

# *New Investors Come with New Expectations Do we Really Have Specialists Who Can Compete?*

In Slovakia, foreign direct investment has, in the past few years, not only flowed into the newly built plants of car producers and their suppliers, but the favorable economic environment also attracted a number of other production facilities, significant in Slovak terms, from various industry sectors - machinery, chemical, food, shoe production, and others.

One of the main reasons why investors are selecting our country is the plentiful supply of an inexpensive and relatively-speaking well-qualified work force. However, the first question a foreign partner asks at the start of detailed consultations about the management positions is usually this: whether it is possible to find good managers in Slovakia.

Selecting candidates for particular management positions requires a special art of finding the right balance between the work experience, language skills, and personality traits of the candidate on the one hand, and the offered salary conditions on the other. The investor's idea of the financial value of Slovak managers is usually quite removed from the reality of present times. Does it mean that our top managers are expensive? It is true that they are almost as expensive as the top managers of foreign companies; they have their value and they show it. The location in which the foreign company is established does not

influence the salaries of top managers and if it does, this influence tends to take the salary upwards (it is more and more common that Slovak managers require relocation compensation).

In certain industrial sectors the available specialists, those fulfilling the professional and personal requirements of the companies while at the same time not exceeding the financial budget for the position, are becoming scarce. It is true mainly about the production sector where attractive and well paid job opportunities mainly in the automobile industry are drawing off competent managers from other types of production.

The managerial positions which currently most need to be filled and where there is a limited number of professionals with experience both in the international environment and in start-up projects include positions such as Human Resources Manager, Logistics Manager, Quality Manager or Maintenance Manager. These are positions which require specific knowledge and experience of specific areas and whose content and job description are significantly different from similar positions in large industrial enterprises in the times of the former Czechoslovakia. When building a new, green field production facility, the foreign companies usually come with a previously selected project team of specialists from different areas – expatriates, coming from the headquarters of the company or other company locations. The key position, which by its nature requires the knowledge of local conditions and is therefore better to have filled from the beginning with a Slovak professional, is a Human Resources Manager. The management of the foreign companies come to Slovakia with the idea that they will find numerous candidates with 8-9 years previous experience in the area of human resources management in an international company. In the Slovak market such “ready made” people are few. If the company is looking for a suitable candidate who is motivated to accept their offer, it must usually lower the requirement on the previous length of experience and consider mainly the current abilities and potential of the candidate.

Foreign companies also differ from their Slovak counterparts in their idea of production manager. Companies are using new methodologies such as Lean Manufacturing or Six Sigma, aimed at increasing productivity, and improving the efficiency of production processes. These are special tools which cannot simply be learned theoretically in training, but mainly by practice, by long term implementation.

The demand for quality in production is increasing; however it has expanded from the requirement for product quality to a requirement for production processes quality and efficiency. Especially in the automotive industry, it is necessary in quality positions to know not only ISO norms and certification, but also for example German VDA 6 or the even more demanding TS 16949 norms. The quality manager must know methods such as Production Part Approval

Process, Failure Mode and Effects Analysis, Statistical process control, KAIZEN, 5S, Error Proofing and Poka Yoke. Moreover, more companies are looking for managers with knowledge of more than just one foreign language not only because of communication with the mother company, but also for communication with the client company.

The market for positions in logistics is, due to the entrance of investors mainly in the automotive industry, very dynamic and tense. The position of Logistics Manager in the automotive industry is on the top of the pyramid of logistical positions. A requirement for such a position is experience from JiT, JiS, BATCH production planning, supply chain management, and knowledge of ISO, TS 16 949, VDA 6, or even Six Sigma. In addition, language skills are a must, where English only is often not sufficient.

There is currently a high demand for Maintenance Managers. For foreign production companies, it is essential that their production equipment runs free of failure, and they cannot afford an unplanned stoppage due to a missed delivery by a just-in-time supplier. Therefore the candidates they are looking for should not only be experienced in maintenance, but they should be managers with good language knowledge, able to lead teams of maintenance technicians on the one hand, and on the other hand be able to take part in meetings of the company's top management and take part in the process of decisions on the smooth running of the company. The knowledge required includes Total Productive Maintenance, Lean Manufacturing, Six Sigma and other methodologies known only by a small percentage of Slovak managers.

The selection of candidates for some other specialized, technical positions is becoming longer and more complex, as the number of available people with language knowledge, technical education and thinking, as well as suitable personality traits such as good communication and organization skills, and also experience of project management, is on the decrease. It is true for positions such as process engineer, product engineer or application development engineer, although the scope of responsibilities and the job titles differ from company to company. Except for production facilities, some development centers have already moved to Slovakia, which need to employ designers and developers often with knowledge of specialist software. There are many Slovaks, who are professionals in these fields, but in past they had to look for suitable employment opportunities abroad and even if they would now like to come back to Slovakia, they know their price well and their financial expectations often exceed what is offered in Slovakia.

Now, when the struggle for qualified and experienced people is starting, companies are entrusting the search for and selection of suitable candidates to professionals, as advertising the positions and passively waiting for answers is no longer effective. Companies are turning to human resources consulting

companies to actively search for experienced specialists on their behalf, not limiting their search to the Slovak market. In this case it is necessary to realize that experienced and successful managers must be adequately motivated in order to change their job.

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