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EMBEDDED IMPEDIMENTS TO JOINT VENTURE SUCCESS: A NEW
INSTITUTIONAL THEORY PERSPECTIVE ON NEGOTIATING WITH RUSSIAN
PRINCIPALS

BY

VALENTIN H. PASHTENKO

A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF
DOCTOR OF PHILOSOPHY
IN
BUSINESS ADMINISTRATION

UNIVERSITY OF RHODE ISLAND

2001

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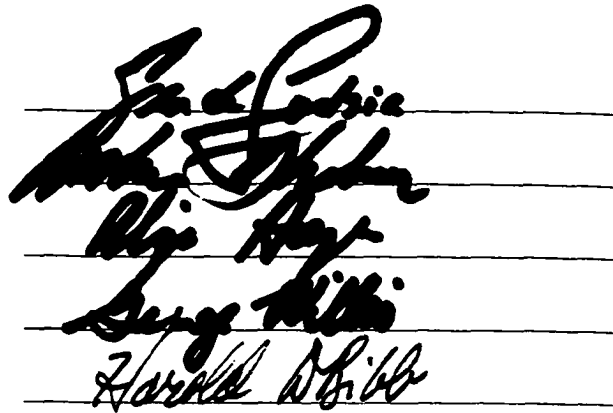
OF

VALENTIN H. PASHTENKO

APPROVED:

Dissertation Committee

Major Professor



The image shows five handwritten signatures in black ink, stacked vertically on a background of five horizontal lines. The signatures are: 1. Paul Louis, 2. Mark Spahn, 3. Big Boy, 4. Serge Kishi, and 5. Harold White.

DEAN OF THE GRADUATE SCHOOL

UNIVERSITY OF RHODE ISLAND

2001

ABSTRACT

This dissertation challenges the current prevalent view (found in the research literature) that learning does not occur during periods of economic upheaval. In particular, it examines the various types of negotiating behavior that Russian business executives have developed during a period of rapid social change. Using a qualitative methodology, this research project has distilled three different mindsets about negotiating at the bargaining table that Russian business executives have developed. This dissertation then uses a quantitative methodology to examine whether New Institutional Theory (NIT) offers the best possible explanation of why these three executive mindsets have emerged during this time. The study finds congruity between the researcher's passive observation and intermediate findings, Russian history, and the quantitative methodology that the researcher employs in corroborating his intermediate findings. Finally, it makes recommendations regarding how best to negotiate at the bargaining table with Russian executives in ways that will foster and maintain an open market.

ACKNOWLEDGEMENTS

A tribute to the permanent members of my dissertation.

DEDICATION

In eternal tribute to my late father who devoted his life so that others may earn degrees.
On the day I earned only one, he was responsible for two. May I one day inspire the
greatness in people that he did.

To my loving wife and eagerly anticipated family.

May someone someday look back at my life while reading this and see the good that I
tried to do and say a prayer for me to God long after I am gone.

PREFACE

This dissertation was written in the standard format. This dissertation itself was created using Microsoft Word 2000. Data were entered into a Microsoft Excel 97 spreadsheet and were then analyzed using SPSS for Windows v. 9.0 to generate ANOVA results. These were then imported into the word processing program using Microsoft PowerPoint for formatting. Diagrams 1 and 2 were generated using Microsoft Word 2000.

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EMBEDDED IMPEDIMENTS TO JOINT VENTURE SUCCESS: A NEW INSTITUTIONAL THEORY PERSPECTIVE ON NEGOTIATING WITH RUSSIAN PRINCIPALS

1. INTRODUCTION

Practical Motivation and Rationale for This Dissertation

Unprecedented changes have occurred within markets that have undergone institutional upheaval within the past decade (Beamish & Delios, 1996). These changes have involved firm-level negotiations; the lifting of unilateral, market-wide bargaining restrictions; and increased, even-majority ownership of international joint ventures within previously restricted industries. Examples of these markets include Southeast Asia, China, the former Soviet Union, and Eastern Europe. These same unstable markets, however, produce atypical financial returns for organizations that strategically manage joint ventures (Beamish et al., 1996; Beamish, 1993). Foreign organizations entering these markets typically lessen the probability of failure by entering into several smaller joint ventures rather than entering one or a few. Despite the product of these atypical returns times their respective probability being greater than the expected returns from more stable markets, these markets rank last in the world in total joint venture investments nevertheless (Harrigan, 1988).

In the past decade alone, more joint ventures have been formed than in all previous years combined, with this trend promising to continue at an accelerated rate (Beamish et al., 1996). Interestingly, venture success rates range from over 80% within specific industries in China to below 20% within identical industries in Russia (Beamish

et al., 1996; Beamish & Wang, 1989). Despite these systematic performance discrepancies, the existing literature attributes failure to issues particular to each venture - such as partner selection, human resources, design, and cultural awareness issues - and recognizes no embedded behavior pattern among executives within their respective markets (see Table 1).

TABLE 1
SUMMARY OF THE NUMBER OF ARTICLES PERTAINING TO
INTERNATIONAL JOINT VENTURE SUCCESS

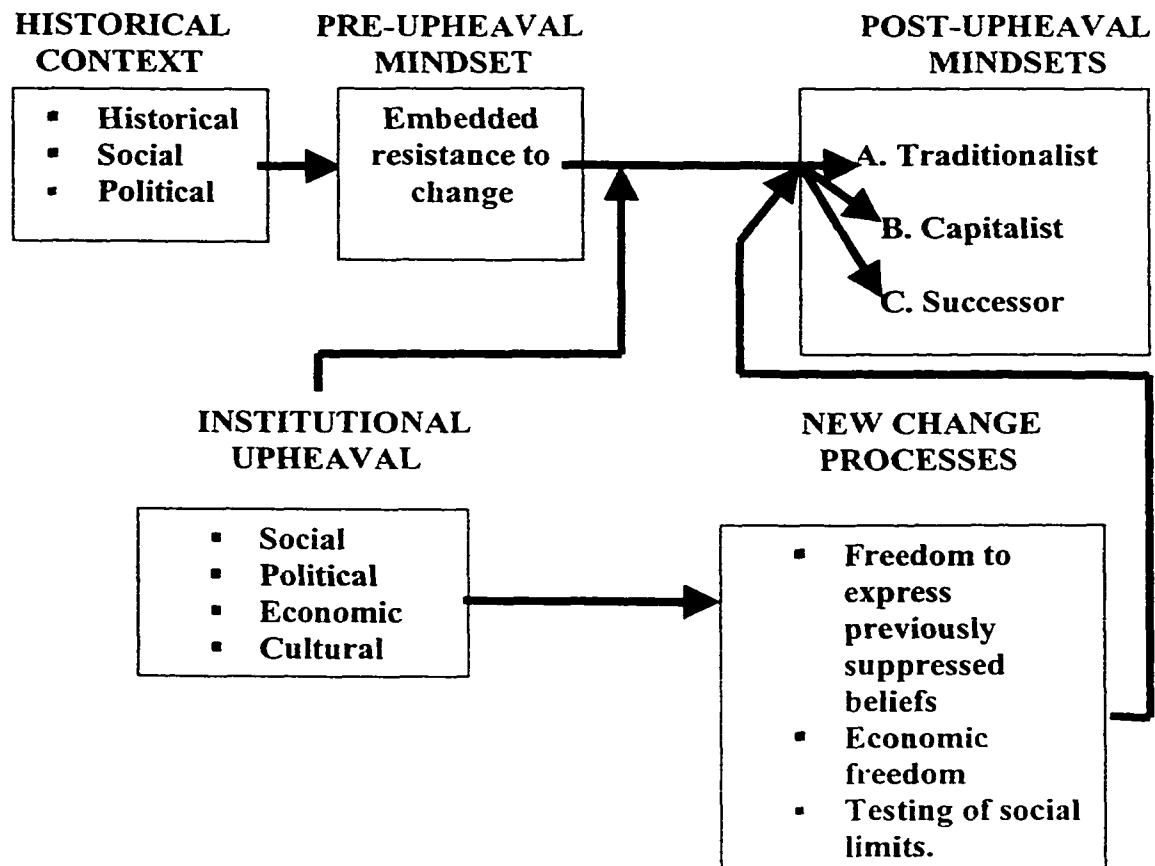
PARTNER SELECTION ISSUES	
ISSUE	NUMBER OF ARTICLES
Partner Selection Issues	4
Human Resources Issues	3
Design Issues	17
Cultural Awareness Issues	5

Joint venture success is critical for post planning economies (PPEs). Supply systems in these PPEs have shifted from centrally planned economies in which the goals and resources were fixed by the state to markets that are, for the most part, no longer centrally controlled. International Joint Ventures (IJVs) enable the transfer of knowledge, skills, and abilities to these economies while protecting them through the majority, shared control. With majority control, executives can dictate contract terms, restrict foreign access to undervalued, vulnerable host assets, and defend against venture agreements in which foreign principals derive atypical returns. Majority control helps achieve a balance between PPEs and financially stronger foreign principals. Of all the PPEs, venture failure has been the most dramatic in the Russian market. Consequently,

Russia offers a research setting that challenges the assumption that venture failure is unsystematic and distinct to each undertaking.

This dissertation is about Russian negotiating behavior during times of upheaval and it investigates the question of whether New Institutional Theory (NIT) offers the best possible explanation of why three post-planning mindsets have emerged among Russian executives at this time. Because of the lack of research on this topic, this dissertation takes an exploratory stance rather than a presumptive one. It uses an interpretive framework, sense-making (see Section 4), to fully explore the data from both an active and a passive research perspective. Accordingly, the researcher actively solicited the research subjects' views and then compared these views with passive observation to achieve a well-rounded understanding of executive mindsets during a period of economic upheaval. The relationship between this upheaval and executive mindsets is presented in Figure 1 below.

FIGURE 1. OVERALL FRAMEWORK OF THE DISSERTATION



As Figure 1 suggests, the historical context that has brought forth present-day Russia and its business executives is a combination of historical, social and political events that are unique to Russia itself. The outcome of this historical context was the pre-upheaval mindset, that being that Russian executives exhibited a monolithic embedded resistance to change. This is why Russia was chosen for the research site.

This study was conducted in the Russian city of Novgorod the Great, where business executives have only recently begun to resist and negotiate change based upon their own self-interests. The research site lies within a region where the central state

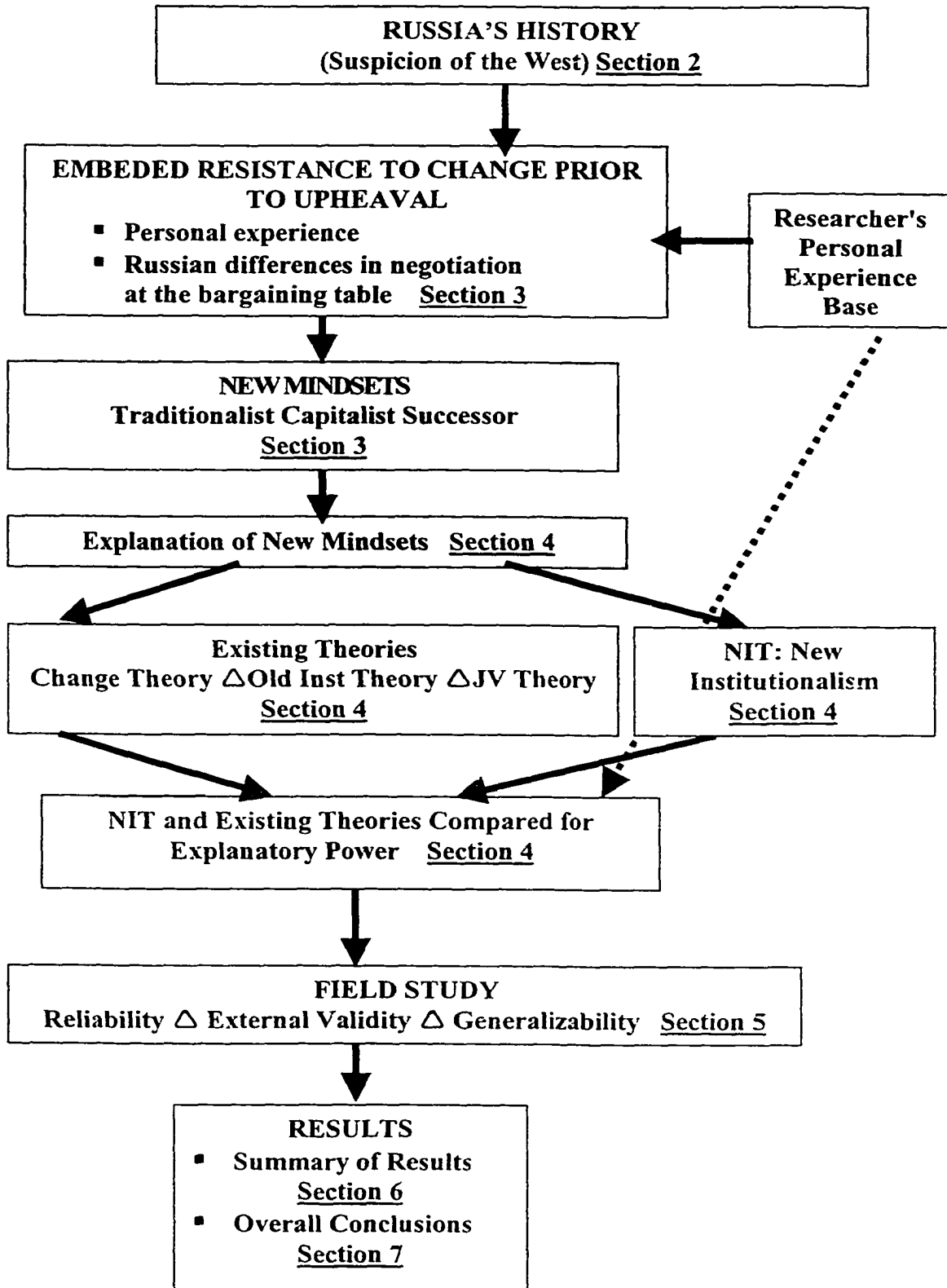
government has traditionally dictated policy and maintained the *status quo*. Its physical location between Moscow and St. Petersburg – the present and past capitals of Russia – has ensured that the dictates of the former central state government have been carried out. Because of these dictates and the city’s proximity and direction by the two nearby cities, business executives have had minimal latitude in formulating their own policies. In addition, the city itself is “the second Rus,” the historical seat for all Russia; it is thus the archetype for all Russian culture. For this reason, the institutional pressures to maintain the *status quo* are very strong and overcoming resistance to change is likely to be greater than in any other area of Northwest Russia. Accordingly, the research site is ideal for testing this dissertation’s argument that that institutional upheaval, consisting of rapid social, political, economic, and cultural changes, has the potential for changing embedded resistance to change.

Continuing with Figure 1, institutional upheaval resulted in the introduction of new change processes. Russian executives were at last given the freedom to express previously suppressed beliefs, the economic freedom to provide for them individually instead of collectively, and the ability to test undetermined social limits for the first time. This dissertation argues that three executive mindsets have developed during this period of rapid economic change. The first, Post-Upheaval Mindset A – traditionalist, is due to inertia in the face of change. This mindset persists from the past – the intervening (or moderating) variable of Institutional Upheaval has had no influence on this enduring mindset. On the other hand, Post-Upheaval Mindsets B – capitalist -and C – successor - have resulted from Institutional Upheaval and subsequent New Change Processes that operate as an additional intervening (or moderating) variable. This dissertation argues

that New Institutional Theory (NIT) best explains the maintenance of Post-Upheaval Mindset A and simultaneous evolution of Post-Upheaval Mindsets B and C.

The purpose of this study is not to generate results that can be applied *in toto* to all international joint ventures or even to all such endeavors within Russia. Instead, its intent is to generate a theoretical framework that identifies the essential aspects of embedded impediments to change. Such a framework can help to explain how exposure to market economics has resulted in different levels of resistance to change and the order in which these changes occur. Understanding how Russian business executives view these ongoing changes can help determine where intervention is needed and how it might be applied. The researcher can then begin to formulate different methods for intervention, as well as make recommendations for fostering and maintaining change. Finally, an important objective of this study is to offer an analytical generalization that offers opportunities for furthering theory. Figure 2 outlines the basic features of this dissertation's argument.

FIGURE 2. FLOW CHART OF THE DISSERTATION'S ARGUMENT



As Figure 2 suggests, this dissertation addresses the impact of social and economic upheaval on embedded resistance to change, as it is evident in Northwest Russia. In Section 2, the researcher contextualizes the study by offering an historical narrative of Russian relations with the West, particularly focusing on how Russians have developed a generalized mistrust of Western ideas and practices. Russian distrust of the West is discussed from the millenium preceding the abolition of serfdom in 1861. This is followed by a discussion of the overly suspicious belief systems that the Russian people depended upon during the period between 1861 and WWII. Adherence to this system was, literally, the difference between life and death. Finally, Russian distrust of the West, systematic adversarial behavior, and the belief in misdirection and secrecy are explained from the period spanning from WWII until the present.

