St. Petersburg State University Graduate School of Management Master in Management Program

# DETERMINANTS OF SELF-INITIATED EXPATRIATES' RELOCATION DECISIONS: THE CASE OF RUSSIA

Master's Thesis by the 2nd year student

Master in Management – CEMS

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# ЗАЯВЛЕНИЕ О САМОСТОЯТЕЛЬНОМ ХАРАКТЕРЕ ВЫПОЛНЕНИЯ ВЫПУСКНОЙ КВАЛИФИКАЦИОННОЙ РАБОТЫ

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Описание цели, задач и основных результатов	Целью данного исследования является определение ключевых факторов, влияющих на решение о релокации добровольных экспатриантов, а также выявление тех практик управления талантами, которые смогут воздействовать на возвращение добровольных экспатриантов обратно в Россию. В результате качественного анализа были выявлены факторы, определяющие решение о релокации из России добровольных экспатриантов, разделенные на три уровня: индивидуальный, организационный и страновой. При этом автор исследовал роль практик управления талантами на релокационные намерения добровольных экспатриантов и выявил, какие практики смогут быть использованы как механизм репатриации.	
Ключевые слова	Международная миграция, добровольные экспатрианты, управление талантами	

## **ABSTRACT**

Master Student's Name	Kristina Kim
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Description of the goal, tasks and main results	The aim of this study is to identify the key factors influencing the decision to relocate of self-initiated expatriates (SIEs), as well as to identify those talent management (TM) practices that may affect the return of the SIEs back to Russia. As a result of a qualitative analysis, the factors that determine the SIEs' decisions to relocate from Russia were identified, divided into three levels: individual, organizational and country. At the same time, the author investigated the role of TM practices in the intentions of SIEs to relocate and identified the specific TM practices that could be applied as a mechanism for SIEs' repatriation.
Keywords	International talent migration, international mobility, talent management, self-initiated expatriates, SIE

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#### CHAPTER I. THEORETICAL FOUNDATIONS OF SELF-INITIATED EXPATRIATES

#### 1. Introduction

With the growing importance of qualified human resources for the global knowledge economy, the ability of an economy to compete for highly skilled migrants is becoming a fundamental driver of prosperity (Wittek, 2019). In an environment, in which rapid worldwide economic change is affecting organizations as a whole and human resource management (HRM) in particular (Sheehan & Sparrow, 2012), this competition is expected to increase in intensity (Docquier & Machado, 2016). Thus, the increasing importance of international human resources demands a consideration of how economies compete for available talent.

Employees who show personal initiative are becoming increasingly valuable for businesses for a variety of reasons. Expatriation represents an interesting case since relocating abroad independently is likely to require a comparatively high level of personal initiative (Andresen et al., 2014). By definition, "self-initiated" expatriates (SIEs) are assumed to show personal initiative when relocating abroad (Andresen et al., 2014; Cerdin & Selmer, 2014; Tharenou, 2015). Recently there has been a surge of research and business into independent, internationally mobile professionals (Andresen et al., 2012; Doherty, 2013; Shaffer et al., 2012). The growing number of SIEs entering the global labor market has one major implication: MNCs may use these individuals to fill critical roles in subsidiary operations at a lesser cost than expatriates (Collings et al., 2007).

The majority of the rapidly expanding literature on business expatriates has been on organizational expatriates who have been sent to a foreign location by their parent firms (Tharenou, 2013). However, there is far less study on SIEs who themselves have decided to expatriate to work abroad (Andresen et al., 2012). Moreover, few studies have investigated the factors that determine SIEs' decisions to relocate, particularly on emerging markets. Therefore, this study addresses existing critical research gaps around the factors influencing self-initiated expatriation from Russia and the role of talent management (TM) in SIEs' repatriation process.

Research Subject: Factors influencing SIEs' relocation decisions and TM practices.

Research Object: Self-initiated expatriates (SIEs).

**The goal** is to define factors that influence SIEs' relocation from Russia and to investigate the role of TM practices in repatriation of Russian SIEs.

The key research objectives are defined as follows:

1. To review and analyze academic literature in human capital, talent migration, TM and concept of SIE;

- 2. To differentiate critical determinants that encourage Russian SIEs to relocate and study the influence of TM practices on this process;
- 3. To conduct semi-structured in-depth interviews with Russian SIEs to explore the determinants of their relocation and what TM practices can influence their repatriation to Russia;
- 4. To provide recommendations for organizations based on extensive data analysis for successful application of TM practices for SIEs in order to gain competitive advantage as employer.

#### **Master Thesis Structure**

This master thesis is consisted of four chapters. The first chapter is dedicated to the literature review of the main concepts related to TM and SIE. The methodology applied in this master thesis along with its relevance to the research is described in the second chapter. The third chapter is devoted to the empirical part with generalizations, discussion and analysis of the conducted interviews, conclusions and the development of an empirically grounded model. The fourth chapter concludes this master thesis and describes the theoretical and practical contribution, limitations and recommendations for future research as parts of the main results.

#### 1.1. Human Capital theoretical background

A number of scientific works have been written about the reasons why certain high-skilled employees choose to move. The traditional approach to investigate the relocation phenomenon views the roots of these reasons as inconsistency of different countries in their economic or political environment driven by globalization processes (Pasban and Nojedeh, 2016). Some other researchers suggest that international migration is a way of how such employees react to the imbalance between different nations (Ployhart and Moliterno, 2011). This approach supports earlier developed "exit and voice" framework by Hirschman (1970) that claims that decision to stay in country of origin (COO) signals individual's eagerness to voice to improve current situation, while decision to migrate may be seen as the choice to "escape" or avoid the problem.

The most popular research idea, however, was offered by American scholar Sjaastad (1962) in one of the first studies on migration. As the author suggests, individuals and households move to enhance their human capital (HC) and, as a result, their capacity to earn more money throughout their lifetimes.

HC is being widely used in different fields: economics, human resource development, and national planning with different meanings in different fields.

HC theory has list of advantages compared to other approaches elucidating migration phenomenon (Gennaioli et al., 2013; Becker, 2002). It explains differences in perceptions of migration worth among people of various ages by adding a temporal lag in getting advantages from migration. Moreover, unlike many other frameworks, this theory does not restrict itself to explaining simply the economic benefits and costs that migration may bring; it proposes that they may take a non-monetary shape.

#### Foundational studies on HC

Based on the comprehensive literature research, there are different views on who was the founder of the theory of HC. Some researchers (Hewitt-Dundas, 2016; Currie & Almond, 2011) believe that this concept is rooted in the studies of ancient Asia and Greece, while others (Baron, 2011; Leiva et al., 2014) argue that it bases in the works of Smith, Petty, Marshall, Mill, and Fisher.

Other researchers believe that the first to try to define and measure what now is called "human capital" was W. Petty (Poteliene & Tamasauskiene, 2014). Petty believed that labor was the "father of wealth" and that a measure of its value should be included in the estimation of national wealth. All in all, Petty's thesis was that factors other than land and population were important in determining the wealth of a nation.

At the end of the 19th and beginning of 20th centuries, there were formed two directions of economic thought, which discussed the definition of the HC term. The representative of one direction scholars (A. Smith, J.St. Mill, W. Rosher, W. Bagehot, N. Senior, H. Sidwick and others) considered that HC is presented as inherited and possessed by man qualities and abilities, but they did not explicitly include human beings as capital.

Other direction of scholars (G.M. Clark, H.D. McLeod, T. Witshtane, W. Farr, I. Fisher, N.W. Senior, H.D. McCleod, J.H. von Thünen, A. Marshal and others) defined the man himself as capital. Alhough they included human beings as well as their acquired skills and abilities in their concept and saw investment in people as "a means of increasing productivity", they did not use the concept for any specific purpose, nor did they try to estimate the stock of human resources in a quantitative sense (Son, 2010).

However, the theory of HC was formed as a special field of economics only at the beginning of the 1960s, when Mincer, Fabricant, Schultz and Becker gave a different point of view regarding the concept and formation of HC (Currie & Almond, 2011).

So, Mincer (1958) showed that training and skill (HC) considerably affected personal income dispersions. Solomon Fabricant (1959) studied the productivity in the US from 1889 to 1957 and found that the methods and assumptions underlying productivity figures promoted underestimation of intangible capital investment eventually overestimating the productivity. Becker (1960) studied differentials in personal incomes between the college graduates and high

school graduates in the US. Schultz (1961) predominantly identified the relationship of education to HC formation. He further synthesized that people's skills and knowledge is a form of capital although it is not obvious, and showed that education is an expenditure made to both consumption and investment to attribute to the increase in stock of education as double as the increase in national income during 1900-1956.

#### **HC** definition

The deep research of the academic literature shows that HC denotes many dimensions and is quite a complex phenomenon (Blair, 2011). Many scholars emphasize one or another aspect of HC, taking into account their specific research goals, challenges and context (Gennaioli et al., 2013; Baron, 2011; King, 2010; Son, 2010). Despite a plenty of HC definitions in the literature, a number of key elements are common, specifically, knowledge, education, experience, health, competence, trained skills and endowed abilities.

As many factors influence forming and exploitation of HC, these factors can be classified according to various scientific descriptors (Crook et al., 2011). These classifying descriptors include the following: a result of influence (positive/negative); a type of influence (direct and indirect); a type of influence in the process of renewing (intensive or extensive); a level of influence (macro/mezzo/microeconomic/ individual).

In more general terms, the factors that influence HC formation can be classified into 6 groups (Becker, 2002): demographic, socio-demographic, social, economic, organization-economic, and ecological factors. Later Becker (2010) defines HC as "activities that influence future monetary and psychic income by increasing resources in people".

Alternatively, HC can be defined as a collection of features, life trade, knowledge, creativity, innovation, and energy, which people invest it in their work (Wright and McMahan, 2011).

One of the most popular definitions of HC was made by OECD (2001) saying that "it is the knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being". In a very general sense, HC is the knowledge, skill, creativity, and health of the individual (Son, 2010).

#### **HC** benefits

Benefits of HC were perceived even by the early economists. The classicalists' view was that HC mediated in creating the wealth to a nation. Foundational studies of economies and HC theory building studies showed the increased personal incomes (Mincer, 1958; Becker, 1960; Becker, 1964), national productivity (Fabricant, 1959), and national income and economic growth (Schultz, 1961; Denison, 1962; Schultz, 1963).

The accumulation of knowledge and HC has a direct effect on efficiency. In advanced countries, which the growth of gross domestic product has been raised, employees training level has directly increased their working life (Pasban & Nojedeh, 2016). Most social benefits, derived from the accumulation of human capital, such as good health, more urban employment, reduction of crime, and increase in social correlation affect the economic growth in the long term (King, 2010).

As OECD (2007) mentions: "Human capital, after all, is only one factor – albeit an important one – influencing growth".

Blair (2011) also found, in a cross country study of 57 developing countries, that HC together with socio-political stability is crucial to explain the level of financial development.

Moreover, the social capital of a country promotes the society's welfare and directly affects the efficiency of goods and services. For example, the high level of trusteeship in the society reduces the costs of commercial transactions (Currie and Almond, 2011).

On the other hand, HC is a crucial factor in company performance (Mazura, 2012; Dahlan, 2014). Muafi (2010) measures HC from three perspectives: level of education, work experience, and competence. Whereas Cheng et al. (2009) measure HC from the level of education, work experience, professional quality, and ongoing training. Each component has a different role in creating a corporate capital that ultimately determines the value of a company (Mazura, 2012).

The organizations' emphasis on human capital is based on the view that the market value of organizations depends more on intangible assets especially HC than on tangible assets (Wright and McMahan, 2011). Employing and keeping the best employees in the organization is a part of this deal. Organizations strive to raise the level of organizational learning, increase the level of employees' skills and abilities through encouraging them, and provide an atmosphere where knowledge is created, shared and applied and learning becomes a habit (Crook et al., 2011).

Furthermore, HC has contributed to the development of intellectual capital. Bontis (1998) has pointed out by his empirical pilot study that HC is a significant component forming the intellectual capital in organizations and it interact with other two component of intellectual capital namely "structural capital" that is the tacit knowledge embodied in organization itself and the "customer capital" that refers to the knowledge of market channel and customer relationships. Bontis (1998) also referring to Hudson (1993), has shown how HC is important as a source of innovation and strategic renewal.

Importantly, Beine, Docqier, and Rapoport (2001) studied the importance of migration prospects in making education decisions and HC formation. They found that two effects are important to HC development in a small, open, and developing economy. First "brain effect" that says that investment in HC increases as it is fostered by the migration opportunities that offer higher expected return in abroad when the economy is open. Second is the "drain effect" that considers the departure of some educated agents that reduces the HC stock. They further explain about a beneficial brain drain that can occur when the brain effect is dominating.

#### **Consequences of HC loss**

The idea of brain drain, which is closely linked to HC theory, is frequently discussed in the literature on international migration. By its definition, brain drain refers to the worldwide transfer of human capital, and it mostly relates to the movement of highly educated people from developing to developed countries (Gennaioli et al., 2013).

The analysis of the various literature resources on the short-term and long-term consequences of high-skill emigration on countries of origin (COO) shows that the impact of the brain drain on a country's welfare and development can be rather beneficial or detrimental (Baron, 2011). While the brain drain has long been viewed as harmful to poor country's growth potential, many economic researches have appeared emphasizing that migration prospects may foster HC formation at origin (Campbell et al., 2012).

