

Tech Frontiers 2023

IT Labor Market Report for
Latin America



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EMPOWERING CAREERS BEYOND BORDERS



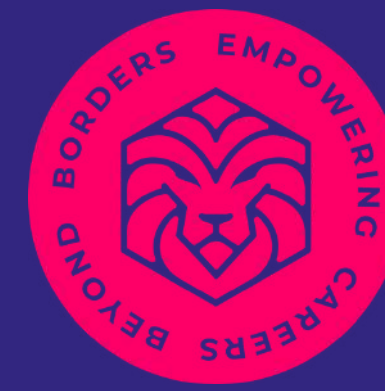
Introduction

In a rapidly digitalizing environment, it's vital for organizations to attract, develop, and retain talents who excel in digital areas to ensure survival. Technology and computing have been key to economic growth in Latin America, with the tech sector experiencing a 9.4% growth in 2022 and a projected 12% increase in investments for 2023, according to International Data Corporation (IDC). This growth accompanies the digital transformation of other sectors, highlighting the role of technology in adaptation and operational continuity, as seen during the pandemic. The region has witnessed a boom in tech startups, increasing from two to over 40 unicorns in five years.

The 2023 IT Labor Market Report for Latin America (LATAM) aims to guide companies in understanding and strategically hiring in IT, providing an analysis of employment, technological demand, salaries, and strategies for attracting and retaining talent, based on research and surveys conducted between September and November 2023.

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I. The IT industry in LATAM



CTO. INTERIOR ↑
REFORMA PTE. ↑
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1.1. Latin American countries that are leading the technology sector



Mexico, Brazil, Argentina, and Colombia are emerging as leaders in Latin America's tech sector, thanks to their significant industry growth, creation of unicorns in the region, and the development of specialized professional talent.

This dynamism has made the region increasingly attractive to international companies. Examples include Guadalajara, Mexico's Silicon Valley, and Huawei's program that has trained over 2,100 young people from Latin America and the Caribbean in digital technologies.

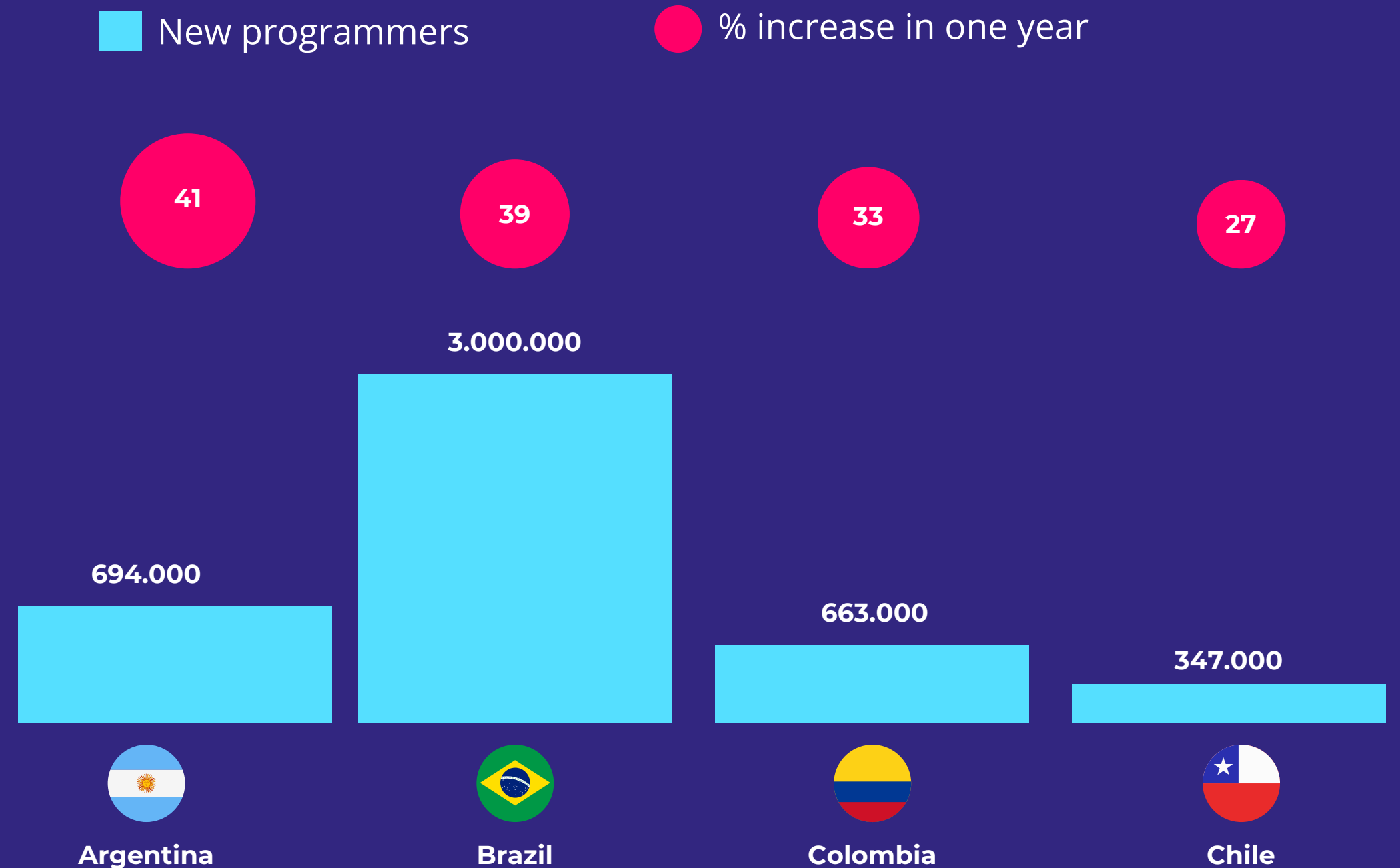
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1.2. The increase of programmers in South America

