

Gazprom Announces Senior Personnel Reshuffles

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Russian gas giant Gazprom announced Monday that it had appointed new executives to key administrative roles, a move that could signal the beginning of a sweeping corporate restructuring plan outlined by CEO Alexei Miller late last year.

Gazprom, once one of the Russian budget's biggest cash flows, suffered greatly from the Kremlin's weaponization of gas supplies in 2022, cutting flow significantly to Europe in an attempt to force concessions in Moscow's war in Ukraine. The gas exporter swung to its first annual loss in two decades in 2023.

The company said Monday that Alexander Shagov has been named head of its department 715, responsible for human resources, while Anton Mukhin has been appointed deputy head of the management apparatus and chief of Department 127.

Shagov replaces Elena Kasian, who has retired after leading Department 715, and Mukhin succeeds Galina Tarasova, who also stepped down. Both new appointees were previously

deputies in their respective departments.

The management changes come as Gazprom moves ahead with an administrative reform strategy announced by Miller in a year-end briefing on Dec. 26. The plan includes centralizing service functions across the group to improve efficiency and cut costs.

"We are creating a shared service center that will consolidate key support functions such as accounting, property management, human resources administration, legal support, digital services and customer relations," Miller said at the time.

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The initiative is part of a broader shift to a service-oriented model, with a focus on four key elements: centralization, standardization, process automation and closer integration between support services and Gazprom's core business operations.

Gazprom has compared the scale of this transformation to its early-2000s restructuring, which saw the separation of production and pipeline operations from non-core activities such as geological exploration, drilling, gas storage, processing and distribution.

In January, Russian press reports emerged that Gazprom was considering cutting administrative staff at its headquarters and St. Petersburg branch. The potential downsizing, first proposed in a December memo from Deputy CEO Elena Ilyukhina, would reduce the central workforce from 4,100 to 2,500 employees.

Ilyukhina's memo pointed out that Gazprom's head office staff had grown significantly over the past two decades, surpassing 4,100 employees, while the total headcount of the Gazprom group stood at 498,100 as of Dec. 31, 2023.

The proposed job cuts aim to streamline costs and redirect savings from salaries and social benefits toward staff motivation and development programs.

While no formal decision has been announced, the restructuring measures and management reshuffle suggest that Gazprom is moving forward with its administrative reform strategy in an effort to lower costs and boost efficiency.

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