Based on his personal experience knowledge base, in Section 3, the researcher draws on the historical context to examine embedded resistance to change prior to social and economic upheaval. The researcher's knowledge in this area is extensive and unique. Specifically, the researcher has been formally trained in Slavic language and culture from near infancy. In addition, the researcher had four year's of intensive interviews with his brother, and expatriate corporate executive formerly located in Russia, immediately prior to visiting the research site. In fact, his brother's business focal area was primarily Northwest Russia and included the research site itself.

In Section 3, the researcher examines the ways in which Russian business executives' mindsets have and have not changed subsequent to this upheaval, and he identifies three predominant mindsets currently held by these executives. To accomplish this, the researcher first provides a table of illustrative observations and his resulting

interpretive findings relative to each observation. These interpretive findings are then used to identify the most prevalent variables that promise to offer the most contrast to these mindsets. The result is that three mindsets are found through this interpretive methodology and the researcher argues that the three most prevalent variables that he finds are able to identify and contrast these three mindsets.

He then draws the reader's attention, in Section 4, to the current paradigms that researchers in the field use to examine institutional change: change theory, joint venture theory, "old" institutional theory, and new institutional theory. In light of his preliminary findings, the researcher concludes that new institutional theory offers the best explanation for the emergence of the three executive mindsets. In Section 5, the researcher lays out his research methodology for exploring his preliminary findings, in Section 6, he offers his results, and in Section 7, he offers his conclusions which include a summary of the study, limitations of the study and suggestions for future research.

2. THE HISTORICAL EMBEDMENT OF RUSSIAN ADVERSARIAL BEHAVIOR

The Millennium before the Abolition of Serfdom in 1861

“Russianness has [always been] defined in opposition to something else”

(McDaniel, 1996: 28).

Russia has never had a single, unified culture. Rather, Russian identity has traditionally stemmed from the intersections of serfdom (later the peasant commune, then the idea of the “worker”), the Orthodox Church, and the state. Because of this, the notion of a unified people developed later than it did in Western Europe. Actually, the Russian identity did not even begin in Russia itself; the “First Rus” began several hundred miles south of Russia in what is the present-day city of Kiev, Ukraine. In Kiev, the Slavic peasants converted from paganism to Orthodox Christianity under the influence of the Kievan monarchy and Byzantium.

This Kievan monarchy did not last for long. With unrelenting invasions from the Mongols, Tatars, and other ethnic groups from the East, the people of the Kievan Rus were divided between those who chose to remain and those who moved north. Despite this dispersion, a significant portion remained together and founded the present day city of Novgorod the Great, the “Second Rus,” the historical seat for all Russia.

This migration resulted in the scattering of people throughout what is presently Northwest Russia. With the population spread out over such a vast geographical space, the Russian countryside could not “support the kind of provincial educated class [that could give rise to] the highly complex division of labor in the countryside” (McDaniel,

1996: 43). The result of this was a largely rural expanse with few isolated cities that existed for leadership, government and – most of all – protection.

With only a few cities competing for dominance, Muscovy eventually arose as the seat of power. Critical to this rise was its physical detachment from “the West.” Regardless, the city of Novgorod the Great remained, and still remains to this day, the spiritual core of Russia. Soon afterward, the religious conflicts of Western Europe began in the early sixteenth century. During this period, labeled the “Time of Troubles,” Orthodox Muscovy was drawn into conditions that permanently skewed its leaders’ perceptions of the West and created the adversarial rift – the “us versus them” mindset – that persists to this day.

“Twice – in 1605 and 1610 – the Poles overran and dominated Russia; as late as 1618 they lay siege to it and held lands to the east. To combat the powerful Poles, [Moscow] deepened its dependence on the Swedes, who in turn helped themselves to Novgorod [the Great] and other Russian regions” (Billington, 1996: 118). At this time, Moscow began its xenophobic pattern of using one “West” – the Lutheran Swedes – to battle another “West” – the Roman-Catholic Poles. Consequently, Moscow only prospered after allowing the “West” to plunder the spiritual core of the Russia, the city of Novgorod the Great.

[Moscow] subsequently attempted to lessen the dependence on the Swedes by seeking support from countries even further west. The increasingly West-reliant Russians brought in the Dutch, the English, and others. These western cultures in turn leveraged ever more aggressive, even extortionate, concessions in exchange for their assistance. All subsequent Russian writing about this period faithfully reflects a central,

fateful fact: that “[Moscow and the cities of Northwest Russia only] achieved unity after the troubles of the early seventeenth century [created a unifying] xenophobia [among the Russian people]” (Billington, 1996: 169).

This xenophobia enabled city authorities to control the inhabitants. From the mid-sixteenth century until the present day, the cities maintained their dominance over most of Russia. This era of intense poverty and mass brutality advanced the belief that communal reliance was necessary for individual and familial survival. With the abolition of serfdom in the mid-1800s, the serf majority simply became a peasant majority. Self-reliance and self-interests remained unknown because survival depended on continued subservience to communal needs.

Subservience throughout this period was hierarchical. The result was that peasant identities and expectations were subservient to the needs of the cities and those who lived there. Consequently, communal reliance and subservience were the norm for most Russians throughout centuries of serfdom and later within the peasant communes. This serf and peasant communal theme, the unifying religious beliefs of Russian Orthodoxy based within the founding city of Novgorod the Great, and a unifying xenophobia, continued to define “Russianness” well into the twentieth century (Billington, 1996).

The razing of Russia in the both World Wars I and II further reinforced the xenophobic belief in “us versus them.” Even the periodic overthrow of the Orthodox religion through forced conversion to “Western” faiths did not diminish this embedded distrust of the West; rather, it helped solidify Russian beliefs even more. The xenophobia that followed led to further isolation and generated social, economic and religious paradigms that conflicted with Western beliefs. Finally, communal reliance resulted in

absolute reliance on the existing social institutions, particularly those located in urban areas. Consequently, for the millennium prior to the abolition of serfdom in 1861, “Russianness” emerged as a state of mind in opposition to the “West.”

Post-Serfdom Russia from 1861 until WWII

A popular adage that dates back to the period just after the abolition of serfdom goes: “The letter ‘I’ (the first person singular) comes *last* in the Russian alphabet” (Dederichs, 1991: 17). To truly understand what little significance Russians place on the role of the individual within society, the idiosyncrasies of Russian grammar should further be examined. For example, while the Russian word for “you” (singular, plural, formal and informal) is capitalized, the word “I” is always written in lower case (“i”). This example is just one of many subtleties that constantly reinforce individual subservience. The gathered result is that Russian culture continually reinforces the concept that the individual is of little consequence compared to the collective goals of the Russian people (Billington, 1996).

During a Russian’s acculturation into society, the individual is taught to be subservient, feeble, susceptible, and dispensable in comparison to the needs of his community. At the same time, he is taught that his community will take care of each of his needs throughout his life. The result is that the individual is seen as part of a collective. Because of this, Russian individuals view themselves as only being important when part of a crowd, a people, a society, or a collective. Subservience to the larger closed cooperative is not seen as a penalty. Rather, being part of a larger group offers protection, anonymity, and more importantly, security to individuals (Rutherford, 1991).

This idea of individual subservience was persistent during the period of serfdom. Individuals were consequently accountable to their direct overseers, the minor Russian gentry. However, after 1861, it remained beneficial to czarist Russia and the associated nobility to maintain this subservience. The Russian nobility feared that “Western thoughts,” such as “individualism,” had the potential to undermine their authority and even to overthrow the monarchy. Interdependent familial structures and the incapacity of the Russian citizens to relocate made the punishment of whole villages an effective means of controlling individual behavior. Entire villages were razed and the community was held responsible for the actions of individual provocateurs.

The effectiveness of this means of punishment was striking and it was routinely employed. For example, villages were systematically razed during WWI when individual males attempted to avoid the obligatory call to military service. While an individual often stood a chance of escaping, the price for this conduct was the destruction of the village that the individual came from and the extermination of the individual’s family and friends. The result was that the entire village or collective had an equal stake in ensuring the cooperation of each individual (Heller and Nekrich, 1986).

Such practices continued under Stalinist communism. Stalin’s atheist Soviet practices dictated that the possession of a single Orthodox religious icon or symbols was sufficient justification to severely punish or even wipe out all inhabitants within a village or a collective. The only means of escaping punishment or death thus became that of informing on non-conformists who were often family or immediate friends. As a result, villages and communes compelled individual compliance through covert, concealed

guidance and persuasion. Secrecy thus became critical for protection, anonymity, and more importantly, individual and family security (Witkin, 1991).

The understanding that secrecy is critical for security was imprinted into Russian culture during the Second World War. Nazi Germany's tactics for holding villages and collectives responsible for individual actions paralleled those of Stalin. This was done to extort cooperation from the Russian (Soviet) citizenry. Then during Northwest Russia's Nazi occupation, opposing partisan separatist and nationalist factions continued these practices. Immediately after the end of the war, the vindictive Soviet leader Stalin imposed these same practices to punish those who cooperated with anyone who opposed his efforts during the war. The result was that for the duration of the Second World War and for a decade afterwards, no one could be trusted. Consequently, the difference between life and death literally depended on silence and subservience.

Russia from WWII until the Present

“Russia is a riddle wrapped in a mystery inside an enigma.”

(Winston Churchill, 1945)

To fully understand the influence that these events in Russian history had on the structure of Russian life, one must comprehend that Russians do not take Churchill's quote as a criticism. Rather, most Russians interpret the remark as a compliment (Dederichs, 1991). Secretiveness has been a feature of the Russian disposition born out of a mistrust of foreigners (*ehstrahntsee*) and a distinct sentiment of inadequacy. The aforementioned centuries of invasions from both the brutal forces from the East (Huns,

Mongols, and Turks) as well as those from the West (Napoleon and more recently Hitler's armies) resulted in the death of over 20 million Soviet citizens during WWII alone. The lasting impact, enforced by every invasion, has been the suspicion of foreigners and the feeling that telling them anything increases Russian, as well as their own personal, vulnerability (Rutherford, 1991).

Foreigners who were regularly let into the country for diplomatic, scientific, and commercial purposes were often looked upon with suspicion during the Czarist era. However, the events and destruction caused during the Second World War caused Russian (Soviet) leaders to extend this distrust to a much greater extent. Total isolation from the "West" became the new goal. Western thoughts were seen as a poison to the Russian culture. The few foreigners who entered into this closed society for reasons other than for diplomatic, scientific, and commercial purposes were viewed with extreme suspicion. Even with the approval of the Russian government, foreigners were consistently seen as spies or informants against Russia. This mistrust that borders on paranoia continues to this day (Hanfmann and Beier, 1976).

Up until early 1999, foreign visas to Russia specified the cities that foreigners were allowed to travel to. Travel between the cities was by the most direct route and deviation from the most direct route could result in detention by the authorities, expulsion from the country, or even criminal arrest. Even after travel restrictions were lifted in early 1999, foreigners still have difficulty travelling between Russian cities without advance notice. Travel without the assistance of ministries, trade organizations, or tour agencies still make unsupervised personal travel within Russia difficult or impossible. Checkpoints and roadblocks are randomly scattered and manned along Russian

highways. Public transportation schedules are only posted between major Russian cities. Finally, travel out of lesser cities, such as the city of Novgorod the Great, requires foreigners to physically arrive at the train or bus terminal *and* present their passport *and* reason for travel. The alternative to this scrutiny is to have local residents pre-purchase tickets.

Despite over a decade of openness that began in the late-1980's Soviet era as *glasnost*, Russian individuals are assigned to the task of continuously monitoring the activities of all foreign visitors to Russia. These people provide ongoing surveillance of visitors within this environment. Foreigners must still "register" their passports and visas with hotel "authorities" upon arriving within any city, as their movements are monitored and noted. Those who choose the alternative route of staying within private homes or apartments must similarly surrender these same documents to their sponsoring authorities that then submit these documents to the local police. This practice is also required anytime that a foreigner enters or re-enters any Russian city (Lewin, 1989).

Because of this pervasive distrust of all foreigners, Russians have always been alerted to the presence of *eehstrahntsee* (foreigners) among them. The underlying understanding is that revealing any weaknesses to foreigners increases their personal and collective vulnerability. As a result, Russians have been conditioned to only reveal their strengths. The combination of these two concepts has resulted in a continuous procedure of posturing their strengths in front of foreigners at all levels including the social and political.

Foreigners were never allowed to see the weaknesses of Russian society. At the same time Russians were at all times obligated to show their best. In previous centuries,

this was typically done through limiting foreigners to the finest that Russia has had to offer. Since WWII, this has been accomplished by restricting foreign travel to only the largest Russian cities. Even within these cities, Russian citizens were openly discouraged and even imprisoned for interacting with foreigners. Designated zones were established for foreigners to shop, dine, and to visit so that *eehstrahntsee* were able to experience Russia without encountering many Russians. While these restrictions have been eased somewhat, Russian citizens are still routinely discouraged from entering hotel lobbies that cater exclusively to foreigners, even for business meetings. While *glasnost* (openness) and *perestroika* (rebuilding) were advanced during the late 1980s and early 1990s, this practice of segregation between Russians and foreigners did not cease. There is ongoing adherence to the principle that secrecy and segregation are still the best policy in light of what history has taught the Russian people.

3. EMBEDDED RESISTANCE TO CHANGE PRIOR TO UPHEAVAL

Personal Experience

The researcher's observations and interpretations are central to this dissertation. The methodology that is used is the researchers passive observations. These "raw observations" when combined with the researchers experience then become interpretive findings. The researcher then assigns an order to these interpretive findings with regards to their pervasiveness at the Novgorod the Great research site. These most pervasive variables then become the basis upon which the researcher is able to assign the different mindsets. The existence of different mindsets then corroborates the researcher's argument for a New Institutional Theory (NIT) approach that is then subjected to a quantitative methodology to examine whether NIT offers the best possible explanation of why the three executive mindsets proposed by the researcher have emerged during this time. Consequently, a review of the researcher's unique aptitude, competence and ability is called for at this time.

The researcher began training in Slavic languages, history, religion, politics and culture at the age of three. At this time he accompanied his brother and parents while they participated in a language immersion program for displaced individuals, individuals who spoke various Slavic languages but were otherwise illiterate. His mimicry of his family's behavior demonstrated enough ability that he was formally enrolled in the program the following year. Consequently, the researcher's upbringing involved speaking Ukrainian to both his mother and father, English to his brother, and Russian to father when his mother was not present.

The researcher continued his formal education in the various Slavic languages and dialects twice weekly for four hours each day. This lasted for twelve full years during which time he attended classes for fifty weeks out of the year. By the time he was fifteen, he was fully literate in various Slavic languages, as well as its history, religious practices, politics and culture. In addition, the researcher was raised in a Slavic household as a U.S. citizen. Thus, his first (Ukrainian), third (Russian), and fourth (Czech) languages are Slavic. He also became proficient with the various Slavic derivations, including Cyrillic-based languages (Bulgarian, Russian, Ukrainian, Serbian) and Latin-based languages (Czech, Slovak, Galatian, Polish) and is able to speak, read, and understand these languages and their respective slang.

At the age of fifteen, the researcher then enrolled in the summer Ukrainian studies program at Harvard University and attended a culture and history class while auditing another. At this point, he was able to speak various Slavic languages and was able to “think” in these same languages as well. This final point is important because the researcher’s ability to think in various languages gave him the ability to process information and respond in various Slavic languages without any hesitancy on his part.

Involvement and interviews with dissident Soviet lecturers then increased the researcher’s interest in maintaining his language abilities. To accomplish this, he volunteered his language skills any time an opportunity arose. For example, during the Special Olympic World Games in 1995, he was chosen from a number of candidates to be the Delegation Host for the Kazakhstan delegation despite being the only candidate who was not a native Kazakh. He accomplished this by quickly adapting his Slavic language abilities to speak the central-Asian dialect of the Russian language, despite

never having spoken or hearing the dialect spoken before. The transition was seamless and he was the sole translator and liaison for the 40 visitors and even traveled on behalf of the delegation to the United Nations. During this same period, he was also called upon to do similar work for the Russian, Azerbaijan, Ukrainian, and Turkmenistan delegations.

Subsequent travel to the Czech Republic and Slovakia on several occasions over a number of years further improved the researcher's Slavic language skills. He traveled within these countries to maintain his ability to speak, but perhaps more importantly, to learn to adapt to the various alphabets, dialects, inflections, and idiosyncrasies of each language and culture. Further, during a 1998 conference presentation in Vienna, he rented an automobile and again visited Slovakia, the Czech Republic, and Poland to increase his language proficiency through total immersion within these different Slavic cultures.

