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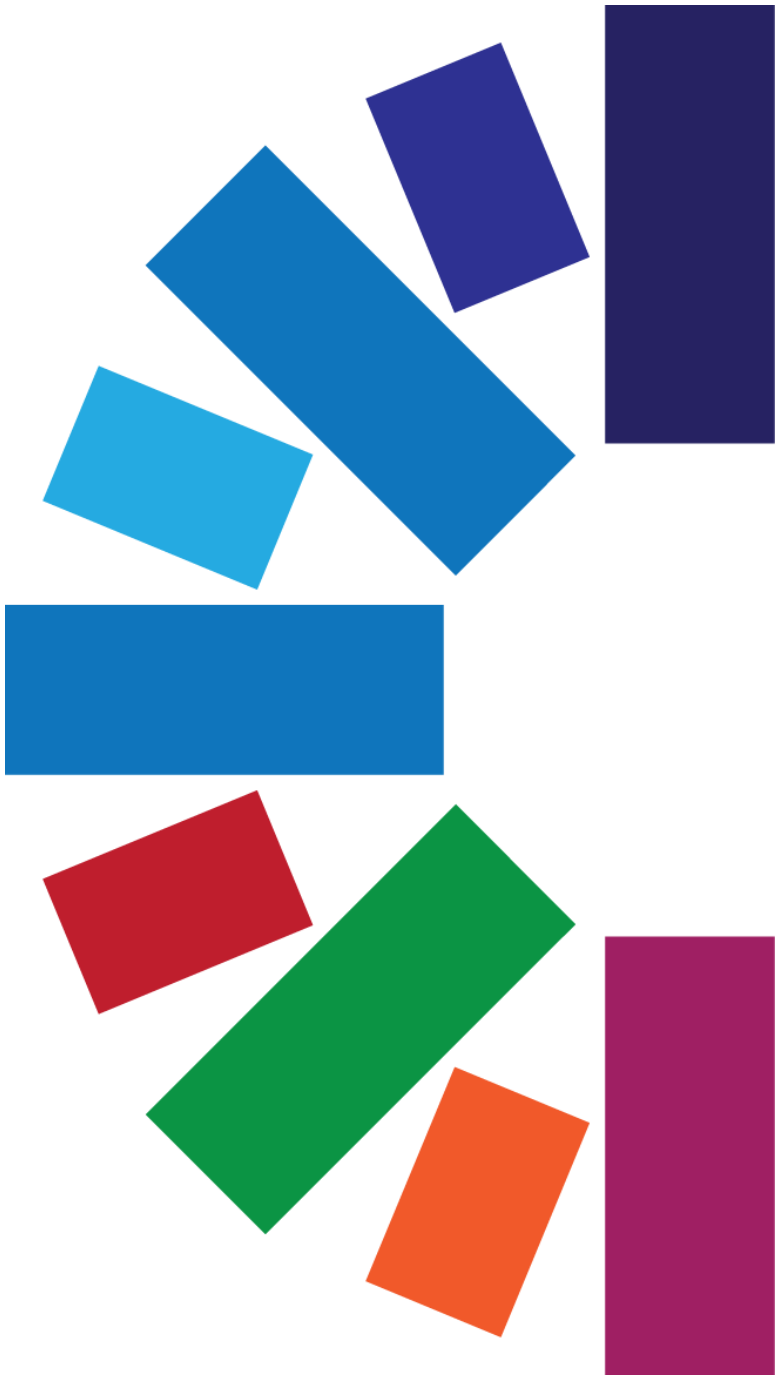
Context Driven
Executive Search™

Employer Branding Study

Aiga Ārste-Avotiņa
Amrop - Riga, Latvija
Managing Partner

June 29, 2016



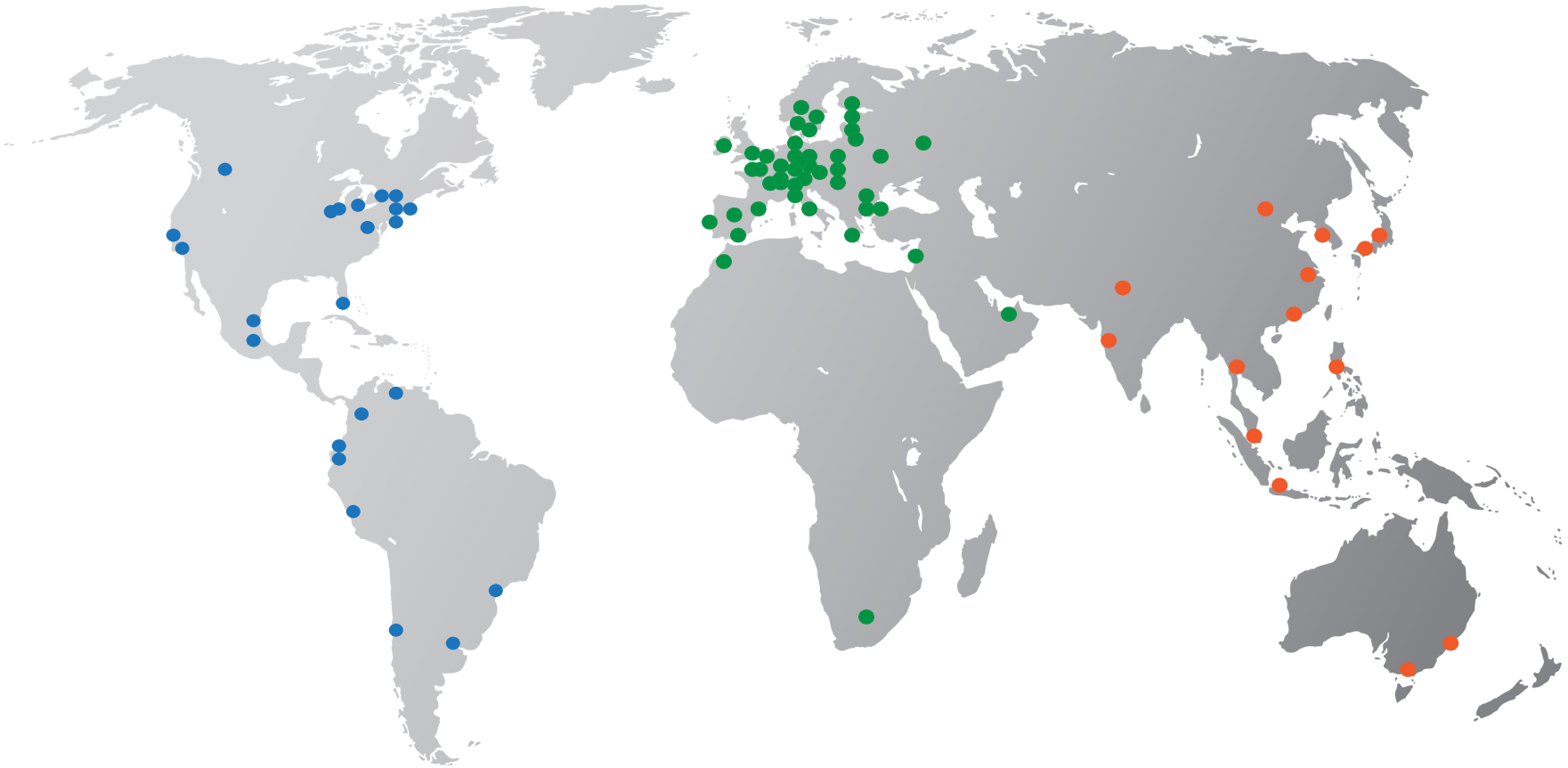
Amrop has the largest geographical coverage in the executive search industry.

Amrop employs
800 staff members, including
300 consultants

57 countries

89 offices

- Americas
- Asia / Pacific
- Europe / Middle East / Africa



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Our Services

Executive Search

Our Executive Search services help clients identify top performers from around the world that not only have the required experience and expertise but are the correct cultural fit with the organization. In addition to identifying top talent, we are personally involved in the interviews, negotiations, post-hire consulting and on-boarding, to help ensure that the new appointment is appropriately communicated to the right parties. We also offer expert consulting services on leadership and executive solutions.

Board Consulting

Our Board Consulting services help ensure that an organization's Board is composed of an appropriate balance of non-executive directors in terms of skills, experience and representation, as well as having an awareness and interest in governance issues.

Leadership Assessment

Our Leadership Assessment services help strengthen your capability to identify, develop and retain the talents your organization needs to achieve its business strategy.

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Amrop in Baltics

Leading executive search company in Estonia, Latvia and Lithuania

Offices in Tallinn (since 1993), in Riga (since 1996) and in Vilnius (since 2003). Today 17 employees in Baltics: 6 in Estonia, 8 in Latvia and 3 in Lithuania

Over 120 executive search assignments performed every year in the Baltics, about 25% of these searches are regional, covering more than one country.

12 out of 20 biggest companies in Latvia and 7 out of 20 biggest companies in Estonia and Lithuania and are Amrop customers

7 out of 10 assignments come from clients that we have served before

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Aiga has been working in executive search business since 1996, when she joined Amrop International in Latvia as a first local representative. She developed the company to the biggest player in the market in senior level recruitment.

Since 1999, when she was appointed as Partner, she has been leading executive search assignments in Latvia, Lithuania and Estonia in a range of sectors, including Manufacturing, Life Sciences, Retail, IT & Telecommunications, Infrastructure and other industries and completed over 430 executive search projects for the leading international and local companies. Many of these assignments has been regional searches, covering all three Baltic markets.

She also has been leading management audit assignments in the Baltics and Nordics.

Aiga graduated from University of Latvia with a Bachelor degree in Psychology and with MBA from Riga Business School. She has also studied Executive Development Business Programs at International Institute of Management Development, Lausanne, Switzerland and Baltic Institute of Corporate Governance.

She speaks Latvian, English and Russian.

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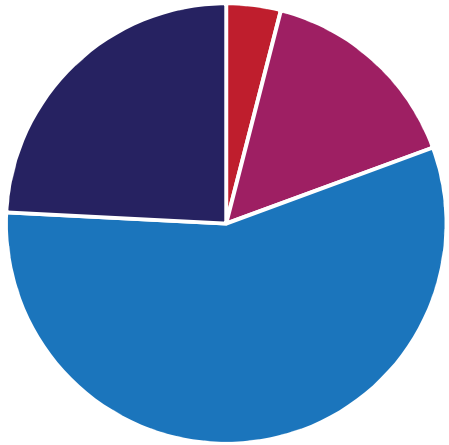
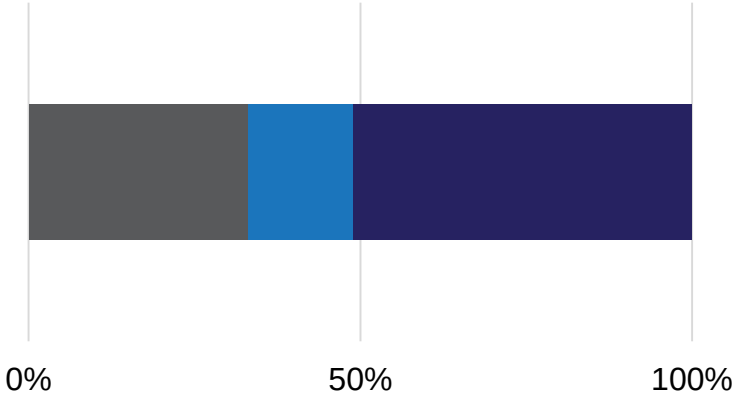
Employees are overall open to new job offers.

