



What's 2020 been
like and what to
expect in 2021

How to achieve
best employee
retention results in 2021

Pros and cons for
different hiring
approaches

Solutions to major IT
recruitment problems,
and much more.



2021 TRENDS IN IT RECRUITMENT: HIRING LOCALLY, INTERNATIONALLY, AND REMOTELY

MOTE

HUMAN RESOURCES

THIS WHITE PAPER IS DIVIDED INTO THREE MAIN APPROACHES TO RECRUITMENT - HIRING LOCALLY, INTERNATIONALLY, AND REMOTELY.



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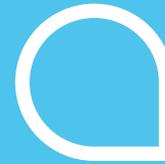
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Maris Tepers

is the founder and CEO of MateHR - an IT recruitment company with a global network of clients and candidates. This white paper includes the latest research and statistics on IT recruitment, along with Maris's observations from 10 years of experience in the field.

How 2020 transformed the global recruitment scene

2020 changed many things about how business is done across the globe, and hiring talent is no exception. Until 2020, the unemployment rate in countries like [the U.S.](#) and [the UK](#) was at an all-time low. Spring of 2020 came as a cold shower to millions of people worldwide who suddenly became jobless due to universal lockdowns.

However, all industries weren't equally affected, with airlines and [leisure and hospitality](#) businesses having suffered the most. Meanwhile, industries like insurance and real estate investment have so far stayed relatively unscathed. The IT sector is also among those that have been comparably spared by the economic crisis caused by COVID-19. However, while 22% of IT businesses worldwide claim that COVID-19 has had no impact on their budget, 60% have felt a smaller or greater negative impact.

This year the global IT recruitment scene saw many companies pausing growth and subsequently postponing hiring. Even companies that didn't feel a significant negative impact often chose to take the safer path and halt hiring. Meanwhile, many employees felt an unprecedented uncertainty about the future and became open to new job opportunities since their previously stable jobs suddenly made them feel insecure.

In the second part of 2020, and especially in the last quarter, many companies began to grasp what the future might look like and were ready to consider expanding and hiring new people. Some companies have also realized that this is an excellent moment for attracting very knowledgeable and highly motivated specialists who are suddenly up for a career change.

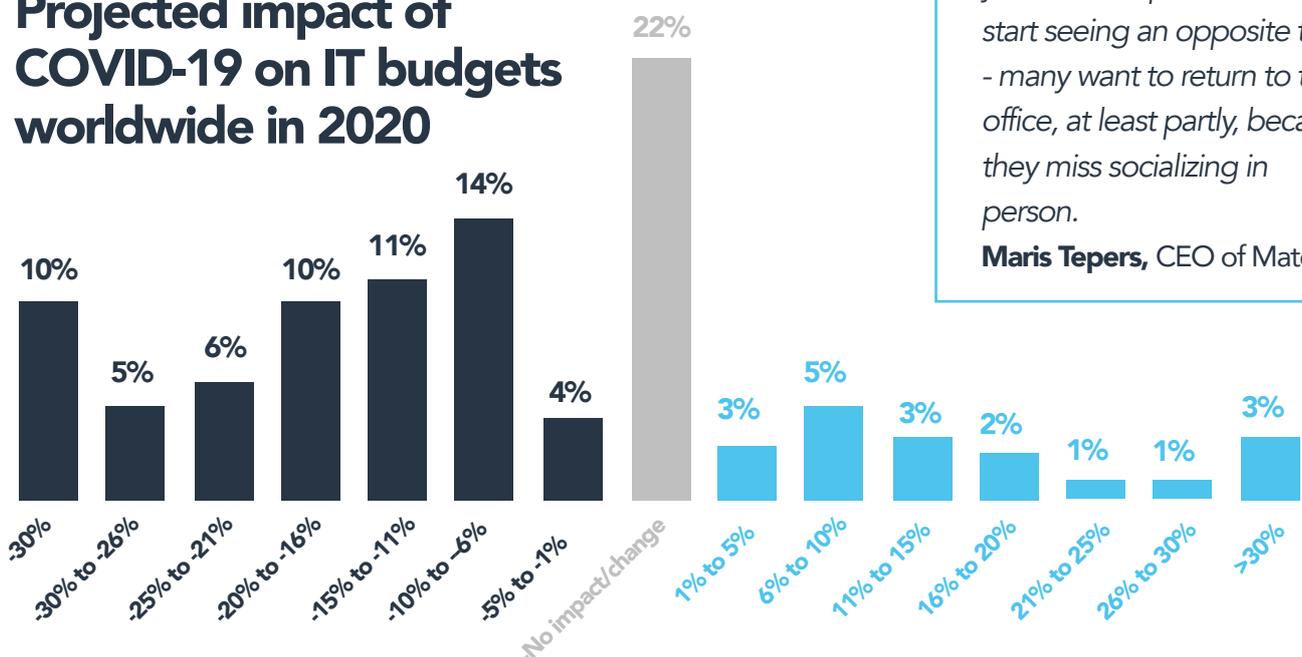
There's a catch, though. The professionals who are presently interested in new job opportunities are mostly ready to accept only those located near their home. There are very few people who are prepared to move to another country in these times. However, many say they might consider relocating when COVID-19 begins to recede.



