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**LEARNING TO HARNESS RUSSIA'S MOST VALUABLE RESOURCE: A
STUDY OF HUMAN RESOURCE MANAGEMENT PRACTICES OF
FOREIGN FIRMS IN RUSSIA**

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Effective Human Resource Management Practices for Foreign Firms in Russia

EXECUTIVE SUMMARY

Many foreign firms are finding that large challenges are necessary to deal with in order to successfully take advantage of the opportunities Russia presents. One of the key challenges that must be overcome is management of human resources. Developing human resource practices which are effective in Russia has proven to be a challenging but essential for a foreign firm to be successful in Russia. For example, in our study, 15 out of 18 firms indicated that human resource management (HRM) was very important for their success.

This study investigates what human resource management practices foreign firms have found to be effective in Russia. Specifically, practices that assist in attraction, capability development, effective compensation, and retention are investigated. This is done by tapping the experience of 18 large western multinational firms operating in Russia. It is hoped that this article can help firms entering Russia to learn from the experiences of the firms in our study. Our research shows that successful companies tend to use western 'high performance' human resource management (HRM) practices, but adjust them to fit with the Russian environment.

INTRODUCTION

With 150 million inhabitants, an inexpensive well-educated labor supply, vast natural resources, and limited competition in many industries, Russia is attracting the attention of foreign firms. However, many foreign firms are finding that while Russia offers great opportunities, doing business in Russia brings with it many challenges which must be overcome to reap the fruits of success. There are external challenges such as the August 1998 financial crisis which individual firms have little control over and there are internal challenges which individual firms can affect. One of the key internal challenges faced by foreign firms in Russia has proved to be management of human resources. Thus, this study investigates what human resource management practices are effective in Russia. This is accomplished by tapping the experience of 18 large western multinational firms operating in Russia. Through trial and error, the firms in our study have developed HRM practices that work in Russia. It is hoped that this article can help firms just entering Russia to learn from the experiences of the firms in our study and avoid some of the pitfalls they have experienced. In our study, 15 out of 18 firms indicated that HRM was very important for their success. Our research shows that successful companies tend to use western 'high performance' human resource management (HRM) practices, but adjust them to fit with the Russian environment.

The recent financial crisis has made human resource management more important than ever. While all firms have experienced difficulties as a result of the financial crisis, firms at the bottom of the efficiency spectrum have been particularly hard hit sometimes even being forced out of business. Thus, one of the few benefits of the financial crisis has been that more efficient firms have often gained relative to

their less efficient competitors. And, human resource management is one of the key factors that determines a firm's efficiency.

METHODOLOGY

Our study was conducted between June 1997 and July 1998. Data was collected using interviews and a questionnaire completed by the interviewee during the interviews. The interviewees were either the general manager, deputy general manager/ administrative director, or the human resource manager. In addition to taking notes, all interviews were tape-recorded. Following the interviews, a summary of each interview was typed up.

Participating firms came from a variety of foreign countries roughly consistent with the actual population of foreign firms operating in Russia. For a firm to be eligible for the study it had to employ at least twenty people in Russia and have been operating in Russia for more than two years. The firms cover a wide range of industries. The names and demographics of the companies are listed in Table 1.

-----Insert Table 1 about here-----

HRM IN RUSSIA IN THE COMMUNIST ERA

In order to understand how to design efficient human resource management systems for Russia today, it is important to understand traditional human resource management practices in Russia prior to the end of Communism. Traditionally, Russian firms have viewed employees as a cost rather than a resource. In addition, while Russia has had a well-developed and demanding educational system which Russians went through prior to beginning work, relatively little attention was traditionally paid to competence development once a Russian was employed in a firm.

The Russian labor market has also historically been inefficient and had many artificial constraints (e.g., poor labor mobility due to needing a permit to live in each town), decreasing incentives for people to work hard since career progression was often limited by artificial constraints. Further, salary differentials were very small in Russia during Communist times and obtaining extra money had limited values since there were few goods available to purchase. In Russia, it was products and contacts, not money, which had the greatest value. All adults were expected to have a job in Russia and many jobs were created so that there would be full employment. However, since there was limited focus on the enterprise making money, less attention was given to finding ways to motivate employees to work hard than was the case in the West. It is also important to note that employment security has also been a hallmark of Russian labor policy.

