



EXECUTIVE SEARCH



CURRENT HR AND EXECUTIVE SEARCH TRENDS



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EXECUTIVE SEARCH EXPERTS IN EASTERN EUROPE AND THE EMERGING MARKETS

CT Executive Search focuses on filling key positions in Eastern Europe and the emerging markets – in Russia/CIS, Africa, the Middle East and Asia. We are experts in cross-border search processes and identifying high-performing candidates, adding value for international companies.

Leveraging a broad network of analysts and consultants across Eastern Europe and the emerging markets, CT Executive Search has established itself as a reliable partner to well reputed international organizations.



HR MARKET RUSSIA: BASICS

Characteristics

- Generally high level of education;
- Strong technical university education;
- Deficits in skilled worker training / availability of skilled workers;
- Internationally experienced employees are concentrated in a few locations;
- Low workforce mobility;
- Metropolis / "Province" dichotomy;
- Big differences in remuneration levels within Russia;
- Foreign companies are more popular employers than Russian companies (exceptions: Yandex, Gazprom, etc.).

Characteristics

- Employee-friendly labor law;
- Good infrastructure for expatriates in the metropolises;
- Employing foreigners is relatively easy;
- Relatively low wage and ancillary wage costs due to ruble devaluation;
- Low income taxation (13%-15%);
- Performance-related / variable remuneration is common and accepted.

HR Market Figures	
Population (Mln.)	146.7
Workforce (Mln.)	75.4
Unemployment (2021)	4.6%
Inflation (year 2021)	8.1%
Illiteracy rate	0.3%
University rate	30.4%

HR IN RUSSIA: 4 CURRENT TRENDS

Trends



1. Corona: Corona-related restrictions resulted in massive disruptions in the labor market in 2020 and 2021. The pandemic drags on and some restrictions are still in place.

2. Blue-color workforce deficit: The Russian education system does not produce skilled workers in sufficient quality or quantity. The reasons are the low reputation of the vocational training and the focus on theoretical training.

3. Digitalisation: The pandemic was an accelerator for digitization. The importance of ERP and CRM systems as well as video platforms has increased rapidly. The state administration is also becoming increasingly digital.

4. From hierarchical to dynamic: Companies are increasingly dynamic instead of hierarchical/traditional. Dynamic company structures both come with their strengths (faster, more agile, more transparent). The mentality of the workforce, especially in Moscow and St. Petersburg, has long been changing towards more "democratic" styles of cooperation. This trend is reinforced by remote work, which requires employees to be more independent.

HR IN RUSSIA: REMUNERATION TRENDS



1. Managing director (European medium-sized company, capital goods, 20 employees):

600,000 to 800,000 RUB per month + bonus + car + private health insurance

2. CEO (small international group, pharmaceutical company, 300 employees): 1 to 1.4 million RUB + bonus + car + private health insurance

