

Repats Raise Competition on Job Market

By Ken Martinez

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In the past few years, the employment landscape has shifted due to a newly emerging kind of job candidate — the repat.

Amid the long-running outflow of human capital from Russia — often dubbed a "brain drain" — a trickle of skilled workers known as "repats" has begun to flow back into the country.

A play on the word expat, a repat is a Russian who left the country to work abroad but has since repatriated. These workers are generally attractive to employers because they not only speak foreign languages and have knowledge of Western business and industry practices, but also know Russia's business realities and language. Given such advantages, repat candidates can offer both expats and locals a run for their money when competing for a position.

Yevgenia Lanichkina, a senior manager at recruiting company Antal Russia, said the repat is gradually becoming a more attractive option for employers. "Several years ago people weren't really thinking about repats, thinking about it as an extra option," Lanichkina said. "It was more fashionable to attract expats, but now the proportion is really changing."

A Cost-Effective Choice?

Although most companies don't track the number of repats they hire, data released by online recruiting company HeadHunter earlier this year showed that the number of people abroad seeking employment in Russia shot up 11 percent last year, rebounding from a decline of 60 percent in 2010.

For Antal Russia partner Luc Jones, the benefit of someone with experience abroad is clear. "Overall, the work ethic in Russia is quite poor," Jones said. "In the West, you show up on time, you don't take a week off because you have a cold, you don't just come with excuses of oversleeping or traffic, and when you come to work you don't spend your time on social network sites; you do some work."

Hiring a repat who is already a Russian citizen also allows businesses to gain foreign skills without the cost and administrative work required to obtain visas and work permits for non-citizens. A company can sometimes also save money by offering lower compensation packages than those they would offer to expats.

David Souperbiet, human resources vice president at PepsiCo in Russia and the CIS, said he has "big doubts" about the strategy of recruiting repats, however. Due to the high employee turnover in Russia, intentionally seeking out such employees is often not worth the effort, he said.

"Many people who have left Russia have done so for a reason, and even if you offer a very attractive position, people may leave to continue their international experience," Souperbiet said.

Moreover, those who have been abroad too long can have trouble adapting to business in Russia, Jones said. "If someone left in 1991 and has been back twice on vacation, they are coming back to a very different place," he said.

Rise in Supply

Certain industries value repats more than others, the headhunters said. In sales positions where connections and knowledge of the local market are important, the repat has less of an edge. Repats excel, however, in industries that are relatively new to Russia and where industry knowledge is key, like finance, investment, or management.

Lanichkina said the ideal candidate is someone who started their career in Russia before heading abroad to work for several years, which she said allows them to compare industry practices in each country and apply their knowledge to their workplace in Russia.

As demand grows, the supply of repats is also increasing. Yekaterina Gorokhova, chief executive of Kelly Services CIS, said Russia is starting to seem more attractive to job seekers.

"Europe is in recession, and the Russian economy looks more stable against this background," Gorokhova said.

Russia's GDP growth of 4.3 percent in 2011 was more than two and a half times that of the euro zone's 1.5 percent gain. High earners in Europe can also be stuck with steep personal income

taxes, making Russia's relatively low 13 percent rate a bargain.

Another reason Russians come back to work is that promotions tend to come more quickly in Russia, and professionals can often advance their career significantly by spending a few years working here.

Barriers to Entry

Some Russians who want to come back to work in their home country face barriers, one of which is lapsed citizenship. Those who emigrated from the Soviet Union before its collapse were required to complete a substantial amount of paperwork to become Russian citizens, and in many cases emigrants simply did not complete the process. Some denounced citizenship after leaving.

Other barriers are more complex. For instance, certain local industries may not be ready to host people who have highly specialized skills.

Alexander Zolotov is a Russian citizen who has spent more then 10 years working in the United States. As the director of virtual design and construction at a major international construction firm, he said he would like to return for work in Russia, but there is no market for his specialized skill set.

"When the Soviet Union collapsed there were no companies that were big enough and could hire a specialist full time," said Zolotov, who works on complex projects like airports, hospitals and server buildings.

"For the past 20 years, Russian companies have mostly made apartment buildings," he added. "I hope the situation will change, but at the moment I have a much better chance to work in Russia with an international company that wins a contract in Russia than in a Russian company."

Nevertheless, the number of repats who successfully reintegrate themselves into the Russian labor market is growing. At the same time, the quality of the domestic employment pool is slowly improving, experts said, which could increase the competition faced by all foreign personnel.

The pace of change is slow, however. "You don't have to dig deep and there's not a lot that has changed," Jones said. "Even people who grew up with no memory of the Soviet past have parents who worked in Soviet enterprises. The change is gradual, and I'd say it will take two or three generations minimum to change."

In the long term, Lanichkina said the demand for repats is not likely to drop, and Souperbiet said that the future will see an increase in their numbers.

"I think right now it's too early, but definitely in the next five or seven years more Russians will come back to work in Russia," Souperbiet said.

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