There are a multitude of literature sources on brain drain that covered migration of highly skilled workers from the less developed countries to the developed countries.

For instance, using an endogenous growth model, it was observed that when a destination country does not differentiate between the abilities of immigrants, an increase in migration prospects would improve economic growth in the COO (Wright and McMahan, 2011). Moreover, the authors argue that when bias towards skills exists, slack restrictions on the migration of high-skilled workers will damage economic growth in the long run (Chen, 2009). Similarly, it is further suggested that when the unequal distribution of information about the skills of highly skilled immigrants exists, the "brain waste" effect might occur when the expertise of these immigrants is not used adequately in destination countries (Docquier and Marfouk, 2006). In that regard, the authors claim that only people with skills below average have a willingness to migrate (Baron, 2011).

Considering the "economies of scale" in advanced education, the authors argue that the brain drain increased both the education and income levels of the destination countries at the expense of the COO (Campbell et al., 2012). However, skilled migration will affect mostly other skilled workers who do not migrate, more than it hurt the remaining unskilled workers (Ployhart and Moliterno, 2011). This is because these skilled workers used to benefit relatively more from

the scale externality associated with a large "pre-brain drain" stock of skills. Furthermore, when labor productivity and wages depend on the average level of HC, voluntary skilled migration diminishes the average level of HC and productivity in the COO (Gennaioli et al., 2013).

Ployhart and Moliterno (2011) believed that migration is never-ending and always takes place in a similar direction due to higher wages in the destination country, leading to a discrepancy in per capita incomes. In that respect, the outflow of highly skilled migrants is adverse to the COO because the productivity of HC depends on the scale effect in employment. Moreover, highly skilled migration might impede modernization and make obstacles to structural change which is a key feature of the development process (Campbell et al., 2012).

On the other hand, there are a significant number of authors who argue that brain drain may lead to brain gain in migrants' developing COO. So, Campbell et al. (2012) claimed that when future migration involves uncertainty, brain drain may increase average productivity in the source countries. Moreover, when the development of HC is positively affected by international migration opportunities in the COO, an incidental surge in skilled migration rates can lead a COO out of the "underdevelopment trap" through brain gain and "inter-generational transfer of HC" (Campbell et al., 2012).

At the same time, Beine et al. (2001), distinguished two growth effects related to the migration of skilled workers, namely, the "brain effect" and the "drain effect". The brain effect is associated with the potential migration opportunities due to higher expected returns from investments in education abroad. The drain effect is presumably harmful to the COO due to the leaving of a valuable skilled workforce. However, the net impact of these effects depends on which effect is prevailing.

This potential "brain effect" was further confirmed by Hemmi (2004) provided that there is a fixed cost of migration. He argued, though, that a potential migration might cause contradictory effects on long-run growth rate and transitional growth rate in developing countries.

Later Beine et al. (2008) used data on migration by skilled workers gathered by Docquier and Marfouk (2006) to assess the effect of skilled migration prospects on pre-migration HC levels. Their analysis of cross-sectional data from 127 developing countries demonstrated that brain drain led to an increase in the number of skilled workers remaining in developing countries. Furthermore, estimating the net effect of brain drain for individual countries, they came to the conclusion that countries that have a relatively low level of HC and low skilled migration rates are more likely to see a net gain.

Alternatively, several pieces of research have explored brain drain scope focusing on the welfare effects of non-migrants left behind and potential externalities of education acquired by

an individual prior to migration which was partly publicly financed in source countries (Mckenzie and Rapoport, 2010). However, there is little evidence on the possible secondary effects such as return migration and "brain gain effects" in the skilled migrants' source countries. Indeed, to extensively verify such a relationship both likely short and long-run effects should be considered, as the theoretical literature affirms that high-skilled migration might have both positive and negative effects in the source country.

On the other hand, brain drain can also have benefits for COO (Docquier, 2014). The author describes alongside positive feedback effects from remittances, circular migration, and the participation of high-skilled migrants in business networks, innovation, and transfers of technology, considering the effect of migration prospects on the formation of HC in home countries. His new research shows that limited high-skilled emigration can be advantageous for growth and development, especially for a limited number of large, middle-income developing countries. But for the vast majority of poor and small developing countries, skilled emigration rates significantly exceed the optimal rate.

All in all, Doherty (2014) shows rather an argumentative point of view argueing that the impact of the brain drain on a source country's welfare and development can be beneficial or harmful. The evidence suggests, though, that there are more losers than winners among developing countries. Whether a country gains or loses depends on country-specific factors, such as the level and composition of migration, the country's level of development, and such characteristics as population size, language, and geographic location.

#### 1.2. Relocation decisions

Expatriation for professional reasons is, currently, an increasing phenomenon, which spans all geographic regions and all socio-economic classes of the population in developing and developed countries (Xenidis & Gallou, 2014). However, in the scientific literature, there are many approaches to grouping the factors that determine the relocation decisions of highly skilled workers.

Thus, in their investigations, Selmer & Lauring (2011) and Carr et al. (2010) identified five categories of motivations for expatriation: professional advancement, financial incentives, family reasons, life change/escape, and adventure (traveling). Simultaneously, several other studies (Richardson & Mallon, 2005; Richardson & McKenna, 2003) are focused only on professionals and identified similar categories of expatriation motivations.

Dickmann and Mills (2010) argue that the most important factors in deciding skilled migrants to work abroad are: career, self-development, organizational factors, as well as individual

motivation, social life considerations, and national factors. Later they propose also the location factor which determines the capacity of the expatriates to adjust to the different cultures and different living conditions.

Typical motives for the individual to relocate abroad are mostly related to career opportunities, a chance to gain new cultural experience and learning possibilities, family and domestic issues, the location, and the overall assignment offer including the repatriation package and the financial factor of working abroad (Wright and McMahan, 2011). Furthermore, authors more often describe the significance of the interaction of individuals and organizations in expatriation decisions (Vance, 2005; Dickmann & Harris, 2005).

Although there are various approaches to categorizing highly skilled workers' relocation decisions, the general four groups among them can be divided: *career opportunities, personal factors, location factors, and assignment offer*.

#### Career opportunities

Previously, the expatriation literature was focused mainly on the influence of career opportunities on the relocation decisions of skilled workers (Yan et al., 2002; Richardson and Mallon, 2005).

For instance, Ployhart and Moliterno (2011) claimed that career development is the primary reason for managers in moving abroad. At the same time, other authors (Stahl & Cerdin, 2004) observed that skilled migrants appreciated their international experience as an opportunity for professional and personal growth and career development, despite dissatisfaction with the lack of long-term planning in the repatriation practices of their organizations. Stahl et al. (2002) also attributed major importance to job, development, and career issues as reasons for accepting foreign work. Dickmann & Harris (2005) described that expatriates value the opportunity to acquire skills and knowledge which usually are not available at home and consider international work as an important experience for their career development.

Career conscious expatriates are more often seen to be aware of relocation advantageous that increase their job opportunities (Ployhart and Moliterno, 2011). Relocation abroad gives them an opportunity to improve their intercultural capabilities and advance management skills (Currie and Almond, 2011).

Moreover, networking plays a crucial role in the career capital of skilled expatriates and it is likely that the decision to relocate is dependent on the perceived impact on social capital (Crook et al., 2011).

#### Assignment offer

Along with career aspirations, monetary issues are considered by plenty of the authors as crucial to expatriates (King, 2010). Stahl et al. (2002), on the other hand, revealed that the

importance of financial packages has been exaggerated, and that prior research has mostly concentrated on American expatriates. The authors argued that the force of this factor may vary due to the nationality of the sample.

Above all, the assignment offer may be composed of more than financial compensation. So, Ployhart and Moliterno (2011) found that a written guarantee of a position upon completion was seen as an important reason to take an overseas work for most of their respondents. Hence, the longer-term considerations such as repatriation offers might have an influence on the individual's relocation decision.

#### Personal factors

There is an increasing amount of literature that deals with issues beyond the career factors that impact international mobility.

Personal interests of skilled workers to move abroad were also investigated. Beyond that, Mckenzie and Rapoport (2010) found a significant distinction between traditional expatriates' and SIEs' perceptions of international work experience.

Blair (2011) found that many academics accepting work abroad are guided by other incentives such as individual interest for adventure, traveling, and life change.

Harvey also addressed the impact of family on expatriation (Currie and Almond, 2011). Another study focusing on German expatriates (Stahl et al., 2002) described the importance of spouse-related motives in accepting international assignments.

Moreover, the literature covers widely the issues of expatriate couples and dual careers (Wright and McMahan, 2011). All in all, these works show that to provide a successful assignment the readiness of both partners to relocate should be taken into consideration and the family should be supported by company-sponsored mechanisms before, during and after the assignment (Currie and Almond, 2011).

Intimately linked to family issues is the work-life balance. The work-life is also influential since among the challenges it is most often mentioned in international mobility and traditional expatriation (Currie and Almond, 2011).

#### Location factors

The distinction between COO and destination country influenced researchers to investigate cultural distances and processes, and how different types of expatriates adjust to the new international environment (Ployhart and Moliterno, 2011).

Crook et al. (2011) found that location factors can be greater obstacle to accepting expatriation than career or financial issues.

However, the power of influence of location factors is far from clear. For instance, Stahl et al. (2002) found that their respondents only attributed a moderate influence to a geographic

location on accepting expatriation. Furthermore, because researchers tend to ask participants to rank items (Currie and Almond, 2011) it is hardly possible to quantify the differences in influence degrees between items.

#### 1.3. The concept of self-initiated expatriates

Nowadays, self-initiated expatriates (SIEs) are regarded as an interesting group of expatriates, since they represent the contemporary mobility of highly skilled people (Habti & Elo, 2019) and are a crucial facet to the future workforce and to the international economy (Andresen et al., 2019). SIEs are regarded as valuable human resources for multinational enterprises due to their diverse cultural backgrounds, different skill sets, higher availability, and unique career motivations (Cao, Hirschi, & Deller, 2012).

The benefits for the companies deciding to hire SIEs include reduced costs, as this type of expatriates tends to be less expensive because an organization does not need to pay for logistics concerned with moving and training before departure. SIEs may require lower compensations as they may be escaping the economic hardships of their own country. Also, organizations may use SIEs to increase women's count as self-initiated expatriation proves to be less gendered (Andresen et al., 2015).

At the same time, for individuals, the benefits of being SIE comprise of personal growth and development, the ability to get to know a different culture, gaining new knowledge and skills.

#### **Definition of SIE**

Today in the literature there is a wide variety of definitions of SIE.

The concept of SIEs has appeared in academic literature two decades ago (Doherty 2013), when the first article addressing self-initiated work experience abroad published in 1997 (Inkson, Arthur, Pringle, & Barry, 1997; cf. Suutari & Brewster, 2000). SIEs theoretical background still continues to evolve as the differences between types of global workers were relatively recently distinguished (Andresen et al., 2014, Al Ariss & Crowley-Henry., 2013).

One of the definitions widely used in scientific researches is provided by Carr et al. (2005): SIEs are individuals who personally take responsibility for their careers without the direct support of an organization. Others define SIEs as professionals who choose to expatriate and are not moved by their employers (Doherty, 2013), and who migrate to a nation of their choosing to look for work or start a business (Cerdin & Selmer, 2014).

Bergdolt et al. (2012) view SIEs as expatriates who drive international assignments, making first contact with an employer abroad. This definition, however, excludes self-employed

workers, who, if counted as SIEs, might be a relevant source of global talent for companies (Haslberger & Vaiman, 2013).

Several authors agree on the definition of self-initiated expatriate as an individual who undertakes his or her international work experience with little or no organizational sponsorship, often with a less favorable local work contract (Biemann & Andresen, 2010; Peltokorpi & Froese, 2009; Suutari & Brewster, 2000).

However, Andresen et al. (2014) utilize a variety of criteria to categorize SIEs at the person and organizational levels, dividing them into intra-organizational SIEs (Intra-SIEs) and inter-organizational SIEs (Inter-SIEs).

Further investigation of Vaiman et al. (2013) distinguishes more characteristics of SIEs: initiated by the expatriate, voluntariness of the move, temporary nature intended even if open ended, and high skill level.

At the same time, Briscoe et al. (2009) define SIEs as "individuals (typically tourists or students) who travel abroad and seek job while traveling and are recruited in the foreign site, generally by businesses from their own country."

Analyzing all of the above studies, we can come to conclusion that there is no significant pluralism in the definition of SIE among the authors. However, the following definition can be considered the most complex. *SIEs* are professionals who, with no support of an organization, go abroad on their own initiative to seek for work in a host country for an indefinite period, although normally over a year (Tharenou, 2010; Tharenou & Caulfield, 2010; Shaffer et al., 2012).

Furthermore, the authors distinguish the term SIE by separating numerous criteria, or requirements, that must all be met at the same time in order to identify a person as a SIE.

