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Maturing Labor Market: Questions, Threats and Trends

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As the markets approach saturation, it becomes clear that the economy fuelled by consumer demand and crude oil prices is incapable of showing the same pace of development as it did in 2003-2008. The emerging economy has emerged. While it is true that we are back to the so-called candidates' market, where eligible candidates are fewer than vacancies, the quality of vacancies has perceptibly changed. Let's see where it gets you, if you are an experienced specialist or a group manager.

If you're looking to get a step up your career ladder, you may find it difficult to do that by simply changing employer. The latter will almost certainly require experience in the very same position you occupy now. And as likely as not, the compensation you will be offered will be on a par with what you receive now or only slightly higher. So what's the incentive? Quite predictably you stay put and continue to look out for more opportunities. Therefore, you may get an impression that while advertised vacancies are many, there is hardly anything worth your attention.

A good opportunity may come once a month (whether more often or not will depend on your particular specialization), but then there's another set of unforeseen problems. The employer will not be in a rush to hire you even if you made a good impression. Why? It's simple: the employer will be cautious, he'd want to find someone to compare you to, and that will take time (remember, it is still a candidates' market). Time to find another candidate, time to take you to one more interview, so the responsibility for the hiring decision (should it prove wrong) would be distributed among many interviewers. As a candidate, you'll feel exasperated with this continuing delay, while every new interviewer will actually be a hindrance in a hiring decision. It is easier to find common ground with one person than with four or five, haven't you noticed? In the end, when (and if) the offer comes, you are no longer certain you want to join them. Even if you do, you may suddenly find that your current employer begins to show unexpected interest in you, giving a counter-proposal. All of a sudden, your desire to leave your own little bog diminishes. After all, you know all the ins and outs: the rules, the people, the culture; you even like some of it, and giving it all up for what will certainly turn up a surprise or two doesn't seem a very good idea anymore. And the longer you stay the more of a habit it becomes. And habits die hard.

Your HR Manager will be happy though. Your engagement level may be lower, but you are now part of the great news on corporate statistics — a lower attrition rate with better retention policies into the bargain. It is only in-house recruiters who groan, but still not too loudly. They have lesser vacancies to fill, a tougher market to cope with and quite content to let their work last. One more candidate refused the offer, two more candidates found other jobs before a position is filled? Welcome to the recruitment realities of 2013.

But what if you want to hire someone to join your team? You'll see the whole picture reflected back at you. Your company will most likely want to avoid speculative hiring, be cost-aware and you will feel you have to be no worse in your hiring decision than your colleagues in other departments. So what do you do? You wait for the candidate you like, as soon as you see one, you want to compare him, and to top it off you ask colleagues to give you a second opinion. By the time you feel relatively sure you've found the person you need, the candidate in question may no longer be available, and you continue the search.

What makes the labor market so difficult? The unemployment rate in Moscow is less than 0.6% (according to Rosstat data from December 2012), and some independent estimates go as low as 0.3%. This means that out of 300 people you meet on the street, 299 will have jobs. They may not all like them, and more than half would reply in the affirmative if approached by a headhunter.

But a job is a job, and you would do wisely to hold onto it until you've found your employer of choice. Having a job means you will not go below what you receive in compensation. Having a job means your potential employer may not find the great motivation he expects for the kind of money he offers. Having a job means you can afford to wait for the hiring decision as long as it takes. In this case, having a job, blasphemous as it may sound, is not conducive to macroeconomic success. Low unemployment is good only until it falls below any economically expedient level. Fewer available hands mean a slowdown of the already-slowing economy.

Then there's another side-effect of deleterious nature. Half of workers dream of being headhunted not because they've achieved everything at their respective companies, but because they are accustomed to hopping jobs every year or two, or they just got tired of the routine. Such attitudes basically mean dissatisfaction, with a current employer or the market as a whole. Needless to say, it is a false premise on which to start looking for a job and dangerous for the employer to overlook. With engagement levels falling, the company output will suffer. But who'd ever want to seriously consider the beneficial effects of having no job?

Will the situation get better? Why, it is not really that bad to begin with. Yes, careers are not being made as quickly as before, but the good news is your manager is more experienced. You didn't make it to the top by 30? You still have your chance. Your salary is not indexed the way you expected? You're not alone — every company has to struggle with rising labor costs. After all, our markets grow mature, and labor market is no exception. It still holds opportunities for those who seek them.

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