

St. Petersburg University  
Graduate School of Management

Master in Management program

Human resource management in CIS countries: the evidence from Kazakhstan firms

Master's Thesis by the 2<sup>nd</sup> year student

Concentration — International Business

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St. Petersburg

2016

## АННОТАЦИЯ

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Название магистерской диссертации	Управление человеческими ресурсами в странах СНГ: данные из Казахских компаний
Факультет	Высшая Школа Менеджмента
Направление подготовки	Международный бизнес
Год	2016
Научный руководитель	Латуха Марина Олеговна
Описание цели, задач и основных результатов	<p>Целью этой работы является исследование особенностей практик управления человеческими ресурсами (УЧР) и факторов, влияющих на эти практики в Казахских компаниях. Особое внимание уделяется анализу факторов и странового контекста, влияющих на практики УЧР. Также обсуждаются перспективы развития местных (локализация) или адаптации Западных (вестернизация) УЧР практик.</p> <p>В работе обсуждается влияние ряда факторов на УЧР практики. Некоторые из факторов уникальны для Казахстана, прочие являются общими для Казахстана и стран СНГ.</p> <p>Результаты исследования показывают, что, несмотря на динамичный рост Казахской экономики, УЧР практики всё ещё находятся в переходном состоянии от Советского наследия к существующим практикам Западных многонациональных компаний. Также показывается, что УЧР практики не могут в полной мере соответствовать потребностям Казахстана в развитии УЧР.</p>
Ключевые слова	Управление человеческими ресурсами, развивающиеся рынки, адаптация практик УЧР, страны СНГ, Казахстан

## ABSTRACT

Master Student's Name	Malko Konstantin
Master Thesis Title	Human resource management in CIS countries: the evidence from Kazakhstan firms
Faculty	Graduate School of Management
Main field of study	International Business
Year	2016
Academic Advisor's Name	Latukha Marina Olegovna
Description of the goal, tasks and main results	<p>The study investigates peculiarities of human resource management (HRM) practices in Kazakhstan firms and identifies factors influencing it. Attention is paid to the analysis of country-specific context that shapes peculiarities of HRM practices and provides discussion about its westernization or localization perspectives.</p> <p>The study argues that HRM practices are influenced by a number of factors, some of which are rather specific for Kazakhstan, and some are common for CIS context.</p> <p>The results show that despite dynamic economic growth of Kazakhstan's economy, HRM practices is still in transition from Soviet heritage to ones existing in Western MNCs and cannot fully match country's needs in HRM development.</p>
Keywords	Human resource management, emerging markets, HRM practices adaptation, CIS countries, Kazakhstan

### ЗАЯВЛЕНИЕ О САМОСТОЯТЕЛЬНО ХАРАКТЕРЕ ВЫПОЛНЕНИЯ ВЫПУСКНОЙ КВАЛИФИКАЦИОННОЙ РАБОТЫ

Я, Малко Константин, студент второго курса магистратуры направления 38.04.02 «Менеджмент», заявляю, что в моей магистерской диссертации на тему «Управление человеческими ресурсами в странах СНГ: данные из Казахстанских компаний», представленной в службу обеспечения программ магистратуры для последующей передачи в государственную аттестационную комиссию для публичной защиты, не содержится элементов плагиата.

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\_\_\_\_\_ 26.05.2016 \_\_\_\_\_ (Date)

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## **INTRODUCTION**

Nowadays, Human resource management (hereinafter HRM) practices are considered one of the most important factors for a firm's success (Schuler et al., 2002; Wei and Lau, 2005; Biron et al., 2011; Eriksson et al, 2014; Savaneviciene and Kersiene, 2015; Williams and Lee, 2016). Unlike in developed economies with well-created and applied HRM practices, which have also been the focus of much study, (Braun et al., 2011; Buller and McEvoy, 2012; Hauff et al., 2014;

Berber and Slavic, 2016), firms from CIS countries attract limited attention from researchers (Croucher, 2010; Erdener, 2011; Makhmadshoev et al., 2015). But the process of change, the adaptation of new knowledge, and constant development attracts many scholars and results in various publications on HRM in emerging markets, which focus mostly on BRIC countries, especially India and China. However, there are several dynamically growing economies in CIS countries, which are still under limited review.

One of the CIS countries showing substantial growth since the collapse of the Soviet Union is Kazakhstan (Wandel and Kozbagarova, 2009). The country's strategic approach towards economic growth, the government's attempts at diversifying the country's economy, increasing presence of international companies, and participation in international trade and economic alliances, such as Customs Union and Eurasian Economic Union, creates a high demand for establishing well-developed HRM practices that will be able to provide an impact on the ongoing changes and create a competitive advantage for CIS countries' firms.

Many scholars focus their attention on the fact that dynamic rivalry of companies from emerging markets leads to a change in the competitive landscape of international business (Williamson and Zeng, 2009; Chang et al., 2009; Khavul et al., 2010; Gruber-Muecke and Hofer, 2015). Since Kazakhstan is considered an emerging economy (Belkanov, 2000; Xiong et al., 2015; Karatayev and Clarke, 2016), the paper investigates the peculiarities of HRM practices in Kazakhstan and discusses the factors that influence them. Despite the fact that some researchers provide data on HRM practice adaptation in emerging markets and some CIS countries (mostly in Russia) (Fey et al., 1999; Björkman and Lervik, 2007; Cooke et al., 2011; Andreeva et al., 2014; Latukha, 2015; Novitskaya, 2015) and the way those practices are influenced by the country-specific context (Björkman and Ehrnrooth, 2000; Braun and Warner, 2002; Liu, 2004; Wei and Lau, 2005), there are limited studies on HRM in Kazakhstan.

The thesis aims to investigate the peculiarities of HRM practices in Kazakh firms and to identify the factors that influence them, we formulate the following research questions:

1. What are peculiarities of HRM practices in Kazakhstan companies?
2. What factors influence HRM practices in Kazakhstan firms? How HRM practices are influenced by country-specific environment?
3. What HRM practices are more crucial for Kazakhstan companies in the country-specific context?

## **1. THEORETICAL BACKGROUND**

The review of the literature consists of the two major parts. First part is focused on presenting review of publications on HRM in CIS countries and discussing Kazakhstan in emerging market context. Second part describes the environment that is studied and that has a direct influence on development of HRM practices in the country. The focus is given to trace the way economy and society of Kazakhstan influence and shape HRM practices. This section of the thesis is concluded with identifying summarizing overall availability and focus of the literature on the topic.

### **1.1. HRM practices in CIS countries and emerging market context**

#### **1.1.1. Adaptation of HRM practices**

By the end of 20<sup>th</sup> century the development of international connections between countries and the creation of international economic and business organizations led to an unprecedented boost in the development of the world's businesses. Beginning with Porter's major breakthrough in strategic management, business scholars and managers began to reevaluate the roles of different areas of business. According to Lengnick-Hall et al. (2009), Farndale et al. (2010), and Schuler et al. (2011), one of the key success factors for companies' growth is to learn how to choose, attract, train, motivate, and retain talented individuals. Aghazadeh (2003) emphasizes the high relevance for managers in ensuring that in global business environment HRM policies and practices have a balance between consistency and recognizing various differences that occur when doing business internationally.

Schuler et al. (1993) provide solid research on international HRM practices' adaptation in multinational companies (MNCs). They try to describe and provide a framework for understanding the linkages of HRM practices with company strategy at an international level. Results of that research have become relevant for a further publication by Schuler et al. (2002). The authors emphasize that it is important to study international HRM in the context of changing economic and business conditions. In particular, it involves understanding the success factors of adaptation of HRM practices in another country and business environment. Shen (2005) confirms this and adds that country context is crucial as well. Based on multiple publications and research, the author identifies the following success factors of adaptation of HRM practices in another country (Table 1).

**Table 1. Factors of HRM adaptation in foreign country**

Political factor	Ferris and Judge, 1991; Gregersen et al., 1996
Legal factor	Von Glinow and Teagarden, 1988; Taylor et al., 1996; Ferner, 2000

Economic factor	Schuler et al., 1993; Delios and Bjorkman, 2000
Sociocultural factor	Hamill, 1984; Taylor et al., 1996; Braun and Warner, 2002
International business strategy	Doz and Prahalad, 1986; Welch and Welch, 1994
International organization structure	Stopford and Wells, 1972; Roth et al., 1991; Jackson and Schuler, 1995
Organizational culture	Borg, 1987; Welch, 1994
Mode of internationalization	Taylor et al., 1996; Dowling et al., 1999
International experience	Hamill, 1984; Ferner, 1997; Delios and Bjorkman, 2000
Type or niche of industry	Ferner, 1997; Dowling et al., 1999; Fields et al., 2000
Size of international operation	Hamill, 1984; Welch, 1994; Jackson and Schuler, 1995
Reliance on the domestic/international market	Dowling et al., 1999; Hayden and Edwards, 2001
Top management's attitudes towards internationalization	Laurent, 1986; Perlmutter, 1969; Perlmutter and Heenan, 1974
Senior management's perception of home HRM	Hamill, 1989; Ferner, 2000; Hayden and Edwards, 2001
Competitors	Schuler et al., 1993
Location of assignment	Tung, 1982; Welch, 1994
Staff availability	Hamill, 1989; Welch, 1994

Additionally, Rosenzweig and Nohria (1994) study the effect of a number of factors for successful HRM affiliation with local companies. The authors identify the following most influential success factors: presence of expatriates, a local environment's influence, a parent company's nationality, frequency and closeness of communication between managers of the local and parent company, and mode of entry (the importance of establishing a new company instead of acquiring a local one). However, all the mentioned authors wonder whether it is possible to generalize on all these factors for all types of companies or whether these are only applicable to MNCs. In addition to these factors, some authors (Newman and Nollen, 1996; Myloni et al., 2004; Gilbert and Von Glinow, 2015) name one of the most important success factors as the ability of management to deal with cultural differences, an understanding of these, and the "length" of cultural distance. The shorter that cultural distance between the parent and local company, the faster foreign HRM practices merge with local ones, thus making a sort of symbiosis beneficial for both the parent and local subsidiary. The determining of these success factors is used as a certain benchmark and as the metrics for a questionnaire to see which of them are actually applicable in Kazakhstan.

### **1.1.2. HRM practices in CIS countries context**

The Commonwealth of Independent States (CIS) is created as a successor entity to the Soviet Union, and includes the majority of its ex-members. As a successor, post-socialist states



inherit not only rich resources and large territories, but also the need for transition from planned to market economies (Altman, 2009). The best way for transition is to attract MNCs and foreign direct investments (FDI), towards which governments both push state companies and create institutions that are focused on attracting FDI and proclaiming the importance of HRM development, which is the case for Belarus (Danilovich and Croucher, 2015) and Kazakhstan (Lee et al., 2010). Among different well-proved western approaches to management practices, HRM is one of the most crucial elements of MNC's competitive strategy (Schuler et al., 2002; Liu, 2004) as many companies face various complications in the adaptation of their management practices to host countries' contexts (Newman and Nollen, 1996).

The Soviet management practices that are transferred to a certain extent to CIS countries are described by Vlachoutsicos and Lawrence (1990). The authors highlight the substantial role of collectivism in working relations, centralized leadership, and the hierarchical organizational structure. Additionally, according to May et al. (1998), typical HRM is limited to personnel administration and record-keeping, which is supported by a bureaucratic and exploitative approach that is used in personnel management. Some HRM practices either did not exist or were faintly present in the Soviet Union. Recruitment was not an issue for Soviet states as there existed staffing together with poor labor mobility, governmental allocation of workers to jobs, and strong involvement by the state authorities (Leites, 1984). Training and employee development were planned and controlled by the government, and focused on increasing professional qualifications, without paying attention to the particular needs of employees (Mockler et al., 1996). Compensation management involved low salary differentiation, but a high emphasis on nonmonetary benefits (such as public recognition), and had a poor link between individual performance and the remuneration received. Performance appraisals were mandatory, regulated and developed by state, and were considered as a formality, which often resulted in an attitude of neglect (Minbaeva et al., 2007; Novitskaya, 2015). There was no development of an organizational culture corresponding to the communist ideology that was integrated in every part of Soviet life. All this resulted in a weak desire for reformations and a resistance to any innovations in management. Many of these Soviet management peculiarities are deeply rooted in the minds of people and are significant complications for adaptation of Western management practices in CIS countries.

A review of some of the existing studies shows that approach to adaptation of western HRM practices in CIS countries is rather similar. Western MNCs act as a crucial channel through which indigenous businesses tend to adopt new practices (Buck et al., 2003). In some countries, subsidiaries of western MNCs selectively adopt practices or try to develop new ones. The degree

of transfer substantially depends on an organization's management, considering the strong role of leaders in organizations during socialism. Local managers, who gained their experience during Soviet times and are not used to being suggested any kind of innovations, prefer to retain existing practices rather than adopt foreign ones. However, in subsidiaries with a foreign expatriate manager, there is a stronger focus on implementing western practices, which is the case for Ukraine (Novitskaya, 2015). Additionally, Croucher (2010) states that due to limited business studies on the Ukrainian context and language barriers, headquarters of foreign MNCs have significant control over subsidiaries in Ukraine, thus, selecting HRM practices properly for the particular subsidiary and tracking the process of adaptation of these practices. The author highlights that among other HRM practices Ukrainian companies focus on selection methods and have a combination of financial and psychological approaches to motivation. According to Novitskaya (2015), subsidiaries that are rather autonomous from headquarters' control have the lowest levels of adaptation of HRM practices and are more exposed to the effects of national context. Companies where HRM practices are adapted with assistance of local experts have less difficulties with integration of practices.

Education in the Soviet Union did not involve development of almost any kind of business knowledge, which resulted in many problems with education in CIS countries. One of the issues is that education cannot properly satisfy existing needs of the labor market and business. Moreover, education and business are separated and often have weak or no connections between each other (Bruneel et al., 2010; Kaymaz and Eryigit, 2011). These weak connections lead to the case in which many companies recruit through personal connections, search for experienced workers and neglect the employment needs of students (Smirnova and Tatibekov, 2013). However, some firms that desire to attract graduates have to build connections with universities themselves.

