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When youth is not enough

Trainee programs can help companies find new talents

BY MARTA ĎURIANOVÁ
Spectator staff

YOUNG people are noted for their enthusiasm, but in the past this quality was often not enough to land them a job if it was not allied with work experience.

Nowadays, however, with the talent pool shrinking and employers competing for future staff, many companies are turning to trainee programs as a way of bringing students or graduates into their ranks. They can be costly and time-consuming, but firms that use trainee programs say they pay off.

VÚB bank, part of the Italian Banca Intesa Group, is one of the few companies in Slovakia that regularly organises trainee programs. The bank started its trainee rotation program for university graduates four years ago. During the six to nine months they spend in the course, the graduates rotate among the key departments of the bank and learn more about what could be their future profession.

"Young people have drive but they often lack experience. This is one of the reasons why we decided to implement the project - we wanted to give them a chance to start building a career, and at the same time to give the bank a chance to educate people it regards as prospects," VÚB spokesperson Alena Walterová told *The Slovak Spectator*.

So far, 64 candidates have joined the program, and in September VÚB accepted another 11 applicants to the training rotation. Interest is growing, the bank says, and access conditions have had to be tightened to emphasize language skills, theoretical knowledge and motivation.

In Slovakia, trainee programs



■ Young people are increasingly realizing that trainee programs can open doors to the working world.

tend to be organized by foreign-owned companies like VÚB that have the resources, the capacities, and the know-how to get the most out of them, HR experts agree.

"Trainee programs are in place at some international companies in Slovakia. It's our impression that hardly any fully Slovak-owned companies have trainee programs," Gerard Koolen, managing partner of Luger & Makler, told *The Slovak Spectator*.

On the Slovak labour market students tend to work part-time at companies as a way of becoming included in the work process and gaining valuable working experience. After they finish their studies, many of these part-timers go on to full employment with the same company.

Reinhold Hofmann, the general manager of HIC Slovakia, also said that trainee programs so far tend to be restricted to large organizations, which are only now starting to organize them.

"One of the reasons [that Slovak firms tend not to hold trainee programs] might be the size of these companies. Those companies in the western world which run trainee programs tend to be large multinational conglomerates. The company needs to have the financial muscle to be able to

absorb the trainees, since they initially do not contribute to the firm's revenues, while because of their qualifications they add a cost. Not many companies in Slovakia can afford that."

Additionally, Hofmann said, the management culture in firms that use trainee programs needs to support knowledge sharing, and not many Slovak companies have such an open management or leadership style.

According to Radomír Mako, managing partner of AJG-Amrop Jenewein Group, trainee programs appeared in Slovakia mainly after the arrival of foreign investors such as Dell to build service and call centres. The majority of these investors use large teams of mainly young people.

Trainee programs are also a typical feature of the financial, consultancy, IT, and manufacturing sectors, where companies invest considerable time, money and energy into developing their human resources.

"We are also seeing Slovak companies which have matured in their field making standard use of this process," Mako said.

A good trainee program should teach participants all about a prospective job, Koolen said, and should include on-the-job training

and work on an important project for the company, such as market research or internal analysis. "A trainee should work at a couple of departments in order to gain an understanding of how a company operates, and to gain some real-life experience."

According to Mariana Turanová, managing consultant for Target Future Slovakia, good training programs should target students or graduates that study the appropriate courses. The candidates should be coached and supervised throughout the training process, she said.

Mako said that companies offering training courses must identify what they want to achieve with the program, and then decide which training programs could help the company achieve these goals. The final step is the selection of candidates.

A trainee program needs to target "next-generation executives", Hofmann said, which means that it should not be easy to get into, and even more difficult to complete successfully. "There should be also assessments to weed out the non-performers. The trainee program needs to be challenging for the trainee, and the practical activities

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Talent war arrives in Central Europe as firms fight turnover

Holding on to employees a matter of ensuring they are successful

BY TOM NICHOLSON
Spectator staff

WITH EVER more firms saying they are having trouble finding workers in Slovakia and other Central European countries, keeping the employees they do have is becoming a major concern.