Like many other areas of business, recruitment has had to adapt to the new reality basically overnight. It's not clear whether the processes adopted this year will continue to be used after the pandemic. For example, before COVID-19, people were generally very excited about remote work. Almost a year into the pandemic, we start seeing an opposite trend - many want to return to the office, at least partly, because they miss socializing in person.

Maris Tepers, CEO of MateHR

Projected impact of COVID-19 on IT budgets worldwide in 2020



Source: [Statista](#)

LOCAL RECRUITMENT: PRESENT SITUATION AND FUTURE TRENDS

Recruiting locally is the go-to tactic for many companies because it seems more straightforward and less problematic. Local recruitment may also be the best tactic when you are looking for one or two new employees.

Local recruitment is also speedier and cheaper than international talent scouting, as no extra time and funding will be needed for arranging paperwork and relocation.



It's often simpler to hire local specialists because managers have fewer worries about how they'll fit in the team practically and culturally. Besides, there is less responsibility on the manager's side about how the new employee relocates and settles down in the new place.

Maris Tepers, CEO of MateHR



PROS of hiring locally:

- + Quicker recruitment process
- + Local employees fit in easier
- + Money saved on relocation and paperwork
- + Best tactic for hiring one or two people



CONS of hiring locally:

- Limited talent pool
- Less diverse team - less creative solutions
- Lack of international experience in recruits (unless they have previously worked abroad)

What to look forward to in 2021:

- While the pandemic persists, local recruitment will keep some characteristics of remote and international hiring - like [job interviews in video format](#).
- Most companies will retain physical offices and go back to face-to-face hiring processes as soon as it's safe. However, some companies might be switching to smaller office spaces for fewer physically present employees.



INTERNATIONAL RECRUITMENT: PRESENT SITUATION AND FUTURE TRENDS

While many tech companies have had to put their international hiring plans on hold due to the pandemic, others are still offering IT jobs with included relocation packages. In most cases, the position is remote for now as the pandemic continues, but eventually, the recruits will have the opportunity to relocate and work on-site at the company's office.

But even in normal circumstances, hiring a foreign professional and relocating them to your company's home country takes more time than recruiting locally. In general, if it takes about a month to hire a skilled professional locally, it may take at least two months to go through the process of international recruitment. However, this tactic pays off massively if you are looking to hire a team of specialists, not one or two people.

A solution to a major IT recruitment problem - lack of suitable candidates

Before the COVID-19 crisis, international hiring was on the rise because business owners increasingly realized that access to a much wider candidate pool makes finding highly qualified specialists easier.

International recruitment is an especially cost-effective solution for hiring more than a few people and for building teams. In many cases, recruiting one employee will take a similar amount of time to hiring three, five, or more people. For example, when a startup attracts investment, it's essential to form a team of specialists as quickly as possible. And it's much quicker and more efficient to hire a team of five, ten, or twenty professionals using international hiring.

BEST EMPLOYEE RETENTION RESULTS

Employee turnover is costly – especially for very specific positions that require in-depth training. Depending on the wage and position, replacing an employee may cost from **16% of annual salary up to 213% of annual salary** for highly educated executive positions.