Satisfaction with the current employer:



- Very unsatisfied
- Rather unsatisfied
- Rather satisfied
- Very satisfied

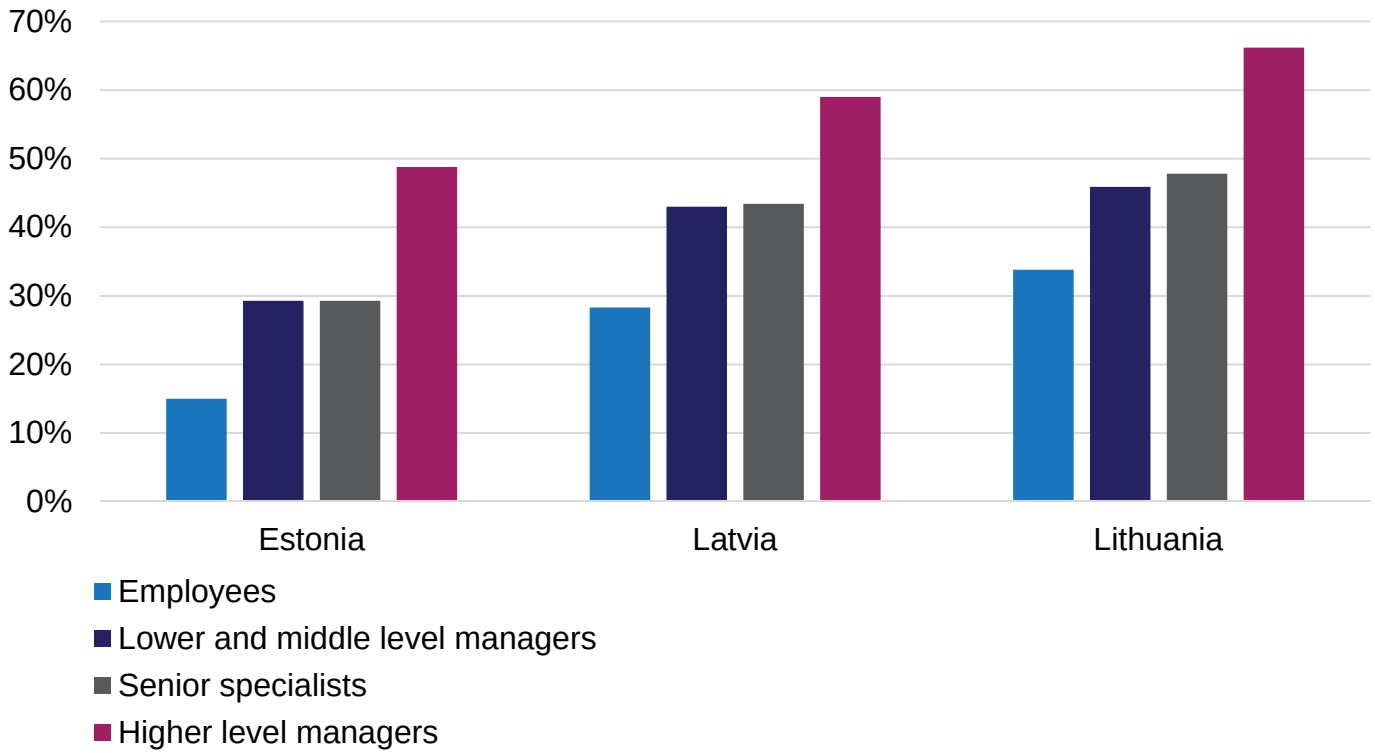
Applications for new positions within the last 12 months:



- Yes, but did not change employer
- Yes, and changed employer
- No, has not applied

Employees are overall open to mobility

Readiness to move to another country (e.g. Estonia, Lithuania) in case of an appropriate job offer:



War for talent

Employers compete for skilled employees against companies from other countries and sectors.

War for talent

War for talent

36% of employers globally experience talent shortages and difficulties finding the employees with the required skills

War for talent

91% of Millennials expect to stay in a job for less than three years

War for talent

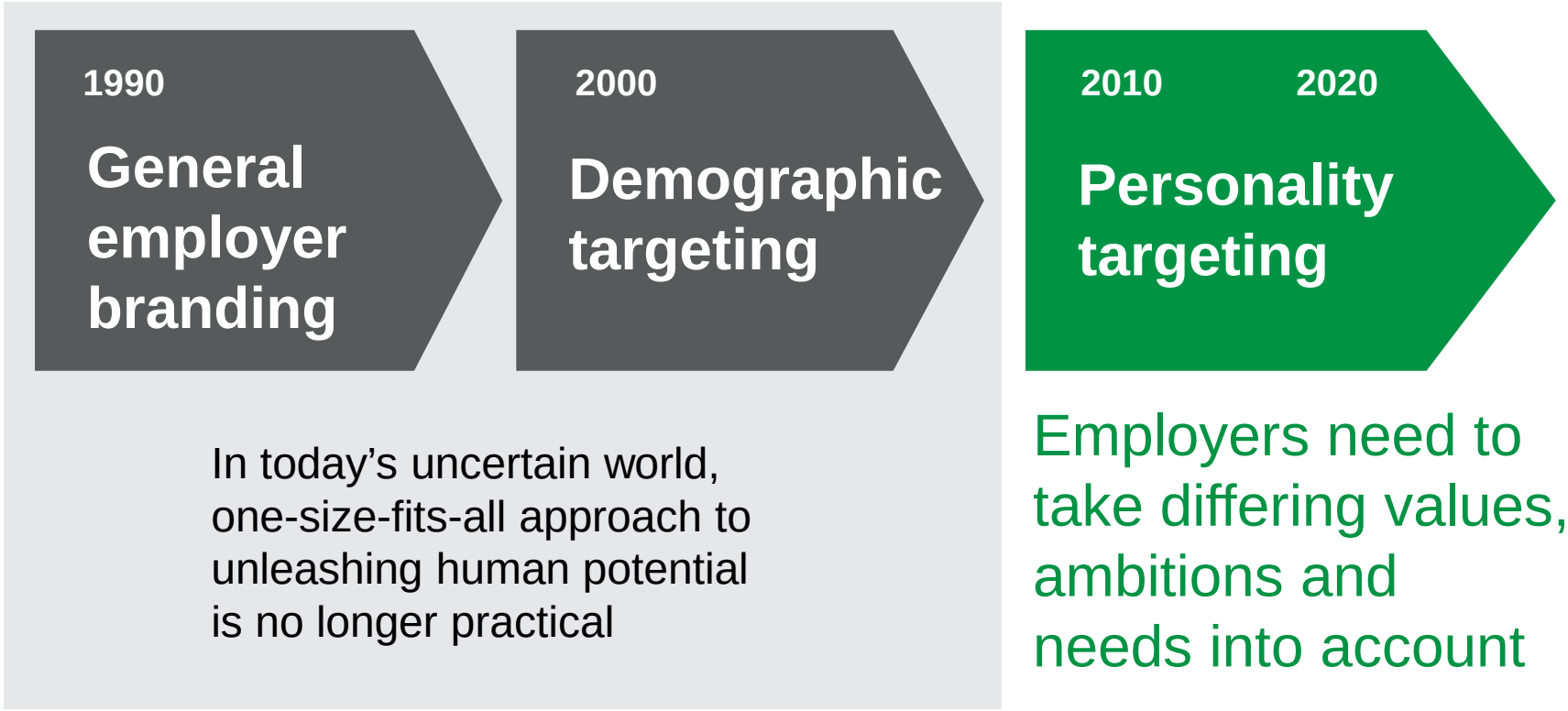
European Union (EU) will require 20 million employees from the third countries over the next 20 years

War for talent

		2010	2035	2060
LATVIA	**Population**	**2 248'**	**1 963' (-12.7%)**	**1 672' (-25.6%)**
	Old-age dependency ratio*	25.2%		68.0%
LITHUANIA	**Population**	**3 329'**	**2 977' (-10.6%)**	**2 676' (-19.6%)**
	Old-age dependency ratio*	23.3%		56.6%
ESTONIA	**Population**	**1 340'**	**1 259' (-6%)**	**1 173' (-12.5%)**
	Old-age dependency ratio*	25.2%		55.5%

* The population aged 65 years and older divided by the population aged 15 to 64

Employers will have to tailor their proposition to their various target audiences



HR professionals will have to become marketers

Paradigm shift in HR

HR manager usually understand but are unable to quantify and prioritize the specific target segments and employer brand elements

HR professionals need to make calculated, data-driven decisions

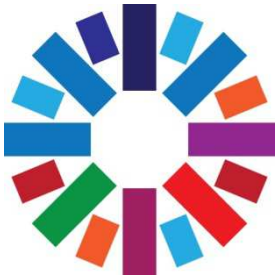
Data helps understanding what makes the ‘right’ talent tick

A chance to get detailed information about different demographic group and management level needs and values

Quantitative and qualitative information about the company as a potential employer, concrete comments showing what do employees think about this company; chance to get historical comparison

A chance to choose to get data not only about your company, but as well data regarding other companies, you would like to be compared to

Data, that allows to understand better company's employer image and concrete target employees' audience needs



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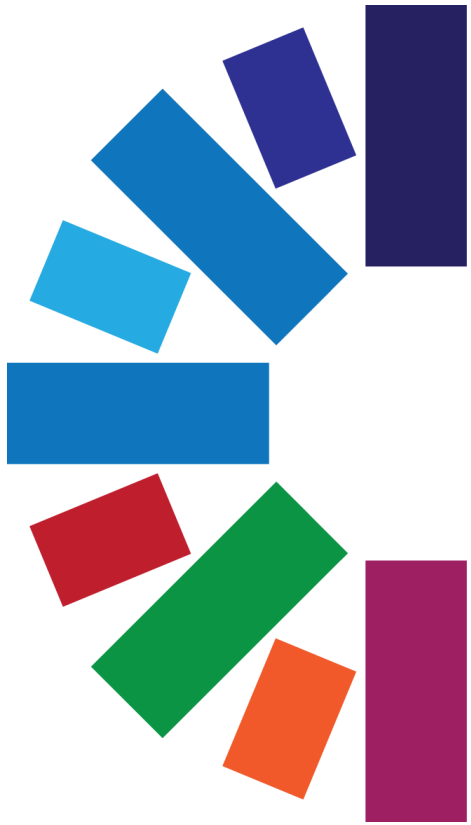
Amrop study



Uniqueness

IN DEPTH ANALYSIS

Majority of the existing studies and rankings are extremely general and reflect only brand recognition in the form of rankings. EBI provides analysis of both quantitative and qualitative data (more than 40 brand employer image related factors and open-end answers).

CUSTOMIZED STUDY AND REPORTS

The study allows to accommodate individual needs of companies both in data collection (e.g. naming up to 7 competitors for extensive data gathering) and data analysis (wide selection of target groups and factors to be used for cross analysis).