Frans Hoekman, regional manager for Central and Eastern Europe of the Hudson HR company, says that companies which fail to develop their talent in this part of the world are at risk of losing people they have invested heavily in. Employee retention, he argues, is as big a concern as recruitment itself.

The Slovak Spectator (TSS): How would you compare the labour markets of countries in this part of Europe with those of older EU economies?

Frans Hoekman (FH): All of the markets in Central and Eastern Europe are pretty different. We are active in Romania, Poland, Slovakia, the Czech Republic and Ukraine. In Ukraine the situation is like it was 10 years ago in the Czech Republic. Foreign companies are entering the country, and you have the challenges of an emerging market; the difference is that it's a lot bigger, at 60 million people. Companies entering Ukraine need to find good management, for example, people who can communicate with head offices but who at the same time are locally integrated and can do the business.

On the other hand, the Polish, Czech and Slovak markets are a lot more developed. In Poland, for example, people show much more

initiative in terms of going abroad for work than Czech and Slovak people, who are difficult to move abroad, and will always return to where they come from.

In this region, up until five years ago, if you acquired a company you would have to first deal with the existing situation, find good management, maybe do a reorganization. Now, as these markets mature, incoming firms need to find specialists, such as in Prague where a lot of companies such as DHL now have IT support centres. They support their clients worldwide with their organization, because they have a follow-the-sun kind of approach. They may have a thousand people there, from SAP consultants to operators to project managers and software experts. There are various degrees of difficulty in finding them, which has to do with the absolute presence of IT people, and the labour mobility within that specific market.

Companies like DHL are here for a reason, because having the same kind of centre in the UK is much more expensive, and people are just as hard to find. On the other hand, look at Microsoft - they employ several hundred people from Romania in the US, because they are cheap, they speak languages, and they are well-educated. Likewise, there are lots of people from this region working in the UK and the Netherlands because they are cost-efficient.

So every country still has its specifics, and it's very difficult to speak about Central Europe as a whole. They're all at different stages, and the supply of people varies a great deal.

TSS: But at the same time, companies in this market tend to complain about the same things, such as the availability of skilled labour.

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Knowing when you need help is the key

DIY approach can work if companies follow job search rules

BY MARTA ĎURIANOVÁ
Spectator staff

EVERY employer who has a job opening hopes to find the perfect employee to fill it. With so much on the line in recruitment decisions, particularly higher up in the food chain, do companies get better results by relying on their own search resources, or by using a human resources firm?

HR agencies say there is no general rule for when to do it yourself and when to turn to external HR professionals.

Ingrid Grebecová, executive director of Trenkwalder Management Partners, said companies doing mass recruiting are often better off using an HR agency, many of which "have rich know-how in this area".

She added that an HR agency can also help if a company's HR department is not big enough to perform common recruiting activities or if it needs a specialized service such as a psychological profile of a candidate.

Reinhold Hofmann, general manager of HIC Slovakia, also said that HR agencies are valuable if a company expects many responses from possible candidates and consequently a lot of assessment and selection work.

On the other hand, Gerard Koolen, a managing partner with

Luger & Makler, said that companies should first try to use their own databases of candidates. "Many companies receive spontaneous applications. If I were in their position I would always invite all the applicants myself and see if I could hire people from this source. The moment I found I didn't have suitable people in my own database I would ask an agency for help."

Executive search, in which the targets are candidates to fill top positions in a company, is another ideal area for HR firms. "Here you don't expect candidates to apply, but instead to go after them. The market of executive candidates in a given field is not large, and a good recruiter will know them all," Hofmann told *The Slovak Spectator*.

Newcomers to the market usually use recruitment companies as well, as they tend to need a lot of HR information on salary levels and labour contracts, as well as assistance in the search and selection process. Many foreign companies setting up in Slovakia also need recruitment companies to help them evaluate candidates and avoid mistakes due to cultural differences.

HR agencies are sometimes criticised for following strict recruiting criteria while failing to understand the position that is to be filled. For example, an HR firm might overlook a candidate with long experience in a slightly different field who could be suitable with minimal training.

To avoid this danger, HR companies advocate long-term

relationships and regular contacts with clients.

