Indeed Insights:
Tapping into Today's
Tech Talent

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Table of contents

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Introduction

Recruiting technology workers continues to be a top priority and expense for many employers challenged by a short supply of tech talent.

Despite recent layoffs in the industry, employers are finding the supply of technology workers to be constrained, and experts say this shortfall will continue as the skills gap widens. A Gartner survey conducted at the end of 2022 found that **86% of CIOs see increased competition** for qualified candidates, and Gartner anticipates this tight market will continue until at least 2026.

As in many other industries, priorities among workers in technology roles have shifted in the last few years. The most successful employers are attracting this talent by understanding their motivations and interests, and then designing opportunities that satisfy their needs.

Hiring leaders can benefit from understanding what works when it comes to hiring this highly sought-after talent pool. In a study conducted with global insights agency SKIM, Indeed surveyed over 316 HR leaders and 1,059 US workers who currently work in tech roles. While the results are based on an American survey, findings may apply to Canadian tech talent as well. Here are some of the most salient takeaways from this research.
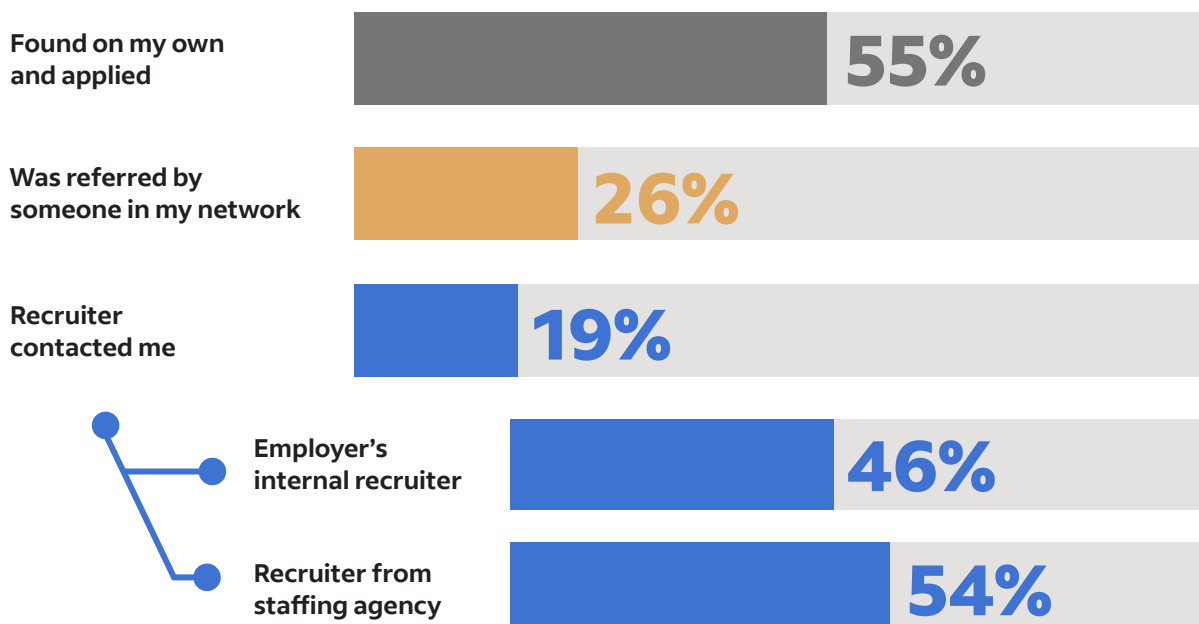
What tech job seekers want most

Tech job seekers want access to quality job postings so they can proactively seek out their next opportunity. In fact, using job ads to attract candidates leads to more hires and longer-term hires than passive sourcing or using placement agencies.

The survey data shows that, while many companies spend an abundance of time and money to source passive talent, the majority of tech employees landed their current positions by searching for jobs and applying on their own. Tech job seekers tend to be proactive and methodical, researching extensively and applying to a variety of companies. Our survey data also shows that employees who find a role on their own tend to stay longer at a company than those who were recruited.

How did you find your current / most recent job?

Found on my own and applied — 55%

Was referred by someone in my network — 26%

Recruiter contacted me — 19%

Employer's internal recruiter — 46%

Recruiter from staffing agency — 54%

SKIM insights-based research commissioned by Indeed, "Indeed Tech Talent Report" March 14–April 5, 2023, Total N=1059 job seekers, question A2

Longer tenured employees (8+ years) are more likely to have found the job on their own compared to those that have been at their company for less than 2 years (60% vs. 48%). These employees with shorter tenure more frequently found out about the opportunity through a recruiter (27%).

