

Non-Financial Reward in Employee Retention: Russian SMEs Practices

Paul A. Adekunte¹, Matthew N. O. Sadiku², Janet O. Sadiku³

¹International Institute of Professional Security, Lagos, Nigeria

²Roy G. Perry College of Engineering, Prairie View A&M University, Prairie View, TX, USA

³Juliana King University, Houston, TX, USA

ABSTRACT

Generally, the role of non-financial reward in both small and medium-sized enterprises (SMEs) and large organizations cannot be overemphasized or downplayed as it plays significant role in employees' retention and the organization's growth. There are various types of non-financial rewards that an employer can use to motivate its workforce in order to achieve organizational goals with due consideration to Self-Determination Theory (SDT), and Herzberg's Two-Factor Theory of Motivation-Hygiene. When non-financial rewards are properly utilized in an organization, employees become committed to organizational goals; they are well motivated and staff turnover is low. This paper looks at the pros and cons, and as well as the benefits to humanity and the society inherent in the role of non-financial or non-monetary reward in employee retention: Russian SMEs practices.

KEYWORDS: *Non-financial rewards, employees, employee retention, motivation, motivators, demotivators, employee turnover, Self-Determination Theory (SDT), Herzberg's Two-Factor Theory of Motivation-Hygiene, Small and Medium-Sized Enterprises (SMEs), economic volatility, job satisfaction, recognition.*

INTRODUCTION

Non-financial rewards (also called non-monetary incentives) play a crucial role in retaining talent, going beyond monetary incentives to boost engagement cum loyalty, thereby reducing employee turnover. Generally, rewards motivate employees, enhance job satisfaction and as well as foster organizational commitment, as shown in Figure 1. Employee retention is a critical challenge for Russian small and medium-sized enterprises (SMEs), particularly amid economic volatility, labor shortages, and recent regulatory shifts in compensation. While financial incentives remain foundational, growing evidence shows that non-financial rewards are increasingly decisive in shaping employee commitment, especially when monetary resources are constrained. In labor markets with talent shortages, "financial and non-financial benefits increasingly contribute to the ability of the reward management system to attract, retain and motivate high-potential and high-performing employees", as shown in Figure 2. Maria Koleda, trade union Novy Trud stated that

"reduced bonuses make employees less motivated and more likely to leave their company." The cutting of bonuses is "perceived more painfully than even a minor salary reduction, because it is a 'betrayal of expectations' and a signal of instability" [1-4].

TYPES OF NON-FINANCIAL REWARDS

There are different types of non-financial rewards some of which include:

- Recognition and appreciation – this involve regularly acknowledging employees' contributions and achievements, certificates, internal news mentions, access to strategy sessions, "employee of the month", badges, Honor Board photos, diner with CEO – helping to boosts morale, loyalty, and in which case the employees feel valued, recognized, and supported [5].
- Professional development (Career development) – this has to do with providing training, mentorship, and growth opportunities – leading to enhanced

How to cite this paper: Paul A. Adekunte | Matthew N. O. Sadiku | Janet O. Sadiku "Non-Financial Reward in Employee Retention: Russian SMEs Practices" Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-10 | Issue-3, June 2026, pp.32-41, URL: www.ijtsrd.com/papers/ijtsrd102008.pdf



Copyright © 2026 by author (s) and International Journal of Trend in Scientific Research and Development Journal. This is an Open Access article distributed under the terms of the Creative Commons Attribution License (CC BY 4.0) (<http://creativecommons.org/licenses/by/4.0>)



organizational commitment, where employees would be more committed to achieving organizational goals [6].

- Autonomy and empowerment – this can be achieved by giving employees ownership of projects and decisions which increases job engagement [7].
- Flexible work arrangements or work-life balance – this is a form of offering remote work options - as shown in Figure 3, flexible schedules, and compressed workweeks, since flexibility and support enhance job satisfaction. The SHRM 2020 Employee Benefits Survey emphasized core benefits such as flexible work arrangements, leave, family-friendly benefits, and wellness offerings as employees respond to pandemic-related challenges – reflecting a shift toward more adaptable work arrangements and support systems that help employees integrate work and personal life in the context of remote/hybrid work environments [8, 9].
- Wellness programs – by providing gym memberships, yoga classes, on-site fitness centers, mental health support (counseling services/stress management workshops), and wellness initiatives, which helps to promote employee health and well-being. Health screenings that would involve regular check-ups, health risk assessments, as shown in Figure 4. The above wellness programs serve the following benefits [10-12]:
 - Improves productivity and job satisfaction – leading to employees being more productive and efficient on their jobs.
 - Reduces absenteeism and healthcare costs.
 - Boosts employee engagement and retention, hence assist to minimize employee turnover in an organization.
- Positive work environment – A positive work environment boosts engagement, productivity, and retention which include the following key elements: supportive culture, open communication, recognition, and growth opportunities [9-11]. All of these leads to higher job satisfaction, reduced turnover, and improved performance.
- Social benefits – These include medical care, transport/mobile costs, food, sports, subsidized meals, vacation trips, products at cost, interest free loans.
- Housing support – This is in mortgage interest compensation, discounted housing purchase after 10 years, company-built housing for employees.