While conducting site research in Russia for this dissertation, the researcher arrived in St. Petersburg, Russia and traveled by himself to the city of Novgorod the Great, despite never having been in Russia before. In addition, his stay at the research site involved living with a Russian family that spoke no English. He then remained in Russia for several weeks after additional faculty from the United States had left. During this period, he traveled to St. Petersburg and Moscow to achieve a deeper understanding of Northwest Russia. He then returned for an additional month of research a year later. Altogether, he spent the equivalent of two weeks in other cities in Northwest Russia.

The researcher compared his observations of Russian executives' mindsets with what he had systematically discussed in interviews with his brother, who was Chief Financial Officer for the GTE-Sovintel telecommunications joint venture and

subsequently the CFO of the largest brewing operation in Russia: the Star Breweries global joint venture. During the latter venture, his brother commuted from Moscow to New York every few weeks. The discussions with this executive involved several hundred hours of interviews during a four-year period. During these interviews, the researcher asked many questions regarding the difficulty of managing openly adversarial joint ventures in Russia. The interviews frequently centered on comparing Russian adversarial behavior with problems due to differences in strategic goals that his brother faced with executives from other global ventures. These types of discussions gave the researcher several years' worth of in-depth background on Russian joint ventures, Russian executives' mindsets, and adversarial behavior.

Despite the influence of years of interviews with his brother the researcher was "open" to the situation. The researcher entered Northwest Russia with some pre-existing beliefs yet did not allow these beliefs to interfere with systematic observation. Whenever there was doubt about the potential for Russian gamesmanship within a situation, the researcher immediately left the situation, feigned ignorance of the Russian language, and eaves dropped to achieve an understanding, or consistency, within the situation. Throughout, he was acutely aware of the problems of using other peoples' opinions when doing qualitative research. This was especially true due to four years of interviews with his brother that immediately preceded the researcher's trip to Northwest Russia. All observations made by others were either confirmed by the researcher or dismissed if there was no independent substantiation.

The researcher's extensive exposure to Slavic culture did not require the typical six-week acclimatization period that outsiders normally require to adjust to the situation.

He was immediately familiar with all the subtleties and nuances of Russian cultural behavior and spent two four-week periods in Russia without any difficulty in understanding the surroundings or even adapting to them immediately. Several instances proved that this was not just researcher bias and confidence. On more than one occasion, the accompanying faculty was charged additional “foreigner” rates to attend the ballet, to pay for transportation, or to visit cultural historical sites. In all instances the Russians treated the researcher as a native Russian outside of the university setting where ignorance of the language needed to be continually feigned.

For these reasons, along with those mentioned in the introduction, the researcher argues that he is uniquely qualified to subjectively interpret what he observed in Russia. These intermediate findings provide the basis for further confirmatory statistical research.

Differences in Negotiating Tactics: Labor Relations Perspectives

Since this dissertation focuses on how to overcome Russian executives’ resistance to change during the negotiating process, three objectives must be achieved. First, an understanding is required of the different bargaining tactics and sub-processes that occur when principals driven by different paradigms meet at the bargaining table. This understanding lies within the field of labor relations, specifically, within negotiation theory. Second, evidence is required which demonstrates that individuals participating in joint venture negotiations change. Third, an understanding is needed of how executive resistance to change takes place at the bargaining table. This last issue will be illustrated using the passive observation methodology that the researcher employed in reaching his preliminary results.

The labor relations' negotiation literature identifies four sub-processes by which principals negotiate contractual agreements through the underlying gamesmanship that occurs during negotiations. The first sub-process is "distributive" and occurs when both principals negotiate toward a "zero sum gain." An "integrative" sub-process is a synergistic one that results in joint gains. An "intra-organizational" sub-process takes place in union versus management settings. Finally, an "attitudinal structuring" sub-process occurs when one principal strives to shape the attitude of the other through the negotiation process (Walton & McKersie, 1965).

This last sub-process recognizes that negotiation is an iterative process in which repetitive bargaining creates the rules of the game and changes the participants in the process. Recent studies reveal that when cultures are unaccustomed to dealing with each other, they tend to bring their expectations and assumptions about negotiation to the bargaining table, instead of *developing* a culture at the bargaining table (Friedman & Cutcher-Gershenfeld, 1989). When newly negotiating cultures interact with these unrealistic expectations, communications are likely to break down unless the iterative bargaining process occurs.

Communication breakdowns are customary in this last sub-process because principals often fail to notice that negotiations between new parties require an iterative learning process. Participating in joint venture negotiation changes individuals when unforeseen events occur and concessions and re-negotiations are required (Walton et al., 1965). From the "Western" perspective, the expectation is that joint ventures can be contractually managed and thus require only negligible ongoing re-negotiations. Nevertheless, this perspective recognizes unforeseen events and contractual agreements

that shape the circumstances under which re-negotiations occur. Accordingly, venture re-negotiations are accepted as necessary, but discouraged unless demanded by circumstances. In contrast, the Russian perspective is that continuous venture re-negotiation is required. Russian executives take the monolithic approach that every foreign principal is an “outsider” or “Westerner,” regardless of country of origin, and they demand continual venture re-negotiation or else force a stalemate. Russian business executives demand a continual, instead of an iterative, process and thus fail to develop a culture of accommodation at the bargaining table.

Labor relation theory maintains that Russian business executives have failed in the course of “attitudinal restructuring” because of their antagonistic behavior. This can only be overcome through directed intervention (Friedman et al., 1989). A new institutionalism perspective can help explain Russian adversarial embedment.

Differences in Negotiating Tactics: Researcher’s Observations

The researcher’s passive observations of Russian business executives at Novgorod State University augment an understanding of negotiations theory in practice at the research site. These observations are offered as examples of “traditionalist” negotiations dominance at the bargaining table. Most senior “traditionalist” Russian executives routinely belittle their direct subordinates as a matter of course. Traditionalists regularly inform subordinate executives what they will be allowed to discuss and which issues are not to be raised except by the traditionalists themselves. Consequently, the traditionalists are the “gatekeepers” that constrain joint venture

negotiations. They dictate that these negotiations must, at all times, be formal and filtered through the traditionalists themselves.

This process of subordination occurs on many levels. For example, when faculty were sent from the University of Rhode Island (URI) to participate in an educational joint venture, Russian business executives were forewarned what questions they would be allowed to ask in English directly to the URI faculty. Other questions, they were told, were to be addressed in Russian to the Russian cooperative professors. The traditionalists would then translate a skewed, or even an alternative question, which they would then present to the URI faculty. Russian executives with non-traditional mindsets could have asked the questions themselves, had they been given the opportunity. Instead, the traditionalists' gatekeeping role dictated otherwise.

Traditionalists also routinely belittled what the URI faculty had to say. For example, when URI professors would make statements that the traditionalists disagreed with in principle, they interrupted the assigned translators. These gatekeepers would then state that what the URI faculty had expressed was inapplicable to "the Russian situation." In fact, during one two-hour presentation by a URI faculty member that the traditionalist gatekeeper disagreed with in theory, the entirety of what was presented by the URI faculty member was belittled. The traditionalist even argued with the translator, insulted her by referring to her in the diminutive form of her name, and then proceeded to continually assert the opposite of what the URI professor was saying. Throughout, the traditionalist stated that she was trying to provide "a more accurate translation" than an "inexperienced translator could provide." This was an outright lie by the traditionalist gatekeeper to the URI faculty. However, what was even more interesting was that not

once during the entire period did any executive ask a question. Afterwards, these same executives continued to refer to the translator in the diminutive. The inflection of their words revealed that they intended this in an insulting, rather than in an endearing, manner. As a result, the translator lost all credibility, even though the executives knew that she had accurately translated every statement made by the URI professor.

After the URI faculty left Russia, the researcher observed that the Russian traditionalists immediately re-asserted their authority. Without exception, each traditionalist gatekeeper began his ensuing lecture by stating something like: “Now that the American faculty are gone, we can concentrate on providing you with an accurate means of managing international business. This is something of which the Americans are not aware. They obviously are not familiar with Russian literature on the subject of capitalist business practices. Because of this, please discount what they have said since it is inapplicable to what is happening in Russia.” At the same time, the researcher observed the hectic pace with which the traditionalist gatekeepers then attempted to have the business texts left by the URI faculty translated into Russian. He then witnessed the same texts being presented in Russian by traditionalist educators who misrepresented them as Russian business literature.

The New Mindsets: Preliminary, Subjective Findings

As previously established, this researcher’s lifelong immersion in Slavic studies (language, history, culture, politics, and religion) ground his capacity to understand the subtleties of Russian executives’ embedded resistance to change. Immersion in the

culture of Eastern Europe during several trips has enhanced this understanding of the Slavic culture. Aided by these prior cultural and educational experiences, the researcher employed a passive method of observation at the Novgorod the Great research site. He feigned ignorance of the Russian language so that the executives would act in a “natural” manner, as if he were not present. This proved to be a necessary tactic, as the Russian business executives deliberately tried to mislead him – the *eehstrahnetz* (foreigner) – on nearly every occasion, a common occurrence with other foreigners as well.

This passive observation yielded rich interpretive findings. In particular, these findings supported the notion that Russian business executives approach individual decisions from core values different from those held in the West. Such core values emerge from different patterns of learning. These observations suggest that – contrary to the assumption of change theory – learning *does* take place during institutional upheaval. The interpretive observations also refute venture theory’s tacit acceptance of common performance objectives and the primacy of venture efficiency as the goals of all venture participants. While it is impossible to document a lifetime of learning, observation, and interpretation; Tables 2 illustrates the observations that the researcher employed in arriving at his interpretations.

TABLE 2
RESEARCHER ILLUSTRATED OBSERVATIONS

Typology for Classifying Observations

- (E) Education - Observations based upon researcher’s formal education in Slavic culture and history outside of Russia;
- (RE) Russian Experiential - Observations based upon researcher’s passive exposure in Russian at the research site (at the research site city but not the university);
- (EE) English Experiential - Observations based upon researcher’s passive exposure in English at the research site (at the university);
- (D) Descriptive - Observations based upon researcher’s active conversations in English at the research site;
- (H) Historical – Observations based upon historical data revealed in the city of Novgorod the Great by Russian executives.

Illustrative Observation(s)	Type of Observation	Interpretive Finding
Russians within Novgorod the Great purposely diminish the number of times that the city has been occupied	H	Russians distort local history to fit ideal of cultural purity and isolation
Russian business executives accept skewed interpretations of English translations even though they are aware that the translations are factually inaccurate	EE	Russian business executives exhibit a distrust of outsiders
Russian business executives refused to answer any voluntary questionnaires despite over 90 volunteers being asked	E, RE	Russian business executives exhibit a culture of gamesmanship and a distrust of outsiders
Russians who have been to the “West” diminish advantages over Russian lifestyle	E, RE, EE, D, H	Russians distort personal history and experience to fit ideal of cultural superiority
Russians continually engage in the exchange of favors in order to determine who will profiteer from the West	E, RE, EE, D, H	Russian business executives exhibit a culture of gamesmanship, a distrust of outsiders, and a belief of entitlement
Russians mislead foreigners by mis-	RE, EE, D, H	Russian business

stating how the university is funded		executives exhibit a culture of gamesmanship and a distrust of outsiders
Russian executives mislead foreigners about overall factory productivity	RE, EE, D, H	Russian business executives exhibit a culture of gamesmanship and a distrust of outsiders
Russian executives mislead foreigners about joint venture success with foreigners	RE, EE, D, H	Russian business executives exhibit a culture of gamesmanship and a distrust of outsiders
Russians systematically overcharge foreigners based on their own personal perceptions of how their own income compares to that of foreigners	E, RE, EE, D, H	Russian business executives exhibit a culture of gamesmanship, a distrust of outsiders, and a belief of entitlement
Russians continually renegotiate joint ventures and see agreements as contracts at only one point in time	E, RE, EE, D, H	Russian business executives exhibit a culture of gamesmanship, a distrust of outsiders, and a belief of entitlement
Russians mislead foreigners by staging computer and other technology shortages while diminishing the need for support materials	E, RE, EE, D, H	Russian business executives exhibit a culture of gamesmanship, a distrust of outsiders, and a belief of entitlement
Russians attempted to mislead foreigners by rebuilding main avenue facades to improve tourism trade	E, RE, EE, D, H	Russian business executives exhibit a culture of gamesmanship, a distrust of outsiders, and a belief of entitlement
Russians attempt to keep foreigners isolated within overpriced tourist areas, restaurants and hotels	E, RE, EE, D, H	Russian business executives exhibit a culture of gamesmanship, a

		distrust of outsiders
Russians isolate themselves from foreigners outside all formal business activities as a matter of course	E, RE, EE, D, H	Russian business executives exhibit a distrust of outsiders
Russian executives continually try to arrange and maintain formality of communications with foreigners in all settings	E, RE, EE, D, H	Russian business executives exhibit a culture of gamesmanship, a distrust of outsiders
Russians feign proper translation and understanding of Western values and behaviors but then immediately discredit this knowledge when away from foreigners	E, RE, EE, D, H	Russian business executives exhibit a culture of gamesmanship, a distrust of outsiders
Russians attempt to build legitimacy by association with foreign organizations instead of internal competencies	E, RE, EE, D, H	Russian business executives exhibit a culture of gamesmanship, a distrust of outsiders, and a belief of entitlement

Qualitative findings derived from observations served as intermediate conclusions upon which a subsequent, statistical analysis was based. The researcher isolated 18 moderating variables that appear to have the greatest effect on Russian managerial behavior (see Table 2).

TABLE 3
INTERPRETIVE FINDINGS OF RESEARCHER OBSERVATIONS

Typology for Classifying Observations

- (E) Education - Observations based upon researcher's formal education in Slavic culture and history outside of Russia;
- (RE) Russian Experiential - Observations based upon researcher's passive exposure in Russian at the research site (at the research site city but not the university);
- (EE) English Experiential - Observations based upon researcher's passive exposure in English at the research site (at the university);
- (D) Descriptive - Observations based upon researcher's active conversations in English at the research site;

- (H) Historical – Observations based upon historical data revealed in the city of Novgorod the Great by Russian executives.

OBSERVATION-BASED INTERPRETIVE FINDING	TYPES OF SUPPORTING OBSERVATIONS
Russian business executives exhibit a culture of nationalism.	E, RE, EE, D, H
Russian business executives exhibit a culture of gamesmanship ¹ and a monolithic distrust of all other peoples outside of Northwest Russia who they label “ <i>eehstrahntsee</i> .”	E, RE, EE, D, H
Northwest Russian business executives exhibit the culture of being an “insider.” This refers to the traditions and rights of passage that are commonly referred to as the “beltway mentality” in this country. This mentality determines who belongs and who does not, who is an “insider” and who is an “outsider.” In addition, the importance of this mentality must be recognized at this stage because, during the process of negotiation, it is an important element of the culture of the bargaining table. ²	E, RE, EE, D, H
Russian business executives within the city of Novgorod the Great lack the open-market knowledge, negotiating skills and relationship maintaining abilities to transform themselves and yet are distrustful of outside assistance.	RE, EE, D, H
Proximity: the physical location of Novgorod the Great has traditionally caused it to be administered by the larger adjacent cities of Moscow & St. Petersburg – the present and past capitals of Russia.	E, RE, EE, D, H
There is the social-psychological gamesmanship element when Russian business executives with outsiders thus prohibiting them from learning from non-Russian examples. This exists to such an extent that these business executives consider Northwest Russia to be a unique environment.	RE, EE, D, H
Historical implications (the “second Rus” - the seat of all Russia) on Novgorod the Great limit change.	E, RE, EE, D, H
Individual pre-dispositions such as distrust, hostility and envy limit change.	RE, EE, H
Business executives see the change as positively	RE, EE, D

¹ Explained in much further detail in 4. The Historical Embedment Of Russian Adversarial Behavior.

² Explained in detail in 4. Difference In Negotiating Tactics At The Bargaining Table

affecting others, but see nothing for themselves in the change.	
Business executives resist social, political and economic change even though it benefits them in the long-term because they fear that the short-term changes have adverse consequences for them.	RE, EE, D
Business executives perceive loss of status, rights, or privileges because of these changes.	RE, EE, D
Business executives see the proposed changes as attacks on their performance and react defensively because of these misunderstandings.	RE, EE, D, H
The new goals or objectives have not been accepted because business executives were not involved in planning the social, political or economic changes when policy was no longer centrally planned by the state.	RE, EE, D, H
Business executives have no social, political or economic confidence in the government in proclaiming change.	E, RE, EE, D, H
Business executives support an alternative method of implementing the change: Social resistance literature – derived from social psychology – asserts that “because some [underprivileged] have been able to hold capitalist forces at bay and decelerate change, there remains the idea that [these individuals] may create a less exploitative future for themselves. [The result is that these individuals] have a more optimistic view of the possibilities via ‘peasant’ strategies of everyday resistance” (Scott, 1985).	E, RE, EE, D, H
Business executives fear the unknown, they fear failure in a new situation and they prefer the former situation.	E, RE, EE, D
Business executives fear having to work harder for lesser rewards.	RE, EE, D
The proposed change provides an opportunity for to oppose whoever is seen as imposing the change (the “West”).	E, RE, EE, D, H

The 18 interpretive findings of Table 2 appear to collapse into three main variables that set apart the different Russian executive core value systems:

- 1) The culture of nationalism;
- 2) The gamesmanship that comes from distrust of the “West;”
- 3) The culture of being an “insider.”

