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Companies in a situation of employee outflow

October 2022



Have businesses mobilized in the face of mobilization?



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In recent years we have been talking a lot about shortages in the Russian labor market. Companies are developing their employer brand by constantly improving their value proposition in caring for people. At the same time, external factors have been providing an unprecedentedly challenging environment for implementing HR strategies and shaping truly unique skills.

In 2020, the COVID-19 pandemic introduced remote working far beyond IT and taught us how to leverage contingency funds and reshape processes, metrics and metrics to preserve human capital.

In March 2022, against the backdrop of the first wave of citizens leaving the country and some international companies leaving the Russian market, we also watched as business responded to a daunting challenge.

The results of the research confirmed the trend - with few exceptions, market participants sought to implement the necessary changes as gently as possible and keep people and their loyalty. It should be noted that in March, most of the companies with which ANCOR and me personally talked, regarded the period of uncertainty as short-term, up to six months at most.

In September-October 2022, business in Russia faced a new challenge. The partial mobilization resulted in a loss of productivity for companies, not only for the part of the employees who were called up for service. We saw a second wave of specialists leaving the labor market due to the departure abroad. According to various estimates, as many as 500,000 people left the country.

ANCOR surveyed companies to find out how much business and HR have mobilized considering past experiences, what retention and attraction policies companies have formed with the understanding that the period of uncertainty is extending, gradually transitioning into the "new reality".

