

## HR Management

The main strategic goal in the field of HR management is achievement of NIAEP competitive advantage through increase in effectiveness and qualification of employees with preservation of key competences. The main management tasks of HR management are specified in Table 7.15.

**Table 7.15. Main Management Tasks of HR Management**



Table 7.15. Main Management Tasks of HR Management

Management Tasks in the Field of HR Management	Efficiency in Solving Management Tasks in 2012
Provide the Company with qualified employees in full scope and in accordance with needs, also by attracting young specialists	<ol style="list-style-type: none"> <li>1. Increase in percentage of hiring of graduates from higher and specialized secondary educational institutions.</li> <li>2. Activities were elaborated and executed on attraction, adaptation and development of young specialist.</li> <li>3. Staff training system was elaborated including unified training programs, planning, organization, control and reporting.</li> <li>4. Models of technical qualification and profiles of positions were elaborated, used when selecting staff.</li> </ol>
Increase efficiency of the remuneration and compensation system	<ol style="list-style-type: none"> <li>1. Unified matrix of labor remuneration was approved with consideration of external (market) and internal factors.</li> <li>2. Unified standards of social programs were elaborated and introduced.</li> </ol>
Increase efficiency of the Company through increased labor productivity	<ol style="list-style-type: none"> <li>1. Unified organizational structure was approved.</li> <li>2. Standards were elaborated on the number of employees performing the corresponding functions.</li> <li>3. Availability of program on the number of employees for each project within the whole period of construction in accordance with work schedule.</li> </ol>

Social and labor relations in NIAEP are regulated by the following documents:

Labor Code of the Russian Federation;  
 Industry-Specific Agreement on Nuclear Energy, Industry and Science for 2012-2014;  
 NIAEP Charter;  
 NIAEP Regulations on Internal Labor Order;  
 NIAEP Code of Corporate Conduct;  
 Company's Standard No. 25-01-12 Staff Training (approved on September 30, 2012);  
 Company's Standard No. 25-02-12 Arrangement of Recruitment, Hiring and Adaptation of Staff (approved on December 26, 2012);  
 Provision on Certification of Managers and Specialist of JSC NIAEP approved by Order No. 697 of August 8, 2011;  
 Provision on Annual Performance Assessment of JSC NIAEP Employees approved by Order No. 40/250-P of March 30, 2012;  
 Collective Agreement for 2013-2014.

In social partnership the NIAEP employees are represented by the Trade Union. The primary association of employees of the nuclear power engineering and industry is registered in the Company. The NIAEP administration creates the conditions necessary for operation of the Trade Union and takes into account its opinion in cases stipulated by legislation.

For the second year in a row within the project of State Corporation ROSATOM, NIAEP participates in the survey on staff involvement of its employees. Involvement means personal interest of employees in achievement of the Company's strategic goals and is directly connected with financial results. According to a 2012 survey, the level of involvement in NIAEP amounted to 80%, which is 18% higher as compared to the industry in whole. Thanks to the high level of involvement the Company entered the number of organizations participating in the international survey which were awarded the title of the Best Employer.

**Stable involvement is a true reflection of the situation in the Company, where the main factors of success include satisfaction of employees with the top management having a clear vision of the future, attractive image of NIAEP on the labor market and on the product market, trust of employees in the long term stability and success of NIAEP.**

## Remuneration

An effective system of labor remuneration and compensations is applied in NIAEP providing for adequate wage level and encouraging the employees to achieve the NIAEP strategic and operating goals. The Provision on Labor Remuneration to the NIAEP Employees is elaborated in accordance with the Unified Labor Remuneration System of State Corporation ROSATOM (ULRS).

The ULRS has been applied in ASE since October 1, 2012. Within preparation for introduction of the system the following activities were carried out in ASE:

- Evaluation and ranging of positions, elaboration of an ASE positions classification;
- Preparation for the analysis of current and ULRS-planned wages paid to the ASE employees;
- Elaboration of a matrix of wages paid to the ASE employees in Russian and foreign currencies;
- Elaboration and approval of the Provision on Labor Remuneration to the ASE Employees, Regulation ASE.004-2012;
- Elaboration and approval of the Provision on Assessment of Monthly Key Tasks, Regulation ASE.005-2012.