Due to a poor understanding of the role of HR managers, the majority of them play a minor role in the business (Croucher, 2010). This is caused by an employer's preference in hiring more experienced professionals who received their training during Soviet times. These professionals tend to have a lack of adaptability for the fast-changing business environment, a low desire for innovation, a lack of flexibility, and poor knowledge of modern technology. In particular, those Soviet-trained specialists have a more functional approach to HRM and focus more on obtaining, hiring, disciplining, and retaining workers. Due to the fact that many executives are old enough to be trained in the Soviet-style and share a similar inflexible approach towards management, younger specialists trained in western-oriented educational institutions tend to be neglected. Thus, the presence of local executives and employees with a low desire for

innovations are a substantial obstacle for the adaptation of western HRM practices in a country context.

Additionally, many scarce resources for personnel use and a strong communist bureaucratic apparatus made people search for alternative ways of gaining resources or achieving desirable goals, thus, the role of personal connections increased. Eventually, this led to rather widespread *blat*, which is a practice of using personal connections to evade formal bureaucracy and it strongly coincides with the concept of idiosyncratic deals. *Blat* is mostly dominant in state and indigenous companies and used in recruiting, retaining, and promoting the “right” people to the right positions in the company (Wedel, 2003).

Among other CIS states, Russia receives the special attention of scholars. Due to Russia’s vast natural resources, a large well-educated population, various business opportunities, and the availability of any kind of business, the country is very attractive for different kinds of foreign companies. However, despite the vast opportunities, there are complications for management and HRM. According to Fey et al. (1999), the traditional Russian attitude towards HRM is the following: employees are treated as a cost rather than a useful resource, education is considered to be fundamental knowledge rather than the development of skills, limited career progression decreases incentives to work hard, and limited attention is given towards motivating employees. The authors highlight that HRM play a key role in helping employees and management to understand new market conditions, the necessity of innovations and customer orientation, and, even in a certain change of mentality. As in other CIS countries, the Russian government maintains a strong focus on attracting foreign direct investment (FDI) and, hence, foreign MNCs (Fey and Denison, 2003). Working in Russia forces foreign MNCs to adapt most of the western HRM practices to the local context and existing management practices, with the exception of performance appraisal, which is adapted rather quickly (Gurkov et al., 2012). The adaptation of western HRM practices and transition from Soviet management thinking lead to a variety of understanding of HRM practices among managers and to an improper application of those practices. One of the examples is the heterogeneous and sometimes vague understanding of talent management (TM) practices, which limits their development in Russian companies (Latukha, 2015). The most crucial issue that MNCs, local companies and managers need to resolve is the adaptation of HRM practices to local context, norms, traditions, cultures, and behavior.

### **1.1.3. HRM in emerging markets**

The approach to HRM varies in emerging markets from country to country, as does the understanding of the use and importance of applying HRM practices. The study of Cooke et al. (2011) on HRM in emerging post-socialist European markets argues that some countries are still influenced by the socialist past of treating HRM as an administrative part of the organization, which deals mostly with recordkeeping and hiring people. This mostly refers to the MNCs' subsidiaries in those countries that bring their culture of advanced and well-developed management to host countries. Björkman and Ehrnrooth (2000) show that the most typical analyses of scholars is the extent to which MNCs' subsidiaries in foreign countries mirror a parent company's practices locally. The authors state that the majority of research is done on a single country example, particularly foreign subsidiaries operating in the US. Moreover, there is a lack of information on the way MNCs standardize and implement their HRM practices in other states. The authors study the MNCs' standardization and implementation of HRM practices in Russia and Poland, which are both the emerging markets. Björkman and Lu (1999) study the management of HRM of western companies' subsidiaries in one of the largest emerging economies – China. Their research allows for the tracing of some of the common characteristics of transferring HRM practices from the MNCs of developed countries to emerging markets. Overall, HRM practices in emerging markets are trying to become more similar to the MNCs' practices. Several factors contribute to this process. Björkman and Ehrnrooth (2000) find that the higher the number of employees in the company the more similar HRM practices are to MNCs'. Björkman and Lu (1999) state that companies must put substantial effort into adapting the practices to the country context. Moreover, even though some practices such as recruitment and performance appraisal might be already similar to the western ones, there is still a high need for the localization of HRM practices so that they fit local culture, behavior, and norms. To achieve this, it is necessary to link HRM practices to companies' specific needs. The authors also emphasize the fact that companies located in the economically developed regions of the country tend to be more “western” and face fewer difficulties in adopting western HRM practices than “local” companies from less developed regions.

Cooke et al. (2011) generally confirm these findings and provide the three broad categories of thought that exist in the area. The first category in the literature describes that MNCs can become pioneers in developing and using best practices worldwide in case these companies owe substantial resources and knowledge (Kostova and Roth, 2002). The second category suggests an opinion that some cultures are better than others in adapting to modern improvements in economies (Bacharach, 1989; Hofstede, 2001). The third category is identified

by authors who look at institutional effects (Jensen, 2003; Pagano and Volpin, 2005). Cooke et al. (2011) explain those institutions as ones that deal with networks of social relations that push economic and business activity forward, and others that focus on dealing with property rights. In the case of Kazakhstan, both social and governmental institutions and personal networks play an important role in managing HR in particular, and business in general, which Minbaeva and Muratbekova-Touron (2013) mention.

#### **1.1.4. Kazakhstani context for HRM**

The section reviews peculiarities of HRM in Kazakhstan from theoretical perspective and provides discussion of factors influencing adaptation of HRM practices. Since Soviet era left poor legacy related to HRM Kazakhstan, firms get used to absorb the experience of developed countries. However, the Soviet autocratic and bureaucratic management style hold strong positions in people's minds. Eventually, geographical location of Kazakhstan, its immense natural resources, and willingness to learn something new and different from the obsolete methods of doing business lead to an interesting mix of modern business methods and in particular HRM practices.

The research on informal connections and the importance of personal networks is conducted by Minbaeva and Muratbekova-Touron (2013) and discusses the western influence on HRM and business in Kazakhstan. In the process of conducting interviews both formal with HR managers and informal with relatives, friends, and peers, the authors find that the presence of western MNCs has influenced not only HRM and business practices, but has brought changes to people's mentality. Even though the changes are not radical, i.e. people still take cash-for-favor and clans' networking as granted, they are already able to see the negative sides of "clanism" (a form of nepotism) and bribery and act in a way to avoid it. As soon as a Kazakhstani employee receives some experience of working in a western MNC, and experiences the environment, sees how employees and management follow strict company policies, which are aimed to prevent "clanism", that person starts showing a low interest of going back to state-owned and private local businesses. After entering the country, foreign multinational companies find that local employees who are used to working in a planned economy, need to be educated and trained in order to fit to the ways that business is done in open markets (Safavi, 1997; Belkanov, 2000). During the next decade those large companies trained their employees and eventually created a labor force qualified and skillful enough to be competitive and fit for the demands of the parent company. A "Western" background and experience became relevant criteria for hiring people.

After declaring independence in 1991, there were mass migrations of the Russian population, which hit Kazakhstan's economy and industry (Pomfret, 2005). Those migrations also had a strong impact on the labor market. Explanations of this case are found in the work of Esenova (1996) and Fergus (2003). The authors state that Kazakhs do not have strong working-class traditions and habits, and there are not many scientists of Kazakh origin due to the Soviet government's policies that favored Russian workers coming to Kazakhstan instead of training local population. According to Anderson and Hancilova (2011), the country lost the major amount of well-educated and skilled specialists, and the emigration of those people brought substantial damage to Kazakhstan's labor market and still has a strong impact on the country's economy. To refill this high loss in human resources, the country had to educate a new generation of scholars and white-collar workers, especially taking into account that there was almost no business education in the Soviet Kazakhstan, but, there is a strong need for qualified workers (Ydyrys et al., 2014).

The additional confirmation that development and formation of a talent pool is one of the crucial success factors for both businesses and a country's economy is found in Gilbert and Von Glinow (2015) and Yessengeldin et al. (2015). However, Davis (2012) claims that despite the high attention that the economy, innovations, and foreign investments receive, Kazakhstan's HR management today seems to be in stagnation and has a lot of challenges to face. One of the biggest challenges Davis (2012) identifies is the country's willingness to create a domestic skilled labor force by simultaneously decreasing significantly the proportion of foreign workers in order to protect local jobs. The initiative seems to be good, but the author believes that Kazakhstan is still far away from developing self-sufficient human resources to support the country's economic boost and desires to get it into the world's top 50 economies. The author states that the transfer of knowledge from foreign experts and workers to local ones is not enough to create an advanced workforce. A decreasing number of foreign workers would most likely hinder the development of HRM in Kazakhstan. Moreover, Davis and Yugay (2012) provide evidence that local companies of Kazakh origin are likely to be unaware of modern HR practices and are still drawn towards a Soviet-like neglectful and functional approach to employee management.

To get a better understanding of HRM in Kazakhstan, it is essential to see what is happening in the labor market and Yessengeldin et al. (2015) highlight that there is a substantive mismatch between requirements of the labor market and skills of human resources. In particular, there is a generally low qualification of workers in engineering, professional education, a lack of knowledge of advanced technology, and innovations management. To resolve this issue,

Kazakhstan attracts foreign experts to increase transfer of knowledge and experience to local people. However, this measure is not a perfect solution because of improper implementation as Davis (2012) describes. Anderson and Hancilova (2011) and Yessengeldin et al. (2015) highlight that attracting foreign specialists is difficult because of inefficient use of state quotas for foreign workers and various bureaucratic procedures. Moreover, a mismatch between the state educational program and workers' skills with the modern needs of the labor market can be found. Yessengeldin et al. (2015) link the availability of multiple various vacancies with a rather high unemployment rate and come to the conclusion that people do not have the necessary skills to match the existing jobs. Finally, improving training methods for highly qualified personnel is considered essential and the authors recommend that the quality of specialists' preparation should be higher than the quantity of specialists prepared.

In addition to these findings, Smirnova and Tatibekov (2013) emphasize that employers in Kazakhstan prefer to hire young over older people. Employers are reluctant to recruit people older than 45 due to specific reasons that include a Soviet education, lack of adaptability for a fast changing business environment, Soviet work style, lack of flexibility, poor knowledge of modern technology, and reduced physical and mental abilities. However, Smirnova and Tatibekov (2013) state that the quality of higher education prevents recent graduates entering desired positions. Nevertheless, the authors come to the conclusion that it is still possible for people of all ages to find good jobs. Davis (2012) and Yessengeldin et al. (2015) highlight the importance of education in developing the HRM potential in Kazakhstan. Monobayeva and Howard (2015) conduct a study on the challenges of public management education, but they provide a holistic view on the development of the education system in Kazakhstan. However, the overall understanding of HRM practices in the Kazakh context is still an agenda (Björkman and Ehrnrooth, 2000; Braun and Warner, 2002; Liu, 2004; Wei and Lau, 2005).

Based on this discussion, we claim the necessity to investigate the specifics of HRM practices in Kazakhstan, identifying the principal country-specific factors of HRM. We formulate the following research questions that guide us in our empirical study:

1. What are peculiarities of HRM practices in Kazakhstan companies?
2. What factors influence HRM practices in Kazakhstan firms? How HRM practices are influenced by country-specific environment?
3. What HRM practices are more crucial for Kazakhstan companies in the country-specific context?

## **1.2. Country-specific environment**

For centuries Central Asia has been a melting pot for many states and civilizations, for dozens of tribes and several empires. Historically, the most dominant nations in the region were the nomad tribes or the Turks, who closely interacted with different cultures during their existence. The region witnessed Arab invasion in the VII century which brought Islam religion and values, thus, removing pagan ones. Few centuries later there was a series of massive conquests of Mongols who brought not only their strong nomadic culture, but also changed the physical appearance of locals (Kan, 2011). One of the biggest culture changers was the Great Silk Way, which started from China, and went through all over the region to Europe. Eastern goods, cultures, languages, philosophies, and ways of doing trade and business were exported to the West and backwards (Kan, 2011). For years, Central Asia is the crossroads of nations and is believed to be “a starting point for human intellectual, technological, cultural, military, and commercial achievements” (Erdener, 2011, p. 7).

Although regarded as quite separate regions, Europe and Asia form a single, biggest continent Eurasia, with the conjoined center in Central Asia. Since XV century, the core of the Central Asia is the state of Kazakhs. Initially it was known as the Kazakh Khanate (Kingdom) (Kan, 2011). State’s culture and development was influenced by Mongol nomads, Arabs, partially Persians, China and even more by Russian empire. The latter two were always the neighbors of Kazakh. That strong mix of cultures, sciences, traditions of making business was affected even stronger by Russian state after the Kazakhs firstly partially joined and later were colonized by Russian empire. For over 300 years as a part of Russia, Kazakh state absorbed Russian culture, but still managed to keep its own uniqueness (Kabuldinov and Kayipbaeva, 2012).

In 1922 the state became a part of the Soviet Union. Strong communist ideology strongly influenced the culture, behaviors, and perceptions of Kazakhs. Moreover, planned economy almost changed the ways of making business and almost destroyed entrepreneurship. It eventually led to multiple difficulties in the modern, independent Kazakhstan. For example, one of the major issues that developed after the collapse of the Soviet Union was clanism (a form of nepotism). It can be considered as one of the most widespread local managerial practices, which may provide obstacles for making business effectively. Unfortunately, that business practice had not been studied well by scholars of international business (Minbaeva and Muratbekova-Touron, 2013). Moreover, not many other aspects of managerial practices in Kazakhstan got much attention either.



Since 1991 the Kazakhstan became independent and started its transition from planned to market economy. This transition has strong impact on all the country's elements, mentality of people, working and business culture, and education. Nowadays Kazakhstan is one the most prosperous states in Central Asia, which is mostly provided by country's immense natural resources and thorough development of economic strategies (Xiong et al., 2015). Reviewing literature on country-specific environment shows how and at what cost that prosperity was achieved and how those historical changes influenced development of HRM in the country.

