

COVID-19 AND BEYOND REPORT

IT Hiring and Upskilling Trends in 2020

Insights from a Telerik Academy survey among 70 IT companies



Introduction

As we write, in October 2020, COVID-19 is still the main concern and key factor in the everyday life of people and businesses from all over the world. The new normal, as it's often described, made us ask ourselves: What's next in a world that is entirely different from the one all of us envisioned just a while ago?

We extended this question to the IT sector as a natural progression of our constant and open communication with the local companies.

Despite the challenging circumstances, the IT sector's perception of the future is somewhat positive. 79% of the surveyed companies expect their operations to be on an upward trajectory in the next 6 months. What's even more promising is that 36% of them are already on a growth path - a clear indicator that success is possible.

At its center are the people - their skills and readiness to adapt.



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For more than 10 years, Telerik Academy has been a key player in the development and growth of the IT sector in Bulgaria through well-prepared tech talent. This is and always has been an important part of our mission, and we intend to continue doing so - especially during this challenging situation.”



**Alexandra Mechkova,
CEO of Telerik Academy**

The Survey



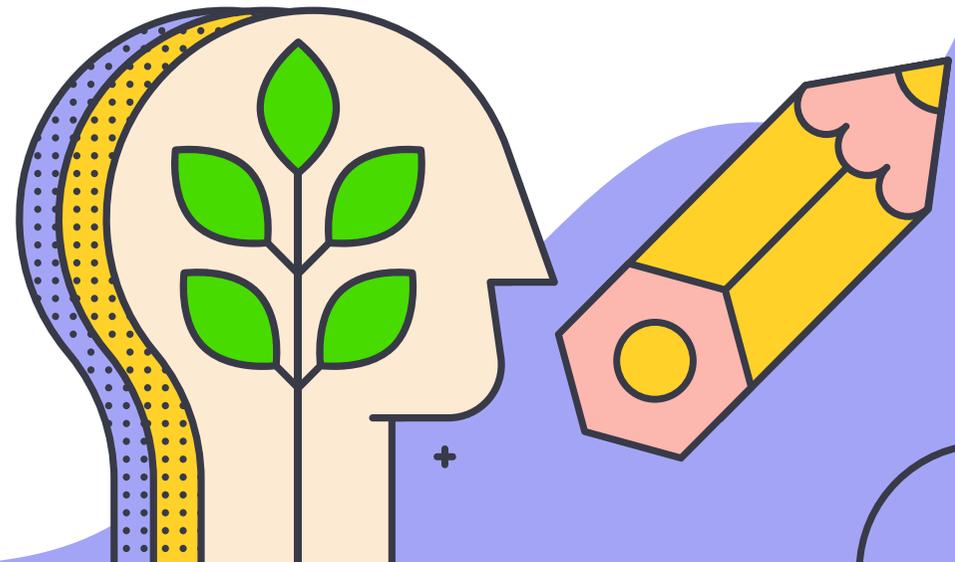
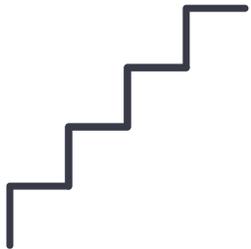
The COVID-19 pandemic impacted all businesses. Even though the IT industry tends to be less affected than others, it doesn't operate in a silo. In this report, we outline the current state of IT companies and talent, their most important asset, as well as discuss hiring and upskilling tactics to stay relevant during and after the COVID-19 crisis.

The survey respondents include C-level executives as well as hiring and training professionals - HRs, L&D specialists, and managers actively involved in talent acquisition and development.

The report provides valuable insights into the latest Hiring and Upskilling trends, thus shedding light on best practices and tendencies. They could serve as a compass to help you refine your company's strategies and navigate through the COVID-19 crisis.

70 IT companies of different sizes and profiles took part in the survey. From them: 52% are product companies; 34% are outsourcing companies; 14% are IT consulting companies.