While some executives embodied all three variables, others tried to belittle or distance themselves from some or all of them. Other variables may play a role in differentiating the values of Russian business executives. The researcher argues that these three variables are sufficient to show that three distinct core value patterns, or mindsets, have developed in contemporary Russia.

Depending on the amount of emphasis they placed upon the different orderings of the core values, the researcher labeled the Russians observed in this study as “traditionalists,” “capitalists,” or “successors.”

To explain why these core values are deep-seated within the mindsets of Russian executives, this dissertation next offers a detailed account of Russians’ distrust of the “West.” Following this, this inquiry explains how Russian adversarial behavior exceeds the typical problems that result from the shared management of joint ventures. Here, negotiation theory is employed to explain the differences in negotiating tactics at the bargaining table between Russian and foreign principals. According to negotiation theory, participation in joint venture negotiations changes each of the principals. It is interesting to note that negotiation theory’s assertion that change occurs during this process conflicts with change theory’s assertion that change does *not* occur during institutional upheaval.

To resolve this theoretical conflict, a new institutional theory approach is employed to examine whether learning occurs during institutional upheaval. A basic tenet of new institutionalism is that if individuals approach decisions in much the same way and these decisions exhibit order, then learning has taken place. However, if individual decisions are random, unfocused, and built on a single, former core value, then learning has not taken place and overcoming resistance to change requires intervention at the core value level. The resolution of this theoretical conflict is pursued a step further by employing a sense-making methodology. The researcher argues that using both quantitative and qualitative sources can increase reliability and help resolve theoretical conflicts.

4. EXISTING THEORIES

The dissertation argues that subjective and historical data suggest that New Institutional Theory offers the greatest potential for explaining the three different executive mindsets that have emerged during a period of institutional upheaval. To further test the validity of this particular approach, the researcher conducted a field study that more systematically investigated the mindsets of Russian executives. Table 4 summarizes these findings. Regardless, a detailed narrative follows the table in order to explain each of the different theories presented as well as their underlying assumptions and differences.

**TABLE 4
CONGRUENCE OF DIFFERENT THEORIES WITH RESPECT TOWARD
RUSSIAN EXECUTIVE BEHAVIOR AFTER INSTITUTIONAL UPHEAVAL**

TYPE OF THEORY	CONGRUENCE WITH PERSONAL EXPERIENCE (C1)	CONGRUENCE WITH HISTORICAL LITERATURE (C2)	CONGRUENCE WITH PASSIVE OBSERVATION (C3)
Change Theory	LOW	LOW	LOW
Joint Venture Theory	LOW	LOW	LOW
(Old) Institutional Theory	LOW	LOW	LOW
New Institutional Theory	HIGH	HIGH	HIGH

Review of Change Theory

Most research in the change literature assumes that learning does not occur during periods of institutional upheaval. Researchers generally hold that second-order learning – learning associated with broad paradigm changes rather than simple adaptations -- is necessary for change to occur. This second-order learning involves the search for new scripts, routines, and schemas (Argyris & Schon, 1978; Lant & Mezias, 1992; March, 1991). It is most likely to occur when objectives are not met, when existing routines become unproductive, and when new information cannot be processed within a previously accepted paradigm (Argyris & Schon, 1978). As social, political, or economic changes increase, second-order learning becomes inhibited and can even cease entirely (Newman, 2000).

During periods of institutional upheaval and radical change, most understanding is first-order (simple adaptation not associated with any particular paradigm), which entails incremental changes in routines within the existing schema (Argyris & Schon, 1978; Lant & Mezias, 1992; March 1991). As long as people regard existing routines as achieving their objectives, first-order understandings continue and are repeated (Cyert & March, 1963). In other words, learning and change do not occur. Instead, individuals retain their core value beliefs and simply adapt their personalities and attitudes to changing social conditions. In addition, the change literature maintains that this first-order understanding and adaptation is random, unfocused, and built upon the core values that existed prior to the institutional upheaval. Accordingly, this theory has low

congruence with respect to personal experience, historical literature, and passive observation (see Table 4).

Again, this dissertation challenges the assumption that second-order learning does not occur during institutional upheaval. Institutional upheaval demands that individuals rely more heavily upon the core values that do continue to function as other core values break down. The current change literature supports this insight. However, this research extends this point by suggesting that the attrition of some core values necessitates the re-ordering of a culture's remaining core beliefs. This re-ordered set of beliefs then leads some values to diminish and others to advance. In this manner, new scripts, routines, and schemas develop and deep-seated learning at the core value level can take place. This is necessary for Russia to experience changes in embedded adversarial behavior

New institutionalism offers some insights regarding how learning occurs during periods of upheaval. Existing change theory argues that this cannot happen in an environment such as Russia and yet is critical for transformation to an open market economy. This perspective explains how institutional shaping can order individual behavior and lead a group of people to approach decisions in the same way (DiMaggio and Powell, 1983, 1991). Individual decisions that exhibit different orders and are approached in the same way lead to second-order learning. However, when individual decisions are random, unfocused, and built on the core value of the old paradigm, second-order learning cannot take place.

Review of International Joint Venture Theory

Foreign Market Entry Strategies

Several questions may arise when addressing the failure of joint ventures in Russia, such as: “Why form a joint venture in Russia? Why not simply sell or export a product or technology? Why not merely build a factory and staff it with expatriate employees?” Ultimately, the question that must be answered is: “What distinctive advantage does the joint venture form of market entry hold over all other forms?” The choice of foreign market entry strategy is based upon several factors. In addition to examining these factors, it is important to understand how these factors play out in the context of present day Russia.

In decreasing order of product diversity (Grosse & Kujawa, 1992), the four foreign market entry strategies are broad-line global competition, global focus, national focus, and protected niche (Porter, 1980). Briefly, broad-line global competition offers a diversity of products and services to several markets, while the other extreme, the protected niche, offers an individual product to a single market.

The broad-line global competition strategy entails distributing a broad range of products throughout a multitude of approachable, typically open market economies. Operations usually involve a single industry, though a few enterprises cover several concentrations. The advantages of this approach derive from the fact that it promotes economies of scale and sharing of knowledge across markets, products, and services. Opportunities for using this strategy are limited due to its tremendous monetary requirements (Porter, 1985). Because of this, and the high rate of endeavor failures

within developing economies or PPEs such as Russia, this strategy is not employed widely.

A globally focused entry strategy selects a portion of an individual industry to compete in all accessible markets (Root, 1987). These operations consist of businesses intent on dominating a limited line of products and/or services on a global scale. By limiting operations to specific products or services, costs are reduced when contrasted to a broad-line global system. Economies of scale provide some advantages by lowering operating costs (Contractor & Lorange, 1988). Also, this approach supports worldwide product differentiation via global product recognition (Hakanson, 1995). However, these advantages are lessened if a market requires atypical products or services, as developing economies and PPEs often do (Hakanson, 1995).

An even more concentrated approach is one with a national focus. The primary competitive advantage of such an endeavor is its capacity to distribute products or services to a specific market (Porter, 1985). This enables a company to cater to a narrowly defined clientele, thereby exploiting the weaknesses of globally focused operations. This approach requires higher operating costs than the first two market entry strategies. Regardless, within developing economies and PPEs, economies of scale do not justify these higher operating costs (Contractor & Lorange, 1988).

Finally, the most focused approach is that of a government protected niche, the entry strategy that has characteristically been applied in Russia. Foreign principals able to establish this type of relationship have a virtual monopoly on the markets they serve. These arrangements typically require minimal negotiations in order to sustain operations and generate limited rivalry from competitors (Aldrich, 1979). However, few

organizations are able to enter these ventures due to governmental “gatekeeping” practices. Also, once involved in these projects, businesses have no practical recourse when state practices are altered.

The government-protected niche has a strong influence on developing economies and PPEs. In Russia, the market and principals traditionally have been forced to bargain from a position of weakness since the Soviet era. In order to protect vulnerable assets from stronger foreign principals, this practice is still maintained within the Russian economy. Then we might ask: “Is this practice just a government tactic employed to protect the Russian economy during a vulnerable period of transition toward a true open market system? Or, is this practice an adversarial, culturally embedded impediment to change that will continue without intervention?” Before answering these questions, however, it is important to examine the various market entry modes and to understand why the joint venture mode is of particular importance in the Russian context.

Market Entry Modes and Efficiencies

Direct exporting is unquestionably the least adept method of containing foreign market entry costs. Research has shown that this tactic is effective only for low-volume product placements (Contractor, 1990; Contractor & Lorange, 1985; Kogut, 1988 b). This approach typically involves employing a general, multiple-product representative distributor to assist in product placement on a commissioned basis. To date, this has been applied with some degree of success in Russia, limited by the weak Russian ruble. As a result, most direct export agreements necessitate the reciprocal bartering of goods, which limits the success of these endeavors.

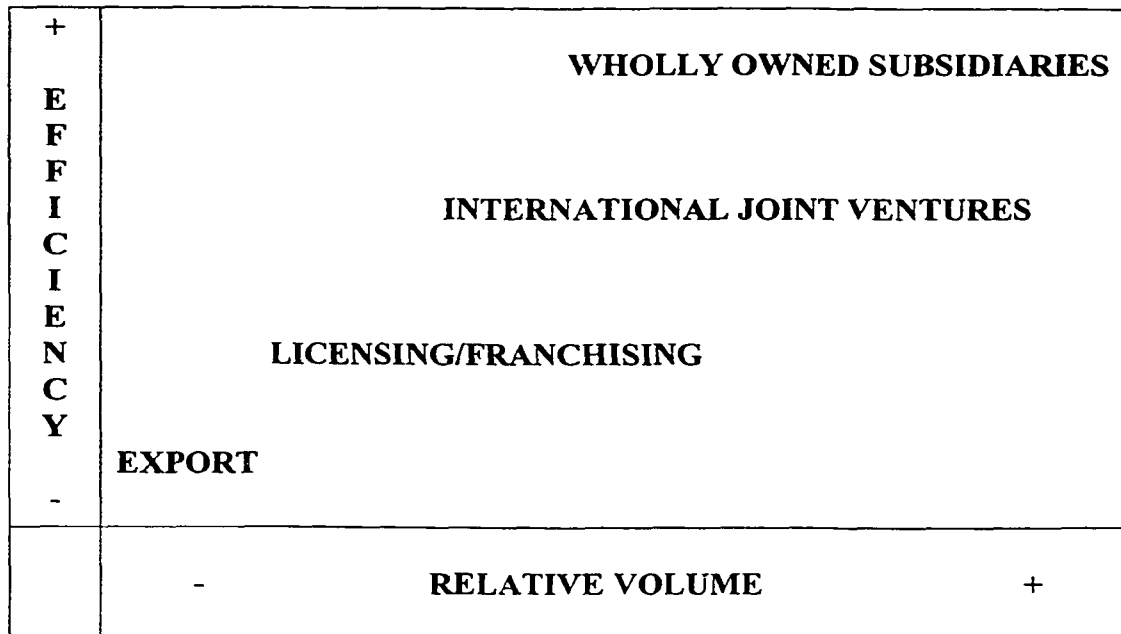
As commissions and associated administrative costs rise with increased sales, it becomes increasingly profitable for companies to situate manufacturing and administration functions either partially or entirely overseas through licensing agreements. This method of market entry offers product-dedicated distribution, in contrast to direct exporting. By employing this strategy, a business can maintain greater control of its products' marketing while reducing transportation, commissions, and administrative fees. As with direct exporting, the weak Russian ruble has limited licensing agreements and effectively made them near-barter agreements as well.

The pinnacle of overseas involvement is establishing a wholly owned subsidiary in a target location that caters to that market and/or that of nearby economies. The parent company places an equity stake in the patron territory to reduce administrative and distribution costs (Contractor, 1990; Kogut, 1988 b). In Russia, overseas involvement is limited by the fact that laws prohibit the foreign ownership of Russian land, which restricts the rate of repatriation of monetary capital and curbs the repatriation of physical assets in cases of insolvency.

The remaining market entry mode is that of establishing an international joint venture (IJV), which falls between licensing and the wholly owned subsidiary with respect to relative efficiency. Existing research reveals that there are numerous benefits derived from strategic IJV entry: the elimination of many restrictions and inconveniences, access to restricted resources, and exposure to normally closed markets (Root, 1987). Government influences allow access to host resources that would otherwise be unavailable to the foreign principal. This affiliation also permits entry into markets with restrictive domestic content laws and trade with prohibited markets (Pashtenko, Roy,

Dugal, 1999). Thus, extensively sanctioned economies (such as that found in Russia, that cannot be approached directly) may be solicited through a resultant partnership.

**FIGURE 3
RELATIVE MARKET ENTRY MODE EFFICIENCIES**



(Arnott, 1987)

The dominant reason for forming an IJV is the containment of financial risks. Operations of this type offer improved efficiency through cost reductions (Contractor, 1990; Contractor et al., 1988; Kogut, 1988 a). Venture principals can enter several endeavors while expending an amount similar to the investment necessary to control a single diversified project (Contractor et al., 1988). Further, the threat of failure is reduced through the distribution of capital. IJVs are also useful in expanding market share through the collaborative principal's distribution networks. This opens new sales opportunities for both parties, while creating jobs both at home and abroad.

TABLE 5
REASONS FOR A FOREIGN FIRM TO START AN IJV IN A DEVELOPING ECONOMY

REASON TO FORM AN IJV	CITATION
Access to large formerly closed market	Bieszki and Rath, 1989; Sherr, 1988
Access to an inexpensive well-educated workforce	Lawrence and Vlachoutsicos, 1993; Micinski, 1992; Bieszki and Rath, 1989; Rapcsak, 1988
To be well positioned for the future	Sherr, 1988
Access to inexpensive inputs and raw materials	Kvint, 1994; Kalymon, 1989
To create a use for older products and technologies	Bieszki and Rath, 1989
There are many experienced firms to become partners with	Micinski, 1992
Repressed demand for quality products in the Developing Economy	Sherr, 1988

Following this, the foremost organizational benefit for joint venturing is being able to expand into new areas; a joint venture firm augments its knowledge via cooperative ventures. The competitive advantage gained from such a formation is the transfer of firm-specific skills and firm-based knowledge (Parkhe, 1991; Porter, 1985). By collaborating with other businesses, an organization increases its capabilities by observing and participating in innovative practices. This helps the organization to maintain a competitive advantage (Kogut, 1988).

International joint ventures traditionally have been developed in restricted markets, industries, and technologies where foreign control of a wholly owned subsidiary is strategically unacceptable to the host government (Baird, Lyles, & Wharton, 1990). Examples of this include utility ownership, such as power and telecommunications, transportation networks and industries involved with the military service branches.

Governmental authorities routinely prescribe foreign principals a single mode of entry into these markets.

At the other extreme, joint ventures have been employed in markets, industries, and economies where foreign market entrants would normally not be interested (Beamish, 1988). In less developed countries, for example, economic risks such as currency fluctuations, trade deficits, and inflation often make the export mode a near-barter relationship. Similar problems all but prohibit both licensing and wholly owned subsidiaries (Kent, 1991).

A venture agreement under these conditions provides a foreign market entrant with the potential for atypical profits (see page 1, paragraph 1 for an explanation of this), which compensate for the admittedly significant risks. Thus, expected profits, typically determined by multiplying the offered return by the expected probability of receiving the return, can be seen as roughly equal to other markets that offer lower profitability (Geringer & Hebert, 1989).

Foreign entrants that become involved in joint ventures in less developed countries typically distribute these risks among multiple high-risk, high-return ventures. Thus, the international joint venture entry mode has been typically relegated to developing countries and to endeavors that are vulnerable to government influence. This latter category includes economies in which the government works in alliance with its members, restricted industries, and restricted markets such as PPEs (Contractor, 1990).

Measurement of International Joint Venture Performance

Despite the clear benefits of employing a joint venture market entry mode, shared management presents an underlying problem. In particular, shared management inevitably results in disagreements regarding the strategic direction of the alliance.

One of these underlying problems has been how performance should be measured. Objective measures have intrinsic limitations (Hebert, 1994). For example, measures of survival and duration (Geringer & Hebert, 1991; Harrigan, 1988; Killing, 1982; Killing, 1983; Kogut, 1988b) demonstrate an intrinsic bias against successful IJVs that are created to accomplish a single task. Such endeavors were relatively common between U.S. and Soviet principals during the grain transfers of the 1970s and 80s. Also, duration measures that focus on short-term results, such as financial measures (Koh et al., 1994), tend to show a negative performance bias prior to an undertaking's maturation.

