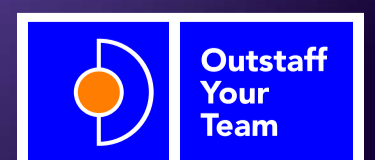# RECRUIT & RETAIN.
WINNING TECH TALENT'S HEARTS AS TIMES CHANGE

Outstaff Your Team

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 13 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.

This e-book focuses on the **latest market shifts** and trajectories, and offers valuable insights and actionable strategies to ensure you're a step ahead in the tech talent retention game.

Would you like to chat about your scaling and retention plans?

DROP ME A LINE

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

kmbs
Kyiv-Mohyla
Business School

MIM-KYIV

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WHAT'S INSIDE?

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THE POWERFUL DUO: WHY RECRUITMENT AND RETENTION IN TECH ARE BETTER TOGETHER

Once effective recruitment strategies have been applied and the right tech candidates have been hired, talent retention steps become another important component of a company's talent management strategy.

4 out of 10

businesses can't keep their key team members as long as they used to.

Do tech companies invest in retention?

Here is the breakdown of the areas where HR and People Ops departments in tech companies plan to allocate their investments in 2023 and 2024:

Talent retention

42.45%

Candidate experience

35.55%

Expanding talent pool

34.11%

Talent diversity

27.96%

Employer branding

26.14%

HR technology and tools

18.18%

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IT Smart Outstaffing, which we root for at Outstaff Your Team, combines ultimate recruitment and retention techniques best suited for tech talents.

Bringing a tech specialist on board is just the beginning. By retaining them for the long haul, you will avoid disruption in the ongoing project, maintain a stable workflow, and, more importantly, reduce hiring costs.

The average turnover cost to replace a technical specialist is

100%-150% OF AN EMPLOYEE'S SALARY.

The breakdown of hidden costs of losing an employee:

> **Recruitment expenses:** advertising, screening/sourcing, interviewing

> **Onboarding cost:** training and management time

> **Low team morale:** others become more disengaged when turnover rates are high

> **Lost productivity:** it takes one to two years for a new hire to reach the same level of productivity

> **Lost knowledge and experience:** the accumulated knowledge and experience are not transferred

> **Cultural impact:** the rest of the team start questioning their job, too

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TECH PRO'S LIFECYCLE IN THE COMPANY

The lifespan of a developer in a company is statistically quite short. They do not have the intention to spend 10–15 years in one company for different reasons: financial and non-financial.

Factors That Drive Tech Specialists to Quit

To get a higher salary

For better advancement

To escape boredom

For a change

In search of better management

In search of recognition

For better work facilities

Due to values misalignment

To work closer to where I live

Other

To get away from toxic team

🤔 HOW TO WORK WITH MOTIVATION?

While financial rewards (compensation, bonuses, incentives) are quite effective and can give a short-term boost in motivation, they **might not have a lasting impact on job satisfaction** or overall well-being of your tech specialist.

To motivate tech professionals to stay with a company longer, you should be aware of the competence curve and how it is interpreted in tech talent retention.

Basically, it illustrates how an employee's proficiency in a particular domain changes over time as they obtain new knowledge and experience.

