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Recruiting agencies in Republic of Kazakhstan**Akhmatova F.,**

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Аңдатпа

Жазылған жұмыстың басты мақсаты – Қазақстан Республикасындағы жеке және мемлекеттік рекрутингтік агенттіктердің жұмыстарын сараптау. Сонымен қатар жұмыста төмендегідей мәселелер қарастырылған. Қазақстан Республикасындағы рекрутингтік агенттіктердің концепциясы мен функциясы. Сауалнама арқылы адамдардың рекрутингтік агенттіктерге деген қатынасын сараптау.

Аннотация

Целью следующей работы является анализ работы государственных и частных рекрутинговых агентств в Республике Казахстан. Работа также раскрывает следующие аспекты; концепция и функции рекрутинговых агентств в РК и анализ отношений людей к рекрутинговым агентствам путем опроса.

Abstract

The purpose of this paper is to analyze the activities of state and private agencies in Republic of Kazakhstan. It also discovers issues as: the concept and functions of recruiting agencies in RK and analysis of attitude of people towards state and private recruiting agencies through surveys.

Whenever a Company starts looking for potential employees to hire they turn their attention toward the job recruiter. Essentially, a job recruiter is a person or a firm that specializes in finding just right person for the right position within a Company or organization.

Between the employers and candidates who wish to get a job, often there is one very important link. This link is called an employment agency – service that helps employees get the right to him, as a specialist – a job that you wish. Recruiting provides services to individuals looking for work and also to employers who are looking to recruit. Their aim is to bring together, candidates and employers who are genuinely suited to one another to create a successful working your details to a huge number of companies in one go. Very often the best jobs are advertised in general press. Companies are using agencies to recruit for them more and more, as they don't always have the time or expertise in-house. It therefore makes sense for anyone who is looking for a new job or a career change, to register with a reputable agency. The more you market your talents and qualifications in this way, the greater your chance of success.

Shortly, almost anyone and everyone can join the agency. There is now practically an agency to cater for every industry type. You can use an agency if you

are in job and want simply test what the job market has to offer or you could be out of work and need to find a new job. The most important thing that you should remember is that the agency that you are applying should be specializing in looking for jobs in your industry.

The first private service employment appeared in Germany in the XIX century. At the begging of the last century in Britain and France worked actively recruiting organization that engaged in both employment and seeking professionals "under the order". A first United States office stuff came in 1848 in Boston.

However, the most employment agencies appeared in USA since the Great Depression, and especially after World War II, when industry has risen and increased the demand for professional workers. And for the past 45 years of employment activity, the related business and politics, has become a separate business. It has the tendency to develop intensively in the countries that preach the maximum freedom of the relations in the labor market – the USA, Britain, Canada, Austria and Switzerland.¹

In Russia and later in Kazakhstan, the modern technology recruitment came in 1989 – 1991, when many foreign companies are beginning to open and gradually expand its offices in the USSR. Large Western companies operating in the Soviet Union began to seek new sources of recruitment offices and joint ventures.

Nowadays, in Kazakhstan there are about forty to sixty recruiting agencies. Such a wide variation in figures is explained by the fact that not all companies – classically recruiting.

It is due to ethical distortions of many of recruiting agencies. Say, charging customers before actually supporting with job, in addition forcing to sign an agreement that recruiter doesn't handle any responsibility if the job not founded, when one of the responsibilities of recruiter according the legislations; is to support customer with job, without initially charging him, which is illegal.

In the republic of Kazakhstan, many normative legal acts had and still have indirect connection with regulation of labor market. There are legislative acts such as: "Law on Population", "Law in labor protection", "On Collective Agreement". At the same time "Law on Population Employment" has had concrete and purposeful influence on the regulation of labor market and employment.

During transition period in the Republic of Kazakhstan, legislation and employment and particularly "Law on Population Employment" has changed twice, until 1999; employment regulation was realized on the basis of Law on Population Employment of December 15th 1990 was adopted by the Supreme Council of Kazakh SSR in the beginning of market reforms before the economic collapse.

I. INTRODUCTION

1.1 Let's first of define the recruitment. Recruitment is a process of finding capable individuals to apply for employment. Recruitment is an on-going process whereby the firm attempts to develop a pool of qualified applicants for future human resource needs even through specific vacancies does not currently exist.

