Saimaa University of Applied Sciences
Business and Culture, Imatra
Faculty of Tourism and Hospitality
Degree Programme in Hotel, Restaurant and Tourism Management

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Hotel and Restaurant Industry in Russia: Recruiting Channels and Employment Process of Finnish Employees.

Thesis 2015
Abstract

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Dr. Olga Burukina, Professor, Moscow State Institute for Tourism Industry.

The main purpose of the thesis was to find out how Finnish employees can get employed in Russian hotel and restaurant industry. Recruitment channels, features of hospitality industry in Russia, employment process of foreign employees, required skills and characteristics of hospitality employees and possible obstacles to finding employment were examined in order to solve the research problem.

The theoretical framework for the thesis was based on the information gathered from literature, lecture materials, newspaper articles and Internet sources. In addition to written sources, interviews were used to achieve needed theoretical information. Qualitative research method was used to carry out the research. The research was conducted by using semi-structured interviews. Most of the interviewees were Russian and Finnish professionals from companies that operate in Russian hospitality sector.

Based on the findings, the most important channels that foreigners can utilize to find employment in Russia are recruitment sites in the Internet, direct contacts to companies and personal networks in the industry. Russian language skills and openness are needed when considering working in Russia. The results indicate that the employment process of Finnish employees takes approximately 2-3 months and requires paper work. The results can be utilized by hospitality professionals considering working in Russia.

Keywords: Employment, Recruitment, Hospitality Industry, Russia
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1 Introduction

The topic of the thesis is recruitment channels and employment processes in hotel and restaurant industry in Russian Federation and especially the employment of Finnish employees in this particular business in Russia. The objective of the work is to find out how a Finnish employee could get a job in Russia. Recruitment channels, Russian hotel and restaurant industry, the employment process of foreigners and possible obstacles to finding a job in Russia are issues that are examined. The employment process assumingly is complicated and requires paperwork.

In order to achieve the aim, theoretical information about Russia is collected. The main issues concerning the theoretical part of the paper are economic life and hotel and restaurant industry in Russia, labor laws, foreign employees in Russia and business culture. Most of the theoretical information is collected from websites, articles and books. In addition to written sources, a few experts are interviewed.

Empirical part of the paper is carried out by interviewing people that are working in Russian hospitality sector. Considering that the emphasis of this work is on Finnish employees wanting to work in Russia, the most logical choice would be to interview Finnish citizens. However, finding enough Finnish employees from Russian hotel and restaurant field may be challenging. Therefore also Russian hospitality professionals are interviewed as they can provide valuable information about recruitment processes and the industry.

The thesis is divided into six chapters. First chapter introduces the topic and reasons for choosing it, research aims and delimitations. The next chapter provides the theoretical framework for the research. Issues such as hospitality industry in Russia, main content of Russian Labor Code, Russian work culture and legislation regarding foreign employees in Russia are covered. In the third chapter the research methods and interviewees of the research are introduced. In the next chapter data collected in the research is analysed and the fifth chapter focuses on the final conclusions. Also suggestions for further research will
be presented in this chapter. In the last chapter, attention is paid to evaluation of the thesis process as a whole.

Instructors of the thesis are Ms. Minna Malankin, project manager from Saimaa University of Applied Sciences and Dr. Olga Burukina, Professor from Moscow State Institute for Tourism Industry. There is no partner company for the work.

1.1 Reasons and justification for choosing the topic

The main reason for choosing this topic for the thesis is personal interest of the author. The author did her basic placement in Saint Petersburg in summer 2013. Having lived there, some issues concerning Russian culture and working environment are already familiar to her. However, getting acquainted with the actual process of finding a job there and the employment process would be extremely useful as she wishes to work in Russia in the future. Clarifying the process step by step is important. Information on hospitality sector in Russia is also needed for considering whether it is a suitable industry to work in or not.

The topic of the thesis is worth researching for several reasons. Globalization gives possibilities to international careers in many fields of business. International career is possible for bachelors of hospitality management, thus the topic of moving abroad is current. Finding a job and moving from Finland to other EU countries is rather easy but moving to Russia assumingly requires a complex and time-consuming process with paperwork. The thesis would be useful to every Finnish professional who considers moving to and working in Russia. Since hospitality is the business that the author is studying, the point of view in the thesis is in the employment of hotel and restaurant industry but the results can be useful for professionals in other industries as well.

Currently, almost one thousand Finnish companies operate in Russia. Those companies employ tens of thousands of employees. Well-known Finnish companies in Russia are Neste Oil, Nokia Tyres, Fortum and Stockman, for instance. (Noponen 2014.) Russia is and always will be Finland’s neighbouring country and a significant business partner. Despite the current economic instability in Russia, Finnish companies continue operating there. Besides in Finnish
owned companies in Russia, Finns can work in Russian or internationally owned businesses.

1.2 Aims and delimitations of the research

This research based thesis aims to examine the recruitment channels that can be used for finding a job in Russian hospitality industry, clarify the employment process of foreigners and find out what skills and characteristics are required from Finns when working in Russian hotels and restaurants. Possible obstacles that Finns may encounter are also examined.

The focus of the thesis is on Finnish workers in hospitality business. As the thesis is completed, it gives an up-to-date, reliable and comprehensive picture of the procedures that are needed when a Finnish employee is considering the possibility of working in Russian hotel and restaurant industry. Starting with the recruitment channels and getting a job and going through the actual paperwork with visas and resident and work permits, the process is complex and time consuming.

Finnish employees can work in Russia in Finnish companies, Russian owned companies or international companies. Finding an occupation in Finnish companies may be easier than getting employed into a Russian or international company. Procedures, requirements and possible obstacles can vary depending on the origin of the company and this is why the thesis explores all of these alternatives.

Cultural differences between Finland and Russia probably affect Finns that work in Russian environment. Aspects of Russian work culture are covered in the theoretical part of the thesis, but are not included in the research. Including questions concerning cultural differences in the interviews would have made the research too wide.

Due to practical reasons, also geographical delimitation was necessary to make for the research. The interviews for the empirical part of the work concentrated on Saint Petersburg area.
2 Working in Russia

The second chapter provides the theoretical framework for the thesis. Issues such as hospitality industry in Russia, Russian Labor Code and work culture will be covered.

2.1 Economic life in Russia

Russian Federation is the largest country in the world, ranked by the surface. With more than 143 million inhabitants the country is also one of the most populous in the world. Approximately three quarters of inhabitants live in the area that locates west of the Ural Mountains. The area is said to be the European side of Russia and it covers only one quarter of the country’s territory. 74% of the population lives in urban regions. More than one tenth of inhabitants live in the two largest cities; Moscow and Saint Petersburg. (Statista; USDA 2014.)

The size of Russia's labor force is 70 million people. Because of the dropped fertility rate in 1990s, the labor market has faced severe problems. There is a lack of employees in several industries. Currently 1 690 805 foreigners live in Saint Petersburg and the amount of registered foreign employees in the city is 186 033. According to some estimation, by 2020, about two fifths of Saint Petersburg's labor force will be foreigners. (Rezanova 2013.) The nationwide unemployment rate in 2014 was 5.6% of the labor force. In Saint Petersburg the unemployment rate was only 1.2%. The average monthly wage in Russia in 2013 was 29 960 rubles (22 May: 536 euros). (Statista; USDA 2014.)

Russia is a leading producer and exporter of oil, gas, wood, metals and chemicals. Russia’s economy is extremely dependent on oil prices. Vehicles, plastic, meat and fruits are examples of the products that Russia imports. Ranked by the amount of gross domestic product, Russia was among the top 10 countries in the world in 2014, when the GDP was more than 2 trillion US dollars. According to estimations the GDP growth will be negative in 2015 due to economic difficulties. (Statista; USDA 2014.)
2.2 Hotel and restaurant industry in Russia

In 2013 approximately 28 million tourists visited Russia and Saint Petersburg was the destination for 90% of them. However, in 2014 the amount of tourists arriving in Russia decreased by 30-50%. In 2013 the number of operating hotels in Russia was 9,316 with a capacity for 618,000 guests. Approximately 7% of the hotel rooms are located in Moscow, 16% in Sochi and 4.5% in Saint Petersburg. Sales in the industry were 260 billion rubles in 2013. During the past years, before the food ban and economic difficulties, investing in hotels was attractive due to limited supply of good quality accommodation, low competition and increasing flow of tourists. (USDA 2014.)

Despite the decreased number of tourists travelling to Russia, country’s hotel industry is encountering a lack of hotel rooms. More good-quality business-style rooms are needed. Also large, international events held in Russia increase the room demand. To mention a couple of examples; FINA World Championships in 2015 are held in Kazan and FIFA World Cup matches in 2018 are held in 11 Russian cities. International hotel chains having the largest room supply in Russia are The Rezidor Hotel Group, InterContinental Hotels Group, Marriott International and Accor. (USDA 2014.) The table below presents the amount of different types of hotels in Russia.

<table>
<thead>
<tr>
<th>Certified hotels in Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy 2-3*</td>
</tr>
<tr>
<td>Mid Market 3-4*</td>
</tr>
<tr>
<td>Upper Midscale 4*</td>
</tr>
<tr>
<td>Upscale 4-5*</td>
</tr>
<tr>
<td>Upper Upscale 5*</td>
</tr>
<tr>
<td>Luxury 5*</td>
</tr>
</tbody>
</table>

176 109 147 147 73 25

Table 1. The number of certified hotels according to the segment and star rating in Russia in 2014. (USDA 2014.)
The restaurant sector in Russia encountered several problems during 2014. Issues such as the food import ban and weak economic situation have certainly affected also hospitality industry. According to market analysts’ forecasts almost one third of restaurants in Russia will be closed by spring 2015. (USDA 2014.)

There are approximately 88 000 cafés and restaurants in Russia. About 88% of them are independent operators. McDonald’s, Subway, Arkadiy Novikov Restaurants and Shokoladnitsa are examples of the largest restaurant chains. Since July 2014 restaurant industry has suffered a decline of 15%. Moscow and Saint Petersburg rule 14% of the food service sector in Russia. Due to the high operational costs and saturated markets in these cities, companies have to consider opening services in other areas as well to maintain their share of the markets. The Russian restaurant market can be divided into different segments; fine-dining, casual-dining, quick and casual and fast-food restaurants. The last segment is divided into stationary fast-food and street fast-food segments. Fast food restaurants and coffee houses are currently the fastest growing sectors. (USDA 2014.)

The wage rate in Russia in the hospitality industry is not high, at least when it comes to lower positions. However, Awara Group’s (2015) salary survey of hospitality industry in Moscow and Saint Petersburg in 2014 indicates that wages are rising. This regards especially the higher management level. Factors that affect wages are size of the company and employee’s experience, for instance. Due to these issues, it is difficult to define exact wage levels of certain employee groups. (Awara Group 2015.) The average wages are 2-3 times higher in Moscow than in Saint Petersburg. Even though Saint Petersburg is the second-largest city in Russia, it is not in the top ten Russian cities when it comes to average wages of employees. The average monthly wage there is circa 34 098 rubles (22 May: 611 euros). (Rezanova 2013.)

