

HR experts see promise

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THE SLOVAK economy is showing clear signals of recovery and this has been reflected in the labour market and in more business for companies that are active in executive search, personnel audits, consultancy, temporary employment and other fields of human resources. But representatives of firms in this business say the nature of their work has changed from before or during the economic crisis.

The Slovak Spectator spoke with seven executives of HR firms: Igor Šulík, managing partner of Amrop Slovakia consultancy company; Ján Menkyn, founding partner of Menkyn & Partners Management Consulting; Mariana Turanová, managing partner of Target Executive Search in Slovakia; Dana Blechová, country manager of Iventa Slovakia Management Consulting; Luboš Sirota, chairman of the board of directors and CEO of Trenkwalder in Slovakia; Erik Hudák, sales manager of the Slovak arm of Manpower; and Peter Paška from Proact People Slovensko.

The Slovak Spectator (TSS): How do you perceive developments in the current labour market and particularly in the executive search segment? How has the situation changed in comparison with the period before the economic crisis? What do you expect next in the recovery of Slovakia's economy?

Igor Šulík: Consultancy companies are reporting a more significant demand for their services now than during the crisis. Companies have gradually restarted their investments while simultaneously beginning to look for enhancement of their teams, even though it is still not possible to talk about the dynamic movements in the labour market that we witnessed before mid-2009.

Simultaneously, it is necessary to point out that what is expected from job applicants has changed. The ability to act in a changing environment, to face unexpected events, to anticipate and eliminate potential risks - these are some of the evaluation criteria which employers are using to analyse potential candidates for managerial and leadership positions.

In my opinion the human resources and recruiting industry faces two fundamental challenges. The first is the swift arrival of social media and social networks, where information about job applicants is relatively easily available. Thus, the ability to work with these networks in a cor-



Firms are beginning to hire again, say experts. Photo: TASR

rect and ethical way as well as the ability to find also those people who protect their privacy and avoid such media will be of key importance in the success of consultancy companies in finding leaders. The second trend, which I believe will determine the near-term development of personnel consultancy, will be the increasing interest [of clients] in services with a higher added value.

Ján Menkyn: The situation in executive search is different from business sector to business sector. For example, the manufacturing sector was hit hardest by the crisis but here we have registered a spontaneous restart. On the other hand, there are sectors which were less affected by the crisis and changes are happening only now. Here I would put, for example, the pharmaceutical industry, which was actually not hit by the crisis in any significant way but is now reflecting some systemic changes which the health-care sector is facing, as well as development and research. Consequently, we perceive a bigger crisis in the pharmaceutical industry now than during the global crisis.

Mariana Turanová: Developments are favourable for firms active in executive search. Companies are again searching for managers and experts. They are creating new positions which they need to fill with people with specific experience and managerial potential. They are unable to find such people via classical, passive recruitment, such as ads and database search and that is why they need our services. Reports about the planned economic growth as well as concrete investments, for example those announced by Volkswagen and Honeywell, are creating a positive atmosphere.

Dana Blechová: Movement is already visible in the labour market, with previously vacant positions now being filled and some companies taking on new staff. The latter trend we see especially in manufacturing companies as well as in so-called shared service centres. Firms that have orders and sound results are more courageous when making decisions, as well as in making changes.

Executive search is now used especially when changing top managers but also for managers in various divisions. Thus far, companies had been filling managerial positions internally but this was not always the best solution. Companies are gradually ending policies of saving and optimising. They really need the appropriate people and must find replacements at certain positions, something they did not do even before the crisis. They have all learned that economic growth is not a permanent phenomenon and that managers who have occupied their posts for many years without any tangible results must be evaluated more realistically and in some cases must even be replaced. After the crisis companies are looking for optimal solutions. This is why companies are strengthening their local management and replacing expats. We expect that a lot of companies will be looking for the most appropriate people and that will increase demand for the services of executive search companies.

TSS: How would you assess the current interest of companies in Slovakia in personnel leasing? How has the situation changed in comparison with the crisis period?

Luboš Sirota: The situation has radically changed when compared with the crisis period. This is because employers in Slovakia, contrary to western EU countries, were quickly getting rid of agency workers, because cutting labour in this way was cheapest for them. The low flexibility in labour legislation in Slovakia was also responsible for this. However, since mid-2009 this trend has turned around and Slovak companies have begun to take back terminated agency workers. The reason is that during the crisis they realised that this form of employment enabled them to react flexibly to their production situation and the development of orders. As a consequence, the number of agency workers has more than tripled. Currently, within Trenkwalder, the number of leased people working full-time exceeds 3,000.

Peter Paška: During the current time we are register-

ing an increased interest in new workers on the part of our partner companies. Compared with the same period of 2010 our performance has increased by 38 percent. The increase oscillates from some tens up to some hundreds of newly-filled positions, depending on the individual companies. But this reflects especially the current start-up of manufacturing companies, which are returning to full production after a period of reduced orders.

With regards to anticipated developments, we see an increasing interest in qualified workers and experts. This means that companies are welcoming the possibility to get workers who are 'ready'; on the other hand, that does not play in favour of recent graduates who have not yet had the chance to obtain the necessary practical experience.

Erik Hudák: The interest of companies is growing. Moreover, prior to the summer holidays companies are also interested in finding short-term replacements. Compared with the crisis period, the number of leased people is increasing.

To read all the comments made by these and other HR experts, please go to www.spectator.sk.

FOCUS short

Lack of qualified people predicted

IN SPITE of the still-high unemployment rate, the Slovak labour market may face a lack of qualified labour within a short time, the Trenkwalder personnel agency warned in late April. It based its concerns on the long average period - currently exceeding one year - which job seekers spend registered with job offices, the SITA newswire wrote.

Based on data from the Labour, Social Affairs and Family Office (ÚPSVAR), the average period of registration was 13.81 months in March. Compared with the same period of 2010 this represents an increase of almost one month.

The group of people who are gradually losing working habits is expanding, according to Trenkwalder. There is therefore a danger that when Slovakia's economy starts growing in earnest firms will have problems finding suitable employees in spite of the high number of jobless people.

"The bad structure of unemployment in Slovakia will gradually increase the

price of those who already have a job," said Luboš Sirota, from the Slovak arm of Trenkwalder.

ÚPSVAR data confirm the structure of people who are currently without a job.

"The growing economy, after taking up current reserves, will encounter the same problems it faced in the recent past - a lack of appropriate labour," warned Trenkwalder.

Moreover, the local education system is unable to satisfy increased demand for qualified workers by supplying enough quality graduates.

Simultaneously, it is unrealistic to expect the situation to change in the coming months.

"The inflow of new graduates will worsen the situation of those who graduated from schools last year and have not yet found a job," Sirota said, adding that companies will prefer fresh graduates to those who have failed to succeed in the labour market so far.

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