### **1.1.1. Soviet heritage**

One of the foundations for the new Kazakhstan should have been a stable economy, which was quite far from being stable at the beginning of 1990-s. However, instead of starting to build capitalism, the authorities and the President chose different path. In order to get more precise understanding of how the economy developed, it is necessary to review literature on Soviet economic heritage of the country. The country followed the common for USSR planned economy. According to Wandel and Kozbagarova (2009), Kazakhstan was producing and supplying textile and agricultural products (mostly grain), minerals, oil, and gas. By the 1990-s, Kazakhstan's economy became the most urbanized and diversified among Central Asian countries. Most of the supply and value chains of the country (up to 86% (Wandel and Kozbagarova, 2009)) were heavily connected to and integrated in other member-states of the Soviet Union. Most of Kazakhstan's exports and pipelines were going through and to Russia. Thus, in the country itself the supply chains were going mostly through the southern, partially central, eastern, and northern regions almost ignoring large western part of the country and its link to other regions. After the collapse of the USSR that large network of trade and business was in ruins and the country had to restore it (Serin and Yüksel, 2005). That radical change in economics led to high unemployment rates. According to the State Committee of Statistics (2015), in a period of 1991 to 2000 the average unemployment rates was 10.13%, with the peak in 1998 of 13.1% and 1999 of 13.5% respectively. Moreover, in 1990-s the government of Kazakhstan and the President launched an ethnic Kazakhs repatriation program, which turned to be a burden on the economy in addition to the major losses of supply chains and high unemployment rates (UN, 2006).

According to Pomfret (2005), one of the major focuses in the first years of independence was establishing ethnic balance between the two largest nations presented in the country: Kazakhs and Russians. Initially, there was an imbalance and it had influence on the stability of the economy. Decline of the population because of mass migrations, increasing mortality rates

and decreasing birth rates (Committee of Statistics, 2015), hyperinflation, shutdown of many factories and production facilities led to decrease in the country's economy. Moreover, the amount of foreign direct investments in Kazakhstan's economy was low as well. As one of the government's measures for achieving ethnic balance and, therefore, influence on economic balance in the country, a program for repatriation of ethnic Kazakhs from abroad was created and supported by Article 4 of the Constitutional law of Migration of population (2011). During communist revolution and Soviet times many ethnic Kazakhs migrated to Iran, Mongolia, China, Kyrgyzstan, Russia, Afghanistan, Turkey, Uzbekistan, and other countries and regions (UN, 2006). Returning Kazakhs to their homeland supposed to be beneficial for the country and its economy. However, the repatriation program had a drawback. During the operation of the program over 860,000 Kazakhs returned (also known as "Oralmans") (Commission on Human rights, 2012), but the majority was from the rural areas, with no or lack of education and inability of speaking the language of interethnic communication in Kazakhstan – Russian language (Fierman, 1998). Almost half of a million people with differences in language, culture, and willingness to work put burden on the country's economy, considering the total average population of 15.5 million in the period of 1991 to 2000 (Committee of Statistics, 2015), became a burden for country's economy and provided uncertainty in both economic and social spheres (UN, 2006).

From the literature reviewed it is seen how closely Kazakhstan was connected to Russia in historical, ethnic, and economic terms. Fergus (2003) and Pomfret (2005) found that the country initially decided to follow Russia's economy development footprints. Kazakhstan tried to follow same pricing and currency policies. However, that led to negative consequences for the economy. According to the data of Committee of Statistics (2015), at the end of 1992 the monetary inflation reached 1,381%. After introduction of its own currency tenge (hereinafter tg) in November 1993, the government started enforcing strict monetary and fiscal policy, which eventually led to establishment of stable currency exchange course and decreased price competitiveness of economy. However, as Wandel and Kozbagarova (2009) state, establishing stability of the economy was disrupted by Russian economic crisis of 1998 and high currency devaluation, which again increased level of uncertainty in economics and led to decrease of foreign investment. Nevertheless, the national currency devaluation of 10% was beneficial for foreign investors and exporters and attracted them to the country's oil and gas and mining segments (Pomfret, 2005). Economic was moving to growth. In addition to accurate and careful financial strategies, there was an element of luck for Kazakhstan in the growth of economy.

According to Xiong (2015), in 1999 there was an increase in oil prices and exploration of the large oil and gas reserves in the Caspian shelf. Thus, higher stability in economy was established, which was supposed and did attract Foreign Direct Investments (hereinafter FDI). Since 1999 Kazakhstan's economy started to grow and flourish, and oil prices increased, which was very beneficial for the economy that focuses mostly on its energy sector.

The following future of the economy of Kazakhstan is under question. One of the major questions on economics of the country is whether that strong orientation on oil and gas sector and the "oil economic boom" will be a curse or will boost country's growth even faster than it was in the first decade of 21<sup>st</sup> century, which was addressed by Mudarrisov and Lee (2014). Importance of changes in HRM was highlighted by the State developments strategy "Kazakhstan 2020" (Davis, 2012). It is essential to note that in case of potential future economic decline it is possible that the unemployment rates may grow and employers might implement either more strict or turn back to some traditional, "Soviet", management practices. It is also possible that the concentration of clanism may increase, which has direct influence on HRM practices (Minbaeva and Muratbekova-Touron, 2013).

### **1.2.2. Foreign Direct Investment and MNCs**

After 1999 crisis there was a substantial increase in economic growth and stability, which eventually attracted foreign investments into economy. Lee et al. (2010) found that the government of Kazakhstan saw that attracting FDI was one of the major ways of accelerating economic growth. However, there was a need to identify factors that may hinder willingness of the investors to come to Kazakhstan. Minbaeva et al. (2007) identified the seven key factors of ensuring stable economic growth and, therefore, attracting FDIs:

- Lack of domestic funds
- State debt
- Outdated technology
- Need for working capital
- Increase in competition
- Access to foreign markets
- Large current-account deficits

Moreover, authors found other serious obstacles for stabilizing economy. Those obstacles were weak infrastructure, poor corporate governance, lack of transparency and enforcement in legal and tax systems, corruption and crime, heavy bureaucracy, and government intervention. Another major problem was identified by An and Becker (2013). Authors found that in 1990-s there was a mass migration of Russians and Germans who were forced to come to Kazakhstan

during Soviet times. Both of those nationalities constituted the major amount of well-educated and skilled specialists, and immigration of those people became a substantial brain drain, which hit the country's labor market and still has strong impact on the country's economy. Investors were aware of those drawbacks that existed in Kazakhstan.

According to Lee et al. (2010), in order to overcome those obstacles and create favorable, attractive, and beneficial environment for foreign investors, in 1998 President of Kazakhstan Nursultan Nazarbayev established Foreign Investors' Council (hereinafter FIC). The major goal of the FIC is to make a dialog and communication between the government of Kazakhstan and foreign investors for the mutual benefit of the country, local and foreign companies, and investors, as well as for economic and national wealth growth (FIC, n.d). The FIC under the direct leadership of president Nazarbayev managed to attract large inward investments in the country. Lee et al. (2010) provided data on the period of 1997-2006 and state that the aggregate foreign investments exceeded 51 billion USD. According to the data of the Ministry of Investments and Development of the Republic of Kazakhstan (2015), in the period of 2005-2014 the gross amount of foreign investments attracted to the country was over 208 billion USD.

In the following section we provide information on the top country-investors in Kazakhstan's economy to see the regions where Multinational Companies (hereinafter MNCs) originate and bring their HRM practices from. Lee et al. (2010) consider the period of 1997 to 2006 and use the level of gross FDI inflows as measurement of amount of investments. They found that the USA was the leading investor (total 13.5 billion US dollars). Later, since the year of 2000, European Union (hereinafter EU) representatives joined. According to the National Bank of the Republic of Kazakhstan (n.d.), other largest foreign investors were United Kingdom (total 5.2. billion US dollars), Netherlands (total 7.8 billion US dollars), and Italy (total 2.8 billion US dollars). The Ministry of Investments and Development of the Republic of Kazakhstan (hereinafter Ministry of Investments) (2015) considered the period of 2005-2014. According to the Ministry's data, the largest investor was Netherlands with 58,465 million US dollars, followed by the US (total of 21,008 million US dollars) and Switzerland (total of 13,107 million US dollars).

The data showed that till 2011 the industry with highest investments was the professional scientific and technical activities with 10,796 million US dollars (hereinafter USD). However, after that year the amount of investments declined dramatically to 5,906 million USD in 2014. According to Lee et al. (2010) and Karatayev and Clarke (2016), mining and quarrying industry

remained the focus of development of state and, hence, foreign investors. During the period of 2005 to 2014, the industry experienced stable and steady growth in inward investments. Starting from 1,930 million USD, mining and quarrying ended up in 8,480 million USD and accumulated largest investments in 2013 and 2014.

### **1.2.3. Ethnic and cultural diversity of Kazakhstan**

Kazakhstan is ethnically and culturally diverse country. According to Jumageldinov (2014), there are 130 ethnic groups living in the Republic. Out of 16 million population the largest ethnicities are Kazakhs (63.1%) and Russians (23.7%). Originally, the core nationality was Kazakhs, which generally formed out of various Turkic tribes by XV century on the territory of modern Kazakhstan (Kan, 2011). After joining Russia and later the Soviet union ethnic portrait of the nation started to change. During the times of the Russian empire and Josef Stalin's mass deportations more nationalities arrived and settled in the country. Rather precise definition for Kazakhstan during the peak of Stalin's deportations was given by Tussupova (2010). The name was "the laboratory of nations". The reason for that was the Soviet government sent Chechens, Belarus, Ukrainians, Russians, and after World War II, Koreans and Germans from Eastern Germany and many others. The deportees settled in Kazakhstan, married, and created families. As a result, representatives of different nationalities and cultures consider land of Kazakhs as their home (Kozybayev et al., 2013).

During Soviet times the proportion of titular nation, i.e. Kazakhs was relatively small to other titular nations in other Soviet countries. According to Olcott (1997), proportion of Kazakh population ranged from 38 % in 1939 to 36% in 1979. Additionally Esenova (1996) gives data on population of Kazakhstan by the year 1990. The proportion of largest nations in the society was almost evenly divided between Kazakhs (39.7%) and Russians (37.8%), i.e. 6.5 and 6.2 million people respectively out of total 18 million. Other sizable groups were Germans (5.8%) and Ukrainians (5.4%). Tussopova (2010) found that the Russian population together with Ukrainian and Belarus (1.1%) formed a European Slavic and Russian-speaking majority in Kazakhstan. Russian-speaking majority was added by Germans, Greeks, Estonians, Bulgarians, Poles, and other European nations. Moreover, Esenova (1996) found that Germans and Jews living in Kazakhstan were associated with Russians. The reason for that was the anti-Semitic policies of Soviet authorities and very negative image of Germans after the World War II. That negative image and anti-Semitism followed Germans and Jews on all the territory of Soviet Union and placed them at low social positions. In order to survive, representatives of those two ethnicities started to associate themselves with Russians, taking Russian names, and trying to

adopt some elements of Russian culture including language. For many of those Germans and Jews who were born in Kazakhstan, Russian language became native. Thus, according to Esenova (1996), Germans and Jews were considered Russians by other minorities. Therefore, the titular nation of Kazakhs was outnumbered by representatives of European nations on its own land, which later had negative impact on economics and social life of independent Kazakhstan, because of mass migrations of specialists in 1990s, who were representatives of that large group of European nations (Anderson and Hancilova, 2011).

Moreover, Tussopova (2010) provides a view on the diversity of migration experience of the same nation. Author gives example of Chechens who as one nation had three different experiences of assimilation. The first wave consisted mostly of Chechens who were deported during 1930s. The descendants of those deportees who were born in Kazakhstan are recognized by the author as a second wave and type of assimilation in the country. The final wave that had to assimilate in the Republic arrived in 1990s was Russia-Chechen war refugees and came to the independent Kazakhstan. As a result, the same nation with presumably the same cultural heritage turned to be quite diverse within itself due to different times and experiences of assimilation. This is applicable to many other nations in Kazakhstan as well. Such diverse experiences led to ethnic conflicts and certain tension between Kazakhs and other ethnic groups, especially Russians (Jumageldinov, 2014). As author stated, one of the reasons for that tension was language issue. Even though Kazakh language is supposed to be the major one in the country, the language of inter-ethnic communication is Russian.

#### **1.2.4. Informal connections and idiosyncratic deals**

Idiosyncratic deals or “i-deals” are “special conditions that individual workers have bargained for, and that differ to some extent from the standards applying to their peers” (Hornung et al., 2009, p.739). The examples of i-deals are customized or more interesting duties, individual career growth opportunities, less workload than peers have. There is a room for such informal connections and making the i-deals in Kazakhstan. As stated in Minbaeva and Muratbekova-Touron (2013, p.110), “formal institutions in emerging markets and transitional economies have less of impact than the informal institutions that organize and govern those societies”. Reviewing literature on the informal connections helps to understand the way people act and communicate in their regular and business life.

According to Hornung et al. (2009), review of the theories let authors identify the three most commonly negotiated types of i-deals:

- Reduced workload refers to less stressful work or lower number of working hours;
- Customization of working hours for better fit of individual's personal needs and preferences;
- Developmental i-deals are customized career and skill growth opportunities to develop individual's competencies by getting the most challenging and interesting assignments or special training and career promotion opportunities.

Those types of i-deals are also true for Kazakhstan. One type of i-deals was studied by Oka (2015). Author gives background on the issue of bribery as a tool of achieving personal goals fast. It is also described that the practice of such informal monetary favoring is so internalized, that author's respondents were unable to recognize the practice as either right or wrong. Moreover, one of the most common environments where such practice of monetary reciprocal favors exists is business in general and employee hiring in particular. On the other hand, Minbaeva and Muratbekova-Touron (2013) studied clanism, which is another form of i-deals, but closely related to informal social network and nepotism. Authors tried to study the influence of clanism on HRM practices in Kazakhstan and in general and provide their recommendations to managers on how to deal with those informal networks.