- Wellbeing support – Covers free consultations with psychologists, legal advisers, financial specialists.

In HR theory (e.g., Self-Determination Theory), non-financial rewards support internal motivation – autonomy, competence, and relatedness – which in turn increases employee engagement and retention beyond purely external financial incentives, as shown in Figure 5. Intrinsic motivation is the doing of an activity *for its inherent satisfaction* rather than for some separable consequence; the activity itself is the reward, as shown in Figure 6. This is driven by internal psychological factors such as interest, personal challenge, and a sense of meaning, rather than external rewards such as pay or bonuses – extrinsic motivators [13]. In psychology, Self-Determination Theory (SDT) as posited by Deci and Ryan says that intrinsic motivation arises when three basic psychological needs are fulfilled, i.e.:

1. Autonomy – acting with a sense of choice.
2. Competence – feeling effective and capable.
3. Relatedness – feeling connected to others [13].

Key Intrinsic Motivational Factors in the Workplace

Some of the key intrinsic motivational factors in the workplace include:

1. Autonomy – employees feel motivated when they have control over how they do their work, as autonomy fosters ownership and engagement, making tasks inherently more satisfying [13].
2. Meaningful work/sense of purpose – intrinsic motivation is enhanced when work aligns with an employee's personal values or sense of contribution, resulting in being more engaged and committed [14].
3. Mastery and skill development – some core intrinsic motivators are the opportunities to learn, grow, and master challenging tasks. These are roles that stretch skills without overwhelming employees increase satisfaction and retention [14].
4. Achievement and accomplishment – the recognition of an individual's accomplishments, and the internal feeling of completing meaningful work, help to reinforce satisfaction and the desire to excel [15].
5. Responsibility and impact – the feeling that one's efforts matter and have real impact, whether on customers, teams, or organizational goals, supports intrinsic motivation [15].
6. Interest and enjoyment – tasks that are inherently interesting or enjoyable naturally motivate employees to engage deeply and persist longer [12].

Herzberg's Two-Factor Theory of Motivation-Hygiene

Herzberg's motivation-hygiene theory (also known as the two-factor theory) suggests that job satisfaction is influenced by two factors: 1. motivators and, 2. hygiene factors. Motivators (Satisfiers), like recognition and achievement, lead to higher satisfaction and motivation. Hygiene factors (Dissatisfiers), like salary and working conditions, prevent dissatisfaction but do not necessarily motivate. However, according to Herzberg, both sets of factors are needed to create a productive work environment. According to Herzberg's Two-Factor Theory, the "motivators" are the most potent in driving job satisfaction and motivation. These include intrinsic aspects like achievement, recognition, work, responsibility, advancement, and growth opportunities. As suggested by Herzberg, these factors promote higher performance as they fulfill individual's deep-seated needs for personal growth and self-fulfillment. However, the exact factor motivating most would vary based on the individual's values and personal needs [16-20].

Why non-financial rewards matter for retention in SMEs

Non-financial rewards play a vital or critical role in employee retention in Small and Medium-Sized Enterprises (SMEs) because these firms often face financial and structural constraints that limit their ability to favorably compete with larger organizations on pay alone. Some of the explanations on this are based on:

1. Limited financial capacity of SMEs

Most SMEs are known to typically operate with tight margins and cannot always offer competitive salaries or extensive monetary incentives. Non-financial rewards (e.g., recognition, flexible work arrangements, job autonomy) will help offset financial limitations while still meeting key employee needs [21].

2. Fulfillment of intrinsic motivation

According to Self-Determination Theory (SDT), employees are motivated when their needs for autonomy, competence, and relatedness are satisfied. Non-financial rewards directly support these needs, which include: autonomy in decision-making, opportunities for skill development, supportive leadership and teamwork [22].

3. Enhanced Job Satisfaction and Organizational Commitment

Employees' emotional attachment to the organization is improved by non-financial rewards. In SMEs, close owner-employee relationships make recognition and appreciation especially powerful [23].