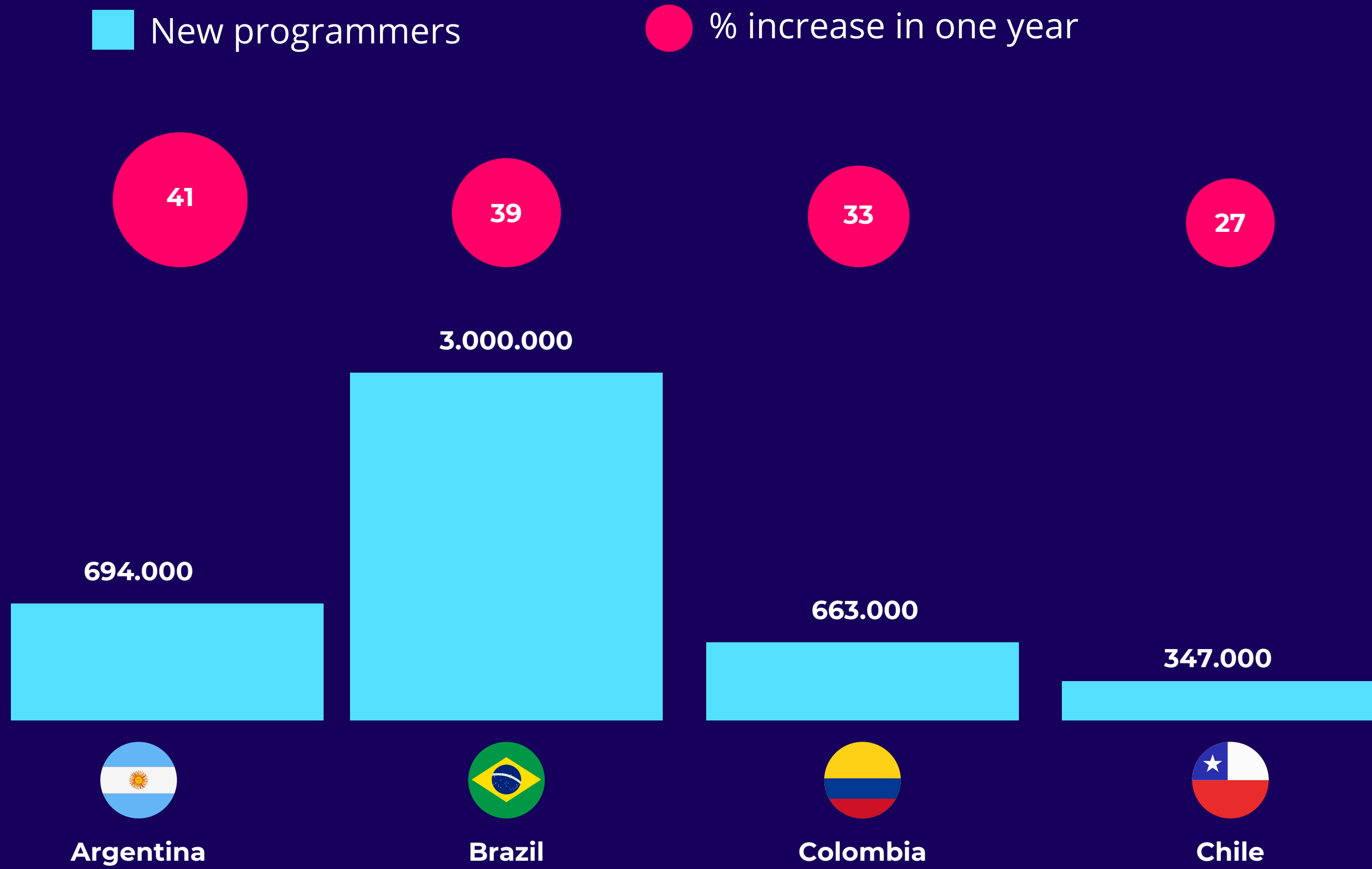


According to a GitHub report, Argentina saw the highest increase in new programmers in South America in 2022, with a 41% rise compared to the previous year. Brazil (39%), Colombia (33%), and Chile (27%) followed. The report highlights South America's growing developer population, driven by large economies like Brazil and emerging tech hubs in Colombian cities, as companies continue to invest in the region.



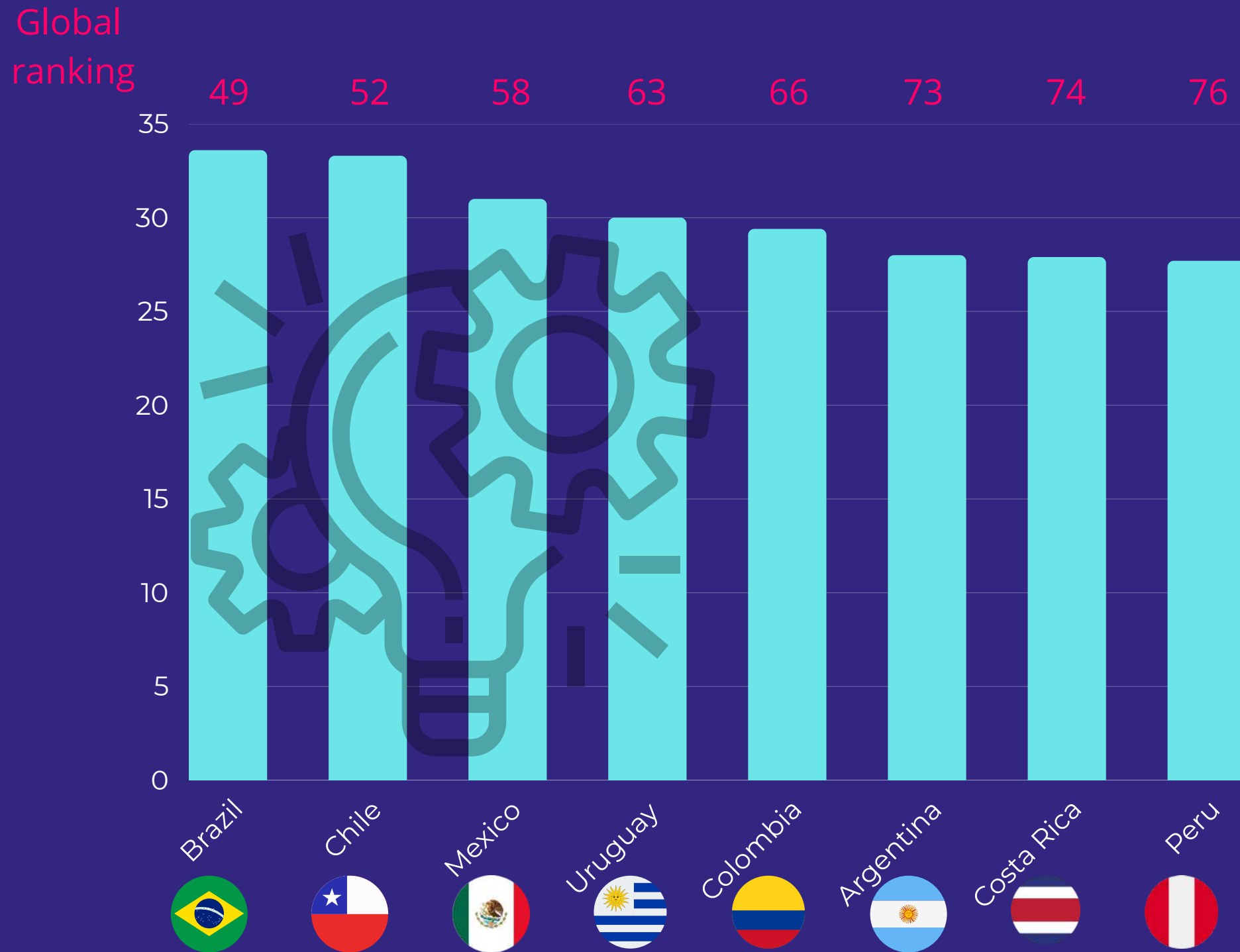
New users of GitHub (platform for hosting software development projects).

Source: GitHub



New users of GitHub (platform for hosting software development projects).
Source: GitHub

1.3. The most innovative countries in latin america



Brazil ranks as the most innovative economy in Latin America according to the 2023 Global Innovation Index by the World Intellectual Property Organization (WIPO). Out of 19 countries assessed in Latin America and the Caribbean, Brazil scored 33.6 out of 100, placing it among the top 50 globally. Chile followed closely with 33.3 points, and Mexico scored 31. Despite lower performance compared to other regions, Uruguay (63rd) and Colombia (66th) made significant jumps in this edition of the index, ranking among the top 70 worldwide.

After a notable increase in venture capital operations in 2021, tighter monetary conditions in 2022 led to a nuanced outcome for startup investments in Latin America. The report highlights that despite a 44% increase in the number of venture capital investments, the region saw a 63% decline in their value, marking the largest contraction compared to any other region globally.

Evaluates existing infrastructure and institutions, human capital, research, and the entrepreneurial, technological and creative ecosystem.

Source: World Intellectual Property Organization

1.4. Hours worked per week in Latin America



Data: January 16, 2023.

Source International Labor Organization

According to the International Labour Organization (ILO), despite the statutory hours, employees in Chile actually work about 37 hours per week, one of the lowest averages in the region. In Latin America, this number varies by about nine hours, from over 43 hours in El Salvador to 34 hours in Panama. However, this doesn't mean workers aren't dedicating enough time to their jobs, as noted by ILO specialist Najati Ghosheh. Weekly hour estimates may include informal workers, who make up a significant portion of the labor force, thus lowering the overall average.

