THE ANARCHIST WITHIN: CLINICAL REFLECTIONS ON RUSSIAN CHARACTER, LEADERSHIP STYLE, AND ORGANIZATIONAL PRACTICES

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THE ANARCHIST WITHIN:

CLINICAL REFLECTIONS ON RUSSIAN CHARACTER, LEADERSHIP STYLE, AND ORGANIZATIONAL PRACTICES

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Abstract

The objective of this article is to highlight a number of salient aspects of the culture and character of Russia (now the Commonwealth of Independent States) to facilitate an informed understanding of the way Russians approach leadership style and organizational practices. When appropriate, the clinical paradigm is applied. In addition, when suitable, dimensions derived from cultural constructs are utilized.

The first part of the paper deals with a number of contextual factors concerning Russia, such as the harsh climate and the psychological impact of the *mir*—the isolated agricultural community of the past. The inference is made that these contextual factors contribute to stoicism as a character trait and make for a collectivist outlook. Subsequently, the implications of Russian child-rearing and educational practices are discussed. Attention is given to the development of a "false self"—a public self that is split from the true private self—especially during the Soviet era. Other themes explored include the role of women in Russian society, emotional expressiveness, the particularistic outlook toward other people, and *Oblomovism*—the tendency toward apathy and inertia. The oscillation in Russia between order and disorder is also highlighted. The destructive bureaucracy in Russia is examined as a social defense. The Czar legacy, with its contribution to a paranoid *Weltanschauung* and an anarchistic streak, is reviewed. The wish for strong leadership (and the existence of paternalistic practices) is analyzed. Russian attitudes toward reality testing and time are looked at.

The last part of the article is devoted to the role of leadership in Russia. The role of the businessperson and entrepreneur is explored. The generation gap between the old guard and younger executives is highlighted. The issue of what specific leadership practices will be appropriate in tomorrow's workplace, given Russia's cultural heritage and character, is also addressed. In this context, different forms of organization and patterns of decision-making (including democratic centralism) are explored. A number of recommendations are given about the kind of leadership needed in the post-*glasnost* era.

Key Words: Russia; character; culture; Communism; Soviet; leadership style; organizational practices; identification with the aggressor; paranoid outlook; external orientation; doing versus being; order versus disorder; authoritarianism; paternalism; collectivism; envy; Oblomovism; anarchism; bureaupathology; corruption; democratic centralism; command-control paradigm; short-termism; conflict avoidance; mourning; false self; social defense; Seasonal Affective Disorder; swaddling.

Wretched and abundant,
Oppressed and powerful,
Weak and mighty,
Mother Russia!

—Nikolai Nekrasov

I cannot forecast to you the action of Russia. It is a riddle wrapped in mystery inside an enigma.

—Winston Churchill

When Stalin says dance, a wise man dances.

—Nikita Khrushchev

No one can deny that clouds are once again gathering over Russia, promising great storms.

—Maxim Gorky

Introduction

Research Objective

The objective of this article is to highlight a number of salient aspects of Russian culture and character to facilitate an informed understanding—in Russians as well as outsiders—of the way Russians approach leadership style and organizational practices. The need for this understanding is twofold: In the first place, this kind of awareness is important in light of the privatization and deep restructuring occurring presently in Russian society. If Russians hope to be able to operate successfully in a global economy, as their societal transformations suggest that they do, they must identify and adopt the most appropriate forms of management and organization. In the second place, there has been an explosion of East-West strategic alliances, joint ventures, acquisitions, and start-ups in what was the

former Soviet Union. To make these ventures work (and many have been unsuccessful)—to create effective collaborative efforts—a deep understanding is needed of differences in leadership and organizational practices between Russians and people from other cultures.

As we move into an increasingly global economy, the need to become familiar with executive behavior in different cultures will grow ever more crucial, for two reasons:

- Managing people across cultures and in multicultural teams will be a primary challenge as we cross the threshold into the twenty-first century. Given the importance of global business, cross-cultural understanding is becoming a prerequisite to ensuring the effectiveness of multicultural teams.

- The identification of salient management values and attitudes around the world will facilitate the design and implementation of programs of organizational transformation and change. A comprehension of cross-cultural differences and the corollary institutional configurations will contribute to greater success in these ventures, making for competitive advantage.

Although these arguments in favor of cross-cultural understanding apply to all organizations everywhere, they have particular relevance to Russia and to organizations with connections to Russia. As Russia's potentially extensive participation in the global economy grows, making sense out of Russian management practices will be important to transnational management wherever it is based. Moreover, an outside perspective concerning Russian behavior patterns will help the Russians themselves better understand the Russian way of doing things, illuminating the motives and rationale behind their behavior. That self-understanding will help them choose leadership styles and management practices that suit their national character.

The Clinical Paradigm

The clinical paradigm, which underlies the thinking in this article, is based on a number of premises. The first premise argues that a rationale lies behind every form of irrationality. Though our interpretation may be obscured by resistance, ingrained behavior patterns,

transference reactions, and projective mechanisms, all types of behavior—no matter how strange—have an explanation. The second premise on which the clinical paradigm is based is the belief that much of people's motivation is unconscious—in other words, that many behavioral triggers that have an effect on human functioning lie outside of conscious awareness. The third premise of the clinical paradigm maintains that our behavior is very much a product of previously learned behavior patterns. Experiences with significant people from the past taught us preferred response patterns, and these we tend to repeat as adults. Consolidating these three premises, the clinical paradigm refuses to take for granted what is directly observable. Instead, it uses constructs taken from psychoanalytic psychology (in its various forms), dynamic psychiatry, neurophysiology, cognitive theory, developmental psychology, individual and group psychotherapy, and family systems theory to seek an understanding of the underlying motivations and behavior patterns that give rise to different values, beliefs, and attitudes.

Data Collection

The data on which this article is based is twofold. The first source of data was a review of the literature dealing with Russian national character and Russian history (Mead, 1951; Leites, 1953; Kluckhohn, 1961; Granick, 1962; Smith, 1976, 1991; Hingley, 1977; Mikheyev, 1987; Laqueur, 1989; Puffer, 1992; Moynahan, 1994; Murray, 1995; Richmond, 1996; Stephan and Abalakina-Paap, 1996; Brown, 1997; Freeze 1997). This material was complemented by interviews with and observations of a cross-section of the population during the author's frequent visits to Russia.

A second source of data consisted of the author's open-ended, exploratory, in-depth interviews with (and observations of) Russian executives occupying influential positions in their respective organizations. Access to such executives occurred in two ways. Some of the executives participated in a number of leadership development workshops for which the author was one of the faculty members. These workshops gave an opportunity to engage in dialogue about Russian character and leadership practices. Additional material was obtained through visits in a number of companies operating in the financial services,

trading, and manufacturing sectors. Here the author was present both in a consulting and a research role. Data gathering began in 1993 and will continue through 1999.