The differences in wages can be seen in the following table in which average monthly gross wages of several employee groups of hospitality field in Moscow and Saint Petersburg are presented.
<table>
<thead>
<tr>
<th>Department</th>
<th>Occupation</th>
<th>Wage (RUB)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Saint Petersburg</td>
</tr>
<tr>
<td>Rooms</td>
<td>Director of Housekeeping</td>
<td>90 000</td>
</tr>
<tr>
<td></td>
<td>Housekeeper</td>
<td>23 000</td>
</tr>
<tr>
<td></td>
<td>Front Office Manager</td>
<td>60 000</td>
</tr>
<tr>
<td></td>
<td>Concierge</td>
<td>25 000</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>Director of Food &amp; Beverage</td>
<td>110 000</td>
</tr>
<tr>
<td></td>
<td>Executive Chef</td>
<td>150 000</td>
</tr>
<tr>
<td></td>
<td>Cook</td>
<td>27 000</td>
</tr>
<tr>
<td></td>
<td>Bartender</td>
<td>25 000</td>
</tr>
<tr>
<td></td>
<td>Server</td>
<td>25 000</td>
</tr>
<tr>
<td>Finance &amp; Accounting</td>
<td>Director of Finance</td>
<td>170 000</td>
</tr>
<tr>
<td></td>
<td>Chief Accountant</td>
<td>65 000</td>
</tr>
<tr>
<td>Sales &amp; Marketing</td>
<td>Director of Sales &amp; Marketing</td>
<td>200 000</td>
</tr>
<tr>
<td></td>
<td>Sales Manager</td>
<td>42 000</td>
</tr>
<tr>
<td>Human Resources</td>
<td>Human Resource Director</td>
<td>150 000</td>
</tr>
<tr>
<td></td>
<td>Recruitment Manager</td>
<td>37 000</td>
</tr>
</tbody>
</table>

Table 2. Hospitality industry’s wages in Moscow and Saint Petersburg in 2014. (Awara Group 2015.)

2.3 Recruitment

In 2012 it was reported that Russia is going to increase the number of foreign employees in the country. The majority of English-speaking foreigners in Russia are employed by international companies, diplomatic missions or schools that
teach English language. The amount of positions in Russian markets for foreigners is very limited since fluency in Russian language is usually required. Moscow and Saint Petersburg are common places for foreigners to live. This is due to the fact that they are the two largest cities in Russia and several international companies focus on them. Nevertheless, it is possible to live and work in other areas in Russia as well. (Angloinfo.) Foreigners cannot be employed by organizations of Russian Armed Forces, governmental organizations whose work enables access to state secrets or organizations that are involved with radioactive nuclear work (Hellevig 2014).

Majority of migrants arriving in Russia are labor migrants. According to law they must have preliminary agreements with Russian employers before applying for visas or using services that are provided by Russian government agencies abroad. Russia does not have a comprehensive recruiting system. Mostly recruitment is executed by those employers that work with migration and labor authorities. (Library of Congress 2015.)

Russian markets have been growing for a long period of time. Birth rate in the country is dropping and population is aging which has led to labor shortage. Russia has a short history of educating business professionals that are needed for economic growth. Growth depends partly on immigration politics as well. Labor markets particularly in growing centres are turbulent and employment relationships often short. Negative issues such as falsified certificates, untruthful CV:s and several simultaneous employment contracts, often occur. (Tiri 2012, p. 20.)

Recruitment markets in Russia are fragmented and ambiguous. Several recruitment companies and free-lance consultants operate in the markets and they do not always understand the needs of their customers and work unprofessionally. Using recruiting agent is suitable for filling positions at operative and middle management level. (Tiri 2012, p. 20; 27.)

When working in Russia, companies need to have developed recruiting processes. Suitable methods naturally depend on the company and position in question. There are various ways for finding employees and some of them in-
clude facets outside the recruiting company. If recruitment process or parts of it are outsourced it is essential to make sure that the consult understands the business and needs of the company and is experienced in that particular field. (Tiri 2012, pp. 20; 24.)

Recruiting by using company’s own networks is the most common recruitment method in Russia. It is rather inexpensive method and employees’ references are easy to verify. However, this method is not very objective and there is a risk that social networks occur inside the company. These internal networks can be difficult to lead and control. The largest threat is the possibility that key employees resign and take a certain network with them as they find another employment. (Tiri 2012, p. 24.)

Internet is an important tool of recruiting in Russia. For instance, when network recruitment is used in Russia, social communities such as LinkedIn are often utilized. Announcements of open positions can be placed in professional journals, recruitment portals or to sites where employment seekers visit. Popular recruitment portals are for instance Headhunter and SuperJob. Job applicants can browse the announcements of open vacancies with different search criteria and post their CV:s to the portal. (Tiri 2012, pp. 24-25; Burukina 2015; HeadHunter 2015.)

Recruitment portals contain a large amount of CV:s that can be browsed with different search criteria. Despite the benefits of the portals, there are a few disadvantages as well and all of the sites do not work efficiently. This regards especially the sites that are free of charge. The content of the CV:s cannot be verified and some of them may not be up-to-date. Finding suitable candidates for the open vacancies is challenging and time consuming. This method of recruitment suits usually best for filling lower and operative positions. (Tiri 2012, Burukina 2015; pp. 24-25; HeadHunter 2015.)

For a foreign job seeker it is often necessary to know Russian language, since Internet sites for searching open positions are often in Russian. Sites such as Careerjet.ru, Rabota.ru, and Superjob.ru do not offer any other language options, besides Russian. There are a few sites that offer English language as
well. HeadHunter, The Escape Artist and Xpat Jobs are examples of these sites. However, problems can occur without Russian skills. Although HeadHunter, for instance, is available in English as well, the announcements seem to be written mainly in Russian. (Angloinfo; HeadHunter 2015; SuperJob 2015.)

Regarding foreign students’ job searching in Russia, one example is an event held in Saint Petersburg. The event brings together Finnish students studying in Russia and companies that operate there. Finnish exchange students get the possibility to meet companies’ representatives and learn about their experiences in Russia and internship and job possibilities offered by the companies. Internship is often first step for working in Russia. The event is organized by the Consulate General of Finland in Saint Petersburg, Finnish-Russian Club and CIMO. The event was organized for the fifth time in spring 2015 and about one hundred Finnish students attended the event. (CIMO 2015.)

Internships are an important channel for finding employment for Russian hospitality students as well. According to Dr. Burukina, professor from Moscow State Institute for Tourism Industry, students of their institute complete several internships during their studies. Internships help to expand the professional network and get useful contacts as well as gain work experience. Internships can be conducted in hotels and tour operators’ agencies, for instance.

2.4 Illegal foreign workforce

In January 2015 the law concerning migration was amended. Due to the tightened legislation foreigners violating the residence regulations can be prohibited to enter Russia for 3-10 years. The director of Russia’s Federal Migration Service, Konstantin Romodanovski, states that majority of these foreigners have come from CIS countries and work in Russia illegally. Citizens of these countries are allowed to reside in Russia without a visa for maximum 90 days continuously. According to the statistics of Federal Migration Service there are currently approximately three million foreigners that have resided in Russia illegally. About one third of those have been in the country more than a year. (SVKK 2015.)
The amount of migrants from Central Asia decreased by 70% in January compared to the same period in 2014. Also during the previous economic recession in 2009 the number of workers from Central Asia dropped when the need of low educated employees reduced. The unemployment rate in Russia is currently low and the decrease of migrant workers may aggravate labor shortage in some industries. (SVKK 2015.)

During the last two decades the flow of immigrants to Russia has grown significantly. Majority of the immigrants are illegal. The duration of visas of foreign employees generally depends on the term of employment. Foreign temporary workers, except highly qualified experts, cannot decide to change their employer or get a permanent residence permit, public welfare or admission to Russia for their family members. Employers are responsible for their employees and their departure from Russia after the employment has ended. Employers, who use illegal migrants and get caught, face heavy fines. Illegal migration is an offense that is punishable by imprisonment. Federal Migration Service controls and monitors the enforcement of migration law in Russia. (Library of Congress 2015.)

World Bank states that Russia is the second most frequent destination country for migrants in the world with circa 12.3 million immigrants. Most of them are labor migrants and reasons for moving to Russia have mainly been economic. In 2012, approximately 9.1 million foreign workers were employed in Russia. Foreign employees have mostly come from the former Soviet states, China, Southeast Asia and Eastern Europe. (Library of Congress 2015.)

Illegal migration and using illegal workforce is a remarkable problem in Russia. According to the Federal Migration Service, 3-5 million foreigners are working illegally in the country but the estimates vary significantly. Most of them are employed in the informal sector of the Russian economy in large cities such as Moscow and Saint Petersburg and in the border areas of former Soviet countries. Illegal workforce creates problems in several fields of society; social protection and health care, for instance. Foreign workers commit 15% of all crimes in Russia. Every month approximately 2 000 illegal employees are removed
from the country. In 2012 punishments for illegal migration were tightened. (Library of Congress 2015.)

Companies that employ foreign workers are monitored. If minor violations are found, a written request for corrections is given to the company. In case of more severe violations, the permission to employ foreigners can be denied. Employers can also be fined. Individuals who stay in Russia illegally can be punished with a fine, deportation, imprisonment and a ban on entering Russia for the next five years. (Library of Congress 2015.)

In conclusion, using illegal workforce reduces the need to use legal employees and the possibilities of foreign employees as well. On the other hand, it gives Finnish employees, for instance, a theoretical possibility to get a job in Russia without the formalities required by law. However, utilizing this channel is not recommendable as it contains severe risks and dangers.

2.5 The Labor Code in Russia

In the following sub-chapters, the main employment laws in Russian Federation will be shortly introduced. Matters such as employment contracts, wages, vacations and employees’ material responsibility will be covered.

Russian Labor Code is rather similar to Finland’s Labor Code, but there are anyway some significant differences. Russian labor laws are more extensive and detailed than Finnish. There are only a few major collective labor agreements in Russia and they bind only those companies and employees that have decided to take part in them. (Karhapää-Puhakka 2007, pp. 23-24.) Russian labor code protects all types of workers equally, including foreigners that work in Russian Federation (Ilyushina & Fedchenko 2012). At least in theory, the labor code in Russia is good from the employees’ point of view (Honkanen 2011, p. 43).

2.5.1 Employment relationships and contracts

Written employment contracts are mandatory in Russia, verbal agreements are not allowed. Contracts need to be confirmed by company’s head manager. Contracts can be either permanent or made for a fixed period of time. Temporary contracts are not as common in Russia as they are in Western world.
According to Karhapää-Puhakka (2007, p. 22), reasons for temporary contracts are, for instance, different types of substitutions, internships and seasonal and managerial jobs. Also students and retirees often sign temporary contracts.

Trial periods at the beginning of employment relationships can be maximum three months (Honkanen 2011, p. 43). Annulling a contract during a trial period requires a reason, unlike in Finland. Reasons for annulling can be weak performance or employee’s disability to fit into the work environment, for instance. (Karhapää-Puhakka 2007, p. 23.)

Employment contracts have to be written in two original copies and both of them need to be signed by the employee and employer. One copy is to be kept by the employee and the other by the employer. If the employment contract is not written, the employer can be punished with a fine. (Ilyushina & Fedchenko 2012.) According to Honkanen (2011) employer’s copy of the contract must contain a confirmation that the employee has received his copy. Documents that employees must present their employers are passport or other identification document, work book, insurance certificate regarding pension insurance, documents of military service and education certificates.

Instead of separate employment certificates received from every work place, so called work books are used in Russia. The book is a document that contains every employment relationship the employee has had. Practically this document is a personal employment certificate and is retained by the employer during the employment period. Employer is responsible for writing the book to every employee (also foreign workers) who works in the organization for more than five days. The book contains information about the employee, duties at work, transfers to other permanent jobs, dismissals, reasons for dismissals and information on success at work and possible rewards. (Honkanen 2011, p. 43; 150, Tiri 2012, p. 72.)

The Russian Labor Code defines minimum content for employment contracts. Issues that every contract must contain are names and other details of the employee and employer, location of workplace, rights and responsibilities of the
employee and employer, terms of salary, starting date of work, working hours and vacations, mandatory social insurance and protection against occupational hazards, validity period of the contract and signatures. Often possible trial period, secrecy obligation and non-competition terms are also written in the contract. (Karhapää-Puhakka 2007, p. 21; Ilyushina & Fedchenko 2012.)