The survey was conducted in the summer of 2020.





Key Findings



96%

of the companies expect their operations to be on an upward trajectory in the next 12 months or less. Out of them, one third are already on a growth path

60%

either haven't seen a change or have increased their hiring since the COVID-19 outbreak

46%

expect either no change or an increase in their hiring by the end of 2020 compared to their original hiring plans. 35% are taking a wait-and-see-approach

69%

are currently investing in retraining or upskilling their employees





Hiring during and post COVID-19

- + How the pandemic altered the hiring strategies in the IT sector
- + Seeking talent: Critical IT roles during and post COVID-19
- + The COVID-19 effect on in-demand job skills

How the pandemic altered the hiring strategies in the IT sector

A full 60% of the companies taking part in our “IT Hiring and Upskilling Trends in 2020 [COVID-19 and Beyond]” report said that their hiring either stayed more or less the same or that they expect it to increase after the pandemic (check Table 1. Current Hiring Plans). This is a positive statistics for the IT sector especially compared to other industries.*

It is interesting to compare the results with the expectations of companies for the near future. Despite the current challenging times and worldwide uncertainty, the IT sector remains confident about hiring new staff members until the end of 2020. Nearly half of the companies in the survey (46%) do not expect a decrease in their hiring plans at all. Of them, 13% expect to actually hire more people than they planned prior to COVID-19 (Table 2. Future Hiring Plans).

Meanwhile, 36% of the companies prefer a “wait-and-see-approach”, with some adding they want to “Wait for the situation to unfold before considering any changes in their plan”.

* A [statistics from National Employment Agency](#) shows that 43.3% of the newly unemployed for June come from the Service sector (e.g. transportation and logistics, hospitality and tourism, etc.).

Table 1. Current Hiring Plans

Have your hiring plans changed since COVID-19 and how?

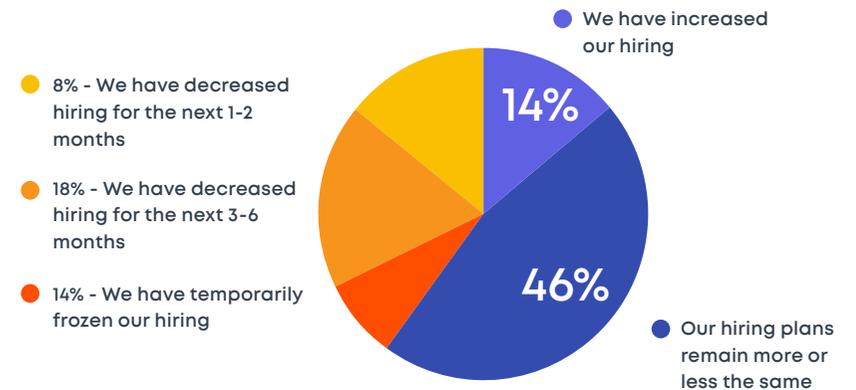
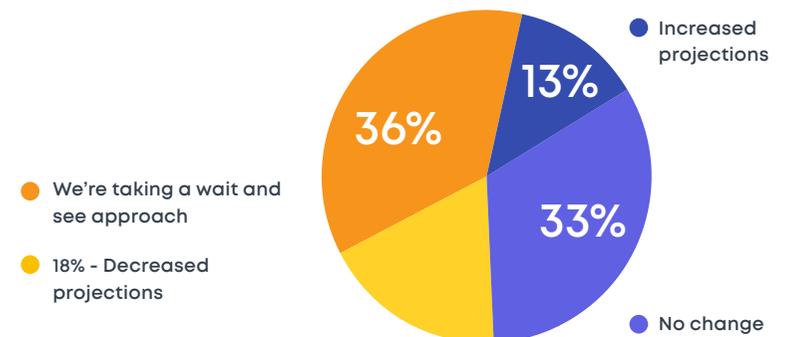


Table 2. Future Hiring Plans

What change do you expect in your hiring in 2020 compared to your original hiring projections due to COVID-19?