"Professional consultants are more or less in daily contact, and they always discuss such cases with their clients. We often check on the possibility of employing even a total outsider - someone who does not have relevant professional experience but who is suited to the company's culture. Such candidates very often win the positions," said Mariana Turanová, a managing consultant with Target Future Slovakia.

Hofmann said quality recruiters made fewer mistakes. "I have made some of my best matches for challenging management jobs with people who initially had little functional knowledge because they had a totally different background. For

example, I once had a geologist apply for a management job with an IT network company. I asked him for an interview because his CV was so out of the ordinary that I was just interested to see what he was like. He got the job."

Cooperation with specialists from the IT, finance, sales, engineering and other sectors also helped to eliminate cases of "overlooked" candidates, Koolen said.

"All of our consultants have worked in these fields previously. Furthermore, we regularly use external experts in IT, engineering etc. to teach our consultants the ins and outs. Furthermore, if a consultant works in a specialized field and does hundreds of

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The uncertain future of personnel leasing

Labour Code amendment could slow development of employment form

BY MARTA ĎURIANOVÁ
Spectator staff

PERSONNEL leasing, which allows employers to cover a temporary shortage of employees in certain positions, is becoming an ever more popular form of employment in Slovakia especially with the arrival of new auto industry manufacturers.

However, changes the Slovak government is considering to the current Labour Code could make the labour market less flexible and limit temporary employment, HR experts say.

Barriers to employing people on a part-time or temporary basis were presented by the Fico government in its program statement as a way of strengthening the rights of the employee in Slovakia and supporting full-time employment, with all of the legal rights this status entails.

The Labour Code will be amended "to eliminate discrimination of employees hired by temporary employment agencies by ensuring equal

protection for all employees," the statement reads.

HR firms say that if such changes are made, they could effectively stifle the development of personnel leasing before this form of employment has a chance to reach its zenith.

"There is a question over the amendment to the Labour Code that is being prepared by the new government. If the cabinet makes the Labour Code less flexible it will affect the whole labour market, including personnel leasing," explained Ingrid Grebecová, executive director of Trenkwalder Management Partners, for *The Slovak Spectator*.

The Labour Code was amended only recently by the previous government of Mikuláš Dzurinda to make it easier to hire and fire employees, and its flexibility has been praised both by domestic employers and foreign investors.

However, HR experts are concerned about the latest discussions initiated by the current leftist government and the country's unions to change the rules on fixed-term employment (*na dobu určitú*), and say that personnel leasing and temporary employment are already facts of life in Slovakia.

"Personnel leasing is used often in Slovakia and it is becoming more and more popular.



■ Manufacturing firms are the most frequent employers of temps in Slovakia.

Currently there is no position that cannot be filled by personnel leasing. Our company finds places for many candidates ranging from labourers to administrative employers, IT specialists and financial experts," Grebecová said.

Manpower Slovensko has also noticed that Slovak employers are taking a growing interest in personnel leasing since the beginning of 2006. "This is a clear

sign that this form of employment has potential in Slovakia. We expect the trend towards employment through personnel leasing to grow in the second half of 2006 as well," said Manpower Slovensko country director Boris Lukáč.

According to Lukáč, personnel leasing is a widely used and acknowledged form of employment in Europe that is anchored in national legislation.

"We are closely following the statements of the new cabinet officials on temporary employment," he said.

Personnel leasing gives a company access to special skills that it needs temporarily, not on a long-term or a full-time basis, said Reinhold Hofmann, general manager of HIC Slovakia. "It is usually used for tasks which fall outside of the company's core activities. International companies also use personal leasing to evade head-count issues. The work needs to be done, but they don't have enough people internally, and they are not allowed to hire due to downsizing targets."

According to Gerard Koolen, managing partner of Lugera & Makler, personnel leasing is used mostly in manufacturing and other jobs requiring little initial training.

"Companies with high turnover due to low salaries and/or tough working conditions need personnel leasing very much, as they need a constant inflow of new personnel. However, the advantages of personnel leasing still need to be discovered by the majority of companies [in Slovakia]. Many general managers and HR managers only look at the extra cost - the commission for the agency - on top of the salaries, and have no overview of the direct and

indirect financial savings that personnel leasing offers its customers," Koolen said.