In 2012 the average wage in JSC NIAEP amounted to 81,480 rubles (see Table 7.16).

**Table 7.16. Average monthly wages at JSC NIAEP**



Table 7.16. Average monthly wages at JSC NIAEP

Region	2010			2011			2012		
	Average Number of Employees	Labor Remuneration Fund (Ths. Rub.)	Average Monthly Wage (Ths. Rub.)	Average Number of Employees	Labor Remuneration Fund (Ths. Rub.)	Average Monthly Wage (Ths. Rub.)	Average Number of Employees	Labor Remuneration Fund (Ths. Rub.)	Average Monthly Wage (Ths. Rub.)
Nizhny Novgorod Region	1,294.4	1,347,959.92	86.782	1,446.82	1,539,457.35	88.669	1,644.00	1,934,555.79	98.061
Rostov Region	524	292,684.02	46.546	496.08	232,308.87	39.024	513.30	247,140.07	40.123
Tver Region	448.5	233,103.06	43.312	477.98	265,940.09	46.365	205.60	164,558.39	66.698
Kaliningrad Region	–	–	–	10.13	11,587.56	95.324	136.60	104,706.73	63.877
Kharkov Region	–	–	–	4.5	3,620.64	67.049	6.00	5,858.77	81.372
Moscow	–	–	–	–	–	–	475.60	499,025.81	87.438
JSC NIAEP Representation in the Republic of Belarus	–	–	–	–	–	–	57.10	30,678.20	44.773
Chelyabinsk Region	–	–	–	–	–	–	36.70	20,044.70	45.515
Total	2,266.9	1,873,747.00	68.881	2,435.51	2,052,914.51	70.242	3,074.90	3,006,568.46	81.48

Table 7.17. Ratio of Basic Wages in NIAEP Central Office According to Sex



Table 7.17. Ratio of Basic Wages in NIAEP Central Office According to Sex

Category	Wage, Rub.		Ratio of Basic Wages of Men to Basic Wages of Women
	Female	Male	
Managers	29,250	39,300	1.3
Specialists	21,750	21,750	1.0
Other office staff	19,250	10,300	0.53
Workers	7,200	7,200	1.00

Table 7.18. Ratio of Basic Wages in NIAEP Belarusian Representation According to Sex



Table 7.18. Ratio of Basic Wages in NIAEP Belarusian Representation According to Sex

Category	Wage, Rub.		Ratio of Basic Wages of Men to Basic Wages of Women
	Female	Male	
Managers	23,200	14,600	0.63
Specialists	14,600	17,100	1.17
Office staff	14,600	–	0.00
Workers	7,200	7,200	1.00

Table 7.19. Ratio of Basic Wages in NIAEP Baltic Branch According to Sex



Table 7.19. Ratio of Basic Wages in NIAEP Baltic Branch According to Sex

Category	Wage, Rub.		Ratio of Basic Wages of Men to Basic Wages of Women
	Female	Male	
Managers	18,800	14,600	0.78
Specialists	13,300	14,600	1.09
Office staff	14,600	–	0.00
Workers	7,200	7,900	1.09

Table 7.20. Ratio of Basic Wages in NIAEP Udomlya Branch According to Sex



Table 7.20. Ratio of Basic Wages in NIAEP Udomlya Branch According to Sex

Category	Wage, Rub.		Ratio of Basic Wages of Men to Basic Wages of Women
	Female	Male	
Managers	14,600	23,200	1.59
Specialists	13,300	18,800	1.41
Office staff	14,600	–	0.00
Workers	7,200	7,200	1.00

Table 7.21. Ratio of Basic Wages in NIAEP Moscow Branch According to Sex



Table 7.21. Ratio of Basic Wages in NIAEP Moscow Branch According to Sex

Category	Wage, Rub.		Ratio of Basic Wages of Men to Basic Wages of Women
	Female	Male	
Managers	24,400	26,600	1.09
Specialists	24,400	21,750	0.89
Office staff	21,750	–	0.00
Workers	19,250	21,750	1.13