Seeking talent: Critical IT roles during and post COVID-19

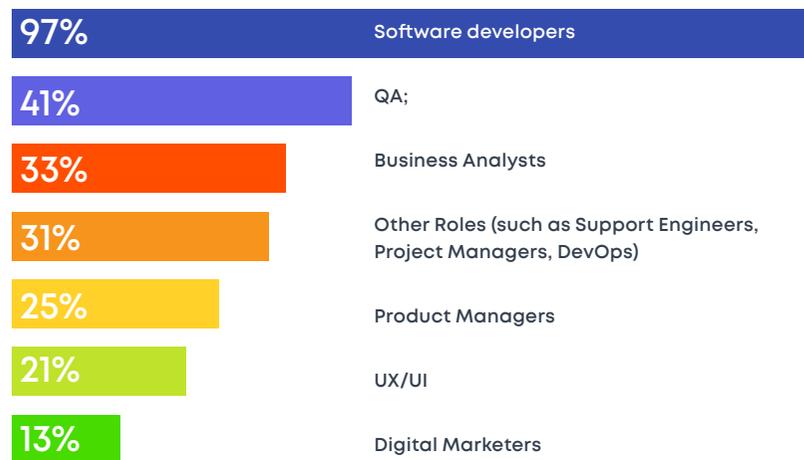
Companies do not expect a drastic shift in the roles they will be hiring for (see the Table below). They also continue to hire across various domains and levels (junior, regular and senior).

As a result of the pandemic, companies tend to be more conservative for the future - 12% of respondents state they currently can't make hiring forecasts. Nevertheless, companies expect demand for Junior Talent to increase in the future

Table 3.

What roles do you currently hire for?

(The percentage of surveyed companies planning to hire for a specific role. Respondents had the freedom to mark multiple answers)



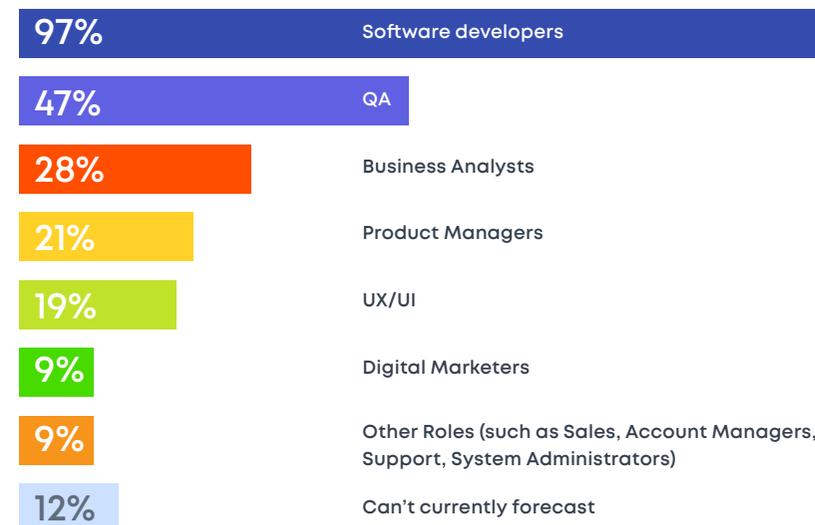
compared to the months since March 2020. The anticipated change is most notable in positions such as Software Developers (a 33% increase) and QA engineers (a two-fold increase).

The survey shows us another intriguing result - one-fourth of the companies plan to hire Product Managers – the driving force behind successful products and services. This is a positive sign for the stability and growth of the local IT industry.

Table 4.

What roles do you expect to hire for in the near future?

(The percentage of surveyed companies planning to hire for a specific role. Respondents had the freedom to mark multiple answers)





When asked what you anticipate your Talent needs will be AFTER the COVID-19 pandemic, an executive shares:

We are working on several fronts. First, hire junior specialists and bring them up to speed more quickly. Second, acquire new expertise due to new business circumstances. It's important to note that those possibilities are not directly connected to the COVID-19 situation."

