RUSSIAN AND CANADIAN MANAGERIAL VALUES: A COMPARATIVE STUDY

This paper discusses similarities and differences in the values of Russian and Canadian managers. The paper argues that Russian transitions efforts toward a Western style socio-political and economic system will succeed if Russian and Western managers were able to integrate each other’s value system to make effective managerial decisions.

Introduction

Thelan and Zhuplev (2001) estimated that Western organizations have had a very significant influence on Russian economy with respect to exports, imports and foreign investments in Russia. It is estimated that there are over ten thousand foreign businesses operating in Russia today (BISNIS). While the influence of Western capital and managerial know-how have made an impact on Russian economy, Western and Russian scholars are of the opinion that the transition of Russian economy has been less than satisfactory. For example, Vlachoutsicos (1998) of the Center for East European Studies (CEES), Copenhagen Business School, suggested that Russian transition to a market economy had not been successful because the Western managers have misunderstood “Russian managerial practices and decision-making methods”. He argued that it was essential for the Russian Communitarian value system to be reconciled with market economy values and management practices of the West. Snejina Michailova (1997, 2000) found many reasons for failure in transition that included “managerial attitudes and behavior of Russian managers, a contrast in managerial perspectives between the Western and Russian managers engaged in the process of organizational change”. Thelan and Zhuplev (2001) have presented one of the best descriptions of transition difficulties (e.g. a lack of institutional transition) faced by foreigners wanting to do business in Russia. They said, “Foreign investors face a number of challenges and deterrents in Russia; some of the most commonly cited problems include taxes, corruption, an ever changing regulatory environment that lacks transparency, a labyrinth of government bureaucracies, weak shareholders’ rights, and weak contract law”.

Reasons for slow progress in transition efforts could be many and varied. Social scientists (Afanassieva, 1999; Ardichvili and Kuchinke, 2002; Bigoness, 1996; Hickson and Pugh, 1995; King, Barnowe and Pauna, 2000), however, generally agreed that the success of any change effort including economic and socio-political transitions was dependent on the existence of an appropriate national culture, managerial values, and human resource practices. A growing
literature on Russia suggest that Russian managerial values and practices, especially the part that clashes with fundamental values of a market economy, are systemic causes to success/failure of transition of the Russian economy. For example, Thelen and Zhuplev (2001) and Vlachoutsicos and Lawrence (1996) noted that critical organizational outcomes (e.g., profit, employee satisfaction and performance) depended heavily on societal values, managerial practices, and the congruence between the two.

Assuming that understanding Russian and Western managerial beliefs and values are important for the success of transition efforts, the study reported here focused upon two main research questions: What are the salient features of Russian managerial values? How do managerial values of Russian managers compare with the values of the Western managers such as the Canadian managers? The author believes that answers to the questions will enable Russian and Western managers to work cooperatively and successfully in the nearly ten thousand foreign businesses that are operating in Russia today. In the international HRM literature (Mendenhall and Oddou, 2000; Dowling, Welch, and Schuler, 1999), many reasons have been cited for differences in HR practices including economic, political, social, industrial, organizational and cultural factors. Over the last several decades, an impressive amount of research had established that value differences exist among managers in different countries causing differences in managerial behavior (Haire, Ghiselli, and Porter, 1966; Cummings and Schmidt, 1972; England, 1978, Hofstede, 1980, Ralston, 1993; Shenkar, 1995, and Adler, 1997).

Saha (1989) and many other investigators have presented conceptual frameworks/models of international human resource management that suggested that human resource practices in a given country would be influenced by managerial values and attitudes, among many other environmental and organizational factors. Saha and his associates have conducted empirical studies (Saha et.al. 1993, 1995, 1997,1999, 2001) comparing managerial values and human resource decisions among managers from a number of countries like Canada, Hong Kong, Bangladesh, Pakistan, Nepal, and Czech Republic. These studies have shown: a) on managerial value items such as issues of morality, family, work ethics, and fatalism, the Hong Kong, Bangladesh and Pakistani samples were found to be more traditional as compared to the sample of managers from Canada and Czech Republic. The subjects in the three Asian countries scored much higher on family values, morality, and fatalism while the Canadian and the Czech managers in the sample had high scores on work ethics; b) it was established that managerial values were indeed related to what the managers from these countries decided on HR functions like health and safety, training and development, compensation and performance evaluation.