By definition, SIEs are assumed to show personal initiative when relocating abroad (Andresen, Bergdolt, Dickmann, & Margenfeld, 2014; Cerdin & Selmer, 2014; Tharenou, 2015). At the same time, some authors (Andresen et al., 2019; Selmer, Andresen, & Cerdin, 2017) propose to evaluate and measure the initiative of making a relocation decision, delving deeper into the personal context before naming the expatriate self-initiated. According to Andresen et al. (2019), through overcoming obstacles and setbacks to accomplish their objective of working overseas, SIEs are expected to be:

- a) Self-starters
- b) Proactive
- c) Persistent

Self-starters

This means that SIEs are independently looking for opportunities to work abroad. Most of the SIEs do not just follow the example of many other migrants and do not choose their usual way of life. Instead, they tend to go beyond what is formally required, expected, or customary for a given job, career, or industry (Fay & Frese, 2001). Unlike standard procedures, SIEs are likely to take on the task of gathering information on what can be done and how to choose a destination country, find suitable work, convince employers of their qualifications, obtain work permits and manage the logistics of moving abroad (Andresen et al., 2019).

#### **Proactive**

Proactive SIEs anticipate and plan for the challenges they face when looking for work abroad. Proactiveness means that SIEs develop contingency plans in case something does not go as expected. They do not expect to be forced to react to a new situation. On the contrary, they are focused on the long term, which allows them to anticipate and take into account upcoming events, such as new demands or job opportunities. They can anticipate and solve language and cultural problems by learning language and culture prior to arrival. Such behavior includes challenging the status quo in employment and personal life in order to improve or change the current personal or professional situation, as well as developing personal resources to meet future work and personal needs (Selmer & Lauring, 2015).

#### Persistent

SIEs are constantly overpassing the problems associated with employment abroad. They need to cope on their own initiative with international relocation challenges, which are often associated with setbacks. The first strategy of applying for a job may often not lead to overseas employment. SIEs are persistent and may even change careers to secure income (Ceric & Crawford, 2016). Besides, people, especially family members affected by moving abroad, may find it difficult to adapt to new circumstances (Davies, Froese, & Kraeh, 2015; Yamazaki, 2010). This requires persistence on the part to surmount the resistance of their families.

Furthermore, Cerdin and Selmer (2013) establish four requirements that must all be met simultaneously in order for a person to be classified as a SIE:

- a) no organizational assistance. For SIE, it means a self-initiated international relocation without support by the organization in the scope of moving abroad and return from there. This criterion makes it possible to distinguish AEs from SIEs, since AEs always have organizational support during their relocation.
- b) regular employment intentions. SIEs are international employees who are temporarily based outside of their own country (Selmer et al., 2017). The "intention of regular employment" criterion, in particular, aids in weeding out other groups, such as students and trailing others, who do not plan to work in their host nation (Cerdin & Selmer, 2014).
- c) intentions of temporary stay in the host country. This differentiates the SIE from immigrants who have relocated to another country to live there permanently or for a long length

of time (Cerdin & Selmer, 2013). This criterion is mentioned by the majority of the authors, although it is a very subjective one. The issue is time-related, as SIEs may not have a clearly defined duration of stay when they arrive in the host nation. As a result, an individual may be classified as a SIE at first, but subsequently become an immigrant (Al Ariss & Ozbilgin, 2010). According to Dorsch et al. (2012), only a small percentage of SIEs return to their native country. As a result, intentions may change with time, and individuals may no longer fulfill this requirement of temporary stay intentions. As a result, they won't be classified as SIEs any more.

d) professional qualifications. This criterion indicates that SIEs need to have professional skills to be able to find a job in a foreign labor market. Haslberger and Vaiman (2013) characterized SIEs with "high skill level". However, high skill level may be difficult to define as it may include a large range of qualifications. At the same time, Al Ariss (2012) notes that SIEs "are stereotyped as possessing skills and qualifications that are transportable across countries".

As a result, the major general and personal requirements that must all be met simultaneously in order to classify a person as a SIE may be summarized as follows (Figure 1):

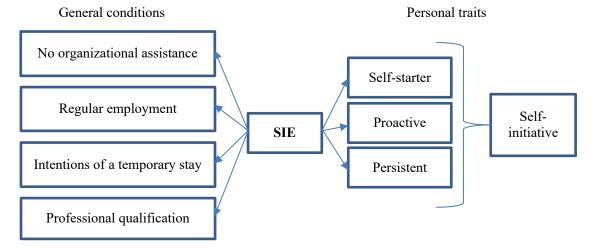


Figure 1. Conditions for defining SIE

Source: Compiled by the author

#### Types of global workers

According to the literature on international HRM, there are many distinct types of foreign work experiences (Briscoe, Schuler and Claus 2009; Selmer and Lauring 2011). In general, international migration may be described as physical movement across national borders from one geographic place to another (Agozino, 2000). The classification of different sorts of global employees, on the other hand, is not so straightforward. In expatriation research, the words "self-initiated expatriation" (SIE), "assigned expatriation" (AE), and "migration" appear to overlap and are sometimes used interchangeably (Al Ariss, 2010; Andresen et al., 2014). As a result, a

comprehensive assessment of current research material is required to differentiate the words SIE, AE, and immigration.

SIEs, as we mentioned in the previous section, are professionals who move overseas on their own initiative, without the assistance of an organization, to look for employment in a host country for an indeterminate length of time, usually over a year (Tharenou, 2010; Tharenou & Caulfield, 2010; Shaffer et al., 2012). Assigned expatriates are professionals who are moved by their company, which arranges and supports their relocation and work in a foreign subsidiary in order to fulfill a company goal (Tharenou & Caulfield, 2010; Shaffer et al., 2012). The United Nations (1998) provides the most popular definition of migrants: migrants are persons who relocate from their primary residential nation. The "country of ordinary residence" is defined as the location where a person spends the most of his time.

At the same time, many authors try to differentiate the concepts of SIE, AE and migrant, applying different criteria to their definitions.

Baruch et al. (2013) classify various forms of foreign job experience into seven categories (time spent, the intensity of international contacts, breadth of interaction, legal context, degree of cultural division, and specific situation). The time spent overseas for SIE is longer than for AE, according to the authors. Furthermore, unlike AEs, SIEs are not supported by an organization and are therefore less likely to gain objectively from their expatriation. Furthermore, in terms of permanent residency rights, Baruch et al. (2010) distinguishes expatriates from migrants, implying that an expatriate might become a migrant after gaining citizenship or permanent visa status.

Al Ariss (2010) differentiates the terms SIE and migrant by four main criteria: geographical origin and destination of the internationally mobile, the forced or chosen nature of the movement, the period of stay abroad, and the positive or negative connotations of the terms.

So, first of all, Al Ariss assumes that migrants, in contrast to SIEs, might often move from less-developed countries to developed ones. Second, migrants and not SIEs might be rather forced to leave their home country. Third, SIEs might be more temporal in their movement abroad than migrants who may eventually become permanent migrant workers when deciding to stay in the new country. Finally, the term "migrant" might be referred to in more negative terms than SIE (Al Ariss, 2010). On the contrary, recent researches on migration indicate the existence of migrant subgroups, for instance, described as "qualified migrants" (Zikic, Bonache & Cerdin, 2010) or "transnational knowledge workers" (Colic-Peisker, 2010), neither including individuals who are forced to move nor individuals who are staying permanently in the host country.

Thus, to easily differentiate the concepts of a migrant, AE and SIE we have created the decision algorithm which can be depicted in the following way (Figure 2):

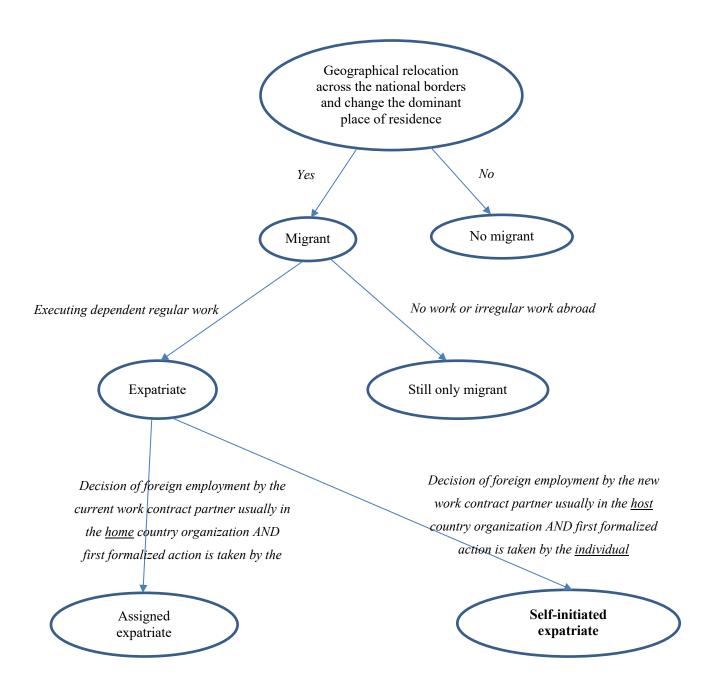


Figure 2. Migrant, assigned expatriate, and SIE

Source: Compiled by the author

Therefore, SIEs are a distinct group for several reasons: unlike AEs, SIEs initiate their move abroad themselves and do not wait to be asked; unlike immigrants, they intend to return home sometime in the future and do not arrange to pull up roots for good.

#### **Relocation decisions of SIEs**

For global businesses, SIEs are seen as strategically significant human resources (Howe-Walsch et al., 2010). International businesses consider SIEs as a solution to the shortage of

competent management employees in receiving countries, according to researchers (Hussain & Deery, 2018).

Researchers have typically studied SIEs working in developed countries (e.g. Lee, 2005 in Singapore; Doherty et al., 2011 in Netherlands, France, Germany, Spain and Belgium; Crowley-Henry, 2012 in France; Cao et al., 2013 in Germany; Nolan and Morley, 2014 in Ireland) or Middle East (e.g. Isakovic and Whitman, 2013 in UAE; Rodriguez and Scurry, 2014 in Qatar).

Furthermore, while there has been earlier study on motivations and foreign assignments (Richardson, McKenna, 2003; Tharenou, 2010; Howe-Walsh & Schyns, 2010; Doherty et al., 2011), there is a research vacuum that covers Russian SIEs and, especially, their motivations to migrate.

Finally, the objective of better understanding SIE relocation decisions is to achieve a strategic HC advantage in Russia by identifying, attracting, and retaining these high skilled employees.

Therefore, the following first research question was formulated:

#### RQ1. What factors determine relocation decisions of SIEs?

Understanding motivation and readiness for international career decisions are important as our traditional view of global mobility is challenged (Farndale et al., 2014; Guttormsen, 2016). Nowadays, SIEs move for different reasons and durations of stay, experience different outcomes, and often shift from one form of mobility to another (Chacko, 2017).

Due to the vast range of skills, hierarchy, and professional backgrounds, SIEs pursue an expatriate experience for a variety of reasons, and these reasons may change over time. Thus, with the increase in the demand for high-skilled SIEs (Selmer & Lauring, 2012), it is crucial to understand the determinants of their relocation decisions and what attract them to certain countries and companies.

Particularly interesting is the issue of intentions, both the intention to obtain regular employment, as SIEs may leave their home country without having found such a job and the intention of a temporary stay. The theory of motivation to integrate (Cerdin et al., 2013) shows that SIEs can leave their home country for a given period of time, and later on decide to change their intentions in the host country depending on their experience, which may have been more positive or negative than they initially expected. Thus, it is worth delving deeper into the relocation decisions issue since occurring changes in these intentions can possibly transform a migrant into an SIE or vice versa.

Previously, we have defined the relocation decisions for all the expatriates. However, today in the scientific literature, there are various approaches to studying SIEs' relocation decisions.

So, Wittek (2019) separates the groups of factors influencing SIE's relocation decisions as "Home-country influences", "Host-country influences", and "Individual influences". At the same time, the subgroups of factors based on the Macro- and Meso level are formed. The author also considers changes and consistencies over the expatriation decision process, which gives a more detailed approach to the study of SIEs' relocation decisions process. However, this approach does not consider the specific factors determining SIEs' relocation decisions but only describes the proposed framework based on broad concepts.

Dieckmann and Doherty (2013) discovered that the following motivating variables substantially affect SIE's career decisions: the desire for adventure, the individual's perceived confidence in their abilities to work/live overseas, and the desire to explore the globe. As a result, SIEs are typically impacted by variables outside than institutional or organizational influences. This finding has also been validated in prior researches:

- 1) For SIEs, moving abroad implies gaining multicultural experience, job opportunities, excitement, and meeting new and interesting people (Tharenou, 2010).
- 2) SIEs are motivated by a subjective inner feeling of adventure, a desire to travel and explore the globe, attain professional ambitions, and escape present conditions (Doherty et al., 2011);
- 3) Instead of relocating for economic reasons, SIEs want to learn about various cultural circumstances and make new international relationships (Howe-Walsh & Schyns, 2010);
- 4) SIEs seek to better their lifestyle and quality of life (Richardson, McKenna, 2003).

Further research of Selmer and Lauring (2011) identified additional groups of factors that determine the SIEs' relocation decision by the following four characteristics: *marital status*, *nationality, previous expatriate experience and seniority*. As a result of the research, the authors identified the following research propositions:

- 1) Marital status: SIEs' reasons to expatriate differ depending on their marital status;
- 2) Nationality: SIEs' reasons to expatriate to an EU country differ depending on whether they are EU citizens or not;
- 3) *Previous expatriate experience:* SIEs' reasons to expatriate differ depending on previous expatriate experience;
- 4) Seniority: SIEs' reasons to expatriate differ depending on their seniority.

