

WHAT DO RUSSIAN MANAGERS REALLY DO? AN OBSERVATIONAL STUDY WITH COMPARISONS TO U.S. MANAGERS

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Abstract:

Recent events have generated considerable interest, but little empirical evidence, in Russian management. This observation study of a sample of managers (N=66) in a large textile factory in Russia used the same definitions, methodology and procedures as a stream of research conducted by Luthans and his colleagues on U.S. "Real Managers" (see Luthans, Hodgetts and Rosenkrantz [1988]). Similar to American managers, the Russian managers in this factory were observed, in order, to perform traditional management, communication, human resources and networking activities. Also similar to the managers studied in the U.S., the Russian managers' networking activity generally related to their success. The relationship between the Russian managers' various activities and their effectiveness was less clear, but, like the American managers, the communication activity was a significant predictor across analysis techniques. The implications these findings have for Russia's transition to a market economy are discussed.

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Article:

Recent events in Eastern Europe have given new meaning to the term dynamic change. Since the demise of the Soviet Union, much attention in the popular press has focused on the dramatic challenges facing managers of enterprises in the emerging Russian Republic. However, there is still very little empirical information about what Russian managers really do or any comparisons with U.S. managers. The assumptions coming out of the news media are that the Russians are failing badly because they know little about modern management techniques and, in fact, U.S. and Russian management systems are quite different. The time has come to assess these assumptions.

The activity of Russian managers is of unprecedented interest due to the major upheavals and explosive situation that currently exist in that part of the world. Understanding Russian management is important to international management in the expanding global economy. The field of international management can no longer just assume what Russian managers do, nor what relative emphasis is given to the various managerial activities. Neither can it be assumed that Russian managers are right or wrong, effective or ineffective. Rather, at this point, an empirical analysis with cross-cultural comparisons seems desperately needed to develop an understanding and benchmark for the Russian approach to management. Building such a knowledge base seems important not only for Russia's successful transition to a market economy, but also, because Russia is such a large, developing country, this information is important to the rest of the world. For example, such knowledge would be valuable to the U.S. and others wishing to enter into joint ventures with the Russians.

One of the most common assumptions that needs to be investigated is represented by the observation in the popular press that, "The whole business of running the system may be up for grabs, because the Soviets lack the management depth to do it themselves" [Stewart 1990]. Additionally, the failed coup of August 1991 with the resulting breakup of the Soviet Union and the emergence of new, independent republics under the yet-to-be-defined Commonwealth of Independent States (CIS) has left a trail of chaos. The end of the Kremlin has put thousands of bureaucrats out of work, and, as of the end of 1992, most of Yeltsin's fast track reforms for the Russian economy have been stalled [Brady 1992]. The freeing of prices has resulted in tremendous pressures on Russian managers to meet market demands. These pressure points and challenges suggest the need for better understanding of Russian management so that it can become more effective.

The purpose of the present study is not to test specific hypotheses drawn from theory and the Russian culture, but to describe, analyze and compare the results of an observation study of the activities of a sample of managers from a large textile factory in Russia. This could be called "Level 1" cross-cultural research that Arvey, Bhagat and Salas [1991] characterize as emic (as opposed to etic; see Morey and Luthans [1984] for this distinction), descriptive and comparative. Besides addressing the question of what do the Russian managers really do in this factory, particular attention is also given to the analysis of the activities of the successful and effective managers. To answer the call for cross-cultural research [Adler 1991], comparisons from the present study are made to previous U.S. research on managerial activities that used the same definitions, methodology and measures.

THE PREVIOUS STUDY OF RUSSIAN MANAGEMENT

Recent attention in the management literature has been given to Eastern Europe [Lee, Luthans and Hodgetts 1992; Luthans 1993; McNulty 1992; Pearce 1991], and Russia in particular [Forker 1991; Ivancevich, De Frank and Gregory 1992; McCarthy and Puffer 1993; Shama 1993; Welsh, Luthans and Sommer 1993a, 1993b], but empirical information about the nature of Russian management or how it compares to the U.S. has been lacking. Although some general books about management in socialist countries with emphasis on Russia have come out (see Kiezun [1991]; Puffer [1992], and Berliner [1968, 1972, 1976]) and others have made analyses of Russian industry and management prior to perestroika, to date the only systematic evidence (although qualitative) about modern Russian management is the book, *Behind the Factory Walls* [1990], edited by Paul Lawrence and Charalambos Vlachoutsicos.

Both this book and a widely read *Harvard Business Review* article [Vlachoutsicos and Lawrence 1990] are based on a study by a Harvard research team and Soviet counterparts who in 1988 went to four truck engine and electrical equipment plants for two weeks in the U.S. and then the Soviet Union, respectively. The team of U.S. and Soviet scholars conducted in-depth interviews at many levels, attended management meetings, and had access to official documents. To their knowledge, this study represented the first time U.S. researchers had been able to conduct in-depth analysis of the management of Soviet factories. The book reports on managerial decisionmaking concerning four major areas: business planning, hiring and firing, capital equipment acquisition, and new product introduction. Lawrence and Vlachoutsicos [1990] call for further investigation of their generalizations between U.S. and Soviet management systems because their discussion is really just hypotheses based on limited data from personal observations and interviews. However, their findings serve as a useful backdrop and point of departure for the present study.

