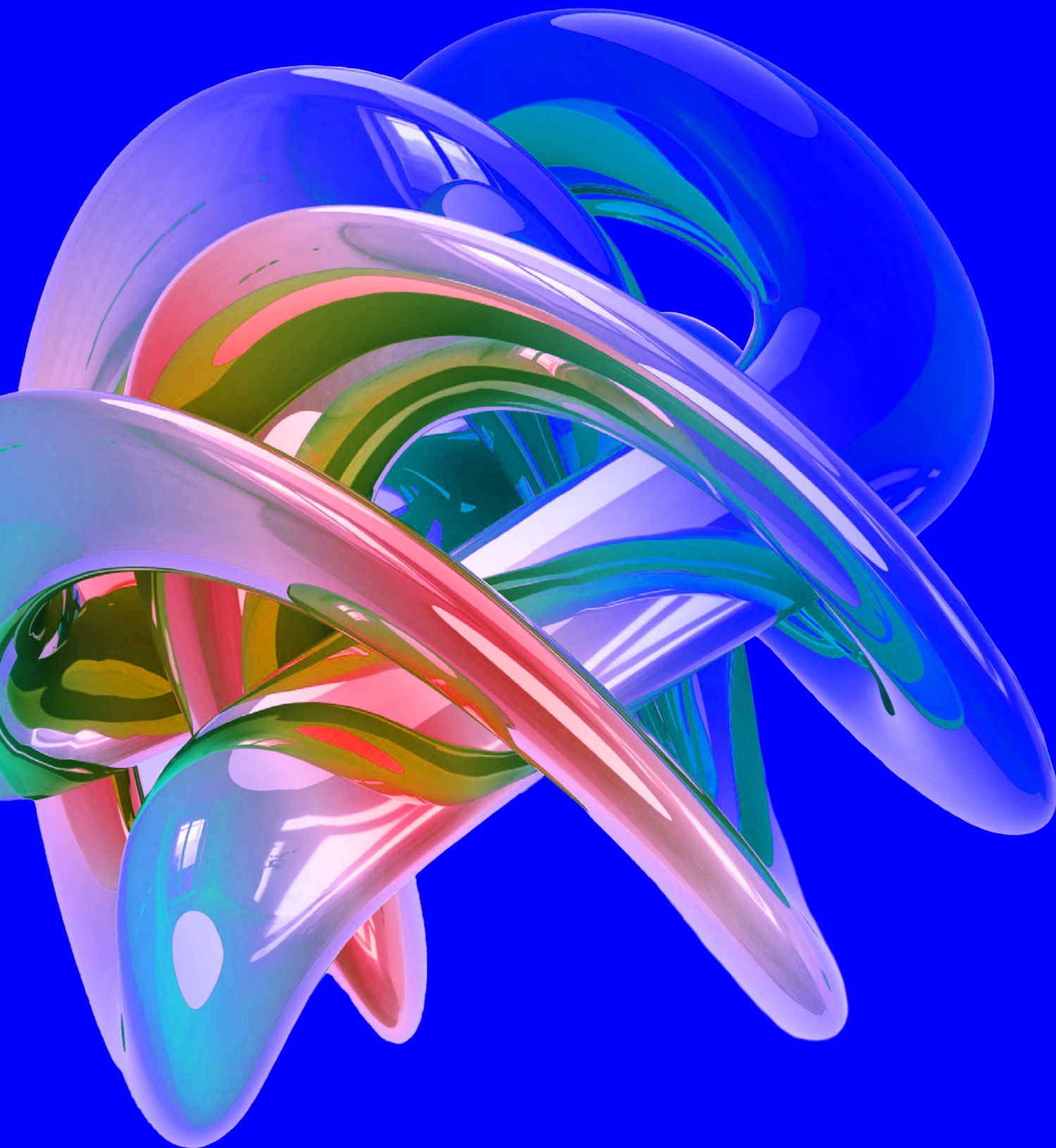# TECH RECRUITMENT:
GLOBAL TALENT LANDSCAPE IN 2023 AND BEYOND

Being the CEO of a growing company in the dynamic and exciting world of tech, I know firsthand **how challenging it can be for tech businesses** to attract and retain top talent.

With 12 years of expertise

in building and scaling tech teams, our team knows how to stay up-to-date with the latest trends and insights to always be on a roll.

In this e-book, we have put together the current market trends and developments, and **share useful insights and strategies** that will help you navigate the ever-evolving landscape of the tech talent market.

Would you like to chat about your scaling plans?

DROP ME A LINE

**Ann Kuss,
the CEO of Outstaff Your Team** 💙

Outstaff Your Team

WHAT'S INSIDE?

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PEELING BACK THE LAYERS: EXPLORING THE SOCIAL AND ECONOMIC UNDERPINNINGS

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TECH ON THE RISE: THE YEAR WHEN THE TECH INDUSTRY IS GETTING REIMAGINED

63% of global business leaders **expect economic recession in 2023-2024**, although the tech talent market will continue to be a key driver of growth and innovation in 2023 and beyond.

The global tech industry is valued at roughly **$5.2 trillion.**

89% of companies have already **developed a Digital-First Strategy** or are at least planning to do so.

Around 100 million of startups open each year, which leads to a constant demand for skilled tech professionals who can help companies innovate, stay competitive, and navigate the challenges of the digital age.

To put it briefly, tech businesses should be ready to respond to social & economic phenomena that appear every month, impacting tech teams' recruitment.

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WHAT IS SHAKING UP THE TECH WORLD?

A. Tech Talent Crunch

85 million jobs worldwide risk being unfilled by 2030 due to a lack of skilled professionals. If these numbers become a reality, companies can lose a total of up to $8.4 trillion in revenue.
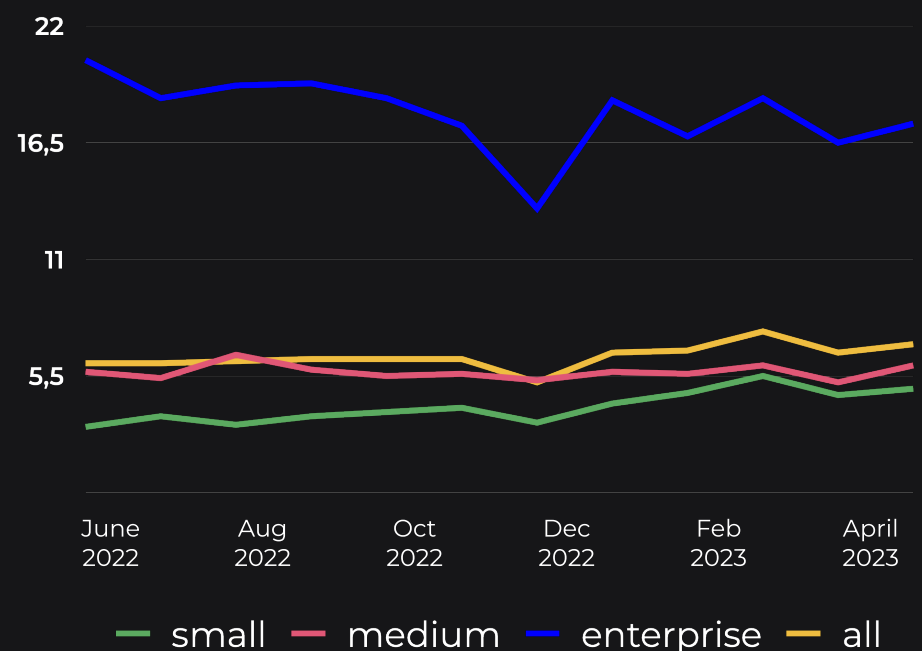
Reasons:

> rapid technological advancement

> increasing digitization of businesses

> lack of investment in STEM (Science, Technology, Engineering, and Mathematics) education and training