Method

These exploratory interviews were conducted in a semi-structured fashion. Each respondent was approached with a list of open-ended questions pertaining to Russian character, leadership style, and organizational practices. Depending on the responses, revisions were made to the questions. Observational data consisted of notes taken by the author while studying the various executives in meetings and during informal discussions. In engaging in this kind of fieldwork, the author used "grounded theory" to arrive at a set of hypotheses about Russian character and leadership practices; in other words, while engaged in the process of hypothesis formulation, he delineated connections, patterns, and themes, continuously modifying the hypothesis depending on new emerging material (Glaser and Strauss, 1967; Argyris and Schon, 1974). He also explored biases due to participant observation (Devereux, 1978; Van Maanen, 1988; Schein, 1987). Through this ethnographic and clinical orientation, ideas were developed and "thick" description emerged—description that involves, to use Clifford Geertz's words (1973, p. 20), "guessing at meanings, assessing the guesses, and drawing explanatory conclusions from the better guesses." The author then integrated observed patterns of behavior with knowledge about the growth and development of human beings and the findings of developmental and clinical psychologists on the functioning of human personalities. Attempting to avoid falling into a simple causality trap, he emphasized durable life span development within existing institutional frameworks.

Using the clinical paradigm in doing ethnographic work implies the study of "texts," which can be viewed as groupings of interrelated elements—all types of data containing various kinds of information that can be systematized into themes. In an organizational context, each "text" presented is interpreted through the analysis of organizational artifacts: managerial statements, writings, and observable behavior (Kets de Vries and Miller, 1987). The "text" implicit in a specific decision, a preference for a particular style of leadership, or a type of organizational design gives clues to what life in the organization

is all about. In dealing with this "text," any researcher relying on the clinical paradigm must be alert to underlying themes, meanings behind metaphors used, reasons underlying the selection of certain words, and the implication of certain activities. In decoding such "texts," researchers extract significance from interrelated behavioral, cognitive and affective manifestations constructed out of experiences.

The Wheel of Culture

The Russian national character (a concept here widely construed to include leadership style and choice of organizational practices) is embedded in its *culture*—by which is meant the ideals, values, and assumptions about life that are widely shared among a population and that guide specific behavior patterns. There is considerable disagreement about the precise definition of *culture,* although scholars are fairly unanimous regarding its importance. As Susan Schneider and Jean-Louis Barsoux argue, "Culture eludes precise definition or measurement" (1997, p. 19). As a matter of fact, anthropologists have listed over 164 definitions (Kroeber and Kluckhohn, 1952).

Margaret Mead (Mead and Wolfenstein, 1954, p.10), in her approach to the study of culture, refers to "regularities in behavior that are shared." Clifford Geertz (1973, p. 5) defines culture as "webs of significance" in which people are suspended. Geert Hofstede (1991) describes culture as "the collective programming of the mind that distinguishes the members of one group or category of people from another" (p. 5). The ideals, values, and assumptions represented by culture contribute to common norms, customs, rituals, ceremonies, and perceptions about "heroes" and "villains" (Hall, 1966, 1973; Deal and Kennedy, 1982; Schein, 1985). These cultural values are learned, transmitted from generation to generation through parents, teachers, and other influential people in the community. Thus specific child-rearing practices play an important role in the formation of cognitive, affective, and behavioral patterns.

What we can conclude from these anthropological observations is that cultural values color the modus operandi of the Russians. These values can be seen as the building blocks for behavior and action. As such, they have an influence on leadership practices and

institutional arrangements. Comprehending the building blocks of culture in Russia will assist us to better understand the way Russians approach leadership style and run their organizations.

Existing conceptual frameworks for studying culture help in simplifying what is basically an extremely complex topic. Fortunately, there are quite a few of these frameworks to choose from. Among the better known models are those of Talcott Parsons (1951), Clyde Kluckhohn and Fred Strodtbeck (1961), Edward Hall (1966, 1973), Geert Hofstede (1984, 1991), Edgar Schein (1985), André Laurent (1983), Fons Trompenaars (1984, 1993), and Fons Trompenaars and Charles Hampden-Turner (1993). All these models offer ways of simplifying culture's complexity. Many of them introduce a number of dimensions to highlight specific cultural patterns. These dimensions, frequently presented in the form of polarities, can be summarized in a simplified form as follows:

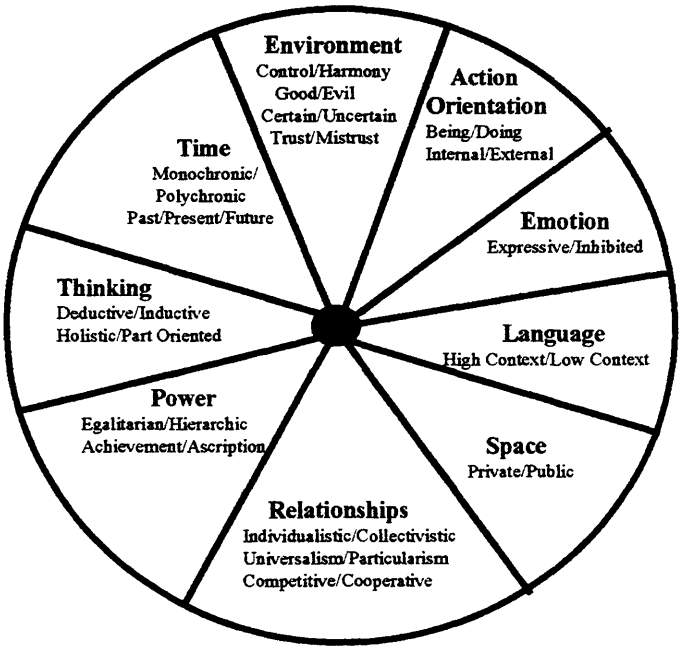
- **Environment.** One regularly applied dimension of polarity highlights the different ways individuals perceive both the world around them and their fellow human beings. Some of us enjoy a feeling of mastery over nature, while others feel controlled by our surroundings; some tolerate uncertainty well, while others avoid it; some view people as basically good, while others see them as basically evil.
- **Action Orientation.** Some people favor a *being* orientation, while others favor a *doing* orientation; some have an internal focus—possessing a sense of control over their lives, while others focus externally—feeling an absence of control.
- **Emotion.** Some people are emotionally expressive, while others exhibit great emotional control and inhibition.
- **Language.** In speaking and writing, some people use language that is high context (in other words, that uses circumvention and is difficult to interpret), while others generally use language that is low context—implying that it becomes relatively easy to understand what is being communicated.

