

Preface*

What is post-Soviet management? In what ways does it differ from both Western and East Asian management? How did the fall of the communist system affect the production system—the core of modern societies? How are post-Soviet managers coping with a hyperturbulent environment? These questions are asked by researchers and students interested in the areas of comparative management. Answers to these questions are of crucial importance for developing valid scenarios for the global economy.

We suppose that in research on transitional economies and transitional management it seems better to develop a set of knowledge clusters which can be applied for business transactions, rather than to try to construct a universal theory. At the practical level, management and organization can be seen as an emerging process which becomes institutionalized over time. At the more fundamental level, we observe the intersubjective basis of knowledge formation, where national cultures offer particular obstacles and opportunities for re-integrating the formerly closed economies into the world economy (Schipper, 1994).

In the case of Russian management, it is instructive to start with history. For our purposes, we will start with the different models for managerial structures in the formative years of the late 1920s, when the Soviets were forced to adopt the Stalin model of state-led industrialization. In that time, under the pressure of rapid industrialization, the Soviet Union built up an impressive system of technical institutes, separating research and teaching. After the Second World War, the Soviet Union continued the emphasis on high technology that made the Russian military-industrial complex a world leader. After Khruchev's liberalization in the 1960s, the Soviet technocrats became a leading force in the social structure. They had been sometimes frustrated by communist bureaucrats but, in general, they enjoyed considerable inde-

*Articles in this issue were translated by Igor Gurkov.

pendence. It was the time when the Soviet “scientific management” was a mysterious artifact for Western academics and practitioners, and when rare Soviet guests were most willing lecturers at the Academy of Management’s annual meetings.

With the exhaustion of the reserves for extensive economic growth, the technological elite became more and more frustrated by communist bureaucrats. This led to a rise in the obligations and a fall in the real rights of Russian industrial managers that, in turn, provoked further deterioration of industrial performance. In its first years, Gorbachev’s perestroika attempted to bring back the technocrats to the leading place in the society, but then the high wave of political setbacks and the destruction of the whole system of the central planning economy put new “*biznessmen*” on the forefront of social leadership. Previous advances in industrial management were forgotten and neglected, while financial speculations seemed to be considered as the top achievement of economic development.

Indeed, Russian management faces now the major challenge of reconciling the goals of the market economy with enormous traditional social commitments to employees. For Russia itself, the future will depend on the abilities of Russian managers to link the legacy of the communist regime and the national traditions in industrial organization with the requirements of a modern economy. An observer might be rather shocked by the ease with which many training and consulting firms without prior experience in Russia or empirical local knowledge started to offer available training and consulting packages to Russian clients. This is only the tip of the iceberg of the current learning processes, in which Russian managers are mastering not only new production methods and marketing skills, but also their new social roles.

In this learning process, there are no ready textbooks or experienced mentors. Never in the whole of human history was there such a large scale experience of establishing new property rights in all sectors of a national economy. Therefore, there is neither a uniform set of organization and management theories to be applied, nor are there magic solutions to be copied.

The present selection of papers reflects a search for authentic answers from within. As the East-Asian miracle (World Bank, 1993) suggests, each nation or state needs its own configuration of fundamental forces and long-term vision. All of the presented papers are written by “insiders,” that is, by direct participants in the transformation process. In this view, we used together four simple criteria:

1. The nature of the articles is mainly *empirical*. This means that the articles either are based directly on data from field research, or present a synthetic view of some aspects of the management in the transitional economy.
2. Only those empirical articles are included in which *general conclusions* are drawn.
3. The articles should be *comprehensible to a Western audience*. Thus, the results should allow international comparisons or at least a proper understanding by Western readers without a substantial amount of additional information about the details of Russian political, economic, and social systems.
4. The articles *must reveal the latest trends* in management and organization in Russia. The Russian economy is now in such a rapid transition that the normal gap between creation and publication of an article makes the results obsolete and dull. In this connection, we tried not to collect already published articles, but to promote recent studies. All presented papers were written especially upon the request of the guest editors.

The editors also attempted to present rather complete picture of the management and organizational science in Russia. So, the articles reflect different levels of current transformations:

- organization of the system of regulation of the national economy,
- political attitudes of elite groups,
- patterns of industrial organization,
- transformation of one specific sector of the national economy—the supply system,
- performance of one particular industry,
- managerial learning within individual companies.

