

REPORT

Assessing management training needs in Central and Eastern Europe

**Survey of selected enterprises in
Moscow and Ural region,
Russian Federation**



European Training Foundation



CEEMAN



European Training Foundation

Villa Gualino, Viale Settimio Severo, 65, I-10133 Torino

Tel: (39) 011 630 22 22 / Fax: (39) 011 630 22 00 / email: info@etf.eu.int

Web: http://www.etf.eu.int

The European Training Foundation is an agency of the European Union which works in the field of vocational education and training in Central and Eastern Europe, the New Independent States, Mongolia and the Mediterranean partner countries and territories. The Foundation also provides technical assistance to the European Commission for the Tempus Programme.

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Assessing management training needs

Moscow and Ural region, Russian Federation

By
Prof. Sergey Filonovich
Dean of the Business School of the
Higher School of Economics



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Foreword CEEMAN reports

This report is one of a series prepared as an integral part of an international research project on 'the Assessment of Management Training Needs at the Achieved Level of Transition' in various Central and Eastern European countries. The project was implemented by the Central and East European Management Development Association (CEEMAN)¹ and was sponsored by the European Training Foundation². The Foundation also contributed its expertise to different stages of the project.

To date the project covers selected enterprises in five countries (Bulgaria, Poland, Romania, the Russian Federation, and Slovenia) and concentrates on the issue of management training needs in manufacturing and service sector enterprises. All in all, the project surveyed a total of 82 enterprises and 564 managers between July and December 1998. The aim was to understand training processes, approaches and practice in order to evaluate how training has been used as a response to evolving business needs and how it can be further developed in the future.

The questionnaires used for this survey are included in the cross-country report which has also been prepared. Further copies of this report and the others can be obtained directly from the European Training Foundation or downloaded from the web site on <http://www.etf.eu.int>.

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- 1 CEEMAN is an international network comprising 122 members (including business schools and enterprises) from 32 countries with the aim of enhancing management development in Central and Eastern Europe. The headquarters is in Slovenia. Further information can be obtained from www.ceeman.org.
 - 2 The European Training Foundation is an agency of the European Union which works in the field of vocational education and training, including in particular management training, in Central and Eastern Europe, the New Independent States, Mongolia and the Mediterranean partner countries and territories.

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Summary

The survey was intended to examine the current situation in management training and to make an assessment of training needs at the current stage of reform in the Russian Federation.

The main methodological tool was a set of three questionnaires addressed to general managers, personnel managers and individual managers, respectively. This tool was used in all the countries involved in the survey. The questionnaires were translated into Russian.

The process and the results of the survey were seriously affected by the financial and political crisis in the Russian Federation in August 1998. Many companies had to lay off staff and, because of this, cancelled their participation in the survey. Instead of the initially planned 20 companies, therefore, only 12 were studied. In general, the survey should be considered as a multiple case-study and not as a comprehensive, statistically valid piece of research.

One of the most important findings of the survey is that general managers experienced considerable difficulty in understanding some basic concepts of management. This is a result of what is called "Soviet management practice" and it puts a question mark over the methodology of the survey, which was based on the assumption that respondents would be able, at least, to understand the meaning of the questions.

The main findings of the survey are set out below.

The most important factors influencing the development of management training in the Russian Federation are:

- the lack of management training in the past;
- the restrictions of the Russian legislation on education;
- the limited number of success stories in Russian business;
- the absence of a business culture; and
- the negative effect of «fast and easy» money in the first years of reform.

The main challenges currently facing the Russian companies are:

- downsizing;
- reduction of the payroll;
- the need for crisis management; and

- rehabilitation and re-establishment of the financial system.

These factors have influenced people's perceptions of what is needed in management training. The survey has shown that the most challenging areas of management practice and, therefore, the areas where training needs are most urgent are:

- general management;
- management of change;
- public relations; and
- marketing.

Detailed analysis shows that lack of knowledge of corporate governance among Russian managers is a serious problem. This problem is also related to the fact, which is borne out by the survey, that only a few Russian companies have a management strategy and even fewer link management education and training to this strategy.

It is not surprising, therefore, that management training in the Russian Federation has the following negative characteristics:

- it is sporadic, rather than systematic;
- it is driven by the availability of training services, rather than by identified training needs;
- information on the availability of training programmes and/or providers is poor;
- the emphasis is on individual, rather than corporate, interest and/or responsibility;
- the tendency is to try and improve "technical", rather than managerial, knowledge and skills; and
- it is focused more on the content than on the process of training.

Persistent economic problems and, particularly, the financial collapse of 17 August 1998 have had additional adverse effects, so that only large companies can afford to invest in human resources. Since the collapse, all Russian banks have closed their training departments and income from tuition fees has gone down by 25-40%.

On the other hand, there are some positive trends, the most important of which are listed below.

- Massive lay-offs and high unemployment have taught people the importance of knowledge and, even more, of skills and appropriate attitudes.
- There is increasing recognition of the importance of systematic business education, particularly since the successful efforts of the Russian Association of Business Education (RABE) to introduce a formally recognised MBA diploma.

- The quality of business education is gradually improving, due, among other things, to the projects to promote competitiveness and the programmes to develop business faculties which have been initiated by RABE and the International Management Institute of St. Petersburg (IMISP), respectively.
- There is a gradual change of attitudes towards foreign training partners and to the concepts they have of management training.

On the basis of these and other findings and conclusions from the survey, the following **main strategic recommendations** have been put forward.

- Particular attention must be given to training in strategic management and scenario planning for top-level management.
- Top managers and human resource managers badly need to acquire an understanding of management as a profession and of the key elements that it involves.
- Human resource managers need training in training needs assessment and competency mapping.
- The most effective way for Western countries to help the development of training would be through the provision of training for trainers and for professors in business schools. Such efforts would have a multiplier effect compared with the training of individual managers which cannot be so effective in a country as big as the Russian Federation.
- The creation of a database with information on the training programmes available that could be accessed via the Internet could significantly improve the quality of programme selection.
- It is important to create a professional community in the field of training and development.