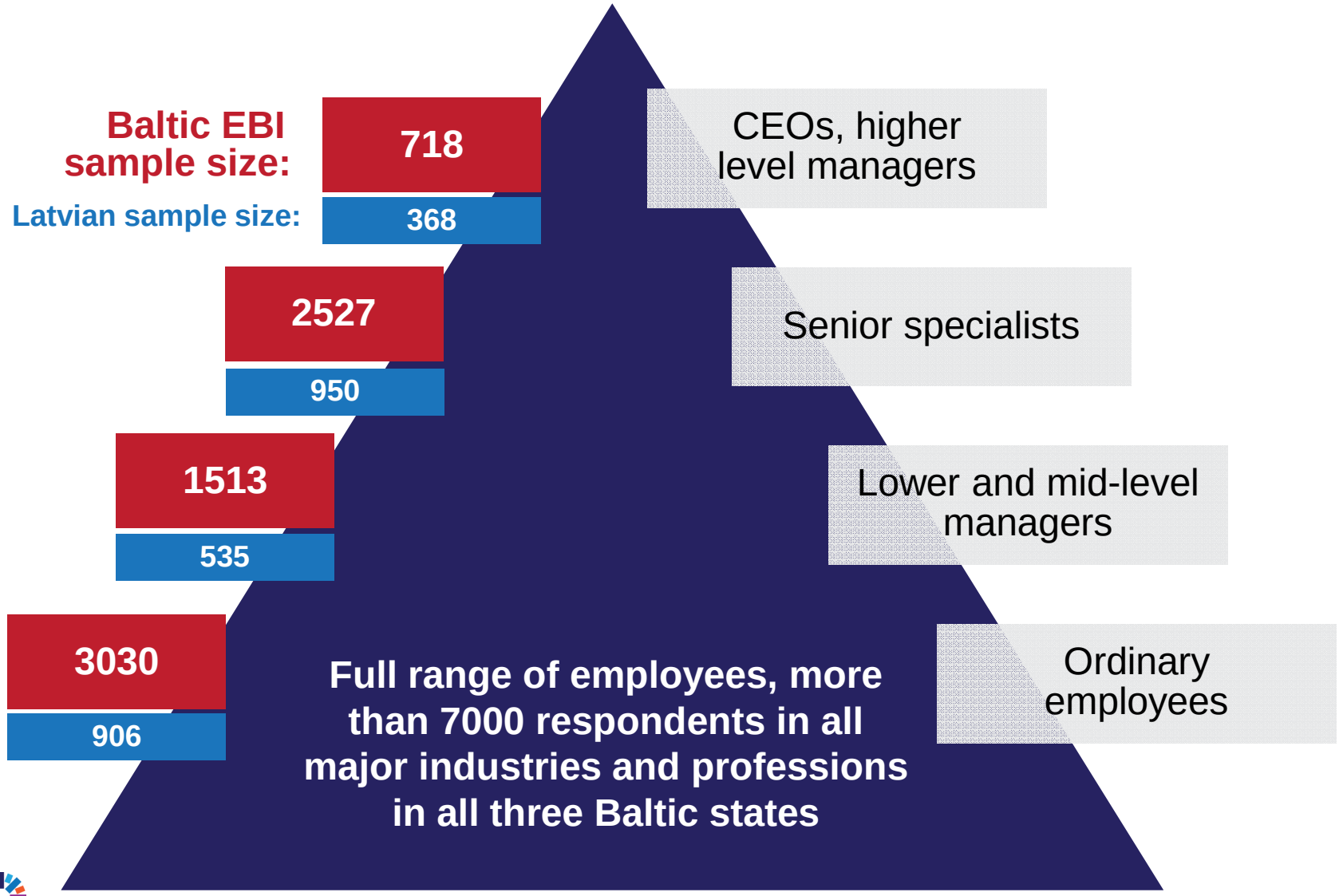
UNIQUE GROUPS OF AUDIENCE

Due to a candidate database covering a few decades in the Baltic markets, Amrop has access to more than 30 thousand of professionals and executives. The study includes diverse groups of professionals and industries as well as their geographic profile.

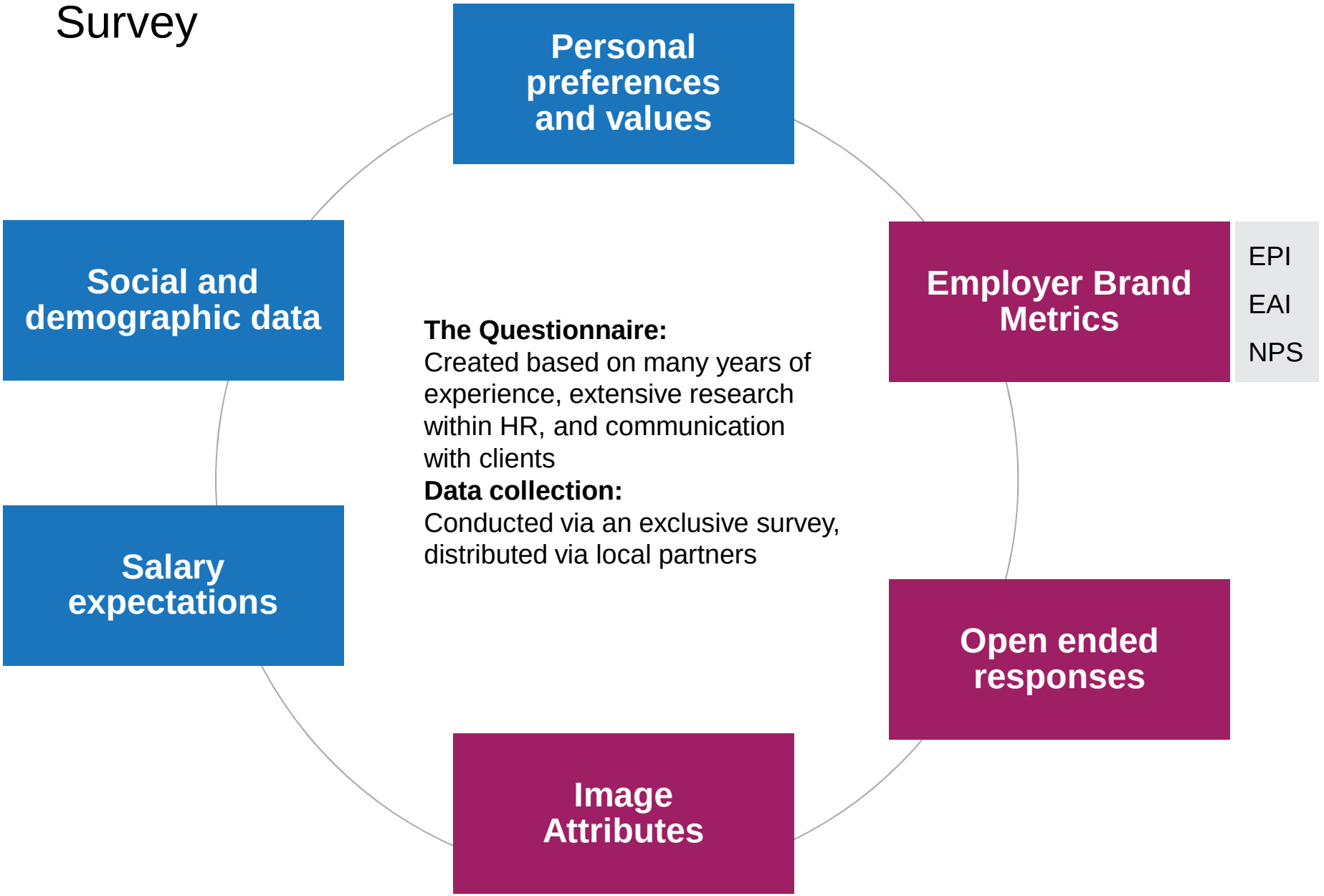
INNOVATIVE APPROACH, WELL GROUNDED METHODOLOGY

The methodology of the study is a combination of several international studies and the knowledge of the Baltic companies – as such it is perfected to be a fully applicable tool for working on improvements of employer branding.

Audience


Baltic EBI sample size:
718
Latvian sample size:
368
CEOs, higher level managers
2527
950
Senior specialists
1513
535
Lower and mid-level managers
3030
906
Ordinary employees
Full range of employees, more than 7000 respondents in all major industries and professions in all three Baltic states

Survey



The Questionnaire:
Created based on many years of experience, extensive research within HR, and communication with clients

Data collection:
Conducted via an exclusive survey, distributed via local partners

Core indicators

Employer preference index (EPI)	Employer attractiveness index (EAI)	Net promoter score (NPS)
Employer ranking based on share of potential recruits who chose the organization among preferred employers they would consider to work for	Constructed index represents in integrated form attractiveness of the organization as a function of beliefs about possible outcomes and importance of each outcome in making decision about employment	Indicates readiness to spread positive or critical opinion ('word of mouth') based on overall impression and knowledge about the organization

Supplementary data

Extensive understanding of the Status Quo:

1. Employer's brand image and reputation
2. Key factors influencing employment decision making
3. Employment market and segmentation

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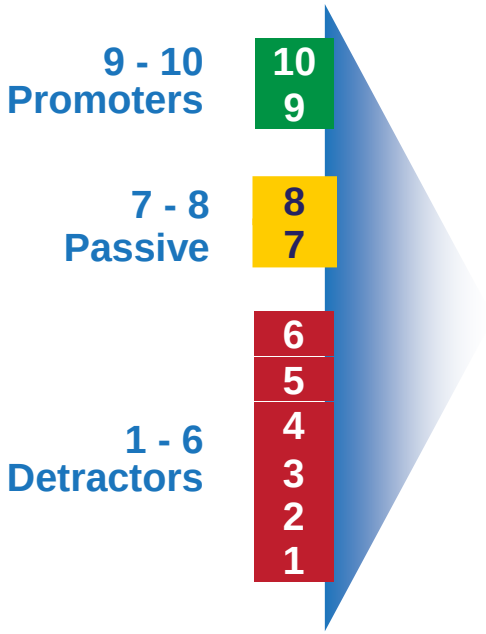
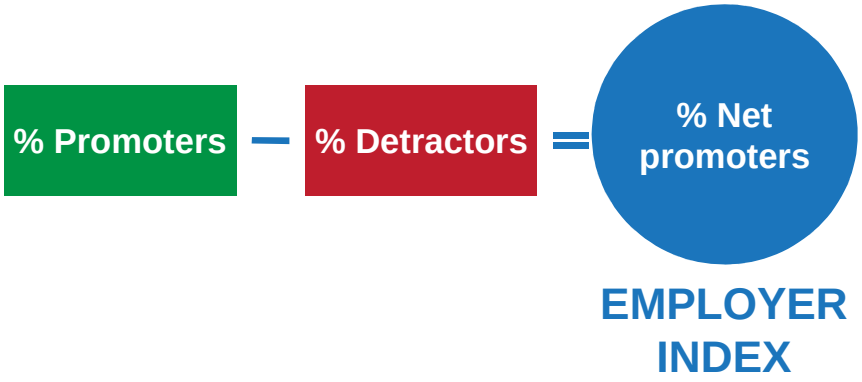
Core indicators: Net Promoter Score



"On a scale of 1 to 10, how likely is it that you would recommend Company X as a place to work to a friend or colleague?"