COVID-19 effect on the in-demand job skills

In 2019, research by Eurostat revealed that just 5.4% of employees in the European Union (EU) work from home regularly. In May 2020, a new survey by Eurofound showed a very different result - nearly 40% of workers in the EU had started working from home. The cause of the drastic change? COVID-19.

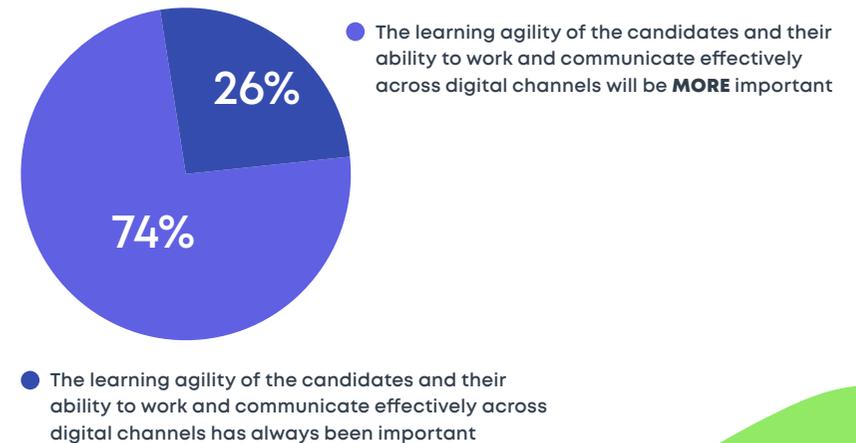
It must come as no surprise that the IT sector is one of the best-prepared industries to take on a mass remote working strategy. The shift from office work to working from home demands that employees are self-motivated, agile, and resilient, but most importantly - much better communicators - qualities that were always important for the tech companies, and a trend that is standing out in our survey.

For 74% of the companies, the candidates' ability to work and communicate effectively across digital channels has always been important. The rest 26% try not to fall behind and identify those skills as more crucial today than they were for them before the COVID-19 outbreak.

“The situation requires more effective and sustainable models to scale our operations, where efficient communication plays a key role,” comments one of the respondents.

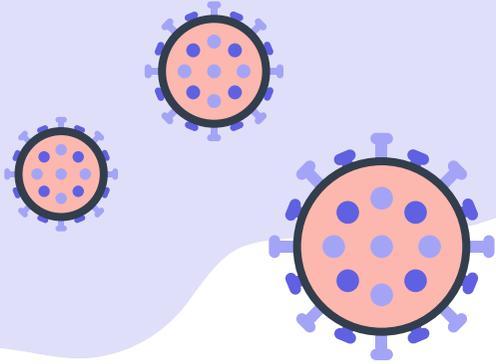
Table 5. Candidates' Qualities

As a result of COVID-19, do you expect a change in the candidates' qualities you will be looking for when hiring?



Did you know?

Within the [Telerik Academy Alpha program](#), which grooms Master Junior IT Talent, 20% of the curriculum is dedicated to soft skills training. We firmly believe the future success of our students depends on their teamwork, communication and collaboration skills.



The COVID-19 impact on business operations

- + Financial impact on businesses
- + Positive forecast and an upward trend



Financial impact on businesses

How does COVID-19 impact the operations of the surveyed companies? Have they altered compensation offers to mitigate business risks?

Interestingly, 77% of the companies didn't make any adjustments to their compensation offers. This is yet another indication that the IT sector is among the least affected by the COVID-19, and the expectations are that it will rebound swiftly, especially compared to other industries. This is possible because it's highly diversified. The IT sector serves all other industries, which makes it more flexible and resilient in its entirety to unexpected changes.