Inspired by the past research as discussed above, it was decided to look into the managerial values and attitudes of Russian and Canadian managers. It should be noted that Canada and Russia were chosen as targets of the current investigation because of the growing economic and social ties between the two countries. Another reason for the choice was that Canada could quite reasonably be considered a country that represents a model of Western Managerial values and Western management practices. The author is not suggesting that all Western managers behave the same way, or those Canadian managerial values or HR practices are models for Western managerial values and HR practices. It should also be noted that the investigation did not assume that a managerial value is the only factor that cause a manager to act differently; many other factors influence managerial decision-making such as laws, industrial customs and practices, as noted earlier in this paper.

Because so few empirical studies have been conducted so far on comparing Russian and Canadian managers, we did not have the benefit of an established conceptual framework. The study, therefore, used value items that were used in similar international studies by Saha and his
associates (Saha et al. 1993, 1995, 1997, 1998, 1999). Another important point of this research was that the study was guided by the idea that those value items should be chosen that relate to contemporary workplace issues. There are many excellent instruments and measures of managerial values such as those developed by Allport et al., England, Kluckhom, Hofstede, and Rokeach; however, none of these instruments by itself were suitable to accomplish the goals of this study. The goal of this study was to focus upon workplace values that underlie workplace equity, manager-subordinate relationships, teamwork, work ethics, and change management.

In the current study, a survey of literature was undertaken. The survey included two streams of research. One of the two areas of research that was reviewed was generic to the field of management that concerned managerial values underlying managerial behaviour; the other is a specific area of research within international management that is currently underway on managerial values of Russian managers. Research on managerial values and their impact upon management practices is not new. Our search found studies dating back to the early 60’s (e.g., Porter and Lawler, 1967), whereas the interest of Western scholars concerning Russian managerial values and practices arose when Russia undertook economic transition and opened the door to foreign investment in Russian economy.

An outline of the method of data collection is presented below. This is followed by the results of the data analysis covering managerial values. Finally, a discussion is included that interprets the findings and their implications for future academic research and managerial practice.

Method

Data were collected from Russia and Canada by mailing questionnaires to the respondents. This questionnaire was developed by the author to conduct studies of managerial values and HR practices. The questionnaire was translated into Russian language for data collection. Measures of managerial values and beliefs comprised of twenty-five 5-point Likert-type scales on family, spirituality, work ethics, fatalism, religion, equity, and teamwork. The reliability of the value scales was tested and was found to be acceptable. Reliability scores ranged from 0.71 to 0.87. The questionnaire elicited demographic information concerning age, education, sex, marital status, and nature of employment of the respondents. The questionnaire was scrutinized and passed by a Committee for Ethics in Research.

Two hundred respondents were contacted in Canada. All respondents were practicing managers. They were contacted through a management development center, in-company management development programs, and a business school. Participation in the research was voluntary. Data collection from Russia involved several steps: First, a Professor who teaches Russian language translated the questionnaire into Russian. Once the translation process was complete, a research assistant originating from Russia checked the questionnaire for meaning and adequacy. The research assistant also assisted in data collection, and translation of opinions of Russian managers into English. Russian managers were chosen on a convenience basis from a cross-section of organizations from Moscow, Tomsk, Omsk, Novosibirsk, Barnaul, Biysk and Novokuznetsk. Complete responses were received from a cross-section of ninety-three Russian and one hundred and fifty Canadian managers. Data were collected from the two countries utilizing similar data collection procedure sampling the subjects by convenience and accessibility. Analysis of data included compiling descriptive statistics and testing of significance for mean differences.
Findings

Table 1 shows twenty-five items that were developed and utilized to measure the similarities and differences in the beliefs and values of Russian and Canadian managers. Importance of family, work-ethics, trustworthiness of people, moral and spiritual attitude, belief in one’s own ability to control work and family situations, employment equity and affirmative action, equality, participation, teamwork, attitude toward supervisors and socializing at work were some of the important items that were included in the survey of managerial predispositions toward HR practices. As expected, Russian and Canadian managers were found to be significantly different in twenty-one out of twenty five value items shown in Table 1.