- **Better predictor of actual behavior as compared to straight-forward (projective) questions**
- **Methodologically approved by more than 10 years of research in various industries**

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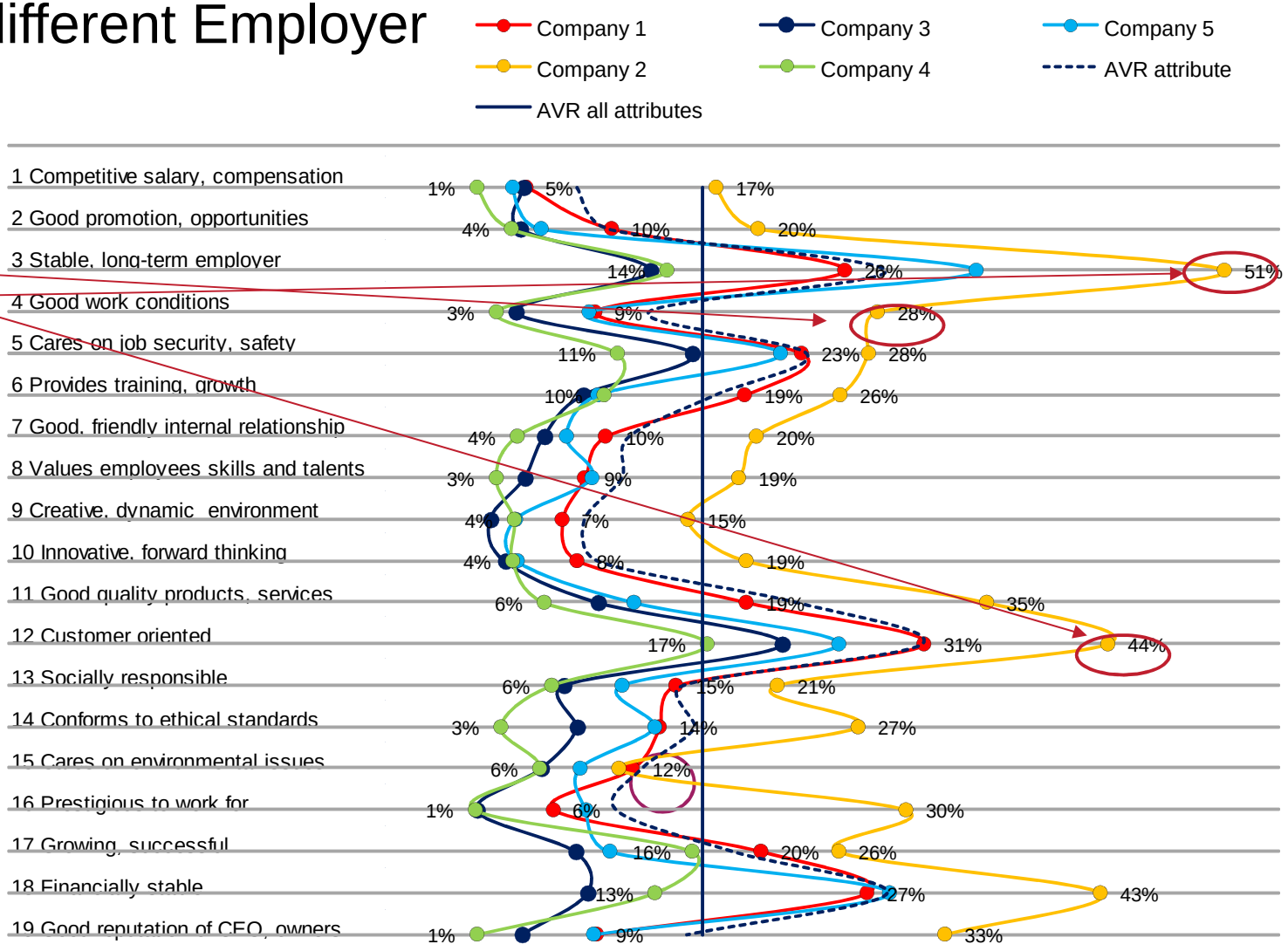
Companies within the same industry may have different Employer Image

Factor that ranks highly and can be increased by repetition

The greatest difference factors – potential for key argument

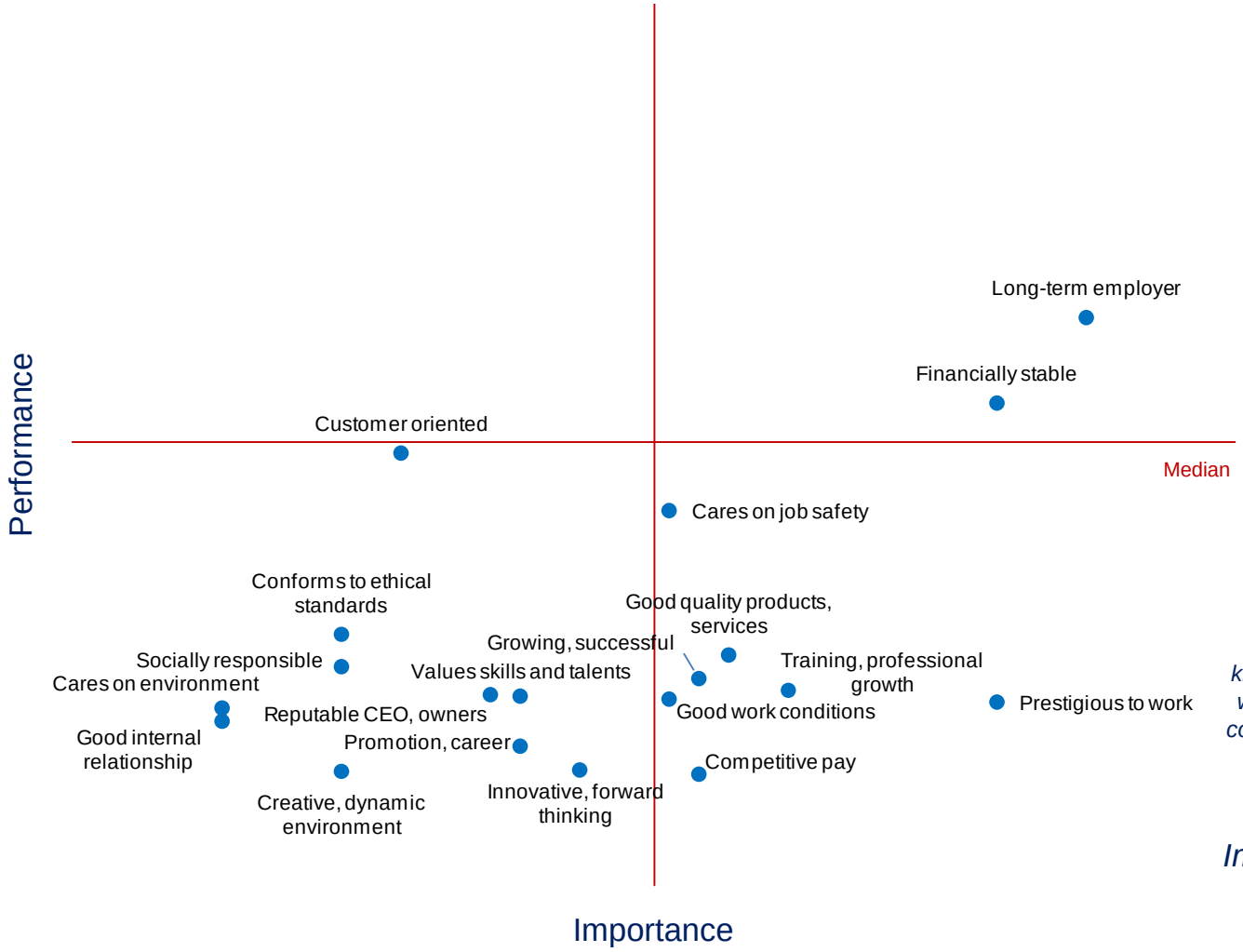
Q: According to your knowledge and opinion, to which of these employers could be attributed each of such descriptions?

Base: ALL



AVR – average score among selected competitors

Image Positioning: Example, Company A



Performance

Perceived image

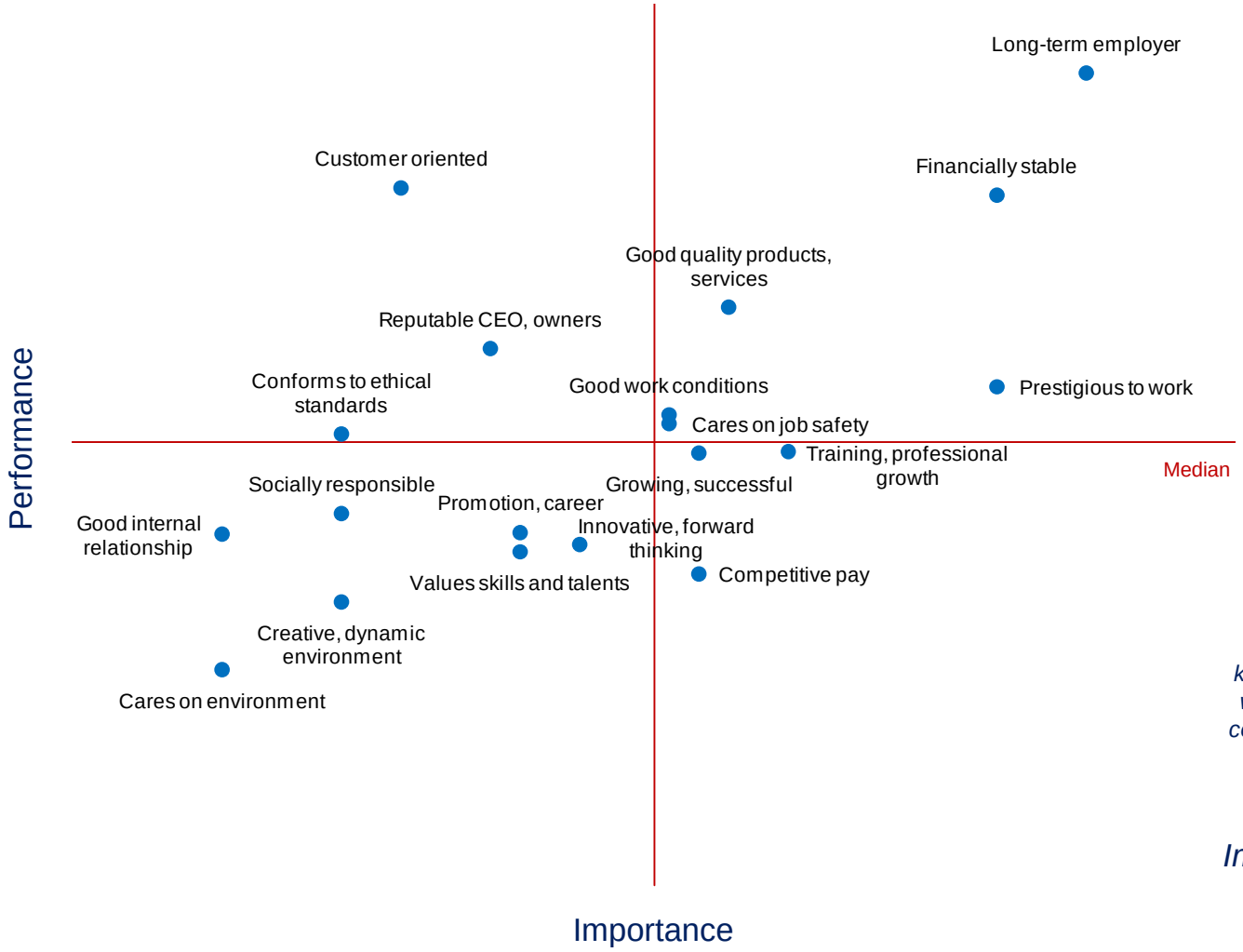
Q: According to your knowledge and opinion, to which of these employers could be attributed each of such descriptions?

Importance

Implicit importance:

Mean of image scores attributed to preferred employers [index 0..100]

Image Positioning: Example, Company B



Performance

Perceived image

Q: According to your knowledge and opinion, to which of these employers could be attributed each of such descriptions?