Research design



Method

Online survey



Geography

Russia

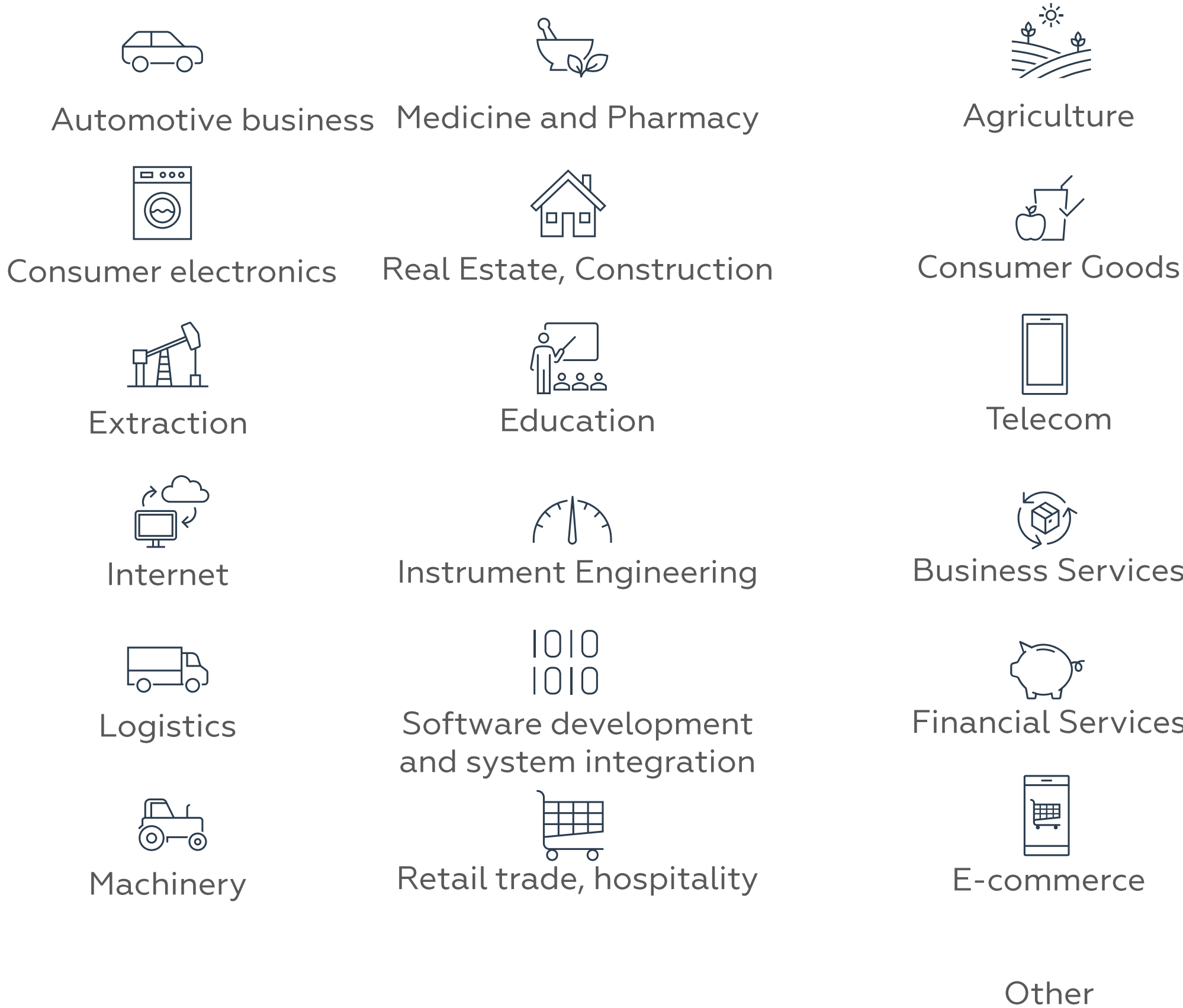