Thus, the results of the investigation indicated support for the research propositions suggesting that SIEs' reasons to expatriate do differ in terms of marital status, nationality, previous expatriate experience and seniority.

However, most authors exploring the concept of SIE are referring to group of factors proposed by Doherty, Dickmann, and Mills (2011) that classify the following eight groups of relocation decision factors: 1) career development 2) location appeal, 3) host country as an employment setting, 4) pursuit of international experience, 5) personal relationships, 6) effect of expatriation on the family, 7) home-host country relations, 8) push factors. Table 1 shows a summary of these findings.

*Table 1 – Factors driving self-initiated expatriation* 

<b>Driving factor</b>	Description of a factor
Career-related factor	Perceived career development offered from the international
	experience
Host factor	Host country appeal in terms of an employment destination,
	including accessibility and reputation
Location factor	Host country appeal in terms of culture and perceived standard of
	living
Foreign experience	Opportunity for adventure and to develop personal skills related to
factor	international travel
Personal relationship	Effect of previous international experience and use of personal
factor	network
Family factor	Impact to family members and their adjustment by relocating
	internationally
Home-host relations	Balancing the allegiance to home country and preference to remain
factor	in the host country
Push factor	Conditions in the home country leading to individuals seeking
	overseas employment.

Source: Doherty, Dickmann, and Mills (2011)

#### Career development and progression

A distinctive feature of SIEs is that they manage their own career paths and development opportunities beyond the boundaries of a location or organization (Ceric & Crawford, 2016).

Makkonen (2016) suggested that careers are becoming more uncertain and argue that career self-management behavior (King, 2004), has a particular meaning for SIEs as they do not have organizational support and instead rely on social networks (Richardson & McKenna, 2014).

Importantly, Doherty, Dickmann, and Mills (2011) found that career progression was not the most important motivating factor for SIEs but a component for broadening life experience. However, career-related issues extended beyond career growth, for instance, financial remuneration and professional development (Selmer & Lauring, 2012) are seen as a key factor in SIEs' relocation decisions.

SIEs' career capital improves as a result of foreign job experience, according to a recent study by Dickmann et al. (2016), which looked at the Finnish labor market. However, it is unclear where the individuals came from or whether the destination country had an impact on their career capital. According to another viewpoint, accumulating professional capital is not the major motivation for self-initiated expatriation, but rather a means of gaining international experience (Muir, Wallace, & McMurray, 2014).

#### Location appeal

The importance that SIEs place on employment locations has been discussed, albeit not extensively, in the extant literature (Glassock and Fee, 2015). The perception of a location's safety and culture, as well as the language spoken in the host country are important to individuals considering expatriate opportunities (Echer & Duarte, 2016). A substantial distinction between AEs and SIEs is that SIEs have more freedom to select host countries (Dickmann et al., 2016), what assumes that they more tend to relocate to destinations that they find safe and attractive (Muir, Wallace & McMurray, 2014).

Perceptions of a location, however, are often based on social media representation and word-of-mouth, highlighting a gap between pre-place and real experience, thus surfacing the need for effective location branding (Ceric & Crawford, 2016).

Host country as an employment setting

Whereas the location appeal considers the attractiveness of a destination in terms of culture and safety of living environment, the host factor represents the location's attractiveness as an employment setting (Doherty, Dickmann, & Mills, 2011). Institutionalized frameworks such as regulations relating to visa requirements may act as a restraint to a particular location (Muir, Wallace, & McMurray, 2014).

In the case of Brazil, Von Borell de Araujo et al. (2013) stated that formalities such as home leasing and utility access might be a barrier for SIEs. These formalities, along with pre-place experience of the area prior to arrival, such as through word-of-mouth (Ceric & Crawford 2016), may have a role in SIEs' decisions to seek job prospects in a certain region.

The employment protection provided by local employment frameworks is also considered that may be more evident for SIEs than AEs, as SIEs tend to be employed on local contracts whereas AEs typically maintain home country employment rights (Metcalfe, 2011). Further factors that have some influence on the attractiveness of a host country as an employment setting are mentioned as cost of living, currency stability, and taxation (IPM Global Mobility 2016).

#### Pursuit of international experience

Seeking adventure and building personal confidence are drivers of international experience (Doherty, Dickmann, and Mills 2011). Altman and Baruch (2012) furthered earlier work (Useem

& Karabel, 1986; Baruch, Bell, & Gray, 2005), proposing that international experience enhances expatriates' HC in terms of knowledge, personal networks, self-confidence, cultural understanding, and market value. In addition, they argue that expatriates' motivations have evolved over time and personal growth has become a primary driver for international experience. Froese (2012) suggested that international experience goes beyond seeking adventure, to experience life in a specific country, however, the desire to gain international experience is not as prevalent as previous studies have suggested.

At the same time, Selmer and Lauring (2012) conducted a study with academics originating from 60 different countries, the results of which suggest that respondents were motivated not only from career perspectives but also from a tourism opportunity. Also, another authors (Osland, 1995; Richardson & McKenna, 2002) identified the desire for adventure as a reason to relocate. Later, in a study examining the role of social networks, Richardson and McKenna (2014) reported similar research results; that the pursuit of adventure was the reason to relocate for over half of all interview participants.

Whilst both studies engaged with a different range of participants, it is still not obvious how the motivation and pursuit of adventure has been affected by the host destination. More recently, Glassock and Fee (2015) used a consumer decision-making model to question SIEs' draw to adventure, suggesting that SIEs are cautious about foreign relocation.

#### Personal relationships

Personal relationships associated with the possibility to be with family, or support personal networks, achieved through self-initiated expatriation (Doherty, Dickmann, & Mills, 2011). Roos (2013) highlighted the correlation between the pursuit of an international opportunity and personal relationships, such as joining a spouse already located overseas. An alternative point of view highlight that SIEs' international experiences can have an adverse impact on their personal relationships, due to the stress caused on SIEs and their family members (Makkonen, 2016).

Doherty, Dickmann, and Mills (2011) proposed that if an SIE has previously had a positive work experience abroad, this influenced their decision to pursue overseas employment. Positive work experience overseas can be viewed by the extent to which an expatriate adjusts to the environment cognitively, emotionally, and behaviourally (Haslberger, Brewster, and Hippler 2013).

And since cultural distance and time spent abroad depend on expatriate adjustment (Hippler, Brewster, and Haslberger 2015) previous expatriate experience has been recognized as a factor which influences the decision to spend another period of time working and residing overseas (Glassock and Fee 2015), enhances the cross-cultural adjustment of expatriates

(Koveshnikov, Wechtler, and Dejoux 2014), and presumably may change SIEs' perceptions of culturally different destinations (Ceric and Crawford, 2016).

However, the extent of cultural distance and number of different expatriate experiences do not appear to have been considered. By contrast, another research into AEs (de Eccher & Duarte, 2016) represents that previous international experience did not hold any influence over the acceptance of future international assignment opportunities.

At the same time, Despotovic, Hutchings, and Mcphail (2015) observed that in situations where a SIE had a personal relationship with an individual from the host country, respondents announces that their preparation for relocation was improved. Their study also showed that previous international experience was beneficial for future adjustment, regardless of whether the previous experience was in a culturally similar, or, distant destination.

*Effect of expatriation on the family* 

Relocation of SIEs may bring different advantages not only for themselves but also for their families.

Selmer and Lauring (2012) maintained that a primary reason to relocate may be a financial support for a family. Moreover, according to a study by Froese (2012), which reflects earlier studies (Richardson and Mallon 2005; Richardson 2006), issues relating to the family were considered as one of the most meaningful factors for SIE academics. The experience of relocating internationally is as challenging for SIEs as it is for their families (Vaiman, Haslberger, and Vance 2015).

When considering different cultural context the impact to family is more influential (Guo and Al Ariss 2015), proving the need for an organization's support to ensure successful employment of SIEs (Selmer and Lauring 2011). Research by Clark and Altman (2015) has revealed the influence of extended, multi-generational family ties on international relocation decisions. As family structures become more complex, this calls for organizations to provide more personalized assistance (Caligiuri and Bonache 2016).

Besides that, SIEs' decisions depend on their spouses' career and the respective availability of work, as well as the impact on their children's education (Ceric and Crawford, 2016).

*Home-host country relations* 

Home-host country relations related to the extent to which it is desirable to SIEs to remain in the host country (Doherty, Dickmann, & Mills, 2011) and the parallel loyalty to their home country (Henry, 2013). Loyalty to the host country is affected by how SIEs perceive the assistance from their employing organization (Cao, Hirschi, and Deller, 2014). As the researchers claim, loyalty to host country can be developed through networking, which SIEs increasingly deploy, to gain access to international employment opportunities (Richardson and McKenna, 2014).

Alternative views on home-host country relations examine the impact of the cultural and physical distance between home and host countries on relocation decisions (Alshahrani and Morley, 2015). The greater the physical, cultural, or even, economic distance, the less likely SIEs are supposed to move to the given location (de Eccher and Duarte, 2016).

Push factors

Push factors reflect challenges for employment in COO, or a way in which individuals may physically distance themselves from a problem (Doherty, Dickmann, and Mills, 2011).

Push factors might cause overlap by differentiating between SIEs and migrants since, in this regard, motivation to relocate connected with the necessity, not a willingness (Al Ariss 2010). One of the crucial factors is supposed to be poor labor market opportunities in the COO (Makkonen, 2016).

Martin (2003), exploring push factors together with those that solely affect SIEs, identified three influencing effects: demand, supply, and network. Push factors, in economic perspective, include high unemployment or low wages, thus implying that nationals of these countries are likely to seek overseas employment opportunities (Somerville and Cooper ,2009; Andresen, Biemann, and Pattie, 2015). Awad and Abimourced (2009) suggested that the deficit of work opportunities acts as the main push factor that leads to the pursuit of employment abroad.

Hence, a primary contribution of this study addresses this issue by positioning Russia as a destination for SIEs to move from.

#### 1.4. Global talent management and SIEs

Globally changing geopolitical, demographic, and economic settings (Bozkurt & Mohr, 2011) are seeing an increase in the existence and prevalence of various kinds of international mobility, particularly among highly qualified persons on the move (Al Ariss & Crowley-Henry, 2013).

In fact, they consider that SIEs are the most significant development in career mobility, and represent a pivotal change in the direction of expatriation studies and practices (Baruch et al. 2016).

Today, highly skilled SIEs more often have higher education degrees, knowledge, skills as well as extensive professional experience, and often use them for career progression and personal development (Shachar, 2006; OECD, 2008; Chiswick and Miller, 2009; Harvey & Beaverstock, 2017).

When considered in the modern context of the most "wanted" workforce for global economy (Millar and Salt 2007; Triadafilopoulos 2013; Harvey 2014; Czaika 2018), the

experiences of highly skilled migrants may fall short of their expectations due to the various challenges and barriers they encounter (Bauder 2008, p. 308), and these may ultimately lead to unprivileged transitions in their life-work trajectory.

Especially, a lack of corporate and social support may provide additional problems for SIEs, in contrast to AEs who enjoy these privileges. Despite the accumulated skills, there are various forms of work, career, social and even systemic discrimination that feature in the SIEs backround, representing vulnerabilities that are often linked more to the underprivileged migrants, as their accumulated skills and work experience do not automatically converge in total labor market integration of the destination countries (Bauder, 2005; Somerville & Walsworth, 2009; Habti, 2014; Elo, 2017).

The research on SIEs is closely related to the talent management (TM) concept. Thoroughly elaborated human resources (HRs) can be crucial for company performance (Bryan, Joyce and Weiss, 2006) and TM as a part of HRs is able to increase the success of the organization by improving decisions that impact or depend on talent resources (Latukha, 2014).

Before moving on to the examination of the global TM idea, it is necessary to first define what TM is.

In academic literature, there are several methods to defining talent. TM can be defined as "additional management processes and opportunities made available to people in the organization who are considered talents" (Latukha, 2014) – where "talent" is defined as "a person who consistently demonstrates exceptional ability and achievement as well as potential for further development" (Armstrong 2006; Blass 2007; Boxall and Purcell 2008).

More specifically, TM can be viewed as a set of the following activities (Sparrow, Hird, & Balain, 2011; Tarique & Schuler, 2012; Vaiman et al., 2015):

- a) identifying, recruiting, and selecting talent from an external labor market;
- b) identifying key internal talent (will not be considered for the purposes of this paper);
- c) developing employees;
- d) managing talent flows, including facilitating the movement of talented individuals across regions or countries;
- e) ensuring retention of talented employees.

Within global TM (GTM), multinational organizations face the ongoing challenge of achieving a strategic balance between local adaptation and global coordination and integration of their business processes and related TM practices (Sidani & Al Ariss, 2014).

While many researchers focus on methods for returning already migrated individuals (Tung, 2008; Crowley-Henry & Al Ariss, 2016) or retaining returnees in COO (e.g. Kenney,

Breznitz, and Murphree, 2013; Miao and Wang, 2017), some scholars argue that preventing talent outflow in the first place is easier and more beneficial (Kenney et al., 2013).

SIEs are becoming a significant source of global talent (Vaiman et al., 2015). Organizations must be able to adapt their GTM strategies to suit the demands of a rising SIE population in order to manage this particular set of employees more successfully (Vaiman et al., 2015).