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UNCONSCIOUS INCOMPETENCE

CONSCIOUS COMPETENCE

CONSCIOUS INCOMPETENCE

UNCONSCIOUS COMPETENCE
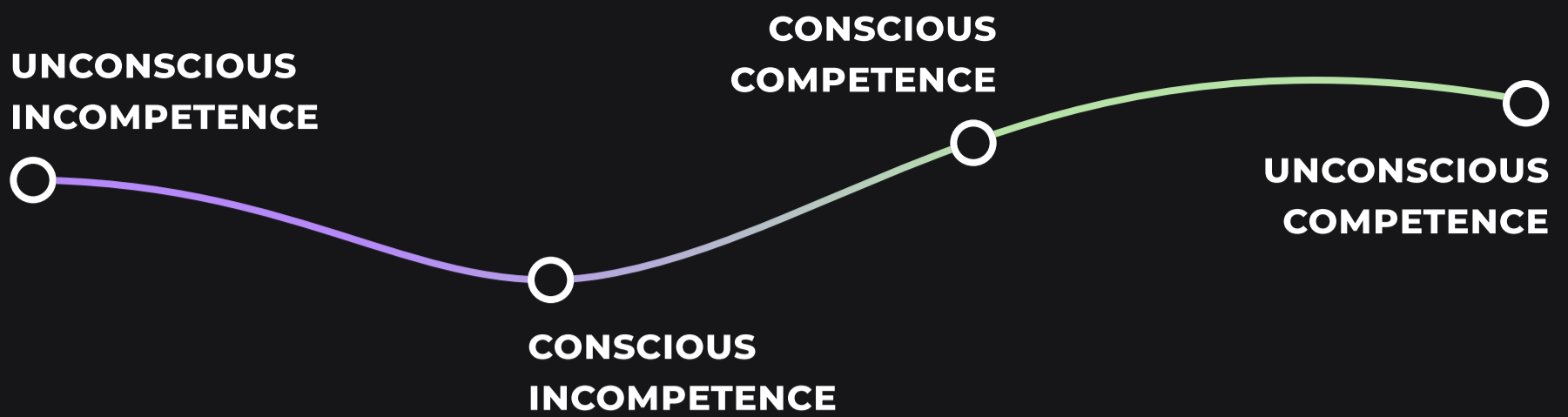
1 Unconscious Incompetence
(0-3 months).

This stage is also called Blissful Ignorance. It's a period when a developer has just started working in a company, and has a strong confidence in their own knowledge and experience, not knowing they lack some skills.

How to act:
Guide and give a lot of feedback.

2 Conscious Incompetence
(4-6 months).

During this time, a developer may feel pretty down as everything seems like a struggle. They realize which skills and knowledge they need to learn in order to progress and succeed in the company.

How to act:
Give emotional support and advice. Help them overcome the hurdles.

4 Unconscious Competence
(1-2 years).

The curve plateaus as a developer reaches the level of competence in the company when they can teach others.

How to act:
Keep them at the plateau level as long as possible with the help of different retention techniques.

3 Conscious Competence
(after 7-8 months).

The curve starts gradually leveling up as a developer shows some improvement and mastery in their job.

How to act:
Monitor their well-being and manage their work.

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RETENTION TECHNIQUES TO KEEP YOUR BEST AND BRIGHTEST ON BOARD

1. HIRE THE RIGHT PROFESSIONAL FROM THE START

75% of companies have hired the wrong person for a job, resulting in a costly **$15k per bad hire**. The companies who made wrong decisions said:

35% candidates **lacked necessary skills** but claimed to learn quickly

33% candidates **lied** about their qualifications

32% **took a chance** on a likable person

30% **felt pressured** to fill a role quickly

29% **struggled** to find qualified candidates

29% **prioritized skills** over attitude

10% **didn't have adequate tools** to find a fitting candidate

10% **failed** to conduct a thorough background check

Solution
(Outstaff Your Team's Approach):

First, we dive deep into your business needs to provide a customized service and identify the most suitable candidates.

At the interviews, we ensure that only candidates who are ready for long-term work commitment pass to the final stage.

During onboarding, we provide a new hire with all the necessary resources and support. Thus, they feel more connected to the company from day one.

When the right fit was hired from the start, retention is a blast. Such people are more motivated to succeed in their role and bring value to the project.

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BREAK DOWN THE BARRIERS

The challenges that developers face at work range from technical problems to team dynamics and communication issues. They directly impact tech specialists' productivity, morale and desire to **quit their job.**

Possible solutions to address these challenges:

- Provide your developers with **clear communication channels** where all changes will be properly planned and justified with their team leads or managers.