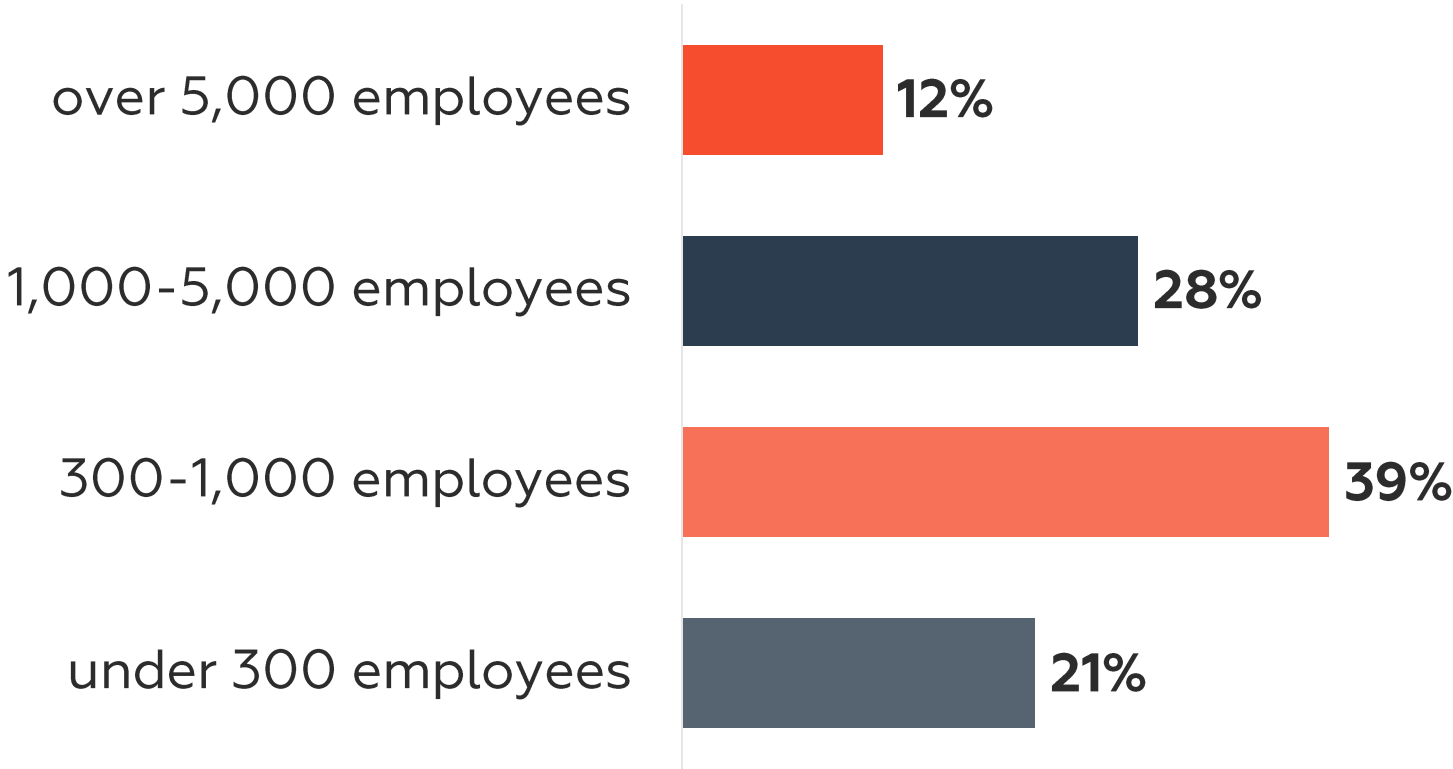
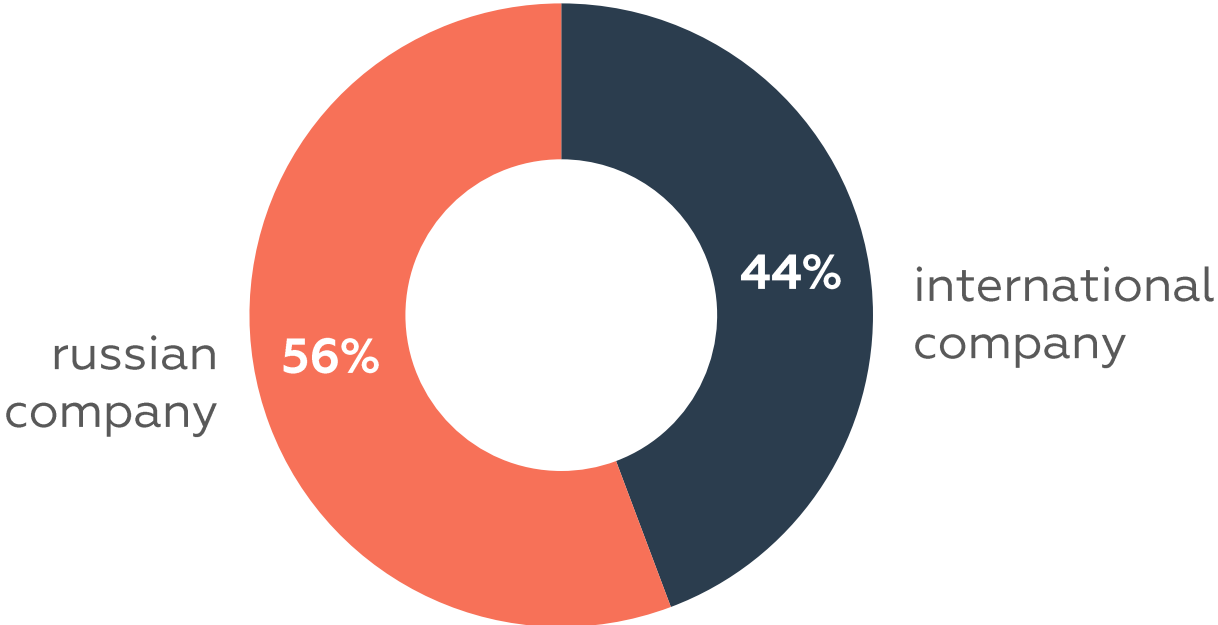