3. Sales Manager (Industrial Goods):

200,000 to 300,000 Rub + bonus + private health insurance

4. HR Director:

200,000 to 300,000 RUB + private health insurance

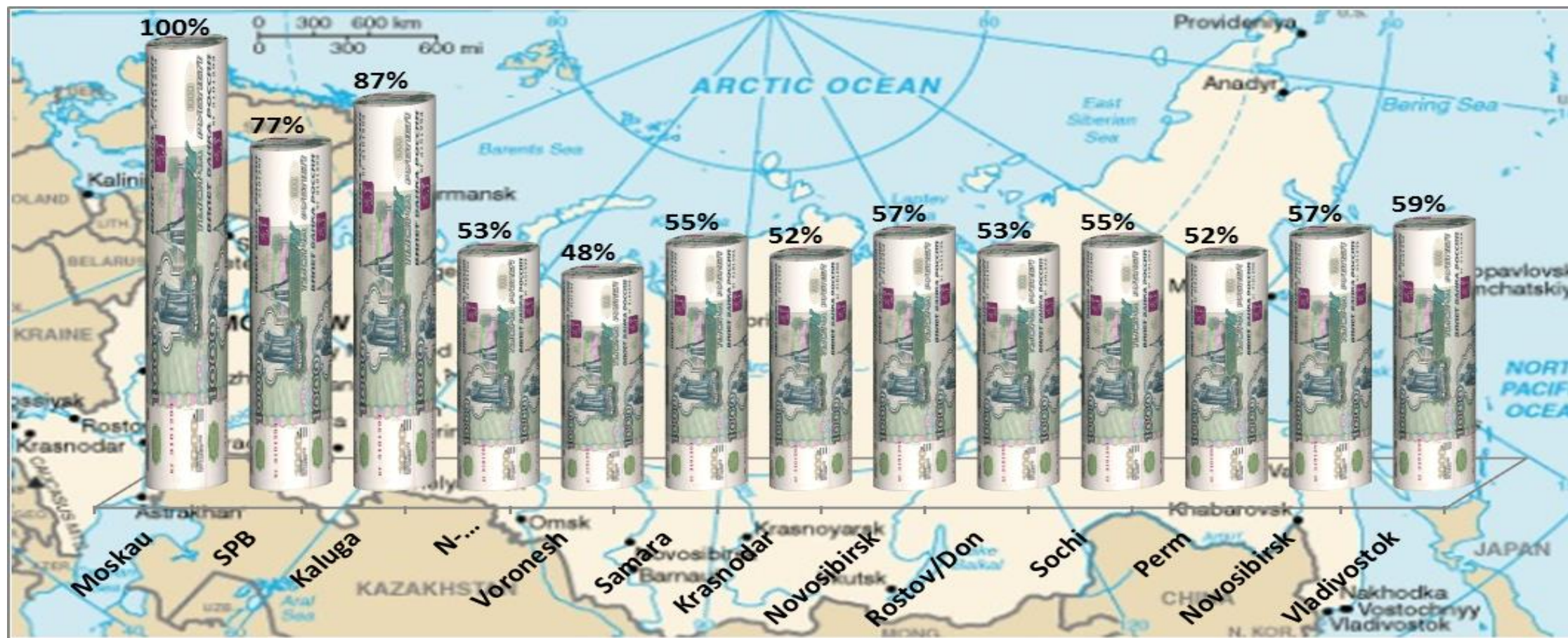
5. Chief accountant:

150,000 to 200,000 RUB + private health insurance

6. Office manager:

100,000 to 150,000 RUB + private health insurance

SALARY DIFFERENCES: „MOSCOW VS. RUSSIA“



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Which candidates are we looking for?

- Positions with reporting line into the European/American HQs;
- Managing Directors, local C level;
- Mostly sales or production background;
- Production often in "remote" locations;
- Candidates must have experience in international companies and know how these operate;
- Managing Director: The key qualification is a “bridge function” between the HQ and the local market.

How to identify the right candidates?

- No job advertisement, but identification of suitable candidates in the market;
- Direct approach (“headhunting”) with our team in Moscow;
- Crucial: Checking the “cultural fit” with an international advisory team;
- Important: motivation / willingness to relocate long-term;
- Important: reference checks;
- Are expats an option?

EXPAT OR RUSSIAN?

Local manager

- Familiar with local legal and cultural framework;
- Good understanding of local customers' needs;
- Potential compliance risks;
- Needs to be able to be “bridge” between local market and HQ;
- Lower associated costs than expat/repatriate.

Expatriate

- Able to bring international best practices to local organization;
- Costly option (“expat packages”);
- Usually no long-term solution;
- Weak understanding of local peculiarities;

Realistic option if:

- A) there is a local management team;
- B) Know-how transfer is planned;
- C) The more „technical“ a role, the more it is suitable for an expat;
- D) bridging function is required;
- E) there is local talent pool to be tapped.



"Local Expat"

- Expat community greatly reduced in pandemic times, but still exists in Moscow and St. Petersburg;
- How well do they know the local market?
- Do they want to stay in Russia for the long term?
- Can they be successful in a purely Russian environment?
- Can be a good option, but always check on a case-by-case basis!

GETTING CONNECTED WITH EMPLOYERS



1. Internet resources

www.headhunter.ru is the monopolist. LinkedIn is blocked.

2. The Big5 executive search firms: they work mainly for S&P500 companies and American corporates.

3. Russian executive search firms

WardHowell and Rosexpert are well connected to Russian companies

4. Mid-sized executive search firms

Work with European corporates

5. Myriad of recruitment companies

They deal with the lion's share of recruitment in Russia, handling entry till mid-management positions in both International and Russian companies

