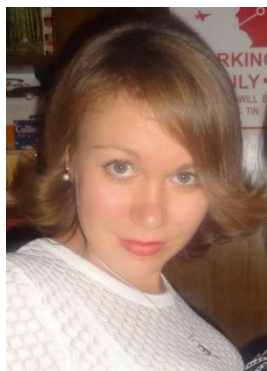


STUDY OF QUANTITATIVE AND QUALITATIVE DEVELOPMENT OF BUSINESS RECRUITING IN YEKATERINBURG



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Abstract: This article contains analysis of a condition of the recruiting business in the city of Ekaterinburg by the number of recruiting companies and the quality of services. An author presents results of the research, conducted by the method of telephone survey and research of information in the Internet - the actual situation that shows which registered agencies really operate and have valid contact information and website. Based on the information provided on the site "Delovoi Kvartal" on the annual ranking of recruitment agencies of the city, the authors analyzed the dynamics of the main quantitative indicators of the leading agencies activity at the market of business recruiting. The following describes the results of sociological study conducted by the method of content analysis, which identifies satisfaction of the seekers with recruitment agencies in the quality of their work. Authors revealed the causes of some of the negative trends and market development prospects of recruiting services in the city.

Keywords: recruitment; recruitment agency; staff selection; recruiting services market.

JEL codes: J23; J64; J69.

Introduction

Recruitment has always been one of the main tasks of the personnel management system. Quite often in the Russian media, as well as online resources the concept of "personnel search" and "recruiting" are equated, giving them a single pattern and specificity [1].

There are several approaches for determination of recruiting. In our opinion, the recruitment in the broad and narrow sense should be marked out. In the first case, we are talking about recruiting as a type of activity. Kartashov S.A., Odegova Y.G. and Kokoreva I.A. present the most precise definition of recruiting as an activity: "recruitment is an effort to create conditions for filling vacancies at the company-customer (the employer), under the qualitative characteristics corresponding to customer requirements" [3, p. 9].

In the narrow sense, recruitment is referred to as segment of the labor market and technology of personnel selection, which is used not only by agencies, but also by enterprises. The most comprehensive definition of marketing in the narrow sense is presented by Kupriyanov A.N., who refers to it as, on the one hand, the infrastructure segment of the labor market presented by private recruitment agencies, acting as an intermediary between employers and job seekers; and on the other - technology of staff recruitment from external sources through the active involvement of potential candidates to meet the needs of employers for workers through private recruitment agencies and independent organizations [4, p.7].

The relevance of market research of recruitment services, similar to those performed abroad, for example, [10, 11, 12], lies in the fact that due to the increasing number of recruitment agencies the risk of recourse to the agencies that are not competent in the matter of recruitment is increasing, because, so far, the fate of the company lies in the hands of personnel, often recruited by outside forces, not by the company itself.

The purpose of the research conducted by the authors was in studying of the actual situation, the dynamics of quantitative and qualitative indicators of market development of recruitment services in Ekaterinburg.

1. Analysis of the quantitative development of the market of recruitment services

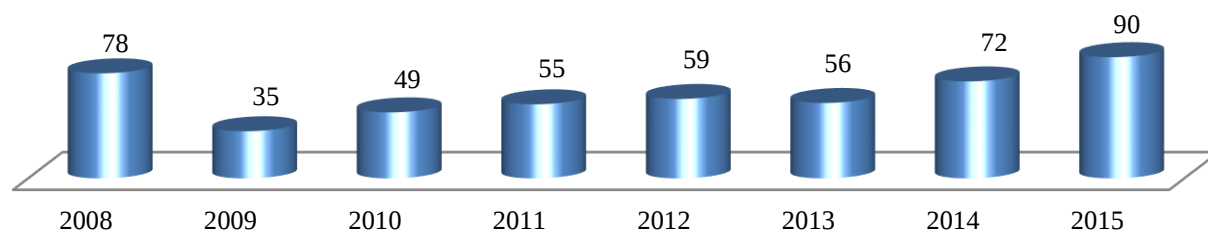
In Russia, including Ekaterinburg, "business recruitment" has appeared since the early 90s. At present, we can say that the industry of recruitment services in Russia was formed. In a relatively short period of time - ten years or so - it has passed very long way: from zero (1990), to the point where the level of applied technologies and materials is comparable to the US and European companies. [5]

The number of recruitment agencies in the city of Ekaterinburg is gradually increasing (see. Figure 1).

