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MELDING MINDSETS: A survey of transnational, transcultural and trans-ideological communication issues facing American managers in former socialist states of Central and Eastern Europe.

Introduction

[*Note: Various sources referenced within this paper refer to "Central and East European," "post-communist," or "post-socialist" subject nations and time periods. The cited countries were either republics within the Soviet Union or were members of the Soviet bloc. For consistency's sake, I will primarily refer to them as Soviet and post-Soviet nations, referring more to a chronological rather than geographical dividing line, loosely encompassing the fall of the Berlin Wall in 1989 and the disintegration of the Soviet Union in 1991. Quotations from the sources will retain the original references. Also, while I am tempted to equate American ideals with other Western ideologies, I have forsaken that temptation for a number of reasons, including the fact that other Western countries have proven more adept at adapting to post-Soviet circumstances through greater geographical proximity and thus keener understanding of the social environment; while also considering that the great political ideologies of the twentieth century including liberalism, socialism, anarchism, corporatism, Marxism, communism, social democracy, conservatism, nationalism, fascism, and Christian democracy all share one thing in common: they are all products of Western civilization (Huntington 1995).]*

Working in foreign lands typically involves communication challenges across linguistic and cultural boundaries. Especially challenging for American organizations operating in the transforming economies of post-Soviet states are communications across ideological barriers, where fundamental operational concepts such as property rights, class distinctions, motivations and incentives may be diametrically opposed. This paper looks to identify some of the related communication and management issues, the contextual environment within which these issues play in post-Soviet countries, the barriers that might be reconciled and those that may never be bridged, with an eye to moving beyond all that to forge new avenues of productive relations.

This paper is based on wide-ranging current topical literature and news reports, providing a survey of some of the diverse issues and solutions that relate to successful management and communications within the existing social, political, and economic context of American organizations working in post-Soviet countries of Central and Eastern Europe.

The paper also incorporates some of my own practical experience, currently as a manager for the Ukraine Market Reform Education Program (UMREP) since April 1997 on behalf of the United States Agency for International Development (USAID). I began working in management positions with the (former) Soviet Union in 1989 as executive producer and bureau chief for a Moscow-based television news service, managing a staff of Russian workers and also overseeing a joint-venture project with the Soviet-controlled newspaper *Literaturnaya Gazeta*.

UMREP has a Kiev-based staff of 50, including two full-time American managers. The project produces nationwide television and radio programs, and several

print publications, providing information on social issues and legislation impacting Ukrainians in topic areas including privatization, employment, pensions, housing, tax reform, etc.

The informal structure of the program is complicated by the psychological dynamics of a foreign "power" operating in a formerly Soviet country, and the allegiances of Ukrainian staff who report to American management while also interacting with the project's "partner" ministries within the Ukrainian government. Communications that would normally flow vertically and horizontally within a closed-management structure frequently spin in unpredictable directions, with staff allegiances often counterpoised between the project's American management and Ukrainian patriotism.

Along with the cross-national allegiances enhanced by historical political enmities as well as the ancient influences of culture and language, a more recently imprinted mindset of socialist/communist ideology and methods is often inherent in local employees, further contributing to cross-cultural communication conflicts.

As evidenced in the selected references, many of the subject management issues resident in the UMREP project are also endemic in American-managed companies and organizations throughout other countries of the former Soviet Union and Soviet bloc. By better understanding the management and communication problem areas, as well as the contextual economic, social, political and ideological environment of the host country that permeates workers' mindsets, we might better select appropriate and innovative management and communication tools to address the problems, or transcend them altogether.

Environmental Issues

> *"It is unacceptable to claim that after the fall of communism, capitalism is the only alternative."* – Pope John Paul II

With the fall of the Berlin Wall in 1989, and the ultimate disintegration of the Soviet Union in 1991, American organizations have had near a decade now to discover the challenges of working in the post-Soviet world of Eastern and Central Europe. Some have succeeded, many have failed (Banerjee 1999), but most have discovered the fundamental fact that realized opportunities in foreign lands require that more attention needs to be given to social, cultural, and political factors that affect factors of organizational productivity and success (Mueller & Clarke, 1998; Wedel, 1998; Rao & Swaminathan, 1995).

American-bred managers are finding that the post-Soviet nations are packed with the baggage of, in most cases, more than 70 years of communist influences on several generations of indigenous workers and managers. It may take several generations more before these fledgling free societies synthesize their past histories and current realities with their future possibilities ("The Ragged March," 1999). American managers expecting a warm reception to the formulas and methods so successful in established Western market economies are likely to be surprised by how skeptical – even antagonistic – the post-Soviet environment can be (Samary, 1999; Huntington, 1995).