Organizations have realized that attracting highly educated SIEs with extensive worldwide experience is difficult, since these SIEs are aware of their market worth and the high degree of their international employability (Vaiman et al, 2015).

The ability of an organization to acquire, utilize, and transmit knowledge and information in accordance with corporate goals and objectives is directly influenced by GTM policies and procedures (Collings, & Scullion, 2009). With this in mind, the following discussion will focus on the TM activities described above that are relevant to SIEs in the global context.

#### Identifying, recruiting, and selecting talent from the external labor market

Companies should develop more elaborate strategies to identify highly skilled SIEs and work harder on their HRM to increase their brand value proposition and become attractive for true talent (Doherty & Dickmann, 2013).

For example, proactive engagement with SIE-potential candidates, setting clear organizational expectations, as well as mentoring systems may prove useful in attracting talented SIEs. Other important strategies aimed at enticing SIEs may include provision of family support, spousal support, taxation and banking assistance, and anything else that may ease SIE adjustment in a host environment (Doherty & Dickmann, 2013).

Some corporations attempt to target SIEs, as they represent an important source of national and organizational talent (Inkson, Arthur, Pringle, & Barry, 1997). SIEs are specifically attractive on the global workforce for their higher levels of education, international experience, and faster adjustment to the host environment (Andresen et al, 2012).

Due to a variety of external factors, like the shortage of skilled talent and increased competition for talent worldwide, many multinational organizations are forced to implement creative and aggressive strategies to attract and recruit top talent (Tarique & Schuler, 2012).

Among such strategies may be the targeting of specific personality and competency-related profiles or recruiting of host-country nationals abroad to repatriate and work in their own country of origin (Vaiman et al., 2015).

Some authors (Vance & McNulty, 2014) claim that local company operations should maintain regular connection with local networking organizations and find resources for identifying and attracting SIE talent in the local labor market (Vance & McNulty, 2014). SIEs are known to be active in local networking activity for making connections leading to possible employment

opportunities (Vance, 2005). Social networking resources such as close groups on LinkedIn and especially expatriate-focused sites organized by the host countries, can be helpful in identifying local SIE talent for recruitment.

There are also international women's organizations in many large cities, such as the American Women's Club of Shanghai, International Women's Club of Budapest who actively participate to cultivate their local personal and professional support network (Vance & McNulty, 2014). These organizations have been found to be very helpful for female SIE who, according to some evidence, more likely than their male counterparts might become SIEs (Andresen, Biemann, & Pattie, 2012c; Vance & McNulty, 2014).

#### **Developing employees**

Although SIEs have been known to go for less formal developmental opportunities, employing organizations should strive to identify SIEs' key knowledge, skills, and abilities (KSAs) in order to match them with the organization needs, and provide SIEs' talent an appropriate development, what would ultimately benefit the organization (Doherty & Dickmann, 2013).

To accomplish that, it is important to align an individual's KSAs with SIEs placement in the organization to avoid undesired underemployment (Vaiman, 2013). Moreover, organizations must ensure that there are sufficient career growth opportunities for SIEs within the firm, as well as possibilities for learning, autonomous and challenging work, and promotion.

A particular advantage of SIEs over other local hires is typically their greater global competence and sophistication due to their mastering challenges of living and working in multiple cultural environments (Al Ariss, 2014). However, due to their lack of long-term experience with the organization, SIEs tend to lack personal identification with their organization and alignment with corporate values (Gagnon, Jansen, & Michael, 2008). This lack of identification and alignment may serve as an obstacle to optimal commitment and loyalty to the organization, leading to low performance and possible SIE talent turnover (Richardson et al., 2013).

Therefore, to build SIE personal identification and alignment with the organization leading to long-term commitment, regular efforts should be made to understand and satisfy SIE personal needs. New employee orientation and adaptation along with ongoing learning opportunities also should be taken into consideration (Dunnagan et al., 2013).

#### Managing talent flows

Some recent studies indicate that SIEs, in general, have less challenging work and hold lower-ranking positions than AEs (Doherty & Dickmann, 2013). The authors argue that this situation may easily influence perceived underemployment, then to frustration, and ultimately to turnover (Haslberger & Vaiman, 2013). Therefore, organizations should ensure that there is no real or perceived underemployment by matching their talents to organizational needs and

providing necessary support to make their work more meaningful and challenging (Vaiman et al., 2015).

There are several problems associated with SIEs management, according to Doherty et al. (2013). These difficulties are impacted by five variables that businesses should consider:

- 1) a wide variety of cultural backgrounds, levels of education, and KSAs that SIEs possess;
- 2) SIEs typically are first attracted by a specific location, rather than by a specific organization;
- 3) in order to entice talented SIEs, organizations should overcome some complications related to integration, cultural adjustment, and resource allocation;
- 4) both domestic employees and AEs may have certain difficulties identifying and getting to know their SIEs (possibly contributing to maladjustment problems);
- 5) knowledge, and especially its tacit component, may be lost to the organization, given the SIEs' propensity to be highly mobile.

Furthermore, development of SIE company identity and alignment through traveling as well as brief visits to other companies' operations can provide multidirectional talent flow leading to organizational learning and effective knowledge transfer (Doherty & Dickmann, 2013). Besides contributions to building general international capability and organizational development for the multinational organization, these activities can facilitate future career transfer assignments for SIEs to other international locations, which may be particularly attractive to younger SIEs who value the additional international work and developmental experience (McDonnell & Scullion, 2013).

#### **Ensuring retention of talented employees**

The key challenge in managing SIEs is retention (Andresen et al., 2019) as SIEs are workers who are not bound by even national borders and are likely to continuously seek for better opportunities.

Besides, their self-managing career attitudes, as well as a clear tendency to be on the move, could be troublesome to employing organizations (Doherty & Dickmann, 2013). In that respect, organizations should take into account that SIEs are more concerned with their personal than to organizational development, what may result in some corporate conflicts that in turn can lead to turnover (Vance, Vaiman & Andersen, 2009). To ensure long-term retention, it is essential for the SIEs to perceive their future career aspirations as being satisfied through ongoing membership in and contribution to the organization.

Apart from that, employing organizations should consider the adjustment challenges that most SIEs are likely to face (McDonnell & Scullion, 2013). McDonnell and Scullion (2013) claim that SIEs may deal with adjustment challenges greater than those experienced by traditional AEs

because they move not only to new countries but also to new organizations. Besides, SIEs need more intagration with local social and company networks due to SIEs' absence of pre-existing company ties.

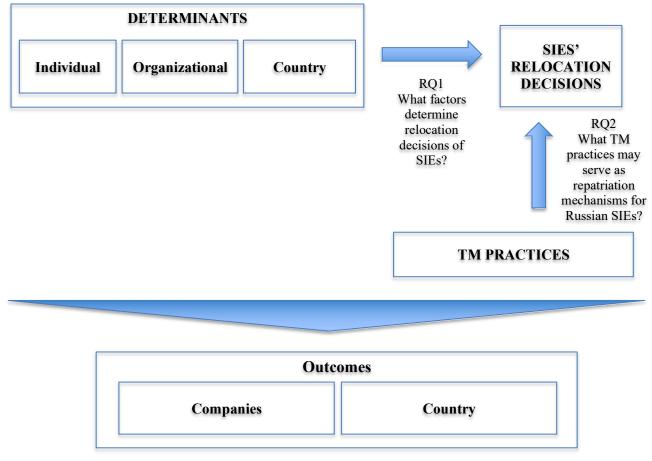
As the literature on expatriation demonstrates, SIEs inability to successfully adjust and cope with new working conditions is likely to provide negative individual and organizational outcomes, resulting in turnover. As a consequence, the employing organizations need to take into cinsideration the distinctive adjustment challenges that SIEs face.

All in all, today, a number of studies on expatriation have provided a rather holistic approach to the SIEs nature (Glassock & Fee, 2015). However, there is still a lack of attention on how to take advantage of this knowledge about their relocation determinants so as to help organizations attract and retain these global talents.

As a result, the second research question can be stated as follows:

#### RQ2. What TM practices may serve as repatriation mechanisms for SIEs?

Finally, the following framework was created based on the theoretical analysis (Fig. 3). Offering an integrated framework, we sought to explain the relationship between identified factors of SIEs' relocation decisions and organizational TM practices that in a combined appropriate application bring the value to the Russian companies and to the country by decreasing brain drain and retaining the talented people in Russia.



Source: Compiled by the author

#### CHAPTER II. RESEARCH METHODOLOGY

The methodology used in this master thesis is described in the second chapter. The research approach used in this study is qualitative. The explanations and justifications regarding the utilized method will be described. Data collection tools, as well as the general methodology approach and respondent profile, will be discussed. The goal of this chapter is to give the reader enough information to be able to precisely understand the data collection process and analysis procedure in order to ensure that the progress is transparent.

#### 2.1. Data Collection

The data collecting process was exploratory in nature and included four stages. This method led to a deeper study of the researched phenomena.

The author began by examining secondary data, namely the annual reports of leading international consulting companies such as BCG, McKinsey and Deloitte, as well as statistics on the outflow of educated people from Russia using state publications of Rosstat. The data was analyzed to provide a detailed understanding of the SIE's profile and motivations to relocate. This allowed us to describe a potential sample of respondents and develop the first version of the interview guide which were used for our pilot interview.

At the second stage, we conducted a pilot interview with one of the respondents who fit the description of the respondents' sample. The developed first version of the interview guide was tested. As a result of the pilot interview, it was revealed that most of the questions from the category of pull factors are not suitable for our study, since they are mainly aimed at country analysis, which was not the purpose of our study. Therefore, the author decided to narrow the analysis down to categorizing push factors, excluding the analysis of pull factors, dividing the study into three levels: individual, company, and country.

Moreover, some questions were not clear to the respondent. For instance, it was not obvious to the respondent what to include in the TM practices in the second set of questions, since the respondent who encountered these practices while working for the company did not always know their definitions. Thus, we redesigned the questions for pull and push factors of relocation decisions and added definitions of terms used during the interview (for example, definitions of pull and push factors as well as TM practices) before each set of questions. To put it another way, the second stage of empirical research has aided in the verification of the

structure and content of the interview guide, as well as the formulation of more focused and specific research questions.

At the third stage, we focused on the selection of respondents by contacting the closest network who are now working abroad, namely, GSOM alumni and alumni of Management of the Future, one of the top all-Russian conferences. However, when contacting the network, it was discovered that many talented expatriates cannot be defined as SIEs, since they were helped with the relocation by organizations abroad. In total, the author contacted 46 alumni via personal messages on social networks and sent out a request for interviews to more than 4,000 people in group network chats. The response rate for personal messages was more than 90%, but only 6 people fit the sample. In the case of contacting in group network chats, the response rate was less than 5%, but only 8 people out of those who responded fit the sample. Thus, by selection of respondents, only 14 people were suitable for the SIEs' sample. This step enabled the identification of responders who met the given criteria and were suitable for further study.

The fourth stage of the study was the main one, specifically, conducting in-depth semi-structured interviews with respondents and analysis of the transcripts with interview responses. In-depth semi-structured interviews were selected because they are an effective tool in identifying the intrinsic needs and motivations of people. Researching relocation decisions is a sensitive topic because it includes private information about people's backgrounds, their personal stories and perspectives. As a result, in-depth interviews were able to establish a trusting environment for responders. Furthermore, the open-ended questions gave us significant information about respondents' perspectives without restraining us to a limited range of replies.

Such data collecting method enabled us to obtain valuable and insightful research information with relatively small sample of respondents. However, face-to-face personal interviews have been limited this year due to the Covid-19 pandemic. Therefore, all interviews were conducted one-to-one online using modern video communication tools such as Zoom and MS Teams, which also created a confidential and private atmosphere for the respondents. To win over the respondent, at the very beginning of the interview, the author began a so-called small talk, discussing for a couple of minutes everyday topics. Then the author went directly to the interview questions, before asking each respondent for permission to record the interview. Respondents were invited to offer any further pertinent remarks regarding their relocation experience at the end of each interview.

In all, 14 interviews were conducted throughout the data collection phase. At this stage, our objective was to have a full knowledge of the variables that affect SIEs' choice to relocate. As a result, the interview guide includes the following three parts of questions:

1) Background information.

This is the first section, which contains information on the respondents' and company's profiles. Age, gender, educational background, hometown, expatriation country and city, and if they had any foreign experience prior to expatriation are among the questions asked about respondents' profiles. In terms of the company's profile, the author asked about the respondent's position and years in the company, management level, overall work experience, industry and company type. This part of the interview questions was aimed to analyze and systematize general trends in the profiles of respondents and their companies to verify the research results and to confirm the validity of the data.

2) Questions for Research Question 1: What factors determine relocation decisions of SIEs?

This part of the questions was first divided into pull and push factors according to the main framework used in the study of migrant relocation decisions, Lee's Migration Model. However, during the analysis of the interview results, it was revealed that the pull factors are not relevant for this study, since they are devoted to the country analysis, which is not the objective of this study. Consequently, all factors were identified as push and divided into three levels of analysis: individual, company, and country. Moreover, this part of the interview also consisted of questions aimed at assessing the degree of influence of these factors on SIEs' intentions to relocate. By doing this, the author used the popular tool in management practices, Likert scale (1 – not important to 5 – very important). So, this part of the interview contributed to identifying what factors and to what extent influence the SIEs' decisions to relocate at three different levels in order to further identify trends and systematize them into research results.

