

# Paragon

BY RIVIERA PARTNERS

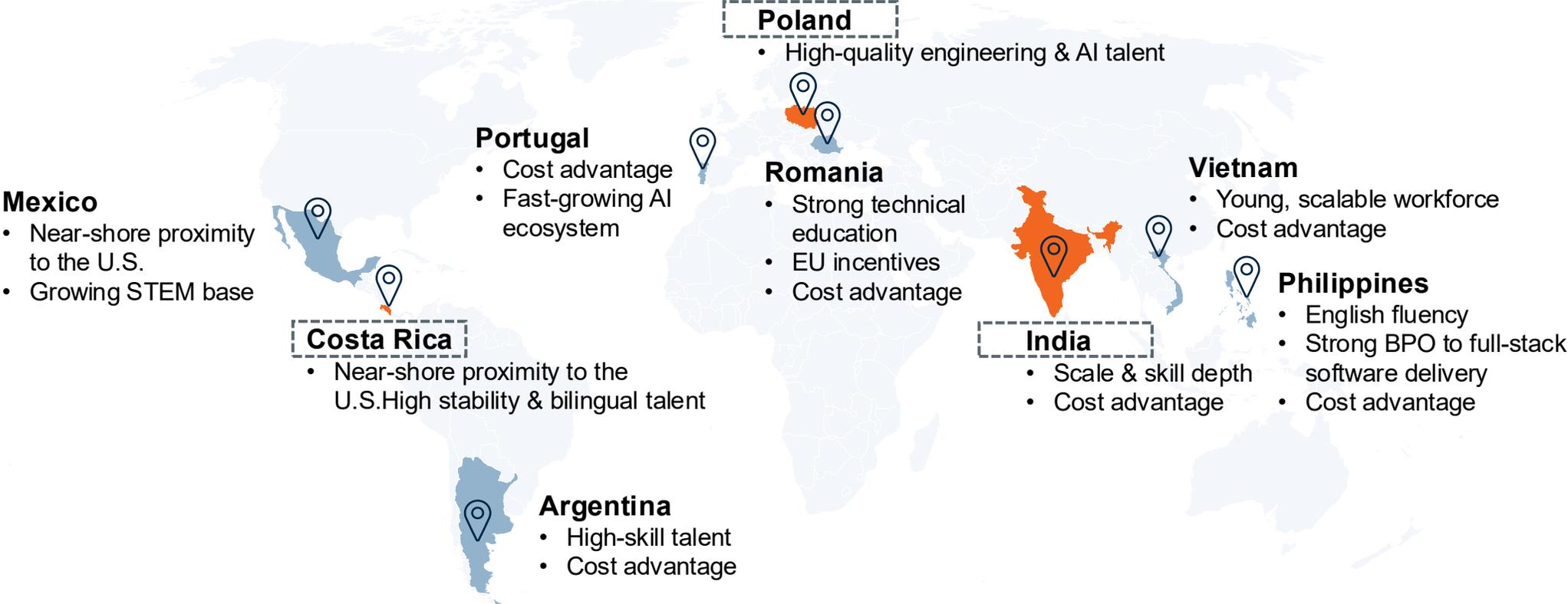
## Offshoring to centers of excellence for tech teams — India, Costa Rica, and Poland

Nov 2025



# Global tech offshoring leaders overview

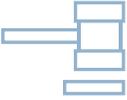
Asia offers cost advantage, Europe offers high quality talent, and Americas offer proximity to the US



Focus Regions

# Executive summary

India leads on scale and cost, Costa Rica on stability and U.S. alignment, Poland on talent quality

	 India	 Costa Rica	 Poland
 <b>Tech Talent Pool Size</b>	1	3	2
 <b>Talent Quality and Retention</b>	3	2	1
 <b>Salary + Office Rent &amp; Fit Out Costs</b>	1	2	3
 <b>Labor Law Flexibility</b>	2	1	3
 <b>Time Zone and Cultural Fit (U.S.)</b>	3	1	2
 <b>Geopolitical Stability</b>	3	1	2

# Talent pool

# Tech talent pools

India offers unparalleled scale across all tech roles (total tech pool is ~200x larger than Costa Rica)

# Professionals by Role (LinkedIn)	India	Costa Rica	Poland
Engineering	~3,583,500	~16,000	~77,500
Product	~160,400	~1,500	~13,500
AI/ML	~52,000	~200	~2,500
Total	~3,796,000	~17,500	~93,500

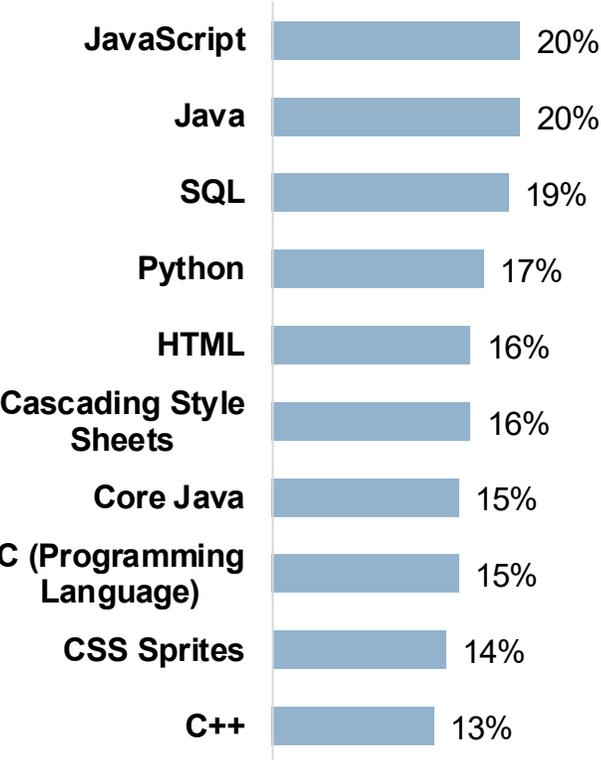
Note: # Professionals are from LinkedIn (as of early Nov 2025). # Professionals in Engineering are people who have Engineering related titles (Engineer/ Software Engineer, Project Engineer, System Engineer/ Developer/ Architect, Design Engineer, Mechanical Engineer, Engineering Specialist/ Manager/ Team Lead/ Director, Software Specialist, Application Engineer/Developer), # Professionals in Product are people who have Product related titles (Product Manager, Product Development, Product Specialist, Product Engineer, UX Designer/ Manager/ Specialist), # Professionals in AI/ML are people who have AI/ML related titles (Researcher, Engineer, Head, Director, Manager, Specialist, Generative AI Engineer); Sources: LinkedIn Insights

