



**ASSOCIATION OF EUROPEAN BUSINESSES  
IN THE RUSSIAN FEDERATION**

**HR CONFERENCE  
Current Realities and Opportunities  
for the Future**

**Organized by the  
AEB HR Committee**

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Hotel Marriott Grand, Moscow

# Graduate Recruitment & The Crisis

## A time-out or a time-bomb?

Cathy Hackett



# In the space of a year....

**2008 WAS**

**‘ Sorry, sold out ’**



**2009 IS**

**‘Buy one, get one free’**



**‘Nearly 1/2 of 2009 graduates will be unemployed in June’**

**Yaroslav Kuzminov, SU-HSE Rector**

# Crisis impact on graduates

- **‘Before Dec ’08 companies used to offer 50-70 vacancies, now they only provide 8–10’**  
Dmitry Shevchenko, Head of RSUH Graduate Employment Service
- **‘Of 1.5m ’09 graduates across Russia, 11% will not be able to find jobs’** Vladimir Miklushevsky, Deputy Education & Science Minister
- **‘As many as 50% will join the growing army of unemployed in June ’09’** Yaroslav Kuzminov, SU-HSE Rector
- **‘The situation is worse for graduates from regions, because Moscow and St Petersburg offer better employment opportunities’** Irina Abankina, Director of SU-HSE Institute for Educational Development
- **Graduates with no work experience will find it difficult to compete with recently unemployed professionals’** Sergei Guriev, NES Rector



Source : Vedomosti, Spring 09

# What about you?

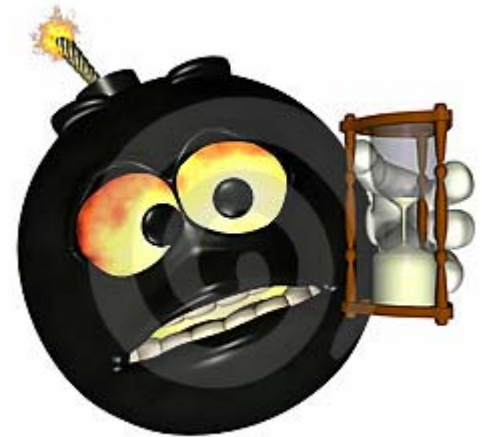


- ? **Hired in 2008**
- ? **Hiring in 2009**
- ? **Hiring in 2010**

# And yet - Russia Demographic Forecast - NO CHANGE

BY 2013

|                     | DOWN BY |
|---------------------|---------|
| - 20 – 24 year olds | 21%     |
| - 17 year olds      | 45%     |
| - 15 – 19 year-olds | 46%     |



# My role today?



## Demographics – the reality hasn't gone away



**Not a sprint but a marathon. Just taken a 'watering stop'**

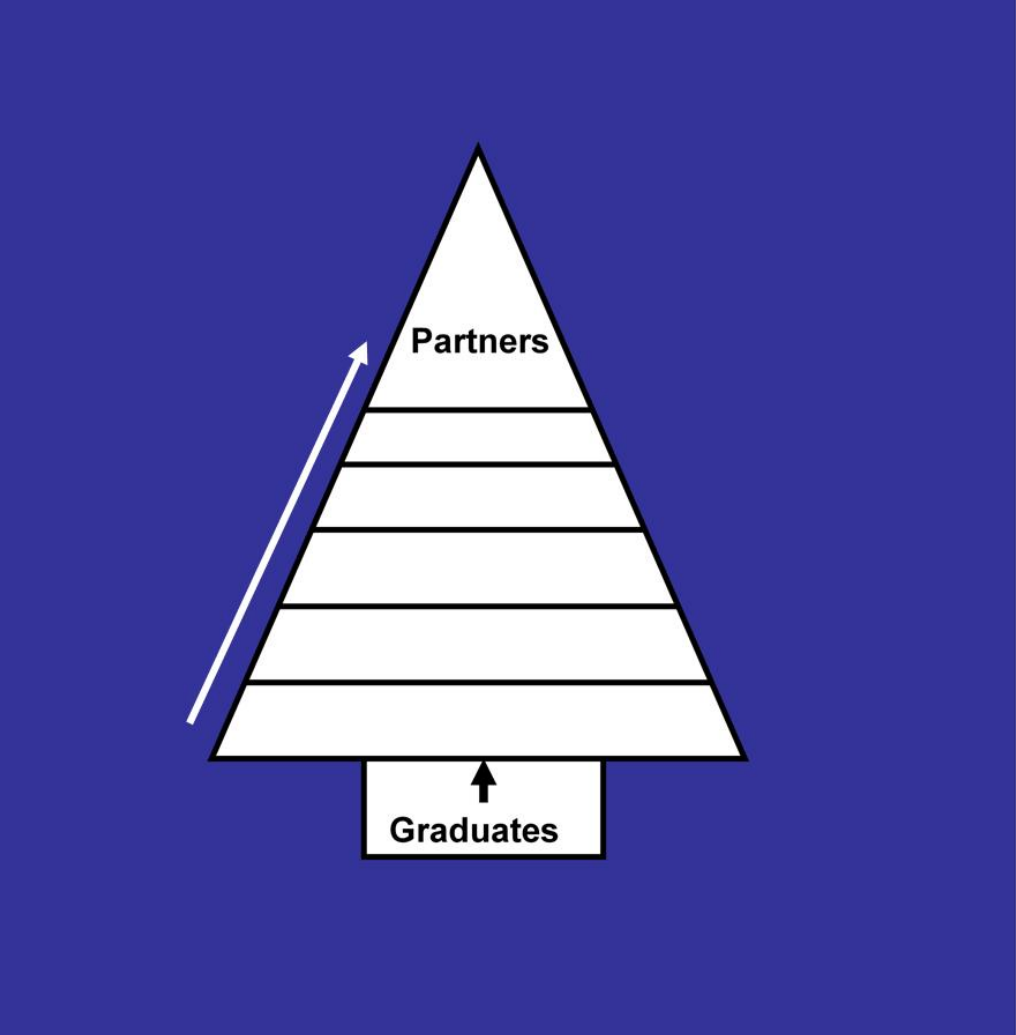
**Short-term gain – cost savings vs. long-term peril – talent pipeline**