Lawrence and Vlachoutsicos [1990] suggest that the problems and failures of Russian managers are more a result of dealing with years of shortages compared to the excess capacity managers have had in the U.S., rather than that the Russians are incompetent. They conclude that the Russian "management system (as opposed to their economic system) may not have served them as badly as Western business-people assume. Given the economic realities of preemptory centralized planning, state monopoly, and constant shortage, a remarkable number of Soviet enterprises produce usable, sophisticated products and care for their workers as well" [Vlachoutsicos and Lawrence 1990: 5].

Although theoretical discussions of cross-cultural and cross-national analysis in general can contribute to the reasons for the similarities and differences between U.S. and Russian management (see Bhagat, Kedia, Crawford and Kaplan [1990]), to date, the only other fairly recent databased study of Russian management has been the Soviet Interview Project. This latter study was based on interview data supplied by former Soviet citizens who immigrated to the U.S. between January 1, 1979 and April 30, 1982 [Millar 1987]. One article out of this database that related to management reported that managers had the freedom to respond to local labor market conditions by allocating bonuses, premiums, piece rates, and reclassification opportunities. Also, it was found that the Soviets had a common practice of rewarding and penalizing political behavior that is external to the firm [Gregory and Kohlhas 1988].

It should be noted that a number of articles have been published comparing Soviet and U.S. management systems without an empirical research base (for example, see Vidmer [1981]). One particularly interesting comparison made recently looked at common aspects of the new external and internal environment in Russian organizations and in AT&T [Shaw, Fisher and Randolph 1991]. Internal environment similarities included: entrepreneurship climate, decentralization, managers expected to plan, surplus employees dismissed, performance-based reward systems, efficiency measured and rewarded, individual responsibility and accountability stressed, and uncertainty regarding roles and responsibilities.

THE COMPARISON STUDY OF U.S. MANAGERS

Over the last several years, we have been involved in a stream of research studies that used data drawn from the direct observation of the activities of U.S. managers [Luthans and Lockwood 1984; Luthans, Rosenkrantz and Hennessey 1985; Luthans and Larsen 1986; Luthans, Welsh and Taylor 1988]. These studies were aimed at answering the questions, What do managers do, what do successful managers do, and what do effective managers do? Observational methodology was used to answer these research questions and formed the basis for our book, *Real Managers* [Luthans, Hodgetts and Rosenkrantz 1988]. The U.S. managers studied came from all types of organizations and all levels of management (thus the term "Real Managers").

Unlike the previous Harvard qualitative study of Russian management [Lawrence and Vlachoutsicos 1990], in the present study we wanted to conduct an empirical investigation utilizing observational data supplemented by questionnaires that permitted statistical analysis. This methodology can begin to answer what a sample of Russian managers from one large factory really do and in particular what the successful and effective ones do. We also wanted to replicate as closely as possible the study design and analysis techniques of our previous studies of the activities of U.S. managers so that we could make some cross-cultural comparisons. In particular, we chose to depend heavily on direct observational measures in order to avoid, or at least minimize, some of the translation and resulting reliability and validity problems commonly associated with cross-cultural research that only uses questionnaires and/or interviews.

METHODOLOGY

The Study Site

In the late spring of 1990 (well into perestroika, but before the failed coup attempt and the breakup of the Soviet Union), the study took place in the Tver Textile Mill in the city of Tver (formerly Kalinin), located 90 miles northwest of Moscow. With about 8,000 employees, this factory at the time of the study was generally recognized to be one of the most efficient and largest textile mills in Russia. In other words, it is important to note that this study site was not representative of all Russian factories and, of course, conditions have changed since the time of the study. The factory was celebrating its 100th year of operation. The factory had had a labor union since the 1917 revolution, but under communism this union had little real power.

The factory is located in the textile manufacturing district, which includes approximately 25% of the working population. The factory grounds could be compared to a self-contained town. Behind the factory walls at the time of the study were a large grocery store, bakery, housing (single-family units, apartments, and dormitories for single workers), schools, day-care centers, a birthing house where pregnant women were cared for through delivery, recreation centers, an

auditorium, social center, and a sanitarium. The birthing center had a good supply of medication and was considered one of the best in the area for gynecological care. The sanitarium could be compared to a guest hotel. Employees could make reservations to stay there during vacation time. It also was used by sick employees during recuperation. Those needing treatment took a bus back and forth to their jobs and stayed at the sanitarium on their off time. It contained dental facilities, a medical clinic, an exercise room, and therapeutic treatment rooms (shock therapy, mud baths, whirlpools, etc.).

There are five major work buildings at this factory complex in addition to numerous service buildings. The spinning mills are housed in two buildings and had 1,200 workers at the time of the study. The weaving mills are housed in two buildings and had 1,900 and 500 workers, respectively. Another building is for fabric dyeing and employed 1,400 workers. In addition to these 5,000 production workers, 3,000 auxiliary and service workers were on the job. These included those in secretarial positions, computer support (one entire building) and maintenance.