Collecting data

October 2022



652 Companies Participated In The Survey



The scale of the problem of employee departures



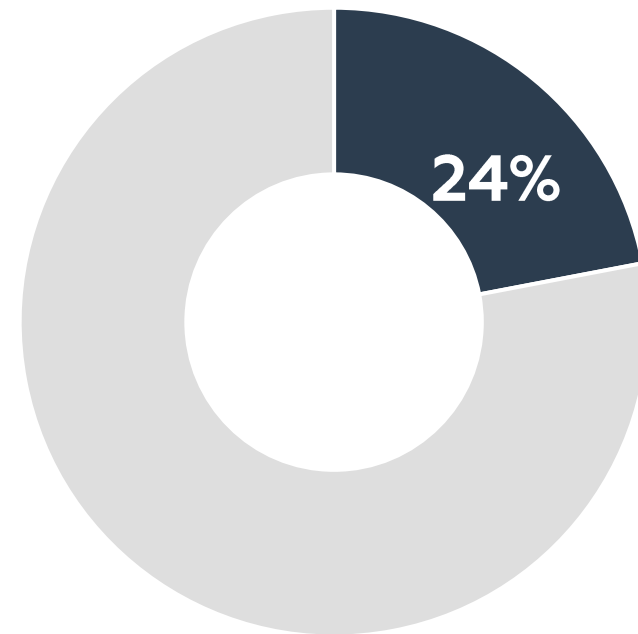
Most companies surveyed experienced cases of employees leaving the country in September-October 2022.

Almost half of the respondents noted that even single cases created a problem and had an impact on business. Obviously, small companies with less than 300 people were most affected.

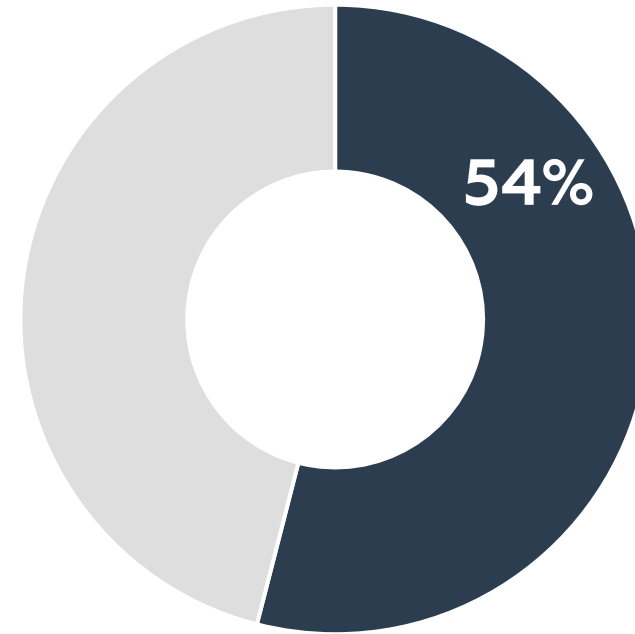
Remarkably, more than 50% of companies noted that they faced the desire of female employees to relocate, with large outflows of women reported more often than others by system integrators and software developers, as well as by employers in e-commerce.

How do companies measure employee attrition?

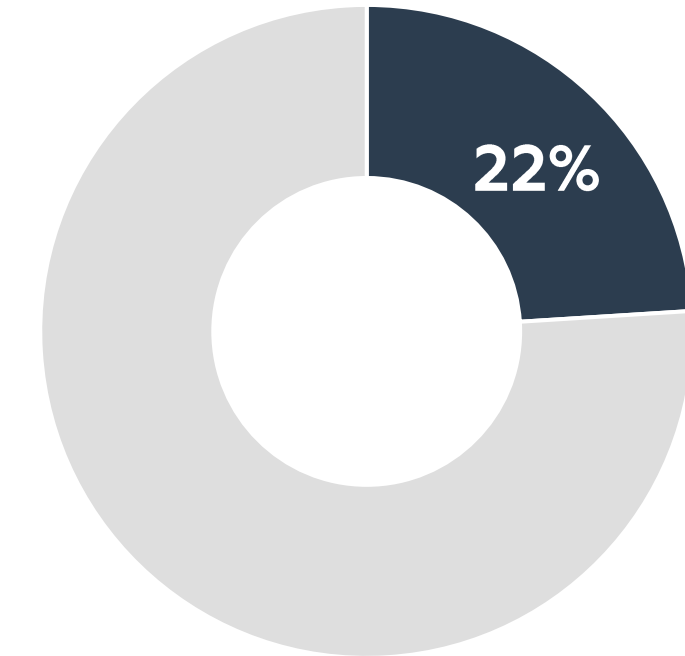
haven't encountered the problem



units of employees left



a lot of employees left



Companies in the IT sector are the most likely to experience the departure of large numbers of employees:



internet companies



software development and system integration



e-commerce

How Employers Deal with Employees Who Leave the Country

16%

Part with the employee, do not offer remote work opportunities



International companies are less likely to retain people who want to leave, in this group the value reaches