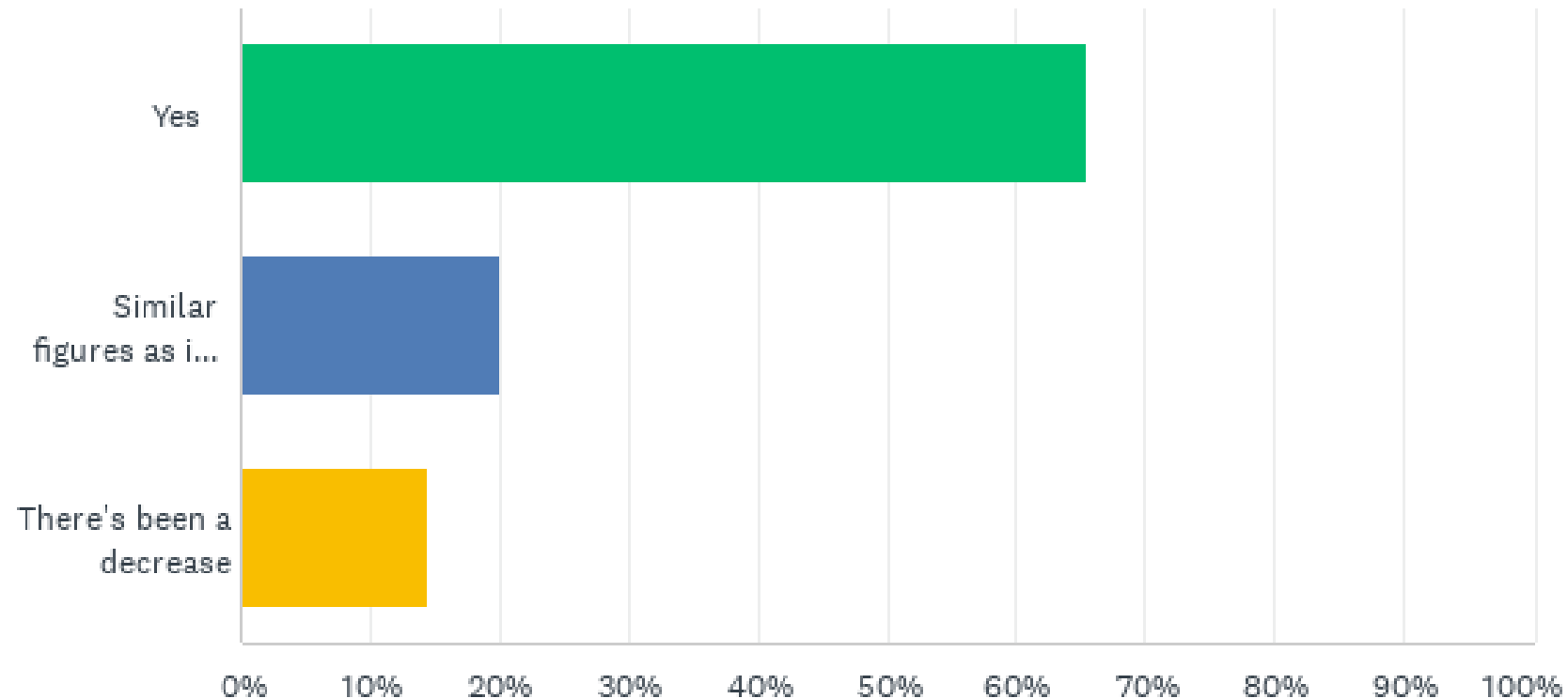
SURVEY STATS



- Majority of the respondents are based in Russia: 81.82%.
- Nearly 60% of the respondents are either Directors, Managing Directors/Heads of Representative Offices or CEOs.
- 110+ respondents.
- Survey period: late October/early November 2021.