B. Hiring Freezes are On

Market fluctuations or economic instability are the main reasons why big companies implement hiring freezes in an effort to cut down costs. But it doesn't mean that growing tech companies should do the same. **Startups and mid-size businesses** find better access to top talent in a less competitive market.
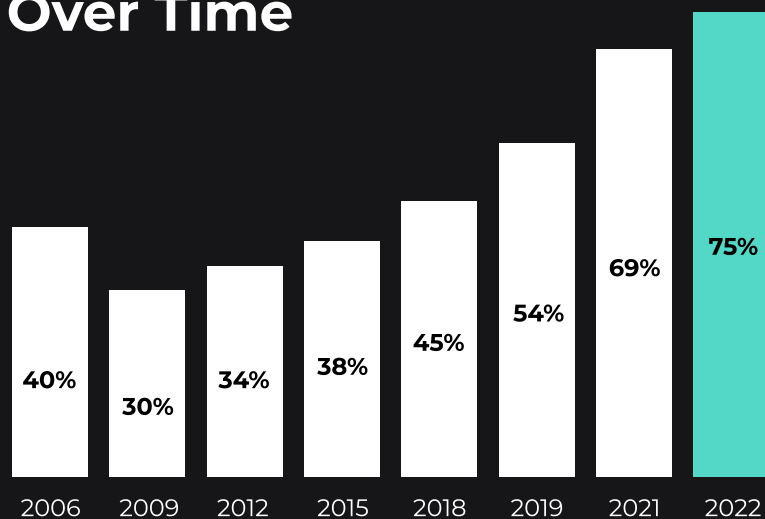
Job Openings trend for period ending February 2023

22	
16,5	
11	
5,5	

June 2022   Aug 2022   Oct 2022   Dec 2022   Feb 2023   April 2023

— small   — medium   — enterprise   — all

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C. Tech Skills Gap or Chasm

3 in 4 employers report difficulty finding the talent they need.

Talent Shortages Over Time

Year	Percentage
2006	40%
2009	30%
2012	34%
2015	38%
2018	45%
2019	54%
2021	69%
2022	75%

New-in-kind skills are emerging due to tech breakthroughs: AI, cloud, cybersecurity.

Skills are evolving. Candidates are expected to have a good grasp of new tools, software, languages, and cloud platforms.

Yesterday's skills are expiring, in particular those which can be performed by technology faster and cheaper than humans

D. Surviving Big Layoffs

The tech industry increased its layoffs by **649%** in 2022. It seems to continue in 2023, too, with major companies like Amazon and Salesforce already slashing workforces. Since January 1st, 2023, **673+** companies have announced layoffs.

The Largest Tech Layoffs

Estimated number of global job cuts in the largest layoffs by U.S. tech companies since 2020

Company	Date	Job Cuts
Alphabet	Jan 2023	12,000
Meta	Nov 2022	11,000
amazon	Nov 2022	10,000
Microsoft	Jan 2023	10,000
salesforce	Jan 2023	8,000
amazon	Jan 2023	8,000
CISCO	Nov 2022	7,100
Twitter	Nov 2022	3,700
Uber	May 2020	3,700

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E. Great Resignation ➡️ Great Reshuffle

When some employees get laid off, others choose to quit themselves. **42%** of recruiters say that there's been an increase in tech talent resignations in their company in the past 12 months.

More than **1 in 2** developers are thinking about quitting their job within the next year.

Are you thinking about quitting your job or exploring new job opportunities in the next 12 months?

51.73%
yes, I'm thinking about it

31.58%
no, I'm happy where I am

11.18%
I recently quit or switched jobs

5.51%
none of the above

Great Reshuffle is often seen as a **shift in the balance of power** between employers and employees, with the latter feeling empowered to pursue better job opportunities and work-life balance.
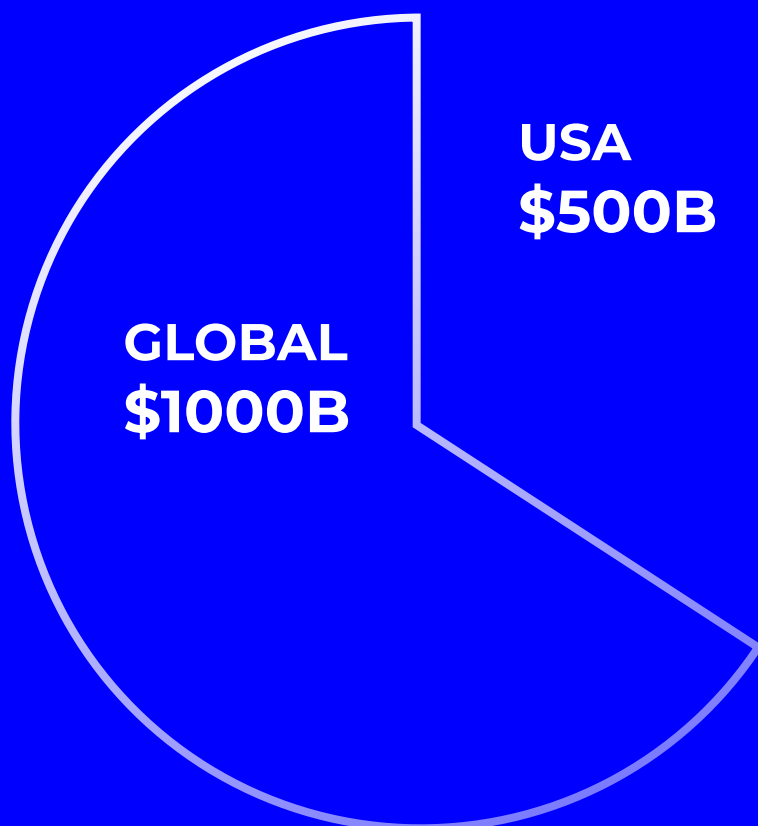
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F. The Quiet Quitting Trend

8.5 out of 10 of employees tend to say no to "hustle culture" and gradually reduce their efforts and productivity until they eventually leave their jobs. This leads to worldwide company losses of up to **$1.5 trillion** every year.
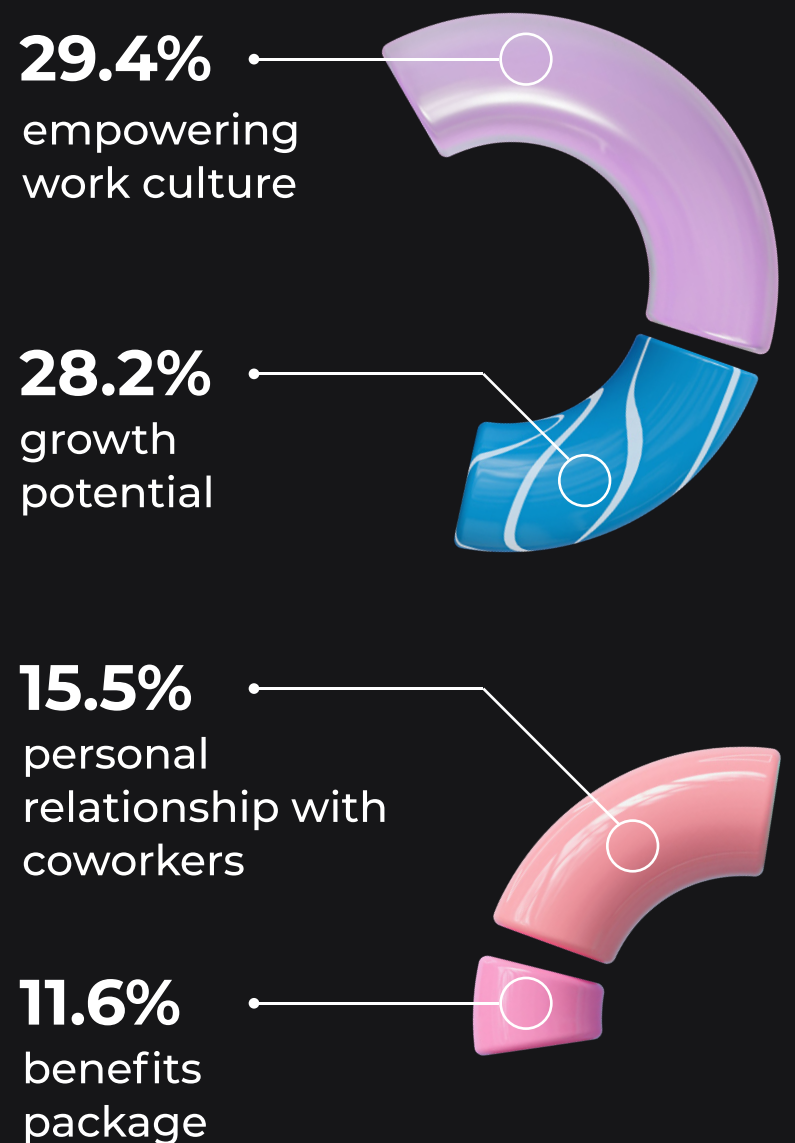
Estimated Annual Losses of Quiet Quitting

