

St. Petersburg University
Graduate School of Management

[Master in Management Program]

**TALENT MANAGEMENT PRACTICES IN
EMERGING MARKET FIRMS: COMPARATIVE
ANALYSIS OF RUSSIAN AND BRAZILIAN
COMPANIES**

Master's Thesis by the 2nd year student

Concentration — [Management]

[Elena Artyukh]

Research advisor:

[Marina O. Latukha, Associate Professor]

St. Petersburg

[2016]

STATEMENT ABOUT THE INDEPENDENT CHARACTER OF
THE MASTER THESIS

I, Artyukh Elena, (second) year master student, program «Management», state that my master thesis on the topic «Talent management practices in emerging market firms: comparative analysis of Russian and Brazilian companies», which is presented to the Master Office to be submitted to the Official Defense Committee for the public defense, does not contain any elements of plagiarism.

All direct borrowings from printed and electronic sources, as well as from master theses, PhD and doctorate theses which were defended earlier, have appropriate references.

I am aware that according to paragraph 9.7.1. of Guidelines for instruction in major curriculum programs of higher and secondary professional education at St.Petersburg University «A master thesis must be completed by each of the degree candidates individually under the supervision of his or her advisor», and according to paragraph 51 of Charter of the Federal State Institution of Higher Education Saint-Petersburg State University «a student can be expelled from St.Petersburg University for submitting of the course or graduation qualification work developed by other person (persons)».



(Student's signature)

May 24th, 2016 (Date)

ЗАЯВЛЕНИЕ О САМОСТОЯТЕЛЬНОМ ХАРАКТЕРЕ ВЫПОЛНЕНИЯ
ВЫПУСКНОЙ КВАЛИФИКАЦИОННОЙ РАБОТЫ

Я, Артюх Елена Игоревна, студентка второго курса магистратуры направления «Менеджмент», заявляю, что в моей магистерской диссертации на тему «Практики управления талантливыми сотрудниками в компаниях развивающихся странах: сравнительный анализ российских и бразильских компаний», представленной в службу обеспечения программ магистратуры для последующей передачи в государственную аттестационную комиссию для публичной защиты, не содержится элементов плагиата.

Все прямые заимствования из печатных и электронных источников, а также из защищенных ранее выпускных квалификационных работ, кандидатских и докторских диссертаций имеют соответствующие ссылки.

Мне известно содержание п. 9.7.1 Правил обучения по основным образовательным программам высшего и среднего профессионального образования в СПбГУ о том, что «ВКР выполняется индивидуально каждым студентом под руководством назначенного ему научного руководителя», и п. 51 Устава федерального государственного бюджетного образовательного учреждения высшего образования «Санкт-Петербургский государственный университет» о том, что «студент подлежит отчислению из Санкт-Петербургского университета за представление курсовой или выпускной квалификационной работы, выполненной другим лицом (лицами)».



_____ (Подпись студента)

24.05.2016 (Дата)

ABSTRACT

Master Student's Name	Elena Artyukh
Master Thesis Title	Talent management practices in emerging market firms: comparative analysis of Russian and Brazilian companies
Faculty	Management
Main field of study	Management
Year	2016
Academic Advisor's Name	Marina O. Latukha
Description of the goal, tasks and main results	The given study aims to reveal as well as to compare the talent management (TM) practices in companies from Brazil and Russia. This study explores the peculiarities of TM practices in the companies from Russia and Brazil as well as conducts cross-country analysis. The significant importance of absorptive capacity has also been identified along the way pointing out the connection between the two. We argue that well-developed practices of TM positively affect ACAP of the firms in Russia and Brazil.
Keywords	Talent management, emerging markets, Brazil, Russia, absorptive capacity

АННОТАЦИЯ

Автор	Елена Игоревна Артюх
Название магистерской диссертации	Практики управления талантливыми сотрудниками в компаниях развивающихся странах: сравнительный анализ российских и бразильских компаний
Факультет	Высшая Школа Менеджмента
Направление подготовки	Менеджмент
Год	2016
Научный руководитель	Марина Олеговна Латуха
Описание цели, задач и основных результатов	Цель данного исследования выявить и сравнить практики управления талантливыми сотрудниками в компаниях из Бразилии и России. Данная работа изучает основные особенности, характерные для практик управления талантливыми сотрудниками в компаниях из Бразилии и России, а также проводит сравнительный анализ между ними. В ходе исследования выявлена важность взаимосвязи между практиками управления талантливыми сотрудниками и поглощающей способностью компании. Мы утверждаем, что хорошо развитые практики управления талантливыми сотрудниками позитивно влияют на поглощающую способность компаний из России и Бразилии.
Ключевые слова	Управление талантливыми сотрудниками, развивающиеся рынки, Россия, Бразилия, поглощающая способность компаний

Table of Contents

Introduction.....	7
1. Chapter Talent Management.....	9
Talent management as a concept.....	10
Definition of Talent.....	11
Searching for Talent.....	13
2. Chapter Talent management in emerging markets.....	15
Talent management in Brazil.....	17
Talent management in Russia.....	21
The peculiarities of TM in Russian and Brazilian companies.....	26
Absorptive capacity in Brazilian companies	29
Absorptive capacity in Russian companies	32
Research gaps	35
3. Chapter Methodology.....	37
Data and respondents.....	37
Method and measures.....	37
Empirical study	39
Findings and discussion.....	40
Conclusions.....	50
List of References.....	53
Appendix 1. Questionnaire.....	63

Introduction

With the rapid technology and business processes development, the importance of talent management (TM) has skyrocketed tremendously in the recent years. Nowadays TM has been positioned as the scientifically controlled and carefully monitored area, which in its turn has been gaining the same significance as the management of financial or marketing aspects of the business (Khan, Ayub 2010). The introduction of the innovative concept of TM transformed and strengthened the attitude towards the importance of skilful dealing with a company workforce (Schweyer, 2004). Subtle way of managing people perhaps can be considered as one of the most challenging things to do since the human being is the most complicated creature (Branham, 2000).

When it comes to business, TM management boils down to attracting, hiring, motivating, retaining of those who in recent decades have been called “talents” (Hansen, 2007). The talented workers are quite scarce resource nowadays, that’s why the need to elaborate the approaches and methods which allow the company possess the most wanted asset – talented employees has largely increased (Conger, et al 2008). The current condition of rapid globalization, demographic problems represented by unbalancing between old and young have provoked raising the alarm concerning the scarcity of the senior talent (Frank and Taylor, 2004; Bughin and Lund, 2015). The “war for talent” presented for the first time in 1997 by Steven Hankin, McKinsey consultant, have become an urgent issue nowadays (Fernandez-Araoz, 2014). Practitioners perceive this “war” differently; some consider it as the obstacle to overcome, while the other treat “the war for talent” as the great opportunity to build a strong advantage that will differentiate them from the competitors. The studies conducted by Deloitte Company in 2010 corroborated the fact that the TM is getting the position of the special ingredient necessary for being competitive in today challenging environment (Deloitte, 2010). It has been firmly claimed that the presence of TM in a company is one of the main factors of business competitiveness (Egerova, 2013).

The contemporary business literature state that nowadays increasing number of organizations are realizing the benefits of implementing TM practices. Thus, great number of companies are already competing on the basis of talented employees, treating their skills and gifts as unique assets (Tansley, 2011). It has been proved that the firms, which introduced TM practices some time ago, nowadays have higher-than-average market share as well as raising profits (Philips, 2014).

It has been suggested that the TM has the positive impact on the overall company performance (Latukha, 2015). When implemented on a daily basis, TM encourages meeting company goals whether they are sales goals, revenue goals or introducing innovations (Heinen,

Neill, 2004). The interesting fact was noticed by academics from Webster University, United States. Their research showed that companies that are successful in attracting, developing, motivating and retaining talented workers deliver outstanding results for their shareholders. The statistics points to observed regularity – companies that managed to score in the top quintile of TM practices outperform the industry mean return to shareholders by 22 percent, which is remarkable (Oladapo, 2014).

In today's era of rapid technology development, the need for intellectual capital has intensified like never before (Shrimali and Gidwani, 2012). The companies compete for talented employees, because their skills and talents if used correctly might open new horizons for organizations. The possibilities for company development becomes unlimited once skilled talents are involved in the work process, motivated to provide outstanding results (Tansley, 2011). McKinsey Company considers the TM practices as one of the most powerful drivers of distinguished performance (Chambers et al., 2001).

For those companies that still skeptically think about investing in TM practices, academics from US state with confidence that benefits the company receives once TM is implemented largely outweigh all the costs incurred (Oladapo, 2014). If to take a look at the current competition in the business world today, it becomes obvious that the latter is getting more intense every day. The environment in which the companies have to operate in is quite unpredictable and chaotic (Guillén, García-Canal, 2012). Even though these conditions are considered to be challenging for the developed countries, for emerging markets the state of uncertainty and chaos has been usual work environment (Knight, et al 2008). The researchers from Cambridge University forecasts that by 2025 the seven out of ten new large companies will come out from the emerging markets and will rapidly move towards expanding globally (Bughin and Lund, 2015). As it has already been mentioned, the main advantage that the emerging markets possess is the innate ability to be flexible under different business circumstances. The absence of fear to try new approaches and methods in their work allow the companies to be quite inventive when it comes to problem solving (Henisz and Zelner, 2010). Taking into account the fact that the potential of emerging markets is extremely promising, the ability to manage people effectively exploiting their skills and competences to the full extent gained the particular importance (Morrison and Pearce, 2014).

TM practices that are being applied in emerging market firms undoubtedly have the variety of its specifics, which are especially interesting for a given research.

The aim of the given study is to reveal as well as to compare the TM practices of Brazilian and Russian companies and to identify how TM practices are connected to absorptive capacity of the companies from the targeted markets.

Subject: TM practices of companies from Russia and Brazil; Absorptive capacity of Russian and Brazilian firms.

Object: Companies originally headquartered in Russia and Brazil.

Master thesis structure

The given research contains three main chapters, each of which has its own particular role. The focus of the first chapter is to analyze the literature available on the subject of TM. The essence of TM is presented from the different perspectives, which in its turn helps to get all-embracing definition of the latter. Since the research concentrates on particular emerging markets, namely speaking Russia and Brazil, it did make sense to become familiar with those markets. Thus, the second chapter is dedicated to TM in emerging market firms. The main features and specifics of TM practices implied in companies of the target markets have been reviewed as the information needed for the further research work. Throughout the process of reading the literature dedicated to the subject of TM in emerging market firms, the knowledge gap had been identified and inspired the author of this paper to initiate the given research. The aim of the third chapter was to elaborate the methodology that would be utilized for conducting the research. The data necessary for analysis was described in details to some extent. The third chapter presented the survey as the research method that had been used for collecting the data needed for empirical study as well as the measures used during the study. This chapter also highlights the findings of the empirical study and based on them conclusion are made.

Chapter 1 Talent Management

In its essence human resource has undoubtedly possess immense potential to develop with its multicolored behavioral attributes (Khan and Ayub 2010). If managed professionally, those attributes are able to assist in improving overall company performance (Latukha, 2015). The company workforce are usually viewed as the most precious as well as the most expensive asset to have since it is not easily to deal with (Conger and Hill, 2008). The majority of cases suggest that skilled employees are exactly that force which helps the company to be a decent player on the contemporary business arena in the competitive environment (Dalziel, 2004).

When it comes to human resource management, it is necessary to mention that the latter has been known to business world for a quite long time. Historically human resource management

had its focus on such activities as hiring, managing payroll, providing some benefits to the workforce (Heinen and O'Neill, 2004). The year of 1980 changed the attitude towards the HRM assigning the latter strategic meaning, allowing human resource department to be involved in the business strategy execution of the company (Schuler and Jackson, 1987). Such functions as overall employee management, training of the workforce, developing different compensation systems, termination were the main activities for HRM of the company (Branham, 2000). The practices of HRM had been smoothly elaborating, thus giving birth to the concept of TM in the nineties (Marants, 2012).

Talent management as a concept

Perspectives on talent management

The TM is relatively young concept in the business world (Schweyer, 2004; Laff, 2006; Tansley, 2011; Handley and Janet, 2012). There are quite heteropolar views on TM when it comes to detailed analysis of the concept attributes (Handley and Janet, 2012). Some authors claim that the TM is nothing new but the old idea covered in the new wrapper (Mellahi and Collings, 2010). This critical prospective proposes that the TM represents just updated version of the human resource management with some attributes improved (Carmichael and Emsell, 2011). Another approach perceives TM as a primary strategic tool of HR in the company, main purpose of which is to acquire and retain employees that can be described as being talented (Horváthová and Mikušová 2010). Supporters of this view perceive the concept of TM as the part of HRM, which is specialized on execution of the main HR function as hiring, training, keeping the brightest employees (Carmichael and Emsell, 2011). More recent research work defines TM role in the organization as providing identification of key strategic position as well as utilizing available HR instruments to attract, hire, motivate and keep employees according to their professional skills and achievements (Mensah, 2015; Oladapo, 2014; Egerova, 2013). Based on this perspective, the main purpose of TM in the company is to boost workforce performance on each stage of the career ladder by encouraging employees to explore their potential, and use it for the firm's success as well as their own (Cappelli, 2008). The TM not only provides necessary tools for employee to achieve more in their professional life; it also inspires employees to desire more in terms of career development (Turabian, 2007). Thus, it has been proved that employees, who are being treated as the talents in the companies they work for, demonstrate better performance comparing with those who hadn't been perceived as talented (Aswathappa, 2005).

There is a group of academics and practitioners insisting that TM cannot be bounded to human resource department of the company since talent management in its essence is quite

sensitive to different market changes and should be able to react strategically when such a need arises (Uren, 2007). Therefore, some companies already have TM department separately from HR, it is hard to judge whether it is right or wrong because this question should be asked in the context of concrete organization (Laff, 2006). However, no matter whether TM practices are implemented by HR department or by special talent department, those two should cooperate in their work on a daily basis (Pollitt, 2004).

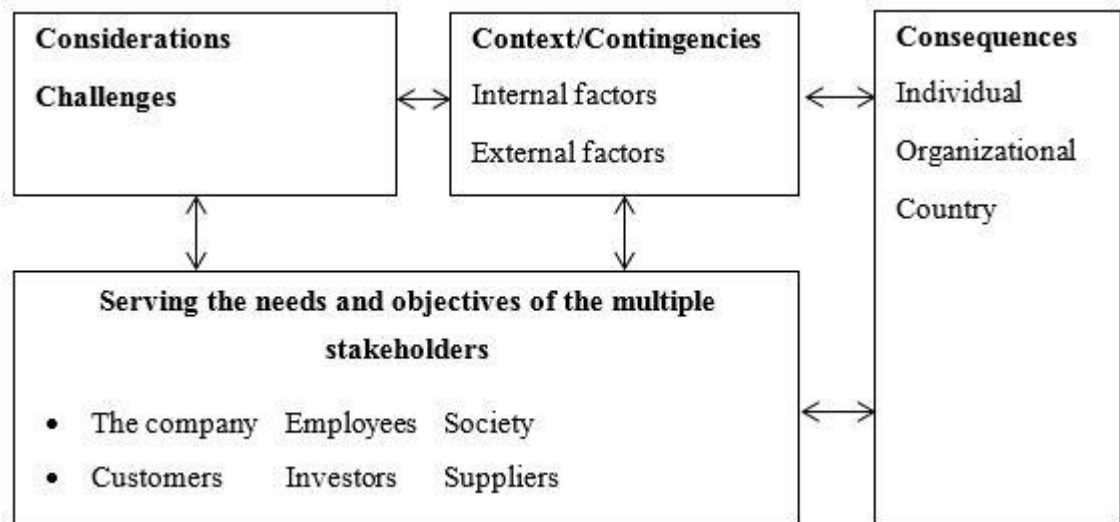


Fig 1. The 5-C model of managing talents. Borrowed from Schuler, 2015

The framework introduced by Schuler (2015) is the most recent work that reflects the situation that in the firms in respect to TM. The 5-C model reflects the choices that firms encounter in the process of managing talents (Schuler, 2015). TM is everything that is anyhow relates to attracting, hiring, developing, motivating, promoting, keeping employees who possess potential that if cultivated properly by special techniques and tools can contribute to company prosperity (Laff, 2006; Oladapo, 2014).

Definition of Talent

The perception of the term “talent” by different authors is far from being uniform. Many practitioners refer “talent” to employees who drive business of the company forward . These workers have a set of achievements in their professional portfolio as well as characteristics of being proactive and inspiring (Hansen, 2007; Chowdhury, 2002; Egerova, 2013). The well-known 80/20 rule also is applied when it comes to “counting” talents in the organization. Thus, famous professional speaker and successful American businessperson Brian Tracy claims that the work effort of the twenty percent of employees generate eighty percent of the firm’s revenue, while the rest eighty percent generate twenty percent of the revenue (Tracy, 2010). Such distribution might seem a little rough at the first sight but it does have some research studies conducted to back up

credibility of this claim. Other experts propose that just three to five percent of all company workers can be called talents, while other workers usually don't demonstrate skills and abilities that might be perceived as unique and particular precious to the firm (Berger, 2004). An employee is eligible to be titled as talented if he constantly demonstrates high performance as well as potential that could be further developed for the company benefit (Seldeneck, 2004).

