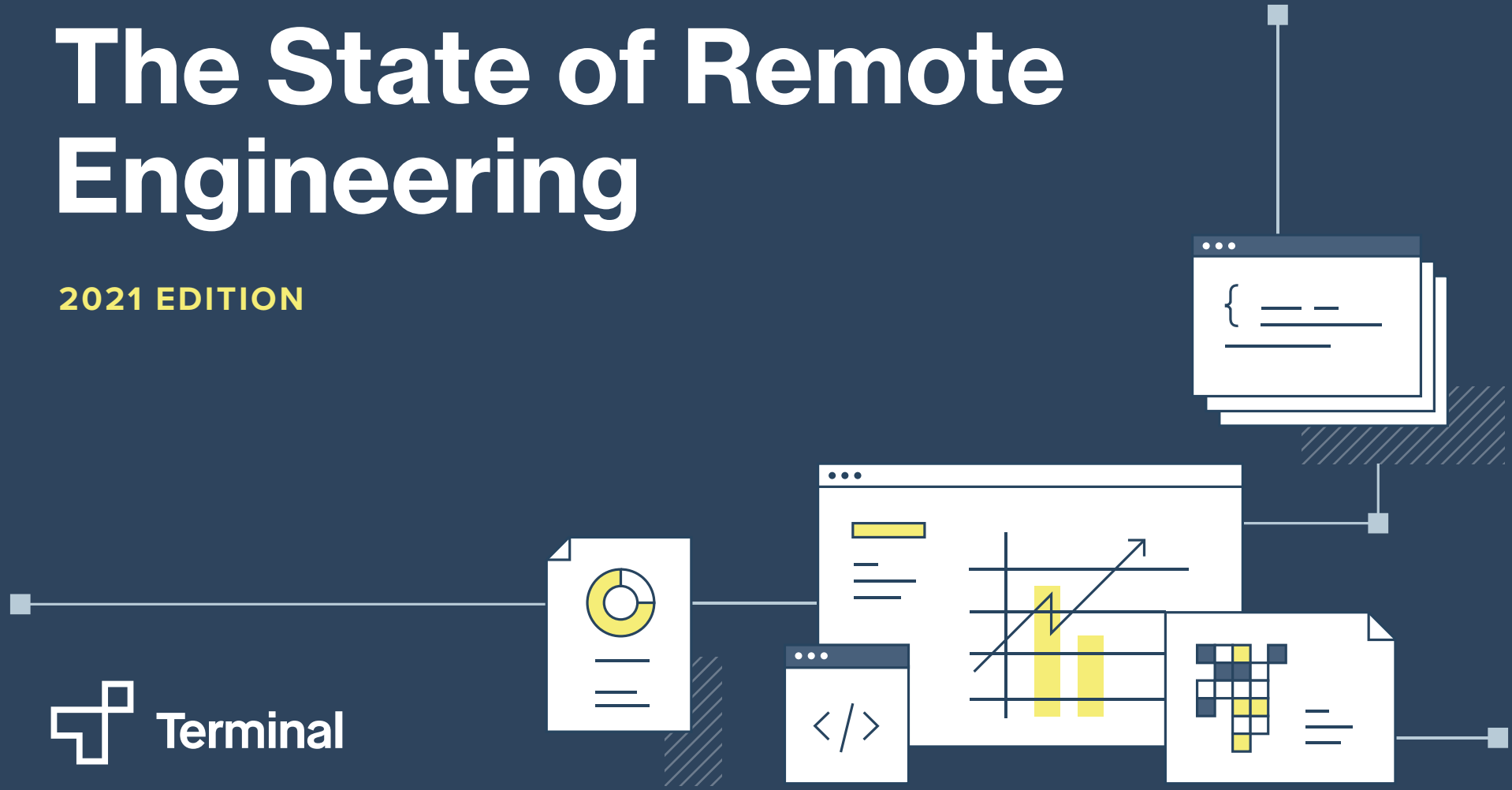


The State of Remote Engineering

2021 EDITION



Introduction

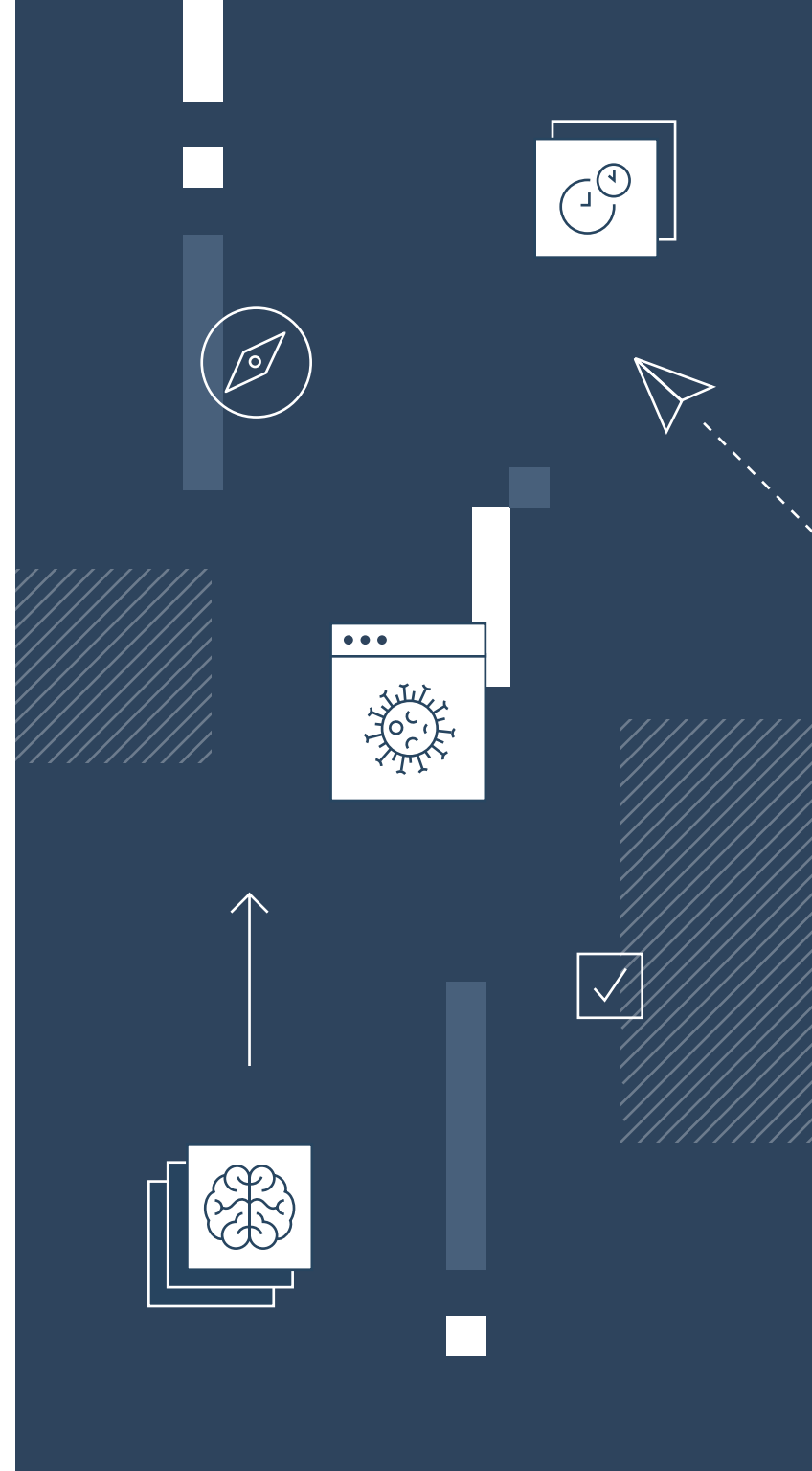
2020 was nothing short of a workforce revolution. Overnight the majority of employees went fully-remote, and leaders who had never managed remote teams suddenly found themselves facing an entirely new set of challenges. Despite these hurdles, and the realities of a world in turmoil, **74% of engineers say their companies have adapted well to remote work.**

In fact, in this survey, 1,108 software engineers across Canada, the US and Latin America told us they want to retain flexible remote work options *for good*.

For leaders, this means it's no longer a question of "When can we get back to normal?" but rather "How can we best thrive in the new normal?" This extends to hiring, too. While engineers tell us they'd like to work for U.S. tech companies, they're disinterested in moving to the US.

Post-pandemic, leaders and employers will need to go to talent *where it lives today* and deliver flexibility and support to these remote employees. It all points to this: the era of employee choice is here. The decisions companies make today to meet the unique new demands from employees will define their ability to win in the long-term on elite tech talent.

Cheers to thriving in this next evolution of work,
Clay Kellogg



Key insights

> one

Many engineers want the option to stay remote.

Prior to the pandemic, only 20% of engineers were working remotely. Now, 86% of engineers are fully-remote. Interestingly, being forced into remote work hasn't dimmed its appeal. Eight out of ten engineers want options in the future for both working from home and from the office, with more than a third saying they want to remain remote 100% of the time.

> two

Despite challenges, developers report many benefits of remote.

More than two-thirds of engineers cite not needing to commute as a major benefit of remote, while other benefits include better work life balance (61% of engineers), more autonomy (52%), improved productivity (46%), less stress (37%), and more proactive communication (22%).