More than a third of the staff turnover rate in the U.S. is due to employees quitting within the first year, and more than half of them quit in the first 180 days. First-year turnover is expensive - employees who leave in the first ninety days deliver little-to-no return on the investment made to hire them.



Even businesses based in big countries sometimes face the problem of a limited candidate pool, especially for highly specialized positions. No single country can compete with the possibilities that a wider region like all Europe or the world can offer. Businesses that seek highly knowledgeable and motivated talents often find that this is very difficult to achieve within the constraints of one country.

Maris Tepers, CEO of MateHR



Source: **2019 Retention Report, Work Institute**

Internationally recruited employees are less likely to leave within the first year as they have gone through great lengths to secure the job in question. They have completed several hiring stages, filed paperwork for themselves, and possibly for their families. And finally, they have made a leap of faith and moved to another country for that particular job.

It's also in your power to reduce the turnover rate by providing assistance to internationally recruited employees, for example, by offering language courses or practical support to their family if they've also moved. Think about updating your relocation packages with benefits that address the new post-pandemic time climate.

Relocation packages in 2021:

Besides the basic components of a [good relocation package](#), 2021 benefits should include additional support to reassure the candidate, for example:

- A better insurance policy
- More employee-well-being-focused benefits, like a budget for sports or wellness activities
- Parental & Family leave policies - time off for family reasons
- Education, learning, and development - a budget for courses and self-education; opportunities for growth inside the company
- Flexible and remote work opportunities



“Our long-term observations demonstrate that relocated employees are much less likely to change their job than locally hired employees. This may also be due to the fact that such specialists are often vetted much more thoroughly than locally or remotely hired workers.”

Maris Tepers, CEO of MateHR



PROS of hiring internationally:

- + Access to a global talent pool
- + Higher employee retention rate
- + Higher employee motivation and efficiency
- + The best recruitment tactic for forming new teams quickly
- + More diverse teams are better at problem solving and creativity



CONS of hiring internationally:

- More expensive than remote and local recruitment
- Takes more time than remote and local recruitment (if you want to hire one or two people)
- It may be more difficult to hire internationally during COVID times

What to look forward to in 2021:

- The diversity enabled by international hiring will increasingly be included in company corporate strategies. More employers will realize that having a diverse workforce in terms of employee culture, race, background, and other factors is good for business. Besides opening your company to an even wider talent pool, diversity adds new perspectives to many aspects of your business, such as entering new markets or deciding on a marketing strategy for new regions and finding more rounded and creative solutions to problems.
- Relocation packages will need to be updated to address post-pandemic time insecurities and include better insurance options.



REMOTE RECRUITMENT: PRESENT SITUATION AND FUTURE TRENDS

The trend towards remote work was accelerated almost overnight in March 2020 with the dawn of the COVID-19 pandemic. Suddenly, remote work wasn't just a perk some employees could choose to offer to their workers, but a necessity for all.

Even before the pandemic, remote work was on the rise - Over the last five years, the remote workforce has grown [44% and over the previous ten years, 91%](#).

Almost a year into the pandemic, several global mega-companies like [Facebook, Twitter, and Apple](#) have indicated that they are sticking to the work-from-home model. In their [Predictions for 2021](#), an American market research company Forrester found that remote work will be the new normal, with a 300% increase over pre-COVID-19 levels. In addition, 37% of U.S. workers have said they want to work from home more often after the pandemic.

“

“Before the pandemic, many companies were reluctant to try the remote work option due to practical reasons or concerns about potential productivity loss. In this new reality, remote work has been adopted by the majority of IT companies, and many are planning to keep it at least partly, in the future.”

Maris Tepers, CEO of MateHR

Does remote hiring mean reduced costs?

Remote hiring not only removes relocation costs but also office-associated costs like furniture, office equipment, electricity bills, etc. Some studies also show that remote employees take [fewer sick leave days](#).

On the other hand, progressive companies start to pay for some home-office-associated costs as a part of their employee benefits package. In fact, a significant part of employees may already be expecting such moves from their employers.

A UK study showed that [74% of workers](#) believe their company should pay for office technology equipment when they work from home, and 50% believe their company should even provide office furniture and contribute to WiFi and phone bills.

In 2020, numerous companies and IT professionals have become more open to hiring remotely. One [British study](#) even showed that around 60% of mid-level and senior specialists would be OK if all the hiring process was done remotely.