The Sample

There were about 2,000 managers at this factory and a random sample consisting of 66 managers was drawn from all levels (first-line managers to the general director). None of the management population was ruled out or ineligible for sample selection. In addition, 132 of their subordinates (two randomly picked per target manager) were used in the analysis. The average age of the managers was 42, ranging from 29-59 years. The average age of the subordinates was 39 and ranged from 22-61 years. Education level among the managers averaged 14.7 years (this included trade schools). There were 35 male and 31 female managers and 70 male and 62 female subordinates.

Measures Used

As in our previous study of "Real Managers" in the U.S., three measures were used to obtain data for the analysis in this study—the directly observed frequencies of managerial activities, a success index and an effectiveness index. Trained Russian student observers from the local university used the Leader Observation System (LOS) developed by Luthans and Lockwood [1984] to measure the frequencies of the Russian managers' activities in their natural work setting at the factory. The LOS categories and their directly observable behavioral descriptors are shown in Table 1. A twelfth category of disciplining/punishing was dropped in the present study as well as in the U.S. studies because the on-site personnel were uncomfortable with this category being observed by outside researchers.

The Russian student observers used a translated version of this LOS. Using a retranslation procedure, a native Russian with a degree from Leningrad University who had recently become a U.S. citizen did the original translation. Then an American professor of Russian language and a Russian native who was employed in a joint venture with a U.S. firm and extremely proficient in English, jointly retranslated, and any discrepancies were resolved.

The intense two-day observer training was given by the on-site researcher for the study, Dianne Welsh, with assistance from bilingual Russian faculty and students, in a workshop format that covered the general background of the study, the LOS categories, the procedures to be followed (such as to be as unobtrusive as possible). During this training, relevant factory personnel also

provided the Russian student observers with a clear understanding of the functions, terminology, and nature of the work being performed by the target manager they would be observing.

The procedure was the same as the previous U.S. studies of Real Managers. Specifically, for each target Russian manager, the observer filled out the LOS check list eighty times during a two-week period. The observations took place during a predetermined, random, ten-minute period of each working hour over two weeks. Several times throughout the two weeks, a second observer would independently but simultaneously record the target managers'

TABLE 1
The Categories and Behavioral Descriptors of the LOS+

1. Planning

- a. setting goals and objectives
- b. defining tasks needed to accomplish goals
- c. scheduling employees, timetables
- d. assigning tasks and providing routine instructions
- e. coordinating activities of different subs
- f. organizing the work

2. Staffing

- a. developing job descriptions for position openings
- b. reviewing applications
- c. interviewing applicants
- d. hiring
- e. contacting applicants to inform them of being hired or not
- f. "filling in" where needed

3. Training/Developing

- a. orienting employees, arranging for training seminars, etc.
- b. clarifying roles, duties, job descriptions
- c. coaching, mentoring, walking subordinates through task

4. Decisionmaking

- a. defining problems
- b. choosing between two or more alternatives or strategies
- c. handling day-to-day operational crises as they arise
- d. weighing the trade-offs; cost benefit analysis
- e. actually deciding what to do
- f. developing new procedures to increase efficiency

5. Paperwork

- a. processing mail
- b. reading reports, in-box
- c. writing reports, memos, letters, etc.
- d. routine financial reporting and bookkeeping
- e. general desk work

6. Exchanging Information

- a. answering routine procedural questions
- b. receiving and disseminating requested information
- c. conveying results of meetings
- d. giving or receiving routine information over the phone
- e. conducting staff meetings of an informational nature (e.g., status updates, new company policies, etc.)

- 7. Controlling**
 - a. inspecting work
 - b. walking around
 - c. monitoring performance data (e.g., computer printouts, production, financial reports)
 - d. preventative maintenance
- 8. Motivating/Reinforcing**
 - a. allocating formal organizational rewards
 - b. asking for input, participation
 - c. conveying appreciation, compliments
 - d. giving credit where due
 - e. listening to suggestions
 - f. giving positive performance feedback
 - g. increasing job challenge
 - h. delegating responsibility and authority
 - i. letting subordinates determine how to do their own work
 - j. sticking up for the group to superiors and others, backing a subordinate
- 9. Interacting with Outsiders**
 - a. public relations
 - b. customers
 - c. contacts with suppliers, vendors
 - d. external meetings
 - e. community service activities
- 10. Managing Conflict**
 - a. managing interpersonal conflict between subordinates and others
 - b. appealing to higher authority to resolve a dispute
 - c. appealing to third party negotiators
 - d. trying to get cooperation or consensus between conflicting parties
 - e. attempting to resolve conflicts between subordinate and self
- 11. Socializing/Politicking**
 - a. nonwork-related "chit chat" (e.g., family or personal matters)
 - b. informal "joking around," "B.S."
 - c. discussing rumors, hearsay, grapevine
 - d. complaining, griping, putting others down
 - e. politicking, gamesmanship

This table is adapted from Luthans & Lockwood [1984: 122]. Their article makes a detailed statistical assessment of the reliability and validity of these categories of leader behavior.

activities. Although statistics were not kept, the on-site researcher carefully monitored the degree of agreement and found them to be almost identical (high interrater reliability). Any discrepancies that did appear would be resolved on the spot. The target managers in the sample consented to be observed as part of a research study and everyone involved in the study, in the spirit of glasnost, was very helpful and cooperative.

