Spring 2015







Hysteria Plays Role in Job Cuts as Economic Downturn



4

Moving Up when the Ruble is Down: What it Means for Salaries

Catches Firms Unaware



10

Occupation Does Not Correspond to Education for a Third of Russians



12

Travels Lead to Foreign Ventures: Beating a Path to a New Job



13

Schools Challenged to Develop Technical Skills



Программа "Молодой специалист"

Мы ищем молодых, амбициозных выпускников!



Hysteria Plays Role in Job Cuts

By Natalia Bokareva

he latest downturn caught laggards unawares and the response has been "hysteria" according to one leading recruitment adviser. Some business owners are using the crisis as an excuse to make changes that they should have made five years ago.

The winners are those companies that learned from the crisis of 2008-2009. Some companies acted promptly to make their businesses more efficient, while others only talked about it, recruiters told Jobs & Careers.

"This recession is not the same as the one in 2008," said Olesya Murashova, Acting Head of Permanent Staffing department, Coleman Services. "A large number of companies are trying to build a business strategy for the future based on the lessons learned in the past." She said it was important to concentrate on "team cohesiveness, on key players, on those who are active and positive, and on those who strive to generate profit and come up with a new business approach."

The decline in vacancies and increase in people seeking jobs is smaller than in previous economic downturns, revealing a split between companies that had trimmed their staff before the crisis and their more bloated rivals, according to HeadHunter, one of the leading career and employment websites in Russia.

Head of research Gleb Lebedev said vacancies shrank 21 percent in February year-on-year, compared to monthly growth of about 10 percent before the recent turbulence. The number of resumes in February rose 35 percent year-on-year compared to 12 percent the same month a year ago..

Lebedev said employers might be posting vacancies with lower pay, cutting their offer to new hires by 10 to 20 percent compared to the compensation of current or former employees. Such openings are filled quickly. This applies mainly to lower-range specialist positions and routine jobs not involved in decision making, said Lebedev. This is not the case with more influential posts.

According to a survey in January by HeadHunter's Salary Databank project, 45 percent of employers reported no change planned in pay levels, with 5 percent admitting to planned cuts (mostly of 10 to 15 percent), 13 percent promising increases and 16 percent still undecided. A fifth of the surveyed companies responded that they might revise individual levels of competence or professional areas on a case-by-case basis.

The top five professional fields in which employers planned to raise pay included maintenance, installation and repair, blue collar jobs, accounting and finance, software development and sales. Among the professional fields with lower expectations for pay were hospitality, retail sales and administrative support staff.

Some companies and industries are growing, while others are under pressure to contract, said Natalya Danina, head of the Salary Databank project at HeadHunter. They are distinguished by their behavior back in 2008-2009. "Some companies embarked on serious optimization and took steps to improve business processes, promote automatization and balance their equity and debt levels," Danina said. "Most of these companies appeared lean and fit at the end of 2014. Some others paid only lip service to optimization."

Prominent headhunter and founder of PRUFFI Alyona Vladimirskaya describes it is one of the strangest crises during her career. There is no mass unemployment but great variation. Several industries face very tough conditions, namely, the media across all segments, digital advertising, banking, and tourism. "As for other sectors, it is not even a crisis, but rather hysteria", Vladimirskaya observes. "When shareholders, owners and management realized late last year that a crisis was looming, they began to clean up their business, cutting jobs and particularly some positions that had been actually irrelevant". The current crisis sentiment is, in some cases, simply a guise for employers to save face and cut excessive staff. For now talk about crisis is only justified in the four mentioned seg-



IT specialists and software developers are in demand in the international market and firms have to offer competitive pay to retain talent. ments, while elsewhere it is often a cover for other goals pursued under the disguise of crisis measures.

Employers' attitudes do not favor job seekers so if there is an opportunity to stay on in a current position, it may be worth it, Vladimirskaya suggests. She observes that the range of quality vacancies is narrowing and the hiring process takes longer — up to three months where it used to be six weeks. Managers are reluctant to take decisive steps and to add new jobs, especially when they are cutting across staff ranks. Given the current conditions, candidates who are in the job market — whether by choice or force majeure — should revise their salary expectations. "The standard story of moving jobs with a 20 to 30 percent pay increase no longer applies," Vladimirskaya says.

One exception is the IT sector, where specialists and software developers are in demand in the international market and the biggest players in the sector have to offer competitive pay to retain talent.

The expat job market seems better protected against the waves of redundancies because of golden parachutes, meaning that a decision to terminate such contracts with foreign specialists will be an expensive option for employers. Vladimirskaya said there would be no massive cull of expat jobs now but she expects a slower rate of recruiting. This reflects a slowdown in companies going public, initial public offerings and the mergers sand acquisition pipeline, as these activities were the main reason for Russian companies to hire foreign experts. On the other hand there are competencies exclusive to the expat market that will always be in demand such as education.

Salary change, Feb 2015/Dec 2014 by industry and level of competence

	General	HoReCa	Financial	Retail	Automotive	IT	Construction
Middle manager	8%	-4 %	2%	15%	-2%	-1 %	15%
Head of Department	2%	-15%	4%	2%	2%	1%	15% 3% 3% 10%
Line manager	6%	7%	0%	-4%	-12%	3%	1% [±]
Expert	2%	-16%	4%	13%	1%	4%	2% PROJECT,
Leading expert	-2%	-11%	3%	-14%	-10%	7%	6% ANA
Specialist	-1%	-11%	2%	-4%	-3%	4%	6% A% DATABANK
Entry level	1%	-5%	7%	-3%	-10%	-1%	5% SALARY
							SA

MARKET UPDATE Jobs & Careers Spring 2015 The Moscow Times

How To Move Up When By Rachel Nielsen The Ruble Is Down

ith the ruble's devaluation, some foreign executives have packed their bags and gone home, while others are adjusting to a new pay paradigm.

In Russian companies some long-serving expatriate managers continue to receive sala- or 'he returned to Germany.' In other words, everyone has begun to actively manage his ries in rubles, while long-time Russian managers with global companies might still enjoy a dollar- or euro-denominated salaries. Increasingly they all face the same dilemma.

The ruble has recovered only part of its value since last year's crash, when it lost roughly 40 per cent of its worth against the dollar.

"The most frequent HR questions in the past three months have been, 'What do other people have? And how are they doing it? Indexing or not indexing?" said Dmitry Skotnikov, head of the industrial practice at search firm Odgers Berndtson in Moscow. "Most companies prefer to leave remuneration in rubles, as it was before the crisis," he said.