Only 8% of the surveyed companies reported that they have made their compensation offers more restrictive. Still, it is a sign that the industry is not fully immune to the current situation and some businesses operate with a reduced budget. Another 12% of the companies still have their compensation budget under review.

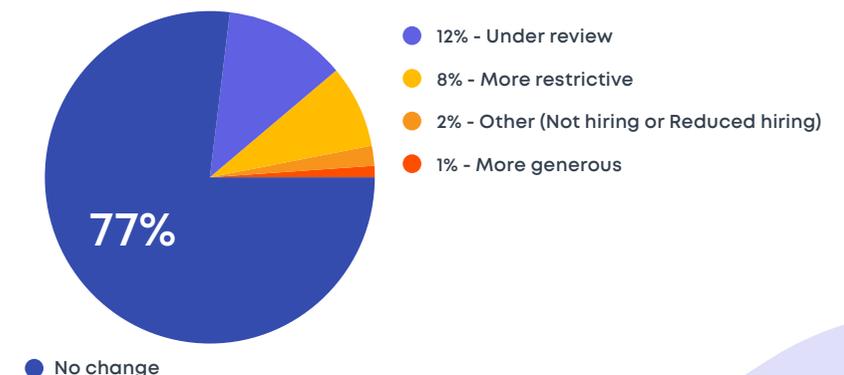
Undoubtedly, the impact of COVID-19 depends on the type of businesses/industry the IT company serves. This is what two executives shared regarding the changes they observe in their companies:

"[A change] is very likely since we provide services and products for the public transportation industry, which is heavily impacted. Interestingly enough, it's not just doom and gloom – there are emerging opportunities as well."

"As a result of COVID-19 and its impact, the demand for our digital transformation solutions increased. This resulted in more business for us (more implementations)."

Table 6. Compensation Offers

Has your organization adjusted its compensation offers due to COVID-19?

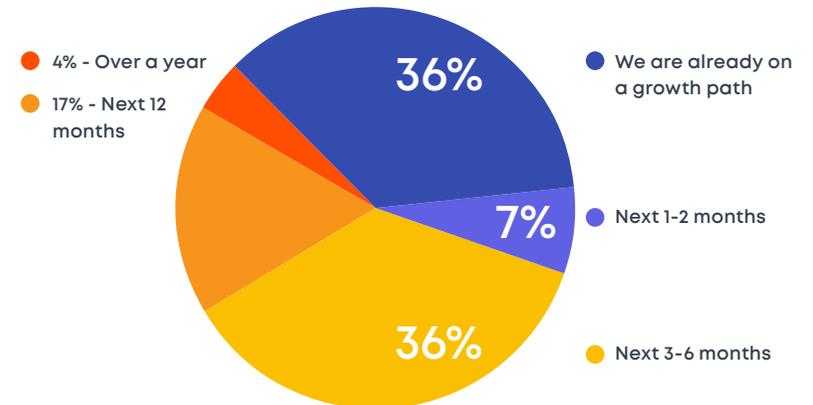


Positive forecast and an upward trend

Despite some uncertainties, the surveyed companies are optimistic about the future, and 96% expect things to get better in the next 12 months or sooner. From them, 79% forecast their operations to start going on an upward trajectory in the next 1-6 months, or already are on a growth path. 17% of the surveyed companies are expecting this to happen in the next 6-12 months.

Table 7. Business Operations Forecast

When do you forecast your company's operations to start going on an upward trajectory?





The new normal: Transformation of the work environment



100% focus on employees' health

The COVID-19 pandemic forced businesses to adopt new ways of working fast. The switch to a remote work mode was much easier for IT companies because of their agile and digital roots.

While many companies around the world acted swiftly and transitioned all of their operations online, other businesses couldn't go completely remote or were experiencing missed opportunities and great challenges due to home office work. So, companies are making a lot of changes in the physical office environment to make sure their employees are protected and safe.

All of the surveyed companies here are planning or already making changes to their work processes and offices such as implementing additional safety measures, encouraging physical distancing, and introducing options for people to choose between working from headquarters, a satellite office, or home (See Table 8. Work Process and Office Changes).

