



ISTUD

ETF European Training Foundation

Impact Assessment of Training for Company Development in the Russian Federation

Part I - Final Report

Index

EXECUTIVE SUMMARY	1
1. INTRODUCTION: REASONS AND OBJECTIVES	6
2. METHODOLOGY AND TOOLS	8
2.1 EVALUATION OF MANAGEMENT TRAINING	8
2.2. THE CHOICE OF AN INTERPRETATIVE APPROACH FOR THE STUDY	9
2.3 POSITIVIST APPROACH ASSUMPTIONS IN EVALUATION AND THE FUNDAMENTALS OF AN INTERPRETATIVE APPROACH	10
2.4. DESIGN OF THE RESEARCH.....	17
2.4.1 <i>Methodological implications of the theoretical model adopted</i>	17
2.4.2 <i>Case studies: logic, operative modalities and objects</i>	19
2.5 DEFINITION OF THE SAMPLING CRITERIA	21
2.6. IMPLEMENTATION OF THE RESEARCH	22
2.6.1. <i>Pilot tests</i>	22
2.6.2. <i>The full scale study</i>	23
3. FINDINGS	27
3.1 REASONS FOR PARTICIPATION IN TRAINING: ECONOMIC CRISIS AND INDIVIDUAL RESOLVE	27
3.2 THE IMAGE OF TRAINING AMONG RUSSIAN MANAGERS	29
3.3 INDIVIDUAL LEVEL	32
3.4 ORGANISATIONAL LEVEL.....	38
3.5 AT THE LOCAL ENVIRONMENT LEVEL	46
3.6 ELEMENTS FAVOURING THE IMPACT	52
3.7 ELEMENTS PREVENTING THE IMPACT	54
3.8 FOCUS ON INTERNSHIP	55
3.9 THE INTEGRATION OF FIELD EVIDENCE WITH QUANTITATIVE DATA	57
4. HIGHLIGHTS ON SPECIFIC ISSUES	61
4.1 REGIONAL SPECIFICITY	62
<i>St. Petersburg</i>	62
<i>Tver</i>	65
<i>Nizhny Novgorod</i>	67
4.2 SIZE SPECIFICITY	69
4.3 PROGRAM SPECIFICITY	71

5. DONOR SURVEY	72
5.1 INTRODUCTION	72
5.2 OVERVIEW OF THE INITIATIVES OF THE DONORS	73
5.3 THE FUTURE OF BILATERAL CO-OPERATION IN THE RUSSIAN FEDERATION	82
5.4 CONCLUSIONS	84
6. CONCLUSIONS AND LESSONS LEARNT	84
6.1 CONCLUSIONS	84
6.2 LESSONS LEARNT	89
7. RECOMMENDATIONS	90

Executive Summary

This Report presents the results of an impact assessment study carried out between January and September 2005 in the Russian Federation, notably in the areas of St. Petersburg, Nizhny Novgorod and Tver. The purpose of the assessment study¹ was to highlight the long term impacts of management training initiatives developed in the Russian Federation over the last ten years. In particular, the project aimed to analyse the impact of national and international training projects on management development in the Russian Federation, and to share the results of the study with the principal national and international stakeholders in order to support their future policymaking.

From an epistemological point of view, the methodology chosen for the impact assessment was founded on an interpretative approach. The reasons are the following:

- the need to understand the “whys” (for what reasons, under what conditions) and “hows” (through what processes) specific effects/impacts were produced (or not) after training;
- the need for a “rich, thick and articulated” picture of training impact in order to soundly base, design and direct guidelines for future investments (due to the increasing need for donors to formulate “evidence-based policy making” beginning with in-depth impact studies);
- the need to understand the “specialness” of Russian companies, in terms of both managers and contexts, where cultural features and differences play a crucial role.

Organisations were chosen as the main unit of analysis for the study. At the same time, during fieldwork, the focus was also extended to two other levels: individual viewpoints and the local environment.

The decision to adopt an interpretative approach applied a method which considered ‘multiple case studies’, the use of qualitative methods and “field work” as essential parts of the study. The main tools used on the field were: individual in-depth interviews, group interviews, focus groups on specific targets, participant observation and document analysis. The data were collected and organised according to the following guidelines:

¹ The European Union invited the European Training Foundation (ETF) to undertake this task. In order to carry out the implementation phase, the ETF enlisted the support of an independent organisation with expertise in the field of management training evaluation.

- 1) exploration of a “crescendo” of effects: learning, transfer to job behaviours, results for the organisation, results at a local environment level;
- 2) reconstruction of *unexpected* and *symbolic* effects, in addition to expected and substantial ones.

The results of the field work were then compared against other secondary data – principally government reports and statistics², evaluation reports and other relevant publications - to cross check the overall coherence of the data from the field with already existing knowledge.

The study was carried out in the three selected regions between February and September 2005. A total of 179 interviews were effected in the three regions – addressed both to company managers and to a wider target of significant stakeholders (training providers, public administration, industrial bodies and representatives of Alumni Associations). The typologies of the projects included in the sample were: Delphi-2; IMISP; MTP/PMTP; Productivity Initiative Program; TempusJEP; TERF-II; World Bank. The sample was well represented in terms of both sectors and size of companies.

The findings emerging from the field confirm the hypothesis that management training has helped to accelerate the transition process in Russian economy and society, thereby supporting the original hypotheses of the initiatives analysed. In addition, ten years later, training has a very positive image in the minds of Russian managers, representing a strong asset for future programs.

On an individual level the main impacts were: i) a changed perception of the relationship with the “West”, by acquiring greater self-confidence and overcoming a “feeling of inferiority” towards foreign managers/companies; ii) the development of a different perception of one’s own role and professional identity, based on the concept of self-responsibility; iii) important career advancement both inside the company and by external mobility which appears to be one of the most significant phenomena created by training.

² In particular, the database of the Federal Commission, whose quantitative data were used: i) to refine the research hypotheses subsequently explored in the field, in terms of the “whys” (the reasons for) and the “hows” (the processes through which, the conditions under which) of specific phenomena highlighted by the quantitative data ; ii) to ensure a profitable integration of the qualitative aspects of the impact study on some specific issues.

The spread of a common language through management training, and a high degree of “interest and curiosity” shown on the individual level, generate a widespread propensity towards learning or “learning attitude” among managers inside Russian companies. This represents a significant social asset for future activities.

It is very important to underline that the impact of training has been very strong especially on an individual level, with the emergence of a managerial role characterised by a wide and rich set of competencies, skills and behaviours aligned with managerial profiles and models existing in international-organisational contexts.

On an organisational level, the findings indicate that the highest impact areas were in: i) the definition of the business and some primary management processes, especially marketing and personnel management; ii) the introduction of innovation in production processes and technology through internships; iii) the emergence of a “learning organization” in terms of dedicated structures and roles, new commercial contacts and relations with foreign partners, often through the creation of an Eastern branch (“vostok”) of a Western company.

Generally speaking, the weaker impact on an organisational level – compared with the individual level - can be attributed to a number of factors: training has not always been tied to organizational development processes; the number of participants from each company has always been very low, except in certain cases, and finally; the management style characterising many organisations has often been authoritarian.

On the local level, training contributed to the formation of a nucleus of local development associated with some emerging factors constitutive of a social network such as:

- a shared business language as a crucial means for communication and integration in local areas and with foreign countries;
- improvement in overall managerial and entrepreneurial awareness and competencies;
- focus on intellectual and social capital;
- the development of a highly qualified labor market for managers;
- the development of specialized educational centers.

Certainly some aspects still need to be fostered and reinforced like: the training providers' capacity to adequately meet the real needs of companies, public/private dialogue and the banking system's capacity to support company growth.

Nonetheless, it is already clear that a social entity has been created : the “new Russian manager”, inspired by common values and who are becoming “proof”, in the eyes of potential foreign partners, that Russia is a reliable place for business.

Findings from the field have been substantially confirmed by a survey carried out by some international donors. These involved Japan, Canada, Netherlands, United Kingdom and Germany, and focused on the following areas: initial reasons for starting collaboration with the Russian Federation; initial goals and aims of the programs; strengths and weaknesses of the initiatives developed; vision for the future.

The main recommendations for the design of future training policies in the Russian Federation could be summarised as follows:

- To continue in the direction taken, involve regional areas, companies and individuals not reached by previous waves of training, attain a critical mass, both at a company level and that of the overall business community.
- To support technical training, at different levels of the education system, which is not perceived as “attractive” by emerging social values.
- To activate “working groups” where the decision makers (at the Federal, Regional and local level) of training and industrial policies negotiate and together define coherent development strategies and action plans that should fit in with the Donor's priorities.
- To address further training to SMEs, which represent the linkage between the global environment and local areas and are also the main potential source of employment for Russian society.
- To link projects with industry and cluster trends, in particular, fostering compliance to international regulatory systems by Russian companies.
- To assess the competence of training providers and to develop “train the trainers” programs. Emerging topics are increasing business management and organisational development, not to mention active methods to stimulate the exchange of experiences among participants.

From this impact assessment study, one can draw some indications and lessons as a basis for reflection on future activities and policy making in transition economies:

- Training programs inspired and designed using Western managerial tools and practices tend to be adopted uncritically. They fail to highlight and discuss whether the visions of development and progress which originally inspired the practices are compatible with the local culture.
- Training can contribute to the creation and development of individual and professional identities and can favour the constitution of business and professional communities (new social entities), which are different to the traditional ones.
- Training can help to effectively manage cultural differences and to go beyond stereotypes, and represents a crucial avenue allowing “admittance” to the global market and society.
- Training must be strictly related to the companies’ level of development: training actions that do not reflect the companies’ priorities in their growth process run the risk of creating over-structures that penalise the flexibility and competitiveness of the company.

1. Introduction: reasons and objectives

The Report contains the results of an impact assessment study carried out between January and September 2005 in the Russian Federation, notably in the areas of St. Petersburg, Nizhny Novgorod and Tver³. The purpose of the study was to highlight the long term impacts of management training initiatives developed in the Russian Federation over the last ten years, focusing on the companies' viewpoints. In particular, the project aimed at analysing the impact of national and international training projects on management development in the Russian Federation and sharing the results of the project with the main national and international stakeholders to support them in defining new policies.

The European Union invited the European Training Foundation (ETF) to undertake this task. To carry out the implementation phase, the ETF enlisted the support of an independent organisation with expertise in the field of management training evaluation (hereinafter referred to as the 'Operational Team'). The Terms of Reference (ToR) titled: "Impact Assessment of Training for Company Development in the Russian Federation" defined the scope, objectives and focus of the project. In particular, according to the ToR, the main purpose of the project was to "increase the knowledge as regards the contribution that management training has brought to the development of companies in the Russian Federation" through "an impact study" aiming at "defining and analysing the long-term effects that have been generated by international and national projects in the field of management training and development" (ToR, 2004:13).

The rationale for undertaking an impact assessment study was the need to understand the long term effects of the huge investment in management training in the Russian Federation over the last ten years. Over the past decade, public and private donors have played a great role in developing a "market" for management training and consultancy inside the Russian Federation by funding locally and internationally both the supply and demand of management training in the areas of: capacity building, faculty exchange, and curriculum development projects. "The commonly acknowledged observation that managers' training and development contribute to the success of business has formed the ground for donors to plan interventions through their respective cooperation

³ See Annex 1 for the Terms of Reference (ToR) of the project and Annex 2 for the detailed description of the project's structure.

programs. A wide and varied range of projects has been supported so far under the two main assumptions: firstly, that the Russian Federation would move rapidly towards a market economy and that management training would be an adequate instrument contributing to this transition process; secondly, that this training was what managers needed.” (ToR, 2004:12,14)

In the last ten years, the management training has been realised leveraging on the following significant funding lines:

- the Presidential Managers Training Programme (PMTP);
- Tacis Managers Training Programme (MTP);
- Tacis with the other different programmes (Delphi, PIP, TERF);
- international donors.

The figures of the PMTP from 1998 to 2005⁴ are impressive:

- 33.592 managers graduated from Russian educational institutes under professional qualification courses in management, marketing and finance;
- 8696 managers had an internship in foreign enterprises.

These figures take advantage of the previous experience of the Presidential Programme and of the co-operation with the international donors already set.

The number of Russian managers who have participated to Tacis MTP (MTP 1 and bridging, MTP 2, MTP 3 and MTP 4 still on going) and taken part to an internship either in Europe or within European companies placed in Russia is 2158⁵. In particular:

- MTP 1 & bridging: 820
- MTP 2: 368
- MTP 3: 510
- MTP 4: 460

It is reasonable to hypothesis that during the first wave of projects funded by international donors addressed to capacity building initiatives, approximately other 10.000 managers took advantage of training initiatives⁶.

⁴ *Source:* Federal Commission.

⁵ These figures refer to the numbers indicated in the ToRs. The actual number will definitely be a bit higher since there is a difference between the number of participants requested by the ToR and the number actually proposed by the Consortium. *Source:* MTP Consortium.

A great economical effort allowed to achieve these results.

The funds allocated to the PMTP are approximately 110 million of euros (60 million allocated by the Federal Commission and the regional centres and 50 by the foreign partners). The budget allocated by the European Union for Tacis MTP from 1997 to 2005 is approximately 30 million of euros. The total budget allocated for the other Tacis programs is 22 million of euros.

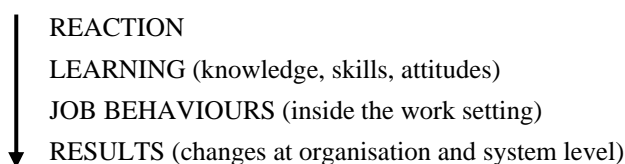
2. Methodology and tools

This impact assessment study weighs into the debate on management training evaluation from an epistemological perspective⁷.

2.1 Evaluation of management training

The literature on the evaluation of management training goes back to the end of the Fifties, when Kirkpatrick (1959) defined some basic categories of analysis - levels of evaluation - which are still a point of reference today. This theoretical model was subsequently improved on the basis of practical experimentation, by different authors, above all Hamblin (1974).

Fig. 1 Levels of training evaluation



⁶ This number has been estimated precautionary relating the number of assessed projects with an estimated average coefficient of beneficiaries of training initiatives.

⁷ Refer to Annex 3 for an overview of the concepts of impact assessment.

This model relies on the idea that training evaluation can be done at four different levels:

1. *reaction* (Are people satisfied or dissatisfied with the training program they attended?)
2. *learning* (Did people acquire new knowledge, skills and attitudes after training?)
3. *job behaviours* (Did people transfer what they learned during training into their daily working environment?)
4. *results* (Did training result in any change at the organisational or system level - defined as the set of relationships between the organisation and its environment?)

One can note that analysis becomes increasingly complex and difficult as we move from level one to level four: a growing number of “exogenous” variables comes into play and the cause-effect relationship between training and effects becomes weaker. The problem of isolating these “exogenous” variables is one of the main challenges scholars and practitioners involved in management training project evaluation have faced over the years. Some attempts have been made to build very sophisticated and complex quantitative analyses, at other times a qualitative approach was preferred, which considered interplay with “exogenous” variables as part of a game needing to be understood.

2.2. *The choice of an interpretative approach for the study*

The decision to follow an interpretative approach - both from an epistemological and methodological point of view - was based on the consideration that management training in developing economies might be viewed as an open-ended process, in which managerial change is complicated by general ambiguity about the direction of transformations, the agents of change and the objectives of change (affected by cultural, social, political and economical elements). Hence, an interpretative approach - consistent with the main issues discussed above about “impact assessment” and “management training evaluation” - appeared better suited to answering issues such as:

- the need for understanding “whys” (for what reasons, under what conditions) and “hows” (through what processes) specific effects/impacts were produced (or not);

- the need for a “rich, thick and articulated” picture of training impact in order to soundly base, design and direct the guidelines for future investments (deriving from the increasing need by donors to perform “evidence-based policy making” starting from in-depth impact studies);
- the need to understand the “specialness” of Russian companies, managers and their context, where cultural features play a crucial role;
- the need to take into account and precisely reconstruct the very complex system of political interests (local, national and international) that surrounds the project and, more generally speaking, to address the issue of management training policies.

2.3 Positivist approach assumptions in evaluation and the fundamentals of an interpretative approach

The general lack of epistemological awareness that appears to characterise prevailing approaches regarding impact evaluation induced us to analytically reconstruct those implicit theories which appear to underpin the most widespread evaluation practices, so to render explicit the general theories of reference for the approach which we adopted, both from an oppositional stance and in parallel. The implicit concepts, precisely because they are such constitute cultural premises, in an anthropological sense, of explicit discourses and intentional practices. For this reason, our analysis has been characterised by specific awareness of the cultural dimension of processes and phenomena, both those studied (the impact of training) and those acted out in the research; hence “ethnographically oriented”.

Three fundamental concepts have been considered: a) the concept of reality and knowledge, b) the concept of change, c) the concept of learning.

Concepts of reality and knowledge

The concept of reality and knowledge that inspires prevailing approaches is generally and fundamentally positivistic: the natural and social world has an objective existence and is governed by universal laws that can be “discovered” by independent and disinterested observers. The researcher must concentrate on the facts, formulate hypotheses on cause/effect relationships and verify them empirically. In our opinion this epistemology, and the quantitative methods which it privileges, do not allow us to fully appreciate the nature of the phenomenon we are studying. To evaluate the impact of

training means studying those active *processes* in a socio-cultural context during or following a training event, and it is not possible to reconstruct a socio-cultural context and its change without investigating the *meaning* which the researcher and the actors subjectively attribute to the context and the event.

The “research issue”⁸ has naturally led us to adopt a reference paradigm that considers reality to be a social construct whose meaning can only be grasped, as it evolves, through a holistic and interpretational approach. A holistic and interpretational approach: a) leads one to re-evaluate the importance of *local* knowledge with respect to presumed *universal* knowledge; b) essentially uses *qualitative* research methods; c) starts from an awareness that training involves cultural intervention in a cultural context and seeks to convert evaluative research into what is essentially *ethnographic* research, by focusing on an appreciation of cultural and process dynamics rather than structural data.

Fig. 2 Approaches to concepts of reality and knowledge

Positivist	Interpretative
<ul style="list-style-type: none"> ✓ Objective reality ✓ Universal laws ✓ Empirical verifiability ✓ Quantitative methods 	<ul style="list-style-type: none"> ✓ Socially constructed reality ✓ Local knowledge ✓ Ethnographic reconstruction ✓ Qualitative methods

⁸ It is difficult to say whether it is the research questions that influence epistemological choices or the personal concepts of reality and knowledge that drive researchers to address some rather than other research questions. The relationship between questions and inclinations is presumably circular, but it cannot at all be excluded that the same author may refer to different paradigms when addressing different questions. This problem is treated in a balanced manner in Easterby-Smith M., Thorpe R., Lowe A. (1991), *Management Research. An Introduction*, Sage, London.

Concepts of change

The impact of any event, and in particular the impact of an intentional action (that is: the change it has “generated”) can be either foreseen or expected – and therefore “planned” – or unforeseen. When we start to evaluate the effects of an action, or a system of actions such as a policy, a training program, an investment, our standpoint and our methodological choices also depend on the theories of individual and social change to which we, usually unconsciously, refer. Such theories include specific concepts relating, on the one hand, to the diffusion of knowledge and innovations, and on the other, to the relationship existing between ideas and behaviour, decisions and their execution.

The most widespread evaluation practices implicitly refer to a theory of “programmable change”, based on the assumption that decisions can be faithfully translated (given the actors’ intention to achieve the same) into concrete behaviour, and that behaviour can reflect ideas and materialise desires and predictions. This conviction is based on a distinction that informs great part of Western thought: the soul/body dichotomy, and the idea that the soul is the seat of thought and ideas, whereas the body is the instrument of action⁹. The soul/body model leads, in the construction of social order, to a division of work between those who think and those who do, between those who decide and those who carry out orders. This separation of thought and action, and the subordination of the second to the first, ranks among the most important rationalisation criteria – for production but also, more generally speaking, for social life – in modern societies.

Such concepts - with Taylor being their most well known theoriser and mass production their most visible embodiment - have become part of the implicit cultural assumptions (i.e. “common sense”) observable in Western societies. Concepts which can be related to another idea that is equally as rooted in our culture i.e. that knowledge (knowing) is fundamentally intellectual, together with the parallel tendency to undervalue the role of “tacit” or sensorial knowledge – which being a prerogative of the “body” thus eludes control by the mind.

⁹ Brunsson N. (1995), “Ideas and actions: justification and hypocrisy as alternatives to control”, in Bacharach S.B., Gagliardi P., Mundell B. (editor), *Studies of organisations in the European tradition*, Jay Press, Greenwich C.T.

Yet this assumption of coherence and sequentiality between ideas and actions is constantly contradicted by experience: actors and groups make aware choices and formulate specific programs of change, yet these programs, when translated into actions, display an infinity of unexpected consequences and unwanted or contro-intuitive results. The general view taken, however, is that the outcome would have been more in line with expectations if only the program had been more analytic or the control “in phase” more rigorous. Hence, demands ensue and attempts are made so that the unwanted effects will be eliminated in the subsequent attempt. The adoption of a theory of “programmable change” induces the evaluator to measure the impact of an event with respect to the rational model of sequential causality incorporated in the design of the event, to verify whether what actually happened was in line with what was intended to happen, reserving reduced or zero level attention for those consequences which were not hypothesised by the model.

More problematic concepts of social change and the relationship between ideas and behaviour (such as the *actor-network theory*), to which we have made special reference, lead one to consider that any input intended to produce an outcome is systematically “transferred” by the actors. In Latour’s view¹⁰ “... the propagation in time and space of anything – claims, orders, artefacts, assets – is in the hands of individuals; each of them can act in different ways: they can neglect, modify, deviate or betray what they have been assigned, or even add something or appropriate it for themselves”. In such cases change is conceived as “transferral”. To transfer, in this context, also means to translate but in addition it conveys the notion of transport and modification, forging links that did not previously exist and that modify both those who transfer and that which is transferred within a heterogeneous network of human and technological components, of relations between human beings and ideas, ideas and objects, behaviour and objects. The concept of change as a transfer within a heterogeneous network of human and technological components, and the awareness of unpredictability, arbitrariness, randomness, and irrationality in the translation processes, induces evaluators to focus at least as much attention on the unexpected effects as on the expected effects, maintaining an attitude of genuine curiosity in relation to the phenomena studied and avoiding constructing rigid analytic grills that make it possible to assimilate only some elements – and at times not even the most significant – within the real processes. The distinction

¹⁰ Latour B. (1986). “The Powers of Association”, in J. Law (ed.), *Power, Action and Belief*, Routledge and Kegan Paul, p.267.

between expected effects and unexpected¹¹ effects constitutes the first axis of the theoretical matrix that we have proposed.

Fig. 3 Approaches on the concepts of change

Positivist	Interpretative
<ul style="list-style-type: none"> ✓ “Planned” change ✓ Rigid sequence between ideas and actions ✓ Expected effects 	<ul style="list-style-type: none"> ✓ Change as a “translation” ✓ Fortuity and irrationality ✓ Unexpected effects

Concepts of learning

In current models and evaluation practices, the implicit theory of “programmable change” is combined with cognitionalist and functionalist concepts of learning. This concept considers learning an intentional, implicitly systematic, problem driven process – i.e. caused by the need to resolve a problem. The implicit model is a feedback model: the participant is exposed to significant examples (new ways of seeing and doing), compares them with the desired results, and draws conclusions from the comparison. Inevitably, these conclusions influence one’s ability to resolve the problem as well as future behaviour. Learning is an exquisitely individual phenomenon, and learning mostly means processing information that modifies a cognitive structure. To evaluate

¹¹ Other authors have emphasised the importance of taking into account unforeseen effects in the evaluation of training results: see in particular Scriven, *op.cit.* and Deutscher I. (1976), “Toward Avoiding the Goal-Trap in Evaluation Research”, in Abt C.C. (ed.), *The Evaluation of Social Programs*, Sage, Beverley Hills. However, only the *actor-network theory* has provided a systematic and theoretically grounded explanation for the importance of that intuition.

learning means measuring the modifications that have occurred within the cognitive structure of individual subjects.

A cognitionalist and functionalist concept of learning can today¹² be countered by seeing learning as a socio-cultural phenomenon, enriched by non-intentional and non-instrumental aspects and elements, a view that emphasises the importance of social experiences and the tacit knowledge they incorporate. Learning therefore represents not so much a way of knowing the world as a way of becoming part of a social world, of a “community of practices”¹³ whether it be professional or organisational. Within this community there is a progressive sharing – and unconscious assimilation – of customs, identity, a symbolic universe, i.e. a system of meanings that makes it possible to make sense of experience. This vision of learning emphasises less the individual mind than the participatory and interactive context within which an individual learns, also “unintentionally”. Moreover, it emphasises the symbolic rather than factual consequences of training, the fact that it can generate not only technical competencies or the acquisition of notions, but also different views of role and reality.

The second axis of our matrix refers to the substantial/factual or symbolic/cultural nature of the effects of the intervention. This distinction – more problematic and subtle than the preceding one but just as important – was especially used in evaluating the effects of public programs and policies¹⁴. The basic thesis was that any action can have substantial, factual and pragmatic results, which are potentially tangible and measurable in an objective manner, and also symbolic results, which can be evaluated on the basis of perceptions, feelings, and values.

It can be argued that if an actor is satisfied with an intervention, which can be defined as “symbolic”, then that intervention has real importance for the actor and cannot be distinguished from any other type of result. It is also important to emphasise that a symbolic result (for example, the modification of the meaning attributed to an event) can have substantial consequences over time and significantly influence behaviour. However, these two levels of analysis should be kept distinct from each other, both

¹² Cf. Turner B.A. (1991), *Rethinking Organizations: Organizational Learning in the “Nineties”*, Paper presented to the EFMD Research Conference, Palermo.

¹³ Lave J., Wenger E. (1991), *Situated Learning. Legitimate Peripheral Participation*. Cambridge University Press, Cambridge.

¹⁴ Edelman M. (1964), *The Symbolic Uses of Politics*, University of Illinois Press, Urbana III.

because they are weakly and imperfectly interconnected, and because they are the fruit of different processes and can be reconstructed through distinct methods of analysis.

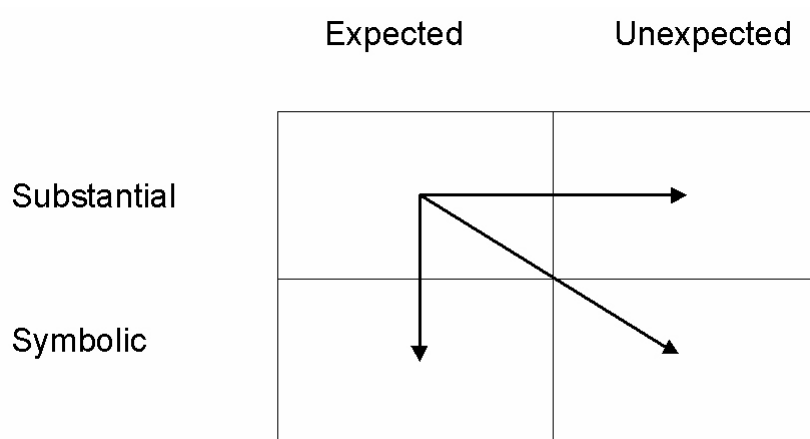
Fig. 4 Approaches to the concepts of learning

Positivist	Interpretative
<ul style="list-style-type: none">✓ Individual dimension✓ Intentional and problem driven process✓ Substantial effects	<ul style="list-style-type: none">✓ Interactive and social dimension✓ Social-cultural phenomenon (tacit knowledge)✓ Symbolic effects

The impact of training

The simple figure below¹⁵ summarises the theoretical reference model that we have described.