Interesting perspective concerning talent definition is offered by Chowdhury, who describes company talents as those that are innovative in their daily activities, not afraid to break established rules, able to motivate coworkers to follow them (Chowdhury, 2002). Even though such an opinion has the right to exist, it can be assumed that employers, especially big companies and corporation wouldn't want their workers to be talents by the majority in this regard. Business requires some kind of discipline among employees, so if everyone at the company breaks rules and constantly innovate without listening to his counterparts, the firm will turn out to be a chaos, not a place to generate money. On the other hand, Chowdhury's definition of talent can be relevant for small innovative companies, where there is no need for strict order and discipline.

It is necessary to mention that the concept of talent is perceived differently from country to country. Thus, western cultures refers to talent as inborn unique ability that assists a person throughout his whole life in specific field (Tansley, 2011). The Japanese attitude towards talent is quite different and is described as attainments achieved through many years of hard work (Urbancová and Vnoučková, 2015). When Americans use the word "talent" talking about their employee, they imply the integrated totality of person's attributes such as professional skills and abilities, overall intelligence, peculiar gifts, character, ambitions, behavior (Handfield-Jones and Axelrod, 2001; Tracy, 210).

Other academics confirm that there are two main approaches to talent definition. Talent as unique permanent feature of the person thus impossible to learn and acquire. In this case, talent is treated as innate ability, the gift from the God (Michaels and Handfield-Jones, 2001). The person possessing the talent can demonstrates outstanding results if he nurtures his abilities by the means of special training, while the person who has got the same amount of training but doesn't have inborn gift wouldn't be able to show the same results (Shrimali and Gidwani, 2012; Heinen and O'Neill, 2004). Another perspective on talent suggests that talent is acquired by hard work, serious attitude towards gaining new knowledge, practice and repetition (Cappelli, 2008; Frank and Taylor, 2004; Mensah, 2015). In this scenario, the education, experience and career ambition of the person play much more important role in developing talent rather than simply inborn abilities.

The company, which is interested in having talented workforce, has to formulate definition of talent as well as TM based on their priorities, values, requirements (Chambers and Foulon, 2001). The firm will definitely gain more by having its own definition of talent because the latter is the main ingredient in the process of forming talent management strategy (Serrat, 2010).

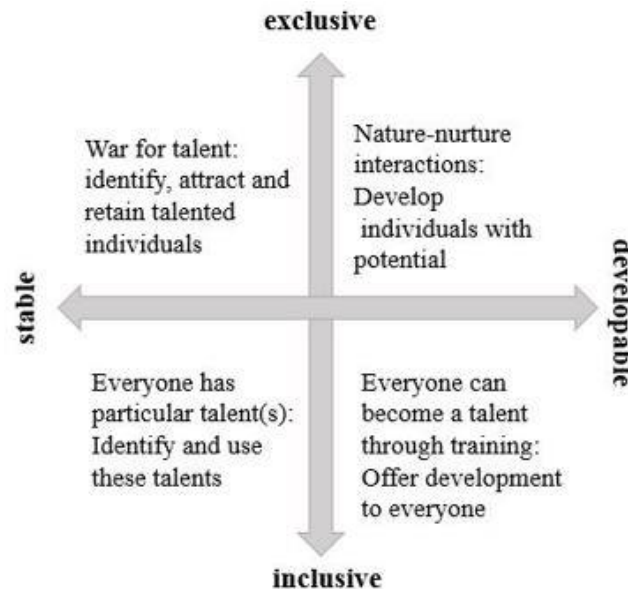


Fig 2. Talent management philosophies. Borrowed from Meyers and Woerkom (2014)

Searching for talents

When it comes to finding talents, there are two main ways exist (Cappelli, 2008). The first way lies in the identification talented employees within the company (Branham, 2000; Schweyer, 2004; Dalziel, 2004). This type of recruitment requires the presence of effective channels of communication throughout the company, so the employees are aware of the opportunities the company offers, and are motivated to use them (Tansley, 2011). Professional development plan is important ingredient in this regard; this plan enables the employee to create a vision about the route that can lead to better position (Michaels and Handfield-Jones, 2001; Schweyer, 2004; Seldeneck, 2004). Mentorship programs also help in identifying candidates for particular position within the company (Serrat, 2010). A mentor assists an employee in realizing which professional skills should be developed and improved in order to apply for higher job position. The internal hiring has advantages as well as disadvantages (Branham, 2000; Uren, 2007, Chowdhury, 2002). The cost is much lower in internal recruitment because the information about the job opening should be distributed just through internal channels of the company. Another advantage lies in the morale of the organization, when employees know that their hard work will be rewarded by promotion, it motivates them to perform better at their current position (Michaels and Handfield-Jones, 2001; Lattner, 2007).

Unfortunately, it is impossible that talent always to be found within the company (Seldeneck, 2004). More often than not, when recruiting internally it is harder to stimulate company growth since the flow of “fresh” thinking and new ideas become quite limited. It has been found by academics that there are lot of firms that prefer firstly to search for talents externally (Chambers and Foulon, 2001; Schweyer, 2004). External recruitment allows the firm to get new insights on how to operate more efficiently, this is possible through integrating current company methodologies with the information and ideas brought by new Talent (Pollitt, 2004; Hansen, F. 2007; Khan and Amna, 2010).

As the some experts state, the probability that the true talent will be unemployed is not high (Branham, 2000; Horváthová and Mikušová, 2010). Since the competition gets tougher every year in the business world, it is necessary to monitor outstanding talents in the competing firms (Chowdhury, 2002). Undoubtedly, it is not easy to entice away high performers, that is why it is extremely essential to create such work conditions and environment that would make talents want to work for particular company (Seldeneck 2004).

The researchers from Harvard Business School offer effective strategy for recruiting talents. They suggest that making compelling promises and keeping them attract high achievers to compete for a job position (Conger, Ready, Hill 2008). The promises in its turn should be centered on opportunities, company’s brand and purpose.

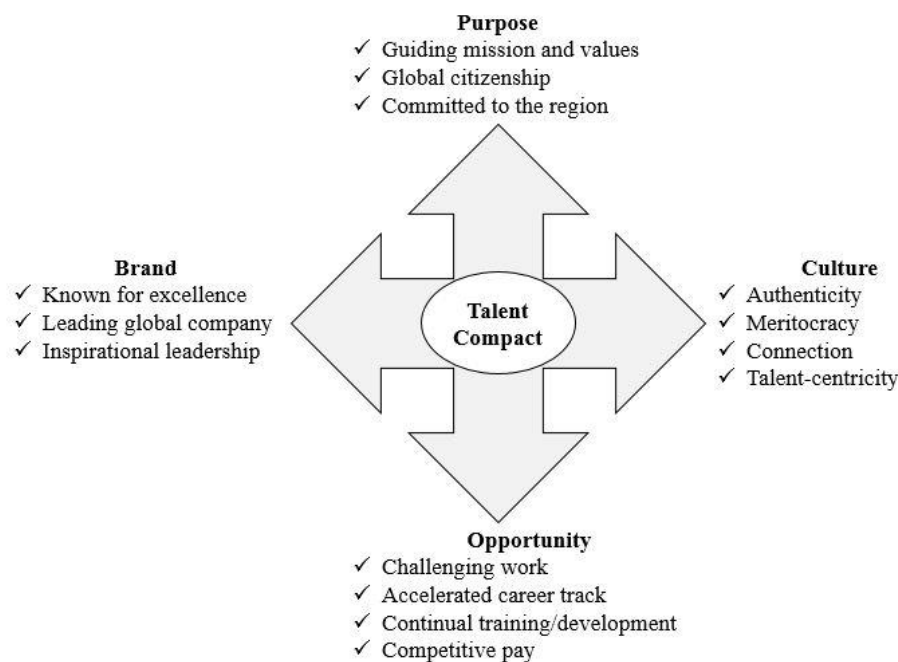


Fig.3. A framework for attracting and retaining Talent. Borrowed from Conger, Ready, Hill 2008

According to Conger, Ready and Hill, all four factors mentioned above (purpose, brand, opportunity and culture) are acting together playing an essential role in TM process of the company.

No wonder that the external recruitment is not cheap procedure to implement (Branham, 2000; Uren, 2007; Oladapo, 2014). All steps of a hiring process such as job advertising, interviewing, selecting and training a new employee usually incur high costs that is why it is crucial to make a right choice when hiring. “Hire slow, fire fast” is advice from American entrepreneurs when it comes to recruitment (Tracy 2010). Another successful recipe consists in hiring for competencies rather than for credentials. The research conducted in the companies that practiced hiring for competencies as well as for credentials shows that the latter is weak indicator of future high performance of the employee (Pollitt, 2004; Schweyer, 2004; Shrimali, H., Gidwani, 2012). At the same time, the hiring for competencies proved to be the right strategy to implement while recruiting. The hiring for competencies is considered as building block of the talent management (Dalziel, 2004).

Chapter 2

Talent management in emerging markets firms

Emerging markets are being defined as economies that managed to reach industrialization, modernization as well as economic growth starting since early eighties (Knight and Cavusgil, 2008). Nowadays, 37 countries are considered emerging economies. So called the “Big four”- Brazil, Russia, India, China represent the fastest-growing large economies of the emerging countries world (Kokemuller, 2015). The developing countries own the majority of world land mass as well as the world population. The abundance of natural resources possessed by emerging countries has been transformed in a challenge to use those resources to countries advantage (Mobius, 2015).

There are lot of advantages when it comes to conducting business in emerging country. The availability of cheap labor force, government support in some countries, low-cost capital make the emerging countries very attractive for starting new companies as well as for internalizing already existed firms (Guillén and García-Canal, 2012; Bughin and Lund, 2015; Brunke, 2012). Many authors suggest that developing countries are perfect place for establishing manufacturing activities due to its low labor cost (Conger and Hill, 2008; Knight and Cavusgil, 2008; Bughin and Lund, 2015). In addition, it has been suggested that emerging markets are promising destination point for procurement of products as well as services (Kolachi and Shah, 2013).

Doing business in emerging economies has not only positive side, the risks and uncertainties are common everywhere in developing countries when it comes to business. Among the factors that could represent the additional costs might be political instability, corruption, safety issues, limited protection, inadequate legal frameworks as well as lack of transparency (Henisz and Zelner, 2010; Kokemuller, 2015). With all this set of different risks, the companies that originally come from emerging economies possess innate ability to function in chaotic business environment with high degree of uncertainty (Mobius, 2015; Guillén and García-Canal, 2012; Knight and Cavusgil, 2008). While companies from developed economies are having a hard time trying to get used to conducting business under challenging unpredictable conditions, emerging market firms feel quite comfortable because such conditions are usual for them (Gandhok and Smith, 2014; Knight and Cavusgil, 2008). Experts consider this ability of emerging market companies as a competitive advantage, which assists them in outperforming firms from developed countries in some cases (Guillén, García-Canal, 2012).

The rapid development of emerging markets has become the hot subject to discuss lately. The forecast of the experts suggests that by the year of 2030, emerging markets will be producing 70 percent of world GDP (Brunke, 2012). McKinsey consultants predict that by 2025 seven out of ten new companies will come from emerging economies (Bughin and Lund, 2015). The emerging economies have been experiencing stronger economic growth throughout the last decade (Brunke, 2012; Bughin and Lund, 2015). Despite the fact that currently Brazilian and Russian economies are in recession, experts predict that in 2016 the growth in emerging markets will be 4,5 percent, which is twice higher of the developed countries growth indexes. When it comes to foreign currency reserves, the emerging economies have a quite steady advantageous position: while the developed countries overall held US\$4.2 trillion reserves by the end of 2015, the emerging countries managed to hold US\$7.4 trillion (Mobius, 2015). As the statistics suggests, there are roughly 3 billion employees in the world, 80 percent of which are currently working in emerging markets (Brunke, 2012).

The academics from the Harvard University qualify the emerging countries not only as a source of economic growth but also as a center of talent strategies (Conger, Hill, 2008). As emerging countries are getting more and more attention from the business perspective, the competition for acquiring talented employees has largely intensified (Guillén and García-Canal, 2012). The recent studies suggest that “war for talent” is likely to keep increasing due to the current attempts of emerging market firms to go globally for their services and products (Morrison and Pearce, 2014; EIU, 2012). The Economist research group found out that the majority of executives

consider acquiring the right talented workforce as the most important ingredient when it comes to making business in developing countries (Economist Intelligence Unit, 2012).

An urgent demand for talent that has recently appeared in emerging markets can be explained by the tendency of the latter to change their focus from mass production of goods to more complex production, which in its turn requires innovations (Castellano, 2012). It does make sense that in order to produce and work with innovative products, the talented qualified employees are to be involved.

Even though the largest part of knowledge concerning TM has been primarily sourced from developed economies, the authors (Conger, Hill, 2008; Castellano, 2012; Gandhok and Smith, 2014) suggest that emerging market firms should avoid blind following already existing models of TM, because those models may potentially fail if used without preliminary adaptation. At the same time, if a company originally is a global one, then exclusively accepting everything from the local talent market can attenuate company's global talent brand (Morrison, Pearce, 2014). Not long time ago, it was quite popular for talented people from emerging markets to treat moving to America as the only one chance to fulfill their professional ambitions as well as develop their potential (Tansley, 2011). Nowadays, as the companies from developing countries have realized the importance of human capital for firm's competitiveness, they are now focusing on the strategy of growing local leaders. This in its turn motivates talents to stay in their home countries as they see that they can grow here professionally as well (Castellano, 2012; Gandhok and Smith, 2014; Guillén and García-Canal, 2012).

As the given research specifies on conducting analysis that will compare the implementation of TM practices in Brazilian and Russian firms, in the following section we will review the information that is available on each country separately.

Talent management in Brazil

Global management consulting firm Hay Group asserts that TM is the main ingredient for fulfilling potential of Brazil on the global business arena (Hay Group, 2007). Starting the discussion about what is presented in the literature on the subject of managing and treating talents in Brazil, it does make sense to provide a short country profile in order to understand the environment the companies operate in.

Considered as a locomotive of the Latin American economy (AESC, 2013). Brazil is a country of contrasts, huge territory and very young population. Being the biggest country of South America, Brazil is one of the richest countries in the world in terms of natural resources. The

country is taking a leading position when it comes to quantity of the arable lands. The presence of Amazon River makes Brazil reach in water supply while its geographic position provides the country with significant amount of forest resources. All of this potentially creates very favorable conditions for the economic development of the country. Today, Brazil is one of the most economically developed countries of the "third world", the size of industrial production among the top ten countries in the world.

Brazil is considered highly urbanized country; however, urban growth in Brazil has been due to the increase of favelas, thus making the urbanization “fake”, because favela’s people either do not work or if employed occupy very low paid job position. It is quite common in Brazilian cities if extremely poor areas are close to rich neighborhoods.

Since the given research is dedicated to managing talented employees, as a preliminary step of getting deeper into the specification of the TM practices that are being currently applied in the companies it is necessary to have a general picture of how labor force is treated in Brazil, what demographic structure looks like, what are socio-economic conditions of the country.

The demographic structure of Brazil shortly can be characterized as the following:

- Young population: 53 percent of people are being under the age of 19 (Guimarães,2015)
- Population growth rate is the highest in the world and counts 3% per year (AESC, 2013)
- The rate of overall illiteracy is very high: 20% of Brazilians are unable to read (AESC, 2013)
- The 35 % of country population earns less than a living wage, 10 % is completely unemployed, thus almost 50 million live under conditions of extreme poverty (Miller, 2010)

Taking into account all above-mentioned factors it becomes obvious why Brazil is having a hard time while mobilizing its human capital for economic as well as the social development (Guimarães, 2015).

No doubt, the hard study is one of the most promising ways to develop talent. The basic knowledge and skills necessary to explore talents are usually taught in school. In this regard, Brazil has been in a very disadvantageous position. The schooling system of the country is quite disordered; there is no national curriculum in Brazil (Zehnder, 2008). Some states and cities have developed their own training programs at least somehow provide some education for the kids (Guimarães, 2015). The fact that more than half of Brazilian children have never gone to school make things even worse for the country.