To make meaningful cross-cultural comparisons, manager success and effectiveness were operationalized and measured the same way as they were in the earlier study of U.S. Real Managers (see Chapter 3 for success and Chapter 4 for effectiveness in Luthans, Hodgetts and Rosenkrantz [1988]). Both the literature on modern Russian management [Kiezun 1991; Lawrence and Vlachoutsicos 1990] and discussions with personnel at the factory site indicated

that these measures were relevant. However, even though these measures were deemed to be applicable to the Russian managers, the results obviously could be different in the U.S. and Russia. This is what the study was trying to determine. A brief review of these measures of success and effectiveness will be helpful to interpret the present study.

How Manager Success Was Operationalized. To measure manager success in a stream of previous research, Hall [1976] used a "manager achievement quotient" (MAQ). This is an index relating a manager's age to his or her rank or level in the organization. This approach assumes that the higher a manager's level in the organization, and the lower the manager's age, the more successful that manager is. Hall's success index is computed as follows:

$$MAQ = \frac{5(6 - level)}{Age} \times 100.$$

Hall includes the number 5 in the numerator to reflect "a constant progression factor—the time-in-grade per number of career moves available if one were to spend his work life in an eight-level organization—which reflects potential mobility upward in the absence of any other forces such as politics and chance" (p. 7). Using another approach, McCall and Segrist [1980] in their research calculated a simple promotion index, measuring success by dividing the manager's current level by his or her years of service or tenure in the present organization.

Hall's measure of success is more relevant to the manager's career life as an indicator of success, integrating long-term effects across organizations. The McCall and Segrist measure is more an indicator of promotion velocity. It restricts itself to a single organization, which seems more consistent with other effects of how the manager is doing in the current organization, i.e., his or her success.

The manager success index (MSI) used in the previous Real Managers study in the U.S. and this Russian study is a hybrid of the Hall and the McCall and Segrist measures, computed as follows:

$$MSI = \frac{5(6 - level)}{Organization\ Tenure} \times 100.$$

The MSI uses the quantity 5(6-level) in the numerator for the same reason Hall [1976] used it. However, the denominator of organizational tenure is taken from McCall and Segrist [1980] and represents the time available for promotion within the manager's current organization. We did not use the manager's age for the denominator because it could be misleading when managers move across organizations. This was done to minimize the potential problem of the mobility of the sample. Lawrence and Vlachoutsicos found that the Russian managers in their study [1990: 284] and the sources in this factory in particular reported some mobility. The present study, as did the previous study of successful U.S. managers, uses each manager's tenure (time) in the organization for the denominator. Thus, the MSI in this study can be described as the number of promotions per year of employment that the manager received in this factory. The multiplier of 100 is simply used to avoid dealing with decimals.

A multiple regression analysis was performed on the MSI with number of subordinates, manager level, organizational tenure, position tenure, age, and education. Even though manager level and

organizational tenure are components of the MSI, only age was significantly related in this analysis. This suggests that age is probably a covariate in one or both of the MSI components and that there is no need to include the manager's age as a discrete component of the formula.

How Manager Effectiveness Was Operationalized. Just as there are many ways to define and measure success, there are also numerous ways to define and measure managerial effectiveness. In fact, a brief review of the literature found over fifty prescriptions for effective managers and nearly 2000 available measures for managerial effectiveness [Luthans, Hodgetts and Rosenkrantz 1988: 63]. The available measures are often job-specific, creating a dilemma as to which measures to use in field research across organizations and cultures. A general consensus from both the research and practitioner literature appears to be that effective managers elicit high performance productivity and quality from their units and satisfaction and organizational loyalty from their subordinates. Although this discussion is based upon the managerial effectiveness literature in the U.S., the literature on modern Russian management would generally support these dimensions as being important and relevant to the effectiveness of Russian managers as well (see Ivancevich, et al. [1992]; Kiezun [1991]; Lawrence and Vlachoutsicos [1990]; Puffer [1992]). To tap the three dimensions of unit performance and subordinate satisfaction and commitment, and to avoid the problems of a single measure of effectiveness, the earlier Real Managers study and this one used a multiple measure index that included the following: (1) organizational unit effectiveness in terms of quantity and quality of performance, (2) subordinate satisfaction with supervision, and (3) subordinate organizational commitment.