> three

Less than half of employers offer remote-specific benefits.

Engineers are still facing challenges with remote work, including lack of day-to-day interaction (58%), collaboration issues (39%), isolation (39%), and burnout or lack of motivation (36%). But less than half of employers are offering remote-specific benefits to support employees, such as technology and productivity tools, mental health services or utilities, and internet or other home office stipends.

> four

Time zone alignment remains a productivity booster.

86% of engineers report that they're more productive when working with teams operating in a similar time zone. Remote work itself is also fueling productivity—with 70% of engineers reporting they are more productive at home.

Key insights

> five

Global engineers want to work for US tech firms – but they don't want to move there.

67% of software engineers say they would like to work for a tech company in the SF Bay area, Seattle, NY, or another US tech hub. But 39% have no interest in moving to the US to do so. This is especially true in Canada, with more than half of Canadian engineers saying there are great job opportunities available where they are currently living.

> six

The interviewing process is still broken, and it's consequences are worse.

97% of engineers reported at least one issue with the interview process, whether it's too many interviews (59% reported), generic interviews (49%), or long delays (43%). These are worrisome challenges for employers as engineers report these same issues make them turn down jobs.

> seven

The US tech talent shortage is still going strong.

Despite some companies downsizing this year due to the pandemic, our data shows that demand for engineering talent still far exceeds supply. 64% of engineers say there's a software engineer shortage in their companies, and what's more, it holds back technical development (65%), overworks engineers (61%), limits the ability to grow (55%) and stunts innovation (35%).

What's inside

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> the state of remote

Remote work hasn't lost its appeal

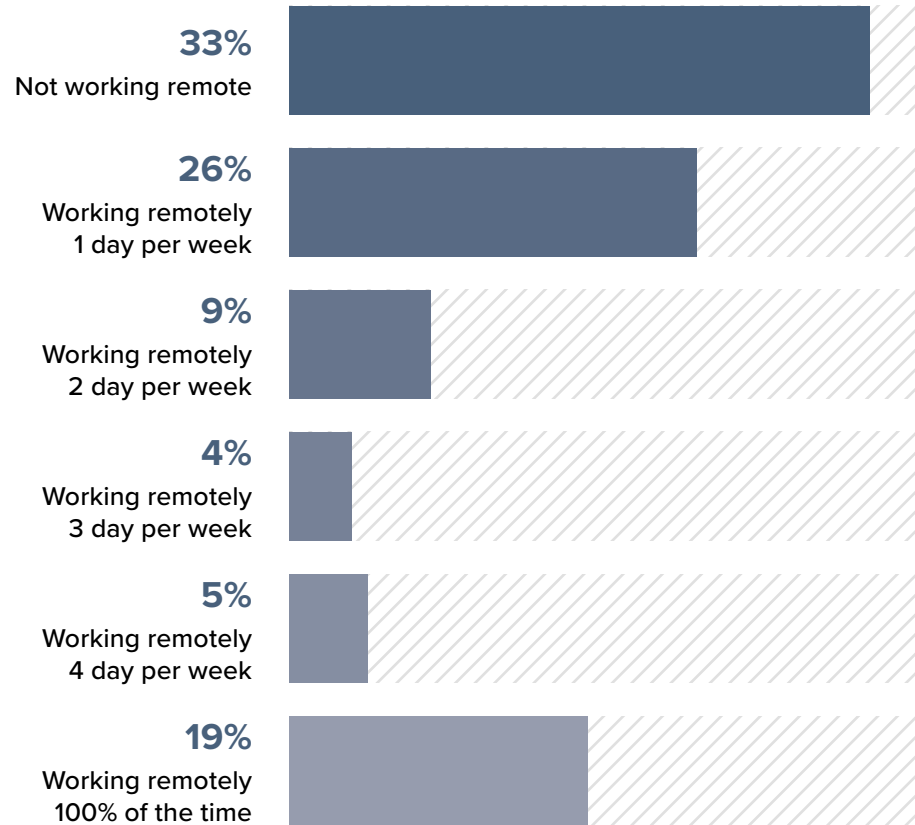
In 2020, the shift toward remote work happened fast. Prior to the pandemic, just 37% of engineers had remote work experience. Now, 86% of developers are working remote – and they're not eager to head back into the office full-time. 76% of engineers told Terminal they want to work remotely at least 60% of the time post-pandemic. There are some major benefits, they say, such as lack of commute, better work life balance, less stress and increased productivity.

While remote work is packed with these pros, challenges have also emerged, from lack of day-to-day interaction and difficult collaboration to burnout and isolation. Compared to our survey last year, we've found that these pain points are even stronger, and it will be critical for leadership to continue honing their strategy to retain talent.



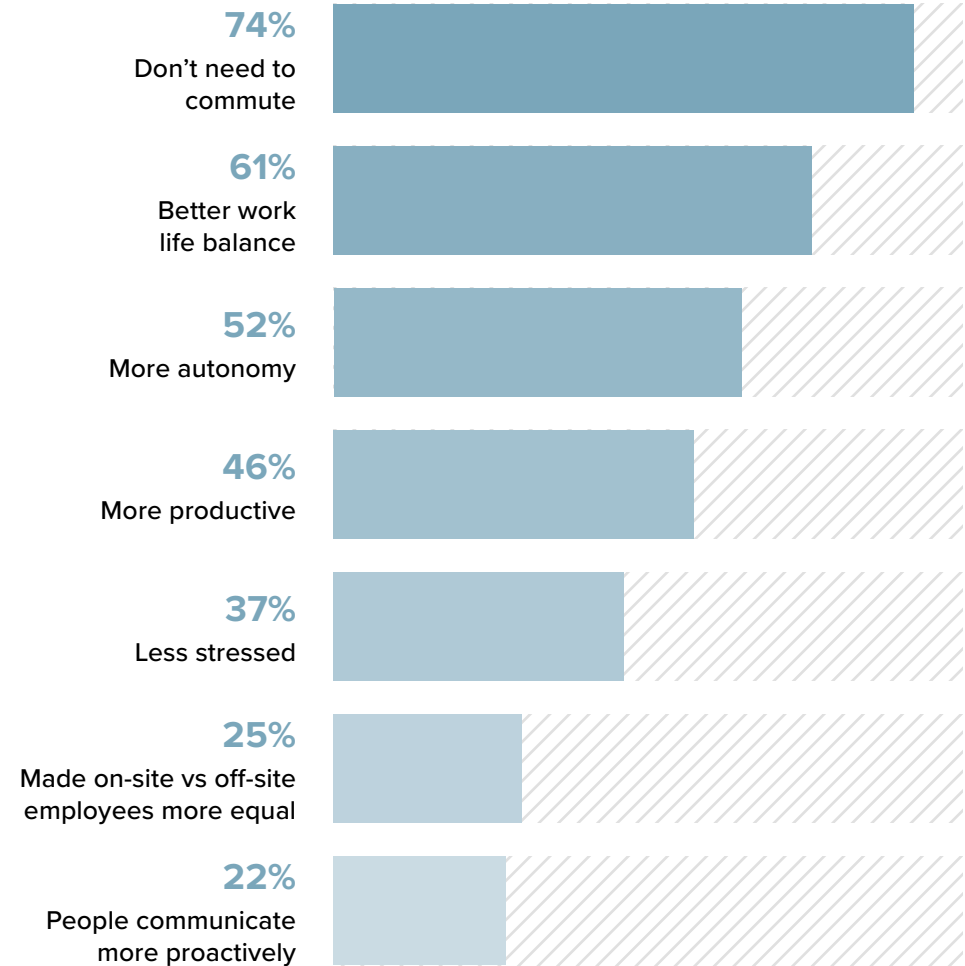
REMOTE WORK WAS LESS PREVALENT FOR ENGINEERS PRE-PANDEMIC

Prior to the coronavirus pandemic, what percentage of the time did you work remote?