Rather than comparing the two sample of managers on each of the twenty-five items of managerial beliefs and values separately, comparisons will focus upon the following: family values, work ethics and trust, dealing with changes, morality/spirituality, employment equity, participation and teamwork, and boss-subordinate relationship.

Family values: Research shows that human behavior including managerial behavior is influenced by family values. Family values of the recent Presidential candidates in the US have been subject of political campaign. Persuaded by research and recent events, it was decided to measure the family values of Russian and Canadian managers. Three items in the questionnaire concerned family issues: “The family is the most important institution in our society”; “I have respect and admiration for my parents/grand parents”; “The family is more important than the individual”. On a five-point scale, mean values of both samples appear in Table 1. On all three items, Russian managers were significantly different than Canadian managers showing higher degree of importance to family and ancestors.

Work Ethics and Trust: Trusting others and believing in work ethics have long been recognized as factors that influence managerial behavior a great deal. Existence of trust and believing in the work ethics would be essential, if Russian and Canadian managers were to work together and make decisions that concern human resource issues. Results reported in Table 1 show that both samples were similar in their rating of work ethics believing that there is poor work ethics. On trust, there was a significant difference between the two samples with Russian managers showing higher amount of trust. It should, however, be noted that mean scores for both samples were on the negative side of trust. Another interesting item included in this category is an altruistic value: “People should always consider the needs of others to be more important than their own needs”. On the last item, both Russian and Canadian managers were similar in their views. They do not appear to be much concerned about the needs of others as compared to their own needs.

Dealing with change events: Being effective in management requires that one possesses a healthy attitude toward change events taking place at home and at work. One of the main objectives of this investigation of Russian and Canadian managers was to find out how these managers view changes occurring in their lives and work places. Five items were constructed for this purpose that included: “I believe that I can change things if I do not like them in my workplace”; “I believe that I can change things I do not like in my family”; “I believe I am in control of what happens to me”; “Who gets to be the boss often depends on who was lucky enough to be in the right place first”; “I consider myself ambitious”.
Results reported in Table 1 indicated the following: On all five items, Russian and Canadian managers were significantly different from each other. Russian managers were higher in four out of the five items indicating higher level of confidence in their ability to deal with change events. However, the mean scores on all items for both samples indicate lower amount of confidence in one’s own ability to deal with change events.

**Moral, Religious and Spiritual:** According to past research, these values have a great impact upon how people behave. Past research has also established that there are cross-national and cross-cultural differences regarding the nature of these values and the degree to which they impact upon human behaviour. Russia was under the communist rule for a long time. Scholars have suggested that these values have changed under the Communist Rule, as people were discouraged to visit churches and other establishments that promote religious and spiritual development. It would be interesting to find out the current state of these values and how they match with values of people of other countries. Four items were developed to measure these values: “Moral attitudes are important in today’s society”; “Astrology can explain a lot of things about a person’s life”; “Spiritual attitudes are more important than gaining material possessions”; “If you lead a good decent life, it is not necessary to believe in a God”.

Findings reported in Table 1 indicate that Canadian and Russian managers were significantly different in the first three of the four value items. Russian managers as compared to the sample of Canadian managers rated the importance of moral and spiritual attitudes higher. Canadian managers, on their part, rated astrology more important than Russian managers. Both samples, however, were similar in their “faith in God” (i.e., low faith).

**Teamwork and participative leadership:** Teamwork and participative leadership are two aspects of managerial work that are highly valued by Western managers, according to management literature. Russians have been subject to totalitarian Communist administration for several decades. This investigation attempted to look into the state of managerial values in the two countries by asking the respondents to rate the following statements: “A good leader expects people to decide for themselves what they should do”; “I enjoy being part of a group”; “Everyone should have an equal say in a small group”. Results obtained from the survey indicate that Russian managers rated the desirability of participative leadership higher than Canadian managers. Analysis of responses also revealed that Russian managers enjoyed being part of group more than Canadian managers. Both Russian and Canadian managers were a little uncertain about the issue of equality in a small group, despite the fact that Russian managers showed a significantly higher approval rating to the idea. Some Western scholars may view the results from this investigation on teamwork and participative leadership counter intuitive as the Russian managers had a better showing on these issues despite being under authoritarian Communist rule.