HRM IN RUSSIA TODAY

When the government was privatizing a firm a key consideration was often finding a foreign firm which would agree to guarantee job security for at least some of the original employees. Many of foreign firms in this situation encountered a problem with the acquired employees not understanding the new market conditions. The change in mentality that must occur to facilitate the customer focus needed for success in today's Russia has been difficult to achieve for many firms. HRM is critical for assisting in phasing out the old culture and replacing it with a new one. For many Russians, the concept of HRM is new. One HR manager we interviewed commented that "people are surprised to find out that so much attention is given to personnel management in Western firms".

Many successful foreign companies in Russia today are growing at very rapid rates. This growth increases the HRM difficulties because there is little time to explore different HRM policies. As Dennis M. Krianin, Human Resource Manager at Coca Cola explained:

Business in Russia right now is very intensive. Such companies as ours are covering in one year the history that our colleagues in Europe have covered 5 years. We are developing incredibly fast.

The high rate of change in Russia is also problematic for firms. As Vera Panova, Personnel Manager at GPT explained, “In Russia...daily work conditions could be compared to a jungle where you really don't know what is going to fall on your head the next minute.” In order for firms to be able to survive in this jungle, competent employees are essential. As the HR Development Director at McDonalds said:

It is not possible to build a successful business without cultivating a base of people who will be able to manage the business and take over the operations in the future, one has to think long term.

Being flexible and willing to adapt to the Russian environment has been found to be a key success factor for operating in Russia. Margaret Jones, HR Manager at Cadbury explained that they initially set up very strict recruiting policies which required two years work experience in a foreign company and specific education. However, they quickly realized that this was too stringent and thus Cadbury became more flexible.

Coca-Cola follows a general country-specific policy which it has in Russia just like any other country in the world. Despite being an international company with an international image, Coca-Cola adjusts its operations to the conditions of the local environment. Coca-Cola has found that a good way to facilitate this local adaptation

is to hire predominantly local personnel. Only 5 of Coca Cola's 660 employees in Moscow are expatriates.

While most companies in our study felt that developing a good HRM system was important, they also noted that it was a difficult task that required substantial time to develop. Many firms in our study felt that a minimum of two years was needed to implement a basic HRM system. It is also interesting to note that most foreign firms operating in Russia felt that their HRM practices were more similar to their parent firm's HRM practices and other foreign firms operating in Russia than to HRM practices of local Russian firms.

RECRUITING

Recruiting is an important task for foreign firms operating in Russia. As Irina Likhova, Training and Recruitment Manager at Unilever, explained, "In Russia they say 'How you work is how you will eat afterwards. I would add a line before 'How you recruit is how you will work afterwards!'"

Finding the desired competence is difficult

In general, the Russian labor market is still in a state of immaturity. Traditionally, Russia has had an excellent public education system, but times are changing. One HR manager explained that, "many students don't attend most classes since most students also work. Many of the best teachers leave as they are not paid appropriately." As a result, many Russians have begun to study abroad (2,500 in the US). Many foreign companies operating in Russia try to keep careful track of the Russians who are studying abroad as they are attractive candidates to recruit when they finish their studies.

Headhunting Firms Play an Important Role

In an environment like Russia that is still developing systems for good flow of information in many sectors more than 50% of firms use headhunting firms. Several companies which were well-known also found ads in newspapers to be an effective means of attracting employees. While headhunting was the most important method of finding employees, firms used a variety of different methods as is shown in Table 2.

--- Insert Table 2 about here ---

Desired Competencies

While selection criteria for new employees vary somewhat by industry, generally speaking, personality and previous work experience were the two most important hiring criteria that companies mentioned. Command of English was also important. Previous work experience at a foreign firm was especially valued by firms.

As mentioned above, there is a shortage of skilled managers in Russia.

Therefore, it is very important to find people who can quickly learn the desired tasks.

Coca Cola's Dennis Krianin explains:

A company can teach or train any person to do some specific job, but if the attitude is wrong that person wouldn't be a good employee. So, at times, we prefer to hire someone who is underqualified but has the right work attitude.

Finally, many firms in our study found that it is often beneficial to hire people who are highly trained even for simple jobs since such people can be hired for a relatively low salary in Russia. For example, it is not unheard of for a Ph.D. physicist to be hired as a car driver or factory worker. Many foreign firms in Russia have found that highly educated people are more adept at changing their mindset and

working style to fit with what a Western firm expects. In addition, as Baskin Robbin's administrative director Dmitri Churin explained that, "real life in Russia shows that you have to do everything with your own hands. Therefore, a higher level of schooling and training is needed in Russia."