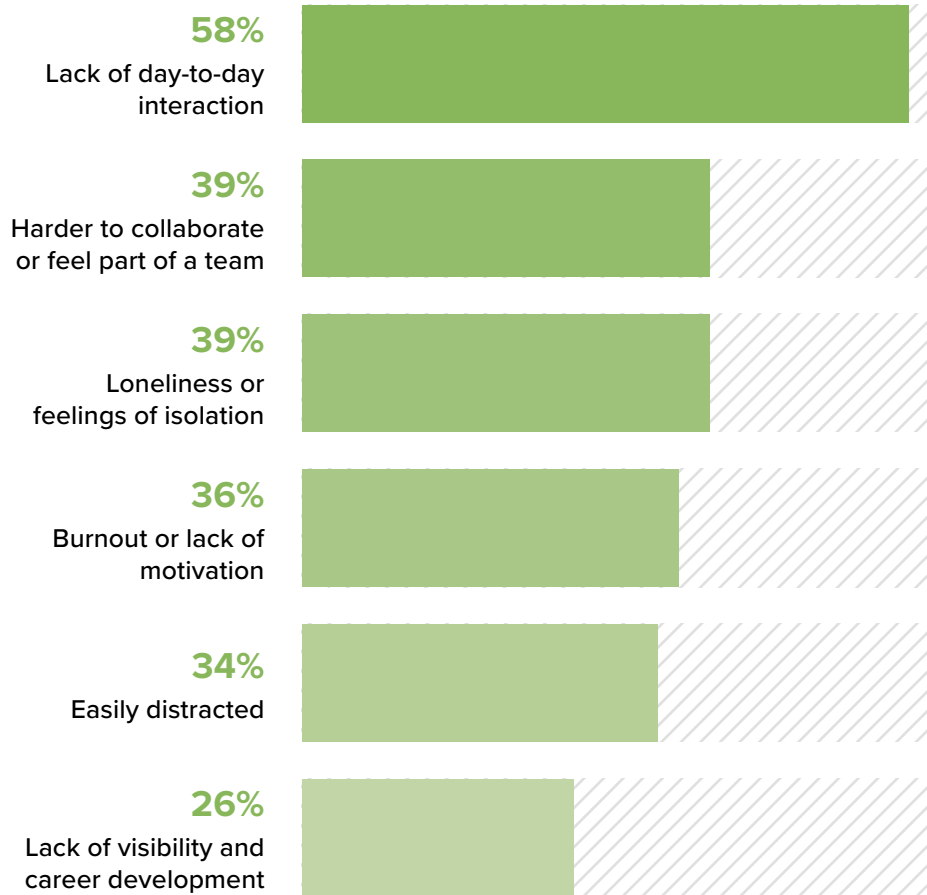


COVID-19 sends most people home: 86% of software engineers are currently working entirely remote.

BENEFITS OF REMOTE WORK

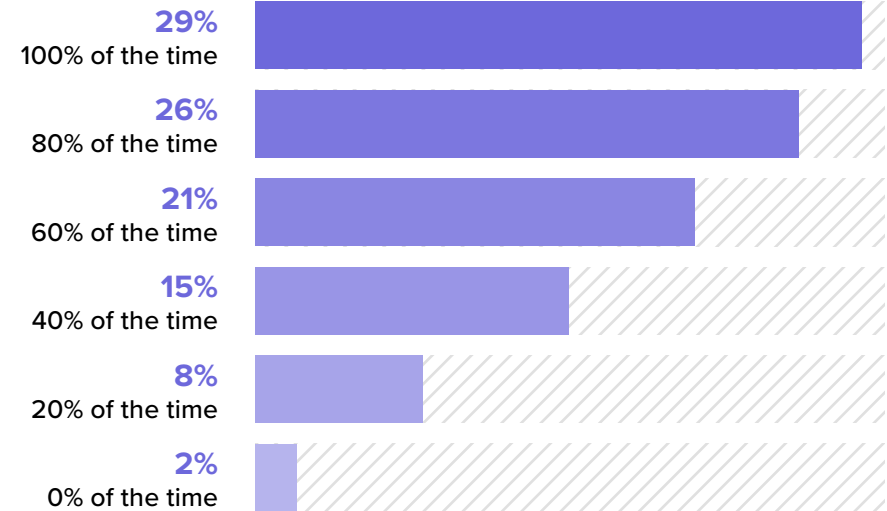


LARGEST HURDLES OF WORKING REMOTELY

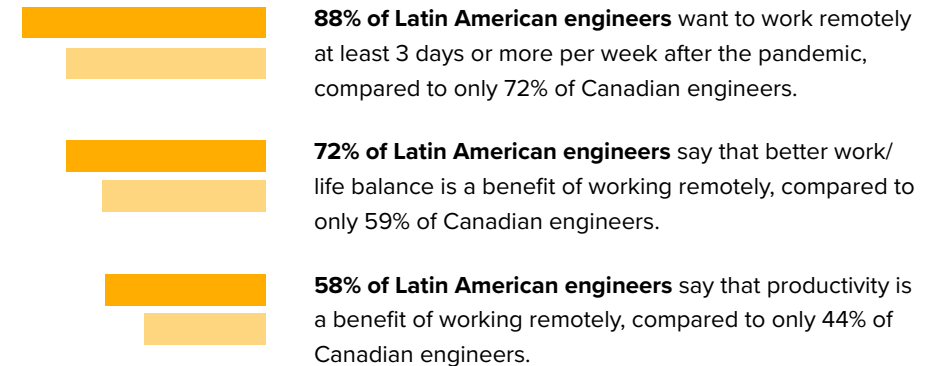


HIGH DESIRES FOR REMOTE WORK OPTIONS POST-PANDEMIC

How often do you want to work remotely post-pandemic?



Latin American engineers show more interest in remote work:

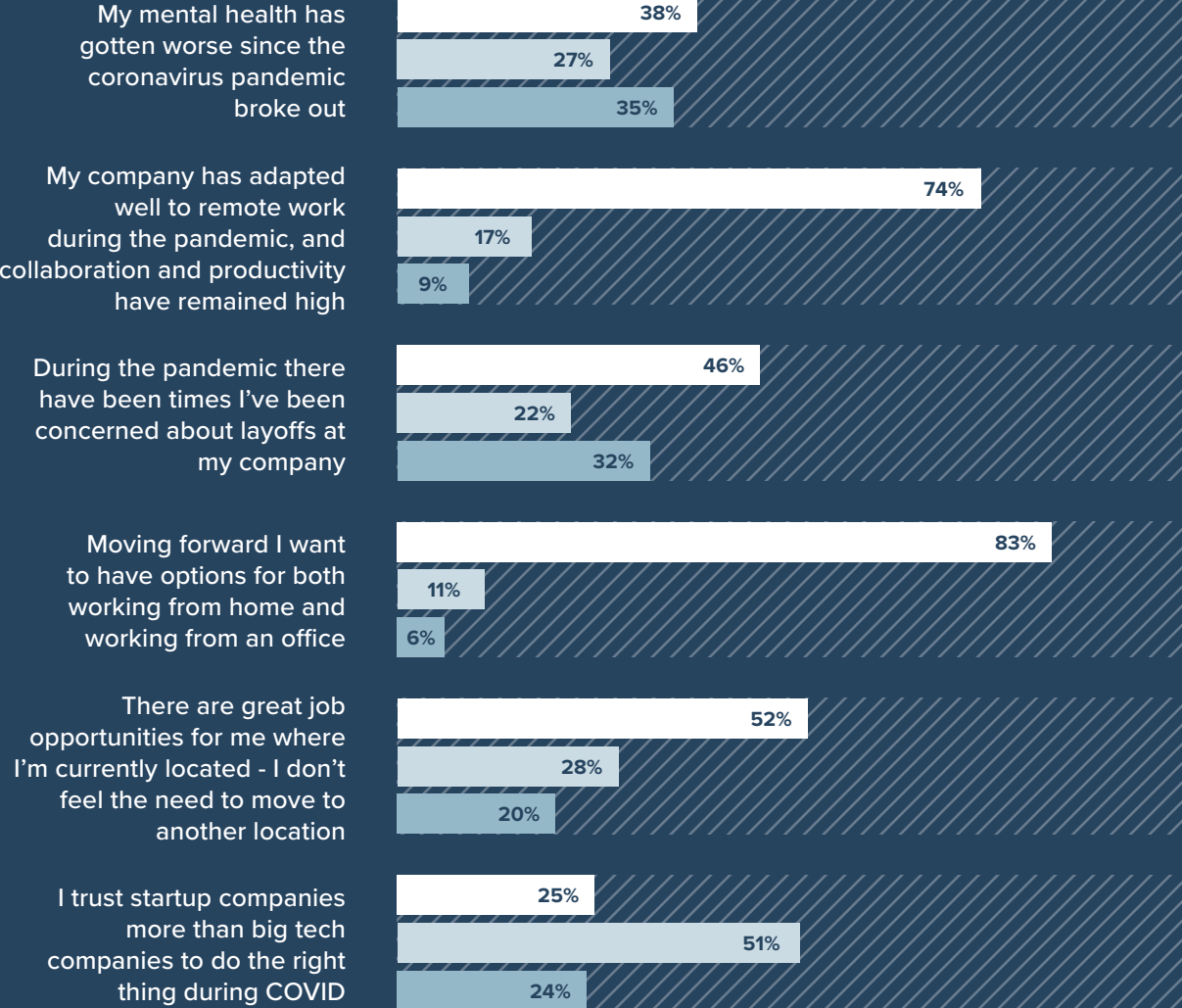


Adapting to the pandemic's realities

Times are hard for both employer and employee. Nearly half of global engineers (46%) fear layoffs at their company. Others indicated their mental health has suffered. There are bright spots, too: 74% say their companies have adapted well to remote work.

Demands on mental health are high: 40% of Canadians say their mental health has deteriorated during the pandemic, compared to 32% in Latin America.