Table 7.22. Ratio of Basic Wages in NIAEP Yuzhnouralsk Branch According to Sex



Table 7.22. Ratio of Basic Wages in NIAEP Yuzhnouralsk Branch According to Sex

Category	Wage, Rub.		Ratio of Basic Wages of Men to Basic Wages of Women
	Female	Male	
Managers	14,600	32,000	2.19
Specialists	14,600	17,100	1.17
Office staff	17,100	–	0.00
Workers	–	13,300	0.00

Table 7.23. Ratio of Basic Wages in NIAEP Volgodonsk Branch According to Sex





Table 7.23. Ratio of Basic Wages in NIAEP Volgodonsk Branch According to Sex

Category	Wage, Rub.		Ratio of Basic Wages of Men to Basic Wages of Women
	Female	Male	
Managers	14,600	23,200	1.59
Specialists	13,300	13,300	1.00
Office staff	7,900	11,700	1.48
Workers	7,200	7,900	1.10

Differences in basic wages of various staff categories are connected with the fact that in 2012 positions taken by male employees and female employees belonged to various grades. For instance, the minimum wage of a female manager refers to grade 14 (stock manager, logistics manager), and of a male manager to grade 11 (production manager, master). In 2012 no men occupied the positions of stock manager and logistics manager. Wages of men and women within one grade are equal.

The NIAEP Provision on Labor Remuneration provides for unified principles in organization of labor remuneration and financial incentives of the employees and establishes the wage rate determination procedure.

The wage includes:

- Position wage rate;
- Incentive payment:
- Integrated incentive markup (IIM);
- Integrated incentive markup for fulfillment of performance targets (IIM PT);
- Motivational payments:
- Bonus for fulfillment of key performance indices (KPI);
- Bonus for fulfillment of very important task;
- Compensatory payments for fulfillment of work in conditions other than normal (including markups for work with information presenting a state secret);
- Other payments stipulated by the Labor Code of the Russian Federation.

The KPI system is aimed at achievement of Integrated Company's strategic goals through placement of tasks to managers and workers and provision of correlation of these tasks with the Company's goals.

The amount of wage rate, IIM, and bonuses for KPI fulfillment depend on the level of an employee's position, his or her professional competences and effectiveness.

Each position and profession of a certain qualification category in the corporate schedule of NIAEP is assigned a grade and inter-grade zone. The position (profession) grade is based on characteristics of this position (profession) and its value for NIAEP. The inter-grade zones are used to range the structural subdivisions and single positions (professions) according to priority.

The IIM is introduced as an instrument helping to determine the money remuneration of an employee corresponding to his or her professional competence and effectiveness of labor (professional status). The IIM PT is generally paid to workers of large production subdivisions.

The employees are given bonuses pursuant to the results of KPI fulfillment once a year. The NIAEP

key performance indices are described in the NIAEP President Map of KPI and translated or decomposed to subordinated workers and structural subdivisions. Fulfillment of key goals and KPI by a worker or structural subdivision leads to fulfillment of goals and KPI of NIAEP in whole or top managers. The key performance indices are established for one year in accordance with the major goals of a worker or structural subdivision and functional workload (see Table 7.24).

**Table 7.24. Fulfillment of KPI by President of NIAEP in 2010-2012**



*Table 7.24. Fulfillment of KPI by President of NIAEP in 2010-2012*

Year	Total of KPI fulfillment
2010	0.8957
2011	1.1161
2012	1.0646

Due to the fact that the key performance indices of the Vice-President are built on the principle of the President KPI decomposition, the final ratios are also connected with the level of fulfillment of the President KPI. The amount of bonus directly depends on the ratio of KPI fulfillment. Thus, remuneration of a top-manager of the Company will directly depend on fulfillment of the assigned tasks.

For the purpose of flat incentives the employees may receive bonuses for fulfillment of very important tasks pursuant to the Decision of the NIAEP President. The very important tasks include tasks connected with special requirements for time-frame and quality and imposing higher responsibility on the executing employee.

The approach to labor remuneration of top managers is equal to the approach of labor remuneration of other workers. The incentive system for top managers and other managers is based on ULRs. The wage of top managers includes a fixed part and an annual bonus, with the amount of the latter depending on KPI performance.