But what is tech talent really looking for? Our research suggests that tech job seekers seek immediate answers to three main questions when perusing job ads:

- **Am I qualified for this role?**
- **Will the job meet my needs?**
- **Will I feel a sense of belonging?**

Employers can benefit from including robust information in their job ads, as well as cultivating a reputation and online presence that provides potential employees answers to these questions.
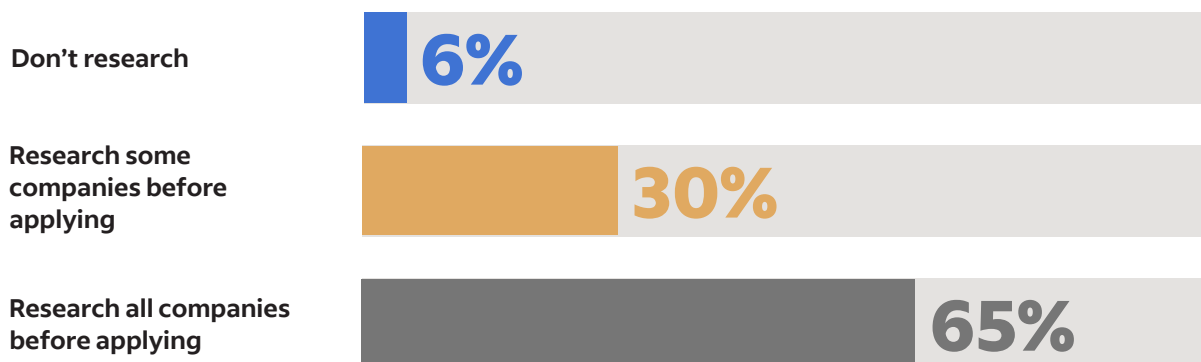
Listing detailed skills and tasks helps tech talent discern if they are a good fit for the role. And providing financial and logistical details of the job is the best way to help candidates decide if the job will meet their needs.

Employers are already well aware that tech talent is looking for information about compensation when they look at job ads. The Indeed survey shows that employers most often emphasize financial incentives to attract tech talent, with more than half of employers saying salary and sign-on bonuses are key benefits for recruitment. This emphasis on sharing financial information aligns with survey data showing that job seekers are most interested in learning about salary (**77%**) and benefits (**76%**), and the biggest reason that tech workers cite for not moving forward in completing an application is not knowing compensation details.

To answer candidates' common question of, "Will I feel a sense of belonging?," employers can telegraph the nature of their workplace by focusing on their brand presence and the application experience. Indeed's research shows that tech job seekers expect an easy application process, prompt follow-up, thoughtful interviews, and high levels of transparency. Many tech job seekers also research the company online and look into elements of company culture like its overall rating on job sites (**62%**) and information about employees' happiness levels (**52%**).

Company research before applying

Don't research	6%
Research some companies before applying	30%
Research all companies before applying	65%

SKIM insights-based research commissioned by Indeed, "Indeed Tech Talent Report" March 14–April 5, 2023, Total N=248 job seekers, question C9b

Answering candidates' basic questions may ensure top-quality tech talent takes their opportunities seriously, but employers can do more to differentiate themselves as an employer of choice.

One effective strategy is providing workers with flexibility as a way to acknowledge that, not only are remote and hybrid work arrangements the new expectation for many knowledge workers today, but also many in the tech sector are now working multiple jobs. Tech workers may be adopting multiple part-time roles or taking on freelance work outside of their full-time job, and few tech employers acknowledge this reality or help their employees manage this balancing act. Accordingly, our data show that benefits that increase time flexibility, such as four-day workweeks and unlimited PTO, are infrequently offered but highly valued by tech job seekers. Offering such benefits is a way for employers to acknowledge that employees can balance their work lives in ways that work for them.