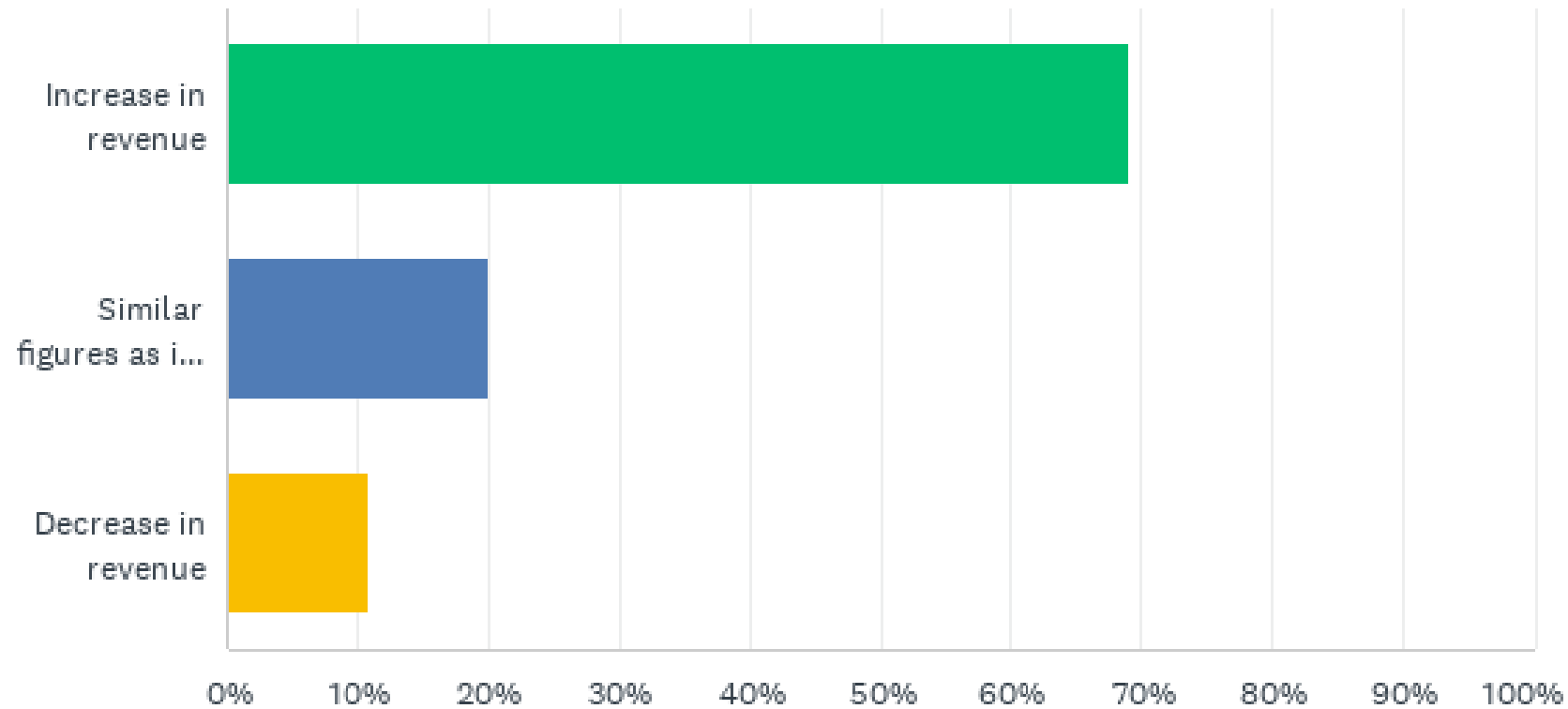
JOINT CCBLR AND CT EXECUTIVE SEARCH RUSSIA HR SURVEY

Has there been an increase in your company's revenue in comparison to 2020?



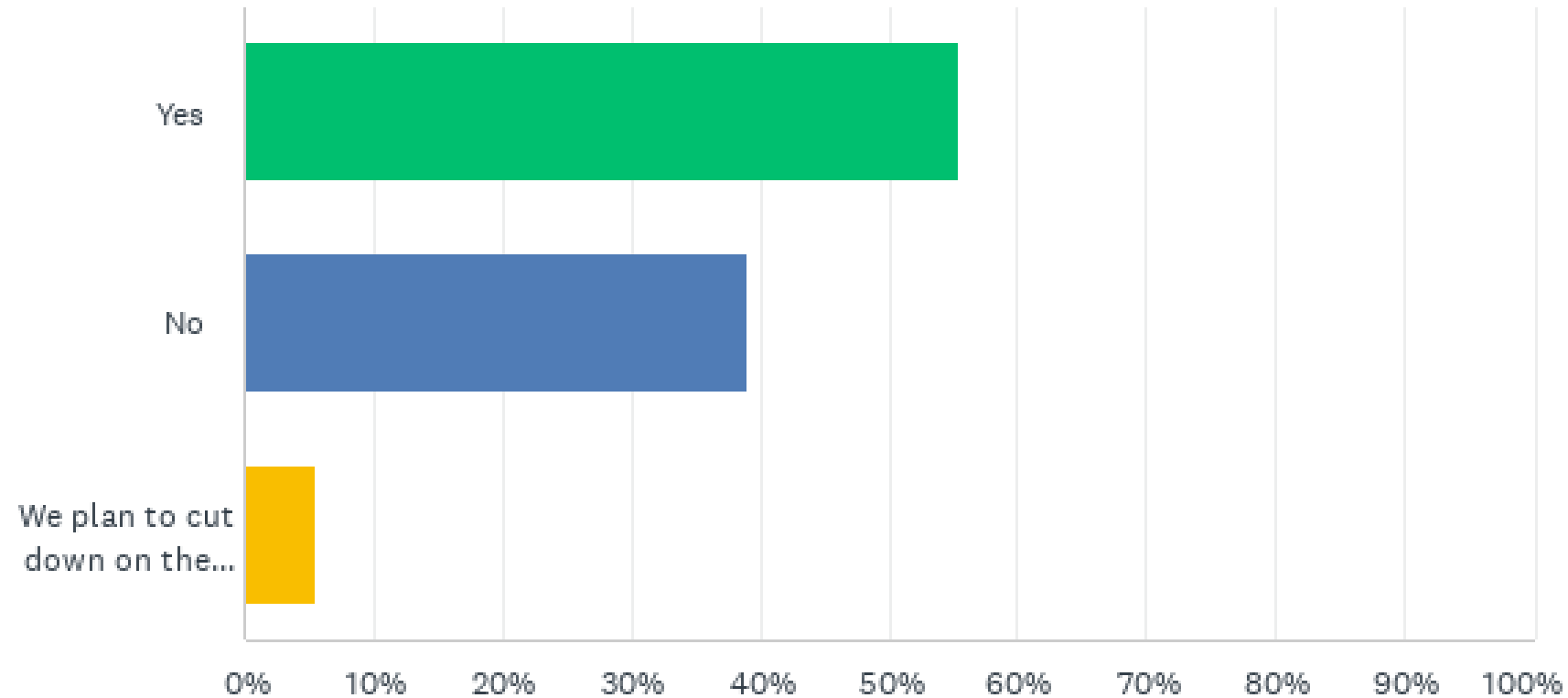
JOINT CCBLR AND CT EXECUTIVE SEARCH RUSSIA HR SURVEY