Issues connected with President labor remuneration are regulated by the Labor Agreement, Decisions of the Board of Directors and Provision on Labor Remuneration of NIAEP.

One of the basic principles of the labor remuneration system in NIAEP consists in assurance of equal opportunities for various age-sex groups.

## Staff Training

The staff professional training and development system is elaborated and updated with consideration of tasks and strategic priorities of NIAEP. The staff training system is applied in NIAEP which covers all levels of the Company's staff and includes assessment of training effectiveness. This system is constantly updated in connection with rapidly changing market conditions.

The activity on staff training in NIAEP is regulated by Company's Standard No. 25-01-12 Staff Training.

1,429 NIAEP employees have improved their professional skills and received training in educational



centers of State Corporation ROSATOM and other organizations in 2012 (see Table 7.25).

**Table 7.25. Number of NIAEP Employees Who Received Training**



Table 7.25. Number of NIAEP Employees Who Received Training

Offices and branches	2010	2011	2012
Central Office	418	586	951
Moscow Branch	0	0	149
Volgodonsk Branch	84	101	187
Baltic Branch	0	0	97
Yuzhnouralsk Branch	0	0	20
Representation in the Republic of Belarus	0	0	25

Main training courses called for in 2012:

Planning and control with application of Primavera, basic course;  
Planning and control with application of Primavera, advanced course;  
Elaboration of estimate documentation for construction, repair and construction, mounting and commissioning operations;  
Environmental management system, internal audit in accordance with international standards ISO 14001:2004, ISO 19001:2011, and OHSAS 18001:2007;  
Management of procurement activity in nuclear power industry on the basis of the Unified Industry-Specific Procurement Standard.

Additional target training in the field of IT applied in NIAEP was provided to 80 managers in 2012. The training was arranged in June and October in the Volgodonsky and Baltic Branches on the following subjects:

Production logistics;  
Innovative methods of management and designing;  
Management and engineering of complex technical facilities;  
Introduction of information technologies into designing and production.

Lectures and practical training were carried out by the highly qualified employees of NIAEP and leading lecturers of the Nizhny Novgorod Alekseev State Technical University. The training took place in both full-time and remote modes (with application of remote means of communication).

In 2012 NIAEP training expenditures amounted to 13,807 thousand rubles or 0.3% of the remuneration fund. In 2012 expenses for training of one employee with consideration of external and internal education excluding expenses for obligatory education amounted to 3,800 rubles (2,720 rubles in 2010, 3,115 rubles in 2011).

The average number of training hours increases yearly (see Table 7.27).

In 2012 Globalization Leaders Development Program and Globalization Participants Development Program were launched. These programs are aimed at identification and development of specialists

having skills in the field of international business. The programs on development of globalization leaders and participants provide for off-the-job training lasting 2-3 days every month. Experts with international experience from leading business schools are invited in the capacity of lecturers. In 2013 the participants of the programs received Industrial Expert of International Level certificates. 12 employees of NIAEP took part in the globalization leaders and participants development programs.

**Table 7.26. NIAEP-ASE Expenses for Staff Training**



Table 7.26. NIAEP-ASE Expenses for Staff Training

Training Expenditure, Ths. Rub.	2010	2011	2012
NIAEP	6,140	7,961	13,807
Share of training expenditure of total expenses for staff, %	0.33	0.31	0.3
ASE	8,986	7,469	668
Share of training expenditure of total expenses for staff, %	0.55	0.28	0.12

**Table 7.27. Average Number of Training Hours per NIAEP/ASE Employee**



Table 7.27. Average Number of Training Hours per NIAEP/ASE Employee

Category of Employees	2010 NIAEP	2011 NIAEP	2012	
			NIAEP	ASE
Managers	0.3	1.3	6.7	6.7
Specialists	7.9	17.2	9.8	5.6
Workers	9.9	16	22.4	3.9

1 employee of NIAEP is studying at Skolkovo International Management School under the educational program Engineering Innovations Management in State Corporation ROSATOM. The program participants investigate contemporary models of arrangement of scientific and research activity which are applied in modern European countries.