Oka (2015) found that willingness to resolve any issues unofficially with cash took its roots in Soviet era. In Soviet times there was a scarcity of many resources and strong bureaucratic apparatus created by communists pushed people for searching alternative ways of gaining resources or achieving desirable goals (McMann, 2014). Author stated that almost every stage of live to achieve their specific personal objectives people used informal networks with those who held official positions or could connect them to officials. In Soviet era most of i-deals and other kinds of favors provided by officials were mostly favor based (Ledeneva, 1998). However, by late 1990s the use of cash payment rather than payment through doing favors had become more widespread. Nowadays personal transactions involve immediate monetary rewards, and "the practice of giving money for a favor is now taken as granted" (Oka, 2015, p. 332). Author stated that connections became more practical, transactional, and interest-based. Nevertheless, author concludes her findings with acknowledgement that money-for-favor exchange has not fully replaced "traditional" informal networks and barter of favors. Additionally, Akizhanova (2013) stated that non-monetary gifts are an integral part of society and interpersonal relations, which are the core for making business.

Another point of view on the idiosyncratic deals was study of clanism. Minbaeva and Muratbekova-Touron (2013) defined clanism as a form of nepotism. So far, somewhat similar yet

different concepts are Chinese *guanxi* and Russian *blat*. Clan often possesses two types of ties within it. The first type of connections within a clan is blood ties or also referred to as “kinship ties”. Another type of ties in clans is “fictive kinship” ties, which are gained outside of the family. Authors provide examples of those fictive kinship, which are long-lasting friendship, school or university ties, result of marriage or family alliances, and neighborhood affiliations. Minbaeva and Muratbekova-Touron (2013), state that HR managers have to deal with appearance of clans networking to a certain extent in their daily activities, because clanism “shapes and constrains their beliefs and attitudes” (p. 116).

During Soviet era Kazakhs became a minority in their own country (Matuszkiewicz, 2010). Kazakhs distinguished themselves among other nations by maintaining close relationships with immediate and closest relatives and providing mutual assistance. Moreover, family and relatives were of high importance for Kazakhs for many years (Wandel and Kozbagarova, 2009). Kazakhs believe that “the more relatives, the better” (Minbaeva and Muratbekova-Touron, 2013, p.124). Eventually, this led to perception that the true trust can be given only to immediate and close relatives. Authors emphasize that clannish behavior is influential in modern local business of Kazakhstan. They provide a direct citation of one of their respondents, who said that he would rather hire someone from his family rather than “from the street”. However, the Kazakh clanism model of behavior and networking in live and business eventually was accepted and adapted by other cultures and nationalities that are present in Kazakhstan. In addition to this, Esenova (1996) found that Russians, Ukrainians, and Belarus also had their own kinship. Representatives of those ethnicities grew up with the belief that there is a “default” or “natural” connection between them. The reason for that belief is that Russians, Belarus, and Ukrainians are all descendants and successors of the Kievan Rus, they share similar culture, and Orthodox Christianity traditions and believes. Accepting the clanism was a matter of strengthening those ties. Thus, the connections within the clan’s network of Kazakhs are true for most of other people of Kazakhstan. Authors provided ways individuals are linked in clans (Minbaeva and Muratbekova-Touron, 2013):

- Blood ties between immediate relatives;
- Links resulting from marriages;
- Fictive kin identities, such as school, university, and previous place of work ties, long-lasting friendship, neighborhood affiliations (people coming from the same region, city, or village), and ethnicity (in case of non-Kazakhs).



Authors highlight that such links within clans lead to biased recruitment, hiring, and promotions in companies. As it was previously stated, members of the clan tend to be more trusted regardless of their skills and knowledge.

Further, authors describe their findings on the influence of clanism on HRM practices in Kazakhstan. They divided their findings on the types of the companies, which were state-owned companies, local Kazakhstani private firms, and subsidiaries of foreign MNCs. Researchers discovered that in *state-owned companies* the influence of clanism is strong and it strongly impacts recruitment and development practices. In these state companies knowing right people or having “right” family name can be crucial for employment. It is still possible to enter those companies at low positions without significant connections within the company. However, it is almost impossible to get middle management or top executive position without being a member of a clan. Nevertheless, state companies realize the necessity to compete with growing number of local companies and foreign MNCs. Therefore, they hire people outside of the clan thus diversifying human resources in state companies. To conclude, the clanism is strong within state-owned companies.

Findings on *Local Kazakhstani private firms* are contradictory. On the one hand, clanism is strong in local private companies, especially in small business. On the other hand, private business tries to overcome the influence of clan networks. However, sometimes it is very difficult to avoid clanism. Authors provided examples of their interviewees telling about cases when government officials put pressure on management to hire “right” person, i.e. person from the official’s clan. HR managers of private businesses try to prevent such kind of abuse and usage of clan networks by introducing and strictly following transparent recruitment and selection methods and policies. To sum-up, clanism is moderate in local private firms.

Authors found that in subsidiaries of *foreign multinational enterprises* clanism is of little importance. Reasons for that is strict HR policies, which directly forbid to hire relatives. To avoid clanism and some of idiosyncratic deals, HR policies are transferred from headquarters and strictly controlled by HR supervisors in the head office. Local human resource managers are trained and educated in understanding and implementation of policies developed and provided by headquarters. However, interviews revealed that it is still almost impossible to get promoted to the top positions and clanism is still present even in foreign MNCs’ subsidiaries. Reason is that the HR department still consists of local people who are aware of clanism and take it as granted as well as manager. Several expatriates often do not have enough power to overcome

that clanism appearance. It is possible to get to conclusion that there is significant influence of MNCs' HR recruitment, hiring, and promotion policies on ones of Kazakhstan. Strict and transparent policies provided by headquarters and controlled by HR managers from head offices, and reliance on thorough recruitment and selection methods help to decrease clanism in foreign MNCs' subsidiaries. Authors conclude that clanism exists in all types of business in the Republic. Nevertheless, it is not accepted ubiquitously and there are certain measures applied to overcome clanism in Kazakhstani business. Those measures are linked to overcoming money-for-favor practices as well.

#### **1.2.5. Business education**

Davis (2012) and Yessengeldin et al. (2015) highlight the importance of education in developing HRM potential of Kazakhstan. Monobayeva and Howard (2015) study the challenges of public management education, but they provide a holistic view on the development of educational system in the Republic. They start the discussion with describing the high role of Ministry of Education and Science of Kazakhstan in education organization. The Ministry sets up standards for school and university education, provides and recommends teaching methodologies and schedule, supervises state graduation exams, and suggests and implements reforms in education and science. After collapse of the Soviet Union, in order to correspond the international standards of higher education, the Ministry made decision to transfer educational system from Soviet one and join the Bologna Process. The major goal of that transition was to increase quality of education and recognition of Kazakhstan's degrees internationally, increase access to the European research and study materials and institutions, organize international exchange of students and scholars, and start using the system of credit accumulation (Turumbetova, 2014). The reforms were aimed at decentralization of authority of the Ministry of Education as well. Despite the inspiring intentions for change, the reforms implementation was poorly coordinated and resulted in several major failures. According to Monobayeva and Howard (2015), among many failures, the most relevant ones are:

- Lack of development of competency and performance standards;
- Insufficient student choice;
- Failure to meet employers' needs and expectations

Authors provide the following reasons for those failures. Firstly, many educational programs offered by Kazakhstan's universities are not competency and performance driven. The major goal of those programs is to give a student a diploma without much caring whether student

actually has any skills or knowledge necessary for his or her specialization. Moreover, sometimes knowledge possessed as modern can in fact be obsolete and irrelevant.

Secondly, state educational system does not provide students with the choice of education. Authors prove that reason for the lack of choice of education is failure to implement European credit system. In many universities of the Republic credit system that should standardize workload and let students make their own schedule in fact does not work, because it is perceived by universities as an unclear bureaucratic formality. Monobayeva and Howard (2015) highlighted that this situation became the case, because of the Soviet educational heritage, when there were many mandatory courses, which were not directly connected to the specialization student was pursuing. Nowadays Kazakhstan's educational institutions follow the compulsory state regulations on workload, credit hours, and compulsory courses. Mobility of students and faculty also faced limitations. The major obstacle is the language barrier. Students are encouraged to learn English and other foreign languages since junior and high school, but only the minority of students and teachers achieve sufficient command in English to study abroad. Moreover, authors found that intention to go on student exchange programs is driven mostly by "student tourism" and entertainment rather than study itself.

The final major reason for the failure of implementation of Bologna Process educational standards is the poor communication and weak connection of universities with external stakeholders, i.e. employers (Smirnova, 2014). Monobayeva and Howard (2015) base their explanation on results of the National study of employers of the year 2012. Authors found that almost half of the employers are rated the existing system of higher education as ineffective and of relatively low quality. Most of the respondents were not satisfied with the ongoing reforms of higher education. Among the major reasons of that dissatisfaction are absence of professional standards in education sector, and inability of universities and institutions to anticipate and see market needs for labor. Authors name the state regulations and control as the major factor that reduces innovativeness and adaptation of Kazakhstani educational system to international standards and Bologna Process. Even though universities try to overcome those negative factors by involving business in boards of trustees, involving business to evaluation of students' success, and establishing corporate universities, generally those attempts bring little or no results. As a consequence, hundreds of low-skilled students often with irrelevant knowledge and not demanded specializations are present on the labor market.

Overall environment of preparing pool of prospective candidates that HR managers may consider for recruitment and further training is mixed and still developing. Additional interest represents education and training of managers, availability of business education, and internationally competitive business schools. According to Safavi (1997), management education was originally introduced in Kazakhstan during Soviet times in 1932 and first courses offered were in finance and credit. Later, after World War II, several institutes were established and proposed education in economics and socialist style management postgraduate program. Faculty was sent to large enterprises to provide the in-house and on-the-job training in supervisory management. Soviet government thought that there was no high demand for training and educating managers, and decided to establish and concentrate institutions and centers for management education only in one city, Almaty, which was capital and the largest city of the country. After Kazakhstan declared its independence, in universities started to make their first attempts to provide business education. However, there were many challenges and limitations for them. Soviet educational system developed in an isolated way, which resulted in ignoring the most advanced and new business theories (Zhuplev, 1992).

Safavi (1997) paid a lot of attention to one of the country's business schools that became the first of its kind in the Republic. In 1991 the president Nursultan Nazarbayev invited Korean-American scholar Dr. Chan Young Bang to Kazakhstan. Dr. Bang is a scholar with substantial experience in teaching, business research, management, and consultancy in economics. In 1992 Dr. Bang became the founder of the first western-style business school in Kazakhstan. The school was created on the basis of the former Central Training School of the Communist Party of Kazakhstan, which was considered as one of the most prestigious institutions of management in Soviet Kazakhstan. School was initially named Kazakhstan Institute of Management, Economics, and Strategic Research, but it is known for its Russian acronym KIMEP. Dr. Bang convinced president Nazarbayev that in order to bring stability and successfully reform Republic's economics, it is necessary to train individuals that will be able to understand and implement modern Western management practices and manage various functions in different areas of business including accounting, finance, economics, management, marketing, and business strategy. Dr. Bang and KIMEP's administration launched the first and unique for Kazakhstan financial aid program, which was sponsored by corporations both domestic and foreign. According to Safavi (1997), every student enrolled to KIMEP got scholarship from domestic or foreign company or commercial organization. It was also the first significant and successful attempt to connect university with potential employers and corporate world.

Eventually, Dr. Bang and KIMEP started to offer American-style MBA and Master in Economics degrees. Author concluded his article with an opinion that KIMEP model of management and business education was effective, but rather costly for other universities in the country to implement and follow it.

Additionally, Erdener (2011) highlights and confirms the importance of teaching business ethics in Central Asia and Kazakhstan for establishing and maintaining business environment that corresponds to international standards. According to the findings, teaching and training business ethics the way it is done on the West is not working in Central Asia and Kazakhstan, because of its cultural peculiarities. The most frequently taught areas of business ethics are ethics in banking and finance, business communication, economics and management, and corporate social responsibility. However, due to embryonic state and slow development of teaching and training in business ethics, which is done relying on the Western without much adaptation of the learning materials to the local environment, makes those trainings ineffective (Erdener, 2011). Therefore, relying on studies of Monobayeva and Howard (2015), Safavi (1997), and Turumbetova (2014) the process of adopting the Western education and transforming human resources of Kazakhstan into ones that can be competitive on an international business arena and being able to satisfy the Republic employers' demand for skilled workforce is still ongoing and far from being completed.

### **1.3. Summary of literature review**

The review of the literature available on HRM in Kazakhstan was an attempt to provide both holistic and deep perspective on the environment in which the following research is conducted. In this review, we tried to trace the process of integration of the HRM practices and the environment in which those practices are applied.

Relatively young and dynamic Kazakhstan state achieved substantial progress in short period of time. Historically close ties with Russia made the Republic to follow Russia's economic development model. However, after the Russian financial crisis of 1998, Kazakhstan's economy suffered a lot and the country's government decided to search for its own path. Careful financial management and understanding that economics should go first, before politics, let the Republic to recover from the crisis and attract large FDI into the economy.

Attraction of FDI followed by establishment of subsidiaries of the foreign MNCs at the beginning of 1990-s. The market was new for those companies, presented large opportunities for growth, had massive natural resources' deposits, and rather cheap labor. However, foreign

companies faced multiple challenges in establishing business in Kazakhstan. Complex bureaucratic apparatus created a lot of obstacles in opening a branch or subsidiary. After overcoming all of the state bureaucratic procedures, the expatriate managers of those foreign companies found that there is a lack of qualified and skilled workers on labor market. Initially, before the Republic declared its independence in 1991, there were substantial amounts of skilled workforce with range of experiences that could have been applied in different industries. However, in the beginning of 1990-s after the collapse of Soviet union, Kazakhstan witnessed mass migrations of Russians, Germans, and Jews who were the majority of the working class and so-called white-collar workers. It turned that the local titular nation Kazakhs were not able to provide enough specialists, because of lack of working class traditions. During Soviet times under the Soviet economic doctrine, it was considered to be more efficient and easier to attract Russian specialists from Russia, rather than let locals learn and develop. That resulted in generally low qualifications of Kazakhs. Moreover, the government declared a program of returning Kazakhs from abroad (“Oralmans”), those who fled the Communist revolution and Stalin’s repressions, and settled in China, Iran, Mongolia, Russia, and other countries. The majority of oralmans came from the rural areas. They had lack or no education and skills, and poor command of Kazakh or Russian languages, and, therefore, were not able to become effective labor force.