THE PANDEMIC'S EFFECTS ON EMPLOYEES



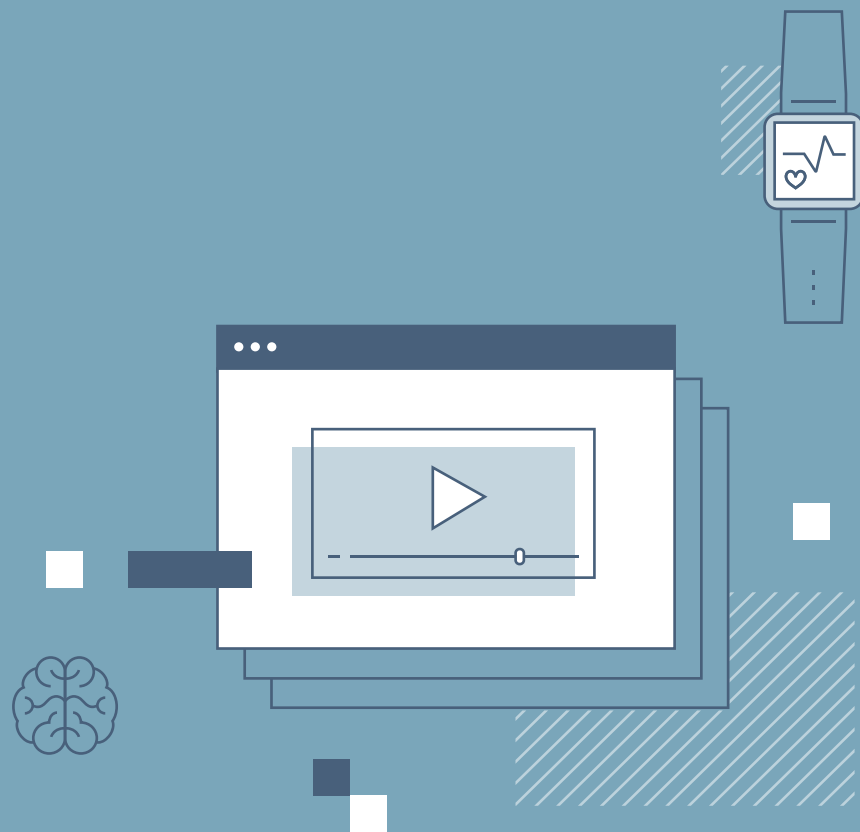
Completely agree / Agree Not sure / Neutral Completely Disagree / Disagree

> remote work benefits

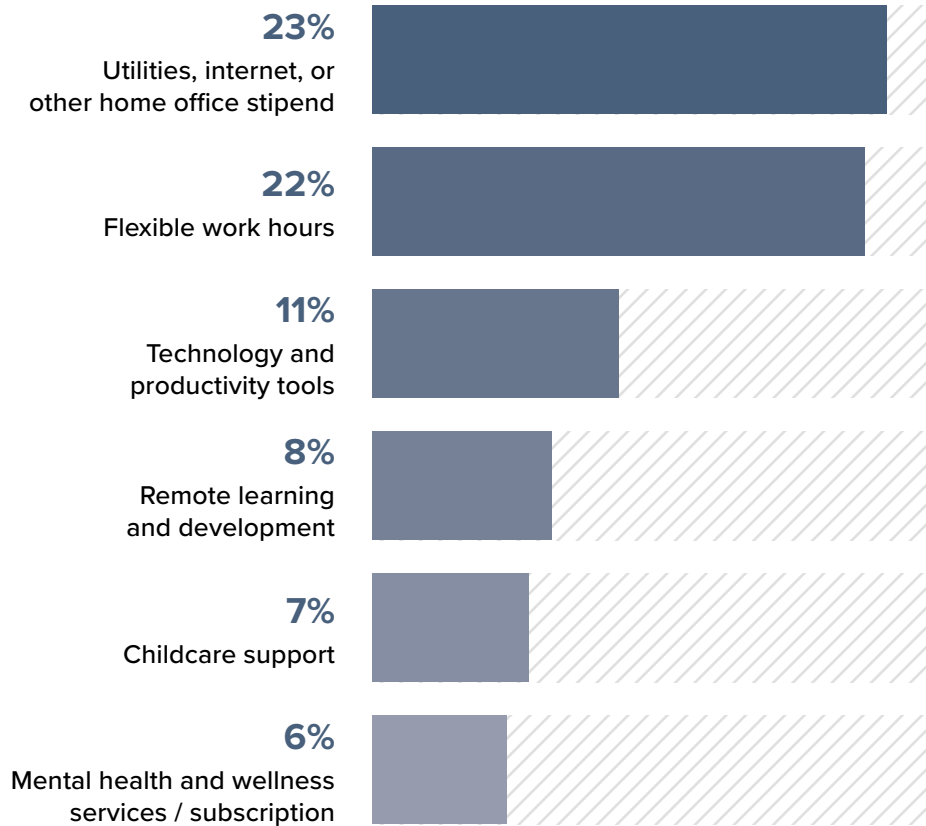
The age of competitive remote benefits is here

While previous job offers could be sweetened with in-office perks, today the name of the game for winning talent is competitive remote benefit packages. Our study showed that employers are taking steps to address this, but they may not be the right ones.

The majority of employers today have adapted to offer more flexible working hours, however less than half of employers are offering benefits such as remote learning and development, technology and productivity tools, mental health services and subscriptions, or utilities, internet and other home office stipends.

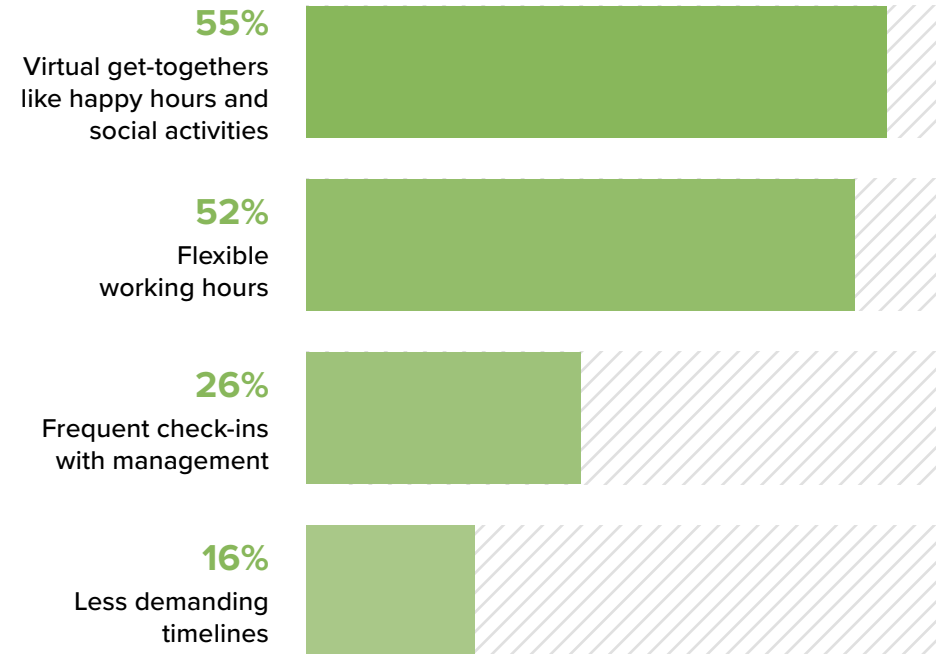


THE #1 REMOTE BENEFIT EMPLOYEES ACTUALLY WANT



Mental health shouldn't get overlooked: 26% of engineers ranked mental health as one of their top three sought-after benefits.

HOW EMPLOYERS ARE ADDRESSING BURNOUT



Employers deliver on flexibility: 48% of engineers ranked flexible work hours as one of their top three remote benefit asks – how this maintains post-pandemic will certainly be a topic of discussion.

> the tech talent shortage

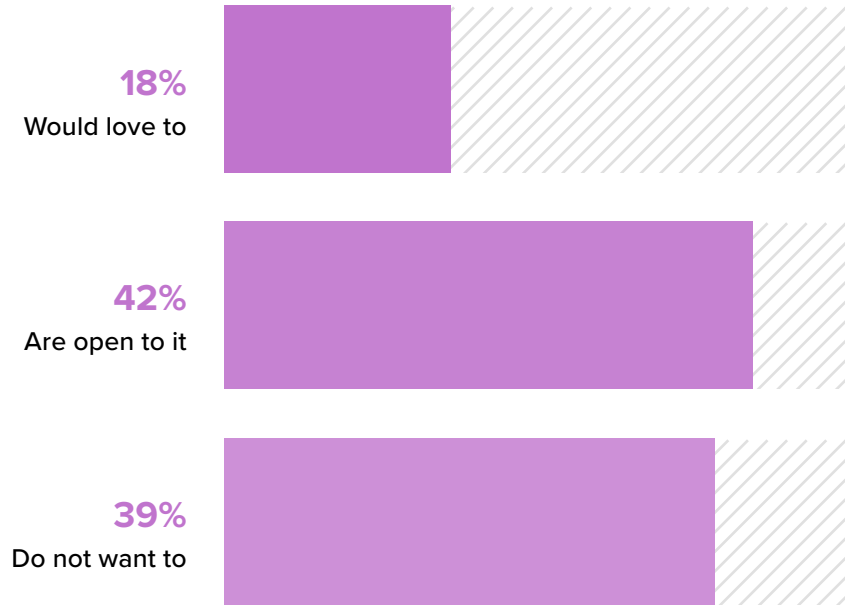
Engineers want to work for US tech, without relocating

While the majority of global software engineers (67%) report still want to work for a US tech company, this is down from last year (73%) and 39% report having zero interest in moving to the US for the job. And, more than double the engineers in last year's survey chose the emphatic option, "I absolutely don't want to move to the US." Systemic problems within the US that apexed last year were cited as reasons for lack of interest, including gun violence, politics, and coronavirus.