- Conduct strategic meetings, regular project briefs, and syncs to give clear project specifications and **set well-defined goals.**

Challenges that developers face

Rework, changes, unplanned work and problems

Unclear direction

Inadequate technical knowledge or experience within the team

Unrealistic deadlines

Inadequate or insufficient work tool

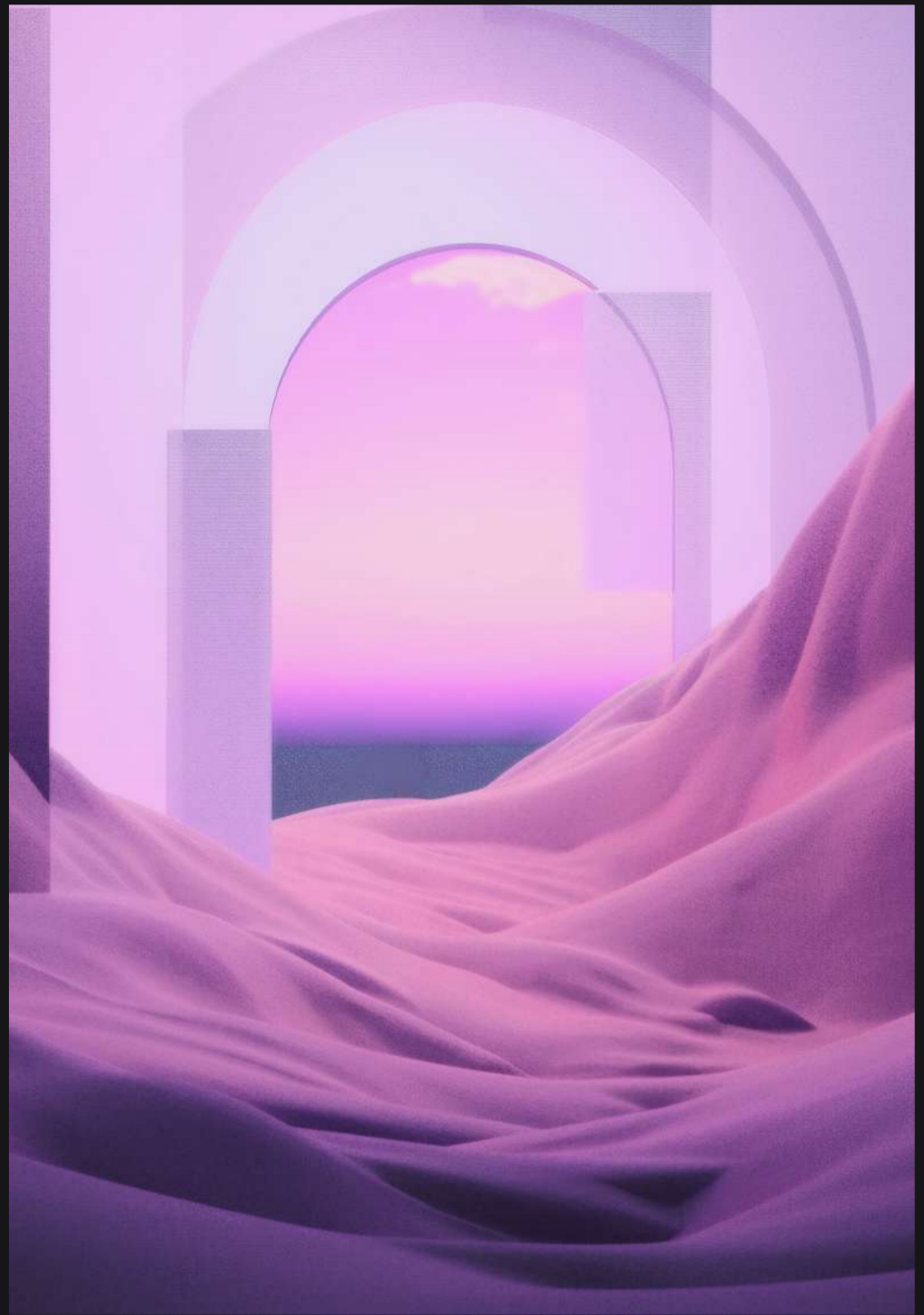Difficult cooperation with other team within the company

Management relations

Working as part of a remote or partially remote team

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- **Invest in collaboration tools** (Jira, Slack, Asana, Confluence, GitHub, etc.).