Table 8. Work Process and Office Changes

How likely are you to implement any of the following changes to your work process and office to address the impact of COVID-19?



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To reduce the number of employees working on-site, companies can embrace satellite spaces, as they provide shorter and private commute paths, remain within regulatory compliance, and are flexible enough to address the company's needs on a weekly or monthly basis. Such an approach also hedges the risk of complete company close-downs.”

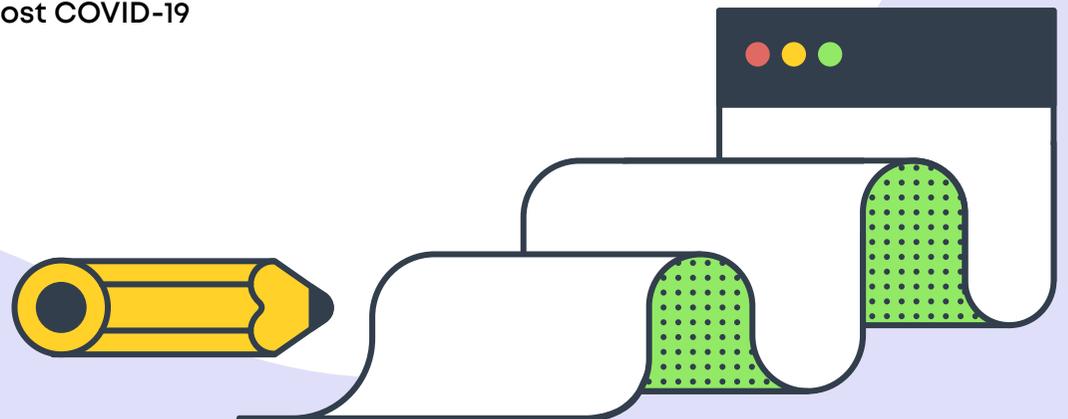


**Boyko Iaramov, Co-Founder of
Telerik Academy and [Campus X](#).**



Upskilling and retraining: Staying relevant

- + Employee development: During and post COVID-19
- + The skills that companies demand



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We believe that investing in the right net new talent and upskilling existing talent is paramount for the growth and success of every business. And it will remain crucial even in times of crisis and quickly accelerate after that.”



**Alexandra Mechkova,
CEO of Telerik Academy**

Employee development: During and post COVID-19

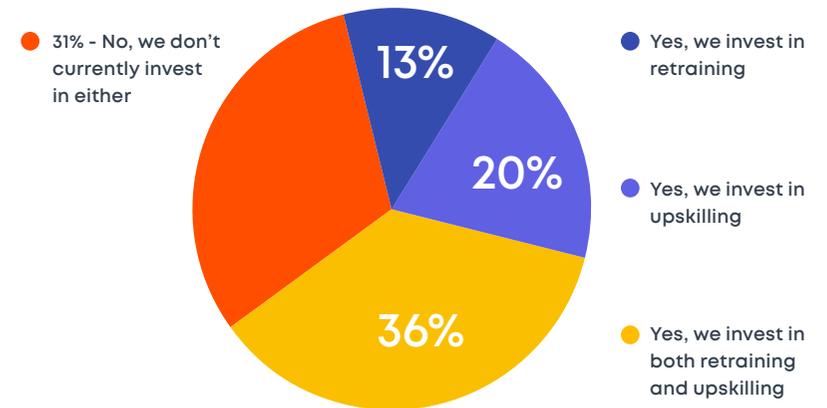
60% of the surveyed companies expect COVID-19 to have an impact on their operations - either positive or negative. The only way for businesses to adapt to the rapidly changing conditions is to know and understand how to better use and amplify the skills of their employees. To meet new challenges, companies must harness and develop the right skills and talent. Every business strategy depends on the competence of the people who must implement it.

And companies understand and act upon this.