4. Stronger Psychological Contract

Non-financial rewards help fulfill psychological contract – employees' unwritten expectations of fairness, respect and growth. SMEs often foster informal but trust-based employment relationships [24].

5. Career Development and Employability

SMEs that provide training, mentoring, and learning opportunities signal long-term investment in employees, thereby increasing loyalty even when promotions are limited [24].

6. Work-life Balance and Flexibility

Flexible work schedules, family-friendly policies, and supportive supervisors are highly valued non-financial rewards – especially in SMEs where policies can be more adaptable [25].

7. Social Identity and Sense of Belonging

The employees in SMEs often identify more closely with the organization. This sense of belonging is strengthened by non-financial rewards like inclusion in decision-making and open communication [26].

TYPICAL NON-FINANCIAL REWARD PRACTICES IN RUSSIAN SMEs

According to research, some Russian companies of various sizes shows that many HR systems use mixed motivation instruments, i.e., both financial incentives (bonuses, variable pay) and non-financial ones (corporate events, training, praise). Some of these include:

1. Professional and career development – Many Russian employees value opportunities for skill growth, training, and career development/advancement as key non-financial motivators. Research shows that professional development e.g., training programs, mentoring, support for further study is ranked highly among non-material motivators and more significant than traditional status indicators like company reputation. Some Russian SMEs integrate and make use of:

- On-the-job training
- Employer-sponsored skills workshops
- Cross-training with organizations

These help employees build competencies and see a career pathway within the SME – a known retention and engagement strategy in HR practice [27, 28].

2. Social and wellbeing-focused benefits –

This is the use of Russian employers of non-monetary wellbeing supports like [28, 29]:

- Interest-free employee loans
- Free or subsidized consultations e.g., psychological, legal financial

- Holiday gifts and small perks.
- Corporate health resort trips.
- Transport cost compensation.
- Social incentives like prestige of position and career prospects
- Company-sponsored social events.

3. Involvement & Empowerment Practices –

Non-financial rewards also include engagement practices, like:

- Involvement in planning and strategy discussions
- Autonomy in how work is done
- Delegation of responsibility with trust.

These are approaches like empowering leadership and innovative work behavior that serve as motivational tools, when financial incentives are constrained [30].

4. Employee Recognition & Internal Awards –

Some larger Russian companies and smaller firms make use of:

- Certificates and internal commendations
- Employee-of-the-month type recognition
- Highlighting individual achievements in company communications – which are forms of non-monetary recognition that help boost morale without direct cost [28].

5. Work-life Balance and Flexibility –

In SMEs, this would consist of [28, 31]:

- Flexible work schedules (e.g., staggered hours, remote work options).
- Work-life balance arrangements leading to improved job satisfaction and retention.

THE IMPORT OF NON-FINANCIAL REWARDS IN RUSSIAN SMEs

Some of the importance of non-financial rewards in Russian SMEs include [28, 29]:

- Retention in competitive labor markets
- Improved engagement and productivity
- Support for employer branding

CHALLENGES AND CONTEXT IN RUSSIAN SMEs

Russian SMEs face several challenges. The followings are some evidence-based overview of the key challenges and contextual factors confronting Small and Medium-sized Enterprises (SMEs) in Russia:

1. Economic and Structural Context of Russian SMEs

Role in the economy

- SMEs in Russia contribute significantly to economic output and employment, with their share of GDP reported around 20-22% and tens of millions employed in the sector, as shown in Figures 7 and 8. In April 2025, it was reported

that the number of small and medium-sized businesses in Russia exceeded 6.7 million, a record high since the introduction of special SME register in 2016 [32].

Composition and market focus

- A large share of Russian SMEs is in trade and services and focused mainly on local markets, with only a small portion reaching export-oriented activity [33].
- Many are known to operate in traditional sectors rather than high-tech or innovative-driven industries [33].

Entrepreneurial culture

- Entrepreneurship rates are low when compared to many OECD countries; a relatively small portion of adults intend to start a business, reflecting the cultural and institutional barriers to entrepreneurial risk-taking [34].

2. Key Challenges Facing SMEs

Access to Finance and Credit

Limited Resources: Most often, SMEs operate with limited financial and human resources, which makes it challenging to implement comprehensive employee retention strategies.

- High borrowing costs and tightening credit conditions remain major obstacles. This is caused as many SMEs struggle with high interest rates and reduced access to formal bank financing, exacerbated by sanctions restricting Russian banks' access to global markets [35].
- Surveys also indicate low levels of loan approval and a record growth in overdue SME loans, which indicates financial stress across the sector [36].

This results in restricted capital limits (i.e., limited resources) in investment, expansion, ability to weather economic shocks, hinder recruitment, training, and retention strategies.

