

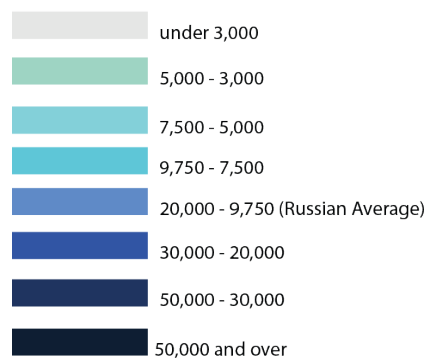
# Recruitipedia Russia



## Insights into recruitment in the Russian Federation

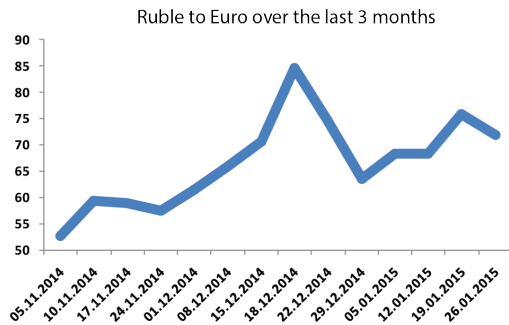
Welcome to the second issue of Recruitipedia: ExecutiveSurf's occasional review of the talent landscape around the world.

Russian regions by size economy (GPR per capita in Dollars)



This month, we will feature Russia. Russia emerged from a decade of post-Soviet economic and political turmoil to reassert itself as a world power. However, ongoing tensions over Ukraine and international sanctions are weighing heavily on the Russian economy, which is forecast to grow by 0.7% in 2014-15.

A weaker ruble and Russian counter-sanctions on western food imports will push up inflation and hold down household consumption. Business sentiment has worsened and investment will contract sharply. Government finances will come under increasing strain from 2015. What does it all mean from an HR perspective? You will find Recruitipedia of interest if you are hiring talent in Russia, checking out demand for your expertise in the Russian recruitment market, or if you are simply interested in better understanding the talent market there.



The economic situation has had an impact, currently ranking Russia the fourth largest European economy and according to Bloomberg Markets, 14th amongst the world's emerging markets. Russia's recruitment industry has evolved steadily, surviving two economic crises (1998 & 2008) and has matured considerably, although, in recruitment, as in so many areas, it remains a unique marketplace.

The Economist Intelligence Unit (EIU), says that cultural differences and linguistic barriers prevent Russian companies from international expansion. Language-teaching firm, Education First, says nearly 90% of Russian companies surveyed found unfamiliarity with foreign mores and a poor command of languages are obstacles to global business success. Almost half of Russian respondents admitted their companies had experienced financial losses as a result of linguistic and cultural difficulties.

### Key Trends

While Russia's unemployment rate (5,3%) is well below that of the EU average (10,3%), companies remain "very careful in hiring new people," according to Irina Kurganova, business development director at Manpower Group, in an interview with the Moscow Times.

Moscow has near zero (0,34%) registered unemployment and companies are hiring qualified workers for nearly all positions, which can prolong the hiring process. European-based firms are especially cautious in hiring, preferring to take a wait-and-see attitude. Not only are they employing cautiously, but they are actively postponing the launch of new projects. If Russia's economy does not start growing again, joblessness will not decrease.

Russia's public sector is growing. A survey by online recruiting firm, HeadHunter, found government work is currently the most appealing occupation for Russians, and there is a surplus of candidates for all posts.

A developing trend is the movement of office employees outside Moscow. "The traditional golden rule of white-collar employment; 'the closer to Moscow, the better,' is rapidly becoming obsolete," according to Russia Beyond the Headlines. A recent survey by the online recruiter Superjob.ru, found around a quarter of those in upper and middle management were willing to move. Mobility among supervisors increases each year.



Although Russian job sites still remain highly popular as a recruitment tool, LinkedIn has quickly become the second most popular business network/ job site in Russia after HH.ru.

International advisory firm, Grant Thornton, predicts Russia's unemployment rate will fall to around 5 percent by 2015. However, the country's shrinking population and workforce actually pose a risk to the long-term health of its economy. In the foreseeable future, Russia is likely to experience the world's sharpest population decline. The Hays Oxford Economics Global Report, forecasts Russia's population to shrink by almost 17 million by 2030. Exacerbating the problem are the country's early retirement ages: 60 for men and 55 for women.

Despite cautious hiring, the search for talent in Russia increases, as more companies compete for skilled workers. Many highly skilled Russians are now looking for jobs abroad and Russia's tough immigration laws make it difficult to bring in skilled workers from overseas. Naila Safarali, talent director at Deloitte CIS, says: "Ultimately, success will depend on companies being able to attract and develop global-minded leaders and fast and effectively deal with a shortage in skilled work force".

Russia faces both short and long-term challenges in its job market, but as one of the world's emerging markets, there is much interest in the country's potential. Expats see promise in Russia, and white collar workers see the growing demand for their talents. Though hiring remains cautious, jobs are available in growing quantities and Russia remains very much a country to watch.

*We hope you enjoyed this issue of Recruitipedia. If you want to know more about what we can mean for you or your business then don't hesitate to contact us! In our next issue we will be covering Germany.*