Fig. 5 Impact of the intervention



2.4. Design of the research

2.4.1 Methodological implications of the theoretical model adopted

The interpretative approach meant adopting the logic of ‘multiple case studies’ with qualitative methods and “field work” as essential steps in the study. In designing case studies reference was made to the model set out in the previous chapter, by moving forward simultaneously on two parallel levels.

On the one hand, an analytic scheme of interpretation was constructed based on existing training evaluation literature. As we have seen, this literature to a large extent adopts a theory of “programmable change” and has found its social and scientific legitimation by

¹⁵ Analogous matrices have been proposed by other authors. Lichtner (*op. cit.*) cites the one suggested by Popham J. (1969), *Instructional Objectives*, Aera Monograph Series, no. 3, Rand McNally, Chicago. Popham’s matrix crosses intentionality/non-intentionality with measurability/non-measurability of results.

its emphasis on the “measurability” (and therefore, inevitably, the “substantial” tangibility) of foreseen and sought after effects. It hypothesises a *temporal and determinist sequence of cause and effect relationships*, which incorporate the implicit cultural assumptions that we mentioned earlier. Ideas are transferred from one mind to another, which receives ideas and appropriates them, translating them into behaviour. The latter is translated into concrete results, then the aggregate concrete results are translated into the ‘performance’ of a group and subsequently into a progressively more extensive system. This linear sequence suggests two guidelines for collecting and organising data:

- 1) Reconstruction by clearly isolating the three phases: the situation prior to the training intervention, the features of the intervention carried out and its intentions, the changes occurring after the intervention compared to the initial situation;
- 2) Reconstruction of the impact implies the subsequent exploration of a “crescendo” of effects: participant satisfaction, learning, application, results for the organisation, and results at a system level.

These guidelines suggest what type of information should be gathered, whom one should interview, what questions should be put, how the analytic summary should be structured. At the same time, however, the most problematic theoretic concepts described above led the evaluator to abandon the scheme each time that the reality of the data suggested other hypotheses, other relations or other sequences. They especially encouraged evaluators to investigate with particular care any unexpected indirect, occasional, desirable or undesirable effects. In addition, an attempt was made to grasp the symbolic as well as pragmatic impact of the training event. Attention focused on the symbolic dimension inevitably involved viewing case studies as “microethnographies” (or “situational” ethnographies). It is in fact impossible to reconstruct the “meaning” of the course for participants without understanding the “meaning attribution criteria” they used, and hence their culture. Since culture is the fruit of collective history and experiences, one seeks – albeit within the limits of such short and focused investigations – to adopt an approach that is as “longitudinal” as possible, fully taking into account context, processes and past experiences. From this point of view the “before” – which the traditional scheme essentially regards as a parameter to *measure* the “after” – is also and above all used to *understand the “meaning”* attributed by the actors to the training event and its results.

The attention devoted to the symbolic dimension does not imply any neglect of identification and analysis of the “substantive” impact of training.

The goal was therefore to identify only those effects that could be plausibly traced to the training initiative whilst noting any hypothetical correlations between the event and the general ‘performance’ (increase in turnover, overall efficiency, increase in profits etc.), each time the actors advanced such hypotheses. In this case, indeed, even if a correlation cannot be proven, the belief that it exists highlights the impact the course had on the actors’ cognitive maps. Moreover, the behaviour that the said belief can induce – in terms of training policies, personnel motivation, commitment etc. – may have important effects on a company ‘performance’ over the medium term. This is a typical case where a symbolic impact is translated over time into a substantial impact even though it may be practically impossible “to isolate” and quantify.

2.4.2 Case studies: logic, operative modalities and objects

The main unit of analysis for each case study was the organisation. At the same time, during fieldwork, attention was also paid to two other levels: the individual perspective and the local environment.

The cases to be studied were not chosen by a “sampling” logic (which assumes a certain number of analysis units as representing a more extensive population) but by a “replication” logic where the objective was to verify whether the conclusions deriving from one specific case could be confirmed by other specific cases, and therefore merit general application. One case can replicate another in a literal sense – because it leads to identical or similar conclusions – or in a theoretical sense, when the various results can be interpreted in relation to characteristics that are different from the situations analysed (predicted *ex ante* in the case selection phase, or emerging *ex post*). Case study – as a research strategy – cannot indicate the extent to which the features of the phenomenon observed in specific instances (for example, the type of impact that the training had in the cases being analysed) are present in the population from which the cases are taken; nor does it allow us to verify the abstract and general relationships between the variables. In contrast, it is particularly suitable for the study of processes through which a phenomenon is expressed, interpreting the “hows” and the “whys” of the phenomenon “holistically” within the specific context in which it is produced.

On the field, the following research methods were used:

- a) *analysis of available and useful documents* in reconstructing the characteristics of the intervention, actors, context;
- b) *in-depth interviews*, semi-structured with the following categories of subjects: client, trainers involved, direct addressees (participants), sometimes the final or indirect beneficiaries (for example, participants' colleagues or superiors) and any privileged witnesses. A semi-structured checklist of key points to be covered in the interview was drawn up (see Annex 3 for the check-list) and the interviews were conducted so as to loosely follow them, whilst allowing plenty of scope for the interviewees to develop themes of particular interest. This flexibility was important because often impossible to predict things emerged. Because the people being interviewed may not have always been totally open in their responses for a variety of reasons (reluctance to be critical, temptation to hide own shortcomings, desire to tell the interviewer what he/she wants to hear, sheer forgetfulness, etc), it therefore became important to crosscheck responses as much as possible to ensure their reliability.
- c) *participating observation*, in the sense that the researcher – for the reasons we have illustrated earlier – tried to get as close as possible to the environment studied, to “live” (even if for very few days) alongside the actors, observing their work and relational practices, and extending research data to encompass everything that happened to him/her within his/her albeit short period of stay in loco.

The number of interviews could vary considerably from case to case. After an initial exploration involving representatives of the different subject categories set out above, the fundamental criteria used to decide whether or not it was necessary to continue gathering information included: cross-referencing data control (i.e. the degree of coherence which could be observed in the data gathered using different methods), and so-called analytic “saturation of categories” (i.e. the reasonable certainty that any additional data would not have significantly modified the reconstruction and interpretation of the case under analysis).

Secondary data. The results of the interviews were then compared against other secondary data¹⁶ – notably government reports and statistics, evaluation reports and other relevant publications - thereby crosschecking the overall coherence of the data from the field with already existing knowledge.

2.5 Definition of the sampling criteria

The full-scale study was developed in the three regions specified by the Scientific Committee: Nizhny Novgorod, Saint Petersburg and Tver.

Sampling in each region was performed according to these main criteria:

- 1) Typology of projects to be assessed. The projects comprised all the initiatives developed under the Tacis program (Productivity Initiative Program, Management Training Program, Tacis Enterprise Restructuring Facility Program (TERF), Delphi and, to some extent, Presidential Program.). In addition, sampling also took into account programs financed by the World Bank, with a particular focus on the Nizhny Novgorod area. The general criterion was to represent all the different kinds of initiatives undertaken.
- 2) Significance of participation in training. To select a company for a case study, this was a fundamental pre-requisite. It analyses the numbers of people involved and/or their level and role. It means that preferably only companies with a significant number of participants or with few participants, but who were positioned at top management levels, were selected. This criterion is particularly important in the case of “inter-company” training.

¹⁶ In particular, the following reports were analysed: Quality of Training Final Report “Presidential Program” (1998); Strengthening of the International Management Institute of St. Petersburg (1992-1995); Productivity Initiative Program (PIP) (reports since 1994); Tacis-ETF “Evaluation of activities in the field of Management Training in the NIS” project (1991-1993); President’s Management Training Program (PMTTP) Main Findings (1997); The Translation of Human Capital through Capital Networks: a case study of Management Training in a transitional Economy (2002); The Rise and Influence of Alumni Associations in the Context of the President’s Management Training (2002); Assessing Management Training Needs. Moscow and Ural region, Russian Federation (1998); Ten Year Review of the Yeltsin Democracy Fellowship Program (YDFP) 1993-2003); Specifics and Dynamics of Russian Business Education (1992); Post-acquisition managerial learning in Central East Europe - Special Issue on Managerial Learning in the Transformation of Eastern Europe (1996); ICM Management Training in Russia, traps and gaps (1992); ILO Interdepartmental Action Program on Privatization, Restructuring and Economic Democracy “Management Development in Russia” (1997); M.F.R. Kets De Vries et al., *The New Russian Business Leaders*, Edward Elgar Publishing (2004).

- 3) Sector and size of the company. Once these preliminary requirements had been satisfied, further sampling criteria addressed the sector/industry and the size of the company. Companies belonging to the main industries of the region both of small-medium and large size were selected.
- 4) Effective accessibility and availability of potential contacts. Last, but not least, the definition of the sample was further refined by establishing whether the right contacts could be found on the field and ensuring their availability.

The sampling criteria were re-defined in the course of the project, also taking into account the results emerging from the pilot-testing phase.

2.6. Implementation of the research

The field research was structured into two main steps: a pilot testing step and the full-scale study.

2.6.1. Pilot tests

The pilot tests were carried out in January 2005 in Tver. The aim of the pilot tests was to test the organisation, settings and tools for the full-scale study. The objective was to verify their effectiveness and to improve the quality and sharpness of the research tools for each target audience. At the same time, to improve communication strategies, the willingness of the target to be involved in the research was also tested.

After discussion with the relevant actors (Stakeholders Group, Scientific Committee), the recommendations emerging from the pilot tests guided the fieldwork for the subsequent full-scale study. The results were also shared with the local research team to help them better target their activities during the full-scale study. In particular, the pilot tests revealed some critical organisational needs, such as:

- The need to redefine the communication process by generally informing participants and local actors about the project and its aims. In particular, it was important to reassure interviewees that the project was not intended as an individual assessment.
- The need to specify the target groups of people to be interviewed in greater detail. The focus point for the full-scale study was not only to include companies in the sample, but also people from the cluster (suppliers/customers/partners) including training institutions, where appropriate.

- The need to better specify the interview setting, ensuring different hierarchical levels were not brought together and that the interviews were for groups rather than individuals.

2.6.2. The full scale study

The full-scale study took place in the three selected regions between February and September 2005. The **sample** taken from the full-scale study was composed by 49 companies divided in each region as follows:

- Nizhny Novgorod: 17 companies
- Tver: 10 companies
- Saint Petersburg: 22 companies

Additionally, in the St. Petersburg area, 8 IMISP MBA students from different companies were interviewed as a focus group.

The total number of interviewees in the three regions was 121 (113 individual interviews + 8 from the focus group)¹⁷.

The project typologies addressed by the sample were the following:

- Delphi
- IMISP
- TempusJEP
- MTP/PMTP
- Productivity Initiative Program
- TERF-II
- World Bank

The most popular program was the Managers' Training Program, which takes up more than a half of the sample, both for companies and individuals, as the pie chart below shows:

¹⁷ Evidence from the field suggested extending the number of companies with respect to the original objective to ensure the highest number of participants were involved in the management training.

Fig. 6 Interviewees by project typology

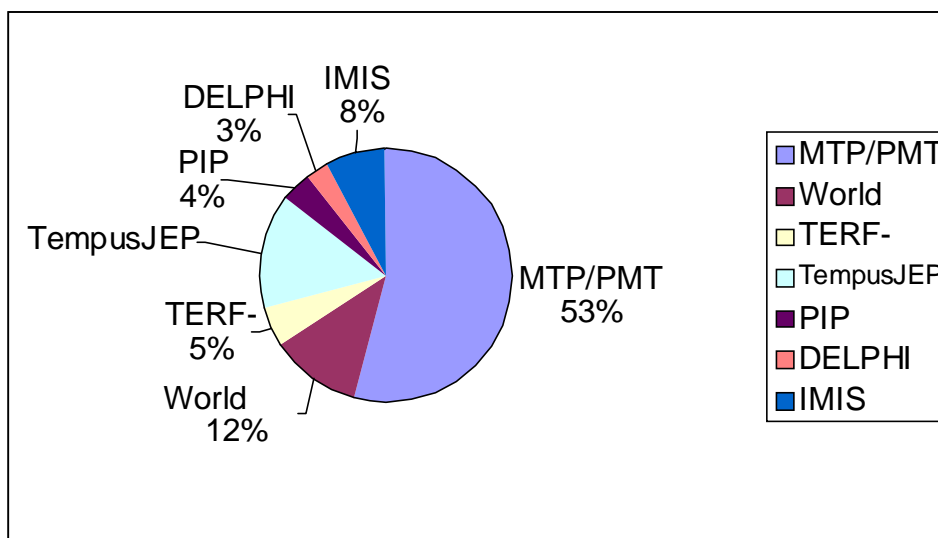
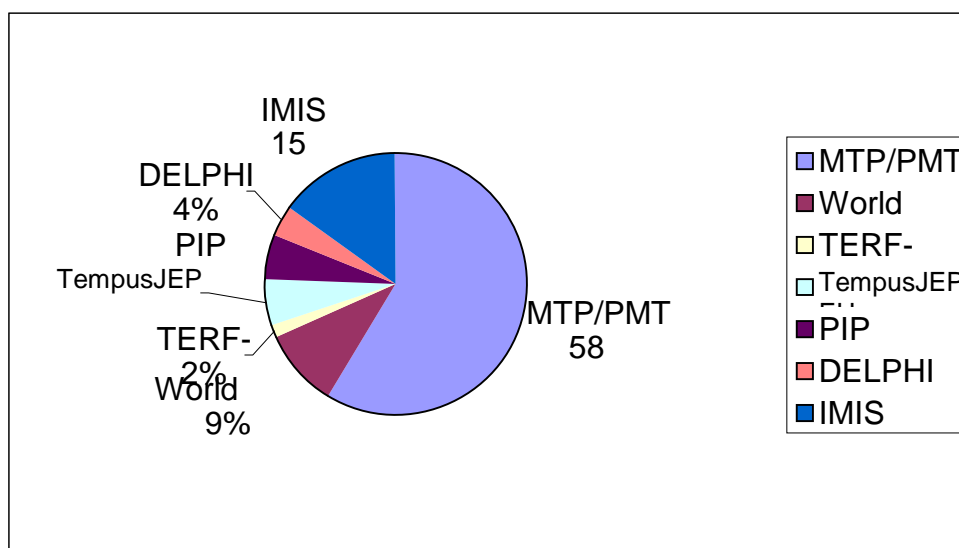
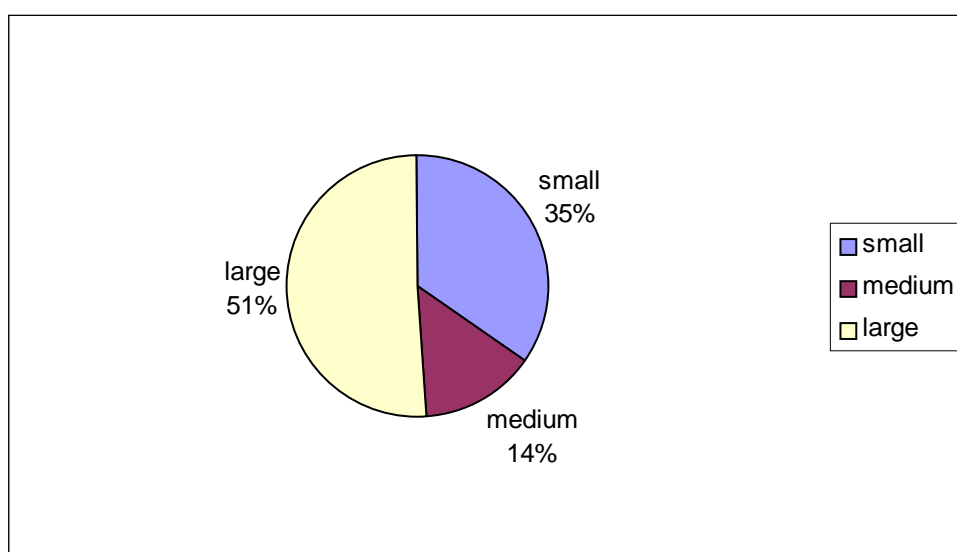


Fig. 7 Companies by project typology



The sample was well balanced in terms of the size of the companies: with large companies representing 51% of the sample, and SMEs the remaining 49%.

Fig. 8 Size* of the companies

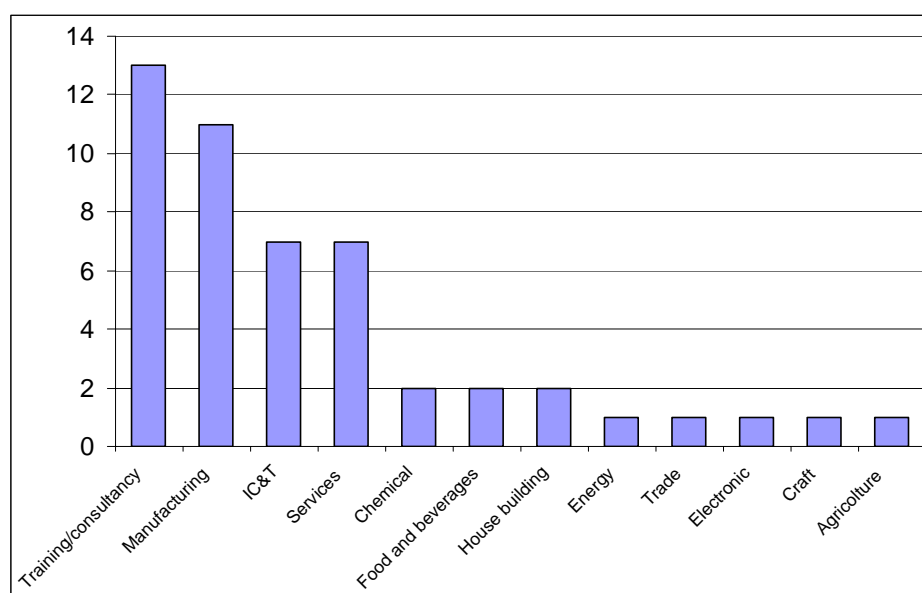


According to the EU classification: small (including micro) 1-50; medium 51-250; large >250.

The sectors of the companies in the sample are widely distributed. However, the majority were in the service and manufacturing sectors.

The figure 9 shows in detail the sectors represented in the sample:

Fig. 9 Sectors represented by the sample



Moreover, the sample was enriched by interviews of relevant stakeholders in the three regions. A total of 58 interviews were undertaken of key - stakeholders belonging to different institutions, notably:

- Education and consultancy (20);
- Public administration/industrial bodies (14);
- Representatives of the alumni (24).

3. Findings¹⁸

3.1 *Reasons for participation in training: economic crisis and individual resolve*

Generally speaking, two different sets of reasons emerge for the decision to participate in the training programs.

There were “organisational” motives, when the entrepreneur/top manager strongly supported participation. This reflected the urgent need to effectively face a crisis situation in which the existence itself of the company was at stake. In many cases the crisis of the company was linked to the strong economic downturn of 1998

“Speaking about the situation when the decision to participate to the Program was made, we need to look closely at that historical juncture: the crisis of 1998 in Russia. We had to do business in really unfavourable conditions, with the market’s considerable shrinkage and low demand for our service. Therefore, we needed to adapt to new, changing environmental conditions, because these are not controllable variables, so to speak. Before the crisis we had 90% foreign customers importing goods from Russia. Well, you understand, after the default we were about to “die”, since most of those foreign companies had left the market, while the domestic ones had not emerged yet.”

“The year 1996 was very hard for us, it was an unprofitable year. We began to look for all possible ways to survive. It was very difficult to find any advice on how to move on, how to keep the business under control. It was then that we were informed about a project in Nizhny Novgorod, and asked if we wanted to take part in it. Of course, we agreed, because we needed to learn more.”

In contrast, the “individual” reasons motivating one manager to attend training were to learn ‘something new’ (managerial knowledge, systems and technique) and apply it in daily work. More often, the objective was promotion, both internally - a better position - and externally - to get a better and more highly paid job.

“My company didn’t need a training program, I guess it was my initiative. I had read the information in a newspaper, applied and after attending the interview, taking different tests and preparing documents, I was accepted in the program. Our

¹⁸ The quotations cited in this chapter are anonymous for privacy reasons.

director was not interested in it at all; he was concerned with other matters – ownership issues. So, I took the training during my vacation.”

“It was my decision. Since I was working at the Department of External Affairs at that time, gaining experience of Western work was very interesting for me. I sent the British Council a list of 5 British companies which I wanted to visit; they made arrangements and invited me to take part in this training program.”

In a few cases, it was the entrepreneur/top manager who - after having attended training and appreciated its helpfulness in improving company performance - decided to send other people to the training programs.

“The decision to participate in the training program was taken by the general manager, and I am glad that he took it for me. He had attended some training the year before and thought it could represent a good opportunity for me and for the business.”

Some specific constraints prevented greater participation in training or participation at all:

Lack of language skills:

“Many of my colleagues felt the same way, they also tried to enrol into such programs, but as far as I know, all their attempts failed. Among the reasons for that I see their low level of English, mainly.”

“Training is highly relevant in producing changes inside the organisation but unfortunately in our company only few people had good enough proficiency in foreign languages.”

Concern by superiors of losing their people after training or being forced to manage people who were “too skilled”:

“Another reason, an internal one: the bosses were afraid that after training people coming back with the new knowledge would quit and find some other job with a better position/higher salary. This is what actually happened in my case too.”

“They reacted negatively to the employees’ initiative to participate in international training programs because they did not have the same background and believed employees should not have a higher qualification than the chiefs

themselves had. Another reason for the negative reaction was the chiefs' apprehension about losing employees after training."

3.2 *The image of training among Russian managers*

These general considerations - very often gathered at the beginning of the field interviews - are very significant because they allow us to assess the specific impact of the programs: the image of training in the minds of Russian managers.

Overall, there was a very good image and recollection of the training experience: participants believed it was very helpful both from a professional and personal point of view and that it had a big impact on their individual working performance, yielding an improvement in knowledge, skills, personal attitudes and behaviours.

Moreover, the impression was that training went almost always beyond expectations, reinforced the formation of this positive "view".

The following provides more detailed comments about training, which help greatly understanding what the concepts and patterns of managerial training are today, more than ten years later, in the Russian Federation:

the theoretical parts, at home, were less appreciated - especially by those with a professional managerial profile and background (technicians had a bigger need in this respect) and it sometimes was considered unnecessary:

"The information given to us was of general character – we knew all this already. At least I knew such things. Other participants were mostly interested in practical activities, so the theoretical information given to us was mostly abstract and not very profound."

"Speaking about the training in 2001, as I have already said, the educational side was organised well. In regard to the contents, I think that 80% of what was given to us was useful and interesting, and about 20% of it unnecessary in my opinion. Coming down to greater detail, I guess 10% of the material was known to me and 10% was irrelevant. But there were different opinions. Some participants considered 20% to be useful, and 80% unnecessary; that's what I heard later on. But these were mainly economics graduates, to tell the truth."

People became aware that their best learning came not from theory but from practice (internship was always considered the most useful part of the program) and from exchange with colleagues, teachers, representatives from the hosting organisations and more generally all the people they had the chance to meet during training:

“We acquired a lot of useful knowledge not from the specialised seminars, but from practical communication. When communicating, we learn how to approach others, what their mentality is like, what their cultural level is. As a result of this communication you get information about how to make contacts and develop deeper relationships with them.”

“What I liked about those gatherings was that we tried to find the way to help each other in better organising our work. Sometimes when you just do your own job you may not notice small details about how to improve operations, but when you see things through the eyes of your partners, when several more heads think of how to make your work more efficient, it gives very good results. I think it is a very productive method.”

It is often emphasised that training programs did improve from the early years (mid '90), in terms of “practical orientation”, closeness to participants' needs, organisational and logistical details:

“I was among the first group of trainees who participated in the program in 1999. I attended training in France for five weeks at a Business School. We had a lot of theory, which was not very good. But we should remember that it was our first time. Some years after, one of my colleagues trained in the same school as me, and we noticed some improvements. For example, he was able to work in a company in Holland during training, so he gained some practical experience. Unfortunately, I did not have such an opportunity.”

“Further, in comparing the two programs, I believe that the first one mainly lacked the educational component. At the 2001 program we had a plan that had been prepared and co-ordinated with the host companies. So its organisers had worked hard when making arrangements for it. Of course, the results were more interesting.”

Nevertheless, some negative points also emerged during the interviews. Although they were perceived as not being crucial, they provide some useful indications for future improvements, which take into account Russian managers' expectations about training.

The process of selecting the target group has often been perceived as ineffective because people with different levels of formal responsibility and specialisation were mixed together in the same training program. Another problem came from the fact that people without decision making power were selected (hence, there was no impact at the organisational level and the participants got frustrated and were probably disappointed by the training):

“Aspects to be avoided in the future? All the people in the group should have the same speciality, profession or come from the same industry.”

“But the fact is that the people gathered together were from different companies, even from different areas of economics, and they had different levels of knowledge.”

“I think that maybe the process of selecting people for training should be conducted more thoroughly...the trainee groups should be differentiated – top managers, or just beginners.”

In a few cases participants felt that the selection criteria, e.g. for the internship, were not “clear”:

“Another negative point regarding this last program (“Export Skills”) was really unfair assessment. It seems to me now that to participate in this 5 days internship abroad the people were appointed greatly in advance, and – I asked also other participants – nobody knew the criteria. After all, it turned out that the “beneficiaries” of that part of the program were not the group leaders who really deserved it, based on the grades obtained, initiative and the progress shown (and not only on simple class attendance), but the ones with questionable “endeavours”, to be diplomatic.”

“First of all, there should be target audience selection. I don’t know how it happened, but in our group there were some people who were pretending to be working in the sphere of tourism. Maybe they were somebody’s relatives?”

The analysis, before training, of potential participants’ skills and motivation was sometimes inaccurate thereby weakening the training process:

“It is better for organisers at the preliminary stage to understand how strong the desire of the potential attendant is, why he/she needs to participate. To maintain a high level of quality at this stage can improve results for training programs: one

should invite only really interested people, not those who just use this opportunity to go abroad and have fun there!”

“...doing preliminary research of those accepted in the program and try to develop training according to their educational background and specific needs of skills improvement.”

Inadequate language skills hampered participants from fully benefiting from the internship:

“Training itself is very crucial to change the situation of the workforce market but unfortunately not many people have good levels of speaking and understanding foreign languages yet.”

No follow up activities were organised so the opportunity to consolidate learning and embed it into a broader “organisational development” process was missed:

“Follow up activities to enhance exchange of experiences with other participants in terms of results obtained, to be held some time after having come back to daily work, would be very helpful.”

“I felt that what was missing were follow up activities maybe to be done in conjunction with the local Alumni Club.”

3.3 *Individual level*

It is to this level that the interviewees assigned the most significant and lasting results of training. Their words reveal a very broad and articulated picture of substantial and symbolic effects.

Understanding of self-responsibility, from at least three different points of view:

Personal accountability, in a world where until few years ago responsibility was a “collective concept and issue” (with all the consequent risks of free-riding and defection):

“It’s my rule now to fulfil the obligations taken. That was the effect of the program. I had to face it when working in the host company. If you sent an e-mail

with certain prices, you had no right to change them, you kept your word in any case. Mistakes were not allowed, at any level. Whether words, fax, e-mail, agreement or calls, in any case you had to keep what you promised. No excuses were acceptable. Before sending a document, I checked it many times, and preferred to send it in the morning – when the mind is “fresh”. And I’m teaching this principle to other people in the company.”

Feeling part of and concretely becoming involved in organisational decision making processes:

“People began to understand what their role and responsibilities were in the new situation. Everybody was welcome to state his/her opinion about the strategy of company’s future development. It became our motto to listen to all opinions including those that seem to be strange initially. That was our first attempt to build a team of co-executives.”