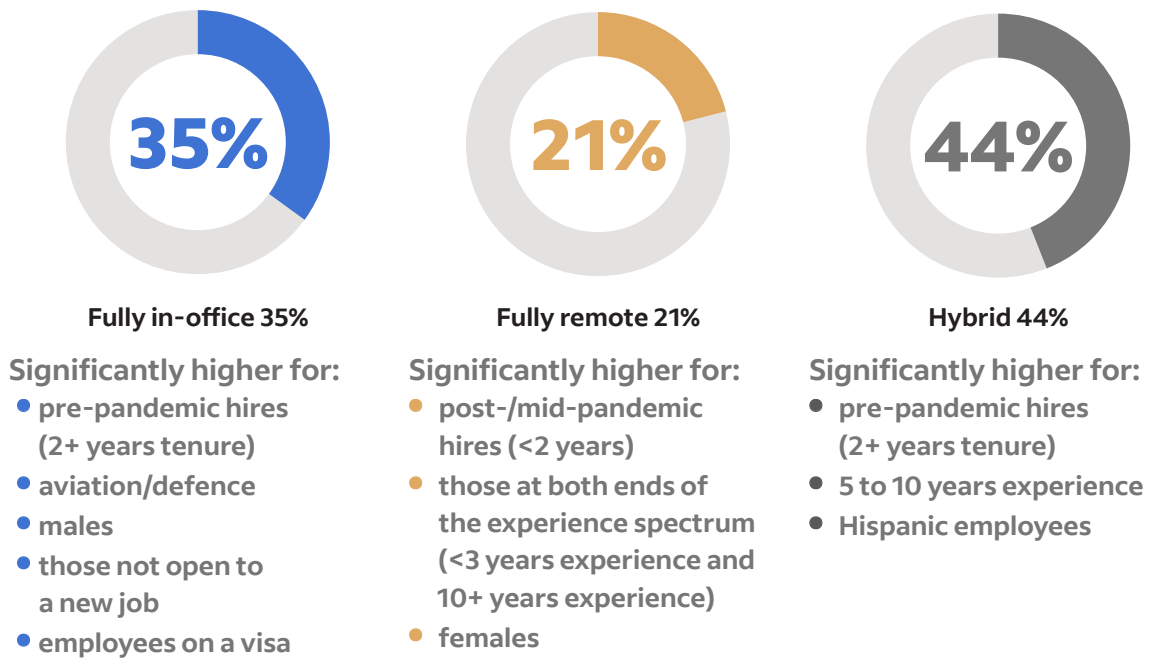# Tech talent likes hybrid work arrangements

The pandemic made remote work popular in the tech sector, and our survey shows that more than **40%** of employers recognize that workers value remote work options. Many HR staff may wonder if requiring workers to come into the office is limiting their tech talent search.

While in-office tech roles are still predominant in the field, most employers find that allowing employees to work remotely at least part of the time is one of the most effective strategies for attracting talent.

Only about one-quarter of tech candidates are seeking a fully in-person job. And tech job seekers commonly search for jobs that involve some amount of remote work. Our data shows that hybrid working arrangements requiring at least three days in the office lead to stronger retention,[1] and higher click-through rates compared to full-time remote or full-time in-office arrangements. This finding suggests that tech talent actually gets more satisfaction in roles that have some element of in-office work as opposed to preferring fully remote roles.

[1]   Indeed data (2021-07-01 – 2023-04-01)

Current / Most recent working structure

35%

Fully in-office 35%

Significantly higher for:
- pre-pandemic hires (2+ years tenure)
- aviation/defence
- males
- those not open to a new job
- employees on a visa

21%

Fully remote 21%

Significantly higher for:
- post-/mid-pandemic hires (<2 years)
- those at both ends of the experience spectrum (<3 years experience and 10+ years experience)
- females

44%

Hybrid 44%

Significantly higher for:
- pre-pandemic hires (2+ years tenure)
- 5 to 10 years experience
- Hispanic employees

SKIM insights-based research commissioned by Indeed, "Indeed Tech Talent Report" March 14–April 5, 2023, Total N=1059 job seekers, question A11a

Days a week in the office for hybrid workers
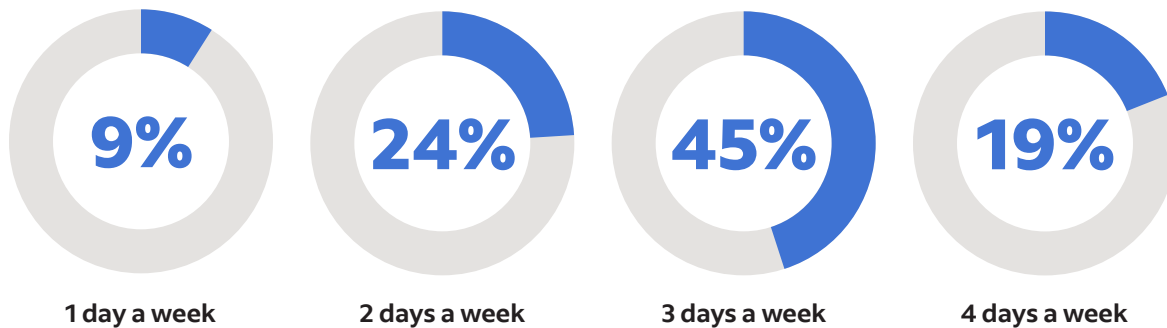
9%

1 day a week

24%

2 days a week

45%

3 days a week

19%

4 days a week

SKIM insights-based research commissioned by Indeed, "Indeed Tech Talent Report" March 14–April 5, 2023, Total N=470 job seekers, question A11b

Hybrid workers going in 3–4 days a week are more likely to stay at their current company for their next role or job (71% Top 2 Box score (T2B) likelihood vs. 51% for 1-2 day hybrid workers).
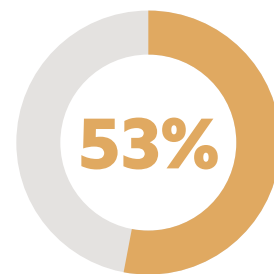
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Tech employers can increase diversity in simple ways

While tech employers lament the lack of candidates to hire, there are actually millions of untapped job seekers who face barriers in hiring, even though they have skills to do the job. Such barriers for nontraditional tech candidates include unconscious bias, high formal educational, or training requirements and job postings that use off-putting or even discriminatory language.