Widely recognized, standardized questionnaire instruments with high reliabilities and considerable back-up psychometric analysis were used to measure these three dimensions in the U.S. studies and the present study. Specifically, the Organizational Effectiveness Questionnaire or OEQ [Mott 1972] was used to measure performance, the Job Diagnostic Index or JDI [Smith, Kendall and Hulin 1969] was used to measure satisfaction with supervision, and the Organizational Commitment Questionnaire or OCQ [Mowday, Porter and Steers 1982] was used to measure commitment. These three questionnaires are commonly used in organizational behavior research in the U.S. (see Bass [1990] for some of the research that uses these measures), and discussions with the on-site personnel and translators indicated that these three instruments were also relevant to the Russian sample at this factory. All three questionnaires were translated into Russian (using the same retranslation procedure described earlier).

The on-site researcher administered the questionnaires to the 132 subordinates (two filled out for each of the sixty-six target managers). The reliabilities of these measures for this sample were as follows: *OEQ* $\alpha=.79$; *JDI* $\alpha=.78$; and *OCQ* $\alpha=.84$. These Cronbach *alphas* are within the conventionally acceptable range [Nunnally 1967].

Because each of the three questionnaires has a different mean and because the three dimensions were intended to have equal weight in the multiple measure of managerial effectiveness, the raw scores for each instrument were rescaled to a mean of 10 and then summed to provide an effectiveness index mean of 30. The Manager Effectiveness Index or *MEI* for each target manager was computed as follows:

$$MEI = \frac{10 \times OEQ \text{ raw score}}{OEQ \text{ mean for the total sample}} + \frac{10 \times OCQ \text{ raw score}}{OCQ \text{ mean for the total sample}} + \frac{10 \times JDI \text{ raw score}}{JDI \text{ mean for the total sample}}$$

The raw scores came from the target managers' subordinates.

RESULTS

The data for determining the relative frequencies of this sample of Russian managers' activities came from the trained observers filling out the checklist based on Table 1 eighty times (a predetermined, random, ten-minute period each working hour over two weeks). In the earlier research with the U.S. managers, eleven observational categories from the LOS shown in Table 1 were collapsed into four categories of managerial activities. These categories were deemed to make a conceptual fit with the management literature [Luthans, Hodgetts and Rosenkrantz 1988]. These categories are also deemed to be relevant and compatible with the Russian managers' activities from both the literature [Kiezun 1991; Lawrence and Vlachoutsicos 1990; Puffer 1992], and discussions with relevant personnel at the factory site. These four categories of managerial activities are identified as follows:

1. *Traditional Management* activities, which include planning/coordinating, decisionmaking/problem solving, and monitoring/ controlling performance;
2. *Communication activities*, which include exchanging routine information and processing paperwork;
3. *Human Resources Management* activities, which include motivating/ reinforcing, managing conflict, staffing, and training/developing; and
4. *Networking* activities, which include interacting with outsiders and socializing/politicking during working hours (see Luthans, Hodgetts and Rosenkrantz [1988, Ch. 1]).

The relative distributions of these four major categories of activities of the Russian managers are shown in Table 2. The Russian managers in this factory spend over three-fourths of their time and effort in traditional management and communication activities, give some attention to human resources management activities, and very little is devoted to networking during working hours. This observational data presented as relative frequencies of major activities, answers the first question of what this sample of Russian managers does. However, it should be emphasized that these data only represent one factory and should not be generalized to all Russian management. In addition, even with these particular factory managers, the results do not answer *why* they engage in these activities. It is not within the scope or intent to answer the *why* or *should* questions. Rather, this is an exploratory descriptive study to begin to answer the question of *what* Russian managers do in this one factory at this point in time.

Table 2 also shows how the relative frequencies of the activities of the Russian managers in this factory compare cross-culturally to the activities of a wide cross-section of U.S. managers. Although no statistical inference is possible, descriptively it is interesting to note that the order of the frequencies (percentages) of the four activities is the same, but the Russian

managers gave relatively more time and effort to both traditional management and communication activities and relatively less to human resources and especially networking activities during working hours. Furthermore, like the previous U.S. research, the activities of these Russian managers do not appear to be related to level or function. For example, networking on the surface may seem to be more related to the top-level Russian managers in this factory, but there was no evidence in this study that such a relationship existed.

Results of the Analysis of Successful Russian Managers

The MSI had a range in the total sample (N=66) of 28-1500 and a grand mean of 135. Closer examination of this sample indicated that five of the

TABLE 2
Descriptive Summary of the Relative Frequencies of Activities
of Samples of Managers from a Large Russian Factory
and a Cross-Section of U.S. Organizations

Managerial Activities	Russian Sample (N=66)	U.S. Sample (N=248)
Traditional Management	42.5%	32%
Communication	34.2%	29%
Human Resources Management	14.8%	20%
Networking	8.5%	19%

Note: The U.S. data was gathered from a large number of diverse organizations by the same methods as the data from the Russian factory. The U.S. data is reported in Luthans, Hodgetts and Rosenkrantz [1988]. These data are only descriptive and do not imply statistical inference/ generalizability.

managers had much higher scores on the MSI than the others. When they were excluded from the sample (N=61), then the range became 28-214 and the grand mean, 88. These five are not really "outliers" in the traditional statistical use of the term, but, by definition, are very successful and could be called "fast trackers" (i.e., they have a highly accelerated rate of promotion in this factory). Such a percentage (8%) of "fast trackers" is typical of American firms and apparently of this Russian firm as well. However, we will present the data analysis with them included and excluded.