“I feel more responsibilities now, since I realise that I’m the one who makes decisions. And this is the area where I can use my skills and experience gained from the Program: the company is now choosing what information technology system to use and how to do it more effectively. I hope now I will be able to examine such issues more thoroughly and more competently.”

Development of a “do it by my/ourselves attitude”:

“We had a brainstorming seminar after gathering all the top managers and executive staff. The results were three variants of our business reform plan for overcoming that crisis situation. One of the variants included some help from our government, the second introduced tax breaks and the third was in case we did not get any help from anyone. In the end we realised that we should count only on ourselves. It was the hardest moment in my life. Every week we gathered our top executives and I was trying to explain our new strategy to them, but for a long time I could not see any sign of understanding amongst them. So I realised that we all needed knowledge. And only some time later did we manage to renovate some parts of our company thanks to different training programs. All that time we were trying to get some help from the government, but only after everyone saw that we could do something on our own, did our government pay attention to us.”

The perception and relationship with the “West” (culture, market, society, managers, companies), which can be differentiated into many different aspects and nuances:

A chance to know a different culture that is complex and differentiated into many different national cultures (‘Europe’ and the ‘West’ are just general expressions embracing a lot of differences and nation-specific characteristics):

“And I think that the program helped me to do it. I gained a lot of new knowledge there. I studied English and realised that English was not enough to work in Europe: in France you cannot speak English, because they consider it bad form, in Belgium everyone speaks at least two foreign languages. Moreover, each European country has a distinctive culture and mentality.”

A chance to measure yourself against a different system and set of values and rules:

“The ideology of Russian managers is very different from European managers’ ideology, especially in the way personnel are motivated. As globalisation seems to me unavoidable, I think this difference will be one of the biggest problems. So, one of the advantages of our program, I think, was that we could communicate freely and understand and respect the differences in our cultures.”

A chance to start communicating with European company representatives and thus begin to understand them:

“We studied there for a year and during this period, a number of people, including me, were able to go to Germany where we spent a week training. And the main thing we learned during the program was that we began to understand the European countries’ representatives completely in terms of business management logic and approach.”

A chance to interact with European companies and managers and acquire new managerial and personal knowledge and skills, but most all of self-confidence:

“We did a presentation in the Chamber of Commerce and Industry in Germany. The director of an important local company, after my presentation, underlined that everything should be OK in Russia under such good managers. It was very pleasant to hear such a favourable opinion from an experienced and highly respected specialist. For me it meant that we were going in the right direction.”

“The training gave us self-confidence.”

A chance to overcome fears about the West and co-operation, like destroying a “mental/inner barrier” and being empowered to co-operate and do business together:

“I would say our mentality has changed, so to speak, we are not afraid to co-operate with Western companies anymore. And this is of course a positive point in general. We know them, we are more confident, we are partners now.”

“In my opinion, training helped many people including myself to overcome the psychological barrier of contacting and co-operating with foreign people.”

“This training affected our business greatly. First, we began to communicate with different companies, because we lost our fear and lack of understanding!”

Moreover, to start convincing Western managers and companies that their Russian counterparts were good and worthwhile to interact and deal with:

“During the internship in the host country we faced some arrogant attitudes in the people we were communicating with. In the beginning when I asked somebody questions I felt that they were exhibiting their superiority. But after meeting the management we were also able to show them our level of knowledge and experience and explained that we already knew everything they were teaching us. The level of the questions I asked convinced them to introduce us to specialists with proper knowledge. Only then did they start to take us seriously, communicate with us, ask our opinion and try to solve problems together.”

“They were not prepared for the fact that Russian people had changed completely and were interested in different things. Our group’s level and the level of the second group, which consisted of 50 year-old men who had worked a lot as company’ directors, were much higher than they expected.”

A chance to become aware of European standards regarding market and competition, and taking the first step in becoming a player in that “arena”:

“I was introduced to several German and Italian company representatives, who could be interested in our product. Those contacts were also very useful, because they told us about the required quality level of products in Europe, and I understood what level of inputs was needed to make my product compatible.”

“Our quality management system is certified. We are solving a problem of governmental standards of preservation of the environment, because this is what the international market demands.”

The development of a life-long learning attitude

First of all, to be ready and open to “continuous participation in training”:

“I had not gone for training outside Russia before the PMTP; it was my first trip abroad. Now I regularly participate in training and special seminars that we hold at our plant.”

“I participated in every program I could up to 2004. But I cannot say that foreign training gave me any practical skills, they just taught me more and made me understand some things. Most of all our relationships with company representatives helped us to understand.”

Secondly, all the interviewees understood the importance of training to make their knowledge systematic, enhance exchange of opinions and views with other managers, but also to develop new ideas and stimulate strategic and organisational innovation as well as “developing your own managerial style” (putting together theory, other people’s ideas and personal experience into practice):

“Speaking about the educational aspect, it’s always useful to study. It helps you make systematic the knowledge obtained from your everyday activities according to the theoretical basis given at the lectures. The training encourages you to formulate new ideas and implement them; you have the chance to share your thoughts with colleagues (trainees and trainers/lecturers). So all that was useful. For example, I brought with me the draft notes for a number of feasible ideas.”

“During the program I managed to make my knowledge methodical, gain a deeper understanding of some things that our foreign customers had told us, and build a system of proper management for my field of business. During the training process I could get all the answers to the questions I had.”

Career improvements both inside the company, either by promotion to a higher position or by acquiring greater responsibilities within the same position, or through external mobility, seemed to be some of the most significant advantages offered by training:

“As for my personal status, yes, the program helped me a lot in self-promotion. I started the Program as the head of a small Dept., now I am the Financial Director for the whole organisation. Therefore, I have been “transformed” from the person who was taking orders into one who makes decisions.”

“Yes, my personal status in the organisation increased a lot. In my case, I was promoted in advance to the position of the Head of the HR Dept. on the understanding that I take part in the Program. In general, all the participants in the Program in our organisation (14 top managers out of 16 overall) have moved 1 or 2 steps up in their career. Now they are all Heads of Departments.”

“My position in the company after my return did not change, but my responsibilities became greater.”

“I quit working for the company on the first day I returned from the trip. I didn’t want to work with the new team – I knew them very well. That’s why I couldn’t apply anything new in this company. But I applied some methods and approaches in my new job. Though of course, it’s just a small part of what could be done.”

Sometimes this situation leads to the problem of managing the expectations of young people who expect better positions simply because they have attended a training program and can threaten the company that they will leave. Currently, developing effective “retention policies” of the best talents is becoming an urgent problem for many Russian companies:

“To speak about the operating level, almost everybody noted that after training a definite emotional change and career promotion could be noticed. But dreams about quick promotion sometimes lead young specialists astray. On the psychological level you need to encourage people, but they should also be prepared to work hard.”

“But companies face the problem that after training their employees may quit and find some other job. Of course, any company would be interested in their staff members getting a good education this way, but they need to be sure that after training their employees will keep on working in the company. Here the company should be ready to promote them, because after training the graduates have better knowledge and skills and they want to have a higher level of responsibility and a higher salary. If the company is not ready to provide a promotion, they should be ready to say good-bye to these staff members.”

Individuals seem to act like stone thrown into a pond: they produce small but positive effects on everyone who is working “around” them. Therefore, through them, training indirectly affects a large part of the organisation:

“Summarising the global effect and the need for such programs I would like to note that the attitude of the program’s participants changed more, the attitude of those who heard about it changed less, but on the whole yes, it changed. After training, people come back different – they change noticeably after training abroad, which in turn has an influence on their colleagues and counterparts, changing them implicitly.”

The main unintended effect from the individual point of view - to change the life of people - is summarised well in the following sentence:

“At the moment of making the decision to participate in training I just wanted to get new clients by participating in the program, but now I can say that it has changed my life and mentality completely: starting from a new business vision to broadening my world picture in general, even changing the relationships within my own family.”

3.4 Organisational level

The main impact at the organisational level concerns two specific areas:

Human resources and people management, in some cases it meant the development, after training, of a dedicated department and manager, in others a considerable increase in the sophistication of the systems and tools adopted and the skills of managers in charge:

“No doubt, HR policy is a very important issue for us. As a rule, we have in-depth interviews with potential staff members; this is our main tool to screen for the “right” people. Usually, it’s one of the older staff members and myself – so we have a broader picture. Yes, we also have the so-called ‘Trainee Program’. We hire new young specialists from the University’s Law Dept.”

“In our company we have a special department whose job it is to organise training inside the company. We hold those training sessions regularly. We also

have indicators and a plan for career promotion of employees. In our plant there are several HR (staff) managers according to the different sectors.”

“You know, it became our corporate policy to send people out to study, and first of all it was our General Manager (Director) who established this policy. Of course, the director himself participated in many similar initiatives at top levels in his time. Then he organised the HR Dept., whose main goal is to increase the professional level of managers.”

Marketing and sales, again with the development of new commercial strategies, the creation of specific organisational structures and processes:

“After a while I came to the decision that a marketing service needed to be developed. Our product was mostly sold in big cities and that meant we had to adopt the “city” psychology, because the psychology of customers and sellers needed to be harmonised. In 2001, I felt that something had to be changed. So I decided to transfer marketing to the city and began to employ specialists from the city of Nizhny Novgorod.”

“We created a good marketing department and our company became the foundation for the Presidential program’s system of marketing education – every year the trainees are brought to our company as part of the program”

“What is really significant is that a lot of this knowledge resulted in concrete improvements inside the organisation; a contact centre was created, probably the first in the Region, thus supporting the development of a customer oriented approach inside the company...now everyone here pays attention to the customer’s reactions, we try to understand their needs and satisfy them and the result is that now we have retention.”

The creation of the management team, which meant that by taking advantage of the participation in training of a group of top managers, it was possible to build a “new” management team, in terms of managerial competencies but also of a “shared view” of business and strategy:

“At the moment our company is fighting for the leading position in the local regional market. We have formed a team of people with highly qualified competencies and the same views of company development.”

The redefinition of the strategic guidelines and/or of the macro organisational structure:

“But the EU programs (including the latest one, organised by the Dutch Consulate in Saint-Petersburg) gave me an understanding of the necessity to change the company’s structure in accordance with the realities of life.”

“I concentrated all the best equipment into one workshop, unified all the best personnel and the effectiveness of the structure became greater, thanks to contacts with German businessmen.”

“Russia is becoming a part of the international and especially European market. Communication experience is very important. We borrowed the idea of holding companies and reconstructed our organisation for more efficient management.”

Training, and internship especially, also had significant impact on innovation since they provided a “place” and an “opportunity” for it:

“The internship period is really crucial, for the participants have a chance to see how the mechanism works for themselves. I think it’s very important in order to understand, analyse and implement the new ideas and innovations on a local micro-level.”

“I think that it is crucial to include in the program the opportunity for trainees to receive training in management of new technologies in the donor-countries.”

In terms both of production processes and use of technology:

“Our new product was a car for civilian use; a crawler jeep, and we understood that we had to enter the market as fast as we could, but our methods were too old for that task. So the aim of our team was to organise production of the car with simultaneous design study and technological improvement of the product. It was an absolutely new decision for us; nobody in Russia had done that before. Although we did not even have the blueprint of the vehicle, we started to introduce it into the market. We had to comply with lots of different regulations that instructed us that we needed to test our vehicle. We produced about ten vehicles and gave them for driving tests to our potential buyers. During that driving test period we received a number of complaints and learned what needed to be improved. In addition, we convinced all the ‘certification organisations’ of the adequacy and reliability of those tests.”

“The goal of the internship for our colleagues was to learn how to introduce a specific innovation in the production of synthetic leather. After they came back, not only did we introduce this innovation, but we created an internal innovation centre also exploiting the good technical skills present in the local labour market.”

Regarding Information Technology some effects are already visible, some others will probably be developed in the near future:

“At the same time, we started to use IT to manage administration and sales processes, which were previously hand-made, as still happens in the stock-house. In particular, we gave notebook PCs to the sales force, so they could visit customers and make orders without travelling to the company’s central office (this is crucial, because the region of Tver is very vast)...in this manner we were able to reduce the time to market from 48 to 24 hours; and we are the only one in the Region not needing faraway branches.”

“I am satisfied with the program. We gained a lot of new knowledge. Sometimes I am still thinking about the technologies they taught us – Internet technologies, for example. Here we were in the year 2000 and we didn’t have these technologies in Russia. When we visited a big tourist company in France and they showed us their site that provided information in six languages and was updated every 20 minutes, we were simply shocked, but I think that there is a future for such innovations in our business quite soon.”

The growth in foreign investment attraction exists just in very few cases; those of large companies operating in a captive market or companies focused on “high value” niches:

“Results at company level? To attract investors we have to meet European requirements. Now with experience we are on the way to doing this and now we know how to do it.”

The emergence of a “learning organisation”, which can be described in its various aspects:

Someone is taking formal responsibility for the training process, and sometimes it is the entrepreneur/top manager himself (once he/she becomes aware that training can mean strategic leverage):

“The next thing I understood was that we needed to create a good team, one cannot do anything on one’s own. At that time I began to think of a spontaneous system in our factory; for example, I studied something new and began to teach others. And I began to direct my team in their studies. Right at that time the Presidential Program started. I selected six managers from our factory, who entered the program in 2001. Their aim was to solve a specific problem during training.”

All the people with a managerial position - especially the first line of report to the Top - believe in the relevance of training, are open to it and concretely support the implementation of training activities (sending their people, supporting their application to everyday business, etc.):

“Now I support international training for my people, and I think that they will need similar contacts and experience in the future too.”

“Each of the top managers in the organisation has the same vision and understands the importance of increasing the professional level. Moreover, this internship program in every individual case was aimed at helping to solve a specific task/project, which was part of the organisation’s strategic goals.”

“The behaviour of our management was crucial. They were ready to accept any proposal for innovation and they sustained this process with very effective practice. After people had gone to training, they used to organise meetings in which new knowledge was shared with all the other colleagues and, during these meetings, they also tried to develop action plans.”

Moreover, the top management is also profoundly convinced that in key managerial positions a high level of professional qualifications is required:

“When it comes to the content of the program, I would like to say that generally it was basic knowledge at the theoretical level. But all that made me understand that the next director of our company should possess at least an MBA level education to be on the “top of things” today”

Sensitivity towards training is extended to the whole organisation:

“Everybody in our company and me personally all try to always keep our “eyes and ears open” in search for new programs, courses, seminars. Every year we also travel to the USA to participate in international training courses, conferences as well.”

“It was my first training experience. There was no training in our company. And now we have a special kind of training three times a week: it is a meeting where we discuss some specific problems and take decisions, and it sometimes reminds you of a brainstorming session, when different specialists offer different ways of solving a problem.”

The process of developing a learning organisation in some cases is initiated by individuals - deciding personally to attend training programs - and then undertaken and capitalised by the organisation, once it becomes aware of its usefulness in improving the skills of employees and company performance:

“Today, top level management understands the need for training. A specifically dedicated department takes responsibility for co-ordinating training programs. There are annually planned programs for each level of employees and a special emphasis is placed on training programs for young people in order to create a reserve fund of working power. The decision to participate in the training program was taken because the personnel was itself interested; there were expectations of open collaboration with foreign partners and attracting investments. In the beginning, the personnel pushed the idea that we needed this program. Then, in time, the company administration began to feel more and more interested and involved. Now, it is clear for all of us that we will participate in these training initiatives.”

“It is very difficult for us to allow someone to leave the work-place for a long period. When training programs first started it was a completely new experience for us. We did not know what results to expect. But at the time when the first people went through training we received employees with much higher quality compared to ones we had before. Then they became a spectacular incentive for others to improve themselves.”

Nonetheless, at times, behaving as a learning organisation and investing in people’s professional development can be very risky:

“We did not start to fire people, but instead invested by sending them to different training programs in Europe and the States. But you know - and please, let me say this here - the negative point about this was that upon arrival they demanded a much greater compensation package (which was logical, but unfair to us, who had sent them). When they didn’t receive it, they accepted new job in a competing company.”

Thanks to training, many people inside the same company began to talk the same language, which works as a very effective device for communication, co-ordination and integration among different organisational structures and roles:

“When I talk of break-even point, now everyone knows what I mean!”

This gives the organisation a chance to open up and get in touch with the rest of the world, especially foreign markets, but also the professional communities existing outside the company.

Sometimes this also brings in new business:

“During training abroad participants with good specialist knowledge can be ‘employed’ by a foreign company to get access to our resources. Through our specialists the foreign party obtains some new information. They also find out something new about our industry and technology, and they can assess whether their company should enter the Russian market!”

“These contacts with a professional community, I believe, are very important. We look for potential clients from abroad through such contacts.”

“We are now part of a strong international network which meets regularly and can formally support our participation in European Union funded projects, even though Russia is not a member.”

Sometimes the outcomes are poor or non-existent:

“I tried to co-operate with a foreign manufacturing company, but it led to no results, because dealing with Russia meant dealing with a lot of different problems for them. Then I began to establish contacts with other corporations, among them German, Dutch and Italian companies. But the result was the same – they considered China a more favourable business partner.”

Nevertheless the company still benefits from gaining familiarity with the rules of the game, and so is ready to develop new business in the future:

“Among the positive effects the Program achieved was definitely the increased international focus. Since we have potential in the European market we needed to

know how to work there, what the requirements and the “rules” of the game were. In this sense, the Program helped a lot – we went down there and saw the process for ourselves.”

The concrete opportunity to develop new commercial contacts and relationships with foreign partners through the internship was still there, even if these were definitely less than expected before training:

“The main thing was to see their business, to introduce ourselves and see if it was worthwhile making contacts with them or not. So, the issue of making contacts was of great importance for our participants.”

“I was lucky to see Paris, there were a lot of opportunities to make contacts in the hotels – it was interesting from the professional point of view. In Italy, there were even more such opportunities.”

“Another important result: we did get new partners in Western countries (USA, Germany and others). Moreover, we are very satisfied with how they did their part in our recent joint project.”

In many cases people confirmed that their financial, economic and sales performance had improved, adding that they were not certain that it was due to training (“How can you prove there is a direct cause-effect relationship?”), but that they were inclined to think that it was. In this manner a positive attitude towards training spread inside the organisation; people started to believe that training had a positive impact on company performance, and become more committed to training and to implement what they or their collaborators had learned. It is an interesting case of a symbolic effect generating a substantial effect:

“What happened then? First, we got operating cash like we had never before!”

“Can I say that productivity growth and the increased profits were the result of training abroad? Yes. Personnel training definitely led to these results as a general effect. Everybody studied some new effective things in their sphere, they brought in new ideas and put them into practice. The total effect on the company was definitely positive.”

“The results/performance of the company increased over the last 3-4 years, that is absolutely true. Now we have taken the leading position in the industry, and of course, we ascribe that to the positive effect the Program had as well. It is hard to

distinguish the exact cause-effect relationship in every specific case. I would say synergy took place when the efforts of the single elements contribute to the high performance of the whole system. All together this was the result. Also, could achieving such results be the consequence of other companies not doing the same?"

In other cases, there was a clear perception that training strengthened the company in many different aspects:

“After the training our company became much stronger, we were able to deal with serious problems, we developed new departments that operate very effectively and efficiently.”

“Our company has completely changed over the last five years, so I can definitely say that it was due to training and after incorporation of the foreign management experience into our real practice.”

The principal unintended effect at the organisational level was a high rate of external mobility:

The high rate of external mobility seriously weakened many attempts to link training to organisational objectives and to embed it in a broader developmental process. This was particularly significant for small business in terms of labour market dynamics. On many occasions trained people decided to leave the company either to start their own businesses or to work for larger and more stable firms:

“There were a lot of professionals forced to drop their jobs and look for an appropriate place where they could earn money. Now they are gone. Some opened their own businesses after they accumulated enough experience and connections, some came back to big companies that were stable and where it was much easier now.”

3.5 *At the local environment level*

At this level, the distinction between expected and unexpected effects becomes less clear. Generally speaking it is possible to observe the emergence of some constitutive elements of a social network at the local level:

- Shared business language as a crucial means for communication, integration within the local area and with foreign counterparts;

- Improvement in overall managerial and entrepreneurial awareness and competencies;
- Focus on social and intellectual capital.

All together, these elements constitute a crucial social asset for each local area - also thanks to investments in training - which is seen as something on which to build future development:

“Overall the average level of managerial and entrepreneurial skills has grown...compared to ten years ago we now have a community of managers and many of them have participated in training programs.”

“Thousands of people went through different training programs acquiring new skills and mentality, establishing contacts with foreign people, companies and business cultures...they represent our human and social capital, our guarantee for the future social and economic development of the region.”

There has also been the development of a highly qualified labour market of managers and this is perceived as a fundamental asset for local development, even though there is the full awareness that much remains to be done in terms of numbers of managers to be trained:

“There was the creation of a new society of people speaking one language, know what I mean? Talking seriously, today we are experiencing a deficit of people prepared to work under the new conditions of the Russian market. We could produce more job positions but there are no people to fit them.”

At the same time, this boom of professional managers also has a negative impact because this new market is reducing the technical job pool leading to a skills shortage (technical roles are not perceived as appealing by younger generations because they are seen as distant from newly emerging social values):

“No less crucial is the general economic and political situation in Russia. And like everywhere else in the country, our highly qualified engineering specialists are getting old and we are feeling the lack of the inflow of young specialists. Over the last ten years these professions have fallen out of fashion and only a few specialists with our profile were trained, so there is a big shortage of personnel at the plant... Everybody wanted to be a manager or a lawyer, etc. Now we are feeling the results of that distortion in training specialists: there is a lack of qualified workers.”

This qualified labour market is highly appreciated by foreign companies which are already running or starting their operations in Russia and they need to be reassured that their investments are sound.

Thanks to training, specialised educational centres were developed, sometimes following a structured and planned process, at other times having an unintended, albeit hoped for, effect:

“Here in S. Petersburg area the IMISP centre is playing a very important role in supporting the development of businesses and the growth of managerial competencies in the Region.”

“In 1999 the ‘Centre of training for top managers’ was established. It conducts permanent programs addressed to the leaders of the main companies. In practice, it is a Master’s program in Management, where a lot of different aspects are analysed, and everything is completed in accordance with the schedule. The teachers of this program were chosen on a competitive basis and before the training course they had a one-week’s training abroad. The trainers/teachers had worked out the curricula’s structure and methodology, although of course, it wasn’t the main objective of the project. Its goals obviously overlapped the boundaries of one project. The University took part in 12 projects and of course it has changed greatly. Now there are a lot of new courses and new programs.”

Moreover, training supported the creation of relationships among participants, both from a formal point of view - the Alumni - and from an informal one - personal connections:

“At the same time we got a network of Russian professionals together – those top managers who took part in the program. And we have stuck together in our business field since then. I feel that’s another significant contribution the program made.”

“But in general, I can say, that I was pleased with the way the program had been arranged and with its organisers, and this is also very important, because since then we have been in touch with the participants of the program. There is an office of the Chamber of British Trade and Industry in St. Petersburg. They regularly invite the graduates of the British Council programs, where we can meet and talk. And the reasons behind the meetings are different, from celebrating the Queen’s

birthday to various seminars. There they offer different topics, and you are free to attend any particular seminar.”

“I think that one very important result was the creation of the Alumni Club, useful not only for personal connections but also for the development of business support from other managers and companies. In my case, I needed to borrow some money for my business and I could get letters of recommendation allowing me to get loans from banks.”

“From the local point of view, there is a personal business network of participants in the Tver Region which was made into a formal Alumni Association and it would be interesting to connect all the Associations existing in Russia.”

Participants identify a huge potential in these connections, both from a personal and a business point of view:

“Whatever my needs might be - recruiting new employees, getting in touch with foreign partners, entering a new market or just having the chance to exchange opinions and get advice - I know that I can count on all the graduates from the program... they cover every kind of business, every managerial field and I can find them all over Russia.”

Sometimes these relationships evolve into a business network. Immediately after training people start to do business together. Alternatively, after some time they may develop new business with someone they had met during training and with whom they have kept in touch:

“In the near future, our strategy is to invest mainly in tourism incoming to the Tver Region. This strategy is a concrete output of the program. As a matter of fact, during training and after discussions with other tour operators, Valery, a participant, understood that it was very difficult for a small operator in Tver to compete with the big ones located in Moscow and St. Petersburg. So the idea, which was shared with other participants, was to take advantage of the location of Tver between Moscow and St. Petersburg, the most visited places in Russia. If people have to move between Moscow and St. Petersburg, we could try to intercept them. Then the problem was implementing this idea and one company alone was not enough; so the decision was taken to create a network of seven tourist agencies co-operating on two different levels: to jointly promote the Tver Region, a common asset to be enhanced; and to share services (buses, restaurants, hotels) in order to reach critical mass in bargaining with providers. Our network is called

“Golden Way of Russia” and our aim is to continuously enrich our common product adding new services for potential customers: at the moment we are planning to enrol new partners, to whom we are offering business planning and training.”

“An overall result of all these years of international training projects is represented by a new project that the Academy is developing: to build a non-governmental network of Russian Managers of Medical Organisations including our local network as an eligible partner to present the project.”

Some new links between private (companies) and public (local government) sectors are emerging thanks to the “common language” that people now share and that operates as a social infrastructure:

“In the last two years, many managers that attended the training program in the past have been entering the Public Administration in important positions and from there have been starting to dialogue with the business community because they share a common understanding.”

When this dialogue works properly and the public sector is able to support the business community, very concrete results are reached:

“The big impact of this new direction of public support for business is tangible: a recent business trip in Sweden resulted in a €3.5 million contract for a Russian company that is now a supplier for Swedish and Danish companies.”

There are many unintended effects at this level:

The training setting has become a sort of “business incubator” where new ideas and businesses get started. If this might be a problem for the single company that is losing a valuable manager, at the same time it has a beneficial impact from a broader social point of view, supporting the creation of many “small entrepreneurs” who might then recreate the socio-economic fabric of Russia:

“After graduating from the program I felt that I grew up from my institute. The project I developed afterwards was not supported by the Institute of management and I decided to continue it by myself. At the same time when looking for companies to visit in Italy, I found a very interesting problem solution: electronic trading of trash. After the program finished I started to develop this project,

contacted my English partners and we organised this trading through Internet. I am a co-ordinator of that project and now it is under the management of a special consulting company. I developed this idea when looking for Italian companies within the framework of Delphi-1.”

“No doubt, such programs are indispensable for top managers and middle managers as well. I can say that at least on the basis of our company’s experience. In a more global sense, I would recommend to broaden the target audience and together with top and middle managers of these companies, search for business-oriented people, open to new ideas and innovations. I would call them “small entrepreneurs”, so to speak. In my view, they are the ones who form a basis/foundation for a strong and stable economy.”

In some cases, people and companies involved in training became “trainers” for other managers and organisations operating in the local area, as if they felt invested by a kind of a mission after having been trained:

“Now I see the company’s goal in helping our domestic firms to grow, using the knowledge and experience I obtained through training programs. What I mean by help is that I am lecturing to the top management, as you already know. Economically speaking it’s not an optimal resource (time) allocation for me (I could make \$150 an hour instead by working for my clients). But I feel I should do it – sharing my knowledge with them – it is my contribution and my mission as I see it.”

“In the local context our plant became the “base/ground” for local companies in the Nizhny Novgorod region to send us their staff, to acquire preliminary knowledge about Management and Marketing. This mostly refers, though, to the participants in MTP from other companies. We organise seminars, master classes for them and provide on-going training practice.”

Training supported the development of a new image of Russian managers and companies in the eyes of potential foreign partners:

“The global goal of such initiatives - as I see it – is to adapt “frightening” Russians to the Western model, so to speak, to make them more West-oriented and thus more predictable in their actions. I agree, more or less, with the appropriateness of this global goal, since only concrete people, not big politicians, change the perceptions of foreigners. Also here I would say that these programs form that intangible micro-level of new innovative decision-makers, which in turn,

contributes a lot to changing stereotypes globally. Achieving the global goal, I believe, becomes possible also by putting the human being at the centre of any economic/political/social activities, as in the West. And I feel this is the path our country should take as well, giving everybody value and treating them all in the same manner.”

