

Int. Studies of Mgt. & Org., Vol. 24, No. 4, pp. 64–82
M.E. Sharpe, Inc., 1994

DONNA L. WILEY

Developing Managers in the Former Soviet Union

An Application of the Systems Approach

Since the late 1980s dramatic changes have occurred in the republics of the former Soviet Union and the countries of Eastern Europe. Because of the fall of communism and the breakdown of the command economy, enterprises in this region are facing unprecedented challenges in transforming themselves in order to make the transition to a market economy. Some of the challenges these enterprises are facing include: privatization, eliminating vertically integrated monopolies, removing the vestiges of central planning, deregulating prices, introducing currency convertibility, and establishing a financial infrastructure (Ivancevich, DeFrank, and Gregory, 1991). These changes have had a tremendous impact on the role of the enterprise manager. For Western efforts in developing managers in the former Soviet Union to be successful, their attitudes, behaviors, skills, and deficiencies must be understood (Ivancevich et al., 1991). Although management practices in command economies were studied by Eastern European scholars, Western management scholars and practitioners had little access to information about business practices in the Soviet Union. Recently, more information has become available concerning the effects of a command economy on managerial behavior. Following is a brief overview of what is currently known about management practices in a command economy.

Management practices in a command economy

While wide variations existed between the Soviet Union and Eastern Europe, as well as among the various Eastern European countries, the

The author is a professor in the Department of Management and Finance, School of Business and Economics, California State University, Hayward, CA 94542.

operation of a centrally planned economy generally included the following characteristics: (1) a legally binding and centrally determined plan that controlled all enterprise activity and was the sole measure of enterprise effectiveness; (2) an extensive bureaucratic hierarchy characterized by tight vertical communication, "one-man-management," and Communist Party control over senior, middle, and lower management appointments; (3) planning calculations conducted in "volume" rather than "value" terms; (4) work force motivation achieved primarily by ideological commitment; and (5) rewards tied to achievement of enterprise plan targets rather than to individual performance (Woodall, 1992).

These centrally controlled, hierarchical organizations produced authoritarian managerial characteristics, such as obedience to authority, lack of trust in outsiders, attention to rank and status, and belief in a powerful, punitive legal system (Prokopenko, 1992). In these hierarchies, the primary job of the enterprise manager was to fulfill the plan. The principal means by which to perform this job was to secure scarce resources. While enterprise management preferred plan targets that could be comfortably achieved, central planners preferred an incremental increase over the previous year's output. This resulted in a tendency for enterprise managers to understate their production capacity. It also resulted in behaviors that might seem irrational, but were entirely rational given their context (Pearce, 1991; Woodall, 1992). Such behaviors included hoarding materials and labor, maintaining high inventories of finished goods, accepting any available supplies that might be tradeable, producing drastic fluctuations of output with "storming" at the end of the plan period, disregarding cost-effectiveness as long as targets were achieved, and maintaining a high level of distrust (Lovenduski and Woodall, 1987; Pearce, 1991; Woodall, 1992).

Under the old central planning system, the manager's role was primarily to make political decisions, not to make his or her own decisions or to take risks. Quality, cost, or timeliness were not important decision criteria (Prokopenko, 1992). An inverse relationship existed between responsibility and rewards. Although the first-line supervisor's job was most stressful, as it was most closely linked to plan targets, often the pay was lower than for the skilled manual workers. It was often difficult to find anyone to take a supervisory position. Advancement into upper management was linked to Party member-

ship, and business education focused on political ideology and the mechanics of the central planning system rather than on the functional areas of business (Bailey, Shenkar, and Bangert, 1992).