# Key skills — Tech talent

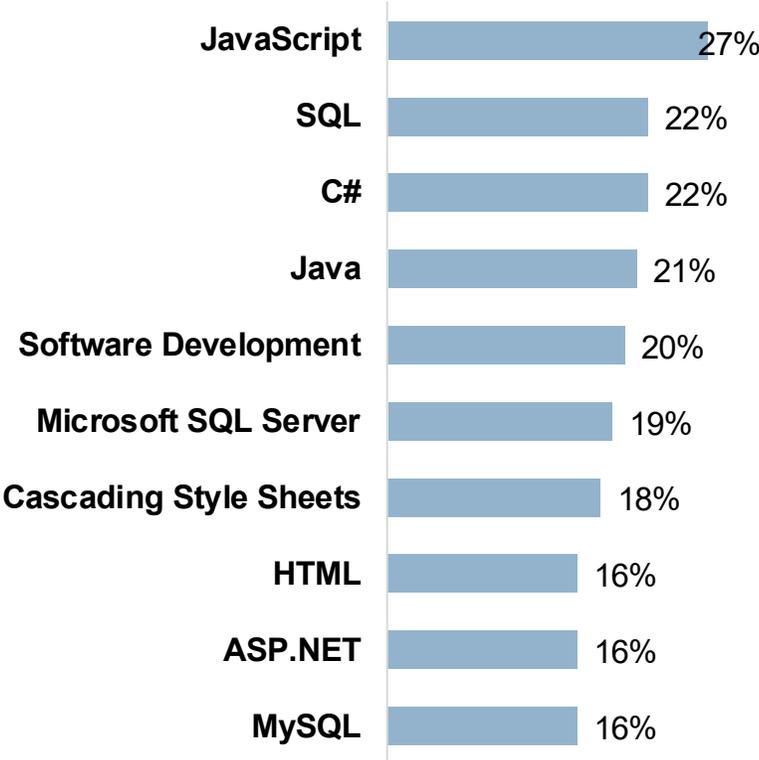
JavaScript, Java, and SQL dominate across markets, while Poland shows stronger DevOps



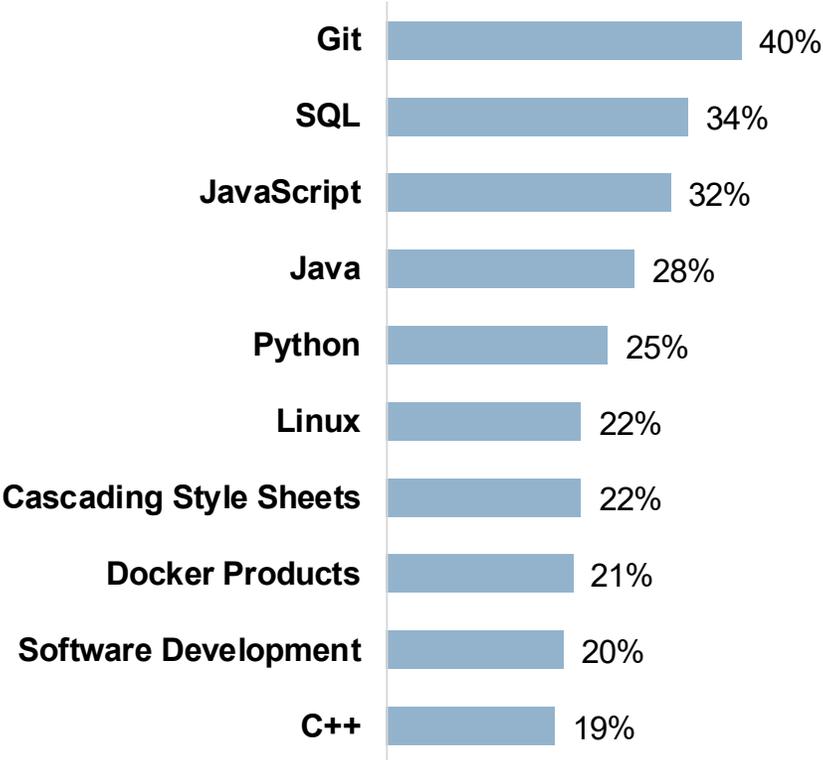
India



Costa Rica



Poland





# India — Key hubs for tech talent

Bengaluru and Hyderabad are core hubs fueling India's next-gen engineering talent



## Bengaluru

- India's premier tech ecosystem, often dubbed the **"Silicon Valley of India"**
- **Deep R&D, startup momentum and a vast engineering talent pool** anchoring both large corporates and disruptive scale-ups



## Hyderabad

- Positioned as "Cyberabad," this city combines major international tech campuses, strong infrastructure and **state-led incentives to attract global capability centers and young engineering talent**



## Pune

- A key growth center for tech, embedded in the Rajiv Gandhi Infotech Park / Hinjawadi corridor, leverages its adjacent academic base and **more affordable cost structure relative to larger metros**



## Chennai

- With its dedicated IT-corridor along Old Mahabalipuram Road (OMR), Chennai blends robust tech park infrastructure with a **strong manufacturing and engineering services base**



