

BIG IN BRAZIL



IAN BERRY/MAGNUM PHOTOS

SKILLED PROFESSIONALS ARE AN INCREASINGLY PRECIOUS RESOURCE IN BRAZIL, WHERE THE SIZE OF THE EDUCATED POPULATION IS STRUGGLING TO KEEP PACE WITH MARKET DEMAND

A BOOMING DOMESTIC market and a huge supply of natural resources have put Brazil firmly on the investment world's radar. But as the nation continues on its trajectory to economic stardom, there are questions about whether the domestic market alone can deliver enough talented workers to sustain that momentum.

With moderately free markets and diverse industries ranging from automobiles, steel and petrochemicals to computers, aircraft and consumer durables, Brazil is a vibrant nation that has been far more adept at pulling itself out of recession than Europe. New President Dilma Rousseff, the country's first woman leader, has promised to safeguard the nation's macroeconomic stability. This is crucial if Brazil is to achieve the strongly hoped-for position of a top-five world economy.

Mark Bowden, Managing Director of Hays Southern Europe and Latin America, says: "Many Brazilians are buying their first TVs, cars and washing machines. This is a tremendous internal engine for Brazil's growth that has got it through the recession." Gross domestic product (GDP) was forecast to grow by 7.6 per cent in 2010 and between four and five per cent in 2011. This would be a relatively healthy performance.

CHALLENGES AND SKILLS

Strong demand among Brazilian companies for staff members such as directors and functional heads accompanies this economic success story. Flexibility and a positive attitude among candidates are also valued. The right etiquette is crucial, as is enthusiasm for the job in a culture that prizes face-to-face dealings more than do the UK and Europe. ▶

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▶ Everyone is looking for the same skill set in their new recruits, whether they will be managing IT or sales forces or working in pharmaceuticals or industrials.

"What the market requires are good-quality, experienced managers," says Luiz Valente, Managing Director, Hays Brazil. "Hays' challenge is to match the adherence of these professionals' profiles and career movements with the phase, culture and values of our clients."

A lack of education can also prove problematic. On average, Brazilians receive five years of schooling, compared with 12 years for Americans and 11 years for Japanese. This means that there is a limited number of new graduates each year.

On the other hand, digital literacy is booming in Brazil. According to *Monocle* magazine, Brazilians spend more time on the internet than any other nationality, with about 60 million going online regularly. This is due in part to the Brazilian government's policies to promote connectivity among the country's urban poor and young.

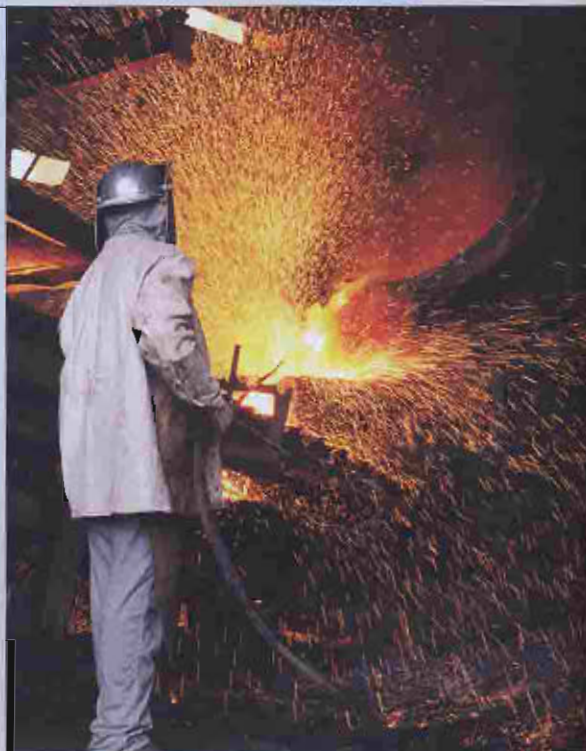
Yet, economists question whether the essential innovators who must sustain Brazil's growth in the future will materialise. Brazil currently spends less than 1.1 per cent of GDP on research and development, compared with 1.4 per cent in China and 3.4 per cent in Japan.