Effects of recent changes on managerial practices

In 1985, perestroika dramatically changed the position of managers in Eastern Europe. Managers are now expected to compete in a market-oriented environment. They must comprehend the complex social, political, legal, and economic dimensions of the market economy. To do so, they must develop expertise in such market-based fields as strategic planning, marketing, accounting, and finance, as well as radically alter their values and practices concerning the management of human resources. They are expected to play a variety of new roles—efficient manager, entrepreneur, forecaster, negotiator, external monitor, and motivator. In addition, globalization has made the Eastern European economy more interdependent with the rest of the world's economies, so that managers must now be able to develop and implement global strategies for dealing with a diverse set of global partners. All of these changes are occurring in the midst of chaos in the Eastern European monetary, supply, and distribution systems (Ivancevich et al., 1991; Prokopenko, 1992).

Need for management development

Recent circumstances have created a tremendous need for management development. Researchers agree that the lack of critical management skills is a serious impediment to the implementation of a full market economy. Firms cannot produce the quantity or quality of products needed to compete successfully in the world market because of their managers' lack of general business-practice skills. Thus, management development has been called the most urgent priority for human resource management efforts (Bailey et al., 1992; Ivancevich et al., 1991; Prokopenko, 1992).

Such efforts are hampered by the lack of existing management education and training systems, including the lack of professional trainers, modern training facilities and equipment, and management training literature and materials. Eastern European managers have not had the opportunity to study Western markets, laws, and business practices. Prokopenko (1992, p. 9) has hypothesized that "all managers in all

sectors have to be retrained or receive updated, basic management education." While simple replication of Western systems is not the solution, it is believed that some Western management models, tools, and techniques can be applied in specific situations (Ivancevich et al., 1991).

Western assistance in Eastern European management development

Given this tremendous need for management development and the lack of internal resources to fulfill that need, several Western initiatives have been created to assist in the training and development of managers in Eastern Europe. These initiatives include programs funded by U.S. Aid, the British Know-How Fund, the World Bank, and the European Community's TEMPUS and PHARE programs. They also include programs developed by American and European academic institutions that have either assisted in setting up educational programs in Eastern Europe or brought Eastern European managers to training programs at Western higher-education institutions.

While there appears to be consensus about the need for management development, there is disagreement about how such development should be conducted. Several criticisms have been leveled against these Western initiatives. Some programs have been criticized for offering ready-made packages developed without the involvement of local Eastern European participants (Elenurm, 1992). Others suggest that programs of two to four weeks' duration in a Western institution only allow time for the participants to get a general impression of the business school but nothing more, or that these programs use shock tactics that have unclear long-term benefits (Elenurm, 1992; Prokopenko, 1992; Woodall, 1992). Other features that have been criticized include using an academic rather than a pragmatic approach; transferring Western materials without proper adaptation; too much lecturing without allowing sufficient participation; and neglecting language training (Prokopenko, 1992).

A more overarching criticism of Western programs is that they have neglected what is commonly regarded as "best practice" with respect to management training and development (Woodall, 1992). The remainder of this article presents a case study of a Western training initiative that attempted to follow a widely accepted model of human resource development—the systems approach. By using the systems

approach in this training program, many of the criticisms of most such Western programs were addressed.

Case study using the systems approach

Human resource development researchers and practitioners in the United States agree that a learning experience that is systematically designed to produce changed behavior in the work environment results in effective training. This systematic process of training design is known as the systems approach. Characteristics of this approach include the specification of instructional objectives based on a needs analysis; the determination of suitable learning experiences to achieve these objectives; and the design of evaluation criteria and strategy that measure the trainee's improved performance. In addition, the systems approach views training as a subsystem that interacts with and is directly affected by larger systems, including the organization and the larger society (Goldstein, 1986; Lacey, Lee, and Wallace, 1982). Goldstein's systems model includes three phases: the needs assessment phase, the training and development phase, and the evaluation phase.

This model was used by a California university to design and implement a management development program for a group of managers from St. Petersburg, Russia. In the spring of 1991, the Institute of Research and Business and Development at California State University, Hayward (CSUH) was asked to design a management development program for Izhorsky Zavod (IZ), a large steel manufacturing company. The following sections outline the major phases of the systems model, and how they were executed in this particular training program.