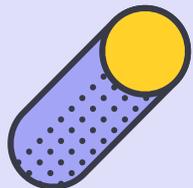
69% of respondents currently invest in retraining or upskilling their employees. Other companies shouldn't risk lagging behind. As [PwC's Talent trends, 2020 report](#) states organizations that were focused on expanding their employees' skills were ahead of their peers in many ways and were more confident in their future.

Table 9. Investing in Retraining and Upskilling

Does your company CURRENTLY invest in retraining and/or upskilling your workforce?



+



+

20% of surveyed companies are currently shifting employees to new roles or technologies within the company. An additional 27% are waiting to see how the situation develops but are ready to shift their employees to new roles or technologies. 53% don't plan any reskilling inside the company (Table 10. Retrain).

When asked about their plans to build on their employees' skillset, 57% of the companies pointed out Strengthening social

and emotional skills (to build collaboration) as the top answer, once again declaring the importance of soft skills in today's world. Build additional technical awareness and skills (so employees can be more productive) comes second (44%), followed closely by Enhance critical thinking and sound project management with 41% (because of increased autonomy brought by remote work).

Table 10. Retrain

Is your company shifting your employees to new roles or technologies to retain them during and after the pandemic?

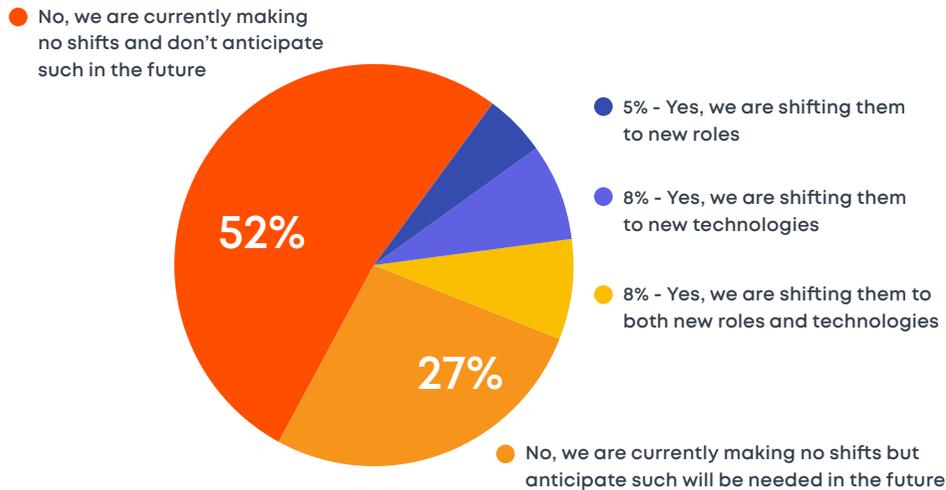


Table 11. Build a skillset

Do you plan to build on your employees' skillset to help them respond better to changes?