While engineers may not want to move to the US, there is evidence that remote work is removing location limitations: Nearly half of engineers (46%) say working remotely has made them consider or plan to leave the city they are currently living in.

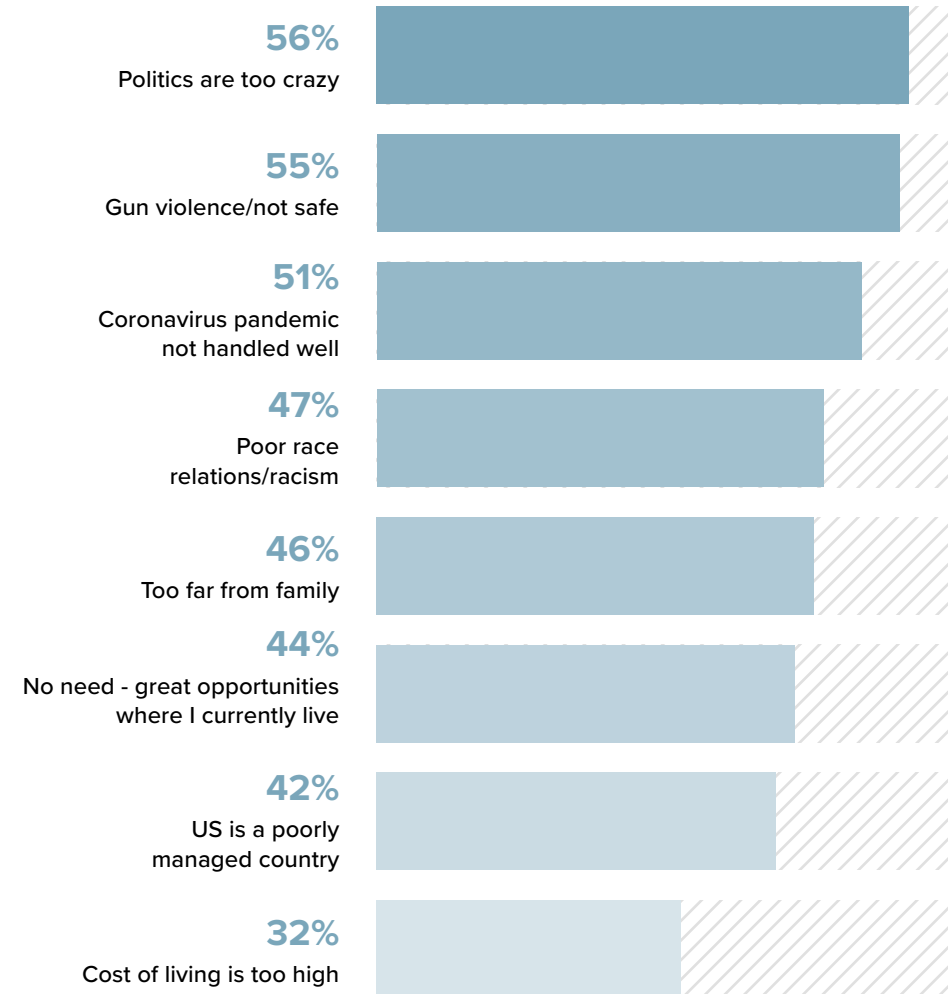


ENGINEERS EXPRESS LIMITED DESIRE TO WORK IN THE US



Even post-pandemic the US is a 'no' for many: 74% of engineers who are currently not interested in working in the US say they still won't be interested in moving to the US.

GUN VIOLENCE AMONG KEY REASONS ENGINEERS DO NOT WANT TO WORK IN THE US



Today's talent shortage has not been resolved, with challenging repercussions on internal engineers

64% of engineers say there's a shortage of software engineers in their current company and when asked in Q4 about the impacts of a shortage in engineers respondents said:



65%

Holds back technical development



61%

Overworks engineers



55%

Limits ability to grow



35%

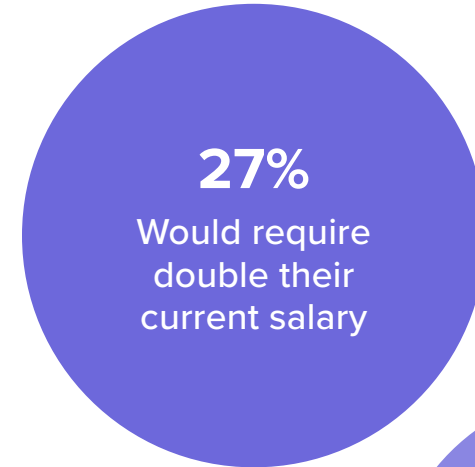
Stunts innovation



11%

Cedes leadership to other companies

FOR SOME, EVEN A PAY RAISE WON'T INSPIRE MOVING TO THE US



> salary

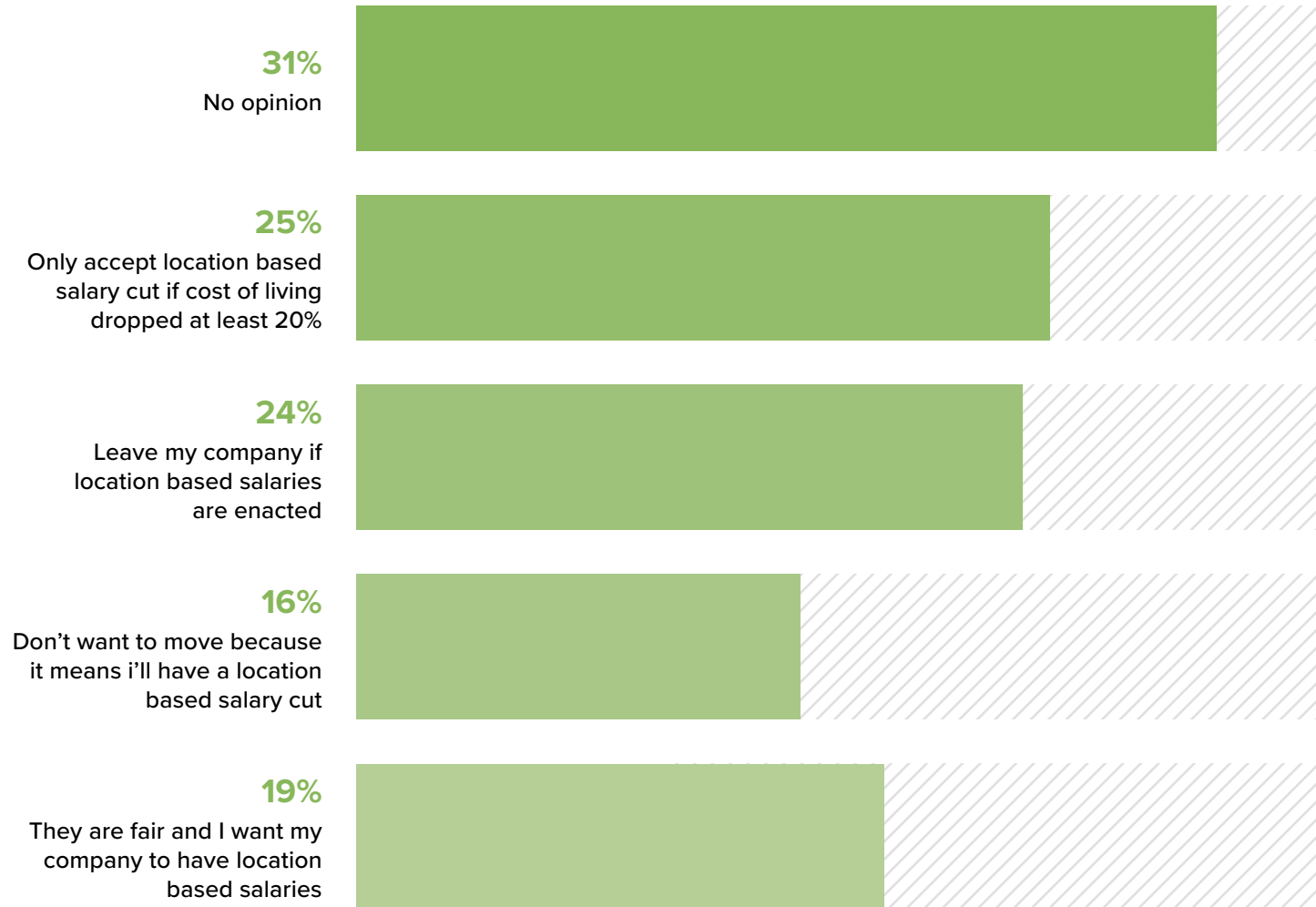
Engineers not in favor of location-based salaries

Engineers remain mixed on how they perceive the fairness of their current salaries. Roughly 45% of engineers feel somewhat underpaid to very underpaid, while 44% feel they are paid about right. The differences in perception surfaced stronger regionally, with more Canadian engineers (47%) feeling paid fairly than Latin American engineers at 41%.