The report also includes a review of training provision by foreigners in the Russian Federation. A number of **recommendations for foreign trainers** are formulated. These focus on the need to get rid of some misconceptions about training and to rethink the different issues involved in the preparation and implementation of the training process. Finally, the concept of “co-training” partnerships between Russian and foreign trainers is introduced and developed.

1. Introduction

Initially, the survey was intended to examine the current situation in management training and to carry out an assessment of training needs at the current stage of reform in the Russian Federation. It was supposed to be based on questionnaires presented to 20 enterprises in the service and production sectors and on expert evaluation of the field of management training and education. Although a sample of 20 enterprises could not be considered representative in a country as large as the Russian Federation, the general outline of the project seemed to be relevant and it could be seen as a survey based on a multiple case-study.

The situation changed dramatically after 17 August 1998 when the whole financial system of the Russian Federation collapsed. In a few weeks, the labour market and the financial situation of most Russian enterprises changed so dramatically that management training was probably the last problem that top management could take into account, at least for a year or two.

The financial crisis in the Russian Federation has influenced the conduct of this survey in a number of ways. First, more than 25 enterprises, which had initially expressed an interest in taking part, withdrew their participation. Two main reasons were given. One, which may be considered the most important, was that almost every company in the Russian Federation had to lay off from 30 to 50 per cent of its staff. Corporate budgets were revised and the first response to the crisis was that training components were cut off. Top managers considered it almost unethical to discuss management development and training needs at a time when they were laying people off. Another reason was a concern that the distribution of questionnaires among managers would raise expectations about future in-company training or regular business education financed by the company.

The second factor that influenced the results of the survey was that top managers were reluctant to disclose information about their companies and this affected the quality of their answers. Though everybody who took part in the survey was assured that the information they gave would be treated as confidential, people were not open. Many managers were afraid that their answers would somehow influence the decision of top management to keep them on in the company.

The result was that far fewer enterprises were involved into the survey (12 instead of 20) and the quality of the information collected through the questionnaires was not as high as expected.

Nevertheless, this does not mean that the information included in this report is biased or invalid. Information from the managers is supplemented with information that the author obtained from a survey, carried out by the Institute of Strategic Analysis and Entrepreneurship Development, of which he was co-author. Another source of information was Yeltsin's Initiative Programme (a programme of professional training for 5,000 Russian managers in the Russian Federation and abroad). As Deputy Chairman of the Expert Council for this Programme, and as Leader of the Management Programme at the Higher School of Economics during the last 4 months, the author had an opportunity to communicate with teachers and trainers in various educational institutions involved in Yeltsin's Programme as well as with participants. This provided him with valuable insights into management education in the country.

The general purpose of this report is to present the current stage of management development in the Russian Federation and trends for the future. One of the unique features of the survey is that it attempts to identify the main areas of management education that have not been covered properly since the beginning of the reform process. Another focus of the survey is the question of strategic orientation in management training in Russian enterprises. Both topics are closely related to the social, political and economic situation in the country.

These two aspects could provide the international and national educational and training institutions with much better understanding of what is needed to be done in the field of management training in the Russian Federation in the immediate future and in the longer term.

The report is structured in such a way as to provide a broad view of the development of the Russian economy. This is intended to provide a context for the discussion of management training issues. At the beginning of the report, therefore, an overview of the transition process, together with a brief description of the results achieved, is provided. This is followed by a discussion of the main challenges and a description of responses to them. As was mentioned above, the economic crisis of late 1998 forced companies to abandon strategy in favour of tactical considerations. Nevertheless, the behaviour of management during the crisis provides important insights into management capabilities, which is the subject of the next section. An important part of the research is the analysis of the lessons drawn from the experience in management training accumulated in the Russian Federation during the transition years. Following this, training needs are discussed in the context of the Russian economic crisis. Unfortunately, the survey did not yield much information on planned training strategies and activities so that the analysis in this section is based on a number of different information sources. The final section of the report puts forward recommendations for training organisations and institutions that are interested in working in the Russian Federation.

2. An overview of the transition process and of the results achieved

There are two events in the recent history of the Russian Federation that can be considered as starting points of the reforms and the transition to a market economy. The first is the beginning of Perestroika, which was initiated by Michael Gorbachev in 1986. The second is the beginning of the real transformation of the Russian economy in 1992.

The most important achievement of the first period (1986-1992) was the fall of the «Iron Curtain» and the massive exposure of Russian managers to Western business and managerial culture. This exposure created two major attitudes to management as a professional field.

The first could be called «nationalistic», in that it emphasises the unique character of the Russian Federation and the need for the country to take an individual path to development. From this perspective, what is needed is a specifically Russian «system of management» and, indeed, one of the proponents of this approach has published a textbook³ where management is presented as a Russian invention. Strange as this may seem, the book has the status of an officially approved textbook in Russian universities. The implications of this attitude will be discussed later.

The second takes the opposite approach and stresses the importance of Western management traditions and values and of traditional American and/or European management training. Supporters of this approach have cooperated in the massive efforts undertaken by Western educational institutions to disseminate their concepts of management, either by the establishment of business schools or by means of training delivered by foreign trainers.

Until the beginning of the second stage of the transition process, however, training in the Western management tradition was not in demand among top management in Russian enterprises. It was only with the start of mass privatisation that the issue of management came to the surface.

It should be pointed out that the pace of change in the Russian Federation has been relatively fast. The results of the changes that have occurred are summarised in the following subsections.

³ *History of Management*. Ed. by D.V. Valovoy. (In Russian). – Moscow: INFRA-M, 1997.

2.1 *Country level*

There have been major transformations, on the country level, in the areas of politics, economics and the social system.