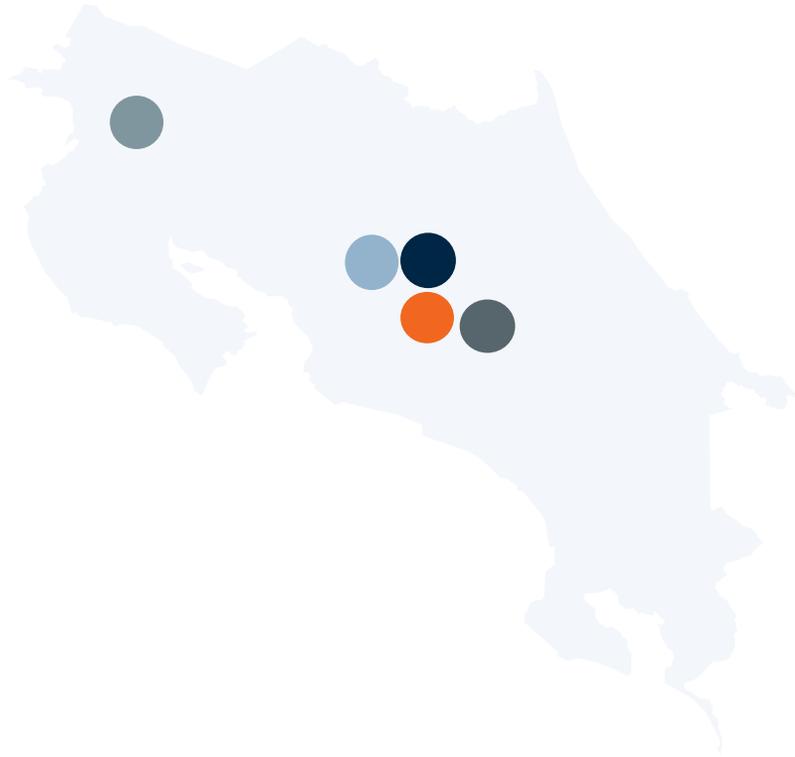
## Mumbai

- As India's financial and business services capital, Mumbai draws a large pool of **digital-tech talent catering to fintech, media-tech segments**, making it a vital node for cross-domain engineers



# Costa Rica — Key hubs for tech talent

They key hubs in Costa Rica optimizes cost, proximity, and capability



## San Jose

- As the national capital and **gateway of Costa Rica's tech ecosystem**, San Jose hosts the **largest pool of software-engineering talent, corporate R&D centers** and a bilingual workforce well-positioned for global delivery



## Heredia

- Located just north of San Jose, Heredia is home to numerous **multinational tech campuses** and ranks among the leading Costa Rican cities for tech-ecosystem strength, positioning it as a regional cluster for high-skilled engineering



## Alajuela

- Positioned within the greater metro area and benefiting from **lower real-estate and operational costs**, Alajuela is emerging as a cost-efficient tech-delivery center with a growing software development talent base



## Cartago

- Cartago is gaining traction as a near-shore engineering hub anchored in **software development and managed-services**, aligning with Costa Rica's shift beyond basic outsourcing into more advanced digital delivery



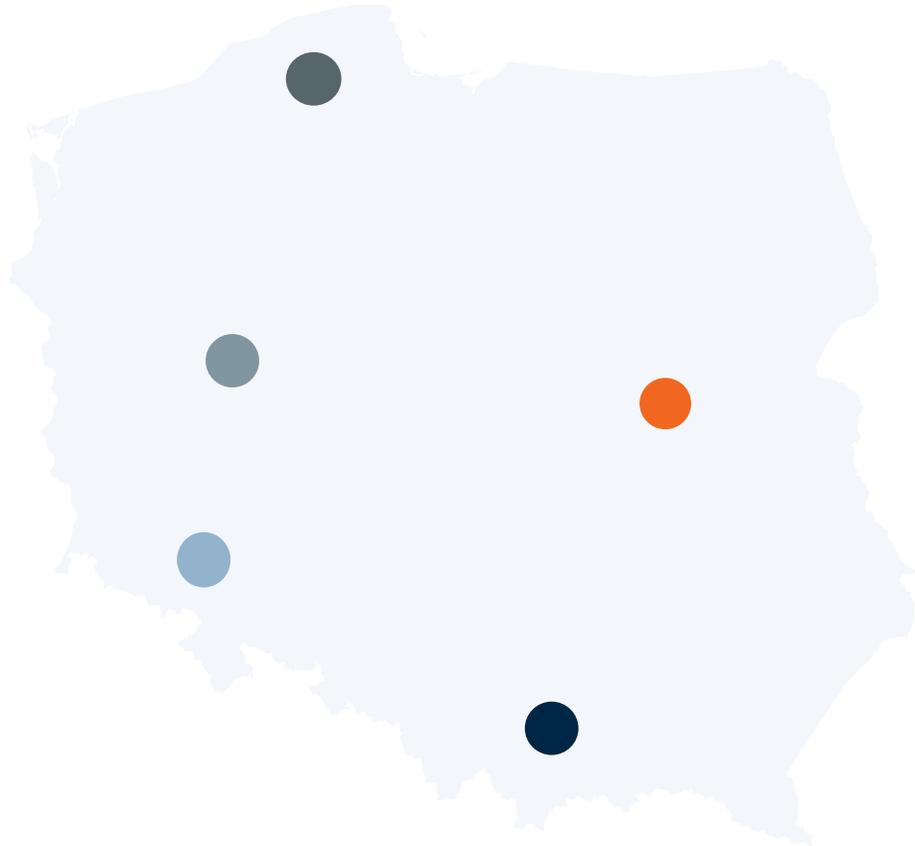
## Liberia

- Liberia is evolving as a secondary tech hub, attracting regional-delivery operations owing to its **international airport access, lifestyle advantage** and a growing bilingual tech workforce



# Poland — Key hubs for tech talent

Warsaw is the tech backbone of Poland; other hubs also play a pivotal role in driving its tech engine



## Warsaw

- Poland's **largest tech ecosystem**, commands ~24% of the nation's tech workforce
- Growth of its **tech startup scene, focus on innovation, and its large pool of software developers** makes Warsaw an attractive location for tech offshoring



## Krakow

- A major **academic & R&D center**, has strong ties to Poland's top universities supplying fresh engineering talent each year



## Wroclaw

- Known as one of Poland's top **development hubs** offering a blend of **cost-efficiency plus quality software engineering capacity**



## Gdansk

- Positioned as an **emerging tech delivery hub** with growing developer communities and proximity to Northern Europe's markets, offering added scale and lifestyle appeal



