

Employment: Regional HR Market Review 2013

By [Elena Novoselova](#)

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Elena Novoselova
Head of Regional Development
Coleman Services

In spite of heightened concerns about another recession, the Russian labor market has remained stable in 2013. Recruitment levels have been consistently high. Job-seekers have been raising their expectations of employment conditions and benefits. While Europe saw a drop in recruitment, Russia ranked high among the world's leading countries for hiring rates.

One of the market trends seen in 2013 was a policy of making counter offers and rehiring former employees. While in 2012 making counter offers was a common practice among employers in Moscow and St. Petersburg, in 2013 it has spread throughout Russia. The counter offer situation has clearly demonstrated that the market remains candidate-driven: current employers have to retain key performers, whereas new employers have to outbid their competitors to acquire top talent.

The financial factor is important, but it is not the only one to consider. However, when it comes to negotiating a counter offer, pay increase remains the prime motivation. In order to retain high performers, employers offer them various incentives: training, new projects, career counseling, etc. Counter offers are most often made to specialist and middle manager positions in sales and engineering fields. These are usually the key employees, with unique knowledge and experience in managing crucial projects.

In attracting and retaining employees, the companies have faced yet another challenge. The benefits package has undergone changes in the past two years. While in 2011 the top three benefits included training at the company's expense, voluntary medical insurance and food allowance, in 2013 food allowance has given way to such benefits as partially covered vacation expenses and interest-free loans. Job seekers tend to be less concerned about traditional employee benefits. Nowadays, flexible hours and home based jobs are considered to be the most attractive benefits.

The statistics says that 88 percent of companies repeatedly hire former employees back — the ones who were laid off, or left the company voluntary. Forty-two percent of employers hired the same employee twice, and the majority of those who never resorted to such a practice are not against it (54 percent).

Some employers require candidates to have experience in the company's branches in Russia or abroad. This is, for instance, the case with a client of ours in Yuzhno-Sakhalinsk. The client considers that the professional experience and skills gained within their company cannot be gained elsewhere.

Possibly, the main reason of making counter offers and rehiring former employees is the lack of adequate staff, which has been a problem for several years now.

A lot of companies in different business areas face a severe shortage of personnel. However, a high level of youth unemployment was registered in 2013. Recent graduates undergo difficulties with employment by their education. How could this be? The key issue here is the absence of three-party conversations between the business as an employer for specialists, the educational system, which prepares specialists, and the state, which sets objectives for the educational system. It is obvious that post-secondary and higher education should fit current and future business employer's needs for qualified specialists.

As for trends in recruitment sources and methods, in 2013 it is very popular to use social networks: more and more recruiters use them for work. Training agencies also came under this new tendency influence by implementing additional course focused on using social networks in HR sphere.

Other interesting recruitment trends in 2013:

- Very often recruiters give precedence to Skype or video conferences instead of personal interviews. This method allows them to speed-up selecting process and to extend search area by including more regions.
- In recent times more companies started using emotional quotient tests (EQ test) in order to build a cohesive team.
- Candidates often apply infographics in their resume or creating video CV for improved readability.

What should be expected for the HR market in 2014? According to expert's opinion, the upcoming 2014 remains stable. Employers will follow moderate HR policy without wholesale redundancies or heavy growth of recruitment processes, on condition that there are no any economic fluctuations. Staff shortage, especially of technical employees, will still be affecting companies, and they continue the war for talents.

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