In *politics*, the major changes are:

- the general democratisation of society;
- the transition to a multi-party system;
- the introduction of a new Constitution;
- the partial decentralisation of the Russian Federation; and
- the competition between the President/Government and the Parliament (Duma)

The most important changes in the *economy* are:

- mass privatisation;
- structural change in the industrial sector;
- control of the rate of inflation (until August 17, 1998); and
- the formation of a financial infrastructure (which was destroyed after August 17, 1998)

Finally, changes in the *social system*, include:

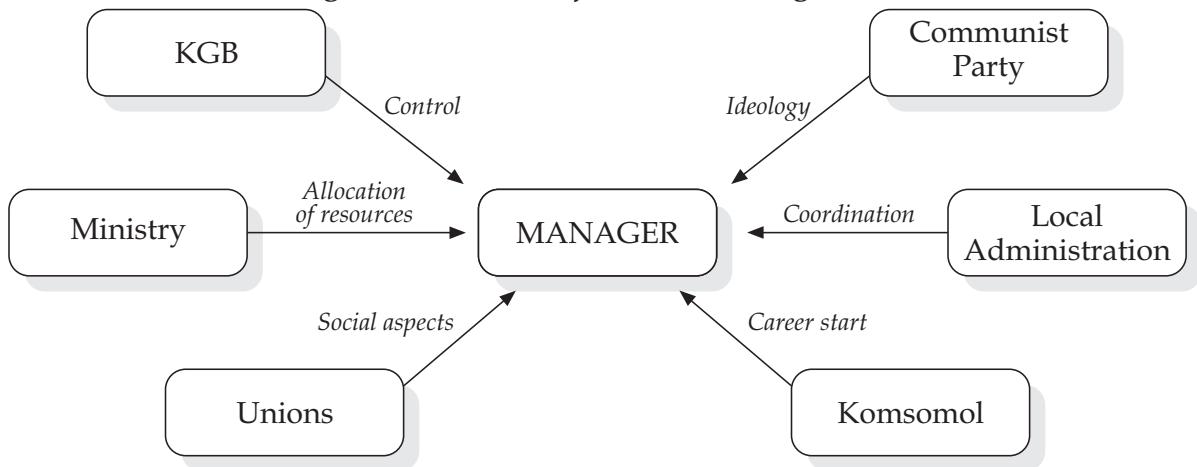
- the introduction of social stratification;
- the emergence of a middle class; and
- an increase in social dynamics.

2.2 *Enterprise level*

The dramatic changes in the Russian economy and the social environment have had a great impact on business organisations, thousands of which have changed their legal status, form of ownership and management systems. An even greater number of new organisations have been set up by entrepreneurs. After six years of painful change, organisations in the Russian Federation are now operating in a completely new environment.

In the old system, there was no such concept as management. The Russian word «upravlenie» is not the equivalent of the Western concept. A «manager» in the old system was in the centre of a multidimensional matrix and could not easily execute the main function of management: decision-making.

Figure 1: Matrix of Soviet «management»



This is illustrated in Figure 1. The six main players that influenced the decision-making process are shown here:

- the Communist Party determined the ideological context;
- the KGB was in charge of control;
- ministries were involved in resource allocation;
- local administrations coordinated the functioning of enterprises;
- unions controlled social aspects; and
- the Komsomol was the major source of the human resources.

When a manager has to take into account six determinants, there is little room for options and none for traditional managerial decision-making.

The reforms destroyed this matrix. Managers not only acquired the right to make decisions: they found themselves in a position where they had to make crucial, strategic decisions but they did not know how to do this. Once the reforms started, therefore, organisations in the Russian Federation were faced with a major problem of how to deal with choice, as the new managers had no expertise in conventional Western decision-making processes.

Proceeding by trial and error and using their common sense, Russian managers started their journey towards a market economy. Some of them survived, but most did not. Those who have survived the struggle of the early years are finding out that they do not know what the next steps in the development of their organisations should be. In fact, in a struggle for survival, almost all one's actions are predetermined. It is when the situation becomes more stable that choices have to be made. At this point, managers begin to understand that professional training is something that can help them in their work and it was this understanding that was the main driving force behind management training in the period 1993-1998.

The development of Russian management training has been determined by a number of factors. The most important of them are:

- the lack of management training in the past;
- the restrictions of the Russian legislation on education;
- the limited number of success stories in Russian business;
- the absence of a business culture; and
- the negative effect of «fast and easy» money in the first years of reform.

Despite the difficulties involved, regular management and in-company training gradually emerged in the Russian Federation. It was possible to see a shift in emphasis from engineering education, which had priority status in the Soviet Union, to management education. More and more students came to university to get a degree in business and management and older people were looking for MBA-equivalent courses. The consequences of 17 August 1998 changed this situation.

3. Main challenges and strategic responses

The financial crisis had drastic consequences for the Russian economy.

The rate of decline in industrial production is expected to be 13% at the end of 1998, compared to the end of 1997. Inflation is expected to rise to 75% and the average salary is likely to fall from the equivalent of about US\$175 to US\$60 per month⁴.

Many business organisations have collapsed and most of those that survived have had to lay off up to 50% of their staff. Management has suffered the most. In many organisations, the personnel departments were closed. For instance, all Moscow banks closed down the units that were in charge of personnel training and development and the staff in these units were made redundant. Before 17 August, banks were the main consumers of educational services.

Although it cannot be checked against the results of a systematic survey, the experience gained from consulting practice would indicate that the main challenges that Russian companies are experiencing at the moment are:

- downsizing;
- reduction of the payroll;
- the need for crisis management; and
- the re-establishment of the financial system.

Respondents to the survey were asked to evaluate the challenges currently facing them. Their responses are shown in Table 1. None of the respondents described the current situation as stable and most think that they are facing serious change or will go through radical transformation.

4 *Expert*, # 45 (161), November 30, 1998, pp. 56-57.