Another methodological issue concerns the regression analyses. Based on the managerial activities literature and because we wanted to make comparisons with the previous U.S. Real Managers study, a case could be made for hierarchical entry of the variables in the regression model. However, as the matrices of the variables in Table 3 show, the concern for multicollinearity makes a case for doing stepwise regression analysis. Therefore, we will present the results for both the success and effectiveness analyses both ways.

Various statistical analyses were performed on the data collected from the direct observations of the activities of the target managers and their success index. Based on the literature on how managers get ahead in organizations and the previous findings from the U.S. Real Managers studies, the four activities were entered into the regression model in the following order: (1) networking, (2) communication, (3) traditional, and (4) human resources. Tables 4 and 5 present the results of this hierarchical analysis with and without the outliers or "fast trackers." As shown in Table 4, only the "networking" activity (made up of the interacting with outsiders and socializing/politicking categories in Table 1) significantly contributed to the success of the overall sample. This networking activity accounts for 35% of the effect on success of all

managers in the sample. The analysis in Table 5 without the highly successful outlier/fast track managers again indicates that networking is a significant predictor accounting for half of the variance, but the communication activity is also significant, adding 17% to the variance explained.

TABLE 3
Correlation Matrix of the Managerial Activities+

All Managerial Activities of the LOS

	Plan	Staff	TrnDev	DecMak	Paper	ExInfo	Control	Motivat	Outside	Control
Staff	.08									
TrnDev	.07	.02								
DecMak	.48	.10	.12							
Paper	-.22	-.14	.19	-.23						
ExInfo	-.03	.38	.17	.22	.19					
Control	.40	.15	-.10	.40	-.37	.10				
Motivat	.12	.09	.43	.19	.14	.35	.14			
Outside	-.06	.39	-.04	-.11	-.18	.15	-.16	-.06		
Conflict	.09	.18	.21	.04	-.38	-.02	-.03	.21	-.06	
SocPol	-.30	.04	.02	-.10	.16	.53	.02	.01	.11	-.23

*See Table 1.

The Major Categories of Managerial Activities

	HumRes	Tradtnl	Commo
Traditional	-.17		
Communication	-.21	-.71	
Networking	-.21	-.50	.13

To account for the concern for multicollinearity, stepwise regression was done next, with and without the outliers/fast trackers. In the stepwise with the whole sample, only networking was a predictor of success ($F(1,65)=34.7, p<.001$), accounting for 34% of the variance. This is almost identical to the hierarchical analysis and is comparable to what was found for U.S. managers. However, when the outliers/fast trackers were removed from the sample, then the communication activity ($F(1,60)=198.5, p<.001$), accounting for 76% of the variance, and to a lesser degree human resources ($F(2,59)=5.5, p<.05$), adding 2% to the variance, predicts the success of the remaining managers of the sample ($N=61$). Networking was not a significant predictor of success when the outliers/fast trackers were excluded from the sample.

Results of the Analysis of Effective Russian Managers

The data in the success analysis used the observational measures and direct measures of level and tenure in the index; no questionnaire data were used. However, the effectiveness analysis depends on questionnaire data for the index and thus several tests were performed to assess the quality of these data. Even though these questionnaires were deemed to be relevant to the Russian managers in this factory, this is still a new population being surveyed on translated U.S.-based standardized questionnaires. We wanted to

TABLE 4
Hierarchical Regression Analysis of the Activities of the Complete
Sample (N=66) of Russian Managers as Predictors of Success+

Activity	Cumulative R^2	F	df	p	Increment to R^2	Beta
Networking	.3482	34.7	1,65	.0000**	.3482	.43
Communications	.3891	3.2	2,64	n.s.	.0309	.09
Traditional	--	--	--	n.s.	--	--
Human Resources	--	--	--	n.s.	--	--
Other	--	--	--	n.s.	--	--

*effects where $p > .05$ is not presented

** $p < .001$

TABLE 5
Hierarchical Regression Analysis of the Sample without
the Outliers/Fast Trackers (N=61) of Russian Managers
as Predictors of Success+

Activity	Cumulative R^2	F	df	p	Increment to R^2	Beta
Networking	.5030	62.74	1,60	.000**	.5030	.89
Communications	.6695	13.19	2,59	.000**	.1665	.13
Traditional	--	--	--	n.s.	--	--
Human Resources	--	--	--	n.s.	--	--
Other	--	--	--	n.s.	--	--

*effects where $p > .05$ is not presented

** $p < .001$

minimize the possibility that the data being collected was misleading or that the results could be dismissed as other than study-relevant effects.