Needs assessment phase

Many of the Western program designers have lacked the specific information needed to design a training program because they have not had the opportunity to conduct a thorough needs assessment. In contrast, four CSUH professors (including the author) were invited by IZ's top management to visit their facility to conduct a needs assessment in order to tailor a program to fit their enterprise's unique training needs. The analysis focused on Goldstein's (1986) three levels: organization analysis, job analysis, and person analysis.

Organization analysis

According to Goldstein, the organization analysis should focus on four issues: the specific goals of the organization, the training climate, the relevant external system factors, and resources available for training. Before these issues are described in relation to IZ, a brief background of the company is needed. Izhorsky Zavod is a very large, vertically integrated steel production facility founded in 1722 by Peter the Great to build the Russian navy. Employment today exceeds 26,000 people. The plant produces steel and alloy products as diverse as table silverware, heavy excavation equipment, and nuclear-reactor pressure vessels. Because of safety and environmental concerns about nuclear power plants following the Chernobyl disaster, orders for these vessels have fallen dramatically. In addition, low-cost raw materials from the Ukraine are no longer guaranteed. Distribution systems are unreliable, and problems are caused by the nonconvertibility of the ruble.

After several intensive discussions with top management, their short- and long-term goals both for the organization and for the training program were determined. Goals for the organization included privatization, gaining access to financial resources and raw materials, creating joint ventures, and conversion to more consumer-oriented products. Another key goal was decentralization. Because of the increasing threat that IZ's most talented management will leave the organization and look for opportunities to start their own businesses, top management's long-range goal is to spin their large divisions off into relatively autonomous profit centers, giving each division's manager more control over his (all middle and senior managers are men) own business. In top management's own words, the company is striving to operate on three basic principles: "To produce the best quality product; to take professional responsibility for our work; and to take the initiative as professionals and create change."

The analysis of the organization's training climate revealed tremendous support for training. In 1980, a new general director, Vladimir Vasilyev, was appointed at IZ. Like the enterprise directors in the Ivancevich et al. (1991) study, Vasilyev has played a key role in his firm's economic progress. However, unlike most Russian enterprise directors, he is relatively well read in Western literature and is not averse to taking risks. In 1985, before glasnost and perestroika, he recognized the need for creating new ways of doing business and

created a new center for management education (one of the first in Russia). Recently, the company has instituted computer training, with a classroom equipped with IBM-compatible computers and Hewlett-Packard printers. Still, although training is well supported and accepted throughout the organization, there is a lack of access to knowledge of Western management practices, which motivated this particular training request.

The relevant external system factors affecting this enterprise were quite obvious. According to Goldstein (1986), instructional design is affected by legal, political, social, and economic factors. In Russia, during the summer of 1991, all of these factors were in chaos. In 1988, IZ had essentially declared itself independent from the Ministry of Steel Industries. While top management has been seeking to implement the principles of a market economy ever since, the lack of legislation and infrastructure has made this virtually impossible. They are proceeding to act based on the assumption that such an economy will someday exist. Top management made it clear that they were willing to commit resources to make this management development program successful.

Job analysis

In a typical training needs assessment, the job analysis specifies the tasks to be performed and the knowledge, skills, and abilities (KSAs) required for performing a job as it currently exists. This description is then used as a basis for the instructional objectives. This type of job analysis was not possible in this case, because the job, "manager in a market-based economy," did not currently exist. Therefore, a more appropriate form of job analysis was used. This is known as "strategic job analysis," which is the specification of the tasks to be performed and the KSAs required for effective performance for a job as it is predicted to exist in the future (Schneider and Konz, 1989). The first step in this analysis is to gather information about the kinds of issues in the job, the company, and/or the larger environment that may affect the job in the future. This information was gathered during the interviews conducted with top management, discussed in the preceding section.