- **Space.** Some people prefer to be in space that is private, while others prefer a public environment. This dimension also refers to the way individuals do or do not respect another person's privacy.
- **Relationships.** In the course of personal and business relationships, some people tout individualism (and competition), while others rely on collectivism (and cooperation); some believe in the application of universalistic rules that apply to everyone, while others argue for particularistic rules that depend on the specifics of the case.
- **Power.** Some believe that status is achieved, while others value only ascribed status; some favor equality and advocate position based on ability, while others stress the role of wealth, birthright and other such factors.
- **Thinking.** Some people have a deductive approach to issues, while others take a more inductive approach; some analyze phenomena into parts, while others have a more holistic orientation, seeing patterns and relationships in a wider context.
- **Time.** Some people are monochronic oriented (that is, they prefer doing one thing at a time), while others are polychronic (that is, they prefer doing many things at once); some are oriented toward the past, while other focus on the present or future.

Because all these dimensions have something to offer, I will refer to them occasionally in looking at Russian culture and analyzing the Russian personality. (See Exhibit 1 for an overview of the various dimensions.)

Exhibit 1

The Wheel of Culture



A Snapshot of the Russian Character

Romancing the Past

The filmmakers Grigori Kozintsev and Leonid Trautberg (1934) directed a trilogy on the life of the well-known Russian writer Maxim Gorky. The first part of this film classic depicts the Bolshevik legend of his youth—a child growing to adulthood. Through the medium of film the viewer gets an unusual picture of the Russian mind-set. In a very artistic way the directors portray some of the forces that make the Russians who they are. Moreover, the fairy-tale quality of the film facilitates audience identification with what Russians may view as essential characteristics of their native country and their own childhood.

The film first introduces the empty plains and the Volga (to the accompaniment of balalaika music); the camera then shifts to several *mir,* communal villages scattered in the vast land that is Russia, giving an intimate portrait of the behavior of the inhabitants. The film paints a stark contrast between the conduct of the men and that of the women.

Women are portrayed as warm, caring, strong, generous, and reliable (*babushka* types), but also as fatalistic and long-suffering. Men, on the other hand, are presented as having a self-destructive streak that is manifested through episodes of sudden violence and bouts of alcoholism.

The compelling *babushka* imagery reflects a mind-set that is typically Russian. This mental picture of the generous, beneficent mother often lingers on, serving as the mother-image of adulthood as well as childhood. Because of its staying power, this picture has cognitive, affective, and behavioral implications as life unfolds. It often possesses a *"la vie en rose"* quality—that is, it can serve as a screen memory, offering consolation in times of trouble. Taken further, it can become a longing for an earlier, simpler time—even a desire for some kind of symbiotic fusion. For someone ruled by this kind of mental imagery, adult reality is likely to be disappointing. The legacy of *babushka* imagery can be a lifelong yearning for "Paradise lost," an undefined sense of regressive nostalgia—a romantic sentimentality that is part of being a Russian.

Suffering and Violence

But this nostalgic yearning is not the only pattern explored in Kozintsev and Trautberg's film. Viewers are subjected to sudden, unexpected eruptions of violence as beating scenes fill the screen and sadistic and masochistic behavior patterns intertwine. Accurately reflecting Russian life, the film identifies suffering, manifested in various forms, as another prevailing theme: suffering is needed to attain salvation for whatever "crimes"—be they imagined or real—a person has committed. Sin, remorse, and punishment have always been important themes in Russian history. The Russian Orthodox Church, with its imagery of torment, agony, and martyrdom, has played an important role in the formation of this aspect of the Russian psyche.

It can be argued that a sadomasochistic identification with authority—be the authority figure the Czar, a nobleman, a landowner, Lenin, Stalin, or a Communist Party commissar—has characterized the Russian people over the centuries (Murray, 1995). This attitude toward authority figures implies not only a readiness to be abused but also a

willingness to assume the position of sadistic authority with others. This perspective on authority, described in clinical terminology as "identification with the aggressor" (Freud, 1946), allows a person to rationalize an assault on the self by absolving the aggressor from responsibility; as a consequence, the person in ultimate authority is not blamed for unacceptable destructive deeds. (Stalin was not fully aware of the atrocities enacted by his henchmen, this perspective would argue. If he had been, he would have done something about it, would have protected his people). Through this process of mental gymnastics, the actions of the "aggressor" are excused. Moreover, the person being "aggressed" perpetuates the aggression, imitating the aggressor's abusive practices. Strange as this behavior may seem, there is a rationale behind it. Two purposes are accomplished by resorting to this defense mechanism: it creates an illusion of powerfulness (through the process of identification with the person in power and control), and it becomes a way of satisfying the victim's own repressed aggression; in other words, it turns into a form of aggression by proxy.

In the seminal book *Childhood and Society* (1963), written by the psychoanalyst and human development scholar Erik Erikson, we find a chapter entitled "The Legend of Maxim Gorky's Youth." In this chapter Erikson uses Kozintsev and Trautberg's film about Gorky as a kind of projective test to explore what he saw as timeless, salient patterns in the Russian character—in particular, the sadomasochistic pattern. And he is in good company in emphasizing such behavior patterns. Indeed, they permeate Russian literature. Many of that tradition's most respected writers have painted shattering pictures of poverty and slavery, emphasizing distortions of the psyche caused by many centuries of serfdom (a practice that ended in 1861 but left an imprint on superior-subordinate relationships).

Kozintsev and Trautberg's film also portrays paternal violence, a theme all too familiar in many cultures, including that of Russia. Problematic Oedipal relationships abound throughout that country's troubled history, with triangular relationships between parents and children offering the opportunity to act out high drama. People in positions of power and authority have set a dubious example in this regard. Czar Ivan the Terrible's

impulsive murder of his oldest (favorite) son and Czar Peter the Great's death sentence of his son Alexis stand as key signifiers among many other dramatic episodes in Russian history, demonstrating unpredictable violence on the part of higher authority. Russian literature also offers ample examples of such violence. Fyodor Dostoyevsky's novel *The Brothers Karamazov,* for example, has made the theme of patricide famous.

These stories from history and fiction portray the Russians as people possessed of a destructive passion, mercurial types who are prone to great mood swings, expressing extreme anger one moment and reverting to masochistic behavior the next. This great duality of passion and compassion is striking. The swinging of the emotional pendulum is exemplified in Czar Ivan the Terrible, who, after the murder of his son, was consumed by pangs of remorse and repentance. As a ruler who fell from one extreme mood state into another, he serves as an archetype of Russian leadership.