When it comes to university education, the situation is not very positive neither. As statistics suggests, only 7 percent of young people of Brazil aged 25 to 34 have university degree (Guimarães, 2015). This percentage is ranked as one of the lowest among emerging countries. Moreover, average Brazilian student rank academically below when compared with his peers from other countries (AESC, 2013). Being not capable of growing talents domestically, Brazil also struggles trying to attract talented employees from abroad - less than 25 percent of foreign population of Brazil have been to university (Ovanessoff, 2013). The foreign language proficiency in Brazil leaves much to be desired as well, the country is ranked as one of the worst countries in the world in terms of business English proficiency (Ballman, 2009). Due to the lack of quality of the education system, rich people of Brazil usually go abroad to get educated, or join expensive elite private universities. Out of those Brazilians who could eventually manage to receive decent education, not all stay in their home working towards their country prosperity, many top graduates move primarily to U.S. to satisfy their career ambitions (AESC, 2013; The Economist, 2009). Therefore, Brazilian companies have no choice but to deal with the lack of talented workers as neither schools nor universities are not managed well to be able to prepare qualified workforce.

The researchers from Harvard Business Review conducted the study that revealed that Brazil's CEOs account for 9 percent of the top 100 ranking of the best performing CEOs in the world (Ovanessoff, 2013), which in its turn means that there are talented people in the leading positions in Brazilian companies. At the same time, the assessment of another research group - Association of Executive Search Consultants are less positive about Brazilian leadership talent (AESC, 2013), claiming that there is a shortage of talented executives due to weak education in the country as well as brain drain to developed countries. Egon Zehnder, executive search and talent strategy firm, after conducting research figured out that there is acute deficit of talented leaders while there is surplus of entry-level workers (Egon Zehnder, 2008).



Fig.4 Talent market in Brazil. Retrieved from Egon Zehnder International

It does make sense that the presence of the deficit of leading talents facilitates the need to make some arrangements in order to retain high-level employees. Thus, a top manager in Brazilian firm earns much more than her Western colleague at the same position (Hay Group, 2007). Nevertheless, according to AESC research findings, the present lack of executive talents is considered to be the main obstacle when it comes to exploring possibilities for Brazilian companies on international arena (AESC, 2013).

The Global Wage Report suggests that Brazil is ranked 17th place in the category of the highest pay gap between managers and clerical workers (ILO, 2015), which also points out that the high-level managers in Brazil makes a lot of money. Speaking of incentives for talented leaders, it is more or less clear presented in the literature that the main tool currently used in Brazilian companies to attract and retain talented executives is remuneration package (Hay Group, 2007; Egon Zehnder, 2008; AESC, 2013; ILO, 2015). The more interesting thing is how these highly paid top managers deal with the huge stream of unqualified workers that are looking for the job opportunities. It comes as no surprise that Brazilian companies are compelled to hire those poorly educated fellow citizens and “fill up their knowledge gaps” by different trainings thus making the employees more or less suitable for job position. As the today’s reality forces the companies to keep up with the business demands, Brazilian firms are impelled to take a gamble and promote their young talents (Dannemann, 2013). Sure thing that such practice imposes risks but since the job must be done while there is a lack of specialists it becomes understandable why Brazilian companies turn to such actions (AESC, 2013).

The regulatory environment in Brazil is complex and quite inflexible (The Economist, 2009; Hay Group 2007), which in its turn makes the building of innovative talent management with the purpose of supporting corporate strategy impossible. The convoluted tax as well as labor laws were set up many decades ago and haven’t been changed much ever since (Ballman, 2009). The uncompromising Brazilian legal framework don’t allow companies to adapt reward strategy rapidly in competitive business environment. Thus, the reward system in Brazilian firms is based on short-term incentives and is considered as one of the most complicated in the world. The hiring process as well as the firing is also very sophisticated, again due to the obsolescence of the labor code. Necessary to say that the Brazilian organizations are not sitting idle, companies are persistent in standing their ground to improve the current labor law (The Economist, 2009). Thus, according to the findings of the experts from Chartered Institute of Personnel and Development, some Brazilian firms is about to practice performance management and appraisal despite the fact that it may entail legal action (CIPD, 2010).

Since Brazil struggles to provide quality health care and education opportunities, employers usually offer those options in their remuneration packages. Also employee more often started to expect that their company would provide them with transportation as well as meal options (Miller, 2010). The recent research revealed that currently Brazilian companies are improving their human resource practices by means of flexible working schedules, interaction and open access (Kolachi and Shah, 2013). Actually, this does make sense because Brazilian culture, being friendly and open, is all about relationship (Hofstede, 2001). Understanding the acute need of attracting and retaining talented employees, Brazilian organizations strive for getting the spot on the Great Places to Work institute's "Best companies to work for". This rating list is highly respected in Brazil, thus having position on this listing is treated as good recruiting as well as retaining tool (Miller, 2010).

Brazilian hierarchical model of management (relying on strong loyalty) and higher risk aversion –quintessential to countries of Catholic obedience- make the external recruitment for managerial or strategic positions rather improbable (Ovanessoff and Peppes, 2013; The Economist, 2009). We haven't found any elements in the literature suggesting a shift towards more external recruitment giving evidence of the convergence theory. This might be all the more difficult given the Brazilian "relationist" model of work relationships and the lifelong-employment tradition: internal promotion for managerial positions would often work as a reward for subordinates' loyalty and professional behavior (Elvira and Davila, 2005). However, the progressive ramp-down of lifelong employment practices identified here above led to a higher mobility of workers, and then, subsequently to rising hiring costs for talented professionals, whilst in parallel –and for the same reason- employability and job security gained momentum as they were no longer as ensured as they used to be (Hay, 2002; Nilsson and Ellström, 2012; Miller, 2010). For some authors, there followed a lesser importance of superior remuneration packages as retention tools (Earle, 2003).

It can be concluded from the analyzed material that unfortunately TM in Brazil is not yet realized as the powerful strategic instrument by the Brazilian firms (CIPD, 2010; Zehnder, 2008; AESC, 2013). At the same time, companies that already on their way to treat TM as the essential ingredient of their corporate strategy will enjoy the strong competitive advantage since the talented employees are the most significant asset of any firm (Barney, 2001).

Talent management in Russia

In Russia, talent management is considered as relatively young concept that is gaining at some pace its popularity (Simonova, 2010). Unfortunately, Russian executives don't pay enough

attention to the development of TM practices in their firms as they think there are no visible results (Latukha, 2015). The people, who are filling positions of top management now in Russian companies, by their majority were born and raised in Soviet Union, where there were no proper managerial education, consequently, these people were not taught in time the importance of knowledge creation, career planning and etc.

Despite of this fact if to look at Russian history, the brightest and probably the first talent manager was Peter the Great (Kolachi and Shah, 2013). As he had the goal of turning Russia into the country looking like Europe, Peter the Great solved the classic task of managing talents: he put the right people on the right positions in the right time according to the new strategic purposes. Peter realized that the representatives of the state machine of that time were not capable to meet the challenge due to the lack of managing competencies and professional skills, thus the emperor hired the talents from abroad to carry out necessary tasks. At the same time, Peter understood that it was not smart to delegate challenging tasks to the foreigners all the time, due to that reason he started to form talent pool that consisted of young people from the noble families who possess the following competencies:

- Desire to learn (ability to study)
- Ambition to make career (leadership skills)
- Desire to change the country for the better (ability to change)
- Patriotism (the presence of value system)
- Devotion to Peter (loyalty)

After sending these young “high potentials” to study in Europe, the country leader created new educational system in Russia, and started to grow talents domestically. Even then, Peter didn’t stop, he continued to track the career growth of his wards. In addition, the emperor created tempting conditions to attract talents from Europe to Russia: high salary, the possibility to be rewarded with rank, status, land. As the result of Peter’s talent management skills, Russia finally hacked the window to Europe.

Holden and Vaiman (2013) outlined that most existing academic work on TM in Central and Eastern Europe (CEE) focuses on either case studies of Western MNCs subsidiaries or make an overview of HRM practices in specific CEE countries but where TM is only a side element. Despite attempts by (Holden and Vaiman, 2013) to link the revolutionary society that Lenin and early Bolsheviks intended for Russia with the development of human talents, TM in Russia remains a very recent concept (Latukha, 2014), but increasingly popular due to the combined effect

of ailing demographics and aging skilled employees, workforce scarcity and competition of foreign MNCS, which often have well-developed TM practices.

According to Holden and Vaiman (2013), “Russia has not yet developed an environment in which TM can easily take root and flourish” (Holden and Vaiman, 2013, 136). Isolation of the top decision makers, survival of authoritarian and bureaucratic management patterns (what Holden (2011) has called “entrenched bossdom”), short-term orientation of business decision making processes (detrimental to longer-term orientations) and lack of business or management-skilled individuals (especially among Soviet-born educated generations; business studies being a very recent feature in former CIS) have been pointed out by authors to describe a “wariness of talent” (Holden and Vaiman, 2013, 142) in the business sector and ground the need for Russian firms to catch-up on TM practices (Skuzza et al., 2013), all the more that “Russian employees find that their talents are more greatly valued by foreign employers based in Russia than by Russian firms” (Holden and Vaiman, 2013). Indeed, post-Soviet Russian employees -or at least the ones encompassed by TM- expect openness, fairness and transparency as well as empowerment (Fey and Shekshnia, 2011) and consider it is more likely to obtain it in foreign-owned corporations, Russian managers being not always up to date with the latest ideas in management (Kat'kalo, 2009). Besides, ambitious talent expecting fast career progression may face a glass ceiling, insofar as most Russian companies are still headed by their founders and owners, who are unlikely to step down for people exterior to their inner circle of relatives (Holden and Vaiman, 2013). It is thus crucial for us to understand how Russian emerging market firms face this challenge of attracting, motivating and retaining young talents.

While conversion to open-market mechanisms might be considerably advanced (Alam et al., 2008), the cultural factors influencing managerial practices in Russia are still in a period of deep transformation and remain far from converging towards Western patterns (Vaiman and Holden, 2011). Indeed, according to Latukha (2014), Russian companies that are involved in TM are most of the time MNCs, which emphasize the development of cadre reserve to reduce vacancy of key positions and design individual development plans for key employees.

In the field of education and training, the early 1990s dramatically change the vocational education and professional development landscape in Russia (Ardichvili and Khalil, 2005). Due to budget constraints, Russian government of that time downsized, or merely eliminated many state-sponsored vocational training and professional development programs. As a consequence, foreign companies' subsidiaries created their own training and development facilities, whereas Russian new labour entrants had now increased possibilities to complete their degrees abroad, or at joint educational or training programs -offered by either Russian or Western universities- and

professional development centers (Fey and Björkman, 2001). Yet, employee development might even be of greater importance in Russia than in Western countries according to the same author. This might be the legacy of the great (theoretical) focus on individual merit during Soviet times or the consequence of the fact that many Russians lack basic business skills –due once again to the ideological rejection of “capitalist” business education in Soviet Union (Holden and Vaiman, 2013)-, which would make today Russian managers very fond of continuous employee training and development Western-inspired patterns (Fey and Björkman, 2001), hence the rapid growth of business education in Russia. On the other side, Holden and Vaiman stated that -due to shorter-term mindset in Russian organizations- talent are often hired for the match of their current expertise with current position requirements, with no consideration for individual development imperatives, even when it is in the future interest of the company: ‘most employers in Russia have no patience to develop their star players, because stars are needed now, and not necessarily in the future’ (Holden and Vaiman, 2013, 140). We may so have a partial contradiction in the literature on this specific point of training, hence the importance for us to capture what are actual training approaches of leading Russian firms.

In terms of job mobility and career advancement, due to the rapid economic change over the last 25 years, talented Russian employees have been used to be promoted rather quickly (Holden and Vaiman, 2013), which has for consequence that delays in advancement are regarded as a failure and lead concerned employees to seek employment hoping for quicker promotion (Maslov, 2004). However, a prospective business case produced by Harvard (2010) and quoted by Holden and Vaiman (2013) outlined the upcoming need for Russian firms exposed to global competition –both abroad and in Russia- to offer new axes of career development for Russian talents, like career roadmaps, mentoring programs, possibility of rotation abroad and performance-based awards -cf. next paragraph-, hence our efforts to capture Russian MNCs practices on these specific points.

Regarding talent motivation and reward practices, Ardichvili and Khalil (2005) observed through a survey that Russian companies from their sample (n=270) were rather reluctant to establish a direct link between compensation and employees’ seniority, title and position in the organization, favoring rather individual or small team contribution and performance-based rewards. Besides, large firms of the sample were more eager to use formal measures of work performance in determining compensation levels (Ardichvili and Khalil, 2005). This rapid shift towards performance-based compensation was already witnessed, for both managers and non-managers, by Fey et al. (2004) only ten years after the USSR collapse and might be explained by the fact that loyalty and commitment of key Russian employees in local companies would be

reversely impacted by how they are rewarded (Holden and Vaiman, 2013). However, beyond the financial component of motivation, side aspects like evolving in less rigid work structures (with supervisor-subordinate trust relationship), having at hand real possibilities of professional growth and substantial leadership development programs shouldn't be underestimated in Russian talents' loyalty to one firm (Holden and Vaiman, 2013).

Regarding talent retention, though internal recruitment is favored for managerial positions (in comparison, more than in western counterparts), the recruitment strategies would be more "balanced" between internal and external recruitment channels for other positions (Ardichvili and Khalil, 2005). However, once again, lack of awareness on talent retention challenges by Russian firms has been pointed out by Latukha (2014) factors' analysis, as only 43% of respondents from Russian firms identified it as a challenge (against 83% for respondents from foreign-owned firms in Russia) despite the fact that Fey et al. (2000) have already shown some 15 years ago that employee retention directly impacted firm performance in Russia (among other countries). It is now up to us to determine if in leading MNCs of our sample, talent retention tools rather take the form of financial rewards or of more qualitative motivation elements like the ones listed in previous paragraph. The professors from United Arab Emirates are being quite positive about talent management development in Russia stating that Russian managers are very active now when it comes to restructuring and investing in innovative practices of talent management (Kolachi, Haider, 2013). Taking into account that talent management inherently has more strategic meaning and always align with company goals (Schweyer, 2004), it might have been concluded that Russian corporations are supposed to be more interesting in talent management rather than HRM, however recent scientific research are not fully proving Kolachi&Shah statement. Thus, the importance of talent management hasn't been yet fully realized in Russian companies as more than half firms-respondents pointed out that TM is of low priority in their business (Latukha, 2015).

When it comes to general overview of Russian talent market, there is no much data available in the open sources. The most demonstrable information is represented by, Egon Zehnder, talent strategy firm that conducted research the main purpose of which was to figure out how the talents distributed among different levels.

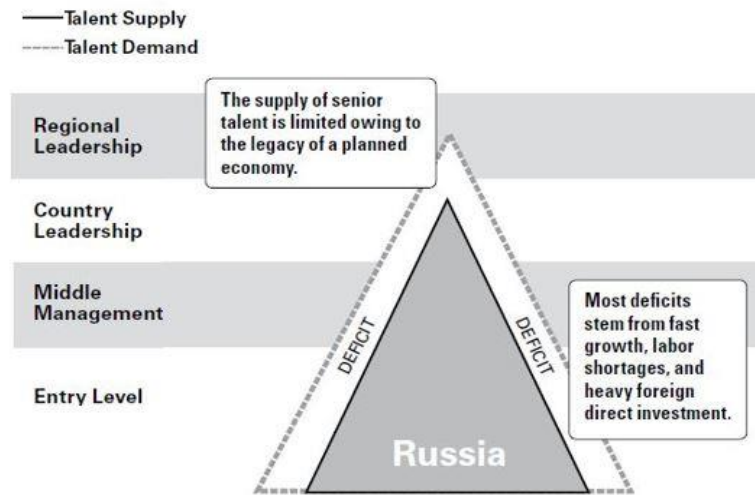


Fig 5. Talent market in Russia. Retrieved from Egon Zehnder Int

Thus, the conducted research revealed that there is a deficit of talent throughout all levels starting from low-paid positions as well as regional leading ones (Egon Zehnder, 2008). Statistics suggests that the deficit of workforce in Russia estimated to be 22 billion by the year of 2020 (Zinchenko, 2008), this number sounds oppressive taking into account the tendency of Russian population to shrink. According to Geoba.se forecasts, the population of Russia will drop to 132,2 billion by 2020 (Geoba.se, 2016). Taking into consideration the mentioned facts, it became crucial for Russian companies to “get serious” about managing their talented workforce.

The peculiarities of TM in Russian and Brazilian companies

In order to understand the peculiarities of TM deeper and in details, we have analyzed the section dedicated to people management of the annual reports of twenty Brazilian and twenty Russian companies. The Russian companies that were analyzed were chosen randomly from Forbes Russia TOP 200 list (EW, 2013). The Brazilian companies were chosen randomly from the Forbes Global 2000: Brazil's Largest Companies (Forbes, 2016). We decided to combine the knowledge, which has been acquired during working with the literature available in the open sources on the subject of TM practices in Brazil and Russia with the knowledge we extracted from the annual reports (first-hand information) of the companies from targeted markets. We believe that combined information would assist us better in revealing the true TM practices that are typical for firms from Russia and Brazil in general.