**The crisis is a *big* blip - but it's still *only* a blip**

**Talent is a strategic business issue and is the difference between future commercial presence and extinction**



# PwC pipeline pyramid



## Learnings from 1998



**‘One thing we will do is keep hiring graduates’ : November 2008**

## 5–8 years – the consequences ?

**Talent gaps at supervisory and junior management or specialists level**

**Salary inflation to attract skills and experience gaps**

**Employee-driven market fuelling turnover, hiring and retention costs**

**Spiralling costs in L&D**

**Over-inflated reward in relation to capabilities**

***Recognise this?***



# Our GR Strategy

## Strategic Talent Acquisition

Keep hiring!

Retention through investment and development as tomorrow's leaders

## Deepen relationships with key stakeholders

Regular graduate dialogue – get to know how your target audience is changing over time

Invest in schools and universities

- close the gap on skills
- attraction activities, masterclasses, courses, soft skills trainings
- integration with faculties and curricula to support key disciplines

## Anticipate and plan for future generation needs

Brand, EVP and people policy development

# PwC Dialogue Groups – findings

## They are:

- Informed
- Comfortable (supported by parents)
- Not desperate and holding out for what they want

## They want:

- Stability and security
- Good working conditions

## They may:

- Continue learning - post-grad studies, courses
- Marry, start a family
- Set up own business
- Travel abroad
- Military service

# Role of HR – what can and *should* we be doing?



**Be the talent pipeline conscience**

**Keep graduate recruitment on the radar**

**Hold the strategic tension – treat talent management as integral to business strategy**

**Develop Generation Z strategies NOW**

# Generation Z

- **Born after 1995**
- **Coming onto the employment market from 2017/18**



## Gen Z – they will...

- See *constant appraisal and feedback* as the norm, not the exception
- Have more degrees and diplomas than any generation in history
- Need encouragement to notch up *meaningful work experience*
- Be familiar with employers through school and club sponsorship bidding to secure talent early on
- Have *high salaries that will be less crucial* – mortgages, bank loans and cars are consigned to the history books
- Be *equality and diversity* savvy and expect it in the workplace
- Be the least physically active generation we have ever seen
- Have received constant messaging on global warming – they ARE environmentally aware. No *CSR policy*? Get one!
- Be a *transient workforce*, following the work and living where it's based but also content to travel the world virtually
- Be attracted by video, music, social networking and real time interaction
- Expect to use *the internet* for everything, certainly for job search - social networking, blogging and Googling will be a way of life



# Start to move your EVP towards Generation Z NOW

- **Authenticity – NO SPIN! Gen Z is super-informed**
- **Evidence Corporate Social Responsibility - strategy and activities**
- **Manifest diversity and equality policy and practice – race, religion, sexuality**
- **Provide benefits that fit the profile – corporate gym membership and health insurance for an inactive and likely obese generation!**
- **Invest in long-term relationships with schools and universities to shape your capability needs for the future and to track best-in-class raw talent**
- **Career pathing and feedback mechanisms need to be meaningful and real**
- **Develop innovative social networking recruitment and engagement vehicles**

**Remember Gen Z when enhancing or redefining people policies**

# Remember...Strategic Talent Pipeline



**The crisis WILL end**

**Demographics are a reality**

**Get back on track with your long-term talent agenda or suffer later, deeper consequences**

**Invest in supporting schools and universities to create relevant curricula and appropriate capabilities**

**Invest in understanding your next generation employee and move your EVP and policies in its direction**



**Don't leave it too long...**

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# Hiring Graduates as the talent pipeline for your company's future leadership

**Fiona Hathaway, CEE**  
**Talent Acquisition Lead**  
**Microsoft**



## Workforce Planning - 3 year Plan

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- ▶ Workforce planning shows us that when the growth market in Russia is reestablished Microsoft will have a delta of over 100 new manager roles to fill across a period of 3 years
- ▶ **How do we bridge that gap?**
- ▶ Not through blind hope – Organic growth and accelerating training which starts at graduate entry level.