Mainly there are two recruitment goals:

¹ <http://www.zakon.kz/82715-ne-ishbite-sotrudnikov-za-vas-jeto.html> [retrieved 28.10.11]

1. To attract qualified applicants – recruiting process is used to create the pool of qualified applicants. By qualified applicants we mean those applicants who are having abilities that are perfect match with the job requirements.

2. To discourage non qualified applicants – second goal of recruitment is avoid non qualified applicants. When recruiting is based upon careful designing of the job distortion and job specification most of the applicants having irrelevant qualifications are eliminated form the list of potential applicants which makes recruiting process more effective and easier.

A recruiting agency provides service to both employers and job seekers. They make profits by successfully placing job seekers into specific jobs and charging the employers (not the job seekers) a fee for doing so. They also place temporary staff in organizations, charge employers an hourly rate and that workers are paid by the agency.²

We define recruiting agencies into two parts:

1.2 Public recruitment agency.

First public agency was opened in London in 1902, since the beginning of the twentieth century, every developed country has created public employment agency as a way to combat unemployment and help people to find work, through the *Labor Bureau (London) Act 1902* and subsequently nationwide by the labor government through the *Labor Exchange Act 1909*

Public recruitment agencies also act as clearinghouse for local factory applicants, major companies often provide application forms in preparation for new rounds of hiring or other expansions of their workforce. Recruitment agencies, especially those sponsored by the state governments, have enough personnel to process thousands of applications, unlike the company's own human resource departments. Unemployed workers are strongly encouraged to visit employment agencies in order to fill out numerous applications.

1.3 Private recruitment agency

First private agency was opened in the United States by Fred Winslow. Another of the oldest agency was developed by Katherine Felton as the response to the problems brought on by the 1906. Therefore the main law which regulates the activity of private employment agencies is a Population employment law of the Republic of Kazakhstan N 149-II dated 23rd January, 2001 regulating legal, economical, and organization relations in the sphere of population employment.

Private employment agencies perform many of the same services, but they are less likely to be overworked and understaffed. Applicants fill out detailed information sheets, covering all of their marketable skills and employment experiences. In addition, applicants may also receive training in resume writing, interviewing skills, and presentations. There may also be some aptitude testing available, in order to determine the applicant's strongest skills.

Private employment agencies may also have established relationships with local employers, making it easier for applicants to get past the first round of screenings. Private employment agencies may also offer temporary job services, allowing

² Lecture book "Human resource management" Dr Vaishali Saple page 56

workers to earn survival money until something more lucrative or satisfying becomes available. Temporary job assignments may involve mental labor in factory setting or entry – level clerical work such as data entry or filling. As useful as these services may be, private employment agencies can charge fees for the privilege of having your name listed in their database. It pays o ask questions before entering into a contract with private employment agencies. Don't fall for incredible promises of high-paying jobs with little or no experience required.³

1.3 The impact of recruitment agencies on economy.

Nowadays recruiting agencies are well known and it has increased demand among job seekers. Recruiting agency has a role of middlemen in the labor market, having objective information about the market with its potential employees. And like any party, recruiting agencies are able to influence the overall labor market situation “inside”. Of course, the result of such an effect is not large enough to be noticed, but still their impact on labor market is gradual. Therefore, they are one of the factors of changing labor market. If to summarize:

1. Have impact on changing attitudes to recruiting and job-seekers immediate market participations – employers and job-seekers – change them as a whole.
2. Helping to determine the competitiveness of market participants – employers and job – seekers – have an influence on the supply and demand in the labor market.
3. Providing paid services for recruiters, have become a factor in the formation of market relations in the labor market. Finally, we note that recruitment agencies are only one factor changes in the labor market and how it changes, depends largely on the willingness of participants to self-development.

1.4 Advantages of using recruiters.

Recruiting agencies provide a broad selection of options for professionals searching for new career opportunities. While primary used by companies seeking new personnel, recruiters can be tapped by job-seeking professionals for their in-depth knowledge of the current job market and their contacts at companies that are hiring.