Labor laws in Russia define minimum employment terms which must be taken into account when writing employment contracts. These include minimum salaries, restrictions on working hours, minimum weekly rest breaks and vacations. Other terms can be included in the contract as well, but they cannot worsen the employee’s condition in comparison with the minimum terms. (Ilyushina & Fedchenko 2012.) One characteristic regarding Russian labor code is the fact that Russian employees are obliged to perform only those work assignments that are written in the employee contract (Honkanen 2011, p. 43).

Term of notice in Russia is mainly from one month to three months. In international companies, dismissing employees has become more difficult and expensive during the past few years due to the fact that Russian employees in international firms have opposed dismissals. To prevent this, it is important to carefully draw up the employment contracts and let Russian lawyers prepare the dismissals. (Honkanen 2011, pp. 43-44.) Employees can always end contracts with a two-week notice. Employers’ reasons for ending contracts are financial issues and issues concerning the employee in question. Employee’s disability to perform the work, neglecting duties, being absent for over 4 hours and working while intoxicated. (Karhapää-Puhakka 2007, p. 22.)

According to the Russian Labor Code some categories of employees enjoy higher protection. Pregnant women, women with small children, single mothers with children under 14 years or disabled children under 18 years and single fathers are included in these categories. These types of employees are more difficult to be dismissed by the employer. Pregnant women cannot be sent on business trips and asked to work overtime, during nights, weekends or public holidays. Single mothers and fathers can be sent on business trips or asked to work overtime and during nights, weekends and public holidays but the employ-
er must ask employee’s written permission before these occasions. (Ilyushina & Fedchenko 2012.)

The official retirement age in Russia is 55 years for women and 60 years for men. In some occupations the age is even lower. Raising the retirement age is constantly being discussed as the population is ageing. Often retirees stay in work life since making a living with a basic pension is difficult, especially in large cities. Approximate pension in Russia is only about 180 euros per month. (Honkanen 2011, p. 49.)

2.5.2 Working time

Normal, regular working time in Russia is 40 hours per week. Shortened working time applies to the following groups of employees:

- employees under 18 years old (14-16 years old: max. 24 hours/week; 16-18 years old: max. 35 hours/week.)
- employees involved in dangerous work activities (max. 36 hours/week
- invalids (max. 35 hours/week)
- some other groups of employees (e.g. nurses, teachers). (Tiri 2012, p. 48.)

Overtime work is the amount of time the employee works beyond regular hours, by employer’s request. Employer is responsible for monitoring and keeping detailed record of employees’ overtime work. Laws limit the amount of overtime hours. Individual employee can work maximum four hours overtime during two consecutive work days and maximum 120 hours in a year. (Honkanen 2011, p. 156.) Minors and pregnant women are not allowed to work overtime. Mothers of small children (0-3 years old) have a right to refuse overtime hours. (Tiri 2012, p. 49.)

2.5.3 Vacations

Russian legislation defines three vacation types; paid annual vacation, paid additional vacation and unpaid vacation. The length of paid vacations is counted in
calendar days, meaning that also Sundays are vacation days. However, national holidays are not counted to vacation days. (Tiri 2012, p. 73.)

The length of the annual vacation is 28 calendar days and it can be held at any time of the year. Russian law does not define vacation periods, but every employer has a schedule for vacations. The schedule must be confirmed two weeks before the beginning of each calendar year, at the latest. Composing the vacation schedule may be complicated since employees’ working years begin at different times, depending on when they have started working in the company in question. The employee has to be informed about the vacation not later than two weeks before the first vacation day. (Tiri 2012, pp. 73-74.)

In addition to paid annual vacation, a few employee groups have a right to additional vacations, some of which are paid and some unpaid. Additional paid vacations are granted for instance to employees that work in dangerous conditions or whose working time is irregular. Employees, who study along with working, are also entitled to additional vacations. The length of these vacations varies from a few days to 172 days. Unpaid additional leaves can be granted to employees when they have a child or register a marriage or when a close relative passes away, for example. Employees who carry out full-time studies in accredited universities of applied sciences or vocational colleges are entitled to unpaid vacations as well. (Tiri 2012, pp. 76-77.)

The length of maternity leave in Russia is normally 70 days before and 70 days after birth. After the maternity leave, it is possible to have a nursing leave until the child turns 3 years. Mother, father, grandmother or other guardian who provides care for the child, is entitled to a nursing leave. Employee cannot be dismissed during a nursing leave. (Tiri 2012, pp. 82-83.)

2.5.4 Wages

In Russia, employees’ wages have to be paid in roubles, either in cash or to a bank account. 20% of the wage can be paid otherwise than in money. Wages are paid twice a month unless the employee has agreed to receive the wage only once a month. This agreement needs to be done in writing. Every Russian company has to have a schedule for paying wages. Prepayments are mainly
done approximately in the middle of each month and the rest on the last day of the month. Wages and possible bonuses are written in employment contracts as gross amounts. The tax rate is fixed 13%. (Karhapää-Puhakka 2007, pp. 23-24; Honkanen 2011, p. 158.)

Higher wage is paid for overtime hours. For the first two overtime hours the wage is 50% higher and for the following hours 100% higher. The wage paid for working on national holidays and days off is also 100% higher, at least. If the employee requires, overtime work has to be compensated with a paid day off. If the employee works on a national holiday or a day off, he can require another day off. In this case, the wage paid for the holiday is normal and the day off is not paid. (Karhapää-Puhakka 2007, pp. 23-24; Honkanen 2011, p. 156-157.) The wage paid for night hours has to be 20% higher than the normal wage (Tiri 2012, p. 49).

Employers are responsible for paying wage for sick leaves when the employee presents a sick leave certificate received from a doctor. Employer pays for the first two days of the sick leave and social insurance fund pays for the rest. The amount of sick leave payment depends on the average wage of the employee and the length of his employment history. If the employee has worked more than 8 years, the amount of sick leave payment is 100% of employee’s average wage. If the service years are between 5 and 8, sick leave payment is 80% and if less than 5, the payment is 60%. (Honkanen 2011, p. 159.)

Vacation wage can be smaller or larger than average wage defined in the employment contract. For calculating the vacation wage, the employer needs to take into account wages, bonuses and overtime compensations. The average daily vacation wage is calculated by dividing the paid wage from the past 12 months by 12 and 29.4. The average amount of calendar days in a month is 29.4. (Honkanen 2011, p. 158; 160-161.)

2.5.5 Employee’s material responsibility

In Russia, several employees are fully or partly responsible for materials they handle during work shifts. It means that the employee is obliged to compensate material losses that occur due to his actions at work. Employees that are re-
sponsible for employer’s materials are mainly managers and other employees that handle company’s valuable assets. Cashiers, for instance, are responsible for the money held in their cash registers. If money goes missing during their shift, the compensation is taken from their salary. (Honkanen 2011, pp. 45-46; 155.)

The principal of material responsibility is written and concretely clarified in the employment contract. Material responsibility originates from illegitimate actions. The party that has experienced the loss or harm is obliged to prove it. (Honkanen 2011, p. 155.)

As a concluding comment to this chapter it can be said that Russian and Finnish Labor Code seem not to be very different from each other. Naturally, there are countless differences in details but also several similarities. It seems that the largest differences between Russian and Finnish legislation regard the vacations.

2.6 Foreign employees in Russia

Most of the foreigners that live in Russia and have fluency in English, work in international companies, institutes that teach English and diplomatic missions. Getting employed in the Russian market is not that common. (Angloinfo.)

Foreign employees arriving in Russia can be roughly divided into three groups;

- ordinary employees that need a visa
- ordinary employees that do not need a visa
- highly qualified specialists.

Russian law contains different procedures for these groups for obtaining the documents that allow foreign citizens to work in Russian Federation. Citizens arriving from the Ukraine, Belarus and Kazakhstan for instance, do not need a visa to work in Russia, only a work permit. Other nationals need a visa to enter the country. Highly qualified specialists mean employees whose prospective income is more than 2 million rubles per year. (Ilyushina & Fedchenko 2012.)
The Federal Migration Service estimates that every year 11-14 million foreigners move to Russia for working. 3 million of these immigrants violate immigration regulations. According to some estimation the amount of illegal immigrants in Russia is 10 million and half of them come from the Ukraine, Kazakhstan and Uzbekistan. However, the estimations vary considerably. (Suomen ulkoasiainministeriö 2013.)

Immigration is an important issue in Russia as the amount of population is declining and that reduces the development of the country. Currently Russia’s population is slowly increasing. Despite that, the amount of working population is soon going to start decreasing. Working population is estimated to decline by 18-19 million by 2025. Current politics in Russia aims at attracting temporary foreign employees to the country. Immigrants do not get reasonable possibilities for permanent residing and integration to the society is difficult. Foreign employees often face negative attitude of native Russians. (Suomen ulkoasiainministeriö 2013.)

According to Russian law, employers are responsible for the foreigners they employ. Labor contracts need to be registered with the regional employment assistance office. This office needs to be informed about ending the contract. Employers must also monitor the behaviour of foreign employees and inform authorities about possible contract violations and absence from work place. In case the foreign employee violates the labor contract, for instance, the contract can be annulled. Foreign employees have to leave Russia after the labor contract has expired. Due to this regulation, employers are obligated to deposit funds to ensure the transportation of foreign employees to their home country. (Library of Congress 2015.)

2.6.1 Foreigners that need a visa

In order to enter Russia, most foreign nationals need a visa. Finnish citizens belong to this group.

Russian companies and foreign companies operating in Russia can employ a foreign employee if they have applied and received a permission to hire foreign workers and if the company has obtained a work visa for workers coming from
visa countries. Russian companies that invite foreigners to the country, have to register to the Federal Migration Service. (Honkanen 2011, p. 164.)

In order to work in Russia foreign citizens need a work permit. Without the permit most of the foreigners living in Russia do not have a right to attend any work or business activities. Federal Migration Service issues the work permits. After receiving the work permit, an application for a work visa can be made. (Angloinfo 2014.) Getting the work permit takes usually at least six months and often remarkably longer. If a foreigner is going to work in a foreign owned company, work permit and visa can be applied at the same time as the visa is applied from the accreditation authority. (Honkanen 2011, p. 48; 164.)

Work visa allows foreign employees to work in Russia for one year. Highly qualified specialists get the work visa for three years. Russian employers arrange individual work visas for foreign employees from Federal Migration Service. The employer also obtains invitations for work visas on behalf of the company. In Moscow and some other areas regulations regarding work visas differ, depending if the work permit is applied for a Russian or foreign owned company. (Honkanen 2011, pp. 164; Ilyushina & Fedchenko 2012.)

Obtaining the work permit is usually a bureaucratic and time consuming process that consists of different stages. Firstly, the company that wants to employ a foreign employee needs to obtain a quota for employees from that certain field of business. Quotas are used to protect the rights of Russian work force and the size of the quota varies according to cities and regions. (Tiri 2012, p. 105.)

The application for employee quota for the becoming year has to be submitted by May 1. This means that the application for the needed foreign employees for 2016 has to be left before 1 May 2015. If the company is granted a quota for a sales secretary from Finland, for instance, they cannot hire one from Sweden. Quota regulation does not apply to managers of companies’ representative offices and non-quota positions that the government establishes every year. (Honkanen 2011, p. 165.) Foreign companies may send employees to Russia for working in a partner company or a subsidiary. Term “secondment” is used to
describe this activity. Also seconded employees have to obtain a work permit. (Hellevig 2014.)

In addition to the quota, the local employment authority has to give the company a confirmation that it is not possible to hire a Russian employee to the position in which the foreigner is intended to be hired. Federal Migration Service also needs to admit a permit for employing a foreigner. Russian employers have to inform different state authorities about the contract made with a foreign employee. Russian Federation tax authority must be informed within 10 days and local employment authority within 30 days. (Honkanen 2011, p. 165; Ilyushina & Fedchenko 2012.)