The Capacity to Endure

In spite of (or perhaps because of) the harsh circumstances under which the Russians have lived—predominately on vast, empty plains or on the Siberian taiga—Russians also come across as a people of enormous endurance and stamina. Their history is illustrative. The creation of their nation, a process marked by hardship, was preceded by centuries of social unrest. People in what is now Russia had to deal with Viking raiders from the north, the Tatar-Mongol domination, the Teutonic invasion, the Don Cossacks, and the Turks. Indeed, unrest has been Russia's constant companion. Not surprisingly, then, the "Times of Troubles" (1598–1613)—a period of social and political upheaval during and after the reign of Boris Godunov, a period of great suffering caused by famine, epidemics, and incursions by Cossack soldiers and Polish adventurers—continues to resonate with the Russian collective memory. Nor has Napoleon's invasion or Hitler's military campaign been forgotten. But the Russians, with their indomitable stamina, have risen above the many evil forces around them—the irrational authority, the violent changes of regime, the civil wars, the social disorder, the foreign interventions.

This ability to endure, this capacity for survival, has prompted some observers to offer ice fishing—an activity pursued by many Russians—as a metaphor of their character, of the hardiness and mysticism of the Russian soul. Standing for hours in front of a hole on a frozen lake in Siberia under arctic conditions in the hope of catching a fish is an unattractive proposition to most people. It looks like an open invitation for frostbite or even death. But in spite of its predictable discomforts, a large number of Russians find pleasure in this pursuit. Their pleasure could be seen as an expression of the love of suffering—even the assertion of a death wish; at the very least it could be seen as passive consent to a miserable situation. Yet it also illustrates the desire for solitude and the need for mystical unity with nature—traits that exemplify the deep spiritual character of the Russians.

I once observed firsthand the incredible courage and endurance of the Russian people, and their putative love of suffering. In 1993 I was a member of an expedition in the Pamir mountains in Tadjikistan (one of the former republics of the old USSR) at the border of China. The purpose of the trip was to observe the rut of the mythical Marco Polo sheep—the largest wild sheep in the world. Unfortunately, we were not very lucky with the weather. Not only did we have to deal with extreme temperatures (more than 35 degrees below Celsius, not accounting for the wind-chill factor) and dramatic heights (more than 5,500 meters), we also faced unusually deep and challenging snow conditions. Our lack of equipment for dealing with the deep snow, in combination with the oxygen-scarce air of extreme altitude, made climbing exceptionally difficult. To my inexperienced eye, it looked as if it would be impossible to get close to the sheep. Other people would have given up—but not the Russians. They decided to press on, and to do so when the sheep could not see us so as to avoid scaring them away. So I found myself, one early December morning (2 A.M. to be precise), trudging almost vertically through the snow and trying to minimize the extreme exertion by stepping in the footsteps of my guides—who, it should be noted, carried all my gear (tent, sleeping bag, cooking utensils, food, and so on) on their backs. I have been in many difficult situations, but this was the most grueling. Later my Russian friends named this night walk "the battle of Pamirgrad," in reference to their

most terrible battle of World War II. I almost died of frostbite in the process; they, on the other hand, showed few signs of discomfort.

Character in Transition

Years have passed since the making of Kozintsev and Trautberg's film about Maxim Gorky's youth and the writing of Erikson's article, and dramatic changes have occurred in Russia: Russia has imploded into the Commonwealth of Independent States; many of the countries that belonged to the old USSR have become independent; the *glasnost* and *perestroika* introduced by Mikhail Gorbachev and the reforms attempted and implemented by Boris Yeltsin have resulted in a dramatic transformation of Russian society. The consequences of many of these changes have been mixed, however. Although certain segments of society have profited from the new situation, the chaotic transitional stage of the Russian economy has left many segments of the population feeling alienated and disfranchised.

The fact that Russia is still in the middle of this radical transformation makes any attempt to decipher the Russian personality a challenging task. What makes it even more complex is that Russia is also an extremely diverse country, having been a melting pot of different races, religions, languages, regions, and cultures, stretching in territory from Eastern Europe through Siberia to the Far East. In spite of the complexity of the case, however, various themes that the Kozintsev and Trautberg movie touched on can be seen as enduring. In other words, there is a certain stability to the essential nature of Russian character; there are certain distinctive characteristics that have retained their significance regardless of place, time, or regime. And these national characteristics—"modalities of behavior and of view of the world and experience in it which are found or claimed to be characteristic of a specified national or ethnic population at a particular period in time" (Kluckhohn, 1966, p. 607)—influence values, beliefs, attitudes, and motivation, all of which are important factors in the context of leadership and organizational practices.

Contextual Factors in the Formation of the Russian Character

The Impact of Nature

We are all affected by the physical world in which we live. Not surprisingly, then, seasonal changes and the weather affect human behavior. What's more, they do so in an enduring rather than a transient way: the states of mind evoked by the seasons and the weather become part of an area's cultural heritage.

The Russians have a widely held reputation for courage, endurance, hardiness, and resilience. I would argue that these virtues have their roots in the harsh climate of Russia—the cruel, long winters offset by short, hot summers—and the difficulties that that climate imposes. Born long years ago out of necessity, these virtues have been reinforced through stories of overcoming hardship that themselves have become part of the cultural heritage and will help shape future behavior. Chronicles that resonate in the cultural memory include the narrative (immortalized in literature) of the Russians wearing down and destroying the armies of first Napoleon and later Hitler during the winter.

Given the extremes of weather in Russia—a country that is half given over to permafrost—Russians experience a sense of constraint toward their environment; they are acutely aware of the degree to which they are subjected to environmental whims. This outlook may help explain the patience, submission, and caution that characterize Russians. They do not experience the sense of control that characterizes people in many cultures not exposed to such extreme climatological conditions. As they alternate bursts of activity with periods of weather-determined passivity, they oscillate between feeling that they are in control and feeling that they are being controlled. Adding to this swing of the pendulum is the fact that the willingness to endure, to submit to nature's consequences, represents a slightly masochistic dimension in the Russian character—the tolerance (or even desire) for suffering mentioned earlier.

The harsh climate has also given rise to the bear metaphor that is associated with Russia. That metaphor is symbolic of a low energy level in the winter (the hibernation period) and an elevated mood state in the summer, when food is abundant. Like bears, Russians can be

"dormant" for long periods of time, awaking to remarkable spurts of activity. In Russia, farmers can work only for limited periods of time, given the short planting and harvesting seasons; but they show their capacity for hard work and endurance during those short seasons. While the bear metaphor primarily illustrates the duality between *passivity* and *activity* among Russians, it also addresses the duality between *order* and *disorder*—a theme that will be developed later.