Importance

Implicit importance:

Mean of image scores attributed to preferred employers [index 0..100]

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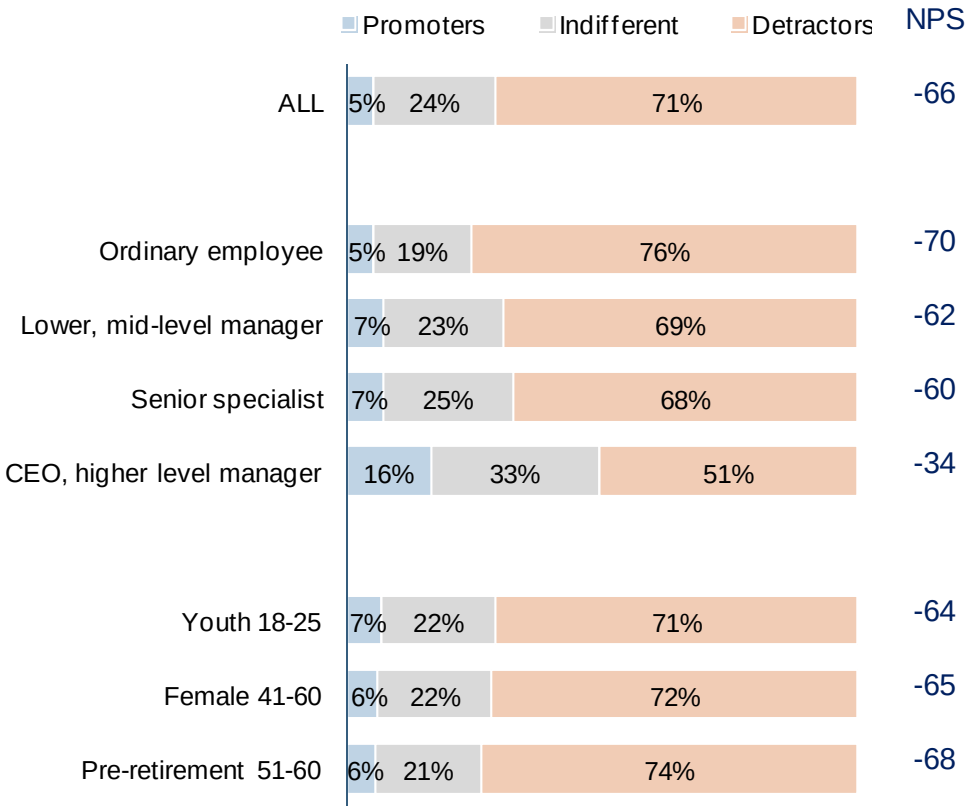
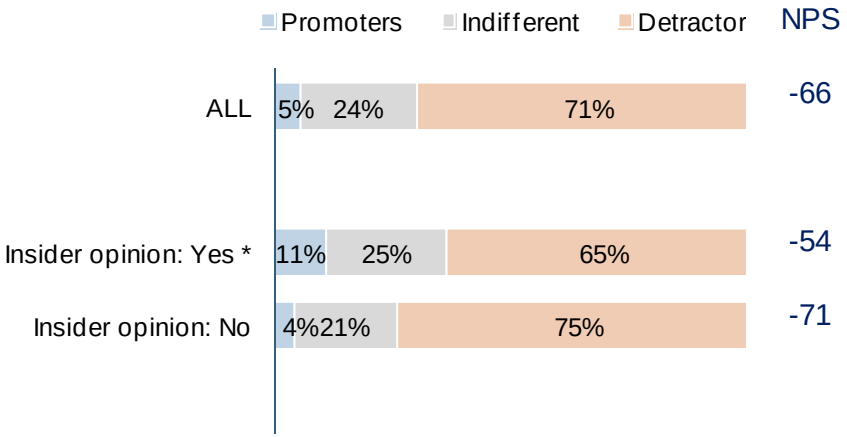
Theme analysis of open-end responses: EXAMPLE

N	Topic	#
1	Low salary	387
2	Bad attitude, arrogance towards employees	147
3	Tough schedule	83
4	Bad working conditions	52
5	High workload, overload	50
6	Not acquainted with the working environment	37
7	Hard work	30
8	High turnover of people	28
9	Negative feedback, complaints from employees	27
10	Customer dissatisfaction, bad attitude towards customers	24
11	Low company, job, industry prestige	22
12	Lack of care for employees	21
13	Bad reputation	18
14	No growth, promotion opportunities	18
15	Huge corporation	16
16	Would not recommend	14

Analysis of 892 ‘detractors’

Net Promoter Score (NPS): EXAMPLE, MARKET SEGMENTS



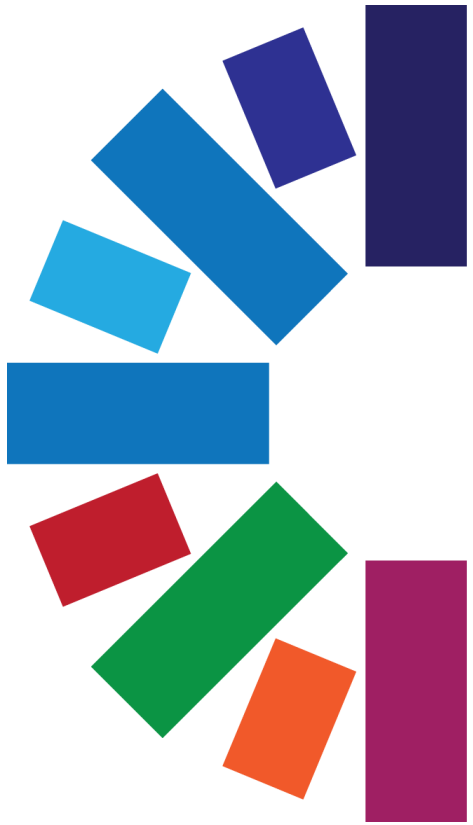


* Insider opinion – work or have worked, or know people who work or have worked in organization

Q: Based on your knowledge and opinion about these employers, how likely is it that you would recommend them as a place to work to a friend or colleague? [scale 0..10]

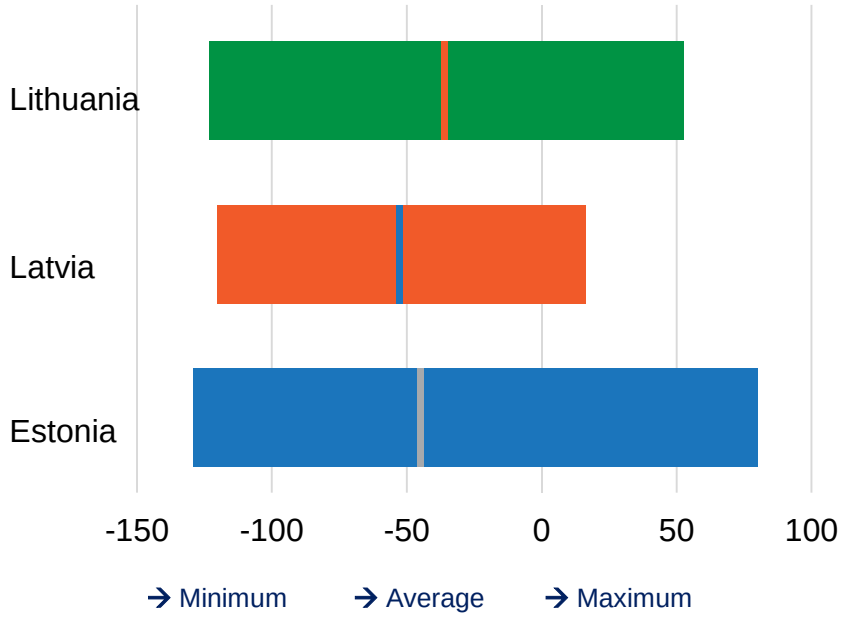
Net Promoter Score (NPS) = Promoters % - Detractors % (Promoters 9..10; Indifferent 7..8; Detractors 0..6)

Main conclusions



Lithuanians are the most positive, Latvians are the most negative.

Net promoter score (NPS) differences among the Baltic countries:



What does it mean?

The confidence of employees, enterprises and countries must be improved. It has direct impact on emigration and re-emigration.

Retail

Depo
Drogas
Elkor
H&M
JYSK
K Rauta
Lindex
Maxima
McDonalds
Mego
Moeller Auto Retail
Narvessen
RIMI
Statoil
Stockmann

Construction

Binders
Cemex
Merks
RBS Skals
Re&Re
Reaton
UPB

Food & drinks

Aldaris
Cido Grupa
Dobeles dzirnavnieks
Fazer
Food Union
Hanzas Maiznīcas
Latvijas balzāms
NP Foods
Rīgas dzirnavnieks
SPI Group
Spilva

Insurance, lending

4finance
Balta
BTA
Ergo
Gjensidige
IF
Seesam

Energy, gas, water, forestry

Latvenergo
Latvijas Gāze
LVM
Rīgas siltums
Valsts meža dienests

Manufacturing

Latvijas finieris
Lauma Facrics
Severstaļlat
Stora Enso
Valmieras stiklašķiedra

Transport

Air Baltic
Latvijas dzelzceļš
Rīgas satiksme
Tallink
Ventspils nafta terminmāls

IT, electronics, communication

Accenture
Baltcom
Bite
Citrus Solutions
Exigen Services
Lattelecom
LMT
MTG Viasat TV3
Samsung
Tele2
Tieto Latvia
Transcom

Pharmacy

Glaxo SmithKline
Grindeks
Magnum Medical
Olainfarm
Recpie plus
Roche
Tamro Benu aptiekas