Table 1: Magnitude and nature of challenges

The level of challenge	%
Stable situation	0
Improvements are required	8
Facing the change	75
Radical transformation	17

The most significant problem is that even those general managers who had management training are not prepared for the new situation. In business schools and training courses, they were taught strategic planning and strategic management, while the environment is so turbulent and unpredictable that these tools do not work. Furthermore, the methodology of scenario planning is something that not even every professor of management knows about.

The results of the survey (Table 2) confirm this conclusion: most of the enterprises described their strategy as one of survival. When respondents were asked to clarify what was involved in this, their responses showed that, in many cases, they had no strategy of human resource development.

Table 2: Existence of an overall development strategy

	%
Yes	58
No	42

Unfortunately, many managers are once again questioning the validity of Western management techniques. Some of their concerns are real: no American or European business school teaches students what to do when the banking system is not functioning.

Before the crisis, indirect indicators showed that there was shift from «hard» to «soft» components of management. At present, however, we are back to the situation where «hard» components are the focus of the managers' attention.

4. Assessment of current management capabilities

The list of the organisations that took part in the survey is presented below (Table 3). The only basis for their participation was goodwill on their part.

Table 3: The scope of the survey

No	Organisation	Sector	Region	General Manager	Human Resource Manager	Managers
1.	Stlaim-Cosmetics	Production	Moscow	x	-	7
2.	Pigment	Production	Tambov	x	x	18
3.	Higher School of Economics	Service	Moscow	x	x	17
4.	Sienmet-1	Production	Moscow	x	x	10
5.	Sienmet-2	Production	Moscow	x	-	9
6.	Zapsibgazprom	Production	Tyumen	x	x	12
7.	Tyumendisel	Service	Tyumen	x	x	9
8.	TeleRoss	Service	Moscow	x	x	10
9.	Tyumen Gaz Company	Production	Tyumen	x	x	10
10.	Stroimashservice	Service	Tyumen	x	x	10
11.	Faustovo	Production	Moscow	x	x	8
12.	Informtechnika	Production	Moscow	x	x	7

The results of the survey, as well as information obtained from consulting experts and other sources, show that general managers are relatively critical about current levels of management capabilities in their enterprises. Most of them mention the following areas as sources of problems:

- general management;
- management of change;
- public relations; and
- marketing.

At the same time, the results of the survey demonstrate that many general managers do not understand the importance of some areas of managerial competency. In particular, very few of the general managers mentioned *corporate governance* as a topic in which they would like to improve their knowledge and skills. At the same time, consulting practice and day-to-day experiences of business show that this is one of the most serious problems in many Russian companies. The problem has its roots in the fact that most new Russian companies were established as joint stock companies (a form that has some advantages under Russian law), even when they were founded by individual entrepreneurs. The founders, in most cases, were managers of the organisations. At the initial stages of development, this did not cause any serious problems. However, once a company gets off the ground and is in need of strategic management development, a conflict emerges within the role of «owner-manager» and this has become a typical feature of Russian companies. A general conclusion may be reached that *in the Russian Federation corporate law does not work because most top managers have no idea of what corporate governance is about*. This is a consequence of lack of knowledge. Another consequence is a lack of skill in managing stakeholders.

Another conclusion which may be drawn from the survey is that management training is not connected with strategic goals in Russian companies (see Table 4). This is to be expected but, since the crises, there is a serious methodological problem about what is to be done about it. One possible solution is to provide *training in scenario planning* as, at the moment, this is more appropriate than strategic planning.

Table 4: Human resource and management development as elements of an overall strategy

	%
Always	8
Often	25
Sometimes	42
Very seldom	25
Never	-

An important conclusion from the survey is that most individual managers have undertaken some management training but participation in training is sporadic, rather than systematic, and the training often does not relate immediately to professional needs. One could reach the general conclusion that the type of training undertaken depends more on what is available than on identified needs.

Discussions with managers who answered questionnaires showed that many of them did not understand that problem-solving is a skill that can be taught. As a whole, Russian managers still *value knowledge more than skills*. At the same time, younger managers seem to be more skill-oriented than the older generation.

Although the questionnaires and interviews with general managers show that they are somewhat sceptical about management training, it seems that a *shift from corporate responsibility for management training to individual responsibility* is taking place. The responses of individual managers and the results of the recruitment campaigns of the main business schools both show that managers' interest in management training has even increased since the crises. The main reason for this is that professional education increases the value of a manager and makes him or her feel more secure in his or her professional position.

Six months after the crises, some new trends can be seen. Many business schools face the prospect of increased levels of dropout among students who are not able to pay the relatively high tuition fees. Another trend is that students are looking for more expensive programmes but they are becoming much more demanding about the quality of the training they are offered.

The latest development in the Russian business education system is the decision of the Ministry of General and Vocational Education to approve a special MBA diploma. The consequences of this decision will already be evident in the autumn of 1999.

5. Experiences with training and the lessons drawn

5.1 *Volume, coverage and investments*

Unfortunately, because of the crisis and the confidentiality problem, no reliable information was collected on investment in management education and training.

5.2 *Content and concentration of training programmes*

The survey showed that every enterprise provided some training and most respondents had attended several training sessions.

At the enterprise level, training is provided most frequently in:

- finance;
- accounting; and
- technology.

This means that the main focus in staff training is on technical capabilities. Respondents attended about 30 seminars and training courses abroad. This training was mainly in technology.

There are areas of competence that were not mentioned at all by some enterprises. These are:

- knowledge of foreign cultures (not mentioned by any);
- managing stakeholders (mentioned by 1 organisation);
- public relations (not mentioned by 6 organisations);
- research and development and innovation processes (not mentioned by 5 organisations);
- analytical skills (not mentioned by 5 organisations);

- project management skills (not mentioned by 5 organisations);
- business ethics (not mentioned by 5 organisations);
- marketing (not mentioned by 4 organisations);
- management information systems (not mentioned by 4 organisations);
- human resources (not mentioned by 4 organisations);
- interpersonal communication and effectiveness (not mentioned by 4 organisations);
- negotiations (not mentioned by 4 organisations); and
- foreign languages (not mentioned by 4 organisations).