Nowadays there are 90 recruiting agencies in the city of Yekaterinburg. The leading agencies, by the version of the site "Delovoi Kvartal" are such agencies as the "Car'era", "Ventra-Ural", "Kadrovie Technologii", «ManpowerGroup Russia», «IBC Human Resources», «Adecco Russia Group», «Ludi Dela» , «Brainpower Ural» [7,8,9].

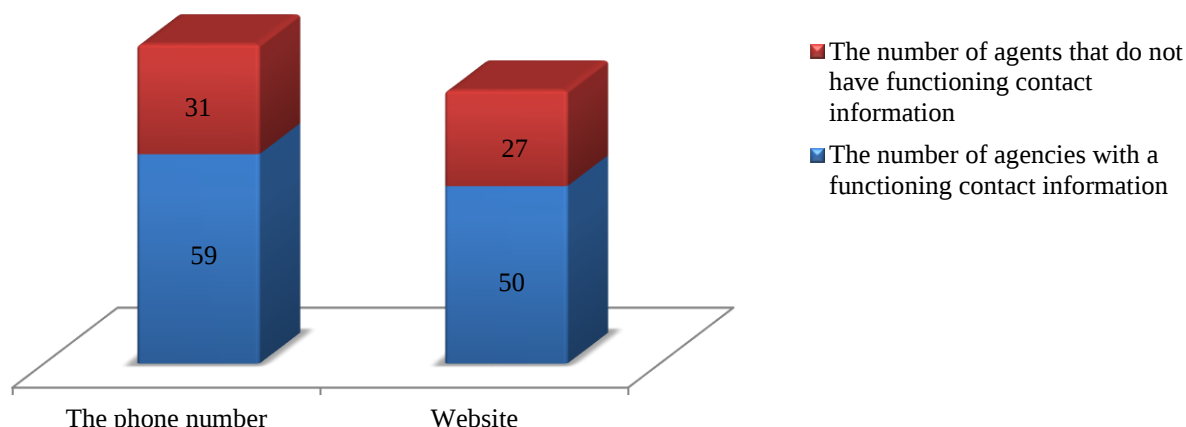
A significant dynamics of recruiting agencies suggest that this market is developing, and is of interest for citizens and employers. 8-12 agencies are participating in the annual ranking, and some of the 90 listed companies do not even have a functioning contact information. To find out the actual situation - which of the registered agencies are actually functioning, we have conducted an independent research through a telephone survey and research of information in the Internet (see Fig.2).

Fig. 1: Market Dynamics of recruiting agencies of Ekaterinburg from 2008 -2015, units.¹



The study results showed that far from all agencies have the necessary contact information needed for the functioning. Only 65.6% of agencies have a working phone number, and from the 77 agencies that have a website, only 64.9% have a functioning website. The reason for this is the presence of agencies working on a flexible basis, or not working at all, as well as agencies that prefer to hide their data, while working only with the customer base, which was already established over the years. An example of this is the recruitment agency "Leon" - they specially closed their previously functioning site and are working only with their own customer base now.

Fig. 2: The ratio of active and inactive contact information of recruitment agencies of Yekaterinburg²



The study also examined the distribution of recruiting agencies of Ekaterinburg by the scale of their activities. Authors note that only 43 agencies do not hide information about the coverage of

¹ Compiled by the author

² Compiled by the author on the base of their own research

the area of their services. Yekaterinburg is the capital of Ural, and hence there is a wide market coverage of provided services. Most of the agencies of the city of Yekaterinburg, namely 55.8%, provide their services at the regional and inter-regional market. International and Russian market presents a smaller number of recruiting agencies: the national - 9.3% and international - 9.3% - the companies компании «BrainPower CIS», «Ancor», «Buro vakansii», «Pravil'nie ludi», «KELLY SERVICES», «INTERNATIONAL BUSINESS CENTER», «Ludi dela», «KIT».

It should be noted that 11 agencies operate exclusively in the city of Yekaterinburg, which is 25.6%. The predominance of regional and interregional agencies is due to the convenience of territorial cooperation between the parties of the employment relationship. A small number of agencies of international and national level is explained by the small number of branches of large agencies in the city of Ekaterinburg.

