

EXECUTIVE SEARCH



HR UPDATE: CENTRAL ASIA



November 30, 2022

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 the successor states of the Soviet Union, 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 KAZAKHSTAN: WHAT IS DIFFERENT

Characteristics

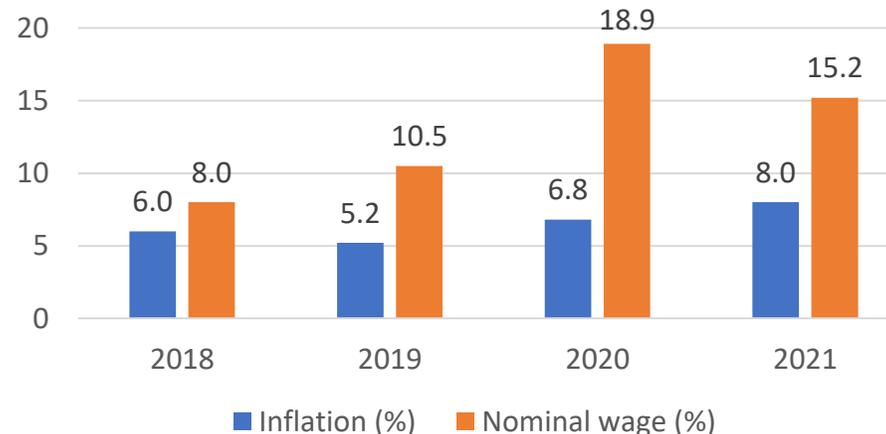
- **Salary differences within the country** (higher salaries in Almaty and Astana as well as in the oil areas, lower in “the countryside”)
- Employee-friendly **labor law**
- High **salary levels** for executives in international companies, low in the blue-collar sector
- Low taxation of income (10%) and low ancillary wage costs (approx. 12-15% to be borne by the employer)
- Highly qualified talent is **concentrated** in few locations
- Mobility within the **Eurasian Economic Union**: Russian citizens can be easily recruited

Characteristics

- **Limited pool of "ready-made" specialists**, companies need to invest in training and further education
- **German companies** popular as employers

Labour market figures (GTAI)

Population (Mil.)	18.6
Unemployment rate	6.5%
Average salary 2021 (euro)	510



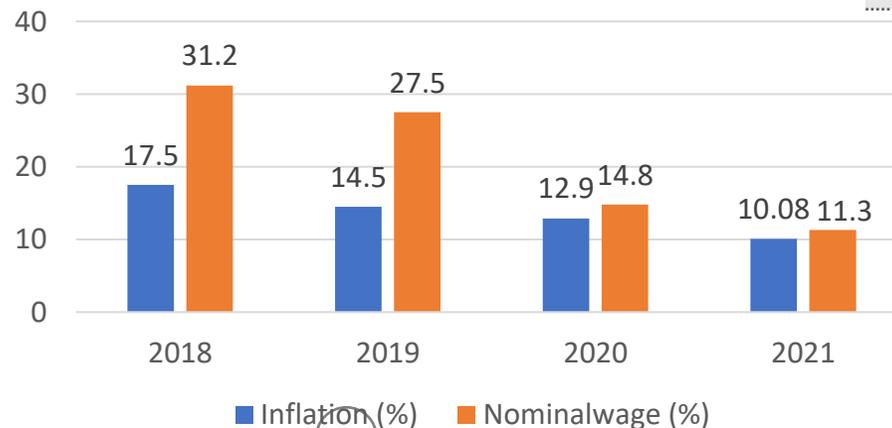
HR MARKET UZBEKISTAN: WHAT IS DIFFERENT

Characteristics

- **Only half** of the population lives in cities, almost half of the labor force works in the informal sector
- 1.8 million Uzbeks live abroad as **migrant workers**, mainly in Russia and Kazakhstan
- Government reforms and investments in **vocational training**, but still room for improvement in quality and quantity
- **Relatively high salary levels** for executives in international companies

Characteristics

- **Low ancillary wage costs** with an employer contribution of 12% and income tax at the same rate
- Employment of **foreigners** is possible
- Uzbekistan is now popular among **Russian candidates**



Labour market figures (GTAI)

Population (Mil.)	34.6
Labour force (Mil.)	19.1
Unemployment rate	10.5%
Average salary 2021 (Euro)	283

2022: 5 TRENDS IN THE REGION

Trend 1: Central Asia is now a popular location for **Russian specialists and executives**, who can now be hire locally or more easily be persuaded to relocate.

Trend 3: Employers need to invest more in the **education and training** of workers ---) 'ready' workers are often not available.

Trend 5: **Expats** with experience in Russia are also available for assignments in Kazakhstan and Uzbekistan.

Trend 2: Foreign companies are increasingly serving Central Asia from the **HQs**, instead of managing it from Moscow --) greater awareness of market potential.

Trend 4: The growing interest of foreign companies leads to stronger **competition** for qualified employees in Kazakhstan and Uzbekistan.



EXECUTIVE SEARCH IN CENTRAL ASIA

What kind of candidates are our clients looking for?

- Positions reporting to the German HQs (managing directors, local C-level) or to regional hub in UAE or Russia
- Mostly profiles from the areas of sales, production, finance
- Candidates must have many years of experience in international companies
- Managing directors must be able to fill the bridging function between the local market and the international corporate structure

How are the right executives found?

- No job advertisement, but targeted identification by our regional research team in Moscow
- First search in the target country, then internationally
- Important: cultural fit
- Make the position attractive (remuneration & benefits / long-term perspectives)
- Important: background checks

**Example project:
Regional Hub Leader, Almaty**

EXPAT OR LOCAL MANAGER?



Local manager

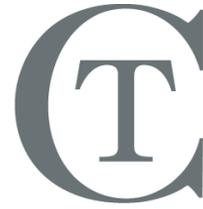
- Knows the local cultural and legal conditions
- Is familiar with customer needs and speaks their language
- Compliance awareness?
- Acting as “cultural bridge” possible?
- Cost advantage compared to expatriates

German expatriate

- Can bring “international best practices” into the country
- Relatively expensive (“expat packages”)
- Usually not a permanent solution
- Possibly unfamiliar with local conditions
- **Popular: Russian or German “local expat”**

Can be an option if:

- a) There is a local management team
- b) Know-how transfer should take place
- c) The more technical a role, the more suitable an expat is
- d) The bridging function is crucial
- e) There are no local candidates



EXECUTIVE SEARCH



Thank you for your interest!

Christian Tegethoff

CT Executive Search GmbH

Oranienburger Str. 22 / 10178 Berlin

Tel: +49 30 2408 3401

christian.tegethoff@ct-executive.com