## Poznan

- A cost-effective alternative metro with **strong academic links** and a **regional tech ecosystem** suited for scalable delivery operations

# Tech talent quality, experience, and retention

Poland leads on talent quality, experience, and retention



India



Costa Rica



Poland

Talent Quality



Offers high **talent quantity** with a top stratum of highly skilled engineers, but the average skill level can be uneven, making **rigorous screening important**



Offers **strong fundamentals, high English fluency and quality**, making up for its smaller scale with reliability and advanced skills



Offers **high-caliber engineers** with strong coding skills and modern tech expertise, albeit in a moderate-sized labor pool

Experienced Talent



India offers an **abundant junior pipeline** and some top-tier senior talent, but companies must compete to attract/retain the seasoned experts



Engineering teams bring **strong U.S. style experience**, bilingual communication skills, and enterprise-grade project exposure, though the overall talent pool remains relatively small



Polish engineers bring **higher experience**, and big-company discipline. Companies are more likely to find seasoned developers in a Polish team

Retention



Average attrition rate in the IT industry in India is ~15%, so companies **should invest in retention programs**. Although talent market is very liquid, if someone leaves, there is a large pool to hire from



Costa Rica has mix statistics for attrition rates (~8-15%). It offers **longer average tenure**, trade-off being the smaller talent pool, so the focus should be on keeping employees satisfied



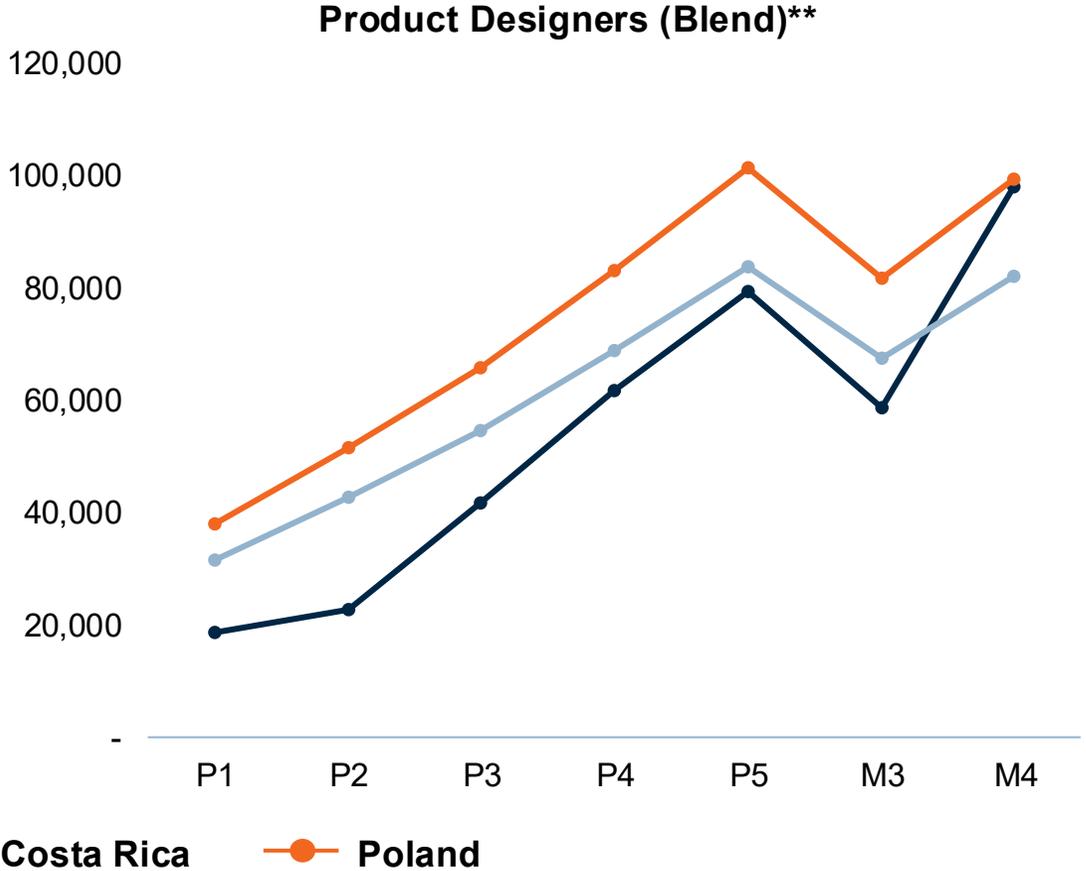
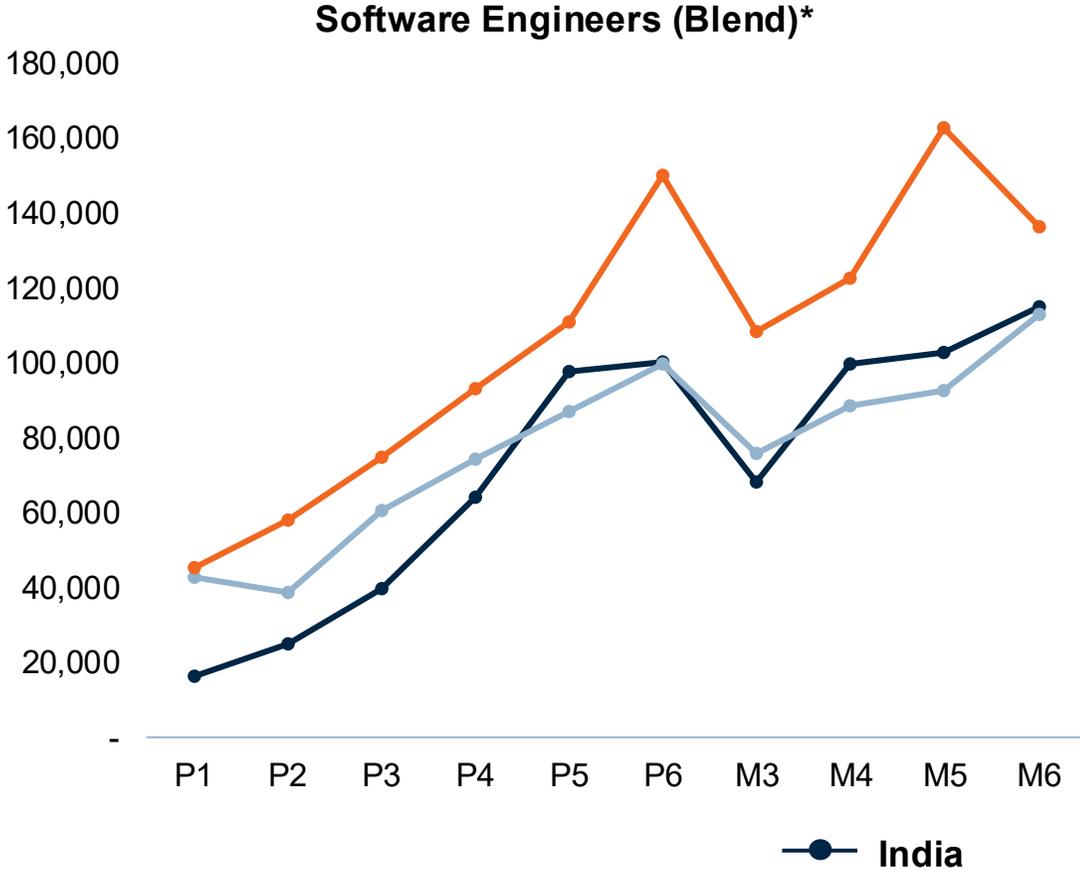
Has **high retention and knowledge continuity**, companies should still ensure career progression and competitive pay to retain top performers