This has had a positive impact on Foreign Direct Investments: training clearly contributed to help foreign investors overcome stereotypes about Russian businesses and create an environment ready to attract foreign investment. In this environment a sort of “multiplier effect” is already starting to develop:

“Why are foreign investors reluctant? They used to ask me: “Would you invest in Chechnya?”...Now the number of competent and reliable managers is growing and this stereotype is changing. Moreover, through word of mouth among trainees, investors can find the best opportunity for them.”

Training helped the Russian business community to become closer to its European counterpart also by learning and adopting international standards:

“Compared to ten years ago we are becoming better and better, like a child that is growing...we used to be very far from them but now we are probably reaching the same level.”

“The more Russian people absorb European ethics the sooner we will become a real part of Europe. There were 23 of us. Well, not much, but it’s something.”

“It is a way of learning about and getting acquainted with international business standards, especially when business co-operation starts after the internship.”

3.6 Elements favouring the impact

In the following, the conditions that supported the impact of training on individuals and organisations in particular are described:

The link between training for a concrete business and/or organisational task, which helps the individual to understand the meaning and importance of participation in training and enables the organisation to make a concrete improvement. In this way a “virtuous circle” starts in which people are motivated to attend training and where the

organisation (top managers) is ready to invest in training and support the trainees in implementing what they have learned:

“Moreover, in every individual case, this internship program was aimed at helping them to solve their specific task in accordance with the general strategic aims of the company.”

“In Germany we visited a number of companies, Volkswagen, for example. Then we came back to Russia and finished our studies. We acquired anti-crisis management skills, or, to be more exact, company management skills in a crisis situation. In addition, training taught me to ask the right questions and answer them, as well as to set a problem that needs to be solved. The training helped us to solve about 80% of our problems. Such was the main result of participating in that project...after that we began to send our personnel to the program with a concrete task!”

To train first the entrepreneur/top management, or the managerial level where the power to make decisions is situated (sometimes not necessarily linked to the formal position/title):

“As for the global task, apparently, they are idealists. The program was clearly aimed at market-oriented people, who are open to market ideas. It is clear even from the interviews before training. In all the programs I applied for, with the first question they could easily identify the market-oriented people and take them into the program. After getting new ideas at the training, participants were supposed to put them into practice...so they chose directors and vice directors because only people at this level make such decisions. But they are not quite right. I was the first deputy of the director, but I didn’t make decisions, only the director could make them, because he was the owner. Whatever the idea, I couldn’t implement it, if he didn’t want me to. Maybe, the situation is different at the plants, maybe there vice directors are given more freedom to make decisions – who knows? In general, financial matters are decided by the directors, and no one else. If the director himself went to the training, maybe he would accept some particular ideas...”

Achieving a “critical mass” of participants from the same company, especially in the case of medium and large companies, and focused on the solution of specific problems:

“To talk about the future, first of all, if some programs take place, it would be wiser to delegate a number of people from the same company; secondly, I am absolutely sure that they must have a concrete task and work only towards making

a decision: this will not only stimulate their theoretical knowledge, but also elicit some useful practical knowledge. I mean that the training should have an applicable character.”

“Why did training have such a strong impact on our company? I think that at least 100 people from our company attended training under supervision of the School of Management from Sweden. This represents nearly 100% of the administrative staff...”

Creating a strong commitment towards training among the top management of the company:

“I am sure that every general manager of every company should watch his/her personnel, consult them and help them. If he/she doesn't do so, this training would have no effect, especially at the beginning. As for our company, we are planning to send managers to training to help us deal with the most important problems our company is facing...nowadays we work hard on cutting production costs, this is our strategy and we are interested in training of our personnel in this field.”

3.7 Elements preventing the impact

Below, some conditions which hindered the impact of training on individuals and especially organisations are described:

The presence of an authoritarian, bureaucratic and traditional style of management (which is not rare in Russian companies, especially large ones):

“I would call it the authoritarian style. The director was a former sailor; he used to be the captain of a submarine, so in terms of management he used the methods typical of the Navy. He had a loud voice, interfered in all matters, even the smallest ones: he even checked how wet the cloth used for washing by the cleaner was. So, of course he didn't welcome any independent structures within his company.”

Lack of HR department and policies, which support embedding into the organisational development process:

“There was no any specific policy regarding that. I was in charge of finding the workers. I was looking for the workers myself. The Employment office of our

district used to send us the applicants (who were unemployed). But they were not interested in getting a job, and I ended up looking for workers among my friends and acquaintances. So it was difficult to understand if I was going in the right direction in terms of my company's strategies."

Wariness towards the participants doing training by bosses and colleagues who see it as a threat to the "traditional" way of thinking and doing things in the company (it is a issue of power):

"My company is a branch of a big company, where they follow their own rules. My duties are strictly regulated: they limit my discretion concerning possible innovations. If a newcomer starts introducing and recommending something new, he/she might be misunderstood. There is the director, whose responsibility it is to decide what should be done, and what shouldn't."

"At large plants it is usually the traditional inertia of the directorship that prevents innovation. Old-fashioned views prevent progress. In addition, if you introduce innovation and this shows that the previous work had not been arranged properly, that means that the people who had been in charge were inefficient - who wants to find themselves in such a situation?"

The lack of language skills to maintain or further develop the relationships established during the internship:

"I cannot say that I know English very well, but the training helped me to enlarge my vocabulary...nevertheless it is difficult to maintain relations and develop business when your are not speaking a foreign language fluently...I always need an interpreter..."

3.8 *Focus on internship*

Here follow some elements that greatly facilitated the success of internship when they were present, and when they were not, weakened its effectiveness.

Being involved in the everyday working routines and mechanisms of the host company:

"Then we started to discuss some very serious issues with them, solving a number of problems together, and the level of our knowledge began to increase."

“First, there was a good introduction to corporate policy, which I appreciated. Then I was provided with all necessary equipment, sources of information and assistance. I communicated with the Finnish specialists from the same field every day, and that experience was very important for me. Also, an extremely positive aspect of the internship experience was that I was involved in the company’s everyday routine, activities.”

“I learned how top managers worked, I saw their decision making process, their market approach and their people management techniques.”

Accurately selecting the host company according to the trainee’s profile and needs, possibly holding a meeting before travelling abroad:

“I would go for the choice of the host company. See, in my case the German firm where I attended an internship, had only men on staff; they did not treat women as real professionals in the field. Therefore, I suffered from some mistreatment sometimes. Of course, had I known that beforehand I would have picked another company, say with mixed gender staff.”

“I was trained in Finland. The organisation of the process was very good, perhaps because they visited Nizhny Novgorod a month before training and I was able to contact them.”

Providing a tutoring service to help people to manage “being abroad” (in many cases it was the first time!):

“The organisation of the whole process from the EU side was just perfect, not a single word of complaint. For example, our organiser-manager Joshua was like a “second father” for us, giving us all the support we needed.”

“From the very beginning, when we were taken to the School of Business and accommodated at the students’ campus, each of us was given a Hotels’ Association card, free access to Internet, and we were told: “You will be here for a week, you are adults, you should do everything by yourselves. Find out the train timetable, travel to your host company (located in another town) and do the training.” There were 14 people in our group, most of us thought this independence was positive, but for 4 people it was rather difficult. I guess they hadn’t had any experience of living abroad...”

Keeping the group of trainees together whenever possible (at least for small groups), even during the internship, so that during their learning process they could also rely on exchange amongst themselves:

“Finally, I would probably suggest trying to avoid sending people abroad alone. Sometimes I felt like talking to my Russian colleagues and sharing impressions with them. And that’s what we actually did during our stay abroad: every week we used to meet in Paris with people coming from all over and we just hung out together. We needed that time off to relax and exchange opinions about our experience.”

Devoting some time before leaving, not to technical training, but to providing trainees with some basic knowledge about the host country from a cultural point of view:

“At this preliminary stage the information about the country (France) was also of interest. It helped us understand their mentality; it was interesting in terms of cultural awareness. For example, they talked about trade unions in France, which are very strong there both in big and small companies and they really protect employees. It’s very difficult to fire a person, for example, and extra hours of work have to be agreed with the trade union, etc. It was curious to see the reaction of our directors (the participants in the program); they said: “What am I supposed to do, if I want to fire someone?” They were very surprised, because in Russia it is so easy.”

“But I did not have enough preliminary information about the ways business works in France, where we did practice. What methods and principles work in their market? It would have been more effective if we had received some theoretical information about Management and Marketing in the host country.”

3.9 *The integration of field evidence with quantitative data*

The analysis of the qualitative results from the field was integrated and supported with some quantitative data, notably from the database of the Federal Commission, in order to cross-check the overall coherence of the qualitative evidence with already existing knowledge. The main results of this cross-analysis are summarised in the following box:

Quantitative analysis

Introduction

The qualitative data analysis was supported by the initiative to enhance the value of existing quantitative data, notably the database of the Federal Commission, for the following methodological reasons:

- The data are representative of the population analysed, both in terms of level of absolute significance and in terms of the breadth of the object;
- The data partly correlate with the areas of investigation and items included in the check-list used for the case studies and were advantageously integrated into the qualitative side of the impact study;
- As the fieldwork reveals, participants often confuse the different training projects they attended, instead of focusing on the results they/their organisation obtained from managerial training. Even though the data of the Federal Commission database refer mainly to a specific training program (The Presidential Program), they constitute significant information on “the experience of managerial training attendance” as well as other programs that constituted the specific brief of the impact assessment study.

The data analysis process

The main steps followed by the Operational Team for quantitative analysis were the following:

- 1) The starting point consisted in an analysis of the structure of the Federal Commission database, which reflects the one of the overall “program evaluation processes” adopted. In particular, the Operational Team verified, with the Federal Commission’s collaboration, the completeness and updating of the database;
- 2) The second and parallel step consisted in working in strict accordance with the Federal Commission in Moscow to overcome constraints due to the fact that some data were only available in the Russian language;
- 3) Thirdly, some joint analysis was carried out with Russian experts.

The analysis focused on two main sources of data:

- Follow up questionnaires (covering the years from 1998 to 2004);
- A specific ‘Impact study’ of 2000-2001;

The quantitative data were used to refine the research hypotheses subsequently explored on the field. The epistemological approach focused on the “whys” (the reasons behind) and the “hows” (the processes through which, the conditions under which) of specific phenomena that the quantitative data highlighted. Here follows a list of the main hypotheses - also deriving from the analysis of the quantitative data – that the Operational Team elaborated during the fieldwork:

- What are the reasons for and the dynamics behind internal and external mobility related to training?;
- Did the attitude of companies towards training and training providers change after the experience? If so, how? ;
- How do participants, once they come back from training, become “change agents” able to guarantee a ‘multiplier effect’ inside the organisation? (Are they capable of do that? - What constraints do they face?);
- How can the analysis of the impact of training on “networking” (if, how...) through interviews of “external actors” be made more in-depth? This is because FC questionnaires seem to be mainly focused on the individual and organisational level, but less on the local system/environment;
- To what extent, under what conditions and in what ways is the process of creating a new social group proceeding (the group of ex participants, formalised by the Alumni associations), and capable of becoming a driving force of social and economical change? ;
- Is a “formal use” of training recognisable? By ‘formal’ we intend not a substantial development of competencies, but simply a chance to obtain a qualification (we refer to the so called “audit society”).

Data integration

Concerning the impact of training at the individual level, the analysis of the quantitative data available allows the qualitative evidence to be integrated , mainly in regard to two specific issues:

- 1) language skills;
- 2) mobility.

From the data available, a lack of proficiency in foreign languages emerges. In particular this involves:

- oral communication: 39.8%
- writing: 32.5%
- reading: 10.7%

Regarding mobility, quantitative data confirm that the training had a positive impact on the career growth with 50.75% experiencing internal and external mobility after training. Internal mobility was mainly within the same division/department. External mobility was an important event experienced by 33.3%. The main reasons for the external mobility were: “new promising opportunities” (23.6%) and “no opportunity to apply my knowledge, experience, development plans” (12%).

As far as the impact at the organisational level was concerned, the analysis of the quantitative data focused on the following topics:

- objectives motivating change;
- managerial areas mainly affected;

- practices implemented;
- those supporting the implementation of change within the company.

The analysis reinforced the picture emerging from the findings. In particular:

- 1) **Aims of change.** The data confirm that the basic needs motivating participation in training derive from the internal organisation (both in terms of managerial structure and human resources management) and the relationship with the market (both in terms of increasing presence in existing markets and new market development). In contrast, the issues of investment attraction and company values did not appear to be priority needs for companies.

Highest items

Personnel productivity improvements	38.2%
Management structure optimisation	36.7%
Increase company's share of existing markets	28%
New market development	26%

Lowest items

Increase in company's value	12.7%
Investment attraction	11.9%

- 2) **Managerial areas affected.** Reflecting future aims and fieldwork results, the managerial areas mainly affected by training were: strategic management, marketing and the organisational structure. Issues like internal auditing and investment analysis were not company priorities.

Highest items

Working with clients	26.9%
Management teaching and upgrading	25.5%
Market research	24.6%
Organisational structure	24.6%
Strategic management	23.8%
Business plans	23.8%
Corporate culture	23.4%
Advertising and promotion	22.3%

Lowest items

Internal auditing	11.1%
Investment analysis	11.1%

- 3) **Practices.** One can observe that after training new practices and managerial tools have been applied in the areas of: i) the relationship with the market (development of new business strategies; improvement in marketing activities; intensification of work with clients); ii) human resources management (professional training). The high percentages leave no doubt as to the huge needs of companies in these areas. Issues associated with compliance to international standards were not a priority.

Highest items

Improvement of marketing activity	54.6%
Intensification of work with clients	51.2%
Professional training	47.8%
Development of new business strategies	42.6%

Lowest items

Certification of the company (ISO9000)	17.7%
Product certification	12.2%
Ecological certification	5.2%
Stock market activity	3.6%

- 4) In order to **support the implementation of changes in the company**, the Russian experts were more highly valued (3.31) than their Western experts (2.99)*. This probably means that - especially after the early years when the need for “Western” to establish a market economy was very strong - Russian managers and companies became increasingly aware that there was a great need to adopt, but also adapt managerial tools and systems to the specificity of their local business environment. here local “professionals” were perceived as potentially providing better support.

* Range of 1 to 5

4. Highlights on specific issues

Although the focus of the impact assessment study was aimed at identifying the general impact of training in the Russian Federation, it is still possible to single out some peculiarities that reflect the different regions analysed, the varying size of the companies and the different training projects.

4.1 Regional specificity

St. Petersburg

St. Petersburg is located in the North-West of Russia in the Neva River delta on the Eastern coast of the Gulf of Finland. The St. Petersburg area is 605.8 sq. Km. Including its administratively subordinated territories - 1439 sq. Km - St. Petersburg is the largest city in the world located so far to the North, the second city in Russia in terms of population and the largest seaport accessible to Europe of the Russian Federation.

St. Petersburg is the second (after Moscow) largest manufacturing center in Russia. St. Petersburg's history and its social and economic position are inseparably linked with secondary industry, which have always been an important part of the city economy. In 1999 St. Petersburg's companies produced 3.5% of Russia's industrial output . The growth of St Petersburg's economy in 2004 compared to 2003 was 113.9%.

The city's industrial complex hosts numerous companies belonging to various branches of secondary industry. The dominant ones are machine-building and metal-working, the food industry, electrical power, chemical and petrochemical industries, construction materials and forest products including timber processing, pulp and paper industries. In particular, St. Petersburg has a very diversified machine-tool building industry mainly in shipbuilding and power machines (40%), with a large contribution in the food processing industry coming from beer and tobacco (30%). The banking and retail sector are now rapidly growing generating a virtuous circle.

Since the early nineties, St. Petersburg region has experienced a drastic fall in high-end manufacturing (especially in industries linked to the military-industrial complex and machine-tool building), a decline in the volume and quality of R&D, and a serious decline in the quality of education in many important disciplines. Now this situation has changed. The North-West region is a very promising one for setting up manufacturing activities: the quality of education in technical fields is high, rent is cheap and the logistic advantages for export are many. These structural conditions, together with improvements in the average level of managerial skills, have created the conditions for the Saint Petersburg area to evolve from raw materials' production to more sophisticated and sustainable forms of production.

In addition, external mobility – healthy only in small percentages – is decreasing compared to the recent past in favour of internal growth and professional development.

Recently investments have been growing and international reliability is increasing. Among the factors contributing to international recognition are favourable structural changes, and positive effects created by training:

- fast rates of growth in the region (35-40% per year for many businesses);
- workers who are quick to react (now also equipped with the “right” managerial skills);
- strong technical skills (to be maintained);
- good logistics;
- interesting local market for products/services;
- reliable business environment (“Many MTP graduates, after training, opened joint companies with foreign companies, and these represent successful examples”).

Management training had a fundamental role in supporting the successful strategies of companies and in creating a wider labour market of managers with experience abroad for the first time. These managers were prepared to work with European countries, and were active and effective. Compared to Tver, the feeling of belonging to a managerial elite in St Petersburg is less prevalent, socially prestigious and significant; the feeling of belonging to a new generation with concrete opportunities to affect and change situations is still tangible.

“Business men and women are more educated and start to understand their goals and those of their businesses. Now they are more motivated. They feel they belong to a new generation of managers: the new Russians.” (*quotation from a training provider*)

From the point of view of both the business community and training providers there is a strong awareness about the future challenges for management training. If the first wave of training laid the basis for social and economic development, mainly through internship abroad, the following issues should be addressed in the future:

- the need to specialise top management on specific issues linked to international markets and globalisation;
- the need to increase high level technical training “integrated” with managerial skills;
- the need to sustain innovation processes in all managerial areas.

To be able to respond to these growing needs, training providers and regional centres are jointly starting to focus on the following challenges:

- preparing a new generation of Faculty and re-training the qualified faculties already in the Universities;
- supporting the labour market in reaching a critical mass of qualified managers. Economic development, requires increasingly qualified managers and the actual supply is inferior to demand. Furthermore, the business community feels it has not yet reached a critical mass of qualified managers sufficient to influence government policies;
- supporting requests from Alumni of the Presidential Program to partly upgrade their education abroad, partly in the Russian Federation.

The need for lifelong learning clearly emerges, and the regional centre is willing to support it. To achieve this, the Federal Commission and the universities are planning to develop a joint MBA program with a double diploma (Russian and foreign).

Currently, the role played by the resource centre is fundamental for the business community, both during training, by orienting and carrying out business matching between the participant's company and foreign companies, and particularly after training.

The Centre was established in St. Petersburg in 2004 and actively supports graduates in different ways:

- 1) by providing information about the market situation, new projects and the government policies;
- 2) by helping graduates in their careers;
- 3) by recruiting for foreign companies: it develops projects with foreign companies by providing expert consultancy and personnel;
- 4) by playing an important role in animating the Alumni Club;
- 5) by placing its a tourism department at the disposal of business wishing to organise conferences and events for foreign delegations.

The most significant activity of the resource centre is support for graduates who want to develop their business projects. The resource centre is fully aware that the needs of graduates are now very different from the past and that the resource centre needs to adapt and change its activities to respond to them properly: "Graduates have now reached a higher level and need to be supported in real business. They need a new

communication campaign towards other countries. It is quite hard for them to get partners and do business for several reasons, particularly as stereotypes about doing business in Russia still exist. Moreover, people usually cannot make contacts without proper references. There is a huge wall that needs to be broken down.”

To this end, the resource centre recently developed special programs to deal with this problem and properly represent the Russian context. In particular these were:

- special programs on intercultural management;
- exchange visits: brief visits to Russia and foreign countries “because now people are interested and focused on doing business”.

The level of integration between business community and public administration is lower in St. Petersburg than in smaller communities like Tver. At the same time, a lobbying strategy has emerged, on the part of the regional resource centre and the Alumni community, aimed at enhancing mutual dialogue and understanding.

Tver

With a population approaching 1.6 million and a territory of over 84,000 square kilometres, the Tver Region is territorially the largest region in Central Russia. Tver, the capital of the Tver Region and one of the oldest Russian cities, is conveniently located between Russia’s two largest cities: Moscow and St. Petersburg. The region boasts a suitable location, a myriad of natural resources, tourist attractions and strong industrial potential. The most important industrial sectors are: machine building (27.5%), electric energy production (23.9%) and food processing (14%). Currently, approximately 36,000 companies operate in the Tver region.

Management training has been strongly encouraged by the local government and by the regional centre as a powerful tool to support the growth of business and increase foreign investments, still small compared with Moscow and St. Petersburg. Such dynamism highlights an important characteristic of the Tver region: the strong relationship between the different stakeholders (business community, public sector and training providers), based on a common belief in the usefulness of training for local economic development. Quite likely, the extent of cooperation among the different actors, which conceives and uses training as strategic lever for local development and to attract investment, has been enhanced by the small size of the “community”.

Since his election in 2003, the Governor has been the Chairman of the Presidential Program. In particular, the business community trusts the regional resource centre, considering it a fundamental and reliable point of reference. At a local level, the resource centre acts as a recruiting and coaching “agency.” It attracts participants looking for new job opportunities, as well as foreign companies looking for qualified personnel. In addition, the resource centre plays a significant role in attracting foreign investment by acting as a sort of “guarantor” for the competencies and reliability of local companies and managers

From the point of view of the business community it clearly emerges that training has played a fundamental role on two different levels. First of all, it has created a qualified labour market in the region in response to a major problem in the Tver area, i.e. the need for massive re-qualification of company personnel (technicians/administrators). It is possible to speak of real “capital personnel development that gives a sort of guarantee for the regions and for the whole Russian Federation that will stick in the future.”
(Quotation from the Head of Department of Economics and Industrial Policy of the Tver region)

Secondly, it has created an overall awareness among business people of their own problems and needs. A growing number of companies is beginning to send a critical mass of employees to the courses. The participation of top management in the courses at the first and second level of management has proved to be very effective. At the same time, the local system for training providers appears not to be fully developed and still characterised to some extent by an academic and theoretical approach. Nonetheless, it is clear that the development of a mature training supply is slowed by demand that often considers training as synonymous with career/business opportunity and which defines training as meaning “go abroad”.

The most impressive impact at the local level is the strong sense of belonging to a social elite shown by all ex-participants. It is significant that the words “friends” and “colleagues” are indifferently used to refer within this group. What emerges is the creation of a lively and lasting community which sees a distinctive role in the establishment of contacts at the local and international level. The opportunity, through training, to establish contacts is seen as the engine of the region’s development. This community has been strengthened by the contribution of a small number of key people both from the public and private sector who are widely recognised as the “catalysts” of the local system.

The community includes representatives from both the private and public sector. An explicit strategy supporting the employment of MTP participants in public administration is emerging. Indeed, many have been appointed to significant positions that allow them to take part in policy making at a regional level. Hence, public/private dialogue is fostered. More importantly, the opportunity is made to carry out social and economic development strategies locally.

Furthermore, training has encouraged innovation in the local area through collaboration and networking. The international project “Seliger”¹⁹, whose starting point was the Presidential Program, is considered a pilot project that can be extended to other regions to assist in planning and developing local areas even in an international context. It is clear that such the opportunities this project offers can help to enhance and promote the visibility of the entire region.

One can affirm that the impact of training in the Tver region at a local level has been very high. This is due to the strategic use of training by federal and local administrations, which in these years has successfully pursued the strategy of supporting the development of the region with well-trained managers, both in private companies and the public administration. From this perspective, training is considered as a way to support local development planning.

According to local policy makers, in the future the main challenge for the Tver region will be to use its intellectual and social capital – accumulated over ten years of training investments – to find a sustainable position in the Russian and global value chain.

Nizhny Novgorod

The Nizhny Novgorod area, located relatively close to Moscow, is growing rapidly. After the Soviet collapse, several donors – particularly the World Bank – funded training programs in this area. However, the Federal Commission and the European Union, through PP and MTP, intervened only seven years ago.

¹⁹ The project is an effort to develop a sustainable system for the Tver region in 3 pilot districts that cover a total area of 8.000 square metres and contain 50,000 habitants.

During the Soviet era, Nizhny Novgorod used to be a closed town, with substantial investments in the automotive and defence industries. This background meant Nizhny Novgorod had a strong manufacturing base with a great number of companies in various fields. This increased knowledge and interest in industrial development. In some ways, Nizhny Novgorod's heritage helped to create what we can call an "Industrial atmosphere". During the '90s, this industrial atmosphere became a "fly-wheel" for growth which can explain the huge amount of investment from major Russian cities (mainly from Moscow) and other countries (Germany above all).

The manufacturing base of the area is organised into clusters that involve the following industries:

- Automotive
- Wood processing
- Furniture
- Hotel and Catering business
- Chemicals
- Spin-offs from defence based research

The capacity to attract foreign investments – due to the existence of an "industrial atmosphere" – has facilitated the adoption of Western models in business practices. The need for Western managerial tools, strongly supported by individual and corporate demand, influences and characterises the overall training supply system. From this viewpoint, training has contributed to maintaining a virtuous circle linking together a well defined area, highly skilled people (social and intellectual capital), high standards for training institutions, universities and training providers in general (training standards, as expressed by the participants and confirmed by several surveys, were high for all courses).

The training supply system is the most important actor in the economic development of the region. Training providers are strictly linked with the business community and are capable of satisfying the practical needs of companies. The role of training providers has had a strong impact on the region.

In addition to the training system, strong growth has been shown by the other actors of local development such as service providers, the business community and the public administration, which constitute a network whose links have been forged by training. For this reason, newcomers to the training industry in Nizhny Novgorod are becoming

comfortable with the idea of acting as connectors for the local development of the region.

This web system identified the following challenges for the future development of the area :

- reaching a critical mass of qualified managers;
- sustaining the development of the Alumni Association which has become important for the establishment of contacts and businesses. The emerging trend in this field is to target the new Association according to the countries where the participants attended their internship.

4.2 Size specificity

The findings indicate that the highest impact in small and medium companies was in terms of business definition and involved a number of primary management processes, especially marketing and personnel management. The low impact on other areas of management was not surprising, as it validates the priorities indicated by the leading theories of business development. In the early stages of growth, companies on the one hand concentrate on sales and on rapidly consolidating a market presence, and on the other, on managing and training the people who help the company's owner achieve this goal. Here, people and companies "select" from training what they perceive as strictly relevant and coherent with their stage of growth. In the future, according to the stage of development, one can imagine the focus of training evolving, according to the growth and needs of companies.

Sme's: priorities in growth

Stage	Functional emphasis	Value chain positioning	Critical factor	Required training
Maintenance	<ul style="list-style-type: none"> • Business inventiveness and skill • Technological innovation • Product development 	<ul style="list-style-type: none"> • Low value positioning in the cluster • Limited and simple organisation • Focus on cost and flexibility 	Hybridisation of technical expertise with managerial skill	<ul style="list-style-type: none"> • Technical • Short term • In company • Functional
Development	<ul style="list-style-type: none"> • Managerial structure • Ad hoc managerial instruments • Mechanism of internal coordination 	<ul style="list-style-type: none"> • Progressive organisational fit • Product driven with international window • Trade off owner/manager 	Strategic awareness of strengths and position	Entrepreneur Business development program
Growth	<ul style="list-style-type: none"> • Development of core competencies • Acquisition of additional skills from outside • Development of dedicated strategies and of mechanisms for coordination of interorganisational partnership 	<ul style="list-style-type: none"> • Go to global • Division owner/manager • Customer focus • High added value • Managerial structure • Small and large firm integration 	Hybridisation with other cultures	<ul style="list-style-type: none"> • Executive training • Organisational development

As shown in the above table, the growth dynamic imposed by the system of complex relationships with the other actors of the cluster will progressively force SMEs to adopt managerial processes. One can assume that when some of these companies enter more evolved economic systems, they will move towards greater improvement in managerial procedures. Leaving aside their impact on performance, managerial procedures become common practices in which shared growth strategies can be implemented. And this is true whatever the size of the companies.