“Using a recruiter during a job search offers maximum exposure due to the agency’s wide network of corporate contact”, says Ted Collins, purchasing manager. However, he warns, “Selecting quality in recruiter is always important. The only disadvantage in working with recruiter is choosing the wrong agency.”

Efficiency is another factor motivating professionals to employ recruiting agencies as a career resource. Says Babb: “recruiters help to provide a focused and targeted application process. The applicant’s resume is sent companies that meet geographic, salary, skill set, advancement, quality of life and work-environment needs better then simply answering advertisements that meet some of those needs. The process saves the applicant time in terms of not having to do tedious research about potential employers, their environment and mind set.”⁴

1.5 Internet recruiting in Kazakhstan

³ International Labor Office, *The Role of private agencies in the functioning of labor market* (Report VI 1994) International Labor Conference 81st Session

⁴ http://en.wikipedia.org/wiki/labor_exchanges_act_1909 [retrieved 30.10.11]

The importance and use of the internet is becoming increasingly visible among small and medium enterprises. Worldwide firms are using the Internet due to the fact that it: enhances internal and external communication, expansion of geographical markets regionally and globally, export at low costs, providing support to customers. The Internet is also offers many benefits:

- Better reach and exposure
- Better ROI (return on investment)
- No time restrictions

However firms, especially in Kazakhstan, do not use much of the Internet for advertisement and in establishing new distribution channels. International companies understood potential of Kazakhstan Internet market. **Yandex** launched a portal for Kazakhstan this last year. The new www.yandex.kz offers all key services provided by **Yandex** customized for web users in Kazakhstan. International **Naspers** media group (owns 43% of mail.ru) also mentioning their interest to Kazakhstan market. So, the Internet can facilitate the growth of a firm without it being taken as a strategy.

The Internet is usually presented as an opportunity for smaller firms because it helps reduce transaction costs and level the playing field. Now a significant market share pulled over on-line recruiting. On-line recruiting is competitive by 150%. The main advantage of the on-line recruitment: speed, fast reactions. Like all other sectors, technological change affects the scope of recruitment. It became easier to maintain a database, as an example HeadHunter.Com.KZ is well known in Kazakhstan market. Thanks to tools available on the portal, databases, candidates are always up to date, they are convenient to manage, build communication with prospective candidates. But isn't a threat to traditional recruiters, because the approach is different. Having an access to such database, the customer has more opportunity to independently and successfully close the vacancy.

But for highly qualified specialists or management of middle and senior managers, the customer still goes to the recruiting company.

1.6. In Kazakhstan we have two types of recruitment:

All recruitment services can be described as a "pyramid", the basis of the pyramid – service to fill vacancies of lower level (employment agencies), in the middle – professional selection link and at the top – headhunting, executive search. In Kazakhstan the largest part of the recruitment services market occupy middle and top management, and niche "lower level" is not well developed. It is due to objective reasons for the formation of companies applying attention to lower level staff only at the stage of grinding corporate structure, as well as unwillingness to draft work agencies.

Traditional recruitment agencies – today in Kazakhstan about 50 recruitment agencies most of whom hold traditional agencies such as: Check Point Central Asia, Global Recruitment, VRV Consultants, AcCent and etc.

Headhunters – Kazakhstan's leading on-line resource for job search and hiring of Headhunter services used by more than 100 thousands of Kazakh, Russian and international companies, basis of applicants' site audience are middle managers and senior managers. Site HeadHunter.com.kz throughout 2010, observed a smooth

increased in the index HeadHunter. Considering the dynamics of the employer's offer in the context of professional fields may be noted that throughout the year were in the lead three areas: Sales, Information Technology/ Telecommunications and Accounting/Management Accounting/Finance businesses. If we consider the labor market from competitors, then you can note the increase in the index Headhunter in 1,5-2 times in virtually all professional fields, indicating the growing competition between professionals. The activity of candidates throughout the year was quite high. This trend can be traced by the number of responses sent to the vacancy. Response to the site HeadHunter.Com.Kz means that the applicant increased in position. (cv@headhunter.kz , [kadry.Kz, http://www.headhunter.kz](http://www.headhunter.kz))⁵