Regulatory and Tax Burden

- Complex and unpredictable regulatory requirements continue to weigh on SMEs [37].
- Recent fiscal policy proposals (e.g., extending VAT to previously exempt small businesses) have been controversial and could increase tax burdens for about 10% of SMEs if implemented [38].

Market Competition and Structural Barriers

- SMEs face intense competition from large corporations as these have scale advantages and stronger market positions, making it harder for small firms to compete price and access supply chains [34, 39, 40].
- Weak integration into value chains and partnerships with large firms limits growth

opportunities and also reduces access to stable contracts.

Informal Economy and Shadow Competition

- The informal sector (“shadow economy”) competes with legal SMEs by offering lower prices, which can undermine formal businesses that must bear full compliance costs [41, 42].
- In this case, some entrepreneurial activity operates informally due to regulatory or tax avoidance incentives, which undermines data and formal growth potential (OECD).

Institutional & Cultural Constraints

- Broader institutional factors like norms toward entrepreneurship, limited managerial training, and weak support for internationalization can constrain SMEs’ competitive capacity, especially abroad [41].

Human Capital and Skill Shortages

- Many SMEs struggle to attract and retain qualified labor, most especially in manufacturing and technology sectors – hampering productivity and innovation capacity, as industry-specific skills and digital skills gaps pose significant challenges [42]. 86% of companies regardless of size reported staff shortages in 2024. While unemployment of 2.3% was historic low [43, 44].
- This challenge is being addressed by Opora Russia by improving ties between education and business. Opora Russia and its committees promote closer collaboration between educational institutions and SMEs, such as workplace learning, practice-oriented curricula, and establishing employer-linked training centers [45].
- The Entrepreneurial education committee works on involving employers in forecasting skill needs and enhancing business-related training [46].

Regional Disparities

- The SME sector is unevenly developed across Russia’s regions. Infrastructure gaps, transportation costs, and regional economic differences are known to create unequal opportunities for business development [47].

Innovation and Technology Adoption

- Russian SMEs lag behind in R&D and innovation participation. Many of them focus on traditional operations rather than developing new products or adopting advanced technologies [48].

3. Broader Socio-Economic Context

Macro pressures

- The effects of sanctions, geopolitical tensions, and budget reallocations towards defense

spending affect the macroeconomic-environment, thereby influencing consumer demand and credit availability [49].

4. Leadership and Management

Poor leadership and management can lead to employee dissatisfaction and turnover.

5. Work-life Balance

Demanding workloads cum long hours of work contribute to employee burnout and turnover [50-53].

6. Opportunities and Policy Responses

However, despite these challenges, there is an active policy focus on strengthening the SME sector vis-à-vis [54-55]:

- State support programs – this has to do with loans, guarantees, tax incentives, and digitalization tools – which are helping many SMEs modernize and survive in tough conditions.
- Growing entrepreneurial activity, most importantly among younger founders, offering potential for future dynamism.
- Digital transformation – the adoption of online sales and digital services is enabling firms to cut costs and expand their reach.

Worthy of note according to reports is that 73% of Russian businesses are said to be short of staff, with vacancies increasing 1.7 times in two years.

Most of these challenges facing SMEs can be addressed by developing sustainable talent strategies, investing in employee upskilling and reskilling, as well as prioritizing employee wellbeing [56, 57].

The scale and impact of labor shortages in Russia

The following are some of the scale and impact of labor shortages in Russia [43, 44, 58-62]:

1. Headline numbers

- A. Observed that 86% of enterprises struggled to fill open positions since the start of 2024, regardless of size and industry.
- B. In 2024, 73% of Russian businesses were short of staff.
- C. 8 out of 10 companies operated under conditions of staff shortages in 2024. Trend dubbed “HR year” for 2025.
- D. ~70% of enterprises were short of workers by late 2024, with nearly 1/3 planning to bump up staff in 2025.

2. Labor market context

- A. Record-low unemployment: This dropped to historic low 2.3% in December 2024.
- B. Surge in vacancy: Vacancies increased 1.7x in 2 years, and 2.5x in industry.

- C. Unfilled roles: The number doubled in 2 years to 173,800, or 18.8% of total staff, by early November.
- D. Manufacturing gap: Manufacturing alone was short by 1.9M workers per Ministry of Industry and Trade. The economy will require 3.1M additional people by 2030.

3. Most affected sectors

Some of the most affected sectors include: Manufacturing, Transport & logistics, Service sector, Construction, IT, Mechanical engineering, Metallurgy, Nanotech, Microelectronics, and Prosthetics.