In Slovakia, industry is traditionally the largest user of personnel leasing, contributing 60 percent to demand for the service. However, the services, retail and administration sectors are gradually catching up. According to Manpower Slovensko, the gap with the industrial sphere is narrowing thanks mainly to new foreign investments and the IT field. There has also been a significant increase in demand for personnel leasing from automotive companies due to seasonal variations in their production.

In the older EU countries, between 20 to 40 percent of all employees are now temps or people working through personnel leasing agencies.

Many companies in Slovakia tend to pay their temps less than their regular employees. "In Western Europe it is the other way around. Temps get the same salary, and often a higher salary than the regular employees because the temp is offering his of her labour flexibly and in the short term to the company. For this benefit the company pays a slightly higher salary. This means that the company shares its profits on flexible employment with the temp," Koolen said.

CONSULTANTS: Clients should insist on seeing HR firm search strategies

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interviews with engineers, programmers, software designers, or accountants, he gains in-depth information and would be unlikely to overlook good candidates."

Radomír Mako, a managing partner with Amrop Jenewein Group, said that external consultants should not just wait for contracts but should know his clients' businesses and continually identify possible talents for them.

"This is a key aspect of whether an external consultant can be a benefit. While on-going "mining of the market [for talent]" can be a part of any contract, if a recruiter is a professional a consultant may feel obliged to do this even if the contract does not include it," Mako said.

HR experts say that companies should pay great attention to references when choosing their HR agency.

According to Koolen,

companies should ask several basic questions of potential recruiters: "Show me your recruitment software - if they don't have professional recruitment software, you'd better forget them. Show me your search plan, let me talk to the consultant who will do the search - ask this person what experience they have. Show me your customer list - if they are secretive about it, run away from them."

On the other hand, HR experts say their clients should be prepared for the possible departure of their key manager and maintain a database of possible replacements.

"As a manager responsible for delivering a specific product or service, I would always want some aces up my sleeve. In this way, an unexpected event, such as a key person quitting, would not take me by surprise. However, I believe this is not a corporate HR measure but the responsibility of each manager," Hofmann said.

The rules of the recruiting process

HR professionals say that while each job interview and selection process has specific features, there are certain rules that every well conducted recruitment must observe to be successful:

Reinhold Hofmann, general manager of HIC Slovakia: Take a balanced approach. Invite the "paper tigers" (people who can sell themselves), the "grey mice" (people who cannot sell themselves), and the "exotics" (people who don't fit the picture). Use standard and non-standard selection tools. Remember, the "paper tigers" might already know your assessment tools. They will perform well - you can tick off all the required boxes - but they might only be good at helping themselves, not the customer.

Gerard Koolen, managing partner of Lugera & Makler: The main rule is that the consultant does not judge the candidate but describes the candidate. Judgement involves a subjective

personal view that is only valid for the person who is judging; it has little practical value in a good selection process. Further, the interviewer must feel equal to the candidate (neither superior nor inferior), and must have a completely open attitude without strong expectations. Third, the interviewer must have an unconditional respect for his or her candidates. Fourth, they must have a helpful attitude.

Radomír Mako, managing partner of AJG-Amrop Jenewein Group: When we talk about filling a position the basic rule is to know what we want. This means having a clear profile of the ideal candidate, including responsibilities, professional abilities, prospects, room for negotiation, and flexibility to respond to possible requirements. The selection process should be conducted seriously, should be not too lengthy, and we should use a win-win strategy. We should communicate with all the parties. The job interview should be structured and prepared in advance.

Mariana Turanová, managing consultant of Target Future Slovakia: I'm afraid there's no general recipe. There are various approaches to job interviews. Some agencies and clients have tried and tested questions, verification of references, assessment centres and psychological tests. However, I also know the general director of one international company who accepted three new colleagues after an interview lasting 15 minutes. He relied upon his personal feeling. By the way, after four years the three candidates are still with the company in managerial positions.

Ingrid Grebecová, executive director of Trenkwalder Management Partners: A detailed knowledge of the position and the client's expectations, a structured interview focused on the specifics of the field, a complex picture of each candidate in terms of the position and a more general point of view, the ability to assess the information acquired, as well as an experienced and empathetic recruiter.

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