Methods Used in Selecting New Employees

Interviews were the most important mechanism used in selecting new employees. Interviews are usually conducted in several rounds. Many of the HR managers we spoke with mentioned that interviews give you a good perception about an individual. Transcripts and diplomas are also normally looked at but were found to be less important than the perception of whether the person is honest, ambitious, hard working, able to learn new things, or a team-player. Most Western companies also require applicants to submit a resume since they find it to be useful in obtaining a broad picture of the candidate. However, since resumes have not traditionally been used in Russia, they are often poorly done and provide varying amounts of information about the candidate.

Most firms in our study indicated that they did not normally require references. However, most firms were quick to add that while not required, references were appreciated. Only a few firms required special testing or an oral presentation by candidates seeking a job. Some managers were skeptical of what insight test results could give. Some of these managers felt that since most of these tests were developed for the West that there were problems with their applicability in Russia. In contrast, Coca Cola's HR manager, Dennis Krianin, recommends to use a "gut" feeling in the hiring process and suggests that developing a formal set of criteria is difficult. Finally, most companies in our study used a three-month probation period after

someone had been hired to evaluate the new employee before entering into a more long-term relationship.

COMPETENCE DEVELOPMENT

After having hired Russian employees, the next step is to render them efficient. Training and competence development are key for doing this in Russian. While highly educated, the average Russian's understanding of the basics of a market economy is weak. For example, marketing, customer relations, and human resource management are new terms to most Russians. Thus, it is important to quickly transfer this knowledge to Russian employees.

Analyzing the Need for Competence Development

Before one undertakes training, it is important to identify what competencies are needed in the firm. Among the firms studied, 65 percent performed a formal analysis of the needed competencies for their Russian operations. Even if they did not have a formal program for competence development, most firms recognized that there was a need for such analysis and many planned to start doing so in the future.

Oksana Siver, Training coordinator at Inchcape, describes their thinking on competence development:

I develop development plans for each employee where we define the necessary training courses and programs one should undergo. I talk to the employee and the manager, then look at the different possibilities, schools, companies, and make my recommendations. The development plan is being evaluated every 3 months, so we can see the results of our work. This is a real system of developing an individual!

Models of Training

Traditionally, Russians are used to training taking place in the form of formal classroom lectures. However, the preferred way of transferring new skills to workers may be by using several different techniques. Self-study and coaching were found to be useful by many firms. Many of the studied firms indicated that Russians enjoy receiving training. Irina Likhova, Training and Recruitment Manager at Unilever, pointed out that "employees have been very responsive and eager to participate in training programs". Table 2 shows the type and location of training programs companies in the study used.

Among the firms studied, approximately 65 percent sent personnel to receive training abroad, though in many cases that only pertained to top management. Running training programs abroad and in Russia was approximately equally popular for the firms in our studies. However, many firms indicated an increasing trend towards running training programs in Russia since this saves time and money and it is now beginning to be possible to obtain good quality training in Russia.

It is slowly becoming possible to obtain good-quality training programs in Russia. For example, there are now over 20 foreign firms in the Moscow area helping companies with their training needs. However, switching from using foreign to local training programs is somewhat problematic as one HR manager explained:

Imagine, we send our employees to US, Holland, England and now I'll be asking them to go across the street. What will their reaction be? Most likely they would think that we are limiting the amount of trips abroad and less concerned about training.

Taking part in training programs at company headquarters outside of Russia does have some advantages. For example, such training normally strengthens the

identification with the Western company. Visiting the parent company normally helps Russian employees to understand the foreign firm's organizational culture. Russian employees may also get to know people in similar positions around the world, thus providing good contacts for obtaining needed knowledge later on and making the Russian employees feel pride in being part of a global network.

At the moment, firms in our study indicated that providing additional computer courses and English courses were among the most critical factors for firms to consider when doing business in Russia. In general, Russian employee's computer skills and English skills are poorly developed and constitute a problem to many firms.