While many tech employers say implementing diversity initiatives to tap a more diverse pool of candidates is an important objective, our survey data shows that more than half do not have specific strategies in place. Companies with DEI initiatives most often target women in their talent search. However, data shows these employers are

not increasing the percentage of female tech workers at a higher rate than companies that do not have a strategy for this. As the targets of diversity initiatives, **women** are closely followed by **veterans** (**19%**), **Black** employees (**18%**), and **Asian** employees (**17%**).

Diversity hiring initiatives— no current initiatives

53%

Diversity hiring initiatives—targeted groups

28%	19%	18%	17%
Women	**Veterans**	**African American / Black**	**Asian**
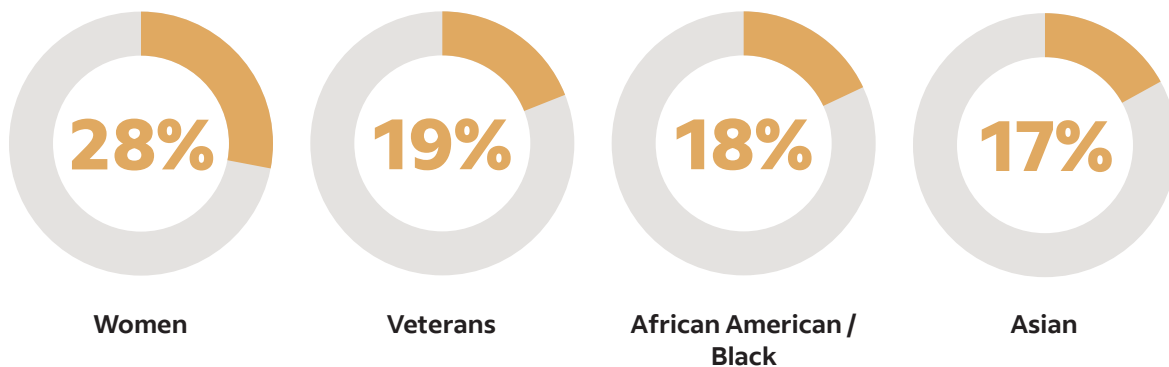
SKIM insights-based research commissioned by Indeed, "Indeed Tech Talent Report" October 31–November 18, 2022, Total N=316 employers, question B10

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Even without a formal diversity initiative in place, there are simple tweaks that recruiters can make to encourage diverse candidates to apply.

Indeed's research shows that the following actions help increase the diversity of talent pools:

- **Use a skills-based approach throughout the hiring process, from designing job descriptions through interviews and salary negotiations.**
- **Use gender-neutral job language in job postings.**
- **Reconsider requiring specific degrees or levels of training, as this opens the door to job seekers who gained skills in ways other than formal education.**

Customizing benefits to target various audiences is also a helpful way to attract diverse tech talent, because our research shows that workers from various demographics value different benefits. For example, women are more likely than men to be enticed by fully remote jobs. And among those who would accept an in-person role, men, Black candidates and visa-seekers are significantly more likely than women and Hispanic candidates to be willing to relocate anywhere.

Additional survey findings may provide more insight for recruiters:

- **Women and Black employees are most interested in Employee Resource Groups.**
- **Women value flexible hours, tuition reimbursement, unlimited PTO, and caregiver or maternity leave of any length.**
- **Women offered a mentorship program are more likely to stay at their company.**
- **Black employees value commissions or other bonuses and the presence of a "chill out" zone in the workplace.**
- **Hispanic employees look for unlimited PTO and an on-site gym or workout classes.**
- **Those on visas are likely to value a sign-on bonus, good relationships with colleagues, à la carte benefits, the option to take unpaid leave or work part-time, and** assistance with adoption/fertility**.**

Hiring teams most widely use online job sites and consider these the most effective method of recruiting a diverse pool of employees. Employers we spoke to said prioritizing culture rather than sourcing was key to attracting more diverse workers, and that maintaining the right resources to support employees of all kinds is essential to prevent their attrition.