# Cost

# Median annual base salary

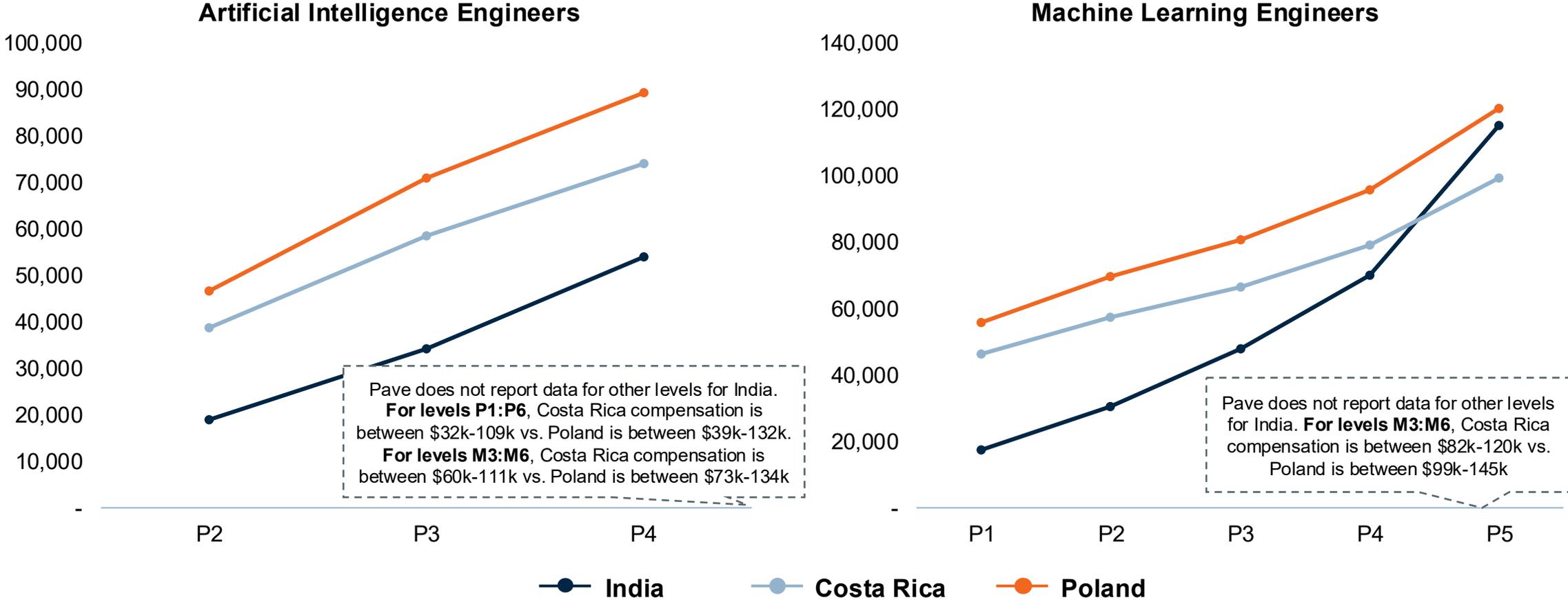
India has lowest base salaries across most levels for Software Engineers and Product Designers



Note: \*Blend of Applications Engineering, Blockchain Engineering, DevOps Engineering, Firmware Engineering, Frontend Engineering, Product Reliability Engineering, Software Engineering (Generalist), Software Product Security Engineering, System Architecture Engineering, Systems Engineering. \*\*Blend of Product Design and UX Research. Levels: P series is Professional Individual Contributor, M series is Management, P1:P6 is Entry Level to Principal Level, M3:M6 is Manager to Senior Director Level. Pave does not report data for levels P6, M5, and M6 for Product Designers (Blend) for India; Sources: Pave