For those with contracts that uprate the salary in line with the euro or dollar, "the ruble devaluation is only an advantage," said Olga Demidova, managing partner at RichartsMeyer Recruitment Group in Moscow. "The difference is being paid by their employers."

According to Russian law, employers must pay salaries in rubles if those employees have "local contracts," or contracts with a Russian-based entity. Even if the contract is denominated in euros or dollars, the actual payment transferred to the employees has to be in rubles.

Some foreign executives left Russia, as early as last July, or moved to another European branch within the same company. "I have personally notices a marked influence of the complicated political situation, even prior to the change in the ruble rate," Skotnikov said

"I had a search in the auto manufacturing sector in which this was clearly obvious with various candidates: 'He's leading the office in Ireland,' or 'he returned to the U.S.,'

Coleman Services: HR expertise & practice in Russia Since 1998 19/8 Dolgorukovskaya street, CÓLEMAN Moscow, Russia, 127006 Phone: +7 (495) 660-56-00. +7 (495) 660-44-95 Fax: +7 (495) 660-28-80 E-mail: coleman@coleman.ru Your corporate or personal HR adviser www.coleman.ru

Executive search firms see common patterns emerging. "As far as I know, Russian companies are often sticking clearly to ruble salaries and agreements in rubles for labor contracts," said Susanne Doenitz, managing partner at headhunter firm Alexander Hughes CIS. Foreign companies with expatriate employees assigned to Moscow and receiving a full expat compensation package often pay them in euros or dollars, she said.

Doenitz said Russian companies were trying to adjust expat salaries or simply replacing those with excessive salaries. With the start of the international crisis a year ago, more companies had asked her to find executives who will accept local contracts, denominated in rubles. The need for expatriates is increasing only for two roles, she said: chief financial officers and controllers.

GM's retrenchement on the Russian market is a symbol of the expat executive's dilemma: compete or get out.



Maxim Kaurov, General Manager, Staffwell, also highlighted energy companies such as Rosneft that continue to employ expatriate Europeans and Americans. This also applies to other major oil companies who are still willing to hire professionals from Western countries. "Although some expats may have left due to the depreciation of the ruble, there is no exodus of Russian foreign professionals working in the oil and gas industry." Expats aside, top managers who are Russian citizens have increasingly accepted ruble contracts, as the currency had proved stable up until the middle of 2014, according to Morgan Hunt Executive Search. Head of the industrial practice Luiza Gubaidulina, said the formula was to set salaries for a certain period, review them once a year and adjust them at year's end, mostly for inflation.

Jobs & Careers asked the headhunters interviewed for this article to give advice to executives with various goals.

"For those who want to stay at their current company, I would advise putting in maximum effort, rallying your colleagues, working in a team and making more-deliberate decisions," said Morgan Hunt Executive Search's Gubaidulina.

For those who want to leave their company, don't be hasty or emotional. "The moves you make are the most revealing tool in evaluating you" for future jobs, she added.

Doenitz of Alexander Hughes advised Russians to be realistic. "Better to live with fewer rubles but stay in the company and start to grow together rather than leave and be unemployed for a longer time." For expatriates, if you find that you are underpaid, leave the country," Doenitz said. "The time of expensive packages seems to be over. The best way to stay is to sign a local contract. In rubles, of course."

Skotnikov from Odgers Berndtson had specific advice for top managers: "In a crisis situation such as this one, you should change jobs cautiously. Switching to any new place will entail certain risks."

As for companies, "If you have key employees, figure out how to motivate them to stay." If they are in demand in the job market, think of how to hold on to them. Be prepared for your competitor to offer more.

"Despite the fact that an employee has worked at the company many years and everything suited him perfectly before, he now sees that his income has fallen twice over. Add to this the problem with bonuses. I would say the company is acting incorrectly and is going to lose employees," Skotnikov said.

CAREERS

Legal Career Opportunities in a Challenging Business Environment

Challenges of the Legal Market



Florian Schneider,
Managing Partner of
Dentons' Moscow office

Law firms today are under pressure as the economy changes and client needs and demands evolve. Clients now expect seamless service across as many jurisdictions as possible, with in-

across as many jurisdictions as possible, with indepth knowledge of local law, regulatory issues, and of the business, political and cultural considerations in each.

Although sanctions against Russia and economic instability have resulted in a slowdown in business activity in the investment market, a

nomic instability have resulted in a slowdown in business activity in the investment market, a number of sectors of the legal market remain active, including retail, life sciences, and manufacturing. While the number of M&A projects on the market has declined, the demand for general corporate, tax and customs, intellectual property, employment, competition and compliance, international trade and WTO, and dispute resolution work is still very strong. Investment and financing projects from Asia mean that many of our lawyers are working cross-regional projects involving China, Japan, South Korea, India, and other countries.

To be competitive in the today's business environment, lawyers need to focus on delivering consistent high quality and value to their clients, be efficient in working on their clients' projects, and know their client's business as well as their clients do.

Legal Internship Issues



By Anna Lipatova, Human Resources and Professional Development Director, Dentons

Many international law firms in Russia have internship programs for students, most of which take place in the summer. Unlike other firms, we do not hire interns for the summer period because we consider it ineffective to do so. Many lawyers and clients are on vacation, business activity slows down and the young specialists do not get a lot of opportunity to learn something during their internship.

For this reason, a few years ago we designed a new type of internship. We hire young specialists for a four-month period on an internship running from September 1 until December 31. This means that they find themselves thrown into a busy season environment from the very beginning. Young specialists get the opportunity to work with different practice and sector groups within the firm, and quite often participate in cross-border projects. Their internship is a diversified, very interesting and extremely useful experience. Those interns who complete this internship successfully are awarded a contact for a permanent paralegal position with the firm by the New Year.

Our principal requirements for internship applicants are — fourth or fifth year students, or fresh graduates from a law faculty, a logical mind and excellent command of English.

Dentons and 大成 create the largest law firm in the world

大成 (pronounced "da CHUNG"), a leading law firm in China, and Dentons, a top 10 global law firm, announced a combination that will be unique in the marketplace. The result will be the only firm to offer seamless service across Africa; Asia Pacific; Canada; Europe; the Middle East; Russia and the CIS; the UK; the US; and all 34 of China's regional administrative divisions.

The new firm will have more than 6,500 lawyers and professionals in 120 locations in more than 50 countries. It is the first combination of a leading Chinese firm and a top 10 global firm. Read further about creating the law firm of the future by visiting www.dentonscombination.com.

Dentons is one of the largest international law firms in Russia with over 150 legal practitioners. In 2014 the firm was awarded "International Law Firm of the Year in Russia" by *Chambers European Awards for Excellence*. To apply for an opportunity to work in an associate or support position or for an internship, please send your CV to talent.moscow@dentons.com.



