

Market overview

Personnel attraction 2010

(internal and external personnel selection, outsourcing, advertisement in internet)

Compared to 2008, companies used the services of personnel selection companies for search of different level employees rather slowly. Recruitment companies experienced a rapid decrease in the demand already in the second half of 2008, when due to the difficult financial conditions and lack of free labour force many employers refused from personnel selection services, conducting personnel selection on their own. The lowest point in the recruitment business was observed in spring 2009. Already at the end of the year the number of job offers stabilized and in separate export oriented industries a slight increase in demand of employees was observed.

The services of personnel selection were used mainly by the companies with foreign capital and manufacturing companies during 2009. Reacting to the low demand, the providers of personnel selection services considerably reduced the prices for selection, in the last year they have decreased by 30-40% on average

The value of real professionals only increases in the labour market.

The increase in the activity of executive recruitment market continues, which started already in the autumn of 2008. More and more executive search projects are conducted in the level of Baltics with search of the most appropriate candidates in all 3 countries.

The most demanded are specialists and managers in the fields of sales, marketing, then IT and finance spheres. In addition, the requirements with respect to the demand and competences of the candidates have

grown. People are searched who will be capable of working successfully during the changing economic conditions with significantly reduced resources and more demanding consumers.

Good sellers are needed.

The demand for sales specialists has always been large, but currently in these positions it is difficult to find a good employee as in "fat" years, when the activity of the consumers was high already. The time, when "during the storm even turkeys are flying" has finished, now active sellers are needed, who can attract, understand the desires and needs of the clients, adjusting them to their offers. At the same time demand for sellers with specific knowledge, who have obtained education in some different sectors can be noticed.

	2009	2008	2007	2006	TOP Personnel selection consulting companies	
1	4	3	2		Amrop / Executive Search Baltics	▲
2	3	2	-		CVO Recruitment Latvia	▲
3	7	10	-		Pedersen & Partners	▲
4	2	5	5		AIMS International Latvia (Fontes grupa)	▼
5	9	14	-		Talentor Latvia	▲
6	8	11	8		Eiro Personāls	▲
7	1	1	1		WorkingDay Latvia	▼
8	5	4	3		Ariko ReServ	▼
9	12	8	9		Mercuri Urval	▲
10	11	13	-		I-Work Latvia	▲

The number of applicants to the vacancies has dropped.

The highest activity of the employees in the labour market was observed in the beginning of 2009, which declined during the year. With the thaw in economy, the search for employees begins. At the same time the decline in the activity of the job searchers is observed, especially for the specialists' vacancies.

The most demanded job category among the job searchers is administrative and assisting jobs, the sectors hit by crisis (construction, real estate, etc.), as well as all those positions, where are no high requirements. The number of applications for such vacancies still can be measured in hundreds.

Still difficult to find a candidate complying with requirements.

The current job searchers are mainly unemployed ones, who after the evaluation of the employers have appeared less perspective and were fired as the first ones. Such candidates, who are working and attended actively job interviews in the previous years and

were ready to being headhunted to another company for a higher compensation, have become considerably less. Today people put forward stability, career development and an effective realization of their competences and experience as their priority. The positions with which the personnel selection companies are asked to deal are those, for which it is difficult to find candidates by the employers themselves, due to lack of the respective specialists.

2009	2008	2007	TOP Personnel search in internet service providing companies
1	1	1	www.cv.lv ▶
2	-	-	www.cvmarket.lv ▲
3	2	3	www.e-darbs.lv ▼
4	3	4	www.workingday.lv ▼
5	4	-	www.manpower.lv ▼

Rapid fall in compensation level in 2009.

The employers reduce the fixed salaries, emphasizing or offering just the variable part of the compensation. More often appear applications of highly qualified specialists to lower level positions. Nevertheless, as the recruitment specialists point out, the employer willing to attract really talented specialists has to take care of adequate remuneration also now, and as the practice shows, the compensations of the higher level employees have been maintained in the level as in 2008.

Rules are set by the employers.

Today's employers not only set high requirements for the candidates, looking for "universal warriors" for minimal payment, but also more often dare to ask illegal and discriminatory questions during the job interviews. In addition to formal assessment channels, frequently the candidate assessment is done with the help of social networks. The most demanded competences in the labour market currently are good presentation and argumentation skills, as well as sales skills. With an increase in the interest of the global companies about the establishment of outsourcing centers in Latvia, employees with good English and other European and Scandinavian languages are looked for.

The demand for specific skills necessary for production becomes topical. From candidates not only a desire and capability to work is expected, but also a capability to see opportunities, step out of box and accustomed things to reach new goals.

As several participants of the recruitment market indicated, in the situation, when the unemployed would have to assess their position adequately and the compatibility with the

demand of the labour market looking actively for possible advancement scenarios of their knowledge and skills, the job seekers avoid that. “One of the biggest paradoxes characterizing the current labour market in Latvia is the surprisingly large number of unemployed, who do not want to work, cannot and are not ready”, concludes CVO recruitment Latvia manager Jūlija Artjuhova.

The interest of the employers in employees’ outsourcing services has increased.

If traditionally this service was used by the foreign companies’ affiliates, then now it has become topical also for local companies, for which it is essential to increase the mobility of the organizations and be elastic in decision making and execution process.

The companies more often use short term outsourcing (2-3 months) possibilities. Similarly as with recruitment services, also the outsourcing services’ costs have declined – on average by 25%. As the providers of employees outsourcing indicate, for this service to give additional value for employees and employers, it is important to determine the status of the outsourced employee, as well as this type of employment has to be defined in Employment Legislation of Latvia.

2009	2008	2007	2006	TOP Personnel outsourcing service providing companies
1	2	2	-	Simplika ▲
2	3	3	-	Manpower Latvia ▲
3	4	4	3	WorkingDay Latvia ▲
4	5	5	2	Medicīnas Biznesa Akadēmija ▲
5	-	-	-	Eiro Personāls ▲

Overall, the future outlook of the personnel selection companies is positive. After unconsidered dismissals, the employers feel lack of resources, therefore the demand after new employees will increase. If up till now the candidates, evaluating new job offers were very cautious, then with the start of economic upturn, the interest in career development and more effective realization of personal competences and experience will increase again.

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