A one-sample Kolmogorov-Smirnov test was performed which confirmed normal distributions for each of the analyzed variables. This test compares each empirical data distribution with a theoretically normal frequency distribution, the mean and standard deviation of which may be set to the observed values. The effectiveness data in this study do conform to a theoretically normal distribution. The data also passed the Ramsey multiple test for heteroskedasticity and for specification error (omitted variables) in the regression model. A second "differences" test for specification error in the regression model was done as well. The data passed all tests.

The Managerial Effectiveness Index or MEI had a range in the total sample of 20.4-36.7 and, as described earlier, a scaled mean of 30. As in the previous research on the U.S. managers and the success analysis, the eleven categories from the LOS shown in Table 1 were collapsed into the four conceptual managerial activities of communication, human resources management, traditional management and networking. To make a comparison with the earlier study of U.S. managers, these conceptual categories of Russian managerial activities were rescaled as percentages of each Russian target manager's total activity. Statistical analyses were performed on the frequency data collected from the direct observations of the target managers and their

effectiveness index scores derived from the multiple measure. Specifically, similar to the success analysis, both hierarchical and stepwise multiple regression techniques were used.

The logic of the hierarchical analysis is based on the managerial effectiveness literature and the previous findings from the U.S. Real Managers studies. In order to make a comparison, the four activities were entered into the regression model in the following order: (1) communication, (2) human resources management, (3) traditional management, and (4) networking.

As shown in Table 6, the hierarchical analysis indicates that communication and, to a lesser degree, the human resources activities of the Russian managers in this sample significantly related to their effectiveness. Communication accounts for 91.5% and human resources management adds another 7.7% of the variance, while the other two activities of traditional management and networking have no significant relationship when the hierarchical entry of variables was employed in the regression analysis.

When stepwise regression analysis is conducted, the results for effectiveness change somewhat. As shown in Table 7, the traditional activities now account for 93% of the variance, followed by communication adding 5%. Although both networking and human resources are also significant, they add only very slightly to the variance explained.

DISCUSSION AND CONCLUSIONS

Contrary to common assumptions from the popular press, but in many ways supporting the Harvard study [Lawrence and Vlachoutsicos 1990], the sample of Russian managers in this factory was observed to be doing the same ordering of activities as was found in the more comprehensive U.S. studies of Real Managers. Specifically, both these Russian factory managers and the American managers had the following order of observed activities:

1. traditional management activities of planning/coordinating, decisionmaking/problem solving, and monitoring/controlling performance;
2. communication activities of exchanging routine information and processing paperwork;
3. human resources management activities of motivating/reinforcing, managing conflict, staffing, and training/developing; and
4. networking activities of interacting with outsiders and socializing/politicking.

TABLE 6
Hierarchical Regression Analysis of the Activities of Russian Managers (N=66) as Predictors of Effectiveness+

Activity	Cumulative R^2	F	df	p	Increment to R^2	Beta
Communications	.9150	721.92	1,66	.000**	.9150	2.55
Human Resources	.9922	6.60	2,65	.013*	.0772	.12
Traditional	--	--	--	n.s.	--	--
Networking	--	--	--	n.s.	--	--

+effects where $p > .05$ is not presented

* $p < .05$

** $p < .001$

TABLE 7
Stepwise Regression Analysis of the Activities of Russian Managers (N=66) as Predictors of Effectiveness⁺

Activity	Cumulative <i>R</i> ²	<i>F</i>	df	<i>p</i>	Increment to <i>R</i> ²	<i>Beta</i>
Traditional	.9299	876.0	1,65	.000***	.9299	1.15
Communication	.9789	152.1	2,64	.000***	.049	.88
Networking	.9839	20.86	3,63	.000***	.005	.68
Human Resources	.9873	17.97	4,62	.000***	.0034	.51

⁺effects where *p* > .05 is not presented

***p* < .001

The difference between the Russian and American managers was the relative emphasis given to these four activities. The Russian factory managers gave relatively more emphasis to traditional management and communication activities and relatively less attention to human resources management and networking. Again, it must be remembered that this is only a sample from one, not necessarily even representative, factory, but the results may help provide some beginning empirical evidence on what Russian managers really do. Equal, if not more important, however, is that this study begins to provide some insight into what successful and effective Russian managers do and how they compare to U.S. managers.

The relationship between these Russian managers' observed activities and their success is obviously complex. Nevertheless, it is interesting to note that in both hierarchical and stepwise regression analyses of the whole sample, networking activities have a highly significant relationship to the success of these Russian factory managers. Their other major activities of traditional management, communication and human resources management, failed to show such a statistically significant relationship with success. However, it should be noted that when five outliers that were very successful or "fast trackers" were removed from the sample, then in the hierarchical analysis networking was still significant but communication also becomes significant, and in the stepwise analysis the communication activity becomes the best predictor, followed by human resources, and networking drops out. In other words, as one would expect, there are complex relationships between managerial activities and managerial success in this Russian sample. However, as defined in this study, the so-called "outliers" are really quite successful, and when they are included, then in both the hierarchical and stepwise analyses, networking becomes a very significant predictor of success. Comparatively, it is interesting to note that networking was the only statistically significant predictor of success of the American managers studied [Luthans, Rosenkrantz and Hennessey 1985].