# Why Grow your own leaders?

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- Less than half of people receive leadership development before the age of 25.
- 60% of respondents had already held leadership or management positions by the time they reached 25.
- **It's our responsibility to get it right!**

# Microsoft's Graduate Program History and Mission

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## History

The Global MACH (Microsoft Academy for College Hires) program was established in 2005 to provide a long-term talent development program for top new college/MBA hires from around the world in sales, marketing, services and IT jobs at Microsoft.

## Mission

To grow the next generation of Microsoft key contributors by providing a world class program to attract, develop, and retain university top talent globally, enabling them to realize their full potential.



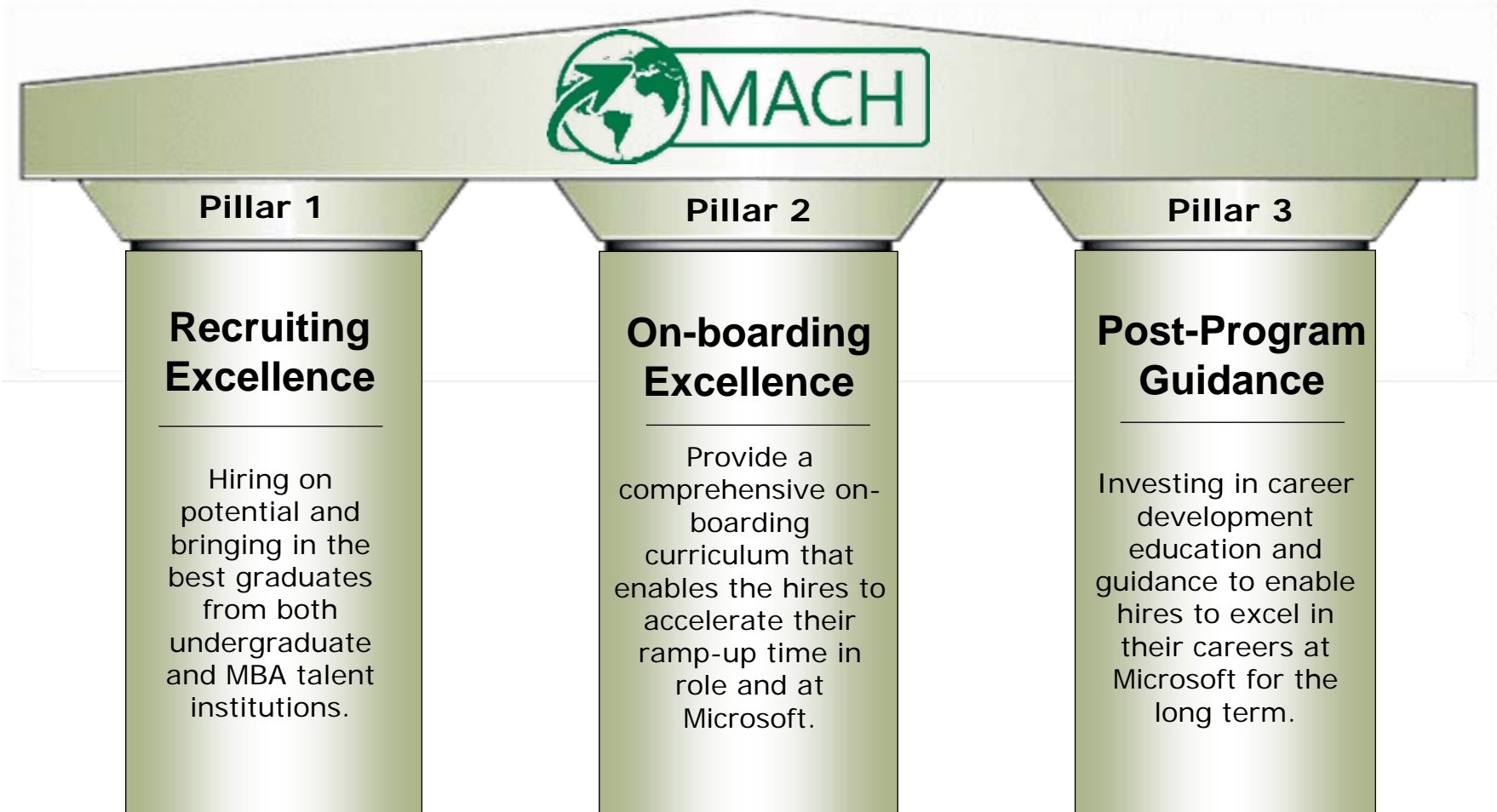
# Premises

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- ▶ We want to hire the best early in career talent
- ▶ Great way to hire future leaders globally – hire the talent and accelerate their depth of experience and exposure to the Microsoft business
- ▶ This is a worldwide program in every country and the Graduates form an international community whilst participating in the program
- ▶ Graduates join in a “real job” in Sales , Marketing Consulting, Finance or HR



# MACH Structure: The Three Pillars



# The Global MACH Core to Pipe Model – First year focus on Microsoft on boarding and role readiness

All MACH Hires participate in the core MACH and area specialized training tailored for graduate profile needs

New MACH hires leverage existing MS On-Boarding and standard role trainings

MACH hires also receive role-based training from programs in each "pipe" / org



\* Year 2 components are currently under enhancement and subject to change.

\*\* Includes Marketing College/MBA Hires in the BGs as a results of the merger with MLR (now MACH Marketing)



# Program Duration

- The MACH program lasts for 24+ months from the time that a new college hire starts at Microsoft (depending on start date and region).
- The first year is focused on transition to Microsoft, role training, peer mentoring, and other on-boarding activities, while the second year is focused on career development for long term retention.
- At the end of the program, MACH hires join the MACH Alumni community.

Year 1

- MACH Global Conference @ MGX
- Peer Mentor assigned
- New Hire Readiness Academy
- Role Specific Training
- Segment-specific training
- Professional development courses
- MACH Capstone Course

Year 2\*

- Career Modules via Career Portal
- Career Coaching Groups
- Career Development Plan Workshop
- Career Education Initiatives and Support
- Graduation
- MACH Alumni Community

# MACH Winter School – Initial Classroom Training, approx Month 2

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- MACH Program Kick-off event focused on personal/team skills building.