Know the way

CAREER Jobs & Careers Spring 2015 The Moscow Times

71% of Graduating High School Students Can't Picture in Which Field of Business They Would Like to Work

By Oksana Goncharova



ut employers want them to have their minds made up even now.



More than half of senior high school students (62 percent) are aware of the profession they would like to have. At the same time, 71 percent of these students cannot answer to which line of work or field these professions are related. This conclusion was reached by specialists from PROekt PRO, the company which organized the 'Start Careers' youth forum on March 14. The company surveyed 234 high school students and 66 first-year university students at the youth forum.

No Idea

The most popular professions cited among teens were programmer, marketing consultant, economist, logistics specialist, journalist, teacher and translator. The students also wanted to work as managers, bankers, engineers, farmers, designers, graphic designers, salesmen, legal advisors, psychiatrists, financiers, analysts, lawyers, personal trainers, chefs and confectioners, actors, doctors, architects, and so on.

Survey respondents had trouble offering a concrete answer about the kind

of wider perspective a job might bring. However, students appear to have a good practical grasp on some areas. They spoke about the specifics of a profession depending on sector, the average salary level, and named the stages of a promising career.

Of those surveyed students able to identify their dream profession and its related professional field, almost none could narrow down what was necessary to graduate with. The picture was the same when respondents were asked to name the personal qualities needed for their dream jobs. Mostly, high school students listed those qualities, which are more often valued by school instructors: diligence, attention to detail, accountability, honesty, a proactive attitude, etc....

Demands More Rigorous

"Within the next 10–15 years, the generation born after 1995 will enter the job market, a generation that differs greatly from ours," believes Marina Alexeeva, staff relations director at Kaspersky Lab, a software company. "Many youngsters still in school want to start studying for their chosen professions, and not wait around for college. They don't simply want to work, but change the world for the better. In the end though, money will be a significant factor, something which is necessary for everyone to consider."

This consideration is not only a necessity for employers, but for also for these same young people. "For many retail sector companies right now, the search for a job candidate who is also prepared to move to another city is a massive headache. So, in 6–7 years the demands for mobility will be even greater," warns Maria Alexeeva, the human resources manager for OBI in Russia, a DIY retailer. "For many retail chains there is a rule: a person can't start a career in Moscow without already having experience as a director of a store in another region." Second, of very important note for future jobseekers, is the need to receive professional work experience at a firm while you're still a student, continued Alexeeva.

"Before, when we were only starting to conduct the academic competition Olympiads for high school students, we went to mathematically inclined schools," relates Irina Pervyshina, personnel director at Sukhoi Design Bureau, the famous aircraft manufacturer. "Then word started to get around about our program, via the internet and otherwise." Today the Olympiad—the results of which are used to select students for study at the five faculties of the Moscow Aviation Institute, and for future jobs at Sukhoi—is open to participation by anyone who wishes, Pervyshina explained. "Though, we highlight the success of

Long-Game Percentages

Of the funds that companies devote to working with students, 15–30 percent are invested in the education of high school students, calculates Julia Pass. However, it is impossible to ignore that working with high school students is a long-term undertaking. This stands in contrast to the traditional quick investment coupled with clear results that we are more accustomed to.

Jobs & Careers Spring 2015 The Moscow Times

There are

any profession,

students is evaluated by specific subjects, such as math, physics and chemistry," Pervyshina said.

A grounding in vocation related subjects is also looked for by Severstal, a steel and mining company. "True, these are already college level disciplines, such as the material sciences, the technologies of metallurgical production, the principles of working with equipment and conducting mechanical repair jobs, the rules to carry out work safely, the general laws of physics and chemistry," specified Anna Butova, manager for working with students and young specialists at Severstal. Out of new work place demands, the most emphasis is placed on IT literacy. "Now even the most simple work places are equipped with software systems," explained Butova. "For example, tasks that work with electrical fitting are connected with programming."

Universal Talents

"Earlier, digital experience was a requirement for just a small circle of people who worked only at digital firms. Now, it is a necessary condition for all creative specialists in our group of companies," says Marina Shvoeva, personnel director at BBDO, an advertising company. "Additionally, at interviews the number of computer related questions have increased on the favoured applications of candidates, such as the existence or absence of social network profiles, membership in professional groups, and so on. There is more and more advertising on internet. It will be bad for those specialists in the field of marketing communications who are not particularly interested in this trend."

There are universal business skills that are important for any profession, independent of sector: "being result oriented, ability to work on a team, having emotional intelligence, possessing good time management skills, knowing how to influence people, and how to give a good presentation, and others," listed off Julia Pass, organizer of the 'Start Careers' youth forum. "These skills are also important for young people to develop."

Available Data

Even young people need to know which field they want to work in and which university or college to attend, so they can study at the education institution of a specific employer, drove home Alexeeva from OBI. Although, at the moment only large companies and those with market monopolies (such as Gazprom and Rosatom) run education programs, said Alexeeva. However, other employers are gradually starting to do this as well. Six to seven years from now, children will have a clearer vision about where best to universal business skills study. In this way, they will not just simply receive an education, but also not be jobless after graduation, Alexeeva observes.

that are important for "We want there be more youth oriented educational events in Moscow, which nurture freedom of choice and awareness in the approach to building their futures," noted Maria Uvarova, general director of DI Telegraph, a partner of 'Start Careers' youth forum. independent of sector. "A onetime promotional event will not solve all the problems," declared Benjamin Kaganov, Deputy Minister for Education and Science, in a meeting with journalists at the entrance to the second Moscow International Education Fair (MMSO-2015). "In order for people to be informed, there need to be several building blocks. First, people need to want to be informed. It is highly questionable that people want to be informed. Second, information needs to be more accessible. Information is published and up on the Education Ministry's website. Third, not only does the information need to be accessible, but it needs to be understandable for both children and adults."

Around 20% of Russians Will Happily Write Up a Complaint About Their Employer If the Supervising Agencies Will Offer Them an Incentive Payment

By Rimma Avshalumova and Elena Morozova

are prepared to report on their employer for rectification of an injustice.

Amid the crisis, the fight against off the books salaries has entered a new phase. Regional authorities, dejectedly calculating how many taxes go uncollected from employers that pay under the table salaries, have devised new methods to crackdown on tax evaders. To discover offending companies, they want to enlist the help of these very companies' employees. Authorities are prepared to pay informants a percent of the sum, which companies are ordered to pay after a claim is verified. Although, employers are not frightened by such measures. They are confident employees would prefer not to risk their jobs.