USA $500B

GLOBAL $1000B

G. Gen Z is Making Waves

Gen Z will make up a third of the global workforce by the end of the decade, and the **13%** who are already in the workplace are breaking tradition and demand changes.

Factors that would make Gen Z stay at a job

29.4%
empowering work culture

28.2%
growth potential

15.5%
personal relationship with coworkers

11.6%
benefits package

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THE HUNT FOR TECH TALENT CONTINUES AT FULL SPEED

Despite economic headwinds, in 2023, tech companies are planning to hire, but should be ready for fierce competition.

92%

Plan to hire this year (compared with 2022)

- 48% will hire to backfill (2022 | 39%)
- 44% will hire to expand (2022 | 53%)
- 8% plan hiring freezes (2022 | 8%)

85.2 million engineering jobs are expected to be open by 2026.

There are **65 potential candidates** for every 100 new job openings, which means a longer time to hire and an elevated hiring cost.

The average time to hire for new positions in the IT sector is **49 days**, but it depends on the position of a tech specialist and the market.

This metric tracks the time it takes to complete the entire hiring process, from the day when a job is posted to the moment when a new hire starts their job.

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There are several factors that **can impact time to hire:**

Job market conditions

How many candidates in the market meet your business requirements.

Hiring managers availability

How fast hiring managers can make decisions and are willing to move a candidate through the stages.

Candidate availability

How available they are for interviews and how much time their notice period will take.
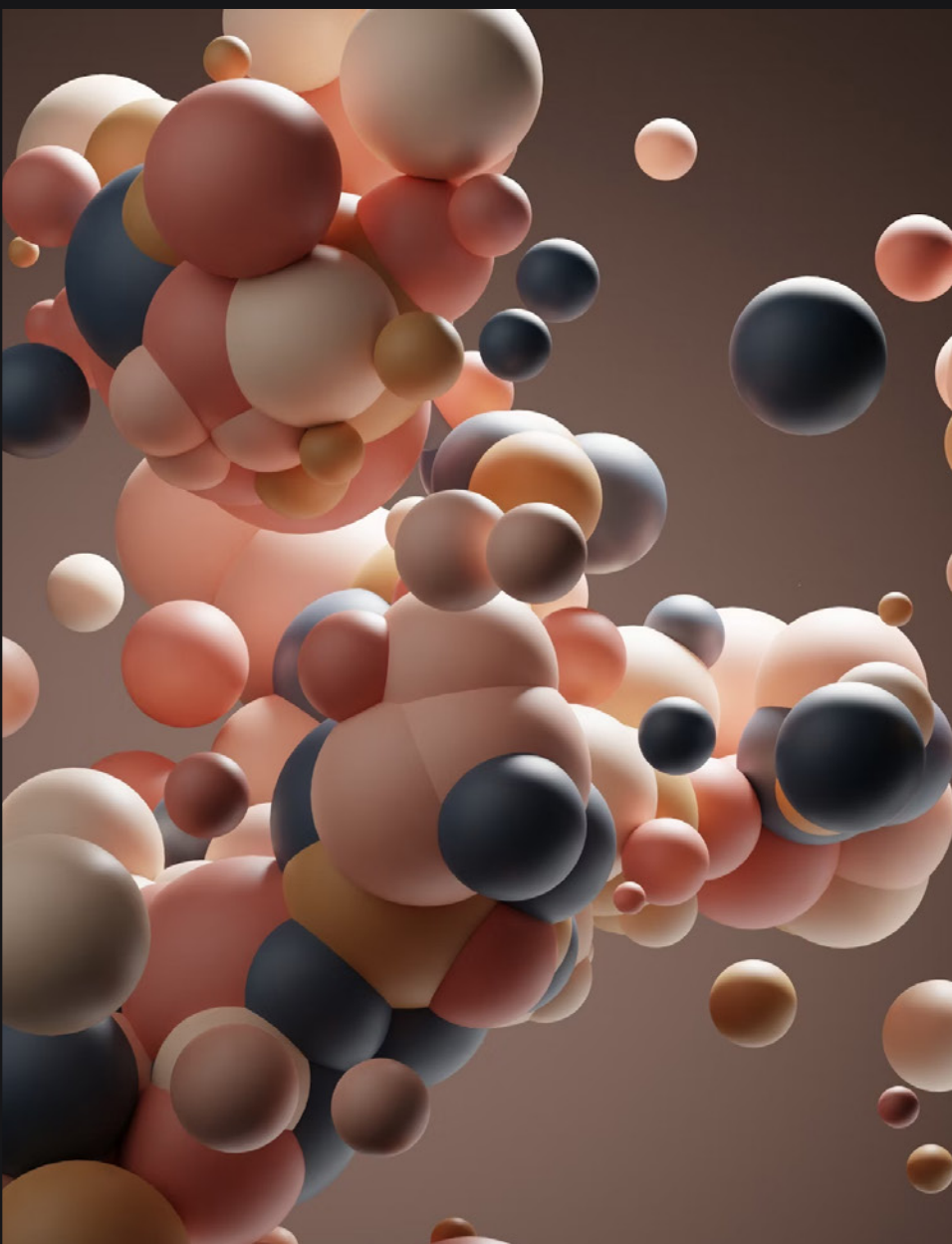
Onboarding process

How much time it takes to onboard a new hire.

Recruitment sources

Which sources are used for attracting candidates: job boards, social media, employee referrals.

Screening candidates

How much time it takes to review resumes and do background checks.

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POPULAR PICKS FOR TECH SKILLS, LANGUAGES, AND FRAMEWORKS

Staying ahead in the tech industry means **staying up-to-date with the latest trends and technologies.** Keep your tech team on top with the **hottest tech skills** in demand**.**
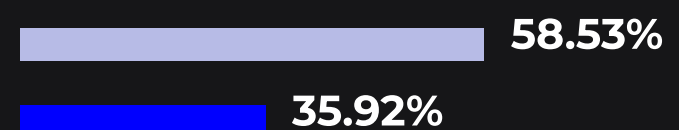
1.