The second step is to revise the current tasks and KSAs in light of expected future changes. Because of the organization's goal of decentralization, the jobs of these managers would change drastically. These managers would ultimately be responsible for directing their divisions

as relatively autonomous profit centers. KSAs required would be knowledge of strategic planning, marketing, and financial management. Knowledge of the privatization process was also viewed as essential. Knowledge and skills involved in new product development and innovation would be required to fulfill the goal of conversion to consumer products. Effective utilization of human resources was also identified by top management as a key issue for the future, so that knowledge and skills in new techniques of managing people were also identified as key KSAs. This information was gathered via interviews with top managers and the managers who would be attending the program as well as by researching available materials in the academic and business literature on the changing role of managers in Eastern Europe.

The validity of this analysis is substantiated by a recent report identifying the most immediate and extensive training needs of Eastern European managers (Prokopenko, 1992). Prokopenko's list, which follows, parallels almost identically the KSAs identified in the current analysis: general management (in market conditions); strategic management (planning, portfolio analysis, feasibility studies); industrial restructuring (downsizing, privatization, business valuation, small-enterprise development); marketing and sales management (pricing, advertising, distribution, international markets); financial management (sources of funds, equity, capital markets, cash flows); accounting and auditing; organization development and change management; problem analysis and decision making; innovation, technology transfer, and product-design management; human resource management and motivation; information technology (MIS and computerization); environmental management; productivity, value-added concepts, profits, and quality management; negotiating skills; and business law.

Person analysis

The person analysis determines whether individual employees need training and exactly what training is required. The results provide input for program development. The first step in this process for the IZ program was the selection of participants. The selection was made by IZ top management. According to Deputy Director Leonid Karlyukov, the key selection criteria were creativity and flexibility. The group of sixteen managers chosen included department chiefs of metallurgy, machine shops, maintenance, economics, foreign trade, and computers.

They were quite young, considering their high-level positions, ranging in age from 28 to 50.

During the visit to IZ, meetings were held with the participants, both individually and as a group. From these meetings, some assessment of their preexisting knowledge and skill levels was made. The men were well educated, with many holding advanced degrees, primarily in engineering fields. Most had very little exposure to Western business practices. English proficiency was another main consideration. One of top management's secondary goals for the program was that the trainees should become proficient in English. They had been adamant that the classes be conducted in English, and they planned for the participants to study English intensively before the beginning of the program. From the meetings held with the prospective trainees, it became obvious that the majority would not be able to comprehend lectures conducted solely in English. The resolution of this problem is discussed in the program design section.

A final pre-assessment technique was the administration of *Acumen*, a self-report diagnostic tool that measures several dimensions relating to managerial style. *Acumen* measures the following scales: humanistic-helpful, affiliation, approval, conventional, dependence, apprehension, oppositional, power, competition, perfectionism, achievement, and self-actualization. Studies have demonstrated that effective managers, as measured by variables such as peer evaluations, number of promotions, and salary increases, display a different profile on the *Acumen* than ineffective managers. Specifically, effective managers consistently score high on the achievement, self-actualization, humanistic-helpful, and affiliation scales (Cooke and Rousseau, 1983; Gratzinger, Warren, and Cooke, 1987).

This instrument was translated into Russian and was administered to the prospective trainees via personal computers at IZ's computer laboratory. The results, presented in Table 1, showed that these managers scored extremely high in the power and competitive dimensions but scored low in the all of the dimensions related to effective management among Western managers. These scores were confirmed during class discussions held with these managers. In general, they viewed their employees as lazy and untrustworthy—attitudes not consistent with the organization's strategic human resource management goals. Therefore, the role of the manager and motivational and leadership techniques were heavily emphasized in the program content.

Table 1
Acumen results

Dimension	Mean percentiles*
<i>Power</i> : need to influence, control behavior in others, exercise authority	81.22
<i>Perfectionism</i> : need to seek perfection	80.00
<i>Competition</i> : need to be seen as the best and to maintain a self-centered attitude	76.33
<i>Apprehension</i> : tendency to experience anxiety	55.55
<i>Approval</i> : need to seek others' approval and support	52.00
<i>Self-actualization</i> : level of self-esteem, interest in self-development	50.22
<i>Oppositional</i> : tendency to take a critical, questioning attitude	47.88
<i>Achievement</i> : need to achieve and have an impact	46.12
<i>Dependence</i> : tendency to be compliant, passive and dependent on others	41.77
<i>Humanistic-helpful</i> : inclination to see the best in others, to encourage their growth and development, and to be supportive	38.22
<i>Conventional</i> : need to conform, follow the rules, and meet the expectations of those in authority	36.33
<i>Affiliation</i> : degree of friendliness, sociability and outgoing tendencies	31.06

* N = 16.