With objective measures are restricted by their intrinsic limitations, perceptual measures have also been employed. Perceptual measures such as success (Beamish, 1988; Geringer & Hebert 1991; Killing 1982; Killing, 1983; Lyles & Baird, 1994), control (Geringer et al., 1991), and combined measures (Chowdhury, 1992) are inherently subjective. What one principal views as problematic, another may interpret quite differently. Researchers have attached different levels of importance to these various measures, which have yielded inconsistent and, at times, opposing results.

TABLE 6
KEYS TO INTERNATIONAL JOINT VENTURE SUCCESS

PARTNER SELECTION ISSUES

KEYS TO IJV SUCCESS	CITATION
Devote considerable time to selecting the correct partner	Hamill and Hunt, 1993; Rosten, 1991
Developing trust with partner	Pettibone, 1991
Determining that the Russian partner has the ability to do what it promises that it will	Kvint, 1994

HUMAN RESOURCES ISSUES

KEYS TO IJV SUCCESS	CITATION
Put locals in charge of the IJV	Lawrence and Vlachoutsicos, 1993
Pay the employees enough to ensure proper motivation	Kvint, 1994
Have at least one foreign employee working at the IJV	Rosten, 1991

DESIGN ISSUES

KEYS TO IJV SUCCESS	CITATION
Determine how the IJV will obtain its inputs	Kvint, 1994; Kalymon, 1993; Pettibone, 1991
Backward integrate	Kvint, 1994; Hetzfeld, 1991
Consider how to repatriate profits	Kalymon, 1993; Pettibone, 1991; Rosten, 1991; Laurita and McGloin, 1988; Sherr, 1988
Realize that quality does matter in Developing Economies while they are still developing	Lawrence and Vlachoutsicos, 1993
Both partners should be active in the IJV	Rosten, 1991
Plan to enter the IJV for the long-term	Hetzfeld, 1991
Compensate host principal employees enough to keep them motivated	Kvint, 1994
Determine how control will be divided in the IJV	Hamill and Hunt, 1993; Rosten, 1991
Give the IJV as much autonomy as possible	Lawrence and Vlachoutsicos, 1993
Have a host principal IJV General Manager	Lawrence and Vlachoutsicos, 1993
Structure the IJV so that it will benefit both partners	Rosten, 1991
Spend time to develop a comprehensive business strategy	Rosten, 1991

CULTURAL AWARENESS ISSUES

KEYS TO IJV SUCCESS	CITATION
Be aware of the differences between traditional host principal and foreign organizational structures	Cattaneo, 1992; Rosten, 1991; Lawrence and Vlachoutsicos, 1993
Pay attention to the environmental impact of the IJV	Pettibone, 1991
Pay attention to the cultural differences between the host principal and foreigners	Kvint, 1994; Cattaneo, 1992; Rosten, 1991

Despite the above-mentioned list of joint venture performance moderators, Russian joint ventures are a different breed altogether. Again, this dissertation argues that Russian joint ventures do not exhibit the economic rationality predicted by joint venture theory. Nor do Russian joint executives exhibit an unchanging mindset in the face of institutional upheaval. As such, Russian embedded adversarial behavior is unable to be explained by the collection of moderators mentioned above.

Neither the objective nor subjective performance measures differentiate between embedded adversarial behavior and disagreements regarding strategic direction. Also, the wastefulness and inefficiency of Russian adversarial behavior contrasts with a critical assumption made by objective performance measures: that economic and technical efficiency is the primary goal of all venture principals. Consequently, this theory has low congruence with respect to personal experience, historical literature, and passive observation (see Table 4).

(Old) Institutional Theory

An institution is a series of social routines that are continuously and systematically repeated. These routines are affirmed and sustained by social norms and

significantly influence the social structure. Accordingly, “[institutions are] regarded as a higher order, more general unit [than a role] that incorporates a plurality of roles” (Westney, 1988: 114). They are built up through social interaction and are repeated so often that they become “taken for granted” (Westney, 1988).

Institutions conventionally take one of five forms (Westney, 1988). Economic institutions consist of the series of social routines that involve the manufacture and distribution of products and services. Political institutions include routines that emphasize the allocation of power. Stratification institutions deal with apportioning roles and resources. Kinship institutions involve the routines of marriage, inter-familial relations, and the initial socialization of children. Finally, cultural institutions deal with technical, religious, and aesthetic social routines.

Each of these five forms initially developed from activities bounded by kinship structures. As social structures progressed, they became increasingly detached from inter-familial relations, and social routines involving economics, education, and politics became less central to kinship institutions. The result was the development of a continuous pattern “by which social control is exerted and by means of which the fundamental social desires or needs are met” (Westney, 1988: 122). Because institutions generate and pass on the social values and expectations about how to behave within specific situations, they are conservative by definition. Their purpose is to sustain existing behaviors and thus they are slow to progress. Accordingly, this theory has low congruence with respect to personal experience, historical literature, and passive observation (see Table 4).

Institutions, Constituent Behaviors, and Individual Identities

Because institutions preserve existing behaviors of both organizations and people through “shared meanings,” “[these meanings become] a constraint on actions that limit and determine what is meaningful behavior” (Powell & DiMaggio, 1991: 86). However, the basic connection between behavior and social roles indicates that:

“The legitimacy of roles and practices is dependent on their continual action. Consequently, institutional roles are not fixed and determined, but rather the subject of ongoing formations and transformations by motivated actors” (Clegg, 1989: 67).

In other words, there is a reciprocal relationship between institutions and their constituents.

This reciprocal relationship depends upon how interested constituents interpret and apply it. “Because of leadership in the field, or expertise in technical, legal or political matters” (Fligstein, 1997: 42) others turn to the “leading institutions” in their fields during “times of uncertainty” (DiMaggio & Powell, 1983), for example, universities, large employers, the government and other normative institutions. These “leading institutions” become the paradigms for other institutions and can help shape individual identities.

New Institutionalism

Old institutionalism emphasizes issues such as “conflicting interests and values, and power and influence at the local community level!” (Selznick 1949, 1957: 58). In contrast, new institutionalism “is associated with a focus on routines, scripts, and

schemas. [It is] oriented toward habit and produces isomorphism, where pressures for conformity within a field result in sets of homogeneous organizational forms” (DiMaggio & Powell, 1983: 49). The remainder of this dissertation employs this new institutional theory perspective.

One result of the interactions between people and organizations within institutions is institutional isomorphism, “a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions” (Hawley, 1968: 12). There are two types of isomorphism: competitive and institutional (Meyer, 1979; Fennell, 1980; DiMaggio & Powell, 1983). Competitive isomorphism results from the process of organizational selection; “non-optimal forms are selected out of the population [or] decision makers learn responses and adjust their behavior” (Hannan & Freeman, 1977: 26). In contrast, institutional isomorphism recognizes that organizations compete not just for resources and customers, but also for power, legitimacy, and economic and social fitness (Aldrich, 1979) because social and individual forces require “accommodation of the outside world” (Kanter, 1972).

When competing institutional structures are introduced, individuals are confronted with multiple expectations. However, not all action is rule determined. “[Individuals] must engage in the sometimes risky business of ‘trying on’ particular formulae to see if they fit” (Cassell, 1993: 43). Individuals are thus sometimes forced to act within an uncertain realm of differing expectations, with most of these expectations being unsupported by the inherent conservative quality of existing institutions. In times of uncertainty, competitive isomorphism hinders non-optimal individual expectations and, as a result, these expectations may go unrealized. Once more, “[business

executives] learn from these responses and adjust their behavior” (Hannan & Freeman, 1977: 112). The resulting expectations then become institutionalized through the processes of institutional isomorphism. They become embedded within individuals’ dispositions – in particular, within the individual expectations of business executives. Thus, institutionalization develops and shapes individuals’ identities and then proceeds to limit their expectations regarding new or competing institutional paradigms.

In Russia, managerial expectations are decisive for continued joint venture operations. With respect to structure, these expectations encompass equity splits, venture control, production, hiring and so forth; with respect to goals, they inform decisions regarding profit, market share, transfer of knowledge and transactional percentages in “hard versus soft” currencies. The cultural and historic events unique to Russia shape these managerial expectations. Further, these managerial expectations are perpetuated and maintained by social institutions. New institutional theory explains how such expectations and mindsets are shaped and perpetuated. In the case of Novgorod the Great, the concept of institutional isomorphism can help explain why the business environment has a coherent set of structures and mindsets.

Institutional isomorphism occurs through three mechanisms: coercive, mimetic, and normative. Coercive isomorphism results from political influences and the problems of legitimacy, in particular, from the formal and informal pressures exerted by other institutions (Meyer & Rowan, 1977; Meyer & Hannan, 1979). It also develops from the imposition of standardized operating procedures and legitimate rules:

“As rationalized states and other large organizations expand their dominance over more arenas of social life, organizational structures increasingly come to reflect rules institutionalized and legitimized by and

within the state. Consequently, organizations are increasingly homogenous within given domains and increasingly organized around rituals conforming to wider institutions. At the same time, organizations are decreasingly structurally determined by the constraints posed by technical activities, and decreasingly held together by output controls. Under such circumstances, organizations employ ritualized controls of credentials and group solidarity” (DiMaggio and Powell, 1983: 114).

Mimetic isomorphism results from organizations’ standard responses to uncertainty. During periods of uncertainty, organizations tend to model themselves after other organizations that they perceive to be more legitimate or successful. This process, called modeling, occurs when institutions are involved with poorly understood technologies or face ambiguous goals and unstable environments.

Finally, normative isomorphism is associated with professionalism; it acknowledges that professionals filter through a narrow range of training institutions throughout their career progression so that individuals who make it to the top are virtually indistinguishable from one another. This type of isomorphism has two important sources: the first is that professionalism rests on formal education and the legitimization of a “cognitive base produced by university specialists.” The second is the “growth and elaboration of professional networks that span organizations and across which new models diffuse rapidly” (DiMaggio and Powell, 1983: 104). Kanter (1977: 108) sums up this process by stating:

“To the extent that managers and key staff are drawn from the same universities and are filtered on a common set of attributes, they will tend to view problems in a similar fashion, see the same policies, procedures and structures as normatively sanctioned and legitimized, and approach decisions in much the same way.”

The final portion of the above quotation is critical for resolving whether or not institutional normative isomorphism has become embedded within Russian IJV managerial mindsets. In particular, new institutional theory underscores that the division between institutional and non-institutional behavior is based upon determination of whether the behavior in question has order.

“As a result, order makes it possible to focus on what is alike and what is different, to focus on what belongs and what is segregated, this is institutionalism” (Kanter, 1977). “[As a result,] isomorphism occurs where pressures for conformity result in sets of homogenous responses [(orderings, sortings)] to an assortment of measures” (DiMaggio & Powell, 1983: 69).

New institutionalism maintains that the embedded institutional mindsets, the “us versus them” beliefs, will persist despite their fiscal irrationality from an “objective,” free market perspective. Social resistance literature, which derives from social psychology, maintains that, “because some have been able to decelerate change, there remains the idea that [these individuals] may create a less exploitative future for themselves. [The result is that these individuals] have a more optimistic view of the possibilities via ‘peasant’ strategies of everyday resistance” (Scott, 1985: 26). Relating this point to the current topic, what is considered inevitable and “normal” for the foreign principal may be considered exploitative and to some extent preventable by Russian business executives. Consequently, these economic systems select and exhibit the embedded patterns of resistance described in new institutionalism.

There are other adversarial patterns of resistance to Russian joint ventures as well. For example, an IJV is generally recognized as an agreement only at the point in time in which both venture principals agree to mutually cooperate. Simply put, they agree to

agree for the length of the endeavor. Because of this, the inceptive venture agreement is secondary when weighed against maintaining congruent expectations between venture principals. Consequently, ongoing cooperation regarding venture expectations is critical to IJV success. Notwithstanding, Russian international joint ventures have continually failed because of Russian business executives' continual demands to re-negotiate the terms of venture agreements. Once again, a consistent adversarial behavior persists despite fiscal irrationality. Ultimately, Russian business executives exhibit xenophobic resistance to change whenever outsiders tell them what to do. The culture of nationalism, the gamesmanship that comes from distrusting the West, and the culture of being an insider are remnants of embedded behavior and the basis for Russian business executives' adversarial behavior.

To this point, the researcher has discussed several different perspectives that offer the potential to explain Russian executives' behaviors after institutional upheaval: change theory, joint venture theory, "old" institutional theory, and new institutional theory. Again, as Table 4 summarized at the beginning of this section, among these theoretical perspectives, new institutionalism offers the strongest relevance to Russian executive behavior. Accordingly, this theory has high congruence with respect to personal experience, historical literature, and passive observation. This is borne out by observations presented to this point, as well as by the field study reported in the following section.

5. FIELD STUDY

Reliability

In the traditional view, “reliability” is seen as the repeatability of results; reliability hinges on whether the same methodology used in the same setting will generate the same results consistently. In addressing this concept, Dervin (1996) notes that successful reliability depends, for the most part, upon the ability of the observer to elicit information about the question through a “sense-making” approach. The researcher’s subjectivity can influence the process of eliciting information from respondents. However, gathering corroborative data under various conditions can help overcome this weakness and diminish the skewed results that may be caused by an observer’s presence (Dervin, 1996). While the subjectivity inherent in observational research prevents identical replication, researchers instead should attempt to achieve consistency within the research environment. That is, the “concern that needs to be answered is whether individuals with similar information needs exhibit similar behavior in comparable situations, this [is the basis] for a ‘sense-making’ approach” (Dervin, 1996: 47).

A sense-making approach does not advocate eliciting information from systems, institutions, and resources designed to inform. Instead, it recognizes the limitations and objectives of these resources and seeks to understand *why* they were created. This information is then compared with observed inconsistencies in the research environment. This “sense-making approach” is a reiterative process that searches for convergence in an

attempt to achieve consistency and, as a result, reliability. Consequently, a “sense-making approach” provides an excellent theoretical starting point for examining information and resources within an adversarial environment.

Having examined reliability, validity must next be addressed. The concept of validity in qualitative research must be broken down into two separate components. The first relates to the sample size and its effect on internal validity, and the second addresses the generalizability of the results. In particular, selecting representative subjects from whom results can be generalized is critical. Acknowledging not only that one researcher cannot study the entire universe, but also that the researcher cannot study any single segment that represents the entire population leads to a process where subjects or sites are selected based on their representativeness of a particular population within a given situation. Consequently, a review of internal and external validity, in theory and in practice, is necessary at this time.

Internal Validity

When evaluating the internal validity of any research project, the following questions must be answered: “Are the findings credible? Do they make sense? Do they have truth value?” Accordingly, research must go beyond the descriptive (what appears to have happened in a certain situation) and the theoretical (what the key concepts and relationships appear to be). This particular research project addresses the descriptive (what has happened in certain situations) and the evaluative (whether the data are true or a result of gamesmanship on the part of the observed). In this respect, field research, and

in particular, passive observation are in many ways more “valid” than survey research because of the richness of the data received; this richness provides the researcher with an opportunity to explore the depth of meaning that the subjects experience.

In addition, the sample must be of sufficient size to insure internal validity. After eliminating the outliers, the sample of over 40 respondents approaches a near-census of joint venture business executives within the city of Novgorod the Great. The test site, Novgorod the Great State University, compels Russian business executives to attend classes and seminars to fund the city’s educational system. In exchange, the related Russian businesses are allocated employees trained in international business and who are fluent in English. Consequently, the sample is random, is not self-selected, approaches a near-census, and is statistically sufficient.

In order to achieve the number of responses necessary for a near-census, it was clear that questionnaire participation would have to be mandatory. The two following concerns were then raised: “How can the researcher require survey completion? How can a compulsory survey be administered in an adversarial environment without sacrificing internal validity?” Resolving the first concern was straightforward since Novgorod State University compels Russian business executives to attend classes and seminars by threatening to withhold potential highly qualified employees, graduate employees trained in international business and fluent in English. As a result, the sample of business executives at this university is random, not self-selected, and statistically sufficient; it also approaches a near-census. In addition, the researcher was given consent to emphasize that additional monetary support by the U.S. government depended the

participants' successful completion of the questionnaires. The promise of foreign funding and participation in mandatory surveys routinely occur in this environment.

The answer to the second concern was addressed prior to the (second) research site visit. Extensive study of different research methodologies revealed that, in an adversarial environment, the means of accessing accurate data becomes a matter of managing subtleties. Perceptual nuances are much less susceptible to deliberate adversarial misdirection than overt surveys. Here, a structured *Q-sort* methodology can be helpful. By employing a structured *Q-sort* methodology, the researcher can determine “what is alike and what is different, what belongs and what is segregated” (Kanter, 1977: 53). In this manner, the issue of whether Russian adversarial behavior has order can be determined. Specifically, a structured *Q-sort* methodology can help determine whether order exists among the sample in reaching decisions based upon how Russian business executives handle troublesome situations. Again, the understanding behind this approach is that perceptual nuances are difficult to sort and are thus a precise measure that isolates the beliefs of the research sample. The next issue that must be addressed is that of external validity: whether the results from this study can be generalized to Northwestern Russia, the area of interest.