Tech Skills to Acquire/ Hire for in 2023

While the supply and demand for certain tech skills may be somewhat in sync, all signs point to a **possible shortage of expertise** in web development, DevOps, and database software development.
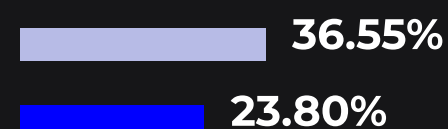
Which skills would you like to acquire/hire for in 2023?
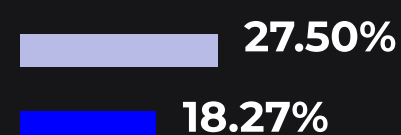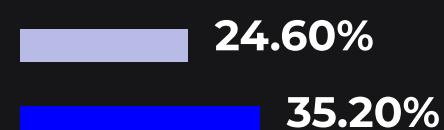
■ Recruiters   ■ Developers

Web dev
58.53%
35.92%

DevOps
36.55%
23.80%

Database software
27.50%
18.27%

AI/ML
24.60%
35.20%

Mobile development
23.37%
23.64%

Game Dev
13.51%
29.19%

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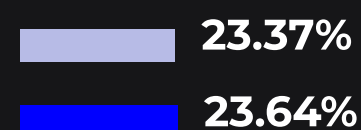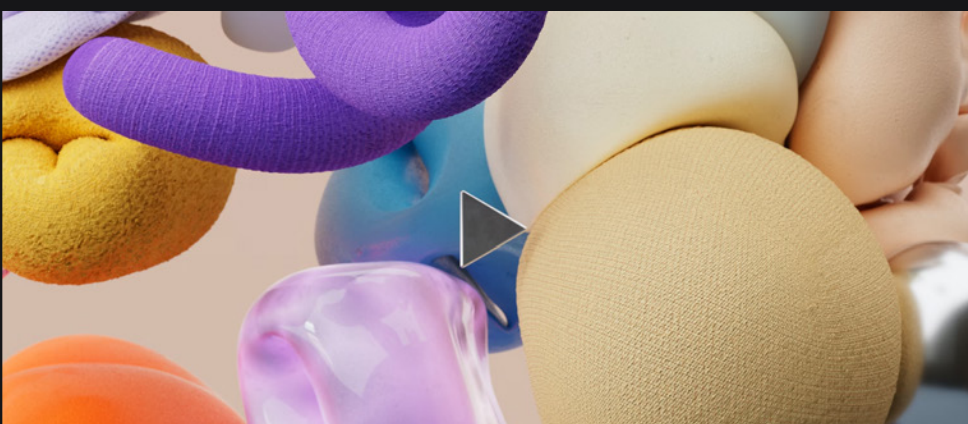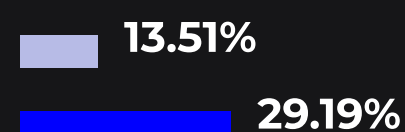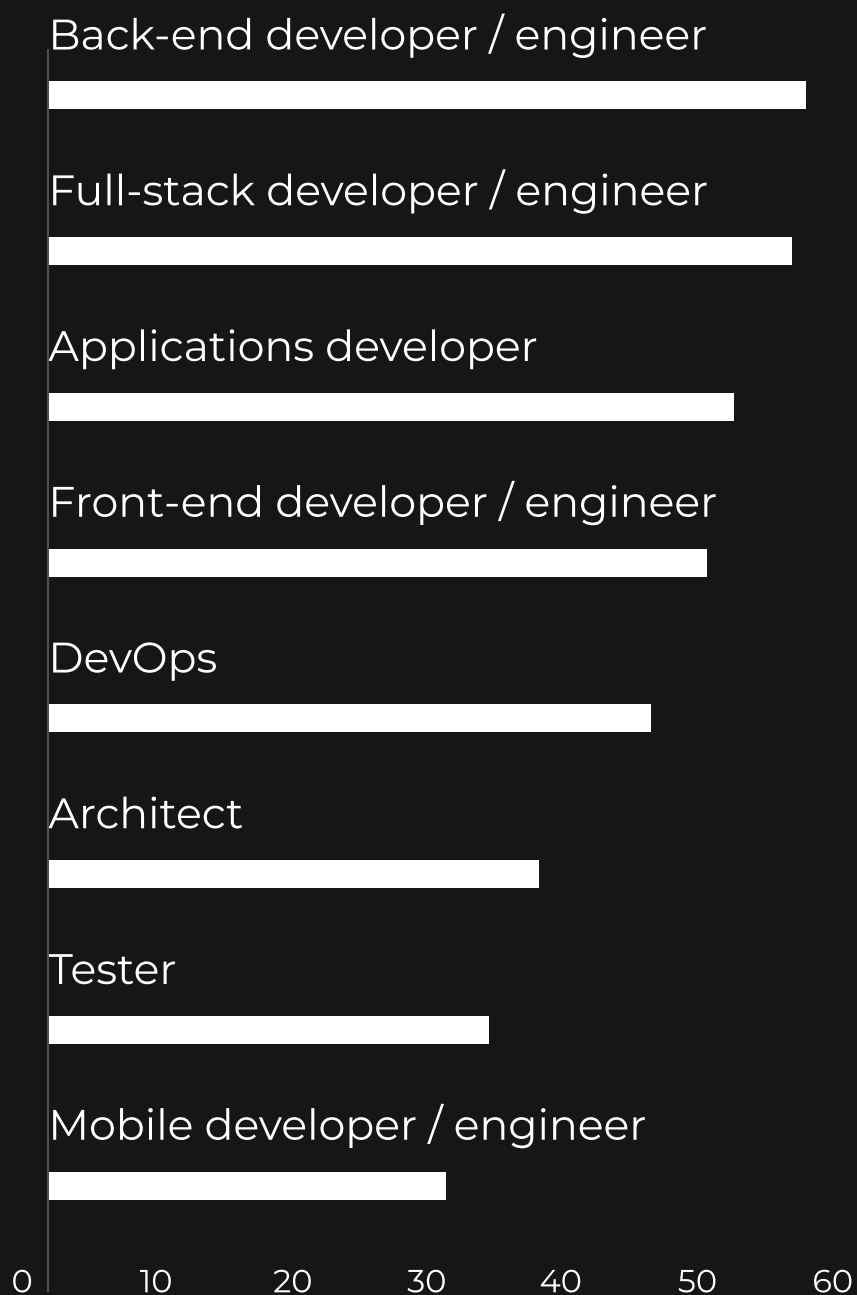
2.

Sought-after Technical Positions

Businesses are interested in hiring Back-end, Full-stack, and Applications Developers, which may indicate a looming scarcity of Full-stack and Back-end engineering candidates.

In-demand technical positions (%)

Back-end developer / engineer

Full-stack developer / engineer

Applications developer

Front-end developer / engineer

DevOps

Architect

Tester

Mobile developer / engineer

0   10   20   30   40   50   60

3.

The Latest and Greatest Technologies

When it comes to the **best-known languages** by developers and the most in demand by recruiters, Python, JavaScript, and Java are in the top 3. As for the frameworks, **demand and supply** are also aligned for Node.js, React, and .NETCore.

Python	JavaScript	Java
node.JS	React	.NETCore.
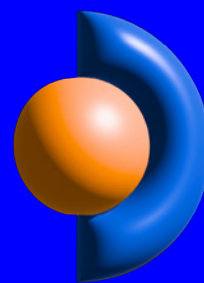
Outstaff Your Team Advice:

Expand recruiting efforts and consider sourcing talent from **new geographic locations** to discover the top-notch skills for your business needs.

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PART 2.

CRACK THE CODE TO SUCCESSFUL TECH RECRUITMENT

STEP 1. ADD A HUMAN TOUCH FOR A GOOD CANDIDATE EXPERIENCE

⭕ PROBLEM:

A bad candidate experience is a common issue in the hiring process.

Unresponsive recruiters, miscommunication, lengthy and confusing application processes, lack of transparency in the hiring process, and poor treatment — the list goes on and on.

✔️ SOLUTION:

Go for a **human-centric approach** by providing a personalized experience for each candidate. Take the time to understand their individual needs, preferences, and tailor your recruitment process accordingly.

This includes providing timely feedback and updates, being transparent about the hiring process, and addressing any questions they may have.

Nearly **4 in 5** candidates say the overall candidate experience they receive is an indicator of how a company values its people.

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- Provide clear timelines for each step of the recruitment process

- List all expectations in the job description

- Send an automated email to candidates when applicable

- Communicate status updates on a regular basis

81% of candidates believe employers who continuously communicate status updates improve the overall candidate experience.