These results bring us to the conclusion that general managers and human resource managers, in many cases, do not see management as an area of professional activity. In particular, courses in human resource management⁵ do not include a review of core managerial competencies. Human resource personnel, therefore, receive no training in many leadership and general skills.

5.3 *The training process*

The programmes attended by individual managers are, most often:

- programmes of medium duration; and
- short public seminars.

Long-term study programmes are mostly language courses and MBA-type programmes. These are less popular. The respondents did not mention short in-company seminars at all and none of them discussed distance learning.

The most popular learning methods, as identified through the questionnaires, are (in order of priority) reading and consultation with experts and with peers and colleagues.

The less popular sources of learning are «family and friends» and «TV and media».

One general conclusion is that managers do not consider training methods to be an important issue: they are still more concerned with the content of education.

Respondents structure their expectations about training better when one asks them about training abroad. In this case, the priorities are:

- quality management (mentioned by 6 organisations);

⁵ In the Russian Federation, the term «personnel management» is often used. This is not only a linguistic difference but reflects differences in the content of the courses.

- technology, operations and logistics (mentioned by 6 organisations);
- sales (mentioned by 5 organisations);
- negotiations (mentioned by 4 organisations); and
- marketing (mentioned by 3 organisations).

5.4 Training providers

The providers of management training in the Russian Federation are:

- universities and business schools;
- training companies; and
- individual trainers.

In response to a question on sources of information on providers of training services, the great majority of the respondents mentioned colleagues and direct mailing. Only in one case was the internet mentioned. It is important to note that hardly any managers rely on their human resource department as a source of information.

5.5 Selection criteria

The criteria that human resource managers used most often to select training programmes are:

- the technical quality of the programme;
- the fit between the programme and the general strategy of the company; and
- the reputation of the provider.

However, very few human resource managers could formulate, even in very general terms, what the strategy of their company was. This means that the choice of the second criterion, "the fit between the programme and the general strategy of the company" is purely formal.

A big problem in the selection of programmes is the lack of information about their availability. The few resource books published in 1995-1997 are out of date and are not available to most human resource managers, especially those in the provinces. For the Russian Federation, the most appropriate way to disseminate this kind of information would be through a database accessible on the internet.

A survey carried out by the Institute of Strategic Analysis and Entrepreneurship Development shows that even professional trainers and university professors do not know much about the training programmes that are available on the market. Great efforts must be made to create a professional community in the field of training and development.

The selection of trainees is most frequently on the basis of:

- personal initiative; and
- appointment by senior management.

The role of individual initiative in the planning of training is illustrated in Table 5.

Table 5: Individually proposed training programmes as a part of overall human resource development plans

	%
Yes	21
No	54
Partially	18
Don't know	7

It must be mentioned that respondents are very sceptical about the training and development efforts of human resource departments. Interviews (not questionnaires) with human resource people show that most of them do not have any skills in training needs assessment or competency mapping. This is not surprising. New personnel departments have finally learnt how to select people for their companies but they still need serious training in the training and development field.

5.6 Special programmes and approaches

Of the 12 companies involved in the survey, only half used in-company training. This is related to the size of the companies: only big companies can afford this kind of training.

Most of the special programmes are technical and do not deal with management issues.

5.7 Evaluation

Positive features of training mentioned in the questionnaires are:

- interactive techniques;
- teamwork;
- the high quality of trainers and professors; and
- the increased knowledge and skills gained through training.

Negative features include:

- insufficient orientation to the participants' needs;
- inappropriate composition of the trainee group (different levels of competency and different managerial positions);
- short duration of some courses;
- lack of reference to the realities of the Russian situation;
- poor handouts; and
- little or no practical training or exercises.

With regard to seminars abroad, respondents thought that they did not get enough information about the companies that invited them for training. Language problems were also mentioned as a barrier to efficient training.

Most respondents mentioned reading as the method they used most to further their education. Some of them have a favourable opinion of formal business education while others do not value it very highly.

Most of the respondents consider that the methods traditionally used in Russian education, such as lectures and seminars, are most appropriate for the acquisition of functional (technical) knowledge.

6. Assessment of training needs

The training need most frequently mentioned by individual managers is training in corporate finance.

Other needs are:

- general management (mentioned by 10 organisations);
- management of change, including restructuring (mentioned by 10 organisations);
- conflict management (mentioned by 10 organisations);
- time management (mentioned by 10 organisations);
- computer skills (mentioned by 10 organisations);
- decision-making skills (mentioned by 9 organisations); and
- leadership (mentioned by 9 organisations).

It is interesting to note that the responses of general managers to the question on training needs are spread across almost all the skill areas mentioned in the questionnaire (apart from the area of general management, which is mentioned by most of them). Human resource managers, on the other hand, focus, mainly, on functional skills. This is a reflection of the divergent criteria used by the different types of managers.

The general conclusion may be drawn that *the lack of understanding of management as a professional field is one of the main barriers to the systematic pursuit of training and development.*

7. Currently planned and/or contemplated training strategies and actions

The most discouraging result of the survey is the fact that, at the moment, most Russian companies, including those which were involved in the survey, do not have any specific strategy or plan for personnel training. The survey also shows that human resource development is considered as a secondary function of human resource managers (see Table 6).

Table 6: Main functions of the human resource service

Human resource service	Score
Staffing	4.6
Development	2.9
Evaluation	3.1
Allocation of rewards	2.1
Organisation governance	3.3
Communication	3.1

In the questionnaires, three major reasons were given for the relative lack of interest in human resource development:

- low competence of management;
- uncertainty about the future of the company; and
- lack of financial resources.

It seems unlikely that this situation will change in the immediate future, as it would be impossible to eliminate the barriers mentioned above in a short period of time. At the same time, the identification of these reasons could lead training institutions to a strategic vision: one can achieve the goal of relating training strategy to company strategy by *training top management in general management, strategic management and scenario planning and providing human resource managers with additional skills in training needs assessment and competency mapping.*

8. Recommendations for learning partners

Recommendations for learning partners can be grouped into two main categories: strategic and practical (tactical).