External Validity – The Generalizability of Study Results to Western Russia

This study was conducted in the Russian city of Novgorod the Great, where business executives have only recently begun to resist and negotiate change based upon their own self-interests. The research site lies within a region where the central state

government has traditionally dictated policy and maintained the *status quo*. Its physical location between Moscow and St. Petersburg – the present and past capitals of Russia – has ensured that the dictates of the former central state government have been carried out. Because of these dictates and the city’s proximity and direction by the two nearby cities, business executives have had minimal latitude in formulating their own policies. In addition, the city itself is “the second Rus,” the historical seat for all Russia; it is thus the archetype for all Russian culture. For this reason, the institutional pressures to maintain the *status quo* are very strong and overcoming resistance to change is likely to be greater than in any other area of Northwest Russia.

In addressing the topic of external validity, the following question must be answered: “Can the sample results from this city be generalized to all of Northwest Russia?” Accordingly, the most logical location to choose as the basis from which to generalize the results from the sample to the area of interest would be from the area where resistance to change is expected to be greatest. Based on the argument posed in the preceding paragraph, it stands to reason that if IJV business executives within this city are able to overcome the socio-political and historical impediments to maintaining the *status quo*, then these sample results can likely be generalized to Northwest Russia. Travel to other cities in Northwest Russia on six occasions by the researcher, preliminary testing, and research interviews substantiate for this claim. In each case, the results were unambiguous and support that assertion that the sample results can be generalized to all of Northwestern Russia.

Three final questions must now be addressed: “What does the research sample consist of? Are 40 business executives a sufficiently large enough sample of IJV

business executives from Novgorod the Great so that the results can be generalized to the remainder of IJV business executives within the city? Is a 60 item structured *Q-sort* statistically significant?” With respect to the first question, primary research sample consisted of over forty Russian IJV business executives who attended graduate courses at the state university within the Russian city of Novgorod the Great. These courses are taught cooperatively. They begin in spring, when they are lead by U.S. or European faculty, and then continuing in the fall, when they are taught by cooperative Russian professors, once ample instructional materials have been translated.

The sample size of 40 respondents – following the elimination of any outliers – constitutes a near-census of all joint venture business executives within the research location. By definition, this near-census is highly representative and generalizable to the city of Novgorod the Great, as it closely approaches the size of the total population itself.

Finally, the concern is whether a 60 item structured *Q-sort* is statistically significant. According to Kerlinger (1992, p. 509), “the number of statements [sorted] in a *Q-distribution* is [determined] by statistical demands.” “[Kerlinger himself] has achieved statistically significant results with as few as 40 items in an unstructured *Q-sort*.” Furthermore, a structured *Q-sort* of the type administered during preliminary testing permits the use of even fewer items to achieve statistically significant results. The reasoning behind this is that “in a structured *Q-sort*, the variable of a set of hypotheses are built into a set of items. [Consequently,] to structure a *Q-sort* is virtually to build a theory into it” (Kerlinger, 1992: 118). Nevertheless, to ensure sufficient power to find statistically significant results and to reduce ambiguity, the researcher developed a 60-item structured *Q-sort* instrument.

Limitations of This Study

The greatest limitation of this study has to do with overcoming the obstacle of internal validity in what is presupposed to be an adversarial sample. With this presumption, the researcher intentionally only spoke English with the Russian research subjects throughout the preliminary research stage, despite being fluent in Russian and growing up in a Slavic household. Consequently, all preliminary questionnaires and interviews were conducted in English or with the assistance of a Russian translator. The extent of Russian gamesmanship was so great that the researcher did not go “out of character” by speaking Russian with anyone associated with the research site at any time. It soon became apparent that this was critical to achieving true internal validity as the research subjects spoke freely near the researcher, but immediately changed both subject and manner near any foreigner that they knew (or assumed) could speak or understand the Russian language. The researcher’s strategy thus resolved the problem of achieving internal validity with an adversarial sample.

Next, a “sense-making” approach was employed to achieve additional internal sample validity. Through this “sense-making” convergent process, the descriptive (what appears to have happened in a certain situation) and the theoretical (what the key concepts and relationships appear to be) were compared to the evaluative (whether the data provided are true or the result of gamesmanship on the part of the observed). In this study, the Russian business executives did in fact deliberately try to mislead the researcher – the *eehstrahnetz* (foreigner) – on nearly every occasion. The nuances of their behavior, non-verbal communications, and body language revealed that they were

cautious with their responses and were playing games with the researcher. Regardless, feigning ignorance of the language enabled the researcher to eavesdrop on the test subjects' private conversations to discern their games and inaccuracies. This eavesdropping often occurred as the researcher attended classes and participated in the frequent and regular "smoke breaks" held just outside the class meeting rooms. In this manner, "sense-making" improved this study's internal validity by converging the Russian business executives' overt and covert opinions.

The Russian business executives consistently used translators, even though they were all nearly fluent in English. Still, these individuals regularly censured translation of any conversations among themselves by first silencing the translator, and then offering a skewed, inaccurate or purposely misleading English interpretation of what they had privately discussed. Despite these obvious attempts by the Russian business executives to mislead others, the need for internal validity dictated that Russian not be spoken at any time by the researcher to the subjects. This enabled the researcher to correctly understand these conversations, despite the executives' constant attempts to deceive and mislead the foreigners in attendance. Once more, researcher's primary purpose was to actively encourage this gamesmanship to achieve internally valid results, which he accomplished by feigning ignorance of the Russian language

The richness of the information received and the researcher's ability to tap into a depth of meaning suggested that the second research site visit should be conducted in the same manner. Passive observation had proven to be an invaluable tool. However, active solicitation of the research subjects' views posed a different problem. To further explore the extent of Russian business executives' adversarial behavior, a preliminary

questionnaire was developed for distribution at a related site in the city. Since responding to this survey was not compulsory, not one of the nearly 90 possible subjects responded. This outcome was not surprising under the circumstances, and the researcher continued passive observation, feigning ignorance of the Russian language, and his “sense-making” approach.

By constraining the sample group to isolate beliefs about individual experiences and asking them to order a series of statements, a structured *Q-sort* methodology enables the researcher to discover how individuals handle troublesome situations. The results are then inter-correlated (by means of an ANOVA), focusing the analysis on the correlation among persons. This is then compared with the passive observations for convergence in an attempt to achieve consistency in the analysis.

The researcher thus developed a structured *Q-methodology* instrument, which was preceded by simple demographic questions to initially make the respondents feel at ease and to eliminate demographic outliers such as individuals who recently moved to the city from other Russian states. The second part of the questionnaire was the structured *Q-sort* itself. Finally, the last part of the survey asked open-ended questions to make the respondents feel at ease once again.

Preliminary testing of the instrument through passive observation established that the *Q-methodology* did, in fact, generate significant anxiety. All preliminary test subjects again and again re-sorted their answers while completing the second portion of the questionnaire. This apprehensive behavior is consistent with true immersion into the problematic situations that the sample participants were asked to sort. More importantly, this behavior is completely inconsistent with an adversarial series of responses, which

would elicit no such conduct. Passive observation by way of methodical eavesdropping on the test subjects' private conversations after the testing revealed that no gamesmanship was evident by any of the participants during the test. Therefore, the findings from *Q-methodology* appear credible, with significant truth-value.

To summarize, with the reason, importance, research needs, and unique contributions of this inquiry having been addressed, a theoretical framework for this study then followed. This framework provided the foundation for this study and addressed concerns about reliability and internal and external validity. Finally, any remaining concerns about internal validity were addressed. Ultimately, the preceding sections have shown that the results of this study can be generalized to western Russia. The understanding is that the socio-political and historically embedded impediments to maintain the *status quo* exist to a much lesser degree in western Russia than in the city of Novgorod the Great.

Draft Interview Instrument

The draft interview instrument was divided into three sections: demographic, (forced-choice) structured *Q-sort*, and open-ended questions. The purpose of the first section was to eliminate any outliers within the sample population who might have recently relocated to the city and state of Novgorod the Great and would systematically weaken the results of the study. The second section was the implementation of the *Q-sort* methodology itself. Finally, the third section was used to avert the test subjects' focus away from the fact that the *Q-sort* was the focus of the study. Its purpose was simply to

lead test subjects to believe that the *Q-sort* was only one of a series of equivalent tasks that needed to be performed.

This questionnaire was translated into Russian and distributed to Russian-IJV business executives in order to determine the degree of embedment of their roles, beliefs, and behaviors. Preliminary testing revealed that the structured, forced-choice *Q-sort* results can be used to differentiate different types of executive mindsets. Specifically, by “making discriminations that [the business executives] would not make unless required to do so,” the existence, extent, and pattern of embedded behavior were determined through the responses that possessed order.

The *Q-methodology* is primarily a qualitative research methodology that identifies how individuals characterize a set of philosophical, psychological, statistical, and psychometric ideas (Stephenson, 1953). A range of *Q-techniques* can be implemented to gather the information relevant to a particular setting or situation. These techniques involve sorting a series of statements into a rank order on either a structured or unstructured basis.

Q-sorting research involves selecting focal situations or statements relevant to a particular study that present the subject with specific challenges. In unstructured *Q-sorts*, many statements are used because they are intended to measure a specific variable. Individuals then sort these statements according to their systems of beliefs. The results are then inter-correlated, focusing the analysis on the correlation among persons. In this sense, the unstructured *Q-sort* is similar to a cluster or factor analysis.

Structured *Q-sorting* involves presenting subjects with specific challenges. This structured methodology attempts to isolate beliefs about individual experiences that lead

subjects to order a series of statements in a particular way. This methodology also seeks to discover how individuals handle troublesome situations in reaching sorting decisions. “In a structured *Q-sort*, a series of items or problematic situations are presented with belief built into a set of items. [Consequently], to structure a *Q sort* is virtually to build a theory into it” (Kerlinger, 1992: 114).

The structured *Q-sort* becomes particularly sensitive when the differences among the statements are subtle and the subjects are presented with forced choices. Since the purpose of the forced-choice (structured) methodology is to provoke immersion into problematic situations and produce apprehensive re-sorting to increase the accuracy of the responses, the questions themselves are immaterial, providing that they are in some way related. What is being measured is *the similarity of responses among individuals*; in this case – the similarity of mindsets within the research sample. In other words, a structured *Q-sort* measures whether individuals approach decisions in much the same way. As such, the forced-choice method is seen as “superior” to an unstructured design (Block, 1956). While unstructured sorting methodologies and scales allow subjects to rank order statements in any manner, forced designs require subjects to limit the number of answers within each column. For example, a forced design *Q-sort* with 100 statements and 10 columns/categories results in exactly ten sorted statements in each column (100 = 10 x 10).

Most importantly, a forced design requires “individuals to make discriminations that they would not make unless required to do so” (Brown, 1980, pp. 201-203, 288-289). Structured *Q- sorts* are normally distributed; hence their results are amenable to statistical analysis through an analysis of variance. A two way (factorial) structured *Q-sort* is most

suitable for statistically determining the difference between randomly drawn samples from a normally distributed source population. In addition, a factorial *Q-sort* of this type can find a statistical difference between the means of structured *Q-sort* sorting decisions based upon a series of hypotheses. Having explained the *Q-methodology*, a review of the draft instrument follows.

Demographic Questions

What follows is the questionnaire itself before being translated into Russian.

Please circle the period during which you were born: 1930-35, 1936-40, 1941-45, 1946-50, 1951-55, 1956-60, 1961-65, 1966-1970, 1971-75, 1976-1980, 1981-1985.

1. Briefly list any additional international cooperatives that affect you or your employer
1. How many years have you lived in the city of Novgorod the Great? _____
2. If married, how many years has your husband / wife lived in the city of Novgorod the Great? _____
3. How many kilometers (approximately) were you born from the city of Novgorod the Great? _____
4. If married, how many kilometers (approximately) was your husband/wife born from the city of Novgorod the Great? _____
5. How many kilometers (approximately) was your father born from the city of Novgorod the Great? _____
6. How many kilometers (approximately) was your mother born from the city of Novgorod the Great? _____
7. Circle the all years that you lived with your mother, father, or family when you attended university: 1 2 3 4 5

Q-Sort Questions

Directions: Please arrange the following 60 cards so that 12 appear below each category. Start with the statements that you feel strongest about and continue until you are done. Upon completion you will have 12 cards within each category. You may change your selections at any time until you are comfortable with the results. However, you must use all 60 cards and they must be placed into 5 columns with exactly 12 cards in each column.

Column 1	Column 2	Column 3	Column 4	Column 5
Most Uncharacteristic, Most Disliked	Uncharacteristic, Disliked	Neutral, No Opinion	Characteristic, Preferred	Most Characteristic, Most Preferred
1.	I first consider myself a citizen of the City of Novgorod the Great.			
2.	I first consider myself a citizen of the State of Novgorod the Great.			
3.	I first consider myself a citizen of Northwest Russia.			
4.	I first consider myself a citizen of the Russia.			
5.	I first consider myself a citizen of Europe or Asia.			
6.	I would first prefer to buy items made in the City of Novgorod the Great.			
7.	I would first prefer to buy items made in the State of Novgorod the Great.			
8.	I would first prefer to buy items made in Northwest Russia.			
9.	I would first prefer to buy items made in Russia.			
10.	I do not care where the items that I buy are produced.			
11.	In the cooperative programs that I listed, I most admire my foreign partners' business practices.			
12.	In the cooperative programs that I listed, I most admire my foreign partners' business ethics.			
13.	In the cooperative programs that I listed, I most admire my foreign partners' opinions about the role of women in society.			
14.	In the cooperative programs that I listed, I most admire my foreign partners' knowledge about my culture.			
15.	In the cooperative programs that I listed, I most admire my foreign partners' cultural heritage.			
16.	I will probably live in the State of Novgorod the Great for the remainder of my life.			
17.	I will probably live in Northwest Russia for the remainder of my life.			
18.	I will probably live in Russia for the remainder of my life.			
19.	I will probably live in Europe or Asia for the remainder of my life.			
20.	I will probably live in a partner country from one of the cooperative programs that I listed.			
21.	In the cooperative programs that I listed, the contract between partners was influenced or is influenced by the political views between the countries.			
22.	In the cooperative programs that I listed, the contract between partners did change or is changing if one partner's economy experiences rapid change.			
23.	In the cooperative programs that I listed, the contract between partners did change or is changing only if both partners agree to change the contract.			
24.	In the cooperative programs that I listed, the contract between partners did not change or is not changing.			
25.	In the cooperative programs that I listed, the contract between partners slowly evolved or is slowly evolving.			
26.	In the cooperative programs that I listed, the foreign partner did not or does not understand my business practices.			
27.	In the cooperative programs that I listed, the foreign partner did not or does not understand my culture.			

28. In the cooperative programs that I listed, the foreign partner did not or does not understand the ethics of my country.
29. In the cooperative programs that I listed, the foreign partner did not or does not understand the role of women in my country.
30. In the cooperative programs that I have listed, I did not understand my foreign partner's business practices.
31. I would most prefer to live with my family in a partner country from one of the cooperative programs that I listed.
32. I would most prefer to live with my family in Europe or Asia for the remainder of my life.
33. I would most prefer to live with my family somewhere in Russia for the remainder of my life.
34. I would most prefer to live with my family only in Northwest Russia for the remainder of my life.
35. I would most prefer to live with my family in the State of Novgorod the Great for the remainder of my life.
36. I would most prefer to live with my family in the City of Novgorod the Great for the remainder of my life.
37. (If unmarried) My family would prefer that I... (or if married) I would prefer that my children... live in a partner country from one of the cooperative programs that I listed.
38. (If unmarried) My family would prefer that I... (or if married) I would prefer that my children... live in Europe or Asia.
39. (If unmarried) My family would prefer that I... (or if married) I would prefer that my children... live only in Russia.
40. (If unmarried) My family would prefer that I... (or if married) I would prefer that my children... live only in Northwest Russia.
41. (If unmarried) My family would prefer that I... (or if married) I would prefer that my children... live only in the State of Novgorod the Great.
42. (If unmarried) My family would prefer that I... (or if married) I would prefer that my children... live only in the City of Novgorod the Great.
43. I would most prefer future generation of my family to live in a partner country from one of the cooperative programs that I listed.
44. I would most prefer future generations of my family to live with my family only in Europe or Asia.
45. I would most prefer future generations of my family to live only in Russia.
46. I would most prefer future generations of my family only in Northwest Russia.
47. I would most prefer future generations of my family to live only in the State of Novgorod the Great.
48. I would most prefer future generations of my family to live only in the City of Novgorod the Great.
49. In the cooperative programs that I listed, I believe that my city/state/nation or I learned the most from studying the foreign partners' business practices.
50. In the cooperative programs that I listed, I believe that my city/state/nation or I learned the most from studying the foreign partners' ethics.