OUTSTAFF YOUR TEAM APPROACH:

We focus on maintaining good relationships with tech candidates.

Even if they are not selected for a position, we take the time to provide constructive feedback and career advice to help them succeed.

Offering this type of support helps us build a strong network of potential hires for future positions.

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# STEP 2. FIND TECH SUPERSTARS IN UNEXPECTED PLACES

⦾ PROBLEM:

Building a top-performing team of developers with the perfect skillset to drive your business forward is a daunting task, and is not always affordable, for startups and growing companies in particular.

The Average Senior Developers' Salaries. Hourly Rate Range Per Region:

$30-$59

$45-$80

$78-$125

$20-$45

$30-$50

$32-$68

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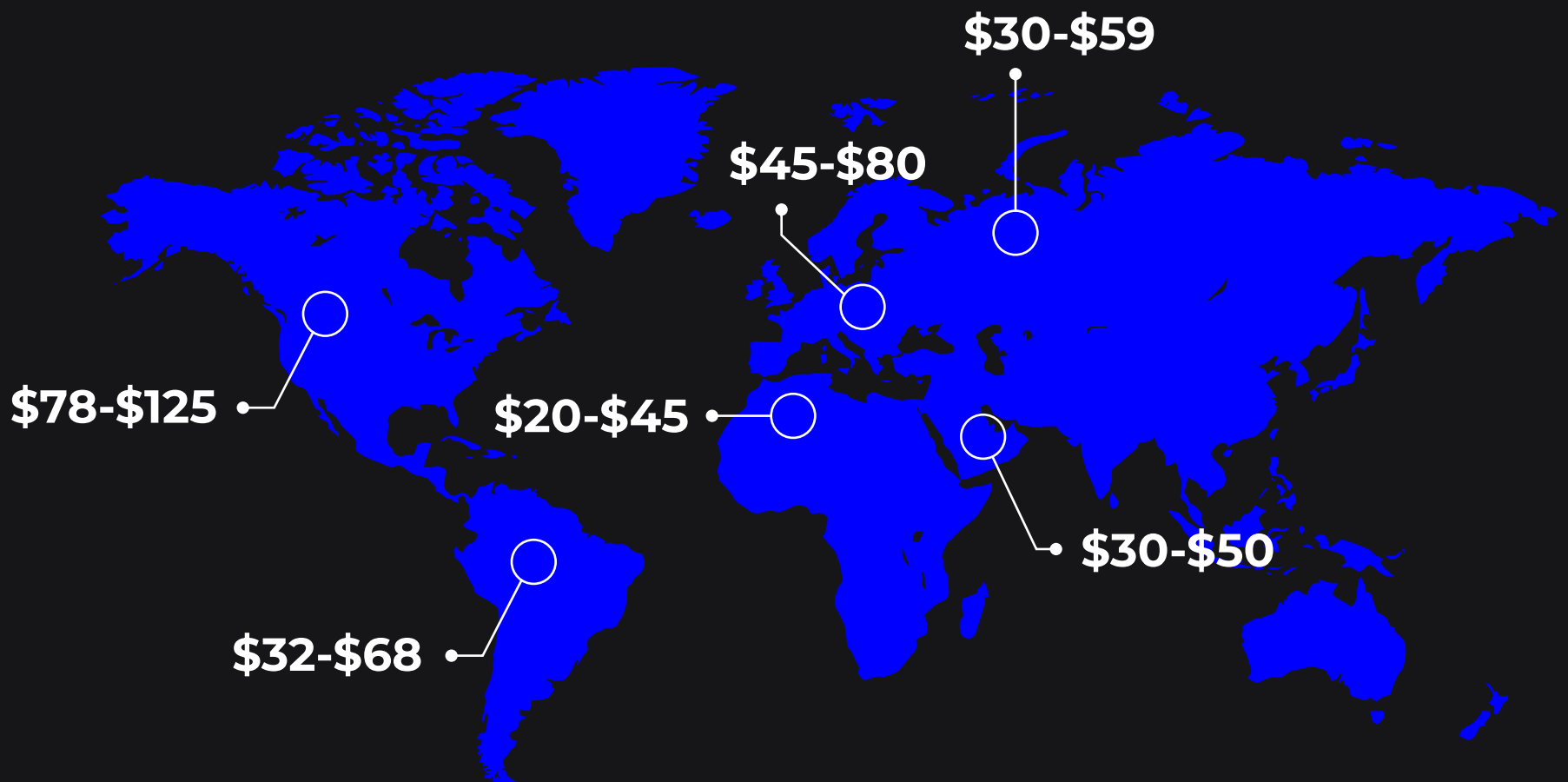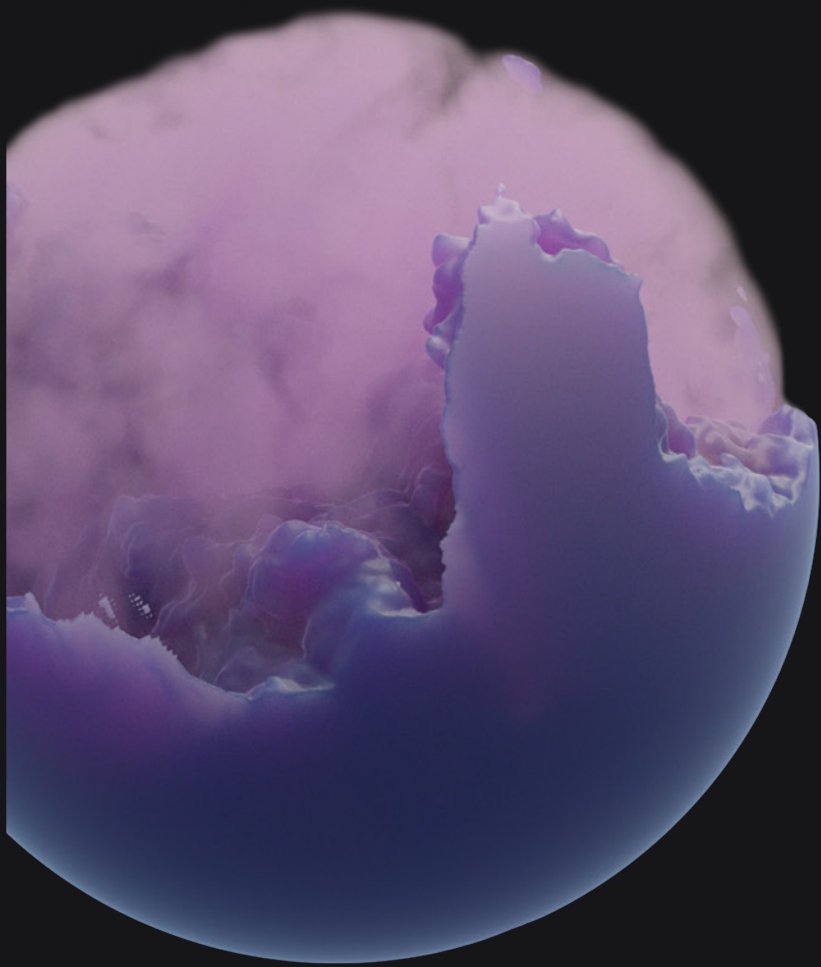
✔️ SOLUTION:

With the rise of new tech talent markets, such as **Latin America, North Africa, Western Asia**, there's an opportunity to tap into a wealth of tech talent in regions that were once overlooked.

Along with reducing costs, this may also help you diversify your team.

When a team is made up of individuals with various backgrounds, and ways of thinking, they bring unique insights that can help solve problems and generate new ideas.

OUTSTAFF YOUR TEAM APPROACH:

Even though emerging markets are brimming with talents who are eager to bring their skills to the tech world, some of these stars may not have the formal qualifications traditional companies typically seek.

Shift your focus to skills over a degree, give practical questions, and unlock the world of potential for your company.