Furthermore, the short winter days and the long darkness make Russians more prone than others to Seasonal Affective Disorder (SAD), which is characterized by dramatic mood swings that alternate between depression and exhilaration depending on the season. Seasonal changes in behavior are quite prevalent in Nordic countries (Goodwin and Jamison, 1990; Rosenthal, 1993; Whybrow, 1997; Kets de Vries, 1999a, 1999b). The "winter blues" may also explain the Russians' typically bleak outlook on life—their pessimistic, gloom-and-doom perspective.

The Legacy of the *Mir*

In spite of Russia's heavy industrialization, the country is still highly agricultural. In previous centuries, the vastness of the land was broken only by the occasional agricultural village commune, or *mir*. The *mir*—a word that also means "world" or "peace," concepts that carry highly symbolic meanings—has had a great impact on the Russian *Weltanschauung*. While the *mir* has largely been succeeded by the communal farm (a farm run by a *Soviet,* or "community council") and in some regions supplanted by urbanization, the philosophy behind this self-contained community lives on.

Indeed, the *mir* mentality pervades all of Russia. It affects, for example, the Russians' outlook toward what we in the West tend to call "personal space"—the extent to which one's immediate environment is private versus public. Because of the closeness of living conditions in the *mir* (and in overcrowded communal apartments), Russians tend to be rather intrusive; they do not respect other people's private space as much as do people in other cultures.

The *mir* mentality also has had an influence on the way Russians look at relationships. They favor, in all realms of human endeavor, the collectivist orientation that is at the heart of the *mir*—an orientation that subordinates individual interests to those of the group. In the agricultural village commune of yesterday, with people dependent on each other for survival, the communal good always took priority over individual needs and rights. Furthermore, each person had to make his or her contribution to the common good. And the *mir* did not hesitate to intervene as needed in the lives of its members to ensure both harmony and the common good. They did so through a board of village elders responsible for arriving at a group consensus, defining the common will, and making recommendations to the chief elder, who answered to the ultimate authority of the board. This way of operating continued under the Soviet system, with its Politburo at the top of the chain of command.

The *mir* mind-set in contemporary Russia shows itself in the "we" consciousness that dominates the social system. The collective will is what counts, not the will of any individual. The legacy of the *mir* is also revealed in Russia's atmosphere of mutual dependence, in which the group provides emotional support and moral guidance for its individuals. Russians display a great need for affiliation. They like to belong, to be attached to a group, and they feel extremely uncomfortable when excluded. Many of their activities—social or otherwise—are conducted in a group setting. The *mir* legacy also makes for a clannish loyalty that expresses itself in chauvinism and passionate patriotism: the love for the motherland. A corollary to the *mir* mentality is an emphasis on the role of self-sacrifice out of a sense of duty. Russians are prepared—when the situation warrants it—to make extraordinary sacrifices for the sake of the community or the nation. Russia has seen incidents of mass heroism seldom paralleled in history.

The *mir* mentality has also contributed to the Russians' preoccupation with egalitarianism and their great need to equalize. Leveling has always been a popular pastime, and envy an important controlling device to remind people of their proper place. A well-known Russian proverb states that the tallest blade of grass will be first to be cut. And Russians savor the story about a peasant to whom God granted the fulfillment of any wish. There

was, however, a catch. Whatever the peasant chose, God would do twice as much for his neighbor. The idea that his neighbor would be better off then he was, whatever he did, troubled him. After mulling over the offer, the peasant finally said, "Take out one of my eyes."

These examples illustrate the degree to which individualism and personal achievement as known in other societies are frowned upon in Russia. While in certain other cultures it is a sin to be a loser, in Russia—at least until the dissolution of the Communist regime—it was a sin to be a winner. The expression of individual desires was associated with selfishness. Anyone wanting to stand out was looked at with suspicion. As a consequence, Russians are still very low-key about their individual accomplishments, boasting is frowned upon, and people are careful not to be ostentatious in their habits. Succumbing to these perceived faults is a sure invitation to envy, spite, and vindictiveness.

Under Communism, this well-intentioned spirit of egalitarianism and collectivism became perverted. Over time, ideological—even romantic—Communist fervor turned into stark disbelief. Disillusionment with and alienation from the system set in. These factors led to a rise in materialism and opportunism, an increase in corruption, and insidious moral decay. The privileges of the *nomenklatura* (the "nomenclature" or "secret roster" of those people in positions of party leadership or in jobs within the party *apparat*), with their reserved shops and special hospitals, became all too well known.

The *mir* mind-set also implies the embrace of conservatism: a defense of traditional values and a fear of change. The *mir* has become a symbol of resistance to change—of not rocking the boat, of conforming (Obolonsky, 1995). In this era of increasingly free enterprise, this attitude is an important barrier to the transformation of Russian society.

The harsh climate and the *mir* legacy together created the context in which the character development of the Russians has taken place. The challenge now is determining how we can weave these contextual factors into a consistent portrait of the emotional, cognitive,

and behavioral factors that distinguish the Russians. What is it about their character development that makes them different?

The Making of the Russian Character

Swaddling in Infancy

Erikson, in his article on Gorky's childhood, hypothesizes that the ancient Russian childcare custom of swaddling is significant to the development of the Russian personality. Swaddling is a practice whereby newborn infants are bound from foot to neck in *kosinka* (a wrapping similar to that used in mummification) for the greater part of both day and night for three to five months (or, less typically, for as long as a year and a half) (Kluckhohn, 1961). This particular approach—making what they call a "log" out of their babies—is still occasionally practiced today, particularly in rural areas. The usual argument given in favor of this custom is that it prevents the infant from hurting him- or herself. Some people also claim that it helps straighten out limbs long bent in the womb and lessens the danger of spinal curvature as the baby develops. A more practical justification may be that parents can accomplish household tasks with minimal distraction when a child is swaddled.

The swaddled infant experiences long periods of serious restraint alternating with short periods of freedom. He or she experiences the joy of locomotor liberation, along with the ability to discharge emotion physically (the only emotional outlet other than crying that newborns know), only in temporary bursts. The freedom of movement that babies in other societies enjoy is not permitted.

Oversimplified cause-and-effect inferences based on early childcare practices are always open to question, given the influence of other significant factors throughout the life cycle. But at the risk of oversimplification, I would argue that Erikson was correct in seeing swaddling as significant. It may have a conditioning effect, influencing character formation and leaving a legacy with respect to the management of emotion and action.

How does that conditioning effect manifest itself? A major red thread running throughout Russia's history is the violent oscillation between order and chaos. Time and time again we have seen "orderly" Russians create pandemonium when freed from control. They seem to share a hidden (and sometimes not so hidden) *desire for totally unrestrained behavior*—a feeling that may have its origin in the swaddling period. At the same time, the forced restraint of swaddling may leave as a legacy a feeling of impotence against immovable forces. This *sense of impotence*—this apathetic attitude toward environmental forces—is another prevalent theme throughout Russia's history.