51. In the cooperative programs that I listed, I believe that my city/state/nation or I learned the most from studying the foreign partners' cultural heritage.
52. In the cooperative programs that I listed, I believe that my city/state/nation or I learned the most from studying the foreign partners' opinion on women in society.
53. In the cooperative programs that I listed, I believe the foreign partners' city/state/nation learned the most from studying our business practices.
54. In the cooperative programs that I listed, I believe the foreign partners' city/state/nation learned the most from studying our business ethics.
55. In the cooperative programs that I listed, I believe the foreign partners' city/state/nation learned the most from studying our cultural heritage.
56. In the cooperative programs that I listed, I believe the foreign partners' city/state/nation learned the most from studying our opinion of women in society.
57. In the cooperative programs that I listed, I believe that my city/state/nation or I have benefited more than my foreign partner.
58. These cooperative programs will make no political, ethical, or moral differences in either of the two countries but will help stabilize the weaker country's economy.
59. Cooperative programs similar to the ones that I listed will make both our countries have similar political, ethical, and moral beliefs in the future.
60. These cooperative programs will make no political, ethical, or moral differences in either of our countries but will eventually increase the amount of trade between our two markets.

Open Ended Question

On the back of this page write (in any language) what how you benefited from these international cooperatives. For example, received income from traveling, learned about culture, learned about business, and so forth. Please briefly write about how it has benefited only you – not your country/state/city.

Analysis of Variance

Since structured *Q-sorting* involves a statistical analysis of variance (ANOVA) of the results, a review of this method of data analysis is essential. ANOVA is a procedure for testing the statistical significance of the differences between the means of different groups of observations; the current study included a factorial two-way analysis of the

mean differences. ANOVA partitions the variance in the dependent variable and attributes it to a combination of the following: independent variable factors, interaction among factors, and noise (within-cell variation) due to other influences. ANOVA is ideally suited to analyzing the *Q-sort* data because it allows the results to be inter-correlated; in this case, the focus of the analysis is the correlation among the sample of Russian joint venture business executives.

Using ANOVA as a form of statistical analysis requires three assumptions: (a) there is homogeneity of variance across conditions and subjects; (b) the population is normally distributed with a normal distribution of errors; and (c) each result is an independent sample or else an independence of errors exists. Each of these assumptions is consistent with the research sample in this study.

Important strengths of ANOVA are that the results are visually clean, easily interpretable (e.g. 2 x 2, 3 x 2, etc.) and can be statistically substantiated. Because of this, this method of data analysis helps a researcher to visualize the research design. Visual cleanness is important because unequal cell sizes affect cell partitioning and are the leading cause of false results. Because of this, the essential indicator used in interpreting the results of the (3 x 3) ANOVA was an F-test. In an F-test, the numerator is the variance due to the experimental effect (the between-group variance), while the denominator is a measure of chance error (within group variance). The results of these nine ANOVA will then determine the probability of achieving a greater F statistic ($\text{Prob} > F$). This indicates the statistical significance of the results.

The final issue is why an ANOVA was used and not other forms of data analysis, such as simple or multiple linear regression. In addition to being specifically suited for

Q-Sort analysis, ANOVA can find the mean differences between *groups*, while regression (both simple and multiple) locates the correlation between *dependent and independent variables*. The research questions in this study are concerned with whether (mean) differences exist among the research classifications rather than correlation coefficients; consequently, ANOVA is the most appropriate method of statistical analysis.

Methodology

The questionnaire yielded 47 respondents. Two respondents were immediately eliminated as outliers, since the preliminary demographic questions revealed that the individuals were undergraduate students enrolled at Novgorod State University. Two additional respondents were eliminated because they did not complete the *Q-sort* questionnaire due to time constraints. A final respondent was eliminated because the results of the *Q-sort* were illegible and some numbers corresponding to focal challenges were entered twice while others were not entered at all. After these five outliers were eliminated, the demographic responses were re-checked and the *Q-sort* responses were checked for omissions, random responses, and duplication, 42 valid respondents remained.

Because unequal cell sizes affect cell partitioning and can lead to false results, these 42 respondents were divided into three equal cell sizes according to when they were born (a question on the survey instrument). This approach is consistent with the researcher's preliminary finding that the different executive mindsets were closely

correlated with age. The researcher presupposed that the 14 responses required for each cell would be able to include all respondents within certain demographic age groups, but that some age groups would have to be randomly assigned. Nevertheless, the demographic preliminary questionnaire yielded the following results from the respondents:

Executives born between 1941-1945: 2;

Executives born between 1946-1950: 5;

Executives born between 1951-1955: 7;

Executives born between 1956-1960: 8;

Executives born between 1961-1965: 6;

Executives born between 1966-1970: 11;

Executives born between 1971-1975: 3.

The three oldest demographic respondent groups, the next two demographic respondent groups, and the last two demographic respondent groups each contained 14 respondents. Consequently, there was no need for the researcher to randomly assign subjects. Following this, the 60 focal challenges were assigned into 19 sets (labeled A-S). Each of these sets was then assigned a focal challenge type: nationalism, gamesmanship, or insider. Nationalism (N) focal challenges required respondents to make 35 choices based upon a series of closely related questions regarding the culture of nationalism. Gamesmanship (G) focal challenges required respondents to make 13 choices based upon a series of closely related questions regarding the gamesmanship that

comes from distrust of the “West.” Finally, insider (I) focal challenges required respondents to make 12 choices based upon a series of closely related questions regarding the culture of being an “insider.” These challenges were then given an adjusted value for each response so that the maximum score for each answer was one (see Appendix, Table 9).

Based on the researcher’s preliminary findings, the three groups of 14 respondents were labeled as having “traditionalist,” “capitalist,” or “successor” mindsets and were then presented with focal challenges with respect to nationalism (N), gamesmanship (G), and the culture of being an insider (I). This (3 x 3) matrix yielded nine ANOVA. Responses were assigned numbers based on a five-point Likert scale with “most uncharacteristic, most disliked” being assigned a one (1) and “most characteristic, most liked” being assigned a five (5). Each Likert score was then multiplied by the adjusted value for each response. The grand mean scores of nationalism (N), gamesmanship (G), and insider culture (I) were then compared to the mean scores of each of group. The results substantiated the researcher’s preliminary findings that each group of executives’ mindsets exhibit a statistically significant difference from the grand mean in the direction predicted by the researcher.

6. RESULTS

The results of the *Q-methodology* subjected to an ANOVA confirm that three distinct mindsets have emerged during this period of institutional upheaval in Northwest Russia. The results indicate statistically significant differences between traditionalist, capitalist, and successor mindsets in focal challenges based upon the culture of nationalism, the gamesmanship that comes from distrust of the “West,” and the culture of being an “insider” (see Table 7). These differences suggest that New Institutional Theory best explains the emergence and maintenance of multiple core value systems in the face of dramatic social and economic change.

With respect to the traditionalist mindset, the one-way ANOVA results reveal that traditionalists exhibit higher levels of nationalism, gamesmanship, and the culture of being an “insider” as compared with grand mean of all respondents. This difference between the sets of focal challenges yields results consistent with the researcher’s intermediate findings. Also, the mean of these results is above the grand mean for all respondents; accordingly, traditionalists exhibit behavior away from the mean in the direction and manner that the researcher predicted. Consequently, this inquiry finds that no second-order learning has occurred among traditionalists.

Next, we have the capitalists. The one-way ANOVA results reveal that capitalists are the antithesis of the traditionalist executives. Capitalists exhibit lower nationalism, gamesmanship, and the culture of being an “insider” as compared with the single overall grand mean. This difference between the sets of focal challenges yields results that are consistent with the researcher’s intermediate findings. Also, the mean of these results is

below the grand mean for all respondents; accordingly, traditionalists exhibit behavior away from the mean in the direction and manner that was predicted by the researcher. Consequently, this inquiry finds that second-order learning has occurred within executives exhibiting capitalist mindsets.

Finally, we have the successors. The one-way ANOVA results reveal that successors exhibit characteristics of both of the other mindsets. Successors exhibit higher nationalism versus the single overall grand mean of all respondents. At the same time, successors exhibit lower gamesmanship and the culture of being an “insider” compared with the single overall grand mean of all respondents. This difference between the sets of focal challenges yields results consistent with the researcher’s intermediate findings. In addition, the mean of these results is respectively above, below, and below the grand mean for all respondents. Accordingly, successors exhibit behavior away from the mean in the directions and manners that were predicted by the researcher. Consequently, this inquiry finds that second-order learning has occurred among executives exhibiting successor mindsets.

The findings of this inquiry are consistent with what has been argued by the researcher in the abstract. They are not congruent with change theory, joint venture theory, or (old) institutional theory. At the same time, the results are consistent with a new institutional theory approach. Accordingly, the implications of these findings are discussed in the following section.

TABLE 7
Q-SORT FOCAL CHALLENGES SCORES FOLLOWED BY CHI-SQUARE
CROSSTABS AND TESTS

	TRADITIONALIST	CAPITALIST	SUCCESSOR
NATIONALISM	1826	1045	1534
GAMESMANSHIP	719	411	508
INSIDER	602	442	468

CHI-SQUARE OF MINDSETS BY MOST PREVALENT VARIABLES (MPV)
CROSSTABS

MINDSETS					
MPV	Count	Traditionalist	Capitalist	Successor	
	NATIONALISM	1826	1045	1534	4405
	GAMESMANSHIP	719	411	508	1638
	INSIDER	602	442	468	1512
		3147	1898	2510	7555

CHI-SQUARE TESTS

Source	DF	-LogLikelihood	Rsquare (U)
Model	4	194.82005	0.8385
Error	7549	37.52050	
C Total	7553	232.34055	
Total Count	7555		
Test			
	ChiSquare	Prob>ChiSq	
Likelihood Ratio	389.640	<.0001	
Pearson	356.000	<.0001	

TABLE 8
Q-SORT FOCAL CHALLENGES SCORES BY NATIONALISM VARIABLE

MINDSET	TOTAL SCORE	MEAN	DIRECTION FROM MEAN
TRADITIONALIST	1826	1470	ABOVE *
CAPITALIST	1045	1470	BELOW *
SUCCESSOR	1539	1470	ABOVE *

Q-SORT FOCAL CHALLENGES SCORES BY GAMESMANSHIP VARIABLE

MINDSET	TOTAL SCORE	MEAN	DIRECTION FROM MEAN
TRADITIONALIST	719	546	ABOVE *
CAPITALIST	411	546	BELOW *
SUCCESSOR	508	546	BELOW *

Q-SORT FOCAL CHALLENGES SCORES BY INSIDER CULTURE VARIABLE

MINDSET	TOTAL SCORE	MEAN	DIRECTION FROM MEAN
TRADITIONALIST	602	504	ABOVE *
CAPITALIST	442	504	BELOW *
SUCCESSOR	468	504	BELOW *

* As Predicted by the Researcher's Subjective Observations

TABLE 9
ONE WAY ANOVA RESULTS OF Q-SORT FOCAL CHALLENGES

	TRADITIONALIST 3	CAPITALIST 4	SUCCESSOR 5
NATIONALISM	F Ratio 12.563 Prob>F 0.000*** (SEE ANOVA 1)	F Ratio 11.421 Prob>F 0.000*** (SEE ANOVA 4)	F Ratio 11.793 Prob>F 0.000*** (SEE ANOVA 7)
GAMESMANSHIP	F Ratio 11.869 Prob>F 0.000*** (SEE ANOVA 2)	F Ratio 14.820 Prob>F 0.000*** (SEE ANOVA 5)	F Ratio 12.757 Prob>F 0.000*** (SEE ANOVA 8)
INSIDER	F Ratio 12.983 Prob>F 0.000*** (SEE ANOVA 3)	F Ratio 12.747 Prob>F 0.000*** (SEE ANOVA 6)	F Ratio 10.126 Prob>F 0.000*** (SEE ANOVA 9)

*** = .001 level of significance

³ 14 Executives Born Between: 1941-1945 (2), 1946-1950 (5), and 1951-1955 (7).

⁴ 14 Executives Born Between: 1956-1960 (8) and 1961-1965 (6).

⁵ 14 Executives Born Between: 1966-1970 (11) and 1971-1975 (3).

TABLES 10
ANOVA TABLES USED TO EXPLAIN TABLE 9

ANOVA 1 TRADITIONALIST MINDSET AND NATIONALIST VARIABLE

Source	DF	Sum of Squares	Mean Square	F-Ratio
Model	1	3334276	3334276	12.563
Error	33	8758332	265404	Prob>F
C Total	34	12092608	355665	0.000***

ANOVA 2 TRADITIONALIST MINDSET AND GAMESMANSHIP VARIABLE

Source	DF	Sum of Squares	Mean Square	F-Ratio
Model	1	516961	516961	11.869
Error	11	479116	43556	Prob>F
C Total	12	996077	83006	0.000***

ANOVA 3 TRADITIONALIST MINDSET AND INSIDER CULTURE VARIABLE

Source	DF	Sum of Squares	Mean Square	F-Ratio
Model	1	362404	362404	12.983
Error	10	279140	27914	Prob>F
C Total	11	641544	58322	0.000***

ANOVA 4 CAPITALIST MINDSET AND NATIONALIST VARIABLE

Source	DF	Sum of Squares	Mean Square	F-Ratio
Model	1	1092025	1092025	11.421
Error	33	3155328	95616	Prob>F
C Total	34	4247353	124922	0.000***

ANOVA 5 CAPITALIST MINDSET AND GAMESMANSHIP VARIABLE

Source	DF	Sum of Squares	Mean Square	F-Ratio
Model	1	168921	168921	14.820
Error	11	125378	11398	Prob>F
C Total	12	294299	24525	0.000***

ANOVA 6 CAPITALIST MINDSET AND INSIDER CULTURE VARIABLE

Source	DF	Sum of Squares	Mean Square	F-Ratio
Model	1	195364	195364	12.747
Error	10	153260	15326	Prob>F
C Total	11	348624	31693	0.000***

ANOVA 7 SUCCESSOR MINDSET AND NATIONALIST VARIABLE

Source	DF	Sum of Squares	Mean Square	F-Ratio
Model	1	2368521	2368521	11.793
Error	33	6627753	200841	Prob>F
C Total	34	8996274	264596	0.000***

ANOVA 8 SUCCESSOR MINDSET AND GAMESMANSHIP VARIABLE

Source	DF	Sum of Squares	Mean Square	F-Ratio
Model	1	258064	258064	12.757
Error	11	222519	20229	Prob>F
C Total	12	480583	40049	0.000***

ANOVA 9 SUCCESSOR MINDSET AND INSIDER CULTURE VARIABLE

Source	DF	Sum of Squares	Mean Square	F-Ratio
Model	1	219024	219024	10.126
Error	10	216300	21630	Prob>F
C Total	11	435324	39575	0.000***

7. CONCLUSION

Summary of the Study

The purpose of this dissertation was to challenge the prevalent view (found in research literature) that institutional? organizational? learning does not occur during periods of economic upheaval. In doing so, this dissertation examined the different types of negotiating behaviors and mindsets that Russian business executives have developed during a period of rapid social change. This dissertation initially used the researcher's own unique insight to distill three different mindsets about negotiating at the bargaining table that Russian business executives have developed. The dissertation then employed a quantitative methodology to examine whether New Institutional Theory (NIT) offers the best possible explanation of why these three executive mindsets have emerged during this time.

Results and Managerial Implications

This dissertation offers evidence that that there is congruity between the researcher's passive observation and intermediate findings, Russian history, and the Q-sort results of the questionnaire that was administered to the Russian executives. The result is that this dissertation offers evidence that New Institutionalism presents a better paradigm for interpreting Russian executive behavior during institutional upheaval than the paradigms currently being employed. In addition, it offers statistical evidence that tends to confirm the researcher's argument that three distinctive Russian executive

mindsets have emerged. Joint venture entrants into the Russian economy should pay attention to the effect that these different managerial mindsets have on Russian executive adversarial behavior. As the research literature suggests, Russian joint venture business executives need outside, foreign intervention to become both empowered and properly motivated to overcome resistance to change. The results of this study indicate that Russian joint venture business executives have core values and strategies that are based on their individual visions. In addition, venture entrants into this market have few options for selecting their Russian executive counterparts. However, once managerial mindsets have been identified, different reinforcement schedules can be used to circumvent their effects. Through a careful scheduling of venture re-negotiations, Russian resistance to change can be overcome during the iterative “attitudinal-restructuring” sub-process that occurs during venture negotiation (as summarized in the section on labor negotiation theory).

Foreign entrants into the Russian market must appreciate the importance of maintaining the capacity to choose among the many joint venture re-negotiation and reinforcement schedules available to them. These foreign entrants should consider such issues as: flexibility in adapting to less formal means of negotiation, increasing organizational ability to negotiate across technical disciplines, and the ability to cooperatively arrive at alternative venture objectives. In addition, intangible issues such as fairness, reliability, and reputation all must be emphasized within foreign entrants’ venture strategies. In this manner, “attitudinal-restructuring” can be reinforced outside of contractually predetermined (and thus, restricted) means of negotiation. Furthermore,

negotiations need to become more flexible in order to circumvent the formal, adversarial, traditionalist mindset of the most senior Russian joint venture executives.