3) Questions for Research Question 2: What TM practices may serve as repatriation mechanisms for SIEs to return to their home countries?

This part of the interview was the final one and was devoted to the study of TM practices in foreign companies, in which SIEs currently work, and to those practices that were used in Russian companies in which SIEs previously worked. As a result, we were able to compare TM in the context of Russian and foreign practices, determine how TM practices affect the intentions of SIEs to relocate, and what TM practices can help return SIEs to Russia in order to prevent brain drain.

Each interview lasted 1–1.5 hours on average. All interviews were audio recorded with the participants' permission for transcription and subsequent study. All data was organized and evaluated, including interview transcripts, notes, and documents.

As a result, this four-step research approach enabled the gathering and evaluation of various forms of empirical data from a variety of sources, allowing data to be triangulated to assure the accuracy of final results (Elo et al., 2014). Triangulation was achieved through the

following: multiple informants at different stages of data collection, the same questions during the interview, and cross-checking of information throughout the research process.

# 2.2. Respondent selection

In this research, the author applied the purposive sampling method, since the sample was selected according to the relevance of the study (Elo et al., 2014). The selection criteria for respondents were as follows: Russia is a country of origin, live and work abroad now, higher education, period of stay in another country from one year, have qualified work, and lack of organizational assistance during expatriation. At the same time, we focused on those expatriates who did not return to Russia, but continue to live and work abroad, so as not to distort the results of the study and to reveal the true reasons for dissatisfaction with their home country. As mentioned below, selecting relevant respondents was quite challenging as many talented expatriates cannot be identified as SIEs because their foreign organizations assisted their relocation. Several practical issues such as the availability of respondents and the time difference between interviewer and respondents were also taken into account in the selection process. Thus, after a thorough examination of the respondent's backgrounds, only 14 people met the stated criteria and were suitable for further research.

At the same time, the backgrounds of respondents were diversified as possible in order to exclude any biases. Thus, the respondents were selected excluding the gender bias by ensuring that 50% of respondents are females and 50% are males. All of the participants were between the ages of 23 and 45 (mean = 25) and had at least a four-year bachelor's degree, with the majority having earned a master's degree (90% of respondents). Most of the Russian SIES go to Germany (65%). All respondents had international experience before expatriation (internships, traveling, university exchange semester, language courses, etc.). The average work experience in the foreign company was 3 years. They all have the previous work experience in Russian companies. Basically, the respondents were with lower and middle management levels. The foreign organizations represent a wide range of industries, including IT, real estate, FMCG, retail, gaming, audit and consulting. In terms of size, organizations employ at least 300 employees in the respondent's current country (mean = 1500 employees). For research purposes, the respondents were numbered from 1 to 14 to assure anonymity due to confidentiality reasons.

In terms of the number of interviews performed in this study, it's worth noting that selecting the right sample size for in-depth interviews is an important part of the research process. Typically, researchers aim for a representative sample. "The goal of in-depth interviews is to gain an understanding of the meaning underlying behavior, not to generalize," says one researcher

(Rosenthal, 2016). The goal of in-depth interview sampling is to strike the proper balance between the requirement to collect a comprehensive empirical description from respondents and the need to convey the experience equally to all prospective participants. This balance is usually achieved by applying the saturation principle. This principle assumes that data collection is terminated if no new information comes in. Data saturation was achieved after interviewing Respondent # 10.

# 2.3. Data Analysis

Opposed to quantitative research, analyzing data in qualitative research might take a long time because this form of study involves gaining deeper insights. As a result, the data from the interviews had to be analyzed in phases. We began by using content analysis to categorize and arrange the data by heading the study's main subjects and how they connect to the research objectives. These are the variables that influence Russian SIEs' relocation decisions, as well as TM practices that might serve as repatriation mechanisms for SIEs to return to their home country.

Individual determinants, comprising two sub-themes: personal (cultural adaptation, self-realization, social standing, and foreign experience) and relational (network and family), were identified as the SIEs' relocation choice considerations; (2) company factors, including career growth opportunities, salary and bonuses, couching and mentoring, interesting tasks, high level of responsibility and ownership, company's help in cultural adaptation; (3) country factors, including country appeal in terms of perceived standard of living, economic and political development of the country, governmental support of citizens, governmental support of specific industries, and country's help in cultural adaptation.

Regarding TM practices that can serve as repatriation mechanisms for SIEs, we compared two perspectives: Russian TM practices, which SIEs previously had, and current TM practices, which SIEs use in their foreign companies. As a result, we determined which TM practices can be transferred from foreign companies to Russian ones and whether they may serve as repatriation mechanisms for SIEs.

The verification technique used in this study is in line with Morse et al. (2002) and Elo et al. (2014), who claimed that adequate sampling and methodological consistency may assure the validity and reliability of the results. Sufficiency of the sample can be confirmed by saturation and replication. Data saturation ensures replication in categories by definition; replication validates and assures the research's understanding and completeness (Morse et al., 2002). We used content analysis to examine the replies of the respondents and identify the most prominent issues linked to the process of deciding to relocate. In other words, we utilized analytical

replication technique to determine what constitutes SIEs' relocation decision factors through confirmation throughout the set of case evidence. This approach allowed to draw the generalized conclusions (Tsang, 2014). The research is based on the theory that when a discovery is found in several cases, its generalizability is increased (Petty et al., 2012). After this stage was finished, the data from secondary sources was combined to ensure that the analysis was accurate and that the findings were legitimate. Thus, factors that determine relocation decisions of Russian SIEs have been identified from the interview analysis as well as iteration with the literature and official reports.

The main value of this approach is that it provides insights into what motivates talented Russians to relocate and how to prevent this outflow through organizational TM practices.

To conclude, chapters I and II prepare the reader for the empirical part and discussion. By this time, the research topic, goal, questions, and methods had been well explained. Because of the comprehensive description of the applied approach, the reader will have a clear understanding of how the process works.

#### **CHAPTER III. EMPIRICAL PART**

The empirical part of the master thesis is discussed in this chapter. The data is first analyzed, and then the major research themes are presented. The findings relating to the research questions are provided further. The empirical section is divided into two sub-sections: the outcomes of the data analysis and discussion, and the research findings and suggestions.

# 3.1. Results of Data Analysis and Discussions

All selected respondents live and work abroad for at least a year. They are considered SIEs because they meet the basic criteria for the definition of SIE. First, we took into account their backgrounds and profiles. These are Russians who have completed higher education, work in qualified jobs and did not have company assistance during the expatriation process. Second, we also took into consideration the personality characteristics of the SIEs, such as proactivity and persistence. For instance, people who have successfully got a job abroad due to marriage cannot be considered as SIEs, since they have different personal motives.

The respondents were asked questions about the reasons for their relocation from Russia, as well as about what challenges and benefits were at the same time, in order to analyze the decision-making process to expatriate from different perspectives. We also asked them what TM practices were in their Russian companies and what TM practices are currently being used in their foreign companies in order to fully understand how TM influences the SIEs relocation

decisions. At the same time, we found out which TM practices could serve as repatriation mechanisms to return SIEs to Russia.

Several primary themes and sub-themes emerged from the examination of the interview transcripts. At three distinct levels, the themes characterize the participants' views about relocation. To ensure the reliability of the results, a sample of the respondents' responses is provided with verbatim quotations. Some topics intersect or even coincide with sub-topics, demonstrating that even while discussing different aspects of the one topic the same important issues arise. This confirms that triangulation was performed in this research.

# 3.1.1. Results for RQ1. What factors determine relocation decisions of SIEs?

The first part of the empirical research is devoted to the first and major research question, specifically, what factors determine relocation decisions of SIEs. In this study we investigate the reasons for SIEs' relocation from Russia, as well as what challenges and benefits they had at the same time. The factors are divided into individual, organizational and country levels in order to analyze the decision-making process of SIEs to expatriate from different perspectives.

# *Individual*

As we mentioned earlier, individual factors were divided into two sub-themes: personal (cultural adaptation, self-realization, social status and international experience) and relationships (network and family). Comparing the factors, we calculated the weighted average for each factor, taking into account Likert scale's weight and the total number of respondents.

Thus, as can be seen from the results of Chart 1 below, according to the respondents, self-realization and international experience are considered the most important factors when deciding whether to leave Russia, from the individual perspective. The. The rest of the factors are considered the least significant in terms of the weighted average of the respondents' answers.

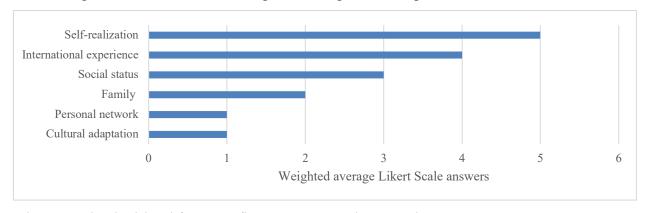


Chart 1. Individual-level factors influencing SIEs' relocation decisions

# Self-realization

Self-realization during the foreign experience is the most important factor for Russian SIEs, since this category of expatriates initially has high ambitions and career aspirations. Finding themselves in a different environment, expatriates have to face new challenges such as overcoming cultural barriers, resolving conflict situations in a foreign language and getting out of their comfort zone due to unusual situations. As a result, they quickly grow and improve personally and professionally, which is lacking in their home country, as they are there in the comfort zone. At the same time, Respondents # 1, 2, 7, 9, 12, 13, 14 stressed that, since they have good education and skills, they know that they can always return to Russia and will be in demand there, so they leave for Russia to expand their personal and career potential.

#### Respondent # 2:

"Definitely, living abroad opens new horizons, gives new career opportunities and new international experience. Living abroad teaches you other ways to live, so your picture of the world and yourself is not limited to the beliefs and values you got from your motherland. Again, I did not have much to lose, and I felt safe that I could always go back if something goes wrong."

# International experience

International experience can be considered as the second most important factor for Russian SIEs, since it is a unique experience that provides not only broadening their horizons, but also competitive advantages for such ambitious and talented people. International experience cannot be gained in their home country, even if they participate in international communities in Russia. According to Respondents #1, 6, 7, 8, 10, 11, 13, 14, only a full immersion in a foreign language and cultural environment for a long time provides an advancement of global mindset and vision, such as understanding of intercultural differences, international team management and, most importantly, broadening the career perspectives on a larger scale.

# As Respondent # 7 mentioned:

"While you might learn about cultural differences from books and courses in Russia, and while you might make some international friends in Russia, this is not the same level of integration in the international community. Even if I ever want to come back to Russia, I will have the experience that will differentiate me from the majority of professionals in the industry. I will have a competitive advantage and more insights in the international business world."

Other individual factors, such as cultural adaptation, personal network, family and social status also infleunce the SIEs' decision to relocate, but to a lesser extent, and therefore should not be disregarded.

In addition to exploring the factors directly influencing the SIE's decision to relocate, we studied the challenges and benefits of their relocation experience in order to understand the barriers and favorable conditions on the path to self-expatriation.

Among the main challenges, the respondents mentioned: preparing a large number of documents for applying for a visa, finding accommodation, host country native language, high costs and taxes.

However, the opportunities outweigh the challenges faced during the relocation process. So, among the opportunities were named: better career prospects, easier way to other countries (for work and leisure activities), network and friends around the world, better quality of education, better quality of life, security, clean environment, as well as more tolerant and inclusive social environment.

# **Organizational**

Regarding the organizational level of factors that influence SIEs' decision to relocate, in terms of the analysis of literature review, we discussed the following: career growth opportunities, salary and bonuses, couching and mentoring, interesting tasks, high level of responsibility and ownership, company's help in cultural adaptation. As with the previous analysis of individual factors, we calculated the weighted average for each factor, taking into account Likert scale's weight and the total number of respondents.

Thus, as can be seen from the results of Chart 2 below, according to the respondents, career growth opportunities and salary and bonuses are viewed by the respondents as the most important factors when deciding whether to leave Russia, from the organizational perspective. The rest of the factors are considered the least significant in terms of the weighted average of the respondents' answers.

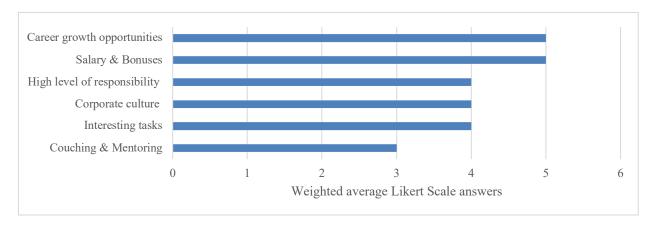


Chart 2. Organization-level factors influencing SIEs' relocation decisions

#### Career growth opportunities

The respondents highlighted that working in another country they gain competitive advantages as they improve foreign languages skills, acquire a global network, receive more responsible tasks at a global level, expanding their unique skills and knowledge compared to the

average Russians without an international experience. At the same time, respondents # 2, 6, 11 noted that for them this is the most important factor, since the IT and gaming industry are not supported and developed in Russia and only abroad they can go further up the career ladder.

#### Thus, Respondent # 2 mentioned:

"International experience and knowledge of languages means that you can work in many more companies, especially in the gaming industry, in which I'm pursuing my career. There are few gaming companies in Russia."