Instructional objectives

Instructional objectives play a key role in the systems approach to training. Based on information gathered in the needs assessment, objectives specify what is to be achieved by the trainee upon completion of the training program. They also shape the program design and evaluation (Goldstein, 1986). Based on the above needs assessment, the following goals were developed for the participants in the management

development program designed for IZ:

1. to acquire knowledge and skills in the essential aspects of a market economy business system;
2. to acquire strategic management and marketing skills required to operate autonomous divisions;
3. to acquire skills in innovation and new product development;
4. to understand the basic aspects of a joint venture and to make business contacts that might lead to the formation of joint ventures;
5. to improve English proficiency; and
6. to learn new human resource management skills.

A subsidiary goal of the program was to provide the Russian managers with some understanding of U.S. culture as well as to provide an opportunity for the U.S. faculty to learn something about the Russian culture and way of life.

Training and development phase

After the needs assessment has been conducted and the objectives determined, the next phase in the systems approach involves designing and implementing the actual training program. The primary goal of this phase is to create a training environment that is conducive to learning, retention, and transfer of training. The first major task of this phase is the establishment of an environment that supports learning. The three key components of this environment are trainee readiness, the conditions of learning, and the conditions necessary to maximize transfer from the learning environment to the on-the-job environment. The second major task is the actual program design, which involves the selection of training methods and media that best match the objectives of the program (Goldstein, 1986).

The learning environment—trainee readiness

Trainee readiness refers to both ability and motivation to learn. Ability concerns the knowledge and skills required to master the program material. Information about such incoming trainee characteristics should be gathered during the needs assessment phase. Several determinations about the incoming knowledge and skills of the IZ managers were made. First, due to their level of education and job responsibili-

ties, it was clear that they had the intellectual capacity to learn. This was an extremely intelligent, fast-learning group. Second, upon their arrival, it was also clear that the majority of the group were not proficient enough in English to comprehend lectures conducted in English. However, two of the sixteen group members were highly proficient and had translating experience. It was decided to alternate these two members as translators for the classroom portion of the training program. They translated the instructors' information to the rest of the class and then translated the comments of the class back to the instructor. Several other members of the group were proficient enough to comprehend much of the class material and to respond in class. Although this was a slow process, it worked quite well with a group this size. It was still possible to hold quite lively, participative discussions.

Trainee motivation is also important for facilitating training program effectiveness. Expectancy theory is one motivation theory believed to have implications for motivating trainees (Wexley and Latham, 1991). The basic premise of expectancy theory is that an individual will choose to perform a behavior that is likely to have favorable consequences for that individual. Therefore, for training to be effective, the individual must perceive that participation in training will lead to desirable rewards. It was very obvious that the IZ managers were highly motivated. These managers viewed the changes taking place in the Soviet Union (the Soviet Union dissolved during the program), as having potentially very positive personal consequences. They perceived that learning about Western business practices would place them at a great advantage, both in their own company and in the labor market in general.

The learning environment—conditions of learning

While there is no definitive set of learning principles that can be applied in every training situation, learning theory has supplied a number of factors that do appear to facilitate learning. In the training context, many learning theories center on andragogy, which identifies the ways adults learn in contrast to ways children learn (Knowles, 1984). One of the basic features of the andragogical model is the active participation of the learner in all aspects of the training process, including needs assessment, actual instruction, and evaluation.