At large, engineers appear to not be in favor of location-based salaries, with 49% of engineers saying they would only accept a location-based salary if the cost of living dropped at least 20%. Another large group reported that they would leave their company if location-based salary was enacted.



PERSPECTIVES ON LOCATION-BASED SALARIES DIFFER



Region difference on perception of fair compensation: Nearly half (47%) of Canadian engineers say that software engineers are paid fairly based on where they live, their experience and the industry they work in, compared to 41% of Latin American engineers.

> recruiting

The interviewing process remains broken

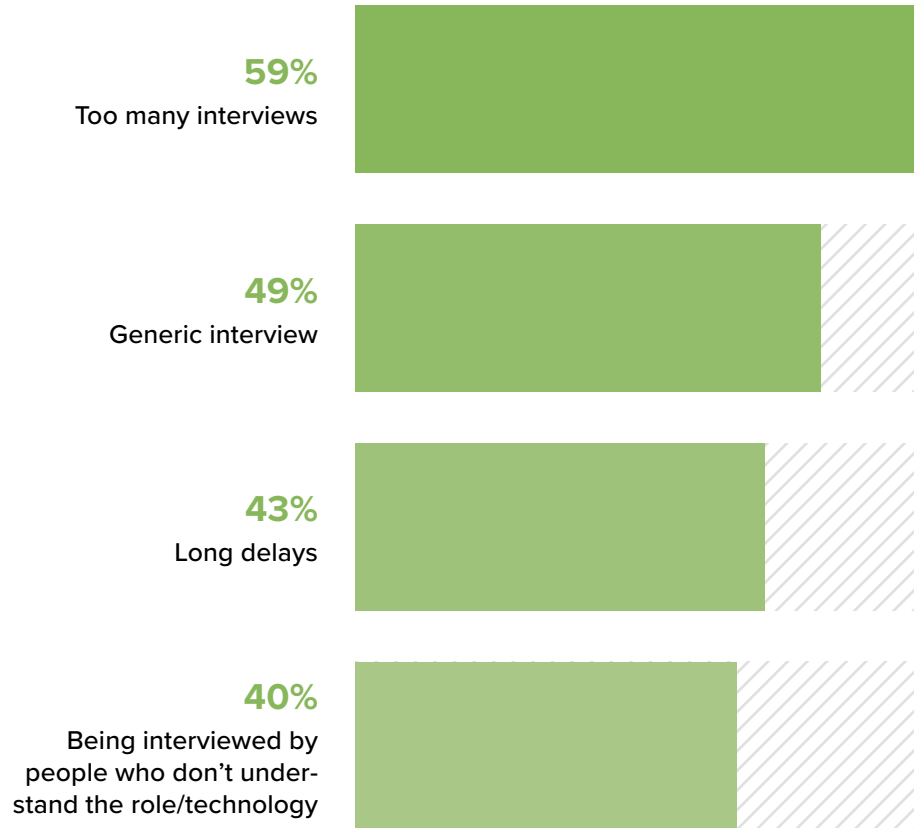
Recruiting and interviewing processes remain far from ideal, with global engineers continuing to report many frustrations with these parts of the hiring process. Compared to last year's finding, candidates reported that they were even more likely to pass on a job due to these frustrations, which goes to say that companies need to fix these processes or risk losing elite candidates.

A few of the most frustrating components included: too many interviews, a generic interview, long delays, and being interviewed by people who don't understand the role/technology.

As for what does attract them to a job, engineers reported that pay was the #1 most important factor in a job offer, followed by exciting work, culture, and having a clear career growth path.

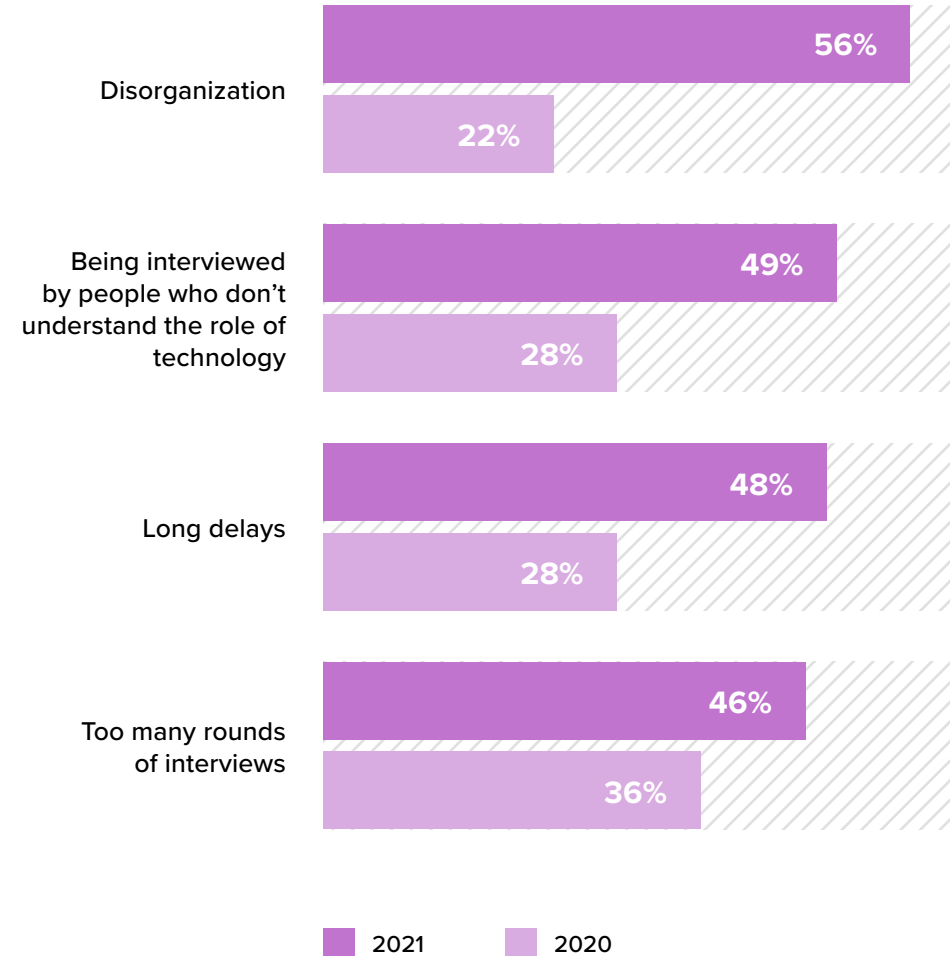


CRITICAL INTERVIEW PROCESS PAIN POINTS



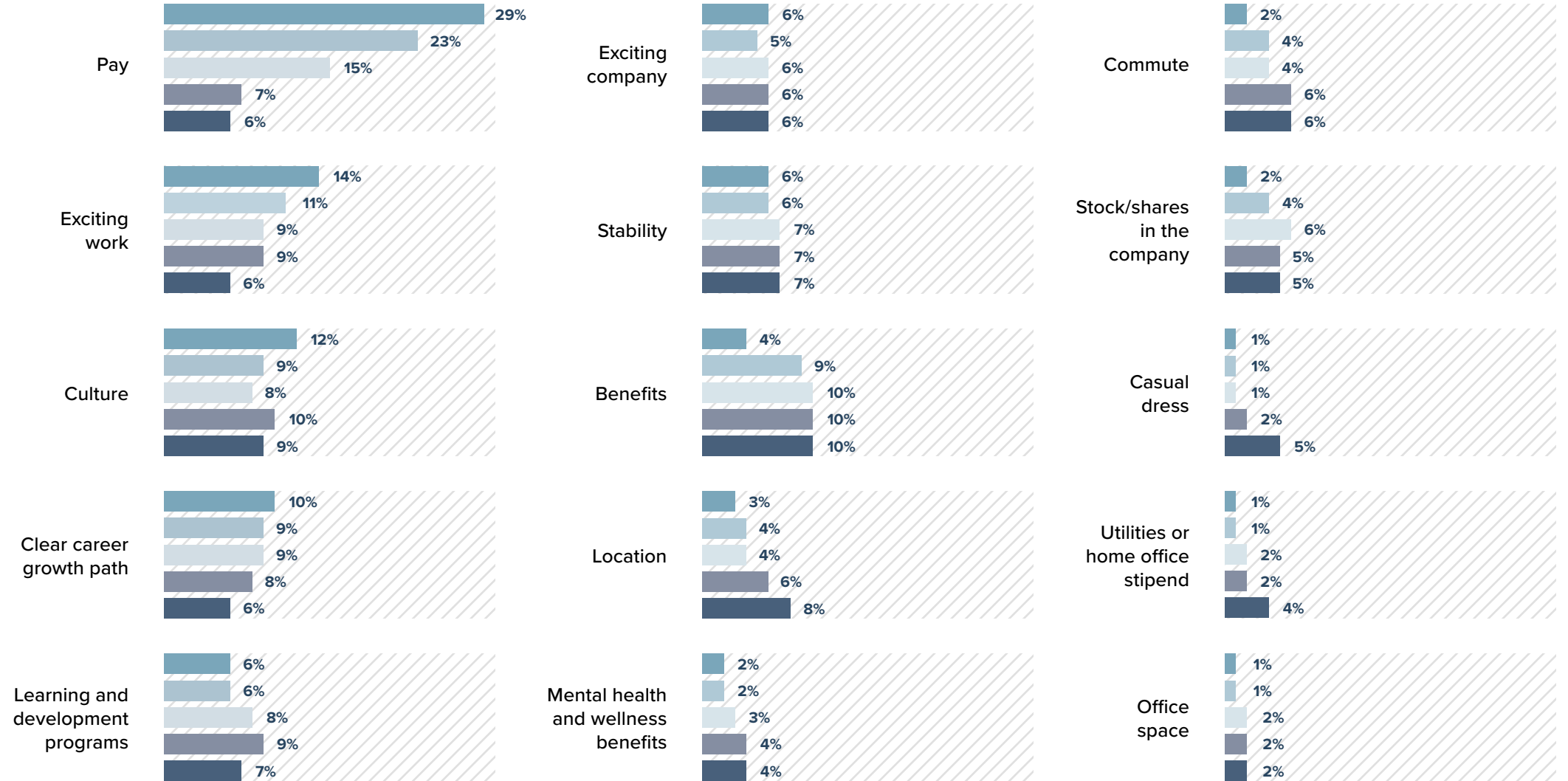
To whiteboard or not to whiteboard? 71% of Canadians say they've had to do a whiteboard exercise/test during an interview, compared to just 45% of those in LATAM.

