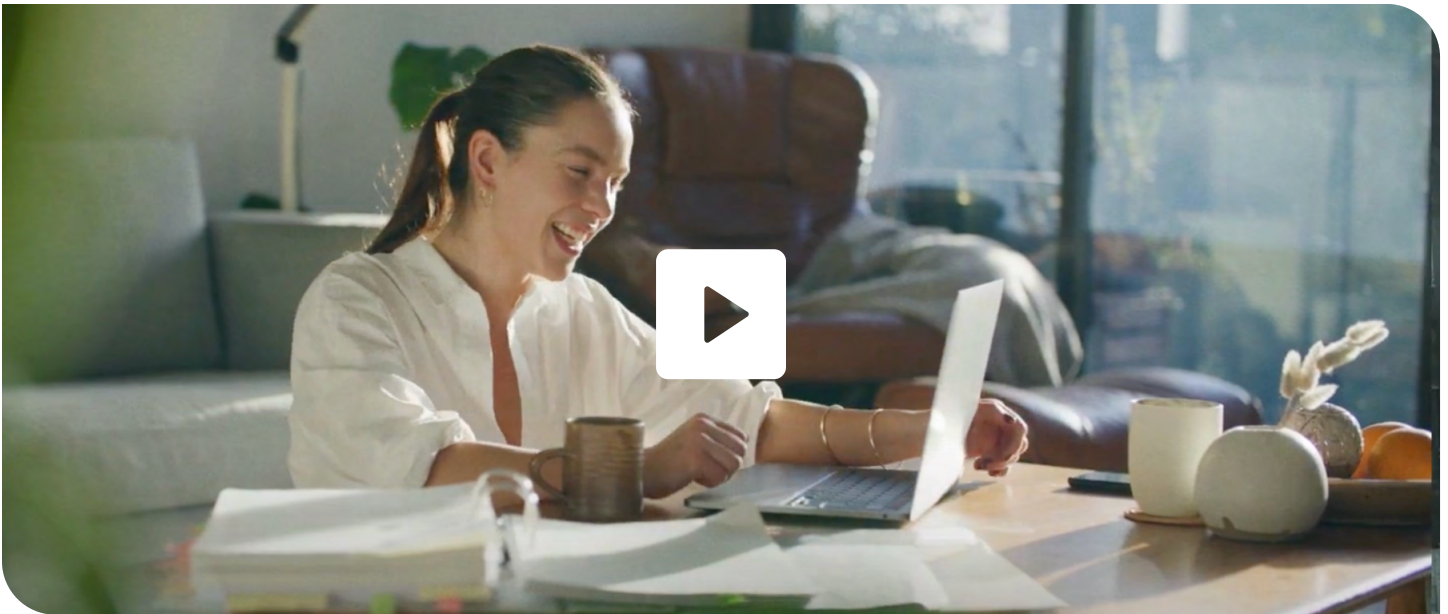




White paper

Rethink your approach to *tech hiring*





How Andela changes lives

Is there actually a **tech talent shortage**?

As the world becomes increasingly reliant on technology and work remains remote or hybrid, the need for technical talent has grown rapidly. For companies to keep up, they need to rethink their approach to hiring talent and build effective teams that are not just skilled, but adept in the areas where they're hoping to expand.

The competition to attract top talent for highly skilled roles has increased and there isn't enough supply to cover the demand. A **2022 survey** by Gartner found that 86% of CIOs were facing more competition for qualified candidates, and 73% were worried about IT talent attrition.

This shortage is only predicted to get worse. Organizational consulting firm **Korn Ferry estimates that by 2030, more than 4 million technical roles will go unfilled due to a lack of skilled talent to fill them.** In fact, 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.

And this lack of talent is the **top reason** why IT leaders are struggling to adopt emerging technologies.

But this climate means there are big opportunities for technical talent, and for the companies that think globally about sourcing.

Companies need to streamline their hiring processes to be faster, more efficient, and less costly. By expanding their search outside of their area, country, or region they can recruit based on skill, need, and flexibility.

And for skilled engineers, this means they can work where they live, find job fulfillment, and support their families without the need to uproot their lives.

4m

Technical roles that will go *unfilled due to lack of skilled talent*

\$162b

of annual revenue *the US could lose out on*

Tech layoffs and what they mean

The abundance of tech job vacancies and shortage of skilled workers contrasts with the notable layoffs in the technology sector and other industries over the past year.

In 2023 alone, layoffs across the sector have cost almost 170,000 tech workers their jobs, according to industry tracker Layoffs.fyi. Many of these workforce reductions have been driven by the biggest names in the industry, such as Google, Amazon, Microsoft, Yahoo, Meta, and Zoom.

This wave of redundancies has caused many business leaders to believe the skills crunch is coming to an end. Yet while many of these laid-off workers possess in-demand digital skills, demand for tech talent still significantly exceeds supply. **According to a recent Gartner survey**, 86% of IT decision makers reported facing more competition for qualified candidates and 73% were worried about IT talent attrition.

According to **recent data**, software developers, cybersecurity analysts, and data scientists are among the most sought after employees, with supporting infrastructure-focused roles such as network and cloud engineers and IT support specialists also expected to grow in demand.


Roles requiring emerging technology skills - such as artificial intelligence (AI) - are predicted to grow too, with almost a third of all tech job postings in 2022 looking for employees with skills in this area.