Wellbeing is the big differentiator for tech talent

Companies that successfully attract and retain talent in the tech space typically share a common differentiating feature: They prioritize employee wellbeing in their workplace policies and culture, and they emphasize this in their hiring process.
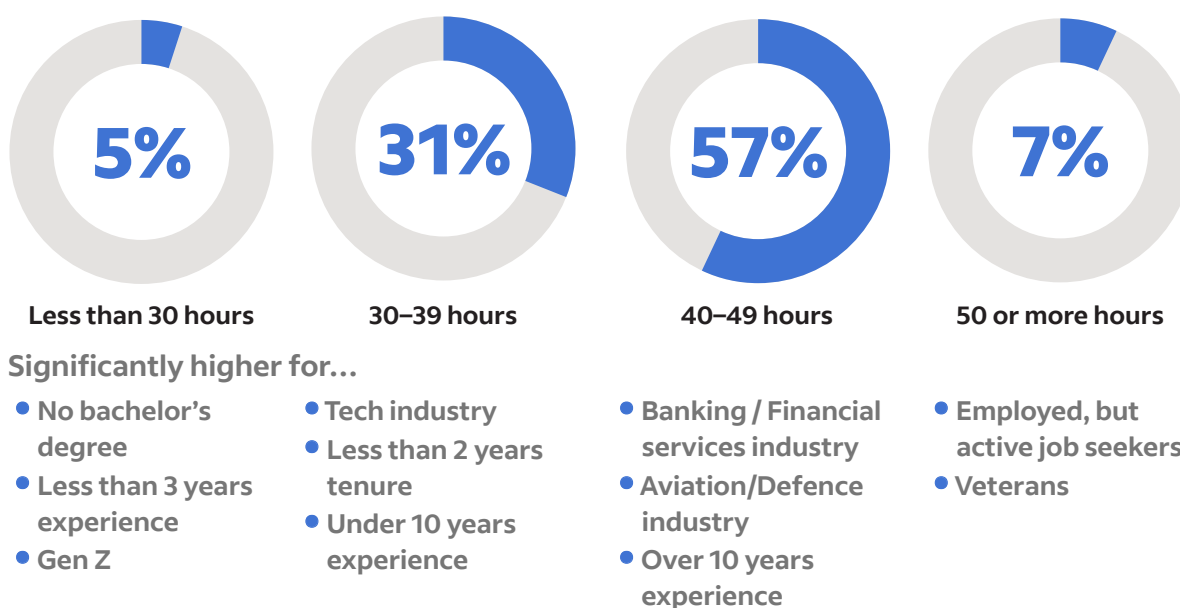
Research shows that work wellbeing is a top driver of retention across sectors. An Indeed-sponsored report from Harvard Business Review Analytics Services found that companies almost universally agree that happy workers provide a competitive advantage and make it easier to retain talent. Another study by Oxford researchers shows that employers whose employees cite high wellbeing usually outperform the market.

In many cases, companies in the tech sector are getting work wellbeing right. In fact,

one reason that working in the technology industry is desirable is that tech employers tend to offer robust employee benefits that significantly contribute to work wellbeing.

Specifically, those working in the technology industry are more likely than tech workers in other industries to have unlimited PTO, with **42%** of workers in tech getting this benefit compared to **13%** and **9%** respectively for banking and aviation/defence, for example. Workers in tech companies also work fewer hours than tech workers in other fields, according to surveyed employees. Those in tech are more likely to work just under **40 hours** per week, while employees in industries like banking, aviation, and defence more often exceed a 40-hour workweek.

Typical number of weekly hours worked

5%
Less than 30 hours

31%
30–39 hours

57%
40–49 hours

7%
50 or more hours

Significantly higher for…

- **No bachelor's degree**
- **Less than 3 years experience**
- **Gen Z**

- **Tech industry**
- **Less than 2 years tenure**
- **Under 10 years experience**

- **Banking / Financial services industry**
- **Aviation/Defence industry**
- **Over 10 years experience**