Usually, branches of large companies are correlating their age with the age of the head office, calling not the number of years of work of the branch in the territory of Ekaterinburg, but the total number of years that the company takes a position in the market of recruitment services.

A significant share of the market of provided services is occupied by agencies with the age of 5 to 15 years. Generally, these are agencies working in the market of the city of Yekaterinburg, such as «Kadrovik», «Rakurs», «Kar'era plus», «Leon», «Personal Pro», «Lider», «Delovoi Center» and regional – «Jenteiring Group», «Kadrovie Technologii», «Status personal», «Technologii Kadrovih Reshenii», «Nova Consulting». The smallest share belongs to three international companies with extensive experience such as «Adecco», «Ankor» and all-Russian agency "«Kar'era». The predominance of regional and local companies is explained by the ease of interaction with the surrounding territories as well as the possibility of unimpeded contacts between employers and candidates in the same area.

Generally, the peak of the opening of recruiting agencies occurred in the period from 2001 to 2005. In 2014, relative to 2013, 18 recruiting agencies were opened (Figure 1), what significantly changes the situation on the market of recruitment services. For some agencies, information about the period of entering the market of recruitment services is not in the public domain, these are such companies as IT-People; MainStaff; Triumf Persoannel; Axioma; Evrotechpersonal; Konstruktor Kadrovih Reshenii; Leon; Luch; Personal Pro; Farvater; Formacia; Ubera; Professional HR; Kadri Visoti and some others.

Website "Delovoi Kvartal" publishes an annual ranking of recruiting agencies of the city [7, 8, 9]. Based on the information provided on the site, the authors analyzed the dynamics of the main indicators of activity of the leading agencies on the market of business recruiting.

Basic economic indicators of activities of any organization is the volume of provided services (sales), which is analyzed in Table 1. The analysis showed that the turnover of the financial activity of the agency "Ventra Ural" has increased for more than 7.7 times during 3 years; this is the maximum growth among all submitted agencies. In the agency "Kadrovie Technologii" there was a decline of 12.9% compared with 2012, and the rest of the companies-leaders show dynamic growth rate.

Table. 1: Dynamics of the market of recruitment services in Ekaterinburg for 2012-2014.³

Agency Name	Turnover from recruiting activities in Yekaterinburg, ths. rub.			Growth Rate, %		
	2012 г.	2013 г.	2014 г.	2013 к 2012	2014 к 2013	2014 к 2012
Personnel Holding ANKOR in Yekaterinburg	33549	37 242	52000	111,00	139,63	154,99
IBC Human Resources	9166	14 009	14900	152,84	106,36	162,56
«Ludi Dela»	7815	8 328	8700	106,56	104,47	111,32
«Kadrovie Technologii»	6986	7 807	6800	111,75	87,10	97,34
«Ventra Ural»	5836	37 939	45300	650,09	119,40	776,22

Natural volume indicators of activity of recruiting companies is the number of the filled vacancies. The leading positions on the closure of vacancies are taken by recruitment agency "Ventra Ural", which in 2014 increased the number of filled vacancies 3 times compared to 2012 (Table 2).

Table. 2: Changes in the number of filled vacancies by the recruitment agencies of Ekaterinburg⁴

Agency Name	Amount of closed vacancies			Growth Rate, %		
	2012	2013	2014	2013 to 2012	2014 to 2013	2014 to 2012
«Ventra Ural»	340	258	1057	75,9	409,7	310,9
ManpowerGroup Russia	-	330	333	-	101	-
IBC Human Resources	198	236	215	119,2	91,1	108,6
Adecco Russia Group	137	172	175	125,5	101,7	127,7
Ludi Dela	115	129	131	112,2	101,5	113,9
«Kar'era»	90	115	110	127,8	95,6	122,2
«Kadrovie Technologii»	90	98	91	108,9	92,8	101,1
Personnel Holding ANKOR in Yekaterinburg	400	400	-	100	-	-
Brainpower Ural	54	-	53			98,1

However, the growth of quantitative indicators does not mean quality improvement. Since clients of recruitment agencies are enterprises and organizations (employers), traditionally rating of the quality of recruitment services is made by using surveys of employers.