Siberian Experiment

The Novosibirsk region loses 13 billion rubles from its budget due to the existence of gray wages, estimates the Federal Tax Service of Russia for the Novosibirsk region. This is about 30% of Personal Income Taxes (PIT) currently being collected. The Novosibirsk regional government is now considering a bill on monetary reward to citizens who provide information about individual offenses committed by employers. "Development of the bill is due to the necessity to protect the interests of citizens in labor relations. The most significant negative consequences of payment in gray wages fall first and foremost on employees. It's no secret that some economic entities operate illegal schemes to pay wages, evade registration or improperly draw up employment contracts. At the same time, there is understatement of the base of taxable PIT and insurance contributions. Their goal is to evade payment of both taxes to the budget and contributions to State non-budgetary funds," the press service of the Government of the Novosibirsk region informed Vedomosti.

Employees who receive all or part of their wages under the table are excluded from various social benefits (temporary disability benefits, maternity leave). Both severance pay and compensation for unused vacation are calculated on the basis of an official salary. Moreover, the employee receiving a gray salary loses access to certain banking services, such as payday loans. Most importantly, every employee receiving an under the table salary should be aware they are deprived of pension savings, which in turn reduce the value of future pension payments, explain officials.

Officials in the Novosibirsk region believe adoption of the above bill will boost public awareness about gray incomes, place more emphasis on the responsibility of employers, and ensure law and order in the area of taxation.

It is expected that applicants of the new bill (i.e. informants) will receive a cash reward of 10 percent of the funds transferred to the regional budget—funds comprising charges placed upon offending employers. These charges take into account unpaid taxes, penalties, and overdue interest. However, rewards will not exceed one million rubles.

No Hurry for a Reward

In April last year, on the initiative of Governor Aman Tuleyev, the Kemerovo region adopted the law on monetary reward for citizens who provided information on violations in the field of taxation of wages. Since then, the regional administration has received more than 250 messages from citizens, which claim they are being paid a gray salary. Only about 70 of these people were able to identify their employer. The rest fearing to name their company, gave approximate details on the location of their office, and suggested the taxmen figure out the charges themselves.

All information is handed over to the fiscal and law enforcement agencies. Not a single criminal or administrative case has been opened, said a regional administration employee. "It is very difficult to prove that actions of an employer constitute an offence. Amid the crisis, it seems people aren't ready to draw attention to the violation of tax legislation. People are afraid to lose every last penny," the Kemerovo official explained.

Recently, the Kemerovo regional administration formed a commission to discuss the legalization of informally employed workers.

In the Kemerovo region alone around 243 000 people work informally (14.3 percent of the able-bodied population), calculates one regional administration employee. Since December 2014, the commission has documented 1023 people working at companies without an official employment. The companies have been forced to provide workers with official contracts.

An online survey commissioned by Vedomosti at Job.ru depicted regular Russians are far braver and decisive in words than in actions.

41 percent are prepared to report on their employers not for any interest in a reward, but for rectification of an injustice. Still, 17.7 percent were interested in the incentive payment. 30 percent of respondents rejected the idea of informing on an employer as a matter of principle.



Employers Not Afraid

Employers, speaking with Vedomosti, watch the regional initiative with interest, but are confident that the situation with gray wages will not change.

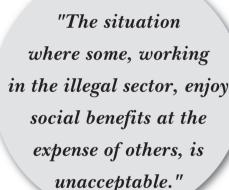
"For me, under the table salaries are not the standard, but rather they are choice of last resort. Paying 54 percent of an employee's earnings to the government is costly burden,"

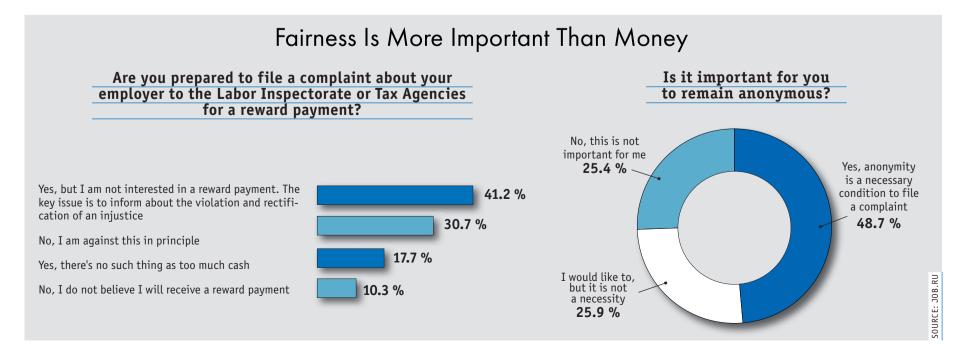
acknowledged a Karelian entrepreneur and co-owner of a design studio. "The scheme is the same in almost all local businesses. An average employee contract pays 8,000 rubles (the minimum monthly wage in Karelia), the rest is paid in the form of bonuses. Officially declared salaries in the regions? These are for government employees, federal companies, and large retail chains. In the service sector - completely black cash."

When hiring, the entrepreneur from Karelia presents all employees with the same choice: a fully white salary, or a partly gray one that is 30 percent higher. He believes that his employees will not run to write a claim, even for the cash reward. There is high unemployment in the region, and people cling on to jobs and a steady income.

"There won't be any effect from such measures," a representative of a St. Petersburg IT company stated. "A good deal of people are afraid of losing their jobs, while others are satisfied with off the books salaries. The money the employer deducts to the State Pension Fund is stolen by the government and put to completely different purposes. I see no reason to help the State rob me and what have you."

According to the survey, around half of the respondents





Jobs & Careers | Spring 2015 | The Moscow Times | CAREER

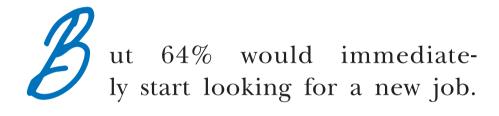
were not concerned about anonymity when making claims. Only 48.7 percent cited anonymity as necessary a prerequisite to file a complaint.

"The squealer will be immediately dismissed. In the regions, where as in a big village, each local businessman can easily find a friend at the labor inspectorate or in the tax administration, maintaining anonymity is practically impossible. In such circumstances, this pretend 'reward' is not worth the loss of work," colleagues of a businessman from Ryazan agreed.

"The situation where some, working in the illegal sector, enjoy social benefits at the expense of others, is unacceptable," the press service of the Ministry of Labour and Social Security commented. "This is why, among the measures to legalize labor relations, this kind of initiative has a place on the table. This along with other measures will help to reduce illegal employment."