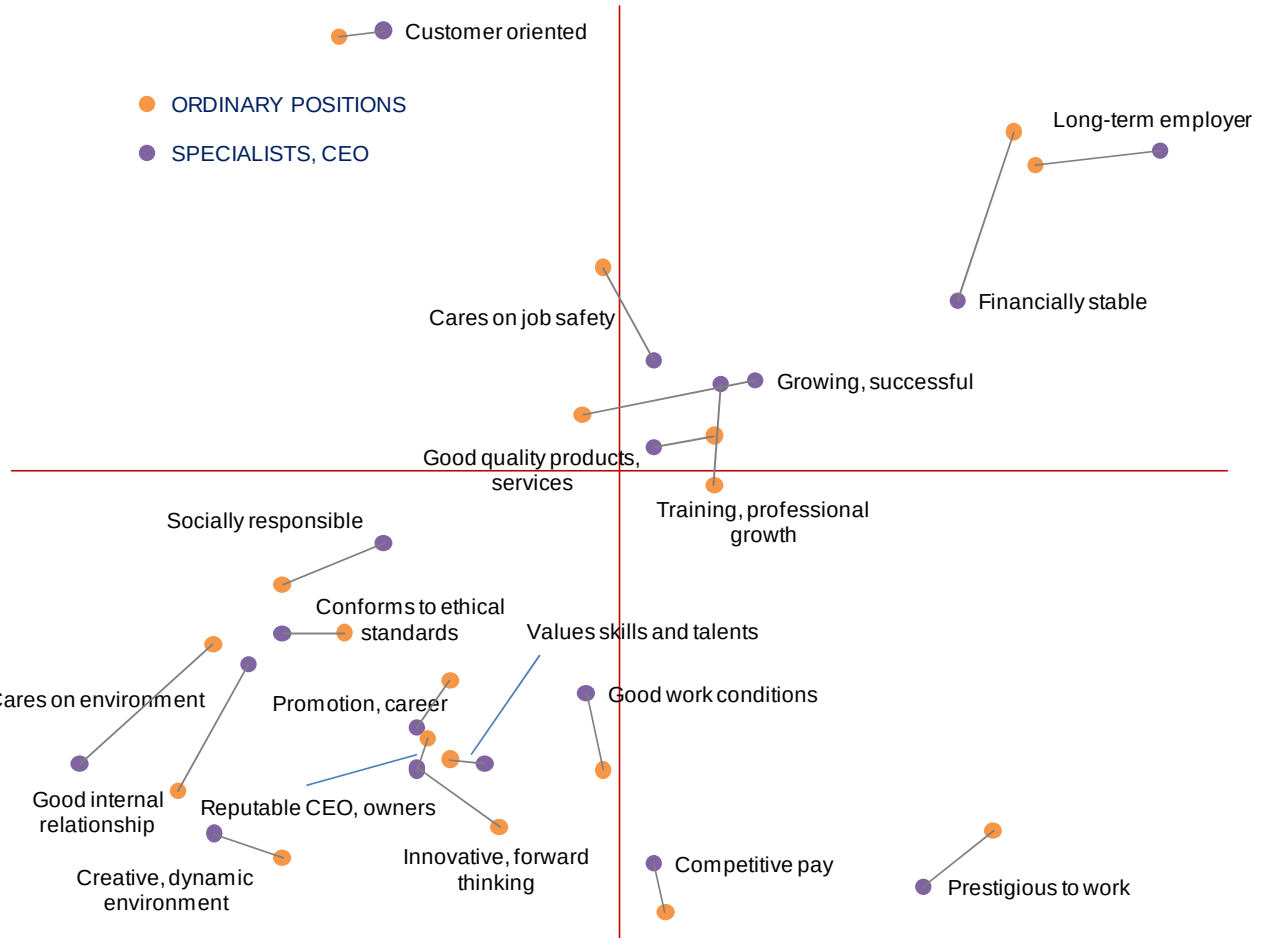
Banks

ABLV Capital
Citadele
DNB
Nordea
SEB
Swedbank

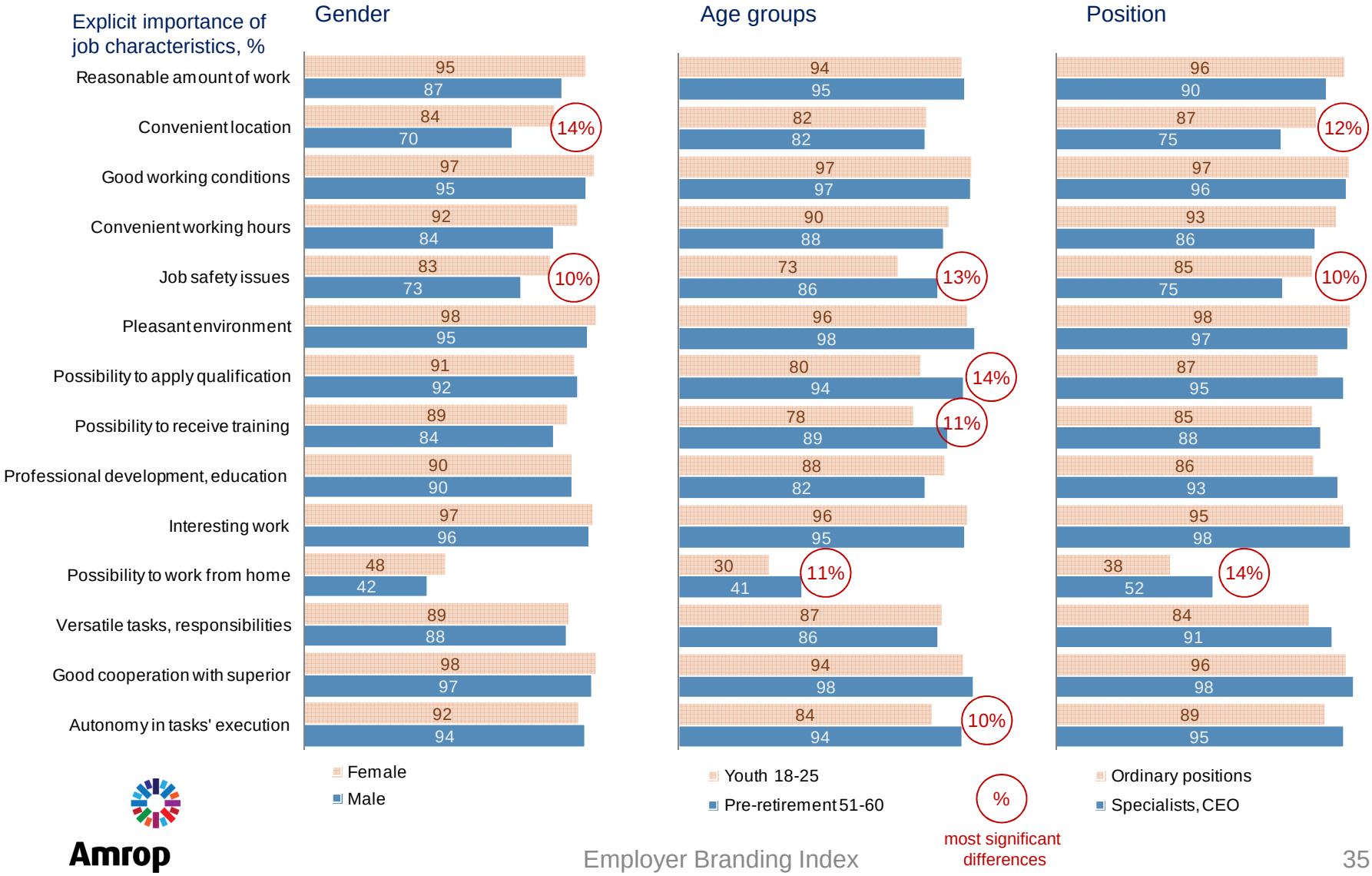
What does it mean?

Special attention to employer image should be paid in particular sectors: retail, construction, insurance.

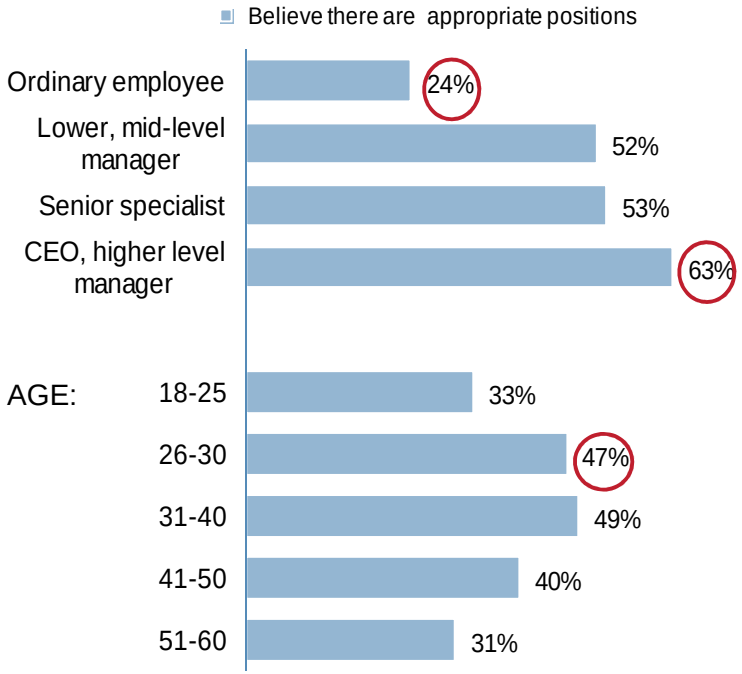
The higher the position level, the higher the level of needs. In the context of Maslow hierarchy, the overall level of needs is rather basic.



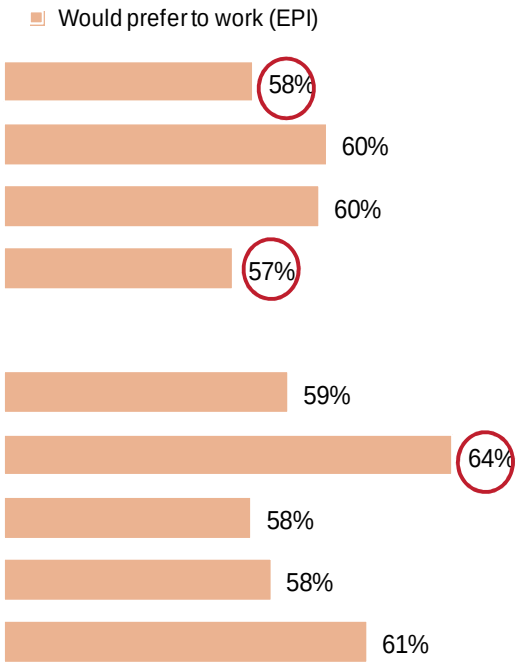
Different socioeconomic groups have different needs.



In various candidate segments, the idea about job availability may differ from job attractiveness.



Base: Aware of the organisation



Base: Believe there are appropriate positions

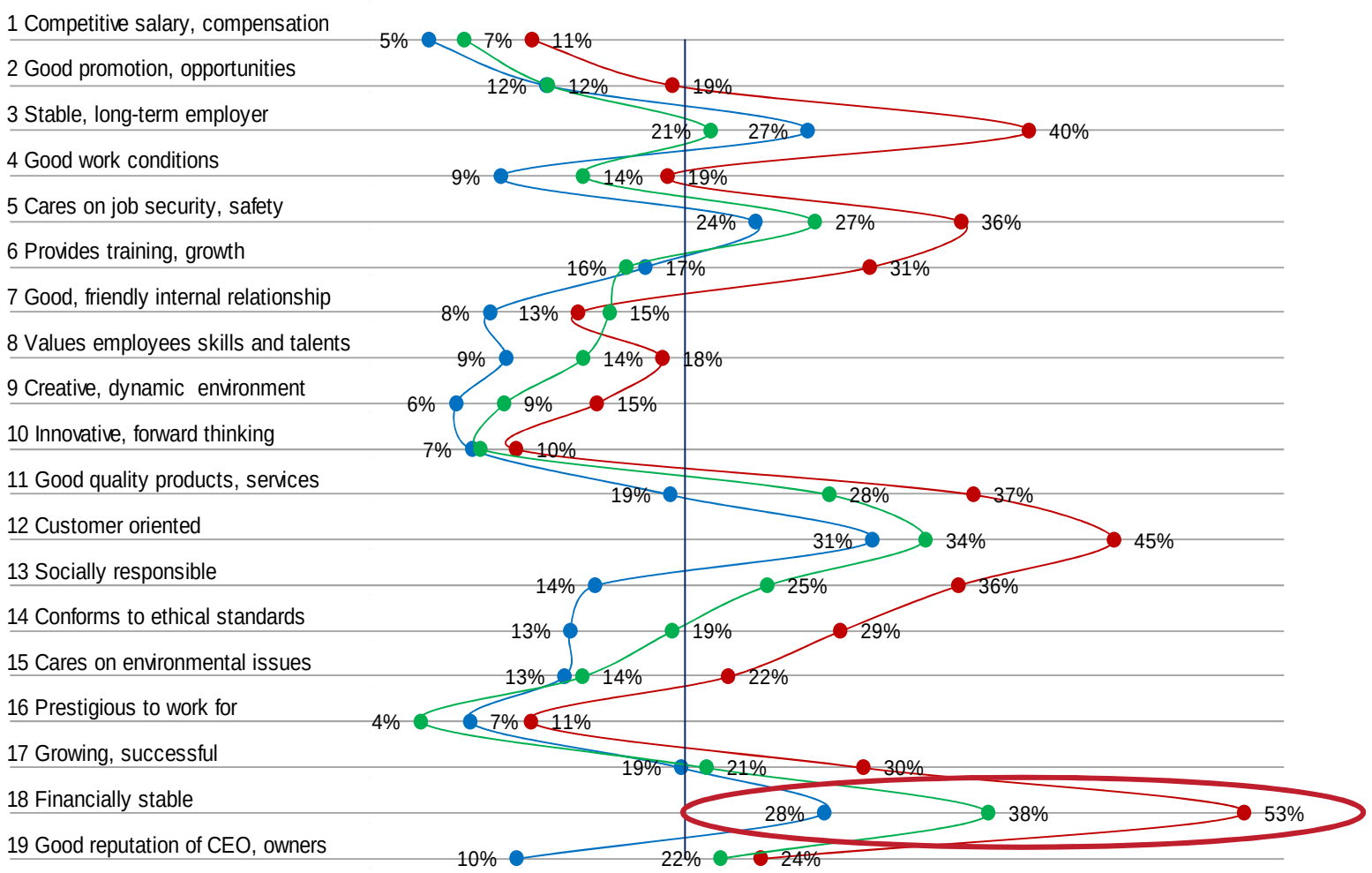
Q: Taking into account your profession, experience and/or qualification, which of these employers would you potentially work for? Please mark all employers which you believe have appropriate job positions for employees like you.