The effectiveness analysis also indicated quite complex relationships. However, the communication activity was found to be the most significant predictor in the hierarchical regression, and, after the traditional activities, was also significant in the stepwise regression. Once again, this importance of the communication activity for predicting these Russian managers' effectiveness compares with the studies in the U.S. The communication activity was found to make the strongest relative contribution to the effectiveness of the American managers studied [Luthans, Hodgetts and Rosenkrantz 1988].

From a cross-cultural perspective, some differences were found between this study's Russian managers and the U.S. managers. For example, the traditional management activities may be relatively more important to the Russians effectiveness. However, there are more similarities than differences. As pointed out above, the relationship of the networking activity to the managers' success and the relationship of communication to the managers' effectiveness held across cultures. Another interesting parallel with the U.S. successful and effective managers is that the defined successful Russian managers in this factory are not necessarily doing the same activities as the defined effective Russian managers.

Limitations of the Study

The findings for both the comprehensive U.S. studies and the single-factory Russian sample in this study depend on how success and effectiveness are defined. One could argue with these measures, but they are empirical, operational definitions and are deemed to be at least somewhat relevant across the two cultures in order to make some beginning descriptive comparisons. For the future, expanded definitions and methodologies that include not only the quantity (observed frequency of occurrence) of the managerial behaviors on the job, but also the quality of the behaviors on and off the job outside working hours would be interesting. For example, particularly networking behaviors relating to success and effectiveness have many qualitative dimensions that may often occur off the job, after working hours in social settings.

Besides the restrictive definitions and on-the-job constraints, there are a number of other limitations in this study. To make a more meaningful cross-cultural comparison ideally there should have been observational data from a number of different Russian organizations as was the case with the U.S. studies. Unfortunately, it was not possible within the resources of this study or the realism of the political and economic conditions of the country to sample a wide cross-section of Russian organizations. In addition, the language, logistics, changing political and economic climate and other such problems gave new meaning to doing field research that gathered direct observational data on sixty-six managers in a Russian factory.

Other concerns with this study revolve around the uniqueness of the Russian culture in doing comparative analysis. For example, even though the translated, standardized questionnaires used in determining the effectiveness index were deemed to be relevant to this Russian sample, cultural differences could be a threat to the validity of these measures. For instance, the organizational commitment questionnaire measures, among other things, a strong desire to remain in the organization [Mowday, Porter and Steers 1982]. Yet, in Russia at the time of this study, even though there was evidence of some mobility, the subjects may feel much more constrained to change jobs than their counterparts in the U.S. The Russian cultural heritage of staying one's lifetime in a job, perceived or actual constraints of physical location, and the Specter of mass unemployment may have had an impact on the way the subordinates of the target managers answered the commitment questionnaire.

Not only may such general cultural differences pose problems for cross-cultural studies such as this one, but it must be remembered that the Russian factory used in the study is also somewhat culturally unique. As stated earlier, this factory at the time of the study was generally recognized as one of, if not the, largest and most efficient in the Russian textile industry. Because of this size and performance, this factory is not representative of Russian organizations and may be more

"Westernized." In other words, this study site combined with the time when the study was conducted (late spring of 1990, well into perestroika, but before the demise of the Soviet Union), severely limits the generalizability to current Russian management.

Because of the limitations, there is no intent to make any definitive conclusions about the nature of managerial work in Russia, in general, or specifically, about successful and effective Russian managers. Generalizations about Russian management are not possible on the basis of this exploratory study in one factory. Rather, this "Level 1" descriptive, comparative study represents a first step. It provides only beginning understanding of Russian managers' observed managerial activities, and the successful and effective ones in particular, and how they compare to U.S. managers observed under the same procedures and using the same definitions. By a similar token, except for the Harvard study using qualitative analysis [Lawrence and Vlachoutsicos 1990], to date there have been no other comparable studies, let alone an observational study using statistical analysis of Russian managerial behavior.

Practical Implications for the Future

As with the Real Managers study in the U.S., this Russian study has some practical implications. It may provide some useful insights for Russian managers, despite the fact that Russian culture and present political situation are obviously much different from that experienced by American managers. For example, in the short run, to help meet the tremendous challenges that lie ahead, Russian organizations such as the one in this study may need to move toward a more effective performance-based reward system, at least in terms of promotions. The results of this study would suggest a need for cultural values and specific techniques that support and reward Russian managers not only for doing the traditional activities of planning, decision-making and controlling, but also for giving relatively more attention to employee-oriented activities such as communication and human resources management.

The results of this study also can provide important information on identifying training needs and, because the subject is one of the best performing Russian organizations, the study serves as a "benchmark" for management development as Russia makes the transition to a market economy. Perhaps most important is that, as did the previous Harvard study [Lawrence and Vlachoutsicos 1990], this one can contribute to the better understanding of Russian management and provide some insights on how Russian and American managers are similar and different. Future research is obviously needed to expand the generalizability of the findings and get at the why and should questions of Russian management. Not only is such research important to the future of Russia, but it is also important to the United States and the rest of the world.

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