Indeed, it was possible to observe some companies linked to international networks (and there are many in the Russian Federation, as various surveys on systems of corporate governance underline, where a gradual process of compliance with international standards is emerging), which have successfully applied managerial practices shared

with Western systems in every managerial area. The motivation for application is immediately clear: to develop imitative mechanisms enabling direct dialogue with the other companies in the network/value chain. Their behavior in adopting managerial processes can become a benchmark for future activities for those companies that at the time of training did not have these priorities in their strategy.

In large companies, training was used mainly to improve the professional skills of the employees, while it was less effective for organisational development for the following main reasons:

- competitive pressure is still very weak and therefore there is little incentive to make changes aimed at gaining higher efficiency. From this point of view, it is important to understand whether the current shift towards a complete market economy will also impact on the complete “transition” by companies towards new managerial practices and systems;
- there is a natural reluctance towards and underestimation of management systems connected with management accounting.

4.3 Program specificity

The sample was composed of several initiatives financed by European Union and World Bank. Of course each project had different aims, but what was important, at least in the eyes of beneficiaries, both individuals and companies, was that all the projects aimed at improving their managerial skills.

From the point of view of the participants, there were no significant differences among the different programs: distinguishing different sources of finance remained, so to speak, a “theoretical exercise”. Their attention was focused on the overall effects of their participation in managerial training, which were acquiring knowledge from different experiences, making a further step in one’s career (for individuals) and having access to qualified skills (for companies).

In addition, the acritical adoption of a “Western” managerial model neutralised the specific aims and objectives of the different programs. This process was encouraged by the convergence of donors towards the same format - training and internship - characterising the second step of the MTP and the PP (where donor funding was the main focus).

The emotional dimension of the training experience led participants to place greater emphasis on participation rather than the specific goals of each program.

From the participant's viewpoint, the projects financed by international donors like the European Union and the World Bank and by the Russian Government ended up being entangled in the "big event" represented by managerial training for a country starting/completing the transition process to a market economy.

A further aspect favouring the assimilation of the different programs in the participants' perceptions was linked to the management of the training programs in each local area. For example, in two of the three areas addressed by the study, Tver and Nizhny Novgorod, all the projects were run, more or less, by the same people and by the same organisations.

In these areas, it was possible to observe that the different programs, though supported by different sources of funding, pursued a common objective: to accelerate the transition process of the local area, giving participants the opportunity to acquire new knowledge (social and intellectual capital), to establish personal business connections and to consolidate the local network. A very interesting and particular path towards social innovation thus emerges.

5. Donor Survey

5.1 Introduction

A survey was carried out among international donors to better comprehend the impact and benefits of management training initiatives from their perspective.

The general aim of the survey was to recognize the strategies underlying the funding and how they have changed over the last thirteen years, clarifying what the expectations and perspectives are regarding future collaboration with the Russian Federation.

Central to the donors' survey was the hypothesis that a "multilateral perspective" could be very helpful in better weighing up and focusing the results of the impact assessment

study, given the very complex and articulated nature and features of the object to be analysed, viz: management training in the Russian Federation.

In order to achieve these objectives, the following actions were taken:

- a formal meeting in Moscow with the main donors to get an overview of their initiatives in the Russian Federation and an understanding of the strengths and weaknesses of programs applied in the past. Representatives from Canada, Germany, Netherlands, Japan, United Kingdom participated in this meeting.
- a survey among the participating donors to comprehend:
 - initial reasons for starting a collaboration with the Russian Federation;
 - initial goals and aims of the programs;
 - strengths and weaknesses of the initiatives developed;
 - vision for the future.

5.2 Overview of the initiatives of the donors

All the initiatives developed by the donors so far were successful in achieving their initial aims and objectives and involved many Russian managers, both in the Russian Federation and in the host country.

All the donors agreed to stress the importance of cooperation with the Russian Federation over the last ten years, but they also asked for significant changes to be made to future programs, due the modified socio-economic context within the Russian Federation.

Bilateral cooperation with Japan

The initial reasons for Japan's decision to start the program were to assist the transition to a market economy after the disintegration of the USSR and to help the Russian Federation integrate into the Western economy.

Assistance to Russian economic reforms took the form of training Russian company managers and their staff. The assistance program started in 1993. After the Russian President Program was initiated in 1997, Japan began cooperating with the Federal Commission on the Managers' Training Program.

The program was focused on the transfer of knowledge and know-how, which is essential for a market economy, to young Russian managers and businessmen. The program consisted of seminars (on subjects like marketing, personnel management, finance, quality management, SMEs, venture business, etc.), which lasted four days with teachers from Japanese universities and consultancy firms. Participants who gave good results during the seminars got the chance to attend a three-week long internship in Japan visiting companies and integrating the theoretical knowledge obtained during the seminars with some practical experience. Follow up activities were then organised together with seminar graduates through the Alumni Club, supported by the Japanese Centre. They currently meet twice a year to check up on how the Club is progressing.

A network of Japanese Centres has been created, there are seven centres located in Moscow (2), Saint Petersburg, Nizhny Novgorod, Vladivostok, Khabarovsk, Sakhalin. Approximately 29000 people have taken part in the seminars organised by the centres over the last ten years and 2700 people went through training in Japan including about 1600 participants in the Presidential Program.

As a result of the program, there was a strengthening of mutual understanding between Russians and Japanese and an improvement in bilateral relations. The Japanese Centres, in fact, are part of the Japan-Russia Organisation for the Promotion of Trade and Investments, offering consulting and information assistance. New business relationships have been set up: a huge database of Russian companies and individual managers has been made available in the Japanese Centres to meet requests for partnerships from Japanese companies. Last year the Ministry of Trade promoted an organisation with the objective of doing “business matching”, helping Japanese companies search for partners in the Russian Federation.

Bilateral cooperation with Canada

In 1993 Canada launched the Yeltsin Democracy Fellowship Program (YDFP) as a renewable ten-year Canadian technical assistance initiative to provide short-term, multi-sector training for Russian reformers.

The program was initially designed to expand the knowledge base and promote the profile of public sector reformers and leaders from the emerging non-governmental

sector. The program had both a technical (skills-building) and a political component (promoting pro-reform officials to decision-making positions and opening government level dialogue between Russians and Canadians). After 1997, in response to an official Russian request, the public and NGO focus was expanded to include private sector managers.

The purpose of the program was to help the Russian Federation Government implement democratic reforms and make a successful transition to the market economy. Four objectives were set, and remained in place for the duration of the program, even after it was extended to include a private sector component. These were:

- to assist Russia in developing the public sector skills needed to manage the complexities of democratic government and market economies;
- to acknowledge and reinforce the stature and positions of influence of key Russian reformers;
- to contribute to the process of transforming the organisational culture of public institutions in Russia and institutionalising legislative reforms;
- to contribute to a process of developing partnerships between Russian and Canadian government institutions in order to foster mutual understanding and ongoing exchange.

These objectives were contained within a broader strategic framework which included four other Canadian foreign policy aims involving Canada-Russia relations:

- preserving global security and stability. This goal is furthered by helping to promote a stable, prosperous and co-operative Russia;
- enhancing bilateral cooperation with the Government of the Russian Federation in key policy fields, including environmental issues;
- promoting democratic values and market liberalisation in Russia itself together with other “Western” countries;
- developing the commercial potential of the Russian market for Canadian goods and services.

The private sector stream was added to YDFP in 1997 in response to a request to all G7 countries from President Yelstin to provide internships and training to private sector managers. The YDFP was asked to organise a pilot program for the PMTP and then to develop a training strategy in the three target regions of Karelia, Volga and Far East Regions. This consisted of a mix of group training sessions and individual internships with Canadian firms across Canada. An innovation in the training strategy in the post-

1997 period was the introduction of a Public-Private Partnership stream. This program brought together senior public officials and private sector managers from YDFP's targeted regions in Russia, in a common in-Canada training program.

Overall, the YDFP achieved its targets for training awards with only minor annual variations. The total number of trainees by the end of 2002 was 652.

Table 1. Cumulative Breakdown of Fellows to December 2002

GROUP	TOTAL	GENDER		REGION	
		MALE	FEMALE	MOSCOW	REGION
Long Term	146	91	55	89	57
Private	243	145	98	22	221
Pres. Admin	181	112	69	85	96
Special Groups	82	61	21	55	27
Total	652	409	243	251	401

All the Fellows who participated in the YDFP program considered it a significant opportunity for personal and professional development. On an individual level, trainees indicated that the training experience in Canada gave them an increased sense of professionalism and confidence. Mobility and promotion to positions of greater influence were widely experienced as a result of the YDFP. This phenomenon is more prominent in the private sector, where 51% changed employment to another company after in-Canada training.

A stimulus toward organisational change was experienced after training: graduates returned to Russia bringing new ideas and systems to share with their colleagues. A few Fellows initiated cooperation projects with Canadian partners as a result of their training, although these numbers are much lower.

At an organisational level, the YDFP training program results are weaker. Generally, the impact of change at the organisational level was stronger in small and medium sized companies where the trainees were either part of a small executive management group or had direct influence over decision-making and could fully control the process of change. Despite these limitations, some reform did occur at departmental/divisional levels of government and within units or departments of some large former state-owned companies.

According to the program project manager, these results lead to the conclusion that “the weak link in the YDFP program was the cost relative to public outcomes. The Russians rated the YDFP training program very favourably but the individual investment was perhaps too high. A shift to greater organisational investment may have been warranted.”

According to donors, the most important outcome of the YDFP was the establishment of the pool of trained candidates that currently exists in Russia. The YDFP promoted a network of professionals who had a common experience in Canada and who can network with each other for support and to exchange new ideas and management solutions with their Canadian counterparts.

Bilateral cooperation with The Netherlands

The program for Russian managers developed by EVD – International business and cooperation – was a joint initiative of the Government and the Business Community of the Netherlands. The reasons for starting the program were twofold:

1. To contribute to the transition of the Russian economy towards a market-oriented society;
2. To strengthen the market position of Dutch companies in Russia.

The overall objective of the program was to provide young Russian managers with an increased understanding of management and at the same time strengthen their skills in successfully developing economic relations with Dutch companies. This overall objective remained unchanged over these years and is still valid.

The program consists of two cornerstones: study and traineeship. The study focused on entrepreneurship giving special attention to enhancing personal skills and practical knowledge. The traineeship focused on the Dutch way of doing business and on opportunities for partnership.

As a result of the program, more than 240 Russian managers have been trained over the past six years with approximately 180 Dutch companies offering internships. On the part of the Russian participants there was a general appreciation of the training, both in

Russia and in the Netherlands. While training was in line with the participants' expectations, appreciation of the internship exceeded expectations, confirming the importance, for the Russian managers, of practical assignment rather than theoretical knowledge. According to 76% of the participants, taking part in the program resulted in concrete business for their Russian company or will do so in the near future.

On the part of the Dutch companies, the reasons for participating in the program were mainly:

- a business interest in Russia (41%);
- improving existing business relations (27%);
- allowing a trainee to contribute to an existing project (24%);
- social accountability (22%).

24% of the companies established business relations with the trainee; 5% started doing business in/with Russia following the program, while 10% now does more business in/with Russia than before.

It is reasonable to conclude that these expectations have been met to a great extent and that the program has led to stronger Russian-Dutch relations, most of them in business, based on trade or general professional areas. Strengths that contributed to the program's success were the increase in the number of participants who mastered the English language over the years, thus increasing the number of candidates to choose from, and the quality of the Secretariat of the Federal Commission in Moscow. The main weaknesses were the difficulties in finding the right participants for the internships made available by the Dutch companies and sometimes co-ordinating the programs of the different donors present within the same regions.

Bilateral cooperation with the United Kingdom

Bilateral cooperation between the United Kingdom and the Russian Federation started in 1998 with participation in the 'Yeltsin Initiative' (March 1998 to July 1998) and continued until 2004 with the support of the Russian President's Management Training Initiative (RPMTI Phase I and II) under the Presidential Program.

The program was funded by the British Government's Department for International Development (DFID) and the Federal Commission of the Russian Government. It was

managed on their behalf by the British Council. The program was conceived at the G7 summit when President Yeltsin appealed for support in developing Russia's market economy. Since its inception in 1998, RPMTI has attracted over 400 UK-registered companies, with 831 Russian managers successfully completing commercial attachments in the UK.

The overall aim of the Russian President's Management Training Initiative was to foster closer commercial ties between British and Russian companies and to provide essential support to middle and senior Russian managers who are committed to developing Russia's company sector.

The program consisted of two parts: 1) attendance of 'The President's Management Training Initiative course' in Russia. The course involved six months of formal Management and English language training within an accredited Russian training institute. 2) A 3 week attachment in the UK. The attachment started with an intensive 3-day management training course at a UK University (either Manchester Business School or the University of Central Lancashire Business School) followed by a 2-week work attachment with a UK host company. The attachment concluded with a debriefing by the British Council and the business school involved.

The program changed approach over time: the initial approach was indeed prescriptive, but when it became apparent that the Russian context was much more sophisticated than imagined, a more flexible type of approach was adopted.

The program received high evaluation scores, both on the part of the Russian managers and UK host companies. The main result of the project was a change in the perception of Russian companies in the UK, overcoming some stereotypes held by the British business community. In contrast, the objective of fostering commercial relations between the UK and the Russian Federation was not totally achieved: UK company involvement and willingness to establish contacts with Russian companies appears to be weak. Interestingly, if we explore the motivations of the UK companies behind participation in the program, we find that altruistic motivations have the highest score (21%), followed by interest in finding new business opportunities (19%).

Table 2. Motivation of UK companies

MOTIVATION	PERCENTAGE
Altruistic	21%
Interest in finding new business partners	19%
Development of personnel within the host company	18%
Export/Import opportunities	16%
Personal development of company mentor	10%
Prestige of the program	8%
Identifying new investment possibilities	3%
Other	5%

The motivations for participating in the program were highly rewarded, because 71% of the UK companies stated that they would be willing to host another manager under the program and 83% would recommend the program to other UK companies in their business networks.

Bilateral cooperation with Germany

Bilateral cooperation between Germany and the Russian Federation started in 1998 and took place over two periods: 1998-2003 and 2004-2007. The body in charge of the programs was InWent gGmbH, authorised by the German government to organise the training of Russian managers in Germany.

The main motivations for designing and implementing the training programs were:

- supporting Russian economic reforms in the regions on a company level;
- assisting the creation of the new generation of young Russian managers;
- creating better conditions for German-Russian economic cooperation.

Over these years, different training program formats were designed to better satisfy the Russian managers' evolving needs. Each trainee group was formed by 20/25 people and the formats could vary from 6 to 1 months in length. All the formats envisaged a mix between theoretical lessons and practice in German companies.

As a result, from 1998 to 2005, 2600 Russian managers were trained. Of these, more than 90% improved their professional skills and competencies, more than 90% got new business ideas, more than 60% successfully finished their task projects and more than 30% established business contacts with German companies.



Furthermore, there was a strong support for the activities of the Russian Alumni's organizations in the regions. In particular, InWent supported a project with three consortia of Alumni associations in Central, South and East Russia in 2002-2005, which resulted in more than 50 events with approximately 1600 participants.

In 2003-2005, the training target was extended to public administrations with the organization of a special one-month course for the economists of the Russian regional administrations.

The regional focus will be an important driver in future German-Russian cooperation. Indeed, a new project focused on the support of regional developments and German-Russian economic cooperation is being planned for 2006. Bilateral cooperation, furthermore, will be strongly reinforced in the near future by a new training format which changes the usual paradigms. For example, InWent and the Federal Commission are developing the concept of training of German managers in Russian companies.

5.3 *The future of bilateral co-operation in the Russian Federation*

Donors were interviewed about their opinions regarding the current scenario in the Russian Federation, the results achieved by past training, and their vision for the future.

The picture emerging of the current scenario in the Russian Federation reveals some important issues affecting possible collaboration with donors. The main issues concerning business are: weak private property norms and enforcement; lack of timely and accurate information provided by government or business associations; deepening inequality/regional disparity. Political stability has improved considerably and this has bolstered investor confidence somewhat, nevertheless, more needs to be done to stem the outflow of financial capital and spur domestic investment. All these elements need to be monitored in the opinion of donors, in order not to damage the positive new perception of doing business with Russian companies among companies belonging to the donor countries. The opportunity of joining the WTO is expected to make business in Russia more transparent and to provide an effective institutional framework in case of obstacles.

Past training has led to a rapid growth in the levels of qualification of Russian managers and businessmen. According to the donors, it is for this reason that new projects and programs – adapted to new needs – will become necessary in the future.

In regard to new formats and new methodological tools, the following requirements have emerged:

- the need for a new format, centred on the ‘On the Job Training’ format, rather than the present format based on general seminars;
- the introduction of new topics such as: corporate governance, innovation, ecology, WTO problems, international law, globalisation, entrepreneurship;
- the introduction of new methodologies: more emphasis should be given to practical skills, information and consulting support and business ‘matchmaking’.

Overall, donors considered it necessary to move from teaching basic management skills towards educating Russian managers to give them a broader vision of the global economy and environment.

As far as the donors’ contribution is concerned, the need has emerged to clearly identify the donors’ priorities in terms of companies and regions addressed. In the future it

would be desirable to start combining the donor's contribution with paid-for programs. Today an increasing number of Russian managers and businessmen can afford - and perhaps are even willing - to pay for a high quality product. At the same time, the SME sector in Russia still needs free education and training programs provided by donor countries. In the donors' opinion, these two features should be combined in the future. Concerning the regions addressed, there is a weaker case for continued investment in regions like Moscow, St. Petersburg or Nizhny Novgorod, since they have now become international commercial hubs.

It is very important to highlight the opinion of the donors that there is a growing need to foster collaboration and partnership between the different stakeholders involved in the training process. It is time to think about training initiatives which bring together local government, education institutions and businesses. In the President's program, the Federal Commission played the role of intermediary, doing an excellent job, if we think that the relationship is still continuing. The donors' suggestion is that it could be useful to create a platform for government/industry and educational institutions to work together, perhaps in collaboration with an EU partner. It could help to normalise and foster local economic development policies. Furthermore, since the environment for foreign investment in Russia is still not very favourable, donor programs should receive more support at the Russian Federal Government level. Support at this level would also be very much appreciated in helping donors to cope with Russian laws and rules concerning foreigners and foreign labour.

In addition, the need for a better and more constant co-ordination process among the donor countries also emerges. For example, it would be very useful to hold regular conferences between donor countries to exchange opinions and search for new topics, methods, formats, objectives and ideas. Donor countries could also jointly organise round table conferences for graduates in different foreign programs. It is also important for the various donor countries to jointly cope with legal and institutional drawbacks they may encounter in Russia. Their joint stance and communication with Russian authorities would help to solve problems more effectively and increase the efficiency of training programs.

Exchange of information between donors, both formally or informally, is essential because in the words of the donors: "we need to search for a new strategy of assistance to Russia. Contribution made by donor countries till now has played a tremendous role in educating a whole new generation of managers and entrepreneurs in Russia and in

improving and strengthening relations between Russia and donor countries. Now we have to find something which will match in its importance and complexity the previous transition from mere humanitarian aid to Russia in the early 1990s to present day technical assistance like MTP and other donor programs.”

5.4 Conclusions

Overall it is possible to underline a strong correlation between the evidence emerging from this donor survey and the impact assessment study, on two different levels: on the one hand, in terms of the main impacts generated by the training programs; on the other, in terms of recommendations for future training policies.

6. Conclusions and lessons learnt

6.1 Conclusions

The findings emerging from the field confirm the hypothesis that management training has contributed to accelerating the transition process of Russian economy and society, which is consistent with the original hypotheses of the initiatives analysed.

Among Russian managers, increasing identification has emerged – to a great extent assimilation –with a managerial and entrepreneurial profile built upon the languages and values of a Western manager. This symmetry, for the most part, is the starting point for a complete transition, even though internally it maintains deep differences due to the nature of the interaction and the type of model. Under the same “Western” umbrella, it is possible to find different managerial styles: American and Anglo-Saxon, continental European or Latin European.

In particular, we refer to issues like: overcoming the “sense of inferiority” towards foreign managers/companies; becoming “witnesses” of the idea of Russia as a reliable place for business; developing a different perception of one’s own role and professional identity. After the course, participants in many cases, even though they were doing nothing or little different than before, changed the their idea of themselves.

The training programs contributed to the emergence of a new “social entity”; the “new Russian managers”, a community sharing languages, approaches and experiences. This new entity has demands and specific goals that cannot be ignored in defining the priorities and new institutional frameworks of Russian civil society.

The spread of a common language through management training, and the general degree of “interest and curiosity” shown at an individual level, has generated a widespread “learning attitude” inside Russian companies, which represents a significant social asset for future activities.

It is very important to emphasise that the impact has been very strong at an individual level, with the emergence of a **managerial role** characterised by a broad and rich set of competencies, skills and behaviours reflecting managerial profiles and models existing in international organisational contexts.

The reasons why the impact was felt primarily at the individual level can be traced to the fact that:

- the programs had a prevailing general management nature, and therefore were more oriented towards developing managerial role attitudes, than to acquiring specific skills;
- the motivation for taking part was primarily individual, connected with a desire to improve managerial awareness and competencies and sustain “employability” both within and outside the original company;
- a certain training model and a shared standard was prevalent; the MBA, which is the recurring dream of every Russian “high potential” executive and is based upon a strictly individual choice;
- the internship was perceived as a relevant and exclusively individual experience, especially in Tacis MTP, compared to the “traditional” training that came before;
- the “donor’s priorities” considered filling the “knowledge gap” in each single participant as the main starting point.

The asymmetric relationship between individuals and the organisation was accentuated by other factors:

- an opportunistic attitude by individuals, due to the perspective of great benefits accruing to career and mobility;
- the authoritarian style of management of many organisations;

- the huge gap between what participants would have liked to do (in terms of changes) and what conditions around them allowed them to do;
- the lack of proficiency in the English language and concern by superiors of losing “trained” people prevented wider participation by any single company.

Only at a later phase, when the training experience was repeated, did participants begin to mediate between the two different contexts. In some ways, the training, undertaken in order to develop both the individuals and the organization, ended up with accentuating the distance between them.

Impact at the organizational level

At the organizational level, the impact appears to be more debatable. Indeed, the recurring lines are much weaker compared to the individual level and the situation is less clear-cut.

These findings can be explained by considering the following factors and dynamics:

- The strong individual bias, as described above, helped to create a different set of priorities which were not always closely tied to those expressed by the organization;
- Secondly, training was not tied to organizational development processes. Interviews with participants often revealed that there was little connection between training and company needs. As already mentioned, some of the impact on the company emerged only when training became a *repeated* practice, which did not always occur. Generally speaking, the first part of training served to clarify ideas, while the second part enabled participants to associate training with a concrete task. In short, training had a focused impact at the organizational level only after the business model and company priorities had been defined. In the cases at hand, this awareness came over time; it was interrupted by the crisis in 1998, and has continued since in stages, though these are still hard to fully define;
- The number of participants from each company has always been very low, except in certain cases, as shown by the findings. In this sense, it is very difficult to establish a cause-and-effect relationship between training, working and organizational performance. When participation in the training program was consistent and linked to a specific task with a clear goal, the results were tangible;
- In some cases, “formal” adherence to managerial procedures, not necessarily linked to the concrete goals of the company, have occurred. Here, the aims appear to be to

‘demonstrate’ learning and project the image of an innovative and Western compliant company.

The findings also indicate that the highest impact areas were in defining the business and a few primary management processes, especially marketing and personnel management. The modest impact on other areas of management is not surprising, as it is consistent with the priorities leading theories of business growth have been clearly setting for some time. For instance: in the early stages of growth, companies concentrate on sales and presence in the market and on managing the people who help the company owner to achieve this goal.

Impact at the local level

At a local level, training contributed to laying the foundations of local development. This was achieved by building a number of local networks creating a social entity - the “new Russian manager” - inspired by common values, and an environment where business language was shared and a positive attitude to change was widespread.

The picture emerging from the findings is that the impact at the local level is still weak for the following reasons:

- training providers still appear to move within a traditional perspective not always focusing on the specific needs of companies;
- public administration and local government; although aware of the importance of fostering dialogue with the private sector, are still perceived by companies as being sluggish and bureaucratic in addressing their priorities;
- the banking system is not yet ready to support company growth.

The transition process observed on the field was based on the acritical adoption of the “market economy” paradigm, where the strong development model was entirely based on establishing relationships with the most advanced economic educational and banking systems, businesses, and regulatory mechanisms. At the same time, the role of international donors was to propose this model. If we look at the data, training has helped Russian companies to create business connections with companies from the economies they theoretically had to strive towards. However, the response from foreign companies has been rather weak. Among foreign companies, business motives were quickly replaced by philanthropy, where the recurring word (see the donors’ survey)

was altruism, something hard to fathom in a business context. The Russian companies analyzed also expressed their enormous difficulties in maintaining the relationships they initiated during the internship.

A synthesis of the main results according to the analytical framework of the impact assessment (fig. 5)

Overall, the pattern of analysis (expected/unexpected and substantial/symbolic) - which guided both the definition of the hypotheses and the fieldwork in the impact study - has proved it can work effectively. Indeed, it allowed many “unexpected” and “symbolic” effects to emerge. Overall, these represent a large amount of the impact generated by training, in addition to the expected substantial effects inscribed in the programs’ objectives themselves.

In particular, the unexpected effects can be summarized as follows:

- an individual understanding of responsibility;
- a common language (of management and business) working as a communication infrastructure both locally and in connection with international partners;
- a partial adaptation to European market standards in order to sustain business development;
- training as a very effective business incubator;
- a high rate of external mobility in the labour market;
- shrinkage of the technical labour market;
- organisations receptive to learning (in terms of developing structures, roles and plans for training inside companies);
- trainees becoming “trainers” for other managers in the local area, on a voluntary basis (multiplier effect);
- the constitution of a social network as the crucial asset on which to build future development;
- Russian managers as a “new social entity”.

At the same time, significant symbolic effects were produced:

- self-confidence and overcoming cultural barriers which had generated feelings of inferiority/fear towards Western companies and managers;
- a lifelong individual learning focus;
- a learning organization (in terms of widespread awareness of the need for training);

- positive vision/image of training with people inclined to see it as one of the main reasons for the improvement in the company's financial and sales performance;
- perception that training contributed to creating a new image for Russian managers, companies (as "reliable, competent, responsible") and the business environment (as "reliable, more interesting and safer than in the recent past"), in the eyes of foreign partners and investors.

6.2 *Lessons learnt*

The findings and the main conclusions emerging from the impact study highlight some lessons which can serve as the basis for reflection for future activities and policy making.

In regard to management training policies and their design in transition economies, the main lessons learnt were:

- Training programs inspired and designed using Western managerial tools and practices tend to be adopted uncritically. They do not foster discussion of development priorities which inspire practices and analysis of whether these concepts are compatible with the local cultures.
- Training policies are part of a wider local development system, where the consistency and the effectiveness of these policies depend on a process of continuous dialogue and reciprocal adjustment with industrial policies.
- Training can contribute to the creation and development of individual and professional identities and can favour the constitution of business and professional communities (new social entities), which are unlike traditional ones.
- It is more likely that participants will give more importance to the symbolic meaning of the event they are participating in, amplifying the "emotional" dimension of the experience, especially when goals are less concretely definable as occurs with the development of management and managerial skills.
- It is possible to draw a direct correlation between training and start-up businesses. Training helps participants improve their self-awareness, develop connections and tools for becoming an entrepreneur.
- Training helps to effectively manage cultural differences and to go beyond stereotypes and represents one of the crucial ways of supporting "admission" into the global market and society.