#### Salary and bonuses

Even people with higher education and successful projects in Russia have very low earnings, as respondents highlighted. The majority of the respondents, namely # 1, 2, 4, 5, 7, 9, 11, 13, 14, noted that students and specialists of the lower level receive more than the average Russian specialists at the middle level. At the same time, the level of salaries and bonuses abroad is higher from the lower positions. In Russia, specialists without experience in most cases work for free, the respondents noted.

# As Respondent # 4 emphasized:

"In Germany, students earn 450 euro working 10 hours a week. As an associate manager, I earn as much as middle level specialists in Russia in my industry. If we include here all bonuses and healthy work environment – you get absolutely perfect work perspectives."

#### **Country**

In terms of the country level of factors that influence SIEs' decision to relocate we discussed the following: country's standard of living, economic and political development of the country, governmental support of citizens, governmental support of specific industries, and country's help in cultural adaptation. As with the previous analysis of individual and organizational factors, we calculated the weighted average for each factor, taking into account Likert scale's weight and the total number of respondents.

As can be seen from the results of Chart 3 below, according to the respondents, country's perceived standard of living as well as economic and political development are considered by the respondents the most important factors when deciding whether to leave Russia, from the country perspective. Moreover, as noted by the respondents, many industries abroad receive more financial support than in Russia, for example, IT and gaming, which leaves no choice for some specialists but to leave Russia. (Respondents #2, 4). The rest of the factors are considered the least significant in terms of the weighted average of the respondents' answers.

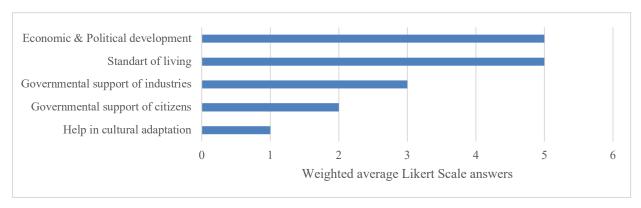


Chart 3. Country-level factors influencing SIEs' relocation decisions

# Economic and political development of the country

Economic and political development plays the most important role in the country aspect for SIEs as they seek a place where they see their future and want to know that their efforts are justified. The more stable the economic and political environment of a country, the more SIEs are ready to invest their time and efforts in development in this country.

# Respondent # 5 noted:

"In this country, I know that I can get a high-paying job, and I know where my taxes go. I am not afraid for my future if I stay in this country."

### Country's perceived standard of living

This factor is fundamental to many SIEs as it determines other factors. "The standard of living in the country determines career growth and career opportunities, as well as the mindset of employees who surround you", - mentioned Respondent # 10. At the same time, if we consider Russia, many respondents believe that the low quality of life affects the low career opportunities in our country, taking into account salaries and bonuses as well as career track (Respondents # 1, 3, 4, 5, 7, 8, 9, 10, 13, 14).

At the same time, other concerns about the standard of living in the country that most of the SIEs indicated are that they feel uncomfortable in Russia for security and environmental reasons. It is very important that even if the level of prices and taxes for citizens is higher than in Russia, it will be worth it. For instance, many SIEs emphasize that every day they see clean streets, good ecology and, most importantly, they feel comfortable, even despite the many problems with relocation, because they feel safe in this country and city (Respondents # 2, 3, 6, 8, 9, 12, 13, 14).

#### Respondent # 3 added:

"It's important for me to know that I live in a safe and clean city with bike paths and parks everywhere, high quality health care and safety, good food and clean air. In Russia, I didn't have this feeling. Every time I returned to my homeland, I felt that I did not feel that the country was taking care of me."

To sum up, our explorative study revealed that Russian SIEs pay the most attention to the following factors:

- a) <u>individual level:</u> self-realization and international experience,
- b) <u>organizational level:</u> career growth opportunities and salary and bonuses,
- c) <u>country level:</u> economic and political development of the country and country's perceived standard of living.

Therefore, Russian companies and the government should pay close attention and influence these factors if they intend to reduce the brain drain and retain the country's most talented population in Russia and, in particular, in Russian companies.

# 3.1.2. Results for RQ2. What TM practices may serve as repatriation mechanisms for Russian SIEs?

The second part of the empirical research is devoted to the second research question, specifically, what TM practices may serve as repatriation mechanisms for Russian SIEs to return to their home country. In this part we explore what TM practices are the most valuable for Russian SIEs in perspective of Russian and foreign companies and which TM practices could serve as repatriation mechanisms for Russian SIEs.

At the same time, the main objective of this research question is to determine if TM practices can influence the repatriation of Russian SIEs and how.

As we emphasized earlier in the literature review, TM practices are aimed at attracting, developing, and retaining talented people in an organization to improve the effectiveness of all organizational activities.

Speaking about what TM practices exist in foreign companies in which SIEs are now working, we can distinguish the main categories: mentoring and coaching, high level of ownership, team building activities, fast promotion, regular feedback sessions and anonymous surveys, training and education opportunities (sponsoring training for all employees, attending conferences), cross-functional promotion, mental health practices (yoga, extra weekends when working remotely), opportunities to become shareholders in the company (or options), flexible work processes (flexible schedule, the ability to work remotely).

As a result of our research, we found out which practices are the most important of these TM categories and why. The results of analysis of Chart 4 below depicts that among the most important TM practices that SIEs emphasized are training and education opportunities and fast career growth. Flexible work, feedback sessions with anonymous surveys, and team building activities are also should be paid attention to as they are important as well.

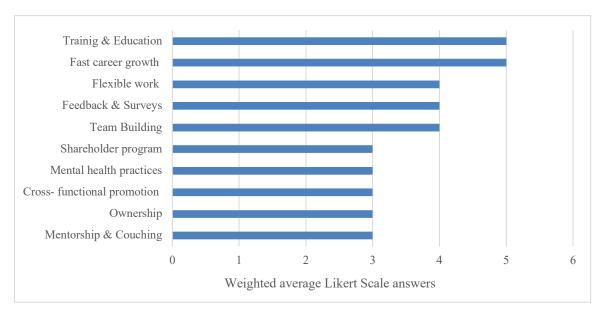


Chart 4. The most important TM practices for SIEs

# Training and education opportunities

It is very important for SIEs to be able to learn and constantly educate and train professionally and personally. At the same time, Respondents # 3 and 5 especially emphasized the importance of this TM practice, since companies in Russia do not pay due attention to it. On the contrary, foreign companies are investing huge sums of money in employee training and education, giving them a personal budget for these purposes. For example, they give the employees the opportunity to take courses and MBA degree at the best foreign universities, provide access to international online courses (for example, on Coursera) and provide them opportunity to participate in conferences and workshops both locally and internationally.

#### Fast career growth

SIES named opportunities for fast career growth and rapid career development as another the most important TM practice (Respondents # 1, 2, 4, 5, 6, 9, 10, 11, 13, 14). In Russia, there is a very rigid hierarchy in promotion and in relation to management, as well as not transparent promotion system.

#### Respondent # 10:

"We have a bias in Russia: if you are young, you have to work about 10 years to get a promotion to the middle management. Abroad, in this regard, everything is much more flexible and simpler."

Respondents emphasized that Russia is a closed culture with very strict formalities. For example, SIEs are repelled by calls to bosses by name, patronymic, the principle "the boss is always right" and prejudice by age and gender. At the same time, abroad there is a rather flexible

and loyal system in relation to all employees, regardless of gender and age. Overseas, lower-level executives may contact and interact personally with the leadership outside of business hours, such as going to bars with colleagues and asking questions directly.

At the same time, in comparison with Russian working conditions, there is a more transparent promotion system abroad and there is no emphasis on formalities. SIEs places great emphasis on transparency.

Respondent # 4: "Promotion is achieved through the results of work, not personal acquaintance with the manager, or because I have worked in the company for many years, compared to Russian conditions."

#### Flexible work

Flexible working hours and the ability to work remotely are other critical TM practices.

On the contrary, in Russian companies there is a formalization of work in terms of fixed working hours.

# Respondent # 7:

"When I worked in Russian companies, I saw that attention was paid more to the hours spent in the office and what time you came or left work than to the results achieved. This is counterproductive, in my opinion, and affects the results of the work, because you fixate on how many hours you spent in the office, and not what results you did."

Consequently, Russian companies should create results-oriented working conditions, for instance, introduce the ability to work remotely several days a week or a month and focus on the outcomes, and not on the hours spent, otherwise the motivation of talented employees suffers.

At the same time, Respondent # 5 added that:

"I want not only to live by work, but also to have the strength and energy to develop myself as a person. At the same time, in Russian companies a lot of attention is paid only to work and companies do not care about the mental health of employees, which often leads to burnout."

Another important aspect in this flexibility perspective is the ability to be free to err and have ownership. By this point, we mean that foreign companies are encouraged to be proactive and initiative through actions, albeit with some mistakes, but with lessons. The respondents noted that in Russian companies, on the contrary, "employees are afraid of being fired for every mistake, so it's easier for them not to take the initiative, but to follow the instructions." (Respondent # 9).

# Feedback sessions and anonymous surveys

It is important to talk to your employees without fear or threats. For this, companies have anonymous surveys and personal one to one feedback sessions with managers and between employees. It is very important that surveys and face-to-face sessions are truly anonymous and

have real feedback, since many SIEs complain that in Russian companies these practices do not work in real life, but exist only on paper.

# As Respondent # 5 noted:

"The company in which I now work abroad is conducting anonymous surveys. But their difference is that our answers are really heard and the leadership take them into account in reality."

# Respondent # 2:

"Recently I had a concern about how and when it is possible for employees from other countries to return to our office abroad. I asked this question to our leadership in an anonymous survey. A week later, in the general mailing list, the CEO answered my question. Thus, I realized that I was heard in my company and the company does cares about its employees."

One of the most valuable tools for this is 360-degree feedback that is considered quite successful in many foreign companies. This practice is aimed at regularly identifying and disclosing positive aspects and areas for improvement for employees from all perspectives: individual, from colleagues and from management.

#### Team building activities

At a certain stage, monetary incentives such as salary and bonuses cease to be a priority factor for SIEs, since SIEs are motivated not by the desire to earn more money, but by the desire to constantly develop and reveal their personal and professional potential.

At the same time, it is very important for SIEs to work with people who share their proactive and open mindset and from whom they can learn and with whom they can contribute. Outside of work hours, due to team-building activities employees become close and get to know each other in terms of personal qualities, and not just as colleagues.

# Respondent # 11:

"It is very important for me to see that work is not the meaning of life, while at the same time that I have the opportunity to work productively and not burn out. If I see that the work takes up all the time and energy of the employees, it is a sign for me that the company has an unhealthy corporate culture."

To sum up, Russian companies should pay particular attention to TM practices such as training and education opportunities, fast career growth, flexible work processes, feedback sessions with anonymous surveys, and team building activities.

At the same time, it is worth taking into account the shortcomings of Russian practices of these TM categories and the positive aspects of foreign practices in order to improve the overall system of Russian TM and influence SIEs' retention in Russian companies.

# Influence of TM practices on repatriation of Russian SIEs

In this master thesis, we examined not only which TM practices are the most important for SIEs, but also whether these practices could influence their return to Russia. In the interview, we also tested the hypothesis whether TM practices may serve as the repatriation mechanisms for the Russian SIEs.

In general, there are mixed opinions about whether TM can be a repatriation mechanism for SIEs. However, the main insight of this study is that the majority of respondents (8 out of 14 or 60%) still believe that they could return to Russia under certain organizational conditions.

In our qualitative research, we concluded that the categories of TM practices that we identified as the most important for the SIEs in the previous part of study could serve as a repatriation mechanism for the Russian SIEs, since for SIEs they are key determinants underlying decision-making about relocation and selection of a company to work. In addition to the above-mentioned basic TM practices, we identified the following categories that could serve as mechanisms for the SIEs to return to Russia, such as the opportunity to be a shareholder, as well as company assistance in relocation with payment of the company for all costs associated with moving to other cities. (Respondents # 3, 4, 5, 6, 9, 11, 12, 13).

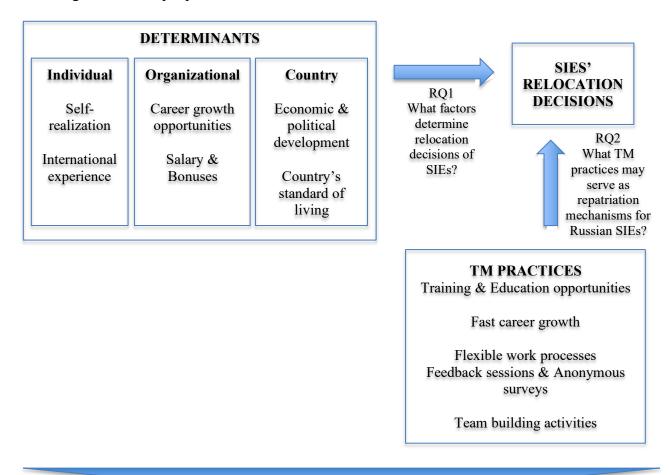
The logical combination of all the above-mentioned practices and the company's readiness to adapt and change is crucial here. Moreover, the size and industry of the company are important, since the larger the company is, the more inflexible it is, and the more rigid the hierarchy of the structure is (Sak & Taymaz, 2004).