- Include **team bonding** activities in your work routine.

- Re-evaluate tech team structure and workload on a regular basis and **be ready to scale up your team.**

- Choose the development **management method** that suits your project needs (Scrum, Agile, Waterfall, etc.).

Development teams use

61.5% use the Agile method

9.6% use the Waterfall method

23.1% use Scrum

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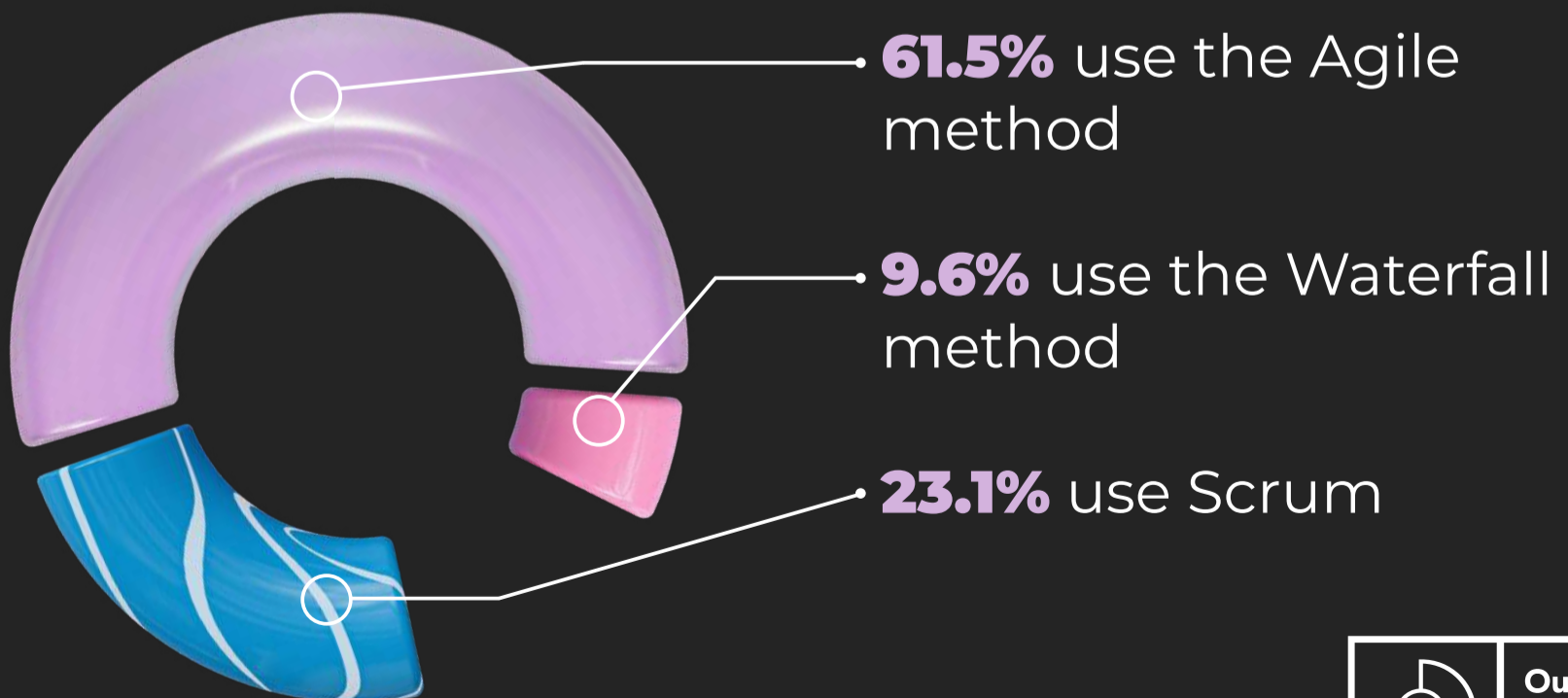
PUMP UP YOUR TECH TEAM ENGAGEMENT

