“Most resources are available to all companies. The great variable is the quality of management. It determines why some companies fail and others succeed.” - Sydney Boyden, Founder, Boyden Global Executive Search

Executive Summary

We are living in an era of globalization, when uniform standards and norms, models of organizational structure and business processes, methods of governance, management and assessment converge into a global touchstone. Naturally, in undertaking global expansion, most companies use the most successful tools and instruments as benchmarks. And while a high degree of standardization has been achieved, factors that require special attention and customised approaches continue to stem from cultural differences which, with regard to issues around talent and motivation, can be crucial.

Predictability and trust are essential in any company, and integral to understanding differences in perception of performance and execution standards. Having examined the issues facing companies in Russia, we speculated that internal, personal drivers could have an impact. It is this line of inquiry which led to our research.

Our goal was to identify key drivers of success amongst Russia’s most successful executives, and determine whether something uniquely Russian is behind their success. To this end we sought the participation of executives whose individual career paths, performance and achievements, as well as the success of their companies and efficiency within various corporate environments affirm a solid command of the latest management tools and approaches to leadership in the global marketplace.

Research Methodology

The survey was conducted in November-December 2013 via online questionnaire. There were 75 participants, including managers of leading Russian companies and multinationals, 54 of whom are Russian executives and 21 foreign executives working in the Russian Federation.

- 38 are senior executives (CEO, General Manager, Managing Director)
- 37 are Directors or Managers of large business units (Finance, Sales & Marketing, HR, etc.)
Our method consisted of administering a leadership test, called LeaDr, developed by the consulting firm Psycon. The test is designed to reveal personal characteristics and motivations - the underlying drivers that shape the participant’s leadership style - and measure his or her strengths within four areas of management. These four LeaDr dimensions are based on Psycon’s leadership model (as described in the Appendix):

- Strategic Leadership
- Operational Leadership
- People Leadership
- Change Management

We then analysed and compared the group profiles of Russian executives, working both in Russian companies and multinationals, with those of foreign executives to discover what they have in common as well as how they differ. The findings offer insight into the type of individual psychological profile that is most in demand in Russian business, and what characteristics are most likely to contribute to success. An understanding of these attributes can serve as a valuable tool for executive recruitment and placement.

**Conclusion**

The key takeaways of the research are as follows: With our four key leadership drivers – Strategic & Operational Leadership and Talent & Change Management – factored into the complete profile, our findings demonstrate that Russian (based in both international and Russian companies) and foreign executives are quite similar with regards to the first two drivers, Strategic & Operational Leadership, and that they differ the most with regards to Talent & Change Management.

**Executive Potential within People & Change Leadership**

- **Russian executives, working in Foreign Companies**
- **Russian executives, working in Russian Companies**
- **Foreign executives, working in Russia**
Our research revealed that the drivers associated with Strategy, Analytics and Execution are to a minor extent dependent on cultural factors but most common for all leaders, while those associated with Talent & Change Management demonstrate more variation, with Russian leaders, both in Russian and multinational firms, being closer to each other and differing greatly from foreign executives.

The above is a fair assessment, given that all executives, Russian and foreign, are leaders, and all place greater focus on strategy and business development than on day-to-day operational management. This tendency is evident in our figures, which consistently reflect...
top executives having a better-than-average level of the Strategic Leadership driver and a lower-than-average / not very high rating in Operational Leadership.

The greatest disparity between Russian and western executives appears in the Talent Management and Change Management drivers.

Intuitive Vision is highly developed among Russian executives working in international companies, while an inclination towards Strategic Analysis is more prominent amongst foreign leaders. This confirms a general notion that the Russian reality is more idealistic, more about vision, conceptual thinking and a “big picture” approach. Similarly, Russian culture is generally more intuitive and communicative, while western cultures are generally characterised as being more rational and logic-based.

The emphasis on Intuitive Vision also has a historic aspect. Most Russian executives joined international companies early in their careers, at a time when Russia was on the cusp of market transformation. International companies had a unique opportunity to attract and develop people with high-quality educations, a great deal of flexibility and mobility, along with a desire to lend their intuitive vision to a landscape of transformative change.

Within the Talent Management driver, there were more Inspiring Performers among Russian executives working at international companies, and more Patient Listeners among Russian leaders in Russian companies, with a significant split between Russian and western executives.

The figures suggest that a “heart-to-heart” talk, trust, and personal insight and understanding are cornerstones of success within the Russian work environment, while Inspiring Performance proves to be more effective among Russian managers at international companies, since a multinational corporate culture presupposes overall involvement and motivation. We talk about different leadership styles here: a Patient Listener is considerate, diplomatic, socially flexible and prefers establishing partnerships. This type of leader is successful in Russian companies. Inspiring Performers prefer to act rather than listen; influence people, guide and lead. Because they pay great attention to motivation and engagement, this type of leader is more in demand in international companies. Thus, managers who are able to increase personnel motivation and engagement are more successful.