The peculiarities of TM in Russia:

The analysis conducted revealed that TM is a young concept and only of recent popularity, its development still requires substantial effort. Soviet time significantly handicapped the evolution of effective talent management practices in Russian firms. However, Russian MNEs are trying to

put more efforts towards managing its talented employees, and it is necessary to say that the TM of these companies is more oriented towards growing young talents. Gazprom for example claims that it has special focus of young TM (Gazprom, 2015). The company widely offers internships for students and graduates in different departments. Severstal approach to young talents is even broader. The company works not only with students of the universities, but also encourages students of high schools to get specialized education that would allow them to work in Severstal later on (Severstal, 2016).

It was found out that in the majority of Russian companies that have TM practices the TM goal is to identify talent and use the cadre reserve for the benefit of a company and to create favorable conditions for talent development. The development of cadre reserve for example assists Lukoil in reducing vacancy of key positions as well as in designing individual development career plans for outstanding talents of the company (Lukoil, 2015). The other distinctive characteristic we managed to identify is that talent is often hired simply to match current expertise with current position requirements, without much consideration for long-term potential. Russia's largest food retailer "Magnit" values more versatility of the workers rather than the potential for further career development (Magnit, 2015).

Regarding talent retention, though internal recruitment is favored for managerial positions, the recruitment strategies appear more «balanced» between internal and external recruitment channels for other positions. The VTB Group provides variety of different training and learning opportunities for its employees, so the latter could be internally promoted (VTB, 2016). In terms of talent motivation and reward practices, the rapid shift towards performance-based compensation has already taken hold because delays in advancement are perceived as failures and lead employees to seek alternatives. The telecommunication company MTS actively practices performance-based remuneration, thus the salary of some company workers depends on their professional achievements (MTS, 2015).

The research revealed that Russians by their majority lack basic business skills, due to the ideological rejection of «capitalist» business education in the Soviet Union. Nowadays, Russian managers are very fond of continuous employee training and development along western-inspired patterns. For example, Sberbank offers its employees trainings dedicated not only to subjects of a core business, but also about personal effectiveness skills, business etiquette, effective negotiations and to public speaking (Sberbank, 2015).

It was found out that most employers in Russia have no patience to develop their star players, because stars are needed now, and not necessarily in the future. The bright example is

OJSC Kamaz that has rather scarce opportunities to develop its talents. The company prefers to hire specialists who have already received all the necessary education. All the trainings Kamaz offers are more about refreshing knowledge, rather than development-oriented (Kamaz, 2015).

The analysis shows that there is low level of awareness and interest in talent management persists because Russian managerial practices were long affected by the post-Soviet way of doing business. Thus for example in Rosatom, the term talent is not even used, the company do not mark out the employees who could be called talents, there is no particular practices that would be assisting them in nurturing their unique set of features (Rosatom, 2015).

The peculiarities of TM in Brazil:

The analysis conducted revealed that life-long employment has been the norm in the Brazilian firms. The Banco do Brasil is one of the companies that is well-known for its life-long employment practices, for example one of those practices is financing by Banco do Brasil of graduate studies (Banco do Brasil, 2015).

The life-long employment makes the talent attraction is a very important issue for the firms that intends to hire employees with long-term views. The multinational corporation Vale for example practices storing the resumes of applicants in the specially elaborated system that is named Talent Bank. Vale is always hiring, anyone who would like to join the company could apply through the website. If there were no position available in the moment, the company would store the applicant contact in the case the necessary vacancy emerges (Vale, 2012).

The fixed remuneration remains prevalent in Brazilian enterprises because Brazilians are skeptic for performance assessment. The meat processing company JBS is one of those companies who practiced the fixed remuneration. The JBS claims that the minimum salary in the company exceeds the minimum salary established by the Brazilian government. Looking at the information provided by annual sustainability report, it turned out the exceeding is only 12R\$, whether it is attractive enough for average person in Brazil, it is hard to say (JBS, 2014).

It was found out that internal promotion for managerial positions often works as a reward for subordinates' loyalty and professional behavior in Brazilian companies. Thus, the aerospace conglomerate Embraer has the internal recruitment channels through which the employees can apply to job position with more responsibilities. There is a special career development portal "Your Flight Plan at Embraer" that is conceived as a framework to help employees navigate different career options (Embraer, 2015).

Great attention is paid to work-life balance issues and the promotion of social welfare, as a mechanism for employee retention. The transportation company CCR actively promotes the work-life balance among its employees. There are also programs for employees that promote healthy life style, positive attitude towards life as well as good habits (CCR, 2012).

The next tendency we managed to identify is that huge amounts of unqualified specialists push companies to create education systems inside the company. The corporate universities in Brazil are quite well developed as well as competence mapping. The Corporate University of electric utilities company Eletrobras offers a variety of trainings, courses and educational programs to employees of different hierarchical levels, thus anyone in a company has an opportunity to improve their competencies and grow professionally (Eletrobras, 2015).

The research revealed that there is a growth of inclusive corporate cultures as the tool of building trusting relationships between employees and managers as personal relations remain very important in Brazilian culture. Thus, the petrochemical company Braskem claims that main practices of the company focus on building sustainable relationships with its employees. The trust and good relationship between employees are the foundation of corporate culture in Braskem (Braskem, 2015).

Absorptive capacity in the Brazilian companies

In early nineties, academics managed to realize that knowledge should be perceived as the sustainable competitive advantage any company should strive to gain (Nonaka, 1991). Based on the work of Cohen and Levinthal (1990), a company has promising perspective in terms of acquiring new knowledge if in the past it was actively involved in the process of getting and utilizing the valuable information (Cohen and Levinthal, 1990).

The term absorptive capacity has been used to describe company ability to identify, acquire, transform, and apply external knowledge and as result of this procedure -creating innovation (Zahra and George, 2002; Maehler and Curado, 2011). This particular section of the study is dedicated to reviewing the information that is available in the open sources concerning the absorptive capacity in the Brazilian firms. The information presented on the subject by its majority is represented by the set of small/medium in size studies, each of which is dedicated to some particular industry in Brazil.

The interesting findings were introduced by two academics from University of Sao Paulo when they were analyzing cosmetics industry of Brazil. It was found out that large cosmetics companies use special strategies for absorptive capacity while small and medium firms apply less

complicated methods in this regard (Celadon and Sbragia, 2015). As it has already been mentioned Brazil suffers from a poor educational system and employers have no choice but to invest to a great extent in order to fill up the knowledge gaps the average Brazilian employee has. Thus, Brazilian companies put a lot of effort in solving the issues related to ACAP.

The large Brazilian cosmetic companies use vertical integration, which in its turn requires sophisticated approach to ACAP (Dougherty, 1992). According to the study, large Brazilian companies try to intermix external and internal knowledge, which boosts firm innovation capabilities (Gassman and Enkel, 2004). The firms tend to absorb external knowledge from suppliers as well as the competitors from abroad; the internal knowledge large firms gain by the means of their R&D activities (Celadon and Sbragia, 2015). This proved to have positive effect on company ACAP according to previous research studies (McCann and Folta, 2008; Maehler, et al 2011).

According to Zahra and George (2002), cross-country cooperation facilitates effectiveness of ACAP, the Brazilian cosmetic firms in this regard are being quite proactive and absorb external knowledge from their international colleagues, primarily from the USA and Europe (Celadon and Sbragia, 2015). The research conducted also shows that the process of assimilation in Brazilian companies was smoother if the company puts an effort in selecting right talented workers and train them appropriately. As for the decision-making process, companies have demonstrated directivity on the international as well as the domestic markets, which according to Todorova and Durisin (2007) effect firm ACAP practices. It was found out that Brazilian cosmetic firms maintained the efficiency of their ACAP by trying to widen the scopes of its products; Brazilian firm investments in social solidarity also positively effect on the ACAP of the company which in its turn supported by the previous studies (Kogut and Zander, 1992).

The recent study by Engelman, Fracasso and Schmidt (2015) researched companies from different industries located in south Brazil. It was discovered that in South Brazilian companies ACAP is influenced by intellectual capital, however each component of the latter has the different degree of influence on the company ACAP (Engelman et al., 2015). Such components of ACAP as acquisition, assimilation and exploitation turned out to be highly effected by human capital as well as organizational capital. These findings are quite consistent with the previous studies on ACAP conducted by Minbaeva (2003) and Daghfous (2004). Based on the conducted study in south Brazil, the main foundation for the ACAP development was experience, skills and creativity of the company workers, which in its turn constitute the human capital of the company (Subramaniam and Youndt, 2005; Delgado-Verde, M., Martín-de-Castro, 2011). Lane (2006) also suggests the importance of presence of creative minds in a company due to their ability to extract

value by the usage of new knowledge. The diversity of the knowledge researched at the companies surveyed was proved to be directly related to assimilation processes that take place in the companies (Engelman et al., 2015). The previous studies supported the mentioned relations (Schimidt, 2005; Hansen, 2002).

As for transformation of knowledge in surveyed Brazilian firms, Engelman (2015) identified the proportional degree of influence on it by the organizational capital and human capital; the social capital affects the transformation of knowledge less significantly in comparison with two other types of capital. Engelman (2015) also managed to detect the influence of ACAP on innovation in the South Brazilian companies: it turned out that innovation highly positively affected by the processes of acquisition and exploitation of knowledge and less influenced by its transformation. The positive influence of ACAP on innovation in the companies revealed by the research is congruent with the previous studies made on the subject (Kostopoulos et al, 2011; Cohen and Levinthal, 1990).

Bittencourt (2013) studied the firms of Brazilian industrial activity sector and came to the conclusion that acquiring new knowledge by the means of in-house R&D takes more significant position than just simple absorption of external knowledge when it comes to technology absorption.

Authors	Companies studied	Main findings
Bittencourt, 2013	Industry activity sector	Acquiring knowledge through in-house R&D plays more important role than absorption of external knowlege
Celadon&Sbragia, 2015	Cosmetic industry	<ul style="list-style-type: none"> • Special strategy for ACAP used by large companies • Firms absorb external knowledge from suppliers and competitors from USA, Europe • Internal knowledge is gained through R&D • Maintaining the efficiency of ACAP by widening the scope of products
Engelman, Fracasso, Schmidt, 2015	Companies from different industries located in South Brazil	<ul style="list-style-type: none"> • ACAP is influenced by intellectual capital • Acquisition, assimilation, exploitation highly effected by human capital and organizational capital • Main foundation for ACAP development is human capital • Social capital influences the transformation of knowledge less significantly than organizational capital and human capital • Innovation is highly affected by acquisition and exploitation of knowledge and less by transformation

Table1. ACAP in Brazilian companies: studies and findings

The review of the studies conducted on the subject of ACAP in Brazilian firms provides some fragmented knowledge about the concept in the some industry context. There is no study has been conducted so far that would propose some general trend in terms of specifics of ACAP in Brazilian companies nowadays. It is obvious that Brazil needs deeper and wider research when it comes to ACAP of the firms (Celadon and Sbragia, 2015; Engelman et al., 2015).

Absorptive capacity in Russian firms

The subject of ACAP in Russian firms very briefly and randomly covered in the literature available in the open sources (Michailova and Sidorova, 2010; Michailova, and Jormanainen, 2011; Didenko and Egorova, 2014).

Some authors claim that Russian companies might be titled as the active receivers of knowledge that was generated by the Western counterparts (Michailova and Husted, 2003; Holden and Cooper, 1994; Gilbert and Gorlenko, 1999; Monk, 2006; Czinkota, 1997; May et al., 2005). This point of view implies that Russian firms due to its relative “youth” in terms of conducting business have not been able to generate quality knowledge that would be worth transmitting to Western companies due to Russian past that is all associated with socialism, useless not relevant practices (Bjorkman et al., 2007; Michailova, 2000). The opposition however states that Russians firms has the knowledge that can be of high value for Western colleagues if used appropriately (Child and Czegledy, 1996). Being quite dependable on the knowledge that West offered in the beginning of nineties, Russian companies managed to realize the importance of knowledge generation (Dixon, 2006; Jormanainen, 2010).

Research conducted by Michailova, and Jormanainen (2011) suggests that Russian firms have realized that their ACAP is quite limited and requires some significant investments. Working hard towards development of ACAP internally, Russian companies also actively involved in technology transfer from foreign colleagues. These findings of Michailova and Jormanainen (2011) are compatible with the study of Cohen and Levinthal (1989), according to which ACAP should satisfy dual requirements: generate knowledge inside a company as well as identify, absorb and assimilate external knowledge. This importance of duality of company ACAP also mentioned in works of Lewin and Massini (2003) and Bresman (2010).

The study of Dixon and Day (2007) suggests that Russian managers have the real potential to transform administrative heritage left from Soviet Union to contemporary more dynamic style of managing business processes, which increase the company’s ACAP. Majority of works dedicated to the subject suggest that even though Russian companies had experienced the seventy years long stagnation when it came to creating competitive and innovative environment, the mid

nineties introduced significant organizational transformation (Dixon and Day, 2007; Khartukov, 2001; Grace, 2005). Pettigrew and Whipp (1991) figured out that the administrative heritage was holding back the development of ACAP in Russian firms. This situation can be reversed only if the inner logic will be changed from plan target fulfilment to high profitability and efficiency (Meyer and Møller, 1998; Newman, 2000). This suggestion can be perceived still relevant as the work of Dixon and Day (2007) states that some Russian companies continue to function in the old-fashion way inherited from Soviet Union times. The observation made by Swaan (1997) suggests that absorptive capacity in Russia as well as in other emerging countries is weak due to the low level of organizational and technological skills that employees possessed, despite the fact that educational level in Russia is quite high. Dixon and Meyer (2007) justify weakness of Russian companies ACAP by their administrative heritage.

The interesting fact was discovered by Vlachoutsicos and Lawrence (1996), who after conducting some observations and research concluded that Russian managers on average are quite reserved when it comes to knowledge sharing, thus they perceive accumulated knowledge as personal power not like a corporate asset. Dixon, Meyer and Day (2007) highlighted the connection between ACAP and OL (organizational learning), stating that OL- the ability to create, retain and transfer knowledge within the firm, directly depends on its ACAP. Elaborated by mentioned above authors, the following framework reflects the stages that are necessary for turning weak ACAP of Russian firms (the consequences of administrative heritage) to the strong one.

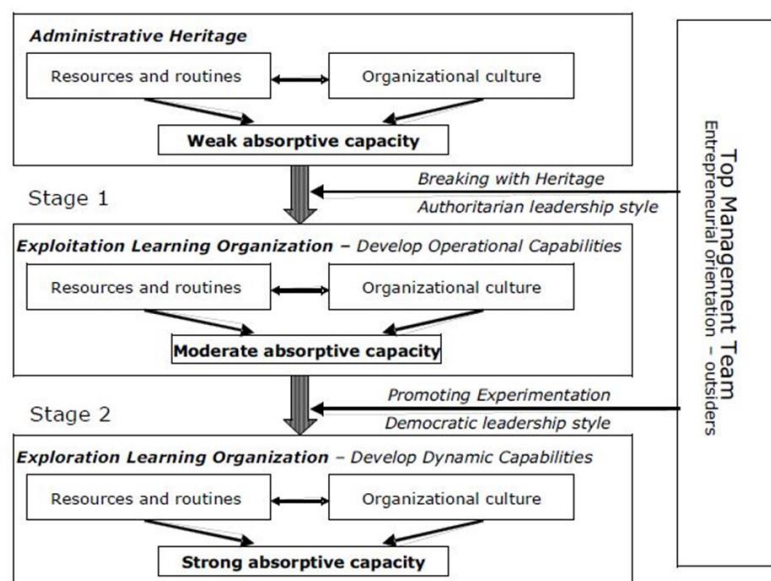


Fig 6. Framework for correlation between ACAP and OL in Russia. Borrowed from Dixon, S., Meyer, K. and Day (2007)

Michailova and Jormanainen, (2011) strongly believe that even nowadays some managers of Russian companies perceive the information that Western management offers through the lens of their Soviet Union experience. Some Russian firms still use their knowledge inherited from Soviet Union when making their decisions (Morgunov, 2014). The research conducted by Minbaeva, et al. (2003) revealed that Russian companies has the potential to significantly improve their ACAP by the means of paying more attention towards particular TM practices, namely speaking the practices oriented on increasing employee's ability and employee's motivation. By conducting the survey among Russian firms, the academics found out that in the given context the factor of the employee's ability can be influence largely by improving training and performance appraisal while the employees' motivation is improved by performance-based compensation and internal communication (Minbaeva and Bjorkman, 2003).

Thus, it turned out that out of the all available literature on the subject of ACAP in Russian firms, just few studies highlighted how TM practices in the organization influence the ACAP (Swaan, 1997; Minbaeva and Bjorkman, 2003; Didenko and Egorova, 2014). Since the earlier studies had different research focuses, the degree of influence of TM and ACAP in Russian firms was just touched upon slightly, no deeper research has been conducted so far, thus forming a knowledge gap.