WHY ENGINEERS ARE TURNED OFF FROM JOB OPPORTUNITIES



MOST IMPORTANT JOB COMPONENTS FOR GLOBAL ENGINEERS

1 - Most important 2 3 4 5 - Less important



> work productivity

Remote work and timezone alignment are productivity drivers

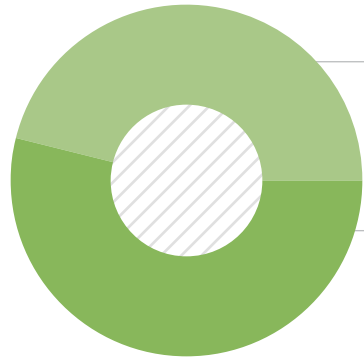
Across the board engineers report that working remotely is a major driver for their own work productivity, and 70% of global engineers said they preferred working remotely or from home. This proved to be especially true among engineers in LATAM, with 83% reporting that working remotely makes them more productive (66% of Canadian engineers agree).

Time zone alignment also remains a key determinant of employee productivity, with 86% of engineers reporting they are more productive while working with teams on a similar time zone.



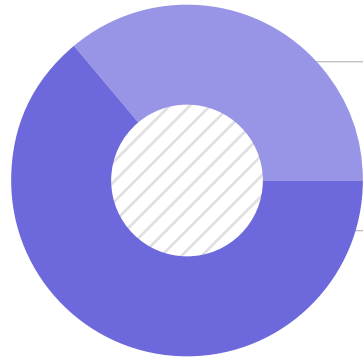
STANDOUT DRIVERS OF REMOTE PRODUCTIVITY IN ENGINEERS

Which work environment makes you more productive?



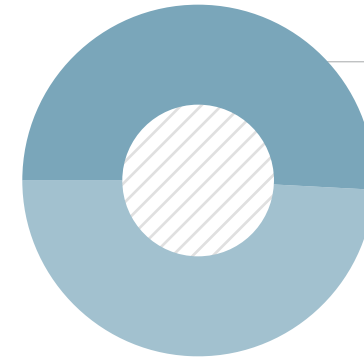
46%
Open office layout

54%
Private space or cubicle



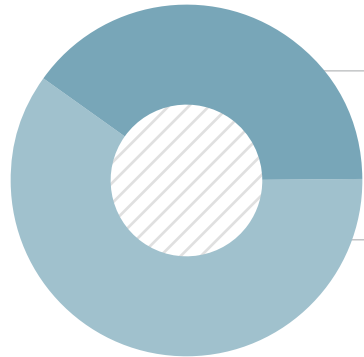
36%
Energetic environment

64%
Quiet environment



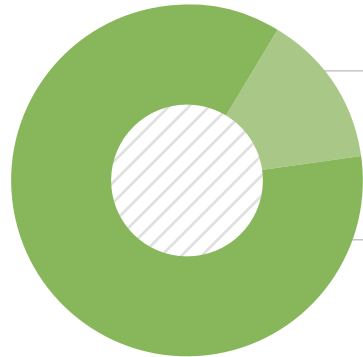
51%
Traditional office

49%
Coworking space



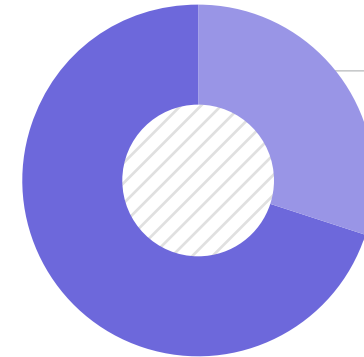
40%
Engineers only

60%
Working among other departments



14%
Very different time zones

86%
Similar time zone



30%
Working from an office

70%
Working remote or from home

Coworking and same time zones preferred most among LATAM engineers: Latin American engineers say that a co-working space makes them more productive (64%), while similar time zone (86%) also play a large role.

The demands of today's workforce are ever-evolving.

Global engineers are advocating for flexible work options and benefits that better fit their needs—and it will require employers to make major shifts to compete for talent and retain their existing employees.

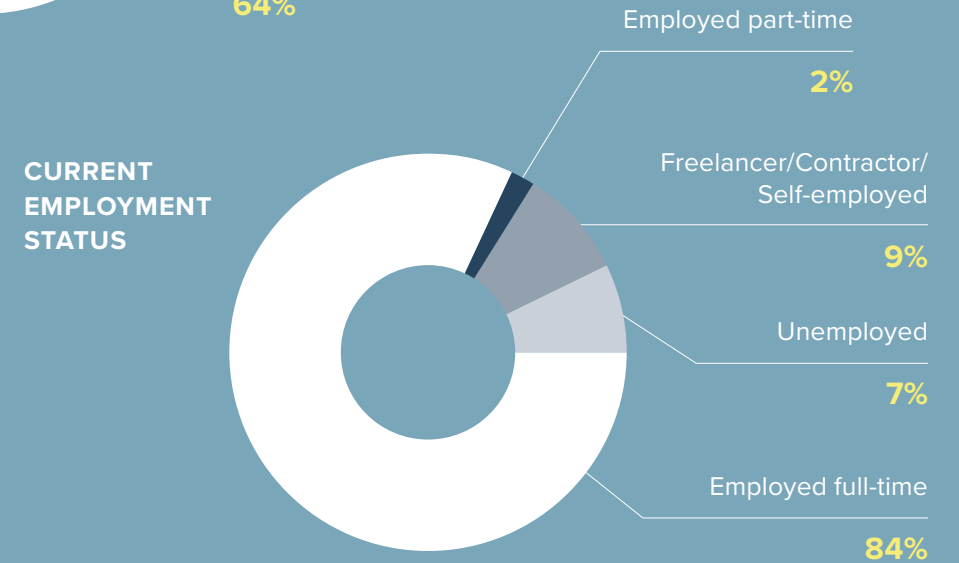
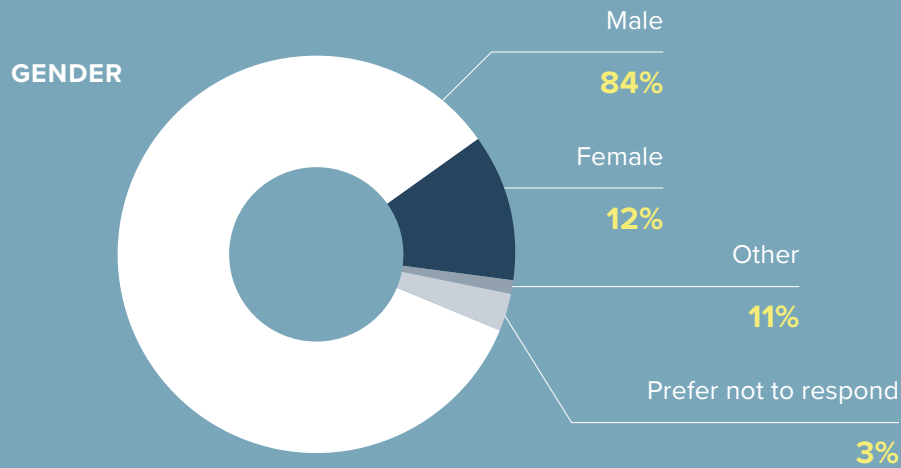
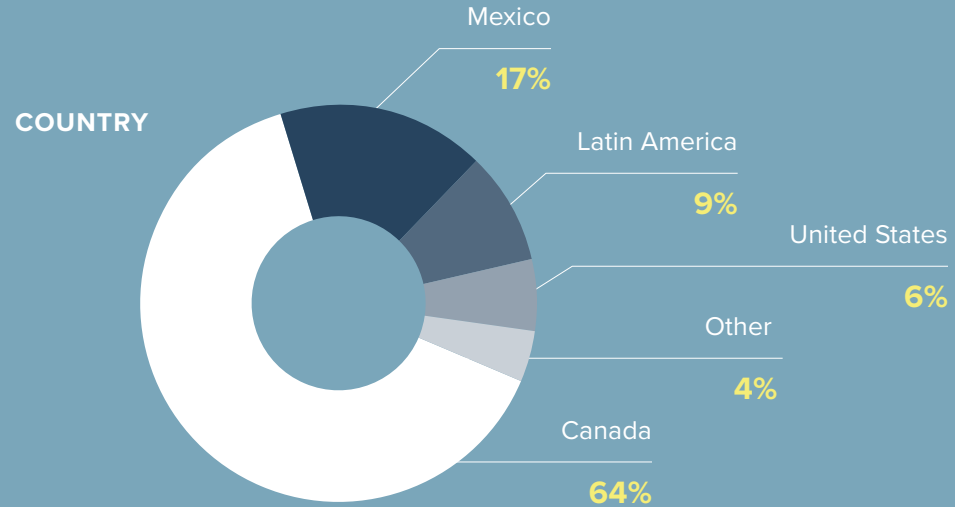
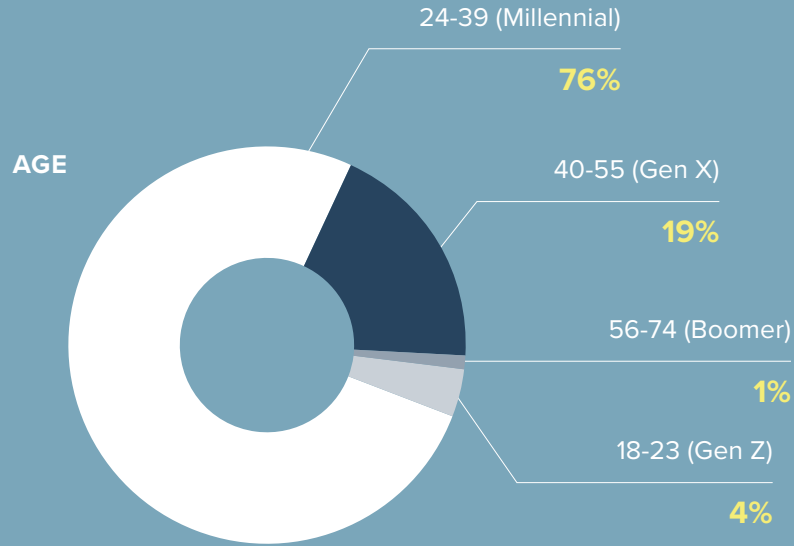
The time is now: Employers who do not embrace remote-first thinking will fall behind. But those who do meet the unique needs of today's workforce will be leading the way this year and into the future.