The involvement of the IZ managers in the needs assessment process has already been discussed. In terms of the instruction process, the

importance of maximizing trainee participation through discussions and experiential learning activities was stressed to the faculty participating in the program. Faculty were also strongly encouraged to facilitate discussions on how Western practices could be adapted to the Russian context. These training procedures were not only applications of good learning principles, they also helped to counter many of the criticisms of previous Western training programs for Eastern European managers discussed earlier. The actual training methods used will be described in greater detail in the next section.

According to the andragogical model, evaluation should be a mutual activity between learner and instructor, leading to the reappraisal of future training needs and the design of further learning activities. The evaluation of the IZ program has been an ongoing collaboration between the training staff, the IZ management, and the program participants. The evaluation strategy is also described in a later section.

The learning environment—facilitation of retention and transfer

Wexley and Latham (1991) recommend a variety of strategies for maximizing retention and transfer. These recommendations can be implemented before, during, and after training. Before the training is conducted, they recommend the following: (1) conduct a needs analysis that includes multiple constituencies; (2) seek out supervisory support for training; (3) inform the trainees regarding the nature of the training; and (4) assign tasks prior to the training sessions. All of these recommendations were implemented in the IZ program. The needs assessment and top-management support for the training have already been addressed.

The recommendations for increasing transfer during training are too numerous to outline here. They basically involve implementing good learning principles, which have already been described. Wexley and Latham (1991) also identify several organizational factors affecting transfer of training. These include pay and promotion policies, environmental constraints, and social factors such as peer and supervisory support. The high level of top-management support given to the IZ trainees has already been mentioned. It was also believed that by training a critical mass of managers who could return to the company with a consistent body of knowledge and skills, sufficient peer group support would be generated to make it more likely that they would put what they had learned into practice.

Program design

One of the first design decisions was program length. There was unanimous agreement that a program of short duration (two to four weeks) would provide only a superficial look at U.S. business practices and would not achieve the company's objectives. Based on the training staff's experience with an earlier program, it was decided that three months was too long for trainees to be away from their families. Therefore, after calculating the minimum number of hours needed to cover the proposed topics and to provide an opportunity for company visits, a nine-week program was designed, consisting of approximately 230 hours of classroom instruction. The curriculum was divided into eight general categories: overview of U.S. business, economics, finance, accounting, management, marketing, human resource management, and quantitative business methods, with additional sessions on innovation, privatization, and joint ventures.

Lecture was the primary training method used, because of the tremendous amount of concepts and ideas to be conveyed. However, faculty were encouraged to play the role of facilitator rather than of instructor, using activities and group discussions requiring application and input from the Russian trainees. The focus of the discussions was how Western ideas could be adapted to their organizational and environmental context. The second training method utilized was the playing of a business game. BRANDMAPS (Chapman, 1991), a sophisticated, competitive, computer-simulated marketing strategy game, was used to integrate the various topic areas and their application. This allowed the trainees to practice many of the market-economy concepts they were learning in the classroom. The trainees were divided into competing teams in order to view the operations of a company in a competitive environment. They were able to witness the effects of their own strategic decisions as well as the effects of external factors. Woodall (1992) has criticized such participative methods because they are based on Western organizations and cultural perspectives. However, the objectives of this particular program were to gain knowledge and skills in the workings of a market economy. In addition, IZ was already involved in joint ventures with Western countries and anticipates more in the near future. Thus, it was felt that this type of game would help achieve the objectives of this program.

A third major component of the program was visits to U.S. busi-

nesses. Sixteen days of the program were spent on company tours. This provided opportunities for the trainees to see the concepts they were learning in class in actual practice. The group visited a variety of companies in manufacturing, high-technology, and financial industries, including Hewlett-Packard, Raychem, NUMMI, Posco Steel, Bechtel, Pacific Bell, and the Pacific Stock Exchange.

Another criticism of Western training programs was that trainees obtain only a general impression of the business school (Prokopenko, 1992). The designers of this program felt that actually seeing these concepts in practice and having the opportunity to ask questions of top executives down to line managers and employees were an invaluable part of the program, and one that could not be included if the program were held in Russia. For example, while the participants were most impressed by the manufacturing facilities and technologies they observed, the most frequently asked questions pertained to human resource management issues. Invariably, they asked how the companies motivate and compensate their employees. At NUMMI, the General Motors–Toyota joint venture, they were able to see first-hand the concepts of autonomous work teams and employee involvement in practice, and were able to observe the outstanding results NUMMI attributes to its employees' commitment and participation.