Authors	Main Findings
Pettigrew and Whipp (1991); Dixon, Meyer, Day (2007); Michailova and Jormanainen, (2011); Morgunov, (2014); Khartukov, (2001); Grace, (2005); Bjorkman et al., (2007)	<ul style="list-style-type: none"> • The administrative heritage was holding back the development of ACAP in Russian firms • Perception of external knowledge still through Soviet Union experience
Minbaeva, Bjorkman, Pedersen, (2003)	ACAP in Russian companies can be improved by applying TM practices
Dixon, Meyer, Day, (2007)	Direct dependency of OL from ACAP in Russian companies
Swaan, (1997)	ACAP in Russian firms is weak due to low level of employee's organizational and technological skills
Vlachoutsicos and Lawrence, (1996)	Russian managers perceive knowledge accumulation as the source for personal power, not corporate one
Michailova and Husted, (2003); Holden and Cooper, (1994); Gilbert and Gorlenko, (1999); Monk, (2006); Czinkota, (1997); May et al., (2005)	Russian firms are more knowledge "receivers", rather than generators

Table2. ACAP in Russia: main findings

Research gaps

Based on the literature reviewed concerning the studied subject, there are several research gaps have been identified.

According to Gandhok and Smith (2014), TM is considered as quite well studied concept when it comes to multinational companies from developed world (Cappelli, 2008; Laff, 2006; Chowdhury, 2002; Mellahi and Collings, 2010, Marants, 2012). The situation though is completely different in the emerging market context. As it has been found out by the means of literature review, TM in developing countries hasn't been deeper researched (Gandhok and Smith, 2014; Kolachi and Shah, 2013; Morrison and Pearce 2014). There is obvious lack of sufficient empirical studies concerning TM practices in the companies of the emerging world (Knight, et al. 2008; Conger and Ready, 2008; Brunke, 2012; Morrison and Pearce, 2014). The analysis of the information that available in the open sources in English demonstrated that TM approaches, processes and practices in Brazilian companies haven't been proper investigated empirically, thus forming a gap which is intended to be filled up to some extent by the given study (Dannemann, 2003; AESC, 2013; Zehnder, 2008; Guimaraes, 2009). The situation with Russian companies in terms of the knowledge available on the subject of TM is more positive in comparison with Brazil. The studies conducted by different academics (Latukha, 2014; Holden and Vaiman, 2013; Fey and Shekshnia, 2011; Ardichvili and Khalil, 2005) contributed significantly in studying the application of TM components in the Russia firms. However, there is lack of research conducted in regard to how Russian firms deal with the challenge of managing talented employees in general throughout different industries (Latukha, 2015).

The next gap is cross-country analysis of the TM practices among emerging countries (Gandhok and Smith, 2014; Miller, 2010; Kolachi and Shah, 2013). There is no research conducted so far that would cover this question, so we plan to do it.

As the most challenging research gap that we have managed to identify so far is the lack of the study that would suggest the degree of influence TM practices on ACAP of the companies from Russia and Brazil (Celadon and Sbragia, 2015; Zahra and George, 2002; Bittencourt and Giglio, 2013; Didenko and Egorova, 2014).

Summary

Therefore, moving to another part of our study, it makes sense to recall what has been done. The main purpose of the first chapter is to familiarize a reader with the subject that is intended to be further investigated.

The introduction to the given thesis presents the main topic that would be discussed throughout the work, namely TM practices in emerging countries. In addition, the introduction part provides short layout about the significance of the research problem that is planned to be solved in the course of this study. In order to be more specific concerning formulation of the things that are intended to be investigated, the research questions have been introduced to clarify the desired outcome. The subject and object also have been formulated with the same purpose of clarifying targeting elements of the research problem.

The Master thesis structure part describes how work is preliminary organized step by step for its further implementation. The literature review part contributed to the given study by providing different perspectives on the phenomenon of TM practices as the theoretical concept, as well as outlining the practical implication in the stated countries from the emerging world.

The analysis of the literature extracted for the author the following facts:

- While the concept of talent management is considered as quite well elaborated in the context of the developed countries, there is significant lack of empirical studies concerning TM practices in emerging market firms (Gandhok and Smith, 2014; Kolachi and Shah, 2013; Morrison and Pearce 2014).
- TM practices in Brazil as well as in Russia is the concept that hasn't been properly studied study (Dannemann, 2003; Guimaraes, 2009; Latukha, 2014; Holden and Vaiman, 2013)
- Cross-country analysis in terms of comparing TM practices in Brazilian and Russian firms has never been done before (Gandhok and Smith, 2014; Miller, 2010; Kolachi and Shah, 2013)
- The influence of TM on ACAP hasn't been studied in the context of Brazilian and Russian firms (Celadon and Sbragia, 2015; Zahra and George, 2002; Bittencourt and Giglio, 2013)

Based on the mentioned findings the research gaps have been identified. They are to be filled up as the result of the research work that is planned to be implemented. The following researched questions were formulated for the given research:

Research questions

1. How do TM practices differ from each other at Brazilian and Russian firms?
2. What are the main TM practices in Russian and Brazilian firms?
3. How TM is connected to absorptive capacity (ACAP) in Brazilian and Russian companies?

Chapter 3 Methodology

The main purpose of this chapter is to describe the methodology that will be used during the research work. This chapter will provide explanation concerning the chosen research method, the data gathering process also will be described as well as the profile of a respondent that our research is targeting.

Data and respondents

The data for the study was collected through a survey conducted in 2015 - 2016 in two countries: Brazil and Russia. The 60 questionnaires were filled out by the representatives of Russian companies, while the 40 were filled out by Brazilian company's representatives.

The respondents that were chosen to participate in the research were to fulfill the following criteria: managerial position (participation in strategic decision-making), knowledge and skills related to knowledge management (KM) and TM. HR managers currently responsible for TM issues were invited to proceed with the survey, as they possess a good knowledge of existing human resources, KM, TM practices, ACAP and firm's performance in a company. For collecting data from Russian companies, several ways were used. Some respondents were contacted through email/social networks and asked to fill out electronic form of survey. Some participants were approached personally and invited to fill in a paper-based questionnaire.

As for collecting the data from Brazilian companies, we contacted the colleague from USP (University of Sao Paulo), PhD student, who contacted directly HR-managers of the Brazilian companies with the offer to participate in the given research.

Method and measures

In order to answer research questions stated in the first chapter, survey was chosen as the method of collecting the necessary data.

Description of the questionnaire

The questionnaire was five pages long, contained 121 questions, divided into several parts (Appendix 1). Originally, the questionnaire was elaborated in English, but later one was translated in Russian and Portuguese. This was necessary because in Russia as well as in Brazil, managers are far from being excellent when it comes to English language proficiency.

The majority of the questions presented in the survey are closed one. The decision to use mainly closed questions was justified by set of different facts. First of all, taking into consideration that questionnaire is made up of 121 questions, it was crucial to make it as comfortable as possible

for the respondent to answer. Choosing from the available set of possible answers is faster to implement rather than writing your own version of the answer. In our opinion, when it comes to the topics that touch upon sensitive issues, the closed questions are preferable to use, because a respondent would more likely open up and provide the answer. When creating a questionnaire, we took into consideration the fact that our targeted respondent is very busy manager who overloaded with responsibilities, stress and job assignments and consequently lacks free time. This in its turn might affect the quality of answers. Thus, in our opinion, the use of closed questions would prevent the survey from confused as well as irrelevant answers. As for the advantages that are received by the researchers through employment of closed question technique, the following aspects were considered. The process of combining and comparing the received answers isn't sophisticated as well as the process of their further coding and analyzing by using statistics software. Closed questions are a great tool when it comes to figuring out connections between variables and making further conclusions.

According to our research questions, the survey covers five core areas:

- The introductory part is devoted to the preliminary information about respondents' profile, company's profile, headquarters' and a firm's key competences;
- TM approaches that contains basic questions about TM strategic priorities and its factors of success create the second part of the questionnaire;
- The third part is dedicated to TM processes and practices (questions about talent attraction, development and retention);
- The fourth part is devoted to ACAP of a company (knowledge acquisition, assimilation, exploitation, transformation)
- The final part consists of questions about a firm's performance.

To capture corporate strategy aspects we make a distinction between low costs generic strategy and differentiation strategy. We assume that companies that are aimed at being better than their competitors are more inclined to benefit from new knowledge and talented personnel. We measure these variable with 7-point Likert scale by asking a respondent to evaluate at which extend they agree with the statement that low costs is their key competence, or vice versa quality/brand/innovation is their key competence. In this section of the survey, the scale was ranked as follows: 1 - "not a priority", 2- "low priority", 3- "somewhat priority", 4- "neutral", 5- "moderate priority", 6- "high priority", 7- "essential priority". As differentiation strategy is a latent variable with first implying exploratory factor analysis and, then, scaling reliability test to check scale reliability and internal coherence.

To measure the extent to which a company is inclined to improve their talent management the variable “talent management (TM) strategy” is introduced in the model. It is measured with six items and 7-point Likert scale. Moreover, to specify various practices and processes of TM we used a 25-item scale; each item was measured with 7-point Likert scale. We used an exploratory factor analysis and identified three factors that address different stages of TM: TM attraction, TM development, and TM retention. We, further, used a confirmatory factor analysis that confirmed the applicability of developed scale.

We use a number of control variables, commonly used in the past. To control the influence of organizational characteristics we use such variables as age and size. Age is measured as a number of years the company operates from its foundation and to obtain more consistent results we use natural logarithm of original value. Size is measured as a number of full-time employees and also has a logarithmic value.

As our theoretical model assumes a complex of various interrelations, we test a number of empirical models, each of which has different dependent variables. The major dependent variable is firm’s performance, which is measured in a subjective way with the use of 7-point Likert scale. To measure performance we adopted 5-item Khandwalla scale (Khandwalla, 1977). Respondents were asked to assess their firm’s performance comparably to the average performance in their industry or to their main competitor. The ranking system in measuring company performance was presented as follows: 1 - “well below average”, 2- “below average”, 3- “slightly below average”, 4- “average”, 5- “slightly above average”, 6- “above average”, 7- “well above average”.

Empirical study

Once all the necessary data has been collected, there comes the procedure of processing and analyzing the later. For the given research on TM practices there are several analyzing techniques was be used, the main tool for technique implementation is SPSS statistics.

For identifying the peculiarities of TM practices in Russia and Brazil as well as for comparing the practices between the countries, the one-way ANOVA analysis was conducted. The multiple linear regression served us when it came to figuring out whether there is an influence of TM practices on ACAP of the companies from Russia and Brazil.

Comparative analysis of the TM practices of the Brazilian and Russian firms.

For conducting comparative analysis of the TM practices in the Brazilian and Russian firms, we decided to use one-way ANOVA.

As the factor we chose country, Brazil was coded “1”, Russia was coded “0”. Dependent list of variables contains talent attraction (TA), talent development (TD), talent retention (TR); also, we included here the control variables - differentiation strategy (DIFF), and low cost strategy (LC). After the ANOVA has been run in the SPSS, the following statistical results were received.

Findings and discussion

	Sum of Squares	df	Mean Square	F	Sig.
LC	1,417	1	1,417	,554	,459
Between Groups	212,183	83	2,556		
Within Groups	213,600	84			
Total					
DIFF	4,973	1	4,973	6,028	,016
Between Groups	68,471	83	,825		
Within Groups	73,444	84			
Total					
TA_new	,471	1	,471	,356	,552
Between Groups	109,612	83	1,321		
Within Groups	110,083	84			
Total					
TD_new	22,500	1	22,550	16,338	,000
Between Groups	114,555	83	1,380		
Within Groups	137,106	84			
Total					
TR_new	5,638	1	5,638	5,007	,028
Between Groups	93,460	83	1,126		
Within Groups	99,098	84			
Total					
In_size	1,827	1	1,827	,283	,596
Between Groups	535,765	83	6,455		
Within Groups	537,592	84			
Total					
In_age	,034	1	,034	,045	,833
Between Groups	63,286	83	,762		
Within Groups	63,320	84			
Total					

Table 3. ANOVA for comparison TM practices in Brazilian and Russian firms

As it can be seen from the ANOVA table above, the difference in TD practices between the Brazilian and Russian firms is statistically significant ($p=0.000$). The difference between the countries in terms of TR practices currently applied in the companies is also statistically significant

with $p=0,028$, but not as much as the difference for TD practices though. When it comes to difference relatively TA practices between the firms from Russia and Brazil, here the difference proved to be not statistically significant. Therefore, we have every reason to claim that the development of TA practices can be considered to be on the same level in Brazilian and Russian companies because the difference that exists between the firms turned out to be not statistically significant.

Brazilian as well as Russian firms pay lots of attention to attract ambitious talented workforce. The companies from both countries offer many opportunities for bright students and graduates in terms of internships and graduate programs (Gazprom, 2015; Lukoil, 2015; Sberbank, 2015; VTB, 2016; Braskem, 2015; Embraer, 2015; Banco do Brasil, 2015; etc). The Russian companies try to increase awareness among the students by organizing introductory lectures and participating in the student's career days while Brazilian firms care more about showing up in the ratings that reveal most desirable employers in Brazil (The Economist, 2009), because this kind of ratings is the first thing an average Brazilian checks when looking for a job.

As it was already mentioned in the literature review section, the quality of education varies significantly in the countries. While people from Russia has the access to free education in terms of secondary and high education, in Brazil the situation is different, the free secondary education is poor of quality or there is a lack of it at all, the good education are expensive, not everyone could afford it (Miller, 2010; Ballman, 2009). Therefore, whereas Russian employers hire people who have professional education, in Brazil sometimes employers have to fill the knowledge gaps the employees have due to the lack of quality education (Zehnder, 2008; Hofstede, 2001; CIPD, 2010). This phenomenon explains the different country peculiarities in the process of attraction. While the Brazilian firms pay lots of attention towards identifying applicants potential and the desire to learn (Dannemann, 2013), Russian companies are more interested in the current level of expertise the applicant possesses (Holden and Vaiman, 2013).

While attracting employees, Russian companies as well as Brazilian prefer candidates that are business-minded and English proficient; this common trend can be explained by the fact that emerging markets are improving their positions on the global business arena that is why universal business competencies have gained the particular importance for the employers. As for the recruitment procedure, Russian employers can be considered more careful due to the presence of several stages processes starting with resume screening that are followed by several assessment tests (elaborated by the company) and finishing with interviews (Gurkov, 2014). In Brazil, the majority of corporations hire staff based on the results of public exam, which is free to all citizens of Brazil (Guimarães, 2015). Brazilian employers are being active in establishing pre-recruitment

channels by the means of offering apprenticeships and scholarships. The Brazilian companies that have been listed in the Forbes rating are considered to be successful when it comes to attracting young talents. The Russian employers are focused more on attracting talents who are already proved to be the experts in their particular field, the Russian companies more concerned with fulfilling the current vacancies by the best possible experts, thus achieving the short-term goals of the company.

Since the ANOVA revealed the differences that are considered statistically significant for TD and TR practices for firms from Russia and Brazil, it is necessary to look at the descriptive statistics that would provide us with information based on which it would be possible to figure out what country outperforms the counterpart.

	N	Mean	Std.Deviation	Std.Error	95% Confidence Interval for Mean		Min	Max	
					Lower Bound	Upper Bound			
LC	0	60	4,88	1,648	,213	4,46	5,31	1	7
	1	25	4,60	1,472	,294	3,99	5,21	1	7
	Total	85	4,80	1,595	,173	4,46	5,14	1	7
DIFF	0	60	6,0708	,95790	,12366	5,8234	6,3183	1,50	7,00
	1	25	5,5400	,77285	,15457	5,2210	5,8590	3,50	7,00
	Total	85	5,9147	,93506	,10142	5,7130	6,1164	1,50	7,00
TA_new	0	60	5,0500	1,18103	,15247	4,7449	5,3551	2,00	7,00
	1	25	4,8867	1,06688	,21338	4,4463	5,3271	2,50	6,67
	Total	85	5,0020	1,14478	,12417	4,7550	5,2489	2,00	7,00
TD_new	0	60	5,7604	1,12801	,14563	5,4690	6,0518	2,63	7,00
	1	25	4,6300	1,28264	,25653	4,1006	5,1594	2,88	6,63
	Total	85	5,4279	1,27758	,13857	5,1524	5,7035	2,63	7,00
TR_new	0	60	5,4452	1,08162	,13964	5,1658	5,7247	2,43	7,00
	1	25	4,8800	1,00904	,20181	4,4635	5,2965	2,71	6,29
	Total	85	5,2790	1,08616	,11781	5,0447	5,5133	2,43	7,00
In_size	0	60	7,7445	2,24579	,28993	7,1644	8,3247	3,40	12,43
	1	25	7,4227	3,15036	,63007	6,1223	8,7231	2,71	12,28
	Total	85	7,6499	2,52980	,27440	7,1042	8,1955	2,71	12,43
In_age	0	60	3,1617	,76692	,09901	2,9636	3,3598	1,39	5,16
	1	25	3,1177	1,09133	,21827	2,6672	3,5682	,69	5,34
	Total	85	3,1487	,86822	,09417	2,9615	3,3360	,69	5,34

Table 4. Descriptive for comparison TM practices in Brazilian and Russian firms

According to the table of the descriptive statistics, the mean for TD practices for Russia equals 5.76 and for Brazil 4.63. In TD regard, countries significantly differs from each other in the statistical terms. Thus, the result received proved that in Russia the talent development practices are more developed than they are in Brazil. After the Soviet Union crash, Russian employers recognized the importance of investing in their employee's development. The recognition of being far behind their capitalist's counterparts forced Russian companies to pay particular attention towards talent development. Going back to the literature review part, it was discussed that the generation of managers in Russia who studied in Soviet Union times are lack of business

education, thus nowadays they are eager to receive new knowledge by the means of trainings, master classes and educational programs that companies offer them (Ardichvili and Khalil, 2005; Latukha, 2015).