Managerial Appraisal/Assessment and Career Planning

About 75 percent of firms in our study used a formal appraisal system, whereas the remainder of firms in our study used an informal system. The most common methods of appraisal used by the firms in this study included comparing the performance of the company or department against set targets (39% of firms used this method) and a general appraisal by the employee's superior (32%). It is interesting to note that seven firms used an up-and-down evaluation system (23%) whereby in addition to having the superiors evaluate the subordinates, the reciprocal process also took place. Up-and down appraisal systems were found to be very effective. In most firms, appraisals took place only once a year.

Eight of the firms in the study linked training directly to the appraisal process. This was found to be very beneficial. Many other companies indicated that they plan to work on linking training to the appraisal process in the near future. Half of the firms studied have a formal career planning system in the organization.

COMPENSATION SYSTEMS

Clearly having a good fixed salary is important to Russian employees and firms with non-competitive salaries will have difficulty attracting, motivating, and retaining employees. However, this study shows that the optimal compensation package combines bonuses and non-monetary benefits as well. In fact, it is often these latter two components which prove to be the deciding factor when an employee chooses to join or leave a firm. The rationale to include all three components mentioned above in a compensation package is discussed below.

Bonuses

Bonuses were found to be a useful complement to straight salary which proved extremely effective in motivating employees in the firms which used them in our study. Many managers also commented that they liked having their employees work on a bonus system as such a system created natural incentives for employees to work hard. As a result, managers found that with a bonus system in place they had to spend less time making sure employees were working hard. For their part, employees liked having a bonus system since it gave them some control over how much money they make. However, most Russians don't like a bonus to be more than about 25% of their fixed salary because on average Russians have high uncertainty avoidance. As a result of Russians' love for bonuses, approximately 80 percent of the firms studied had some kind of bonus system. However, the size and type of bonus differed dramatically among companies and across departments with sales being the department where bonuses comprised the largest percentage of employees' salaries. In most cases bonuses ranged from 20 to 40 percent of total salary. The most common type of bonus was the payment of a 13th month of salary if firms met certain

objectives. However, several firms warned that it was important that this 13th month of salary did not become too institutionalized and begin being taken for granted. Some firms also pay out 5 percent of the sales which exceeded the target. Many firms commented that the more that bonuses could be linked to performance, the more useful they were. An increasing number of firms in Russia are experimenting with bonuses based on individual performance assessment and while it takes some time to run such a system, such bonuses were found to be the most effective type.

Non-Monetary Benefits

Russians have traditionally received many non-monetary benefits as part of their job. As a result, Russians seem to appreciate continuing this practice. Our study indicates that it appears to be beneficial for firms to spend some extra money on non-monetary benefits rather than only working to increase salary. It is often non-monetary benefits that differentiate firms. Non-monetary benefits are very helpful in retaining employees.

Historically, Russians are used to being provided with good lunches by their company. Most international firms have chosen to continue this tradition or at least subsidize the lunches. More than half of the firms studied provided medical insurance for their employees, usually to all employees, and a small percentage also provided life insurance. While all Russians are entitled to national health insurance free of charge, the national health care system has long lines and many problems due to lack of funding. As a result, having private health insurance is greatly valued by employees. Other benefits which some firms use include free vacation trips, the option to purchase certain products cheaply, and free cultural events (see Table 2).

RETENTION

Firms in Russia are very concerned about retaining employees since it takes significant time and money to develop an effective employee and there is a limited pool of suitable employees. People in different positions are retained by different factors. It is important to separate managers, sales employees, and accounting personnel from the remainder of the firm. These three groups of employees are in very high demand. In cities like Moscow and St. Petersburg it is common to see that an “attractive” person for one of these positions may have worked for three different firms in the last two years. This provides evidence that while retaining average employees is not a problem, retaining strategically valuable and scarce personnel is a challenging issue which firms in Russia must wrestle with. As the HRM manager at Baskin Robbins explains:

Sales personnel with experience at a Western firm, has a high percentage of turnover. Good sales people with work experience are highly valued in the market, they are searched for and offered enormous remuneration. In contrast, none of the production managers or technical engineers have left so far.

The lack of certain strategically-important personnel has resulted in escalating salaries and difficulty in retaining these employees. In the beginning of the late 1980s there were only a few dozen foreign firms present in Russia. Now there are six-seven thousand foreign firms, which results in significant competition for qualified employees. In addition, private Russian firms are increasingly becoming able to make competitive employment offers to foreign firms and thus joining the competition for skilled employees.

