Developing Tomorrow’s Leaders
Talent Management in Russia

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Abstract

In the era of globalization and rapid change, talent management (TM) is becoming an increasingly important topic, since it sets direction for companies and the whole economies in general towards success and development.

Exploring the phenomenon on the organizational or meso level, talent management techniques are implemented by organizations to attract, develop, engage, keep and deploy employees who are believed to be particularly valuable to them. By utilizing talents in a proper way, companies can increase their efficiency, add value to their brand credibility, and contribute to diversity of their corporate culture. For these reasons, top managers and HR professionals widely consider talent management to be one of their key priorities and invest largely in it.

Companies that refuse to employ talent management techniques risk losing their competitive advantage, their market share and consequently their profitability. More than that, such companies remain unattractive to talented experts and cannot boast prominent financial results.

This thesis gives a lot of insight into the current state of affairs concerning talent management in Russia and looks into possible problems that can arise in regard to the process of its implementation in Russian context. We found the issue of talent management in Russia to be under-researched at the moment, thus, we decided to make a contribution to the study of the concept. We carried out our research through a multi-level perspective because we are positive that there is a strong interplay between different contexts regarding talent management implementation in Russia.

The obtained empirical findings have provided us with the knowledge that there is a number of obstacles hindering development of TM in Russia. More than that, we found that the approach to TM fully depends on the origin of a company.

Key words

Talent management, Russia, Russian companies, foreign companies, multinationals, leadership, development, multilevel context, macro level, organizational level
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1 Introduction

1.1 Global Perspective of Talent Management

Corporations place increasing importance on the role of people, those who make up these companies. The emphasis on employees is not accidental given that an organization can launch a new product onto the market that soon will be easily copied, lower their prices and then competitors will respond accordingly, penetrate a promising market where soon other companies will also gain a foothold. Yet, replicating a high potential, high quality and engaged workforce is nearly impossible (Michaels, Axelrod, Handfield-Jones, 2001). In the years to come, one of a company’s major competitive advantages will be its ability to attract, develop and retain talent. Hence, one of the main management tasks today is to identify outstanding and high performing employees who can create the highest added value for firms and extract the maximum level of talent out of them.

Taking the aforementioned into consideration talented employees can play a decisive role in the success of any company. However, in order to build a strong pool of talent organizations need to improve the way they develop talent paying particular attention to employing TM techniques. Talent management can be defined as systematic activities to recruit, keep and train individuals with high levels of human capital consistent with the strategic directions of the company in a dynamic and highly competitive environment (Khilji, Tarique & Schuler, 2015).

1.2 Historical Background For Talent Management in Russia

In order to fully grasp the complexity of widespread application of talent management techniques in Russia, one should take into account the specific historical, economic and cultural background, which distinguishes Russia from other countries. There is no escaping the fact that in the 1990s Russia experienced the transition from the state-planned economy to a market oriented one along with the fall of communism which was followed by the sharp economic slowdown and social woes. The historical context is extremely important, since understanding of the past facilitates the analysis of the current situation and sets a direction for further research.

Human resource management (HRM) tools are commonly used by Russian companies which traces its origins to Soviet Russia when “Cadre Department” or “Personnel Department” was responsible for the hiring and firing processes and handled administrative, technical and support tasks. Talent management is a rather urgent issue for Russian companies as Soviet heritage of underutilized HRM together with slow pace of change have resulted in local organizations
struggling to implement talent management practices. Russian companies have hard times exploiting TM as their human resources policies are still to a large extent based on cadre reserves (Latukha, 2015), focusing only on those holding management positions disregarding promising employees at other levels of organization.

Furthermore, Russian talent management practices are hampered by the Soviet Union legacy of authoritarian corporate leadership, central planning, a culture that supports nepotism and corruption when it comes to appointments and promotions (Adizes, 2017). There is a huge gap between the Soviet-born generation and millennials, the former highly appreciate discipline, sacrifice and lifetime employment whereas the latter demand flexible working hours, freedom of choice and personal development. Autocratic style of management that older generation feels comfortable with does not work with the millennials, which creates a cultural clash that needs to be addressed (Adizes, 2017).

Communism has had other impacts beyond authoritarian leadership on how companies are managed: it has left behind the fear of government and authority. Employees in organizations keep to themselves without participating in such processes as problem analysis, decision-making and strategy development (Adizes, 2017). There is the ‘Boss’ who does not know how to work in a team or establish a team approach in organizations and experience serious problems with delegation of authority and employee empowerment. He/she controls people, explains how tasks are to be completed down to the last detail and demand that he should be informed about everything. Therefore, people are afraid and uncomfortable with taking initiative and responsibility, which is discouraged and even punished; and Russia’s incredible pool of brain power remains unrealized.

At first sight the way organizations operate might look good but the fact is that Russian companies do not utilize well the potential of their employees. However, success in modern world is based on how much talented, high-performing, active and intelligent people a company has (Adizes, 2017).

Having been under communist regime that negated materialism and promoted self-sacrifice for the good of the country, people in Russia are preoccupied with materialistic values such as profits and fat pay-checks, which is another factor that prevents them from adopting talent management practices. With introduction of the open market economy and private ownership materialism as a driving force behind decision-making erupted with full force; as if by being kept down for so long time it needs to be overcompensated (Adizes, 2017). In the pursuit of profits many companies become dysfunctional since they refuse to acknowledge that the most important factors contributing to success is people. They do not understand that building a great team is vital
because the quality of work they do never exceeds the quality of team behind it; and that having talented employees at all levels can significantly improve performance and enable these organizations to outperform competitors.

1.3 Current Situation in Russia

First and foremost, we would like to say a few words about current economic position of Russia on the international stage. According to prominent Russian economist Leonid Grigoryev, Russia is not yet classified as a developed country. It occupies intermediate position between developed and developing countries. Russia's economy lacks diversity and it is mostly commodity dependent. For economic growth to be reached Russia has to get rid of this energy dependence and attract more foreign companies that would stabilize Russian economy. (Nukaya, 2017) “During the last few years GDP of developed and developing countries equaled. Third World countries produce product equal in volume and cost to the one produced by developed countries, however populations differ as well”, said Mr. Grigoriev (Grigoriev 2014, p.3). “Russia's GDP is $10 248 per capita in 2017, which is more than in developing countries but less than in developed. In developed countries this level was achieved 20-30 years ago” (Analytical Center for the Government of the Russian Federation 2017). Thus, in our research we regarded Russia as a developing country.

Modern crisis conditions in the whole world and Russia, in particular, put in jeopardy the existence of companies undermining their security. This also escalates competitive struggle while minimizing advertising and account handling expenditures. Such a context provokes “the war for talent” (Chambers, Foulon, Handfield-Jones, Hankin & Michaels III, 1998) making companies fight over scarce, highly skilled specialists and recruit the most gifted ones in order to increase competitive advantage and efficacy.

Accordingly, many Russian experts in the field of human resources argue that companies should perfect the existing methods for managing talents. However, these days it is extremely difficult to find, attract and cultivate high performing staff members. What is also problematic, is to retain key employees in a company (Sadova 2016, p. 1). According to the research conducted by PWC, 63% of CEOs consider availability of skills to be a serious problem with the supply of talents shifting at a time of the increasing demand (PWC, 2014, p. 2). On top of that, 77% of the polled CEOs believe that the poor availability of key skills puts in jeopardy their business (PWC, 2017, p.4). The current century has already changed people’s concept of talented employees: at the present time companies are focused on nurturing talents rather than motivating people to fight
their way to the top (Sadova 2016, p. 2). This is not intended to suggest that employees have no need to stay enthusiastic anymore – on the contrary, they should hold the potential to get to the top of the tree.

Talent is an increasingly scarce resource in Russia and few companies today can boast an adequate supply of talent - according to the International Institute for Management Development, in 2017 Russia ranked 43 out of 63 in the World Talent Ranking which is based on countries’ performance in such categories as investment and development of the homegrown talents, appeal and readiness to retain them (IMD 2017, p. 82). Furthermore, the minister of Economic Development of the Russian Federation Maxim Oreshkin believes that the deficit of labour force in our country caused by a number of demographic issues, which will be analyzed in the third chapter of this thesis work, is even escalating at the moment (Expert Online 2018). Gaps exist at any level of company hierarchy: from top management to operating employees. Therefore, more and more companies are coming to realize that talent management is a critical part of their activities as nothing less than their own fortunes are at stake.

As far as the attitude to talent management is concerned, companies in Russia are getting more and more interested in talent management systems and are implementing them in their business processes following the example of western corporations that are using best talent management (TM) practices (Panova & Baurchulu 2017, p. 6). Under present marketing conditions domestic companies pay particular attention to increasing their level of competitiveness, which calls for determining the ways to ensure lasting competitive advantages based on core competencies. The ability to take advantage of one’s core competencies can give a company a substantial edge over the competition in modern Russia (Panova & Baurchulu 2017). Refocusing from market-oriented and profit maximizing measures to building internal intellectual resources enables a company to utilize its core competencies to the fullest. Yet, these core competencies do not just magically appear out of nowhere. They are produced through conscious efforts, long-term commitment and intensive work. The main objectives of this work is selection, development and retention of staff with necessary knowledge and skills who can make a significant contribution to achieving more ambitious results (Panova & Baurchulu 2017). Thus, employees and internal intellectual capital created by them serves as a basis for developing a company’s core competencies, which is the reason why these days Russian organizations are concerned about developing talents more than ever before.

On the one hand, there is a number of companies that already use modern talent management systems. A good illustration of implementing modern managerial procedures is the Russian main national bank - Sberbank. It outstands with the great leadership practice reinforced
by the clear vision of its objectives and corporate culture which provides an opportunity to escape the barriers to development of TM in Russia. Sberbank uses a wide range of automated talent management systems, majorly developed by the leader of the Russian IT-market IBS company, such as: recruitment, corporate training, career management, personnel performance management. Among other corporations adapting to these systems are Gazprom, Tatneft, Rosatom, Mail.ru, Baltika (Nesmeeva 2014). On the other hand, implementation of talent management systems is still majorly common with large companies with more than 100 employees working for them, while smaller organizations still use the aforementioned “personnel reserve” approach to talent management which hinders development and retention of best talents (Panova & Baurchulu 2017, p.7).

Thus, Russian companies are facing a number of obstacles on the way to successful talent management execution. It stands to reason that emerging countries like Russia find it even more challenging to practice talent management techniques than developed countries, since the former have a limited supply of talent that can compete efficiently in a globalized business environment:

1. Employers in Russia like those in Western countries look for people with higher and more specialized skills gradually moving from labor-intensive to more knowledge-based industries, which gives rise to new levels of knowledge and expertise required in various industries (Doh & Stumpf, 2013). This increase in demand for knowledge workers has created shortages of specialists in the fields of science, IT, innovation, medicine and many others (Doh & Stumpf, 2013).

2. Although the number of university graduates is rising, the availability of highly skilled graduates equipped with extensive knowledge of the aforementioned industries is lacking because the skill levels are often not up to international standards (Doh & Stumpf, 2013).

3. Since Russian companies try to shift from basic level production of products and services to more sophisticated, knowledge-intensive areas and high-level services, the need for global collaboration and communication becomes more urgent. Employees are expected to work as well as communicate with staff members, clients, vendors, and alliance partners across borders, which requires cross-cultural competences that are not available on the market. In addition to skills in working across cultures, lack of proficiency in English is one of the major obstacles for cross-border work in Russia (Doh & Stumpf, 2013).

4. Many Russian organizations fall into the trap of believing that dealing with people issues is a distraction from what really matters - managing the business (Michaels, Axelrod, Handfield-Jones, 2001). They are trying to adopt the best practices and good old management theories developed in the leading Western business schools that aims at profit
maximization and greater market penetration and therefore disregard the significance of talent management (Adizes 2017). This aggravates the current situation and hinders development of TM.

5. Since the majority of Russian companies replicate Western practices instead of elaborating their own conceptions suitable for particular Russian context, they neither estimate nor plan what their needs for talent will be in the future. Russian companies do not have any processes in place to forecast or satisfy the demand for talent.

1.4 Framework of The Study

We believe that the issue of talent TM can be comprehensively analyzed within a multilevel framework. Our study focuses on the relation between two different contexts: macro (national level) and meso (organizational level). More specifically, we are going to analyze not only the interdependence of these contexts, but also their impact on the development of talent management in Russia. Focusing on the phenomenon not only at organizational level but also incorporating a macro view gives an opportunity to see a more comprehensive picture, specifically illustrating the particular conditions of implementation and development of talent TM strategies in Russia. For the sake of clarity, we do it step by step, gradually moving from how companies nurture and retain talent to how TM issue is addressed at the country level and examine to what extent these levels are interdependent and interconnected. The context-embedded research is supposed to link societal level variables with organizational level variables (Michailova 2011, p. 132) and enables us to obtain new observational evidence about the subject and implications for talent TM in Russia. Studying the given problem from the perspective of several levels confers the possibility to better understand the phenomenon of talent management in Russia and make a rigorous research both from theoretical and empirical standpoints.

Using contextualization in our work implies placing observations in the field of talent management within larger setting of relevant social context of Russian environment in order to acquire comprehensive and extensive knowledge in the field and make a contribution in the form of complemented and more in-depth understanding of the phenomenon. We find it especially interesting to detect how certain peculiarities of the Russian context form and shape talent management solutions and discover the reasons behind it, which has not yet been fully explored in other studies.
1.5 Research Gap

Based on the analysis of TM in the context of developing countries and consolidating contextual aspects in explanatory frameworks, we are positive that our study can reveal some original insights into the issue of talent management in emerging countries, particularly, in Russia, since various theories and assumptions were built and examined mostly in regard to developed countries with advanced economies (Xu & Meyer, 2013; Horwitz & Budhwar, 2015).

For the moment, few studies have been conducted regarding talent management in Russia, thus little knowledge is available concerning this issue. Our research began with the thorough examination of the existing literature on the subject of TM in Russia. We analyzed several articles as well as academic papers to obtain a better understanding of the problem. Yet, in the course of the literature review we found that there is a research gap concerning the issue of opportunities and barriers to talent management in Russia. Thus, certain research questions have become of our specific interest.

Despite the fact that talent management is becoming increasingly a commonplace in books, journals and academic research, only a very limited number of authors has embedded empirical studies in their works (Collings & Mellahi, 2009; Lewis & Heckman, 2006).

To date, nearly all the studies conducted in the field of TM in Russia provide theoretical analysis of the issue lacking observations, investigations or experimentation. For instance, in her works I. Grigorieva determines the factors that aid and prevent Russian companies from winning “the war for talent” with the help of theoretical approach (Grigorieva, 2008).

In their work Handfield-Jones, Michaels, and Axelrod (2001) do not provide an answer to the question of how to manage talents in a globalized competitive environment concentrating on how to distinguish high-potential employees from the rest of the staff.

Furthermore, the studies conducted by different academics (Latukha, 2015; Holden and Vaiman, 2013; Fey and Shekshnia, 2011) made a profound contribution to the research of talent management practices and components applied by Russian companies. However, there is lack of study made in regard to how Russian firms deal with the challenge of managing talented employees in general throughout different industries.

There are studies carried out by Adizes (2014), Cappelli (2008) with a rigorous scientific approach to analyzing the effectiveness of employing TM programmes within organizations. However, these works analyze the issue from the experience and practice of companies in advanced market economies without exploring the specificities of talent management in the developing world.
1.6 Research Questions and Objectives

In our work we intend to answer the following research questions: *What are the conditions that constitute opportunities and barriers to employing TM tools in Russia? How is TM approached in the Russian context?*

Some researchers have identified certain factors that have an impact on the current situation with talent management in Russia, yet we strongly believe that this knowledge is not sufficient and more detailed examination of Russian environment and factors behind the current state of affairs is required.

The main objective of our thesis is to carry out a contextual analysis of the particularities of talent management in Russia, in order to determine why this phenomenon has emerged in this particular context and how it is approached both at organizational and country levels. Besides, we are interested in finding more about obstacles to TM widespread adoption in the country and the roots of the barriers.

Our study provides important input into the research gap that we have identified in the given literature and makes a novel contribution to this field of interest as well as touches upon several issues which have not been analyzed yet. The detailed review of the topic is only accomplishable under the condition of the multilevel framing of talent management in Russia. That gives a precise understanding of the whole issue and facilitates opportunity and prospect analysis of talent management in Russia. Doing the research this way we also contribute to the theoretical framework of the context-sensitive approach. The empirical experience obtained in the course of the study supplements and enforces the theoretical groundwork as well as beefs up the knowledge in the under-researched area. As a part of the study we have also taken the time to get the understanding of best practices of talent management in other countries and highlighted certain differences in comparison to the Russian ones.

Our research is important because it has practical significance to leaders, organizations and society on the whole. It can help employees to realize the peculiarities of the Russian context that can represent both opportunities as well as barriers to their personal self-fulfillment on the way to becoming true leaders. For enterprises, our research makes contribution to those companies who want to start attracting, hiring, nurturing and retaining outstanding employees. As far as the society is concerned, our work provides precious knowledge in the field of talent management that used to be under-researched before.
1.7 Delimitations

We would like to set certain limitations and define boundaries of our thesis. Our study is based on a multilevel research analysis of talent management practices in Russia - we have concentrated on the phenomenon mainly at national and organizational levels, which present areas of particular interest to us. However, this does not imply that we deny the possibility of considering the issue at individual level, therefore sometimes we resort to the micro level as to an additional illustration of the researched topic. Still, the main focus of our study is the issue of talent management in Russia in macro and meso contexts.
2 Research Methodology and Techniques

The major purpose of the following chapter is to describe the whole process and methodology that will be used in the course of our study to reach the main goals and answer the research questions. This chapter provides explanation concerning chosen methods of research and data gathering process. This gives understanding of how we performed the literature review which, in its turn, provides a basis for our theoretical framework. We will also describe the empirical evidence-gathering process as well as methods used to deal with the obtained observations.