# Median annual base salary

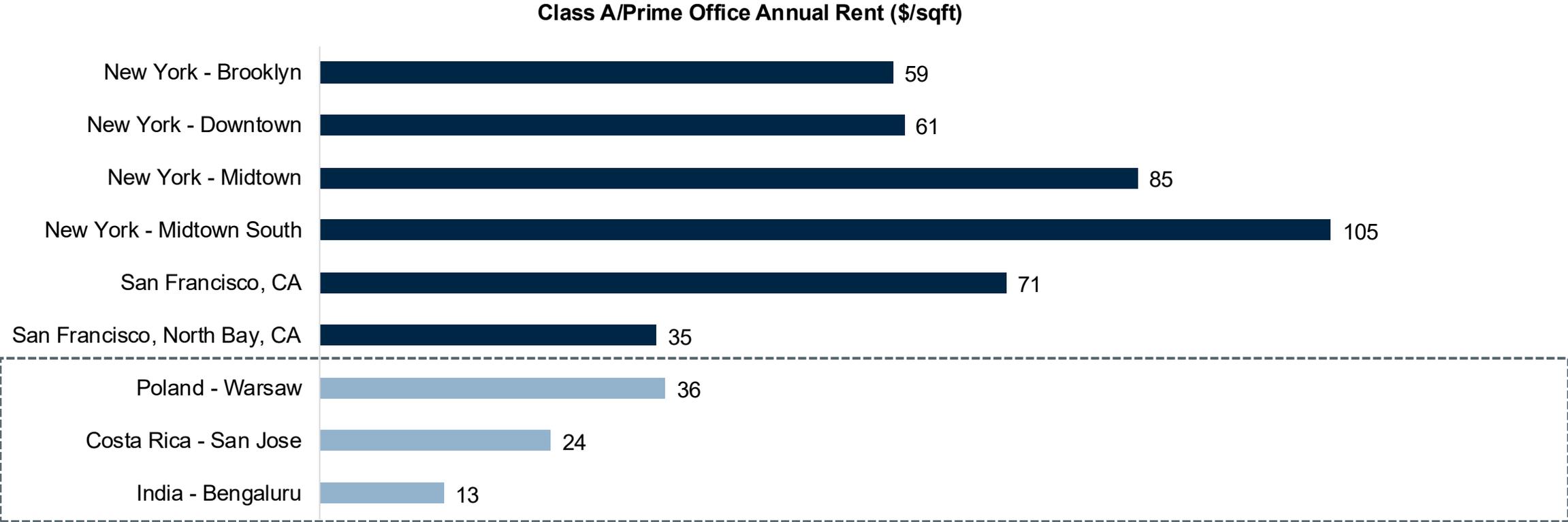
India has lowest base salaries across most levels for AI and ML Engineers



Note: Levels: P series is Professional Individual Contributor, M series is Management, P1:P6 is Entry Level to Principal Level, M3:M6 is Manager to Senior Director Level. Pave does not report data for levels P1, P5, P6, M3:M6 for AI Engineers for India and for levels P6, M3:M6 for ML Engineers for India; Sources: Pave

# Prime office rental costs

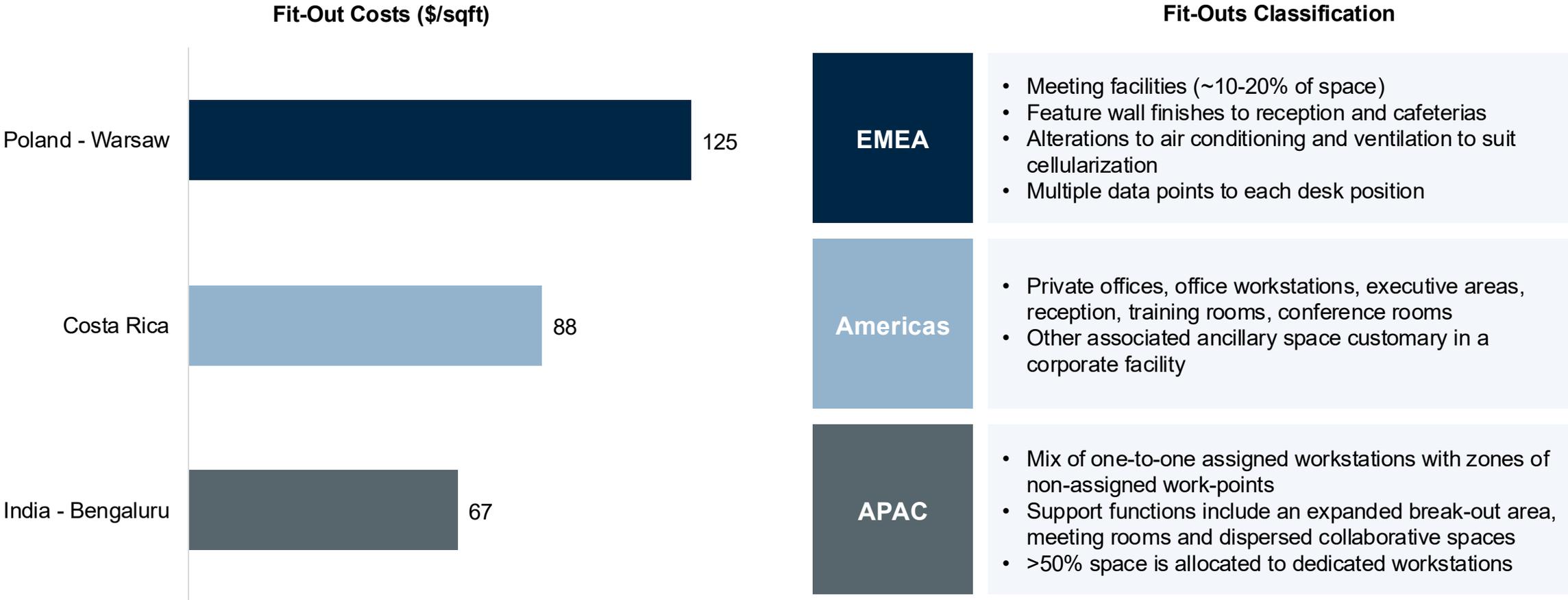
Warsaw (Poland) is ~2.8x pricier than Bengaluru (India), ~1.5x pricier than San Jose (Costa Rica)



Focus Regions

# Fit-out costs

Poland commands premium fit-out costs vs. more economical Costa Rica and India



# Operating environment

# Corporate taxes and incentives

Costa Rica offers the strongest tax holidays while Poland has the lowest corporate tax rate



India

## Corporate Taxes

- Imposes a standard **corporate income tax (CIT) of ~22%** (plus surcharge 10% and health/education cess 4%) for many companies
- For newly set-up **domestic manufacturing companies (and electricity generation)** there is a **concessional rate of 15%** (plus surcharge & cess) under certain conditions
- For **foreign companies, there was a reduction in CIT from 40% to 35%** (effective from 1 April 2024) announced by the government