Work permit of a foreign employee is issued to the employer and the employee is allowed to work only in the region that is defined in the permit. In case the employee wants to work in several cities, a separate permit is needed for every region. Once the work permit is obtained, work visa needs to be applied for. Visa application with a photo, HIV certificate and passport or other valid identification document has to be delivered to apply the visa. Work visa is issued for the period that is defined in the work permit. First the visa is a one-entry visa valid for three months and meant for entering the country. Later, the visa can be switched to a multiple-entry visa that is valid for one year. (Tiri 2012, pp. 110-111.)

Foreigners that spend more than seven work days in Russian Federation must register with the Russian immigration authority. The registration has to be done within seven work days after arriving to the country, in the region that the employee is going to work. Registration is done with a written form. Holders of multiple-entry visas need to register every time they enter Russia. (Tiri 2012, p. 111.) According to Honkanen (2011, pp. 165-166) police cannot anymore fine foreigners whose registration documents are not valid or have lost. The organization that has made the visa invitation is responsible for shortages and neglects concerning the registration.
However, the information concerning this issue is contradictory. According to some sources, foreigners can be issued a fine or a ban to enter Russia in case of registration violations.

Besides the several necessary work authorization documents, other actions are needed as well. Copies of employee’s education certificates and diplomas have to be applied for and notarized in the home country. Also medical examination needs to be passed. (Ilyushina & Fedchenko 2012.) Medical certificates must confirm that the employee is not HIV positive and does not have tuberculosis, leprosy or chlamydia, for instance (Tiri 2012, p. 109).

There are a few types of employees that can work in Russia without a work permit. Foreigners that have received a permanent residence permit do not need a separate work permit. Temporary employees of foreign companies are allowed to work in the country for 90 days or altogether 90 during six months with a business visa. Employees of diplomatic missions and consulates of foreign countries in Russia can work without a work permit and this applies to their household employees as well. Other employees that do not need a permit are journalists that have been accredited in Russia and vocational education students working in addition to their studies. (Angloinfo.)

If the legislation regarding foreign employees is violated, the employer can be issued a fine. The size of the fine depends on the type of the violation. In addition to fines, the company in question may be obligated to close the business for 90 days. (Tiri 2012, pp. 113-114.)

2.6.2 Foreign employees that do not need a visa

Citizens arriving in Russia from the Ukraine, Kazakhstan, Kyrgyzstan, Tajikistan, Moldova, Uzbekistan, Armenia and Azerbaijan are allowed to enter the country without a visa. These nationals need only a work permit for working in Russia. Citizens from Belarus do not need a work permit or a visa in the country. The Russian employer has to notify the Federal immigration Service about the contract made with an employee from one of these countries. Also the Tax Authority and Federal Labor and Employment Service must be informed. For employing a worker from this category, the employer does not need to apply for
permission but the quota regulations have to be taken into account. (Ilyushina & Fedchenko 2012.)

2.6.3 Highly qualified specialists

In 2010 the government of Russian Federation eased the employment process of foreign highly qualified specialists. Highly qualified specialists are foreign employees that are hired to Russia because of their experience, achievements and talents and meet certain requirements. The only formal qualifying criterion for highly qualified specialists is the amount of income; they have to earn more than 2 million rubles (22 May: 35 810 euros) per year (gross salary). The purpose of this regulation is to attract Western highly educated experts to Russia. In 2011 the definition of highly qualified specialist was clarified. Scientists and teachers in certain branches of science need to earn only 1 million rubles per year. Foreigners working in Skolkovo do not have income limits even though they have a status of highly qualified specialists. (Honkanen 2011, pp. 166-167; Ilyushina & Fedchenko 2012; HG.org Legal Resources.)

Highly qualified specialists can work in Russian commercial entities, scientific and educational institutions and foreign legal entities that operate in Russia. Foreigners that arrive in Russia due to religious activity cannot have a status of highly qualified specialists. Besides the employee that wishes to obtain the status of a highly qualified specialist, also the employer must meet certain requirements. Naturally, the gross salary limits concerning highly qualified specialists have to be fulfilled and the regulations regarding hiring foreigners followed. If the employer has during the preceding two years violated these regulations, a work permit for a highly qualified specialist cannot be granted. (HG.org Legal Resources.)

There are various benefits and reliefs for employers and employees concerning highly qualified specialists. The employment process is shorter and easier compared to the process of ordinary employees. Employers do not need a quota or a permission to employ foreign experts. Work permit and an invitation for a specialist’s work visa can be obtained at the same time. Receiving the work permit takes only 14 work days. It is not necessary to inform the local employment au-
authority of open positions or offer it to Russian employees. (Ilyushina & Fedchenko 2012.)

Work permit and work visa can be issued for three years to highly qualified specialists and their family members. Ordinary employees have to obtain separate work permits for different regions in Russia, whereas specialists can obtain only one permit that allows them to work in several areas in Russian Federation. Based on the work permit specialists have an option to obtain a permanent residence permit to Russia. Moreover, they can request a personal income tax rate of 13% without being a taxpayer in Russia. Highly qualified specialists do not need to deliver copies of higher education certificates. Medical documents, HIV certificates, for instance, are not required from specialists either. (Honkanen 2011, pp. 166-167.)

Although employing highly qualified experts is easier and more flexible in comparison to ordinary employees, there are certain regulations to follow. In case the regulations are neglected the status of highly qualified specialist can be denied from the employee for a maximum of two years. All applications are sent to the Federal Migration Service in Moscow, instead of applying permissions separately from different regions. Employers who hire highly qualified specialists have to inform the Federal Migration Service about the minimum salary of the employees and confirmation of an additional private health insurance. (Honkanen 2011, p. 168; Ilyushina & Fedchenko 2012.)

As ordinary employees must register with the immigration authority within seven work days, highly qualified experts do not need to register until after 90 days of arrival. Registration with the local tax authority has to be done within 30 days after arriving in Russia. The employer has to confirm the registration for the Federal Migration Service within 30 days at the latest. Income of highly qualified specialists has to be informed to the migration authority every three months. (Honkanen 2011, p. 167.)

2.6.4 Russian proficiency

From January 1, 2015 foreigners that want to work or reside in Russia, have to prove their ability to speak Russian language and knowledge in country’s histo-
ry and principles of Russian law (the “Russian Language and Civilisation”). This is due to the fact that some issues in Russian immigration law were changed. Previously the law was applied only if a foreigner was searching for a job in the housing and utilities or trade and services field. Also those applying for Russian citizenship needed to prove their language skills and knowledge in law and history. (Fedoreev & Agrba 2014; President of Russia 2014.)

This Federal Law amends the Federal Law On the Legal status of Foreign Citizens in the Russian Federation and is designed to improve regulations concerning migration in Russia (Fedoreev & Agrba 2014; President of Russia 2014). Simultaneously with the tightening amendments, separate amendments for Russian speakers in former Soviet Union countries were signed into law. According to the new regulations, those citizens can now more easily acquire Russian citizenship. (The St. Petersburg Times 2014.)

The rules will be different for citizens from non-visa and visa regime countries. Foreigners from non-visa countries applying for a work permit or a temporary or a permanent residence permit, have to add a proof of knowledge regarding Russian language, legislation and history to the application. Non-visa countries the citizens of which are affected by the law are Armenia, Azerbaijan, Kyrgyzstan, Moldova, Tadzhikistan and Uzbekistan. Citizens of Kazakhstan and Belarus are not required to meet the requirements as these countries have “secured a beneficial mutual migration regime for the citizens who are living and working in Russia”. (Fedoreev & Agrba 2014.)

Foreigners, who need a visa for entering Russia, will be given more time to prove their skills in Russian and knowledge of history and laws. The proof has to be submitted to the authorities within 30 days from receiving the permit, at the latest. If the proof cannot be submitted, the permit in question will be cancelled. (Fedoreev & Agrba 2014.)

Foreigners who received permanent residence permits and work permits before January 1, 2015 will be required to prove they meet the requirements when they need to renew their existing permits. Highly qualified specialists and their relatives do not need to meet these requirements. There are a few other exceptions
as well.Foreigners under 18 and over 60 years old and foreign full-time students in educational institutes in Russia are exempt from these claims. The St. Petersburg Times (2014) notifies that the exemptions in the law suggest the requirements are mostly aimed at immigrants from Central Asia. They move to major cities such as Moscow for manual labor work and often have very limited or non-existent knowledge in Russian language. (Fedoreev & Agrba 2014; The St. Petersburg Times 2014.)

To prove the command of the Russian Language and Civilisation, foreigners have to submit a valid document. It can be a national certificate of basic or higher education issued by an institution of Soviet Union before 1 September 1991. On or after 1 September 1991 certificates of education have been issued to those who have passed the final state examination in Russia and those documents prove the required knowledge as well. Institutions that arrange the exams and grant the certificates for foreigners will be located in Russia and abroad as well. The granted certificates are valid for five years and will be documented in a federal register. (Fedoreev & Agrba 2014; Titov 2014.)

To pass the exam for obtaining the work permit, one has to have basic skills in Russian language. The requirements are not remarkably high; foreigners are expected to know minimum 850 words in Russian, be able to read texts and define their content, understand basic audio dialogs and formulate general phrases. These skills are likely to help foreign citizens when they move to Russia. Language skills are tested with an interview or a written exam. According to Titov (2014) people that have studied Russian language at school, will easily pass the exam. The exam includes multiple choice questions written in Russian. The questions are related to grammar, for instance (Sheleminka-Antonova 2014).

In addition to language exam, a written test regarding Russian law and history needs to be passed. Also this exam includes multiple choice questions. Questions have four answer options and only one of them is correct. History part of the exam may contain questions such as who was the first man in space and when did the Soviet Union collapse. (Titov 2014.)
According to the head of Russia’s Federal Migration Service the amount of migrants moving to Russia has dropped 70 percent over the first week of January 2015, in comparison with the same period in 2014. Possible reasons for this can be the fall of Russia’s ruble and the requirement for migrants to prove their knowledge in Russian language, history and legislation which makes moving to Russia more difficult. Several migrants come from Central Asia for working in Russia and sending remittances back home. Remittances have lost much of their value because of the fall of the ruble. Economic difficulties also decrease the amount of low-skilled jobs. (The Moscow Times 2015.)

2.7 Work culture in Russia

Since Russian work culture probably differs from Finnish work culture, it is worth covering in the thesis. In this sub-chapter the main issues regarding Russian work culture will be introduced. Besides collecting information from books and websites, two Russians were interviewed to gain knowledge about actual experiences regarding the covered issues.

The time concept of Russians is cyclic. It means that time is not seen as a linear line with the past and the future, but a continuous circle instead. Punctuality is not seen as a virtue and usually Russians do not feel stressed when being late or waiting for others that are not on time. Arriving late to work is rather common, particularly in metropolises such as Moscow and Saint Petersburg where traffic jams and long distances explain delays. Patience is part of orthodox traditions and basic virtues. However, even though Russians are not punctual, for instance Finns are appreciated because of being on time. (Tiri 2013, pp. 7-9; 145.)

Both of the interviewees agree on this; arriving late to work is a common phenomenon in Russia and often a problem. It depends on the company whether arriving late to work is acceptable or not. Some companies are stricter with this issue. Some employers advice to call in case of a delay. (Petukhov 2015.) Being late for around 15 minutes is usually acceptable (Bitkulova 2015).