- There is a direct correlation between the potential that can be expressed by the training event and the power that the trainees have within their organizations. This means that their impact on the organization takes place only when company's decision makers are involved and a critical mass of participants inside the organization are reached.
- Training actions that do not conform to company priorities in their growth process run the risk of creating overstructures that penalize the flexibility and competitiveness of the company.
- In training, adults prefer active methods, working on the practical experience of participants. In the designing courses, it is crucial to leave more time for internship and individual coaching than to traditional "one way training".

7. Recommendations

The experience of developed economies suggests that the massive transformation of managerial techniques and managerial culture is neither easy nor quick. Here, the need to reach "critical mass" emerges both at a company level and within the overall business community. In general terms, a successful transition to a market-based economy requires a large number of people to learn completely new commercial, financial and managerial skills.

The recommendation is to continue in this direction, involving regional areas, companies and individuals not reached by previous waves of training. At this stage the adopted format has proven it can work effectively and should be continued.

However there are two areas of improvement:

1. Accurate selection of the host company, according to training profile and needs;
2. More intensive training in the English language before/at the beginning of the program.

The strong increase in training for professional managers also has some negative implications because this newly emerging labour market is reducing the technical labour pool and creating a skills shortage. Technical roles are no longer perceived as appealing by younger generations because they are seen as distant from emerging social values. At the same time, the consolidated Russian tradition of highly qualified technicians is

greatly appreciated by foreign companies interested in making direct investments and/or establishing partnerships with Russian companies.

The recommendation is to sustain technical training at different levels of the education system, both “colouring” curricula with economic and business knowledge/topics and promoting it through systematic communication campaigns.

Training policy definition is by a process of negotiation where cognitive maps, value preferences, technical requirements, different interests and visions of reality interact. The result of this process is not the product of a single ordering mind, but a shared collective representation emerging from negotiations and communication among different actors and stakeholders.

The recommendation is to activate “working groups” where the decision makers (at the Federal, Regional and local level) of training and industrial policies negotiate and together define coherent development strategies and action plans. Moreover, Russian policy makers and international donors must prioritize the areas and the beneficiaries of future initiatives.

The “unexpected” beneficiaries of the training were mainly:

- microbusiness and self employment: after training, there was an enormous growth of start up businesses in trade and service, particularly by people that left mainly medium and large companies after training;
- large companies: individual training helped people to “change” their occupation and find employment in large companies, where from their point of view, managerial roles, careers and remuneration were, more coherent with the objectives that originally led them to training.

In this framework, these activities have sometimes excluded SME’s that had to face the “transition” phase alone.

The recommendation is to address further training to this target of companies, which represent the link between the global environment and local areas and are also the main potential source of employment in the Russian economy.

This choice must take into consideration two crucial issues that become the driving force in response to which the different actors (national policy makers, international donors, training provider and companies) are called to redesign future training programs:

Business cluster:

Projects should be strongly linked with industry and cluster trends. Market sophistication and globalisation has shifted the focus from individual companies to networks of companies. In a network the development of each company is closely intertwined with the trends present in the cluster where the company operates. In this sense, innovation takes place at the cluster level, where the “innovator” company usually evaluates and fills needs, mainly managerial practices adopted to enhance integration, that all the other companies in the cluster need to comply with. From this point of view, the extent to which these practices are adopted depends on the “role” and the position of the company in the value chain. It means that needs analysis should be based more on the study of the cluster rather than on the specific needs of any single company.

This focus can help to address specific policies at a “*regional level*”, where the prevalent vocations and specificity of the area must be matched with the evolution of the cluster and the reinforcement of the SME system.

International standards:

Future training programs should reflect the process through which Russian companies are complying with international regulatory systems that are a benchmark, identifying gaps that need to be filled.

In this perspective, new topics for training emerge. These include: corporate governance, innovation, ecology, WTO issues, international law and globalisation not included in previous programs.

The first waves of training were conceived on a highly traditional - and to some extent universal - format in terms of learning objectives, contents and methodology, coherent with the priorities that were on the agenda at that time. Nowadays there is the emerging need for training programs more closely tailored to the “real” needs of companies.

The recommendation is to assess the competencies of training providers and to develop “train the trainers” programs.

Future management training programs should be developed following two main guidelines:

Stage of growth of the company:

Training programs and development processes should be coherent with the stage of growth of the company in terms of specific needs. From this point of view, any training process must be anticipated by a specific needs analysis aimed at defining the portfolio of competencies and practices to be developed that reflect the specific growth stage of the companies.

Training design and methodology:

The need for more embedded training requires adopting “in house” training and counselling, strictly linked to the organisational development process, and guaranteeing the maximum involvement of middle and senior managers.

The need to move towards a training format in which learning is based on the exchange of experiences among participants requires the adoption of different methodologies:

- coaching, mentoring on an individual basis;
- project work and action learning evolving within an organisational context;
- web based training to improve interaction and promote learning communities among participants.



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Impact Assessment of Training for Company Development in the Russian Federation

Part II - Case Studies

INDEX

THE VOLGA CRAWLER MACHINE FACTORY - ZZGT	1
THE COMPANY	1
THE TRAINING EXPERIENCE.....	2
THE IMPACT	3
THE TRUD FACTORY	7
THE COMPANY	7
THE TRAINING EXPERIENCE.....	8
THE IMPACT	9
ADVOCATE PATENT OFFICE “ROTARY”	12
THE COMPANY	12
THE TRAINING EXPERIENCE.....	13
THE IMPACT	13
PALACE HOTEL	16
THE COMPANY	16
THE TRAINING EXPERIENCE.....	17
THE IMPACT	17
TVER CARRIAGE BUILDING FACTORY	20
THE COMPANY	20
THE TRAINING EXPERIENCE.....	21
THE IMPACT	21
ANDREV SOFT LTD	24
THE COMPANY	24
THE TRAINING EXPERIENCE.....	25
THE IMPACT	26

THE VOLGA CRAWLER MACHINE FACTORY - ZZGT

The company

The Zavolzhsky Crawler Machine Factory was founded in 1949 as a machinery repairing plant dealing mostly with construction machinery maintenance. In 1959 it was reorganized into a chemical industry machinery repair factory. In 1967 the company began to produce crawler vehicles. In 1993 the plant was made a joint stock company.

The Zavolzhsky Crawler Machine Factory produces heavy all-road vehicles for driving through swampy and snowy land under extra harsh conditions. It manufactures trucks for the oil and gas industry, the construction industry and safety trucks for emergency situations. The plant also supplies parts for a number of industries.

The Zavolzhsky Crawler Machine Factory, with its 2000 employees, is one of the best known large factories in Russia and its products are sold all over the country, especially in the North, Siberia and the Russian Far East as well as in the Former Soviet republics.

In recent years, the company has had to face a difficult market situation. In the early 90s government orders for military crawler machines began to decrease, forcing the company to change its strategy and organisation to enter the newly forming free market economy. Reduced orders meant that one of the plants was decommissioned, even though it represented approximately half of the company's total manufacturing output.

With the support of multilateral agencies like IFC, training institutions and consulting firms, the firm eventually formulated a business plan with a new strategy and investment planning to refurbish some parts of the company. At the same time, the entire structure was reorganised: a new team of co-executives was appointed, and new functional departments like marketing and human resource management were created.

Today, ZZGT has a leading position in the industry and its top and middle levels of management express a strong corporate culture. In the words of the managers interviewed:

“Teamwork and a strong corporate policy form the foundation of our development.”

A culture of transparency and openness characterises the company. As the General Director affirms:

“It became our motto to listen to all opinions including those that seemed to be strange at first sight.”

The top management strongly encourages increasing the professional capacities of their employees: the HR department was set this specific goal and training was one of the privileged ways of achieving it.

The training experience

Participation in training has a long tradition within the company. The first training programme dates back to 1995. For the interviewees, it signalled the start of a pioneering spirit, because at that time participation in training was a rather new experience. There were few training programs at the time and training providers had just started to work. For example, the NIMPT Institute in Nizhny Novgorod was created at that time.

The initial motivation for participating in training was to overcome a crisis situation. For this reason, the General Manager of the Crawler Machine Factory “gathered together his team” and went to the Institute “to apply a certain case study”. There was no explicit task or objective, but the desire to start thinking differently, to put together a managerial team and to find new directions. As the General Manager says:

“It was not a brainstorming session yet, but it was where people began to understand their role and responsibility in a new situation. Everyone was welcome to state their opinions about the future strategy of the Crawler Machine Factory. That was our first attempt to build a team of co-executives.”

Starting in 1995, training became frequent. In 1996 the management attended a one-week course with the International Finance Corporation (IFC), where investment projects and effective business planning were the main focus. That experience was particularly important for the company as “that training put us in the right direction.” As a consequence of the perceived importance of training, in the following year, the General Manager invited a consulting firm from Moscow to the factory. The top

managers and the executive staff participated in the sessions with the consultants and together they formulated three different business plans to overcome the crisis situation.

In 1997 the General Manager attended the World Bank training programme targeted to enterprise directors. The course consisted in a year of training, including a week's training in Germany. In 2001 he participated in the MTP Programme and attended an internship in Sweden. After these personal experiences, the General Manager realised the need to "create a good team" and for this reason began sending his company managers to the programme. Starting in 2001, each year 3 to 4 people have been involved in training programmes. Approximately 18 people participated in the Presidential Programme with training experiences in Germany, Finland, United Kingdom, France, Netherlands, Spain, Italy and Japan. Finally, a company team also took part in a local MBA.

The policy of investing in training was devised by the General Manager, and it is shared by all the top management. Furthermore, the policy has been formalised and is being carried out by the HR Department.

The commitment by top management and the profound links between training and concrete tasks are the distinctive features of the company's training policies .

The impact

When talking about their training experiences, all the people interviewed seemed to have positive recollections. Each participant expressed only constructive comments and full satisfaction. In their opinion, there was a good mix of elements that contributed to solving the initial tasks.

After training, all the participants to the Programme moved one or two steps up in their career. Now they are all Heads of Department. Nonetheless, career improvement was not the most important factor, nor was the acquisition of managerial skills. Everyone stressed how their thinking and feelings as organisational actors had changed. There was a general increase in self-confidence, directed towards both the external context: having greater confidence in dealing with Western companies, and the internal context: starting to feel responsible for the decision making process.

At an organisational level, the impact of training was very high.

To begin with, training helped the company to overcome the crisis situation it faced in the mid nineties. As the General Manager explained:

“After training I realised that I had taken the right direction in overcoming the crisis situation at my plant. We acquired enterprise management skills in a crisis situation. In addition, the training taught me to ask the right questions, to get answers, and to focus on the right problem that needed to be solved. The training helped us solve about 80% of our problems. This was the main result of our participation in that project.”

Basically, training helped people to do something new or in a different way. People learned how to devise strategies and formalise them in a business plan. They learned to work as a team that shared the same vision and methods to achieve the objectives set by the strategic plan. As result of the new strategy, product policy changed completely:

“We used to produce military machines which could be used in civilian industry, then we began to produce civilian industry machines that could be used in the military sphere.”

The organisational structure also changed as a result of training. Functional departments like human resources management and marketing were created, as was a new product development team. In particular, the people responsible for the development of a new crawler jeep – a civilian machine – were sent to training with the specific aim to introducing it to the market: The aim of the team was to organise the production of the machine simultaneously with design study and technological preparation for the product. After having realised several test drives and having improved the vehicle after them, they put the machine on the market.

All the changes at the organizational level can be traced back to training, because the top management used it to solve the problems the company was facing. This was true, for example, for the introduction of quality management system certification and for the planned intervention in the field of production costs:

“We are planning to send managers to training in response to the most important problems that the enterprise is facing. Nowadays we are working hard on production costs, this is our strategy and we are interested in training our personnel in this field.

Our system of quality management is certified. We are solving problems associated with government environmental conservation standards, because this is an international market demand; that is why one of our employees have been trained in this field.”

In the opinion of the managers interviewed, training had positive effects on the overall performance of the company. They attributed participation in training to the leading position on the market the company has achieved in the last three years.

The positive experience of training helped to transform it into a common value shared by the whole organisation. For this reason, the company felt a “social obligation” to raise awareness about the importance of training at a local level. As the Financial Director proudly explained:

“In the local context our plant became the ”base” for local companies in the Nizhny Novgorod region to send their staff to us, to acquire preliminary knowledge about management and marketing. However, this aspect mostly characterises the participants in MTP from other companies. We organise the seminars and master classes for them and provide on-going training practice.”

This virtuous cycle was made possible by a combination of different elements, which helped to maximise the effects of training at the individual and organisational level, First of all, there was the leadership of the general manager and his strong commitment to the success of training. He was the first to attend the training programs and, having seen their usefulness for himself, began to train his team of co-executives. This clearly created a strong corporate culture that considered training a fundamental element for success and innovation. Secondly, he comprehended that to have a significant impact on the organisational level, it is crucial to send a critical mass of employees to training, in particular those that have decision making roles and can thereby affect daily policy application. Finally, he realised that goal-oriented participation to training could help to achieve concrete results.

All the benefits of training at the different levels are summarised well by a phrase, which also contains the Crawler Machine Factory’s farewell to us:

“The training gave us some kind of self-confidence. All the participants from our company got a promotion, almost all of them are deputy directors, each in their own

field, but this was not the aim of training. Thanks to the programme we raised the quality of work in our factory.”

THE TRUD FACTORY

The company

The “Trud” Factory is located in Nizhny Novgorod and operates in the kitchen and table set market, including cutlery, choppers and other cookery utensils.

The company was founded by a Russian serf, Dmitry Kondratov, in 1830. Under his son’s direction the plant became one of the wealthiest industries in Russia, and the family came to play an important political role in Russia. In 1889 they won a Gold Prize for the high quality of their products.

At that time factory also invested in the social infrastructure surrounding it, so that much of the cultural development of the region depended on the policy of the factory owners who funded school buildings, libraries, public hospitals and other institutions. After the Bolshevik revolution in 1917 the company was nationalized.

In the early 1990s the Trud Factory employed 2500 workers: the enterprise was the biggest in the USSR in its field.

In 1992 the Trud Factory became a private company after being bought out by its employees, and Boris Esin was appointed its General Manager.

Starting in 1994 profits declined forcing the company to undergo heavy restructuring. All seven local branches were closed and only one site was maintained, where the best equipment and the most qualified personnel were concentrated. Today, the company has 1000 employees and is vying for the leading position in the local regional market.

Now it is a growing company and has maintained its tradition as an enterprise that invests in society. In 2000 Boris Esin won the “The Manager of the Year” prize in the “Industry” nomination and built a team of new Russian managers at the Trud Factory.

The future growth of the company will depend on its capacity to internationalise. Indeed, the most promising markets are outside the region, including Europe. To be successful in foreign markets, and face Chinese competition, which is very strong in its segment, the company will need to increase quality standards.

Its corporate culture was strongly influenced by the difficult market situation faced in the mid nineties. Now the management team shares the same vision towards “increasing output and achieving higher profits.” The general manager’s leadership had a fundamental role in overcoming the crisis and steering the company in a new direction. His strong sense of belonging to the local community gave him the necessary resources to find alternatives to selling the company, as some consultants had advised him to do:

“The chief German adviser said that he would never continue to operate such an enterprise and advised me to sell it. But I could not do that because I was born here, and closing the factory would have meant retrenching many local people. I could not agree with that advice.”

After reorganisation, the company was structured according to the traditional functional divisions. The HR department is in charge of defining indicators and plans for the career promotion of employees. In addition, there is a special department, which organises in-house training programmes for employees.

The training experience

Starting from 1996, the company took part in several training projects in the Nizhny Novgorod region. The general manager himself participated in the training programmes, as he was motivated to find “all possible ways to survive.”

In 1996 and 1997 he participated in the World Bank Programs supported by Germany and could familiarise with the principles of the market economy and accounting for the first time. The Program allowed him to receive training in Germany.

In 1998, he joined the TERF Program. The Programme was addressed to 9 companies from different regions; each supported by a consulting group. Approximately 45 company employees participated in the programme where they received lessons in theory and developed a restructuring plan for the company.

The company also sent one hundred people to training under the supervision of the Swedish School of Management.

Finally, the general manager encouraged the management team to participate in the Presidential Program, which included an internship abroad.

The impact

The reaction of the people interviewed regarding their participation in training has been very positive. The training focused on very practical knowledge and practical tools that everyone could apply in their everyday work:

“As far as I remember, during training and studies, we got our first impression about what the market economy really meant. What I also remember is the European system of accounting: composition of inputs, idea of marginal profit. The German consultants explained everything to us then. Nowadays marginal profit is one of the main instruments in planning our enterprise. At the time, everything we were taught was like a new discovery for us.”

Thanks to training, the management became aware of the importance of structuring functional departments differently. For example, the marketing department was adapted to the principles of the market economy. It was moved to the city to become more receptive to customer needs, as the core target of the company lives in big cities. In addition, specialists from the city of Nizhny Novgorod were hired, enriching the traditional company culture – which is a rural based – with city culture.

The contacts established during the training abroad were very useful for the manufacturing process. Thanks to those contacts, the company was able to produce while meeting the quality standards required in Europe, thus increasing its competitiveness. Although not all the new ideas inspired by frequent foreign contacts were successfully implemented, they remain the tangible expression of a dynamic reality, which is open to the external context:

“I have the controlling package of the stock shares in our enterprise, I am almost its sole owner (75%). I am capable, I can do my job, but still I am still prohibited from doing it according to Russian law. I am forced to employ an efficient director. I tried to follow the Swedish experience of “heirs of business” and invited a young MBA graduate to occupy the position of a general manager. I borrowed that idea during my trip to Sweden where we saw a poster saying that during that year 4563 directors would be replaced, and that “heirs of business” was their national

program! Unfortunately, it did not work for our factory, and I practically went back to being the general manager again.”

This episode is also the expression of the need to adapt managerial innovation training to the local context.

“The psychology here is different. When I left the post of director, everyone began to worry about their future. So I tried to calm them down assuring that I was not leaving them, that if I saw a single negative trend, I would immediately try to fix everything. In our region there is at least one our worker in every family. And this certainly affects the way companies are managed.”

In the perceptions of the people interviewed, the knowledge and the skills acquired during training allowed the company to face the difficult market situation encountered in the nineties. These skills enabled the company to be successful on the local market:

“The general effect of training personnel definitely led to these results. Everybody studied some new effective methods in their sphere, brought these new ideas back and put them into practice. The total effect for the company has definitely been positive. The management at our plant is now on a very high level compared with what we had during the years 1995-98. We know that the quality of some processes and technologies are sufficiently regulated and monitored , and this is the reason why we are more effective compared with our neighbours/rivals”.

Training turned out to be effective in the eyes of the participants and this is why today it is a continuous process planned by a dedicated organisational department. The department plans both in-house training and participation in the Presidential Program. The general manager is the charismatic leader encouraging his employees to take part in training:

“Now I support international training for my people, and I think that they will need similar contacts and experience sharing in the future as well”.

The impact on a local level was high too. Training helped to create a highly qualified labour force that supported the company during the crisis, limiting the negative effects of profit losses in the local rural area. The deep sense of belonging to the local context felt by the company and the paternalistic attitude of the general manager towards his employees were useful when was a certain market niche occupied. Today, globalisation and Chinese competition will require further steps forward in the management of the

company. Moreover, in this phase the conviction that training is needed remains uppermost in the minds of the interviewees:

“I have a feeling that people in Russia need to be taught how to sell the product, how to deal with clients, how to interact with co-workers and how to work with different documents. I think this is very important for Russian enterprises, because in European enterprises everything is debugged, but here we only learn and learn and learn. We need time and more energetic training.”

ADVOCATE PATENT OFFICE “ROTARY”

The company

The Advocate Patent Office “Rotary” is a law firm that has been operating on the market since 1993. It is located in St. Petersburg. Since the beginning, when it was established by its two founders, it has specialised in consulting in patent law.

Until 1998, foreign customers importing goods into Russia accounted for 90% of its customer base. This was also the most successful era for the company, which increased its staff to 8 people.

In 1998 the company suffered a crisis due to drastic market shrinkage and a low demand for consulting services. As a consequence, they downsized to 4 staff members, which is the number today.

After 1998, the company started to concentrate on domestic customers. The market is very fragmented, because there are approximately 90 private registered patent agencies in St. Petersburg. Furthermore, there are also some government run patent agencies, which makes the competition even tougher.

Today, the company’s activities involve the following fields:

- Litigation connected with infringement of intellectual property rights;
- Filing and prosecution of Russian patents, utility models, industrial designs and trademark applications;
- Filing and prosecution of Eurasian and International PCT patent applications;
- License agreements and assignment of intellectual property rights;
- Support in negotiations with Russian business partners;
- Computer software registration, copyright matters;
- Consulting.

The atmosphere of cooperation and mutual assistance within the company is almost tangible. The employees consider it like a “second family” and are motivated to work hard but flexibly. The general director takes care to maintain a style and a corporate policy based on high quality service and professionalism by the staff.

For this reason, a great attention is devoted to hiring policies and to training and professional growth. A great effort is devoted to maintaining contacts with the professional community at an international level. Every year trips to USA are planned in order to attend conferences and training courses.

The training experience

The first participation in training traces back to 2000, when the general director attended a TACIS programme which was for 5 weeks: one week of theoretical study in Belgium; three weeks internship in a loyal company based in Munich and finally, one week follow-up in Belgium.

When we analysed the original motivations for participating in the training program, it was strictly linked, in the view of the interviewees, to the particular crisis the company faced in 1998. At that time, the company decided to diversify its customer base, focusing not only on foreign customers (that during the crisis drastically diminished in number), but also on domestic ones. In this context, participation in the training programme was intended only as a means of acquiring new domestic clients.

After this programme was over, the general director of the company took part in another programme funded by Tacis in 2004 held by the Dutch Consulate in St. Petersburg. It was a course on “export skills” lasting 5 months, with a short internship of 5 days in a Danish company, which the general manager could not attend.

The impact

Overall opinions regarding the programs were very good. The logistic and organisational aspects and the skills and knowledge acquired were considered satisfactory. Only a few negative elements emerged from the interviews. These concerned mismatches in the target audience, the need for top manager classes and the lack of transparency in the selection criteria for participation in the internship.

The teaching embraced many elements. These ranged from the business vision and overall strategy of the company to very practical tools and processes:

“Everything was so new to learn, starting from registering incoming correspondence to participating in international associations and conferences.”

The impact of training at the individual level was striking. Indeed, participation in the programme, which originated from the rational motivation to acquire new clients, resulted in a drastic “change of life and mentality”. Not only was the general manager able to develop a new business vision, but she also broadened her world picture in general terms.

The company could also benefit greatly from the general manager’s participation in training. This was enhanced by the top position she had – and continues to have – inside the organisation.

The main change occurred in the company’s structure. Thanks to training, she realised the structure needed to change to respond to the market context, which was facing a negative trend. In this sense, training indicated other solutions were possible than the significant downsizing deemed to be necessary. Instead of firing people, the company sent them to attend training in Europe and in USA to increase their professional qualifications. The short term unexpected negative effect was that some of those people, once back, went to competitors for higher compensation packages.

In the perception of the interviewees their training was the starting point of a series of steps which resulted in a higher cash flow:

“We changed the structure of the company and got rid of low-qualified jobs. What happened then? First, we obtained operating cash that we had never received before. In the first month after structural change 4 people on staff in the company brought us as much money as we used to make with 8 . Now we are making even more. The 4 working in the company are highly competent specialists. You can tell, can’t you?”

Furthermore, thanks to training the company could attract new partners in Western countries and a network of Russian managers, with which it still collaborates.

Not only did the general manager do “her best” to implement all the new ideas gained during the programs into her “daily routine work”, but she also instilled motivation and empowered her colleagues. When speaking with the staff, a sort of contagious enthusiasm about training emerges:

“When she arrived back from her 5 week trip in 2000, she was full of energy, new ideas, thoughts, she seemed to know what to do and when. That got us really involved, and we began to look forward enthusiastically to the future of our small firm.”

The intangible asset of being a ‘learning organisation’ open to training clearly emerges from the words of the company secretary:

“Today I can say I have picked up a lot of new things from my first job, and the process of learning is on going. In the future I plan to take part in a program like the one my director attended, to learn to cope with the problems our current business reality poses for us.”

The willingness to share the knowledge acquired during training goes beyond the network of the staff employees to benefit the local environment. Indeed, the general director went on to become a sort of “trainer” for the top management operating in the St. Petersburg area, feeling she was the bearer of a kind of a mission after her training:

“Now I see my company’s goal as helping our domestic firms to grow, using the knowledge and experience I gained through training programs. What I mean by help is that I am lecturing top management. Economically speaking it’s not an optimal resource (time) allocation for me (I could make \$150 an hour instead by working for my clients). But I feel I should do it – sharing my knowledge with them – it is my contribution and my mission as I see it.”

PALACE HOTEL¹

The company

The Palace Hotel was built in 1975 in some of the best parkland of St. Petersburg overlooking the Riva Neva to provide accommodation for large tourist flows. Its location close to the centre of the city makes it a good site for developing a tourist business.

The Palace Hotel is quite a big company, it comprises: a 3-star hotel for 400 people, a restaurant for 400 seats, a business centre with about 100 offices, a cinema-and-concert hall, and a swimming-pool.

The annual turnover is about 20 million dollars. The profit derives from its versatile businesses, especially the hotel and the business centre. Its distinctive position on the market is given by its ability to combine an economy class hotel together with good infrastructure. Its competitors are hotels of a higher level which are much more expensive.

The company organization is stable and it is able to run at a profit. The stability of the company is reflected in its quite rigid managerial style which is not inclined to welcome employees' initiatives or independent structures within the company. No power is delegated, but instead centralized control is imposed on employees' activities. One could call it an "authoritarian style."

There are no policies regarding human resources management. Hiring policies are not formalized: the preferred channels are the local employment office or the personal channels of the employees (family, friends and acquaintances). Career advancement by the personnel is not encouraged, either through salary policies and incentives, or through training practices and systems. The choice to upgrade professional skills is left

¹ For privacy reasons we called the company by a fictitious name. The Operational Team reported the case study as illustrative of similar situations observed on the field, whose main characteristics are: participation in training motivated by individual will not supported by the "authoritarian" company management and consequent inability to apply the new skills acquired in the daily work experience. Many people experienced the same feelings as those expressed by the interviewee in this case study and left their original companies for more open ones.

to the individual and is not supported by the top management, which is more concerned with institutional issues rather than managerial processes.

The training experience

The person interviewed in this case study was the first deputy of the director at the Palace Hotel who was in charge of running the technical aspects of the hotel business within the company.

In 2000 he participated in the “Productivity Initiative Program” (PIP), a programme targeted to company directors and vice-directors. He attended a specialisation course in “Tourism and Hotel Industry”. The internship was in France and Italy. During the internship, there were both theoretical lessons and company visits.

The decision to participate was an individual choice and for this reason he did training during his vacations. His initial motivations regarding participation were the desire to acquire knowledge about hotel business management and development and to study the methodological tools applied abroad:

“I wanted to learn about hotel business methods, management methods and development in this sphere. I was interested in it and it was fashionable at the time. When I came back I intended to introduce these technical innovations in my company. I wanted to study the management methods applied abroad. I wanted to study to see new technologies, management and training. These were my objectives.”

The impact

Participation in the training experience was deemed positive on the whole, with some negative points mainly concerning the organisation of the internship abroad and target audience selection. Regarding the former issue, in the opinion of the interviewee, not enough time was dedicated to interaction with foreign companies and there was too much spare time:

“We were given too much spare time – every day we were free after 3 p.m. Of course, I also used this opportunity to wander about Paris. But at the time I also set

myself a task – to study, study and study. And there were other people who wanted to work hard. So in this respect many trainees were displeased with the total results because we had too much spare time .”