The first article of the issue is a joint paper by Vladimir Kossov and Igor Gurkov. Professor Kossov, a prominent specialist in mathematical and organizational economics, now serves as Deputy Minister in the Ministry of Economy. This article, which may be viewed as a broad introduction to the issue, overviews the general problems of postcommunist management and shows the transformation of the former system of central planning. The paper also reveals the methods used now by government agencies to implement industrial policy.

The second article sketches the political framework of management transformations in Russia. Elena Avraamova in her article "Russian Elites amid Social and Economic Reform" presents the results of an empirical sociological study of economic orientations of elite groups in Russia. She observed three types of elites: members of the former Russian Parliament, heads of regional administrations, and directors of manufacturing companies. As a control group for the nonelite population, 1,380 workers across Russia were surveyed. The study compares the opinions of the four groups about macroeconomic policies, privatization, the relations between business and government, and other subjects. On this basis, Avraamova tested the support among different groups for various scenarios of development ("liberal," "social-democratic," and "paternalistic" models).

The next three articles deal with particular management problems of the transitional economy. Tatyana Dolgopyatova, in her article "The Development of Organizational Structures in an Economy in Transition: An Empirical Analysis" offers the results of an empirical analysis of industrial organizational design in Russia. The study is based on a survey of 151 companies in seven regions of Russia. The research design makes it possible to retrace three dimensions of organization design. First, the vertical integration of Russian manufacturing companies is examined. Second, the same is done for horizontal integration. The recent developments of specific organizational forms for technological cooperation are also observed and summarized. Third, an overview of internal organizational design is presented. Attention is given to the influence of privatization on internal management structures and to the identification of the areas of the greatest organizational changes.

The paper by two "youngsters" in organizational economics, Andrey Yakovlev and Rostislav Kokorev, "State Wholesale Firms in Russia Amid Economic Reform: Changes in Management and Organization," reveals the change in one of the most specific parts of the communist economy in Russia—the centralized system of wholesale trade. While for a long time this system has been very unclear to outsiders, it is impossible to create a market economy without a competitive wholesale market. The paper reports the results of a survey of fifteen wholesale trading companies situated in five different regions of Russia. The subjects for study consisted of the problems of legal status, personnel incentives, relationship with controlling bodies, organizational changes, and patterns of marketing behavior. The authors

recognized “conservative” and “progressive” types of wholesale trading companies, and made a forecast of the further development of both types of privatized companies with their interactions with the “new” private trade.

The paper by Igor Lipsitz, “Russian Managers in Conditions of Reform and Crisis: Performance Appraisal,” focuses on a particular industry. The paper reports an attempt to understand present models of Russian management on the basis of in-depth analysis of aggregated financial data. One particular industry, the textile industry, the most depressed and crisis-prone branch, was used as the object of the study. Part of the study involved the collection of the complete sets of financial accounting data for 150 companies. This permitted evaluation of the performance of textile enterprises using various statistical methods. As the first step of the analysis, the observed companies were divided into three groups according to a complex measure of financial success: “leaders,” “outsiders,” and “middlings.” Then, the behavior of each group of companies was compared. A profound divergence in economic policies was discovered between the groups in terms of planning horizon, risk aversion, subjective interest rates, and so on. Lipsitz’s in-depth analysis of the textile industry gives reasons to believe that the managers in this industry are really adapting to the new economic conditions.

The work by Igor Gurkov and Yaroslav Kuz’minov, “Organizational Learning in Russian Privatized Enterprises: The Beginning of Strategic Change,” serves as a broad conclusion to the empirical studies on the Russian management. The study retraces the learning process at three levels: individual learning, group learning, and organizational learning. At the individual level, the managers’ aspirations to additional education in business-related disciplines were estimated, and the real “learning by doing” of necessary new skills was examined. At the group level, the establishment of a new model of internal leadership was evaluated, which was based upon the newly acquired property rights of top managers. Finally, at the organizational level, the patterns for triggering off organizational change were considered. An overview of several successful survival strategies illustrates the principal theoretical speculations.

In conclusion, the selected articles show the growing research potential of Russian management scholars. The material presented will provide a better understanding of the specific problems of transitional

management by Western audiences, and should foster international scientific cooperation.

References

- Schipper, Christopher. *The Gene Bank of Culture*. Wasennar: Netherlands Institute of Advanced Studies, 1994.
- World Bank. *The East-Asian Miracle: A World Bank Policy Report*. Oxford: Oxford University Press, 1993.

IGOR GURKOV
Foundation for Economic Research at Erasmus University
Rotterdam, The Netherlands,
Higher School of Economics,
Moscow, Russia

PJOTR HESSELING
Erasmus University,
Rotterdam, The Netherlands