Schooling and "Moral Upbringing"

The school years prolong this sense because of their great rigidity. Discipline and regimentation are the order of the day in the Russian classroom. Authoritarian methods prevail; a uniform and tightly controlled curriculum dominates; rote learning and unquestioning acceptance of authority are generally the rule (Bronfenbrenner, 1970; Pearson, 1990; Eklof and Dneprov, 1993). Public shaming for misbehavior or poor performance is the method of choice for behavior modification at school (a method that also colors superior-subordinate relationships in the adult world). As a result, Russians tend to be very sensitive to public humiliation. Russian teachers engage in what we might call intrusive guidance: they are involved in every detail of a child's upbringing. They are not very respectful of the child's private space. From nursery school onward, teachers are extremely active in "socializing" each child in the "right" way of doing things. Few deviations from the rules are permitted.

In the Soviet past, "moral upbringing"—implying training in areas such as patriotism, atheism, collectivism, and other state-supported activities—was an important function of the schools (Ispa, 1994). The role of teachers was to bring children up in the spirit of Communist morality. In accordance with the centrality of collectivism, the well-being of the group superseded individual considerations; all conduct had to be aligned with the wishes and actions of the group.

In this educational atmosphere, children learned early (and repeatedly) the futility of arguing back with authority figures. And parents supported that model, toeing the line drawn by teachers. Under the Communist regime, that line had clout: teachers often informed parents' supervisors of problems with specific children. In contrast to child-rearing practices in most Western societies, decision making about the proper education for any given child was one-directional: the educators were the all-knowing givers, while the parents were the passive receivers. Suggestions about alternative ways of doing things were almost unheard of (and certainly unwelcome).

Such an educational approach cultivated the belief that, in public situations, one could *think* what one wanted but not *say* what one wanted. While free thinking was not constrained by this approach, neither was it fostered. And where the asking of imaginative, probing questions is not encouraged, neither are creativity or innovation.

In this setting, children learned early the importance of conforming—of blending in. Conformity offered the least painful passage through their school years, and indeed through all of life. The cost of noncompliance was simply too high for most people. Bad enough in the classroom, that cost became increasingly unpleasant as life progressed, involving public denouncements at the local Party headquarters, workplace demotion, and the loss of privileges or even position.

The practice of institutionalized tattling, a popular pastime under the Communist regime, strengthened the urge to conform. A head boy or girl was responsible for reporting to the teacher on the conduct of the children under his or her supervision. In addition, each child was taught, at an early age, to look over his or her shoulder and observe others. As was noted earlier, children who deviated from the prescribed code of conduct were publicly criticized, shamed, and humiliated.

Internal Conflict

But enforced compliance with a code of conduct does not ensure internalization of the values underlying that code, nor does it create a positive identification with authority

figures. And without a stable set of values and beliefs, only the continued imposition of external authority can prevent a reversion to disorderly behavior. Without those values, discipline problems germinate in the absence of authority or strong group pressures. This lack of truly internalized values—which manifests as a lack of self-discipline—may be a partial explanation for the oscillation in Russian society between repressive (even despotic) authority and anarchy. There is not much middle ground. Rulers in Russian society have always felt that they needed to put the lid on tightly to prevent unrest from boiling over.

While great discipline was stressed at school and in other public organizations (such as the Young Pioneers and later the Komsomol—Communist youth organizations) in the Communist era, permissiveness ruled the home. Family life revolved around the children then (as it still does now). In this other world, as the center of attention, children were pampered, spoiled, and protected. To be sure, the cramped living conditions of communal apartments (with it to be expected intrusions into private space) sometimes sparked emotional and explosive disciplining. Yet children had a counterweight to such explosions: the conviction that they were loved by their parents. And because many parents had experienced serious hardships during their lives, they made a strong effort to create a better life for their children.

Integrating these two worlds—one of harsh discipline, the other one of warmth and carefree abandon—is a great challenge. A certain amount of confusion is inevitable. When a person's developmental processes are governed by compliance—especially when that person is subjected to unempathic authority figures—he or she is in danger of being seduced into a "false life" (Winnicott, 1975), of presenting a "false self" to the outside world.

Although a certain split between the public self and the private self is inevitable, in Russia—at least until *glasnost*—the presentation of self was especially conflicted. The warmth and permissiveness that children experienced at home simply did not jibe with the conformity for conformity's sake that they experienced at school. And the lack of sincerity

and consistency in the public sphere during the Communist regime—idealism having increasingly deteriorated into cynical opportunism—would not have escaped the notice of children, who always hear more than their parents tell them.

In the best of all worlds, children internalize an inner compass that is aligned to true north by the parents, establishing a direction that is later reinforced by other important authority figures giving similar signals. Such development makes for a sense of consistent direction and inner stability. The Russians have not had the luxury of consistent direction. How could parents—or teachers, for that matter—teach clear standards of right and wrong when they were unclear about those standards themselves?

The KGB taught people not the distinction between right and wrong but the need for sensitive attunement to external, often contradictory signals of approval and disapproval. Rather than listening to their conscience in deciding the morality of an issue, people listened for the early-morning knock that would send them to a gulag for some fabricated transgression. In the long run, the inconsistency and insincerity of that form of authority eroded individual authenticity and created inner conflict and a feeling of unreality.

With *glasnost,* this incongruous situation has changed. The older generation still has to work through the after-effects of their "moral upbringing," but they are adapting to greater freedom of thought and action. The younger generation will come to their freedom without that baggage. They can reap the rewards of the *glasnost*-engendered concern among educators about respecting children's individuality. The words *freedom, liberation, independent problem solving,* and *creativity enhancement* can now be heard in the context of child-rearing. There is, however, still considerable tension, especially in schools, between old and new approaches to dealing with children (Ispa, 1994). The question Russia faces, in the classroom and elsewhere, is how to balance the increased freedom with obedience and structure. How these changes in attitude will affect the newer generation is yet to be seen—but surely for the better.

Separating the Private and the Public Self

As indicated, because of the authoritarian upbringing that Russians during the Communist regime experienced at school and in other public places, they acquired an acute sense of what was accepted and what was not—what they could get away with and what they had better let be. With a chameleon-like ability to conform to their surroundings, they knew how to lie low. This behavior pattern was reinforced as a national trait by the climate of fear and terror that permeated Russia for so many years.

During that Communist period, with its relentless Party propaganda about the "unsurpassed achievements of socialism," indifference became the behavior of choice. In spite of vigorous attempts at indoctrination, most people merely went through the motions; they participated in the "show" of ideological conformity. The Brezhnev era of stagnation epitomized this survival strategy. People had to compromise within and without, everyone becoming a comrade Kompromis Kompromisovich.