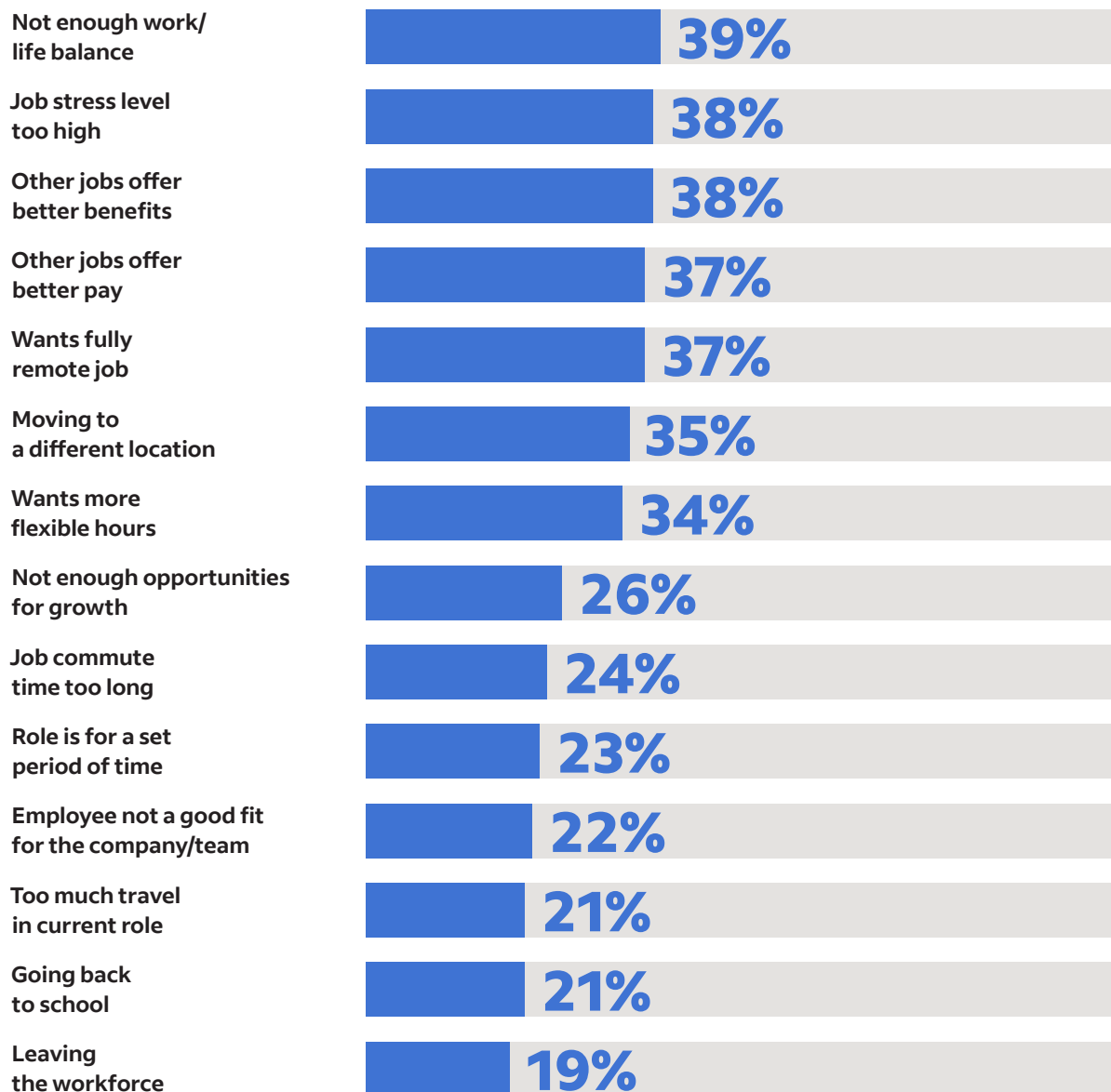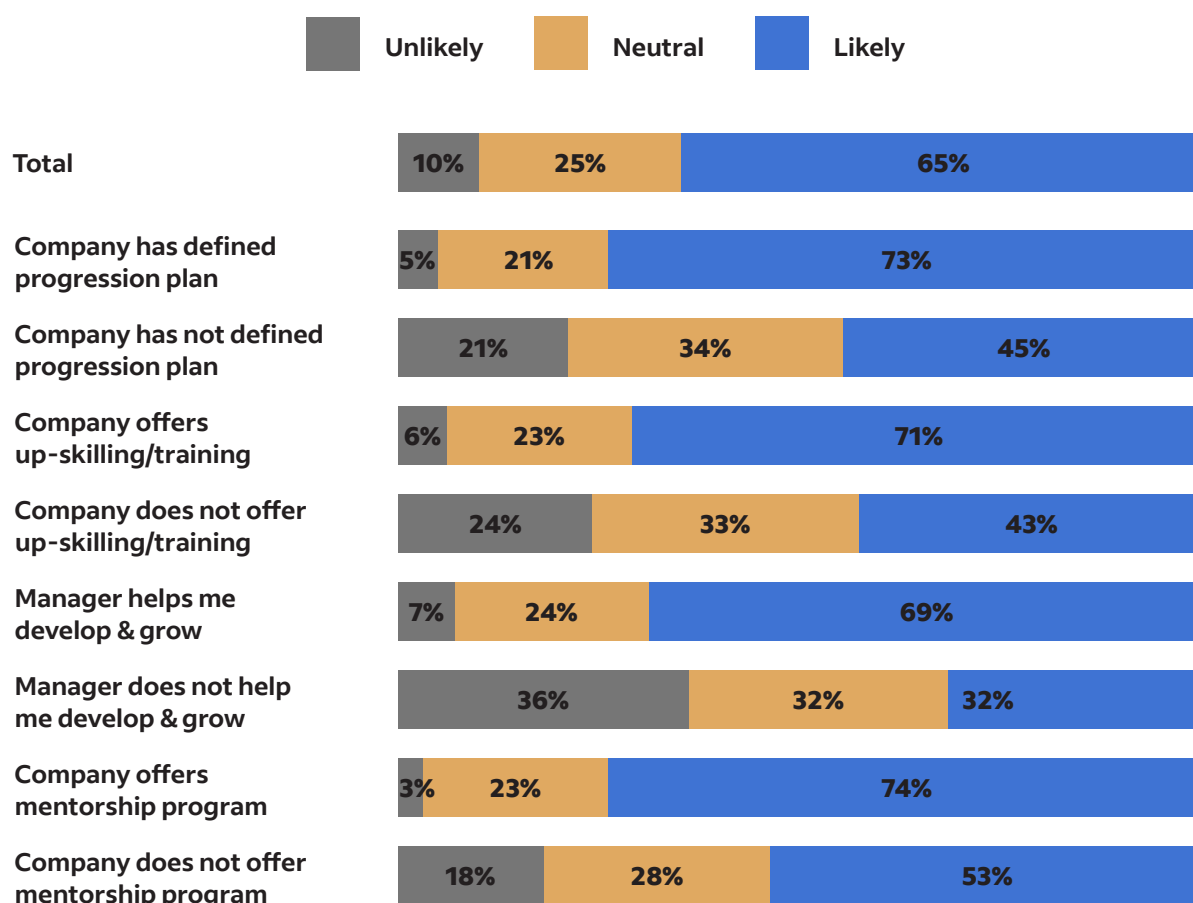- **Employed, but active job seekers**
- **Veterans**