"I think you can miss out by not recruiting overseas," Valente says. While there are language issues and strict visa restrictions to contend with, he adds that "if you have good reasons to bring someone in for specific skills that are lacking in Brazil, you will probably get your visa without major problems".

GROWING DEMAND FROM THE REGIONS

It is against this backdrop that Hays Brazil hopes to expand from three to eight cities in three years to help meet recruitment demands.

Valente believes that the regions will play a large part in the future of this vast nation. A number of big local and multinational companies are beginning to find customers in the urban favelas of the north and north-east, which are the poorest regions in the country, but also the fastest growing. In Rio de Janeiro, international banking giant Banco Santander opened a branch in a favela in 2010 and signed up 100



clients in its first three weeks. Meanwhile, Brazilian construction firm Gafisa expanded from its São Paulo base in 2005 and the north-east area now accounts for 17 per cent of sales. Despite these developments, Valente says that at least half of the recruitment business is likely to remain in São Paulo.

Recruitment specialists in Brazil find that companies require large numbers of staff – yet such specialists currently fill only four per cent of vacancies. "Even at established multinationals in Brazil, internal staff are accustomed to recruiting across a broad spectrum of profiles, without a specialist approach," Valente says. "Many lack the technology and databases that independent recruiters have."

INCREASING APPETITE FOR SPECIALISTS

The tendency to rely on large human resources departments is gradually changing, however, and

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MANAGING DIRECTOR
HAYS BRAZIL

Valente says that it is not difficult for specialists to get a foot in the door.

Many companies are looking for people and finding it hard to get the right candidates; they are recognising that specialist recruiters can provide more independent advice and spend more time on each job. Valente adds: “We would also argue that we have access to more and better-quality candidates.”

Local relationships cannot be underestimated, he says: “Brazilians like to meet people and do business face to face, not on the phone or via the internet. They want to see the eyes of the people they deal with. It is always worth explaining in person why companies should use a specialist recruitment business and what the benefits are over in-house resources.” ■

BRAZIL IN STATS

201 MILLION
TOTAL POPULATION OF BRAZIL

BBB
STANDARD & POOR'S INVESTMENT GRADE

5%
GDP AVERAGE GROWTH IN THE PAST SIX YEARS

10.6%
PERCENTAGE OF GRADUATES IN THE WORKFORCE, ALTHOUGH THIS FIGURE IS INCREASING

8.6 MILLION
UNEMPLOYED

4.5%
AVERAGE ECONOMIC GROWTH OF BETWEEN FOUR AND A HALF PER CENT AND FIVE PER CENT IS FORECAST IN THE NEXT FIVE YEARS

HAYS IN BRAZIL

Hays covers 13 specialist industry sectors (see sidebar, right) and has built up a wide portfolio of clients. Its ten largest clients account for less than 15 per cent of its fees, which demonstrates how broadly the team has expanded in the four and a half years since opening in São Paulo.

Accountancy and finance have the most growth potential because they are essential to every company's operations. Sales and marketing and IT tell similar stories. Recruitment for the pharmaceutical sector is another growth area.

Brazil is strategically crucial for Hays. The group has recently launched its business in Mexico and intends to roll out into other South American countries during the next two and a half years. Hays Brazil typically recruits people on between €45,000 and €150,000 a year.

FOR MORE INFORMATION

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HAYS COVERS 13 SPECIALIST SECTORS IN BRAZIL:

- ACCOUNTANCY AND FINANCE
- BANKING
- ENGINEERING
- EXECUTIVE
- HUMAN RESOURCES
- INFORMATION TECHNOLOGY
- LEGAL
- LOGISTICS
- OIL AND GAS
- PHARMA
- PROCUREMENT
- SALES AND MARKETING
- TAXATION

SERVICES OFFERED:

- DIRECT SEARCH
- ADVERTISED SEARCH AND SELECTION
- BUSINESS INTELLIGENCE