Q: To which of these employers would most prefer to work for?

What does it mean?

Employers must carefully segment their employment markets and develop suitable offer and image.

The impression of company stability is of significant importance.



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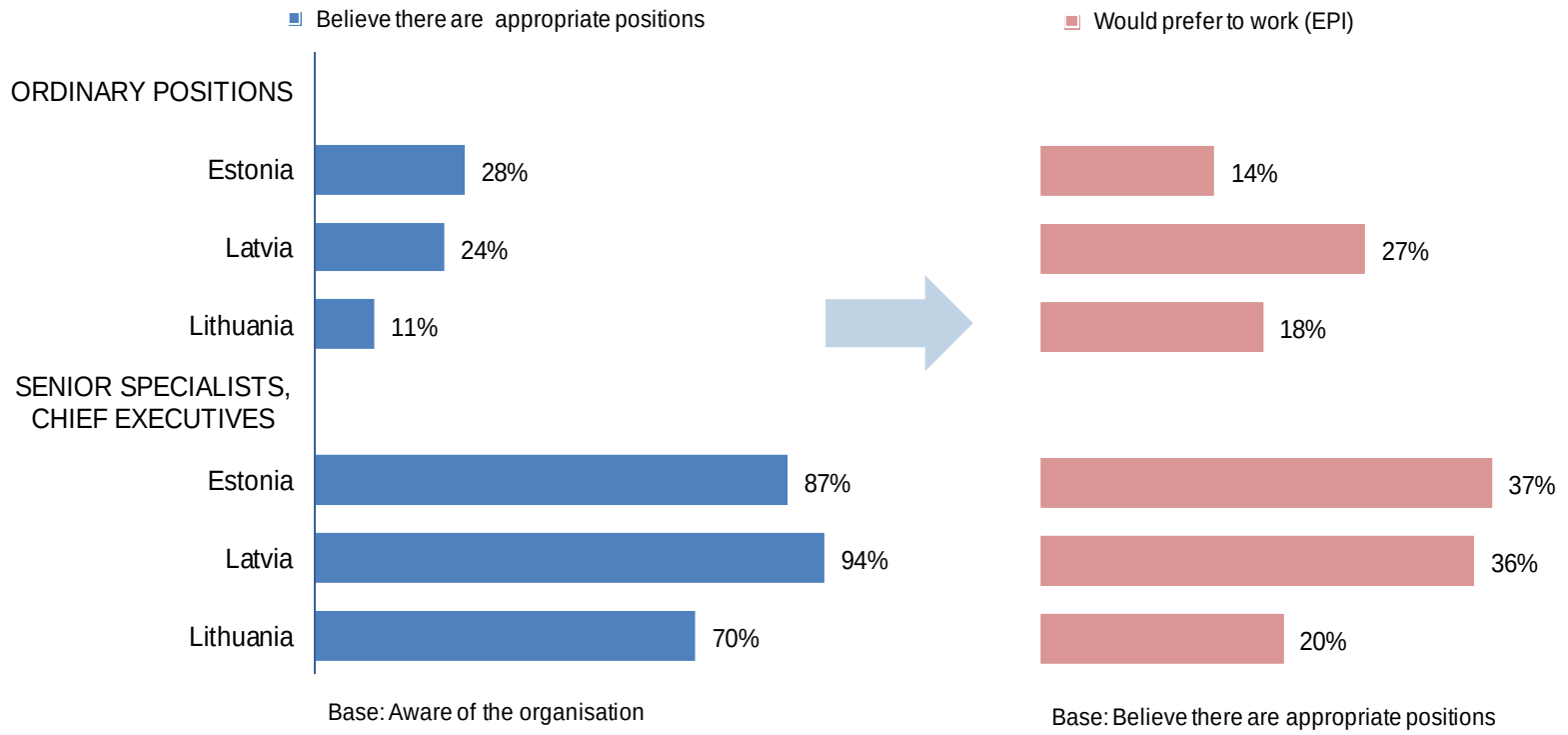
What does it mean?

Company stability («successful, growing, leader of the market») must be communicated regularly.

Factor evaluation can differ significantly between the Baltic states.



Base: Aware of the organisation

Base: Believe there are appropriate positions

Q: Taking into account your profession, experience and/or qualification, which of these employers would you potentially work for? Please mark all employers which you believe have appropriate job positions for employees like you.

Q: To which of these employers would most prefer to work for?

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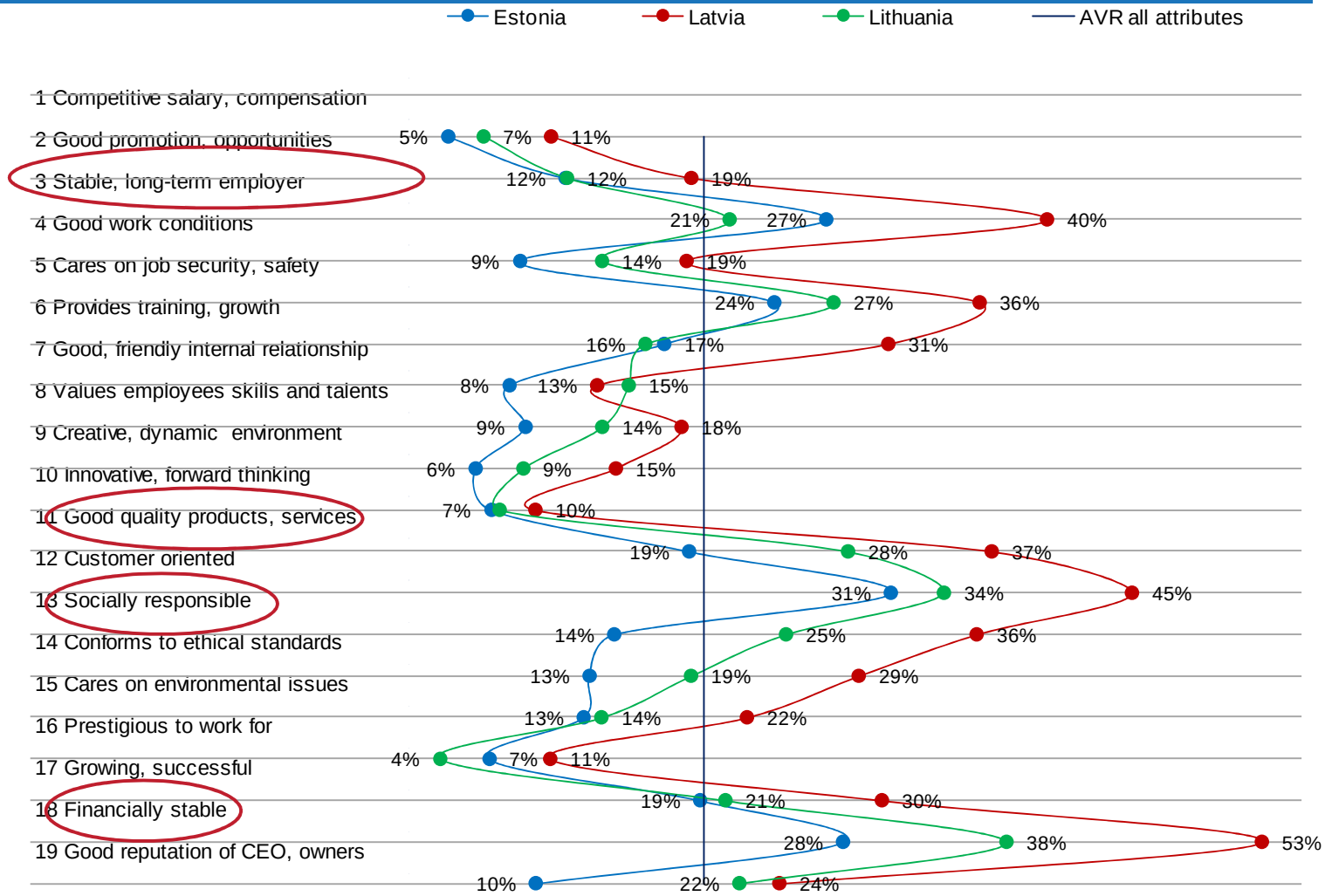
Employer Image for the same company can vary significantly in each Baltic country



Q: According to your knowledge and opinion, to which of these employers could be attributed each of such descriptions?

Base: ALL

AVR – average of all image attributes

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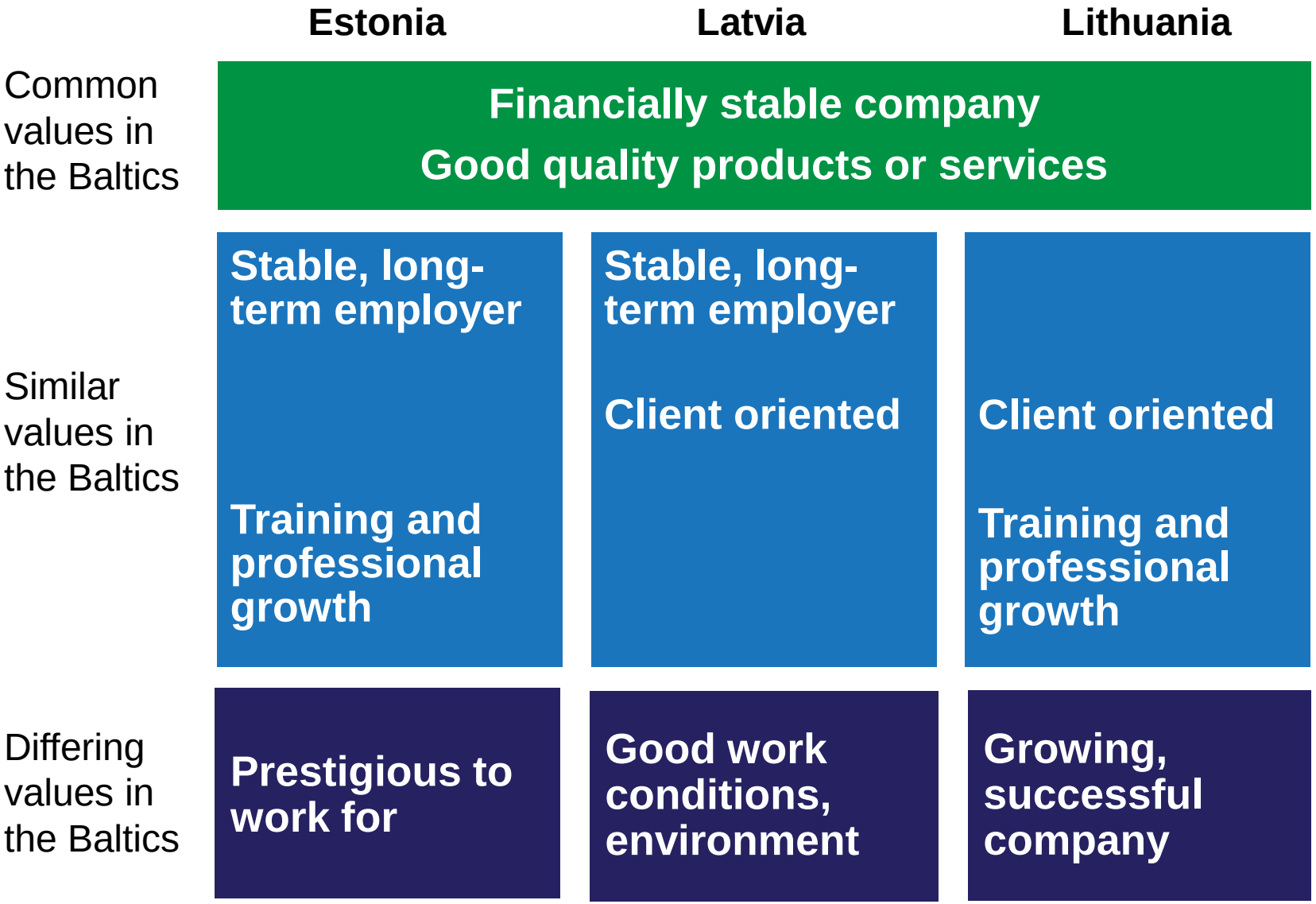
What does it mean?