2.1 About Methodology

When it comes to preparing an academic research, one has to reflect deeply on methodology, that is the approach towards gathering, handling, comprehending, sorting out, structuring and presenting information. The choice of methodology depends on the lens through which one views the world and looks at reality. Therefore, methodology is more about construction of knowledge and interpretation of information than about knowledge itself. There is world of difference if one sees reality through analytical approach as something systematic, solid, stable, made up of independent parameters (Arbnor & Bjerke 2009, pp. 84-98), or if one takes a holistic view of the issue through systems approach attempting to examine entire systems paying special attention to interdependencies and interconnections between them (Arbnor & Bjerke, 1996). If one tries to understand the reality through actors approach analyzing the meanings that are socially constructed by people (Arbnor & Bjerke, 1996), that is quite another matter.

2.2 Research Strategy

As it has been already stated, the main focus of our study is a contextual analysis of the peculiarities of talent management in Russia within a multilevel framework. As our main research strategy we have chosen qualitative methodological approach which provides an in-depth study of the issue (Kaiser 2004, p. 1).

Qualitative research approach provides insights into the problem, helps to develop ideas or hypotheses for potential quantitative research and can be carried out through observations, individual interviews, in-group interviews and other ways of analysis. Qualitative research is also used to uncover trends in thoughts and opinions, and dive deeper into the problem. As our research takes place both on the macro and meso levels, qualitative approach plays a significant role. We
believe that successful analysis of talent management system in Russia demands in-depth study of people’s motivation and attitude to various situations in the context of this issue, thus we primarily conduct our research through the qualitative approach. It gives an opportunity to accomplish a profound analysis of the interviews we have carried out in order to get an understanding of the current situation regarding talent management in Russia. In our opinion, qualitative analysis is crucial for our thesis, since we aim at making a contribution to the empirical research of the current issue by investigating into the peculiarities of different contexts that may somehow influence the implementation of TM in Russia. Besides, qualitative research defines the inner structure of the categories used to study the phenomenon of talent management in Russia.

There is no need to say we take into consideration that the information gathered through a qualitative research approach needs to be evaluated carefully in order not to miss any important facts and has to be compared with existing theory in order to gain credibility.

We also carry out the analysis of the existing numerical data which has provided us with sufficient information for answering the aforementioned research questions.

2.2.1 The Role of Abduction in Our Study

In the course of the research, we appeal to the abductive reasoning due to the number of reasons. The aforementioned abductive reasoning – which takes some characteristics of the deductive approach – is fully appropriate for the current thesis, since we aim at researching relatively new area of study and assume that there are several explanations for the issue of our interest. The abductive approach helps us to discover previously unstudied areas and gives possible interpretation to and explanations for empirical and theoretical phenomena (Dubois & Gadde 2002) basing on the set of observations. Due to the fact that our study is subject to certain limitations, hence, at this juncture cannot be ultimate and complete, we believe that abduction is suitable in this case. In the course of our research we face some empirical phenomena that do not have explicit explanations within existing theories (Bryman & Bell 2015, p.27). Therefore, we sort out the most appropriate reasoning and reinforce it with our own explanations. There is no single theory that we use as a framework for our work - on the contrary, we analyze a great deal of theories as well as opinions and build bridges between them and our empirical findings. As a part of our research, we elaborate on the previous studies proving them with our own findings - by doing this we reconsidered the attitude to TM in Russia and unraveled some peculiarities of the Russian context affecting the opportunities for and barriers to the development of talent management in this country.
Our abductive reasoning duly starts with an ambiguous phenomenon, which is namely presence of certain opportunities and barriers for the development of talent management in Russia, and then abduction seeks to give explanation to this ‘puzzle’ that cannot be clarified by the existing theory and literature. We aimed at defining proper conditions that would make the studied topic less bewildering, turning the discovered facts into a matter of course (Mantere & Ketokivi 2013). This involved back-and-forth movement between the empirical studies, which are interviews and questionnaires, and analysis of the available theories. As far as we have decided to implement abductive reasoning, we were able to select the most suitable explanation for the researched issue due to the continuous interaction between data analysis and our own interpretations.

It is obvious that in the beginning of our research we had an initial pre-understanding of the topic we had chosen - otherwise we would not try to study TM in Russia. First conceptualization of our understanding of this issue was based on the general awareness of current situation in Russia and its different contexts as well as a number of theories and books we had studied.

The next step was to check and compare our own ideas with the practice and define whether our assumptions fit in the actual Russian context, namely if Russian companies do face certain problems and have room for improvement. Therefore, we generated a survey which provided us with an opportunity to get an overview of current attitude to talent management in Russia. For instance, we obtained some information concerning power distance in Russian companies through conducting questionnaires and then compared the gathered data with the available secondary data on this issue - socio-political background in Russia as well as reports conducted by consultancy firms (Fig. 4). While creating questionnaires we also referred to previous studies on this issue which gave us more understanding of how the polled people should be approached and what particular questions should be touched upon in the course of the survey.

After our first empirical study we came back again to literature review and analysis of the proposed ideas on talent management in Russia. Our objective was to gain a deeper and more holistic perspective of the researched issue, so that we could be ready to conduct further empirical study - interviews. On this stage our cognitive view greatly improved, since the dialogues and interviews were in-depth and multi-faceted. They gave us more detailed picture of attitude to talent management in one or another company in Russia with the examples of the real-life experiences. Furthermore, during this phase we encountered the facts and knowledge we had already obtained previously, which extensively confirmed a number of our suggestions. Besides, interviews directed our attention to the aspects that we had not analyzed before. We reflected on every piece of data we obtained, putting it into existing concepts.
Generally speaking, the whole empirical procedure was followed by constant reference to the previously developed theories and suggested ideas concerning the issue of talent management in Russia. Every new fact or opinion we collected went through the analysis basing on the reviewed literature. In such a matter we evaluated the interviewees’ working experience as well as their estimation of the existing TM techniques in Russia, compared it with the existing theories and, then, complemented acquired knowledge with further empirical studies - more deep and specific - until we achieved exhaustive evidence for our assumptions.

2.2.2 Systems Approach in Our Study

In our thesis, we use system methodological view (Arbnor & Bjerke, 2009). We have resorted to the system approach which means consideration of a situation from the system point of view, explaining existing facts as systems, influenced by various factors that can also depend on each other: economic, political, social, cultural, external, internal and etc. For example, we are going to analyze the approach to talent management in Russia from the point of political and social environment both in the modern and historical contexts, which means that in the course of our research we resort to historical and case studies. We would like to emphasize that historical study is extremely important in our case, since it gives a deeper insight into the whole system and gives explanation of the present tendencies in Russian leadership. As far as case studies are concerned, we assume that we have opted for a traditional systems study and cultural studies (modelling), since we dispose of information about real state of affairs on our topic and are going to use it as a basis for empirical data to be studied.

In our study we resort to reality which consists of continually changing forms and activities - a change in any variable causes changes throughout the whole system and requires re-adaptations in the networks of relations (Arbnor & Bjerke, 1996). Therefore, we consider that the issue of talent management in general evolves along with the changes on different levels, with the members of these contexts constantly adapting to the changing environment (Arbnor & Bjerke, 1996).

In the course of the research we aim at analyzing the available data and forming our own understanding of the issue basing on it. This has given us a clearer view over the proposed facts and whole subject. Moreover, we have examined the existing literature and looked for the state of the art research on the barriers to employing talent management tools in Russia. Having chosen a topic which was partly researched in the past, we have already managed to find some research papers and books providing an existing analytical theory which could be used for the scientific background of our thesis. The major aim was to determine the role of talent management in Russia
at both macro and meso levels as well as find the barriers that hinder the process of TM utilization which were not yet researched enough and which we could focus on in our future process.

Since information and sources on the studied subject insufficiently reflect the current situation, we decided to turn to the system methodological view. The meta-analysis framework will help us to review the possessed data received from the works researching the same issue. So as to carry out a deeper study of the subject of the Russian culture and its interrelation with peculiarities of national leadership, it is necessary to collect, structure and explain the available data properly and, subsequently to have a base for creation of new assumptions.

2.3 Grounded Theory In Our Study

Along with abduction, grounded theory also plays an important role in our study, since abductive reasoning lies at the heart of grounded theorizing (Coffey & Atkinson, 1996). The topic of the current thesis permits us to use grounded theory which facilitates analytical reflection on the social phenomena we pay attention to. Such an approach makes us “the creators of knowledge” (Arbnor & Bjerke 2009, p.47) by providing an opportunity to investigate a phenomenon, observe it from different angles with the use of empirical data and develop our theory. Grounded theory is considered to be effective for better understanding of contextually determined elements which are critical to our study.

The main hallmark of the grounded theorizing is that this method implies simultaneous collection of data and its analysis, which allows us to frame a theory right in the process of our research by making a constant comparative study of the available facts and previously elaborated patterns (Glaser & Strauss 2006, p. 102). This continuous action of back and force movement between data gathering and its evaluation is also called “iteration” (Watling, Cristancho, Wright & Varpio 2017, p. 129).

Such an attitude to the research allowed us to venture outside the box, encouraged creative thinking and exploring the topic in the new light. In the course of the fieldwork we placed much emphasis on the context we were analyzing, having highest regard for emotions and reactions which vectored our further observations - all this required of us high level of sensitivity and tactfulness.

As we have already stated, the constant comparative study involved continual data gathering along with its analysis which continued until we began to receive the same empirical findings and facts - in other words until the researched category was exhausted and could not provide us with new knowledge. This is called theoretical sampling which is also an essential part
of the grounded theory approach. This procedure defines the needed objects of the study - in our case people who are part of the talent management process in Russia and who are able to share information that is crucial for the current issue. We consider theoretical sampling to be an integral part of our study, since it determines the quality of the obtained data which is the key to qualitative research. It is significant to obtain a proper sample size that will generate sufficient information for the future theoretical groundwork (Auerbach & Silverstein 2003, p. 19). After gathering the empirical data, we returned to as well as revised our literature review and developed a theoretical synthesis in order to help us answer our research questions. By creating the theoretical framework, we finally could see value in all the data we had obtained - both primary and secondary.

2.4 Multiple Case Study

Striving to obtain empirical data by doing a qualitative research we refer to a case study method, which, according to Robert Yin (2009, p. 14), is “an empirical enquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident”. In spite of continuous debates concerning case studies limitations when compared with other methods and its plausibility, the case study method remains popular with researchers. In addition to selecting the case and the specific type of a case study that shall be taken, the researchers have to decide whether to make a single case study or to conduct multiple case studies to explore the phenomenon (Gustafsson, 2017). The context is another crucial thing to take into consideration (Yin, 2003). When a study contains more than one case, a multiple case study is required.

The main difference between a single and multiple case studies is that in the latter researchers are to analyze several cases in order to determine similarities and differences between them by conducting a thorough research of several contexts with further connection finding. (Baxter & Jack, 2008; Stake, 1995). While holistic single case studies provide a general overview of an examined phenomenon within a specific framework, embedded multiple case studies allow to give consideration to all aspects of the reviewed issue through an in-depth study of various contexts (Yin 2009, pp. 50-52). Both of these methods can be beneficial and effective in the process of observational data-collection, but application of one or another mostly depends on the topic of the study and the context in which the research is conducted.

As far as our study is conducted in a multilevel framework, we are inclined to believe that a multiple case studies approach fits well under these circumstances. Using a multiple case studies method, we are in a position to examine the data both within and across situations (Gustafsson,
Having studied several cases, we are able to obtain either contrasting or similar results (Yin, 2003) and resolve if the findings are of value or not (Eisenhardt, 1991). The contrasts and sameness found in the cases have provided significant contribution to our research paper (Vannoni, 2014; 2015) because the results of comparison of multiple cases is more plausible and reliable according to Baxter and Jack (2008). We suppose that multiple case studies method produces a more credible theory when the suggestions are more grounded in several empirical evidence and, thus, allow wider exploration of research questions and theoretical evolution (Gustafsson, 2017).

Multiple case studies method emphasizes differences and similarities between attitude to talent management in various contexts - on the national and organizational levels - which we consider to be a cornerstone of the success of our research. So that the multiple case studies could be implemented effectively, we took several companies that composed a foundation for the analysis of the meso level (organizational) as well as deeply researched the historical cases, political together with social background in Russia in order to explore the macro (national) level. This research design provided us with an opportunity to obtain impressive empirical findings by constantly comparing and analyzing the data to define causalities instead of focusing on a single case relevant under specific conditions. Along with similarities and differences, we also identified unique patterns and paradigms related to the way TM is approached in Russia.

Multiple case studies are also beneficial from the point of “constructing a framework in which either literal replication predicts similar results across multiple cases or it aims at theoretical replication whereby different results are likely for theoretical reasons” (Yin 2009, p. 93). Therefore, by doing an empirical study within a multilevel context we were able not only to put the existing theories to the test, but also to develop our own theoretical framework based on the gathered empirical evidence.

2.5 Case Study Design

With the help of multiple case studies method we analyse how and why TM practices are utilised in Russia both in domestic and multinational companies. Defining the actual case, or cases, is of the utmost importance when carrying out a case study according to Yin (1994). We approached 12 companies having interviewed one employee holding a managerial position from each (except for EY, which provided us with 5 respondents) and their experiences each became a separate case. Despite the fact that Stake (1994) argues that a case should be built around something solid and definite like a person or department, we are concentrating on various TM tools and practices being exercised at different levels of corporate hierarchy throughout all
company units, even though some reader might wrongly assume personnel departments and their employees should be the main focus of our study. Since we desired to examine the practices of the best employers in Russia, it became obvious that we needed to deal with employees from more than one company and the study called for a multiple case studies approach.

For our research we picked out companies from the list of Top 100 Companies to Work For in Russia (hh, 2017) published in 2017 by HeadHunter, the largest recruiting agency in Russia. The list was compiled on the overall score among three indicators: external evaluation, that is the opinions of applicants (interviews about the companies they would like to work for); the evaluation of effectiveness of HR practices of the companies (interviews with HR specialists); the evaluation of employees engagement in terms of three dimensions - job satisfaction, employee retention and support for initiative.

This was done based on the assumption that having won a title of the best employer these companies are definitely acquainted with and successfully exploit TMt techniques, which makes them stand out against other companies operating in Russia and therefore the first-class base for our research.

2.5.1 Replication Strategy in Our Study

According to Yin (1994), replication logic plays a crucial role when it comes to case selection. He draws an analogy between the use of the replication strategy and undertaking a number of separate experiments on related topics. Replication is subject to a two-stage process - literal replication stage, in which cases are chosen to generate similar results, and a theoretical replication stage, in which cases are chosen to investigate and validate or refute the patterns spotted in the initial cases. According to this model, if all or most of the cases give similar results, then there can be a considerable level of support for the development of a preliminary theory that explain the phenomena (Zach, 2006).

There are no stringent rules regarding the number of cases to meet the requirements of replication strategy, however, Yin (1994) suggests that exploring six to nine cases, if results turn out as planned, are enough to “provide compelling support for the initial set of propositions” (1994, p. 46). Yin also claims that since the multiple case studies approach does not depend on the type of representative sampling logic used in research, “the typical criteria regarding sample size are irrelevant” (p. 50). By contrast, sample size is decided by the number of cases required to reach saturation, that is, collecting data until no significant new findings are obtained (Zach, 2006). The sample participants should be chosen thoroughly to enclose occasions in which the phenomena
under study are likely to be found. This approach to sample design is compatible with the strategy of homogeneous sampling, where the desired outcome is the examination of a particular subgroup in depth (Zach, 2006).

Having analysed the two stages that can aid in the selection - the literal replication that is a few cases that most probably will have similar results; and theoretical replication that can be described as several cases with anticipated opposite results which can be explained using literature - we selected the latter approach for the thesis i.e. theoretical replication, since we resort to the multiple case study method.

2.6 Sample and Data Collection

When doing a research there are two different data sources that a researcher needs to be familiar with to get accurate information: primary data and secondary data. The data in this research has been collected from both primary and secondary sources. We have collected primary data through face-to-face research (in-depth interviews, conversations) and questionnaires (survey interviews). We turned to the representatives of the Russian companies, fulfilling the following criteria: managerial position as well as possession of knowledge related to talent management. This contributed to a better understanding of the current situation and significance of talent management in Russia. As far as secondary data is concerned, it has already been collected and readily available from other sources, for example statistic databases, scientific researches as well as academic literature, which makes the study more reliable in terms of using various statistics. The sample for this study comprises 12 companies working on the Russian market. One of the most important criteria influencing our decision to select one or another company was occurrence and implementation of TM practices and activities within organization. The companies participating in our study are distinct from each other in industry, corporate culture as well as degree of globalization. Such a diversified sampling gave us an aggregate picture of the current situation in Russia, allowing us to deduce existing differences and similarities in the attitude to talent management in domestic and multinational companies that have penetrated the Russian market.

Figure 1 below presents a more specific list of the companies that we approached, with some of the background information that can make a reader familiar with the participants of the empirical research.
### Figure 1. Case Study Research

<table>
<thead>
<tr>
<th>Organization</th>
<th>Year of est.</th>
<th>Country of origin</th>
<th>Industry</th>
<th>Employees in Russia, ppl</th>
<th>Number of interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>AHConferences</td>
<td>2002</td>
<td>Russia</td>
<td>Business Event Management</td>
<td>&lt; 500</td>
<td>1</td>
</tr>
<tr>
<td>ARB</td>
<td>1991</td>
<td>Russia</td>
<td>Banking</td>
<td>&lt; 500</td>
<td>1</td>
</tr>
<tr>
<td>Bain &amp; Company</td>
<td>1973</td>
<td>USA</td>
<td>Professional Services</td>
<td>&lt; 1 000</td>
<td>1</td>
</tr>
<tr>
<td>Credit Suisse</td>
<td>1856</td>
<td>Switzerland</td>
<td>Banking</td>
<td>1 000</td>
<td>1</td>
</tr>
<tr>
<td>Deloitte</td>
<td>1845</td>
<td>UK</td>
<td>Professional Services</td>
<td>&lt; 5000</td>
<td>1</td>
</tr>
<tr>
<td>Dom RF</td>
<td>1997</td>
<td>Russia</td>
<td>Housing</td>
<td>&lt; 500</td>
<td>1</td>
</tr>
<tr>
<td>EK Chemical</td>
<td>1997</td>
<td>Russia</td>
<td>Building Materials</td>
<td>&lt; 1 000</td>
<td>1</td>
</tr>
<tr>
<td>EY</td>
<td>1989</td>
<td>UK</td>
<td>Professional Services</td>
<td>5 000</td>
<td>5</td>
</tr>
<tr>
<td>Microsoft</td>
<td>1975</td>
<td>USA</td>
<td>Computer Software</td>
<td>&lt; 1 000</td>
<td>1</td>
</tr>
<tr>
<td>Reckitt Benckiser</td>
<td>1823</td>
<td>UK</td>
<td>FMCG</td>
<td>5,000</td>
<td>1</td>
</tr>
<tr>
<td>Rosbank</td>
<td>1993</td>
<td>Russia</td>
<td>Banking</td>
<td>13 000</td>
<td>1</td>
</tr>
<tr>
<td>Viber Russia</td>
<td>2014</td>
<td>Israel</td>
<td>IP telephony</td>
<td>&lt; 500</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Created by the authors.