It can be inferred that Russian employees by their majority are offered the learning opportunities that would increase their level of competencies within the companies. In Brazil, the situation is different. Being the country of contrasts in all possible respects, the development opportunities highly depends on the type of company the person works for. The multinational Brazilian companies offer to its employees the variety of different opportunities to grow professionally as well as personally. Some Brazilian MNE's are being quite skillful when it comes to developing their talents, offering unique opportunities. From the other side of the coin, there are Brazilian employers that operates just locally and aren't seem to be so concerned about the staff development, thus the opportunities are rather scarce.

The mean for TR practices for Russia equals 5.44 while for Brazil the mean value equals 4.88. From this information, it can be inferred that talent retention practices are more developed in Russian companies than in Brazilian. The strongest incentive for employee to stay within the same firm is internal recruitment opportunities and growing salary (Tracy, 2010).

Even though our findings suggest that in Brazil retention practices are less developed than in Russia, the information gained through literature review highlights that Brazilian employers care a lot about talent retention, thus internal promotion also takes place in Brazilian firms, also the companies put efforts to help employees to have work-life balance.

Multiple linear regression for identifying the connection between TM practices and ACAP

To provide an answer for the research question third the purpose of which is to figure out whether TM practices affect the ACAP of companies from Russia and Brazil, we chose linear multiple regression as the approach for modeling the relationship.

Before conducting the multiple linear regression for identifying the relationship between the variables of our research, it is necessary to conduct the reliability test that would provide us with Cronbach's Alpha for each component of the given study. The Cronbach's Alpha would demonstrate how closely related each set of questionnaire are as a group.

The first set of questions from the survey we work with is dedicated to the talent attraction (TA). The reliability test of TA component of the questionnaires resulted Cronbach's alpha 0,804 (good internal consistency).

The second set of questions describes the talent development (TD) practices that take places in the companies surveyed. The reliability test of TD resulted in Cronbach’s alpha 0,891(good internal consistency), the mean 2,572.

The reliability test of talent retention (TR) resulted in Cronbach’s alpha 0,847, while the mean equals 2,721.

The next section of the questionnaire that needs to be checked with the reliability test is dedicated to ACAP of the company. Thus, the reliability test of knowledge acquisition (ACQ) resulted in Cronbach’s alpha 0,782 (acceptable internal consistency), the mean equals 4,824. The knowledge assimilation (ASS) run through the reliability test resulted in Cronbach’s alpha 0,865 (good internal consistency), the mean – 5, 127. The reliability of knowledge transformation set resulted in Cronbach’s alpha 0,925 (excellent internal consistency), the mean- 5, 4. The knowledge exploration set of questions when tested on reliability resulted in Cronbach’s alpha 0,804 (good internal consistency), the mean 5,188.

The last section of the questionnaire is dedicated to performance of a company. The reliability test of performance resulted in Cronbach’s alpha 0,948 (excellent internal consistency), the mean- 5,188.

The next preparatory step before running the linear regression for the data gathered from Brazilian and Russian firms is to take the logarithm of the size and the age. By doing so we will achieve results close to normal, so the comparison will be possible to implement. After the linear regression model had been run, the following regularities were identified.

Testing the influence of TM practices on knowledge acquisition

According to the findings, the model is significant $p=0.01$, $F=3.784$, adjusted $R^2=0.210$. From the data received, it can be concluded that out of the TM practices tested, it turned out that the knowledge acquisition (ACQ) is influenced significantly by talent development (TD).

Model	R	R-squared	R-adjusted	Standard Error	Durbin–Watson
1	,534 ^a	,285	,210	,90907	2,052

a. Predictors: (constant), In_age, Brazil, LC, TR_new, DIFF, In_size, TA_new, TD_new

b. Dependent variable: ACQ_new

Table5. Model Summary^b

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	25,016	8	3,127	3,784	,001 ^b
Residual	62,807	76	,826		
Total	87,822	84			

a. Dependent variable: ACQ_new

b. Predictors: (constant), In_age, Brazil, LC, TR_new, DIFF, In_size, TA_new, TD_new

Table6. ANOVA^a

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1,416	,823		1,720	,090		
Brazil	,555	,248	,249	2,240	,028	,763	1,310
LC	,051	,069	,079	,741	,462	,821	1,217
DIFF	,064	,124	,058	,514	,609	,730	1,370
TA_new	,057	,121	,064	,469	,640	,509	1,964
TD_new	,360	,134	,450	2,690	,009	,336	2,978
TR_new	,118	,152	,125	,777	,439	,362	2,763
In_size	-,060	,054	-,148	-1,119	,267	,535	1,871
In_age	,069	,140	,059	,494	,623	,663	1,508

a. Dependent variable: ACQ_new

Table7. Coefficients^a

The value of Beta coefficient for Brazil equaled to 0.249, which means that while assuming the development of TM practices being equal in Russia and Brazil, the ability level to acquire knowledge will be higher in Brazilian companies in light of contextual country factor. Brazil is the country that has many companies with history more than several decades. As we discussed in the part dedicated to review ACAP in Brazilian companies, the latter in their majority are used to acquire new knowledge from their counterparts primarily in the United States (The Economist, 2009). Russian companies due to long period of stagnation because of communism didn't have experience to acquire new knowledge by the means of borrowing, all the knowledge was generated within (Fey et al, 2004). Even though right now, the tendency is changing and Russian companies welcome new knowledge from abroad, the stagnation period still has left his mark on the current state of knowledge acquisition of some Russian companies.

Testing the influence of TM practices on knowledge assimilation

The tested model proved to be statically significant $p=0.00$, $F=6.891$, adjusted $R^2=0.359$.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,648 ^a	,420	,359	,73567

a. Predictors: (Constant), In_age, Brazil, LC, TR_new, DIFF, In_size, TA_new, TD_new

Table8. Model Summary

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	29,834	8	3,729	6,891	,000 ^b
Residual	41,132	76	,541		
Total	70,967	84			

a. Dependent variable: ASS_new

b. Predictors: (constant), In_age, Brazil, LC, TR_new, DIFF, In_size, TA_new, TD_new

Table9. ANOVA^a

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2,385	,666		3,579	,001
Brazil	,097	,200	,049	,486	,629
LC	-,011	,056	-,020	-,206	,838
DIFF	,014	,100	,014	,136	,892
TA_new	-,086	,098	-,107	-,877	,383
TD_new	,298	,108	,414	2,748	,007
TR_new	,350	,123	,414	2,853	,006
In_size	-,050	,043	-,137	-1,147	,255
In_age	,010	,114	,010	,091	,927

a. Dependent Variable: ASS_new

Table10. Coefficients^a

As it can be seen from the model run, the talent development (TD) practices and talent retention (TR) practices significantly influence the process of knowledge assimilation in targeted companies, the value of p equals 0.007 and 0.006 respectively. The value of Beta coefficient of the model is 0.49 (positive), this suggests that while assuming the development of TM practices

being equal in Russia and Brazil, the ability level to assimilate knowledge is higher in Brazilian companies rather than in Russian, in light of contextual country factor. The result received can be explained largely by the historical terms. Brazil is more experienced in assimilating knowledge; many Brazilians MNE's were founded several decades ago. Some companies have been conducting business for more than 50 years. Throughout this time each company actively has been collecting knowledge internally as well as externally, which in its turn contributed to overall ability of the Brazilian companies to assimilate knowledge. Meanwhile Russia has been practicing to gain the knowledge from the outside not long time ago; communism regime prohibited the information inflow from foreign colleagues.

Testing the influence of TM practices on knowledge transformation

The model is significant, it is working out well: $p=0.00$, $F=9.724$, adjusted $R^2=0.454$.

Model	R	R-squared	R-adjusted	Standard Error	Durbin–Watson
1	,711 ^a	,506	,454	,70213	2,034

a. Predictors: (constant), In_age, Brazil, LC, TR_new, DIFF, In_size, TA_new, TD_new

b. Dependent variable: TRANS_new

Table 11. Model Summary^b

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	38,350	8	4,794	9,724	,000 ^b
Residual	37,467	76	,493		
Total	75,817	84			

a. Dependent variable: TRANS_new

b. Predictors: (constant), In_age, Brazil, LC, TR_new, DIFF, In_size, TA_new, TD_new

Table 12. ANOVA^a

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	3,160	,636		4,970	,000		
Brazil	-,334	,191	-,161	-1,746	,085	,763	1,310
LC	-,045	,053	,075	-,841	,403	,821	1,217
DIFF	,085	,096	,084	,889	,377	,730	1,370
TA_new	-,025	,094	-,030	-,267	,790	,509	1,964
TD_new	,358	,103	,482	3,464	,001	,336	2,978
TR_new	,224	,117	,256	1,913	,059	,362	2,763
In_size	-,057	,041	-,152	-1,377	,172	,535	1,871
In_age	-,165	,108	-,151	-1,524	,132	,663	1,508

a. Dependent variable: TRANS_new

Table 13. Coefficients^a

Based on the data received, the knowledge transformation (TRANS) is influenced significantly by talent development (TD) practices $p=0.001$, and in less extent by talent retention (TR) $p=0.059$. The Beta coefficient for Brazil equals to -0.61 (negative value), which in its turn means that while assuming the development of TM practices being equal in Russia and Brazil, the ability level to transform knowledge will be higher in Russia rather than in Brazil in the view of contextual country factor.

No wonder, to transform the knowledge is not an easy task to implement, the competency level of workers play the crucial role in this regard. As it has already been discussed, the educational level of Russian employees on average is higher than that of Brazilian (Ballman, 2009; Miller, 2010; Guimarães, 2015). We believe that the overall higher competency level of Russian employees determined the results received according to which Russian companies are superior than Brazilian, when it comes to knowledge transformation.

Testing the influence of TM practices on knowledge exploitation

The model proved to be significant $p=0.02$, $F=3.414$, adjusted $R^2=0.187$.

Model	R	R-squared	R-adjusted	Standard Error	Durbin-Watson
1	,514 ^a	,264	,187	,98743	1,914

a. Predictors: (constant), In_age, Brazil, LC, TR_new, DIFF, In_size, TA_new, TD_new

b. Dependent variable: EXP_new

Table 14. Model Summary^b

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	26,626	8	3,328	3,414	,002 ^b
Residual	74,101	76	,975		
Total	100,728	84			

a. Dependent variable: EXP_new

b. Predictors: (constant), In_age, Brazil, LC, TR_new, DIFF, In_size, TA_new, TD_new

Table 15. ANOVA^a

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1,887	,894		2,110	,038		
Brazil	-,086	,269	-,036	-,319	,751	,763	1,310
LC	-,047	,075	-,068	-,630	,531	,821	1,217
DIFF	,378	,135	,323	2,805	,006	,730	1,370
TA_new	,033	,132	,035	,253	,801	,509	1,964
TD_new	-,025	,146	-,029	-,172	,864	,336	2,978
TR_new	,284	,165	,282	1,723	,089	,362	2,763
In_size	-,073	,058	-,169	1,255	,213	,535	1,871
In_age	-,267	,152	-,212	-1,751	,084	,663	1,508

a. Dependent variable: EXP_new

Table 16. Coefficients^a

According to the table coefficients above, the knowledge exploitation is influenced significantly by talent retention practices (TR) applied in companies ($p=0.08$). The other TM practices have not proved to be statistically significant when it came to evaluating their influence on knowledge exploitation capability. The Beta coefficient for Brazil equals to -0.36 (negative value), this interpret the following finding that while assuming the development of TM practices being equal in Russia and Brazil, the ability level to exploit knowledge will be higher in Russia rather than in Brazil in the light of contextual country factor. This phenomenon as well to be explained by the competency level of employees in general. The logic is quite simple, the more educated the employee, the higher his ability to work with the new knowledge, to exploit it in the most efficient way.

Conclusion

In the year of 2015, “McKinsey Quarterly” issued an article the main idea of which was how the global flows had been shifted by the raising power of emerging markets (Bughin and Lund, 2015). The majority of studies dedicated to emerging markets forecast the large expansions of the companies from emerging markets. Therefore, the influence of the latter on the global business arena steadily will keep on growing (Rao, 2016; Gandhok and Smith, 2014; Guillén and García-Canal, 2012; Bughin, and Lund, 2015). The promising perspective of fast expansion of emerging market firms as well as the currently hot issue of “war for talent” have inspired the author to conduct the study which would assist the targeted companies in making right choices related to the most valuable asset of any company – its talented employees.

In the beginning of our research work, we managed to set up three research questions that reflected the direction of our study. The first two research questions were dedicated to studying and comparing the TM practices that take place nowadays in Russian and Brazilian firms. During the analysis of findings, the main peculiarities of TM practices applied in the targeted markets were identified and discussed in the country-cultural context. While the main practices of talent attraction proved to be on approximately the same level, the practices of talent development as well as the talent retention turned out to be more developed in Russian firms rather than in Brazilian. Based on the information gained through the previous studies, we made an attempt to justify the current state of companies from each studied country.

The third research question was intended to identify how TM practices are connected with ACAP of the companies from Russia and Brazil. As it was previously mentioned, ACAP consists of the four main components: knowledge acquisition, knowledge assimilation, knowledge transformation, knowledge exploitation. The importance of ACAP in overall ability of the companies to create innovations was proved by many previous researchers, however no one has ever conducted the study that would reflect the correlation between the two. Encouraged by newness of the question we performed analysis that managed to reveal the following connections. Knowledge acquisition is influenced significantly by talent development practices, and this influence turned out to be higher in Brazilian context.

The knowledge assimilation proved to be influenced by talent development and talent retention practices applied in the targeted companies. The findings of our research suggest that the ability level to assimilate knowledge by the means of improving the practices of talent development as well as the talent retention is higher in Brazilian companies rather than in Russian.

According to our study, knowledge transformation is influenced significantly by talent development, and by talent retention. Based on our results, the ability level to transform knowledge will be higher in Russia rather than in Brazil. The last component of the ACAP we analyzed was knowledge exploitation. The knowledge exploitation turned out to be influenced significantly by talent retention practices. In the light of contextual country factor, the ability level to exploit knowledge will be higher in Russia rather than in Brazil.

Theoretical contribution

Our study attempts to cover the research gaps identified during the literature review. As we stated earlier, the TM practices in Brazil as well as in Russia is the concept that hasn't been properly studied (Nilsson and Ellström, 2012; Holden and Vaiman, 2013; Latukha, 2014). Our research contributes in this regard to the theory by figuring out the general peculiarities that relate to TM practices in Russia and Brazil, thus leaving room for more detailed research on this subject.

The cross-country analysis in terms of comparing TM practices in Brazilian and Russian firms hadn't been executed either in the previous studies (Latukha, 2014; Gandhok, and Smith, 2014; Gurkov, 2014). For the first time the comparative analysis between Brazil and Russia in terms of TM practices applied in the firms was conducted, revealing what country out of targeted two outperforms the counterpart in what TM practices.

The influence of TM on ACAP hadn't been studied in the context of Brazilian and Russian firms before as well (Celadon and Sbragia, 2015; Todorova and Durisin, 2007; Didenko and Egorova, 2014). In our research, we managed to identify what TM practices influence which component of ACAP based on contextual country factor.

The managerial application

The development of TM practices should be of high importance for the companies from Russia and Brazil, if they plan to utilize human potential to the full extent. The Brazilian and Russian companies should perceive TM practices as the strategic tool, which ought to be in the process of constant improvement.

As the "war for talent" intensifies (Bughin and Lund, 2015), the knowledge about TM country peculiarities is gaining the particular importance. The TM peculiarities identified in the given research would allow the foreign companies that plan to expand their business in Brazil or Russia adapt their TM practices accordingly, which in its turn would positively overall firm performance. The realization of TM peculiarities by the companies from targeted markets would assist them in improving their TM practices in the right context.

