Association of the Ural Recruiting Agencies of the Ural Recruiting Agencies (APAY) presents:

THE INFORMATION DIGEST
Job market of the Sverdlovsk Region

1st publication:

HUMAN RESOURCES FOR INDUSTRY

July, 2015
Sverdlovsk region, the city of Ekaterinburg, is the territory where job market is formed and where you can find high quality recruitment services and opportunity to get good education. And this is a natural result. On one hand, the Ural is a forge of personnel for the whole country; on the other hand, it is attractive for applicants to arrive here and Ekaterinburg engages human resources from other regions by its opportunities for career, development and personal fulfilment as well.

In the first publication of our digest we provide information which is helpful and useful for employers to find employees for their new projects. We would like to let potential employers know how to recruit employees independently through the public search or with the help of recruiting agencies and familiarize them with the general job market situation in Sverdlovsk region.

Taking into account that job market has a current lack of employees for manufacturing companies, we selected the information which is useful to provide industry with labour resources.

Job market situation on the territory of Sverdlovsk region is heterogeneous in different cities. To show the difference we provide with information about the city Ekaterinburg, Sverdlovsk region in general, and the following towns like Verkhnaya Salda, Nizhniy Tagil, Alapayevsk, Krasnoufimsk. This choice is specified by such a “development point” of Sverdlovsk region like Special Economic Zone “Titanium Valley”.


Information about job market situation of the certain municipalities, which are located on the territory of Sverdlovsk Region (as of June 2015)

Sverdlovsk Region (as of June 2015)
- Population - 4 327 472 people.
- Economic active population - 2 292 515 people.
- Number of unemployed citizens, registered in employment agency - 150 875 people
- Level of registered unemployment - 1,45 %
- Vacancies in demand from employment agency - 35 219
- Including vacancies of working specializations - 63,3 % from total number of all vacancies
- Average salary - 29 054 rub.

Ekaterinburg
- Population  1 428 262 people (4th city in Russia)
- Population activity rate - 62,4 %
- Number of unemployed citizens - 3 838 people
- Weight of unemployed citizens in the number of economic active population - 0,76 %

Nizhniy Tagil
- Population 360 067 people. (50th city in Russia)
- Population activity rate - 58,3 %
- Number of unemployed citizens -1930 people
- Weight of unemployed citizens in the number of economic active population 0,90 %

Verkhnaya Salda
- Population 43 959 people
- Number of unemployed citizens - 333 people
- Weight of unemployed citizens in the number of economic active population – 0,73%

Krasnoufimsk
- Population -39 800 people
- Economic active population - 21 800 people
- Number of unemployed citizens  814 people
- Level of unemployment- 2,15 %

Alapayevsk
- Population 49 200 people
- Economic active population -23 000 people
- Number of unemployed citizens  970 people
- Level of unemployment - 2,09 %
Economic active population, supply-and-demand balance of labour resources

The difference between cities is shown in the example of supply-and-demand balance for engineering labour resources in Alapayevsk (9 applicants per 1 job position) while in Ekaterinburg (0.2 applicants per 1 job position)

There is a crucial staffing shortfall in Ekaterinburg.

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Economic active population*, thousand/people</th>
<th>Balance rate**, total</th>
<th>Balance rate of workers</th>
<th>Balance rate of engineers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ekaterinburg</td>
<td>720.8</td>
<td>0.4</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Nizhniy Tagil</td>
<td>199.5</td>
<td>0.9</td>
<td>0.8</td>
<td>0.5</td>
</tr>
<tr>
<td>Verkhnya Salda</td>
<td>30.8</td>
<td>0.9</td>
<td>0.7</td>
<td>0.5</td>
</tr>
<tr>
<td>Alapayevsk</td>
<td>23.1</td>
<td>6.8</td>
<td>5.5</td>
<td>9.0</td>
</tr>
<tr>
<td>SVERDLOSK REGION</td>
<td>2279.2</td>
<td>1.1</td>
<td>0.9</td>
<td>0.5</td>
</tr>
</tbody>
</table>

*Economic active population – (labour resources) includes economic active and unemployed people both registered and non-registered in employment agencies;

**Balance rate of job market – shows the number of non-working people, who are registered in employment agency per one job position declared by a company, that is the supple-and-demand balance in labour resources.