Another major obstacle for foreign firms is the informal networks that were an integral part of Kazakhstani society. During Soviet era, with the shortage of some resources or abilities, people tried to achieve their specific personal goals by approaching state officials by doing mutually beneficial favors and trying to establish networks and relationships. After Kazakhstan started transition from the planned to market economy, the practice of idiosyncratic deals remained, but favors were changed for cash. In other words, the practice of money-for-favor appeared. People preferred to bypass bureaucratic and state regulations for their personal gain by bribing state officials and that practice was taken for granted. Another widespread type of informal network is clanism. Clanism is about using personal “blood ties” and fictive kinship ties for one’s benefit. More precisely, those ties were used to get a job, be promoted to higher position, or recruit a “right” person in the company. However, such informal networks were unacceptable for foreign MNCs and they started to search for ways of overcoming clanism and money-for-favor by implementing and controlling the Western HRM policies and methods. Eventually, application of those methods brought certain changes in minds of Kazakhstani people and ways the business is made in the country. Nevertheless, lack of large enough pool of

qualified human resources on the local labor market is still a substantial difficulty for foreign companies.

Companies were interested in getting local workers, but firstly it was necessary to train them. There were attempts to connect corporate and academic environments in Kazakhstan for mutual benefit, but it seems that process is still far from being mutually beneficial. Most of the Republics universities and institutions of higher education cannot suggest internationally competitive education, mainly because of the too strong control of the state, inability to leave Soviet educational traditions behind, low awareness of the needs of labor market, and language barriers of both students and faculty. However, the companies are still interested in helping to grow talented and well-educated human resources by supporting educational programs and universities. The case of KIMEP in Almaty showed that making bold steps, attracting Western faculty, and teaching the modern concepts and theories of business in English can provide Kazakhstani employers with qualified workers. Authors highlight that it is also important to promote teaching and trainings in business ethics in order to overcome clanism and money-for-favor practices, but the teaching of business ethics should be adapted to country's specific cultural and business environment.

## **2. METHODOLOGY**

### **2.1. Design**

Relying on Saunders et al. (2007) and considering the nature of the study, exploratory research is conducted to collect data on the current state and understanding of HRM practices in Kazakhstan. A survey is chosen as the most suitable method of data collection for the following reasons: it allows for a broader picture from a large number of respondents; the data collected is quantitative and allows for analyzing and comparing differences in responses. Moreover, it is possible to see the current trends in applying HRM practices in Kazakhstan.

The questionnaire consists of 12 blocks of questions. Each block includes several ranking questions. Except for the first two questions, which collect data on the profile of the respondent and company, others have a seven-point ranking system (Likert scale), which ask the respondents to express their agreement, disagreement or choose the importance of certain factors, ranging from 1 meaning "strongly disagree" to 7 "strongly agree". Taking into account the reluctance of people in Kazakhstan to participate in any kind of research, there are only those two extreme marks of agreement or disagreement. Naming marks "I do not know" or "Neutral" are avoided

intentionally to stimulate respondents' thinking and attention towards the survey, and preventing them from choosing "neutral" responses solely in order to finish the survey as soon as possible. The Kazakhstani people's low willingness to participate in any kind of research is mentioned by Erdener (2011) and is described by Minbaeva and Muratbekova-Touron (2013). The questionnaire is 4 pages long and can be divided into 5 major blocks: the respondent's and company's profile, factors for the success of HRM practices in Kazakhstan, the ways HR managers learn and implement new practices in their companies, the influence of top management on the work of HR, and the four major practices of HR: recruitment, training and development, motivation, performance management. There is one extra question, which does not belong to any of the blocks and it asks respondents to choose the most important of the four major HR practices from block 5.

The survey is conducted in two phases:

- Testing. First phase is to check the relevance, simplicity, and clarity of the questions, the prepared questionnaire is pre-tested and discussed with two experts. These are chosen on the basis of their experience and depth of involvement in all HRM practices that are specified in the questionnaire. The experts' awareness of modern HRM practices is taken into account as well.
- Distribution. During the second phase of the research the questionnaire is distributed online through a web-based platform. A link to the questionnaire is sent to each respondent personally. In addition to that, the link is sent through: professional specialized online communities of HR managers in social networks, the KIMEP University Alumni association, and the KIMEP University HR club.

Latter two have databases of experts who were involved in HR and/or were middle and top managers of Kazakhstan companies. Most of those people are either KIMEP University alumni or partners.

Questionnaires are prepared in both English and Russian. However, since there is a possibility that not all respondents speak English fluently enough, questionnaires in Russian only are used for data collection. Correctness of translation from English to Russian is checked thoroughly. Both types are placed in Appendix section of the report.

## **2.2. Sample and data analysis**

The study is conducted in Kazakhstan and the target companies are limited to ones of local origin (headquartered in Kazakhstan) and subsidiaries of foreign MNCs. HR managers and executives (middle and top management level) responsible for or involved in HRM are invited to



participate in the survey, as they possess good knowledge of the practices and peculiarities of HRM in a company. Respondents were contacted via email and invited to complete the Internet survey, to fill in questionnaire. In total, 23 responses were received. HRM practices included the following activities: recruitment, training and development, motivation, and performance management.

The choice of industries is rather broad and includes recruitment and management consulting services, hotel and hospitality business, mining and trade industries, education, banking, jurisprudence, research services, pharmaceuticals, transportation, advertising, and IT. Trade, transportation, and advertising industries prevail in the sample of the study.

All respondents are assured in complete anonymity of their participation in the research. Each respondent's profile includes the following characteristics: name of their position, management level, the period respondent was working in his or her current position, ethnicity, age, gender, languages respondent is fluent with. Additionally, respondents are asked to provide information about their company which includes industry, number of employees in the organization, age of the company, geographic scope of operations (local, regional, global).

The collected data is analyzed in several steps. Content analysis helps to categorize and organize data under the headings of various topics such as primary HRM practices, and top management's perception of HR in a company. Cross-questionnaire analysis is conducted in order to find and see the trends, similarities and differences in applying HRM practices in Kazakhstan. The Likert-scale employed in questions is used to measure the degree of agreement or disagreement with statements that were suggested to respondents. Some questions ask the respondents to assess the relevance of impact of certain factors on the usage of HRM practices in the company.

### **3. RESULTS AND DISCUSSION**

Implementation of HRM practices in emerging economies got attention of scholars. Studies were devoted to general research of HRM in those economies and gave focus to country-specific contexts. This study addresses peculiarities of HRM practices implementation in Kazakhstan, which is one of dynamically developing economies, with substantial involvement of Western MNCs and direct investments. However, amount of research on HRM practices in Kazakhstan is sparse. This section provides results of our survey, discussion of results, and conclusions.

### **3.1. Peculiarities of HRM practices in Kazakhstan**

For further understanding of HRM practices in Kazakhstan, we give our focus to the origins of practices to see the proportion of locally developed practices, and those that are adopted from western MNCs. Additionally, we consider the sources that from which HR managers learn about new HRM practices.

Firstly, the origins of implementing HRM practices in Kazakh companies is defined. The objective is to see whether these are fully or partially adopted either from large western companies, from foreign competitors in the same industry or present a mix of foreign and local practices. Cases of outsourcing HRM to external organizations and not using HRM at all (because of small company size) are considered as well. Secondly, the sources from which HR managers learn new HRM practices are covered. Learning options are grouped in three major sets: learning from external organizations (71%); self-study (81%); and retrieving information from external sources, such as competitors (57%) or a consultant advisor (62%). The next group of responses provides data on the top management's degree of perception and understanding of the role of HRM practices. The majority of responses (79%) show that top management considers an HR department as an integral part of the organization. However, we find that 35% of respondents have at least a vague understanding of what actually an HR department needs to do. The HR department and its functions are perceived as a "secondary role" part of an organization by 45% of respondents, while 42% agreed that the HR department is one of the core parts of an organization. Finally, the degree of influence of top managers on HRM in an organization is considered. It is discovered that slightly more than half (53%) of respondents consider their top management as having strict control over the actions of their HR department, and not giving any freedom of work. On the contrary, some executives do realize the importance of HRM in modern business and give medium (21%) to full (50%) freedom to the HR department to fulfill the general goals set by top management and follow the organization's strategic development plans. 80% of respondents reveal that executives actively participate in the work of the HR department by suggesting ideas for further improvements.

The understanding of HRM practices in Kazakhstan is heterogeneous, ranging from vague or no understanding to realizing that the role of HR is one of the crucial functions in an organization's performance. This confirms the findings of Björkman and Lu (1999), and Cooke et al. (2011) on the adaptation of HRM practices in emerging markets to host country context. Also the fact that Kazakhstan's HRM is shifting from its Soviet past but is still in transition to western-like management confirms the studies. Decades of being a country with a planned economy had led to limited variety of HRM practices. The transition from "past to present" of

HRM practices is seen best in the data sets describing the “top management’s degree of perception and understanding of role of HRM practices” and “the degree of influence of top managers on HRM in an organization”. Half of respondents agree that executives still prefer to have strict control over actions of their HR department. However, there are some top managers that are ready to support and show interest in developing HRM practices. Despite the perceptions and behavior of executives, it seems that HR managers do realize the necessity of following modern trends, not just following the orders of higher management and they strive to develop.

We assume that high losses of qualified workers due to migration (Esenova, 1996), difficulties for foreign workers in transferring their experience to local people (Davis, 2012), slow and insufficient development of business education (Safavi, 1997; Erdener, 2011; Turumbetova, 2014; Monobayeva and Howard, 2015), and traveling abroad for training, which is expensive for many, might be the significant obstacle for transition to the adaptation and application of modern HRM practices. Moreover, our results partially confirm the findings of Davis and Yugay (2012), who describe that local companies still have substantial links to a Soviet-like neglectful and functional approach to HRM and an awareness of modern HRM practices is not high. Due to these obstacles and the continuing transition and improvement of HRM practices, it is possible that development of these cannot follow the rapid development of the country’s economy and the government’s desire to fulfill its long-term development strategies.

The fact that a significant amount of respondents (over 70%) seek guidance and new sources of knowledge about HRM practices from foreign developed companies or using international experience, allows for the assumption that there is an increase in the understanding of the strategic role that HRM has in an organization, particularly when compared to the perceptions of HRM practices described in previous studies on Kazakhstan. The majority of companies are willing to pay significant attention towards some HRM practices and execute them internally, without outsourcing HRM to external organizations. We assume there are two possible reasons for such a preferential. First, companies might prefer to have a higher level of control over HRM practices, which can be explained by Soviet management practices and behaviors still rooted in the minds of Kazakhstani managers. Second, firms might want to learn to manage and implement HRM practices that they adopt from foreign companies or international experience in the country-specific context.

Another assumption that we can draw from our results is that HRM practices are copied without proper adaptation to the country-specific context. This links our findings to the similar cases in other CIS countries (Ukraine, Russia). As the literature shows, the degree of transfer of

HRM practices strongly depends on an organization’s management, taking into account the strength of role of the leaders in the particular organization. In the case of Kazakhstan the role of leaders in an organization is not only of socialist heritage, but it also links to the country’s culture. Our results show that executives in some of Kazakhstan’s companies still retain an autocratic management style and like the managers in other CIS countries are reluctant to change in management practices.

### **3.2. Factors influencing of HRM practices in Kazakhstan firms**

For our survey we identify a number of factors influencing HRM practices in Kazakh firms, we focus on the influence of Kazakh culture, Soviet management peculiarities, and the existing economic and social situation of HRM practices. All these three features of the Kazakhstan context are most commonly emphasized by researchers on HRM in Kazakhstan (Minbaeva et al., 2007; Davis, 2012; Davis and Yugay, 2012; Yessengeldin et al., 2015) and in emerging markets (Schuler et al., 1993, 2002; Shen, 2005). Kazakh culture puts a strong emphasis on kinship, certain types of behavior within the “clan” (in particular, willingly following decisions of the leader of the “clan” and knowing one’s place in it), and respect for age. The peculiarities of Soviet management that we focus on are desire for daily control from management down to the smallest functions in the organization, inclination to a hierarchical structure of organization, administrative bureaucracy, loyalty to one another and leader, and collective or group organizational thinking. All these peculiarities poorly stimulate employees’ interest and motivation for work, and take away any desire to innovate. An employees’ major interest is to fulfill the daily work duties and get paid at the end of the month. This Soviet work culture is deeply rooted in the minds of people in Kazakhstan and still has a substantial influence on business and personal relations. Under the existing economic and social situation we consider the condition of the labor market, higher education institutions’ general capabilities to supply qualified specialists, and the government’s role in economic regulations. All of the factors are discussed in the literature reviewed and included in the survey.

### **3.3. Kazakh culture context**

All the factors were grouped in 3 data sets. Based on the literature, three elements of country-specific context were chosen, and each factor was selected specifically for certain group. First data set includes factors that are connected to Kazakh culture and placed in Table 2.