Costa Rica

- **Imposes a corporate tax of 30% (reduced rates for small companies)**
- Employers pay labor taxes (employers contribute **~26.67% of salaries to social security**)
- In addition to regular monthly wages, employers pay additional compensation, for e.g., mandatory 13th-month pay



Poland

- Imposes a **corporate tax of 19%** for most companies
- Reduced CIT rate: 9% for small taxpayers

## Corporate Incentives

- Eligible start-ups: **deduction of 100% of profits** from an eligible business for three consecutive years out of ten
- SEZs, export businesses, capital expenditure on specified infrastructure: e.g., **100% tax holiday for first 5 years**, then 50% for next 5 years in certain SEZs

- For companies in **Free Trade Zone (FTZ)**, the **corporate tax rate can be reduced to 0% for 8-12 years**, with 15% in the following years

- Since June 2018, Poland's **new PIZ regime replaced Special Economic Zones, allowing income tax exemptions for qualifying investments anywhere in the country**, not just in SEZs

# Employment law and labor flexibility

Costa Rica provides the most employer-friendly labor regimes

Regions	Employment Law and Labor Flexibility
<p>India</p> 	<ul style="list-style-type: none"> <li>• <b>Moderately flexible labor market</b></li> <li>• <b>Termination requires valid cause or adherence to statutory provisions</b> in many cases. Employers must provide proof of reason (performance, misconduct) to justify termination</li> <li>• <b>Legal reforms (e.g., Industrial Relations Code, 2020) aim to increase employer flexibility</b>; for example, raising the threshold for mandatory government approval for layoffs in certain units</li> <li>• India's <b>'labor freedom' score is above the world average</b></li> </ul>
<p>Costa Rica</p> 	<ul style="list-style-type: none"> <li>• <b>Hiring/ Firing is more flexible than other regions</b></li> <li>• Employers <b>can dismiss without cause if they pay severance</b>; otherwise, they must <b>document just cause to avoid severance</b></li> <li>• Severance payouts are scaled by tenure (capped at ~8 years pay) and are required for unjustified terminations</li> <li>• Costa Rica's <b>'labor freedom' score is above the world average</b> (score is higher than India and Poland)</li> </ul>
<p>Poland</p> 	<ul style="list-style-type: none"> <li>• <b>Restrictive labor regime</b></li> <li>• <b>Labor laws are protective</b>, requiring causes for termination, defined notice/severance tiers, and significant procedural obligations. <b>Notice period and severance depend on duration of service</b>: e.g., for non-employee-fault termination, one month remuneration for &lt;2 years service; two months for 2–8 years; three months for &gt;8 years</li> <li>• Poland's <b>'labor freedom' score is above the world average</b> (but score is <b>lower than India and Costa Rica</b>)</li> </ul>

# Strategic advantages & challenges

# Time zone alignment and cultural fit

Costa Rica leads for U.S. collaboration, Poland for Europe, India for scalable but distant offshoring

	Time Zone Alignment (U.S. and Europe)	Cultural Fit	Proximity - Key Markets (U.S. and Europe)
 <b>India</b>	<ul style="list-style-type: none"> <li>Indian Standard Time (IST) is ~9.5 hours ahead of U.S. Eastern Time (EST) and ~12.5 hours ahead of Pacific Time (PST)</li> <li>Overlap with Europe is better: India is ~3.5 hours ahead of CET (and ~4.5 ahead of UK GMT)</li> </ul>	<ul style="list-style-type: none"> <li>High English proficiency in India's tech sector</li> <li>American communication tends to be more direct and task-focused vs. Indian workplace interactions often favor a more relationship-oriented and diplomatic approach to maintain harmony.</li> <li>Deadlines are typically treated as fixed in Western work culture, whereas Indian teams may show greater flexibility with time, often extending work hours as needed to meet goals</li> </ul>	<ul style="list-style-type: none"> <li>Flight connectivity is extensive, all major Indian IT cities offer flights to Europe and the U.S., however, travel time is significant (~14-17+ hours for U.S., ~8-9 hours for Europe)</li> <li>Visa requirements for India are strict</li> <li>Proximity for Europe is a bit better, so European firms might find it slightly easier to coordinate trips</li> <li>Distance and visa requirements mean face-to-face meetings are more deliberate and less frequent</li> </ul>
 <b>Costa Rica</b>	<ul style="list-style-type: none"> <li>Offers high overlap with U.S., sits in Central Standard Time which is mostly 1 hour behind U.S. EST, and 2 hours ahead of PST</li> <li>Overlap with Europe, however, is limited: Costa Rica is ~6-7 hours behind CET</li> <li>Costa Rica allows for real-time collaboration with U.S. teams without late-night meetings or extended wait times for feedback</li> </ul>	<ul style="list-style-type: none"> <li>High cultural compatibility with North America</li> <li>English proficiency is very high in tech sector</li> <li>Culturally, Costa Ricans are known for being friendly, cooperative, and team-oriented.</li> <li>Costa Ricans may have a more relaxed sense of deadlines vs. "always urgent" American pace (the culture prioritizes work-life balance, however, if a timeline is crucial, they will push to meet it)</li> </ul>	<ul style="list-style-type: none"> <li>Nearshore convenience for the U.S., flight times are short: from many U.S. cities it's roughly 3-6 hours to fly to San Jose</li> <li>For Europe, Costa Rica is much farther (~10-11 hours flight)</li> <li>Visa and entry requirements are very welcoming</li> <li>For U.S., short travel time and lack of visa hurdles make in-person collaboration very convenient</li> </ul>
 <b>Poland</b>	<ul style="list-style-type: none"> <li>Poland is 6 hours ahead of U.S. EST (offers partial overlap) and 9 hours ahead of PST</li> <li>Offers seamless time zone alignment for European companies, lies in Central European Time, aligns exactly with Western Europe (CET is used by Germany, France, etc., and is just 1 hour ahead of the UK)</li> </ul>	<ul style="list-style-type: none"> <li>High cultural compatibility with Western norms</li> <li>English proficiency is very high</li> <li>Communication style in Poland is typically direct and transparent (similar culture as America)</li> <li>Polish developers are known for being punctual, reliable, and dedicated (take deadlines seriously and plan to meet them)</li> <li>Work-life balance is valued - a constant "crunch culture" could lead to dissatisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Poland is geographically much closer to Western Europe (~2-3 hours flight) and moderately distant from the U.S. (~9-12 hours)</li> <li>Visa requirements: Poland allows U.S. citizens to enter visa-free for up to 90 days for business or tourism. Polish folks can travel to the U.S. visa-free for short trips as well</li> <li>Poland offers nearshoring benefits for Europe and a semi-nearshore for the U.S</li> </ul>