This study empirically demonstrates that “traditionalist” business executives have not changed their core values, and thus have not “learned” (in the second-order sense) during the preceding decade of institutional upheaval. Instead, they have retained their core value beliefs and simply adapted their personalities and attitudes to new situations and conditions. The change literature maintains that their first order understanding and adaptation is random, unfocused, and built upon the existing core values. In addition, the social resistance literature argues that traditionalists tend to “decelerate change [to] create a less exploitative future for themselves” (Scott, 1985: 26). Again, what is considered efficient and “normal” from a foreign perspective is regarded as exploitative and preventable by these traditionalists. Consequently, these economic systems exhibit the embedded patterns of resistance described in new institutionalism, rather than the assumptions of economic rationality found within the joint venture literature. Accordingly, new institutionalism maintains that the embedded institutional mindsets, the “us versus them,” will persist despite their fiscal irrationality from an “objective,” free market perspective.

Because of the traditionalist goal of decelerating change, joint venture re-negotiation with (and, as a consequence, reinforcement of) these individuals must be continuous. Such reinforcement schedule can prevent traditionalists from decelerating or even reversing changes made by less senior “capitalists” or “successors.” These traditionalists will likely remain in power for another decade. Accordingly, shared management -- combined with an uninterrupted presence -- will restrict the

traditionalists' influence and empower those who hold the other mindsets. Since traditionalist executives tend to be the organizational gatekeepers, foreign market entrants must circumvent them to successfully implement their strategies. Again, foreign entrants should develop less formal means of negotiation with their Russian counterparts, increase their organizations' ability to negotiate across technical disciplines, and cooperatively arrive at alternative venture objectives with executives exhibiting the other two mindsets.

This study also empirically demonstrates that the antithesis of the traditionalist mindset is the "capitalist" mindset. The Russian executives who hold this mindset exhibit considerable second-order learning yet lack first-order, or incremental, development. Because of this, these individuals need ongoing reinforcement and indications of their achievements. However, continuous contact with these individuals or any formal attempt at venture re-negotiation with them will likely be counterproductive. Traditionalist executives are likely to be suspicious of capitalist executives who share none of their core values and underlying belief structures. In addition, the capitalist executive goal of determined change is incompatible with traditionalist efforts to curb the strategies that would lead to this goal. Consequently, reinforcement of these individuals should occur through random negotiations to prevent the traditionalists from concluding that the capitalists are colluding with foreign principals. At the same time, negotiations should happen often enough to provide for incremental shaping so that capitalist personalities and attitudes can be maintained over the next decade. In this manner, core values and belief structures can be maintained during the next decade as the capitalists replace the traditionalists, who are older and senior in rank.

Finally, this study empirically confirms the existence of a “successor” mindset that is consistent with the researcher’s intermediate findings. The executives that hold this mindset differ from the capitalists in that they share the traditionalists’ open nationalism. As a result, they receive help from traditionalists that includes educational assistance and exposure to foreign work opportunities that would normally have been granted to the more senior capitalists. Passive observation, interviews, and eavesdropping on conversations reveal that the successors recognize that assistance from the traditionalists will soon cease altogether. Consequently, interval or ratio (regular) reinforcement is necessary to counteract the reduced benefits to successors as capitalist business executives rise to power and displace traditionalists over the next decade. Successors appear to have a realistic expectation of open market economics yet are pessimistic about their ability to compete in the future. Through regular negotiations, reinforcement and empowerment, it is believed that these individuals will become more optimistic and develop a sense of control over their future, thus helping to overcome any future resistance to change.

Limitations and Implications for Future Research

The findings reported in this dissertation should be interpreted with an understanding of certain limitations. First, caution must be used in generalizing the present findings too broadly. The inquiry focused upon a specific city in Russia, Novgorod the Great. Testing the external validity of these findings would likely require replicating this study in the two other large cities in Northwest Russia: Moscow and St.

Petersburg. Realistically, however, this dissertation's findings may be generalized to other cities where the institutional efforts to maintain the *status quo* exist to such an extent that they act upon executives' mindsets and result in resistance to change.

Second, the unique research situation that presented itself in the city of Novgorod the Great may be impossible to reproduce in other cities where adversarial resistance to change cannot be measured through focal challenge questionnaires. The research site's dependence on foreign assistance was critical in providing a near-census of joint venture business executives. However, larger organizations in Russia likely have the ability to search and find employees from sources other than the central university system. Undoubtedly, this issue presents an important and challenging task for researchers in this field and, specifically, in this market. Also, larger organizations can influence future study results because they can alter the level and extent of executive participation.

Third, the present study provides only limited insight into executives' embedded impediments to change. The researcher's unique qualifications, the circumstances under which the research was conducted, and the researcher's immersion within the research site enabled him to isolate three moderating variables. These moderating variables were then used as intermediate findings with which he distinguished Russian executive mindsets. The natural extension of this research would be to determine whether these three variables are the ones that most adequately differentiate executive mindsets.

Fourth, the practical application of this dissertation does not lie in explaining and overcoming Russian business executives' seemingly irrational adversarial behavior. Nor is the final objective of this study to generalize the results from the sample to the population. Instead, its purpose is to offer an analytical generalization that will enable

further theory building toward a greater understanding of how to facilitate negotiations. In this manner, the results of his methodology can be re-tested to verify and refine the findings and theory suggested here. Accordingly, the results of this study may well be useful beyond the business community.

APPENDIX

TABLE 11
CLASSIFICATION OF CONTRIBUTIONS TO IJV LITERATURE

A Typology for Classifying Articles

- (A) Application – Practitioner style articles that are aimed at making suggestions to EE-IJV managers;
- (CS) Case Study – Articles based on one or more in-depth case studies;
- (D) Descriptive – Articles based on simple descriptive statistics available from government data or publicly available data bases;
- (EM) Empirical – Articles based on proprietary data collected by a researcher using a survey. This type of articles also often includes case studies;
- (H) Historical - Based upon historical data or a reinterpretation of previous events;
- (LE) Legal – Articles focusing on the legal aspects of EE-IJVs;
- (LR) Literature review – Articles that are primarily a review of existing literature;
- (T) Theory – Articles that are primarily concerned with theory development.

AUTHOR	YEAR	TYPE	TITLE	REFERENCE
Anonymous	1994	LE	How to register a Russian joint venture	<u>Central European Business Guide</u> , 1(3):1-5
Anonymous	1990	A	Investing in Eastern Europe through joint ventures	<u>Executive Briefings</u> , June:1-6
Anonymous	1990	A	<u>Introductory guide to joint ventures in the Soviet Union</u>	Washington, US Department of Commerce
Artisien, P	1987	EX	Joint venturing in Yugoslavia: Twenty years of liberalization	<u>Multinational Business</u> , (3):12-24
Artisien, P and Buckley, P	1985	EM	Joint ventures in Yugoslavia: Opportunities and constraints	<u>Journal of International Business Studies</u> , Spring: 111-135
Ashlund, A.	1995	A	<u>How Russia Became a Market Economy</u>	The Brookings Institution
Barrett, M	1987	EX	Risks of East-West joint ventures	<u>Euromoney</u> , September:476-479
Beamish, P.W.	1993	A	Characteristics of Joint Ventures in the People's	<u>Journal of International</u>

			Republic of China	<u>Marketing</u> , 1(1): 29-48.
Beamish, P. W. and Delios, A.	1996	A	Improving Joint Venture Performance through Congruent Measures of Success	<u>Cooperative Strategies: European According perspectives Conference.</u>
Bieszki, M and Rath H	1989	A	Foreign capital investment in Poland – Emerging prospects for German-Polish JVs under the new law	<u>Management International Review</u> , (4):45- 62
Biggart, N.	1996	A	Models of Management: Work, Authority, and Organization in a Comparative According perspective	<u>Work and Occupations</u>
Billington, J. H.	1996	H	<u>The Icon and the Axe: An Interpretive History of Russian Culture</u>	Vintage Books
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NUMBER OF CONTRIBUTIONS OF EACH TYPE

TYPE OF CONTRIBUTION	NUMBER OF CONTRIBUTIONS
Application	29
Case Study	2
Descriptive	3
Empirical	4
Explanation	3
Historical	2
Legal	7
Literature Review	0
Theory	1

TABLE 12
CLASSIFICATION OF Q-SORT FOCAL CHALLENGES

A Typology for Classifying Q-Sort Focal Challenges

- (N) Nationalism – Focal challenges requiring respondents to make choices based upon a series of closely related questions regarding the culture of nationalism;
- (G) Gamesmanship – Focal challenges requiring respondents to make choices based upon a series of closely related questions regarding the gamesmanship that comes from distrust of the “West;”
- (I) Insider - Focal challenges requiring respondents to make choices based upon a series of closely related questions regarding the culture of being an “insider.”

Chart Organization

- Number - The number of the focal challenge (1-60);
- Set – A letter (A-S) corresponding to the 19 sets of focal challenges presented to Russian executives;
- Focal Challenge – The closely related nationalism, gamesmanship, and insider questions prior to being translated into Russian;
- Type – The type of challenge, per the above typology;
- Focal Challenges Of This Type – The number of total challenges within the specific (A-S) challenge set;
- Rank – The rank-order number corresponding to how the Focal Challenge stacks up against other focal challenges within the same Challenge Set in approaching the Type core value (N, G, I) being measured;
- Adjusted Value – Rank of focal challenge divided by the number of Focal Challenges of This Type. The reason that Rank needs to be have an Adjusted Value is to eliminate the skewing affect that a large number of Focal Challenges has on the results of the ANOVA.

For example, an executive selecting the most “nationalist” Focal Challenge with six challenges of this type in the set in the set would be assigned a “6.” The same executive selecting the most “nationalist” Focal Challenge with three challenges of this type in the set would be assigned a “3.” Adjusting the Rank by dividing the Rank by the number of Focal Challenges of This Type in the Set give both “nationalist” responses a maximum score of 1.

#	Set	Focal Challenge	Type	Focal Challenges of This Type	Rank	Adjusted Value
1	A	I first consider myself a citizen of the City of Novgorod the Great	N	5	5	1.0
2	A	I first consider myself a citizen of the State of Novgorod the Great	N	5	4	0.8
3	A	I first consider myself a citizen of Northwest	N	5	3	0.6

		Russia				
4	A	I first consider myself a citizen of the Russia	N	5	2	04
5	A	I first consider myself a citizen of Europe or Asia	N	5	1	02
6	B	I would first prefer to buy items made in the City of Novgorod the Great	N	5	5	10
7	B	I would first prefer to buy items made in the State of Novgorod the Great	N	5	4	08
8	B	I would first prefer to buy items made in Northwest Russia	N	5	3	06
9	B	I would first prefer to buy items made in Russia	N	5	2	04
10	B	I do not care where the items that I buy are produced	N	5	1	02
11	C	In the cooperative programs that I listed, I most admire my foreign partners' business practices	G	1	1	10
12	D	In the cooperative programs that I listed, I most admire my foreign partners' business ethics	G	1	1	10
13	E	In the cooperative programs that I listed, I most admire my foreign partners' opinions about the role of women in society	G	1	1	10
14	F	In the cooperative programs that I listed, I most admire my foreign partners' knowledge about my culture	N	1	1	10
15	G	In the cooperative programs that I listed, I most admire my foreign partners' cultural heritage	N	1	1	10
16	H	I will probably live in the State of Novgorod the Great for the remainder of my life	N	5	5	10
17	H	I will probably live in Northwest Russia for the remainder of my life	N	5	4	08
18	H	I will probably live in Russia for the remainder of my life	N	5	3	06
19	H	I will probably live in Europe or Asia for the remainder of my life	N	5	2	04
20	H	I will probably live in a partner country from one of the cooperative programs that I listed	N	5	1	02
21	I	In the cooperative programs that I listed, the contract between partners was influenced or is influenced by the political views between the countries	G	5	5	10
22	I	In the cooperative programs that I listed, the contract between partners did change or is changing if one partner's economy experiences rapid change	G	5	3	06
23	I	In the cooperative programs that I listed, the contract between partners did change or is changing only if both partners agree to change the contract	G	5	4	08

24	I	In the cooperative programs that I listed, the contract between partners did not change or is not changing.	G	5	1	02
25	I	In the cooperative programs that I listed, the contract between partners slowly evolved or is slowly evolving.	G	5	2	04
26	J	In the cooperative programs that I listed, the foreign partner did not or does not understand my business practices.	G	3	1	03
27	J	In the cooperative programs that I listed, the foreign partner did not or does not understand my culture.	G	3	2	07
28	J	In the cooperative programs that I listed, the foreign partner did not or does not understand the ethics of my country.	G	3	3	10
29	K	In the cooperative programs that I listed, the foreign partner did not or does not understand the role of women in my country.	G	1	1	10
30	L	In the cooperative programs that I have listed, I did not understand my foreign partner's business practices.	G	1	1	10
31	M	I would most prefer to live with my family in a partner country from one of the cooperative programs that I listed.	N	6	1	02
32	M	I would most prefer to live with my family in Europe or Asia for the remainder of my life.	N	6	2	03
33	M	I would most prefer to live with my family somewhere in Russia for the remainder of my life.	N	6	3	05
34	M	I would most prefer to live with my family only in Northwest Russia for the remainder of my life.	N	6	4	07
35	M	I would most prefer to live with my family in the State of Novgorod the Great for the remainder of my life.	N	6	5	08
36	M	I would most prefer to live with my family in the City of Novgorod the Great for the remainder of my life.	N	6	6	10
37	N	(If <u>un</u> married) My family would prefer that L. (or if <u>mar</u> ried) I would prefer that my children live in a partner country from one of the cooperative programs that I listed.	N	6	1	02
38	N	(If <u>un</u> married) My family would prefer that L. (or if <u>mar</u> ried) I would prefer that my children live in Europe or Asia.	N	6	2	03
39	N	(If <u>un</u> married) My family would prefer that L. (or if <u>mar</u> ried) I would prefer that my children	N	6	3	05

		live only in Russia				
40	N	(If <u>unmarried</u>) My family would prefer that I. (or if <u>married</u>) I would prefer that my children live only in Northwest Russia.	N	6	4	0.7
41	N	(If <u>unmarried</u>) My family would prefer that I. (or if <u>married</u>) I would prefer that my children live only in the State of Novgorod the Great.	N	6	5	0.8
42	N	(If <u>unmarried</u>) My family would prefer that I. (or if <u>married</u>) I would prefer that my children live only in the City of Novgorod the Great.	N	6	6	1.0
43	O	I would most prefer future generation of my family to live in a partner country from one of the cooperative programs that I listed.	N	6	1	0.2
44	O	I would most prefer future generations of my family to live with my family only in Europe or Asia.	N	6	2	0.3
45	O	I would most prefer future generations of my family to live only in Russia.	N	6	3	0.5
46	O	I would most prefer future generations of my family only in Northwest Russia.	N	6	4	0.7
47	O	I would most prefer future generations of my family to live only in the State of Novgorod the Great.	N	6	5	0.8
48	O	I would most prefer future generations of my family to live only in the City of Novgorod the Great.	N	6	6	1.0
49	P	In the cooperative programs that I listed, I believe that my city/state/nation or I learned the most from studying the foreign partners' business practices.	I	4	2	0.5
50	P	In the cooperative programs that I listed, I believe that my city/state/nation or I learned the most from studying the foreign partners' ethics.	I	4	3	0.8
51	P	In the cooperative programs that I listed, I believe that my city/state/nation or I learned the most from studying the foreign partners' cultural heritage.	I	4	4	1.0
52	P	In the cooperative programs that I listed, I believe that my city/state/nation or I learned the most from studying the foreign partners' opinion on women in society.	I	4	1	0.3
53	Q	In the cooperative programs that I listed, I believe the foreign partners' city/state/nation learned the most from studying our business practices.	I	4	3	0.8
54	Q	In the cooperative programs that I listed, I believe the foreign partners' city/state/nation learned the	I	4	2	0.5

		most from studying our business ethics.				
55	Q	In the cooperative programs that I listed, I believe the <u>foreign partners' city/state/nation</u> learned the most from studying our cultural heritage.	I	4	1	0.3
56	Q	In the cooperative programs that I listed, I believe the <u>foreign partners' city/state/nation</u> learned the most from studying our opinion of women in society.	I	4	4	1.0
57	R	In the cooperative programs that I listed, I believe that my <u>city/state/nation</u> or I have benefited more than my foreign partner.	I	1	1	1.0
58	S	These cooperative programs will make no political, ethical, or moral differences in either of the two countries but will help stabilize the weaker country's economy.	I	3	2	0.7
59	S	Cooperative programs similar to the ones that I listed will make both our countries have similar political, ethical, and moral beliefs in the future.	I	3	1	0.3
60	S	These cooperative programs will make no political, ethical, or moral differences in either of our countries but will eventually increase the amount of trade between our two markets.	I	3	3	1.0

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