22%

Large companies of 5,000 employees and more decide to part with people more often, in this group the value reaches

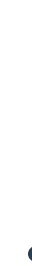
32%

36%

Seek to retain an employee and offer remote work opportunities



The greatest efforts are made by Russian companies, in this group the value reaches



46%

Small companies up to 300 employees more than others offer remote work, in this group the value reaches

43%

Systemic Approach To The Problem



More than a third of companies at the stage of the second wave of outflow of specialists say that they make a decision on a case-by-case basis, without having and without developing a unified approach and any policy for employees who want to change their place of residence outside the country but are ready to keep their employment relationship.

What companies are offering to professionals who want to leave

36%

provide opportunities to work remotely

16%

do not provide opportunities to work remotely, parting

3%

provide paid vacation for the period

3%

provide unpaid vacation

36%

decide individually, there is no unified policy

6%

other

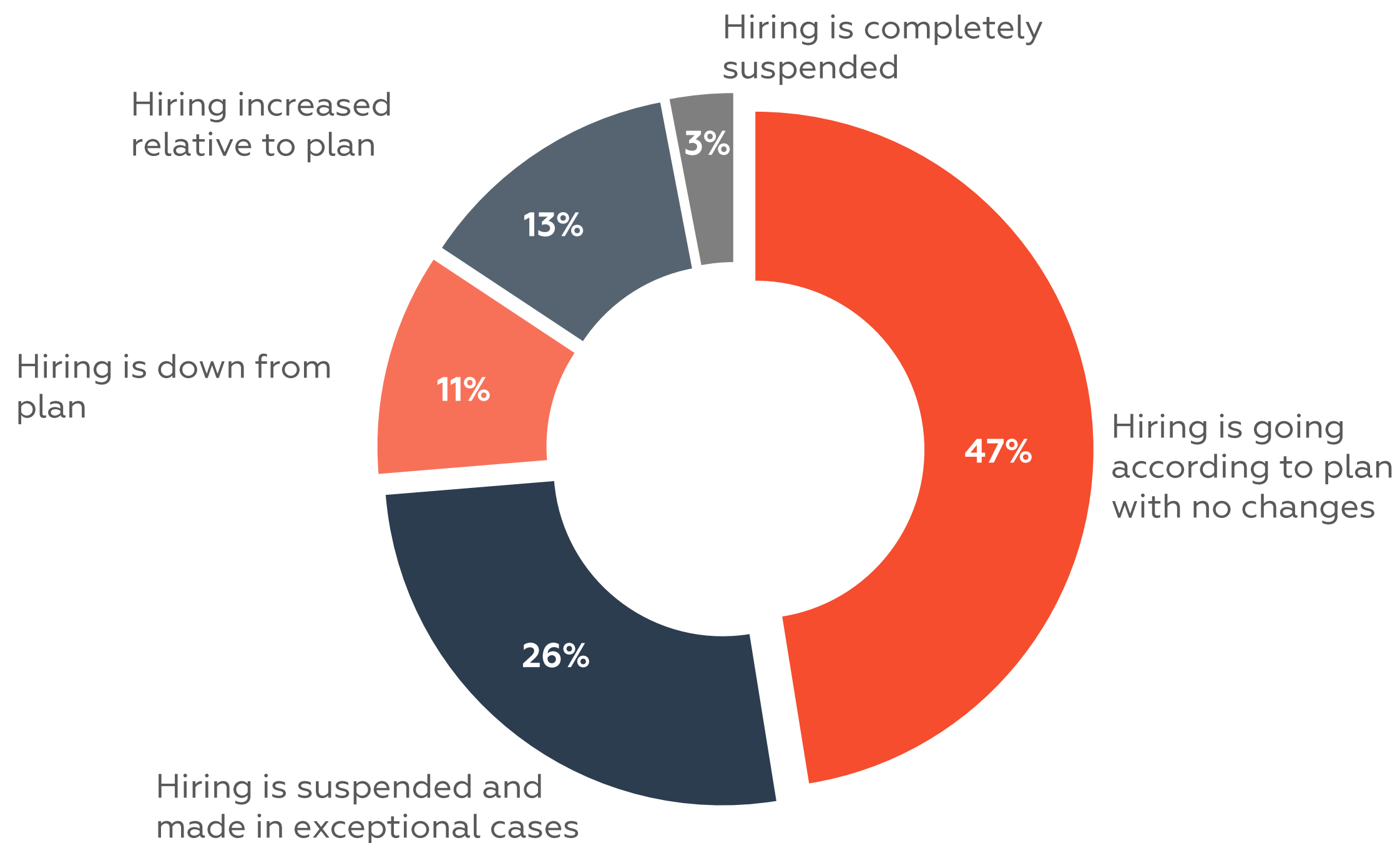


In general, the employees who left continue to perform their job duties but working in corporate systems is not possible abroad in our company, and the remaining employees have to work in the systems for themselves as well as for their colleagues who left.

In my opinion, more and more employees are looking for work in Russia, while being abroad themselves. Our company policy does not support such job seekers. Often, we see a situation where the applicant is trying to hide his or her presence abroad.



How are companies hiring now?



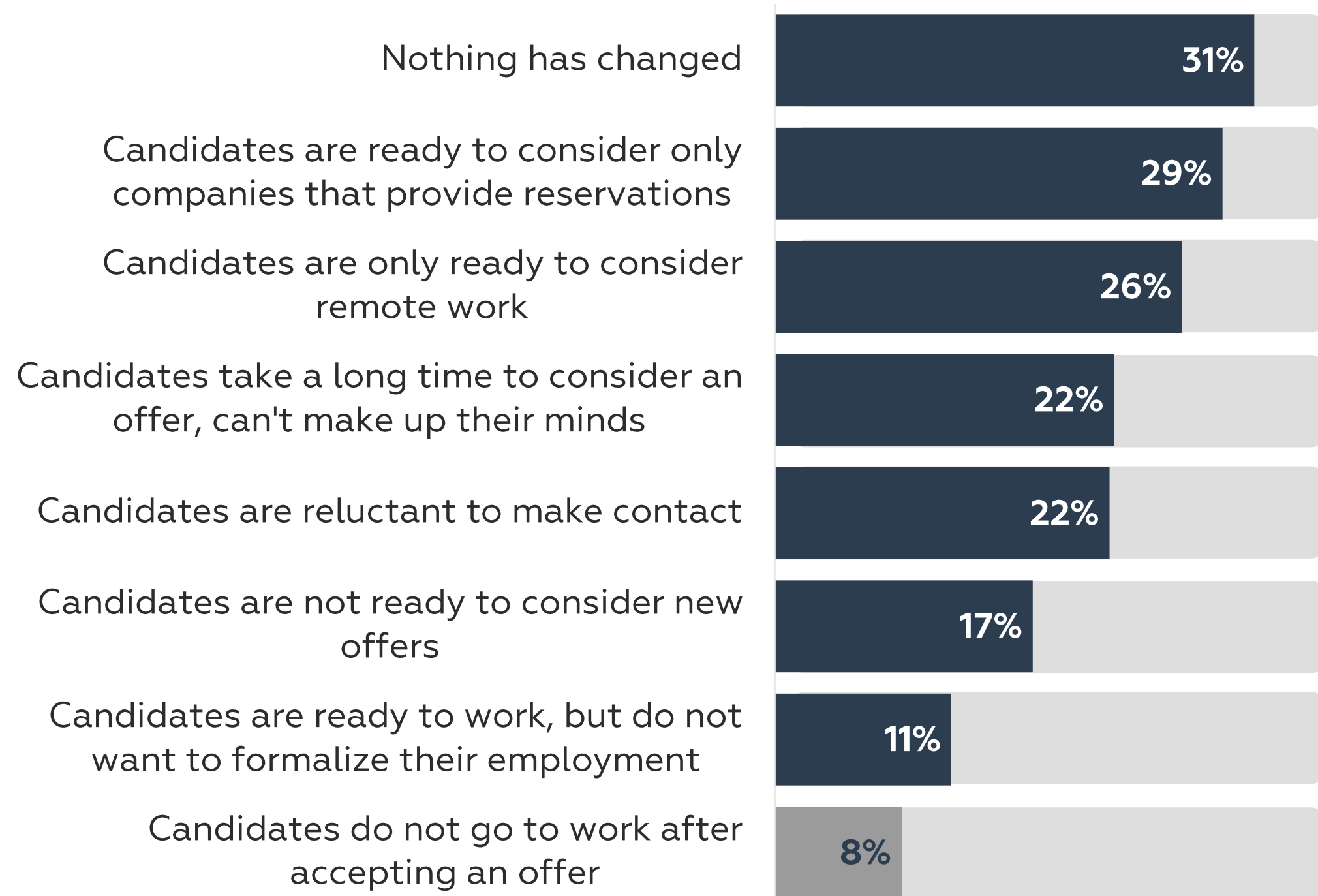
As of the second week of October 2022, nearly one-third of companies have essentially frozen hiring, and 26% are searching and recruiting only when necessary.

