

Despite Crisis, Most Russian Companies Aren't Cutting Jobs

By [The Moscow Times](#)

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Despite the economic crisis, two-thirds of Russian companies aren't cutting jobs and prefer to survive the crisis by shortening work hours or cutting workers' salaries, a study by global management consultancy Hay Group found.

"A lot of companies have refused to take radical measures, as in some sectors the situation has stabilized," said Irina Chernozubova, the head of Hay Group's research department for Russia.

After months of bad news, including steep falls in the price of oil and the value of the ruble, the Russian economy appears to be turning a corner. The price of oil has risen, the ruble has climbed nearly 40 percent against the U.S. dollar since the start of February and investors are taking an interest once again.

This stabilization is seen in the labor market as well. After surveying 400 companies in 18 economic sectors, analysts at Hay Group found that about 42 percent of Russian companies definitely won't cut jobs, while 25 percent say they aren't planning to currently and will act according to the situation.

This is good news for Russian workers, who have in recent months faced a toxic combination of rising unemployment and dwindling vacancies. Registered unemployment rose 12 percent between January and early April even as the number of job vacancies fell 13.6 percent, news agency RBC reported, citing statistics from the Labor Ministry.

Hay Group found that the best conditions were in the agricultural sector, where only 13 percent of companies were planning staff cuts. The biotechnology, pharmaceutical and natural resources industries were also safe havens for employees, with only 17 percent of companies planning to cut jobs.

Less promising was the hospitality industry, where a full 63 percent of bars and restaurants surveyed said they intended to cut a large number of jobs.

Restaurants are cutting costs out of outright necessity. "The demand for restaurants has fallen 15 to 20 percent this year due to falling purchasing power," Igor Bukharov, president of Russia's Federation of Restaurateurs and Hoteliers, told news site RBC.

Half of Russian banks and 56 percent of construction material producers are planning to fire staff too as their respective sectors take a hit from the economic crisis.

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