Concerning target audience selection, the main problem was that there was no homogeneous classroom in terms of the background and decision making powers held by the participants, thus creating feelings of frustration among some:

“The programme was clearly aimed at market-oriented people, who were open to the market ideas. This was clear even during the interviews before training. In all the programs I applied for, all the questions were aimed at identifying the market-oriented people in order to bring them into the program. After learning new ideas during training participants could put them into practice, and they chose directors and vice directors because only people at these levels make decisions. But they were not quite right. I was the first deputy of the director, but I didn’t make decisions, only the director could take them, because he was the owner. Whatever the idea, I couldn’t implement it, if he didn’t agree.”

This issue brings us to the nub of this case study. When the decision to participate in training is strictly individual and not supported by the top management, the risk of creating frustration and the desire to change jobs is very high. As happened in this case, participants usually looked for a new job giving them the possibility to apply their new knowledge and skills:

“I quit working in the Palace Hotel the first day I returned from the training. I didn’t want to work with the new team – I knew them very well. That’s why I couldn’t apply anything new within this company.”

Referring to some examples collected in the field, it would be more appropriate to refer to ‘potential’ or ‘missed’ rather than positive impact. The innovation that could have improved the hotel’s business was learned abroad by the participant who would have liked to apply it in the Palace Hotel. However, often this was not possible, even when small easy to implement things were involved. This increased feelings of powerlessness:

“When I saw something unusual, something that I was impressed by, I tried to find out the details. I noticed one more thing at a hotel for 300 persons. There was a very small room for the guard where they could cook meals for themselves. In fact, as it turned out, they didn’t cook any. As the dishes delivered to them were almost ready, they could be served in a few minutes with the help of a microwave oven.

They showed us this and made dinner for our group, which was ready in 10 minutes, and it was very tasty. That was a real example of how to care for employees! And it was interesting to see from the point of view of a professional. I saw it with my own eyes and I could have applied this idea if I had remained at the hotel...”

Despite these drawbacks, there are some important examples of the impact training had at an individual level. These represent a solid background on which to build professional growth.

First of all, a new willingness to take responsibility on oneself:

“It’s my rule now – to fulfil commitments taken. That was the effect of the programme. If you send an e-mail with certain prices, you have no right to change them, you should keep your word in any case. Mistakes are not allowed, at any level. You just have no right to be mistaken. Whether it be the spoken word, a fax, e-mail, agreement or phone call in any case you should fulfil what you promised. No excuses are acceptable. Before sending any documents, I check them many times, and prefer to send them in the morning – when the mind is “fresh”. And I’m teaching this principle to others”

Secondly, a new relationship is forged with colleagues:

“In my new company (a St. Petersburg Telecom branch) there are 23 persons in my department, it is the largest department in the company – we work with contractors. And I’m trying to apply those principles that I obtained from the program into my work,. So it’s important to be friendly, but neutral.”

Today he is applying the principles acquired from his training experience and teaching them to others. In his new job, he had the chance to see a business start up and to use discretionary powers:

“We started two years ago at zero level. It’s interesting to start a business from the very beginning. There was nothing, and now there’s an office, a lot of equipment, hundreds of employees... And the up-to-date methods of ‘building’ a company were very useful here. Plus previous work experience was available. I find my new job and position pretty successful.”

TVER CARRIAGE BUILDING FACTORY

The company

The company was founded in 1898 and it has always been one of the main assets of Russia's mechanical industry. In 1917 the plant was nationalized and during the Civil War from 1921 to 1925 it was "mothballed". In 1926 the factory was brought back into production. During the Second World War the plant produced cartridges for guns and carriages for military needs.

Since 1951, the Tver Carriage Building Factory has specialized in railway passenger vehicles. During the period of economic reforms productivity dropped due to the decreasing value of transport and funding cuts from the state budget.

From 1997 the company's market has been growing fast. Sales values have increased twice since 1998. Today, the factory is the biggest company in the railway sector in Russia and the former Soviet Union. It is a holding whose main shareholder is the State with 42.5 % of shares with the others held by privates. It has approximately 8000 employees and its clients include a number of state institutions of the Ministry of Transportation.

The organisational structure is functional. Its responsibilities are distributed according to the following vice directors: Sales and marketing; Logistics; Production; Production service; Quality management; Science and inventions; Security; Corporate property management; Production of small series; Personnel; Finance; Accounting; Informational technologies; Administrative service.

During the years, a policy on the human resource management have been consolidated within the company. In particular, thanks to the experiences had with training, top level management understood the need for training. Responsibility for coordinating training programs is the responsibility of a dedicated department. There are annually planned programs for each employee level and a special emphasis is placed on youth training programs to create reserve manpower.

The training experience

During fieldwork, we met people from different programs (Takis MTP, exchange programs in Japan and the USA, and locally organised training). The unifying characteristic of the programmes was their focus on practical orientation. Not all the participants interviewed did their internship abroad. This was due to organisational difficulties in allowing employees to leave their work place for a long period.

The decision to participate in training could be traced to the following motivations:

- interest by personnel at an individual level;
- organisational expectations regarding collaboration with foreign partners and attracting foreign investments;
- support from regional state institutions.

The first reason for participation in training was the individual interest shown by some employees. However, the company did not ignore this need and started to link training to organisational tasks showing increased interest to this issue. There is a sort of pioneering spirit in recollections by the general manager of early training experiences:

“When the first training programs started it was completely new for us. We did not know what results to expect.”

All the participants today hold key managerial positions and it still is corporate policy that all key managerial roles undergo training.

The impact

Support by the top management strongly helps to capitalise on the impact of training both at an individual and organisational level.

At an individual level, interest showed by personnel was highly rewarded by professional growth that allowed formal advancement along the career path, and enabled participants to replace managers in higher positions. What is most important is that training supports managerial roles in a wider sense:

“Training helped us to improve as managers, because now we are able to better understand the business situation within and outside our company. I feel much more self-confident now. I am expecting a raise.”

The focus on professional growth makes the company receptive to the local qualified labour market of managers who wish to apply their new skills to corporate contexts:

“After training I became the head of the financial department in a bigger company, after a while I had the chance to work here with a further advancement in my career and I found the right context to apply my knowledge and skills.

After training I had the chance to join this company and get a managerial position in an economic department. When I arrived, they were just starting to introduce budgeting processing and my training made me proud to become a member of the largest enterprise in the region.”

At an organisational level, the main advantages regard understanding the importance of meeting European standards and the requirements of doing business with them. Training not only provided understanding, but also instructions on how to carry these tasks out.

Training was also the place for ‘borrowing’ managerial models from other organisational contexts:

“We borrowed the idea of holding companies and restructured the organisation for more efficient management.”

The most distinctive feature of the Tver Carriage Building Factory approach to training is the firm belief in the importance of investing in the professional growth of employees and capitalising as much as possible on their achievements on an individual level. After the first exploratory experiences of participation in training, the top management understood the importance of defining HR policies that were transparent and focused on careers and professional development. For this purpose, a special department dedicated to training was created:

“I felt the impact on our company and we decided to establish a special department dedicated to training development. Now we could afford to pay our workers respectable wages and this motivates personnel to hold onto their jobs and grow. Money is important but is not the only reason motivating people. We need to

provide them with opportunities for a career. And it is clear for me that trained employees are more successful.”

Training is used as a tool to motivate personal growth of employees through an imitative virtuous cycle:

“At the time when the first people went through training we received employees of a much higher quality compared to the ones we had before. Then they became a spectacular incentive for others to improve themselves.”

Enhancing the impact of training at an organisational level is so important for the company management that the general manager regrets that Tacis MTP envisaged training only for individuals, without considering the overall needs of the company. Now, thanks to the effort and strategy of the local Regional Resource Centre, there is a stronger focus on in-company training, even though this only applies to SMEs and not big companies:

“I can understand that policy and I have had indirect benefits: all our subcontractor network has the chance to participate in training and improve their quality and performance. In the end, the whole value chain improves and the feedback that I am receiving from those companies is very good at the moment.”

At the local level, all the managers interviewed agreed that training contributed to create a “new society of people speaking the same language.” However, the path ahead is still long if it is true that:

“There are not enough people prepared to work under the new market conditions of the Russian market. We could produce more job positions but there are no people to fit them.”

ANDREV SOFT LTD

The company

The Andrev Soft Company was founded in 1991 with 4 co-founders. Andrev owns a 50% of the shares of the total holding. At the beginning, the core business was hardware and software development and sale.

Today, the company is a holding controlled by Andrey Soft, with 150 employees focussed on the original business with the following affiliated companies:

- Educational Centre (150 employees) they deliver training both to companies (TVER Region) and to students (7000 all over Russia). The next step is to franchise IT courses all over Russia and they expect a growth in business;
- Computeria, a campus for children and teenagers where they can spend a week or a longer holiday and they can learn technologies through games or simulations;
- United Business: they sell cash registers and provide assistance (30 people);
- Office stationery: three shops;
- Cleaning and maintenance: serving private companies and government offices.

The declared mission of the company is “to increase work effectiveness through information technologies.” Each part of the holding specialises in its own field and together they cover all business problems from interior design, office equipment, and software solutions to training seminars.

Today, there are more than 400 people working for the company. In 2004 the turnover was \$5 million. The next step is to invest in a new building on the basis of the very good forecast for 2005. Its clients include the biggest companies in the Tver region such as: the Federal Saving Bank (Sbergatelniy), the Beer Plant Afanasiy, the Traffic police, the Polygraph paint plant, the Tver State University.

Recently a modern computer design studio called “Andrev Soft” was established, offering a unique service for the Tver region, i.e. computer development for offices and design of dwelling space interiors following implementation of the project.

The competitive advantage of Andrej Soft is its policy of working directly with producers. In order to get a dealers' license, the company invested a lot in personnel development and qualification. To this end, it is a common practice for the company to have its staff regularly trained by partners like HP, Canon or Samsung.

Training is very important for a company operating in a fast growing sector like IT. Accordingly, Andrej Soft established a training centre in 1994. Its purpose is to accustom as many people as possible to modern information technologies. Over 5000 trainees study computers both as users and professionals in the training centre who are taught by experienced teachers. Nowadays, the training centre has 53 branches including those outside Tver.

The training experience

Within the company, different employees participated in the Tacis MTP Programme in the period 1999-2001.

The starting point was provided by the owner Alexey Andrej, who participated in the programme in 2000. He attended the theoretical part, which taught on topics like business planning, strategic marketing, and people management. The internship abroad consisted of two weeks in Finland and two in Sweden. The initial motivation for participating was "to bring new ideas to business development."

On the basis of his direct reports, after him, several people attended the programme. Most were branch directors or heads of department. In particular, we refer to the training experiences involving Computeria: its director, its head of sales department, its sales department manager and its head of information technologies department all did training..

The director of Computeria attended the programme at TVER State University in 2002. This involved 8 months part time with evening sessions plus Saturday and Sunday and included local trainers. She did her internship in Northern Ireland both in a PC and a PR company. Her expectations regarding her participation in the training were mainly to do with developing knowledge about management and especially marketing, going abroad and, finally, improving the position of the company.

The head of the sales department did her training in 2001. The programme was structured into 3 weeks of seminars in Russia and 6 weeks in Austria and Germany, where she could visit many companies. The choice to participate was an individual one.

The manager of the sales department participated in Tacis MTP in 2000. The structure of the programme was 8 months of theoretical learning in Russia and one month in the United Kingdom at the Manchester Business School. His participation in the programme was authorized by the management to support his change of position within the company by providing him with required skills. He had been invited to join a sales department from a former position as engineer.

The head of the information technology department participated in Tacis MTP in 1999. He attended one-month seminars in Russia and then in March 2001 he went to Finland for two weeks and to Germany for two weeks. The decision to participate in training was taken before he came to Andrev Soft, when he worked for a competitor, a smaller company where he was the vice-director.

The impact

All the people interviewed expressed their great satisfaction about their participation in training. The element that they liked to recall mostly was their internship abroad and the opportunity to see European organisational contexts.

There is a great level of coherence between initial expectations (“to bring in new ideas regarding business development”) and final results (“I found new directions for my business activities”).

The wish everybody expressed - with some nostalgia - was the opportunity to prolong MTP or to participate a second time.

“I think I got what I wanted” is a good summary for the overall satisfaction about the programme. The learning was deeply linked to the experiential dimension of the internship and provided the opportunity to experience different cultural contexts, share views and establish contacts.

“I learned to work as a top manager, I saw their decision making process, their marketing approach and their people management techniques.”

Acquisition of new skills in management issues is still an important aspect of the impact, but this was not stressed by interviewees as much as the “psychological” impact of training.

“My ambitions changed. Now it is easy for me to work with our foreign partners.

This programme helped me to re-value my skills.

I would say that Tacis MTP together with the Presidential Programme helped me a lot. I received the knowledge that I needed. And even more important I increased my self-confidence. I felt that I could handle a new job and have a career. I would like to prolong my MTP.

I would not say that I received knowledge. It was not knowledge, but rather a change in my psychology. I took on a different attitude. After training abroad I felt I did not want to continue with what I did before, I wanted to do something bigger. If you sell computers, then sell the best computers, not cheap ones. Knowledge came to me later, when I began to work with famous global computer brands.”

It is interesting to observe that all the interviewees improved their careers after training by being appointed to a new position within the company.

In all cases training was the “starting point”: for introducing innovation inside the organisation, for acquiring a new mental attitude in doing business and a new business strategy.

The participants’ roles as managers allowed them to implement the learning acquired during training in their daily decision making processes:

“I am the head of sales department and my work influences the whole company. If I do better, my company does better.”

After training, the participants were able to bring new practical tools and concrete improvements to their company: an open space layout was introduced and a call centre was created, probably one of the first in the Region. Generally speaking, a customer orientation approach was introduced inside the company:

“Now, everyone here pays attention to customer reactions, we try to understand their needs and satisfy them and the result is that now we have a retention effect.”

New business contacts and partnerships were set up due to training:

“During my MTP in Germany I established very important contacts. Soon after I came back we signed a dealer contract with the Xerox Corporation.”

All these achievements became possible because of the openness of the company’s management: they were ready to accept any proposal for innovation and they supported this process with very effective practice. After people go to training, they usually organise meetings where they share new knowledge with all their other colleagues. During these meetings, they also try to develop action plans. Further confirmation that training was appreciated came from the fact that the company continued to send people to MTP (people strategy) and that other colleagues were thinking of attending MTP as soon as possible.

It is clear that such an obvious impact at the organisational level contributes to spreading a positive image of training within the company. This is reflected in the development of a widespread learning attitude, which one can “feel” and even “smell”. For example, the manager of the sales department started teaching at the company’s training centre after his training experience. Further, not only did the interviewees wish to prolong their training, but also they also recognised the importance of sending their people resources to training:

“I feel that the experience of MTP involving practice at foreign companies would be useful for some employees, but I could not afford to allow anyone leave their working place for such a long time.”

A constant need for managerial education emerges that the managers seek to satisfy in different ways:

“Well, I do such training continuously. It is my job requirement and I go on a lot of business trips plus I do self education.”

In the specific case of Andrev Soft, an important issue is the diversification of training (technical vs. managerial) supporting different organisational profiles:

“We need training from our partners because the market is changing very fast in our field. But this provides mostly technical knowledge on a specific product. This may be enough for technicians, but for managerial roles there is the need for much broader training programs. I can clearly see differences in the results from employees that went through even short training abroad and those that did not. I would not even call it ‘training’. In this context, we capitalise on the best when sending professionally educated people to managerial programs.”

At a local level, the company enjoys a very good reputation, as explained by a client we met during our study:

“We hired Andrev Soft because we believe that this company can deliver us an appropriate level of service. As far as I know, they keep in touch with the latest technologies and have a very good reputation. More than that, they provide post-sales service and consultancy. In addition, we send our secretaries here to study document management and new office applications. What I like in this company is its European work style, and I believe that this is very important to be competitive.”

The potential impact of training on the local community is high: the companies who made this choice are good examples of a new way of doing business. Their success on the market is concrete proof of the usefulness of training. Again, the client we met during the study:

“Having appreciated the professionalism of Andrev Soft, even though I did not participate in training myself (I just had no time), nonetheless I sent 4 top managers to Tacis MTP. They have not finished yet, though I expect that we will have good results. I think that later we will invite a group of consultants to help us build a good management structure.”

Through training, a business network of participants was created in the Tver Region, linked together by the Alumni Association. This community firmly believes in networking and ex-participants support each other in finding new job opportunities.

As the head of the information technologies department clearly stated:

“After training, during a meeting with other participants, I met a guy from this company (Andrev Soft,-author’s note) and he invited me to interview for a position. Now I work here and I like it.”

A new highly qualified labour market has been consolidating in the region, also generating a wider impact in socio-economic terms. Andrev, considering the experience his company had with training, broadens the reflection to the wider macroeconomic context and tells us:

“Overall, the average level of entrepreneurial and managerial skills has grown...compared to 10 years ago, we have a community of managers and many of them have participated in the training program.”



ISTUD

ETF European Training Foundation

Impact Assessment of Training for Company Development in the Russian Federation

Annexes

INDEX

<i>ANNEX 1 – Terms of reference</i>	5
<i>ANNEX 2 – Structure and articulation of the project</i>	12
Phase 1 - Phasing the methodology, implementation of the pilot study and the full scale study - Structure of the project in sub-phases	12
Sub-Phase 1 - Research tool design.....	12
Sub-Phase 2 - Sample definition.....	13
Sub-Phase 3 - Research group building and training.....	13
Sub-Phase 4 - Pilot testing.....	13
Sub-Phase 5 - Full scale study.....	13
Sub-Phase 6 - Donors' benefits survey.....	14
Phase 2 - data analysis and final report of the study; dissemination	14
Sub-Phase 1 - Data analysis.....	14
Sub-Phase 2 - Final report elaboration.....	14
Sub-phase 3 - Dissemination	14
<i>ANNEX 3 – Impact assessment</i>	<i>15</i>
Key characteristics of impact assessment: aims and features	16
The issue of attribution	17
<i>ANNEX 4 – Interview check list</i>	<i>19</i>

ANNEX 1 – Terms of reference**Impact assessment of Training for Company Development in the Russian Federation
Terms of Reference
for the Operational Team that will carry out the field work****Summary table**

Project number: ETF WP D 17

Project title: Impact Assessment of Training for Company Development

Activity: Study on the contribution of management training on companies' development

Beneficiary Country: Russian Federation

I. GENERAL INFORMATION**I.1. Contracting Authority**

Working within the context of MEDA, CARDS, Tacis and Phare programmes, the European Training Foundation (ETF) supports the European Commission (EC) by facilitating the reform of vocational training in partner countries and territories and also promotes access to European expertise and practices in human resources development in general and the European Employment Strategy in particular.

The scope of the ETF activities covers the vocational education and training field, comprising initial and continuing vocational education and training, as well as retraining for young people and adults, including management training, and also labour market related vocational training field.

I.2. Relevant background to the project

During the last ten years, a great effort has been made by management-training institutions in Russia to improve the quality of their training materials, techniques and methods, the preparation of their faculty, the internationalisation of their programmes. From amongst the positive effects of this process, there has been the expansion of the market of management training and advisory services in the country, with an increasing demand from young generations of to-be managers and from enterprises, paralleled by a multiplication of suppliers competing and diversifying their offers.

Donors have made their part in the growth of such a market, by supporting the institutions through capacity building, staff exchanges, course development, school management and other means. On the other hand, by working with the private sector on restructuring, re-organising, developing industrial sectors, donors have contributed to boost the demand for training and management advisory services. This demand has been, and still is, partly oriented towards the Russian providers and partly towards the international market of consultants, for a number of reasons. The commonly acknowledged observation that managers' training and development contribute to the success of business has thus formed the ground for donors to plan interventions through their respective cooperation programmes. A wide and varied range of projects have been supported, under the assumption of contributing in so doing to the progressive establishment of a market-oriented economy in the country.

The list of international donors supporting the development of management training in Russia is a long one. The most important among them are the EU (the largest provider of technical assistance), whose management development efforts have been channelled since 1991 through its Tacis Programme, the UNDP, UNIDO, OECD, the World Bank. At bilateral level many others should be mentioned, from

amongst which a non-exhaustive list includes Germany, the USA, UK, Japan, the Netherlands, Canada Sweden, and the Soros Foundation. ETF has made an inventory of international projects implemented in the Russian Federation since 1991, which includes more than 300 projects.

ETF also has from the onset put efforts in understanding the background against which international cooperation was intervening. Hence, ETF has especially focused on issues such as careful training needs assessment, conditions for effectiveness of training, features of SMEs in Central and Eastern Europe, evaluation of international assistance in the management training field, aspects of quality of the training. In the period 1996-2004, years after the changes in the political system, several projects have been initiated by ETF across Central and Eastern Europe, projects that have provided intelligence of management training needs in the local contexts. A number of important conclusions were reached, one among those was that the traditional approach to management development and training associated with innovative and strong business, in stable macro economic environments, is not necessarily appropriate to companies in Central and Eastern Europe. Another worth mentioning conclusion was about the little awareness that existed among entrepreneurs and managers as to the relevance of training and HRD as instruments for the development of themselves and of their business. References of these and other findings can be found on the ETF web site, for example in the “Survey of selected enterprises in Moscow and the Ural region, Russian Federation”, and “Evaluation of activities in the field of management training in the New Independent States” reports. (www.etf.eu.int then follow the path [Home](#) > [Eastern Europe and Central Asia](#) > [Overview](#) > [Related publications](#)).

At the same time, a literature review highlights a fundamental research gap in relation to management development within the context of enterprises (old and new, micro-businesses, SMEs, large enterprises) in Russia. For instance it is not well understood what the learning process has brought about over the period of ten years and what its impact has been on the reaction, learning behaviour and results of managers that underwent training. For a good understanding of these elements it is essential to picture out what the current skills are that Russian managers must possess to make their enterprise thrive in the current socio-economic environment.

In order to increase the stock of knowledge on management training initiatives and their relationship with individual and organisational development, ETF has in 2003 decided to explore the concept of impact of training notably in Russia, over the decade after the Soviet period. Impact assessments go beyond evaluations, in what they analyse the effects generated in the long-term, not only the expected effects but also the unplanned ones. Investigating unexpected effects is not only important because they, like the planned effects, are resulting from projects’ implementation - but also because often represent a valuable source of learning and acquisition of new knowledge.

Impact studies feature other attractive aspects. They are focused on people (more than processes or infrastructures) and their assessment and views, their perception of the results and benefits. This type of findings allows, for example, to better understand who or which groups have been the actual beneficiaries of projects. Impact is, moreover, closely intertwined with the concept of sustainability of results and effects in the long run. These are reasons why interpretation, analysis of the context, appreciation of change trends, in impact studies are equally if not more important than measurement and observation of punctual changes at given times. On these grounds, therefore, qualitative and multi-disciplinary methods of analysis usually prevail over quantitative approaches.

II. PURPOSE OF THE PROJECT

The purpose of the project is to increase the knowledge as regards the contribution that management training has brought on the development of companies in the Russian Federation. It will obtain this through an impact study, i.e. by defining and analysing the long-term effects that have been generated by international and national projects in the field of management training and development. The study will survey direct and indirect effects, planned as well as unexpected ones, at the level of individuals, organisations (mainly enterprises), and on the external environment.

The study will consider the environment in which the enterprises operate (e.g. the relations with training institutions, with other companies, with entrepreneurs' associations, with local authorities – as well as the opinions of those on the companies), and it will at the same time observe the current profile of the managers (what competence, personal qualities and attributions are mostly represented?). Through this twofold field analysis, it should be possible to gather from the main users of management training initiatives their view as regards the manner in which has the training experience prepared them to operate in their respective contexts.

It has to be born in mind that the analysis will be mainly based on available results from donor-funded projects. Many of these projects were based on assumptions, which by way of simplifications can be summarised into two. Firstly, that the Russian Federation would move rapidly towards a market economy and management training would be an adequate instrument contributing to this transition process. Secondly, that this training was what managers needed. Amongst other things, the study may contribute to assess the relevance of these assumptions, which have been behind the planning of a large part of the donors' community.

III. AREAS FOR THE STUDY AND DESCRIPTION OF THE PROJECT STRUCTURE

The Stakeholders' Group (see below for its role and composition) has formulated a number of key questions for the study, which can be summarised as follows. Though to be further refined, these questions will serve as a guidance for the work of both the Scientific Committee and Operational Team.

The Federal Commission on Organization of Management Training for Enterprises of the National Economy of the Russian Federation (the FC, more info on www.skpk.hse.ru) expects that the study generates ideas as regards varied forms of cooperation between training institutions, companies and other bodies at the level of municipalities. Trainees, companies, municipalities have to become the real owners of the training and development processes, with a view to ensure sustainability beyond the life span of projects and programmes. The local/regional dimension of the impact is, in the view of the FC, to be at the centre of the study (“we need a picture for tomorrow, not of yesterday”).

Monitoring data possessed by the FC and the European Commission (EC) amount to a great deal. However, the areas to be studied and the related questions should be streamlined as much as possible to prevent a too wide but ineffective scope of the survey.

According to the Delegation of the European Commission to Russia (EC Delegation, more info on www.eur.ru) the questions for the study can be summarised into 4 main headings, namely: What are the long-term effects of the training and notably what changes have been generated in association with the training experience. How can the level of understanding of the EU reached by Russian companies can be described after more than a decade of cooperation and interaction. What are the lessons that can be drawn

for improving or modifying future project design. Lastly and may be most importantly, do the experiences of projects bring lessons for the perspective EU-RF common economic and education spaces.

It is the view of ETF that the following aspects and questions should be part of the study:

There is a new environment around Russian companies and it will be crucial to gain an understanding of how managers and companies relate with other companies, with training institutions, with authorities and associations in the current context. The study should then take the point of view of the managers (the beneficiaries of the training projects) in assessing what has been the contribution of the training to make them better able to cope with the present situation, inside the company and vis-à-vis the external world. In other words the study should shed light on what has been the real added value brought about by the projects, in forming the competence they are currently using.

The Stakeholders agree that the study's purpose is to build the future on solid ground, by absorbing lessons from the past. This is especially important in the light of the progressive decentralisation of responsibilities towards the regional and local levels in Russia, and of the modifications that will be brought into the EC Tacis Programme by the expected new Regulation, from 2007 onwards.

The study is therefore expected to produce recommendations as to new, innovative forms of EU-RF joint cooperation that would go beyond the traditional approach of technical assistance.

The project is structured along major phases, one preparatory phase (Phase 0) implemented by ETF together with the Stakeholders' Group and the Scientific Committee, and two operational phases as follows:

Phase 0:	Start-up, first experts' meeting, selection of the impact study overall approach and organisation, inventory of donors' initiatives, building the project structure, developing the methodology	Dec. 2003 – Sept. 2004 <i>(this Phase is on-going and therefore does not form part of this assignment)</i>
Phase 1:	Finalising the methodology, implementation of the pilot study and of the full-scale study	Oct. 2004 – May 2005
Phase 2:	Data analysis and final report of the study; dissemination	June 2005 – March 2006

The project structure consists of the Stakeholders' Group, the Scientific Committee, the Operational Team and the Contracting Authority. *The present terms of reference cover the work to be done by the Operational Team.*

- The Stakeholders' Group (SG) includes the main users of the study, namely the EC through its Delegation in Moscow, the Russian FC, together with ETF. The SG will steer the project, by formulating the main questions for the study, defining the expected outcomes and selecting the projects whose impact will be assessed. These will be communicated to the Scientific Committee, which will integrate them into the design of the methodology. The SG will receive the results of the study in the form of a report.