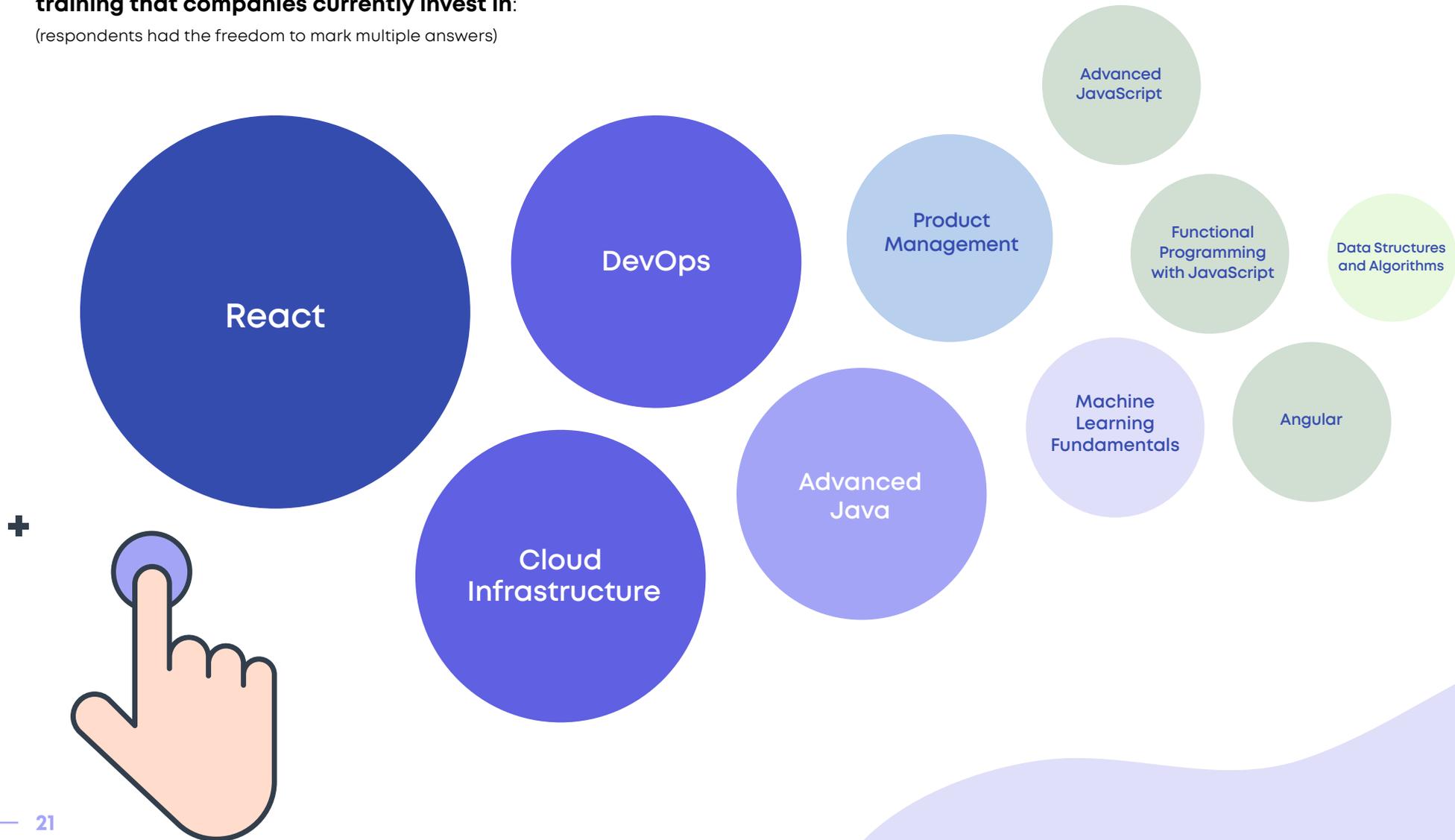


The skills that companies demand



Digging a little bit deeper, these are the **top 7 types of training that companies currently invest in:**

(respondents had the freedom to mark multiple answers)



Conclusion: The era of upskilling and reskilling

Every single part of this report is yet another proof of the resilience of the IT sector. 96% of all surveyed companies feel confident about the future, 60% haven't seen a change in or have increased their hiring since the COVID-19 outbreak, and nearly 70% keep investing in retraining or upskilling their employees.

Yes, the IT sector is optimistic.

But the truth is that no one knows what the future holds. After all, this time last year, we didn't have the slightest idea what 2020 had in store for us. The only certain thing is that businesses are run by people, and the only future-proof strategy is to invest in them.

You cannot stay resilient if your workforce isn't. Building the skills of your employees is the most crucial step to ensure your organization's quick rebound from the current crisis and a stronger future.

Are you and your company ready?

We can assist you. Telerik Academy grooms [Alpha Junior Tech](#) talent and offers [Upskill](#) programs to experienced employees to help you future-proof your business.

[CONTACT US](#)

