This article is part of the series Decoding Global Talent 2018. The series is based on a survey of 366,000 people in 197 countries by The Boston Consulting Group, The Network, and (in Russia) HeadHunter.

Low unemployment and the job growth created by a continued shift to a knowledge-based economy are bringing migrants to Russia and keeping residents there from wanting to leave for better career options elsewhere.

Since 2014, Russia’s popularity with people willing to relocate for work has climbed seven places to number 25, according to a survey by BCG and The Network. The increase also improved Moscow’s standing, making the Russian capital the 37th most popular city for working abroad, up from 48th four years ago, according to our results.

Although Russia’s labor market is a bigger draw than it has been, the country is still not among the top destinations for working abroad. What’s more, the country’s best and brightest are more willing than most residents to move abroad to improve their careers, creating challenges for employers at a time when technology advances are producing jobs that require the types of specialized skills possessed by those in-demand workers with an eye on other destinations.

Regional Appeal but Not Yet a Draw for Global Talent

As a destination to relocate to for work, Russia is attractive primarily to residents of neighboring countries, yet it is still not part of the top tier of the global talent market. Russia’s pull as a workplace comes mainly from people in several countries in the Commonwealth of Independent States (CIS), including Uzbekistan, Kyrgyzstan, Kazakhstan, and Belarus, as well from residents of Latvia. (See Exhibit 1.)

Russia’s appeal as a work destination also ranks high relative to the country’s G20 peers for respondents in Turkey and China.

However, it does not participate in a vital exchange with the countries that top the list of
the most attractive work destinations, and residents of those areas are not interested in moving to Russia.

A possible attraction for residents of CIS countries is the chance for work that is being created by low unemployment. Russia’s 4.9% jobless rate is a notch above the country’s record low of 4.8% four years ago and well below the 7.5% average of the past decade and a half. In addition to making it easier to find a job, low unemployment has caused wages—and, consequently, disposable income—to increase.

All of those factors make Russia attractive to residents of adjacent countries where smaller economies produce fewer opportunities and where a large Russian-speaking diaspora with strong cultural ties could smooth the way for relocating.

For some immigrants, Russia also offers a higher standard of living than what they could get at home, whether they are professionals or unskilled laborers, another likely explanation for the country’s rising popularity as a work destination.

Part of the attraction could come from Russia’s technology sector, which is based primarily in and around Moscow. Homegrown companies such as Yandex, Mail.Ru, and Kaspersky enjoy reputations on par with those of global tech giants such as Google and Facebook.

The tech sector isn’t Moscow’s only attraction. The city’s transportation systems, leisure activities, and status as the country’s cultural hub make it a magnet for businesses of all types, including startups.

“Everybody wants to work in Moscow because of the opportunities,” says Ekaterina Khalets-kaya, 32, cofounder of a business incubator in central Moscow that in four years has helped launch or grow 70 startups and runs a community of close to 400 entrepreneurs and experts from businesses, nonprofits, and universities.
The youngest Russians—those under 21—are the most willing to leave for work.

People with In-Demand Skills Are More Likely to Move

Fewer Russian residents than the global average would relocate for work. Only 46% of Russian survey respondents would move out of the country to better their careers, almost on par with the 45% response from four years ago and substantially lower than the 57% global average.

But the hesitance to look outside the country for job opportunities does not extend to Russia’s young people or people with in-demand skills. Fifty-seven percent of Russian residents younger than age 30—a contingent that is well represented in our survey—would be willing to move for work. (See Exhibit 2.) The very youngest—those under 21—are the most interested in leaving, with 59% saying they would relocate in order to better their careers. In addition, 53% of Russian respondents with digital and other in-demand skills would willingly move abroad for work.

Further survey findings show that the Russian residents who are most likely to leave are predominantly employed in professional and technology fields. They include people working in marketing, advertising, and communications (58% are willing to relocate abroad); IT and technology (54%); digitization, analytics, and automation (53%); and management (52%).

That younger residents and highly skilled individuals are willing to relocate could indicate that the country’s progress toward a knowledge-based economy is taking longer than it is in other large countries, which have more to offer in-demand talent as a result. Russia’s economy remains dominated by state-owned or -affiliated businesses. As such, it lacks the same number of dynamic small businesses and multinational corporations that in other large economies act as major creators of knowledge-based jobs. Knowledge work accounts for only 17% of Russian employment, compared with 29% in Germany and 45% in the UK, according to separate BCG research. (See Russia 2025: Resetting the Talent Balance, BCG report, October 2017.)

Germany, the UK, and the US are the most popular destinations for Russian residents.
who would move abroad for work. However, the UK’s standing with Russian residents dropped slightly from 2014, as was the case for France and Switzerland. The declines match an overall drop in the desirability of all three countries in recent years, possible outcomes of changing politics and immigration policies in each place during that time.

Employers Must Address People’s Work Preferences
The aspects of work that motivate Russian residents are different from those cited in the rest of the world, something the country’s employers must take into account in their efforts to hire and retain a workforce. For one, Russian survey respondents say a good salary and bonus are the most important aspect of a job, although financial compensation ranks just eighth among survey respondents worldwide. In addition, Russian respondents place a premium on the financial health of their employer, adequate training, and job security. By contrast, worldwide survey respondents rate those job factors sixth, fourth, and seventh, respectively.

Compensation is also the biggest motivator for Russian respondents who say they would move abroad for work. That too sets them apart from the norm, given that survey respondents worldwide say that if they were to consider moving abroad for work, it would be, first and foremost, to improve their career opportunities.

Pay isn’t the only reason that younger Russians and people in IT, technology, research, and other digital job roles would consider leaving the country for work. For these in-demand groups, the chance for better career options, acquiring work experience, and an improved standard of living are likely to drive decisions even more than for other Russians who are open to going abroad.

Russia’s technology industry and growing knowledge economy depend on just these high-value employees. So, employers in these fields must act to address respondents’ work preferences or risk seeing the talent they need move out of the country, perpetuating an ongoing “brain drain.” For employers, those actions could include offering jobs that pay people well and give them the chance to see the results of their work. Employers also need to offer training and guidance to help high-value employees advance in their careers—something our findings show is not a top job factor for Russian employers today. Finally, employers would do well to cultivate a work environment with less bureaucracy and more agile ways of working that give teams the freedom to follow their ideas and that make experimentation a part of how they work.
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