- The Scientific Committee (SC) is composed of experts knowledgeable of impact assessment approaches, of the management training field, of the Russian Federation, and of cooperation projects. Members include individual experts, representatives of donors, ETF staff members. They will develop the methodology (including the tools for the analysis) and will guide the Operational Team.
- The Operational Team (OT) will finalise the work on the tools for analysis (questionnaires, interview grids, sampling of companies and interviewees, etc.) coherently with the methodological guidelines developed by the SC, it will organise and carry out the field-work (both the pilot and full study). The OT will then process the information and analyse the data, and will draft the two main reports i.e. on the pilot survey and the full-scale study. It will subsequently contribute to the dissemination activities.
The OT will be composed by senior EU and Russian experts and Russian junior professionals. Considering the importance of the on-the-field and analysis work, it is a requirement that the selected contractor possesses prior comparable experience. The Contractor (an organisation or a consortium of organisations) will offer a professional team of experts, duly trained and experienced in applied research, from design through to report writing and dissemination. The work of the OT will be contracted out, and the present terms of reference cover this part of the work.
- The Contracting Authority for this assignment is the ETF, who is also member of the SG and of the SC and is responsible for the overall management of the entire project.

IV. ACTIVITIES REQUESTED UNDER THIS CONTRACT AND EXPECTED OUTPUTS

Scope and outputs

The activities are built around the purpose of assessing the long-term effects of management training projects, by undertaking a survey among the beneficiaries of past management training projects in Russia (direct beneficiaries e.g. managers, trainers, entrepreneurs, as well as indirect ones e.g. policy makers, employees, consultants, etc.). Interviewees will provide information at their own individual level, on the organisations to which they belong or belonged, and on the surrounding environment.

Impact on the external environment may regard effects on other companies, e.g. through competitiveness or imitation; on employer associations; on the local authorities that deal with economic development; and others. In order to allow comparison, the sample may include companies that did and did not benefit from training projects. To avoid excessive dispersion, the survey will have a regional rather than a countrywide focus. Additional criteria can be adopted in order to focus the study even more, for example selecting the companies' sample from a specific economic sector.

The study will necessarily be limited in terms of scope and size, and will possibly represent only a number of aspects of the overall impact of EC and other donors' intervention in the management training for enterprise development sector. Its methodological contribution, however, will be a significant one, in a way that similar survey designs will be applicable to other regions, other economic sectors or other forms and types of training.

The expected outputs are mainly (but not exclusively) the following:

- Development of questionnaires in English and Russian;
- Database of enterprises and individuals that have been involved in this project;

- A pilot study report which should include recommendations for the methodology of the full study (by December 2004);
- The full study report, according to the format to be agreed (by July 2005);
- Professional presentation of the overall study

Activities' description

As stated above the activities will span over a period of around 18 months, divided into phases. Based on its administrative rules, ETF contractual obligations are made on yearly basis. For the purpose of this tender however technical and financial offers are invited for both phases. (see below point VI)

In **Phase 1**, the following clusters of activities are envisaged. Bidders may modify/add to this list according to their proposed approach:

- Coordinating the operations with the ETF and with the SC and SG as appropriate, to make sure that the operations are always consistent with the purpose and approach of the overall project. This will imply regular communications and meetings in Turin (at least once in 2004 and once in the first half of 2005) and in Moscow (2-3 times in the first half of 2005);
- finalising the work on the tools for analysis (questionnaires, interview grids, sampling techniques, etc.), coherently with the methodological guidelines developed by the SC;
- sampling, i.e. gathering lists of individual and enterprises that have participated in the projects to be assessed (indicatively 10-15 interviews amongst managers, entrepreneurs, trainers, authorities, other qualified respondents for the pilot study; indicatively 30 enterprises and 8-10 interviews per enterprise for the full-scale study). The SG will provide the short list of projects to be considered;
- selecting a group of Russian junior professionals to form teams for the field work in the regions, and train them;
- organising and conducting the field-work for the pilot phase, with a view to test the questionnaires and other tools and finalise the sampling (e.g. grouping the respondents by typology);
- writing a short report out of the pilot survey, with recommendations for the full-scale study;
- organising and conducting the field-work for the full-scale study, into 1-3 regions of the Russian Federation (organising the teams; contacting the companies; contacting other stakeholders; planning meetings; conducting interviews; collect other data as needed; writing reports/results of assessments in the regions; etc.);
- organising and conducting a short survey of the impact (benefits) of international projects on donors.

In **Phase 2**, the following clusters of activities are envisaged. Bidders may modify/add to this list, according to their proposed approach:

- Coordinating the operations with the ETF and with the SC and SG as appropriate, to make sure that the operations are always consistent with the purpose and approach of the overall project. This will imply regular communications and meetings in Turin (at least twice in the second half of 2005) and in Moscow (twice in the second half of 2005);
- processing the information and analysing the data collected during the field-work, both quantitative and qualitative (e.g. also using statistical methods applicable to multidimensional sets of data, suitable for exploratory types of analysis);
- drafting the final report (ETF editing standards will be provided), which will summarise the impact analysis. The report will also contain findings, conclusions, lessons learned, and recommendations

- for the future;
- discussing the draft final report and introducing improvements;
- completing the final report;
- participating in dissemination events organised by the SG, by contributing a substantial presentation of the impact study. Events of such type will consist of at least three international seminars, in different locations of the EU and RF.

The above-described activities are part of the overall project that ETF is coordinating and of which also the SG and SC are part in full. The OT will make sure that their part is working together with and according to the overall purpose.

For a successful work the Contractor should:

- propose the OT Coordinator i.e. a senior expert who will lead the research work and who will become member of the Scientific Committee. He/she will also be the main contributor to the final impact assessment report;
- provide an experienced and multi-disciplinary team for the field work implementation, comprising senior EU and Russian experts, and Russian junior professionals;
- demonstrate sound management capacity, on team functioning, on organisation and administration.

V. PROFILE OF THE CONTRACTOR

In order to carry out the work foreseen by these terms of reference, the Contractor should possess: Solid experience in research methodologies and conducting applied research, preferably in the areas related to company development. Specific experience in assessing long-term impact of training or comparable fields will be an asset;

- knowledge and experience of enterprise development and management training;
- knowledge of economies in transition, preferably in Eastern Europe;
- experience in countries in transition, preferably in Eastern Europe;
- good capacity to manage the complex work of teams, in an international environment;
- capacity to mobilise a multidisciplinary team of high level experts (the OT), able to combine analytical skills, drafting skills and substantial relevant experience. English is the working language of the project and will be the language of the required reports. Russian will likely be the language of the interviews in the regions.

The above-described competence that is expected from the contractor should ideally be reflected also in the composition of the OT.

VI. DURATION OF THE CONTRACT

The implementation of the contract will start upon signature. Based on its budgetary and administrative rules, ETF can award the contract on an **annual** basis.

However, given the multi-annual nature of this assignment, ETF intends to stipulate an annual contract with a possibility for renewal to cover the two Phases of the assignment.

Bidders are requested to submit a Technical Proposal distinguishing Phase 1 and Phase 2 as well as a Financial Proposal distinguishing Phase 1 and Phase 2.

ANNEX 2 – Structure and articulation of the project

Phase 1 - Phasing the methodology, implementation of the pilot study and the full scale study - Structure of the project in sub-phases

The phase 1 can be divided into 6 sub phases.

During each one the OT ensured that all the activities carried out was co-ordinated and coherent with the general aims and approach of the project. For this reason regular communications, briefing and monitoring meetings were held with the CA, the SC and the SG.

Sub-Phase 1 - Research tool design

The aim of this sub phase is to define a detailed set of research tools in Russian and English on the base of the methodological guidelines that have been developed by the SC. In particular, it is very crucial, in order to ensure the best effectiveness and reliability to the “data gathering” process, to produce research tools with two main characteristics: 1) high “technical” quality, that means tools designed according to rigorous methodological standards and effective in precisely collecting data and information; 2) high level of “coherence” with the specific cultural context in which they will be used, that means being sure that these tools (questions, item, issues, etc contained), when delivered, will be correctly understood and interpreted by Russian respondents.

The concrete design of the research tools to be used on the field took into considerations the comment and suggestions emerging from all the bodies in charge of defining the guidelines (especially from a methodological point of view) for the project, like SC, and were reviewed on the basis of their comments.

In this initial step of the project, three main categories of tools have been realised:

Interview’s check list: a semi-structured check-list and articulated in different “areas” (composed by a list of items) to be explored which the researchers are supposed to “touch” during the interview. Besides the list of items, the check lists contains also some phrased questions conceived as possible examples/stimuli that the researcher might use in order to make the interaction with the interviewee smoother.

Guide for case studies: a methodological guide in order to support the process of “case studies” collection (how many people and who to involve, whom to interview, whom to give questionnaires, warnings to be kept in mind on the field, etc.); this guide is part of the broader training process in which the researchers working on the field have been involved and its aimed at sensitising them about what they are supposed to pay attention to when collecting data with an “ethnographic approach”.

Grid for desk analysis: specific grids for all “desk” analysis activities foreseen by the project have been realised: 1) overall analysis of the projects identified as objects of the impact evaluation studies; 2) specific analysis of the “evaluation documents and reports” realised inside each project. The aim is to ensure the maximum level of coherence and homogeneity during the desk analysis activities (data

collection and interpretation) among the researchers involved, being fully aware that it is back office activity but with a strong impact on guidelines definition for on the field work.

Sub-Phase 2 - Sample definition

In this phase it is particularly important to define the characteristics of the sample both for the pilot testing and for the full-scale study in order to have useful criteria to choose the projects (which can be considered “representative”) for the two activities among the long list of more than 300 international projects inventoried by ETF.

Sub-Phase 3 - Research group building and training

This sub-phase aimed at creating and consolidating a strong research team for the field activity (pilot testing and full scale survey). A group of 3 Russian junior professionals have been selected and trained through seminars/workshops in order to share with them and with the local senior researcher that co-ordinated their work a common methodology and a common approach both to the pilot testing and to the full scale research. In particular, these seminars/workshop were very useful in order to: 1) familiarise the Russian researchers with the tools; 2) receive some feedback from the Russian researchers in order to improve the quality and the effectiveness of these tools (questionnaires and check list), according to local culture and mindset; 3) develop a “common style” to the use of tools among the Russians researchers.

Sub-Phase 4 - Pilot testing

This first on the field activity aimed at testing the research methodology and tools defined in the previous phases in order to give additional inputs for the full scale study: refining the research tools, identifying useful insights in order to enhance the comprehension of the phenomenon (impact of the projects), revisiting the sampling criteria.

A further aim of the pilot testing was to collect data and information to finalise the identification of the sample for the full scale study identifying typologies and criteria that will guarantee the wider coverage and understanding of the universe of the projects object of this assessment project.

Sub-Phase 5 - Full scale study

The full scale study has been carried out in three selected regions of the Russian Federation and involved the projects identified by the SG also on the base of the results of the pilot testing phase. In order to carry out this phase the local co-ordinator, with the support of the Italian OT, organised the field-work of the researcher’s team, took care of contacting companies, stakeholders and all the others actors to be involved in the analysis. The research group carried out the field analysis (interviews, panels, workshops) in order to collect data, information, experiences useful for the case studies development and the full scale analysis.

Sub-Phase 6 - Donors' benefits survey

Parallely to the carry out of the full scale study, the OT conducted a short survey among international projects donors in order to better understand impacts and benefits of these initiatives also for them. Understanding the basic assumptions on which they based their funding distribution and how the interaction changes them it's particular interesting to achieve the general project's aims in relation to the impacts of these projects (donors can provide the "original" idea on them to be compared with what really happened) and clarify which are the expectations and perspectives towards future collaboration with the RF.

Phase 2 - data analysis and final report of the study; dissemination

This phase can be detailed in 3 main sub phases, but, as said before, the first sub-phases were anticipated in the phase 1.

Sub-Phase 1 - Data analysis

The data gathered through the full scale study were analysed from both a quantitative and a qualitative perspective.

Sub-Phase 2 - Final report elaboration

On the base of the analysis carried out during the previous phase, the final report has been drafted, with findings, conclusions, lessons learned and, through the pointing out of the insights from the case studies, also recommendations and perspectives for future collaborations among EU-RF to strengthen new common economic and educational spaces.

Sub-phase 3 - Dissemination

In this phase are included all the activities that can be carried out by the OT in collaboration with ETF, SG and SC to spread the results and finding of the project in order to create a general awareness on the lessons learned and support the diffusion of a productive environment among all the interested actors (Russian and European companies, institutional stakeholders, policy makers). The OT's co-ordinator will participate in the dissemination events (at least three) organised by the SG presenting the main outputs of the study in EU and RF.

ANNEX 3 – Impact assessment

In order to analyse the concept of “impact assessment” it is useful to start from some definitions used by different organisations, involved in aid/development project in different fields, and try to understand what they have in common.

World Bank (1976): Project Impact is “The change in the standard of living and the increased capacity for self-sustained development of a group of beneficiaries or communities, resulting from project effects. These changes can be measured by increased income and consumption, improved diets, reduced incidence of disease, increased literacy, increased local participation in planning and decision-making, and so on”.

United Nations General Assembly (1978): “The “expected impact” must be some change in member States or in relationships between them, not the mere completion of the planned activities”

World Health Organisation (1978): “Impact is an expression of the positive effect of a programme, service or institution on overall healthy development and on related social and economic development. While a programme may be effective in that it has attained its objectives, the attainment of these objectives may, in fact, make little or no contribution to overall health and related socio-economic development. The assessment of impact is thus aimed at identifying any necessary change in the direction of health programmes so as to increase their contribution to overall health and socio-economic development”.

OECD Expert Group on Aid Evaluation (1985): “Impact is a term indicating whether the project has had an effect on its surroundings in terms of technical, economic, socio-cultural, institutional and environmental factors”.

OED(World Bank) (1993): “Development means little if it is not linked to its essential focus, which is people – not structures, processes nor parameters. In particular, it is the well-being of the poorest people in society that provide the primary focus for a development bank, and impact evaluation is ultimately seeking to assess the changes experienced by this group”.

DANIDA (1994): “The ultimate objective of all development projects or programmes is to improve the living conditions – in one or several respects- of the population of the recipient country, region, area or other, depending on how the target group or the intended beneficiaries are defined”.

The main characteristics of an impact study, as expressed by these definitions, are:

- An impact study goes much wider than an ex-post evaluation: it is concerned with the impact of the project on “its surroundings”, much more with “outcomes” than with outputs;
- An impact study looks at such aspects as: living conditions, health, socio-economic conditions, environment, etc, but it is ultimately concerned with people, and the effects that projects have on target populations.
- An impact study is concerned with the extent to which projects are self-sustaining. Hence it involves the issue of sustainability.

It is very important to distinguish impact study from ex post evaluation. Here follow some basic criteria in order to draw this distinction:

- they are concerned with the “higher-order” objectives, not just with inputs and outputs;
- they involve studying the wider effects of projects, which ask for longer time to become evident, so impact studies always take place some years after the project was completed, and usually several years after an ex-post evaluation is usually carried out;
- they address a wider audience than ex-post evaluation because the findings are not related to the issues of project implementation (in order to improve the process and analyse the outputs), but to ultimate outcomes, and many different stakeholders are keenly interested in learning these lessons, which are not specific just to donors and “project managers”;
- ultimately, they make a vital contribution to the global pool of knowledge about the effects of development aid and so also the recipients are extremely interested in learning these lessons, so that their internal planning decisions can be better informed.

It is important to underline that, even if potentially very beneficial, impact studies are not so frequent and, when developed, they always face some major problems, which have to be taken in serious consideration during their design:

- they require a lot of resources (money, time, people) because they focus on an object which is wide in itself, “the outcomes on the wider community rather to remain confined to the immediate outputs on the target group”;
- adequate data on these “wider effects” are difficult to be obtained and - given that they deal with ‘higher-order’ and abstract concept (i.e. the change of mind-set in trainee) - are very often of a qualitative more than a quantitative nature: donors and policy makers are not always very comfortable with these (they prefer “hard data” in order to base and to justify, to their audience, their decisions)¹.
- it is difficult to define the “right timing”, it always seems to be either too early (not time for effects to reveal themselves) or too late (too many extraneous factors have come into play since the project was completed and a problem of attribution arises);
- there is a practical problem of identifying and tracking down the people who were involved in the project, because after six or seven years organisations change and people move on;
- in the case of training projects, a further problem arises linked to tendency to feel that training is anyway “a good thing” and that somehow, sometime training will be used even if it doesn’t happen what was expected. Training is seen as a long-term investment in people and any attempt to evaluate its benefits over a shorter period is viewed rather suspiciously.

Key characteristics of impact assessment: aims and features

The **main aims** of an impact assessment study can be summarised in the following:

- to find out whether the higher-order project objectives were achieved or not, in terms of the effects of the project in a wide sense i.e. going well beyond the immediate compass of the project’s operation;

¹ This issue is deeply analysed by B. Turner “Real men don’t need soft data” (Working Paper).

- to assess whether the target populations were successfully reached, bearing in mind that an impact study doesn't confine itself only to the targeted groups but tries to look at the total effects of the project, also on wider beneficiaries;
- to look for not only the intended benefits of the project but also to keep a keen eye open for any unintended effects, also negative ones;
- to look for not only "substantial" effects - as new knowledge and new skills - but also for more subtle aspects such as any cultural or social shifts in attitude, any changes in participants' own value systems, what one might call "symbolic" effects;
- to keep in mind the aim of sustainability i.e. to investigate the extent to which the project became self-sustaining over time and to note how sustainability was achieved.

Here follow some **crucial features** of an impact study:

- It calls for an "investigative stance" - or what in literature has been called "intelligent creative thought" - which implies curiosity, to explore research paths which are hidden from view at first, and flexibility to follow second and third round implications if they promise to bring out useful lessons (how far down this road researchers should go, is up to their judgement)
- It is crucial to involve the beneficiaries as much as possible, because there simply isn't time for a team coming out from a foreign country for a few weeks to get "under the skin" of the local situation sufficiently to be able to produce any thing really useful about the project impacts. Often there are language problems (using an interpreter is a poor second best), but even more, there are problems of understanding the local culture, social mores, political structures and power bases etc, all of which are key to finding out about impact.
- In case of project with a management training component, it is not just a matter of quantifiable changes but much more a matter of qualitative, and often rather subtle, changes in attitudes and approaches.
- It calls for a careful look at effects on the wider community. This is where the ripples from the stone dropped into the pool have to be followed outwards from the centre: if the ultimate objective of all development project is to achieve sustainable benefits, then an impact study has to try to assess the extent to which the benefits became sustainable at the local community level.

The issue of attribution

Maybe the main issue during an impact study is that of attribution. Because of the time lag many extraneous things will have happened that will make it very difficult to attribute any impact specifically to the aid intervention. However this does not matter too much since the object of the exercise is not primarily to justify the aid expenditure but simply to find out what happened. Problems of attribution should not be a major deterrent to carrying out an impact assessment, nor should they be given any kind of priority. Attribute if you can, but if you can't it doesn't matter! It will be almost impossible to carry out a cost-benefit type of analysis. This is partly because of the attribution problem, but also because it is inherently difficult to apply economic techniques to types of aid like management training that are investments in people. However this need not be a serious deterrent as the main objective is not to measure the rate of economic return on the aid investment but to assess the impact on people and it has to be accepted that this will be essentially a qualitative judgement. In a few cases it might be feasible to carry out a cost-benefit analysis (e.g. where an expert introduced a change in procedures within an

organisation that brought about quantifiable benefits) and where this is possible it can be extremely persuasive of the importance of MT aid. Certainly the impact assessment team should be on the look-out for any such opportunities. However it is far more likely that an alternative approach will be more practicable. This is the case-study approach. Again this can be a powerful tool and a few well-documented case studies can be very influential.

ANNEX 4 – Interview check list

INTERVIEW CHECK LIST

1) Company current situation

- General data about the company (number of employees, turnaround, etc.),
- Main characteristics/features
- History and development
- Market position/products
- Strategy
- Organisation structure and processes
- Managerial style (hierarchical vs valuing people, etc.)

In this section is very important to understand the “degree of maturity” of the company regarding training and people professional development. In order to catch this point, it could be helpful to understand the following aspects:

- Past experiences in training
- Attitude of the entrepreneur/top management towards training (and training staff)
- Existence of a formally appointed HR Manager and/or Training Manager
- Existence of a dedicated structure and its articulation (roles/people formally responsible for training and development processes)
- Existence of a (formal or informal) ‘development plan’ for human resources (if yes, for which company level/population?)
- Previous participation to EU programmes or other donors’ ones

Analysis of the “degree of maturity” of the company concerning the different phases of the Human Resources Management cycle:

- recruitment and selection
- performance appraisal
- potential assessment
- compensation
- career and development

2) The company and the participation to the training initiative

- Why the company decided to participate to the initiative? Who took this decision?
- Characteristics of the company - in terms of strengths, weaknesses and problems faced - when it was decided to participate (ask the interviewee to describe that moment/situation)
- Expectations and objectives at the moment of that decision
- Attitude of the entrepreneur/top management but also of people towards training at that time (did it change afterwards?)

PS: when the participation was decided on a strictly individual base, this section is aimed at exploring the individual reasons and the personal situation that were behind this decision and how this decision affected the relationship with the company (was it difficult to negotiate? was it supported? did it generate any conflict/problem? what did other people in the company - top management, boss, colleagues...- think/feel about it?)

3) The training programme

- Typology
- Objectives (usually they were not clearly defined and stated, so it might be difficult to have a precise term of comparison to assess impact)
- Structure (explore in particular if there was a **follow up** activity and which is the perceptions of its role, weight and usefulness)
- Contents
- Methods
- Target groups
- Duration

When was the programme delivered? (very important in order to relate the answers of interviewees about the impact on training to the specific socio-economic situation of those years)

Which training provider delivered the programme?

Was there any kind of partnership with foreign institutions or trainers? Or between local ones?

Where was the programme delivered?

Explore about the internship: when, for how long, where, relative weight on the overall programme, what was done...

4) Programme evaluation

In general terms, this section aims at investigating the impact of the training programme.

In particular:

- Reactions/satisfaction
- Learning
- Transfer to job behaviours
- Results (company level)
- Results (local system/environment level)

Generally speaking we have to keep in mind that everything we will collect about the impact is very likely affected by how things/business are going today (this possible bias is particularly relevant because of the consistent time lag with the delivery of training).

Reactions/satisfaction

- Degree of satisfaction/dissatisfaction regarding the training experience
- The most appreciated elements
- The less appreciated elements
- Were you satisfied/unsatisfied with the training provider/trainers? Why?
- (analyse in-depth also with specific questions about feelings, perceptions and images linked to the experience)

Learning

- What was learned during the programme?
- (ask for concrete examples in order to evaluate if the learning refers to “knowledge”, to “skills” or to “behaviours/attitudes”)
- What was particularly useful in facilitating the learning process?
- What went wrong?
- What could have helped the effectiveness of the learning process?
- Did you get any improvement in terms of language skills?

Transfer to job behaviours

- What - of the things learned - do you now use in your everyday practice? (ask for examples)
- Who or what interfered with the transfer of learning into practice (regarding all the things that were not transferred into practice)
- Who or what helped the transfer of learning into practice?
- What would have helped this transfer?
- Did the training finally result in a change of your position within the organisation (in terms of role, decision making responsibility, compensation...)? Did it result into your mobility to a different company? (here it is crucial to explore the reasons of this internal/external mobility from the point of both the individual and the organisation)

Results (company level)

- In general, could you indicate clear and “touchable” impacts on the company due to the programme (for example, growth of the efficiency indexes, better sales performance, etc.)? Indicate which ones.
- According to your opinion, which factors interfered with the results’ achievement (especially for what concerns all the things that were not translated into practice)?
- What could have been done (what would you suggest to do) in order to favour better results?
- Individual level, did the training result in a change of your position within the organisation (in terms of role, decision making responsibility, compensation...)?
- Focus on the international dimensions (new international activities and partnerships, expansion in foreign markets, etc.)

In the case of large companies, this “level” correspond mainly to the one of the unit/function/department where participants are working, i.e. a level where some impact may have reasonably been produced. In any case researchers will also look for any overall organisational effects even if very indirect.

Specific areas of investigation

Innovation

How did management training change company understanding and behaviour with regard to innovation (production processes, new products, introduction of ICT solutions...)

Foreign direct investment (FDI)

After training: did they start? did they increase/decrease? did they focus in different areas?

New (significant changes in) management practices

On the “internal” side, with special attention on HR

On the “external” side, with special attention on client orientation and marketing

Career development and mobility (internal/external)

This item, already explored from the individual point of view, is here taken into consideration from the organisation point of view (boss, HR manager, top...)

Development and implementation of company strategy

Did management training take place within a framework of an explicit (or implicit?) business strategy? If so, how strong were the links/integration between the latter and management training? If not, was management training considered to have been successful even in the absence of a business strategy? In hindsight, does the company in question and/ or individual managers today consider a business strategy an essential ingredient of successful management training?

Networking

After or thanks to training, was any form of partnership established with other companies and/or institutions (at local, regional, national or international level)

Concerning the internship, how did the relationship with the foreign hosting companies develop? Could you get any business result?

Results (local system/environment level)

In general terms, this specific section aims at understanding if the company experienced significant changes and improvements in the relations with the stakeholders present in the its environment.

According to your opinion, did the program have any impact on the local system/environment?

Did it generate any change in the relationship with the following actors? Which one?

- other companies, with a particular focus on strategic suppliers and/or customers
- local public bodies/administrations
- actors and institutions working in the education/training/consulting and technological innovation areas
- employers' associations and trade unions
- business and political community (did it raise the sense of belonging to the local community?)

With a specific focus on training providers:

- which were your ideas about them before training?
- which is your current opinion, after having experienced training?
- after the training, was there any specific change/improvement in the relationship with the training institution? did you establish any permanent relationship?

In this section interviewees will also be asked about the changes that, from a general point of view, they see in the local business environment in terms of:

- awareness (about management, market, etc.)
- competencies/skills
- culture and attitudes
- technical/institutional/social infrastructures

Can you see a different level of maturity in the local business community? In which terms?

5) Final considerations

- Ask for an overall evaluation thinking of the results/impacts produced (long terms effects especially)
- Ask for an overall evaluation comparing this experience to other previous training/consulting experiences
- Would you recommend this training to other people/companies?
- According to your opinion, which are the main strengths and weaknesses of the initiative?
- Ask for an overall evaluation in a future perspective: is the programme, as it was conceived, useful? Can you suggest possible changes/integration? If yes, which ones? (this issue is particularly targeted to the company top management and to the training providers)

Here a very central focus goes on all the “sustainability” issue in terms of capacity building at local level (database/association of graduates, strengthening on training institutions, etc.)

To companies

What do you expect from a training provider today? And for tomorrow?

What does it mean to be a good training provider?

What do you suggest in order to improve the relationship between demand and offer of training?

Which kind of training do you think you/your company will need in the next future?

To training providers

What do you think companies and managers expect from you today? And for tomorrow?

What do you suggest in order to improve the relationship between demand and offer of training?

Which kind of training do you think companies will need in the next future?

Here some notes in order to customise the use of the interview grid with different targets. The complete interview grid fits well with the organisational actors and the training providers.

For the external actors, it needs to be a bit modified. In particular, we suggest that the main emphasis lies on the following areas:

- programme evaluation (with the exception of the 'reactions/satisfaction' and 'learning' issues, that could be summarised in the following questions: "generally speaking, are you satisfied with the programme? Why?"; "according to your opinion which have been the main results in terms of learning - new knowledge, skills and behaviours/attitudes?") (4);
- final considerations (5).

The other areas (1-2-3, particularly focused on the situation of a specific company) should be less emphasised.