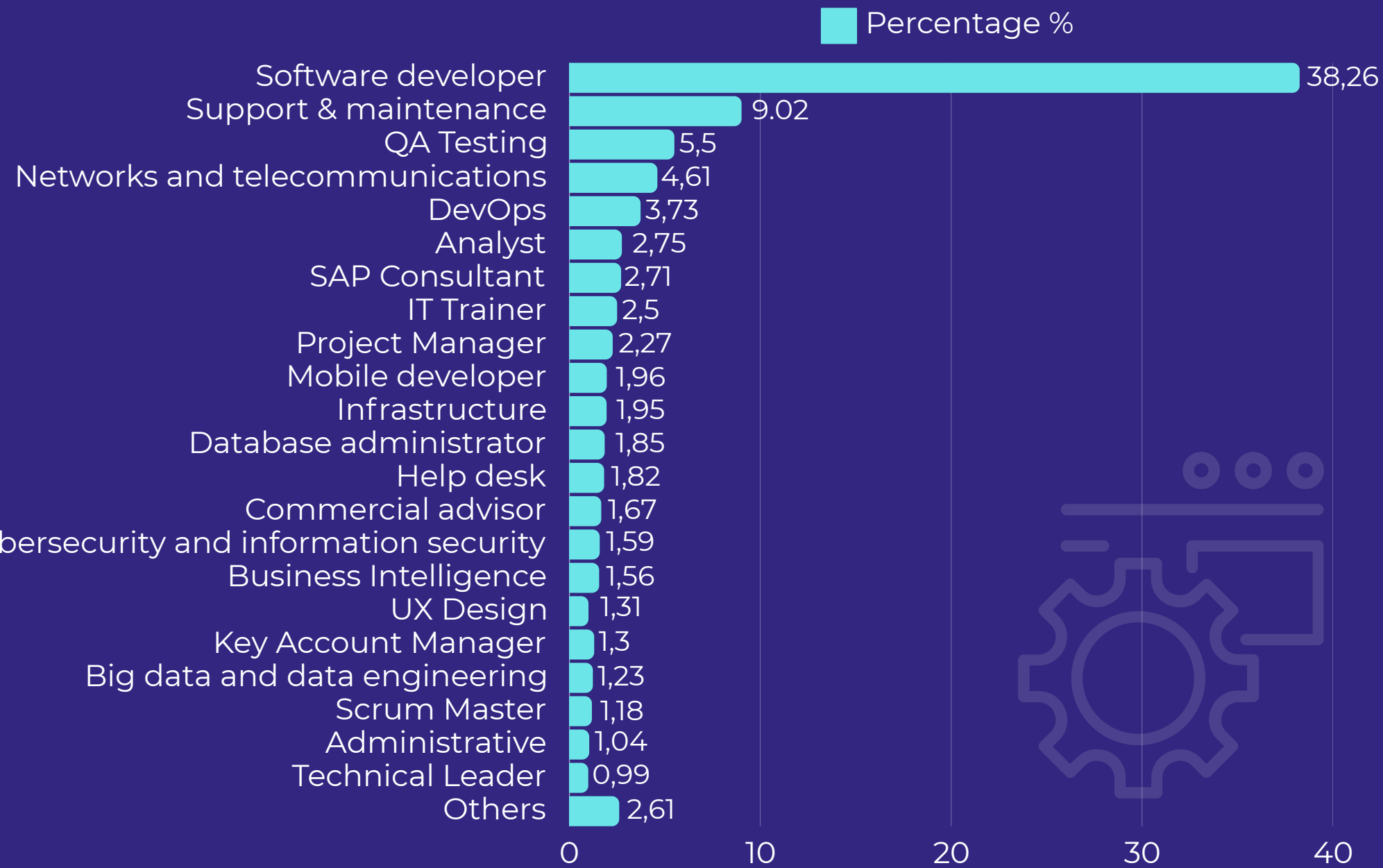
In terms of excessive working hours, Bolivia, Honduras, El Salvador, and Peru stand out in Latin America, with more than three in ten employees working 49 hours a week or more. In other countries like Mexico and Colombia, the prevalence of excessive workweeks reaches 27%, while in Venezuela or Panama, it's below 10%.

II. The IT labor market in LATAM



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2.1 The most demanded technology profile in Latin America



Source: Hireline

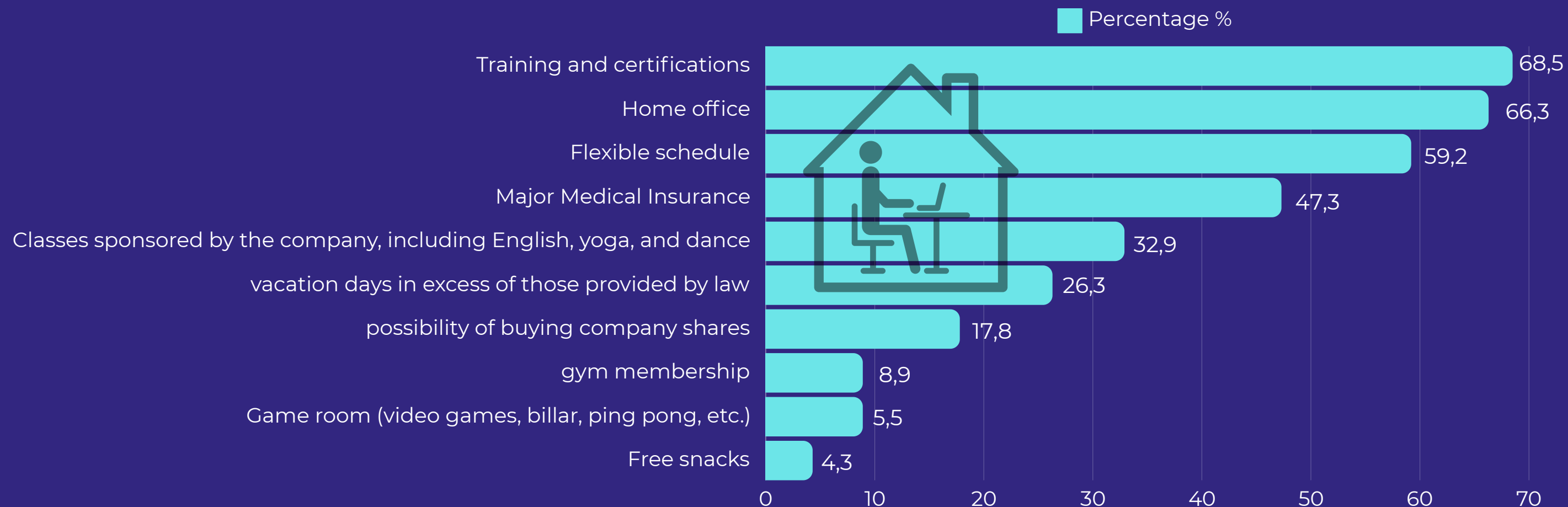
In Latin America's IT job market, software developers and programmers, particularly those proficient in Java, .net, and Python, are the most sought-after, accounting for 38.36% of all IT job openings analyzed in the report. Following them in demand are roles such as Support and Maintenance at 9.02%, QA/testing at 5.5%, Fullstack developers at 4.61%, and DevOps specialists at 3.73%.

According to Statista, the demand for IT professionals in Latin America mirrors global trends, with software developers, DevOps experts, and Machine Learning specialists being the most demanded profiles worldwide.