# Political and macroeconomic landscape

Costa Rica offers the strongest political stability and rule of law

Regions	Geopolitical and Macroeconomic Landscape
<p><b>India</b></p> 	<ul style="list-style-type: none"> <li>• Moderate stability, long-standing elected government ensures continuity. However, high corruption perception indicates governance challenges</li> <li>• The overall rule of law is weak in India. Lower levels of the judiciary suffer from corruption, and the courts have shown signs of increasing politicization</li> <li>• Among fastest-growing economies (~6% annual GDP growth), fueling tech sector expansion. Inflation ~5% - manageable but can spike with food/oil shocks. High public debt (~83% of GDP) and persistent fiscal deficits are key risks</li> <li>• Overall, India faces greater political and geopolitical complexity, its stability is solid but comparatively more uncertain due to regional tensions and internal governance challenges</li> </ul>
<p><b>Costa Rica</b></p> 	<ul style="list-style-type: none"> <li>• High political stability and rule of law</li> <li>• Macroeconomic fundamentals are strong: GDP growth ~5%, expected inflation ~3% (near the central bank's target)</li> <li>• Public debt (60% of GDP) is on a downward trend and rule of law is generally strong</li> <li>• Freedom House notes Costa Rica's "long history of democratic stability... Freedoms of expression and association are robust"</li> </ul>
<p><b>Poland</b></p> 	<ul style="list-style-type: none"> <li>• High Stability (with Polarization): Solid democracy but highly polarized between nationalist (PiS) and liberal camps. Had a government change (2023), from PiS to a pro-EU coalition, reflecting democratic resilience</li> <li>• Rule-of-law issues under PiS damaged judiciary independence and worsened corruption ranking. New government prioritizes restoring institutional norms</li> <li>• After a 2023 slowdown, GDP set to rebound ~3% in 2024–25. Poland's inflation has dropped significantly from its 2022 peak of around 18% to within the National Bank of Poland's (NBP) target range of 1.5% to 3.5%</li> <li>• Fiscal risk is rising, deficits &gt;5% of GDP, defense spending surge, and debt climbing toward 60%+ of GDP</li> <li>• Poland provides a developed-market environment and EU integration, but must navigate geopolitical risks and fiscal slippage, keeping its stability in a moderate range</li> </ul>

# Our recommendation

Choosing the right region depends on what you value the most



## India

Choose if you want **large tech talent pool** and **lower operating costs**



Offers unparalleled scale across tech roles



Offers lowest base salaries across levels for software/ product/ AL/ ML engineers



India's prime office rents are ~0.4-0.5x cheaper than Warsaw (Poland) and San Jose (Costa Rica)



## Costa Rica

Choose if you want **regulatory ease, cultural fit (U.S.),** and **political stability**



Offers strong tax holidays and provides the most employer-friendly labor regimes



Costa Rica leads for U.S. collaboration (high culture fit and nearshore convenience)



Offers the strongest political stability and rule of law



## Poland

Choose if you want **talent quality & high retention,** and **cultural fit (Europe)**



Poland leads on tech talent quality, experience, and retention



Offers lowest corporate tax rate (19%) vs. India and Costa Rica



Leads for Europe collaboration (high culture fit and time-zone overlap)

# Why Paragon?

# Technology driven, transformative solutions

## Consultative Talent Solutions

Compensation Benchmarks	Team Talent Retooling	Talent Acquisition Process	Global Site Strategy	Talent Trends & Analytics
Analyze market data by geography, skill, and level to drive hiring and retention	Strengthen team structure and skills to enhance competitiveness and delivery performance	Optimize hiring processes to increase efficiency, reduce costs, and speed hiring	Advise on global workforce design to balance cost, capability, and location advantage	Use talent data to guide strategy and shape workforce planning

## Recruiting Engagement Models

<b>Large team build outs &amp; transformation</b> Project Defined talent acquisitions at scale	<b>Burst Capacity</b> Retained Delivery Capacity to reduce hiring fluctuations of Talent Teams
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# Paragon — Your global talent partner

From large-scale team build outs to niche IC hiring, the Paragon Team collaborates closely with strategic partners to deliver top technical talent.

## Paragon's Partners

						
<p>Executive Search firm focused on placements in Product, Engineering, Security, IT, and Data / AI / ML</p>	<p>APAC search partner with strong local footprint in Japan, China, Singapore, India, South Korea, and Australia</p>	<p>Temporary and contingency staffing solutions partner, while Paragon builds candidate hiring pipeline</p>	<p>Technical assessment platform to evaluate experienced software engineers through real-world scenarios</p>	<p>Global site strategy partner leveraging proprietary data to identify office locations and accelerate expansions</p>	<p>Market advisor partnering with Tech Leaders to source innovation, refine strategy, and drive early adoption</p>	<p>Advisory firm focused on board governance and leadership transitions across Europe and the U.S</p>

## Paragon's Differentiators

<p><b>Unmatched access</b> Expansive network to engage the best tech talent.</p>	<p><b>Scalable hiring expertise</b> Individual contributors (ics) to mid-level managers.</p>	<p><b>Flexible resources</b> Augment internal ta capacity to achieve hiring goals.</p>	<p><b>Proven process</b> Market mapping &amp; tailored messaging to attract talent.</p>	<p><b>Transformational outcomes</b> Lasting organizational impact through strategic hiring.</p>
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# Paragon

BY RIVIERA PARTNERS

# Thank you!



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