85% of Employees Worldwide Are Not Engaged at Work.

We noticed that it often happens at the Unconscious Competence phase on the competence curve. During this stage, a developer realizes they can do their job very well, and it stops challenging them, so they **lose interest in it.**

What Are the Goals of One-to-Ones?

70% Understand and eliminate roadblocks
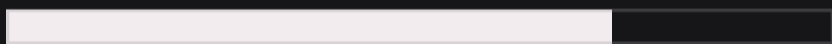
61% Purse check (i.e. Are they engaged, happy, upset?)

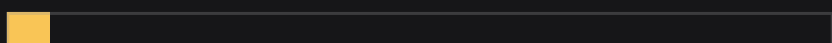**54%** Status update (i.e. How are specific projects coming along?)

50% Talk about career growth (i.e. Where in career they're going and how to get there)

35% The goal isn't set by the manager, but by the direct report

4% Other

1 Provide more **challenging work:** new projects, responsibilities, or learning opportunities.

2 Implement a **reward system.** Companies with a strong reward system are more likely to retain top talent. It will show you value your team and are willing to **invest in their growth and development.**

3 Encourage your team to have a healthy **work-life balance**.

4 Have milestone talks and one-to-one meetings to build a **strong relationship** with your tech specialists. Provide feedback, support to your tech teams, and ensure they are motivated, engaged, and working towards the **company's shared goals.**

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UPSKILL AND RESKILL FOR MAXIMUM IMPACT

94% of employees claim that if a company invested in helping them learn, **they would stay longer.**

To tackle the challenges of inflation, scarcity of skills, and overall heightened global tensions, companies need to acquire new skills.

Tech specialists must constantly upskill themselves to keep up with the evolving technology.

Moreover, future tech talents will **focus on building nonlinear careers** by accumulating knowledge of diverse technologies instead of pursuing a vertical career path focused on a single tech stack.

25%

Skill sets for jobs have changed by around 25% since 2015. By 2027, this number is expected to double.

89%

of L&D pros agree that proactively building employee skills will help navigate the evolving future of work.

Top Upskilling Sources for Tech Specialists in 2023:

61% Online tech skill development platform

43% Virtual instructor-led training

37% Books, manual and training guides

37% In-person instructor-led training

37% Dedicated work time for learning

37% Learning management system

28% Tuition reimbursement

18% Bootcamps

12% Hackathons

11% User-generated content

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BUILD AN EMPLOYER BRAND THAT SETS YOU APART

32% of employees who leave a job within 90 days do so because of **company culture.** Employees who feel they are working for a company with a positive reputation and culture are more likely to stay with a company. A strong employer brand can also help differentiate your tech business from its competitors.

Determine the most essential services your company would like to provide its employees with, and make sure they are always properly delivered. Here's the list of services tech companies commonly offer:

- **Paid time off**
- **Devices and tools for work**
- **Flexible schedule**

This can be especially important in the tech industry, where many companies offer similar compensation or benefits.

✓ **28% reduction**
in the organization's turnover

✓ **1-2x faster**
time to hire

✓ **50% more**
qualified applicants

✓ **50%**
cost-per-hire reductions

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What Are the Goals of One-to-Ones?