For the purpose of getting the most out of managing talented employees, the TM practices should be systemized as well as connected with other practices, such as absorptive capacity and knowledge management.

The identified connection between TM practices and ACAP of the firm lets us claim that improving such TM practices as TD and especially TR directly increases ACAP of the company. Therefore, we believe that managers can boost innovativeness of their companies (Cohen and Levinthal, 1990) by the means of increasing ACAP of the firms, which we have proved directly connects to some TM practices.

The given study can be considered as the call to managers from Russia and Brazil to change their attitude towards the phenomenon of TM, as it has been proved that the latter plays determinative role in increasing ACAP of the companies.

The conducted research has created a new look on TM practices since its connection with the ACAP has been revealed. We believe that this new look assigns the role of new leverage on TM in the system of managing knowledge, thus broadening the companies' set of tools with the help of which the company improves its ability to innovate.

List of references

1. Alston, L., Melo, M., Mueller, B., Pereira, C. (2016). *Brazil in Transition: Beliefs, Leadership, and Institutional Change*. Princeton University Press.
2. Aswathappa, K. (2005), *Human Resource and Personnel Management*. Tata McGraw-Hill, Kuala Lumpur.
3. Ballman, P. (2009), *Building in the BRICS: Presentation to CIPD/Hay Group International Forum*. London. Retrieved from: www.cipd.co.uk
4. Barney, J., Wright, M., & Ketchen, D. (2001), The resource-based view of the firm: Ten years after 1991. *Journal of Management*, vol.27 (6), p.625-641, 2001.
5. Berger, D. (2004), The journey to organization excellence: Navigating the forces impacting talent management. *The Talent Management Handbook: Ch.3*. New York: McGraw-Hill.
6. Bittencourt, P., Giglio, R. (2013), An empirical analysis of technology absorption of the Brazilian industry. *CEPAL review 111*. December issue, 175-190.
7. Branham, F. (2000), *Keeping the people who keep you in business: 24 ways to hang on to your most valuable talent*. New York: AMACOM.
8. Brunke, B. (2012), *How the emerging markets are changing the global HR agenda*. Roland Berger Strategy Consulting. Retrieved from: www.rolandberger.com
9. Bughin, J., Lund, S. (2015), *Harnessing the power of shifting global flows*. McKinsey Quarterly. Retrieved from:
10. Bughin, J., Susan Lund. (2014), *McKinsey Global Institute*. Retrieved from: mckinsey.com
11. Burns, N., Grove, S. (2005), *The Practice of Nursing Research: Conduct, Critique, and Utilization .5th edition*. St. Louis, Elsevier Saunders
12. Cappelli, P. (2008), “Talent management for the twenty-first century”. *Harvard Business Review*. Vol. 86 No. 3, pp. 74-81.
13. Castellano, S. (2012), *Shifting Leadership capability*. Association for Talent Development. Retrieved from: www.td.org/Publications/Magazines/TD/TD-Archive/2012/12/Intelligence-Shifting-Leadership-Capability

14. Carmichael, E. (2011), *Leadership and Management*. Oxford: Oxford University Press.
15. Celadon, K., Sbragia, R. (2015), Absorptive capacity and open innovation in the Brazilian cosmetics industry. *The 9th International Management Conference "Management and Innovation for Competitive Advantage"*, November 5th-6th, Bucharest, Romania.
16. Chowdhury, S. (2002), *The Talent Era: Achieving a High Return on Talent*. New Jersey: FT/Prentice Hall.
17. Conger, A., Ready, D., Hill, L. (2008), Winning the race for talent in emerging markets, Harvard Business Review. Retrieved from: www.hbr.org
18. Chambers, E., Foulon, M. (2001), *War for talent, part two*. *The Mckinsey Quarterly*, (2), 9-11
mckinsey.com/insights/business_technology/harnessing_the_power_of_shifting_global_flows
19. Cohen, W., Levinthal, D. (1990), Absorptive capacity: a new perspective on learning and innovation. *Administrative Science Quarterly*, 35, 128-152.
20. Conger J., Ready D., Hill, L. (2008), Winning the race for talent in emerging markets. *Harvard Business Review*. Retrieved from: www.hbr.org
21. Czinkota, M. (1997), "Russia's transition to a market economy: learning about business". *Journal of International Marketing*, Vol. 5 No. 4, pp. 73-93.
22. Dalziel, M. (2004), *Competencies: The First Building Block of Talent Management*. *The Talent Management Handbook: Creating Organizational Excellence by Identifying, Developing and Promoting Your Best People*. New York: McGraw-Hill, pp. 53-63
23. Dannemann, R. (2003), *Problems of Human Resources in Brazil*. Retrieved from: EBSCO host
24. Delgado-Verde, M., Martín-de-Castro, G., Navas-López, J. (2011), Towards "An Intellectual Capital-Based View of the Firm": Origins and Nature. *Journal of Business Ethics*, 98(4): 649-662.
25. Didenko A., Egorova T. (2014), Innovations as Factor of Absorptive Capacity of FDI Spillovers across Regions of Russian Federation. *Review of Business and Economics Studies*. Volume 2, Number 3, 2014.

26. Dixon, S., Meyer, K., Day, M. (2007), Exploitation and exploration learning and the development of organizational capabilities: a cross-case analysis of the Russian oil industry. *Human Relations*, 60 (10). pp. 1493-1523
27. Egerova, D. (2013), Integrated Talent Management – A challenge OR Necessity FOR PRESENT management. *Problems of Management in the 21st century Volume 6*
28. Engelman, R., Fracasso, S., Schmidt, S. (2015), The influence of intellectual capital on absorptive capacity and product innovation. *XVI Congresso Latina-Iberoamericana de Gestao do Tecnologia*.
29. Flatten, T., Engelen A., Zahra, S., Brettel, M. (2011), A measure of absorptive capacity: Scale development and validation. *Journal of Marketing Research*, 18, 1, 39-50.
30. Frank, F., Taylor, C. (2004), Talent management: Trend that will shape the future. *HR. Human Resources Planning*, 27(1), 33-42
31. Gandhok, T., Smith, R. (2014), Rethinking Cross-Border Talent Management: The emerging markets perspective. *Asian Management Insights, Volume 1, 18. Research Collection Lee Kong Chian School of Business. Retrieved from: http://ink.library.smu.edu.sg/lkcsb_research/4359/*
32. Gassmann, O., Enkel, E. (2004), Towards a Theory of Open Innovation: Three Core Process Archetypes. *Paper presented at the R&D Management Conference (RADMA)*.
33. Geoba.se-multiple source of geographic information. (2016), The World: Population (2016) - Top 100+. Retrieved from: <http://www.geoba.se/population.php?pc=world>
34. Gilbert, K., Gorlenko, E. (1999), “Transplant and process-oriented approaches to international management development”. *Human Resource Development International, Vol. 2 No. 4, pp. 335-54*.
35. Guillén, M., García-Canal, E. (2012), The rise of emerging market multinationals. *Cambridge and New York: Cambridge University Press*
36. Guillén, M., Esteban García-Canal. (2012), How emerging-market multinationals thrive amid turbulence. *Harvard Business Review*. Retrieved from: hbr.org
37. Guimaraes, R. (2009), Organizational Change Implementation and the Role of Human Resource Practices: a Brazilian Case Study. *Brazilian Business Review Vol. 6, No.3 Vitória-ES, p. 284-295*

38. Guimarães, C. (2015), Public education in Brazil: poor quality, inequality and stagnation. Retrieved from: <http://inosmi.ru/world/20150311/226769874.html>
39. Gurkov, I. (2014), Management practices in Russian manufacturing subsidiaries of foreign multinational corporations: challenging some beliefs about contemporary Russian industrial management. *Post-Communist Economies* 26, 220-240.
40. Handley, J. (2012), Talent management: the construction of talent. Working Paper. University of Huddersfield. Retrieved from: eprints.hud.ac.uk/14826
41. Hansen, F. (2007), What is “talent”? *Workforce Management*. 86(1) pp.12-13
42. Hansen, M. (2002), Knowledge Networks: Explaining Effective Knowledge Sharing in Multiunit Companies. *Harvard Business School*. Retrieved from: <http://dx.doi.org/10.1287/orsc.13.3.232.2771>.
43. Heinen, J., O’Neill, C. (2004), Managing Talent to Maximize Performance. *Employment Relations Today*, 31, pp.67–82
44. Henisz, W., Zelner. B. (2010), The Hidden Risks in Emerging Markets. *Harvard Business Review*. Retrieved from: <https://hbr.org/2010/04/the-hidden-risks-in-emerging-markets>
45. Hofstede, G. (2001), Culture’s consequences: comparing values, behaviours, institutions, and organizations across nations. *Second ed. Thousand Oaks, CA: Sage*.
46. Holden, N., Cooper, C. (1994), “Russian managers as learners: implications for theories of management learning”. *Management Learning*, Vol. 25 No. 4, pp. 503-22.
47. Horváthová, P., Mikušová, M. (2010), Talent management and its use by organizations in the Moravian-Silensian region. Retrieved from: researchgate.net/profile/Petra_Horvathova/publications
48. Jiafeng, L. (2013), Quantitative Data Analysis Techniques for Data-Driven Marketing. *Market Research*. Retrieved from: <http://www.iacquire.com/blog/quantitative-data-analysis-techniques-for-data-driven-marketing-2>
49. Khan, M., Amna, A. (2010), Importance of Talent Management in Business Strategy. *Abasyn Journal of Social Sciences Vol. 6 No. 1*
50. Khandwalla, P. (1977), The Design of Organizations. *Harcourt Brace Jovanovich, New York*.

51. Khartukov, E. (2001), "Russia: Oil Companies, Privatizations, Alliances & Overseas Ventures". *International Center for Petroleum Business Studies, Moscow: August 2001*
52. Knight, G., Cavusgil, T., Riesenberger J. (2008), Understanding Emerging Markets. Pearson Prentice Hall. *International Business Strategy, Management & the New Realities. Chapter 9, p. 254-281*
53. Kogut, B., Zander, I. (1992), Knowledge of the firms, combinative capabilities and the replication of technology. *Organization Science, issue 3, 383-397.*
54. Kokemuller, N. (2015), Advantages & Disadvantages of Doing Business in Emerging Markets. Retrieved from: <http://smallbusiness.chron.com/advantages-disadvantages-doing-business-emerging-markets-22725.html>
55. Kolachi, N., Shah, H. (2013), BRICS countries and their strategic HRD agenda in 2020. *International Journal of Management & Information Systems – Volume 17, № 2*
56. Kostopoulos, K., Papalexandris, A., Papachroni, M., Ioannou A. (2011), Absorptive capacity, innovation, and financial performance. *Journal of Business Research 64 (12), 1335-1343.*
57. Laff, M. (2006), Talent Management: From Hire to Retire. *T+D Alexandria. 60(11). 42-50.*
58. Lane, P., Salk, J., Lyles, M. (2001), Absorptive capacity, learning, and performance in international joint ventures. *Strategic Management Journal, 22(12), 139-161.*
59. Lattner, D. (2007), The Talent Imperative. *Boardroom Briefing: The Consultants Issue, 32–42*
60. Lewin, A., Massini, S. (2003), "Knowledge creation and organizational 105. capabilities of innovating and imitating firms". *Organizations as Knowledge Systems: Knowledge, Learning and Dynamic Capabilities, Palgrave Macmillan, New York, NY, pp. 209-37.*
61. Maehler, A., Curado, C., Pedrozo, A. (2011), Knowledge Transfer and Innovation in Brazilian Multinational Companies. *Journal of Technology Management & Innovation Volume 6, Issue 4*
62. Marants, J. (2012), The Evolution of integrated Talent Management. HR research paper. Retrieved from: hr.com

63. McCann, B., Folta, T. (2008), Location matters: where we have been and where we might go in agglomeration research. *Journal of Management*, 34(3), 532-565.
64. Mellahi, C. (2010), The barriers to effective global talent management: The example of corporate elites in MNEs. *Journal of World Business*, 45 (2), pp. 143-149.
65. Mensah, J. (2015), A “coalesced framework” of talent management and employee performance. *International Journal of Productivity and Performance Management*, Vol. 64 Issue 4 pp.544 – 566
66. Meyer, K., Møller, I. (1998), “Managing Deep Restructuring: Danish Experiences in Eastern Germany”, *European Management Journal*, Vol. 16, Iss. 4, pp. 411-421.
67. Michaels, E., Handfield-Jones, H., Axelrod, B. (2001), The War for Talent. *Harvard Business School Press, Boston, MA*.
68. Michailova, S., Jormanainen, I. (2011), "Knowledge transfer between Russian and Western firms". *Critical perspectives on international business*, Vol. 7 Iss 3 pp. 250 – 270.
69. Michailova, S., Sidorova, E. (2010), “Knowledge management in transition economies: selected key issues and possible research avenues”. *Organizations and Markets in Emerging Economies*, Vol. 1 No. 1, pp. 68-81.
70. Michailova, S., Husted, K. (2003), “Knowledge-sharing hostility in Russian firms”, *California Management Review*, Vol. 45 No. 3, pp. 58-77.
71. Miller, H. (2010), Culture and work styles in the BRIC countries. *Research summary*. Retrieved from: <http://www.caba.org>
72. Minbaeva, D., Pedersen, T., Bjorkman, I. (2003), MNC knowledge transfer, subsidiary absorptive capacity, and HRM. *Journal of International Business Studies*, 34(6): 586-599.
73. Mobius M. (2015), Emerging markets 2016 outlook. Investment adventures in emerging markets. Retrieved from: mobius.blog.franklintempleton.com/2015/12/29/emerging-markets-2016-outlook
74. Monk, D. (2006), “Management development in a developing economy: the Russian President’s Management Training Initiative”. *Journal of East-West Business*, Vol. 12, pp. 61-83.
75. Morgunov, E., Gurkov I., Settles, A. Zelenova, O. (2014), “HRM in Russian over a century of storm and turmoil - a tale of unrealized dreams”, in B.Kaufman (Ed.) *HRM management in international perspective*.

76. Morrison, T., Pearce, J. (2014), Emerging Market Talent Strategies: Creating an effective global talent model. *Retrieved from: www.deloitte.com/us/bustrends2013*
77. Muijs, D. (2004), Doing Quantitative Research in Education with SPSS. *SAGE Publications Ltd*
78. Newman, K. (2000), "Organizational Transformation during Institutional Upheaval". *Academy of Management Review, Vol. 25, Iss. 3, pp. 602-619.*
79. Nonaka, I. (1995), The Knowledge Creating Company. *New York: Oxford University Press.*
80. Oladapo, V. (2014), The impact of talent management on retention. *Journal of Business Studies Quarterly, Volume 5, Number 3.*
81. Ovanessoff, A., Peppes, A. (2013), Brazil Unleashed Lessons in building world-class international operations. *Accenture. Retrieved from: www.accenture.com.*
82. Pettigrew, A., Whipp, R. (1991), *Managing Change for Competitive Success. Oxford:Blackwell*
83. Pollitt, D. (2004), Recruiting for success: challenges and solutions. *Human Resource Management International Digest. 12(7). 24-28.*
84. Rao, V. (2016), Emerging Market Leaders Should Give up Some Power. INSEAD's Emerging Markets Institute. *Retrieved from: <http://knowledge.insead.edu/blog/insead-blog/emerging-market-leaders-should-give-up-some-power-4505#sbRdZT6BJck6LB8p.99>*
85. Schmidt, T. (2005), What determines absorptive capacity, *DRUID Dynamics of industry and innovation: organizations, networks and systems. Copenhagen.*
86. Schuler, R., Jackson, S. (1987), Linking Competitive Strategies with Human Resource Management Practices. *The Academy of Management Executive, 3, pp. 207-219*
87. Schweyer, A. (2004), Talent Management Systems: best practices in technology solutions for recruitment, retention and workforce planning. *Canada: Tri-Graphic Printing.*
88. Serrat, O. (2010), A Primer on Talent Management. Cornell University ILR School. International Publications. Retrieved from: *digitalcommons.ilr.cornell.edu/intl.*
89. Shrimali, H., Gidwani, B. (2012), Role of Talent Management in Sustainable Competitive Advantage: Rising to meet business challenge. *Pacific Business Review International, Volume 4 Issue 3*

