

# Searching for talent

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The global economic decline has changed the job market for middle and top managers as well as for executive search firms – pushing them to look for new ways to meet the needs of their clients. Some middle, or even top, managers have found themselves accepting job offers which they never would have considered in the past. The threat of unemployment has increased the loyalty of employees and executive search firms have needed to adopt their own cost-saving measures and to offer new types of services.

The Slovak Spectator spoke with Igor Šulík, managing partner of Amrop Hever Slovakia, Mariana Turanová, managing partner of Target Executive Search in Slovakia, Dana Blechová, country manager of Iventa Slovakia Management Consulting, Luboš Kováč, managing partner of Lugera & Makler, Lucia Malachovská, consultant of Accord Group ECE, Dalibor Jakuš, director of Profesia, and Marek Chrastina, CEO and sales and marketing manager at Trigon Consulting about the impacts of the economic crisis on the job market for management positions, how executive search companies are responding and the new challenges the firms are facing.

**The Slovak Spectator (TSS): How has the crisis influenced turnover in managerial positions compared with the past? How has it generally affected middle management positions?**

**Igor Šulík (IŠ):** The negative impact of the crisis on total employment is generally well-known. The situation in middle-management positions is similar. We can even call it a trend that ever more middle, and also top, managers are in the labour mar-

ket, having lost their jobs and are having trouble finding an appropriate new position for their skills and knowledge. Depending on their life situations, this can lead them to be ready to make compromises and respond to job offers they had refused one-and-a-half years ago.

On the other hand, some organisations that have been less hit by the global crisis are now trying to use the situation to strengthen their managerial teams. This means going after talented individuals who have landed in an uncertain personal situation.

**Mariana Turanová (MT):** The crisis has stopped 'job tourism' between companies, when managers – even those in high positions – were able to swap employers almost as if intentionally, according to plan, once every year or two. Currently, there are people in the job market who had to leave due to cost-cutting or restructuring. Even managers who would like to change jobs are waiting for the situation to calm down. Generally, people are more loyal; we are hearing 'no' more often than we used to, even to very attractive offers.

**Dana Blechová (DB):** People are generally more careful so even middle-managers more thoughtfully consider any professional change. The voluntary turnover is certainly lower; on the other hand, some managers lost their jobs in organisational changes in case of strong pressure for 'cost-savings' or in some cases others have been promoted to a higher level during organisational changes – restructuring of companies, or mergers. We can also, of course, see so-called 'safer' sectors where employees feel more secure from a long-term point of view, for instance in the energy or pharmaceutical sectors. On the other hand, the automotive sector is considered more risky but even there we can find some exceptions, companies which have stabilised in the last several months or have been hiring a few new people.

**Luboš Kováč (LK):** The changes in the global economy have influenced a cross-section of all positions in company structures. Some companies have adopted in-depth restructuring. They are centralising administration activities to a regional level. Thus, many managers have lost their jobs. At first companies dismissed the most expensive staff, those with low added value in their positions; they suddenly became a burden. Middle management positions are threatened to the same extent as all other jobs in a company's structure.

**Lucia Malachovská (LM):** At Accord Group we have focused especially on searching for top managerial positions in Slovakia through direct contact and recruitment. Since about the beginning of 2009, we have recorded increased concern by top managers in the changes in the job market who are casting around for possible jobs stemming from perceived uncertainty. On the other hand, there is also some cautiousness in decision-making and carefully checking the stability and economic situation of any potential employer.

**Dalibor Jakuš (DJ):** Although it could be expected that the crisis would unmask those inefficient top managers who have so far ridden the wave of growth of the whole Slovak economy, sometimes quite the opposite is true. Mistakes of some managers are now hidden behind the economic crisis and while they previously declared the growth of revenues as their personal success, they now declare the decline to be the impact of external factors that they cannot influence.

In the middle-management area, the impacts are more visible. In many companies, reductions have been made at the leadership level and employees were laid off also at the lower and middle-management level. On the other hand, voluntary turnover has declined and em-

ployees prefer the security and confidence of their current job, and even though they may have some complaints, it is better than the uncertainty that they can encounter with a new job.

**Marek Chrastina (MCH):** The biggest turnover, if it can really be called turnover, is in the engineering and automotive sector. In that sector, however, it is caused by the fact that producers go bankrupt, gradually reduce staff or close plants. If somebody is an engineer to the core, then he/she would never go and do anything else unless forced by existential problems. Other segments, I believe, where professional expertise is not as crucial, are in the same situation as before the crisis.

**TSS: How has the economic crisis influenced executive search companies in Slovakia? Has the crisis brought new ways of finding and recruiting talent? Are there new challenges and positive aspects?**

**IŠ:** According to statistics published by AESC [the Association of Executive Search Consultants], an international organisation, the revenues of executive search companies has fallen year-on-year by about 35 percent. Such a notable reduction in demand represents a grave challenge for the whole segment and its individual representatives. Executive search companies have to solve the dilemma of retaining quality rendered services while working under constant pressure to lower their reward and to speed up the process.

It is a certain acceptable level of flexibility that enables us to provide our services in a guaranteed, professional manner under conditions acceptable for both sides. There are companies which try to solve their dilemma by wandering into the segment of recruitment companies hoping that this will enable them to survive in these times.