Improved employee well-being vs. "work from home fatigue"

Remote work allows for greater flexibility and thus improved work-life balance of employees. Increasingly more sustainably-thinking employers choose to hire remotely and allow their team to work from anywhere and possibly move to calmer and greener areas, thus improving their health and reducing geographical inequality. Remote work also eliminates the need to commute, giving people at least one extra hour per day and doing a great favor to the environment.

While studies show that happy employees are also [more motivated and productive](#), having a remote team is not suitable for all people and all companies.

First of all, it's more challenging to determine if the person is a good fit for the team without meeting them in person. Onboarding recruits remotely, especially for highly technical positions, can be a challenge. Not only the job training itself is difficult without the tutor being physically present, but also the motivation and success of the recruit is hard to measure.

Some recent studies also show that people have begun to feel the effects of work from home fatigue or burnout, which entails missing face-to-face socializing, losing the boundaries between work and private life, and feeling stressed about juggling work, family, health, and other responsibilities in the same environment.



PROS of hiring remotely:

- + Saving time and money on relocation-related paperwork and procedures
- + Access the widest possible candidate pool
- + Save on office-associated costs
- + Give greater flexibility and better work-life balance to your team
- + Reduce the environmental impact of commuting

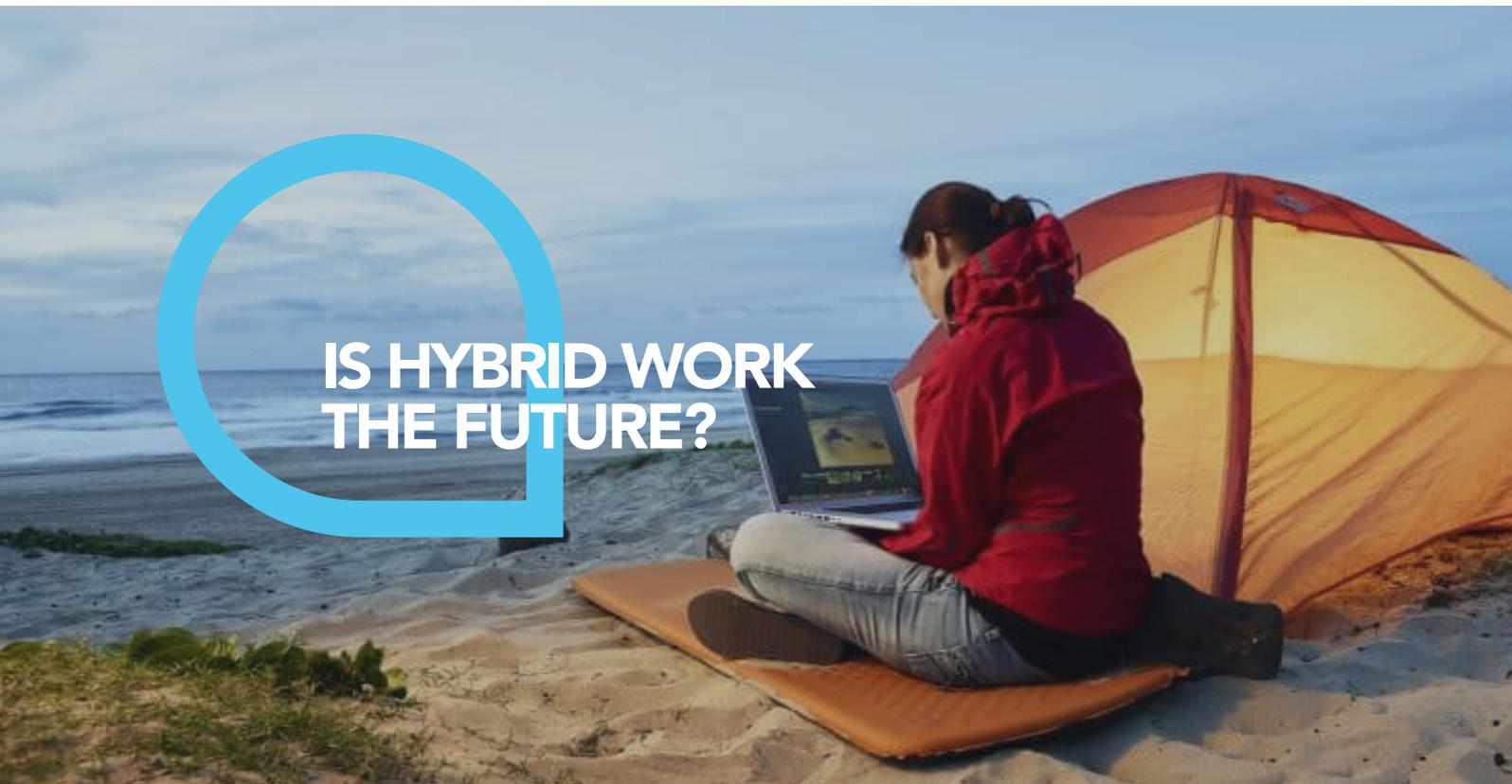


CONS of hiring remotely:

- Challenging to onboard and train junior employees
- Less effective communication
- Reduced team spirit
- Potential bureaucratic challenges (a traditional employment contract would be binding only in one country)

What to look forward to in 2021:

- Employees will start covering more remote-work-related expenses, like tech equipment, internet bills, or ergonomic furniture.
- With remote work being here to stay, more people will choose to move away from cities to greener and calmer areas.
- We will see an increase in new and progressive tools and software that help manage remote teams, including virtual offices, augmented reality work environments, and advanced multimedia communication tools.



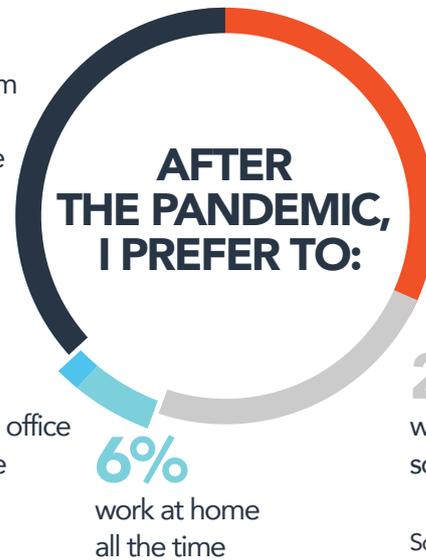
IS HYBRID WORK
THE FUTURE?