The flexible attitude towards time is present in business life as well. Meetings are usually not scheduled weeks in advance but if they are, it is recommendable
to ensure a few days before the meeting that it has not been cancelled or postponed. Directors are busy and tend to show their power by letting others wait for them. Russian subordinates are used to adjust their time and plans to superiors’ wishes. On the other hand, the modern business life in Russia is hectic and schedules are tight. Being late may ruin the schedule of a whole day, thus punctuality is becoming more important in Russia. (Tiri 2013, pp. 8-9.)

Russians value motions, impulsiveness, sensitivity and expressing feelings. Also in business life emotions affect decision making more than in Finland, for instance. When negotiating with strangers, expressing emotions is not polite but with more acquainted business partners it is acceptable to share praising compliments and warm handshakes. In case of severe disagreements, Russian business partners can show their annoyance by walking out of the meeting room. Personal connections and relationships matter more than official business channels, sometimes even more than written contracts. Without personal relationships it is impossible to get a good position, especially at management level. (Tiri 2013, pp. 10-11; 137.)

In Russia management and leadership is based on hierarchy and policy of submission which leads to enormous amount of paperwork. Bureaucracy is seen everywhere; in banks, business meetings and even in invoicing of customers. Processes are more important than results and bureaucracy tends to lead to corruption as processes need to be shortened and fastened. Even though bureaucracy requires time and efforts, it has certain benefits as well. Conflicts can be avoided as every step and detail is documented. Signatures and stamps always protect and verify. (Tiri 2013, pp. 30; 104-105.)

When working in Russia, the relationship between superiors and subordinates is essential. Every subordinate must know their place; managers give orders and make decisions and they are to be respected. However, Russian management culture is slowly changing due to internationalization and new generations. Giving feedback to employees is essential as forgetting thanking for good work is seen as negative feedback. (Tiri 2013, pp. 30; 44; 96.)
Regarding strict orders, both of the interviewees told that some employees need clearer instructions than others, but employees can also use their own discretion at work, especially in long-term work places. However, often managers want to maintain the discipline at the work place, thus they are eager to give instructions. New ideas or development thoughts are usually not expected from employees. In general, also changes proceed rather slowly. (Bitkulova 2015; Petukhov 2015.)

Addressing people is more formal in Russia than in Finland, especially in work life. Strangers, subordinates and customers, for instance, are not called by their first names. Russian language contains two modes of addressing; formal and informal “you”. When addressing others formally, Russians use first name and patronymic. Foreigners can address Russians using Russian words for Mrs. or Mr. and their last name. Also greeting should be formal and polite when meeting strangers. There are certain rules for greeting in business life. Subordinates greet superiors first but it is common that male superiors greet their female subordinates first. When shaking hands, superior is the first one to give their hand. Women do not usually shake hands in Russia. (Tiri 2013, pp. 72-73; 87-88.)

What the relationship between subordinates and managers is like depends on the people. Some managers, especially younger ones, are easily approachable and first names are used for addressing them. Education is also one thing that affects managers’ behaviour at work. Those that have less education may be pushier and want to show their status. (Petukhov 2015.) If the managers cannot be addressed by their first names, then the combination of first name and patronymic name is used (Bitkulova 2015).

Traditional gender roles are still seen in Russian work life. Men express courtesy towards women, open doors and execute tasks that require physical strength. Women dress womanly also at work. Although the gender roles are visible, it does not mean inequality. Women’s position in business life has significantly strengthened during the 2000s. The amount of female managers and directors vary depending on the field of industry. Numerous small and medium sized companies are nowadays led by women and some large corporations have female directors as well. (Tiri 2013, pp. 123-125.)
The degree of equality between men and women in Russian work places depends on the industry. In hotel industry men and women are nowadays rather equal. However, some men still think they can rule women and that may be seen in their behaviour at work as well. Tasks that require physical strength, for instance, are usually left for male employees, if possible. Men are also expected to behave appropriately towards women. (Bitkulova 2015; Petukhov 2015.)

Attitude towards customers in Russian hotel and restaurant industry is nowadays rather polite. However, in some places it is still possible to find the old “Soviet attitude”; customers are not seen as positive things and they do not need to be served politely. Smiling is still not emphasized in every company. Level of wage is also one thing that affects customer servants’ attitude; better wages motivates to better service. (Bitkulova 2015; Petukhov 2015.)

Hofstede’s 6-D Model

Geert Hofstede, a professor from the Netherlands, is said to be one of the leading representatives of intercultural research. He studied national and organizational cultures and conducted an extensive research of how culture affects values in the workplace. 1967 – 1973 a large database of employee values scores were collected by IBM and analyzed by Hofstede. The data covered more than 70 countries. Hofstede’s research is perhaps the most comprehensive one regarding the topic. (The Hofstede Centre 2015.)

Hofstede found that values that distinguish national cultures from each other can be divided into four categories. These categories are called Hofstede’s dimensions of national culture. The dimensions are power distance, individualism versus collectivism, masculinity versus femininity and uncertainty avoidance. The fifth dimension, long-term orientation, was added in 1991 and the sixth, indulgence versus restraint, was added in 2010. Country scores on these dimensions are relative and they seem to be rather stable over time. (The Hofstede Centre 2015.)
According to Hofstede (2015) culture is

“The collective programming of the mind distinguishing the members of one group or category of people from others”.

Power distance is the dimension that indicates the fact that people in societies are not equal. It shows how societies deal with inequality, how less powerful people accept that power is not distributed equally. In countries where the score of power distance is high, people accept hierarchical orders and unequal use of power. Russia’s score on this dimension is high, 93, which means that it is a nation where power is very distant from the society. The country is very centralized and status symbols are important in business life. (The Hofstede Centre 2015.) Superiors give detailed instructions and monitor subordinates’ work closely. Questioning superiors’ opinions is not acceptable. (Tiri 2012, p. 8.)

The next dimension has two ends; individualism and collectivism. In individualistic societies people are expected to take care of themselves and their families, whereas in collectivistic societies people are seen as loyal members of groups. Individualism highlights the term “I” and collectivism the term “we”. The score of 39 indicates that Russia is a collectivistic nation. Relationships, family and friends are extremely important both in everyday life and in business. (Tiri 2012, p. 8; The Hofstede Centre 2015.)

Masculinity and femininity are the sides of one dimension. Masculine society admires achievements, competition, success and material rewards. The desire to be the best motivates people. Femininity represents a preference for quality of life instead of work. Cooperation and taking care of the weaker people is important in feminine societies. Liking what one does is more important than success. Russia’s score, 39, indicates that the society is feminine. This might be surprising, considering the preference for status symbols. However, in Russia they are related to the high score of power distance. When Russians meet new people, they understate their achievements and talk modestly about themselves. This is the case in workplaces as well. Dominant behaviour is not accepted among coworkers. (Tiri 2012, p. 8; The Hofstede Centre 2015.)
Uncertainty avoidance indicates the extent to which a society feels inconvenient with uncertain issues. The future is unknown and people have to either try to control it or just wait for it to happen. High score of uncertainty avoidance means that the society has certain beliefs and behaviour for trying to avoid the anxiety of unknown situations. Low score means that the attitude towards future is more relaxed. Score of 95 means that Russians feel highly threatened by the unknown. The country has created one of the most complex bureaucracies in the world. In work life Russians prefer to have context, detailed plans and enough background information. When interacting with strangers, Russians' behaviour is formal and rather distant. (The Hofstede Centre 2015.)

The fifth dimension, long-term orientation, shows how a society deals with the present and future but maintains links to its past. High score on this dimension means that the society prefers to be prepared for the future and one tool for that is modern education. The truth depends on situations and time. Nations with a low score want to maintain traditions and norms and the attitude towards societal changes is doubtful. Russia scores 81 on this dimension. Russians are able to adapt traditions to changing situations and have a tendency to save and invest for the future. Achievements are important. (The Hofstede Centre 2015.)

Cyclic time concept is related to high score on long-term orientation. Time is seen as uncontrollable matter and relationships are more important than schedules. (Tiri 2012, p.8)

The latest dimension, indulgence versus restraint, is described as follows;

“Indulgence stands for a society that allows relatively free gratification of basic and natural human drives related to enjoying life and having fun. Restraint stands for a society that suppresses gratification of needs and regulates it by means of strict social norms.”

Indulgence means weaker and restraint stronger control. In indulgent societies satisfying needs, enjoying life and having fun is allowed whereas restraint societies prefer to suppress satisfying needs with norms and regulations. Russia is clearly a restraint nation with a score of 20 on this dimension. Russians have a tendency to cynicism and pessimism and leisure time is not emphasized. In re-
straint societies people feel that indulging themselves is wrong. (The Hofstede Centre 2015.)

As it can be seen in the table below, Russia and Finland have different scores on the dimensions. Compared to Finland, Russia has higher scores on power distance, uncertainty avoidance and long-term orientation. Finland scores higher on individualism and indulgence. Masculinity versus femininity is the only dimension in which Russia’s and Finland’s scores are very near each other. Russia and Finland are both feminine societies in which soft values are important. (The Hofstede Centre 2015.)

Table 3. Russia and Finland compared in Hofstede’s 6-D Model. (The Hofstede Centre 2015.)

Hofstede’s study shows that as differences in national cultures appear to be in the values, differences in organizational culture are found in the practices. Hofstede created a model with dimensions for organizational cultures as well. Practices are more tangible, superficial and easier to learn than values and that is why the dimensions cannot be used for comparing organizational cultures within companies in a same country. National culture, personality of the founder,
stakeholders’ expectations and technology are elements that affect organizational culture. The dimensions of organizational culture are means-oriented versus goal-oriented, internally driven versus externally driven, easygoing work discipline versus strict work discipline, local versus professional, open system versus closed system, employee-oriented versus work-oriented, degree of acceptance of leadership style and degree of identification with your organization. (The Hofstede Centre 2015.)

According to Hofstede (The Hofstede Centre 2015) organizational culture can be described as follows:

“The collective programming of the mind that distinguishes the members of one organization from others”.

To conclude the chapter about Russian work culture, some similarities and differences can be pointed out. The most significant differences between Russian and Finnish work culture appear to be in the management culture. Initiative of employees seems not to be expected in the same way as in Finland. One difference can also be seen in the issue of equality. Gender roles are apparently more important in Russia than in Finland. However, it seems that Russian work culture is slowly becoming more Western. Punctuality is already important in some companies and young managers may be easily approachable.

3 Research methods

In order to achieve the aims of the empirical research, qualitative research method was used. This chapter introduces the research method in more detail. In the following sub-chapter the interviewees of the research will be introduced.

Qualitative method was chosen since the research aims to find out issues that are not measurable. Understanding the phenomenon and reasons behind it is essential in qualitative approach whereas quantitative method focuses on numerical data. (Tonder 2013.)

The most commonly used data collection methods in qualitative research are interviews, inquiries, observing and analyzing different types of documents.
Methods can be used separately or in various combinations. Interviews as a data collection method have several benefits. One of the most important benefits is flexibility. The interviewer can ask the question more than once, define the issues, explain the questions if needed and discuss with the interviewee. The purpose of interviews is to get as much information as possible and thus discussing is useful. The interviewer can observe both what the interviewee tells and how he tells it. When interviews are used in data collection, it is possible to carefully choose the interviewees and find those people that are familiar with the topic. (Tuomi & Sarajärvi 2009, pp. 71; 73-74; Tonder 2013.)

There are a few interview types that can be applied depending on the topic of the research. One choice is a theme interview. Themes that will be covered are chosen prior to the interviews and interviews proceed according to questions that are made to clarify the themes. (Tuomi & Sarajärvi 2009, pp. 74-75.)

In this thesis a semi-structured theme interview will be used. A face-to-face interview with open-ended questions is the most suitable method since it gives the interviewees possibility to tell about their personal opinions and experiences and enables a discussion-like situation. Moreover, additional and specifying questions can be asked by the interviewer if needed.