Along with conforming, passive resistance was the other favored way of coping with the onslaught of propaganda. As time passed, however, the discrepancy between the idealized public code of conduct and the reality of Soviet life (with all its bureaucratic mendacity) became increasingly noticeable. Ideological dry-rot was everywhere. Russians tell an apocryphal tale about Potemkin, the governor general of the southern Ukraine, who, in trying to impress Catherine the Great during her tour through his territory, constructed lavish facades to hide the shabby conditions of the villages. This Potemkin village mentality was again alive and well under Communism. As the split between official and personal relationships increased, the integration of individual conscience with political dishonesty became an increasingly daunting task. It was extremely difficult to believe in the propaganda that promised "a socialist utopia consisting of a society of equals with opportunities for all people" when the reality of inequality was so different. The general population gradually shifted from idealism, to conformism, to cynical careerism characterized by narrow self-interest and material gain (Bauer and Inkeles, 1968).

In spite of the erosion of Communist ideology and the encroachment of materialism, very few people had the courage to declare that the emperor had no clothes. Anyone who did

so—who was true to his or her feelings—was exposed to public humiliation and to the wrath of others, a wrath that grew naturally out of the guilt people felt at not having the courage to speak out themselves. As time went by, the need people felt to say things in public that they did not believe—in other words, the need to live day by day with this double standard—became increasingly draining. This pervasive pattern of dishonesty made for feelings of depersonalization; it gave life an element of unreality. Disillusionment and the development of a "false self" were the most likely outcomes.

Times have changed in Russia, to be sure. But the legacy of political pressure for conformity will take time to dissipate, even in this post-*glasnost* era. Although even the older generation is learning to live without fear, it is in the younger generation—the generation that never had to live *with* fear—that we can expect less of a discrepancy in the psychic domain between the "false self" and the real person, a development that will make for a less conflicted inner self and a greater sense of security and confidence.

The Supremacy of Friendship

Because of this legacy of fear, Russians can come across as cold and harsh in their dealings with outsiders, but when a person has been accepted into their private sphere, they are capable of great warmth. Russians make deep personal friendships. As a matter of fact, the Russian language has a variety of words for *friend,* depending on the closeness of the relationship (Dabars and Vokhmina, 1995). Russians value close friendships highly, setting great store by those they honor as *drugs*—those friends who are the closest. Such relationships are a compensation for the cold impersonality and unpredictability of public life. They are a kind of social insurance, if you will, serving as part of a mutual support system and offering an outlet for frustrations. Given the intense nature of their friendships, Russians will go to extraordinary lengths to help their friends, making great sacrifices for those in their trusted circle.

The importance of friendship also affects the business dealings of Russians. While American and northern European executives are more task- than relationship-oriented, Russians need to develop relationships in order to successfully accomplish tasks. For

them, it is not the enterprise that counts but the people in the enterprise. Whatever Russians do, friends come first. Because they see business and friendship as being closely intertwined, they like to create networks of friends in their business dealings. Not surprisingly, then, new business is most often the result of references given by friends and acquaintances. Furthermore, Russians believe in bending the rules to help a friend: social obligations take priority over everything else. They take a contingency approach to rules; in other words, how they apply rules depends on the situation; their orientation is of a particularistic nature. Personal loyalty is much more important than fair play.

It is largely because of the importance of friendship that Russians tend to unwind in the kitchen—and have done since rural days. In this safe meeting ground—this refuge from the sterility of public life—they can reveal their true self in interactions with friends; they can share their real warmth, and bask in the warmth of others. Thus most meaningful conversations occur in the kitchen.

Revering Women: *Rodina*—Mother Russia

In creating this warm home environment, women play a pivotal role. In part because of that role, a strong female image prevails in Russia, as was indicated in the earlier discussion of Kozintsev and Trautberg's film about Maxim Gorky. Indeed, that image is so powerful that Russians often refer to their homeland as "*Mother* Russia." As another example, everywhere people travel in Russia, they see versions of the *matrioshka* doll—an egg-shaped doll in a doll in a doll portraying a rosy-cheeked (and obviously revered) peasant woman.

In the Russian mind-set, the woman represents strength, hard work, kindness, infinite generosity, and nurturance; she also represents forbearance in suffering, enduring anguish patiently (Hubbs, 1988; Goscilo and Holmgren, 1996). Such characteristics present a sharp contrast to the cruel realities of the outside world. It is not surprising, then, that idyllic memories about times with mother are cherished.

Although women are the axis around which the family turns, their lives are not easy. In spite of professed gender equality in Russia, a long history of male chauvinism helps to ensure that women are relegated to second place. With no real feminist movement in Russia, traditional conceptions of masculinity and femininity prevail. Women carry a double burden: they are engaged in full-time work *and* housework (Du Plessix Gray, 1989). Men tend to be patronizing toward women, at best; and wife beating is rather common even today, a behavior pattern derived from peasant life. The tradition of the extended family, whereby up to three generations live together, is still quite prevalent. In contrast to the West (and quite ironically), women seek to improve their standard of living so that they can stay at home with the children.

Emotional Expression

There exists a deep duality in the Russian soul—an outcome of geography, climate, history, and personal development. That dichotomy pits coldness against warmth. As was noted in the discussion of Seasonal Affective Disorder, Russians are characterized by great emotional expressiveness. Prone to extravagant mood swings, they can be extremely cold, controlled, and even rude in a public setting but exude great warmth among friends. They can be melancholic and apathetic at certain times, while at other times they exude tremendous vitality. They can shift abruptly from serious introspection, self-doubt, and self-torment to total exuberance, abolishing all bounds and limitations. For Russians in unguarded moments, emotions are flagrantly on display. There is a cyclothymic quality to their management of emotions, a continuous oscillation between unbridled optimism and crushing pessimism (Whybrow, 1997; Kets de Vries, 1999b).

Russians are a nation of stoics, as we saw earlier, but they are also a nation of romantics; they can be—indeed, often are—extremely sentimental. (Perhaps sentimentality is the counterpoint to stoicism.) In their best moments, Russians are the warmest, most cheerful, most generous people one could hope to encounter. When they are in those moments, there is a spiritual immoderation to their behavior. Their body language is very telling: they like to touch, to embrace. There is an intensity of physical contact, of closeness, that is foreign to most Westerners.

Russians are also quite introspective. They have an intuitive understanding of the human heart and the tragic sense of human life. When the occasion warrants it, they can be extremely sensitive and compassionate. These characteristics show themselves in Russians' love for the music of Tchaikovsky and in romantic ballet productions such as *Swan Lake* and *Sleeping Beauty.*

Russians can have great moments of illumination, but they often give in to impulsiveness, even when it leads to self-destruction. Furthermore, they can be extremely self-indulgent emotionally. Not great believers in moderation or frugality, they live more for the moment. Although they can be extremely stoic when necessary, they can also be very hedonistic, devoting themselves to pleasures such as eating, drinking, and bathing.