Information Source:
Population Employment Department of Sverdlovsk region  (http://www.szn-ural.ru/)
### Salary study of basic manufacturing staff

(3 main big cities to compare)

<table>
<thead>
<tr>
<th>Position</th>
<th>Ekaterinburg</th>
<th>Chelyabinsk</th>
<th>Perm</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Median</td>
<td>R75</td>
<td>Median</td>
</tr>
<tr>
<td>Production Manager</td>
<td>82 250</td>
<td>112 500</td>
<td>80 000</td>
</tr>
<tr>
<td>Chief Engineer</td>
<td>73 490</td>
<td>90 000</td>
<td>70 000</td>
</tr>
<tr>
<td>Chief Constructor</td>
<td>66 450</td>
<td>90 675</td>
<td>60 000</td>
</tr>
<tr>
<td>Mechanics Supervisor</td>
<td>49 500</td>
<td>64 525</td>
<td>46 000</td>
</tr>
<tr>
<td>Chief Technology Specialist</td>
<td>55 450</td>
<td>75 550</td>
<td>54 000</td>
</tr>
<tr>
<td>Chief Energy Engineer</td>
<td>51 250</td>
<td>60 600</td>
<td>49 000</td>
</tr>
<tr>
<td>Quality Control Supervisor</td>
<td>45 000</td>
<td>53 750</td>
<td>43 000</td>
</tr>
<tr>
<td>Foreman</td>
<td>44 000</td>
<td>50 000</td>
<td>41 500</td>
</tr>
<tr>
<td>Engineer-Constructor</td>
<td>28 440</td>
<td>32 500</td>
<td>26 350</td>
</tr>
<tr>
<td>Mechanic Engineer</td>
<td>30 000</td>
<td>34 400</td>
<td>25 000</td>
</tr>
<tr>
<td>Technology Engineer</td>
<td>26 700</td>
<td>33 600</td>
<td>25 000</td>
</tr>
<tr>
<td>Production Supervisor</td>
<td>28 000</td>
<td>33 250</td>
<td>24 980</td>
</tr>
<tr>
<td>Quality Control Engineer</td>
<td>20 150</td>
<td>25 000</td>
<td>19 200</td>
</tr>
<tr>
<td>Smith</td>
<td>30 000</td>
<td>37 500</td>
<td>25 000</td>
</tr>
<tr>
<td>Machine-tool and Manipulator Setter (Remote Control)</td>
<td>25 000</td>
<td>32 000</td>
<td>22 250</td>
</tr>
<tr>
<td>Machine-Tool Operator (Remote Control)</td>
<td>30 500</td>
<td>35 575</td>
<td>23 500</td>
</tr>
<tr>
<td>Tool Mechanic</td>
<td>26 850</td>
<td>33 325</td>
<td>23 100</td>
</tr>
<tr>
<td>Production Mechanic</td>
<td>25 000</td>
<td>29 500</td>
<td>23 800</td>
</tr>
<tr>
<td>Electricity and Electric Equipment Mechanic</td>
<td>25 000</td>
<td>28 500</td>
<td>21 900</td>
</tr>
</tbody>
</table>
Benefit System of Production Plants

Terms:
Average market salary zone is between median R50 and R75.

R75—points out that 75% of survey participants have salaries between minimum till R75. Salaries from R75 and higher are paid to specialists with high professional and management skills and specialized work experience.

Median — it’s the middle of figures row, when one half of the row is more than the median, the other half is less than the median. The median shows an average market salary: these salaries are paid to employees with definitely strong professional skills, and work experience in the position more than 2-3 years, fundamental education, additional courses, trainings, etc.

Benefits — additional discounts and compensations, which employees get in addition to the salaries.