1 Remote/hybrid work options

2 Home office setup

3 Timely pay

4 Health and wellness programs

5 Professional workshops/ conferences

6 Referral programs

7 Stock options or equity

Methods and channels of promoting Employer Brand

Social networks	Career site
Current employees	Inbound recruiting
Job advertising	Candidate relationship management
Lectures and workshops	Application process

Decide which of these points are must-haves and should be provided to each employee by default, and which of them are loyalty bonuses given to employees who have demonstrated exceptional performance and loyalty to your company.

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# THE ART OF SAYING GOODBYE: CONDUCT EXIT INTERVIEWS

91% of the Fortune 500 companies conduct exit interviews.

When a person decides to leave a company, it's natural for their manager to wonder why.

The best way to get answers to these questions is **through an exit interview**. By taking the time to conduct exit interviews and listen to departing specialists, you can make **positive changes** that will benefit both current and future team members.

Best Practices to Say Goodbye

- Have a neutral party conduct an interview. This will enable departing team members to **share their candid feedback**.

- Ask open-ended questions. Let your devs share their experiences, opinions, and suggestions while avoiding any biased and leading questions.

- Implement the **"5 Why's"** technique. Uncover the root causes of the issues a developer faced at work.
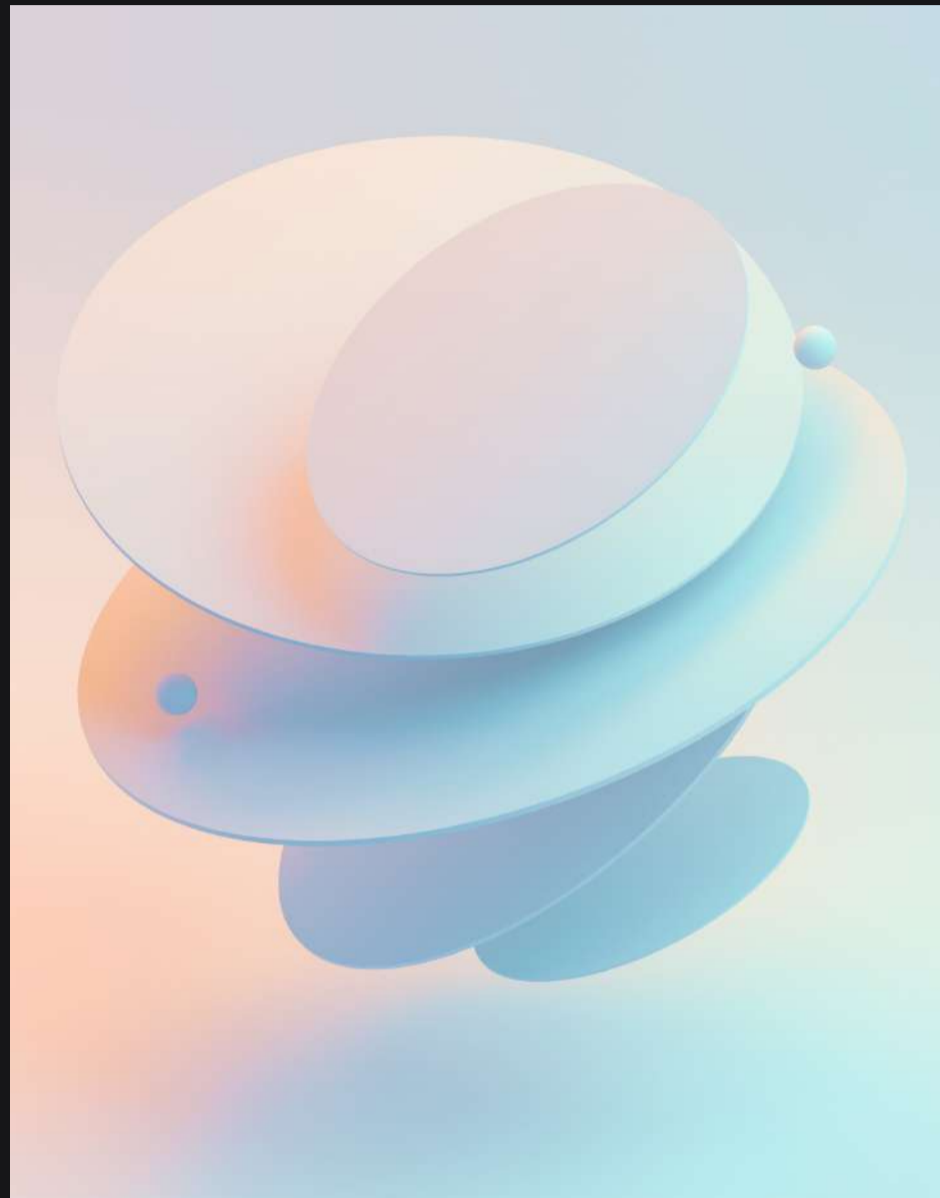
⚙️ Gather feedback