Interview themes and questions were created based on theoretical framework and research questions. The themes were recruitment channels, skills and characteristics that Finns should have to get employed in Russia, possible obstacles that Finns may encounter regarding employment there and features of Russian hotel and restaurant industry. The questions were targeted to different groups; Russian employees and managers and Finnish employees and managers. Themes were discussed based on 3-8 questions created prior to the interviews. Naturally, some background information was asked from the interviewees as well. They were asked to describe shortly their education and work history and tell about their current position. Duration of interviews varied from 30 to 60 minutes.

Since the author visited Saint Petersburg during the thesis process, personal observations were also used as a method in the thesis. In Saint Petersburg it
was possible to see advertisements on vacant positions in restaurant tables, for instance. Similar advertisements could be found also in metro carriages, notice boards and billboards.

Questionnaire form was created to examine experiences and opinions of Russian hospitality students. Questions regarded issues such as expectations towards employment after graduation and recruiting channels. Questionnaire was sent to 40 graduating students in Moscow State Institute for Tourism Industry but zero filled forms were sent back.

**Interviewees**

The target group of the research was professionals of hotel and restaurant industry in Russia. Altogether nine people (two Finns and seven Russians) were interviewed in the research. Majority of them are working in hotel and restaurant sector in Russia. Four of the interviews were conducted in English and two of them in Finnish. In one interview both English and Finnish were used and two interviews were conducted with an interpreter. All the interviews took place in Saint Petersburg during 26 – 31 March 2015.

Five of the interviewees work in different management positions and four of them at employee level. Four of the interviewees were males and five of them females. All of the interviewees have a university degree; seven of them have completed a master’s degree and two of them have a bachelor’s degree. The gender division, nationalities and the share of employee and management level interviewees are presented in the following charts.
Table 4. The gender division of the interviewees.

Table 5. The share of employee and management level interviewees.

Table 6. The share of Russian and Finnish interviewees.
Below is a list of the interviewees. The companies that they represent are introduced in the following chapters.

- General Director/General Manager, Sokos Hotels (Finn)
- General Manager, Sokos Hotels (Russian)
- Waiter, Sokos Hotels (Russian)
- Waitress, Sokos Hotels (Russian)
- President of National Hospitality Academy (Russian)
- Customer Relationship Manager, Forenom (Russian)
- Head of recruitment department, Barona (Russian)
- Visa employee, Consulate General of Finland (Finn)
- Receptionist, Avangarde Hotels (Russian)

As mentioned in the introduction chapter on page 5, the author did her basic placement in Saint Petersburg. The placement was executed in Sokos Hotel Olympia Garden. Thus it was logical to interview people that are working in Sokos Hotel chain in Russia. One Finnish director, a Russian manager and two Russian waiters from Sokos Hotels were interviewed.

Sokos Hotels is the only Finnish owned hotel chain that operates in Russia. The chain consists of more than 50 hotels and majority of them are located in Finland. Moreover, there are two Sokos Hotels in Tallinn, Estonia and three in Saint Petersburg, Russia. The hotels in Saint Petersburg are operated by SOK’s subsidiary, OOO Sokotel. (Scherbakov 2015; Sokos Hotels 2015.)

Sokos Hotels aims at offering high-quality, responsible services for different customer needs. During 2012 – 2013 Sokos Hotels were divided into three brands; Original, Solo and Break by Sokos Hotels. Original hotels serve customers with warm, local atmosphere. Solo represents unique, high quality hotels. Break hotels offer recreational services within leisure centers and spas. Sokos Hotels opened the hotels in Saint Petersburg in 2008. Solo Sokos Hotel Palace Bridge and Solo Sokos Hotel Vasilievsky are located in Vasilievsky Island and Original Sokos Hotel Olympia Garden is a large business hotel near the city center. (Sokos Hotels 2015.)
The National Hospitality Academy is a business association of hotels, restaurants and companies and suppliers of the industry. The purpose of the Academy is to increase competitiveness and profitability of the member companies. Cooperation and joint marketing makes individual companies stronger. The aim is to attract customers and make them repeat customers. The professional skills of employees in hospitality industry are extremely important. The Academy organizes for instance trainings, seminars and courses, administers an Internet portal and provides professional literature. The Academy also acts in cooperation with educational institutions of the industry and is responsible for monitoring syllabuses of schools and universities that educate becoming hospitality professionals. (Scherbakov 2015; The National Hospitality Academy.)

Currently there are approximately 500 members in the Academy, from various areas of Russian Federation. About one half of them are restaurants, 30-35% hotels and 15-20% other companies that offer different types of products and services in the industry. There are no Finnish member companies but the Academy works in cooperation with some Finnish associations. (Scherbakov 2015.) The President of National Hospitality Academy, Nikolai Scherbakov, was interviewed. Due to the author’s limited knowledge in Russian language, the interview was conducted with a Finnish and Russian speaking interpreter.

Forenom was founded in 2001 in Finland. In 2008 the company expanded abroad, first to Russia. Nowadays Forenom operates in Finland, Russia, Sweden and Estonia. Forenom offers temporary accommodation and relocation services. The services consist of three areas; accommodation services (short-term and long-term solutions), relocation services and financial property management. Forenom offers different types of accommodation possibilities from single rooms and one-room studios to high-class apartments. (Forenom 2015.) A customer relationship manager from Forenom’s office in Saint Petersburg was interviewed for the research.

Barona Group Oy was founded in 1998 in Finland. Barona is an international recruiting agency and offers human resource solutions by acting as an agent between employers and employees. They serve public and private sectors as well as individual private employees. The size of their customers varies from
small companies to large corporations operating in different industries. Currently Barona operates in Finland, Russia, Sweden, Poland and Estonia. Barona’s office in Saint Petersburg was opened in 2006. (Barona 2015.) Since Barona is one of the recruiting agencies that employers and employees in Russian restaurant industry can utilize, one of the managers of Barona’s office in Saint Petersburg was interviewed for the thesis. The interview was conducted with an English and Russian speaking interpreter.

Consulate General of Finland in St Petersburg represents Finland’s and Finns interests in Northwest Russia. The consulate cooperates with the authorities in the area, strengthens positive image of Finland and monitors the development of the area. The consulate also helps to improve the interaction of Finland and Northwest Russia; transportation of people and goods, trade, logistics and investments. (Suomen ulkoasianministeriö 2012.) One of the Finnish employees from visa department was interviewed for the thesis, although working in the consulate is not directly related to hotel and restaurant business. However, a Finnish employee having work experience in Russia was, in the author’s opinion, worth of interviewing.

In addition to interviewees mentioned above, also one receptionist from Avangarde Hotels of Saint Petersburg was interviewed. The author stayed in one of the chain’s hotels while conducting the interviews and therefore it was natural to include one of the receptionists in the research.

These interviewees were selected since they, in the author’s opinion, could provide valuable and versatile information for the research as they represent different fields of hospitality business. Naturally, matching schedules with interviewee candidates affected the selection too; with a few candidates it was not possible to find a suitable time for the interview.

4 Analysis of empirical data

In this chapter, results of interviews will be introduced. Questions (Appendices 1-4) for interviews were created based on the theoretical framework and research questions. Questions were created for different target groups; Russian
employees and managers and Finnish employees and managers. After conducting two interviews the author slightly adjusted the interview questions and their order, since it seemed necessary.

4.1 Features of Russian hotel and restaurant industry

When considering working abroad, main features of the industry in question are worth being examined. The questions of this theme concerned issues such as image of the hospitality field and illegal workforce in hotels and restaurants.

*Image and perceptions*

When the image of Russian hotel and restaurant industry was discussed, almost every interviewee said that it is not particularly good. Especially restaurant industry is a temporary field for many young employees and the career path that the industry offers is not taken seriously. A few of the interviewees mentioned that with a good attitude it is possible to get promoted quickly in Russian hospitality industry.

Hotel sector is valued more than restaurant sector. Particularly management positions in high-class hotel chains are desirable options but generally, people are not proud of working in hospitality industry. In fact, according to a few interviewees, Russians do not appreciate working in other service industries either. Also low wages were mentioned. It was highlighted that the employment situation is rather good in large cities but bad in smaller regions, especially during low seasons. Naturally, current economic instability affects negatively the employment situation.

As the interviewees were asked to describe how the image of the industry could be improved in their opinion, answers were rather similar. Issues such as higher wages, positive feedback and knowledge of the versatile opportunities in the industry were brought up. In Russia, it is more common to invest in buildings than in people and this is not the way to make employees committed.
Illegal workforce

Nearly all of the interviewees have encountered illegal workforce to some extent in hotel and restaurant industry. Interviewees’ estimations on the amount of illegal employees in the industry varied, but all of them agreed that it is common in Russian hospitality sector. Working illegally may enable higher income for the employee but on the other hand, the employee does not have any actual rights. According to several interviewees, illegal workers are more common in restaurants than in hotels. Illegal employees that do not speak Russian, work in low positions in housekeeping and kitchen, for instance. Most of the illegal employees in Russia were said to come from Asian countries.

Before the law amendment in 2015 it was a lot easier to work illegally in Russia. Now the language and law exam is mandatory to every foreigner wanting to get the employment permission. Those foreigners that received their work and residence permits before January 2015 have to pass the exam when they want to renew their permits. In addition to the exam, a foreign employee working in Russia, is subjected to pay 4000 rubles (16 April: 70 euros) monthly to maintain the right to work. The amendment is likely to decrease the amount of illegal employees.

As one of the interviewees said, the mentioned features of the industry are mainly generalizations. It is not straightforward; the issues depend also on the company and its internal culture. Large differences between chains may occur. Naturally, one decisive issue is the origin of the company and its management.

As a short conclusion for this sub-chapter it can be said that hotel and restaurant industry in Russia has certain challenges and low wage rate is one of them. Constant turnover in staff is an issue that, in author’s opinion, may negatively affect service level and therefore some attention should be paid to it. By improving these negative issues, the professional pride of employees would rise and that may increase the level of service. Despite the several negative issues, the industry was described to offer versatile opportunities and promotions for skilled employees with a right attitude.
4.2 Recruiting channels

The purpose of the questions regarding this sub topic was to find out what the recruitment channels are that can be used in hotel and restaurant industry in Russia. It was necessary to try to find channels that could be used by foreigners. Interviewees were asked to answer questions regarding channels that they have used for finding jobs and channels that they would use for finding a new position. Questions for managers concentrated more on recruiting employees and cooperation with educational institutions.

Internet

When the interviewees were asked to tell their experiences on recruiting channels in hotel and restaurant industry in Russia, every one of them mentioned the Internet as a source for finding a job. Different websites can be used for browsing job advertisements and searching for vacant positions. Resumes can be uploaded into these sites as well. HeadHunter.ru is the site that all of the interviewees brought up and SuperJob.ru was named by more than half of the interviewees. Rabota.ru was mentioned a few times as well. Regarding employment in the Finnish consulate in Saint Petersburg, consulate’s own website and Finnish site Mol.fi can be used for finding open positions.

Hospitality companies’ own websites can also be used for finding employment in this particular industry. Sometimes companies announce about vacant positions at their websites. Moreover, sending resumes and applications directly to companies, via email or websites’ open application tool, may also help to find a job.

Managers that have experience on recruiting employees told that depending on the level where employees are needed, different types of recruiting channels are used. Employees to lower level positions, such as waiters, receptionists and middle managers, are often searched via Internet channels whereas recruiting agencies are used for recruiting people for senior positions. Actually only a few of the interviewed from employee level mentioned recruiting agencies. The only agency that was mentioned by name in the interviews was Barona.
LinkedIn and social media

The author had an idea that the professional network, LinkedIn, would be more popular in Russia than in Finland, but it seems that this is not necessarily the case. Only one interviewee mentioned LinkedIn spontaneously when talking about recruitment channels. When the author asked the interviewed managers whether LinkedIn is utilized when searching for employees, it became somewhat clear that it is not utilized very widely, at least not yet. One manager mentioned that checking job applicant’s social media profiles, in Facebook and VKontakte for instance, is more useful. The reason for this is that LinkedIn contains mostly the same information as applicant’s resume, whereas social media profiles may reveal more about the person behind the resume. Social media was also named as one tool for finding open positions in hospitality field.