**Employment equity:** Employment equity is a significant workplace issue all over the world, even though the targets of employment equity may vary from country to country. Sensitivity to diversity in workplace is essential for effective human resource management. This investigation developed three items relating employment equity and affirmative action for rating by the respondents: “Employment equity is a way of creating privilege for minority”; “To overcome discriminatory practices, we need proactive measures to abolish discrimination”; “Employees should be hired on the basis of selection scores only”.

Analysis of the responses from the respondents indicated that Russian and Canadian managers were similar in their belief that employment equity was unfair. On affirmative action for removing discrimination, Canadian managers expressed significantly stronger opinion against the idea as compared to the Russian managers. It should be noted that views of Russian managers
were also leaning toward negative on the issue. Canadian managers believed that people should be hired on the basis of selection scores only. Russian managers did not agree with the view of Canadian managers. The results on the issues of employment equity and affirmative action can be interpreted to mean that Russian managers were a bit more positive to the ideas as compared to the Canadian managers. This finding is interesting in view of the fact that Federal and Provincial governments in Canada have passed legislations, created Human Rights Commission, and mounted publicity to promote employment equity and affirmative action.

**Boss-subordinate relationships:** International management literature suggests that relationships between boss and subordinate are culturally bound varying from being distant and professional to being close and personal. Two items were developed to measure the views of the respondents on this crucial issue: “I often discuss work matters with my supervisor”; “I always try to be on the good side of my boss”. Results shown in Table 1 indicated that Russian managers were significantly different from Canadian managers on both items. On the first item, Russian managers were more in agreement with the idea of consulting the boss often on work-matters; both groups however had low agreement. Canadian managers, on their part, were more in favour of pleasing the boss as compared to the Russian managers despite the fact that both samples had low agreement. This result can be interpreted to mean that despite the differences observed between them, both groups did not view supervisors to be people to be close to.

**Discussion**

This paper has presented a report of an investigation designed to compare beliefs and values of managers from Canada and Russia. This was a very modest attempt. The research was very exploratory in nature as it embarked on a study of Russian managers in which very few publications were available in the Western media. The investigation, notwithstanding being exploratory in nature, produced some valuable information that could lead to future enquiries on the subject.

Highlights of the findings from the study included the following: Russian managers were higher on family values. On workplace issues like “enjoy being part of a group”, “equality in a group”, and “participative leadership”, Canadian managers were less favorably disposed to these ideas as compared to the Russian managers. Of the two samples, Russian managers were also stronger believers on superiority of morality and spirituality over material possessions. Both samples were similar in their views on work ethics (i.e. poor), employment equity (i.e., unfair), faith in God (i.e., weak belief in God), and altruism (i.e., unconcerned about the needs of others). On boss subordinate relationships, Russian and Canadian managers did not hold any strong view about the issues of “being close to the boss” or “pleasing the boss”, even though both samples were different on the two items measuring boss-subordinate relationships.

Overall, Russian managers appeared to be ready to accept some of the contemporary Western managerial notions such as participative leadership, teamwork, workplace equity and justice. Veiga and Yanouzas (1995) provided similar findings that suggest that the Russian managers were more likely question authority and hierarchical management structures, take risks and were less ideologically (i.e., soviet) oriented. Even though this study did not compare new Russian values with old Soviet value system, findings reported in Table 1 provided evidence that Russian managers attached a lot of importance to family, enjoyed group work, and valued the concept of equality in a group.
Findings reported here should be treated with caution. Many problems usually surround any international study. Language barriers, lacking cooperation from foreign managers, limitation in financial resources, and small sample of subjects are notable examples. This investigation suffered from all of those problems. It is hoped that future studies will be able to tackle with some of these issues better.

The purpose the study was to gather information about Russian and Canadian managers so that managers from both countries who were engaged in international projects could work with full cooperation and understanding. Like in other similar investigation, the author did not assume any superiority or inferiority of any national culture. The goal was to generate a profile of managerial values in both Canada and Russia so that managers from both countries would be able to appreciate each other’s values, integrate their views and find solution to business problems that are mutually beneficial. The author agrees with the view expressed by Vlachoutsicos (1998) that the Russian Communitarian value system needs to be reconciled with market economy values and management practices of the West.

References