All the representatives of the companies hold managerial positions and were approached thanks to our networking. We contacted them through email and telephone and asked to take part
in our research. We gave reasons for the theoretical and practical significance of our research and explained to the representatives why we want to involve the chosen companies in the process of the empirical study. We conducted the empirical data-gathering by holding semi-structured interviews, the distinguishing feature of which is that they are based on open questions - that implies freedom in discussion and flexibility, with “much greater interest in the interviewee’s point of view” (Bryman & Bell 2015, p. 480). Such approach facilitates understanding of the current situation, since it allows to vary in subtopics and ramble off the initial issue discussed in the process of the interview with the further follow-up questions that arise during the conversation. The interviews were based on the research questions and we took all the collected data into consideration for our further analysis of the issue and make a research of the new patterns.

2.6.1 Primary Data

According to Yin (1994), interviews are the major source of information for the case study method. He argues that the majority of cases deal with the result of human actions and the primary message conveyed by them is hard to grasp in a non-personal context. Moreover, Andersson (1985) distinguishes two main types of interviews, these are, oral and written interviews. The oral format implies greater adjustability as an interviewer can reformulate or clarify the questions if necessary. Another considerable advantage of the oral interview is that the connection established between the two parties facilitates the transformation of an interview from the monolog into a dialog where additional information can be collected as follow up questions allow an interviewer to dig deeper into the subject matter. However, there are some undisputable benefits to written interviews. This format is much less time and money consuming, yet it involves the risk that interviewees provide much less details when answering questions, which distorts understanding of the phenomenon under study.

There are three trade-offs in the interview structure (Andersson, 1985). The first one concerns the type of questions: open-ended e.g. “How do you retain high-performing employees?” and closed-ended questions e.g. “Are you familiar with the concept of Talent management?”. Open-ended questions allow respondents to give more information, including their feelings, attitudes and understanding of the subject, whereas time-saving on the part of both an interviewer and interviewee and ease of comparability are associated with close-ended questions.

Yin (1994) claims that open-ended questions foster the exchange of values and opinions and therefore fit the case study method perfectly. The second trade-off has to do with the scope of an interview, that is, whether it covers a broad area of knowledge without going into too much
detail or it delves into a narrow subject (Andersson, 1985). They are perceived as two extremes and refer back to the first trade-off: open-ended questions are used for a detailed examination of a subject, while closed-ended questions are designed for broader studies. The last trade-off proposed by Andersson deal with structured and unstructured interviews. The best way to explain it is to connect this trade-off with the first one. Thus, structured interviews are consistent with closed-ended questions, whilst the unstructured interviews are typically composed of open-ended questions.

The issues of bias, of remembering and correct interpretation of information are the the main weak spots of the interview method (Yin, 1994), therefore in our study also resorted to survey via pre-interview questionnaires. In fact, surveys are a common flexible tool for obtaining primary data that is broadly similar to a structured interview (Bryman & Bell, 2012). Surveys enable researchers to select samples precisely, evaluate variables with the help of self-reports of interviewee’s ideas, thoughts, feelings and beliefs (Price, 2012). Being a broadly used research tool, surveys boast a number of advantages: they are easy to administer and develop, can be conducted remotely, efficient at accumulating data from a large number of respondents (Bryman & Bell, 2012).

We prepared a number of questions for our preliminary survey (Appendix 1) and contacted with employees from 12 companies (1 from each, except for EY) from the list asking them to take part in our study. By doing so, we aimed at obtaining access to the relevant information and test the assumption that those companies are aware of TM tools and have a good record of utilizing them. We want to inform the reader that the companies we have approached come from miscellaneous industries and we would like to organize our findings taking into account this variable.

In order to prepare for the main stage of our empirical study, i.e. interviews, we asked all of our participants to fill out a preliminary questionnaire which gave us a general overview on their background and work experience. Having obtained written responses to our survey we went on to conduct oral interviews. Following the methodological approach presented we carried out 16 oral interviews from a total 12 companies. Yet, owing to time and resource constraints and the wish of the interviewees themselves, we did not manage to conduct all the interviews face-to-face. Therefore, representatives of some companies were interviews by phone and recorded to prevent loss of information. Some interviewees requested anonymity and we decided to omit companies and individuals’ names replacing them with letters. In the process of renaming the interviewees we resorted to alphabetical order, for instance Ms. A from company A, Mr. B from company B and so on.
Data were collected from the 12 company representatives over a month period using pre-interview questionnaire (Appendix 1) that contained mostly closed-ended questions and interview guide (Appendix 2) that was made up of open-ended questions. The questions from both the questionnaire and interview guide were mapped to one or more research questions. We also opted for a semi structured interview format in order to encourage the interviewees to further develop their answers and provide examples.

Having conducted interviews with the representatives of the first four companies after receiving their completed questionnaires, the results were transcribed and examined before the next interviews were scheduled. The next three interviews carried out within a nine-day period were in line with the objectives of literal replication - the interviews significantly reaffirmed information obtained through earlier interviews. The next five interviews, however, provided us with results substantially different from the first ones. Another two interviews, which were with representatives of multinational companies, were conducted both to determine any specific patterns and to either verify or rebut the patterns discovered in earlier interviews (theoretical replication). The remaining two interviews (one with the representative of a domestic company and one with the representative of a foreign company) were done to investigate and/or contradict the patterns spotted in the earlier conducted interviews. While conducting the final four interviews we did not identify any new patterns; they did not enable us to study identified patterns in more depth or acquire additional knowledge of the phenomena. On completion of the 16 interviews, we resolved to stop interviewing company representatives, since no new information was obtained. Therefore, the data collection was stopped, the process utilized in the study is presented in Figure 2.

When collecting all this primary data we held a set timeframe and used an interview framework. We employed a voice recording device to document the information told by representatives of the companies. In summation, the number of conducted interviews can be equally divided between the face-to-face encounters and the telephone calls. All the participants demonstrated high-level engagement and commitment, there was no distinction in terms of length of interviews among those whom we met in person and telephoned. Although, face-to-face interviews are considered to be more informative as one can draw a conclusion not only from what a person is saying but also take into account an interviewee's gestures and body language; we did not experience any significant difference between face-to-face and telephone interviews.
With the help of multiple case studies method we utilized a meticulous approach to data collection and analysis. The replication strategy revealed certain patterns in the data and then let us investigate them further to either confirm or challenge these patterns (Figure 1). Thus, the explanations of the phenomena under study developed from the data was verified during the research process as a result of application of these techniques.

2.6.2 Secondary Data

In addition to the primary data we have gathered, we are constantly referring to the secondary data, namely accredited books, articles and official reports containing empirical findings collected by other researchers. Using secondary data facilitated our initial understanding of the topic giving a substantial base for our own investigation. We have examined some literature concerning both theoretical conception of talent management in general and the particular approach to talent management in Russia.

On top of that, as a preliminary preparation for the interviews, we turned to the official websites as well as annual reports of the case companies, so that we could be aware of their state of affairs, scale, mission, vision and strategy. This also contributed to the validity and accuracy of the interviews we conducted.

The combination of primary and secondary data creates an aggregate picture of the studied topic and allows us to cover the research questions comprehensively.
2.7 Organization and Analysis of the Data

2.7.1 Transcribing the Data

After collecting empirical data, it has to be transcribed. Since we conducted the interviews by phone and in personal, we had the verbal data in record. Therefore, one of our steps was transcribing the data into the writing form.

Each interview took approximately 3 hours to transcribe, thus, it was rather time-consuming and scrupulous. We did transcription using our memos and notes right after each interview had been conducted, so that we could reflect explicitly the conversations we had held.

We transcribed the obtained information both in English and Russian due to the fact that the majority of the polled were Russian native speakers, so we translated their answers into English. We would like to emphasize that translation was done thoroughly and carefully, in order not to miss any important detail or make any false accusations.

2.7.2 Coding of the Transcribed Data

As we have already stated, appealing to grounded theorizing implies simultaneous collection and analysis of data. It is important to emphasize that identification of theoretical codes is significant for generating insightful and meaningful theory. A theoretical code is the relational model through which all substantive codes/categories are related to the core category - codes emerge during the data analysis process (Hernandez 2009, p. 1). Codes may have the form of a straightforward category label or a more comprehensive one (Miles & Huberman, 1994). Coding raises such questions as: “What does one or another incident demonstrate?” and “What does one or another incident mean and lead to?”. In the process of coding the obtained data is initially fractured and then grouped into codes which later transfer into the theory giving explanation to the primary data (Glaser, 1978). Explanations are captured in coding notes and, finally, the result of this procedure is the list of terms along with explanatory text. There are three main types of coding that comprise a research process - open coding, axial coding as well as selective coding (Böhm 2004, p. 270).

2.7.3 Open Coding

Open coding is the analytic process of specifying concepts - the process of categorizing one or another phenomenon by virtue of elaborate study of data. Open coding begins with breaking down available information into particular parts which after thorough examination are compared
to each other for the purpose of similarities and differences (Strauss & Corbin, 1990). In the end, incidents and objects that bear resemblance in nature or meaning are grouped into categories. According to Glaser (1978), there are three basic questions a researcher should ask in order to complete open coding. These are: “What category does this incident indicate?”, “What is actually happening in the data?”, “What is the basic psychological problem(s) faced by the participants in the action scene?”. These questions facilitate analysis of data, forcing a researcher to focus on emerging patterns which give birth to codes fitting the data.

We consider coding to be an inalienable part of our research, as we use it from the qualitative perspective. We executed open coding by analyzing our questionnaires, interviews and secondary data and defined the words that are relevant for our study as well as match the themes discussed in the examined literature. In other words, we fractured and separated sentences so that we could put an increased focus on single words or phrases. We arranged and streamlined them, making a comparison that could reveal certain trends and similarities. On spotting such overlapping, we wrote down the found synonyms to form a more general category, “in vivo codes” (Corbin & Strauss 2008, p. 65), which labelled the concepts the words stood for. It was significant for us to obtain relatively abstract categories along with concrete ones, since the former gave a general overview on the subject, clarified what concepts were of great importance for our study and, hence, require deeper analysis, as well as helped to create a general theory.

2.7.4 Axial Coding

Axial coding implies re-structuring the data, that was fractured during open coding, by building bridges between categories and their subcategories. The term “axial” is applied to this procedure due to the fact that coding is done around the axis of a category (Strauss & Corbin, 1998). Axial codes usually embody categories describing open codes. On this stage, coding is aimed at elevating the data to higher levels of abstraction. Researchers piece together the data puzzle that was fractured through open coding. Each piece can be found in the general explanatory scheme.

Throughout our study we did a continuous comparison between our primary and secondary data so that we could understand if there was any possibility for gaining new information by examining our empirical findings and drawing analogies between them and our theoretical framework, which, in its turn, guided us in organization of data collection. We created several categories from the interpretation of data without having any prejudices. These several categories
played a crucial role in our interviewees’ answers and facilitated our understanding of the described incidents and conditions for further construction of a theory.

What we have found is a core construct consisting of 4 main categories that represent experiences of people we interviewed. These coded experiences showed up again and again in different conversations with different people. We assert that 16 interviews we present in this thesis contain such repetitions.

2.7.5 Selective Coding

According to Strauss and Corbin (1998), selective coding is the final stage of this procedure. “Selective coding means to cease open coding and to delimit coding to only those variables that relate to the core variable in sufficiently significant ways as to produce a parsimonious theory. Selective coding begins only after the analyst is sure that he/she has discovered the core variable” (Glaser & Holton 2004, p. 55). Selective coding reflects our process of conclusion and consolidates all the categories that have been created. We are inclined to believe that it produces the framework for our research - and like the binding thread facilitates understanding of the whole topic.

As a starting point, we examined the coding lists that we had created together with the core category. In order not to wander from the main subject of our research in the course of data collection and interpretation, we repeatedly asked, which phenomena were integral for our investigation. We developed a single storyline around which centers everything else.

2.7.6 Memos and Diagrams

In the process of writing our thesis we referred much to the literature - books, articles, reports. Initially, we tried to memorize main ideas, building some logical chains, but after a while we realized that we miss significant details. In this respect, we applied to the method of memos and diagrams suggested by Corbin and Strauss (Corbin & Strauss 2008, p. 117). This implied that every time we read something new and generating new thoughts in our minds, we recorded it into writing - sometimes mentioning our personal opinion on how it is related to our issue, what else we should explore and adding our vision of further research basing on this theoretical framework.

In addition, making diagrams was also useful for structuring the material that we examined - we used them for the visual representation of our research. This method helped us to find logical links between the studied materials and build connections to our investigation.
2.8 Research Quality: Validity and Trustworthiness

Throughout the whole empirical research, validity and trustworthiness guarantee the quality of the study. Wellington states that validity is “extent to which what we investigate reflects what is supposed to investigate” (Wellington 2000, p. 36), whereas trustworthiness is delineated by Mutch as the criterion, according to which “the research decisions, research design, data collection and analysis strategies have been clearly documented and the study is ethically conducted” (Mutch 2005, p. 71).

In order to ensure validity and trustworthiness, we carefully thought through the whole research, correlating each step of our study with the main purpose of the thesis project. We selected thoroughly the literature to be reviewed and data to be analyzed in accordance with our research questions and objectives. Besides, we paid much attention to the research design and research methods which, in their turn, form the core of the study, hence, should fit its main goal.

Since an integral part of our thesis project is the empirical investigation, we were scrupulous about choosing participants of our study, including case companies, and people to be interviewed as well as polled. We did our empirical study upon condition that the interviewees were “interested in becoming part of the research, open to the topic, experienced and knowledgeable” (Rubin & Rubin 2005, pp. 64-70). An important ethical aspect is creation of the proper environment, sympathetic atmosphere - which directly affects the outcome of the interview and provides sincerity as well as openness of the interviewees. We managed to conciliate people by using our good soft skills, planning and preparing everything in detail, conducting interviews in an open and adjustable way.

On collecting the data, we analyzed it carefully and unbiasedly, making sure that it is sound and plausible. During coding, we examined the transcriptions again and again and matched them to memos, making certain the interpretations were done correctly.

In the end, as the final stage of trustworthy assurance, we rechecked whether the whole analysis fits in the crux of the matter and answers the research questions we proposed at the beginning of our thesis work.
3 Literature review

3.1 Talent Management: A General Overview

Talent management as a scientific discipline as well as consultant practice within business and sports has existed for over 15 years (Adamsen, 2016, p. 40). In 1998 the staff of McKinsey consulting group published a paper in The McKinsey Quarterly under the headline ‘The War for Talent’ (Ford, Harding & Stoyanova, 2010, p. 1). Having conducted research in 77 large US companies, they discovered that “Companies are about to be engaged in a war for senior executive talent that will remain a defining characteristic of their competitive landscape for decades to come. Yet most are ill prepared, and even the best are vulnerable” (Chambers et al, 1998, p. 46).

The ‘modern’ techniques and practices for managing talent and careers are nothing other than the result of unique circumstances following World War II, that made long-term planning for talent and internal development both possible and necessary (Cappelli, 2008).

Until the mid-1880s, the typical firm was quite simple, a single-unit operation that carried out only one function, such as selling furniture or manufacturing cars. These firms stuck to the rule that companies should narrow themselves down to their “core competencies” – those few tasks that they truly excelled at – and either outsource or dispose of everything else. That was the time when the leaders of organizations were their owners (Cappelli, 2008).

Henry Ford was perhaps one of the best prototypes of the owner-manager, who devoted himself fully to every business function, even resisting management systems like accounting (Cappelli, 2008). He managed to amass one of the world’s largest fortunes without ever having his company audited under his administration (Raheja, 2015). Irritated about some accounting issue, he once went into the head office during lunch break and tossed all the accounting books into the street: “Just put all the money we take in a big barrel and when a shipment of material comes in reach into the barrel and take out enough money to pay for it” (Cappelli, 2008).

It was possible to run these companies without professional executives or managers, because many of the tasks and functions that are now considered to be central to a company’s operations were outsourced. In fact, the set of such activities went well beyond acquiring raw materials and parts, sales, marketing and distribution (Cappelli, 2008). Even production operations were outsourced to intermediates who take on their own piece-rate workers and managed them according to their wish. Some research has shown that nearly 50 percent of US manufacturing employees in the early 1900s were employed contractors who operated inside their client’s buildings (Cappelli, 2008).
Since these companies did not have many levels of hierarchy and the founders typically ran everything themselves until they passed away, the only real opportunity for high-flyers who were not family members to climb a career ladder and make it to the top one day was to quit and set out on their own. For instance, both Walter Chrysler and Charles Nash left their jobs at General Motors to start their own car companies; Henry Hyde left Security Mutual of New York to establish the Equitable; several of the DuPonts left the original powder company to form their own companies (Cappelli, 2008).

It was not until organizations become complicated enough to have real management jobs to fill that talent management became a major source of concern. Railroad industry was the first one to see the emergence of the notion of a professional manager since railroads were the largest and most complicated operations existing at that time. The first “managers” carried out duties of the heads of operating divisions in later models of manufacturing with a wider range of responsibilities and decisions than any businessmen other than owners. In some cases, they were even made personally liable for the success of the division by posting bonds as protection against bad decisions (Chandler, 1977).

With the expansion of executive positions in railroads came the creation of modern administrative titles which, in turn, led to the appearance corporate hierarchies - something that would spread in later decades to other industries. By the 1890s, job hopping across railroad companies had become quite common (Zunz, 1990, p.48), and, consequently, the idea of professional managers who advanced in his career by moving across organizations was born. Once companies opted out from outsourcing in favor of internalizing their operations, they produced a host of new management roles to supervise and control those operations. These new management positions gave birth to talent management issues (Cappelli, 2008).