**Table 2. Factors influencing HRM: Kazakh culture context**

Factors	Ranking of importance
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Need to bring the “order” to the company by making a clear hierarchy of staff	91%
Organizational culture	86%
Need to have friendly relationships with past and current employees and management	82%
Personal interest of HR manager	71%
Personal network of HR manager	67%

One of the traits of Kazakh culture emphasizes the importance of hierarchy in society. This trait remains from the nomad past of the Kazakhs, when roaming in the steppes required that every member of the family or clan knew his or her responsibilities and place in the hierarchy, which was supported and supervised by the leader of the clan. Otherwise, an unclear organizational structure and misunderstanding of one’s responsibilities could have led to the occurrence of serious issues within the clan. We find that a similar situation is true for Kazakh business. 91% of the respondents highlight that having a clear hierarchy of staff is of high importance for HRM in an organization. Another aspect of Kazakh culture that links to the previously discussed is the proper behavior and goals of the clan or, in the case of business, the working team. Organizational culture within the company regulates values, norms, customs, and behavior that form the social, psychological, and working environment of an organization (Bannock, et al., 2003, pp. 260-261). Similar to the clan, a company’s organizational culture defines whether the company is profit oriented, people or innovation focused. Depending on the culture, implementing HRM practices in an organization varies accordingly and the practices have either a primary or minor role in an organization. 86% of our respondents perceive organizational culture as one of the most crucial factors influencing HRM practices in Kazakh firms.

The remaining factors related to Kazakh culture are linked to personal relationships. The role of personal relationships in Kazakh culture is high; and it became even stronger during Soviet times (Kozybaev, et al. 2013). Keeping friendly relationships is relevant in order to sustain a person’s position in a clan’s hierarchy, in order to have more allies for further improvement and increase of power. In the Soviet Union there was a scarcity of many resources and goods, and the large bureaucratic apparatus pushed people to search alternative ways of gaining necessary resources. This led to the case that quite often in order to achieve personal objectives people used informal networks and connections with ex-colleagues or ex-managers. Our respondents show that personal relationships are still of high importance for HRM practices. Good personal relationships of the HR manager with the working team and management allows for the fulfillment of his or her professional duties faster and easier, such as finding a worker

who fits a vacancy by pulling strings rather than spending days on specific job-search related websites. However, the cultural aspect of personal relationships might have a negative side. The HR manager has a potential opportunity for receiving or providing a favor to one of the contacts in network, which might result in the unethical usage of HRM practices. For example, evaluating an HR manager's friend's performance higher than he or she deserves because of good personal relationships between the HR manager and the employee. This is highlighted by Oka (2015), that all of her respondents were unable to recognize that these practices were either right or wrong, while our results show a certain positive shift. Relying on our findings, we assume that adopting HRM practices from Western companies lead to a higher awareness of business ethics among local workers and an increase of understanding that nepotism and idiosyncratic deals are inappropriate in the working environment. However, the impact of personal relationships on business and HRM practices is still quite strong in Kazakhstan.

### **3.4. Soviet management peculiarities context**

The second data set includes factors that reflect the heritage of Soviet management peculiarities. Soviet management was rather autocratic and focused on daily control of all the organization's functions. That control was maintained by an administrative bureaucracy and the strict hierarchical structure of an organization, which is discussed by Vlachoutsicos and Lawrence (1990). Soviet managers had authority over the subordinate managers of each department, and through those managers had access to and authority over any employee in the organization. Workers had similar free access to any manager up the hierarchy. The role of managers was profound and had a strong influence on all business functions and practices. We find that the role of managers' influence on implementing HRM practices in Kazakhstan is still rather high together with the HR manager's experience in working in a conservative, Soviet-like environment. Since Soviet management style poorly stimulates employees' interest and motivation to work and is still influential in people's minds, we assume that HR managers have difficulties with implementing some HRM practices in their organizations, such as attendance of training sessions, especially for blue-collar workers who might not fully understand the necessity of these sessions. In this case, the role of executives is relevant to supervise and enforce employees to follow the arrangements of the HR manager. This is especially in a culture in which the role of the leader is highly emphasized. Table 3 summarizes responses on factors influencing HRM in Soviet management context.

**Table 3. Factors influencing HRM: Soviet management peculiarities context**

Need to bring people with new views and opinions to the company	95%
Necessity to retrain conservative workers	81%

HR manager's past experience	76%
Enforcement of local top management	64%
Presence of expatriate manager	59%

Soviet working style did not require innovation due to the strict control of management, which might have led to the development of conservatism among a generation that was able to work and absorb working and management culture during Soviet times, i.e. people older than 45. According to the findings of Smirnova and Tatibekov (2013), employers do not prefer hiring people older than 45 for their lack of adaptability to the fast changing business environment, Soviet work style, lack of flexibility, and poor knowledge of modern technology. Results of our study show that 81% of respondents agree on the necessity of retraining this kind of conservative worker with a low degree of willingness to adapt to modern working practices. The assumption is that the major reason for investing time and resources in retraining existing conservative employees is to retain those workers that have profound education and skills. People older than 45 acquired their skills during the economic and financial crises of 1990s that the country went through. Most likely, those people are used to hard and routine work and to fulfilling tasks set by the management rather than thinking about innovations or relying too much on technology, which is in contrast to the modern youth. Therefore, it might be more beneficial for companies to teach hard-working experienced people to use modern technology and learn concepts of innovation, rather than teach young and vigorous workers ways of doing routine and “boring” work, which is inevitable in any kind of business. Respondents are asked to assess the necessity of bringing people with different views and opinions to ones existing in companies with Soviet-style top management and conservative workers (if any were present). 96% of respondents agree that hiring “fresh people” is important in order to increase success of implemented HRM practices. We assume from these results that in Kazakh companies’ workers prefer to follow obsolete views on work and practices of management, with a limited attempt at suggesting the implementation of any kind of innovation in working process.

### **3.5. Existing economic and social context**

The third data set includes the economic and social factors that influence HRM practices in Kazakhstan, and is placed in Table 4.

**Table 4. Factors influencing HRM: Existing economic and social context**

Need to educate/train newly hired people	91%
Retention and retention issues	91%
Talent and skills shortages on the domestic market	82%
Business competition	82%
Economic and/or financial crisis	82%
Peculiarities and/or demands of the industry	77%
Merger with another company	55%
Local authorities' requirements – low attention is paid, in contrast to putting HRM to state development strategy	41%

Governmental educational reforms lead to a decrease in the quality of knowledge and skills graduates possess, and poor communication exists between universities and business, which otherwise could make educational institutions aware of companies' needs. Therefore, this situation has led to the necessity of retaining workers with high skills and experience. The need for qualified personnel and the shortage of skills in the labor market is reflected in the results of our survey with rather high rates. We assume that HR managers have to put substantial efforts into developing and implementing motivation and rewards schemes for qualified workers, and fast-track training programs to involve workers promptly with a lack of skills into the working process. This situation might have occurred due to the government's desire for a fast-growing economy, especially in the natural resources extraction and financial services sectors, which have stimulated this growth. However, the supply of workers available to provide labor for the economy and the degree of development of HRM practices cannot yet match the economy's growth. The reason for that might be poor or no connectivity among HR managers within the country for sharing knowledge and experience in the practices, isolation of HR managers from foreign experience and practices due to language and financial barriers, and poor awareness of business HRM practices in developed countries. Despite that the importance of well-developed HRM is proclaimed by the state development strategy, the government pays little attention to that and, hence, our results reflect this fact with a low rating of local authorities influencing the factor's importance by 41%. Other economic factors do play a certain role in the impact of HRM practices in Kazakhstan, but the impact turned out to be similar to the one that the literature on HRM in emerging markets describes.



Despite certain factors having a rather strong cultural, Soviet-style, social or economic influence on the adaptation of HRM practices in Kazakh companies, HRM is still at a rather low level of development. Our findings let us assume that in the adaptation of Western HRM practices country-specific context is not always or not fully considered, which is one of the reasons of failure for the proper development of locally compatible HRM practices.

### **3.6. HRM primary practices**

To answer the third research question respondents are asked to identify HRM practices they consider most important for their organizations. Four HRM practices form the focus of this study and are chosen due to the special attention that is devoted to those practices in publications on HRM in Kazakhstan (Minbaeva et al. (2007); Yessengeldin et al. (2015); Smirnova and Tatibekov (2013)). The practices include recruitment, training and development, motivation, and performance management. We find that recruiting the right people who fit was marked as 95% and employee training and development is rated as 90% as the cornerstone of a respondent company's HR strategy. We assume that recruitment and training and development practices would have rather close and high ratings, while motivation would get the lowest points, close to or below 50%. It is easier to learn and implement new recruitment and training practices than to develop complicated motivation schemes or measure employee performance. Moreover, developing motivation programs is difficult in Kazakhstan due to the fact that during Soviet times people were motivated for work by the state that guaranteed different benefit packages including healthcare and education. Motivating employees in an organization and in work places is not done well. Among other post-Soviet states Kazakhstan has the lowest score for motivation, with managers just following formal guidelines from books. Surprisingly, using well-developed motivation programs is rated by 90% of our respondents as the most important HRM practice. Similarly with motivation programs, performance management is not expected to receive a high rating. During Soviet times several types of mandatory performance appraisals were applied, with the most widespread being "attestation", which is still in use in some public organizations in Kazakhstan. The majority of these performance measurements was not frequent in general, and they assessed and controlled an employee's professional qualifications status, without paying attention to the worker's needs of personal development. Thus, we assume that performance management practices in Kazakh firms had changed to a certain extent on the basis of pre-existing Soviet practices. Moreover, we assume that performance management is still perceived as a routine mandatory action to test employees' knowledge and, therefore, is not considered by HR managers and executives as one of the most crucial HRM practices. However, the survey

results show that performance management is acknowledged by 89% of respondents as the primary practice. After defining the most important practices, respondents are asked about each of the four in more detail.

Results of the study on recruitment practices reveal that only 47% of respondents' organizations design targeted recruitment campaigns for particular positions and even less (33%) have a recruitment strategy for at least one year. Despite these rather low numbers, HR managers show a good understanding of how and whom they want to attract to the position. 79% of respondents show that they equally value the skills and qualifications of a candidate and also his or her personality and cultural alignment to the organization's culture and values. These results refute our assumption that HR managers would pay attention more to the personal qualities of a candidate, due to cultural peculiarities, than to his or her professional qualifications, about which many employers remain skeptical (Yessengeldin et al., 2015). Another assumption is related to the findings of Smirnova and Tatibekov (2013) that employers pay a lot of attention towards the age of prospective workers, which is partially confirmed by the agreement of 58% of respondents that the candidate's age is an important criterion of the selection process. Attracting people by communicating not only positive, but also possible negative or challenging aspects of the job is done by 78% of our respondents. 58% of HR managers prefer to get the best people by putting an emphasis on a high and competitive salary. As our results show, recruitment is considered as the most important HRM practice, only 16% outsource it to other external organizations. Our findings allow us to state that the development of recruitment practices does receive attention from HR managers. Development of recruitment campaigns and strategies shows that there are modest attempts to adapt Western practices to local context.

The remaining three HRM practices showed similar results to the ones for recruitment. HR managers show that in their organizations it is not often to design specific targeted campaigns or use practices for a specific position or person. However, some exceptions exist. For example, 61% of respondents claim that they try to design training programs in a way that these fit the company's needs and overall strategy. Considering the peculiarities of Soviet-style management and its negative effect on the willingness to innovate as one of the features of the country-specific context, it is possible that training, if it exists in an organization, is made through an obsolete "sit-down classroom" method, which is confirmed by only 11% of respondents. The majority of respondents expresses their belief in mentorship as an integral part of employee development (72%), and prefer not to partially or fully outsource employee training to other external organizations (61%). For most of the organizations that are surveyed, only 28% do not include employee training and development in their HR practices. The existing situation

with training is similar to recruitment practices, i.e. the adaptation of Western practices is ongoing and companies are trying to implement the practices themselves, without outsourcing. There is a rather high belief in mentorship as a matter of employee development, which requires making and maintaining close personal communication, which reflects Kazakh culture's high emphasis on personal contacts.

We find that in Kazakh firms, nonmonetary employee motivation is diverse. 21% of respondents state that in their organizations employees are motivated "with a whip", i.e. are motivated by punishments for unsatisfactory work. However, a large proportion of ways for motivation is given to workers themselves by setting clear career goals (67%) or by management behavior and corporate values (79%). In particular, management uses recognition among other workers and provides monetary rewards. Rewarding is done mostly on the basis of evaluation of a worker's performance by studying feedback of clients or customers (94%). Some companies use certain benchmarks to which they compare employee performance. Nevertheless, the final word in deciding who are the top performers and should therefore be rewarded is decided by the top management, not HR. This is the case for 94% of respondents. Despite some success in developing HRM practices, being able to define the most crucial one, and understanding that HRM practices should be developed domestically, without involvement of external outsourcing organizations, our results show that many practices are still of a Soviet kind .

Endeavors for developing targeted recruitment and training campaigns, a growing understanding of strategic role of HRM, and attempts for adapting western practices to the local context are all signs of positive changes. Despite the changes, there is a need to localize motivation practices to fit local context, because motivation of employees is mostly either employee self-motivation or by example of management.

## **CONCLUSIONS**

This research is aimed at investigating the peculiarities of HRM practices in Kazakhstan. Following the research goal, an empirical study is conducted. To answer the research questions we study the peculiarities of HRM practices in Kazakh companies, the factors that influence those practices and the ways those are influenced by the country-specific environment. Also we studied HRM practices that are most crucial for Kazakh companies in the country-specific environment. We focus on four practices: recruitment, training and development, motivation, and performance management as is stated by Minbaeva et al. (2007), Smirnova and Tatibekov (2013), and Yessengeldin et al. (2015). The results show that despite the dynamic economic growth of Kazakhstan's economy, its HRM is still in transition from Soviet era practices to ones

existing in Western MNCs and cannot fully match the country's HRM needs. Soviet heritage has quite a strong impact on the different aspects of management, and behaviors of people, as well as certain cultural, economic and social factors do.