During the Crisis More than 80% of Russians Would Agree to a Pay Cut, If Asked by Their Employer

By Rimma Avshalumova



In the current crisis, many companies prefer not to cut staff. Large layoffs took place in both 2009 and 2014. Instead, companies are looking to optimize costs by reducing wages and cutting bonuses. New employees are hired with smaller salaries than what was offered for these same positions a year ago. Even officials have reduced what they take home by 10 percent or more.

Two-thirds of respondents who participated in a study conducted by the website Job. ru and the Encore recruitment agency admitted they felt the impact of the difficult economic situation in the country. More than 39 precent of respondents said they lost their jobs because of the crisis. 16.4 percent said they are now paid a reduced salary. Another 21 percent of respondents have not been personally affected by the crisis, but they noted their companies are downsizing. For those whom the difficult economic situation has not affected, the portion was quite high - almost 22 percent. Although, a mere 1.25 percent of respondents reported a positive impact from the crisis.

Waiting for the End

For the time being, unemployment is not growing very fast. All the same, working Russians rate the risk of losing their jobs due to the crisis as very high. Those surveyed

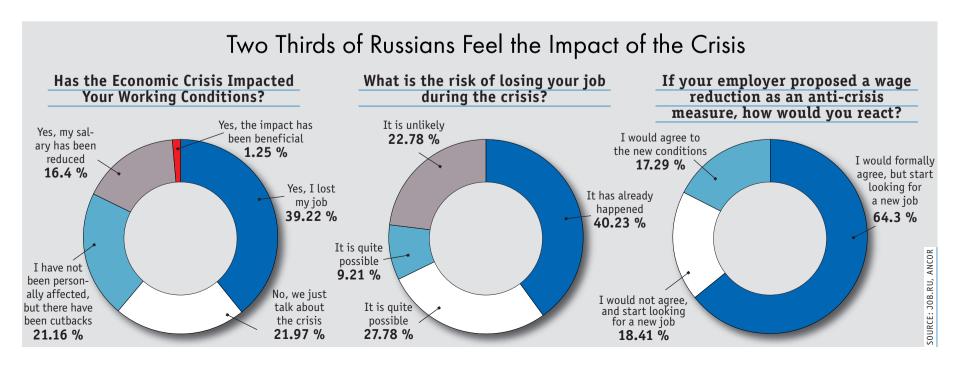
who had not lost their jobs—around 60 percent—tend to believe it is still possible. Moreover, almost 28 percent consider the likelihood of job loss is very high, while 23 percent believe it unlikely. Only 9 percent answered they were certain they would not lose their jobs.

"In recent months, the flow of candidates actually increased. The competition for jobs has doubled," says Anna Chukseeva, head of public relations Job.ru. "Last year the average vacancy received 2.4 resumes. Now it's five." For legal and marketing positions, this number has risen to eight. At the same time, any crisis is easier to survive for those who really develop or create something. This is why, even now, workers, engineers, and IT-specialists are the most sought after jobs in the market."

In the current situation, with real incomes falling, people are in no hurry to quit, unless they have a more attractive offer from another employer. "According to our estimates, the situation in the job market should stabilize. We're already seeing a rise in vacancies and believe that going into May job competition will decrease," Chukseeva said.

'Voluntold'

Laying off staff is the most popular measure among employers to reduce labor costs. Following that is a cut in salary. While officials are interrupting each other to announce cuts to their wages, in the private sector employers say they regret



CAREER Jobs & Careers Spring 2015 The Moscow Times



such measures. "I prefer to lay the cards on the table. I offer it to the employees to choose: everyone accept a 15 percent pay cut or a 10 percent reduction in staff. The choice was made in favor of a wage cut," said Dmitry, owner of a small logistics company. He hopes this measure will be enough to survive the crisis and hold out until the autumn.

"Reducing staff salaries is an inefficient tool. Moreover, cuts in wages to employees is a significant demotivating factor," believes Azat Mulgimov, CEO of Air Charter Service in Russia and the CIS. "While talk goes on about reducing everyone's wages, we prefer to replace inefficient staff with more motivated and, consequently, more result driven employees, rather than to reduce salaries."

According to the survey, only 18 percent strongly disagree to an employer's proposal to reduce salary in times of crisis. 17 precent would support such a proposal, and although another 64 percent would formally agree to new terms, they would immediately start to look for another job.

"Now, many companies are reducing bonuses. Hiring packages remain static for a host of positions." Chukseeva added.

Valid Arguments

Indeed, the topic of wage cuts is more relevant now than ever, says Valeriy Fedoreev, partner and head of employment and migration law practices at CMS, Russia. "Employers often commit procedural violations, which are then easily challenged by employees in court."

Wage conditions are an essential part of an employment contract and are subject to article 57 of the Labour Code. These conditions cannot be changed without the employee's consent. However, there are exceptions, points out Fedoreev. Article 74 allows for the alteration of contract terms, and strictly stipulates when it is permissible to do so. A company's difficult financial situation may seem a valid argument for salary reductions, but it is not, the lawyer said. "Necessary causes relate to changes in either organizational or technological business conditions. For example, if a manager's department is disbanded and subordinates withdrawn or reassigned, then certain job functions and responsibilities cease to exist. This kind of structural reorganization can be cause for a renegotiation of contract conditions," the lawyer explained.

"In practice, employers often do not just reduce wages, but also shorten the working day or switch to a four-day week. In this case, too, the consent of the employee is necessary. Workers are often favor these kind of anti-crisis measures," Fedoreev concluded.

Occupation Does Not Correspond to Education for a Third of Russians

By Michael Malykhin



very fourth respondent surveyed by the Levada Center and the National Research University Higher School of Economics is committed to lifelong self-education.

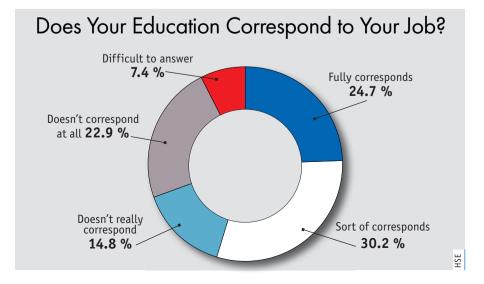
Of Russians aged 25–64 years who possess vocational education and training, currently active in the workforce full or part-time, 55 percent work in field they specialized in as youths. 38 percent have professions that do not correspond to their previous education. These figures come from a report published jointly by the Levada Center and the National Research University Higher School of Economics, 'Participation of the Adult Population in Lifelong Learning.'