Nowadays TM is becoming increasingly important as globalization, the development of knowledge economies, and the emergence of the BRIC countries (Brazil, Russia, India and China) as economic power houses are causing the scarcity of managerial talent. While the number of companies has risen tenfold, the number of outstanding managers and leaders has not seen such a huge increase. Thus, the demand for high performing talented employees exceeds the supply, which means there is a cut throat competition to attract and keep the best people (Ford, Harding & Stoyanova, 2010, p. 1).

Moreover, a new generation of employees is considered to be more flexible, ambitious, demanding and to have higher expectations of their professional development than previous ones. Hiring and, even more importantly, keeping the best of this generation is much more problematic than in the past (Ford, Harding & Stoyanova, 2010, p. 1).
Though TM has been one of the most fiercely debated topic in human resource management in past decade, it is still at the embryo stage in many companies. A study conducted on the basis of 40 global companies revealed the insufficient supply of talent to fill positions within organizations which had an adverse effect on business expansion (Ready & Conger, 2007). This fact can be attributed to the fact that there is no general consensus on what talent management actually is and as a result companies define and exercise talent management in many different, sometimes even conflicting ways.

3.2 Talent philosophies

Many surveys have illustrated that HR leaders and business executives regard talent management as their top priority, possessing a deep believe that it has a huge impact on company performance (Reilly, 2012). Thus, it is important to able to give definition and estimate talent management techniques to determine this impact. Agreeing on a shared definition is no easy task even for scholars and workplace practitioners since there is a confusion regarding what talent management is about and what it strives to achieve (Campbell & Hirsh, 2013).

This ambivalence stems from different interpretations of the word talent. This all begs the question: what is ‘talent’ or who are considered to be ‘talented’? The answer to the question is closely connected with beliefs and attitudes towards nature and value of talent or, in short, talent philosophies.

Dries (2013) has singled out five tensions concerning the nature of talent that “bridge” theoretical and practical frameworks of talent management. She attended to, amongst others, the questions of whether talent is an inclusive or exclusive concept and whether talent is natural innate or learned set of traits (Meyers, 2015). Though tensions concerning the nature to talent management are not limited to these two issues, we resolved to concentrate in them because of their significance and widespread consequences for talent management.

As far as the first tension is concerned, a number of scholars suggested that talent management practices can be either exclusive or inclusive (Iles, Preece, et al., 2010; Lewis & Heckman, 2006; Stahl et al., 2012). When it comes to inclusiveness, some academics argue that all employees are talented in their own way and thus talent management training should be focused on all staff members (Buckingham & Vosburgh, 2001; Yost & Chang, 2009). While those who support exclusive talent management approaches intended for a small percentage of workforce - high flyers, high potentials, high performers - believe that some employees are more naturally
gifted and therefore special attention should be paid to their professional development (Lewis & Heckman, 2006; Stahl et al., 2012).

In reality, the vast majority of organizations tend to adopt exclusive approaches directed at strategically important employees (Swailes, 2013). Yet, the research carried out by the Chartered Institute of Personnel and Development in 2012 demonstrated that inclusive methods are becoming more commonplace (CIPD, 2012): three fifth of the surveyed companies adopted exclusive TM approaches, whilst who fifths opted for inclusive approaches to talent management. Besides, there are also hybrid approaches that encompass inclusive and exclusive techniques (Stahl et al., 2012).

When it comes to the second tension, it refers to an age-old question of whether talent is natural inherited skills or made and honed by a person who wants to excel in their career (Meyers, van Woerkom, & Dries, 2013). The question is: Whether talent is a stable or developable set of capabilities? Organizations that regard talent as stable, innate abilities, lay special emphasis on talent discovering and recognizing talent, whilst those companies that consider talent in terms of learn set of traits focus on talent management tools that enable employees to leverage and perfect their knowledge and expertise (Meyers, van Woerkom, & Dries, 2013).

The extent to which talent is a developable skill is influenced by several factors. Scholars who view talent as expertise, proficiency, knowledge and abilities tend to think that it can be developed. Whereas, academics that define it in terms of natural aptitude, mental capacity, personal qualities fall into the category of proponents of ‘stable’ attitude to talent (Silzer & Church, 2009). The issue is linked to the Implicit personality theory: supporters of Entity theory believe that intelligence and abilities are fixed and even if people learn new things their intellectual capacity stays the same (Dweck, 2012); while advocates of Incremental Theory are positive that people are their own raw material and most of skills are not inborn ones but self-made.

Furthermore, different cultural contexts have an impact on how talent is understood (Meyers, 2015). In many western cultures, for instance, talent is considered as an inborn personality trait that helps an individual to achieve above average results in a specific field of activity (Tansley, 2011).

There are also other approaches to talent that emerge from the literature devoted to talent management: talent as giftedness, individual strength, (meta-) competency, high potential, and high performance. Out of those five approaches, the latter three are directly related to the work context; the former two have been studied in various contexts (Meyers, 2015). These five approaches directly correspond to Dries’s tensions regarding exclusives or inclusiveness of talent as well as whether it is stable or developable.
Talent as giftedness is related to individuals who possess extraordinary capabilities or special aptitude that enable them to display outstanding performance in a specific domain. Giftedness is assumed to be rare (highly exclusive), and only ingenious individuals like Mozart have been mentioned as displaying true giftedness (Vinkhuyzen, van der Sluis, Posthuma, & Boomsma, 2009). There is no agreement amongst researchers about the extent to which giftedness in a field is inborn or acquired (Howe, 1990). Several approaches highlighting nature-nurture interactions (Passow, Mönks, & Heller, 1993; Stoeger, 2009).

With regard to talent as individual strength, strengths have been identified as “potentials for excellence” (Biswas-Diener, Kashdan, & Minhas, 2011, p. 106) and “characteristics of a person that allow them to perform well or at their personal best” (Wood et al., 2011, p. 15). They tend to be categorized as trait-like characteristics that are partly innate but can be developed to some extent (Meyers, 2015). It is considered that everyone (inclusive) has certain strengths and that the use thereof is accompanied by positive emotions like high energy, intrinsic motivation, authenticity, and self-fulfillment (Peterson & Seligman, 2004; Meyers, 2015).

As far as talent as (meta-)competencies are concerned, a competence can be defined as “a measurable human capability required for effective performance” (Hoge, Tondora & Marrelli, 2005). Competencies are made up of the building blocks knowledge, set of skills, capabilities and personal characteristics (Campion et al., 2011). Knowledge and skills can be acquired by most people (inclusive), whereas capabilities and personal characteristics are rather stable (exclusive) (Meyers, 2015). Several scholars have claimed that the development of competencies gets influenced by higher-level competencies, referred to as meta-competencies (Briscoe & Hall, 1999). Meta-competencies are concepts e.g. general intelligence (Schmidt & Hunter, 2000), emotional intelligence (Dries & Pepermans, 2007) and learning agility (Briscoe & Hall, 1999; Lo Presti, 2009; Spreitzer et al., 1997), that facilitate the processes of individual learning, adjustability and development; are required in a variety of jobs; and maintain their value even when drastic environmental changes occur (Briscoe & Hall, 1999; Lo Presti, 2009).

The next approach defines talent as high potential. In fact, potential is “the possibility that individuals can become something more than what they currently are” (Silzer & Church, 2009), meaning that it is hidden or not seeble (Altman, 1997; Yost & Chang, 2009). This implies that potential has a partly innate basis but has to be developed in order to result in outstanding performance. As a rule, potential is considered a scarce individual feature as only a small percentage of the employees are regarded as high potential (Meyers, 2015).

Finally, those who understand talent as high performance, think that it becomes manifest in present actions and behaviours, or, in short, performance (Altman, 1997). Since it is much easier
to measure performance outputs than employees’ skills or abilities, it has become a common organizational practice to use performance appraisals for the purpose of talent identification (Dries & Pepermans, 2008; Subotnik, Olszewski-Kubilius, & Worrell, 2011). The best performing employees are extensively rewarded while low performers are forced to leave. This approach to talent is exclusive.

3.3 Talent Management in Russia: Current Situation

Previous studies conducted in relation to talent management in the particular Russian context have shown that talent management in this country has not reached the adequate level and is regarded to be dysfunctional majorly due to the authoritarian leadership style with the so-called “bossdom” (the mixture of autocracy and paternalism with the strongly pronounced isolation of those at the summit of power) common with most Russians, low level of credibility within institutions, as well as the tales of the Soviet past (Holden & Vaiman 2013).

According to the research made by Latukha (2015, p. 18), companies headquartered in Russia demonstrate the awareness of talent management, but a low level of interest in it, while foreign companies that operate in Russia show a more “mature” approach and a serious attitude to it. Such a difference in attitudes within one country primarily occurs because of the approaches to corporate cultures in one or another company.

In their research, Jeremina and Lavrov questioned the type of talents Russian companies mostly need (Jeremina, I & Lavrov, I 2010). The scientists broke the general term of talent into two categories - “authentic” and “impetuous”. The “authentic” talents are those hardy employees, capable of working extensively, who capitalize on their previous experience and obtained skills as well as knowledge and gradually realize their fullest potential. Whereas “impetuous” talents are considered to be those high-profile leaders, possessing a vast number of novel ideas, encouraging a departure from the commonly used practices and management techniques in favor of unstandardized approaches.

Boston Consulting Group (BCG) in their report “Russia 2025: Resetting the Talent Balance” (BCG 2017) highlighted peculiarities of the Russian context that influence the whole attitude to talent management in Russia and estimated the possible effects of economic transformation on it.

In recent years, Russian government has pushed for economic diversification and transformation into innovation-driven economy like it has been already done in advanced economies. Such countries have a similar labor market structure, integral to which are people
falling in the “knowledge” category, ready to work in a context of uncertainty and solve tough analytical problems requiring improvisation and creativity. In the advanced economies employees of the “knowledge” comprise no less than 25% of the whole labor market, whereas Russia has not succeeded in becoming a knowledge economy, having only 17% of employees in this “knowledge” category (BCG 2017, p. 8). There are three main reasons for such state of affairs:

1) **Demand for knowledge has not reached its mass limit yet.** In respect of attractiveness for talents, nowadays Russian labor market lags behind many developed and even developing countries, which undoubtedly leads to brain drain. According to the Global Talent Competitiveness Index, in 2017 Russia ranked 56 out of 118, whereby with the “Attractiveness” criterion it ranked 81 and in terms of creating opportunities for talents it only came in 107 (Fig. 3). This may be related to the fact that Russian economy is still a resource one, geared towards natural resources exports. The demand for labor stays primarily primitive, with the dominance of the public sector among employers. The “social employment” model is highly encouraged - even against the background of the decreasing GDP, inefficient jobs are retained. The share of small and medium enterprises is growing slowly (16%), the digital economy is stagnating (2-2.5%), the venture market is still embryonic (by a factor of hundreds less than the American one, 12 times less than the Israeli one, 6 times less than the Japanese one).
2) The current educational system does not prepare personnel for the knowledge-based economy. The school education system is not flexible, and teacher training does not meet modern education standards. Higher education has lost its former quality, has become more general and accessible: over a period of 1993-2015 the number of university slots more than doubled, while the number of applicants diminished by 36%. In addition, the education system “ignores” business, and thus 91% of the employees note the lack of practical knowledge with graduates, whereas a quarter of graduates opt for the positions that do not require their educational level. On top of that, there is no practice of the life-long learning: the majority of people stop their educational process at the age of 25, with further training as a formality.

3) There is no environment, necessary for the development and self-fulfillment. Taking into consideration low wages, substantial share of employees works in the context of the “labor poverty”, while almost 6,5% of the working population of Russia, which is 4,9 million of people, only earn the minimum living wage. At the same time, most jobs are paid roughly
the same - for instance, the difference between a driver’s and a doctor’s wage in Russia is 20%, when in Brazil - 172%, in Germany - 174%, in the USA - 261%. This reduces people’s motivation to choose high-skilled jobs. As a result, 98% of the Russian population prioritize safety and stability instead of the career prospects. The dominant role model for the Russian youth and their parents today is a successful government official rather than a qualified professional or an entrepreneur.

Staff shortage, which stifles business growth in Russian regions, is considered to be another serious problem regarding prospects of talent management development in Russia. With the fall of the Soviet Union and in the course of the 1990s crisis, the economy of the majority of Russian regions declined. Corporate bankruptcy, disbanding and closure of the regional research centers - from 1990 to 2003 the number of the research workers decreased from 993 thousand to 410 thousand people (Allahverdyan & Agamova 2005, p. 51) - all this led to the decline in regional demand for high-qualified employees. The economy was concentrated in the central and in mining industry regions.

Regional gaps in the living standards and investments remain relevant to this day both on the level of territorial entities as well as federal districts. According to the experts, in the period of 2006-2016 the number of “donor regions” decreased from 25 to 14 (Kuvshinova, 2017).

As a result, the balance of internal migration of the population moved to the economically developed regions - the Central, the North-Western and the Southern ones. This unidirectional internal mobility has led to the constant population outflow from less developed regions, where, consequently, a decrease in demand was accompanied by decline in skilled employees.

Ultimately, the regional staff shortage has turned into a vicious circle: a demand for the “Knowledge” category employees is extremely low in regions, but, at the same time, a lack of such workforce is a serious barrier for the development of companies outside big cities.

Another reason for such peculiarities of the attitude to talent management in Russia is the culture. A number of studies have shown that Russia leans toward the Asian culture, rather than the European one (Fig. 4).
As far as “Power distance” is concerned, Russia (93 out of 100) neighbors with Saudi Arabia (95). The same situation is in regard of “Avoidance of uncertainty” - here, Russia ranks 95, while Saudi Arabia 80 - and concerning “Long-term focus” - Russia ranks 81, China 87.

BCG also interviewed some of the Russian employers, according to whom they composed a typical cultural portrait of a Russian. The majority of the polled mentioned a number of critical personal qualities and peculiarities of the outlook that distinguish an average Russian employee:

- Lack of initiative and courage, an “I cannot influence anything” and “no initiative goes unpunished” attitude - a lack of desire to make a change, even though a certain degree of responsibility was noted. This may be connected with the focus on safety and stability, avoidance of risk.
- Task-set instead of commitment to results. The mentality has always been based on using a budget, rather than investing.
- Excessive adherence to the scripted norms, rules and procedures.
- Lack of flexibility and resilience.
- Lack of customer-orientation approach: the main criterion for any decision-making processes is their approval by the top-management, rather than focus on the client.
- Lack of critical thinking, mechanical, execution-type attitude to tasks.

According to the ESS research based on the value system by S. Schwartz, Russians have an extremely low level of “growth values” comprising hedonism, risk/novelty, independence, universalism and benevolence - only 2% compared to 24% in the majority of countries of Western
Europe and 32% in North America. In comparison to other European countries, Russians can be characterized by low “Self-dependence” (43 out of 100, average - 60) as well as “Risk” (41 out of 100, average - 68) indicators, and, to the contrary, high level of “Conformity” (69 out of 100, average - 58) and “Traditionalism” (58 out of 100, average - 46) (BCG, 2017).

Such data shows that Russians avoid novelty and are afraid of not delivering upon social expectations, which derives from the historical obedience, self-discipline as well as politeness along with the traditional behavior style. On the one hand, it may be beneficial and reflects the cultural identity of Russians. On the other, such features are barriers for development of talent management in Russia and hinder its competitiveness.

According to the Global Talent Competitiveness Index report (INSEAD 2018, p. 4), diversity, which Russia lacks at the moment, is one of the components of global competitiveness - it helps countries and companies to be more productive and innovative.

People that develop through diverse and challenging experience become cognitively more complex - both from a problem-solving and creative point of view. This also includes educational diversity of the workforce within a company or even a country that can increase productivity and foster entrepreneurial approach.

According to the GTCI, although Russia has a strong pool of Global Knowledge Skills (ranks 26th) and a solid system of Formal Education (29th), there are still other issues and areas that have to be solved and improved. Defined as a country of the upper-middle-income group, Russia ranks 53th, whereas the major problem with Russian talent management system is the attraction of talents (106th in the Attract pillar) along with poor External as well as Internal Openness (98th and 102th respectively). Another aspect to be reviewed is business and regulatory environment - it needs to be more friendly and open (INSEAD 2018, p. 28).

As far as the attitude to talent management system is concerned, PwC carried out a survey among several Russian and international companies, which indicated that they approach talent management a little differently and see its purpose in various manners, though the general idea of their systems remains similar (Fig. 5).

Russian companies tend to pay slightly more attention to key employees retention and provision of high-qualified staff in accordance with long-term operational plans, which may be connected with the fact that Russian companies are concerned about the deficit in high-qualified employees that remains one of the key business risks.
Figure 5. TM Objectives in Russian and International Companies

Source: created by the authors basing on PwC 2016, “Talent management in Russia and other countries: figures and trends” report, p. 3.

It was also revealed that Russian CEOs see the approach to talent management problem in a different way - not so as the rest of the world. Top managers of several Russian companies were questioned about their vision of the system, namely they were asked to define the most important aspects for attracting, retention and involvement of the needed employees, which allows their companies to remain competitive (Figure 6).

Figure 6. Aspects for attracting, retention and involvement of employees

<table>
<thead>
<tr>
<th></th>
<th>Russia</th>
<th>USA</th>
<th>Rest of the world</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Constant rewarding</strong></td>
<td>52%</td>
<td>28%</td>
<td>33%</td>
</tr>
<tr>
<td>system and perks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Managing company’s</strong></td>
<td>39%</td>
<td>42%</td>
<td>38%</td>
</tr>
<tr>
<td><strong>performance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human capital resource flexibility</td>
<td>36%</td>
<td>26%</td>
<td>30%</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>Development of tomorrow's leaders</td>
<td>27%</td>
<td>65%</td>
<td>49%</td>
</tr>
<tr>
<td>Goodwill of the company</td>
<td>27%</td>
<td>13%</td>
<td>29%</td>
</tr>
<tr>
<td>Corporate culture</td>
<td>27%</td>
<td>61%</td>
<td>41%</td>
</tr>
<tr>
<td>Welfare and health programmes</td>
<td>25%</td>
<td>11%</td>
<td>20%</td>
</tr>
<tr>
<td>Labor efficiency improvement due to automatization</td>
<td>23%</td>
<td>11%</td>
<td>16%</td>
</tr>
<tr>
<td>Business geography</td>
<td>7%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Global mobility programmes</td>
<td>6%</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Human capital resource predictive analysis</td>
<td>5%</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Focus on human capital diversity</td>
<td>4%</td>
<td>27%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: Created by the authors basing on PwC 2016, “Talent management in Russia and other countries: figures and trends” report, p. 10.