Information Source:
"UPRIGHT-Recruiting", http://www.aprait.ru
Analysis of labour resources mobility

According to survey results one of the crucial factors in making decision to move is accommodation expenses by means of company (85% of applicants expect such an offer from a company), the second one is compensation of relocation expenses (62%). The third factor according to the survey is private health insurance scheme. 57% of respondents consider that it is very important to have medical service available in new location.

Candidates expect higher salary, in average for 55%, from employer within a relocation offer.

For most employees successful relocation has to be connected not only with changing place of residence but with vertical or, at least, line career development.

We noticed that employees are not ready to move to another city with the similar responsibilities and the same compensations unless it is Moscow or St. Petersburg.

Employees expect to get more interesting and more responsible job position, to be financially motivated for relocation and assure in employer’s help to relocate with family and adapt socially to the new territory.

Source of information:
What factors will influence upon your decision to relocate to another city of the Russian Federation to get a new job?

<table>
<thead>
<tr>
<th>Factor</th>
<th>On the whole</th>
<th>Are not ready to relocate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractive salary offer</td>
<td>36%</td>
<td>81%</td>
</tr>
<tr>
<td>Living Accomodation</td>
<td>33%</td>
<td>65%</td>
</tr>
<tr>
<td>Job offer from the company that is interesting to me</td>
<td>14%</td>
<td>40%</td>
</tr>
<tr>
<td>Attractive social compensation</td>
<td>14%</td>
<td>30%</td>
</tr>
<tr>
<td>Additional payments to family members (kindergarten, medical treatment)</td>
<td>27%</td>
<td>25%</td>
</tr>
<tr>
<td>Safety situation in region of relocation</td>
<td>20%</td>
<td>14%</td>
</tr>
<tr>
<td>Problems with finding a new job in my city</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Nothing will influence</td>
<td>10%</td>
<td>49%</td>
</tr>
<tr>
<td>Something else</td>
<td>2%</td>
<td>1%</td>
</tr>
</tbody>
</table>

What jobs and regions are the most attractive for specialists in Yekaterinburg?

(%, The most recent data, June, 2014)

- Sochi: 9,4
- Chelyabinsk: 3,6
- Tumen: 2,9
- Krasnodar: 2
- Ufa: 1,5
- Pervouralsk: 1,4
- Noviy Urengoy: 1,1
- Aramil: 1
- Kamensk-Uralskiy: 0,8
- Nizhniy Novgorod: 0,7

Sochi: 28,8
It is important to mention that Ekaterinburg is very popular among the applicants from the nearest million-cities.

In Perm 19% of all applications (without native region) are meant for Moscow, 6,7% are for St.Petersburg, 6,6% are for Ekaterinburg and 3,2% are for Sochi.

In Chelyabinsk 29% of all applications (without native region) are meant for Moscow. 15,4 % are for Ekaterinburg 9,3% are for St.Petersburg, and 8,1% are for Sochi.

Source: [http://career.ru/article/15080](http://career.ru/article/15080)

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The most popular web portals and web sites in Ekaterinburg and Sverdlovsk region to search employees and placement of job positions.

- [http://job.ru/](http://job.ru/)
- [http://rabota.e1.ru/](http://rabota.e1.ru/)
- [http://rabota.ru/](http://rabota.ru/)
- [http://rosrabota.ru/](http://rosrabota.ru/)
- [http://superjob.ru/](http://superjob.ru/)
- [http://www.hh.ru/](http://www.hh.ru/)
- [http://www.rabotagrad.ru/](http://www.rabotagrad.ru/)
- [http://www.zarplata.ru/](http://www.zarplata.ru/)
Search and recruiting services

For time being of March 2015 47 agencies operate in Ekaterinburg and provide recruiting services (including selection of workers and mass recruitment).

For information, in Ekaterinburg there are large regional agencies, which are mainly Association’s ones and branches of federal and international recruiting agencies as well.