Irina Abankina, general director of the Institute for Education at the State University Higher School of Economics, believes 38 percent is too small a figure considering the rapid transformation of the Russian economy and changing competency requirements. She recalled the former (Soviet) model of vocational training involves the education of single-discipline specialists. Now all over the world, it is necessary for professionals to be educated with a wider skill-set, which can be expanded upon with respect to the specific needs of a particular field of productivity. For this purpose, there has arisen a system of lifelong learning.

According to the nationwide survey, 27 percent of Russian adults received additional education in the past year. Of this group, more than half are seeking to improve their work related knowledge and skills. Approximately the same number continue to study for overall development, as a hobby, or simply as a way to productively spend free time.

The requirement to regularly increase qualifications—established either by state or industry guidelines or put forward by employers—was a reason cited by 14 precent of respondents. For more general overall development or as an interest and

hobby are 34 and 13 percent respectively. Financial incentives such as salary increases or the development of skills for additional part-time work guided 10 and 5 precent of respondents' decisions.



Jobs & Careers | Spring 2015 | The Moscow Times | EXECUTIVE EDUCATION

Families Advised to Look Beyond

Prestige

any Russian families are considering a well-established international school for their children but they can be misled by perceptions of prestige.

Britain invented independent schools and its claim to leadership mirrors that of Swiss watches or German luxury cars. But the shopping is more complex.

According to the leading British educational consultancy Gabbitas Education, Russian and German children account, jointly, for the largest group of overseas pupils in UK independent schools after the Chinese and Spanish.

Marina Marshenkulova spoke to Gabbitas' head of school and university placement, Paul Kelly and the head of Russian business development, Natallia Patsaluyonak.

Why do you think Russian families like to send their children to the UK to study?

Paul Kelly: I taught at Millfield School for many years. When Boris Yeltsin was president, he sent his grandson to Millfield in the early 1990's. At that time there was definitely a trend to send children to great schools in order to mix with the elite, not only with people from Britain but also from other countries.

One of the attractions is transferable qualifications like A levels. You can go anywhere in the world. Another reason is the English language. By going to Britain they are getting the best possible preparation for entrance to university, including in the US if they want to go there.

Do you represent all of the UK schools?

P.K.: We, Gabbitas, are not agents for a limited number of schools. We advise clients on the best school for that particular child.

What is the favorite specialty that the Russians tend to choose when it comes to British schools?

P.K.: Russians like prestigious schools. But that's where we come in. We say, let's talk about what is the best school. There are more than 2,500 independent schools in the UK. And not all of them have the types of facilities that we are talking about. You can't have horses and swimming pools everywhere. Russians like league tables. But just because the school is at the top doesn't necessarily mean it does all the things that are needed for that particular student. So it's very important to look beyond that.

Does it happen that the parents want one school and the child wants another? Whose side are you on?

P.K.: I am on the side of what I perceive to be the best for the child. It's not a question of taking sides. You listen, because they may have a reason for their suggestions or it can be a fairly ridiculous aspiration that is not possible to achieve. Ultimately the client and their child will have to make the decision.

What are the main differences in Russian and British education and what are your Russian clients looking for?

Natallia Patsaluyonak: British education is much more oriented towards the individual. It's about the way the British teachers present the information to the children. There is much more discussion involved, every single opinion is valuable, debate is encouraged. Typically in a Russian school the teacher is the boss.



P.K.: And the number of students in a Russian class is usually bigger. In British independent school it's 10 to 15 children per class or less. The schools are more resourceful and supported. You want to do ancient Greek? Ok, we'll find a teacher for you. So it's built around the individual, you choose your own subjects. There are some structures before the students turn 16 to make sure that they are educated broadly, but at 16 they make this choice of three or four subjects.

What is the best age for a child to go to the UK school?

P.K.: There are certain key entry points that would make it easier on the curriculum. There is 11, 13, 16-years old. But it can be as young as five to seven. If you want to go to somewhere like Winchester, it's not good turning up at 13 as it's too late. You need to be 10-and-a-half as that is the cut off point for testing to be allowed to apply.

What are the main challenges the teenagers and their parents face when they decide to study abroad?

P.K.: They need to ask themselves: are they ready for the child boarding? Is the child independent? Can it cope with living in the community?

Do some families have false expectations at first?

P.K.: Generally speaking Russians are very hard working, so usually it's not a problem. There will be rules and regulations, smoking and drinking alcohol is generally not allowed. The children will have to live in the community and learn to respect each other. They won't necessarily have their own room, and there are quite good arguments for that. They have to mix with lots of different people from different social backgrounds. They need to be able to make friends. The whole point is that they don't go and make friends with only Russians.

How do children cope with the language?

N.P.: Language barriers can be an obstacle. Even if they studied English in Russia to an advanced level, it doesn't mean they will be as fluent as they are in Russian. So the first few months can be tough in that sense. But children adapt much more easily than adults. The language barrier and other problems will disappear. If the parents are thinking about sending their children to the UK to study, I would advise them to start preparing them as early as possible.

Natallia Patsaluyonak

Paul Kelly

How can parents help the child to get ready for that?

P.K.: Encouraging independence. Nobody is going to replace the parents. Ideally we want the parents and the school to work together. It works much better if the parents speak English, get involved and help with the school and their child.

Do the children return straight home after getting their education in the UK?

P.K.: Some go back to Russia, some become bankers in London. It varies. They are all proud of Russia. They go to the UK primarily to go into the universities and then like any graduates their career might take them in different directions.

GETTING HIRED Jobs & Careers Spring 2015 The Moscow Times

Travels Lead to Foreign Ventures

Maxim Lutiy

outside his

Aura gym.

By Marina Marshenkulova

he ruble's sharp decline has changed the equation for Russians who used to downshift to Goa, in India. A vibrant group of small business people have beaten an unusual path to a new job in a very different business climate.

Driving through Ashvem in North Goa, it's impossible to miss a red sign beside the road advertising Borsch. The bar opened last December. The driving force is Roman Ivin, a professional barman from Moscow.

The accent is on music, events, and parties and festivals built around sound, said Ivin. His target customers include "sophisticated and well-off Indians who become our regulars," as well as European travellers.

The bar opened with a budget of just \$1,000, which Roman borrowed from a Moscow friend. While he had to find an investor, the skills were his own.

He worked under Vyacheslav Lankin in the famous Moscow bar, Delicatessen, and was a barman in many other cities before he fulfilled his dream to open a seafront bar in Ashvem. Operating his own business gives him more freedom to guide his customers: "Why are you drinking alcohol?," he asks one. "Let me make you a lemonade instead, it's much tastier."