Change Management proved to be a greater strength amongst western leaders. Russia has weathered turbulent conditions of near-constant change over the years, and Russian executives have developed the ability to adapt to change and readjust their strategies as a matter of survival. However, the inner inclination towards managing change has historically been stronger amongst foreign executives, who are focused primarily on setting long-term targets and navigating the process of organisational change.

It is important to bear in mind that all of the participants in our study are highly successful and do not operate in a vacuum. Combinations of drivers can vary significantly from one executive to the next, since they are incorporated differently into the individual’s overall makeup. If certain drivers are not as strong as others, these are effectively compensated for by the support of talented, well-managed teams.

Meanwhile, social and cultural factors exert a powerful influence on leadership. Our research revealed that the differences between cultures that is so often referenced - namely that
a rational, systematic and analytical approach is more common in western leaders, while Russian leaders value communicating with people and rely more on intuition and vision - play a role in all leadership styles, and in the case of our participants, have all made equally successful leaders regardless of individual leadership styles.

In short, combinations of drivers can vary widely, and for leadership to be effective, it is crucial that at least one strongly marked driver mobilizes the rest. The Strategic Leadership driver is inherent to all managers, regardless of geographic origin, while the Operational Leadership driver is the least expressed among all participants, which could be due to the fact that competences supporting this driver, like orientation on stability, clarity and certainty, are in less demand among both local executives and successful expats, since they are not that essential in conditions of constant change and turmoil in rules and norms typical to emerging markets like Russia.

Based on our research, we conclude that factors related to change, people and talent management are vital in Russia. They could be considered Russia’s defining feature, a key to successful leadership here, and a driving force for the country’s most successful managers.
Appendix

Description LeaDr – Leadership Drivers

The LeaDr leadership test is a measurement tool used to study the leadership styles of corporate managers. Using a questionnaire, it examines the respondent’s personal motivators, goals and decision-making approach, and describes the psychological factors that predominantly influence and guide his or her managerial behaviour.

A starting point in creating the LeaDr psychometric test was a four-factor leadership and managerial competency framework, which Psycon developed based on widely accepted theories of contemporary leadership. This framework was then compared to the classification (taxonomy) resulting from wide-ranging meta-analyses*. These included several competency models drawn from scientific literature as well as the frameworks of major consulting companies covering a broad array of industrial sectors and management levels.

Psycon’s leadership model provided a theoretical basis, although the LeaDr test was created separately, based on the psychological assessment of around 700 executives. The factor structure revealed six independent profile dimensions**, which correspond to the four-factor leadership framework. Strategic Leadership and People Management are divided into two sub-dimensions, and each dimension has its characteristic requirements and related competences.


**) In addition, there was conducted a correlation analysis of the LeaDr test with personality tests and with some 360 degree feedback instruments to study the predictive validity of this method. These correlation matrices are available upon request.
It is essential to understand that LeaDr provides a glimpse into the inner drivers of respondents, as they pertain to managerial behaviour, from a different perspective than a 360° measurement, which collects “here and now” feedback of a specific, identifiable behaviour. LeaDr focuses more on personality motivators than on skills or behavioural competencies. Though they are correlated, the link is not direct. Personality characteristics and motivators identified with the LeaDR test are the prerequisites for the development of competencies and skills, and the factors influencing leadership behaviour (see diagram). If these drivers are expressed strongly enough, we can predict the rapid development of relevant competencies and skills, as well as a successful predisposition for certain leadership tasks.
**LeaDr dimensions**

**Strategic leadership** describes two different ways of creating strategic vision, making decisions and seeking the most important information:

- **Intuitive Visionary**: imaginative, ideational, original, sometimes also erratic
- **Analytical Strategist**: Logical, analytical, theoretical, sometimes overly critical

**Operative leadership** describes conscientious and practical approaches to everyday problem-solving

- **Practical executor**: Consistent, persistent, operative, sometimes too conservative

**People leadership** describes two different ways to inspire, motivate, manage, coach and listen to people:

- **Inspiring performer**: Extroverted, motivating, communicative, sometimes inattentive
- **Patient listener**: Reciprocal, noticing, attentive, sometimes overly sensitive

**Change leadership** describes a transforming and sometimes impulsive approach to revitalising and rebuilding organisations and teams

- **Transformational activator**: Change-seeking, unconventional, restructuring, sometimes impatient
About Boyden World Corporation

Boyden is a global leader in executive search and talent advisory services with more than 70 offices in over 40 countries. Founded in 1946, Boyden specialises in senior executive search, interim management and human capital consulting across a broad spectrum of markets and sectors. For further information, please visit www.boyden.com.

About Psycon

Psycon was founded in 1953 and is now one of the largest Finnish consulting companies specializing in personal assessments, strategic resourcing and leadership development. We offer our solutions all over Finland, Russia as well as other counties due to our extended professional partner network. Our goal is to provide our clients with long-term development solutions and long-lasting partnerships. For more information - www.psycon.com