Differences among the Baltic states ought to be taken into account for employer image, to reduce the differences and emphasize the common aspects.


Estonia
Latvia
Lithuania
Common values in the Baltics
Financially stable company
Good quality products or services
Similar values in the Baltics
Stable, long-term employer
Training and professional growth
Stable, long-term employer
Client oriented
Client oriented
Training and professional growth
Differing values in the Baltics
Prestigious to work for
Good work conditions, environment
Growing, successful company

Connection with product

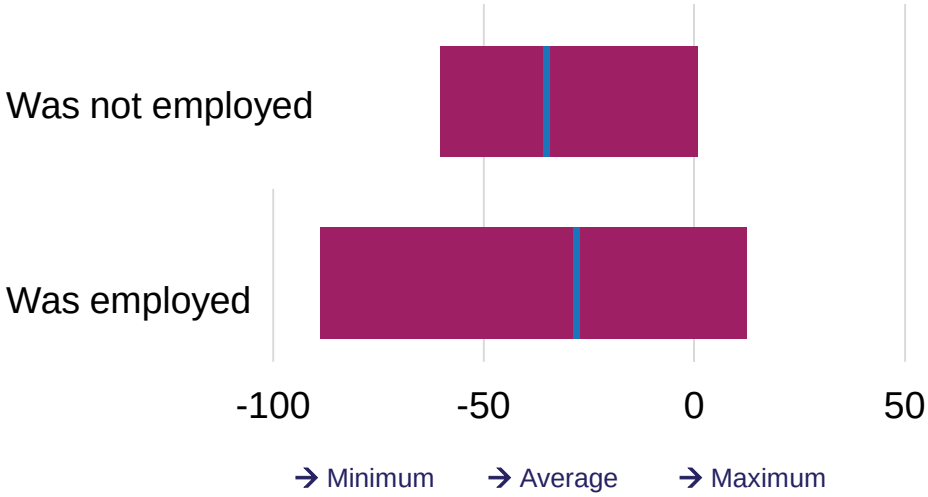
Employer's image is closely linked to the overall image of the evaluation of the product or service and service quality.

The emphasis on price in the external communication has a negative impact on employer image (for example, the retail sector).

CSR activities positively affect the employer image (for example, forestry sector).

Latvia is a small country, the internal employee satisfaction directly impacts employer image.

Net promoter score (NPS) comparison between groups:



A bad attitude towards employees is the second most commonly cited criticism.

‘Arrogant organisation, not interested in employee needs.’

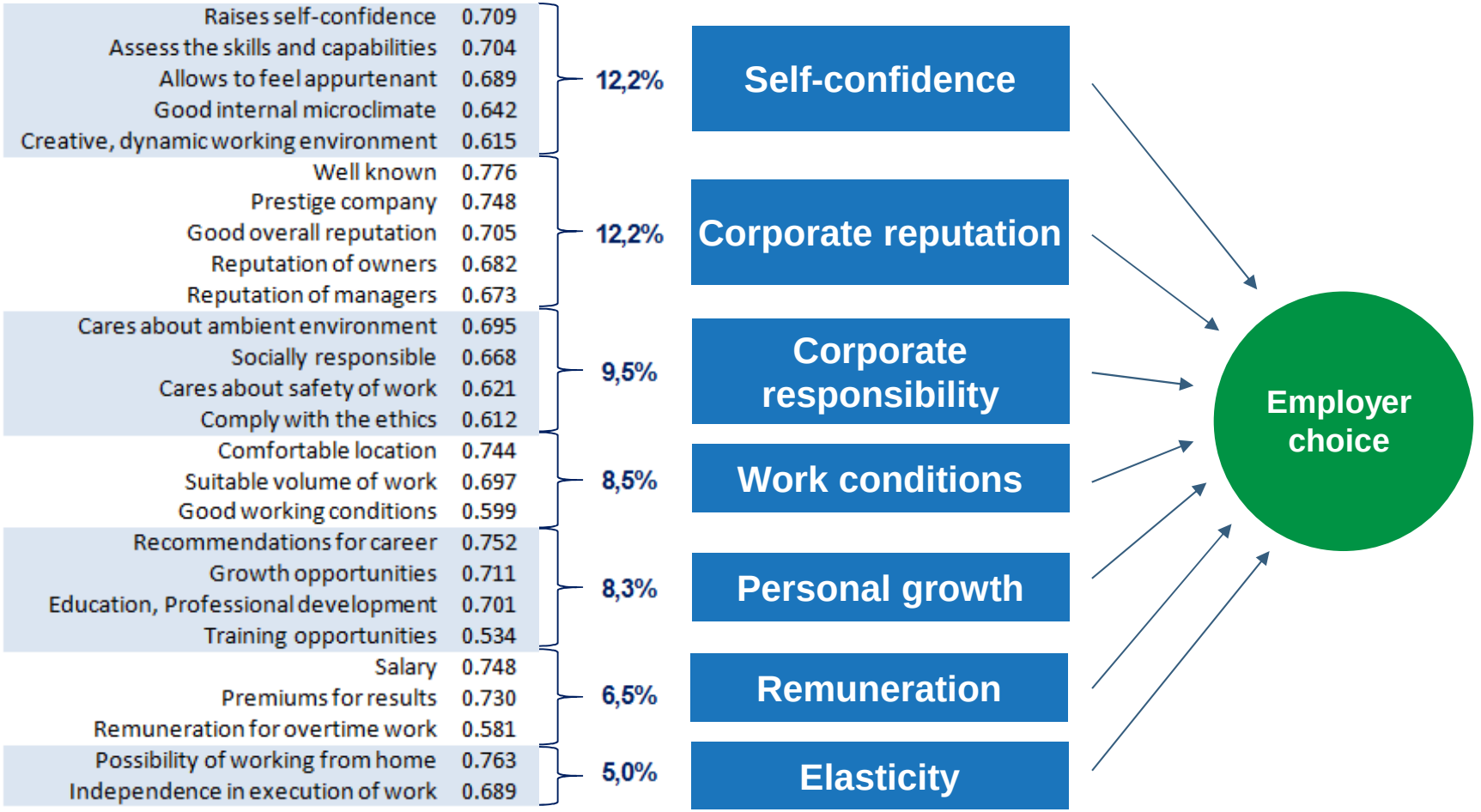
‘Not stable employer, do not trust employees.’

‘Arrogant managers attitude to staff.’

‘Pretty lax attitude to the lower and middle levels of staff.’

‘Says one thing, but in reality it is another. You can perceive Swedish arrogance and fell that Latvians are considered as cheap labour force.’

Remuneration is important, but not the only factor.



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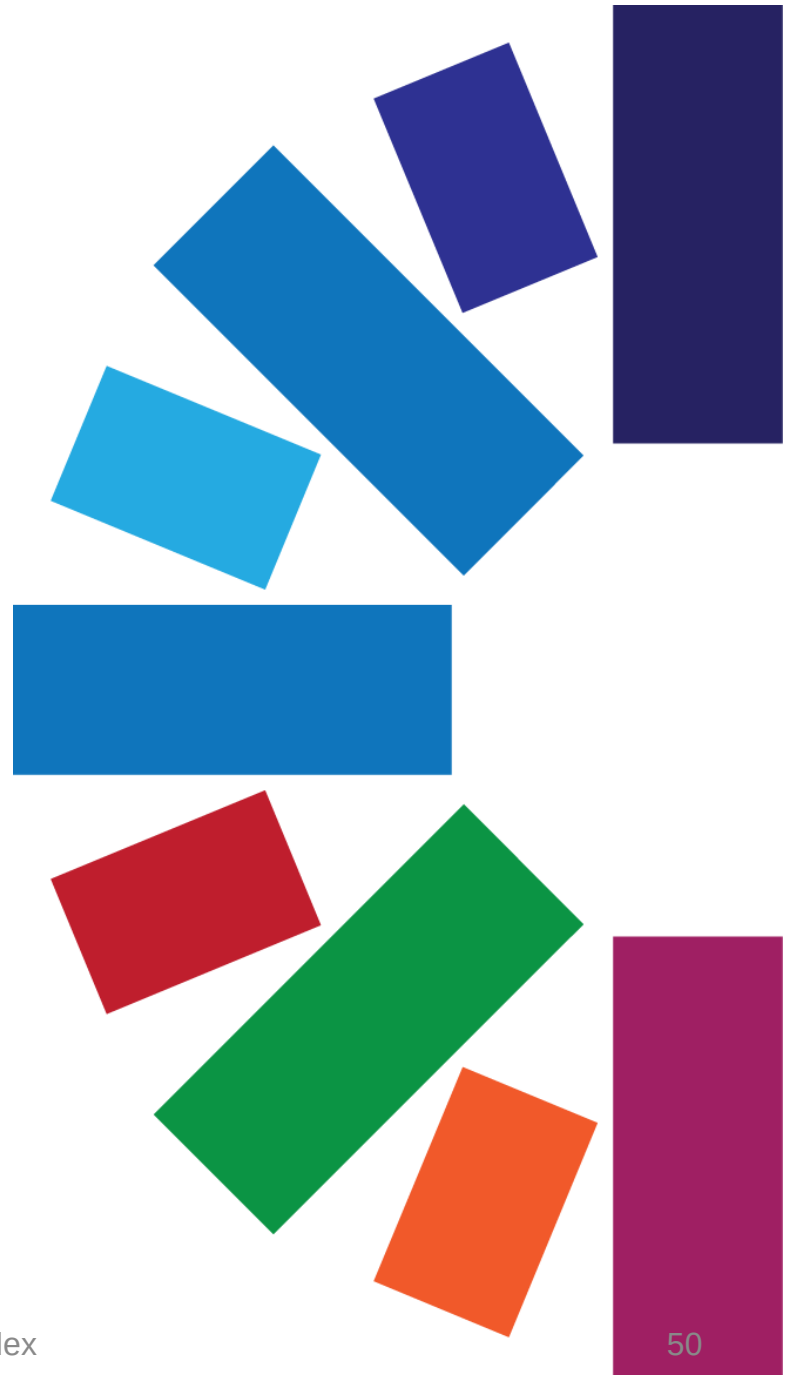
What does it mean?

Companies should both – put in order the «hygene factors» (pay, safety, work conditions) and pay more attention to motivators.

Employers need to take differing values, ambitions and needs of their potential employees into account

Thank you!