2.2. Benefits most valued by technology professionals in Latin America

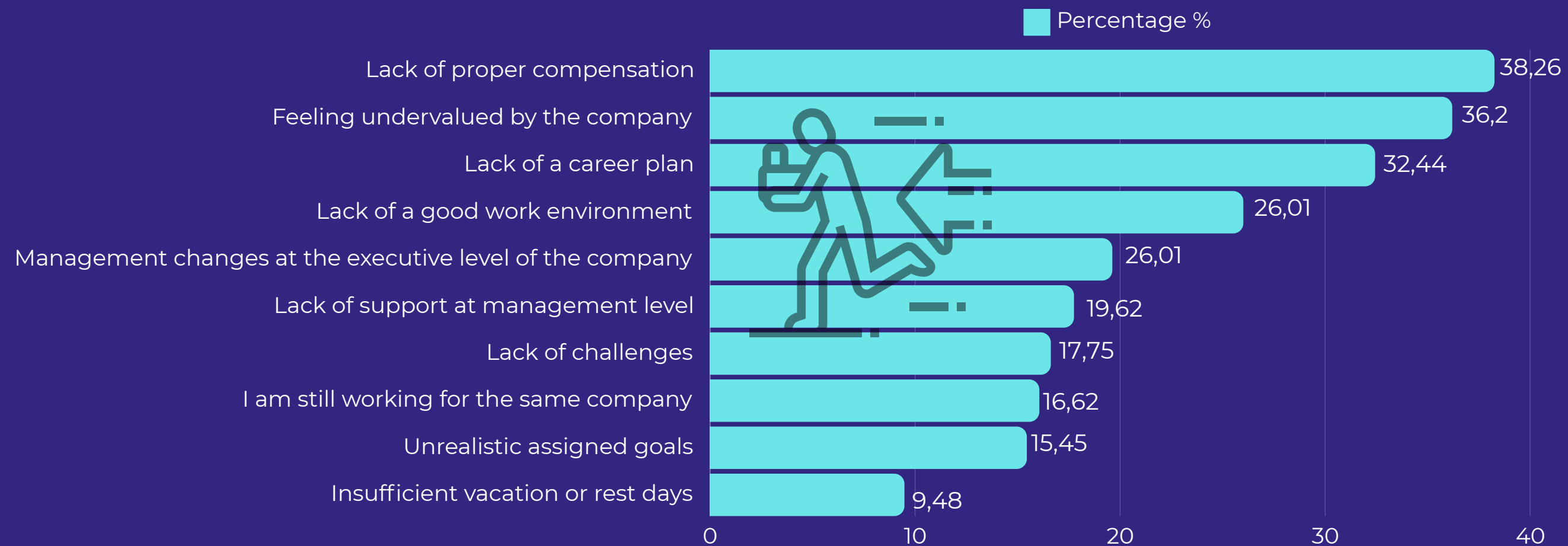
Non-salary benefits are crucial for IT professionals in Latin America, with training/certifications (68,5%), remote work (66,3%), flexible working hours (59,2%), major medical insurance (47,3%), and company-sponsored courses (32,9 %; e.g., English, yoga, dance) being the most valued, according to survey results.

These benefits are key to a company's employer brand, which significantly impacts talent retention. Willis Towers Watson reports that 69% of regional companies already offer such perks, including flexible hours, medical insurance, remote work, and special leave for birthdays. The challenge for companies now is making their non-salary benefits stand out in the job market.



2.3. Motivations for IT Professionals to seek new employment opportunities

Salary remains the top reason for IT professionals in Latin America to resign, with 38.3% citing inadequate compensation. Other major reasons include feeling undervalued (36.2%), lack of career planning (32.4%), and poor workplace environment (26.1%). Lesser concerns were insufficient vacation days (9.5%), unrealistic goals (15.5%), and staying with the same employer (16.1%). These findings align with U.S. labor market trends, where low pay, limited advancement opportunities, and lack of respect are key resignation factors.

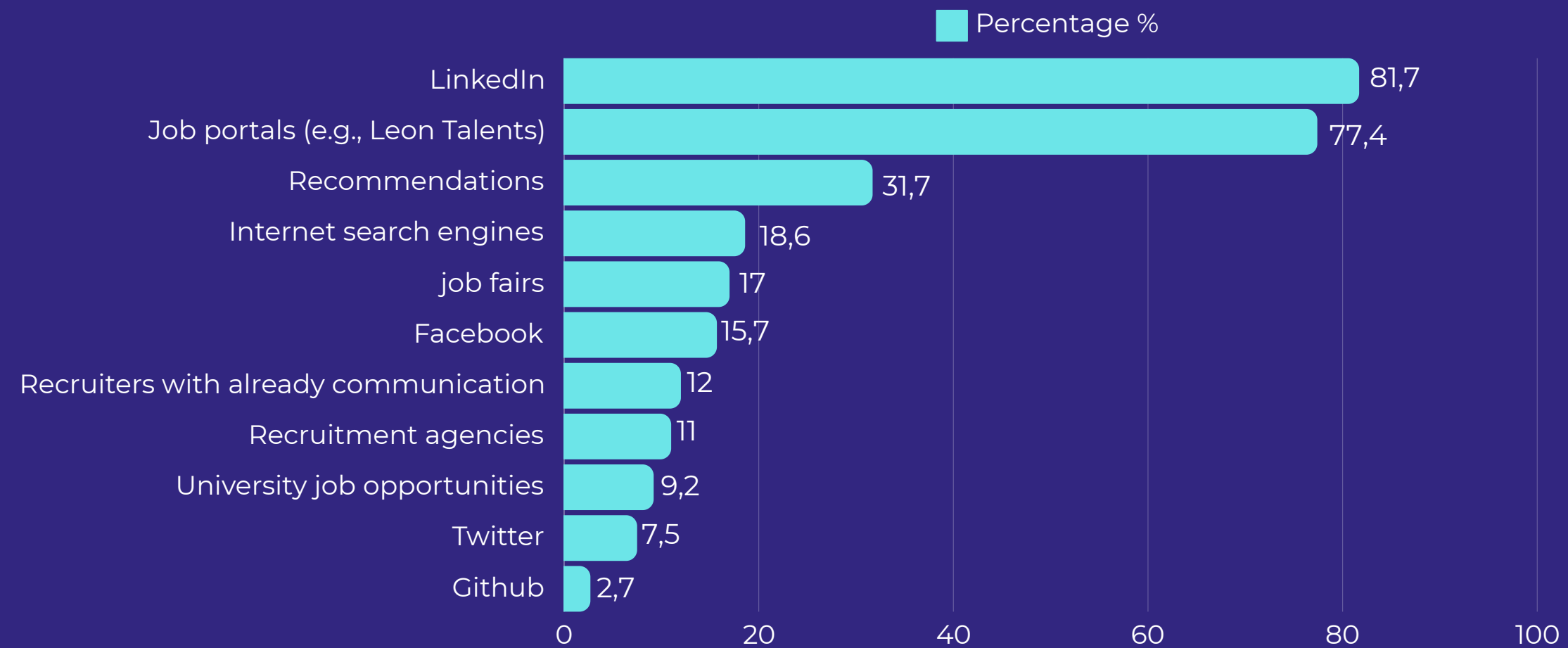


Source: Hireline



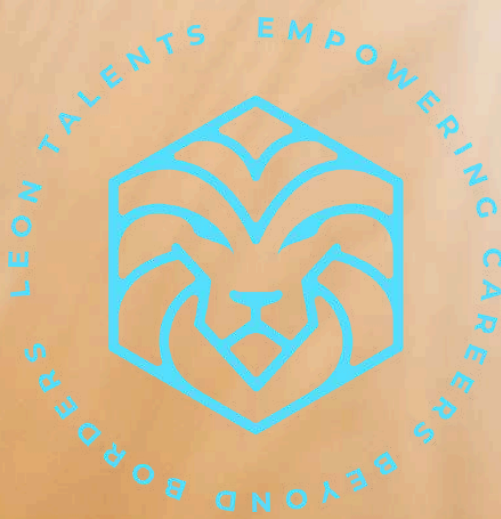
2.4. Where Latin American IT professionals seek employment opportunities

77.4% of IT professionals use job portals for job hunting. Although LinkedIn (81.7%) remains the preferred channel for job searching in Latin America among IT professionals, job portals (77.4%) continue to grow in popularity as they simplify job search processes for individuals and recruitment for companies.