We find that the understanding of HRM practices in Kazakh firms varies from administrative functions to using HR strategically for a company's growth. After becoming independent, Kazakhstan has to learn to build a market economy, and the variety of management and HRM practices is limited (Safavi, 1997; Belkanov, 2000). To rebuild the state's economy, substantial foreign direct investment is attracted and Western MNCs enter the country, thus bringing their novel HRM practices to Kazakhstan (Lee et al., 2010). Having a low variety of practices is a legacy of the Soviet Union both in Kazakhstan and other CIS countries in which local companies try to adopt the foreign experience of HRM (Davis, 2012; Dixon et al., 2014). However, there are various complications that hinder the process of adaptation of HRM practices including migration of qualified workers, issues with business education development, poor connection and misunderstanding between business and universities, and reliance on obsolete Soviet management practices. Despite these difficulties, HRM practices are developing due to an adoption of those from Western MNCs. However, we assume that some companies copy Western HRM practices without a proper understanding and adaptation to the country-specific context. This links our assumption to the similar findings of researchers of other CIS countries (Ukraine and Russia). The degree of transfer and adaptation of HRM practices strongly depends on an organization's management peculiarities, and executives' willingness or reluctance for changes and innovations (Croucher, 2010; Novitskaya, 2015). Executives in some Kazakh companies use an autocratic management style and show reluctance to changes in management practices, including HRM.

Among the factors influencing HRM practices in emerging markets (Shen, 2005), for the Kazakhstan context we focus on the influence of Kazakh culture, the peculiarities of Soviet management, and the existing economic and social situation in the country. Rapid development of the country's economy leads to a lag in educational reforms, which results in a lack of qualified professionals in the existing labor market. Therefore, HR managers have to either devote more time and resources to the training of elder generations of workers, who are influenced by obsolete Soviet practices or recruit, educate, and motivate for work younger people with poorer knowledge and skills. Often personal involvement of top management in HRM is of high importance. Some executives are still inclined to an autocratic management and an organization of the working process in a way that decreases employees' incentives for innovation. To deal with these challenges, companies are attempting to adopt HRM practices

from Western MNCs, but the country-specific context is not always or not fully considered in that adaptation process.

To identify primary HRM practices that are used in Kazakhstan, based on the literature we focus on four practices: recruitment, training and development, motivation, and performance management. The survey results show that all the four practices are considered of high importance for Kazakh business. Based on the literature, we assume that motivation and performance management would be rated relatively low due to the fact that among the four suggested practices the latter two had the least existing base for further development. For all four practices we find that HR managers are trying to implement these strategically, for example, by trying to design training programs and recruitment campaigns in a way that these fit a company's needs.

Nowadays HRM development in Kazakh companies is still in its early stage. We argue that in our study of HRM peculiarities in the country, specific factors influencing HRM in Kazakhstan, and the most developed practices can at least partially reflect the opinion of local origin companies' overall understanding of the current state of existing labor issues and HRM in Kazakh business in order to help these companies to be more competitive, boost development of the country's economic sectors (other than natural resources extraction and financial), and eventually help to increase Kazakhstan's attractiveness to foreign investors for further prosperity.

Following the discussion, our research contributes to the existing literature on HRM practices in emerging markets, particularly in Kazakhstan, summarizing and analyzing major approaches, attitudes, and existing issues of HRM practices in the context of Kazakhstan (Bruneel et al. (2010); Kaymaz and Eryiğit (2011); An and Becker (2013); Minbaeva and Muratbekova-Touron (2013); Turumbetova (2014); Monobayeva and Howard (2015); Smirnova and Tatibekov (2013); Ydyrys et al. (2014); Oka (2015)). Our study adds to the overall understanding of peculiarities of HRM practices in Kazakh companies based on the analysis of perceptions of HR managers' and executives' practices (e.g. Minbaeva and Muratbekova-Touron (2013)). Our study contributes to the existing gaps in the study of local companies, as previous studies (e.g. Minbaeva et al. (2007)) are focused primarily on foreign MNCs. We also contribute to the literature on HRM practices' adaptation in CIS countries by adding to the limited publications on Kazakhstan (Davis (2012); Davis and Yugay (2012)). There are links in our study to previous research on CIS countries, in particular, the failure of some Kazakh companies to properly adapt HRM practices to the local context by copying those practices from Western MNCs (Fey et al. (1999); Croucher (2010); Gurkov et al. (2012)) The research also pays attention to the current state of specific practices: recruitment, training and development,

motivation, and performance management (Minbaeva et al. (2007); Smirnova and Tatibekov (2013); Yessengeldin et al. (2015)).

Based on the results obtained, we provide several recommendations for future development of HRM in Kazakh business. Finally, we contribute to the previously described success factors of adaptation of HRM practices in another country and business environment (Schuler et al. (1993); Rosenzweig and Nohria (1994); Newman and Nollen, (1996); Schuler et al. (2002); Myloni et al. (2004); Shen, (2005); Gilbert and Von Glinow, (2015)). Based on our results we add the following factors specific to post-socialist countries. First is the impact of a socialist past. Our results combining with a review of the literature on HRM in CIS countries show that Soviet management practices, organizational culture, and norms are rather strongly rooted in the minds of both managers and employees. The practices that were once well-fitted for a planned economy might nowadays create substantial complications for MNCs in adapting and implementing Western HRM practices. We suggest that the lesser influence of socialist past, the easier it is to adapt HRM practices. Moreover, we show the influence of a Soviet past on recruitment, training and development, motivation, and performance management. The next factor we suggest is the impact of post-Soviet Central Asian culture. This factor is specific to Kazakhstan and might suit other CIS countries that do not have a Slavic culture. Central Asian cultures have rather nomadic origins, while Slavic cultures are more settled and urban. Three centuries of Russian and then Soviet influence on Kazakhstan resulted in the development of a unique mix of cultures, which is based on traditional Kazakh and Russian cultures, socialist ideology, and the contribution of cultures of many ethnicities of people who were deported to Kazakhstan (including Germans, Ukrainians, and Koreans). This has a direct impact on the current behaviors of both employees and managers, and on the adaptation of HRM practices. The final factor that we add is the ethnic composition of the country's population. This factor is directly linked to the "impact of post-Soviet Central Asian culture". It is also specific to Kazakhstan and might be suitable for other Central Asian ex-Soviet countries (Uzbekistan, Kyrgyzstan, Tajikistan, and Turkmenistan). During Soviet times authorities did not allow the development of stable working class traditions in Kazakhstan and they would rather send specialists from Russia. As a result, after the collapse of the Soviet Union many Russian specialists left Kazakhstan, which resulted in many issues in the labor market today. The gap produced by the migration of specialists still cannot be filled and has an impact on the adaptation of recruitment and training of HRM practices.

Besides understanding of contribution we make with the research, we are aware of existing limitations of the study. Even though the survey approach allowed collecting necessary

data from Kazakh companies, number of companies participated in the research is not large enough to provide exploratory analysis of influence of particular industries peculiarities on adaptation of Western HRM practices. We believe that our study only partly reflects opinion of Kazakhstan business and in data collection we omitted state-owned companies, which have their own peculiarities of HRM. Future studies can increase cross-industry sample and list of HRM practices (such as including compensation management) or focus on detailed study of peculiarities of one particular HRM practice in indigenous, foreign, and state companies. We do not consider evaluation of the role of knowledge management in HRM practices adaptation as well. Future researchers might also conduct case study research on the role of HR strategy and impact on company performance.

### **Managerial implications**

Eliminating existing issues by adopting the HRM practices that we have revealed can be considered a foundation for development and an adjustment of business strategies and methods that Kazakh business may follow for improving their competitive advantage and improving their chances in a “war for talents”, in the circumstances of scarce qualified labor resources and current national economic instability. Developing more attractive and strategic recruitment strategies, personalized and diversified motivation programs to retain professionals, and well-thought training programs that consider the impact of the Soviet past and cultural factors may all benefit Kazakh business in terms of acquiring new talents and decreasing costs that result from the substantial turnover that companies face, especially among the young generation. We believe that our indication of a poor connection between HR managers on the national level, few opportunities for learning abroad, and the issues that arise from this would stimulate business to devote more attention towards the joint making of HR-related forums, which could lead to a mutually beneficial exchange of experience and knowledge of HRM practices and towards the increasing demands for learning English in order to eliminate language barriers that are a substantial obstacle for Kazakh business internationalization in general, and in HRM terms in particular. Another implication that arises from the issues we reveal is the necessity of making closer connections with Kazakh universities for a further formation of the talent pool and to be able to approach perspective candidates and involve them in company work long before they graduate from universities. Future studies can increase the cross-industry sample and list of HRM practices (such as including compensation management) or focus on a detailed study of the peculiarities of one particular HRM practice in indigenous, foreign, and state companies.

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## APPENDIX 1. QUESTIONNAIRE IN ENGLISH LANGUAGE

This survey is conducted to study the peculiarities of HRM in Kazakhstan for the sake of giving managers a view on what is happening with HRM in Kazakhstan today. **All your responses are completely anonymous.** We kindly ask you to participate in this study.

<b>Respondent's profile:</b>	Please fill in
1. Your position	
2. Management level	
3. Years on this position	
4. Ethnicity	
5. Age	
6. Gender	
7. Languages you speak fluently	

<b>Company's profile:</b>	Please fill in
1. Industry	
2. Number of employees (approximate)	
3. Age (year of foundation)	
4. Geographic scope of operations (Global/regional/domestic)	
5. Country of origin	

This section represents factors of successful adoption of Western HRM in host country. We would like to see the degree of influence of each factor.

<b>Factors influencing success of HR practices:</b> To what degree do the following factors drive the need to manage Human Resources in your organization today		1=Small degree				7= High degree			
1	Talent and skills shortages on the domestic market	1	2	3	4	5	6	7	
2	Need to educate/train newly hired people	1	2	3	4	5	6	7	
3	Retention and retention issues	1	2	3	4	5	6	7	
4	Local authorities' requirements	1	2	3	4	5	6	7	
5	Enforcement of local top management	1	2	3	4	5	6	7	
6	Presence of expatriate manager	1	2	3	4	5	6	7	
7	Business competition	1	2	3	4	5	6	7	
8	Peculiarities and/or demands of the industry	1	2	3	4	5	6	7	
9	Organizational culture	1	2	3	4	5	6	7	
10	Economic and/or financial crisis	1	2	3	4	5	6	7	
11	Merger with another company	1	2	3	4	5	6	7	
12	Personal interest of HR manager	1	2	3	4	5	6	7	
13	HR manager's past experience	1	2	3	4	5	6	7	
14	Personal network of HR manager	1	2	3	4	5	6	7	
15	Necessity to retrain conservative workers	1	2	3	4	5	6	7	

16	Need to bring people with new views and opinions to the company	1	2	3	4	5	6	7
17	Need to have friendly relationships with past and current employees and management	1	2	3	4	5	6	7
18	Need to bring the “order” to the company by making a clear hierarchy of staff	1	2	3	4	5	6	7

<b>Human resource management practices:</b> Please rate your agreement with each of the following statements.		1= Strongly disagree				7= Strongly agree		
1	In our company we use HRM practices applied by many companies worldwide	1	2	3	4	5	6	7
2	Our company adopted HRM practices from large Western firm from the same industry	1	2	3	4	5	6	7
3	In our company we use Western HRM practices adapted for local habits and behaviors	1	2	3	4	5	6	7
4	Our company uses locally developed HRM practices	1	2	3	4	5	6	7
5	In our company we use only those HRM practices that are required by local legislation	1	2	3	4	5	6	7
6	Our company has vague understanding of HRM practices. HR is playing primitive functional role (employee recruitment, dismissal, paperwork)	1	2	3	4	5	6	7
7	In our company HR is reduced to administrative paperwork only. No understanding of its importance exists.	1	2	3	4	5	6	7
8	Our company outsources all HR management to the external provider	1	2	3	4	5	6	7
9	Our company’s size is too small and it makes no sense of implementing any HRM practices	1	2	3	4	5	6	7

<b>HRM learning and implementation:</b> Please indicate degree the following options correspond to the way Western HRM practices adopted and/or applied in your organization:		1= Small degree				7= High degree		
1	HR manager attends special educational courses/seminars held in our city by independent instructors, then implements knowledge in our company	1	2	3	4	5	6	7
2	HR manager receives training in a foreign MNC, then implements knowledge in our company	1	2	3	4	5	6	7
3	HR manager uses materials from the Internet and/or academic publications	1	2	3	4	5	6	7

4	HR manager receives guidelines from senior/top management	1	2	3	4	5	6	7
5	We use experience of our competitors (“do what others do”)	1	2	3	4	5	6	7
6	We use advisory of consultants/trainers familiar with Western HRM practices	1	2	3	4	5	6	7

<b>Top management’s perception of HR:</b> Please rate your agreement with each of the following statements.		1= Strongly disagree				7= Strongly agree		
1	HR department is perceived as one of the core departments of the organization; deep understanding of the role of HR	1	2	3	4	5	6	7
2	HR department is perceived as a “second-role” part of organization; medium or small understanding the role of HR	1	2	3	4	5	6	7
3	HR department is perceived as a place where all the paperwork is done, where people are hired and fired; vague understanding of the role of HR	1	2	3	4	5	6	7
4	HR department is perceived as an unnecessary waste of money; no understanding of role of HR	1	2	3	4	5	6	7

<b>Influence of top management:</b> Please indicate to what extent is top management in your organization influences on development or implementation of HRM practices		1= Not to all				7= Very high		
1	Management gives only general view and goal, HR department has full freedom of doing work	1	2	3	4	5	6	7
2	Management actively participates with its ideas, but makes small or no obstacles for HR department’s work	1	2	3	4	5	6	7
3	Management is indifferent to HR department’s work, moderate freedom of work	1	2	3	4	5	6	7
4	Management strictly controls the whole HR department and its actions, no freedom of doing work is given	1	2	3	4	5	6	7

<b>HRM primary practices:</b> Please rate your agreement with each of the following statements		1=Strongly disagree				7=Strongly agree		
1	Recruiting right people who fit is the cornerstone of our HR strategy	1	2	3	4	5	6	7
2	Employee training and development is the most important for our business	1	2	3	4	5	6	7
3	Employee retention is one of our foreground	1	2	3	4	5	6	7

	tasks, which involves using well-developed motivation programs	
4	High performance of workers is what makes them worth hiring for	1 2 3 4 5 6 7