³ Compiled by the author

⁴ Compiled by the author

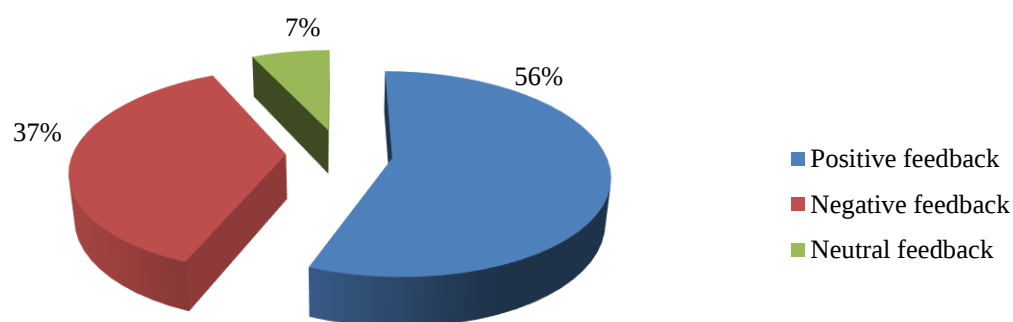
2. Analysis of the quality of recruitment services in the city of Ekaterinburg

The authors of this study decided to gather nonconventional information - satisfaction of labor representatives with the recruitment agencies. For this purpose, a case study was conducted by the method of content analysis.

Content analysis is the method of qualitative and quantitative analysis of the content of documents made in order to detect or measure a variety of facts and trends reflected in these documents. The peculiarity of the content analysis consists in the fact that it is studying the documents in their social context. [6] In our study, we conducted a content analysis of customer feedback about recruitment agencies posted on the forums in the Internet to find out about the current opinion about the agencies of Ekaterinburg.

First, we studied information signs of customer feedback, which are reflected in Figure 3.

Fig. 3: Information signs of customer feedback⁵



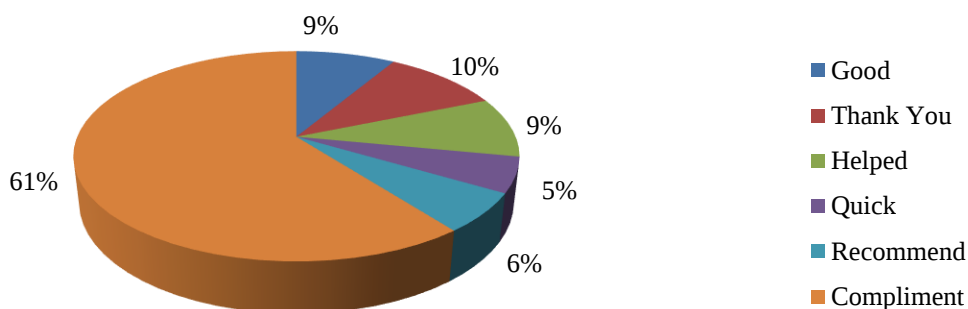
The analysis showed that 56% of the reviews of the recruitment agencies are positive, i.e., Most applicants are satisfied with the quality of provided services. However, 37% are inclined to a different opinion, claiming that the agencies lied to them, "extorted" money, before providing services required to enter into non-state pension funds, were rude, asserted themselves at the expense of competitors and, in general, strongly demonstrated their incompetence.

Figure 4 shows the words that people use most frequently in positive comments of recruiting agencies.

Fig. 4: Frequency of use of words with a positive sign⁶

⁵ Compiled by the author on the base of their own research

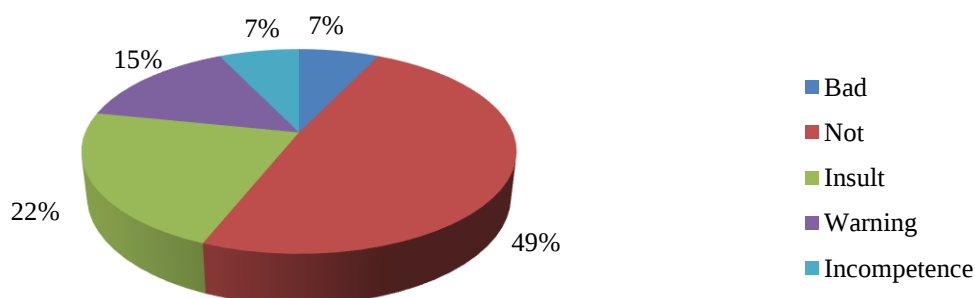
⁶ Compiled by the author on the base of their own research



The study shows that the most common praise is "a qualified specialist, offered a cup of tea and greeted with a smile", 61% of all recruitment agencies. At the same time, only 5% of the agencies quickly cope with the assigned tasks.