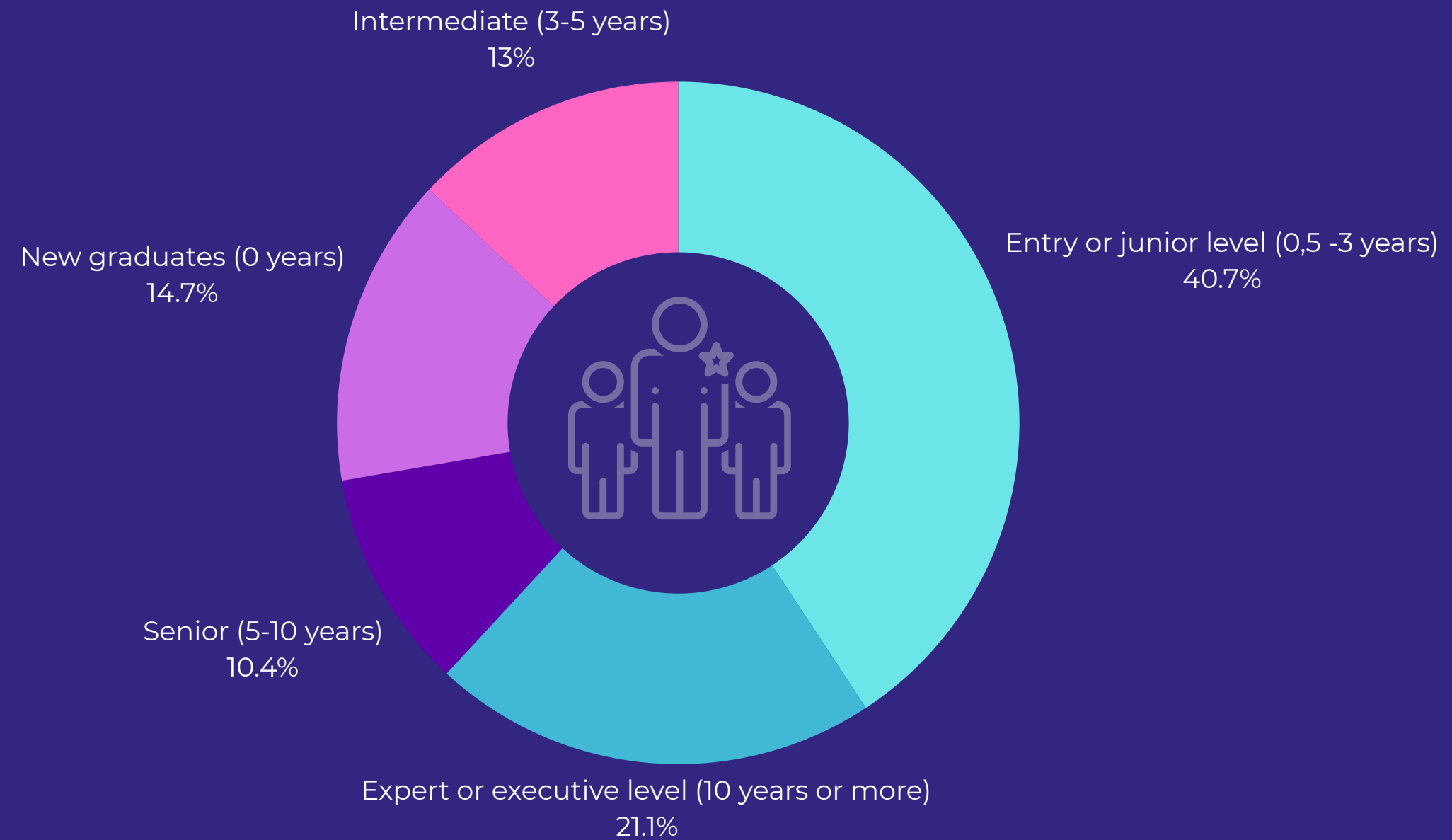
Source: Hireline

III. Willingness to Relocate to Austria or Germany



3.1. Seniority: 44.5% have 3 or more years of experience in the industry.

Our survey among IT sector professionals shows a varied distribution of work experience. The majority of respondents, at 39.1%, fall into the entry-level or junior category, with 0,5 to 3 years of experience, indicating a significant influx of new talent into the industry. Professionals with over 10 years of experience, likely in expert or executive roles, make up 20,3% of participants, pointing to a solid foundation of expertise in the sector. Both senior-level professionals, with 5 to 10 years of experience, and recent graduates, with 0 years of experience, equally account for 14,1% each. Lastly, those at an intermediate level, with 3 to 5 years of experience, represent 12,5%.

