# Majority of tech companies relying on upskilling to bridge talent gap: Report

**Our Bureau**
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India's tech companies are increasingly relying on upskilling existing employees to bridge the talent gap, according to the Hiring Trends Report 2023 by Bengaluru-based edtech start-up, Scaler.

Nearly 62 per cent of recruiters are bridging the skill gap through 'quiet hiring', instead of fresh hires, by paying for employees' upskilling programmes.

While 39.3 per cent of recruiters face challenges in finding the right talent for the right job, 71.9 per cent said employee referrals are the best source of new hires.

The survey was conducted among 100 start-ups, product multi-nationals, IT services, and Global Capability Centres (GCC) in the country. The findings are based on interactions with CHROs, talent acquisition heads, CXOs, and founders.

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While 91.02 per cent of recruiters said they were looking for candidates with a problem-solving mindset, 72.02 per cent said they were looking for candidates with data science and algorithm skills.

"Shortage of the right skills for the right job is definitely a growing concern for the tech sector. This has been a challenge for a long while now. But we have every reason to be optimistic about the future, given that employers are looking at upskilling or quiet hiring as the primary means to bridge their internal skills gap, and a majority of them are willing to pick the tab for the same.

"Further, given the ever-changing demand for skills in the sector, it is imperative to build an edtech sector beyond traditional institutions, such as engineering colleges, because upskilling needs can largely be met only by the former," said Abhimanyu Saxena, Co-Founder of Scaler & InterviewBit.

**'CRITICAL YEARS'**
"Another positive outcome we see from trends picked up by Scaler's Hiring Survey 2023 is that this is perhaps the best time to upskill and build the foundation of a promising career in the Indian tech sector.

"With the vast majority of traditional companies looking for tech talent to help them transition and grow in the digital age, the next few years are critical," he added.

**PREFERRED SOURCE**
He further said with employees' referrals the preferred source for new talent, the prospect of building an industry community is both promising and bright.

The report added that less than 16 per cent of recruiters said there was a complete freeze on hiring, 38 per cent said only replacement hiring was on, especially in start-ups, followed by product multinationals, while 76.02 per cent said they were encouraging the hybrid work model in their respective organisations.