The bar has its own photogallery, tea bar, and provides constant work to novice and well known DJs. He admits that it wasn't easy at first; and he found that he required a lot of positive energy in order to overcome the obstacles. At first he offered his advice to a couple of Indian entrepreneurs, on how to create an atmosphere and buzz around a club. "When I got finally tired of my suggestions being turned down, I quit and called my acquaintance who owns this land we are sitting on right now. We've known each other for four years."

ENA MARSHENULONA

When the project began, Roman was the only Russian in the team, while serveral were Ukrainian, including his managing partner Andrey Manchenko, who was away in Cambodia at the time of the interview, trying to organize a version of the Kazantip festival, named after the Kazantip headland near the Crimean village of Popovka, where an electronic music festival has been held since the 1990s.

Ivin talks not of clients but guests and his social mission. "A barman is a psychologist, first of all. We exist because we want to help people to get rid of negativity. There are some lost souls here in Goa, we help them, give them a place to sleep, help psychologically, etc. A person walks along the road and he'll be thirsty, he'll want to drink, and we'll pour him a drink even if he doesn't have any money."

He is far from the only expatriate Russian running a start-up business in the area. Maxim Lutiy from St. Petersburg lives just down the road from Borsh where he is developing his dream gym, the fitness and health center, Aura.

With the gym open, he plans to extend the activities to a fight club, offering yoga and wellness tours and to open a rooftop café. The café is likely to follow Maxim's passion for a mainly fruit diet. The 35-year old gym entrepreneur was not always so focused upon health. In St. Petersburg he was an Internet retailer specializing in women's clothing, which he imported from China.

His reasons for setting up business abroad were not simply downsizing. Running a business in Russia was restrictive, he said, especially for small, independent entrepreneurs. "I had to control the process constantly and there was no opportunity even to get out for a while. The more I earned, the more I spent."

One day he concluded that he could forgo the income and still run a profitable business. The difference was that he would have to use more of his own labor, right down to building equipment and constructing the gym's interior.

Aura gym is now in its second season in Goa. It is not the only fitness center in the area but Maxim believes it offers services of a higher quality as well as a more complete service: a person uses the gym, then goes for a swim, and comes back to eat. Everything is within reach.

In the gym you can find all sorts of weights, facilities for combat sports and even a personal trainer on hand to teach ancient Slavic sports. One lesson with a personal trainer costs 1,000 rubles. There is also an opportunity to buy a subscription

The gym became popular without advertising. "On the other hand, I also know that if you want to do business with people who have money, you shouldn't make it too cheap or democratic. It should be more expensive than the competition."

He doesn't want to attract a thousand people to his gym. "A hundred will do better, and they would be people of a different breed." His approach has paid off, attracting famous Russian actors to his gym, including Petr Fyodorov and Vladimir Epifantsev. Sportsman and showman Sergey Bodyuk made a TV report about the gym.

It cost \$20,000 to open the club and the second year's operation cost less. He insists his aim is to run an independent business rather than to maximise earnings.

Roman Ivin and one of his Indian business partners outside the seafront bar, Borsch.

By Alexander Bratersky

Schools Challenged to Develop Technical Skills

hile the shortage of qualified engineers and other trades has been apparent for some time, it has become a bigger issue since the economy turned down.



When Moscow City's Deputy Mayor for Urban Development and Construction Marat Khusnulin was a construction boss back in mid-2000, he recalled having had a hard time finding engineers. He was building the country's first oil refinery for many years in Tatarstan: "The skills were lost completely. We had to look for specialists as far as in India," he once told a group of reporters during an informal chat.

Now the government wants to boost the training of young people in modern trade skills, both in technical schools and through competitions.

In March, President Putin met WorldSkills International president Simon Bartley to promote the Russian bid to host the WorldSkills competition in Kazan in 2019. The WSI delegation visited Russia to assess its readiness. France and Belgium are the rival bidders. This year's WorldSkills championship will be held in the Brazilian city of San Paulo in August.

Russia joined the WorldSkills movement in 2012. It is an international non-commercial body established in 1950 to promote the prestige of skilled trades and to develop vocational education. It has 72 member countries that compete every two years.

Russia has also held two of its own national trade skills contests – including one in Kazan in 2014 – as well as 46 regional competitions, attended by 5,000 participants and 300,000 spectators

Education is the key route by which the government aims to popularize trades such as welder or lumberman. As part of a federal initiative launched in March it plans a hybrid contest in which students would prepare essays about practical skills — on topics such as "my future profession" or "my fate is the railway".

If that sounds like a Soviet-era slogan, experts believe that everything helps if it rekindles the prestige of professions that now lack skilled applicants. Aslambek Aslakhanov, a former assistant to President Vladimir Putin who now advises small business groups, recalled the Soviet-era professional and technical schools that prepared workers for plants and factories: "All those professional schools provided the state





with a skilled workforce. Today it can provide the same for small and medium-sized business."

The government is planning to spend over 5 billion rubles (\$88 million) to modernize schools for professional education. In return for tax breaks, companies will be asked to help equip technical schools so that they can offer the skills that companies require.

The initiative targets the 50 most-needed trades and aims to raise standards in at least half of all professional schools and colleges by 2020. Only a quarter of technical schools meet modern standards at present, Education and Science Minister Dmitry Livanov told a government panel in February. He added that the number of students choosing to attend professional schools had increased from 400,000 to 500,000 over the past five years.

Practical training lies at the heart of the plan. "Students should spend no less than half of their time on practical training in assembly plants," said Livanov.

It is vital that the new generation of technicians is trained in a real production environment, said Mark Amelin, Executive Director, Staffwell recruitment agency. While textbook study is important, companies have to ensure that knowledge transfer takes place, from experienced older technicians to new recruits.

"One problem is that the people with the greatest experience in, say, construction, were not able to teach or lacked communication skills. Employers have since begun hiring training coaches and project consultants to help transfer knowledge between generations," Amelin said.

"This creates the school in which recruiters can act as mediators, and consultants can coach on staffing and career development, and thus bring real benefit to the market and the economy."

It will take years to increase the quality of trade skills and professions in the absence of "a mobilization or a state of war" said Anton Tabakh, a senior director of infrastructure and regional rating of RusRating agency. The most important question was who should learn what. "The country needs new infrastructure but the demands on working class professionals have changed."

While the plan was well received by the public and media, the Ministry of Education caused a stir among government-funded technical schools when it evaluated the teaching of trade skills. It ranked roughly 60 professions that are taught in schools — and found some that no longer exist.

Education Ministry department head Natalya Zolotaryova, who oversaw the review, cited the example of "assembler of electro vacuum devices." She told Rossiyskaya Gazeta in February, "There are no such tools anymore yet the occupation is still listed." She said obsolete training programs must be the first to go.