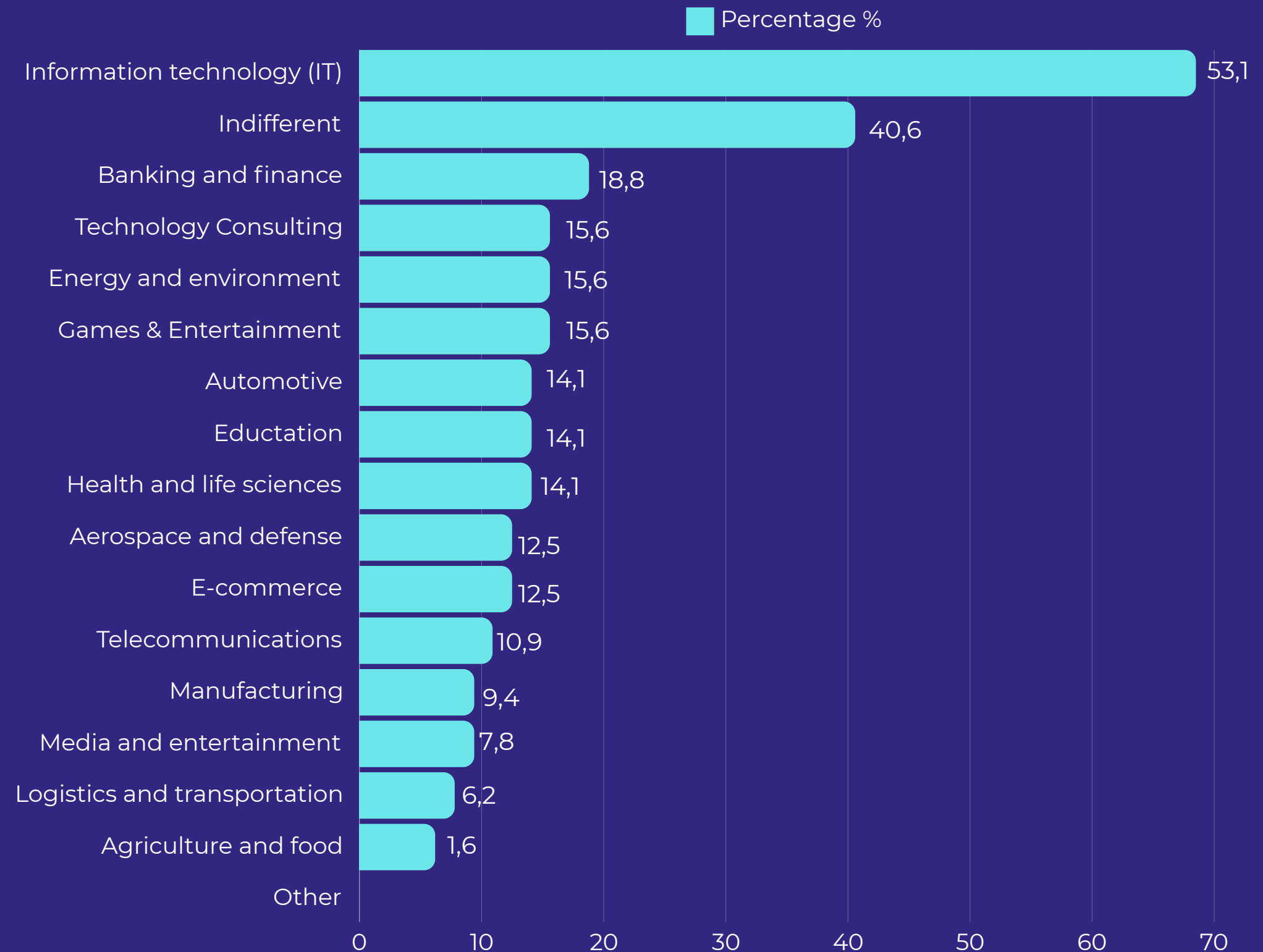


Source: Leon Talents

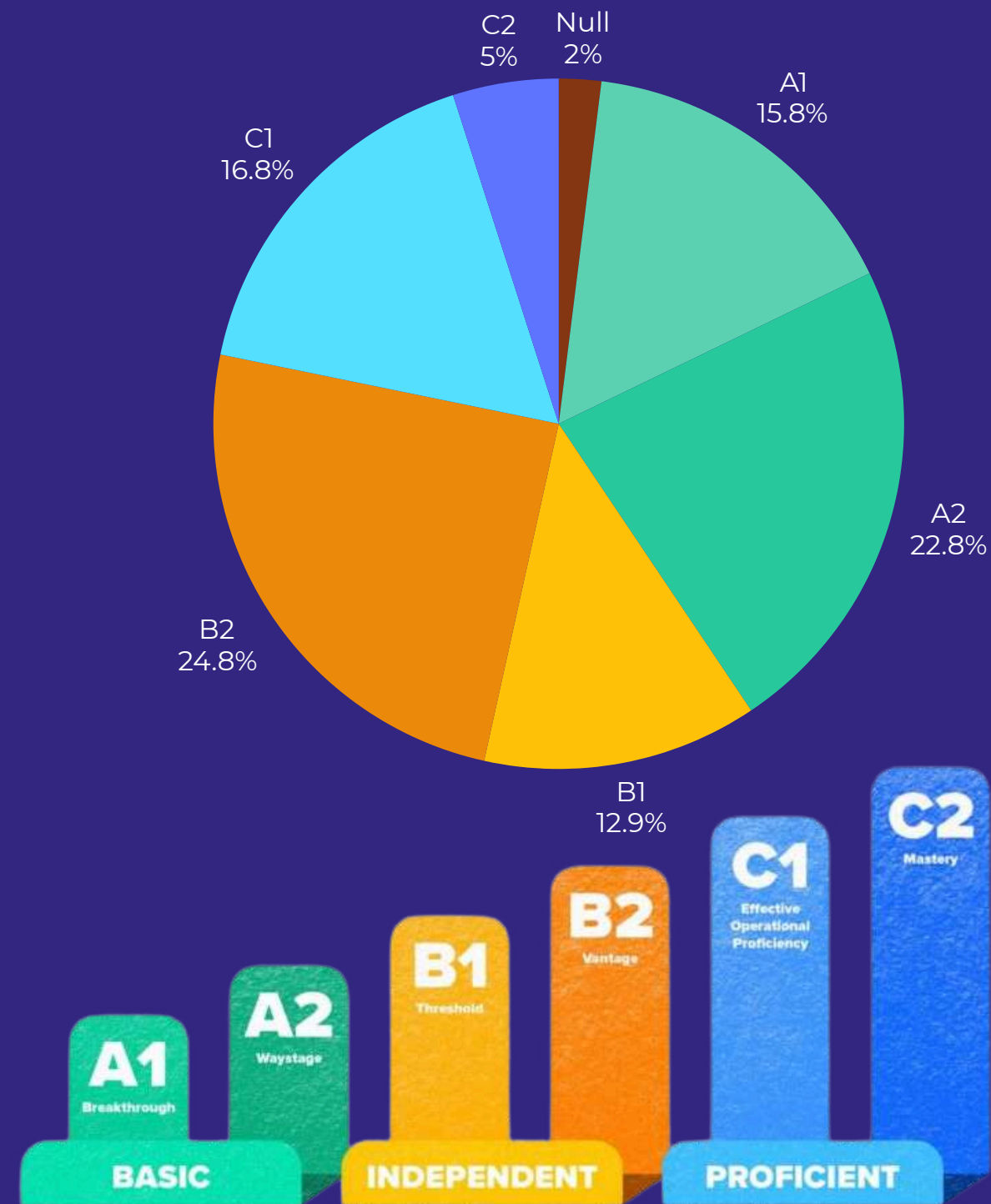
3.2. Diverse career interests among Leon Talents



The talents registered with Leon Talents have exhibited a pronounced interest in the Information Technology (IT) sector, with 53.1% of respondents favoring this field. There's a notable flexibility among the pool, as 40.6% indicate no specific industry preference, suggesting a diverse openness to career opportunities. Sectors such as Banking and Finance, Technology Consulting, Energy and Environment, as well as Gaming and Entertainment, are also appealing, each garnering interest from about 15-18% of participants. Automotive, Education, Health and Life Sciences, along with Aerospace and Defense, show a modest level of interest. On the lower end, E-commerce, Telecommunications, Manufacturing, Media and Entertainment, and Logistics and Transport are less favored, and Agriculture and Food have the least interest, chosen by only 6.2%. These insights reflect the areas where Leon Talents' professionals are currently looking to advance their careers.



3.3. English language proficiency: 59% have an intermediate to advanced level that allows them to be used in a work environment.



The professionals from Leon Talents have showcased a varied proficiency in the English language, with a quarter (25%) reporting a B2 intermediate level, aligning with the ability to converse with fluency and spontaneity. Close behind, 23.4% have an A2 basic level, which implies they can communicate in routine tasks. The C1 advanced level, denoting a high competence in complex English, is held by 17.2%, while 15.6% are at the beginner A1 level. Those with a B1 intermediate level, able to produce simple connected text, constitute 12.5% of the group. A smaller fraction, 4.7%, have achieved a proficient C2 level, and a minimal 1.6% have no knowledge of English. This linguistic landscape reflects the commitment of Leon Talents to foster a diverse community with a range of abilities to meet varied organizational needs.

