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## Russian Talent Favors Individualism and Merit System

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### Deteriorating Economic Conditions Prompted Changes to Labor Market

Today's labor market situation in Russia is full of uncertainty and slowly sliding down. The 2008 economic downturn did not create mass layoffs or hiring freezes. However, the recession in 2014 caused a decrease in the volume of recruitment among all sectors by 15-25% in comparison with 2013. Companies maintain a wait-and-see attitude for 2015, with plans for moderate recruitment volume and salary growth in the range of 4-6% (annual salary increase in commercial sector has been 8-10% since 2010).

Unemployment rate in Russia as of December 2014 was around 5.3% due to the economic uncertainty. It is hard to forecast the growth for 2015, but the unemployment rate is not expected to increase substantially, as the workforce is shrinking and there is a serious lack of qualified specialists and managers.

The level of employment mobility in Russia is still low. Internal migration has increased during past few years and people are still attracted to main capitals such as Moscow and St. Petersburg. Job hopping is not very common among top managers or highly qualified specialists, while entry level staff and those hired in mass change jobs more frequently. Worsening economic situation spurs employees to stay with their current company while considering new job offers.

We do not expect all the issues in the labor market to be resolved in 2015, but there definitely will be serious changes in the employment structure. The released workforce will leave the industry, gain new skills and explore a new profession. Companies will try to retain valuable specialists, raise a salary, and use interim or temporary employees in order to increase productivity.

HR service providers will survive the competition if they introduce new products and complex solutions, and use advanced tools for candidates search including mobile and online services. The electronic HR data storage and usage systems (for example – Experium software for recruiters) are one of the rapidly developing HR service areas. Automatization of all HR processes is likely to continue growing regardless of difficult economic situation as it contributes to efficiency and productivity. Another trend is the boom of social media resources used by recruiters. It is the fastest growing segment among all search tools.

### **Work Values Vary by Generation**

Talent retention is as significant as talent attraction in the Russian market. Many companies pay particular attention to the generational factor. Most managers belong to generation X (born in mid-1960's to mid-1970's) while their subordinates are Y (born in mid-1970's to the 1990's), although in some cases they qualify for the management position. According to our latest analytical research "Priorities during Job Search", salary remains the main criterion while searching for a job for all generations. However, the new generation also weighs heavily on manager's personality, flexible hours and distance work opportunities (the trend varies by region, economic sector and occupation). Important issues for employers today are employee engagement, loyalty and HR-brand competitiveness.

Cross-cultural communication and international team building skills are becoming vital in international companies. Employers who can provide opportunities to gain experience in different countries may attract valuable human capital.

(Tatiana Baskina)

## A Shift from Personal Connections to Performance-Based Recruitment

Many companies in Russia used to hire through “search for relevance (referral)” strategy. This strategy aims to develop the internal resources of the company and to strengthen the corporate culture. The perfect candidate had to not only meet the job requirements but also share company’s main values and goals, and be able to successfully adapt the socio-cultural environment. However, more companies today use the “new blood (talent from outside their connections)” strategy to keep pace with rapid market changes. Successful candidates are required to have: quick decision-making skills; high-quality services; an ability to propose non-standard solutions for clients; and an ability to develop new methods for business process optimization. In other words, employers look for innovative individuals who can increase the company’s competitiveness.

Management that has adopted the “new blood” hiring strategy does not try to merge the values of new employees with existing corporate culture. Rather, they look for talent who hold other cultural values which can be useful for the company. It may be someone with an international experience, ideas for modern technology implementation to accelerate business processes, or other revolutionary concepts that would change company processes.

## Russians are individualistic

There are many highly qualified managers in Russia and it is quite easy to find them using professional staffing services. However, there is a kind of stereotype about the Japanese corporate culture: that there is not so much freedom to act on your own, and opportunities for independent decision making are very limited.

One should make an allowance for Russia’s historical peculiarities, its culture and social psychology. For example, ambitious and successful Russian managers do not accept specific Japanese tradition of absolute subordination to the seniors. Motivation for Russians comes not only from the success on the group level but also on the individual level. Talented enthusiastic managers do not wish to be just “a cog in the machine”. They want their ideas heard, have a desire for self-fulfillment, wish their experience and personal success will be valuable for the company, and wish to be an important part of company’s development strategy in Russia.  
(Alexey Zelentsov)

### **Tatiana Baskina / Deputy General Manager, Professional Community Affairs, ANCOR**

Tatiana possesses over 18 years of hands-on recruitment and HR consulting experience. She worked for a well-known international FMCG producer, a British executive search company and a leading Russian recruitment provider.

In 1999 Tatiana joined ANCOR, a leading Russian recruitment service provider. Having started as a Search Consultant, she was promoted to the Head of Recruitment, CIS. She has also been working as General Manager of an executive search boutique and HR consultancy. Starting in 2014 Tatiana is the Deputy General Manager of Professional Community Affairs. Tatiana holds a MBA in International Business from Case Western Reserve University, Cleveland, USA

### **Alexey Zelentsov / Deputy General Director, Sales Management, ANCOR**

Alexey started his career in Kelly Services CIS. From 2004-08 he worked as a regional director. From 2008 Alexey worked at an ascendant company as a director and board member, at a digital design company as a vice president, and in a local unitary enterprise "Fuel and Energy Complex of St. Petersburg" as a branch manager.

In 2012 Alexey joined ANCOR Holding as a sales director in the North-West. In 2014 Alexey assumed the position of Deputy General Director in Sales Management.

Alexey graduated from St. Petersburg Electrotechnical University (ETU), Faculty of Automation and Computer Engineering.

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