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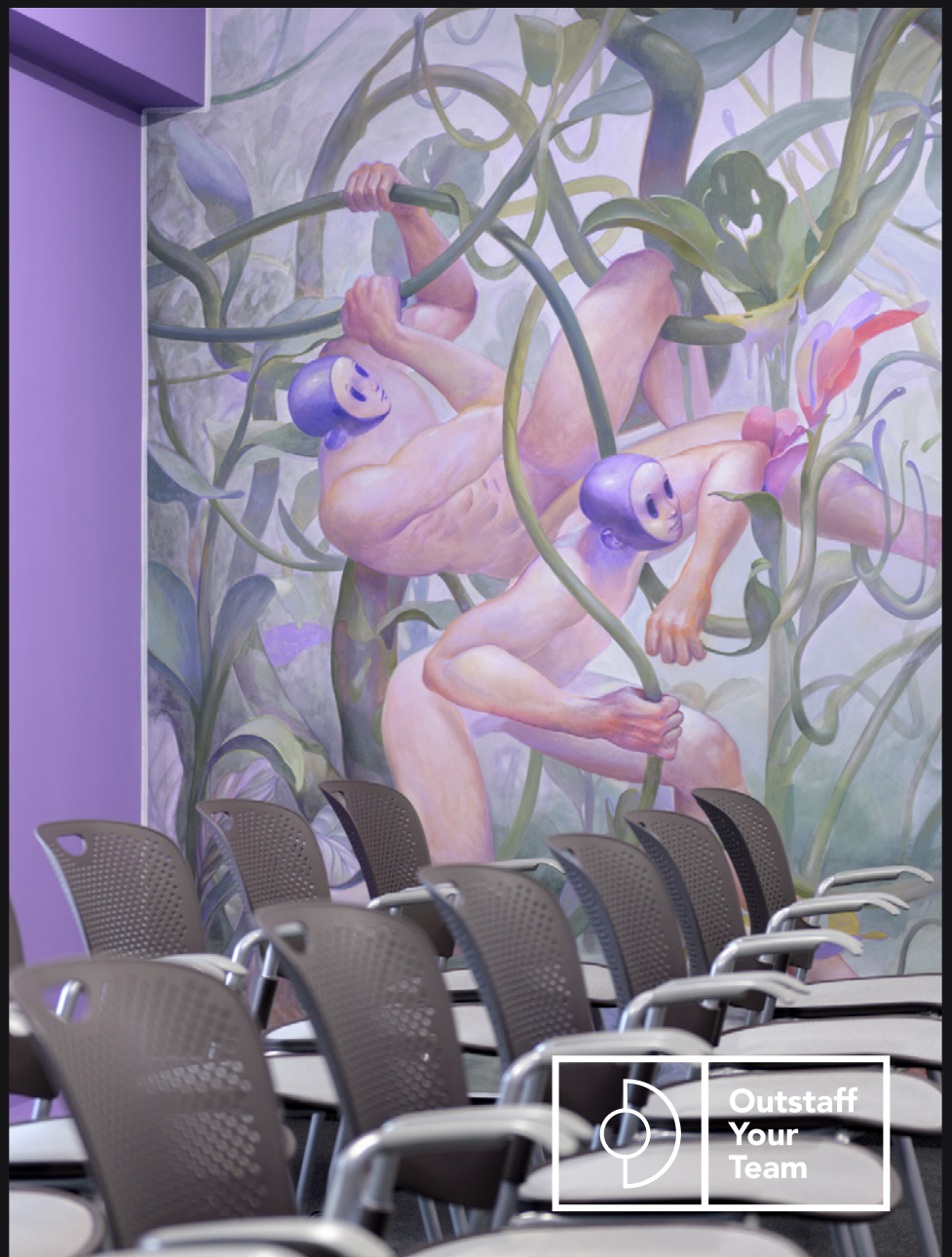
STEP 3: ANALYZE, OPTIMIZE, REPEAT

◯ PROBLEM:

To keep up with the fast-paced nature of the tech industry, many tech companies want to develop new products and services that meet the changing needs of users, or take advantage of cutting-edge technologies before others do.

Therefore, every tech business that wants to grow fast aims at scaling their tech teams efficiently and optimizing their recruitment process.

✔️ SOLUTION:

Measure the effectiveness of your hiring practices and strategies.

By leveraging data to make informed decisions, you can save time and cost while improving the quality of new hires.

It is recommended to collect and analyze such recruitment data as:

- **Time to hire** *= the time from posting a job description to the day when a candidate is officially hired.*

- **Cost per hire** *= total internal costs + total external costs/total # of hires*
It measures the total amount spent on recruiting an employee.
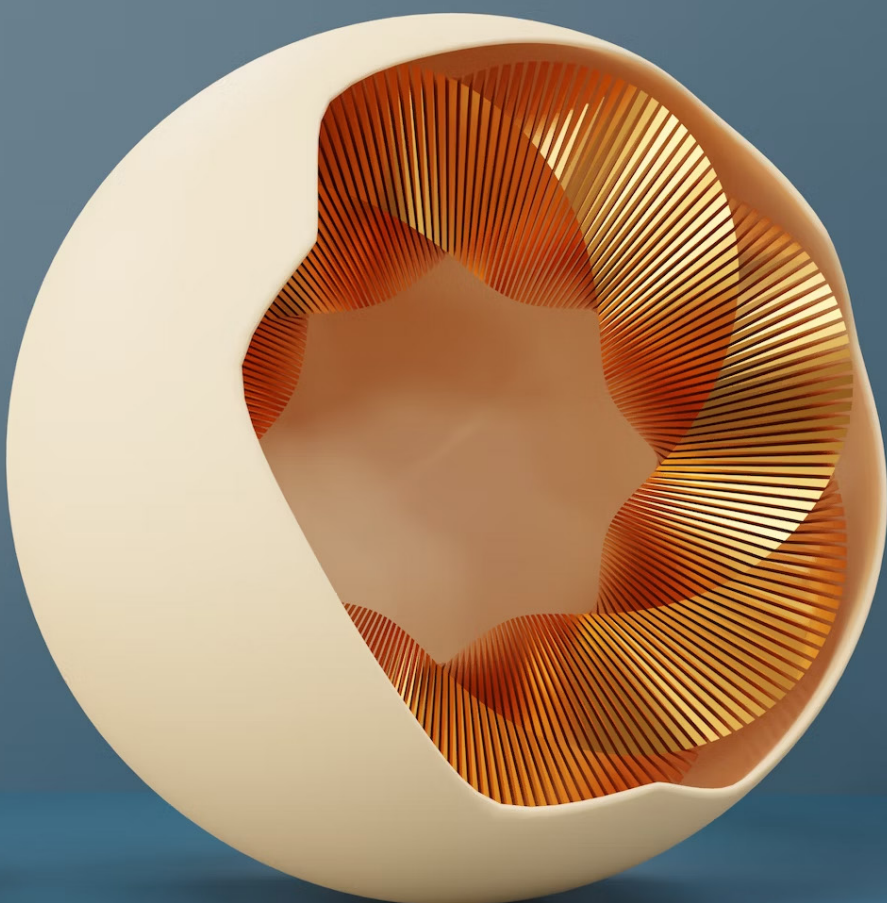
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OUTSTAFF YOUR TEAM ADVICE:

> Analyze recruitment data **more often than once a month** to be able to react to market changes quickly.

> Define relevant metrics, dive into the data on a weekly basis, and be ready to adjust your recruitment priorities at lightning speed.

- **Source of hire** *= # of candidates that came from a particular channel within a given timeframe.* It shows you which of your sourcing channels is contributing to the recruitment process the most.

- **Candidates per hire** = *# of candidates/# of hires* It gives you a general idea if your sourcing and advertising strategies are effective or whether they need to be improved.

- **Interviews per hire** = *# of candidates who had calls or interviews with your Talent Acquisition team.* This metric shows how much time your company spends on interviewing.