II. MAIN PART

2. Recruitment agencies in Kazakhstan

2.1 Private agencies in Kazakhstan:

In the private sector of Kazakhstan's labor market employees about 30 major recruitment companies, most of them work in Almaty. They are involved in the selection of scarce specialists, who cannot find any recruitment agency or employment center. Companies are selected highly qualified personnel in accordance with customer requirements. Such personnel may include a variety of leadership positions, as well as jobs in management, marketing, IT, engineering, consulting, finance and accounting. They usually provide a full range of services in the field of human resources. Its recruitment, consulting in human resources management, training and marketing those include salary and competition packages. Pays for services for an employer with whom the contract is concluded. Work agency is prepaid or without it. The average amounts of fees of the agency are 9-30% of the gross annual salary of the specialist found. The market of Almaty offers a wide variety recruiting agencies: ACCENT.TOO, ACCOUNT EXPERT.TOO, ACIERTO.TOO, ALPHA CONSULTANT.TOO, AMBIGUOUS.TOO, AZ PROJECT.TOO, BOLASHAK.TOO, BUSINESS TECHNOLOGY GROWTH.TOO, CAREER HOLDING,PRC.TOO, CHECK POINT CENTRAL ASIA.TOO, and etc.

2.2 Public agencies in Kazakhstan

State employment agencies: agencies that are financed by the government. State performs a very necessary and important work. For example, for certain categories of population, these services are sometimes the only chance to find work, feed their families, to stay afloat. So, what now offers public employment agencies? We can say: not too wide range of services. Let's start with formalities. As stated on the website of Labor, in accordance with the Law "On Employment" unemployment citizens, who wish to find work, may apply to the component authorities for assistance in finding employment that are in every city and rural area of the country. Unemployment citizens registered as resident in this same authorized agency. This is the employment agencies or labor exchange. (list an existing Companies)

State recruiting agencies do mainly focus on technical specialties. (driver, worker, welder and etc.) The jobs are mainly placed on newspapers «Срочные Вакансии», «РДВ – работа для всех»

⁵ Online book/recruitment_agencies_and_consultants.aspx/www.contractorcalculator.com [retrieved 1.1.11]

There are some of agencies in Astana: Агентство “the Choice” (cv@choice.kz), ЧУ Единый центр развития персонала национальной компании «КазМунайГаз» (www.ecrp.kz), ANSOR Central Asia (www.ansor.kz).

2.3 An attitude of people towards the recruiting agencies

In order to better understand the way how recruiting agencies do function in the market of Almaty, I have conducted a survey. Several questions were initially placed to clearly set the objectives of the research.

2.4 Findings and Suggestions of the research

1. Today a recruiting agency for job seekers is not only a way to find a job, but also a way to build a successful career.

Result: Strongly agree – 11% and Agree – 46% (means that respondents have experienced dealing with recruitment agencies and as a result certain option is build: recruitment agency is a convenient tool for building career)

Neutral – 31% (means that surveyed people are not aware of an activity of recruiting agencies)

Strongly Disagree – 3% and Disagree – 9% (means that people have negative experience and not agree with such statement)

2. Ethic code is an integral/vital component of professional recruiter

Result: Strongly agree – 54% and Agree – 31% (means that respondents clearly understand the importance of the ethic code)

Neutral – 14% (means that surveyed people are not aware of an activity (in particular ethic code) of recruiting agencies)

Strongly Disagree – 0% and Disagree – 0%

3. E-recruiting is suitable way for recruiting

Result: Strongly agree 29% and agree 31% (means that surveyed people are often applying to E-recruiting and are satisfied by its functions)

Neutral – 37% (means that surveyed people are not aware of an activity of recruiting agencies)

Strongly Disagree 3% (means that surveyed people are not aware or not using such type of the recruiting of an activity of recruiting agencies)

4. Private recruiting agencies provide a broad selection of options for professionals searching for new career opportunities.