90. Subramaniam, M., Youndt, M. (2005), The Influence of Intellectual Capital on the Types of Innovative Capabilities. *The Academy of Management Journal*, 48(3): 450-463.
91. Swaan, W. (1997), "Knowledge, Transaction Costs and the Creation of Markets in Post-Socialist Economies". *Transition to the Market Economy*. London: Routledge, pp. 53-76.
92. Tansley, C. (2011), What do we mean by the term "talent" in talent management? *Industrial and Commercial Training*, 43, 266–274.
93. Todorova, G., Durisin, B. (2007), Absorptive Capacity: Valuing a reconceptualization. *Academy of Management Review*, 32(3), 774-786.
94. Tracy, B. (2010), How the Best Leaders Lead: Proven Secrets to Getting the Most Out of Yourself and Others. *New York: AMACOM*, pp.113-141.
95. Turabian, K. (2007), A Manual for Writers of Research Papers, Theses, and Dissertations. Chicago style for students and researches. *The seventh edition. The University of Chicago Press*.
96. Urbancová, H., Vnoučková, L. (2015), Investigating Talent Management Philosophies. *Journal of Competitiveness Vol.7, Issue 3, pp. 3-18*
97. Uren, L. (2007), From talent compliance to talent commitment. *Strategic HR Review*. 6(3). 32-35.
98. Vlachoutsicos, C., Lawrence, P. (1996), "How managerial learning can assist economic transformation in Russia". *Organization Studies*, Vol. 17 No. 2, pp.311-25.
99. Von Seldeneck, M. (2004), Finding and Hiring Fast-Track Talent. *The Talent Management Handbook: Creating Organizational Excellence by Identifying, Developing and Promoting Your Best People*. New York: McGraw-Hill
100. Zahra, S., George, G. (2002), Absorptive capacity: a review, reconceptualization and extension. *Academy of Management Review*, 27(2), 185-203.
101. AESC. (2013), Executive Talent: A Key to Unlock Brazil's Future. Retrieved from: <https://www.yumpu.com/en/document/view/52961706/executive-talent-a-key-to-unlock-brazils-future>
102. Chartered Institute of Personnel and Development. (2010), Talent development in the BRIC countries. Retrieved from: www.cipd.co.uk

103. Deloitte. (2010), Talent Edge 2020: Blueprints for the new normal. Retrieved from: <http://www.Deloitte.com/us/talent>
104. Economist Intelligence Unit. (2012), People for growth: The talent challenge in emerging markets. *Economist Intelligence Unit. Country data.* Retrieved from: <http://www.eiu.com/home.aspx>
105. Egon Zehnder. (2008), The talent market in Brazil. *Egon Zehnder international inc.* Retrieved from: www.egonzehnder.com
106. EW. (2013), Forbes Global 2000: Brazil's Largest Companies. Retrieved from: <http://www.economywatch.com/companies/forbes-list/brazil.html>
107. Forbes. (2016), Forbes Russia TOP 200 Russian companies. Retrieved from: <http://investinrussia.com/russia-200>
108. Hay Group. (2007), Rewarding Brazil: Engaging the world's next superpower. Retrieved from: www.atrium.haygroup.com
109. International Labor Organization. (2015), Global wage report 2014-2015: Wages and income inequality. Retrieved from: http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_324678.pdf
110. The Economist. (2009), Getting it together at last: a special report on business and finance in Brazil. Retrieved from: http://www.economist.com/sites/default/files/special-reports-pdfs/14831810_0.pdf
111. Banco do Brasil. (2015). Banco do Brasil annual report of 2014. Retrieved from: <http://www45.bb.com.br/docs/ri/ra2014/en/index.htm>
112. Braskem. (2015). Braskem Annual report 2014. Retrieved from: <http://www.braskem-ri.com.br/annual-reports>
113. CCR. (2012). CCR Annual and Sustainability Report 2011. Retrieved from: <http://www.grupoccr.com.br/ri2011/en/people-management.html>
114. Gazprom. (2015). 2014 annual report of the Gazprom. Retrieved from: <http://www.gazprom.com/f/posts/55/477129/gazprom-annual-report-2014-en.pdf>
115. Eletrobras. (2015). Eletrobras Annual-and-Sustainability Report 2014. Retrieved from: www.eletrobras.com

116. Embraer. (2015). Embraer Annual Report 2014. Retrieved from: www.embraer.com
117. JBS. (2014). JBS Annual and Sustainability Report 2013. Retrieved from: www.jbs.com
118. KAMAZ. (2015). 2014 annual report of OJSC Kamaz. Retrieved from: <http://fs.moex.com/content/annualreports/1808/2/annual-report-2014-final-vosstanovlen.pdf>
119. Lukoil. (2015). 2014 annual report of Lukoil. Retrieved from: http://www.lukoil.ru/materials/doc/AGSM_2014/GO_Book_eng.pdf
120. Magnit. (2015). 2014 annual report of Magnit. Retrieved from: <http://www.investegate.co.uk/pjsc-magnit--mgnt-/prn/publication-of-2014-annual-report/20150430161605PA22B/>
121. MTS. (2015). 2014 annual report of MTS. Retrieved from: http://www.mtsgsm.com/upload/contents/328/2_MTS_OJSC_Annual_Report_2014_eng.pdf
122. Rosatom. (2015). 2014 annual report of Rosatom. Retrieved from: http://www.rosatom.ru/en/resources/3d7bd1804a18ae468f9b8facc34be966/anrep_rosatom_2014_en.pdf
123. Sberbank. (2015). 2014 annual report of Sberbank. Retrieved from: www.sberbank.ru/common/img/uploaded/files/pdf/.../Annual_report_engl_y2014.pdf
124. Severstal. (2016). 2015 annual report of the Severstal. Retrieved from: https://www.severstal.com/files/13750/Severstal_AR_2015_Eng.pdf
125. Vale. (2012). Vale annual report of 2011. Retrieved from: http://www.vale.com/en/investors/Quarterly-results-reports/20F/20FDocs/20F_2011_i.pdf
126. VTB. (2016). 2015 annual report of VTB. Retrieved from: http://www.vtb.com/upload/iblock/678/VTB_Annual_Report_2015.pdf

Questionnaire

Respondent's profile:	Please fill in or select appropriate response
1. Your position	
2. Management level	
3. Years on this position	
4. Country of origin	
5. Age	
6. Sex: Male/Female	

Company's profile:	Please fill in or select appropriate response
7. Industry	
8. Headquarters location (country)	
9. Number of employees	
10. Age (year of foundation)	
11. Geographic scope of operations Global/regional/domestic	

Headquarters role: Please rate your agreement with each of the following statements.		1=Strongly disagree	7= Strongly agree
1	Headquarters perform as a portfolio manager treating different business units independently from each other	1 2 3 4	5 6 7
2	Headquarters perform as a synergy manager stimulating collaboration across business units	1 2 3 4	5 6 7
3	Headquarters perform as a parental developer seeking to employ its own competences to add value to business units and build parenting skills	1 2 3 4	5 6 7

Key competences: Please rate your agreement with each of the following statements.		1=Strongly disagree	7= Strongly agree
1	Quality is our key competence (We produce products of "benchmark status")	1 2 3 4	5 6 7
2	Speed is our key competence (We deliver products in timely fashion)	1 2 3 4	5 6 7
3	Low costs is our key competence (We make products that are superior value for money)	1 2 3 4	5 6 7
4	Simplicity is our key competence (We provide easy, multiple services to clients)	1 2 3 4	5 6 7
5	Strong brand is our key competence (We have highly recognized brand)	1 2 3 4	5 6 7
6	Innovation is our key competence (We regularly introduce products/ services that are very innovative, technologically advanced)	1 2 3 4	5 6 7

Talent management approaches: Please rate your agreement with each of the following statements.		1= Strongly disagree				7= Strongly agree		
1	In our company talent management is decided on an individual-by-individual basis	1	2	3	4	5	6	7
2	Our company has a clear talent management strategy and regularly send individuals on off the shelves programs to meet their individual needs	1	2	3	4	5	6	7
3	Our company has a clear talent management strategy for different levels in the organization and want to use/plan to use customized programs for each level	1	2	3	4	5	6	7
4	Our company has a clear talent management strategy and have its own in house university dedicated to achieving our strategy	1	2	3	4	5	6	7
5	Our company has its own in house university dedicated to achieving our strategy but we also use/plan to use external providers to supplement in-house resources	1	2	3	4	5	6	7
Strategy: Please indicate to what extent is your organization implementing or planning to implement the following strategies to improve your talent management		1= Not to all				7= Very high		
1	Improve the quality of all components of talent management	1	2	3	4	5	6	7
2	More closely integrate the various components of talent management and technology	1	2	3	4	5	6	7
3	Expand the number of talent management initiatives	1	2	3	4	5	6	7
4	Improve metrics associated with talent management	1	2	3	4	5	6	7
5	Use new technologies to improve talent management	1	2	3	4	5	6	7
6	Make talent management processes more cost-effective	1	2	3	4	5	6	7
Factors of success: To what degree do the following factors drive the need to manage talent in your organization today		1=Small degree				7= High degree		
1	Talent and skills shortages	1	2	3	4	5	6	7
2	Business competition	1	2	3	4	5	6	7
3	Global marketplace	1	2	3	4	5	6	7
4	Compliance and regulatory issues	1	2	3	4	5	6	7
5	Geopolitical issues	1	2	3	4	5	6	7
6	Current economic climate	1	2	3	4	5	6	7
7	Environment issues	1	2	3	4	5	6	7
8	Need to execute strategies	1	2	3	4	5	6	7
9	Need for customer service	1	2	3	4	5	6	7
10	Need for innovation	1	2	3	4	5	6	7

11	Cost of human capital	1	2	3	4	5	6	7
12	New technologies	1	2	3	4	5	6	7
13	Flattening of organization	1	2	3	4	5	6	7
14	Outsourcing and/or offshoring	1	2	3	4	5	6	7
15	Retention and retention issues	1	2	3	4	5	6	7
16	Corporate culture	1	2	3	4	5	6	7
17	Diverse workforce	1	2	3	4	5	6	7
18	Work/life balance issues	1	2	3	4	5	6	7
Talent management processes and practices:								
Attraction: Please rate your agreement with each of the following statements.		1=Strongly disagree				7= Strongly agree		
1	Talent attraction is very important and is of high priority to the company	1	2	3	4	5	6	7
2	There is a lack of talented employees in our company	1	2	3	4	5	6	7
3	We have difficulties attracting talent	1	2	3	4	5	6	7
4	We cannot predict both short and long term talent requirements.	1	2	3	4	5	6	7
5	Our company's profile is not attractive enough for potential employees	1	2	3	4	5	6	7
6	Salary of new recruits is not competitive enough	1	2	3	4	5	6	7
7	Hiring is not based on objectivity	1	2	3	4	5	6	7
8	Our worksite is inconveniently located	1	2	3	4	5	6	7
Development: Please rate your agreement with each of the following statements.		1=Strongly disagree				7= Strongly agree		
1	Talent development is very important and is of high priority to the company	1	2	3	4	5	6	7
2	The quality of our learning and development programs is low	1	2	3	4	5	6	7
3	The quality of our mentorship program is low	1	2	3	4	5	6	7
4	Our company does not provide access to the necessary learning and development programs	1	2	3	4	5	6	7
5	Our company does not provide enough financial assistance to employees to upgrade their skills	1	2	3	4	5	6	7
6	Our company does not offer many e-learning and/or long-distance learning opportunities	1	2	3	4	5	6	7
7	There aren't enough career advancement opportunities	1	2	3	4	5	6	7
8	Career advancement opportunities strongly depend on good corporate and/or personal relations	1	2	3	4	5	6	7
Retention: Please rate your agreement with each of the following statements.		1=Strongly disagree				7= Strongly agree		
1	Talent retention is very important and is of high priority to the company	1	2	3	4	5	6	7
2	We cannot retain high potential talent	1	2	3	4	5	6	7
3	Our employees are not motivated enough	1	2	3	4	5	6	7

4	Our employees are not fully engaged in the working process	1	2	3	4	5	6	7
5	Our employees are not given enough autonomy and responsibility for decision-making	1	2	3	4	5	6	7
6	Diversity in the workplace is not paid enough attention	1	2	3	4	5	6	7
7	Monetary rewards and/or compensation and benefit programs are not clear and transparent	1	2	3	4	5	6	7
8	There is a lack of non-monetary rewards and recognition	1	2	3	4	5	6	7
9	Our company has difficulties creating a secure and safe workplace	1	2	3	4	5	6	7

Absorptive capacity:

Acquisition: Please specify to what extent you agree with the statements about the use external resources to obtain information (e.g., personal networks, consultants, seminars, internet, database, professional journals, academic publications, market research, regulations, and laws concerning environment/ technique/ health/security) by your company		1=Strongly disagree				7= Strongly agree		
1	Our management emphasizes the exchange of information and experience with companies within the same industry	1	2	3	4	5	6	7
2	Our management engages in joint research projects with companies and research institutions beyond the industry	1	2	3	4	5	6	7
3	A periodical meeting with external experts within our industry for the accumulation of relevant information are regular in our company	1	2	3	4	5	6	7
4	The search for relevant information concerning our industry is every-day business in our company	1	2	3	4	5	6	7
5	Our management motivates the employees to use information sources within our industry	1	2	3	4	5	6	7
6	In our company it is appreciated when employees procure information from other industries as well	1	2	3	4	5	6	7
7	Our management expects that the employees deal with information beyond our industry	1	2	3	4	5	6	7
Assimilation: Please rate to what extent you agree with the following statements about the communication structure in your company		1=Strongly disagree				7= Strongly agree		
1	In our company ideas and concepts are communicated cross-departmental	1	2	3	4	5	6	7
2	Our management emphasizes cross-departmental support to solve problems	1	2	3	4	5	6	7

3	Our company tools (e.g. internet, internal studies/ reports) to spread knowledge in the whole organization	1	2	3	4	5	6	7
4	In our company there is a quick information flow, e.g., if a business unit obtains important information it communicates this information promptly to all other business units or departments	1	2	3	4	5	6	7
5	Our management demands periodical cross-departmental meetings to interchange new developments, problems, and achievements	1	2	3	4	5	6	7
6	Our employees of diverse departments get along well, when communicating with each other on a cross-departmental basis	1	2	3	4	5	6	7
7	Our management supports temporary exchange of personnel between departments	1	2	3	4	5	6	7
8	In our company there is informal contact between employees of all levels and departments	1	2	3	4	5	6	7
9	Our management emphasizes a shared lingo (unique professional language) for intra-company communication	1	2	3	4	5	6	7
10	In our company employees are conscious about who possesses special skills and knowledge and for who certain information is of interest	1	2	3	4	5	6	7
11	Our employees share their knowledge, their information and their experience willingly with their colleagues	1	2	3	4	5	6	7
12	Our management is a good role model regarding the distribution of knowledge	1	2	3	4	5	6	7
Transformation: Please rate to what extent you agree with the following statements about the knowledge processing in your company		1=Strongly disagree			7= Strongly agree			
1	Our employees have the ability to structure and to use collected knowledge	1	2	3	4	5	6	7
2	Our management emphasizes the systematic reuse of insights out of the past projects	1	2	3	4	5	6	7
3	Our company policy encourages our employees to engage in further training and continuous learning	1	2	3	4	5	6	7
4	Our employees are used to absorb new knowledge as well as to prepare it for further purposes and to make it available	1	2	3	4	5	6	7
5	Our employees successfully link existing knowledge with new insights	1	2	3	4	5	6	7
6	Our employees successfully transform information from internal and external sources into valuable knowledge in our company	1	2	3	4	5	6	7
7	Our management encourages employees to combine ideas cross-departmentally	1	2	3	4	5	6	7

8	Our management thinks that our learning capabilities are a competitive advantage for our company	1	2	3	4	5	6	7	
9	Our company owns tools to enhance knowledge in their practical work	1	2	3	4	5	6	7	
10	Our employees are able to apply new knowledge in their practical work	1	2	3	4	5	6	7	
11	Our management encourages employees to generate knowledge	1	2	3	4	5	6	7	
12	Our management provides employees with enough scope for development to use the aggregated information for experimenting with alternative solution possibilities	1	2	3	4	5	6	7	
Exploitation: Please rate to what extent you agree with the following statements about the commercial exploitation of new knowledge in your company (NB: Please think about all company divisions such as R&D, production, marketing, and accounting)		1=Strongly disagree				7= Strongly agree			
1	Our company launches innovative product/services promptly with regards to its research	1	2	3	4	5	6	7	
2	Our management supports the development of prototypes	1	2	3	4	5	6	7	
3	Our company strives to convert innovative ideas into patents	1	2	3	4	5	6	7	
4	Our company regularly reconsiders technologies and adapts them accordant to new knowledge	1	2	3	4	5	6	7	
5	Our company has the ability to work more effective by adopting new technologies	1	2	3	4	5	6	7	

Performance: Rate your firm's performance relative to your primary industry's average:		1=Well below industry average				7= Well above industry average			
1	Market share growth over the past three years	1	2	3	4	5	6	7	
2	Sales growth over the past three years	1	2	3	4	5	6	7	
3	Average return on investment over the past three years	1	2	3	4	5	6	7	
4	Average profit over the past three years	1	2	3	4	5	6	7	
5	Average profit growth over the past three years	1	2	3	4	5	6	7	