- **Candidate experience** It is often measured with the help of a survey, and helps recognize the essential elements in hiring experience that should be improved.

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STEP 4. GET TO THE HEART OF THE MATTER

⭕ PROBLEM:

The tech industry is highly competitive, and the demand for skilled and talented specialists is very high.

As a result, many tech companies find themselves competing for the same pool of candidates, and it can be challenging to stand out from other companies in order to attract top-notch tech talent.

64% of applicants would share negative application experiences with friends and family, and 27% would actively discourage others from applying.

✔️ SOLUTION:

In order to attract and retain the best in the market, **create a strong EVP** (Employer Value Proposition) based on what candidates truly want and need.
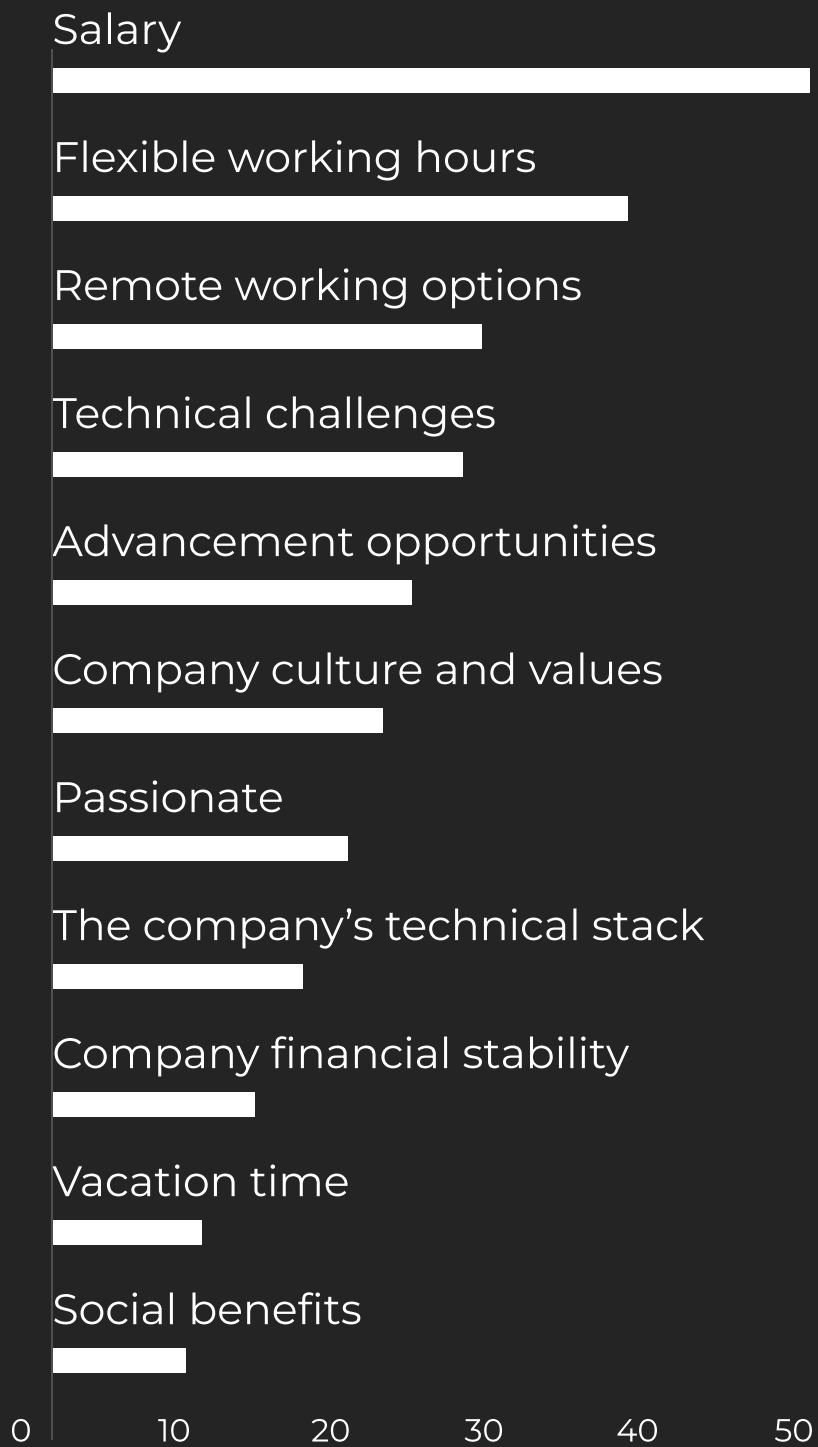
In 2023, developers are putting salary, work-life balance, and the option to work remotely at the top of their lists.

Two years ago, the same poll showed salary was pushed down to the third place behind work-life balance and the thrill of tackling interesting technical challenges.

64%
share negative application experiences

27%
discourage others from applying

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Job offer priorities (%)

Salary

Flexible working hours

Remote working options

Technical challenges

Advancement opportunities

Company culture and values

Passionate

The company's technical stack

Company financial stability

Vacation time

Social benefits

0   10   20   30   40   50

Your turnover rate can drop by 69% if you offer a compelling EVP that centers around tech specialists' satisfaction.

To achieve that, you have to make sure your team feels:

● **Understood.** Encourage them to foster family and community relationships besides work.

● **Autonomous.** Let them decide more than time and place of work.

● **Valued.** Help them grow not only as professionals, but also as people.

● **Cared for.** Ensure they actually use well-being programs.

● **Invested.** Align your team around the same mission.

Outstaff Your Team provides an Account Specialist for each of our partners to hold regular milestone talks and check-ups with your tech teams.

The system of milestone talks allows us to see if tech specialists have a work-life harmony, and what is needed to improve it.

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STEP 5. THE ART OF BALANCE: HIRE SMARTER, NOT FASTER (OR SLOWER)

The best candidates are off the market **within 10 days.**

⭕ PROBLEM:

Long decision-making process often results in losing a good candidate to companies that make decisions faster. However, rushing the hiring process can result in costly mistakes. We believe it's all about finding the perfect balance.

60% of candidates have quit an application process they deemed too long.

✔️ SOLUTION:

5 Outstaff Your Team-recommended techniques to make your hiring process more efficient:

1. **Use automated tools, such as ATS** (applicant tracking systems), to quickly screen resumes and identify top candidates.

2. **Avoid repetitive rounds of interviews.** If a position requires a thorough testing of skills and personality assessment, we suggest having not more than 2–3 rounds of interviews.

This should be enough to evaluate if a candidate is a good fit for the role, and the process won't seem too long or arduous.

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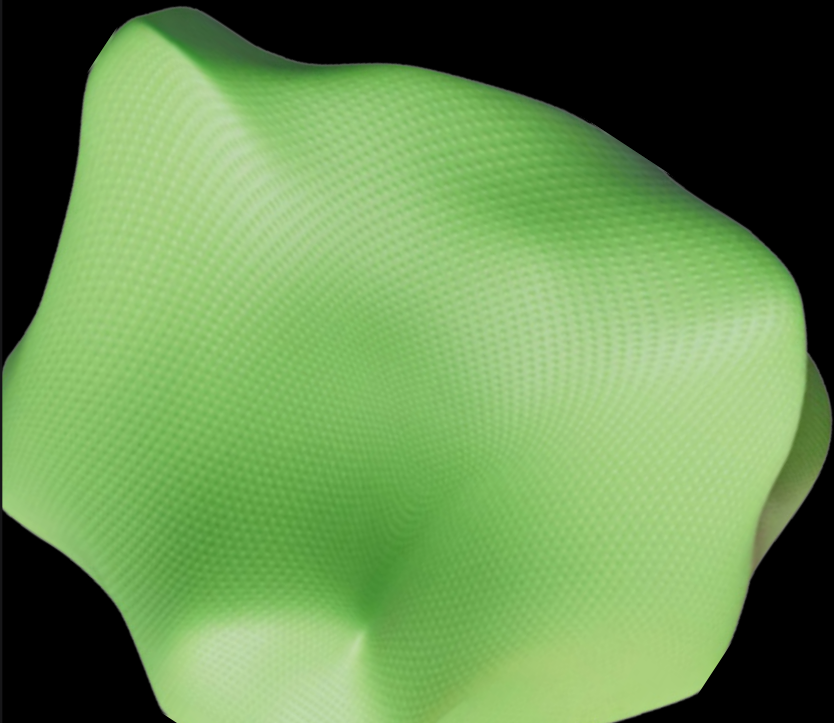
3. **Use pre-employment assessments**, such as test assignments or behavioral tests, to evaluate candidate's skills and job fit before inviting them for an in-person interview.