Even a worldwide disaster like the COVID-19 pandemic has a silver lining. For the HR and recruitment industries, that unexpected benefit is the flexibility that different working (and hiring) formats propose. And we believe that 2021 will be all about that - finding ways of communicating and hiring that are mutually convenient and efficient for both the candidates and employers.

Studies worldwide have already established that the hybrid work model is the most optimal choice for most knowledge workers. [The global Returning to Work Survey](#) by Smartway2 even found that 92% of employees want a hybrid workplace after the pandemic.

In most cases, hybrid work means working some days from the office and others from home. However, there are [other hybrid work models](#), for example, three weeks of working from anywhere and one week of office-based work.

40%
work mostly from home with occasional office time



31%
share my time equally between home and office

2%
work at an office all the time

6%
work at home all the time

21%
work mostly at the office, sometimes at home

Source: [Smartway2](#)

What to look forward to in 2021:

- Having “tasted” remote work, many people may no longer be OK with moving back to the office full-time. Modern employers will have to learn to cater to the different needs and expectations of employees.
- Some remote work processes will continue to be used in the office. One such example is video conferencing - in companies where a fraction of the team works remotely, meetings will need to be held online to be inclusive.
- The soft skills of candidates will be an increasingly important factor in the recruitment process. To be efficient in a hybrid work setup, employees will need to have good soft skills like creativity, teamwork, adaptability, and time management.
- The quality of recruitment processes will need to grow along with the new realities of the IT recruitment world and the “next normal” workplace, including hybrid working and hiring processes.

HOW TO FIND THE BEST HIRING TACTIC FOR YOUR COMPANY?

We hope this white paper brought you closer to choosing the best recruitment tactic for your company, with foresight on what to expect from this year’s job market. Whichever option you find suitable, the best IT recruitment results can be achieved with the help of a professional recruitment company.

MateHR is an IT recruitment company with extensive experience in all hiring formats discussed in this white paper. Contact us for recruitment solutions tailored to your unique hiring needs:

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