Almost half of survey participants noted that they implement hiring plans without changes and without quantitative adjustments for employee departures. Among Russian companies, the share of responses "hiring goes according to plan" reaches 55%.

The number of respondents who noted an increase or decrease in hiring activity relative to planned volumes is almost identical to our March and June 2022 surveys, which suggests, in fact, that there is no impact of departure on the labor market.

Smaller companies with fewer than 300 employees are more likely to hold off on hiring, no matter what.

What kind of labor market reaction are companies seeing?



Candidates have become extremely difficult to reach (it doesn't matter if it's a man or a woman). They don't answer the phone, they don't answer on messengers.

Faced with the failure to get a job on an already agreed offer (the candidate disappeared on the first working day)... there is some "deception" on the part of male applicants: on the resume it says Moscow, work in the office. In fact, it turns out that the person is not in the country and wants to work remotely.



How do companies plan to change their hiring structure in the face of employee attrition?



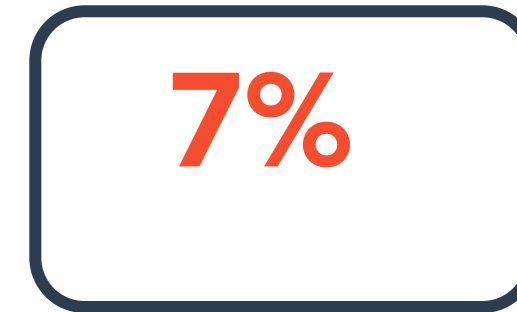
not ready to change the hiring structure