Evaluation

The final phase of the systems approach to training is the evaluation phase. This phase provides feedback to determine the effectiveness of the training program in terms of achieving its stated objectives and furnishes input for the design of future instructional processes. Training effectiveness can be evaluated in terms of reaction, learning, behavioral, and results criteria (Kirkpatrick, 1987).

Reaction

Reaction criteria assess how well the participants liked the program. Reaction to the IZ program was appraised during a roundtable feedback session attended by both faculty and participants held at the conclusion of the program. The session was also attended by the director and deputy director of the enterprise, who had arrived to attend the "graduation" ceremony. The comments made by the participants were overwhelmingly positive, so much so that it was difficult to obtain

even constructive criticisms, which was the faculty's goal for the meeting. More critical comments might have resulted if the feedback had been gathered by anonymous questionnaires, but those would have involved translation problems.

Learning

Learning criteria assess the knowledge and skills obtained by the trainees in terms of the training objectives. The learning of the IZ managers was evaluated by two measures. First, the results of the BRANDMAPS game provided ongoing data throughout the program as to how well the trainees were comprehending the material. The faculty member administering the game was impressed by how well the participants grasped the effects of factors such as pricing and advertising strategies on company performance, and adjusted their strategies accordingly. Learning was also assessed by an examination given at the end of the program. Each faculty submitted both objective and essay questions on his or her topic area and graded each participant's responses to those questions.

Behavior

The behavior criterion measures changes in trainees' performance on the job. Such measures were difficult to obtain, given the distance involved. Consequently, a self-report questionnaire was sent to the participants six months after their return to St. Petersburg. The first question asked which topic areas they had been able to use immediately upon their return. Their responses cited marketing and international marketing, theories of management, human resource management, and managerial accounting as most immediately useful, as well as practical recommendations from the company tours. Two of the participants reported that they had conducted an attitude survey among their employees, and were planning other ways to involve their employees (a very new concept!). They reported that commercial law, computer information systems, and finance were least applicable due to present economic circumstances, but they predicted that they will be useful in the future.

In response to a question concerning what topics should be included in an advanced program, they mentioned the following: English language, international marketing, bargaining, business ethics, evaluation of joint-business partners, securing venture capital and foreign invest-

ments, creating banking relationships, accessing international databases, international financial systems, and import/export issues. They also recommended extended company internships. Although this questionnaire was not a scientifically controlled measurement, it did provide valuable information for the design of future programs for other groups of trainees as well as for followup activities with this particular company.

Results

The results criteria assess the degree to which the training program contributes to the accomplishment of organizational objectives. This is a difficult criterion to measure because of the multitude of variables that affect organizational effectiveness. It also requires a longitudinal analysis because of the time required for the impact of training to be felt. The SEDPRO program was completed in January 1992. It is still too early to judge its long-term results. However, we have received positive feedback in terms of its consequences for individuals. Several of the participants have received promotions into the foreign-trade division of the company. There, they are able to put much of what they learned to use, particularly the negotiation of joint-venture contracts. The enterprise as a whole is struggling to survive amid the chaos experienced by all Russian companies. Top management is optimistic about their future and is planning for future programs conducted in the West and also on-site.

Conclusions

Several conclusions and recommendations can be made based on this case study. The main conclusion to be drawn is that it is possible to apply state-of-the-art management development practices in programs for Eastern European managers. The key to the success of this particular program was the opportunity to conduct a relatively thorough needs assessment, which allowed the program to be tailored as closely as possible to the needs of the organization. However, obstacles continue to face such programs.