- This personal skills training program is designed to accelerate the hire's successful transition to Microsoft's business environment.
- Key outcomes of the program are to:
  - Improve confidence
  - Grow self awareness and awareness of others
  - Understand contribution to one's role and to a team
  - Increase commercial awareness of Microsoft's products/solutions, customers & partners

# MACH Global Conference @ 6/7 months

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- 1-2 Day **MACH Global Conference** in USA followed by **Microsoft Global Exchange**
- Global Networking with WW MACH Community
- Executive/Leadership exposure
- Business Acumen training (TBC)

# MACH Capstone starts the 2<sup>nd</sup> year

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- Three day scenario based training and end-to-end Customer simulation + one day Year 2 Kickoff event
- Custom designed for Microsoft by Duke Corporate Education (<http://www.dukece.com>)
- Highest rated MACH training event

# MACH Year 2

- Year 2 Kickoff Event (one day) immediately following Year 1 Capstone, introduces virtual curriculum and teaches how to self facilitate **Career Coaching Groups** (CCGs).
- A primarily **virtual** immersion into planning one's career at Microsoft: MACH Career Portal hosts 6 modules which structure the career development process through designed action planning.
  - Module topics: '**Career Strategy**', '**Career Mentoring**', '**Career Roundtables**', '**Career Experience**', '**Career Assessment**' and '**Career Discussions**.'
  - Each module contains a variety of media and offline experiences which include Microsoft resources and MACH specific content.
  - The MACH hires will have the flexibility to complete the online courses in each Career Portal module in their own time.
- **Career Coaching Groups** (CCGs) of 5-8 MACH hires who meet virtually for 2 hours every 4-6 weeks to discuss each Career Portal Module and their own career coaching goals. (CY 2010)
- An in person **Career Development Plan Workshop** (CDPW) and Graduation Event for the hires to close out their MACH experience by creating a quality career development plan along with a memorable graduation ceremony featuring the presentation of the [MACH Excellence Awards](#). (Late 2010/Early 2011 TBC, EMEA)
- Supplemental career development support via the MACH Livelihood Lounge blog and Career Tip Videos at <http://machlive> (launching late February 2009)

# Performance Data of Hires

- ▶ **33.9%** of hires in SMSG this year were ranked in the '20%' contribution margin which is an encouraging indicator that managers feel their hire is a good long term investment for Microsoft.
- ▶ There is positive trending on the improvement of the hires' performance over time.
- ▶ MACH continues to be a key area in increasing diversity in SMSG.
- ▶ The promotion velocity of the hires indicate that they are being promoted approximately 6 months faster than the general population at Microsoft.