It is obvious from the table above that Russian companies place almost twice more emphasis on various kinds of rewarding systems, but at the same time neglect the importance of nurturing future leaders. Furthermore, Russians do not focus so much on corporate culture of their companies, which also undermines their competitiveness. Nevertheless, all the countries highlight managing company’s performance as one of the key aspects of the talent management system.

What also distinguishes Russian companies is that the approach “by pulling strings” can still be used when it comes to career development. According to the research center of the Russian recruiting agency Superjob, 19% of the polled are inclined to believe that successful career cannot be built without networkings (Superjob 2017). However, as the head of the Superjob Alexey Zakharov states, such practice is not always beneficial - sometimes the declared competences of such “special” employees turn out to be misplaced.
Vedomosti journal states that 46% of Russian employees state that they worked with their close family members within one company (Gorelova 2016). Sergey Myasoedov, the vice-principal of the Russian Presidential Academy of National Economy and Public Administration, believes that Nepotism and cronyism are common practice within Russian companies, which is harmful for the development of big companies and hinders development of talent management in Russia.

3.4 Multilevel framework of the study

When using the word “context” we mean various factors and circumstances that form and influence the development of talent management in Russia (Michailova, 2011).

Two elements of institutional environment determine TM (Jackson & Schuler, 1995). The first one is external macro level, which combines legal, social and political factors such as labor market conditions, general state of the economy, laws and regulations that affect the industry; and internal factors including the technologies employed by a company, organizational structure and size, product life cycle, etc.

Accordingly, a detailed study of TM requires a multilevel framework that encompasses societal, organizational as well as individual levels (Thunnissen et al., 2013). Therefore, our thesis deals with talent management in Russia on the macro, meso and individual levels.

3.4.1 Macro level

The macro level comprises three factors that are of great importance when analysing TM in Russia: the labor market, legal environment and higher education system.

The Russian labor market is short of experts in certain areas (Commander & Denisova, 2012; Latukha, 2015; 2016), thus domestic companies have hard times filling the vacancies for highly skilled workforce. As stated in the introduction, there are deficiencies in the field of science, IT, innovation, medicine. Furthermore, the scarcity of young talents is further aggravated by demographic decline and a so-called brain drain (Latukha, 2015; Murray, 2008). According to The Global Talent Index Report, the overall improvement in the Russian talent index “that might have garnered through economic growth is hampered by its continuing decline in population” (Economist Intelligence Unit, 2015, p, 8).

Russian higher education is in enormous demand and OECD statistics (2016) have shown that Russia, Canada, Japan, and Israel have the highest percent of young adults with tertiary education. In Russia, over than 55 percent of adults aged from 25 to 34 went to university
(Muratbekova-Touron et al., 2017). What is more, in 2012 the enrollment ratio for higher education was estimated at nearly 75% (UNESCO, 2014).

As a result, a university degree has become a vital necessity for any white-color job in Russia (Kuzminov et al., 2013). Yet, the quality of education in Russian universities leaves much to be desired and young specialist are often unable to find a job consistent with their formal training. The previous Soviet educational system has been upgraded to improve the level of teaching of mathematics and other natural sciences, whereas little changes have been made in such areas as leadership, human resources, management - all of which are needed in a market-oriented economy (Fey, Bjorkman, & Pavlovskaya, 2000).

Hence, today, more than 25 years since opening up the economy, Russia cannot boast that the skills of university graduates fulfil the requirements of the market economy whilst both local and multinational companies operating on the Russian market stand in need of high-skilled workforce (Falaleev, 2010; Murray, 2008). In order to resolve this problem and develop much desired skills, organizations establish various internships along with training and development programs, which is confirmed by the fact that the number of corporate universities and training centres has seen a more than elevenfold increase since 2000 (Kuzminov et al., 2013). It is blindingly obvious that the connection between educational as well as training systems and TM in Russia is strong for young adults who are at university/college or those who have just graduated and embarked on a career.

Russian labor market is characterized by adopting different developing patterns than Western countries (Dokuchaev, 2016). While in the time of economic slowdowns companies in most Western countries diminish the volume of output and opt for downsizing, Russian companies fearing a sharp exacerbation of social tensions choose to lower wages instead of firing unproductive workers. Besides, Russian labor market has resorted to hidden unemployment as a tool for lowering the unemployment rate, which means that some workers are put on a shorter working week, transferred to unpaid leave or have their hours and productivity rates reduced (Dokuchaev, 2016).

Employees, in their turn, are comfortable with the current state of affairs since having little to no alternative people are afraid of being out of job for a long time even in the large metropolitan areas. The Russian government is also quite satisfied with the hidden unemployment system as it helps to mitigate the rise in unemployment and improve other indexes that are directly connected to the unemployment rate and reflect the state of the Russian economy. In addition, hidden unemployment ensures that there will never be a large influx of people searching for
unemployment benefit, which could further deplete the already weakened budget (Dokuchaev, 2016).

At present, the minimum monthly unemployment compensation is 850 rubles, which is equal to approximately 11 euro at the current exchange rate. It has been introduced for those who are looking for their first job, searching for a job after a year career break or were dismissed for violation of labor discipline. The maximum amount of unemployment benefits is of 4,900 rubles per month, which is equal to 64 euro. It stands to reason that it is impossible to make a living on such insufficient sums of money, therefore people are not willing to register as officially unemployed. If statistics are to be believed, there is more than one million people who are holding on to their jobs being reluctant to join the ranks of unemployed (Dokuchaev, 2016).

On the one hand, Russian labor market model has been suitable for both the government and people, since 90s helping to avoid social and political tensions. On the other hand, it makes Russian economy experience sluggish processes as people have a so-called “job for life” and no one has a motivation to fight for jobs, which prevents development and innovation.

Another element of the macro level is legislative framework. There is a seemingly well-developed and mature labor legislation in Russia. Yet, about 42 percent of Russians have faced violations of labor law according to the survey carried out by RANEPA Monitoring Center of the Institute of Social Sciences (RIA News, 2017). Many Russian employees have experienced contractual irregularities and poor working conditions, including excessive working hours (22.5 percent), partial or non-payment of salaries (24.1 percent), ill-treatment and the neglect of basic needs (15.2 percent). They also mentioned that employers violated the terms of granting leave (13 percent), as well as did not comply with labor legislation when providing vacation or sick pay (9.9 percent). Less often Russians encountered failures to observe the procedure and conditions for the dismissal of workers on the part of employers (RIA News, 2017). According to the survey, domestic enterprises saw violation of labor law 3.5 times more often. More than half of the respondents (54.4 percent) said that they did not try to protect their labor rights, one-third of respondents tried to solve the problem directly with their superiors and only 5.1 percent resorted to trade unions. Only a few employees appealed to the labor court or inspectorate, out of whom only one-third achieved a successful outcome (RIA News, 2017).

The respondents named arbitrariness and authoritarianism of their supervisors (43 percent) along with inconsistency between labor legislation and realities of life (26.5%) as the main causes behind numerous violations of labor law (RIA News, 2017). Among other reasons were indecisiveness and mindless compliance of workers, which is often explained by fear of being fired (15.7%).
3.4.2 Meso level

As stated in the introduction, the Soviet legacy hinders the implementation of TM methods as they are regarded as secondary tasks: technical, administrative and control functions; by Russian companies (Bizyukov, 2005; Gurkov & Zelenova, 2009). Like organizations in other developing countries of Western Europe or the Gulf Region (Skuza et al., 2013), Russian ones find it difficult to overcome the barrier of traditional “personnel administration” and implement TM tools.

Despite that some academics claim that Russian organizations replicate best Western TM practices with greater or lesser success (Andreeva, Festing, Minbaeva, & Muratbekova-Touron, 2015), while other say that the only industry in Russia where companies apply Western TM techniques is advisory services (Gurkov et al., 2012). Yet, in 2015 appeared new talent management trends in Russia including new employee professional development and training programs on the basis of Western practices, e.g. the increase in the number and quality of corporate universities and training centres; improved performance assessment methods, new compensation systems (Dirani et al., 2015). The different types of organizations used in the studies to which we refer in our research gave rise to these conflicting results.

There are several types of businesses in post-socialist capitalism (Martin, 2008), these are state owned companies, privatized companies, de novo enterprises (set up during the transformation period) and international organizations with parent companies in other countries. These companies differ depending on their level of engagement in the pre-transformation socialist system of employment relations, the result of which is a continuum within which state-owned companies are strongly embedded and international organizations are involved to a minor degree (Muratbekova-Touron, Kabalina & Festing, 2018). In addition to that, privatized and de novo companies in Russia have applied Western TM practices, whereas the level of implementation of Western strategies is low in state owned enterprises (Muratbekova-Touron, Kabalina & Festing, 2018; Andreeva et al., 2015).

The study conducted by Latukha (Latukha, 2015) differentiate only between local and international companies. Though the study utilized a more simplified classification of organizations, it obtained exactly the same results as the aforementioned study showing that foreign companies on the Russian market already apply talent management strategies while local companies do not (Latukha, 2015). Some researchers believe that international companies present on the Russian market hold a higher esteem of local talent than Russian companies do (Holden and Vaiman, 2013).
However, Russian companies will not be able to postpone the adoption of TM practices for much longer since globalization pushes local companies to internationalize, thereby adopting TM (Muratbekova-Touron, Kabalina & Festing, 2018). Apart from Soviet heritage, one more substantial obstacle for developing TM in Russia is the lack of proper attention of top executive to the issues of talent management (Latukha, 2015), because authoritarian and bureaucratic managers do not find it important to invest their time and efforts in TM implementation (Holden & Vaiman, 2013; Latukha, 2015). Poor leadership is also perceived as a major barrier for the development of TM in Russia and other developing countries such as Poland (Skuza et al., 2013), China, and India (Cooke et al., 2014; Muratbekova-Touron, Kabalina & Festing, 2018).

3.4.3 Individual level

According to Alas and Rees changes in the values of society caused by transformation towards a market-oriented economy in Eastern Europe will bring about changes in individual set of values (Alas & Rees, 2006). In reality, a study conducted by Magun that makes a comparison of four extensive surveys carried out during the period from 1991 to 2004, has demonstrated that the career values of employees in Russia have undergone a notable change throughout these fourteen post-reform years (Magun, 2006). Alas and Rees declare that alteration of values of the society will result in a movement from lower-order needs such as job security, welfare, and money to higher-order needs such as professional knowledge and expertise (Muratbekova-Touron, Kabalina & Festina, 2018). Yet, Magun research has shown that four career values have become especially important for Russian people, these are good payment, availability of stable job, interesting and rewarding tasks and appreciation of one’s contributions (Magun, 2006). Another study has revealed three major career values of Russian managers: orientation towards result, competence, good working conditions and money (Kabalina & Reshetnikova, 2014). It is clear that the gap between the tanks of the first two values and the second - is sizable (Muratbekova-Touron, Kabalina & Festina, 2018). Moreover, the overwhelming majority of Russian employees require training programs and development on the job, appreciate them and are motivated by the opportunity to advance in their career. (Fey et al., 1999; Fey & Bjorkman, 2001). Russian employees are more willing to work for Russian subsidiaries of multinational companies being attracted to their Western style of management and approach to talent management (Fey & Shekshnia, 2011).

Nowadays, Russian managers give up the traditional collective, bureaucratic and hierarchical values because of Western influence, and there is a tendency toward a broad
convergence of the values held by Russian and Western managers (Muratbekova-Touron, Kabalina & Festina, 2018).
4 Empirical Findings

We have received 22 completed questionnaires on the basis of which we conducted 16 oral interviews with the representatives of 12 companies from the list of Top 100 Companies to Work For in Russia (Appendix 2). As some of the respondents requested, we made a decision to maintain complete anonymity in relation to individuals’ and companies’ names. We replaced the names of the companies with letters, that correspond to the letters given to employees of these companies. However, in the course of describing our findings we indicate whether the company is Russia-based or multinational with a subsidiary in Russia and the industry where it conducts business activity. We are positive that this will in no way compromise our research as our objective is not to investigate company-specific Talent Management practices, but rather to learn how companies in Russia, in general, employ Talent Management tools and compare the results between local and foreign companies operating on the Russian market. All the companies were familiar with the concept of Talent Management, exercising it with varying degrees of success.

4.1 View on Talent

4.1.1 Russian Companies

When it comes to the definition of talent, the employee of company A (Housing) believes that talent is a non-existent category, that some people use to explain the success of others. In reality, in order to be considered talented it is enough just to have a genetic predisposition (e.g. to excel at sports) or to be ambitious as well as extremely hardworking.

The representative of company B (Banking) determine talent as positive deviations of certain qualities of a person, which can be either pronounced or require development.

Ms. C working for company C (Banking) believes that talent is an ability to use one’s skills and knowledge most effectively.

Mr. D from company D (Business Event Management) defines talent as a unique gift, which allows a person to be better at something than many others.

Mr. E working for company E (Building Material) defines talent as outstanding natural skills.

4.1.2 Foreign Companies in Russia

The meaning of the term “talent” is considered by the employee of company F (Professional Services) as a personal propensity for high efficiency and effectiveness in some
activities along with constant self-development and perfection of the existing skills and knowledge. Therefore, Mr. F defines talent as both natural endowment and acquired skills - something that can be improved and learnt.

Employee G1, employee G2, employee G3, employee G4 and employee G5 working for company G (Professional Services) define talent practically the same - as an inborn ability to be better at something than others without extensive effort and with less labor costs. They have no doubt that every person can become aware of their talent and put efforts to its development. They say that one who does something he is good at feels oneself at their place and, therefore, a little happier. It is stated that as rule, such people perform better than others.

In the opinion of employee H working for company H (IP telephony), talent is not a natural gift, but a developed ability to perform better than others. She believes that one can contribute to their own skills by exerting oneself.

Employee I working for company I (Professional Services) as a definition for talent says that it is a skill or ability to do something that you are really good at.

Ms. J, the representative of company J (FMCG), claims that talent is a set of natural factors and skills, which one can develop given fortuitous combination of circumstances or not develop if one has no motivation for doing it. She also defines talent as a “godsend”.

Mr. K from company K (Banking) defined talent as a natural approach to achieving a goal for a particular person that in different units of measurement exceeds public knowledge and most likely is not available to others.

Another interviewee from company L (Computer Software) told us that he defines talent as the above-average abilities in any area.

4.2 Peculiarities of Work Experience in Russia

4.2.1 Russian Companies

In the course of interviews, we asked the respondents to describe their work experience in Russia with a single word or phrase that first came to their minds. We are positive that this “association game” adds value to our study, because it can convey the feelings and attitudes of the interviewees very precisely.

The representative of company A told us that he regards his experience as a “wildfire”, since more often than not employees of Russian companies serve as firefighters. They do not participate in such processes as problem analysis, decision-making or strategy development - what they actually do is putting out a fire, that is, handling emergency situations. These situations are
usually caused by the procrastination on the part of company management or some external factors like the entry into force of the new legislation.

Ms. A went on to say that Russian companies are characterized by diverse multicultural environment where one can benefit from an ongoing cultural exchange.

When we asked Ms. A to estimate the level of empowerment in her company according to the scale from 1 to 5, she responded: at initial stage - 2; in 6 months - 2; in a year - 2; in 2 years - 3.

Being questioned about the power distance, Ms. A told us that in Russian companies are hierarchical in structure with multiple layers of management and high power distance. Yet, if one demonstrates good performance over the long term, which has been noted by a company management, then the power distance tends to shorten, which, in turn, allows for informal communication between an employee and his/her executives.

Ms. A is confident that in Russia personal relations are a keystone of getting a job and successful career growth. More than that, if a project calls for working in a team, the importance of personal relationships increases. When employees commit to putting in long hours at work, they want to feel they are part of a great team because they often spend more time with their coworkers than with family. Employees find it more comfortable to work alongside people they respect, with whom you have strong bonds, and can share ideas and best practices. Yet, personal relations should be formed only on the basis of a professional attitude of an employee to his/her work.

Talking about the wage level, Ms. A rates it from 1 to 5 as 4.

Mr. B from company B describes his work experience as “sudden” because the economic environment and business climate in Russia are very unstable and can change at any moment, therefore the ability to adjust is vital for remaining ahead of the competition.

Mr. B believes that the company staff is diversified enough, which makes the process of work more interesting and at the same time challenging.

When asked about the level of responsibility Mr. B rates it from 1 to 5 depending on the length of the working experience as follows: at initial stage - 1; in 6 months - 2; in a year - 2; in 2 years - 2. He adds that managers in Russian companies try to control every single move of employees, this is especially true for beginners.

As far as power distance is concerned, Mr. B claims that there is average availability of top managers to employees. One can talk to an executive three or four levels above, but they will not necessarily listen to their suggestions.

Mr. B is positive that personal relations are of great importance in Russian companies.

As for the wage level, Par rates it from 1 to 5 as 3.
Ms. C from company C describes her work experience as “cognitive, but unpredictable”, clarifying that while working one is always learning something new.

She mentions that employees in company C are diversified primarily because of the fact that Russia is a multiethnic country. However, employee C thinks that her company lacks this diversification and wishes the staff were more diversified, saying that expatriates are needed - it would contribute to employees’ learning, experience exchange and would take company C to the next level.

Talking about the level of responsibility within company C, employee C rates it from 1 to 5 like this: at initial stage - 2; in 6 months - 2; in a year - 3; in 2 years - 3.

As for power distance, Ms. C states that she neither can call it high, nor can say there is no power distance at all - it is on the medium level within company C. On the one hand, one can turn to anybody for a piece of advice or ask a top-manager a question regarding their work. On the other hand, there is strong subordination between employees of different positions and power distance is much higher than in Western companies. Ms. C notes that some changes in this field would make their working environment more pleasant and cooperation easier.