86%

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73%

CIOs are worried about
IT talent attrition



Rafael

Artificial Intelligence

Python C++

Machine Learning Computer Vision

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3 in 4

lack the necessary digital skills to collaborate virtually, automate workflows, and leverage artificial intelligence and data

It's a skill shortage, not tech shortage

Businesses looked to adopt digital technologies quickly during the pandemic so they could continue to operate. Now, businesses are accustomed to these, and other, digital tools and see them as critical to the success of their organizations. A **global survey by McKinsey** showed that enterprises accelerated digitization, on average, by three to four years.

But, this led to a need for workers to complete, advance, and troubleshoot those technologies which weren't always readily available, either within their organizations or their typical talent pool.

According to a study by Salesforce, **three-in-four workers lack the necessary digital skills to collaborate virtually, automate workflows, and leverage artificial intelligence and data.** The **U.S. could lose** out on \$162 billion of revenue annually unless it addresses this growing problem in the technology sector.

To solve this, businesses need to rethink their hiring practices. As competition grows, the pressure to find, hire, and retain top talent is significant but the process to hire is typically long, slow, and costly. Sourcing, interviewing, and assessing talent puts a strain on engineers and takes them away from completing the technical work they were hired for. On top of that, it can take six months or more to find the right fit, given the current landscape.

Building a high-performing, distributed team that is skilled and can flex to your needs alleviates many of these pressures.



Meet Joao



Meet our Andelans: Joao Ferreira

Thinking globally: Looking to emerging markets

A rise in looking to emerging markets for talented tech skills is not just driven by technology and the growing skills shortage, but also by a need for diversity. Pre-pandemic, there were seismic shifts in the US that placed significant focus on diversity, equity, and inclusion (DEI). As a result, companies now recognize the value of diversity of thought, perspective, and experience as a key driver of success.

A **recent McKinsey study** found that ethnically and racially diverse companies outperform their less-diverse peers by 36% in meeting financial targets, up from 33% in 2017 and 35% in 2014.

This new-found focus, along with a widespread shift to remote and hybrid working, has had businesses look to virtual work to attract specialized and diverse talent and build more inclusive workforces that foster greater levels of innovation. This also means that rather than compete for the same limited local network of engineers, they can take advantage of this global, remote approach to talent to gain a competitive advantage, with more choice, scale, quality, and flexibility.

Latin America

Andela has seen significant growth in Latin America since 2021, doubling the number of engineers in Brazil, tripling their reach in Mexico, and quadrupling in Argentina.

Across the region, **governments have invested** in nurturing tech talent by increasing the number of technical universities, courses, and other programs.

Not only does LATAM have a large, skilled talent pool, it's typically cost-effective and has overlapping time zones with the US, making it an attractive option for companies.

36%

Ethnically and racially diverse companies outperform their less diverse peers by 36% in meeting financial targets

Continuing to **upskill**

To remain competitive in the job market, engineers need to be skilled not only in today's technologies, but also the ones of the future.

Stack Overflow's survey showed **96% of respondents think it's important for them to continue learning new programming tools and languages.**

This means having knowledge of cloud computing, as companies lean on the cloud to manage data complexities and continue to operate remotely, as well as emerging technologies like augmented reality (AR) and virtual reality (VR).

Cybersecurity is another important factor, as companies see threats in both complexity and frequency and need to secure more aspects of their business.

And as artificial intelligence (AI) continues to rise and become integrated in many technologies, engineers need to understand and adapt. For example, a **2022 study** found that developers were using Github Copilot, a generative AI coding tool, to find creative solutions when they were unsure of how to move forward and to assist with unfamiliar syntax, look up the right API, or discover the correct algorithm.

"Of course, each of us needs to become comfortable with AI and the creation of prompts to evolve our skills and efficiency," Rosa Langhammer, Director of Talent Experience at Andela, says. "As part of that it will be key for us to also question and build enough contextual knowledge to understand if the information you are receiving is accurate, reliable and useful for whatever purpose you have. Advanced understanding and use of AI will supercharge your skills."

The desire for knowledge and the drive to seek it out will become even more critical for engineers to remain competitive in the market.

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Rosa Langhammer
Director of Talent Experience
at Andela

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

It is abundantly clear to executives that there is a growing gap in the availability of technical talent. Yet, as organizations have embraced a pandemic-fueled transformation to digital technologies, many have yet to use these tools to help them overcome the problem.

Andela helps companies scale their global tech talent strategy. We provide a unified approach that integrates an intelligent talent cloud, global talent network, and comprehensive services for building remote-fluent teams from emerging geographies, such as Africa and Latin America. It is the industry's first end-to-end platform to manage the entire talent life cycle: source, assess, match, deliver, and pay global technical talent.

While current approaches to hiring talent can be slow and monolithic, Andela's innovative approach delivers our clients greater speed, flexibility, performance, and trust. The company matches the right talent for each job, up to 70% faster than internal recruiting processes at 30-50% less cost, and allows clients to tap a highly elastic resource pool of over 200,000 technical engineers.

By leveraging a global talent pool and Andela software that uses artificial intelligence to match talent with companies, we're working to change how companies hire and how the world works.

Looking to build a remote tech team? [We can help.](#)

70%
faster

30-50%
Less cost