<b>Recruitment:</b> Please rate your agreement with each of the following statements		1=Strongly disagree	7=Strongly agree
1	We design targeted recruitment campaigns for particular positions	1 2 3 4	5 6 7
2	We have at least 1 year-ahead recruitment strategy	1 2 3 4	5 6 7
3	We communicate both positive and negative aspects of job	1 2 3 4	5 6 7
4	We think that skills and qualifications are the most important things to look for in candidate	1 2 3 4	5 6 7
5	Candidate's personality, experience, and cultural alignment are the most important to look for	1 2 3 4	5 6 7
6	Candidate's age is an important criteria	1 2 3 4	5 6 7
7	We attract best people by offering excellent salaries	1 2 3 4	5 6 7
8	We partially or fully outsource recruitment to external firms	1 2 3 4	5 6 7

<b>Training and development:</b> Please rate your agreement with each of the following statements		1=Strongly disagree	7=Strongly agree
1	We design training to target and support our company's overall objectives strategy	1 2 3 4	5 6 7
2	We believe that mentorship is an integral part of our employee development methods	1 2 3 4	5 6 7
3	We make assessments to see what our employees learned from trainings	1 2 3 4	5 6 7
4	Training is seen as a routine service offered by management to employees	1 2 3 4	5 6 7
5	We think that "sit-down in classroom training" is the best way for our employees to learn new things	1 2 3 4	5 6 7
6	We partially or fully outsource training to external firms or individuals	1 2 3 4	5 6 7
7	Training and development are not parts of our HR practices	1 2 3 4	5 6 7

<b>Motivation:</b> Please rate your agreement with each of the following statements		1=Strongly disagree	7=Strongly agree

1	Our corporate culture, values, and management's behavior motivate our employees well enough	1	2	3	4	5	6	7
2	We design motivation schemes for each position separately	1	2	3	4	5	6	7
3	We have flexible and diverse options for motivating all of our employees	1	2	3	4	5	6	7
4	We help employees motivate themselves through clear career and performance goal setting	1	2	3	4	5	6	7
5	We motivate our employees by offering monetary rewards	1	2	3	4	5	6	7
6	We use mostly non-financial rewards such as recognition (like Hall of Fame or "thank you" from management)	1	2	3	4	5	6	7
7	We motivate our employees "with a whip", by punishing for unsatisfactory performance	1	2	3	4	5	6	7

<b>Performance management:</b> Please rate your agreement with each of the following statements		1=Strongly disagree				7=Strongly agree		
1	We identify and fairly reward contributions of high performers	1	2	3	4	5	6	7
2	We recognize and reward contributions of all employees without elevating some above the others	1	2	3	4	5	6	7
3	We have benchmark standards to which we compare employee performance	1	2	3	4	5	6	7
4	We assess employee performance by comparing him or her with contribution of others	1	2	3	4	5	6	7
5	We assess employee performance by analyzing feedback from customers and immediate manager	1	2	3	4	5	6	7
6	Our top/middle management has final word in deciding who are the top performers and gets reward	1	2	3	4	5	6	7
7	We measure employee's performance by his or her attendance and ability to submit work before deadlines	1	2	3	4	5	6	7

**Thank you for participation!**

## APPENDIX 2. QUESTIONNAIRE IN RUSSIAN LANGUAGE

Здравствуйте! Вашему вниманию предлагается опросник, целью которого является изучение особенностей Управления Человеческими Ресурсами (УЧР) в Казахстане и их состояние на сегодняшний день. **Все Ваши ответы полностью анонимны.**

Профиль респондента:	
8. Ваша должность	
9. Управленческий уровень (низкий, средний, высший)	
10. Количество лет в нынешней должности	
11. Национальность	
12. Возраст	
13. Пол	
14. Языки, которыми Вы свободно владеете	
Профиль компании:	
15. Отрасль	
16. Количество сотрудников (приблизительно)	
17. Возраст компании (год основания)	
18. Масштаб работы компании: глобальный/региональный/местный	
19. Страна происхождения	

Факторы, влияющие на успех практик УЧР: Отметьте степень влияния факторов, обуславливающих успешное управление ЧР в компании		1 = Слабо влияют				7 = Очень сильно влияют		
1	Недостаток квалифицированных кандидатов на рынке труда	1	2	3	4	5	6	7
2	Необходимость обучать новых сотрудников	1	2	3	4	5	6	7
3	Удержание сотрудников и трудности, связанные с этим	1	2	3	4	5	6	7
4	Требования местных властей	1	2	3	4	5	6	7
5	Требования вышестоящего начальства	1	2	3	4	5	6	7
6	Присутствие начальника-иностранца	1	2	3	4	5	6	7

7	Конкуренция	1	2	3	4	5	6	7
8	Особенности и/или требования отрасли	1	2	3	4	5	6	7
9	Корпоративная культура компании	1	2	3	4	5	6	7
10	Экономический и/или финансовый кризис	1	2	3	4	5	6	7
11	Слияние с другой компанией	1	2	3	4	5	6	7
12	Личный интерес HR менеджера	1	2	3	4	5	6	7
13	Прошлый опыт HR менеджера	1	2	3	4	5	6	7
14	Личные контакты HR менеджера	1	2	3	4	5	6	7
15	Переобучение сотрудников с «устаревшими» взглядами	1	2	3	4	5	6	7
16	Привлечение в компанию людей с новыми взглядами и мнениями	1	2	3	4	5	6	7
17	Установление с нынешними и поддержка дружеских отношений с бывшими сотрудниками и руководителями	1	2	3	4	5	6	7
18	Необходимость навести в компании «порядок», путём установления чёткой иерархии в организации	1	2	3	4	5	6	7

<b>Практики УЧР:</b> Выразите степень своего согласия со следующими утверждениями.		1= Категорически не соглашаюсь				7= Полностью соглашаюсь		
1	В нашей компании мы используем практики УЧР, применяемые многими компаниями по всему миру	1	2	3	4	5	6	7
2	Наша компания переняла практики УЧР, которые используют крупные западные компании, работающие в той же отрасли, что и наша	1	2	3	4	5	6	7
3	В нашей компании мы используем западные практики УЧР, адаптированные к особенностям нашего рынка	1	2	3	4	5	6	7
4	Наша компания использует практики УЧР, учитывающие особенности нашего рынка	1	2	3	4	5	6	7
5	В нашей компании мы используем только те практики УЧР, которые предусмотрены местным законодательством	1	2	3	4	5	6	7
6	В нашей компании размытое представление о практиках УЧР. HR скорее играет примитивную роль (простой найм и увольнение сотрудников)	1	2	3	4	5	6	7
7	В нашей компании HR представлен только административной работой (кадровым делопроизводством).	1	2	3	4	5	6	7
8	Наша компания перепоручает УЧР другой организации (аутсорсинг)	1	2	3	4	5	6	7
9	Размер нашей компании слишком мал для	1	2	3	4	5	6	7



	применения каких-либо практик УЧР	
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<b>Изучение и применение практик УЧР:</b> Выразите степень своего согласия со следующими утверждениями		1= В низкой степени				7= В высокой степени		
1	HR менеджер посещает специальные тренинги/семинары, проходящие в нашем городе	1	2	3	4	5	6	7
2	HR менеджер проходит повышение квалификации в крупных иностранных компаниях	1	2	3	4	5	6	7
3	HR изучает и использует материалы из интернета и/или научных публикаций	1	2	3	4	5	6	7
4	HR менеджер получает чёткие инструкции от вышестоящего руководства	1	2	3	4	5	6	7
5	Мы используем опыт наших конкурентов	1	2	3	4	5	6	7
6	Мы используем услуги консультантов/бизнес-тренеров, знакомых с Западными практиками УЧР	1	2	3	4	5	6	7

<b>Восприятие УЧР высшим руководством:</b> Выразите степень своего согласия со следующими утверждениями		1= В низкой степени				7= В высокой степени		
1	HR отдел воспринимается как один из основных в компании. Присутствует глубокое понимание роли HR	1	2	3	4	5	6	7
2	HR отдел воспринимается как «второстепенная» часть компании. Небольшое понимание роли HR	1	2	3	4	5	6	7
3	HR отдел воспринимается как место для выполнения бумажной работы, отдел найма и увольнения сотрудников. Смутное понимание роли HR	1	2	3	4	5	6	7
4	HR отдел воспринимается как пустая трата ресурсов организации. Нет понимания роли HR в компании.	1	2	3	4	5	6	7

<b>Влияние высшего руководства:</b> Выразите степень своего согласия со следующими утверждениями		1= Категорически не соглашусь				7= Полностью соглашусь		
1	Руководство даёт только общее видение и цель, HR отделу предоставляется полная свобода в работе для достижения целей	1	2	3	4	5	6	7
2	Руководство активно вовлекается в работу HR отдела и предлагает свои идеи. HR отделу не создаётся ощутимых препятствий	1	2	3	4	5	6	7

	в работе							
3	Руководство равнодушно к работе HR отдела. HR отделу предоставлена умеренная свобода действий в работе	1	2	3	4	5	6	7
4	Руководство строго контролирует весь HR отдел: его функции и действия. Нет свободы действий в работе	1	2	3	4	5	6	7

<b>Основные практики УЧР:</b> Выразите степень согласия со следующими утверждениями		1=Категорически не соглашусь				7=Полностью соглашусь		
1	Поиск и подбор нужных и подходящих людей – основа нашей стратегии УЧР	1	2	3	4	5	6	7
2	Обучение и развитие сотрудников наиболее важно для нашего бизнеса	1	2	3	4	5	6	7
3	Удержание сотрудников - одна из наших первостепенных задач, требующая использования проработанных мотивационных программ	1	2	3	4	5	6	7
4	Высокие результаты наших работников – то, за что мы их нанимаем	1	2	3	4	5	6	7

<b>Подбор персонала:</b> Выразите степень согласия со следующими утверждениями		1= Категорически не соглашусь				7= Полностью соглашусь		
1	Мы используем особые методы подбора для каждой вакансии	1	2	3	4	5	6	7
2	У нас есть стратегия подбора персонала сроком, по меньшей мере, на 1 год вперед	1	2	3	4	5	6	7
3	Мы сообщаем кандидатам возможности и ограничения вакантной должности	1	2	3	4	5	6	7
4	Мы думаем, что отличные навыки и квалификация – самое главное в кандидате	1	2	3	4	5	6	7
5	Яркая личность, опыт и соответствие культуре и ценностям нашей компании – всё это мы в первую очередь ищем в кандидате	1	2	3	4	5	6	7
6	Возраст и/или пол кандидата очень важен при подборе на вакансию	1	2	3	4	5	6	7
7	Мы привлекаем в нашу компанию лучших людей при помощи высоких зарплат	1	2	3	4	5	6	7
8	Мы частично или полностью перепоручаем подбор персонала (аутсорсинг)	1	2	3	4	5	6	7

<b>Обучение и развитие:</b> Выразите степень согласия со следующими утверждениями		1= Категорически не соглашусь				7= Полностью соглашусь		
1	Мы разрабатываем учебные/тренинговые планы в соответствии со стратегией развития нашей компании	1	2	3	4	5	6	7
2	Мы верим, что наставничество это неотъемлемая часть развития наших сотрудников	1	2	3	4	5	6	7
3	Мы проводим оценку усвоенных знаний наших сотрудников	1	2	3	4	5	6	7
4	Обучение/тренинги воспринимаются как рутина, предложенная начальством коллективу	1	2	3	4	5	6	7
5	Мы считаем, что обучение «сидя за партой в классе» - лучший способ для наших сотрудников усвоить новый материал	1	2	3	4	5	6	7
6	Мы частично или полностью перепоручаем проведение обучения/тренингов (аутсорсинг)	1	2	3	4	5	6	7
7	Обучение и развитие сотрудников не являются частью нашей стратегии УЧР	1	2	3	4	5	6	7

<b>Мотивация:</b> Выразите степень согласия со следующими утверждениями		1= Категорически не соглашусь				7= Полностью соглашусь		
1	Наша корпоративная культура, ценности и пример, подаваемый руководством, достаточно хорошо мотивирует наших сотрудников	1	2	3	4	5	6	7
2	Мы разрабатываем мотивационные схемы отдельно под каждую позицию	1	2	3	4	5	6	7
3	В нашей организации присутствуют различные гибкие варианты схем мотивации наших сотрудников	1	2	3	4	5	6	7
4	Мы помогаем нашим работникам мотивировать себя самостоятельно при помощи чёткой постановки карьерных целей и задач	1	2	3	4	5	6	7
5	Мы мотивируем наших сотрудников при помощи денежных вознаграждений	1	2	3	4	5	6	7
6	Чаще мы используем нематериальное вознаграждение, как, например, признание заслуг сотрудника перед остальными коллегами	1	2	3	4	5	6	7
7	Мы мотивируем к работе наших сотрудников при помощи «кнутов»,	1	2	3	4	5	6	7

	накладывая взыскания за неудовлетворительные результаты	
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<b>Оценка результатов работы:</b> Выразите степень согласия со следующими утверждениями		1= Категорически не соглашусь				7= Полностью соглашусь		
1	Мы выделяем и награждаем наиболее успешных и старательных сотрудников	1	2	3	4	5	6	7
2	Мы признаём заслуги и награждаем весь коллектив, не выделяя отдельных людей	1	2	3	4	5	6	7
3	Мы оцениваем результаты работы сотрудников, ориентируясь на существующие стандарты компаний	1	2	3	4	5	6	7
4	Мы оцениваем результаты работы сотрудника, сравнивая его/её с результатами остальных	1	2	3	4	5	6	7
5	Мы оцениваем результаты работы сотрудника на основе отзывов клиентов и непосредственного начальника	1	2	3	4	5	6	7
6	Руководство компании, как правило, оставляет за собой последнее слово в вопросах отбора и награждения лучших сотрудников	1	2	3	4	5	6	7
7	Мы оцениваем результаты работы сотрудника по его/её посещаемости и сдаче работы в срок	1	2	3	4	5	6	7

**Благодарим Вас за участие!**