As far as interpersonal relations are concerned, Ms. C believes that they are of great significance in regard of promotions and career development. Everyone put their efforts to be on good terms with the top management and board of directors, sometimes even ingratiating themselves with the superior.

When asked about the wage level, Ms. C rated it from 1 to 5 as 4.

Mr. D from the company D states that work experience in Russia may be described as “much work without fair wage”.

Mr. D says that employees are diversified, majorly nationally, as our country is very multiethnic and the government has a soft spot for immigrants.

As far as the level of responsibility within the company D is concerned, employee Mr. D rated it from 1 to 5 like this: at initial stage - 1; in 6 months - 2; in a year - 3; in 2 years - 3.

Employee Mr. D claims that due to the fact that company D is not a big company, power distance within it is not that high. In Mr. D’s opinion, power distance in company D is at least smaller than in bigger companies. Generally, as he says, there is a friendly atmosphere within the company and everybody is very open and willing to help. However, some kind of power distance may be felt in regard of the board of directors.

Talking about interpersonal relations, Mr. D says that they are extremely important not only in the process of doing business, but also when it comes to career opportunities.
Talking about the wage level, Mr. D rates it from 1 to 5 as 2.

Mr. E working for company E describes his work experience in Russia with a word “interesting”.

As for cultural and national diversification, Mr. E claims that the staff in his company are not diversified at all - there are only Russian people working for company E.

Talking about the level of responsibility within company E, employee E rates it from 1 to 5 like this: at initial stage - 1; in 6 months - 2; in a year - 2; in 2 years - 2.

As far as power distance is concerned, employee E states that it is very large at any department between any employees. Needless to say, one can always ask their colleague a question, but the majority of conversations between employees are of business nature.

Employee E emphasizes that interpersonal relations have no effect on people’s promotion or career development.

As for the wage level, Mr. E rates it from 1 to 5 as 3.

4.2.2 Foreign Companies in Russia

As far as the general work experience in Russia is concerned, company F defines it as “hierarchy”.

Mr. F states that cultural and national diversification can be observed at all of the levels and departments of the company. It is connected to the fact that people working for company F have miscellaneous educational backgrounds and specializations, coming from different universities, possessing various degrees. It is said that many people coming to company F regard foreign education beneficial for their experience and career development, thus, prefer to get a degree in a foreign university, which undoubtedly affects their vision and working style. There is also a so-called “transfer system”, according to which employees are granted an opportunity to work for 6 months in the company’s office in another country. In light of this, apart from one permanent foreign staff member, employees from different countries come to work in Russia on a periodic basis - Mr. F claims that for the last 6 months in Moscow-based office there have been employees from RSA, USA, Belgium and Poland.

Regarding employees’ ownership of work, company F finds it important to delegate functions to the newcomers from day 1 with a growing level of responsibility. Mr. F rates it from 1 to 5 depending on the length of the working experience: at initial stage - 2; in 6 months - 3; in a year - 3; in 2 years - 4.
As far as power distance in company F is concerned, it is hardly in evidence in this company, due to the fact that Mr. F describes the company’s hierarchy as a flat or horizontal one. All the employees regardless of their position are on first-name terms. The only thing that can be considered as an attribute of a vertical structure is that major decisions are taken by the top-management in view of their expertise.

Company F does not lay emphasis on personal relationship, in the first instance placing importance on the flexibility and ability to work in a team.

Talking about the wage level, Mr. F rated it from 1 to 5 as 4.

Employees working for the company G describe work experience in Russia as “valuable”, “beyond words”, “relevant”, “vital”, “experience and that’s enough said”.

They say that employees in this company are rather diversified, but mostly on a national level. However, some of the top positions are held by foreigners.

As far as their responsibility level is concerned, employee G1 rates it like this: at initial stage - 3; in 6 months - 4; in a year - 4; in 2 years - 5. Employee G2 rates it like this: at initial stage - 2; in 6 months - 3; in a year - 4; in 2 years - 4. Employee G3 rates it like this: at initial stage - 2; in 6 months - 2; in a year - 3; in 2 years - 3. Employee G4 rates it like this: at initial stage - 1; in 6 months - 3; in a year - 4; in 2 years - 5. Employee G5 rates it like this: at initial stage - 3; in 6 months - 3; in a year - 3; in 2 years - 4. Therefore, an average rate among 5 employees of the company G is the following: at initial stage - 2; in 6 months - 3; in a year - 4; in 2 years - 4.

All the employees claim that there is almost no power distance in their company, the relations between the employees are open and respectful. However, there is still some subordination between junior managers and partners, which is majorly coming from the disparity of years. Vertical structure may be seen in regard of the level of responsibility and in the decision-making process. According to the polled, all the employees regardless of their position or age are on first-name terms.

In company G interpersonal relations do not affect anything (promotion, placement, etc.) or if they do, than to a really small extent. Application process takes several stages, therefore on each stage candidates are reviewed by different managers, which means that interpersonal relations cannot change anything. The same thing concerning promotion.

Talking about the wage level, employees from the company G rate it from 1 to 5 as 1,5 on average.

Employee H from the company H defines her overall work experience as a “good” one.

As for national and cultural diversification, she says that employees at the company H are scarcely diversified.
Talking about level of ownership among employees at the company H, employee H rate it from 1 to 5 like this: at initial stage - 2; in 6 months - 4; in a year - 5; in 2 years - 5. She states that she has always had serious tasks with a high level of responsibility, but if she somehow hesitates, she can always turn to her colleagues or top managers for some advice. She also clarifies that such level of responsibility is majorly connected to the fact that the company is rather small and there are 10 people at maximum working in every department.

There is totally no power distance within this company. Employee Ms. H told us: “I can go to a bar with Head of Sales in Russia and CIS as well as chat on the phone with Global Head of Monetization”. Yet, she notes that there is some kind of subordination between people of different ages.

Interpersonal relations are of no importance when it comes to career opportunities at company H. As an example, employee H describes her own story of application process - she had two interviews - one was a telephone conversation with an HR locating in San Francisco and another with her direct supervisor. This proves inability to use any connections in the process of building one’s career within this company.

As far as the wage level is concerned, employee Ann rated it from 1 to 5 as 3.

Employee I from company I describes his work experience with a word “unpredictability”. He says that employees within the company are not diversified, which is, according to employee I, needs to be changed, since it could benefit people’s development and outlook.

Employee I rates the level of responsibility within the company I from 1 to 5 like this: at initial stage - 1; in 6 months - 4; in a year - 4; in 2 years - 4. He also adds that total “freedom of actions” comes in 4-5 years, when employees are promoted to the position of Manager, and in this case, it can be rated as 5.

According to Mr. I, there is no power distance at all, which is beneficial, without any doubt. Anyone can turn to a Director or a Partner regardless of one’s position.

Employee I mentions that interpersonal relations have no effect on one’s career development, but may be an indicator of one’s ability to work in a team or cooperate with others, accept other people’s opinion.

Talking about the wage level, employee I rates it from 1 to 5 as 1.

Employee J from the company J sums up her work experience in Russia as “lots of interesting work and always a great challenge”. She says that working for a multinational company in Russia broadens one’s mind greatly, constantly giving new milestones and objectives for self-development.
Employee J states that it is the board of directors and top management of the company that are culturally and nationally diversified. She also explains that the majority of foreigners hold the so-called “creative” positions, like marketing directors and brand managers, or financiers - probably because of the need for applying foreign benchmarks and successful practices at these very fields or even inculcating some kind of traditions. In case of financiers, it can be done for the purpose of control over leakages. According to Ms. J, there is no need to say that all employees are well-educated, proficient in several languages and aware of cultural differences that may appear in the process of doing business.

As for the level of responsibility within the company J, employee J rates it from 1 to 5 like this: at initial stage - 1; in 6 months - 4; in a year - 5; in 2 years - 5. She also adds that in 2 years the level of responsibility can be defined not just as “5”, but as “5+”, since, as a rule, people working for Western companies are fast-learners.

Talking about power distance in company J, employee J claims that the team within the company is very open and friendly, she says: “You can come to the CEO with any question, including that you feel cold because of the air conditioner”.

When asked about interpersonal relations, employee J says that they play a significant role within any company.

Talking about the wage level, employee J rates it from 1 to 5 as 2.

Mr. K describes his work experience in Russia as “friends” since he was lucky enough to meet a great number of interesting and talented people while working in Russia, and many of them have become his close friends with whom he often gets in touch to this day despite the fact that he does not live in Russia anymore.

The staff of the company K was strongly diversified in terms of both culture and nationality. There were employees with former foreign work experience - these are expats and people with experience of work in other countries. Furthermore, there were people from other regions due to transparent and meritocratic system of recruitment.

When we asked Mr. K to estimate the level of responsibility in the bank rating it from 1 to 5, where 1 is the minimum and 5 is the maximum level of responsibility, he answered as follows: at the initial stage - 3; in six month - 4; in a year - 4,5 in two years - 5.

Company K is characterized by very flat hierarchical structure, where on average two-three levels of management are available for a coffee or conversation at any time. Only seven layers separate entry-level workers from the CEO. He also adds that the availability of executives for an employee is largely determined by the quality of his/her performance.
Personal relations can play a decisive role, yet the system is very meritocratic. It is no good trying to employ your friends and relatives if they are not prepared to work hard and show a considerable level of commitment to work. They will all be dismissed as soon as it turns out that they are unable to achieve the set objectives. When asked about the wage level, Mr. K rates it from 1 to 5 as 3.

Mr. L from the company L summarizes his work experience in Russia as “diversity”, because having worked for the company for more than seven years he has performed many roles and carried out various tasks. He also had an opportunity to work for the company's head office in United States. Also, the company staff are made up of people with different nationalities and cultures: there are many expats from China, India and Middle East- so the cultural exchange is enormous.

Responding to the question regarding the level of empowerment, Mr. L notes that despite having worked for the company L for a long period of time he has not grown in responsibility and he ranks his level of ownership like this: at initial stage - 2; in 6 months - 2; in a year - 2; in 2 years - 2. He explains that this is because the company L is a large multinational company and like in any other large companies there is a rigid, centralized, hierarchical structure and employees cannot boast a high degree of freedom in their actions regardless of their experience.

As far the power distance is concerned, he can speak directly to employees no more than three levels above, that is to department managers. Actually, he has to start from his immediate superior (the head of the group) because in order to go over his head he needs to have a weighty reason - otherwise behavior like that will not be tolerated. In theory, employees are told that any lower-level employee can turn to the head of the company, but in reality, this does not happen.

When we asked Mr. L about the role of personal relations, he answered that in the process of applying for a job, a recommendation from an active employee can help to get an invitation for an interview, but then the selection process continues on a general basis. Since most of the times, employees of company L have to work on projects, personal relations play a crucial role. People who are inclined to conflict have hard times keeping their jobs as everyone wants to get rid of them.

Talking about the wage level, employee Mr. L rates it from 1 to 5 as 3.
4.3 Development and Retention of Talents

4.3.1 Russian companies

The representative of company A told us that in his company there are some elements of the employee training systems that are widely used in multinational companies. Yet, company A does not use high-grade career development tools for employees, since the company lacks a systematic approach to development of human capital, outsourcing one-off trainings for the employees. Besides, training programs are carried out in order to fix already existing problems in the company, e.g. problem of communication, product quality and so on and are not aimed at getting the best out of employees or reaching their full potential.

Ms. A claims that the speed of climbing the career ladder depends on professionalism of an employee, but still, there are certain peculiarities according to a company’s specialization. In company A the corporate ladder is not transparent enough and reasons why an employee gets a promotion are not always obvious. Most frequently, the company hires high performers from the labor market attracting them with the help of solid payment and continuing to increase their salaries every six months, yet it does not offer employees a meteoric career.

According to Ms. A in Russia sometimes it is enough just to have good connections to make a remarkable career, as company executives will turn a blind eye to the employee’s objective capabilities and performance if they have strong interpersonal relations with him/her. This can be estimated as both the key factor and the main obstacle to career development.

The interviewee from company B argued that there are preconditions for employee development within the company. Yet, the initiative for developing professionally and becoming more efficient and relevant in their positions should come from the employees themselves. Afterwards, having evaluated the feasibility of providing these training sessions, the management either arrange training programs or not.

It is difficult to give a categorical answer regarding the speed of advancing in one’s career in company B. New employees can either quickly become promoted and start holding a big title or do not climb a career ladder at all, since the process is not transparent at all. The keys to getting a promotion are initiative, professional growth and the achievement of set goals. While the major handicap for climbing a corporate ladder is the unwillingness of the management to change anything when the existing system works perfectly well. In addition, the lack of a strategy for their own career development is one more major obstacle to promotion that employees can come across with.
When we asked employee C from company C about their talent management system and how the company develops its employees, she says that company C pays enough attention to developing people, organizing various kinds of sessions and courses. However, it does not happen on a regular basis and is not obligatory - people tend to choose their present-day problems and are not eager to “waste” their valuable time on workshops and lectures.

Career development process is described by employee C as non-transparent. She says that when it comes to one’s appointment or promotion, much depends on the circumstances and situation as well as top managers’ attitude to one or another employee. As a key factor for promotion in the company Ms. C considers one’s ability to build connections and networks within the company, especially with the top management. What hinders people’s promotion, according to employee C, is social awkwardness or inability to be at a right place, at a right time.

Employee D from company D claims that the company pays slightly no attention to employees’ development - according to the interviewee, everything connected to the employees’ learning process is their interaction with each other during accomplishment of current business tasks and exchange of experience. He does not deny the importance of such cooperation, but wishes some time was devoted to training sessions or workshops within the company.

Employee D suggests two ways of career development within this company: the first one is fast and non-transparent and the second one is transparent, but very slow - which happens much more seldom. As a key factor for promotion Mr. D emphasizes interrelations, namely relationship with top management instead of personal achievements. As obstacles to employees’ promotion, employee D highlights lack of initiative and a more creative attitude to the business problems existing within the company. He also mentions inattention to detail and multitasking inability.

When asked about development of employees in company E, employee E says that a great focus in the company is put on the learning process of the employees: there are different courses and training sessions, attendance of professional business exhibitions, along with various postgraduate courses.

As for the career development process in company E, employee E says that it always takes time and is not fast, though all the promotions are transparent and employees see their career prospects from the very beginning. Among the key factors for promotion Mr. E emphasizes initiative, efficiency and honesty. As for obstacles for employees’ career development, employee E highlights idleness, inability and unwillingness to learn and develop themselves.
4.3.2 Foreign Companies in Russia

Company F focuses extensively on the staff training and development. Each new employee attends a general introductory course and the average number of training sessions and workshops within the company is 10-15 a year. Furthermore, Mr. F states that every promotion is followed by a 7-10-day training course abroad with other foreign employees-participants. Such events allow employees to exchange their professional experience and business practices along with cultural values, which plays, according to Mr. F, a crucial role in the modern business world. As a significant part of staff development, company F highlights constant assessment on the part of the managers. Every half a year employees receive general assessment and a decision of promotion: Mr. F explains that promotion intervals are broken into 6-months timelines with an explicit list of skills required for the next position.

Company F defines its career progression as extremely transparent and states that the key factor for employees’ promotion is their progress in self-development and accomplishment of the sharply defined objectives. According to Mr. F, the main obstacle to employees’ development is their inability to demonstrate the expected skills and qualities.

Company G pays much attention to the development of their talents, permanently holding soft and hard skills training sessions - both online and offline at the office. The company provides its employees with an opportunity to obtain international certificates like CFA and ACCA - company G pays for education, materials and examinations. However, employee G1 believes that the company should somehow change its attitude to training, as more often than not such sessions are not welcomed by managers and are considered to be boring and time-consuming, due to the heavy workload.

According to the employees, career ladder in company G is transparent and implies annual promotion, basing on the feedback of the senior colleagues and employees’ skills development. Among the key factors for career progression, company G sees evaluation at the end of the projects, project manager’s feedback, employees’ industriousness, employees’ KPI fulfillment. Promotion is relatively fast because of strong diversification of the career ladder - career development is broken into several consistent stages. Employees state that they are assessed every 3 months and are compared to each other from the point of their efficiency or learning capability. In case of excellent performance, there is also a possibility of the so-called double promotions implying skipping of a step.
As the main obstacle for promotion, employees of company G see lack of vacant positions, lack of projects or inability to choose people to work with as well as lack of efforts employees put to their development.

Company H puts a lot of time into development of its employees. Employee H claims that for the first 3 months at this company, along with in-office online and offline training sessions, she also went on a training course to Bulgaria. On top of that, company H is constantly in touch with its foreign partners and, therefore, holds various meetings on international level, which contributes to employees’ learning and experience exchange. “Top managers personally pay much attention to one’s development. For your understanding, Head of Sales has recently spent more than an hour explaining the system of programmatic advertising by drawing different schemes on a dashboard”, she says. More than that, on Thursdays employees can ask CEO of the company H any kind of questions - “Even silly ones”, employee H laughs.

Due to the fact that the company is not that big, career development is extremely fast and transparent. Employee H says that she started her career with company H as a Sales Intern, and in 3 months she was already Account Manager in Russia and CIS. However, according to employee H, it is extremely important to unleash one’s potential and perform - otherwise one can remain unpromoted for years. As key factors for career development she mentioned one’s willingness to score and attention to detail. As a barrier to promotion employee H highlights lack of determination and motivation together with lack of diligence.

Employee I from company I assumes that around a month or a month and a half is generally devoted to the development of employees, training sessions and workshops - both online and offline.

Career development in company I is described as very transparent and depends on a person’s willingness to demonstrate results and progress. Promotions usually happen once a year with and opportunity of a double promotion given prominent results. As the main factor for promotion, employee I highlights number of hours on a project, number of successfully completed practical courses and successful examinations (ACCA). Nonfulfillment of the aforementioned indicators leads to the inhibition of the career growth.

Employee J says that great focus is placed on training and development of the employees within company J. There is a special person, Talent Acquisition and Development Manager, who is in charge of all the events aimed at employees’ development. Company J constantly organizes international training sessions and excursions to the headquarters, so that the employees could have a general idea of how everything operates within the company. There is even a practical course named “finances for non-financiers”, conducted while playing the Monopoly game as well
as a range of psychological workshops aimed at personal development and ability to maintain work-life balance.