First, language is a barrier to the effectiveness of any program. The optimal solution is to have participants who are fluent in English. If this is not feasible, another solution is to have as much of the class material as possible translated, particularly overhead transparencies,

lecture outlines, and handout materials. If a translator must be used, this person must be familiar with business terminology. Second, group composition is another key consideration. This program demonstrated the advantages of having managers from the same company, with common interests and concerns and common frames of business reference. Other programs in the past have been composed of managers from different companies, which makes it very difficult to meet the participants' very diverse training needs. However, even with a group of participants from the same company, their individual needs varied according to their functional responsibilities. A recommendation for future programs is to make group composition as homogenous as possible—that is, similar job experience, company backgrounds, and the like. Third, while the plant visits were quite successful, they provided only a superficial look. The participants suggested (and other programs have included) internships in which participants spend a short, intensive period in one company. This would allow a more in-depth, realistic view of Western business practices in operation. While such internships would involve logistical difficulties, they should be considered.

Finally, it should be emphasized that the learning that occurs in these programs is bidirectional. The faculty involved in this program learned a great deal about both Soviet business operations and Soviet culture. As Ivancevich et al. (1991) and others have stressed, Western academic and business partners must understand their Eastern European counterparts before management development efforts can be maximally beneficial.

References

- Bailey, E.K.; Shenkar, O.; and Bangert, D. "Human Resource Practices in a Transitional Economy." *Proceeding of the Third Conference on International Personnel and Human Resources Management*, Berkhamsted, UK, 1992.
- Chapman, R.G. *BRANDMAPS*. Englewood Cliffs, NJ: Prentice-Hall, 1991.
- Cooke, R.A., and Rousseau, D.M. "The Factor Structure of Level I: Life Styles Inventory." *Educational and Psychological Measurement*, 43 (1983): 449–458.
- Elenurm, T. "Innovative Learning: A Way to Train Managers for the Market Economy." *Proceeding of the Third Conference on International Personnel and Human Resources Management*, Berkhamsted, UK, 1992.
- Goldstein, I.L. *Training in Organizations: Needs Assessment, Development, and Evaluation*, 2d ed. Monterey, CA: Brooks/Cole, 1986.

- Gratzinger, P.D.; Warren, R.A.; and Cooke, R.A. *The Optimal and Ineffective Manager: Satisfaction Orientation Traits are Important Predictors of Leaders' Effectiveness*. San Rafael, CA: Human Factors ATG, 1987.
- Ivancevich, J.M.; DeFrank, R.S.; and Gregory, P.R. "The Soviet Enterprise Director: An Important Resource before and after the Coup." *Academy of Management Executive*, 6, 2 (1991): 42-55.
- Kirkpatrick, D.L. "Evaluation of Training." In R. Craig (ed.), *Training and Development Handbook: A Guide to Human Resource Development*. New York: McGraw-Hill, 1987, pp. 301-319.
- Knowles, M.S. *The Adult Learner: A Neglected Species*, 3d ed. Houston, TX: Gulf, 1984.
- Lacey, D.W.; Lee, R.J.; and Wallace, L.L. *Personnel Management*. Boston: Allyn and Bacon, 1982.
- Lovenduski, J., and Woodall, J. *Politics and Society in Eastern Europe*. New York: Macmillan, 1987.
- Pearce, J.L. "From Socialism to Capitalism: The Effects of Hungarian Human Resources Practices." *Academy of Management Executive*, 5, 4 (1991): 75-88.
- Prokopenko, J. "Transition to a Market Economy and its Implications for Human Resources Management in Eastern Europe." *Proceeding of the Third Conference on International Personnel and Human Resources Management*, Berkhamsted, UK, 1992.
- Schneider, B., and Konz, A. M. "Strategic Job Analysis." *Human Resource Management*, 28, 1 (1989): 51-63.
- Wexley, K.N., and Latham, G.P. *Developing and Training Human Resources in Organizations*, 2d ed. New York: HarperCollins, 1991.
- Woodall, J. "Models and Methods of Management Development in Poland and Hungary." *Proceeding of the Third Conference on International Personnel and Human Resources Management*, Berkhamsted, UK, 1992.