What's your company's revenue forecast for 2022?



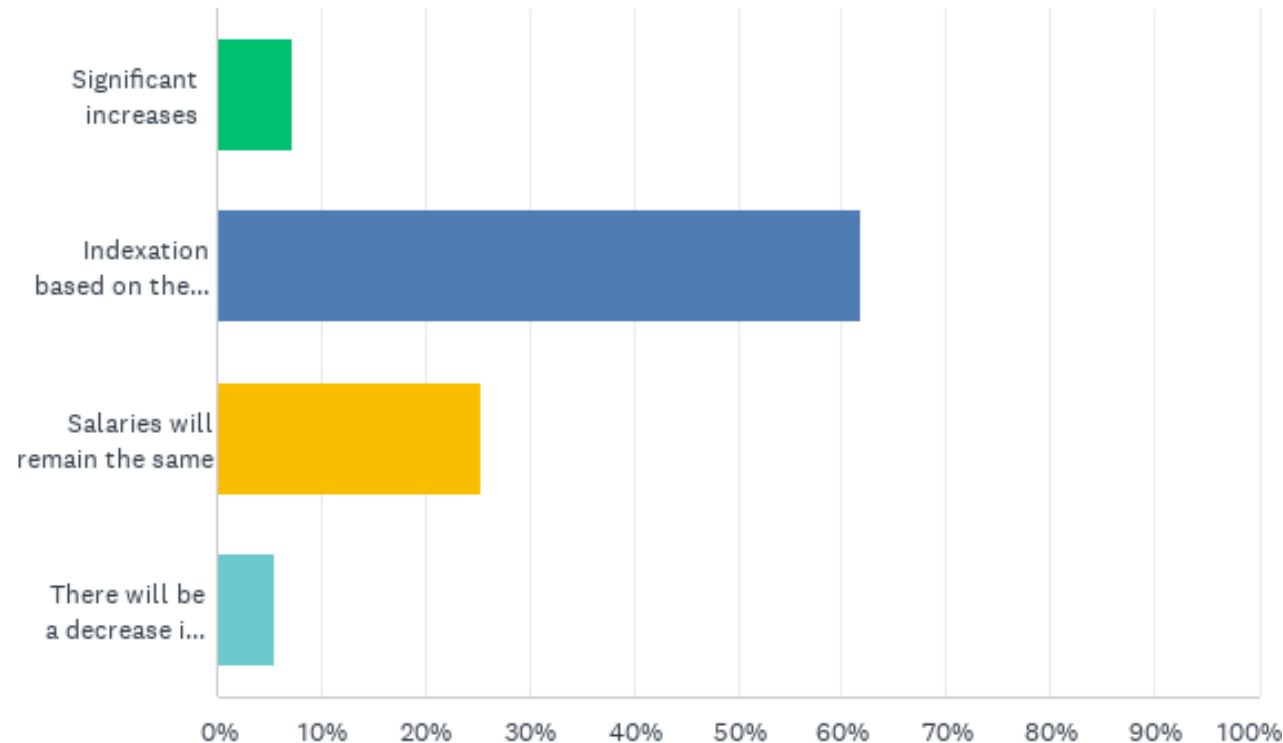
JOINT CCBLR AND CT EXECUTIVE SEARCH RUSSIA HR SURVEY

Will you be hiring more people in 2022?



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What salary development do you expect for the Russian workforce in 2022





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Спасибо за внимание!

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