### Work with HR Reserve

Currently, growth of HR potential is one of the most significant tasks of NIAEP management. In 2012 HR reserve was approved in the Company.

During appointment of employees to managing positions in NIAEP, priority is given to internal candidates selected normally from the HR reserve. In 2012 27.4% of vacancies were filled by managers from the HR reserve (see Table 7.28).

**Table 7.28. NIAEP HR Reserve Structure in 2012**



Table 7.28. NIAEP HR Reserve Structure in 2012

HR Reserve Structure	Number of Employees in HR Reserve	Number of Vacancies for Managers Filled in 2012	Number of Vacancies for Managers Filled from HR Reserve in 2012	
			People	%
Top managers	10	13	10	77
Middle managers	327	93	19	20.4
TOTAL	337	106	29	27.4

In accordance with NIAEP Order No. 40\482-P of May 30, 2012 the initial program was approved on elaboration of corporate skills of the employees included in the HR reserve.

Within the frames of the approved program 27 employees from the NIAEP HR reserve received training in the period from September to November 2012. The program included 48 hours of training lessons on the following subjects:

- Efficient manager
- Effective communication
- Changes management
- Activity planning and arrangement.

#### Staff Assessment

The staff assessment system is applied in NIAEP and ASE. The results of assessment are used for decision making in the process of HR management.

Staff assessment is part of the employee effectiveness management model. The assessment system allows an employee to understand which results an employer expects from him or her and which criteria will be used to assess his or her performance, and to implement career expectations and obtain recognition.

In 2012 NIAEP-ASE managers and specialists participated in various assessment procedures:

In accordance with the Order of State Corporation ROSATOM on Execution of the Integrated Program on Professional Development of Managers Working in the Industry and ROSATOM Reserve Development, 18 managers of NIAEP took part in the event aimed at assessment of managerial skills (Capsim business stimulation) within the TOP-1000 evaluation;

In accordance with the NIAEP Order on Arrangement of Testing and Training for HR Reserve Employees, 84 NIAEP employees passed the test for determination of their level of managerial skills;

In accordance with the NIAEP Order on Annual Assessment of Employees Performance, 218 employees of NIAEP and 119 employees of ASE participated in the annual assessment procedure REKORD (including 78% of men and 22% of women).

#### Plans for staff evaluation in 2013:

- 830 employees will go through the annual REKORD performance assessment procedure;
- 200 employees will be tested for determination of their level of managerial skills;
- Assessment of managers appointed to positions of the TOP-1000 level.

According to the performance assessment, the system of individual financial incentives of an employee can be reviewed; a decision can be made on his or her transfer to a higher position or on inclusion in the HR reserve.

Results of staff assessment are of great importance both for the NIAEP management, and for each single employee. Support of the assessment process by the top and middle management of NIAEP is the key factor of success of all assessment activities.

### **Table 7.29. Share of NIAEP Employees Subject to Performance and Career Development Assessment**



*Table 7.29. Share of NIAEP Employees Subject to Performance and Career Development Assessment*

Year	2010	2011	2012
Share, %	3.9	8.7	6.5

### **Attraction of Young Specialists and Cooperation with Institutions of Higher Education**

Planning its long-term development, NIAEP is eager to attract graduates of field-specific institutions of higher education.

In 2010 NIAEP instituted the Pozdyshev monthly grant in the amount of 5 thousand rubles. Currently, the grant is paid to 15 senior students from field-specific institutions of higher education: Nizhny Novgorod Alekseev State Technical University (NNSTU) and Nizhny Novgorod State Architecture and Construction University. All grant holders were selected on a competitive basis according to the results of assessment of progress in studies, public activity, and interest in profession.

In 2012 the Basic Chair of Lifecycle Management System for Complex Engineering Facilities was established in NNSTU. President of NIAEP V.I. Limarenko, Doctor of Economic Sciences, headed the Chair. Students of the University and employees of NIAEP study there.

In 2012 models of professional skills required to take engineering positions of designing subdivision were elaborated in cooperation with the employees of the Sarov Physical and Technical Institute of the National Research Nuclear University MEPhI (NRNU MEPhI). These models are applied during preparation and selection of graduates for employment in NIAEP.