Personal networks

Concept of personal networks came up with almost all of the interviewees. Especially interviewed managers stated that personal contacts are essential in Russia. One of the interviewees said:

“Hotel and restaurant industry is a small, closed system in Saint Petersburg, everyone knows each other.”

According to several interviewees, when it comes to finding a manager’s position, personal networks are particularly important. Two of the interviewees stated that knowing “the right people” is useful when searching for a job.

References from previous employers are important in Russia. Employees can ask for recommendation letters from their employers but references are not always written. Employers can also call to applicants’ previous employers when considering hiring them. Naturally friends and colleagues may be a good source of information as well; from them it is possible to get information and recommendations on different companies and their open positions. This was mentioned by half of the interviewees.


**Internships**

Students of educational institutions of hospitality industry often work as trainees in restaurants, cafés and hotels, for example. Working as a trainee may open the doors for getting an actual job in the company in question. This was the opinion of almost all of the interviewees.

**Finnish employees**

Once the question about recruiting and hiring Finnish employees was discussed, it became obvious that the companies, which were represented by the interviewees, do not recruit Finns and very likely do not hire them either. The respondents said that it is because of the slow and difficult employment process. Interviewees from manager level knew more about these issues than the interviewees from employee level.

When the professionals from Sokos Hotels were interviewed, it became clear that the company does not actively recruit Finnish employees since it is not necessary. To some senior positions Finnish employees may sometimes be recruited. Currently only a few Finns work in Sokos Hotels in Saint Petersburg and all of them work in senior positions. Finnish students from Finnish educational institutions work as trainees in the three Sokos Hotels in Saint Petersburg, but they are not hired to become actual employees due to the complicated employment process.

**Recruitment decisions**

As the interviewees were asked to tell who is responsible for recruiting and who makes the final decisions about hiring employees, the answers were very similar. Naturally, managers and directors seem to know about these issues more than ordinary employees. Usually, if the company has a human resource department, they take care of the recruiting procedures. When a company is filling lower positions and hiring waiters and receptionists, for instance, the heads of departments in questions can make the necessary decisions independently. In hotels the directors seem to make the final decisions about filling senior positions.
Job advertisements

As already mentioned, in Saint Petersburg it was possible to see job advertisements in metro carriages and cafés, for instance. Companies such as Coffee House and McDonald’s had advertisements, to name two examples from restaurant field. Assumingly this is a way for searching people for employee level rather than for management level. The figure below shows one example of job advertisements.

![Job advertisement in Coffee House café in Saint Petersburg. (photo: Minna Malankin 2015.)](image)

As a short concluding comment, it can be said that there are various ways for finding vacant positions in Russian hospitality field. The Internet and personal networks in the industry seem to be the most important ones. All the channels are presented in the table below.
<table>
<thead>
<tr>
<th>Channel</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet</td>
<td>- HeadHunter.ru</td>
</tr>
<tr>
<td></td>
<td>- Superjob.ru</td>
</tr>
<tr>
<td></td>
<td>- Rabota.ru</td>
</tr>
<tr>
<td></td>
<td>- companies’ own websites</td>
</tr>
<tr>
<td></td>
<td>- social medias, such as VKontakte</td>
</tr>
<tr>
<td>Personal networks</td>
<td>- colleagues, friends</td>
</tr>
<tr>
<td>Recruitment agencies</td>
<td>- Barona</td>
</tr>
<tr>
<td>Internship</td>
<td>- students work as trainees and may get an actual job in the company in question</td>
</tr>
<tr>
<td>Job advertisements</td>
<td>- appear e.g. in notice boards, metro carriages and business units that need employees</td>
</tr>
</tbody>
</table>

Table 7. Channels for finding employment in hotel and restaurant field in Russia.

4.3 **Important characteristics and skills in hospitality industry in Russia**

Employee’s suitability for employment in a certain field of business is not self-evident. Especially when one is considering working in a foreign country, it is good to consider which characteristics and skills would be necessary in the country and industry in question. Within this theme, questions concerning working languages of organizations, needed skills and considerable issues regarding working in Russia were asked. Half of the Russian interviewees had worked with Finnish employees and therefore impressions regarding Finns were also included in the questions.

**Russian language and culture**

As important skills were discussed, practically every interviewee brought up the issue of knowing Russian language. Serving Russian customers requires at least some skills in Russian language, as many Russians do not speak English or any other language, for that matter. Russian is naturally needed also for communicating with colleagues, as it is the most common organizational language. Also English was said to be an important language in hospitality field. Two of the interviewees said that fluency in Finnish language is an advantage in the industry in Saint Petersburg as masses of Finnish tourists visit there.
Knowing Russian culture, mentality and habits was mentioned in several interviews as well. Russian culture is different from Finnish culture and knowledge about the differences may help to avoid negative surprises. Different ways of doing things need to be respected. One of the interviewees stated aptly:

“In every workplace in Russian hospitality field employees are very likely to serve Russian customers. Therefore knowing Russian language and mentality is important.”

Needed characteristics

Other characteristics that were frequently mentioned in the interviews were adaptability, patience, stress resistance, openness, curiosity, flexibility and sense of humor. These characteristics will help surviving in a foreign country and succeed in hotel and restaurant industry. As in any country, a social, positive person with a customer oriented attitude probably will cope in hospitality sector. One has to be ready for challenges and truly interested in Russian environment. Readiness to learn is essential and one interviewee stated that learning does not happen only at work, but also in everyday life outside the workplace. One interviewee mentioned that Russian customers may be rude and foreign customer servants need to be ready for that.

Education

Educational requirements were not discussed with every interviewee, but the issue was brought up with a few managers. Education for hotel and restaurant industry seems to be valued but it is not necessarily the most important issue when considering hiring an employee. The right attitude and work experience are factors that matter as well. An employee can be good on paper but it does not guarantee anything.

Perceptions of Finnish employees

Russian interviewees that had been working with Finns were asked to describe the negative and positive issues regarding them. Again, the answers were rather similar. Finns were described to be responsible, punctual, honest employees that obey orders well and without delays. Finnish managers are more ap-
proachable than their Russian colleagues. On the other hand, Finns were said to be too shy, quiet and reserved people that should be more flexible. One interviewee mentioned that Russians are more used to multi-tasking that Finns. These answers do not actually define needed skills and characteristics but they give an idea about issues that should perhaps be taken into account when considering employment in Russia.

One half of the interviewees highlighted that employee’s nationality is not important; the right attitude and professional character matter more. Skills that are important for working in the industry, apply to every employee, regardless of their nationality.

Regarding this theme, interviewees’ answers were similar and there were no large differences between interviewees at management and employee level. The most crucial skills proved to be language skills whereas openness and adaptability were stated to be important characteristics.

4.4 Employment process of Finns

Due to the difficulties of finding Finnish interviewees, only two Finns were included in the research. The other one works in Consulate General of Finland in Saint Petersburg and the other as a General Manager and General Director for Sokos Hotels. The director has ended up in Russia due to work history with the same employer. Interviewed consulate employee heard about a possibility to get a summer job in the consulate and decided to apply for it. It can be said that the interviewees did not actively search for employment in Russia but accepted the opportunity when it was offered.

Labor legislation

When working in the consulate, the employer is Finnish and Finnish labor laws are applied. Concerning the other Finnish interviewee, although the employer is a Finnish owned company and the employee is seconded, local labor code has to be applied. However, vacations, for instance, can are granted applying the Finnish legislation. Having the status of a highly qualified specialist enables, for instance, getting a work permit and visa for three years. Seconded employees
often have benefits, depending on the company. Benefits such as children’s day care can be included in the contract. As several other issues, also the type and amount of benefits depend on the company in question and generalizations cannot be made.

Paperwork

Both of the interviewees told that taking care of the necessary paper work took around 2-4 months. Regarding some issues the process was not simple. Some documents needed to be authenticated with an apostille and some papers had to be delivered personally. Russian bureaucracy affects also foreign employees. However, all the paper work was not handled by them personally and that eased the process.

Positive and negative issues regarding working in Russia

According to the interviewees, positive issues regarding working in Saint Petersburg are rich culture selection and location near Finland. From the work point of view challenges and new opportunities were mentioned as the most positive issues. Hotel and restaurant industry in Russia is full of potential. Both of the Finnish interviewees have been satisfied with Saint Petersburg and could not name any actual negative issues regarding working and living there. Naturally, one has to get used to the fact that some matters are taken care of differently than in Finland. The other interviewee mentioned an example; paying invoices in a bank instead of using online bank service sometimes feels annoying. However, such small issues do not influence on the overall experience.

Some conclusions can be made based on these two interviews. It seems to be necessary to be prepared to a waiting of 2-4 months when work permit and visa are applied. Procedures regarding foreign, in this case Finnish, employees vary depending on the company. Russia is a country full of diverse opportunities and living in Saint Petersburg appears to be an interesting place to live in.
4.5 Obstacles to finding employment in Russia

There are without a doubt several issues that need to be considered before beginning to look for employment in Russia. Finnish employees may encounter some obstacles and the last theme of the interviews focuses on those issues.

Language

Almost all of the interviewees mentioned language barriers as one possible obstacle regarding employment in Russia. Without knowledge in Russian language it is difficult and actually almost impossible to work in Russia. This topic was handled in chapter 4.3 in more detail.

Wage level

Also low level of wages in the industry was an issue that was often brought up. Costs of living in large cities such as Moscow and Saint Petersburg are high and living on a low income is difficult. Wages were not directly discussed with the interviewees but some approximate figures were mentioned. Russian waiter, for instance, earns approximately 23,000 - 26,000 rubles (12 April: 419 – 474 euros) in a month. By earning tips it is possible to increase the income. The average monthly salary of all the industries in Russia is around 32,000 rubles (12 April: 583 euros).

Employment process of foreigners

Hiring foreigners is generally difficult for Russian employers. The interviewees stated that the employment process for foreigners is time-consuming and requires several permissions and bureaucratic paper work. Therefore companies are often reluctant to hire foreigners. Hiring Russians is easier and more economical for employers. Several Russian interviewees said that it is easier to get employed to Finnish companies operating in Russia.

One interviewee stated that since hotel and restaurant industry is a closed system in Saint Petersburg, for instance, it may be difficult for foreigners to enter it. Another interviewee said that Finns are not internationally known in the industry and that may make finding employment outside Finland more complicated.
**Costs**

Different costs arise as a foreign employee moves to Russia for work. This topic was discussed shortly with two of the interviewees and the mentioned costs are based on those discussions. The required exam of Russian proficiency and registration fee are 23,000 rubles (12 April: 402 euros) altogether. In addition to that, a foreign employee working in Russia, is subjected to pay 4,000 rubles (16 April: 70 euros) monthly to maintain the right to work. Costs are not particularly high but may be a challenge if the employee himself has to pay for them. The issue of foreign employees was mainly discussed with the interviewees on management level.

**Advice for Finnish hospitality employees**

At the end of interviews, the interviewees were asked to give advice for a Finnish hospitality professional who is considering working in Russia. The answers varied from practical factors to advisable attitudes. As a beginning to job hunting in Russia, it is recommendable to send resumes directly to companies and recruitment websites. Searching for possible positions can be browsed in recruitment websites and filtered by different keywords according to one’s own interests. Active search for opportunities and information is a key when looking for employment in any country but regarding working outside one’s home country it is particularly important.