Source: Leon Talents

3.4. High availability for learning German: 95,6% are willing to learn German

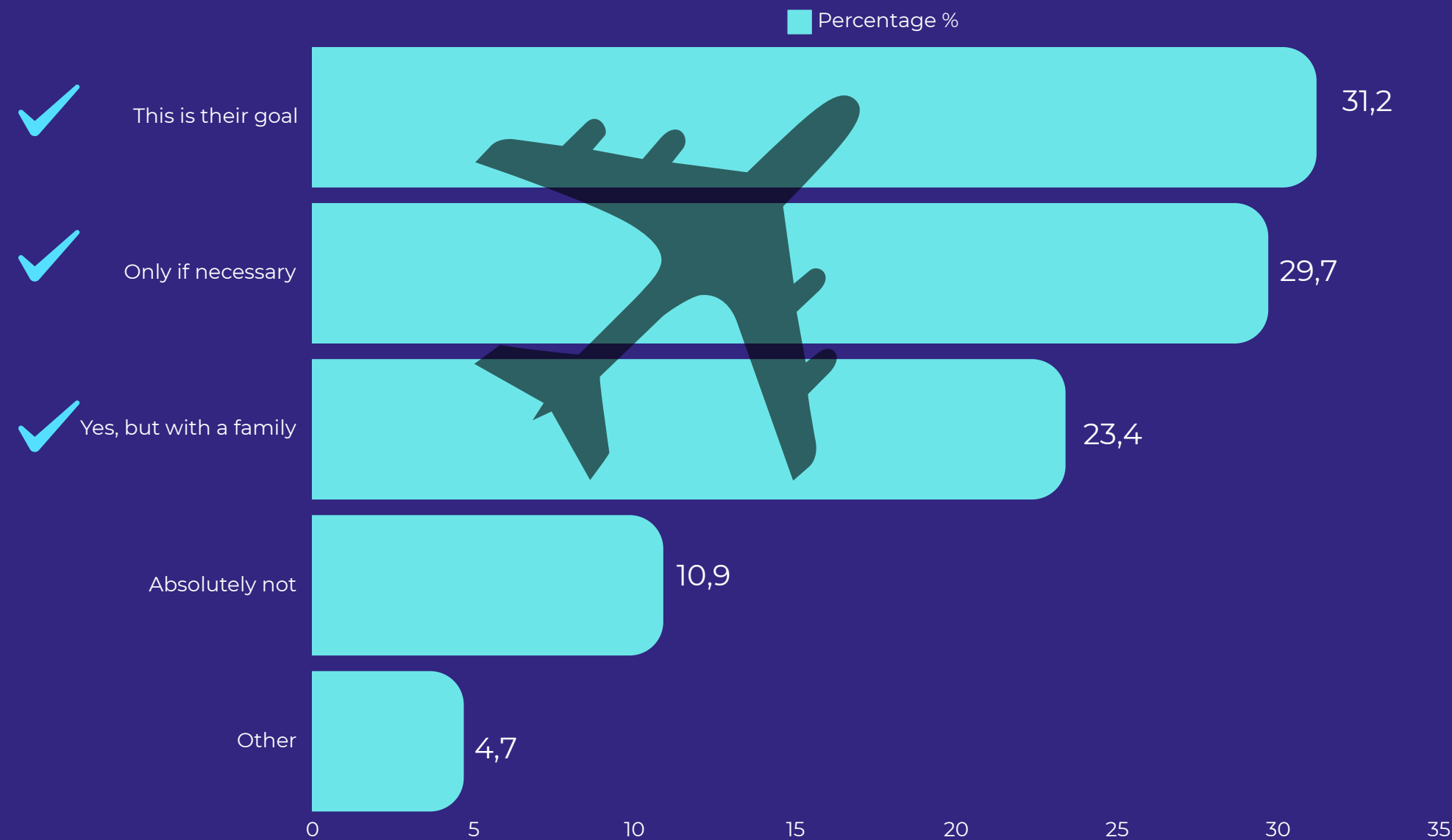


81,2% are very willing to learn German
14,4% are willing to learn German

Source: Leon Talents

The professionals within the Leon Talents network demonstrate a strong desire to learn German, recognizing the language as a key tool for enhancing job prospects and facilitating a smooth integration into their potential new home countries.

3.5. How willing are talents to move to Austria or Germany for work?



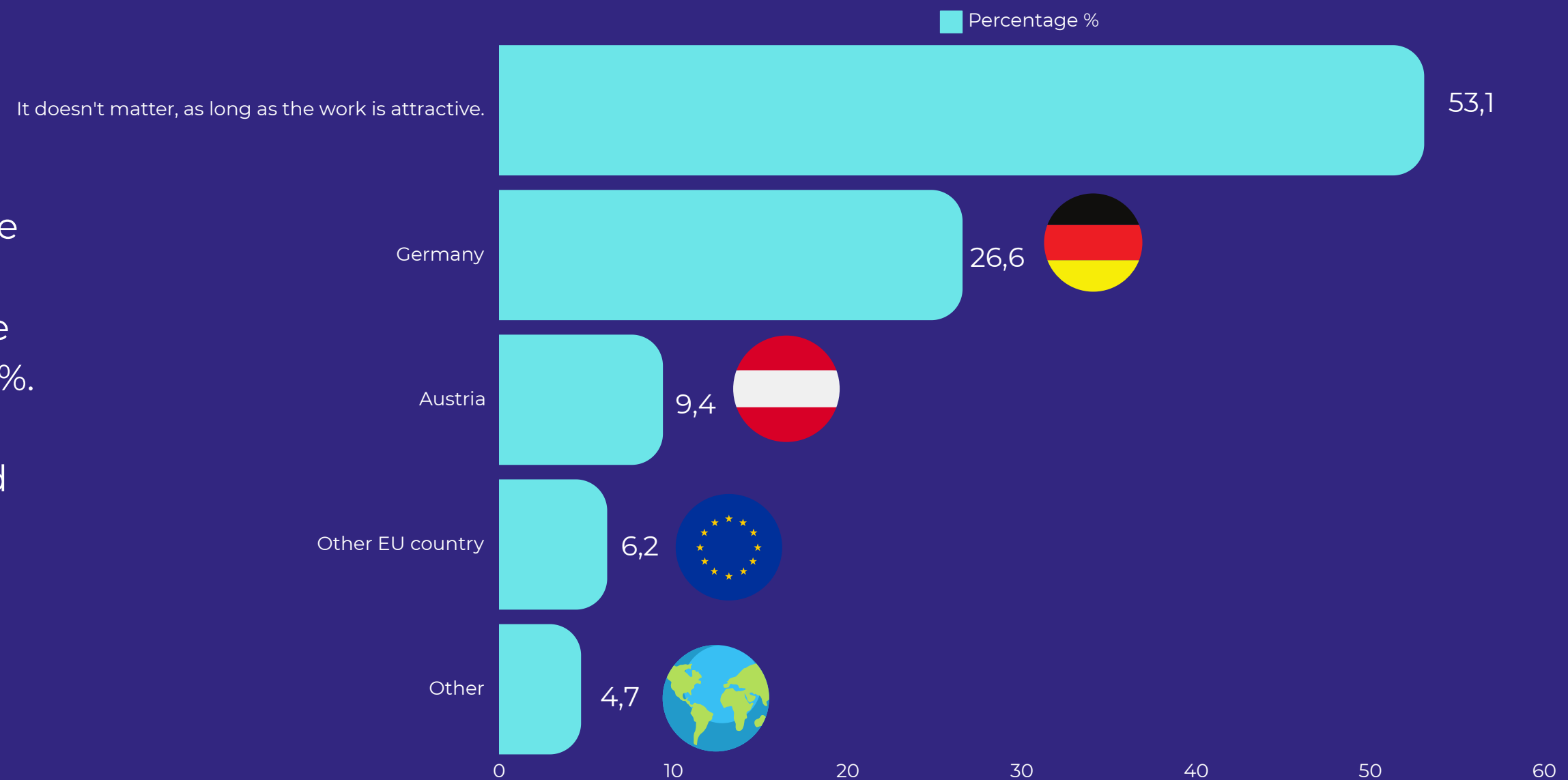
Source: Leon Talents

These statistics suggest that the IT talents within our network possess a **readiness to embrace new environments** for career advancement.