If recent elections in many post-Soviet nations are considered a barometer of changing social pressures, aspirations for sweeping market reforms are increasingly dimmed by the growing numbers of citizens casting their votes for communist candidates

and platforms (e.g., Andrews, 1999; Cohen, 1999). American and post-Soviet mindsets have not found a perfect meld. Indeed, now that the ideological differences are coming face-to-face with the operational practices, both sides of the breach are coming to a better understanding of, if not one another, at least how disparate our differences are. As one Ukrainian worker confided to me recently, "We used to have such hopes of using America as a model of what we might become … until we started meeting Americans."

Apart from the subtler ideological differences, most American managers such as myself are struck from the first day on the ground of just how contrary many of our minor social customs are to those in post-Soviet states. A sampling:

- The written equivalent of "I" (as in "I am") in Slavic languages is used in lower case ("i"), while "You" is frequently capitalized where we would not.
- Birthday celebrants are required to throw their own parties, rather than have parties thrown for them.
- They peel bananas from the bottom (which makes sense, really: it's easier to peel the banana that way, and it gives one a convenient handle to hold).
- Engagement & wedding rings are worn on the right hand, rather than the left.
- When asked, "How are you?" we Americans will typically answer, "Fine, thank you." Their contrasting response is, "Thank you, fine." (Or, "Thank you, not bad," or "Thank you, I'm awful.") The point is, first they acknowledge the asker before talking about themselves. It's a rather revealing contrast.
- Slavic languages use double, triple, even quadruple negatives without changing the meaning of the sentence (e.g., "I do not never nowhere work no how").

American and Soviet adages also contrast the different mindsets between the respective assertive and more passive operational modes. Americans are wont to advise such aggressive aphorisms as, "The squeaky wheel gets the grease," or "The early bird gets the worm." Post-Soviets, instead, continue to opine about the benefits of more passive tacks or the dangers of standing out: "The quiet calf gets milk from two mothers," and "The nail that stands up highest gets whacked first."

These indicator trivialities hint of even more profound differences in mindsets and ideological inclinations to come, as the surprise of first impressions gives way to seasoned befuddlement on behalf of both American guests and post-Soviet hosts.

Numerous guides exist on dealing with the social issues of international integration (e.g., Morrison, Conaway, & Borden, 1994), however less literature exists on overcoming the ideological barriers in post-Soviet organizations, let alone defining them.

The Soviet Union was inscribed on a foundation of Leninist-communist ideology, summed up in the famous Marxist credo, "From each according to their ability, to each according to their need." Though the lovely sentiment proved ultimately incompatible with the foibles of too human hearts and ambitions, it nonetheless left an imprint on the Soviet *raison d'etre*, if not the Soviet machinations. (A later edition of the Soviet Union's constitution rephrased the demoted clause, "From each according to their ability, to each according to their *work*.") In its place, with the demise of Communist Party paternalism, American market ideology has asked the post-Soviets to adopt the less poetical business-school credo of, "Maximize profits, minimize expenses" (or – uncharitably paraphrased – get as much as you can, give as little as you must). Many post-Soviets have found this to be a less satisfying creed (and economic principle) to live by, perhaps evidenced by their soaring suicide rates ("The Pain," 1998).

The term "market" itself as applied to post-Soviet transition economies has been called into question: the linguistic device of "free-markets" has been a useful euphemism masking the term "capitalism" – a word as much of an indoctrinated anathema to the former Soviets as "communist" is to American sensibilities (Samary 1999).

In former socialist organizations, there existed well-defined subcultures based along political and ideological lines (Michailova 1999). Such subculture divisions naturally transitioned to a post-Soviet environment, evident in American-managed organizations where the American and local staff are frequently divided along lines of "ours" ("*nashi*" in Russian), and them. American managers often fortify these divisions with didactic exultations that "our way is the right way to do things."

Citizens living under Soviet rule had decades to develop informal but rigorous elite circles, "intricate, efficient, and undeclared networks to get things done in the face of dangers and difficulties that intensify bonds" (Wedel 1997). Post-Soviet "civil society" is well considered an outgrowth of those relationships.

Post-Soviet nationals frequently exhibit divided loyalties between their American managers and their own sense of national fidelity. Indeed, some see it as their patriotic duty to take advantage of their "American masters." One Russian colleague expressed it, "The world owes our country much for demonstrating that communism doesn't work" (Van Hook 1991).