How to Retain employees

Some firms offer higher salaries to try to attract these sought-after managers, but while a good salary is important, firms in our study found that other characteristics such as the atmosphere in the company, the presence of friends in the company, free meals, social activities, and the promise of a stable future with a firm that expects high-growth in Russia were often the deciding factor in retaining an employee. These factors helped to create an environment that was enjoyable to work in. As the human resource manager at Baskin Robbins said, "managers stay at our firm because they value the atmosphere they work in." Similarly, the HR coordinator at Baxter, says that "Baxter may not be offering the highest salaries, but we offer quality, stability, and fair treatment to all. Employees understand and value that." Many firms in our study commented that the most important factor in retaining managerial employees was showing them that the company is committed to Russia and that there is room for them to advance in the organization. An interesting discovery which is related to the previous point is that Russian employees (especially managers) appear very interested in capability development. Thus, it appears that having the chance to take part in training programs is an effective way of retaining employees. It was also interesting to note that on average managers in this study indicated that they expected that managers in their firm would be willing to forgo a one-time bonus of \$2000 in order to receive one week of training abroad. This is interesting since this is one-two months of salary for most of these managers.

In addition, since it may be difficult for many of the employees to borrow money from the bank, some companies allow key managers to borrow money from the company. There is normally a rule that the entire loan must be repaid if the employee leaves the company which has the added benefit of helping retain

employees. While salary is certainly important in retaining employees, it appears that the future that employees perceive for the company in Russia and the atmosphere that exists at the company are equally important in retaining employees.

CONCLUSIONS

Many foreign firms are finding that one of the key challenges which must be overcome in order to be successful in Russia is discovering what human resource management practices are effective in the Russian context. This project has studied the human resource management practices 18 foreign firms operating in Russia in order to understand what HRM practices work well in Russia.

Our study showed that while firms find a variety of methods useful in recruiting employees, the use of head-hunters appears to be the most successful given the lack of information that exists in Russia. It also appears especially desirable to hire employees who have work experience for other foreign firms. These employees often have already developed a general understanding of the attitude necessary for being successful in a foreign firm. Finally, having the correct character appears to be more important than possessing specific skills that can always be learned.

Our study also revealed that most Russians value training and badly need some. As a result, significant effort should be placed on competence development. The benefits of using training as a tool for motivation and retention was also demonstrated. Particularly impressive was that on average managers in the firms in our study would forgo a one-time bonus of \$2000 to take part in a one week training program. Since the bonus would result in only a one-time motivational benefit and participation in a training program would have the immediate motivational reward effect plus long-term improved employee efficiency, this result speaks for the

usefulness of using training as an important part of a bonus system. This article also highlighted the benefit of including study visits to non-Russian subsidiaries of the parent firm. The old saying that a picture is worth a thousand words appears to hold true.

There is no question that offering a competitive base salary is important since Russians have high uncertainty avoidance. However, our study highlights that including bonuses and non-monetary benefits in an employee's compensation package is equally important and probably more cost-effective than just raising the salary level. It should also be noted that private medical insurance was a benefit greatly valued by employees given the poor state of the public Russian health care system.

This study also highlights that while a competitive salary is important in retaining employees, probably the most important factor in retaining key personnel is having them believe that the company is committed to Russia and that there is room for them to move up in the organization. Certainly it is encouraging that Russian employees are developing a long-term orientation. However, the desire and expectation for quick upward mobility in a firm poses some challenges for foreign firms operating in Russia as the rapid upward mobility in a firm (e.g., the assembly line worker that within one year became a sales manager) that has been possible in the first years after Perestroika can not be maintained long-term as a larger pool of qualified employees develops and as firms move towards flatter organizational structures. In the short-term, Russian employees' strong desire for upward mobility in a firm should be remembered by firms considering moving to flatter organizational structures. The importance of creating a nice atmosphere in a firm should also not be forgotten.

There is no question operating a firm in Russia is challenging, but it is equally clear that large rewards exist for those firms which learn how to operate effectively in Russia. Learning how to unlock the human potential of Russian employees is critical for a foreign firm to be successful in Russia. Clearly, human resource management plays a central role in achieving this goal. It is believed that this article will help other foreign firms learn from the experience of the firms in our study and thus avoid some of the problems many firms have when they enter Russia.