Therefore, our research identified that there are mechanisms of organizational impact on the return of talented SIEs to Russia. Furthermore, they can be directly influenced by TM in Russian companies using the effective flexible foreign practices described above and improving their ineffective practices.

#### 3.2. Research Findings

The phenomenon of talented migrants was studied more than decades ago and is recognized by scientists and practitioners (Hu et al., 2016). However, this has not been discussed in detail in terms of SIEs in emerging markets. This study was to investigate, first of all, what factors determine the SIEs' decisions to relocate and which TM practices can serve as repatriation mechanisms for SIEs, from the perspective of Russia. At the same time, we divided the factors into three levels, in particular, individual, organizational and country for a deeper and more comprehensive study of these research questions.

Thus, we can offer the integrated empirical framework based on the empirical data analysis and the framework that was introduced in the theoretical part (Fig. 4). Providing an integrated framework, we sought to explain the relationship between identified factors of SIEs' relocation decisions and organizational TM practices that in a combined appropriate application bring the value to the Russian companies and to the country by decreasing brain drain and retaining the talented people in Russia.



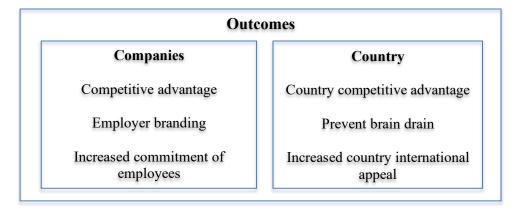


Figure 4. Framework: Factors determining SIEs' relocation decisions

Source: Compiled by the author

So, our exploratory qualitative research was devoted to the answering the two stated research questions, specifically, what factors determine relocation decisions of SIEs? and what TM practices may serve as repatriation mechanisms for SIEs?

In this master thesis we conducted a qualitative research devoted to answering the stated research questions by dividing it into four stages. The first stage was to examine of secondary data and create the first version of the interview guide. The second stage was devoted to the conducting a pilot interview and finalizing the structure and content of the interview guide. In the third stage, we selected the sample criteria and found the appropriate respondents. The fourth stage was final and was devoted to the conducting in-depth semi-structured interviews and subsequent analysis of the interview results.

The results of the study of the first research question presented that the following factors are the most important for Russian SIEs, in terms of three different levels:

- a) individual level: self-realization and international experience,
- b) organizational level: career growth opportunities and salary and bonuses,
- c) country level: economic and political development of the country and country's perceived standard of living.

These research findings will be useful in shaping the TM program with the aim of attracting, developing and retaining talented employees both at the organizational and national level in Russia. By directly influencing these factors using the TM practices indicated in the second research question, Russian companies will be able to directly influence the retention and repatriation of SIEs.

Thus, regarding the second research question, we explored the following TM practices that potentially may serve as repatriation mechanisms for Russian SIEs. Specifically, *training* and education opportunities, fast career growth, flexible work processes, feedback sessions with anonymous surveys, and team building activities. Among the second-priority TM practices are the opportunity to be a shareholder and company assistance with relocation of employees.

The logical combination of all the above-mentioned TM practices and the company's readiness to adapt and change are critical there. Moreover, the size and industry of the company play the crucial role, since the larger the company is, the more the risk of its inflexibility is, and the more rigid the hierarchy of the structure can be (Sak & Taymaz, 2004).

In our qualitative research, we concluded that the categories of TM practices that we identified as the most important for the SIEs in the previous part of study could serve as a repatriation mechanism for the Russian SIEs, since for SIEs they are key determinants underlying decision-making about relocation and selection of a company to work.

Therefore, our research identified that there are mechanisms of organizational impact on the return of talented SIEs to Russia. Furthermore, they can be directly influenced by TM in Russian companies using the effective practices described above.

#### CHAPTER IV. CONCLUSIONS AND IMPLICATIONS

#### 4.1. Conclusions

One of the major forces of change in the twenty-first century has been identified as TM (Stone and Deadrick, 2015). Organizations are recognizing that wise application of TM techniques may help them acquire a competitive edge (Guthridge et al., 2008; Schuler et al., 2011; Mupepi, 2017). Human skills are considered the most valuable resources in a knowledge-based economy, thus how talent is "treated" becomes a defining factor for an organization's level of growth (Serban and Andanut, 2014).

Recently there has been a surge of research into independent, internationally mobile professionals (Andresen et al., 2012; Doherty, 2013; Shaffer et al., 2012). SIEs are professionals and managers who, without the assistance of a company, go to work in a host country for an indeterminate amount of time, generally over a year (Collings et al., 2007; Tharenou and Caulfield, 2010). The growing number of SIEs entering the global labor market has one major implication: MNCs may use these individuals to fill critical roles in subsidiary operations at a lesser cost than expatriates (Collings et al., 2007, p. 204). As a result, it becomes necessary to look at the determinants that influence SIEs' relocation decisions.

Two primary research questions were formulated at the bwginning of this master thesis, indicating the path of investigation. The purpose of this research has been to seek clarification of Russian SIEs' determinant factors to move and how TM practices can help retain and return SIEs to Russia. Regarding the research question 1, we identified the main factors that determine relocation decisions of SIEs. In terms of research question 2, we revealed what TM practices may serve as repatriation mechanisms for Russian SIEs. Thus, this master thesis revealed that TM practices can be applied as a powerful tool by organizations for SIEs retention and repatriation.

#### 4.2. Theoretical Contribution

Most of the fast-growing literature on business expatriates has focused on organizational expatriates who have been assigned by their parent companies to the foreign location (Tharenou,

2013). However, there is much less research on self-initiated expatriates, who themselves have decided to expatriate to work abroad (Andresen et al., 2012).

At the same time, few studies have investigated relocation decision factors of SIEs, particularly regarding emerging markets. This master thesis contributes to an important gap in current research about the drivers of self-initiated expatriation in context of Russia. It reveals details about the diverse motivations to undertake a self-initiated expatriation in Russia and the TM practices that can help SIEs repatriate to Russia.

This master thesis proved empirically that TM practices can serve as repatriation mechanism for Russian SIEs and revealed major factors that are crucial for SIEs in terms of expatriation and potential repatriation. The study contributes to international expatriation theory expanding the research of Andresen et al. (2012); Doherty (2013); Shaffer et al., 2012; Tharenou, 2013.

#### 4.3. Practical Relevance

This study offers an in-depth understanding of the determinants of relocation decisions of Russian SIEs and provides an explanation of which TM practices can be useful for retaining and repatriating SIEs to Russia. These practices can be integrated into the corporate environment of companies of different sizes and industries for a more effective TM system and creating the appropriate conditions for retaining talent within the organization.

Investigating the first research question, we found out what motivates talented Russian SIEs to leave the country. We studied these factors and the degree of their influence on Russian SIEs in order to understand what makes these talented people leave their comfort zone and go to other countries. At the same time, we looked at the challenges and benefits that SIEs face during their expatriation process in order to gain better understanding of their true needs and trade-offs.

Regarding the second research question, we determined that TM can in reality affect the retention of the majority of SIEs in Russia, and identified those TM practices that should be given the most attention when introducing into the organizational culture of Russian companies.

Thus, the results of this master thesis, firstly, can help Russian organizations understand what motivates SIE and develop those TM programs that will be most effective in attracting and retaining talented SIE. Second, at the country level, the results of this study can be valuable for Russia, as this work contributes to understanding how to prevent the brain drain from the country and leave the country's one of the most talented population and, as a consequence, increase the country's competitiveness. on the international level.

#### 4.4. Limitations and Recommendations for further research

Every study, including this master thesis, has its own set of limitations.

To begin, the provided research findings are based on a rather small sample size (n = 14). Regardless matter how good the purposive sampling, data collecting, triangulation, or data analysis procedures were, the generalizability of these findings should be viewed with care. However, this constraint has no bearing on the conclusions drawn from the data. It paves the way for future research on a bigger scale.

Second, the study depended on respondents' honesty and truthfulness. There is a risk the participants were not completely honest in their expressions. To prevent this risk, the author took every effort to ensure the participants that any information they supplied was strictly confidential and would only be used for research purposes, and that their anonymity is protected.

Finally, the Russian context is examined in this master thesis. Results may differ in various emerging market economies due to cultural differences, and hence should not be applied to every emerging market country. While we have provided a basic framework for SIE's TM, we realize that there may be country-specific variances in TM systems that this master thesis does not explicitly address.

Moreover, in our study, we did not investigate SIEs who returned to Russia, as our purpose was to explore the current SIEs' intrinsic motivations to leave country. Therefore, as a follow-up to this research, we recommend conducting a separate analysis of SIEs who returned to Russia in order to combine it with this master thesis' research outcomes and gain a more holistic understanding of the mechanisms of Russian SIE's repatriation.

At the same time, further research is needed to assess the efficiency of the proposed framework using specific KPIs. These KPIs might range from turnover intention to turnover rate to employee performance, depending on the organizational corporate values. As with any HR procedure, proposed framework on SIEs should be assessed from an economic standpoint, such as through a cost-benefit analysis.

In conclusion, this research offers a comprehensive analysis of how TM practices may be applied as a repatriation mechanism for Russian SIEs. Depending on the nature of the organization, its scale, and corporate culture, it will provide more benefits to some industries. thus, further study might concentrate on a more in-depth examination of the specifics of applying the SIE's framework to a specific industry.

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#### **APPENDIX 1. QUESTIONNAIRE**

# 1. Background Information

#### 1.1 Respondent's Profile:

- 1. Age?
- 2. Gender?
- 3. Education (degree, field of study, university)?
- 4. What languages do you speak?
- 5. What is your home country and city?
- 6. What is (are) your expatriation country (-ies)?
- 7. How many years do you live in another country (-ies) as an expatriate?
- 8. Have you ever had an international experience before expatriation (study, travelling, etc.)?

# 1.2 Company's Profile:

- 1. What is your position in the company?
- 2. Years on this position?
- 3. Years in the company?
- 4. How many years of overall work experience do you have?
- 5. Did you work for Russian companies before?
- 6. Management level (lower, middle, top)?
- 7. What industry do you work in?
- 8. Company type (international or national)?
- 9. Company size (Startup, small (10-49 employees), medium-sized (50-249 employees), large-sized (250+ employees))?
- 10. Your current employment status (full-time, part-time, freelance, etc.)?
- 11. Does the company what you work for have a talent management system (talent attraction, development, retention)? (Yes/No)

#### 2. Questions for RQ 1: What factors determine relocation decisions of SIEs?

#### 2.1 Individual level (personal & relationships):

- 1. How below mentioned factors influenced your relocation decision? Why?:
- Cultural adaptation -
- Self-realization and self-perception -
- International experience (studies, internships, friends from other countries, etc.) -
- Personal relationship factor (personal network) -
- Family factor -
- Social status -
- 2. How do you assess the influence of these factors on you (not important, slightly important, moderately important, very important)? And why?

- 3. Describe please main challenges and opportunities in your expatriation process.
- 4. How comfortable do you feel now in another country compared to Russia? And why?
- 5. Would you like to stay in this country and city in the nearest future (5 years)? And why?

# 2.2 Company level (career & company):

- 6. How below mentioned factors influenced your relocation decision? Why?:
- Career growth opportunities -
- Salary and bonuses -
- Couching and mentoring -
- Interesting tasks -
- High level of responsibility and ownership -
- Company's help in cultural adaptation -
- 7. How do you assess the influence of these factors on you (not important, slightly important, moderately important, very important)? And why?
- 8. How does your company and colleagues support your cultural adaptation?
- 9. Would you like to stay in this company in the nearest future (5 years)? And why?

# 2.3 Country & city level (government & international appeal):

- 10. How below mentioned factors influenced your relocation decision? Why?:
- Country appeal in terms of perceived standard of living -
- Economic and political development of the country -
- Governmental support of citizens -
- Governmental support of specific industries -
- Country's help in cultural adaptation -
- 11. How do you assess the influence of these factors on you (not important, slightly important, moderately important, very important)? And why?
- 12. How does your country and city support your cultural adaptation?
- 13. Would you like to stay in this country and city in the nearest future (5 years)? And why?

# 3. Questions for RQ2: What talent management (TM) practices may serve as repatriation mechanisms for SIEs to return to their home countries? (переформулировали на прошлой встрече)

- 14. What makes the company you currently work for attractive to you?
- 15. What talent management (TM) practices (talent attraction, development and retention) does your company implement?
- If no, what TM practices would you like to have in your company? And why?
- 16. Do you think that if the same talent management practices would be transferred to Russia, would it force you to return to Russia? And why?
- 17. Which TM practices (talent attraction, development and retention) are most important to you as an employee? And why?

- 18. What talent management practices (talent attraction, talent development and talent retention) do you think are the most effective for company? And why?
- 19. Would a TM system be the key factor for you to decide to come back to Russia? And why?
- 20. What TM practices should be in Russian companies that would make you return or not leave Russia? And why?
- 21. Have you ever worked for Russian companies? -> If yes, what did you particularly like and dislike about your working experience for Russian companies?
- 22. Do you think TM practices can be retention mechanism for you? And why?
- 23. What TM practices are attractive for you in your host country and in your firm? And why?
- 24. If the quality of life, economic and political situation in Russia were the same as in the country where you now live, then what TM practices in Russian companies would make you return to Russia?