SKIM insights-based research commissioned by Indeed, "Indeed Tech Talent Report" March 14–April 5, 2023, Total N=1059 job seekers, question A10

Our research shows that wellbeing is clearly a top priority for tech talent. Almost **40%** of job seekers surveyed say each of the following reasons is motivating tech workers to leave their current jobs:

- **Lack of work-life balance**
- **High levels of stress**
- **Desire to work fully remotely**
- **Not enough flexibility in hours**

Reasons for new job or role according to job seekers

Reason	Percentage
Not enough work/life balance	39%
Job stress level too high	38%
Other jobs offer better benefits	38%
Other jobs offer better pay	37%
Wants fully remote job	37%
Moving to a different location	35%
Wants more flexible hours	34%
Not enough opportunities for growth	26%
Job commute time too long	24%
Role is for a set period of time	23%
Employee not a good fit for the company/team	22%
Too much travel in current role	21%
Going back to school	21%
Leaving the workforce	19%

SKIM insights-based research commissioned by Indeed, "Indeed Tech Talent Report" March 14–April 5, 2023, Total N=1059 job seekers, question C1a

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Support is another key feature of work wellbeing that tech workers prize. Tech workers say they are more likely to seek their next job internally if they feel properly supported. Survey respondents say that "support" can look like a defined progression plan, the option for up-skilling or training, an empowering manager, or a mentorship program. Robust development opportunities can help employers attract and retain tech talent. Many companies are creating such programs, and the vast majority of tech workers feel they have an opportunity to learn and grow at their company.

Likelihood next job will be at current company

	Unlikely	Neutral	Likely

	Unlikely	Neutral	Likely
Total	10%	25%	65%
Company has defined progression plan	5%	21%	73%
Company has not defined progression plan	21%	34%	45%
Company offers up-skilling/training	6%	23%	71%
Company does not offer up-skilling/training	24%	33%	43%
Manager helps me develop & grow	7%	24%	69%
Manager does not help me develop & grow	36%	32%	32%
Company offers mentorship program	3%	23%	74%
Company does not offer mentorship program	18%	28%	53%

SKIM insights-based research commissioned by Indeed, "Indeed Tech Talent Report" March 14–April 5, 2023, Total N=949 job seekers, question A9

Notably, while the vast majority of tech job seekers who participated in the survey are looking for a full-time job, among those who aren't, almost half are seeking part-time employment that prioritizes wellbeing. These workers are looking to reduce stress and get more flexibility by freelancing or working fewer hours. Retaining talent over the long run likely requires setting more manageable hours and creating a less stressful environment.

Tech employers must confront recent changes

Companies looking to hire quality tech workers can't ignore the recent challenges in the employment landscape, including the multiple waves of layoffs that have hit the tech industry since the start of 2022. At least 1,750 tech companies laid off workers in 2022 and the first quarter of 2023, according to Roger Lee, creator of Layoffs.fyi. Other issues to consider are the rise of remote hiring processes and the emergence of AI-powered large language models (LLMs) like ChatGPT that are impacting the way job seekers approach skills assessments.