4. Key drivers

Some of the key drivers include:

- A. Mobilization & war economy: Partial mobilization + 1M + emigration. Defense industry expanded workforce with higher wages, causing outflow from civilian sectors.
- B. Demographics: The natural decline in population plus increase in median working age. The working-age population shrunk by ~0.5% annually.
- C. Migration shifts: Labor migrants was by +30% in 11 months in 2022, but highly qualified foreign specialists was -29%.
- D. Structural deficit: “Structural deficit of skilled workers” + economy’s failure to boost productivity.
- E. Skills mismatch: 45% of enterprises faced lack of qualified specialists. 1 in 2 companies complained of underqualified candidates with elevated salary expectations.

5. How firms respond

Firms respond to labor shortage via:

- A. Wage hikes: 82% of business were forced to implement wage increases throughout 2022; 74% planned raises in 2023. Manufacturing saw maximum +17% year-to-year (YoY).
- B. Increased workload: It caused employers to increase employee workload + offer financial incentives to retain staff.
- C. Automation & referrals: Some made use of automation to partially resolve staffing. Put in place too was referral programs where employees get incentives to invite acquaintances.
- D. Demographics: Vacancies in “traditionally male” occupations now offered to women, older/younger men, including minors.

- E. Part-time schemes: This was used early in crisis, but declined from 4.5% of businesses in April to 1% in December 2022.

6. SME-specific impact

Cannot compete on wages: SMEs are unable to compete with large companies on salaries.

- A. Poaching: This occurs when defense sector, and big firms offer 30-50% premiums, thereby pulling workers from SMEs. Poaching is carried out by large companies, state corporations, and the defense sector using higher wages plus perks to lure skilled workers away from SMEs and civilian firms. Poaching has become a survival strategy for big players as 86% of companies are reporting staff shortages. The sectors hit hardest by poaching are Manufacturing SMEs, IT, Construction, and logistics/Transport.
- B. Layoff plans: 10% of SMEs reported plans to lay off staff in May 2025, and to double April rate. Often due to inability to pay, not lack of work.

7. Economic risks flagged

- A. Wage-price spiral: “Wages growing regardless of workplace results”. Staff shortages may cause structural transformation lag; wage increases outpacing productivity leading to inflation.
- B. Middle-income trap: Failure to boost productivity plus skilled worker deficit means economic woes may not be resolved soon.

How SMEs adapt

SMEs adapt to these challenges via [63-65]:

- 1. Cost cutting: This is by “reducing marketing, fixed/overhead, and R&D costs increase persistence under sanctions.” Micro-firms are more resistant.
- 2. Import substitution: 40% of import bans offset by domestic production. “Alternative supply chains through Kazakhstan and Turkiye.” Domestic microchip production is by +20%.
- 3. New markets: This is achieved by “actively establishing cooperation ties with friendly countries.” This is coupled by building transport/logistic corridors.
- 4. Digitalization: MSP.RF platform, AI recruitment tools, online marketplaces. Ozon offers 5,000 bonus points for new SME sellers.
- 5. Automation: Automation has helped to partially resolve staffing issues as stated by some enterprises. Referral programs, hiring women/older/younger people for “traditionally male” roles.

All of the above has resulted to growth, resilience, and employment for SMEs.

CONCLUSION

Russia's economy is said to be highly concentrated, state-dominated, and labor-starved. The SMEs is equal to 21.7% of GDP but faces existential pressure from poaching by state-funded defense/SOEs in a 2.3% unemployment market, financing gap as state support drops 43% and rates stay high, and tax/administrative burden rising while compliance stay complex as well. Survival equal leverage My Business centers, concessional loans, import substitution, and automation. But without fixing wages, workload, and access to skilled labor, that is, real wellbeing support, wellness programs won't stop the bleeding. More information on Non-Financial Reward in Employee Retention: Russian SMEs Practices can be obtained in the books in [66-82] and the following related journals:

Russian Journal of Economics

Russian Journal of Labor Economics

Voprosy Ekonomiki

Economics of Contemporary Russia

Regional Science and Urban Economics

Journal of Monetary Economics and Management

Spatial Economics

Economic Policy

RERERENCES

- [1] C. Pepper (27.06.2025), "Russian companies are massively depriving employees of bonuses: symptoms of the crisis and the new reality of the labor market."
- [2] The Moscow Times (June 27, 2025), "HeadHunter/NPF Evolyutsiya survey data."
- [3] K. Korkiya & D. Shapiro, FDD Policy Brief (January 23, 2026), "Russian businesses adopt 'Tactical poverty' measures, signaling growing economic stress."
- [4] The Insider (2025), "Crisis-life balance: Russia's struggling companies are shortening the workweek."
- [5] Employee Recognition Report (2020).
- [6] Gallup (2019), "Employee Engagement Survey."
- [7] Harvard Business Review (2018), "Employee Autonomy."
- [8] SHRM (2020), "Work-life Balance."
- [9] "2020 Employee Benefits," (PDF), <https://shrm-res.cloudinary.com/2020-employee-benefits>
- [10] Gallup (2020), "Workplace Culture."
- [11] Harvard Business Review (2019), "Communication at Work."
- [12] SHRM (2020), "Employee Development."
- [13] A. E. Engidaw (01 November 2021), "The effect of motivation on employee engagement in public sectors: in the case of North Wollo zone," *Journal of Innovation and Entrepreneurship*, vol. 10, no. 43. <https://www.link.springer.com>
- [14] K. Cherry (October 29, 2025), "How Self-Determination Theory explains motivation," <https://www.verywellmind.com/how-self-determination-theory-explains-motivation>
- [15] O. Jain & S. Awasthi, (PDF), "The role of intrinsic and extrinsic motivation in enhancing employee performance," *International Journal of Innovative Research in Technology (IJIRT)*, vol. 10, no. 11, April 2024.
- [16] S. M. Nyambegera & C. N. Gicheru, "Extrinsic and intrinsic factors influencing employee motivation: Lessons from AMREF Health Africa in Kenya," *International Journal of Business and Social Research*, vol. 6. No. 9, September 2016.
- [17] C. Nickerson (April 18, 2025), "Herzberg's Two-Factor Theory of Motivation-Hygiene," <https://www.siomplypsychology.org/herzberg's-two-factor-theory-of-motivation-hygiene>
- [18] C. P. Alderfer (1972), "Existence, relatedness, and growth: Human needs in organizational settings."
- [19] M. Alshmemri, L. Shahwan-Akl & P. Maude (2017), "Herzberg's two-factor theory," *Life Science Journal*, vol. 14, no. 5, pp. 12-16.
- [20] N. Bassett-Jones & G. C. Lloyd (2005), "Does Herzberg's motivation theory have staying power?" *Journal of Management Development*.
- [21] M. Evans & D. McKee (1970), "Some effects of internal versus external orientations upon the relationship between various aspects of job satisfaction," *Journal of Applied Psychology*, vol. 2, no. 1, pp. 17-24.
- [22] D. J. Storey (2016), *Understanding the small business sector*. Routledge.
- [23] E. L. Deci, R. M. Ryan (2000), *The "what" and "why" of goal pursuits: Human needs and self-determination of behavior*, *Psychology Inquiry*, vol. 11, no. 4, pp. 227-268.
- [24] D. P. Moynihan & S. K. Pandey (2007), *Finding workable levers over work motivation*,