Strategic recommendations

- The main focus must be on educating and training top management in strategic management and scenario planning.
- Top managers and human resource managers badly need to reach an understanding of management as a profession and of the key elements in it.
- Human resource managers need training in training needs assessment and competency mapping.
- The most effective way for Western countries to help the development of training would be through the provision of training for trainers and for business school professors. Such efforts would have a multiplier effect compared with the training of individual managers which cannot be very effective in a country as big as the Russian Federation.
- The creation of a database on the training programmes available which could be accessed via the internet could significantly improve the quality of the programme selection.
- It is important to create a professional community in the field of training and development.

Practical recommendations

The practical recommendations are based on an analysis of the experience gained during the last decade from the delivery of Western-style training in the Russian Federation.

At the beginning of the reforms, many foreign experts believed that only exposure to Western values, democratic traditions and practical expertise would make *perestroika* irreversible. One consequence of this belief was that, in the last decade, Western trainers flocked to the Russian Federation to share their expertise in various fields about which very little was known in a country that had been closed to outside influences for such a long time. Management, banking and accounting practice, entrepreneurship and conflict resolution – this is just the beginning of

a long list of topics and subjects that the Russian Federation needed to understand to make real progress in its reforms. There has been considerable experience in developing skills in these and other areas.

Since 1986, a real exchange between the Russian Federation, on the one hand, and the USA and Western Europe, on the other, has provided hundreds of opportunities for Russian and Western trainers to experience training in one another's countries. What lessons can we draw from these experiences?

8.1 Western beliefs about training

Most Western trainers who come to the Russian Federation do not speak Russian and do not have any previous exposure to Russian culture. They are just experts in their professions. Most of them have extensive training experience in the US and the countries of Western Europe, but few have had much experience of teaching in the Russian Federation. In these circumstances, their natural response is to use traditional Western designs for the planning, development and delivery of their training.

The training profession is well developed in the West, especially in the United States and there is a variety of sophisticated theories, methodologies and techniques. Russians who have observed Western trainers in the Russian Federation have come to the following conclusions about the beliefs and assumptions shared by many American trainers who have come to the Russian Federation.

- Training techniques are universal, since they are based on universal psychological theories like Maslow's hierarchy, conflict management etc.
- A Russian audience is motivated to learn and will react in a way that is similar to a comparable group in the West.
- The social, political and economic context of training does not make a difference, since the principles are universal.
- Training often involves the transfer of *skills* and the theoretical background to those skills is not important.
- As the Russian Federation has decided to build a democratic society, Russians know about the basic principles of democracy and a free market system.

Many of these beliefs and assumptions are not absolutely wrong, but they are also not absolutely correct and this can lead to some very difficult situations. Let us examine a few.

Universality of training techniques and Russian audience reactions

The universality of training theories and techniques is a myth. While the basics of human psychology are the same (e.g., Maslow's hierarchy), cultural and social experience makes each national group of trainees different.

For example, there is no word in the Russian language that can adequately express the term «management training». The Russian word *trenirovka* is applicable, mainly, to sports training and is not properly understood if it is used to describe management training. For centuries, Russians have been *taught*, but not *trained*. Since the 18th century, the Russian Federation has had a European system of education that is based on the authority of the teacher and a one-way communication process. Non-interactive behaviour, therefore, will have deep roots in a Russian audience.

Since Western trainers build their training mainly on the interactive techniques of an egalitarian culture, they are often confused when they encounter the passive reaction of a Russian group. This often leads to the failure of a training session. Since many Western trainers are more «facilitators» than content experts, it is hard for them to change gear and provide a traditional lecture to establish their authority and credentials with trainees. This is particularly problematic with older Russians.

Younger Russian audiences like interactive methods much better. But what do you do if you have to train people in their fifties? And what about mixed groups? It is important, therefore, that trainers coming to the Russian Federation are prepared to give good lectures, as well as to facilitate discussions and exercises.

Normally, a Russian audience is quite motivated to be trained but its expectations of training may be very different from what is typical in the United States or Western Europe. Satisfaction of curiosity is definitely one expectation. Russians are interested in how foreigners think and act. At the same time, however, the great respect they have for Western progress leads them to expect that they will learn something very new and practical from the training and that it will make an immediate difference in their lives. When they see something that is familiar (or seems familiar) or if they think the skills they are learning are inappropriate for the Russian Federation, they become disinterested and sometimes even sceptical and argumentative. This often happens when the content of training and the techniques used are not adapted to the local culture.

Social, political and economic context of training

The context of training in the Russian Federation is one of the most important issues for a Western trainer to understand. Suppose you were to deliver a session on Maslow's hierarchy. Obviously, most Russians have never heard of Maslow or his model. What is the likely reaction of the audience? It will be sceptical because, for many people in the Russian Federation at the moment, Maslow's needs pyramid is turned upside down. You can easily

meet well educated and highly qualified people who are motivated mostly by self-actualisation, but whose basic needs are not fulfilled. This gives rise to considerable frustration and it is often hard for Russians to agree that Maslow's theory is self-evident. It is not surprising that George Reese, managing partner of Ernst & Young in the Russian Federation, (one of the most successful foreign company affiliates), said, after working in the country for almost three years, that his biggest management problem was understanding what motivated his Russian staff.

Another area where misunderstandings arise is with regard to the current democratisation of Russian society. Many American training programmes are based on a belief that democracy and democratic, egalitarian behaviour is a very important factor in the progress of human civilisation. In the Russian Federation, however, feelings about democracy are mixed. First, there is no common definition of democracy as a political and social concept. Secondly, after several hard years of reform, many people have doubts about the value of democracy as they see their political structures unable to make hard decisions and their personal lives become less comfortable than under the old system. The social context of their lives, therefore, may seriously influence the reaction of the Russian trainees when foreign trainers extol the virtues of empowerment, participative decision-making and other democratic management methods.

