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Russian Human Resources Market – A Battle for the Youth?

By Vera Boyarkova

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Vera Boyarkova
Director of Human Resources
Leroy Merlin Russia

New trends for the retail profession or how to deal with the impending demographic crisis.

The human resources deficit will soon deepen as a result of the demographic gap that Russia experienced in 1989-1999. According to the annual demographic report of Transition Economics Institute, by 2026 the number of employees in Russia will decrease by 18 – 19 million people. Taking into account that today the number of employees in Russian economics is about 67 million people, it is obvious that its decrease by more than a quarter will bring serious problems in economic operations. In the nearest future labor will become the most deficit if not the greatest deficit resource in Russia. It is also expected that young and ambitious employees will become the most in-demand resource. Therefore, one can expect a "fight for the youth" in the nearest future.

The retail market was one of the first among other industries to detect this problem. Traditionally, retail operating activity requires bigger numbers of employees , as well as FMCG sector. With well-known international retailers coming every day to the growing Russian market and starting their competition for personnel, the situation is not getting any better.

Traditionally, one of the most important so-called "drivers" of employment for the youth is rapid career growth: Young people tend to be more ambitious and choose the fastest way up the hierarchy. However, retail cannot suggest fast career growth due to its specifics: To manage a hypermarket or even a department (and that means managing a great number of items, prices, stocks, relations with suppliers), it is necessary to be deeply involved in retail and get relevant professional experience. This takes more time than, say, to become a senior manager in a small restaurant.

One more characteristic of the so-called Y Generation (i.e. young people born after 1980) is

their great interest in high technologies — even retail, where shop assistants can consult about gadgets, is considered a rather prestigious business. However, the DIY industry by definition does not deal with technologies very much and in attracting employees human resources cannot focus on technically complicated products.

Thus, HR professionals in the DIY retail sector face the difficult question: "What exactly could we suggest to the modern youth in our business considering the demographic deficit coming up?" One of the possible solutions is to suggest a new fashion for retail in general.

Though "fashion for profession" sounds a bit too creative, in reality that phenomenon happened quite a number of times in human history. We all remember how professional fashion changed periodically in history: For instance, in the 60th fashion for cosmos suddenly occurred, and also for engineer- constructors. During the collapse of the Soviet Union and transition from planned economics to market economy, fashion for lawyers and economists came and with the same speed changed to fashion for designers, PR professionals and journalists. Anyway, fashion for professions is one of the factors that cannot be ignored when we speak about new and non-standard methods to attract employees.

What could be attractive in the retail industry? It is a well-known fact that it is not the nature of profession that makes it interesting, but the attitude toward it. A variety of activities, the large scope of competencies, usefulness of your work in your private life, expertise for friends and neighbors around ... It also can't be ignored that in spite of changing fashion, for any human being family will always be the priority and thus home and comfort in it. New "fashion in profession" can arise soon as a united trend for all retail players. It has to demonstrate that even now when any house problem can be fixed by a hired professional it is still fascinating and prestigious to be able to make things yourself. I am sure that there is a certain kind of magnetism in the DIY segment due to the feeling of attachment to building and constructing the future for yourself, for your family, for your friends and people around you.

Retail in Russia is the most dynamic industry, as it is quite new to the Russian market. These dynamics allow for the development of employees. One could say that dynamic retail development brings dynamic development of retail employees.

There is one more feature of retail that which has to be taken into account in Russia: The Russian education system provides an extremely broad spectrum of knowledge. It is no secret that young graduates do not clearly view trend of their future development and do not understand where they could implement their diplomas. Retail is in a good light again here — it includes a wide spectrum of different professions, gives an opportunity to work in different spheres — marketing, personnel, sales etc.

Retail is a promising and rich industry that is able to develop education in a more specific direction in institutes and colleges. It is also important for retailers to suggest employment opportunities for graduates. Though this problem is not that serious in Moscow, it is quite difficult to find a job for a graduate in regions. And retail is in favor as it operates quite a lot in regions.

Human resources are of the greatest importance for the retail industry. The quality of personnel is the quality of service provided for our clients. Therefore, retail should be

the first who is interested in attracting high-level candidates. This industry is for people who love communication, who are client-oriented and even philanthropic. Moreover, prestige and image of the profession has to be filled with the content. Each loading workman has to understand why he is loading and what logistic chain is. Each salesman has to know the share of his department in the shop's profit and its influence on his own salary. And every person in retail should be aware that the client's satisfaction is the key criteria of his work. Business will not develop if the client is not happy.

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