Reassure a departing specialist this is anonymous, and use the insights to develop action plans that drive positive change.

Follow up. Thank your former team members for their time and give **personalized feedback.**

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THRIVING IN TURBULENT TIMES

Today, successful companies are using a range of modern trends and strategies to overcome retention challenges.

Colgate-Palmolive has recognized this trend and offers their employees flexible benefits such as remote options, flexible work hours, and childcare centers. **76%** of millennial employees are willing to take a pay cut for flexible work hours.

This helps to keep their team engaged and committed over the long term.

1

Pixar's retention strategy is to encourage its employees to spend up to 4 hours each week **attending courses** at Pixar University.

With these classes they can **learn a new skill** (drawing, sculpting, bell dancing — you name it), and have a deserved break from daily work.

2

Netflix provides unlimited PTO and allows its employees to decide when and how long they want to take time off, as long as **it does not impact the company's performance.**

This level of trust has become a significant factor in Netflix's high retention rate.

3

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Apple believes poor communication can cause individuals to become disconnected from the company's mission and lose their sense of purpose.

To address this, Apple has introduced an app for company updates, and another one for internal communication.

Also, they practice **"stay interviews"** to understand why employees choose to stay with the company, or why they might consider leaving. This helps them increase their likelihood of performing at their best by 4.6 times.

4

Pfizer, as a retention program, offers workplace mentors, career development tools, and skills-based volunteer opportunities, including STEM outreach and participation in the Global Health Fellows program.

Also, the program includes mental health webinars, free resources, virtual fitness centers, and courses on yoga and relaxation.

5

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PART 3.

OUTSTAFFING APPROACH TO TEAMS RETENTION: KEEP YOUR BEST, LONGER

OUTSTAFFING APPROACH TO TEAMS RETENTION

Your Business Security is Our Topmost Priority

GDPR 2018 / General Data Protection Regulation

CCPA California Consumer Privacy Act

aws Amazon WorkSpace Virtual Desktop Infrastructure

ISO 27001:2013 CERTIFIED Information Security Management

Innovation Starts with Tech Talent

95% of long-term clients

82% approvals after 1–2 interviews

30+ countries worldwide

4.1% retention increase yearly

Outstaff Your Team

has 13+ years of expertise in scaling tech teams for growing startups & tech businesses around the globe.

We provide 5-in-1 outstaffing services:

- Tech recruiting
- IT staff augmentation
- Employer of Record
- Onboarding
- Talent retention

Outstaff Your Team

is your GDPR- and CCPA compliant and ISO certified partner.

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

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KEEP YOUR BEST, LONGER

Experience the Power of IT Outstaffing:

1 Global tech talent pool

2 Handled payroll, taxes, contracts

3 Deep analysis of your business needs

4 Data-backed and tailored recruiting

5 Hand-picked pre-vetted candidates

6 No middle man in development process

7 Fixed fee every month

Delegate recruitment and tech teams operations to us

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

🌐 outstaffyourteam.com

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