Figure 5 shows which words occur most often in the negative review.

Fig. 5: Frequency of use of words with negative comments⁷

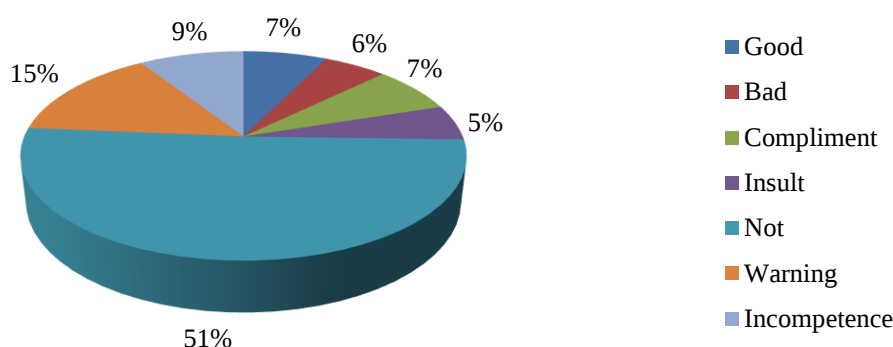


Expressing dissatisfaction with the activities of an agencies, most people used the particle "not" - 49%, to use it in the following terms "did not call back," "not interested", "did not help", "do not understand", etc. At the same time, (22%) directly insulted employees of agencies, including their incompetence - 7% and advised not to go to these agencies - 15%, referring to the fact that they are doing their jobs "badly" - 7%. Figure 6 shows a neutral opinion about recruitment agencies.

Within the neutral position, in most cases, firstly everything started well (7%), applicants were friendly greeted, given a cup of tea, then the situation changed in the pro-opposite side and agency staff showed their incompetence - 9%, or did not call back after the interview, did not help to find suitable job, did not hear, interrupted - 51%, which ultimately led to insulting them as an experts - 5%, and warnings about the agencies - 15%.

⁷ Compiled by the author on the base of their own research

Fig. 6: Frequency of use of words in the neutral feedbacks ⁸



Thus, the majority of agencies are (56%) doing their job conscientiously and applicants respond about them in a flattering way, praising their work - 61%, recommending them to other applicants - 6% claiming that they help them to find suitable employment - 9% in short time - 5%. However, not everyone can responsibly relate to the assigned work, and there are agencies in which the applicants recommend not to go in any case, based on own experience - 15% reviews, the staff working in these agencies is incompetent (15% of reviews), applicants were referred to in a negative context by using the word "bad" (7%) and were abused as experts in their field (22%).

Conclusion

Thus, in the city of Ekaterinburg, there is a tendency of growth of recruiting agencies, but the same market leaders occupy the bulk of the market of recruitment services during many years. The absence of a legal framework, a lack of clarity in understanding of the standard of service "recruitment", as it is abroad (for example, [13]) complicates the regulation of the market of recruitment services in the city of Ekaterinburg.

Many of recruiting agencies that are not operating in reality, but only ranking in the Internet resource complicate interaction of potential customers with agents providing recruiting services. A customer does not always have an accurate understanding of a particular method of staff recruitment; misunderstandings can cause unforeseen difficulties and expenses.

A result of research by the method of content analysis revealed customer dissatisfaction of services quality in recruitment agencies, low skills and efficiency of the staff.

For the good functioning of recruiting agencies in the city of Ekaterinburg, we need regulatory framework that can eliminate the differences in the approaches to the concept of recruiting and define performance standards. We consider it necessary to legally establish a system of professional certification of recruitment agencies. Implementation of pre-designed operating

⁸ Compiled by the author on the base of their own research

standards of recruiting agencies and monitoring of their activities will allow avoiding risks of improper servicing and improving the quality of recruitment services to a new level.

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