- Administration & Society, vol. 39, no. 7, pp. 803-832.
- [25] D. M. Rousseau (1995), *Psychological contracts in organizations*. Sage Publications.
- [26] B. Kroon, K. Van de Voorde & M. Van Veldhoven (2009), *Cross-level effects of HR practices on turnover intention*. Personnel Review, vol. 38, no. 5, pp. 509-525.
- [27] T. A. Beauregard & L. C. Henry (2009), *Making the link between work-life balance practices and organizational performance*. Human Resource Management Review, vol. 19, no. 1, pp. 9-22.
- [28] H. Tajfel & J. C. Turner (1986), *The social identity theory of intergroup behavior*, In S. Worchel & W. G. Austin (eds.). Psychology of Intergroup Relations.
- [29] L. Gensing-Pophal (October 18, 2024), "Using non-financial rewards to incentivize employees," <https://www.hrdailyadvisor.com/using-non-financial-rewards-to-incentivize-employees>
- [30] The Moscow Times (June 27, 2025), "Russian businesses take aim at employee bonuses in cost-cutting measure – Izvestia," <https://www.themoscowtimes.com/russian-businesses-take-aim-at-employee-bonuses-in-cost-cutting-measure>
- [31] T. V. Suvalova, M. A. Zhukova & G. V. Mokhova, "The research of the motivation factors of personnel in Russian companies," Proceedings of the 18th International Scientific Conference "Problems of Enterprise Development: Theory and Practice," (PEDTR 2019), 19-20 December. 2019, Samara State University of Economics, Samara, Russia.
- [32] B. Faulks et al. (11 November 2021), "Impact of empowering leadership, innovative work, and organizational learning readiness on sustainable economic performance: An empirical study of companies in Russia during the COVID-19 Pandemic," Sustainability, vol. 13, no. 22, <https://www.mdpi.com>
- [33] World Bank (2009), *50% of Russian firms considered local markets main sales destination*.
- [34] "Problems of creation, operation and development of small enterprises in the Russian Federation: economic, legal and financial aspects, solutions and state support," <https://www.referatbooks.ru>
- [35] A. Arrorio & M. Scerri (eds.) (2014), "The promise of small and medium enterprises," Routledge, 912, Tolstoy House, 15-17 Tolstoy Marg, Connaught Place, New Delhi 1100001, India. International Development Research Centre (IDRC), Canada. <https://www.idrc-rdci.ca>
- [36] "OECD Studies on SMEs and Entrepreneurship - Russian Federation key issues and policies," (PDF), <https://www.oecd.org>
- [37] O. Vasilievna et al. (11/05/2018), "Current trends in the development of small and medium-sized enterprises and individual entrepreneurship in the Russian Federation," Revista Espacios, vol. 39, no. 41, <https://www.revistaespacios.com>
- [38] "Overdue loans to small businesses have reached a record level since before the war," <https://www.reddit.com>
- [39] Government.ru. (2025), "Difficult for SMEs to compete with large companies...productivity significantly lower."
- [40] "Small business and big opportunities," <https://www.economics.hse.ru>
- [41] The Mosco Tmes (2019), "Russia's 'Shadow Economy' is nearly 13% of GDP" – Rosstat 2017: 12.7%.
- [42] GIS Reports (2025), "Russia's shadow economy makes up over a fourth of its GDP" – 20.6% workforce informally employed.
- [43] Central Bank via Reuters, "73% of Russian businesses short of staff; vacancies up 1.7x."
- [44] Rossiyskaya Gazeta via AsiaPlus, "8 out of 10 companies operating under staff shortages 2024."
- [45] News.ITMO.ru. (2019), "OPORA RUSSIA: Championing Technological Entrepreneurship."
- [46] NationalForest.ru. (2024), Forum "SUPPORTS OF RUSSIA" – Strategic session "Entrepreneurial Education."
- [47] Opora.ru Archive (2011), Putin-Borisov: Mosco Region has best business climate among regions."
- [48] PMC, "Level of financial support for research and development in Russia has been about 1.0% of GDP...lag by factor 2-2.5 behind leading world economies."

- [49] The Mosco Times (2025), “Russia cuts state support for small businesses amid budget strain” – subsidies -43% Q1 2025.
- [50] Emerald/South Asian AOM, “Approximately 17% of Russian companies offer flexible work options... managers prefer staff within zone of effective control.”
- [51] Reference-Global.com., Entrepreneurs “tend to prioritize work over personal lives...lack of desire for boundaries.”
- [52] HSE, “Small Business Employees’ Top Corners” – 1/3 work >8hrs/day; 41% shorter/no vacation; imbalance between work/personal life.
- [53] Opora.ru Archive (2011), Putin-Borisov: “Administrative barriers” dropped to 7th place; focus shifts to education/business links.
- [54] IEP.ru Section 3: “Sanctions pressure ...government stimulated growth of manufacturing sector and IT in SMEs” – Procurement quotas 25%.
- [55] HSE via TASS (2024), “86% of companies report staff shortages; unemployment 2.3% July 2025.”
- [56] T. Hong et al., “Skills shortages and training in Russian enterprises,” <https://www.ideas.repec.org>
- [57] A. Mahdia, “The importance of reskilling and upskilling for employees,” *Management Studies and Business Journal (PRODUCTIVITY)*, vol. 1, no. 4, 2024.
- [58] RT/SuperJob, “86% of enterprises struggled to fill positions in 2024.”
- [59] Econs.online, “~70% enterprises short of workers late 2024.”
- [60] The Insider, “Manufacturing short 1.9M workers: economy needs 3.1M more by 2030.”
- [61] SuperJob via The Insider, “Sharpest shortfalls: manufacturing 90%, transport/logistics 89%, services 88%.”
- [62] Bank of Russia, “Mechanical engineering, metallurgy, construction, transport face largest deficits; 82% of businesses raised wages.”
- [63] TASS (2024), PM Mishustin: “SMEs adjusted to sanctions pressure fairly well”; actively establishing ties with friendly countries.
- [64] World Bank, “National SME project: 427.6B RUB; 261.8B RUB for SME finance 2019-2024; roadmap for market-based solutions.”
- [65] OPORTA.RUSSIA, Kalinin: “SMEs more adaptable, not under sanctions”; need industry-specific programs, antitrust to expand into new markets.
- [66] D. Korsunskaya & G. Bryanski (November 6, 2025), “Russia to phase in lower VAT thresholds after pushback from small businesses,” <https://www.reuters.com>
- [67] “Fighting under the microscope,” April 17, 2024. <https://www.kommersant.ru>
- [68] “Market structure,” Wikipedia, the free encyclopedia, <https://www.ru.wikipedia.org>
- [69] I. Laine & T. Galkina (16 December 2016), *The interplay of effectuation and causation in decision making: Russian SMEs under institutional uncertainty*, Springer Science+Business Media New York 2016.
- [70] “SME support measures, personnel issues, and business growth opportunities – the second day of the Eastern Economic Forum 2024 with the participation of OPORTA RUSSIA,” September 4, 2024, <https://www.opora.ru>
- [71] “How to grow your business, retain staff, and enter foreign markets: what was discussed at the second session of the SME Forum,” June 5, 2024, <https://www.opora.ru>
- [72] “Global talent retention: Future proofing 2026,” (October 16, 2025), <https://www.deskimo.com>
- [73] V. A. Barinova and S. P. Zemtsov (September 2023), “From direct SMEs’ support to entrepreneurship policy in Russia: Why do regional entrepreneurial ecosystems matter?” *Regional Research of Russia*, vol. 13, no. 3, pp. 440-457, <https://www.researchgate.net>
- [74] “Connecting Russian and European technologies and innovation systems,” <https://www.cordis.europa.eu>
- [75] N. Khutsieva and D. Korsunkaya (October 22, 2025), “Russia’s small businesses cry foul over war economy tax hikes,” <https://www.reuters.com>
- [76] A. Chatterjee (June 23, 2025), “10 talent retention challenges and how to overcome them,” <https://www.imocha.io>
- [77] M. Valero (October 30, 2025), “The top 5 human resource management challenges for 2026,” <https://www.workday.com>
- [78] “Talent attraction and retention: A sustainable talent strategy for SMEs,” <https://www.mercer.com>