The importance of theory

Another consequence of the traditional Russian education system is that most Russians will not accept any practical recommendations or believe in the usefulness of a skill if they have not been told about its theoretical foundations. This puts some Western trainers (especially Americans) in an embarrassing situation when they cannot answer questions about why the techniques or methods they teach are correct from a theoretical and historical viewpoint.

Russians are deductive thinkers and oriented strongly toward the past and towards scientific methods. Training that cannot be grounded in these contexts appears more like magical entertainment than a solid training or teaching process. This means that trainers must be ready to answer theoretical questions and to go into detail about the theory behind a problem.

For example, at the beginning of a training session on conflict management a question like the following is often asked.

«Is there any theoretical research that demonstrates the advantage of a cooperative problem-solving process versus a confrontational style in conflict management?»

A simple answer, to the effect that everyday practice provides the best evidence, does not work.

“Are you speaking about Western practice?” will be the next question.

This obviously reflects doubts about the relevance of foreign practice to the Russian «reality.» If, however, you start with a description of a community dispute or a strategic alliance and raise the philosophical problem of how cooperative behaviour can operate in a competitive society, demonstrating relevant research done in the United States and Europe, your credibility will be established and your chances of involving the audience in an interactive training process will be enhanced.

Level and type of Russian trainees' educational experience

The last problem related to the Western trainer's awareness of his/her Russian audience is the educational background of Russian trainees.

Normally, the educational level of people who attend Western training is fairly high. However, since the educational systems in the Russian Federation and Western countries are so different, it is worth knowing that the average Russian trainee will probably have a broader range of knowledge in many fields than, for instance, the average American trainee. It is better, therefore, not to go too far into issues that are not within your area of competence as you may find yourself in discussions that are not closely related to the topic of the training session. Incidentally, it is also important to know that many Russians are familiar with Western literary classics. This comes from their training in literature. It is better, therefore, not to get into literary analogies unless you are sure of your sources.

The point is that, for effective communication with Russian trainees, it is important neither to overestimate nor underestimate their awareness of the topic under discussion, or you may find yourself in a philosophical debate about the meaning of life!

8.2 The preparation of training and training processes for Russian trainees

Several suggestions about how to avoid potential traps while training in the Russian Federation have been already made. There are a few others, however, which can be discussed within the professional context of training design, rather than of Russian culture.

Preparation

Do not expect traditional Western training to be appropriate in the Russian Federation. Begin with the idea that Western training designs and pedagogical techniques will need to be adapted to the Russian audience and context. Depending on the topic, it is worth gathering the information and making the preparations set out below.

- Who the trainees will be: number of people, age, professional background, reasons for attending the training course (personal interest vs. order of a boss, professional requirements, etc.).
- What the physical setting for the training will be: size of the room, equipment available, furniture etc. (Very often, Russian organisations have a shortage of space or no special space for training delivery. Separate rooms for role-plays or small groups will be hard to find. You should plan to divide people in the main room. Since traditional Russian education has been lecture-oriented and has not made use of small group discussions, no rooms have been provided for this purpose).
- Be ready for the possibility that the information you were provided with in advance is irrelevant. This can happen, not because of the ill will of your hosts, but because, in the unstable and ever-changing Russian environment, many things are not under their control.
- Do not plan to have a training session which lasts from 8 a.m. to 7 p.m., with additional training activities after dinner. Russians will find this ridiculous and will not attend. The normal time for training is 9 a.m. to 5 or 6 p.m. with an hour's lunch break. Also take into account that most Russian organisations will hesitate to send their employees to a training course that lasts longer than three days.
- Finally, in preparing for training in the Russian Federation, check whether enough copies of the training materials can be made in the Russian Federation in advance or whether you will need to bring copies with you.

The training process

It is obvious that the beginning of a training programme is crucial for the success of the whole programme. This is particularly important in the Russian Federation where the old American saying «you have only one chance to make a first impression» is taken very seriously. Here are a few suggestions.

- Russians are proud of their history and have strong feelings of national pride and dignity. In today's difficult situation, the problem of national dignity is of special importance. It is important, from the beginning of training, to explain that you have come to the Russian Federation to share your expertise and experience, but that you know that you will need the trainees help to understand how these ideas fit in with the Russian reality.
- The widely used Western method of participant introductions at the start of a training course, including some statement about the trainee's expectations, is not the best beginning for the Russian Federation. It is very probable that Russians will have a hard time articulating their expectations, even if they have any. Russians do not traditionally think ahead about these kinds of experiences and expect to come and be informed about the subject after they arrive. If you insist on asking for expectations, the traditional procedure of

placing expectations on a flip-chart can be dangerous, because Russians are very literal and will be unhappy if something is on the flip-chart that is not covered in the session. It is much better to give an overview of the training and tell people what skills they will gain. At the end of the overview, a trainer may ask whether trainees would like to add to the planned content. A beginning of that kind will give participants some guidelines about what to think about in formulating additional suggestions.

- Do not apply the traditional American training slogan: "Keep it simple!" For most Russians, simplicity in training will be taken as a sign that you do not respect them because you are treating them like children, or that you do not have the appropriate depth of expertise. If your first statements are too obvious, even if you later plan to discuss matters in depth, you will risk losing your credibility. It is best to start with some paradox relating to the topic of training. Unlike many Westerners, Russians love paradoxes! Going back to the conflict management example in the last section, instead of a statement "Cooperation is the most efficient tool in problem solving," it would be better to say "There is a general philosophical problem that has attracted the attention of Western scholars for several decades and this is 'How does cooperation evolve in a free market society which is based on the basic principle of competition?'" Such a paradox will surprise Russian trainees and draw their attention to the topic.
- Use different training strategies if you work with different age groups. Younger people like role-plays and other interactive methods. An older audience is eager to discuss past experience. If you ask what is valuable and what is inappropriate for the «new Russian reality», there is a good chance people will become involved in a discussion. If you work with a mixed audience, it makes sense to find special roles that participants of different ages are able to live with.
- It is also worth mentioning something about the use of flip-charts, which are a favourite tool of Western trainers. Russians are used to a moderate use of visual aids, but they expect that something that is presented using markers and paper will be important. They tend to be puzzled when they see just a line or box drawn on a big piece of paper. They wonder why the resource was used and they feel somewhat cheated in not learning more from the experience.