SELECTED BIBLIOGRAPHY

Several authors have written articles about various aspects of human resource management in Russia. Perhaps the most well known of these are a series of articles by Fred Luthans, Diane Welsch, and colleagues which are based on the in-depth study at a large textile factory in Russia. The two key articles from this stream of research are Luthans, F., Welsch, D., and Rosenkratz, S. "What do Russian Managers Really Do?" *Journal of International Business Studies*, Vol. 24, No. 4, 1993, pp. 741-761. and Welsch, D., Luthans, , & Sommer, S. 1993. "Managing Russian Factory Workers: The impact of US-based behavioral and participative techniques." *Academy of Management Journal*, Vol. 36, No.1, 1993, pp. 58-79. The first article showed that employees in a Russian textile factory had increased productivity following an intervention implementing extrinsic rewards and behavioral management. However, a participative technique resulted in a decrease in performance. The second article, which observed 66 Russian managers in a textile managers, investigated what Russian managers do with their times and showed that managers' networking activities was the activity which was most strongly related to their success.

Sheila Puffer, the most prolific Russian management scholar, has also done considerable work in the area of HRM. For example, Puffer has written articles focusing on compensation systems (“Three factors affecting reward allocations in the former USSR: An empirical study.” *Research in Personnel and Human Resource Management*, No. 3, 1993, pp. 279-298), motivation (“A riddle wrapped in an enigma: Demystifying Russian managerial motivation.” *European Management Journal*, Vol. 11, No. 4, 1993, pp. 473-480, and competence development (*The Russian Management Revolution: Preparing Managers for the Market Economy*. London: M.E. Sharpe, 1992).

It is also worthwhile to read Stanaslav Shekshinka’s article “Managing People in Russia: Challenges for Foreign Investors.” *European Management Journal*, Vol.12, No. 3, 1994, pp. 298-305. Shekshinka provides an interesting perspective on the challenges foreign firms face in Human Resource management in Russia based on his experience as working as Director of Human Resources for Otis Elevators in Eastern Europe.

Finally, Detlin Elenkov contributes an interesting investigation of how transferable management practices developed in the West are to Russian in “Can American Management Concepts Work in Russia?: A Cross-Cultural Comparative Study.” Forthcoming in *California Management Review*, 1988.

Table 1
Descriptive Information of Firms in Study

Company	Industry	Ownership	Number of employees	Start year
ABB	Electrotechnical company	50%	>2000	1993
AGA	Production of fuel, medical gases, key products- oxygen, nitrogen and argon	100%	350	1994
Baskin Robbins	Ice-cream manufacturer	69%	120	1995
Baxter	World's largest medical equipment producer: surgery tools artificial organs, etc	75%	200	1993
British American Tobacco	Cigarette+tobacco manufacturer	80%	1200	1996
Betomix	Construction, one main business segment is cement production and delivery	100%	70	1994
Cadbury	Confectionery and beverages producing company	100%	350	1996
Coca-Cola	Soft-drinks manufacturer	100%	660	1994
Comstar	Production of communications technologies	50%	420	1989
Digital	Computer software and hardware production	100%	100	1991
IBM	Production of computer technology	100%	63	1993
Inchcape	Distributor of Toyota in Britain and drinks manufacturer (Coca Cola)	100%	230	1994
McDonald's	Fast food service, real estate in Russia	80%	Na	1990
Pepsi-Cola, JV	Soft drinks manufacturer	50%	50	1994
Tambrands	Production of personal care products	100%	Na	1992
Thomas Ford Bakery / Karavai	A bakery		27	1991
Unilever	Personal care products production and sales	90%	Na	1994

Table 2

Selected HRM Practices

Methods Used to Recruit	Percent of Companies	
Recruiting agencies, headhunters	50%	
Newspaper ads	44%	
Internal ads	33%	
Own contacts	22%	
College graduate recruitment	6%	
Internal resume database	6%	
Types of Non-Monetary Compensation		
Free or subsidized meals	67%	
Medical insurance	61%	
Vacation trips ¹	22%	
Life insurance	11%	
Transportation cost compensated	11%	
Sponsored cultural events	11%	
Products sold at cost	11%	
Sponsored training	6%	
Short term loans	6%	
Type of Training	Internal²	External²
Functional management	50%	0%
General management	44%	33%
General induction	56%	39%
Computer training	6%	6%
Sales training	11%	0%
Accounting training	11%	0%
Financed upgrading/MBA's	0%	11%
English courses	17%	17%

1. For management. This may in some cases be subsidized vacation trips.

2. The number in each cell represents the % of companies offering that type of training.