Several interviewees said that large, developed cities such as Saint Petersburg and Moscow are good places to work in hospitality industry, whereas in small towns the situation is considerably worse. Naturally, during high seasons it is easier to find open positions. International work experience is an advantage when searching for employment in Russia. On the other hand, a few of the interviewees mentioned that Finnish employees have a good reputation and are wanted in Russia due to upscale education and language skills.

More than half of the interviewees recommended working outside one’s home country. Generally, working in a foreign country widens perspective, enables professional and personal growth and offers new experiences. Interest towards Russia and Russian language and mentality were also mentioned frequently.
Without a genuine interest towards those issues it is impossible to enjoy living in Russia.

5 Conclusions

The purpose of the thesis was to find out how a Finnish employee could get a job in Russia. Recruitment channels, Russian hotel and restaurant industry, the employment process of foreigners and possible obstacles for finding a job in Russia were to be examined. In this chapter, final conclusions are presented. Conclusions are based on the theoretical information collected for the thesis and the research.

Regarding the features of hotel and restaurant industry, issues such as low wages and relatively poor image of the industry were brought up. Employment situation varies depending on the area and season. When thinking of working in Russian hospitality business, the area needs to be carefully considered as in small towns, for instance, there is no need for hospitality employees, at least not for foreign ones. Low season is also one factor that reduces the need of employees in the industry. Based on the findings regarding this issue, the author would try to get employed in large tourist destinations such as Moscow and Saint Petersburg. Summer time would be the period when finding at least a seasonal job would be most likely to happen. Working in hospitality industry would be an attractive option since there are various possibilities and the right attitude and skills enable career development.

As presented in chapter 2.4, illegal work force is a problem in Russia. Based on the interviews, it seems that there is a large number of illegal employees in hospitality field as well, and a significant number of them are foreigners. In theory, working illegally offers a chance also for Finnish employees. If one wants to work in Russia, this could be one option. The author would not utilize this possibility, since there are several risks and dangers involved. In a long run, working illegally would not be a good choice, as the income would probably be low and creating a career path would be impossible. Punishments for caught illegal employees are severe and employees do not have any protection by the labor law.
Overall, using illegal employees is a negative issue as it reduces the need to use actual employees.

Recruitment channels are an essential topic regarding employment in every country. When it comes to recruiting channels in Russian hospitality field, it became obvious that the Internet is an important tool for both employees and employers. Websites such as HeadHunter.ru, SuperJob.ru and Rabota.ru bring employees and employers together by publishing job advertisements and offering a possibility to submit resumes.

Finding channels that could be used by foreigners, especially Finns, was important considering the topic of the thesis. Basically, the websites mentioned above can be used by Finns as well. English and Russian skills are needed when exploring the job advertisements. However, it is questionable, whether it is a good choice for foreigners to use these Internet sites. For employers it is easier to hire a Russian employee and thus avoid all the costs and formalities that are required for foreign employees. If foreign employees are needed, they will probably be recruited elsewhere than through these sites, therefore submitting resumes to the sites would not be an effective way for foreigners for finding a job. Of course websites are a good tool for observing options and the wage rate.

In the author’s opinion the most reasonable choice for finding employers who would be willing to hire foreigners, would be direct contacts to companies. Internships in companies that operate in Russia are also a good way for finding useful contacts and expanding the needed personal network. Networking with expatriates that work in Russia, could be useful too.

There are various skills and characteristics that are required from a person working in Russia. It was not a surprise that results indicated Russian language to be one of the essential skills. Language and habits can be learned and culture adopted but needed characteristics cannot necessarily be learned. What is unquestionably needed is a positive, open and curious attitude. One cannot go to Russia for finding fault or judging local culture and habits. As the chapter 2.7
suggests, there are differences between Russian and Finnish work culture and those differences need to be accepted in order to be able to work in Russia.

Finnish interviewees were difficult to find and the amount of Finns in hospitality sector in Saint Petersburg, at least, appears to be low. Reasons behind this could be worth a further research. Despite the shortage of Finnish interviewees, some conclusions can be made. Based on the theoretical information and the research, it seems that the employment process of Finnish employees takes at least 2-3 months. The process is not simple but not all the required paperwork needs to be handled by the employees alone. The Finns that were interviewed have been satisfied and happy to work in Russia. It seems that Russia offers challenges and an interesting environment to live.

Low wages in the industry were actually mentioned several times during the interviews, in different contexts. It is definitely one issue that needs to be taken into account. Rents, for example, are high in large cities and low income rate would make living difficult. This makes working at lower level positions in Russian companies an unattractive choice. One possibility for getting employed in Russia would be working in the Finnish consulate. Since the employer and applied labor legislation are Finnish, it would probably be possible to live with the income and finding information on vacant positions would be easier. Consulates do not belong to hospitality sector but it could be a stepping stone to Russia and enable searching a hospitality job in the country and learning the language well.

Achieving the status of a highly qualified specialist would be the best choice but probably requires more education and work experience. Highly qualified specialists’ income is relatively high and the work permit is issued for three years instead of one. They do not need to meet the requirements of Russian proficiency which makes obtaining the work permit easier.

Due to the recently changed legislation, other than highly qualified experts cannot get the work permit without knowledge in Russian language. In addition to language skill requirements there are other possible obstacles as well. Costs are one issue. Exam of Russian language and legislation, registration and monthly fee to maintain the right to work, are a few examples of costs. There
are also other costs related to moving abroad. Financial factors are a significant issue when considering working in Russia.

Although Finnish employees seem to be respected workers in Russia, hiring them is not easy for employers. Quotas and other permits have to be applied for foreign employees. Hiring local, Russian employees is easier and more cost-effective.

Overall, the research answered the question it was aimed to answer. The theoretical framework and results of the research supported each other well. Interviewees’ answers contained several similarities and they completed each other. The results of the thesis could be used by the author herself as well as any other that has the same education, language skills and interests. Before getting employed in Russia seems realistic, the most crucial issues from the author’s point of view are improving the knowledge in Russian language and achieving work experience and possibly further studies. Getting employed in Russia may be difficult but with the right attitude, education, skills and dedication it is not impossible.

The issue of foreigners’ employment in Russia could be worth studying after five years, for instance, due to the possibly changed laws and regulations. Research concerning the requirements of Russian proficiency could also be executed after a few years, since the new legislation may affect the amount of foreign employees in the country.

6 Evaluation of the research

The thesis process was extremely interesting, yet demanding. The whole process from analyzing the subject to completing the report was useful for the author and the gained knowledge can be utilized in the future. Besides for the author, the paper can be useful for other people as well. The process deepened author’s knowledge on employment issues and hospitality industry in Russia and Russian culture.
As already stated, finding Finnish interviewees was a challenge. Invitation emails were sent to Finnish citizens that work in Russia, in hospitality and other industries. Several recipients did not respond to the emails and after all, only two Finns were interviewed. Due to a last minute cancellation a scheduled interview with one Finnish manager had to be forgotten. Unanswered emails, unexpected happenings and cancellations are issues that have to be taken into account when conducting a research.

If more Finns had been included in the research, the results concerning Finns’ experiences in Russia could have been different and more reliable. However, the author is satisfied with the amount of Russian interviewees and the fact that they represent different fields of hospitality industry. Conducting the interviews and analyzing the results was the most rewarding phase of the work.

One of the challenges was to delimit the theoretical framework as there is a large amount of information regarding Russia and employment in the country. Naturally, some of the sources were not accurate and reliable and it became clear that source criticism is a crucial issue in research processes. Due to the author’s limited skills in Russian language, Russian sources had to be mostly forgotten. Concerning some of the issues, such as current legislation, finding needed information in English or Finnish was challenging but, after all, not impossible. Sticking to the schedule was also a challenge during the process.

It is necessary to note that the research was carried out in Saint Petersburg, which is a major touristic center. Hospitality business is extremely different in smaller cities and conducting the research in a small town or in a rural area could have given different results.

Overall the process was a positive experience and the aims for the work were achieved. The most important skills learned and developed during this process were limiting the theoretical framework and evaluating information sources. Also the skills in academic writing and information searching were improved. These skills will certainly be useful in work life and possible future studies.
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Interview questions for Russian managers

Background information

- Education?
- Short work history?
- Position and years at current position?

Recruitment channels

- Is your employer Finnish or Russian?
- How did you get this job? How about the other jobs you have had?
- If you lost this job, how would you start applying for another job and what would be the channels for that?
- Number of Finnish employees in your organization, if any? Positions?
- Does your company recruit Finns?
  - Why, why not?
  - Recruitment channels?
  - Positions?
  - Required education?
- Who is responsible for recruiting in your organization? Who makes the final decisions of hiring employees?
- Does your organization work in cooperation with educational institutions of hotel and restaurant industry?
- If yes, are the institutions Russian or Finnish? What is the cooperation like?

Characteristics and skills that Finns should have to get a job in Russia

- What is the working language in your organization?
- What are the most important skills a foreigner should have when working in Russia?
- Issues that need to be taken into account when considering working in Russia?
- Have you worked with Finnish employees?
  - If yes, how would you describe Finnish employees?
  - Positive and negative issues?
- What are the possible obstacles Finns may face when searching for employment in Russia?

Features of hotel and restaurant industry in Russia

- What are the main features concerning hotel and restaurant business in Russia?
- What is the image of the industry? How could the image be improved if necessary?
- Have you encountered illegal workforce in hotel and restaurant business in Russia?
- What would be your advice for Finnish hotel and restaurant professionals who would like to find a job in Russia?
Appendix 2

Interview questions for Russian employees

Background information
- Education?
- Short work history?
- Position and years at current position?

Recruitment channels
- Is your employer Finnish or Russian?
- How did you get this job? How about the other jobs you have had?
- If you lost this job, how would you start applying for another job and what would be the channels for that?
- Number of Finnish employees in your organization, if any? Positions?

Characteristics and skills that Finns should have to get a job in Russia
- What is the working language in your organization?
- What are the most important skills one should have when working in Russia?
- Issues that need to be taken into account when considering working in Russia?
- Have you worked with Finnish employees?
  - If yes, how would you describe Finnish employees?
  - Positive and negative issues?
- What are the possible obstacles Finns may face when searching for employment in Russia?

Features of hotel and restaurant industry in Russia
- What are the main features concerning hotel and restaurant business in Russia?
- What is the image of the industry? How could the image be improved if necessary?
- Have you seen illegal workforce in hotel and restaurant business in Russia?
- What would be your advice for Finnish hotel and restaurant professionals who would like to find a job in Russia?
Interview questions for Finnish managers

Background information

- Education?
- Level of Russian skills when employed to Russia? Other language skills?
- Short work history?
- Position and years at current position?
- How and why did you come to work in Russia? Years in Russia?

Recruitment channels

- Is your employer Finnish or Russian?
- How did you get the job in Russia? If recruiting channels were used, which channels?
- If you lost this job, how would you start applying for another job and what would be the channels for that?
- Number of Finnish employees in your organization, if any? Positions?
- Does your company recruit Finns?
  - Why, why not?
  - Recruitment channels?
  - Positions?
  - Required education?
- Who is responsible for recruiting in your organization? Who makes the final decisions of hiring employees?
- Have you been happy with your job in Russia? Why, why not?
- Does your organization work in cooperation with educational institutions of hotel and restaurant industry?
- If yes, are the institutions Russian or Finnish? What is the cooperation like?

Employment process

- How long did the employment process take?
- How would you describe the employment process?
- Who took care of the necessary paperwork?
- Did you encounter any problems during the process? If yes, which kind of problems?

Characteristics and skills that Finns should have to get a job in Russia

- What is the working language in your organization?
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- Position and years at current position?
- How and why did you come to work in Russia? Years in Russia?

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