Result: Strongly agree 11% and agree 49% (means that surveyed people have experienced dealing with recruiting agencies)

Neutral – 29% (means that surveyed people are not aware of an activity of recruiting agencies)

Strongly Disagree 11% (means that surveyed people are not applying to recruiting agencies)

5. Public recruiting agencies provide a broad selection of options for professionals searching for new career opportunities

Result: Strongly agree 3% and agree 26% (means that surveyed people have experienced dealing with recruiting agencies)

Neutral – 34% (means that surveyed people are not aware of an activity of recruiting agencies)

Strongly Disagree 23% and disagree 11% (means that surveyed people are not applying to recruiting agencies)

6. I often do apply to public agency

Result: Agree 17 %, which means that surveyed people do apply to state agencies. Neutral 31%, which means that people are not aware of the existence of state agencies. Strongly disagree 23% and disagree 26%, which means that people either are not aware of them, or are not satisfied by their performance.

7. I often do apply to private agency

Result: Strongly Agree 14%, and agree 37%, which means that surveyed people do apply to private agencies. Neutral 23%, which means that people are not aware of the existence of private agencies. Strongly disagree 9% and disagree 14%, which means that people either are not aware of them, or are not satisfied by their performance.

8. Recruitment agencies follow legislations of RK

Result: Strongly Agree 6%, and agree 26%, which means that surveyed people do apply to recruitment agencies. Neutral 54%, which means that people are not aware of the existence of recruitment agencies. Disagree 9%, which means that people either are not aware of them, or are not satisfied by their performance due to fraudness.

9. Cyber recruiting is developed in RK

Result: Agree 17%, which means that surveyed people do apply to cyber recruitment agencies. Neutral 46%, which means that people are not aware of the existence of cyber recruitment agencies. Strongly Disagree 9%, and Disagree 23%, which means that people are not using cyber recruitment.

10. Not all agencies are profitable, there are non-profitable ones

Result: Strongly Agree 17%, and agree 23%, which means that surveyed people are aware of existence of non-profitable recruitment agencies. Neutral 46%, which means that people are not aware of the existence of recruitment agencies. Strongly Disagree 6%, and Disagree 6%, which means that people are not aware of the existence of recruitment agencies.

11. My experience of public/state agencies was negative

Result: Strongly Agree 26%, and agree 14%, which means that surveyed people have negative experienced due to fraudness and dissatisfaction. Neutral 40%, which means that people are not aware of the existence of recruitment agencies. Strongly Disagree 3%, and Disagree 17%, which means that people are not aware of the existence of recruitment agencies.

12. My experience of private agencies was negative

Result: Strongly Agree 17%, and agree 17%, which means that surveyed people have negative experienced due to fraudness and dissatisfaction. Neutral 34%, which means that people are not aware of the existence of recruitment agencies. Strongly Disagree 3%, and Disagree 29%, which means that people are not aware of the existence of recruitment agencies.

1. Some of state agencies distorted ethical issues (through fraudness)

Result: Strongly Agree 26%, and agree 34%, which means that surveyed people have negative experienced due to fraudness and dissatisfaction. Neutral 23%, which means that people are not aware of the existence of recruitment agencies. Strongly Disagree 3%, and Disagree 9%, which means that people are not aware of the existence of recruitment agencies.

2.4.1 Suggestions:

Most of the percentage of surveyed people have negative experience of state agencies or not aware of their existence. This all could be explained by:

Mismanagement in state agencies, job seekers are as well as employers should be treated accordingly to the standards of Law of Population and Ethic Code, only by that people are motivated to deal with any of recruitment agencies be it private or state/government agency doesn't matter. Another factor is that about 60% of surveyed people are not aware of the existence of any of those agencies, as I said before be it profitable or not profitable. Why? Because of the lack Public Relations department, they should emphasis on this aspect more. Although there are some accredit able state agencies.

SUMMARY

A recruitment agency provides services to both employees and job seekers. They make profits by successfully placing job seekers into specific jobs and charging employees (not the job seekers) a fee for doing so. The also place temporary staff in organizations, charge employers an hourly rate and the workers is paid by the agency.

Although an impact of recruiting agencies on the development of economy is not so visible, it still remain one of the vital components of the development of the economy thus government should more focus on the developing of state organizations by introducing the strategies and experience of foreign managers, by properly implementing them into an economy by increasing state support and by that motivating employers to work better.

Dismotivation is the best explanation of the way recruiting agencies perform their activities.

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