Wedel examines how effective the post-Soviet mindset has been in exploiting the frequently naïve expectations of American organizations in imposing standards of behavior (1997): "Central and Eastern Europeans were prepared to handle this: an entire language was developed under communism to describe the practice of creating fictions to please authorities. Russians speak of *ochkovtiratel'stvo* (literally, to kick dust into someone's eyes), meaning to pull the wool over someone's eyes or to fool the observer, boss, or do-gooder." It's a short transition from dusty feet to dirty hands.

Several former Soviet republics have been in front-page headlines lately, reported as hotbeds of corruption and intrigue ranging from the highest levels of government power to ordinary citizens passing bribes in the street. American federal investigators continue to examine billions of dollars filtered from Russia through the Bank of New York, while former Ukrainian Prime Minister Pavlo Lazarekno sits in a Dublin, California detention center under suspicion of embezzling millions of dollars in government funds through a long-running corruption scheme (O'Brien 1999). Critics accuse Ukrainian officials of blackmailing the West for $1.2 billion in aid to halt operations of a risky Chernobyl nuclear reactor (Sysoyeva 1999). Russian citizens pay bribes as a matter of daily course ranging from $150 to pass a university exam, up to $100,000 to halt a criminal investigation (Paddock 1999). Much of this extra-legal activity may be remedied as post-Soviet economies find more legitimized payment plans (Van Hook 1999).

This is not to say that the Ukrainians and Russians I've worked with over the last decade as a whole, or even in the majority, are a corrupt and crooked people. Indeed, some of the most honest people I've ever met have been of Slavic birth. Unfortunately though, many post-Soviet organizational structures do not reward honest dealings, and in fact penalize through exclusion those who hold to loftier ideals (Van Hook 1995). Nor are all American managers who have been "banished" to post-Soviet sites of the highest moral caliber. In fact, it often appears that the more dishonest are American managers, the greater success they find working in the free-for-all transitioning economies of Central and Eastern Europe.

This makes it all the more essential that other American managers who might represent the higher of American ideals and standards learn, adapt, and perhaps even adopt some differing methods and ideologies for a more effective meld with post-Soviet mindsets.

Unto the Breach: Tools & Tactics

Many American managers working in post-Soviet countries, frustrated with the management issues and general living hardships, frequently commiserate with one-another offering up pep talks, other times receiving them, sometimes resonating with the rally call from Shakespeare's King Henry V: "Once more unto the breach, dear friends, once more." Americans speak of going home for breaks or the final exit in terms of "getting out." The aging factor seems somewhat like dog years: seven month's wear for every month in residence. Much of the trauma is self-imposed, and can be minimized with some fundamental management tactics and tools for adapting.

Many of the more successful American managers in post-Soviet organizations apply a "trans-ideological" philosophy, moving beyond the polarized positions of us versus them, East versus West, free-market capitalism versus centrally controlled socialism. Transnational and trans-cultural schools of thought as well might help shift us to higher planes beyond narrower dimensions of "cross" or "inter" relations. Epstein provides a definition for "transcultural" theory, which "challenges both the 'melting pot' model of unified culture and the 'mosaic' model of multiculturalism … as an alternative to the legacies of cultural divisions and hegemony that have dominated both Western and Soviet worlds" (Berry & Epstein, 1999).

Rao and Swaminathan interject that neglected issues of cultural differences, amplified across national settings, are a frequent cause of the 'culture shock' leading to aborted cross-national alliances (1995): "Firms engaged in alliances have to increasingly deal with each other's cultural norms and quirks, either for a brief R&D romance or for a prolonged marriage of product and market development."

While American managers working abroad have a significant influence on the organizational work culture, they must also accommodate and respect the external culture of the community that surrounds it if they expect to have a smoothly functioning organization (Stewart 1996).

Kelly (1996) provides a warning to American companies considering sizable capital and intellectual outlays for foreign operations: "Easily lost in all of the logistical work and strategizing that precede a foreign assignment is the fact that American expatriates often rely on a managerial mindset that, while tried and tested at home, will not work abroad." Kelly invokes Hofstede's (1980) classifications of work-related value differences in 40 subject countries including: *power distance* (or the extent to which individuals at lower levels accept their lack of autonomy and authority); *individualism* (or the relative importance of self and immediate family versus the collective workplace); *masculinity* (or the extent to which traditionally "male" goals of wealth and recognition are acknowledged); and *uncertainty avoidance* (or the extent to which risk and ambiguity are acceptable business conditions). These are all differences American managers should consider in bridging cultural values with post-Soviet workers.