Employee J claims that career development in company J is really fast, as it favorable for the company to invest money into its employees, subject to their commitment to results and company loyalty. One can greatly leap up the corporate ladder in two years given high working capacity, sociability and ability to be at a right place, at a right time. According to Ms. J, it is significant to be noted by top management, which, in their turn, may discuss one’s candidature at the annual assessment meetings. As the main obstacle for career development employee J mentions ignorance of foreign languages, namely low level of English hinders people’s promotion and higher level of responsibility - as a rule, this problem is common with the Logistics Department and Accounting.

Mr. K told us that summer internships that are held before the final year at university are very common in the finance industry. They last from two to three months and contain at least two rotations. The main objective of these internships is not to gain a valuable job experience, which undeniably plays an important role, but rather to establish solid networking connections with a maximum number of people and teams. After successful completion of the internship one can get a deferred offer up to one year in order to complete territory education. When former students start working after graduation, newcomers from all countries where the bank has subsidiaries are collected together in New York or London for about three months for training sessions, where they attend daily classes and take part in team building activities. Once they return after trainings, newcomer employees are taught practicalities of their work from scratch though training rotation that lasts four months. When young specialists have passed all the training programs and begin to assume their responsibilities, the level of training on the job depends on the specific team: no one typically have the time to teach or explain something to new employees during the working hours. Thus, one needs to be able to learn how to perform certain tasks by watching how more seasoned employees handle them. There may be some trainings after one gets a promotion, but this practice is not very common in the company.

Being directly connected with the results of employee performance, the promotion system in company K is very transparent and meritocratic. Cases when career advancement was associated with political or personal preferences are an exception and are strongly disapproved by others. The sole factor that comes into play when it comes to employee’s promotion is the amount of money that an employee together with his/her team have earned during the year. The same applies to the main obstacle to career development - if an employee is unable to reach the expected figure in the profit and loss statement, he/she will not be promoted.
The respondent from company L said that once employed, newcomer employees have to visit several training sessions are held on general issues e.g. on the IT system of the company. Yet, all the information necessary to carry out job responsibilities is learn as they go along. If one is not sure how to better undertake a task, he/she should ask colleagues. There are no strict time frames when it comes to the process of learning. In a big company everyone has a narrow role and this can hamper development, as there is not much freedom of action. However, if one has worked for the company over a substantial period of time and has demonstrated a high level of proficiency, there may be an opportunity to independently choose projects and one can select the most challenging and innovative ones.

There is no transparent career ladder in company L and no one guarantees that some day one will make it to the top even if he/she has been performing well. Mr. L does not pay attention to his title, if only the salary would increase. Unclear criteria for selecting candidates for promotion is the main barrier to career advancement opportunities in the company L.

### 4.4 Barriers to Talent Management Development in Russia

Even though Mr. F from company F thinks it is hard to define the exact problems of Russian companies, he asserts that one of the weak pockets is that most often they do not know how to approach young talents - they try to imply western benchmarks of young talent development regardless of the Russian particular context. Another barrier for Russian companies is lack of corporate values and vision that would unite all employees. Concerning career progression, Russian companies are said to possess a non-transparent career ladder, which leaves their employees in the dark - they cannot understand their future career prospects and are frequently forced to wait until somebody leaves a higher position.

Company G’s employees say that one of the main obstacles for development of talent management in Russia is lack of discipline and poor time-management. They also claim that strong power distance existing in Russian companies, resulting in lack of direct experience exchange, hinders successful development of employees. Another important aspect of Russian companies that is considered to be negative, is the role of interpersonal relations within companies, which can, in their turn, influence people’s promotion. Russian companies are also considered to have an non-transparent career ladder and a parochial (seniority) approach to promotions, regardless of talents or employees’ effectiveness. It is also said that excessive Russian bureaucracy and reglamentation detain companies’ development.
When we asked employee H from company H about possible barriers to development of talent management in Russia, she said that she cannot give an exact answer and that it is a difficult, a kind of “philosophical” question. One thing for sure is that, according to employee H everything depends on a company, its team and responsibility people have within a company, which has its flaws in Russian companies - she emphasizes power distance and transparency of the career ladder.

When asked about the main obstacles to development of Talent Management in Russia, Ms. A suggested that the main problem is that in Russia most companies are not market oriented, but in recent years this trend has been changing. Anyway, companies’ business and operating models remain vulnerable, because employees often blindly follow the guidelines of management without thinking whether these orders are in line with market trends.

As for the obstacles for the development of talent management in Russian companies, employee I claims that, to his mind, two most important things to be reviewed within Russian companies are power distance and transparency of the career ladder. He says that in Russian companies one cannot be sure about their future career or promotions, since many things depend on the subjective opinion of top managers - their attitude to one or another person, their willingness to “find employment for someone”. Talking about power distance, employee I notes that the level of power distance is extremely high within Russian companies and to a large extent hinders people’s professional development.

According to employee J working for company J, the major problem regarding talent management development within Russian companies is the approach to development of employees. She also states that it is also significant to change not only the system of employees’ training, but also their own attitude to these coaching sessions, since, more often than not, employees do not take such courses seriously. Employee J claims that high level of bureaucracy slows down business processes and hinders cooperation within the company and partnership.

Mr. K from company K supposes that the major barrier to widespread utilization of talent management tools in Russia is lack of working culture and meritocratic processes of hiring and development of employees.

Trying to highlight the major obstacle for talent management development within Russian companies, employee C from the company C states that non-transparent career ladder is what prevents Russian companies from getting to the next level. The fact that for certain, “special” employees everything can be arranged when needed, frustrates hopes of other employees regarding their career prospects - as a result they lose any kind of motivation and see no point in outperforming.
Talking about major problems concerning development of talent management in Russia, employee D says that first and foremost, the problem lies in the field of power distance - it should be shortened, so that employees could feel free to turn to the seniors. He also argues that career development must be more transparent, more dependent of personal achievements and development of the employees, not their relationship with the top management.

As far as the obstacles to development of talent management in Russia are concerned, employee E from company E says that, in his opinion, it is, first and foremost, from the part of the government - bad conditions and poor environment for professional development in one or another specialization. Additionally, such a problem is dependent of the people’s attitude to their self-development - in Russia many people are unwilling to learn and have a lack of motivation to outperform within companies.
5 Analysis of the Empirical Findings

The following chapter includes the analysis of the data presented in the Empirical Findings conducted on the basis of comparison of the obtained information with the theoretical concepts presented in the chapter Literature Review. The analysis is built around the research questions: What are the conditions that constitute opportunities and barriers to employing TM tools in Russia? How is TM approached in the particular Russian context?

5.1 Defining Talent

Prior to examining how companies in our sample explain the word talent, we find it necessary to clarify factors that had an effect on their definitions. In the Russian language “talent” is synonymous with the word “gift”, that is, a distinctive and extraordinary property that individuals are gifted with from birth. It is associated with creative field e.g. music, performing arts, painting, sculpture, audio-visual arts; and not with business sphere. The formation of a group “talented employees” might not be well received in some organizations in Russia due to the egalitarian approach to staff structure that traces its origins back to the USSR period when everyone was believed to be created equal. More than that, there is a deep-rooted belief that also stems from Soviet working culture, that distinction between employees can be based either on one’s corporate title or seniority, which can to some extent explain reservations towards talent management.

All the definitions of talent provided by the companies’ representatives were very varied, yet the different definitions were not without consensus. The interviewees “divided into two camps” regarding the considerations on the nature of talent. The first group claimed that talent is innate abilities available to a small proportion of people (entity mindset), whereas the other group sees talent as acquirable competencies that everyone can develop (incremental mindset), which ties well into theoretical statements made by Meyers, van Woerkom and Dries (2013), Silzer and Church (2009), Dweck (2012) about tensions concerning the nature of talent.

On a more abstract level, the representatives of company A, company D, company H, company J, company E, company L perceive talent as giftedness. The employees regard talented people as the ones who being endowed with exceptional talents or remarkable gifts demonstrate impressive results in a certain area, which support the notion that Vinkhuyzen, van der Sluis, Posthuma and Boomsma (2009), Howe (1990), Passow, Mönks, and Heller (1993), Stoeger (2009) brought up when describing the approaches to talent.
The representatives of the company B and company K define talent as self-fulfillment through the advancement of one’s inborn capabilities, which fits well with the potential approach to talent proposed by Silzer and Church (2009), Altman (1997), Yost and Chang (2009).

The representatives of the company G see talent as strengths that enable an individual to demonstrate high-level performance and outperform other employees. A proper use of one’s strengths is accompanied by positive feelings like self-fulfillment or increase in intrinsic motivation, which corresponds to the approach to talent suggested by Biswas-Diener, Kashdan and Minhas (2011), Wood et al. (2011), Peterson and Seligman (2004).

The representatives of the company C claim that talent is a set of knowledge and skills that an individual utilize to his/her greatest advantage that matches the definition of talent as competencies put forward by Hoge, Tondora and Marrelli (2005), Campion et al., (2011).

The representatives of the company F and company I describe talent as an ability to demonstrate high efficiency and quality performance that coincide with Altman’s (1997), Dries and Pepermans’ (2008), Subotnik, Olszewski-Kubilius and Worrell (2011) approach to talent as high performance.

The majority of the interviewees turned out to be the supporters of stable and exclusive nature of talent defining the term as a giftedness. They comprehend it as a rare, valuable, inimitable and genetically determined ability. When we asked them to reflect on the meaning of talent, they spoke about outstanding individuals such as Alexander Pushkin, Leo Tolstoy, Pyotr Tchaikovsky, Mikhail Lomonosov. Most Russian people will agree that talent is a unique feature limited to a tiny proportion of general population who are blessed with exceptional capabilities and aptitudes.

In the same way, managers who have an exclusive/stable approach to talent are convinced that only very few employees are talented - less than 20 percent of the workforce (Meyers, 2015) - and their brilliance is what nature puts at their disposal. Holding such a belief, these managers separate employees into two categories: the first one consists of those few individuals who possess a talent, and the other comprises those ordinary people who do not. The former group is without a shadow of doubt can contribute significantly to a company’s performance and gaining the edge over competition. The latter group is needed just to maintain the day-to-day running of a company. Their talent management strategy is focused on identifying extraordinary employees and providing them with favourable treatment in the form of higher salaries, special perks and benefits, quicker advancement within a company and so on; thereby enhancing their retention rates (Meyers, 2015). On the recruitment end, they will do their best to determine, attract, and hire talented employees working for competitors - or, in other words, fight the ‘war for talent’ (Meyers, 2015).
5.2 Peculiarities of Work Experience in Russia

5.2.1 General Attitude to Work in Russia

We asked our interviewees about their general impression of their work experience in Russia in order to get people’s opinion of the way everything works in Russian companies, understand how they feel about what they do for companies, whether they feel valued or not and if they regard this experience to be useful.

What we have learnt is that Russian companies do not rest on their laurels and conduct vigorous activities, which can be both interesting and confusing at times. However, as the representatives of Dom.RF, Association of Russian Banks and Rosbank have noted, business in Russia is not stable at all and its unpredictability is often the result of either inner negligence or some external factors and uncertainties. This creates a kind of “near miss incidents” requiring immediate deployment and decision. By virtue of their urgency and importance for business to prosper, companies have to switch to resolving emergencies instead of focusing on their priorities, which affects their subsequent performance.

This empirical finding favours Hideaki Nukaya’s (2017) opinion that Russian companies exist in a volatile economic environment. We believe that in some cases the aforementioned unpredictability can exacerbate due to the fact that Russian people often rely on a bit of luck, which is a distinguishing feature of a Russia-specific mindset. Top managers cherish hopes that problems encountered may work themselves out and do not take drastic action in order not to expose themselves to the risk.

Nukaya also states that foreign companies operating in the Russian market have more chances for success and stability. One cannot help agreeing with this fact, since our research has shown that only 1 out of 7 employees working for foreign companies in Russia associates his experience with unpredictability, which we assume may be connected to the fact that he works in the professional services industry for an advisory company - it is common knowledge that consultancy provides eyes and ears for unpredictable times, thus, always deals with uncertainty.

As far as other interviewed companies are concerned, the overall viewpoint is rather positive: people call their work experience cognitive and valuable. Being challenging, work in Russia is regarded to highly contribute to people’s development and knowledge - in Russian companies one can always meet talented and interesting people.

Another critical finding of our study is that 7 out of 15 of interviewees have ever confronted violation of labour law in one way or another. Most interesting, however, is the fact that all the
representatives of Russia-based companies experienced this problem, while only 2 employees of multinational companies had to deal with the issue, which coincides with the results of research carried out by RANEPA Monitoring Center of the Institute of Social Sciences. Thus, in international companies the level of compliance with law is much higher than in local organizations that are lawless.

5.2.2 Diversity in Russian Companies

As it becomes obvious from the interviews we conducted with the representatives of Russian companies, there is a lack of diversity within Russian organizations. Even though some of the polled mention little diversification in their companies, it is majorly the result of internal migration and this country’s distinguishing feature, namely multiethnicity. Few nations on Earth can rival Russia's vast human resources or its diversity. Being a multinational state Russia encompasses over 186 ethnic groups designated as nationalities and therefore local companies enjoy a wide pool of diverse applicants. According to the interviewees, many people come to the Central regions of Russia from the less developed ones to work for large companies, which also corresponds with the fact that regional gaps in the living standards remain relevant at present (Kuvshinova 2017). What attracts these people is a higher level of living standards and wage. Nowadays, there is a kind of vicious circle concerning this issue: in order to be developed, off-center regions need qualified workforce, but there is no proper environment to attract and retain talented employees.

However, the above-mentioned Russian “diversity” is not that very diversity multinational corporations can boast. According to Global Talent Competitiveness Index report (INSEAD, 2018), workforce diversity coming from, first and foremost, the variety of educational backgrounds contributes greatly to global competitiveness. Russian labour majorly consists of people graduated from national universities that still cannot offer proficient and practice-oriented education in leadership, human resources and management fields (Fey, Bjorkman, & Pavlovskaya, 2000). According to the preliminary questionnaire, the interviewed people sustain this fact, since nearly all of them graduated from Russian universities and have never taken any foreign courses (Appendix 1). We do not claim that Russian educational system is not good enough to build a successful career, but we are positive that foreign education broadens one’s mind, giving opportunity not only to learn some other cultures, but also to borrow some benchmarks, which contributes to one’s creativity and problem-solving.
Our empirical findings also comply with the showings of PwC report (2016), according to which Russia scarcely focuses on the human capital diversity (4%), placing almost 7 times less emphasis on it than the USA (27%) and almost 6 times less than all other countries (22%). There are few expatriates and foreign experts in Russian companies, which undoubtedly affects their performance.

In contrast to the employees of Russian companies, people working for multinationals operating in Russia claim that some positions within top management are occupied by foreigners. More than that, nearly all the respondents representing foreign companies in Russia mention that there are constant rotations between different countries, which provides the company with expatriates. Availability of foreign experts grants companies with an opportunity to improve their performance due to the fact that diversified workforce is engaged in a constant exchange process - this is relevant both to cultural and professional sharing. One of the interviewees (Reckitt Benckiser) emphasized that such pooling of experience and involvement of foreigners is aimed at adoption of foreign benchmarks as well as increase in creativity within companies. This notion once again corresponds with the aforementioned INSEAD (2018), proving the idea that those who develop through diverse experience become cognitively more complex.

5.2.3 Power Distance

We are inclined to believe that power distance is an extremely significant category demonstrating the specifics of the corporate culture of one or another company. More than that, we have found that power distance is perceived by the majority of the interviewees as a criterion of openness as well as the level of benevolence (willingness to help others) within a company.

As our empirical analysis has shown, Russian companies typically have a hierarchical vertical structure with large power distance, which usually decreases along with employees’ career development and their relation to top management. Such bossdom, defined by Holden and Vaiman (2013), dramatically hinders the development of talent management system within Russian companies. The interviewed employees claim that the existing level of power distance suppresses cooperation between different managerial levels, which badly affects their work efficiency and exchange of ideas. Even though nearly all the people reckon that one can always ask for some help or a piece of advice within their company, they wish top management was more available for junior grade employees. Such level of power distance in Russia may also be understood as unwillingness to make arrangements and cooperate with people, which results in the lack of motivation and determination among employees.
The situation regarding power distance is slightly more favorable within foreign companies operating in Russia. Here, the interviewees state that there is a very flat hierarchical structure with almost no power distance, which may be attributed to the fact that these companies function in accordance with Western benchmarks, which, in their turn, imply absence of power distance. Yet, the representatives of the foreign companies state that some sort of subordination is still present, which may be associated with the disparity of ages and dominance of Russian mentality over best practices. As it comes, these tendencies prove the idea that Russia leans toward the Asian culture rather than the European one (BCG 2017) on a par with China and Saudi Arabia.

5.2.4 The Role of Interpersonal Relations in Regard of Career Development

We asked the representatives of both Russian and foreign companies, whether interpersonal relations can somehow influence people’s career development. What we learnt is that attitude to this phenomenon is extremely different within Russian and foreign companies.

Nearly all the respondents working for Russian companies claim that personal relations and networking are of great significance. They say that relationship with top management is of utmost importance, since it can directly affect one’s promotion. These findings conform the results of the survey conducted by the Russian recruiting agency Superjob (2017) showing that interpersonal relations matter for Russians in terms of career development. It also serves as evidence to what Elena Gorelova claims (Vedomosti 2016) about attitude to nepotism and cronyism - 46% of Russian employees say they have ever worked together with their relatives or friends. For purposes of the protection of anonymity of some companies, we did not put the following findings in the previous chapter, but we can mention them here without naming as a part of our analysis: several representatives of the Russian companies told us that they have ever witnessed occasions of pulling the strings or dominance of relations over professionalism within their company. However, they say that more often than not it led to loss of real talents’ promotion and, as a result, poor efficiency and performance of the company. We regard it to be another proof of the opinion common with many experts that nepotism hinders improvement of talent management system in Russia (Gorelova 2016). Trying to promote one’s friend or family member, top-managers may neglect other talented people who can really outperform and take a company to the next level.