A significant 31.2% see relocation as their main objective, illustrating a proactive approach to their professional growth. Meanwhile, 29.7% indicate they would consider moving only if it were essential, and 23.4% are open to relocating with their families, emphasizing the importance of personal and familial needs in their decision-making. On the other hand, 10.9% are firmly against relocating, and 4.7% have various other reasons influencing their stance on mobility, which may include factors not captured in the survey options.

3.6. Countries that are most attractive for IT talents to live and work in

Our professionals demonstrate a clear flexibility regarding their relocation preferences: for 53.1%, the attractiveness of the job is key, regardless of the location. Germany emerges as the preferred choice for 26.6% of respondents, followed by Austria at 9.4%. A smaller share, 6.2%, favor other European Union countries, and 4.7% are open to various unspecified locations.



Source: Leon Talents

3.7. Reasons why Latin American professionals are seeking job opportunities in Germany and Austria

The primary motivations for talents migrating to Germany or Austria for work are varied, as stated by the individuals themselves. The leading motive, for 24.8%, is professional advancement and the lure of better opportunities and challenges. Another 17.4% are driven by the desire to immerse in new experiences, explore diverse cultures, and learn languages. For 13.2%, enhancing quality of life, including safety, tranquility, and superior infrastructure, is key. The pursuit of a positive work culture and improved worker conditions inspire 11.6%, and a respect for the rich cultures, including history and language, attracts 10.7%. The opportunity to work in an innovative industry and to be at the forefront of the IT sector is crucial for 9.1%, which is the same proportion of those aiming for higher salaries. A small 3.3% factor in European residency or citizenship, and an even smaller 0.8% consider migration for the sake of their family.



3.8. Insights from Latin Talents on Their Drive to Work in Germany or Austria



“Both countries are renowned for their quality of life and have prestigious universities. They are also known for their efficiency, punctuality and dedication to work; these are aspects that I admire and align with my values and attitude towards work. Finally, as a tech enthusiast, I am attracted to the fact that they are leaders in technological advances and innovation.”

“I have always admired the technology scene in Germany and Austria. The dedication to innovation and quality in the IT sector is impressive. I want to be part of that environment that values efficiency, research and constant development. The mix of cultures in the companies in these countries also appeals to me. I believe that working with professionals of diverse nationalities will enrich my experience and bring unique perspectives to technology challenges. In addition, work-life balance is something I value highly. I am convinced that contributing to the vibrant tech scene in Germany or Austria will not only benefit my career, but also provide me with a lifestyle that fits my values and aspirations.”

“The German and Austrian economies are very strong, education and vocational training are of high quality, work culture is collaborative and flexible, and labor policies in terms of labor rights and social security are more favorable.”

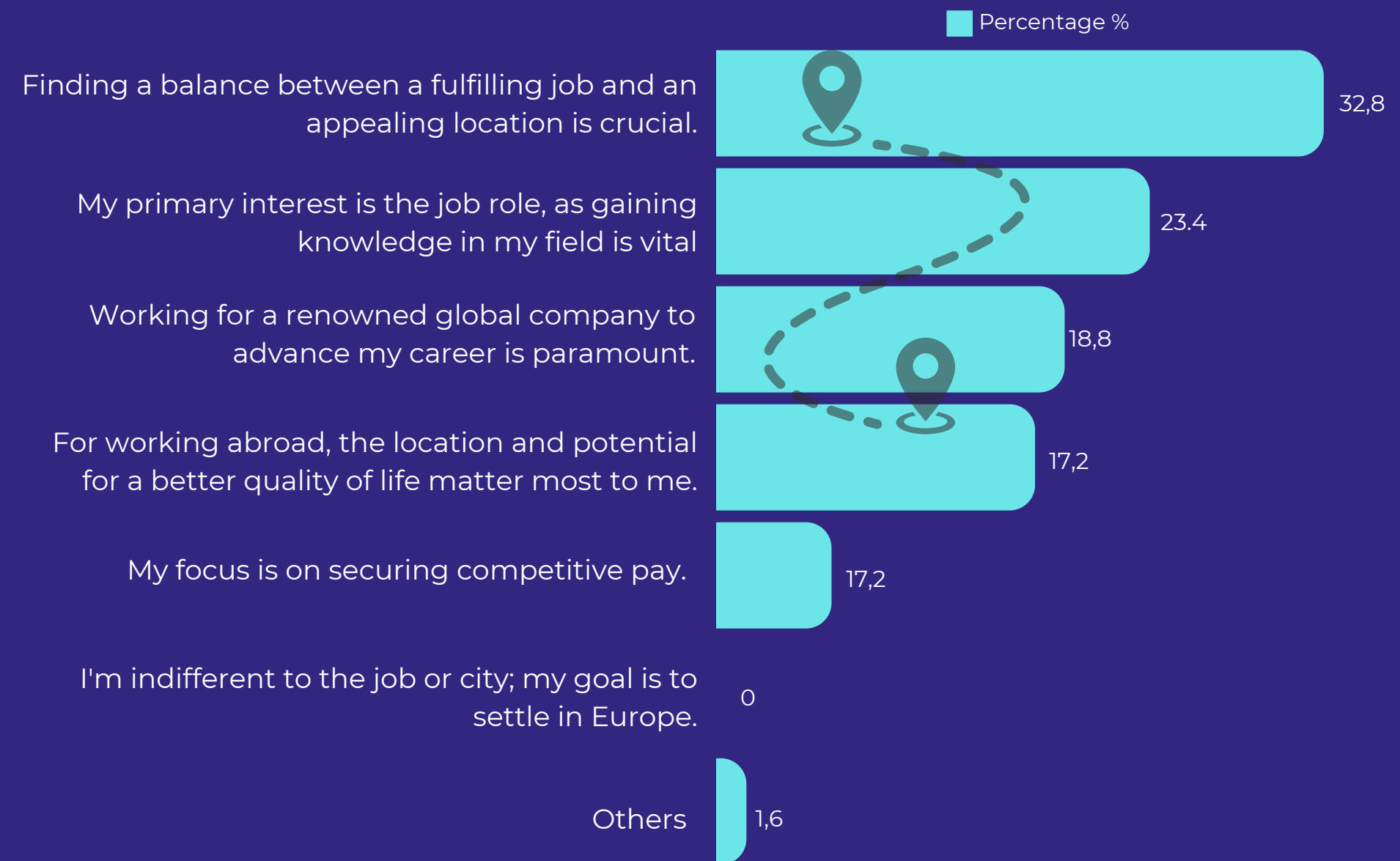
“I would like to work in Europe, specifically in Germany or Austria, because I consider these regions to offer a very strong working environment and opportunities for professional development. I am impressed by the culture of innovation, quality of life and focus on excellence at work that characterize these nations. In addition, I believe that the experience of working in a multicultural environment and taking advantage of learning opportunities would be enriching aspects for my career. I am excited by the prospect of contributing my experience and learning from the diversity and work efficiency that characterize Europe.”

Source: Leon Talents



3.9. Aspects they consider relevant to migrate professionally to Germany or Austria

The majority of our talents, 52.8%, value balancing a fulfilling job with an attractive location. A further 23.4% prioritize the job role for its learning and professional development opportunities. Working for a notable global company is key for 18.8%, and seeking an improved quality of life is also important for 17.2%. The same percentage, 17.2%, focus on securing competitive compensation. Interestingly, none of the respondents were indifferent to job or location just to settle in Europe. Other factors are of minimal concern, at 1.6%.



Source: Leon Talents

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