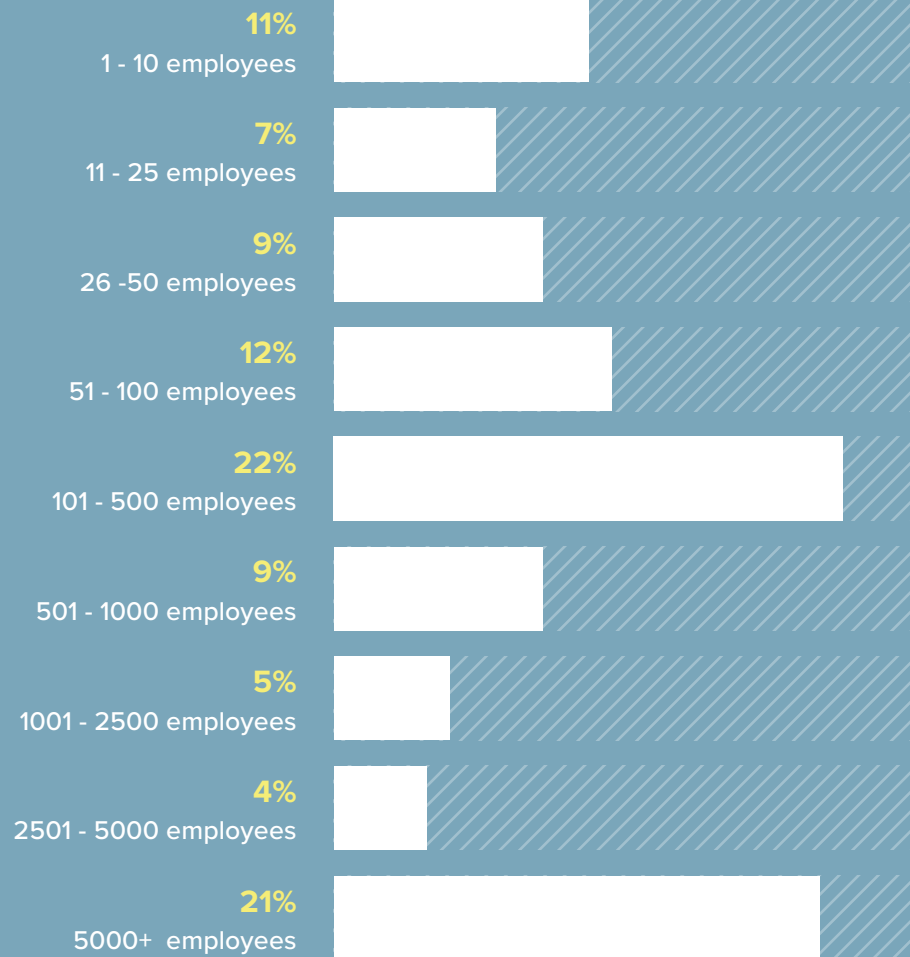
Profile of respondents

METHODOLOGY

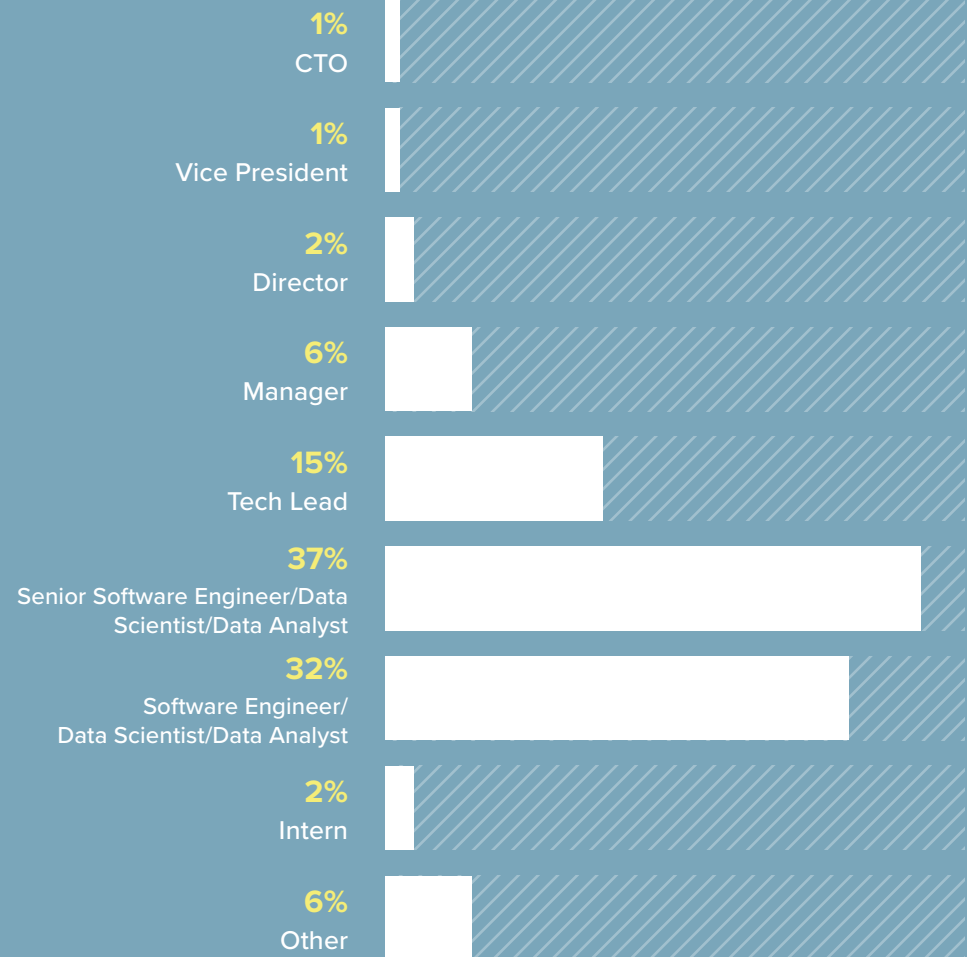
Terminal conducted this study among n=1,108 engineers, developers, and programmers sourced from Terminal's database of contacts and partner organizations. These respondents were primarily from Canada, Mexico, and Latin America, with representation from the US, Europe and Asia as well. Responses were collected from December 17, 2020 to January 6, 2021.



NUMBER OF EMPLOYEES



JOB TITLE





About Terminal

Terminal is a remote teams engine for fast-growing companies. This means we hire, house, develop, and retain engineering teams — so that you can focus on building brilliant products. Today, we build remote teams across North America, Mexico and Latin America with campuses in four vibrant tech hubs: Vancouver, Kitchener-Waterloo, Toronto, and Montréal, supported by our unique model that blends recruiting, HR, ops, and community to drive growth.

Explore more resources for success and get started at terminal.io