- [79] National Project “Small and Medium-Sized Entrepreneurship and support for individual entrepreneurial initiatives,” <https://www.ru.wikipedia.org>
- [80] Financial University, “Mission and vision,” <https://en-105.fa.ru>
- [81] The Moscow Times, “Nabiullina announced the exhaustion of almost all resources of the Russian economy,” <https://www.reddit.com>
- [82] SuperJob 2024, Central Bank, Ministry of Industry, AKM.ru My Business, RussiaPost Top 500.



Figure 4. Workplace wellness
Source:

https://en.wikipedia.org/wiki/Workplace_wellness



Figure 1. Job satisfaction
Source:

https://en.wikipedia.org/wiki/Job_satisfaction



Figure 5. Employee engagement
Source:

https://en.wikipedia.org/wiki/Employee_engagement



Figure 6. Compensation and benefits
Source:

https://en.wikipedia.org/wiki/Compensation_and_benefits

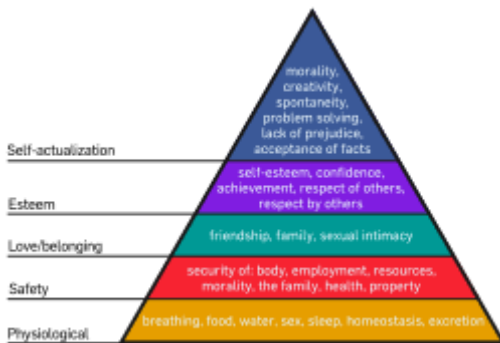


Figure 2. Reward management
Source:

https://en.wikipedia.org/wiki/Reward_management

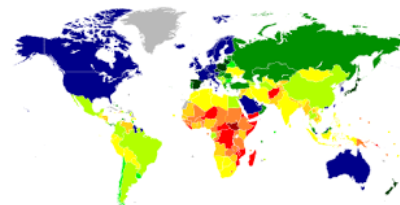


Figure 7. Gross domestic product
Source:

https://en.wikipedia.org/wiki/Gross_domestic_product

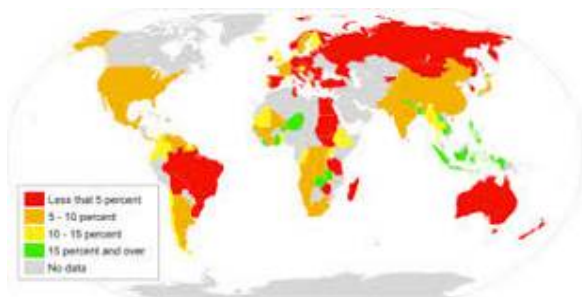


Figure 3. Remote work
Source:

https://en.wikipedia.org/wiki/Remote_work



Figure 8. Moscow

Source: <https://en.wikipedia.org/wiki/Moscow>