Members of the Association of the Ural Recruiting Agencies (ARAU)

<table>
<thead>
<tr>
<th>№</th>
<th>The name of agency</th>
<th>Website</th>
<th>Service territory</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ASTRA Staffing Services</td>
<td><a href="http://astrastaff.ru/">http://astrastaff.ru/</a></td>
<td>Ural Federal District</td>
</tr>
<tr>
<td>2</td>
<td>Aprait</td>
<td><a href="http://aprait.ru/">http://aprait.ru/</a></td>
<td>Ural Federal District</td>
</tr>
<tr>
<td>3</td>
<td>IBC Human Resources</td>
<td><a href="http://www.hr.ibc.ru/">http://www.hr.ibc.ru/</a></td>
<td>The Russian Federation</td>
</tr>
<tr>
<td>5</td>
<td>Ventra Ural</td>
<td><a href="http://ventra.ru/">http://ventra.ru/</a></td>
<td>The Russian Federation</td>
</tr>
<tr>
<td>6</td>
<td>Kadrovye Tekhnologii</td>
<td><a href="http://www.ktekt.ru/">http://www.ktekt.ru/</a></td>
<td>The Russian Federation</td>
</tr>
<tr>
<td>7</td>
<td>Karyera</td>
<td><a href="http://www.career.ur.ru/">http://www.career.ur.ru/</a></td>
<td>Ural Federal District</td>
</tr>
<tr>
<td>8</td>
<td>Lyudi dela</td>
<td><a href="http://www.ldelo.ru/">http://www.ldelo.ru/</a></td>
<td>The Russian Federation</td>
</tr>
<tr>
<td>10</td>
<td>Analytic-Center, Tyumen city</td>
<td><a href="http://acenter.ru/">http://acenter.ru/</a></td>
<td>The Russian Federation</td>
</tr>
<tr>
<td>12</td>
<td>Elita, Nizhniy Tagil town</td>
<td><a href="http://www.elita-nt.ru/">http://www.elita-nt.ru/</a></td>
<td>Sverdlovsk Region</td>
</tr>
</tbody>
</table>

Source: [http://arau.su/](http://arau.su/)
The Number of recruiting agencies in Ekaterinburg (March 2015), Changes 2009 - 2015

The Operation period of agencies

indicative that, the basis of recruitment service is represented by 21 companies (or 50% market share) with operation period for more than 11 years, which are entitled to recruit for different types of economic sectors. In other words, one can say that recruiting agencies market in Ekaterinburg is grown and continues its development.

Cost of services and payment procedure

As a basis we assumed the following principle of service value formation as % from total annual income of an employee recruited to a job from an agency.

The range on service value is wide enough, but we have to say that the value depends on professional competence of an agency, the category of the vacancy (workers, specialists, or managers), and position features.
Service value depends on the level of position

The chart shows that if line specialists could be found for 1-1.5 salaries (7-13 %), while selection of specialists will mainly cost from 10 to 19 %.

Cost of middle and top manager selection fluctuates in the range of 14-20 % of annual income and depending on position features, level, and the necessity to use Executive search or Head Hunting technology, and the search territory as well.

Guarantee obligations

A warranty period for an employee admitted from an agency is as follows:
- 1 month (mass recruitment, workes)
- 3 months (specialists and line managers)
- 6 months, and in certain cases up to 1 year (top managers)

Agencies are generally ready to provide one-time free employee replacement; some agencies are ready for double and multiple replacements.

Source of information:
Recruiting Agency «Lyudi Dela», http://www.ldelo.ru
Responsible for the publication:

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http://www.ldelo.ru

«APRAIT-Recruiting»
Ekateruburg, Tcheluskintsev Str., 2,
Tel. (343) 382-08-80
http://www.aprait.ru

«HEADHUNTER URAL»
r. Ekaterinburg, Radischeva Str. 6A, office 1505
Tel. (343) 216-97-73
http://ural.hh.ru

The Department of labor and employment
Sverdlovsk region
Ekaterinburg, 8 Marta str., 12, tel: (343) 371-51-56
http://www.szn-ural.ru

"Smart Apple",
Center for continuing education and linguistics
tel.+7903 086 35 38
do-u-speak-english.ru

Association of the Ural recruiting agencies (APAY) has an opportunity to prepare
and provide more detailed subject-matter studies of the job market of Sverdlovsk
region and certain occupational categories.

Please send your request with contact details to the email: arau@arau.su