Offerman (1996) proposes that managers, specifically those attempting to implement employee empowerment in countries with less democratic traditions, exercise

three "T"s in their management strategy: time, trust, and training. In respect to post-

Soviet environments, *time* is perhaps the most crucial "T" given the current state of

affairs. Managers expecting immediate results or ideological realignments are destined

for disappointment. *Trust* is essential for effective bilateral communications; post-Soviet

workers must be assured that American managers are respectful of cultural and

ideological differences, or the workers may respond with resentment or even sabotage of

the organization's efforts. And fortifying the two former "T"s is *training*, certainly as

crucial for the American managers to better understand the local environmental issues, as

it is for the post-Soviets trying to find a fit in American-managed organizations. And

staff trainings must amount to more than mono-ideological indoctrination sessions, or any

positive results could well be nullified. Post-Soviet nations have experienced the well-

intentioned but frequently ineffectual "trainings" provided by legions of international

donor agencies with increasingly grudging acceptance, provided the trainings are

accompanied by benefits such as opportunities for travel abroad or treasured donations of

fax machines, copiers, and office supplies. Soviet workers would earlier joke about their

communist overlords, "They pretend to pay us, and we pretend to work." A new revision

of this old saw relating to Western training and assistance, "They pretend to help us, and

we pretend to be helped" (Wedel 1998).

McDonald's is a quintessential multinational organization that has found

considerable managerial success working in post-Soviet environments. The "golden

arches" can be seen throughout many nations of Central and Eastern Europe, including

Russia, Ukraine, and Belarus (an ancient triumvirate of Slavic and communist power),

with company plans for even further expansion (e.g., Nettelfield 1997). McDonald's

utilizes a style of management well suited for a "cosmopolis," as defined by O'Niell, Beauvais, and Scholl (1997): "…an organization with geographically diluted employees, a high percentage of employees performing relatively simple tasks, and which possesses strong and pervasive structure and culture." Though McDonald's has become a pervasive symbol to many post-Soviets of "Western invasion," the company's successful management systems and cultural adaptations are something other organizations might consider.

Perhaps one of the most interesting "laboratories" for studying transitioning and interacting post-Soviet and Western mindsets is East Germany. With the partitioning of East and West Germany following World War II, the divided nation could be equated with "separated twin" phenomena and studies measuring the effects of nature versus nurture. As the world recently celebrated the tenth anniversary of the Berlin Wall's fall, Germany continues to face problems in unifying "Western" and "Eastern" ideologies (Andrews 1999). Sweeny and Hardaker (1994), in a dated study of East German organizational transformation, warn that managers must "attempt to understand how the process of change can be better facilitated through their actions." This is an issue and environment well worth additional research, in this particularly well-suited geographical and ideological front line.

In his comprehensive analysis of clashing civilizations, Huntington (1995) underscores that the successful global business must adopt a global philosophy, especially given that the collapse of Soviet ideology does not necessarily mean that post-Soviet societies will import other Western ideologies: "Westerners who assume that it does are likely to be surprised by the creativity, resilience, and individuality of non-

Western cultures. … Non-Western societies can modernize and have modernized without abandoning their own cultures and adopting wholesale Western values, institutions, and practices. … It would, as Braudel observes, almost 'be childish' to think that modernization or the 'triumph of civilization in the singular' would lead to the end of the plurality of historic cultures embodied for centuries in the world's great civilizations."

This may be a good point to reiterate Mueller & Clarke's (1998) admonition that more attention must be paid to the social, cultural, and political factors affecting transnational organization success. Granted, these three factors are impossible shifting targets in the mercurial post-Soviet world, but that does not provide American managers the luxury of discounting the factors' vital relevance to organizational success. I've witnessed many bright-eyed American managers and consultants arrive in my posts of Russia and Ukraine, only to depart sometime later bruised and beaten, a battering that might have been avoided with an expanded transnational perspective prior to their arrival.

Conclusions

Operational management methods of American business will not necessarily be immediately – if ever – adopted by the "former" socialists. The post-Soviet social, political, and economic environment should be taken into account by American managers, especially in ways that organization strategies, goals, and philosophies are expressed. Rather than fixate on ideological differences, differing nationals should focus instead on universal commonalities: meeting needs of families and communities, "transcultural" ideals of truth and justice, while ensuring the mutually rewarding fiscal and social health of the organization.

We must also consider the profound dangers of dogmatic and hegemonic imposition of American modes of management, especially in light of cultural and social objections to many underlying ideologies that may never translate well to a post-Soviet environment. Samary warns, "As public disenchantment grows (with imposed 'market' systems), so does the danger of rightwing nationalism and populism …we are heading for an explosion that could open the way for the rightwing extremists who inveigh against 'cosmopolitan' globalization" (1999). What's at stake is certainly American interests, also the well-being of post-Soviet peoples who must find their own way in a rapidly evolving world environment, and, what's more, the realized potential of all our progeny into the next millennium and millennia yet to come.

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