The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

40,000 Managers to Lose Jobs at Russia's Rostec Defense Holding

By The Moscow Times

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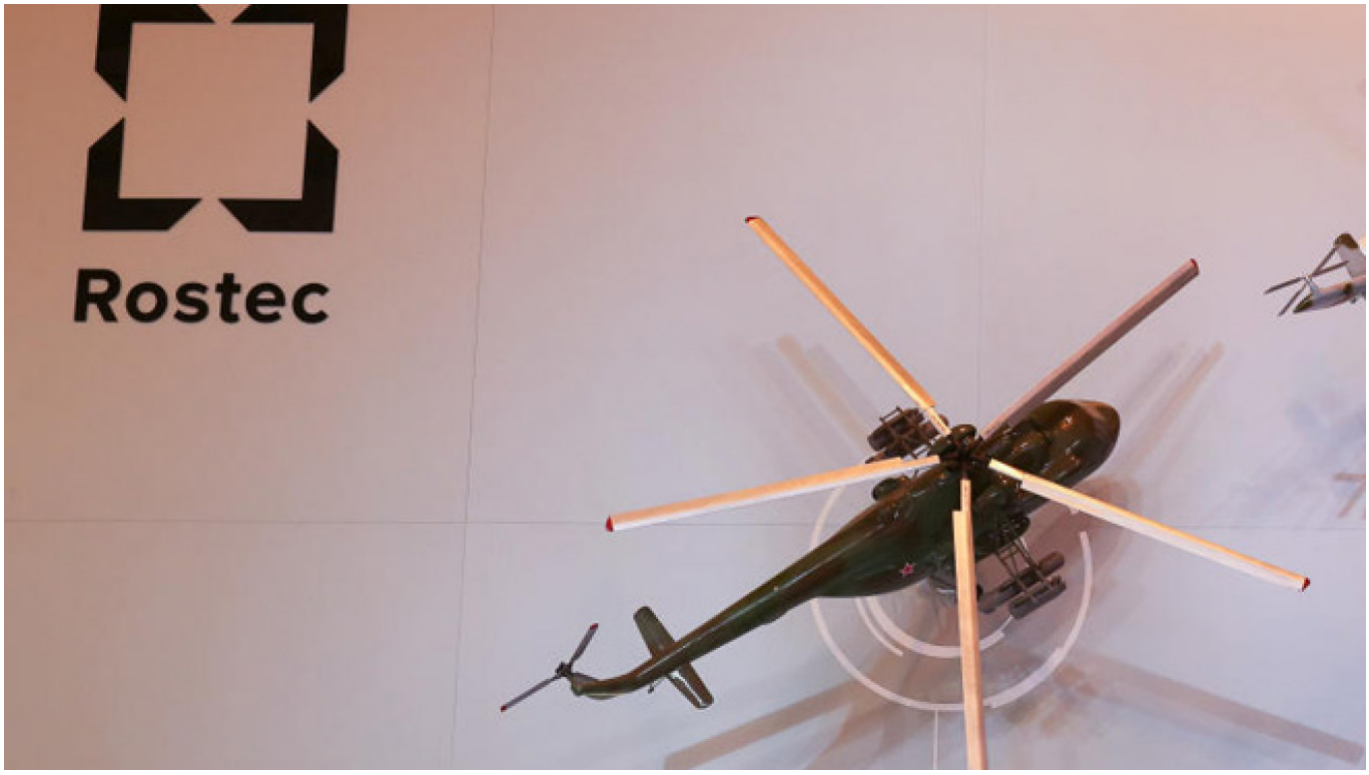

“The share of administrative and managerial staff in Rostec and its holdings is 18 percent of the total number of employees (85,000 people), while the norm is 5 to 10 percent,” the company said in an online statement.

Russian state-owned defense and technology holding Rostec will lay off half of its managerial staff — or 40,000 people — over two years, becoming the latest Russian company to fire staff amid a harsh economic downturn, Rostec said Monday.

Rostec, which is run by a close ally of President Vladimir Putin, Sergei Chemezov, and owns companies that account for some two-thirds of Russia's defense industry, said the move would bring its manager-to-employee ratio in line with its peers.

"The share of administrative and managerial staff in Rostec and its holdings is 18 percent of the total number of employees (85,000 people), while the norm is 5 to 10 percent," the company said in an online statement. The norm was calculated based on an analysis

of Rostec's global competitors, the company said.

The reductions are based on the findings of an independent audit, according to the statement.

Companies working in Russia have announced a spate of layoffs in recent months in response to a worsening economic climate, though the defense sector has been buoyed by generous government orders.

Russia's economy is expected to shrink by up to 5 percent this year.

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