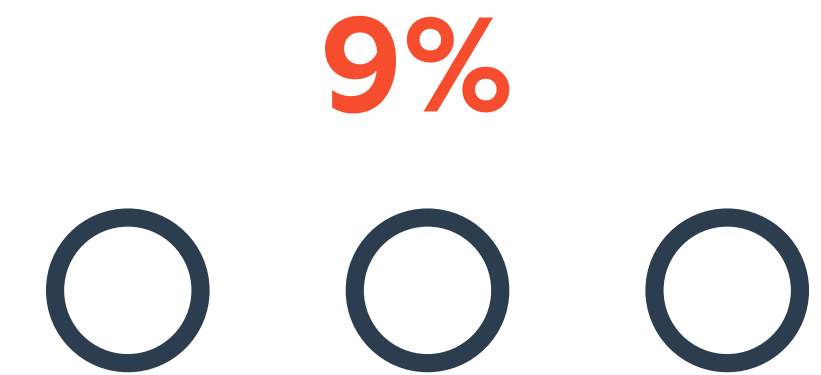
more age-appropriate employees



more women



more temporary employees,
more remote employees



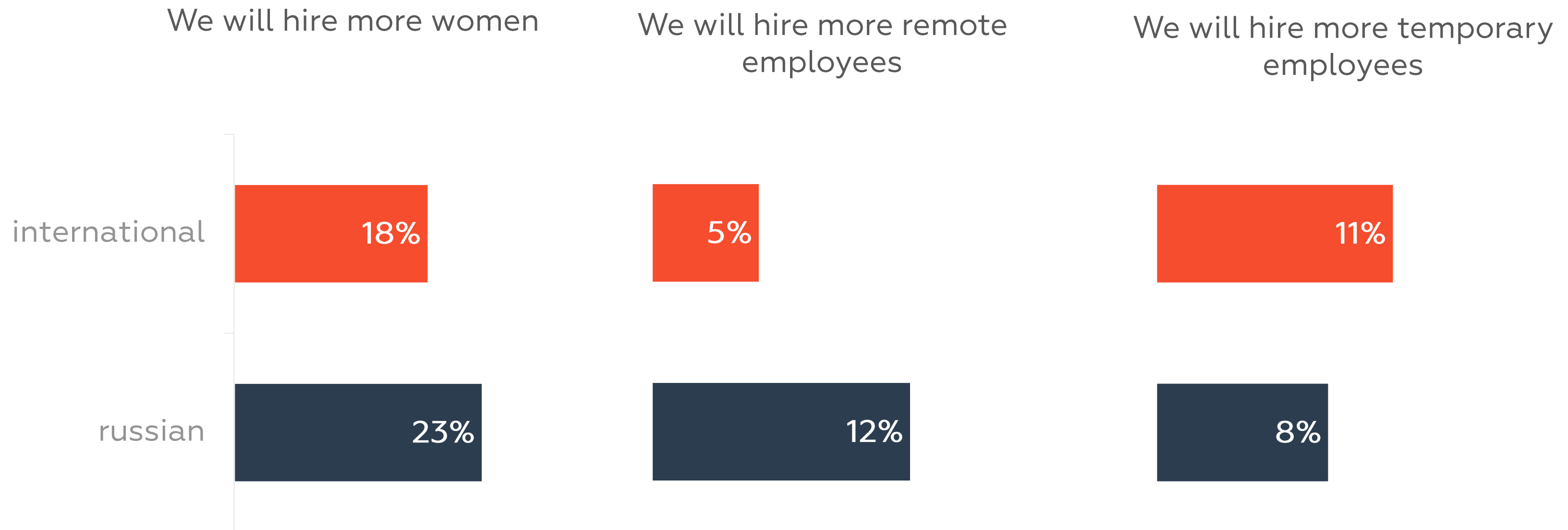
will change the hiring structure in other ways



The situation will no longer be the same, it's a long game. You need to be able to reassess the workload in teams, so that you don't get a "bottle neck" on an employee while you are away. It's probably easier to adapt for those who have had succession programs. And yes, in several areas, good odds for women and 50+ employees.



“National” features



Russian companies tend to diversify risk by offering more remote work opportunities, as well as by employing more women in historically “male” roles, while at the same time relying on permanent employees, while foreign companies are more likely to employ temporary employees in times of uncertainty, providing flexibility to the business.

The impact of employee attrition on hiring patterns over time



We can state that the outflow of employees in September-October 2022 due to relocation to other countries does not have a significant impact on business. More than half of the companies surveyed experienced isolated incidents and do not view the second wave of outflows as a long-term trend that prompts a review of the hiring structure.

At the same time, nearly a quarter of companies plan to focus on target audiences that seem more promising in terms of long-term employment - women, age 50+ employees.

7% of respondents noted that the company will focus on creating more remote workplaces and attracting temporary employees.

One-tenth of respondents said they are thinking about changing the hiring structure but are not yet specific about possible changes. Of those, 1% plan to hire more students.



Thank you!

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