However, recently laid-off tech workers are very eager to find new work, with **64%** of those surveyed identifying themselves as "very concerned" about being unemployed and **41%** starting to look for a job within two weeks of losing their previous one. This creates opportunities for companies to engage with recently laid-off top talent and attract them by using some of the insights in this paper, particularly around increasing work wellbeing. Benefits such as unlimited PTO, flexible work arrangements, and long caregiver leave are part of what make the tech industry so attractive to many job seekers.
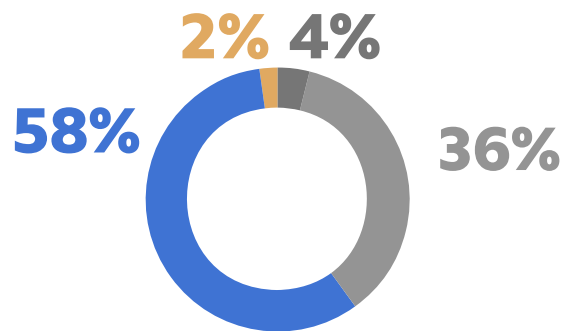
Sentiment among those recently laid off
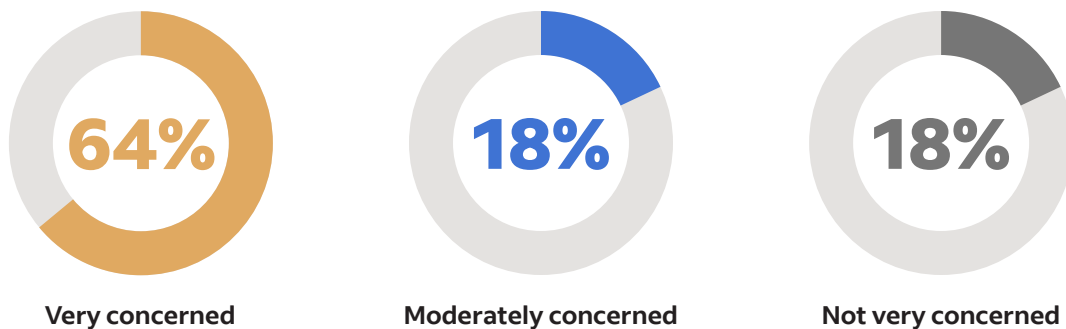
64% Very concerned

18% Moderately concerned

18% Not very concerned
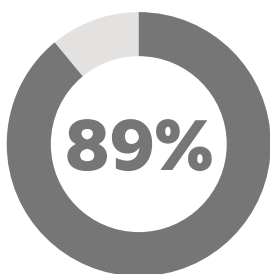
SKIM insights-based research commissioned by Indeed, "Indeed Tech Talent Report" March 14–April 5, 2023, Total N=110 job seekers, question D1

When laid off job seekers anticipate finding a new job

1%
42%
22%
35%

■ <1 week   ■ 2–3 weeks
■ <1 month   ■ 2–3 months

Severance package (Time frame continuing base salary)

2% 4%
58%
36%

■ None   ■ 1–3 weeks
■ 1–2 months   ■ 3+ months

Employers also must grapple with changes in workplace norms and technology that may impact their hiring procedures. Many companies in tech have voiced concerns about inflated test scores in recent years. And with candidates taking skills-based tests remotely, some employers suspect that higher-trending test scores are due to candidates using ChatGPT or other online resources to assist them in their answers.

Our research tells us that these are valid concerns. The survey shows that **89%** of tech job seekers have had to take a skills-based assessment as part of the application process, but that only 32% stated they did these assessments without using outside resources. This practice likely makes more than three-quarters of these tests less useful than expected to employers.
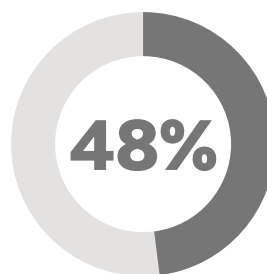
Companies recruiting tech talent can benefit from redesigning assessments to reflect this new reality or creating alternate ways of vetting candidates' skills and likelihood of succeeding in a job.

Skills-based assessments

89%

89% of tech talent mentions taking a skills-based assessment during their current job search

48%

On average, 48% of companies they applied to required a skills-based assessment

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Recruiting tech talent takes insight and strategy

In a tight labour market, knowing what job seekers today are looking for, how to expand recruiting reach and how to improve work wellbeing will not only help attract top tech talent, but also cultivate a workplace that will keep them.

But the employment landscape is changing quickly, so maintaining an effective, up-to-date recruiting and hiring strategy requires keeping up with new trends and the willingness to pivot when necessary. This agility, paired with a hiring and matching platform that enables employers to connect directly with quality job applicants and gain actionable insights, will give employers the edge in the competition for today's top tech talent.

Between October 31 and November 18, 2022, Indeed partnered with SKIM to conduct an online quantitative survey with 316 HR leaders across multiple industries involved in hiring & retaining tech talent for enterprise-sized companies (1,000+ US employees). Additionally, from March 14 to April 5, 2023, Indeed conducted an online quantitative survey of 1,059 US workers aged 18–65 who currently work in a tech role such as software engineer/developer, tech support or data/IT analyst, or have been laid off from such a role in the past year.

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