Value of written training materials

Written materials are very valuable in training Russians. First, written materials make Russian trainees feel that they have got something substantial out of the training and they help to establish better working relations within the group. Secondly, Russians find it easier to make notes and listen to the speaker if they have a printed outline. Thirdly, it is easier to discuss follow-up ideas if trainees have reference materials and, finally, there is often no literature in Russian in the areas in which Westerners provide training that one can recommend as additional reading. Handouts, therefore, are the only reinforcement trainees will have when they leave the session.

Special attention must also be paid to the quality of translation from English into Russian. Many concepts and ideas are not easy to translate from one language to another. In professional fields, common words often have non-traditional meanings and an English word cannot be translated by one Russian word. The Russian language has adopted many foreign words, but with special connotations. For instance, if during a training course on organisation development, the English word *intervention* is used, it is necessary to clarify its meaning, because the Russian word *interventsia* means invasion or aggression against another country and has a negative connotation.

The only way to avoid these traps in Russian translation is to find a Russian specialist who is familiar with the topic of training and to ask him or her to prepare the translation. If you use the co-training model we will describe below, it is best to have your Russian co-trainer act as editor. S/he will gain a better understanding of the training content and will help to draw up a professional glossary. However, even if you do not use a co-trainer, it is absolutely essential to check the quality of the translation with a Russian specialist. Low quality translation can diminish the value of written materials and has a strong negative influence on the trainees' perception of the training.

Feedback and evaluation

When Westerners come to the Russian Federation the first time, they are very often surprised by a traditional reaction of Russians to almost anything they are told which is "We know all about that..." or "Everything you said is very interesting, but it has nothing to do with the Russian Federation..."

These are not very encouraging reactions. But there are ways of transforming them into fruitful discussion. You may find ways of checking *what* people really know and what they *suppose* they know about the topic. Ask practical questions, like: "How do you use this principle (concept, approach etc.) in the Russian Federation?", "Do you see any differences between Western and Russian cases?", "You may know it, but do you use it?"

Another useful and important approach is to ask participants to analyse *why* ideas or techniques described by a trainer are not applicable to the Russian situation. Often a trainer will have new information and can provide good explanations about these differences but, in most cases, a discussion will start among Russians on the specifics of the national situation. In Russian society, there is a conflict of opinion, which goes back to the time of Peter the Great, between those who would adopt a Western orientation and those who stress the special mission of the Russian Federation. This conflict is alive and well today and can be seen in the debate about the degree to which the Russian Federation should look to the West for its future or rely on its own traditions and resources.

8.3 Co-training with a Russian trainer

Many of the problems outlined here can be resolved by using a Russian co-trainer as the *partner* of, and *interpreter* for, a Western trainer. This is a model we have used many times with great success. It works if you are able to find a Russian in your area of expertise who speaks fluent English and has some understanding of Western training techniques. Although there are not many specialists in the Russian Federation who fulfil these requirements, they *do* exist.

The co-training model has a number of advantages.

- A Russian co-trainer does not give a word-by-word translation of what the Western expert says, but actually «trains» and «culturally interprets» ideas in his own words. S/he can ensure that special terms or professional jargon, which can often be misinterpreted by professional interpreters who are not familiar with the field, will be translated properly. The most important thing is to treat your Russian colleague as a real partner and let him/her communicate with the group in the way s/he feels is appropriate. (A technical point: when working with the co-training model, it is important to have another interpreter who can explain to the Western trainer what is going on when the Russian trainer is working with the group.)
- When the Russian co-trainer acts as an interface between the Western trainer and the group, this can sometimes help control group discussions. For example, Westerners are always surprised when trainees carry on conversations on the side during training. For most Russians, this is not a sign of impoliteness, but of stimulation as they discuss an interesting point or ask a question of their neighbour. It is very difficult for a foreigner to take a conversation like this and turn it into a constructive group discussion. A Russian trainer can do this much more easily.
- A foreign trainer will be better able to interpret reactions to training with the assistance of a Russian colleague. Foreigners and Russians have different scales for evaluating training. For instance, the lowest grade Americans will give is “It was interesting...” In Russian, this would be high praise indeed. English expressions like “It was great!” sound extraordinary in Russian and are not usually used to describe a training session. In general, Russian judgments are very straightforward and Russians expect direct and honest evaluations from others. If one wants to understand the reactions of Russian trainees’, therefore, it is better to use a Russian co-trainer.
- Finally, a Russian co-trainer can help check the relevance of the concepts and materials to be used in training. For instance, in an active listening exercise in America, trainees would be asked, “How do you *feel* about that?” rather than “What do you *think* about that?” In Russian culture, it is considered an invasion of privacy to ask about feelings. A Russian co-trainer can help formulate active listening in such a way that it will be perceived by a Russian audience as an attempt to understand the broader context of an issue, without going into people’s feelings.

In conclusion, it can be said that Western expertise can be extremely important for helping the Russian reform process to be successful. Western governments, academic institutions, foundations and other organisations are investing a great deal of money in training programmes in the Russian Federation. The effectiveness of these training programmes could be increased dramatically if two major problems were resolved: the lack of understanding about the «Russian reality»; and neglecting the cultural factors that affect the perception of training by the Russian audience.

Both of these problems can be dealt with by using the co-training model, in which the foreign trainer has a Russian co-trainer as partner and interpreter. Russian co-trainers must be involved in every stage of training development and delivery. This ensures the development of a realistic training agenda, with better written materials and adequate interpretation of the training itself.