4. **Limit the number of decision-makers** involved in the hiring process to avoid delays and conflicting opinions.

5. **Be decisive**: once you have identified a qualified candidate, make a decision quickly and extend an offer. This can help you avoid losing top talent to other job offers.

STEP 6. TECH-ING UP THE HIRING PROCESS

⬤ PROBLEM:

Even though the COVID-19 pandemic has accelerated the shift towards remote work and digitalization in many recruitment processes, some companies have been slow to adapt to the necessary changes.

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✔ **SOLUTION:**

Keeping up with the industry trends is essential if you don't want to put your tech company at a disadvantage in this competitive market.

Many jobseekers opt for companies with the newest tech advancements in the hiring process.

68%

of recruiters said investing in new recruitment tech is the best way to improve hiring performance.

Meet your AI assistant

Chatbots like ChatGPT and other conversational AI tools can help you quickly identify top candidates and save time in the recruitment process.

There are several ways a business can use them:

- Writing job descriptions
- Candidate screening
- Initial communication
- Scheduling interviews
- Responding to candidates' questions

Blockchain for Talent Acquisition

The use of **blockchain** in talent acquisition is expected to revolutionize recruitment. With the ability to screen applicants in real-time and verify their credentials with ease, this technology promises to eliminate the percentage of fake or inauthentic resumes.

It can also enable more transparent payment systems, which is especially useful for tech companies that hire globally.

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Embracing Cloud-Based Systems

Adopting cloud-based systems allows **maintaining connectivity among employees**, regardless of their location.

Not only do these systems enable seamless communication for in-office staff, but they also **facilitate remote work.**

Cloud-powered Human Capital Management solutions (HCMs)

help HR Specialists access real-time employee data from anywhere, anytime, and make informed decisions based on this information.
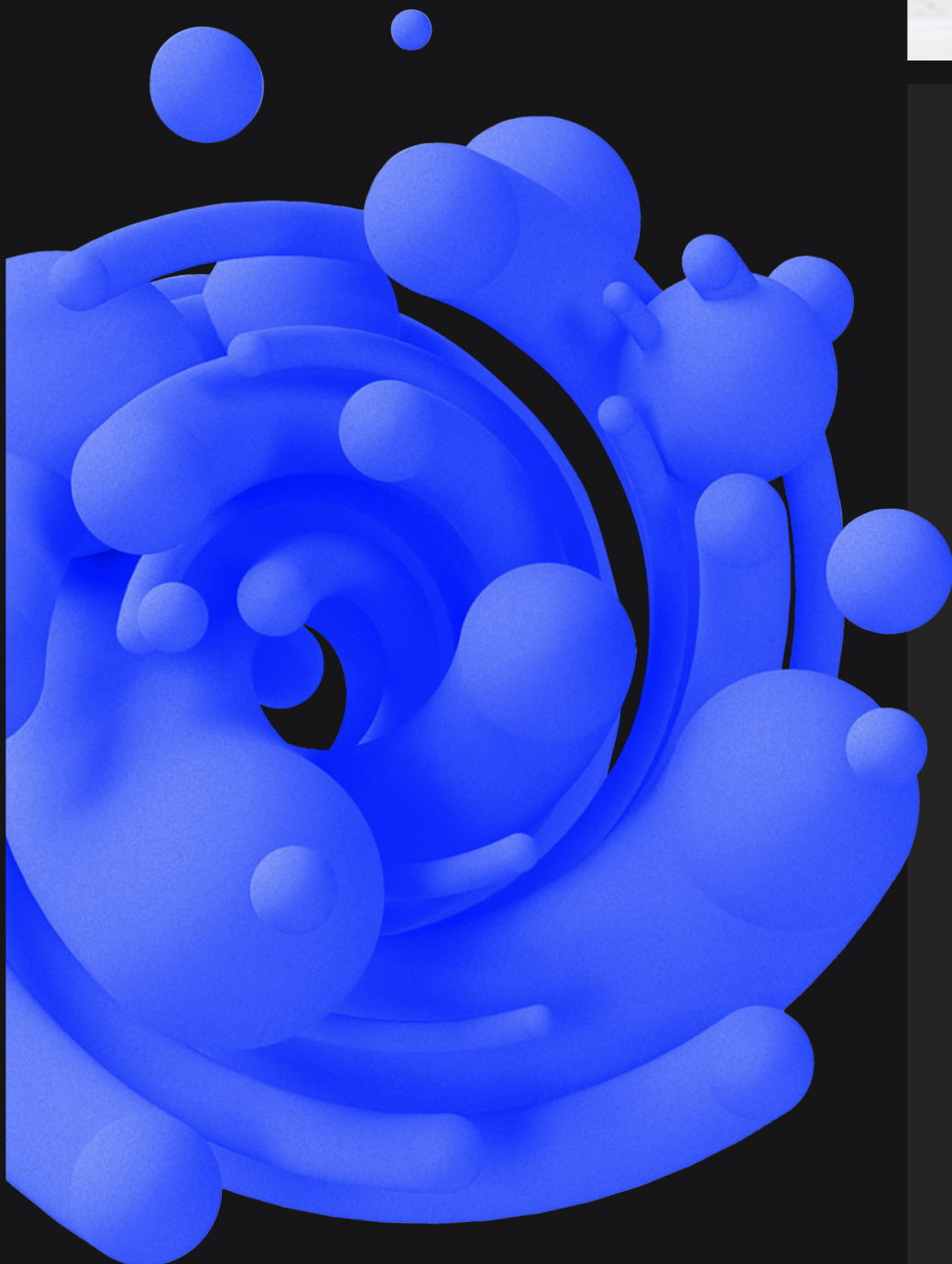
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OUTSTAFFING: THE ULTIMATE GROWTH HACK FOR YOUR TECH TEAM!

Outstaff Your Team has
12+ years of expertise
in scaling tech teams for growing startups and tech businesses around the globe.

We provide **5-in-1 outstaffing services:**

Employer of Record

Onboarding

IT staff augmentation

Talent retention

Tech recruiting

Experience the Power of IT Outstaffing: The Benefits Speak for Themselves

> Deep analysis of your business needs

> Global tech talent pool

> Data-backed and tailored recruiting

> Hand-picked pre-vetted candidates

> Handled payroll, taxes, contracts

> Fixed fee every month

> No middle man in development process

Innovation Starts with Tech Talent

30+ countries worldwide

4.1% retention increase yearly

95% of long-term clients

82% approvals after 1–2 interviews

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Your Business Security is Our Topmost Priority

ISO 27001:2013 CERTIFIED Information Security Management

CCPA California Consumer Privacy Act

aws Amazon WorkSpace Virtual Desktop Infrastructure

GDPR 2018 / General Data Protection Regulation

Outstaff Your Team is your GDPR- and CCPA- compliant and ISO certified partner.

We conduct security training with all our tech specialists and offer Amazon Workspace VDI for projects that demand enhanced security.

Delegate recruitment and tech teams operations to us

and focus on crucial project development tasks. Outstaff your team to grow faster.

🌐 outstaffyourteam.com

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