As far as foreign companies operating in Russia are concerned, they do not lay emphasis on personal relations, focusing first and foremost on people’s achievements. Interviewees claim that relationship with top managers cannot affects one’s application process or promotion, since
everything is very transparent and depends on employees’ fulfillment of certain KPIs. Promotion of one’s friends or close family members on the basis of the relationship is strictly prohibited in foreign companies, since contradicts with the corporate culture and application system of these companies.

5.3 Development and Retention of Talents

5.3.1 Professional development

The companies investigated agree with the statements by Commander and Denisova (2012), Latukha (2015), Falaleev (2010), Murray (2008) that there is a fundamental mismatch between higher education and job requirements. In order to shorten this gap, the majority of interviewees (7 out of 12) embarked on their career while doing their university degrees and had to juggle their job duties with studies, thereby acquiring relevant experience by the time they graduated. Otherwise, they would have founded it much more difficult to find a job in a prestigious company.

The next trend is that employees in Russia often take jobs in spheres different from their university majors according to Kuzminov et al., (2013); Fey, Bjorkman and Pavlovskaya (2000). As it has been stated earlier, a degree is of utmost importance in Russia, since it is believed to be a determining factor in finding a lucrative job, especially if it is issue by one the top universities. Yet, in Russia people do not have any guarantees that they will be able to get a job in the area consistent with their specialization due to the unstable labor market conditions. They usually work for the companies where they are hired.

Having compared the educational background with career record of the interviewees we identified both matching (e.g. territory education in banking followed by a carer as a banker) and discrepancy patterns (e.g. territory education in philology followed by a career in sales) in the representatives’ higher education and work experience. Moreover, some interviewees demonstrated a homogeneous employment record in one or related business areas whereas others adhere to a more heterogeneous work experience in unrelated or sometimes even diametrically opposite sheres.

Therefore, it seems that companies in Russia should pay special attention to development programs and training sessions of employees in order to fill the gap in their education. However, as proposed by Latukha (2015), Andreeva et al. (2015) and reaffirmed by the interviews we have conducted, the level of implementation of talent management in local companies is relatively low, while foreign companies have developed talent management programs.
The systematic approach to development of human capital is absent in Russian companies, since they tend to outsource some elements of employee training systems on irregular basis. More often than not, this takes the form of one-time training programme aimed at handling the current issues of a company. Internships or undergraduate trainee programs are not common with Russian companies.

With regard to two powerful management tools, especially when it comes to talent management - empowerment and delegation, the respondents indicate low level of responsibility in Russian companies, which is consistent with the findings of the research carried out by BCG (2017). They explain that managers in Russian companies try to control people, set out in the tiniest detail how things are to be done and with what outcome, walk around and monitor the progress and insist on being informed about everything, which eventually results in low staff morale and productivity. Employees who are micromanaged experience less job satisfaction feeling neither motivated nor trusted. Being tightly controlled, employees stop learning and developing, brainstorming ideas and trying to understand what they are doing, because they simply execute orders without giving it much thought.

Foreign multinational companies, vice versa, exercise talent management to a great extent. Upon being recruited by this type of companies, one has to attend introductory trainings as well as job rotations, then there is an opportunity to choose elective training courses on the most interesting topics. As a rule, there is a defined percentage of training hours on each position, which is mandatory KPI in order to further advance in one’s career. If one receives a promotion, he/she is sent to participate in training programs that last up to one week to prepare an employee for a new role within the company. In some industries, there is also a possibility to select courses for obtaining international certificates such as CFA, ACCA. On top of that, some companies organize summer internships for undergraduates on successful completion of which they provide deferred offers to best interns, thereby letting them finish their higher education or offer flexible working hours for working students.

Representatives of multinational companies estimate their level of ownership in a company as relatively high which confirms the result of the study by BCG (2017). They told that managers provide employees with increased responsibility and personally challenging work, so as to make them more efficient and relevant in their positions as well as engaged by what they do. Making the most of their strengths, carrying out meaningful responsibilities without being micromanaged, they have daily opportunities to learn and grow.

To sum up, international companies pay much more attention to the application of TM techniques in comparison to domestic organizations. Russian companies do not yet grasp the
importance of the systematic approach to employees’ development and learning. More than that, local organizations do not realize that when both managers and employees play active role in determining problems, evaluating suggestions and making decisions, this leads to enhanced company performance and financial health, since an organization benefits from the synergy that comes from a wider choice of options. Employees that have a say in the business operations feel personally liable for the company success. Besides, a sense of ownership in a company helps to maintain the staff morale and productivity at a high level.

However, the gap between the international companies and Russian companies in terms of the level of utilizing talent management tools will be slowly but steadily shortening. According to Muratbekova-Tourn, Kabalina and Festina (2017), Russian companies will not afford to put off a widespread use of talent management as the result of fierce competition caused by the influx of international companies into Russian market that boast far better resources for attracting talented employees. The competitive pressure will force local companies to improve their talent management practices and internationalize, otherwise they risk losing their profitability.

5.3.2 Career Advancement

Russian companies can be divided into two main groups: the first one includes companies without a corporate ladder, that recruit high performing employees from the labor market or “poach” them from other companies. They attract people with the help of fat paychecks and personally challenging work, yet employees who work for such companies realize that they will not have any career advancement opportunities there. The second type is composed of companies that try to create necessary conditions for attracting young talents and enhancing the loyalty to their brand through creating open internship positions, special development programs for young employees and so on. They do have a straightforward career ladder, yet it is usually offered to employees under a certain grade, and once they have reached these positions, employees are unable to advance further in their careers. When these companies need to fill executive positions, they prefer to hire people from the market instead of opting for internal recruitment and resigning current employees.

In Russia some external factors may play a major role when it comes to employee’s promotion. Positive or negative personal relations with those at the top of a company hierarchy often have a strong impact on career advancement and promotional opportunities. The absence of open discussion of employees’ performance between a company's managers and the informality and privacy of the decision-making process related to career advancement lead to non-objective
performance evaluation of employees and shape unfair decisions about their further professional development.

In most foreign companies there is a transparent career ladder and favorable conditions for newcomers to experience a rapid career development. The main factor behind employees’ promotion is compliance with the job description and the ability to exceed expectations when fulfilling the assigned tasks. While the major obstacle to employees’ development is inability to present the expected capabilities and knowledge.

The vast majority of respondents that work for Russian companies mentioned that unclear criteria for promotion of staff in a company and that promotion based on favouritism prevent them from climbing up the career ladder. This discourages employees from demonstrating high level performance and showing commitment to the company they work for. Yet, people want to build their career transparently and predictably: when growth depends only on their real achievements. Thus, being one of the most important employee retention tools, career advancement opportunities need to be made as fair as possible.

5.3.3 Financial issue

It is safe to assume that everybody needs fair compensation for the work they do. People have financial commitments and need to be certain they will be able to meet them. However, for many people a fat paycheck and a bunch of drop-dead perks are not important in themselves, but rather in what they represent. What is really important for them, is recognition of their efforts: they need to know that the leader genuinely appreciates their contributions and treats them as valuable assets rather than cogs in the machine.

According to the interviewed companies, representatives of both Russian and foreign companies have demonstrated low satisfaction rate with their salaries. However, the level of salaries in foreign multinational companies is lower than in Russia-based companies. Despite their low income, employees do not want to look for another job.

When it comes to local companies, this can be explained by the fact that people are reluctant to change jobs. Taking into account the labor market dynamics, they are afraid of not being able to find credible alternatives quickly and having to leave on meagre unemployment compensation, which is in line with the notion of Dokuchaev (2016).

As far as foreign companies are concerned, money is not a top priority for their employees. The majority of them lay great emphasis on learning and development, desiring to gain experience and knowledge. They opt for lower-paid jobs in non-hierarchical companies with a friendly
working environment where everything is geared towards letting people focus on being productive and realizing their full potential. This is in line with the findings of Fey et al. (1999), Fey and Bjorkman (2001), Fey and Shekshnia (2011) about the role of professional development in Russia.

Our data validate the conclusions of Alas and Rees (2006) about the changes in values of employees from lower-order needs, such as payment to higher-order needs, e.g. valuable experience as well as development. Our empirical findings also suggest that people are attracted by Western approach to professional development, working environment and management style and prefer to work for Russian subsidiaries of multinational companies rather than for local companies, which supports the findings of the study conducted by Fey and Shekshnia (2011).

5.4 Industry peculiarities

Looking at the issue of talent management from the industry level, there are two types of industries: “knowledge-intensive” and “labor-intensive”. Knowledge-intensive or human capital-intensive industries are heavily reliant on professional knowledge and provide services rather than tangible goods, they include financial sector, high tech companies, consulting firms and so on. For this type of businesses, the most important factors contributing to success is people, those who make up the organization. They understand that building a great team is vital because the quality of work they do never exceeds the quality of team behind it. Having talented leaders at all levels significantly improves performance and enables these organizations to outperform competitors. These companies are aware that they must manage talent to the fullest extent to achieve the best possible results, so they constantly invest in employees' professional growth and development making sure their skills stay ahead of the curve. Labor-intensive industry is the one that produces goods or services using large amount of labor with low level of skills or education. Clothing manufacture, agriculture, mining are examples of labor intensive industries. Companies in labor-intensive industries do not need to hire, nurture or keep talented leaders to increase their productivity and output. In order to gain an edge over the competition, they would rather invest in new machinery or technology than in employees because people do not create any added value for them.

However, in Russia the situation is slightly different. Cheap money that comes from oil revenues demotivates the business sector and deprives it of the opportunity to generate money in a market competitive environment. As a result of this, a hierarchy of power arises, in which employees do not have a voice and influence over company activities, they are like cogs in a machine whose contributions are not appreciated or valued at all. The decision-making process is
concentrated in the hands of a few top managers and employees mindlessly follow the directions from the top, since there are no mechanisms for making market-oriented decisions, which also mentioned in the study by BCG (2017) and Latukha (2015), Holden and Vaiman (2013).

Furthermore, having to steer their companies under such domestic economic environment, executives are not interested in identifying, developing, engaging or retaining talents to improve performance of their companies. Since human capital is not their greatest asset and competitive advantage, Russian companies do not really exploit talent management tools. Executives distance themselves from subordinates as much as possible, since they do not regard them as greatest asset. The development of young specialists is irrelevant for Russian companies, since there are no objectives for which they could be developed. Finally, interesting and challenging tasks that could arise in a strong competitive market conditions are replaced with the ambitions of people in power.
6 Conclusion

The current section of the thesis project draws conclusions to the analysis we have carried out throughout the work. We hark back to our research questions and finally answer them, fulfilling the main purpose of our thesis. At the end, we also indicate our suggestions regarding further research.

Our study has determined how talent management is developing under Russian context. We have identified that macro and meso factors have a direct influence on how talent management is approached by companies in Russia. Apart from having an effect on the process of employing talent management tools in Russia, these levels are interrelated and interconnected. Thus, talent management in Russia is evolving today in accordance with these complex multifaceted relations that are presented below (Fig. 7).

Figure 7. Contextual relations influencing talent management in Russia

![Diagram of contextual relations influencing talent management in Russia]

Source: created by the authors.
It is obvious from figure 5, that there are strong interdependencies between the way talent management is practiced in companies and macro as well as organizational contexts. More than that, the macro level has a considerable impact on the meso one, since companies are strongly influenced by the surrounding environment they operate in, being affected by the economy, legislative framework, situation on the labor market and education system “producing” a certain kind of experts.

The analysis of the empirical findings obtained through interviews allowed us to answer our research questions, one of which deals with the opportunities and barriers for the development of talent management in Russia. Our research fully complies with the existing theories on this issue and develops them making a number of interesting insights in addition to previous studies conducted by the following authors. We believe that the main obstacles for talent management system in this particular context are:

- **High level of power distance**, which hinders cooperation between employees, thus preventing them from their experience and ideas exchange, which is in line with the findings of the study carried out by Holden and Vaiman (2013), BCG (2017).
- **Avoidance of uncertainty and low level of responsibility**, resulting in the constant risk aversion and inability to take drastic action, which retards companies’ development and leads to recurrent problems; this issue is also elaborated on in the study by BCG (2017).
- **Lack of diversity**, discouraging employees from thinking outside the box and cultural exchange that could diversify practices applied by companies; which supports the results of the research conducted by Fey, Bjorkman and Pavlovskaya (2000), PwC (2016), INSEAD (2018).
- **Non-transparent career development and nepotism**, meaning vague career prospects for those who do not have any networking with top management, due to which employees lose motivation and many talented people remain unpromoted. This conforms the suggestion of Gorelova (2016), Superjob (2017) and Vedomosti (2016).
- **Lack of attention to employees’ training**: making light of coaching sessions and training courses - employees and seniors perceive them as a time-consuming activity detaining from their current work. This fully complies with statements of Latukha (2015), Andreeva et al. (2015).
- **Low level of salaries**, demotivating employees from working for Russian companies, is not offset by other advantages like in foreign companies; which goes in line with the study carried out by Dokuchaev (2016), Fey et al. (1999).
Trying to answer the second question regarding the approach to talent management in Russian context, we discovered that the attitude to it largely depends on the origin of a company: in Russian companies it differs from the way it is approached in foreign companies operating in Russia. Russian organizations have a less mature approach to TM than Russian subsidiaries of foreign companies. In spite of the fact that some peculiarities of Russian mindset still have an impact even on the foreign companies, it was revealed that they tend to be more pro-Western, borrowing some of the benchmarks.

We are inclined to believe that our research may be useful for Russian companies and their top management, since it may help them to remove the scales from the eyes and identify their bottleneck. We are positive that this thesis contributes to employees’ awareness of current state of affairs in Russian companies. We also think that the government could benefit from our study in terms of putting more focus on the improvement of legislative framework and education system.

6.1 Practical Implications

In order to facilitate the development of talent management in Russia, we suggest that the level of power distance should be reduced, at least there is a potential for such reduction. Russia-based companies are moving away from rigid, hieratical, bureaucratic company structures to more flat and flexible ones in an effort to internationalize and adopt best Western practices.

The degree of employee initiative needs to be increased by letting them decide on how to perform certain tasks while providing them with guidance if needed. In fact, empowerment is one of the best practices that gives employees opportunities to learn and grow on a daily basis and make the most of their strengths handling progressively more challenging assignments. More than that, both employees and top managers should divest themselves of the idea that risk is undesirable, while any change is only for the worse. Such “risk-avoidance” mentality impedes choice between different scenarios and quantum leap.

Moreover, the criteria on the basis of which employees are promoted can be made more transparent and straightforward. Open discussion about all the positive and negative aspects of the employee’s work and personal qualities, where everyone with whom this employee has worked has the opportunity to speak up, helps to avoid personal sympathies and conflictual relationships and makes the process of employee promotion much more effective and honest. Another important aspect is that nepotism common with Russian companies hinders the development of real talents - there should be no insider/outsider distinction in regard of career prospects.
Also, managers should be interested in the professional and personal development of their subordinates, since in Russian companies’ executives often suffer from the complex of weak leaders who are afraid that their followers can be cleverer, more gifted or capable than they are, and therefore surround themselves with poor performing employees.

Last but not least, there can be no walking away from the role of personal relations neither in Russia nor in Western countries, since they are a natural emotional part of all humans, yet, it is necessary not “to be blinded” and remain objective in assessing professional qualities even of the closest friend.

Overall, there is no particular recipe for development of talent management within Russian companies. Needless to say, it is impossible to shift gears at once by just taking patterns of successful multinationals. However, taking into consideration the aforementioned areas of growth, one can take advantage of the best practices by setting explicit long-term goals along with being sensitive to the peculiarities of the Russian context.

6.2 Suggestions for Further Research

In the beginning of our thesis project, we defined certain delimitations concerning our research, in regard of the context-embedded analysis. We decided to focus our study on the macro and meso levels, having approached a limited number of companies, hence further empirical research with a larger sample size would validate the obtained results.

Furthermore, we are convinced that in-depth study of this issue from the point of the individual level would be also beneficial. Carrying out a research with a focus on employees and their particular role in the talent management system could present new insights and empirical findings.

Another suggestion for further research is to approach companies operating not only in Russia, but also in other developing countries. By doing this, one can make a comparative analysis between attitude to talent management in different countries, thus, define deeper differences between various practices or even mindsets.
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Appendix 1. Preliminary questionnaire

1) Name, age, nationality
2) Education background
3) How many years of work experience in general do you have?
4) What is your general work experience? Please, state the names of the companies you have ever worked for.
5) Have you ever lived abroad? Yes/No
6) Have you ever studied abroad? Yes/No
7) Have you ever worked abroad? Yes/No
8) Do you consider your current work to be interesting and relevant? Yes/No
9) Would you like to change your workplace? Yes/No
10) Does your current employer apply talent management system? Yes/No
11) Would you make any changes regarding talent management system within your company? Yes/No
12) Are you satisfied with the current situation regarding employment in Russia? Yes/No
13) Have you ever experienced violation of labor law? Yes/No
14) According to you, what are the most problematic issues regarding talent management system in Russia nowadays? Please, mark the chosen points:

- Level of Responsibility
- Employees’ Diversity
- Power Distance
- Nepotism
- Attitude to Employees’ Training and Development
- Transparency of the Career Ladder
- Wage level
Appendix 2. Interview guide

1) How do you define talent?

2) Please, describe your work experience in Russia in one word.

3) Are the employees in your company culturally and nationally diversified?

4) Please, indicate your responsibility level from 1 to 5:
   - when you came to the company, at initial stage
   - in 6 months
   - in a year
   - in 2 years

5) Please, describe the level of power distance within your company.

6) How much attention does your company pay to employees’ development and training? Please, describe, how does your company develop its employees.

7) How fast is the career development within your company? How transparent is it?

8) What are the key factors of employees’ promotion?

9) What is the main obstacle for employees’ promotion?

10) What role do interpersonal relations play in career development within your company?

11) If you have worked in both Russian companies and foreign companies operating in Russia, please tell us the main differences regarding this work experience? (level of responsibility, power distance, attitude to training, career transparency, wage, etc.)

12) If you have ever worked abroad, please tell us the main differences regarding this work experience? (level of responsibility, power distance, attitude to training, career transparency, wage, etc.)

13) What do you consider to be the main problem of Russian companies and why? (level of responsibility, power distance, attitude to training, career transparency, wage, etc.)