11

Employers now
hire training coaches
and project consultants
to help transfer
knowledge between
generations.

COMMENTARY Jobs & Careers Spring 2015 The Moscow Times

The Three Ages of a Career: Decisions and Possibilities



By Alyona Vladimirskaya, CEO and founder of PRUFFI

hanging lifestyles are challenging the cherished assumptions of human resources managers. Not only are people working to a much greater age, the evolution of work means that younger people also need to think differently.

Human resources officers often refer to two misguided principles — there are more of them, actually, but I would focus on these two: firstly, a candidate in his sixties becomes unattractive for hiring; secondly, it is appropriate to have only one or two career paths at most over your lifetime. I have the following considerations. Rising life expectancy, living standards, healthcare and so on have contributed to extend the active career phase until one's mid-seventies. Thus, you can go through at least THREE fully-fledged careers over a lifetime, which would involve a choice of a new industry or occupation in each case, mostly not linked to the previous career.

- 1. The age bracket between 21 and 27 marks the prelude, when it is time to try various professions and paths. This is where the HR conviction does not apply that those who move employers are unstable and job-hoppers. The more various directions you try, the more precise the career profile is. You should try not only industries and professions but also corporate styles to find where you fit in comfortably.
- 2. The period between 28 and 40 is the time of the first career alignment. This career stage is completed with maximum possible mistakes, and its major intrinsic value is not money but rather status and winning it as soon as possible,

which is an age-specific attitude as well as a result of the scarce career experience.

- **3.** The first career crisis hits between 40 and 45. You sum up your first career and assess what is most valuable and important to you.
- **4.** The age bracket between 45 and 65 is the time for a second career, the heyday of your professionalism in the industry and your profession of choice. It is the golden era where most steps that you take are well-informed and most efficient or effective, both in terms of results and rewards.
- **5.** The early sixties coincide with the second career crisis induced by the society's attitude to career in this age.
- **6.** The age bracket between 65 and 80 is for a third career, "a career as a hobby" where the major goal is neither money nor position, but self-fulfilment that is often sought in a sphere not directly linked to the professions chosen at previous stages.

Conclusions:

- 1. It takes longer for people in Russia nowadays to define their first profession and first career path, and this is appropriate. They are not job-hoppers as HR officers tend to think.
- 2. The current patterns in Russia's big cities imply that you live through at least three various career lifecycles, which may have in common only certain personal aspects. They may not necessarily be consistent in the succession or range of professions you choose. Thus, one of the possible conclusions is that hiring candidates in their mid-sixties is an appropriate decision, and those HR officers who fail to understand it will be taking a short-sighted approach.





Publisher Ekaterina Movsumova Editor-in-Chief Mark Gay Art Director Maria Georgiyevskaya Materials on 6–10 pages are prepared by Vedomosti

Cover photograph
WORLDSKILLS / FLICKR, NTC

Project Manager Marina Khloptseva The Moscow Times Business Review Jobs and Careers Spring 2015 (№23) Published: April 2015 Information product category 16+

Editorial & Production

3 Polkovaya Ul., Bldg. 1, Moscow, Russia 127018 Editorial tel.: +7 (495) 234 32 23 Editorial fax: +7 (495) 232 17 64 Advertising tel.: +7 (495) 232 47 74 Advertising fax: +7 (495) 232 17 64

Printed in Russia at: Extra-M PK 1/1 Baltiya Highway 23 km, Krasnogorsk district, Krasnogorsk, Moscow region Tel. +7 (495) 785 7230, Fax. +7 (495) 785 7232/7240 www.em-print.ru, info@em-print.ru

This publication is registered by the Ministry of Press, ΠИ No. ФC77-23860 (c) Copyright 2009 by 000 United Press All Rights Reserved. ISSN No. 1566-7472

Founder and Publisher:

000 United Press, 3 Polkovaya Ul., Bldg. 1, Moscow, Russia 127018 Тираж 35 000 www.themoscowtimes.com/careercenter/JC/



SUBSCRIBE TO THE MOSCOW TIMES AND RECEIVE A CERTIFICATE TO ATTEND THE BEST BUSINESS CONFERENCES IN MOSCOW*

A certificate entitles you to visit three conferences by The Moscow Times during the term of your subscription.

12 months: 15,862* rubles					
6 month	ı s: 8,489	9* rubles			
3 month	ı s: 4,774	4* rubles			
*10% VAT to be added.					
Your details:					
Title: Mr.	Mrs.	Ms.	Dr.	Other	
Family name:					
First name:					
Company:					
Industry sector:					
Address:					
City:			Postal Cod	e:	
Telephone:					
Fax:					
E-mail:					

Payment details:

Bank transfer	Cash			
Please charge my ca	ard: Amex*	Mastercard*	Visa*	Diners*
Cardholder's name	:			
Card number:				
Signature:			Expiry date	

now to order:	
+7 (495) 232-9293	subscription@imedia.ru
+7 (495) 232-9292	(i) themoscowtimes.com/subsform
☐ The Moscow Times,	3/1 Polkovaya UI., Moscow 127018
	ng in this promotion, I cannot claim any refund for

^{*} Please attach a copy of your credit card (both sides). Delivery by 9 a.m. within the Moscow Ring Road.



The Moscow Times ONFERENCES

2015

CALENDAR OF EVENTS

MAY

20 MIPIM JAPAN

TAX STRATEGIES IN RUSSIA.
COURSE TO DE-OFFSHORIZATION

21 PERSONAL DATA (TOGETHER WITH IBM)

27 ADMINISTRATIVE DIRECTORS' FORUM

INFRASTRUCTURE PROJECTS IN THE FAR EAST

JUNE

THE THIRD INTERNATIONAL FORUM ON LOCALIZATION OF MANUFACTURING AND THE EXPORT POTENTIAL OF RUSSIAN SUPPLIERS.

9 RUSSIAN ART MARKET

10 INTELLECTUAL PROPERTY

19 PRODUCTION LOCALIZATION IN PHARM INDUSTRY

JULY

SOCIAL PROJECTS DEVELOPMENT

CORPORATE FLEET MANAGEMENT

SEPTEMBER

BUSINESS SCHOOL FOR PAS AND EXECUTIVE ASSISTANTS

16 SOCIAL RESPONSIBILITY

HR LEGAL: TOP 10 HR DISPUTES 2015 AND MIGRATION LEGISLATION OF RUSSIA

PHARMACEUTICAL BUSINESS

TRANSFER PRICING

For additional information regarding registration,

please contact Irina Gavrikova

Phone: +7 (495) 234-3223 (ext. 4249), i.gavrikova@imedia.ru

www.events.moscowtimes.ru