

Bringing Expats to Russia Continuing Conundrums

The view from the trenches



**CUSHMAN &
WAKEFIELD**
STILES & RIABOKOBYLKO™

The view from 30,000 feet



- Mobility key priority of international company's People Platform
- Russia still has niches where experienced international employees can add value
- But growing sense of need to balance value and cost
 - Bells and Whistle mobility program vs “Early Onset” Localisation
 - ‘Revenue Ready’, ‘Skills-transferring’ Individuals wanted!
- HR and Mobility - Mountains and Elephants – How hard can it be???

The Reality closer to the ground



- Russia is still a hard sell – even if your market has just gone through the floor.....
- Jobs look attractive on paper, but people are still quite easily put off by:
 - Cost of living
 - Political climate
 - Ease of getting family adapted
 - Lack of clear ‘re-entry’ strategy
- ‘Most likely to succeed’ expat is still either young, single, male or pre-retirement couple with kids in college!

One Year On....the Landscape



- Political 😐 / Legal 😞
- Economic 😊??
- Social 😊 (depending on family status!)
- Tax !! 😊

Bottom Line – Still a minefield...

Political / Legal Landscape



- Domestic Business Challenges and Uncertainties
 - TNK, Sakhalin Energy
- Legal Compliance – the Elusive Dream??
 - Moving goal posts and raising the bar!
 - Lack of clarity in application
 - Irritant factor
 - Balancing compliance with business need (in through the back door??)

Economic



- Russia still seen as offering opportunities
– market slightly more fenced off from global downturn than US/UK/Europe?
- But does that mean people would be coming here for the right reasons??

Social



- Moscow now million miles away from early 90s in terms of services
 - Housing
 - Infrastructure
 - Schooling
- But all this comes at a cost – and international employees often think expat salary / package +++ is still the norm!

Tax



- Still a deal maker for many people when deciding on working in Russia
- But potential for disappointment until reach mythical resident status!

The View from the Trenches



- Not necessarily any easier to
 - Attract people to Russia
 - Deliver what you promised them on time – logistics more challenging to get them here and settled
 - Navigate in changing environment
- Not convinced it will get any easier....but try telling that to your boss/HQ!

Pitfalls



- Assuming 'one size fits all' always works
 - Although management by exception a hazardous path to tread
- Taking your eye off the ball!
- Not keeping a fresh perspective and seeing things through the eyes of the assignee/expat – Selective Memory from vets on the ground

Where it works, it still works well...



- Key ingredients
 - Lashings of Positive attitude
 - Generous helping of Low Maintenance
 - Equal Measures of Patience and Perseverance
- But... issues of equity between those on formal policies, and those liable for localisation can turn things sour

Key Success Factors



- Be aware of ‘square peg in round hole’
- Balance Russian organisation needs with those of wider organisation
- Balance local staff needs with those of international employees
- Communicate openly about processes to manage expectations
- KISS principle – Don’t overpromise!

Continuing Conundrums



“I cannot forecast to you the action of Russia. It is a riddle, wrapped in a mystery, inside an enigma;

but perhaps there is a key.

That key is Russian national interest.”

Winston Churchill : October 1939