In accordance with contracts between NIAEP and institutions of higher education, students from the following institutes and universities may undergo practical training in NIAEP:

Russian Presidential Academy of National Economy and Public Administration (RANEPA);  
The Nizhny Novgorod State Architecture and Construction University (NNSACU);  
Nizhny Novgorod Alekseev State Technical University (NNSTU);  
Lobachevsky Nizhny Novgorod State University;  
Balakhna Polytechnic College;  
National Research Nuclear University MEPhI.

During the reporting period 85 people underwent all types of practical training in NIAEP.

250 senior students of the Volgodonsk Engineering and Technical Institute, National Research Nuclear University MEPhI, NNSTU, South-Russian State Technical University, Azov-Black Sea State Agricultural and Engineering Academy and Kostroma State Agricultural Academy worked on the Rostov NPP construction site within 5 construction teams from the beginning of July till the end of August 2012.

On the basis of contracts, 5 students of institutions of higher education underwent pre-degree practice and internship in ASE in 2012.

Plans on cooperation with institutions of higher education in 2013 are as follows:

300 students from different institutions of higher education will participate in work of construction student teams on construction sites of the Volgodonsk Branch;

100 students from different institutions of higher education will undergo internship in the NIAEP structural subdivisions;

40 senior students from two field-specific institutions of higher education (Nizhny Novgorod State Technical University and Nizhny Novgorod State Architecture and Construction University) will participate in elimination round for participation in the Pozdyshev Grant program;

55 students will proceed with education on the Basic Chair of Lifecycle Management System for Complex Engineering Facilities.

**Table 7.30. Work with Students in 2012**



*Table 7.30. Work with Students in 2012*

Categories of students who underwent practical training	2010	2011	2012
Number of students who underwent practical training	97	107	85
Number of students employed according to the results of practical training	34	14	18
Number of students studying in institutions of higher education within programs of target preparation	25	35	42
Number of young specialist employed after graduation from institutions of higher education, including field-specific ones	62	36	89

## Youth Policy

The NIAEP youth policy is focused on creation of conditions for attraction and retention, encouragement of initiative, improvement of professional skills and assistance in self-realization of young specialists.

The program of professional orientation and adaptation of young specialists was elaborated in NIAEP.

To help young professionals acquire the necessary professional skills quickly, NIAEP established the mentorship institute within which the most skilled employees are engaged in adaptation and training of newcomers.





In accordance with the Collective Agreement, the labor of mentors is remunerated: in 2012 mentorship expenses amounted to 291 thousand rubles. Young specialists are actively engaged in scientific and innovative activity.

In June 2012 the 4th Scientific and Technical Conference of Young Scientists and Specialists of Nuclear Industry Team-2012 took place in St. Petersburg. The NIAEP delegation was represented by 7 young specialists. Anna Yuryevna Dodonova, Engineer of the Department for Filling of Catalogues of the Directorate for Informational Development Projects (DIDP), took first place in the section Economy and Procurement Activity.

In July 2012, 10 young specialists of NIAEP took part in the Second Youth Innovation Forum Forsazh-2012 organized at the initiative of State Corporation ROSATOM. The main goals of the Forum consisted in establishment of communication between employees of various divisions and shaping of notion on branch structure and operation of its parts.

Young specialists participated in field-specific creative and sport festivals and competitions.

2012 the young team of NIAEP took the first place at the Festival of Friendship arranged by State Corporation ROSATOM and NNSTU.

**Table 7.31. Mentorship Expenses in 2010-2012, Ths. Rubles**





Table 7.31. Mentorship Expenses in 2010-2012, Ths. Rubles

	2010	2011	2012
Mentorship Expenses	170	420	291

## Inter-Company Communications

Procedures for communication between employees and top managers are established in the Company. Employees may give recommendations to the highest managing body by means of internal electronic network.

In addition, the employees may lodge various complaints, including those referring to human rights, through this network and the Company's website or the Trade Union Committee.

Quarterly the Information Sharing Days are held in the Company. The managers of the Company and structural subdivisions answer the employees' questions by means of video materials prepared by State Corporation ROSATOM. The package of materials is formed to hand down the information to the subordinates in the most precise way.



**Multi-D**  
engineering