The *banya,* or bathhouse (a cross between a Finnish sauna and a Turkish bath), is one of the places where the hedonistic, "being" aspect of their character is revealed. There is also a masochistic element to bathhouse procedures, however. Although the *banya* is supposed to create a sense of well-being, Russians are inclined to elevate the temperature to the limits of human endurance.

In dissolving self-restraint, alcohol plays an important role. "Demon vodka," as it is often called, is a national vice. Self-indulgent drinking—often binge drinking—provides an escape from boredom, frustration, day-to-day drudgery, and the cold; furthermore, it eases the tensions of life and smoothes the way to new friendships.

Serious drinking on the part of men—especially vodka drinking—is seen as a sign of masculinity. Given the machismo symbolism attached to such drinking, it can turn into an endurance test. As an expression of a man's tragic, fatalistic view of life—his sense of powerlessness to control the events that surround him—drinking also has a very regressive and destructive component. Writers such as Ivan Goncharov, Nikolay Gogol, and Mikhail Saltykov wrote unsurpassed satirical portraits of idleness, uselessness, and drunkenness.

In particular, the novelist Goncharov, in his famous novel *Oblomov,* astutely painted the pattern of passivity and futility associated with vodka.

Oblomovism

The novel *Oblomov,* written and set in the mid-nineteenth century, emanates doom and futility. Its "hero" and namesake, Oblomov, is unable to comprehend adequately the realities of life. Estranged from the real world, he is engaged in a regressive search for Paradise lost. In this tale of passivity and apathy, a tale that epitomizes the backwardness, inertia, and futility of nineteenth-century Russian society—daydreaming, fantasy, and escapism are substitutes for action. From the story of Oblomov is derived the Russian word *oblomovshchina*—a term encompassing behavior patterns such as inertia and laziness.

Although this novel caricatures a bygone epoch, it speaks to contemporary Russia as well. Even today, an element of phlegmatic fatalism—a sense of impotence toward the powers that be—colors the behavior of Russians. They tend to take a reactive, not a proactive, stand toward life, giving personal drive, ambition, and achievement a low priority. Years of serfdom and Communism did little to transform the Oblomovian outlook. Nor did Russia's history of great suffering, some self-inflicted, some imposed—its terrible losses in war, its grievous struggles with nature, its incredible suffering in the gulags. The sad consequence of the lingering Oblomovian outlook is an absence of a national work ethic ("We pretend to work; they pretend to pay us"). To fill that void, Russia has become a nation of petty bureaucrats who make life extremely difficult for others. This problem needs to be dealt with if Russians hope to be players in the global market economy.

"Bureaupathology"

Nikolay Gogol, in such nineteenth-century satirical novels as *Dead Souls* and *The Government Inspector,* mercilessly lampooned the often corrupt, ineffective bureaucracy of Russia. He was a master at placing a mirror in front of the Russians, revealing Russia to itself. The bureaucracy, first consolidated around 1700 under the rule of Peter the Great (to help him implement his vision for a greater Russia), was thriving in Gogol's time. It

did not stop then, however. On the contrary, the bureaucratic mind-set continued to prosper, reaching a summit in the last phase of Communism and propelling tension between the public presentation of self and private self-doubts to unsurpassed heights. The vast and venal bureaucracy was like a foreign invading force strangling the population. The State Planning Committee—an army of bureaucrats known by the acronym GOSPLAN—drafted plans in Moscow for every economic unit in the country, micromanaging behavior without a full realization of the various constraints placed on these economic units.

The excess of meaningless rules and regulations found under the Communist Party (and still largely in effect today) can be interpreted as "social defenses"—a way of dealing with persecutory and depressive anxiety (Jaques, 1955; Menzies, 1960). (Social defenses are systems of relationships, reflected in the social structure, constructed to help people control and contain feelings of anxiety in difficult situations. They function like individual defenses, but they are sewn into the very fabric of a society.) In other words, the Russian people furthered an already excessive bureaucracy in an attempt to deal with the angst and unpredictability of life under the Communist regime, and with the glaring contradictions between espoused theory and theory in practice (particularly when Stalin was in power). Every new rule or regulation, every additional protocol (a written record of a transaction, meeting, or statement of intent) created the illusion of certainty. Although at a subliminal level Russians were aware of the meaninglessness of the whole exercise, the dysfunctional bureaucracy served a purpose: bureaucratic routines and pseudo-rational behavior obscured personal and organizational realities, allowing people to detach from their inner experiences and thereby reducing anxiety. Control and impersonality substituted for compassion, empathy, awareness, and meaning.

These social defenses—albeit not as strong today as at the height of Communism—are still very much present. Each Russian takes for granted the Byzantine network of rules and regulations that frames his or her existence. Interactions with public servants are expected to be extremely tiresome exercises. This "bureaupathological" element in Russian society contributes to the Russian perception that people are subjected to forces over which they

have very little or no control. Russians seem inclined to view chance, luck, or even supernatural forces as the determining factors of human destiny. Because they do not feel in control (Riesman, 1950; Rotter, 1975; Lefcourt, 1976), they are highly attuned to signals, demands, and trends in the outside world (Trompenaars, 1993; Hampden-Turner and Trompenaars; 1993). Their sense of helplessness also manifests itself in inertia, inaction, and disorder, and it leads to a conservative outlook toward life and a resistance to change. This conjunction of symptoms reflects a distrust disorder. People who seek refuge in rules and regulations are not risk-takers. They will not stick their necks out, will not rock the boat. Reactive rather than proactive, they prefer the tried and tested over the new and unknown.

Ironically, however, the very bureaucratic routines that offer comfort make it hard to get anything done. Managing an organization (whether it be a company or a country) "by the rules" is well-nigh impossible once the rules take on a life of their own. As a consequence, when rules proliferate, so do loopholes. Especially during the Soviet regime, Russians became expert at finding subtle ways to beat the system. Knowing that a frontal attack on authority was dangerous, they had no ambition to reform the system. They preferred instead to step back, endure, go around, find another solution.

As we saw earlier, Russians have long combined outward civility with inward disobedience (Hamilton, Sanders, and McKearney, 1995), in accordance with the Russian proverb that asserts, "At home do as you wish, but in public do as you are told." They rebel against regimentation however and whenever they can get away with it. And therein lies one of the great paradoxes of Russia: the Russian people developed rigid programming of activities as an expression of great discomfort with uncertainty (their preference being for predictability and stability); but now, with the process perverted, they have a strong desire to overturn that programming. Theirs is the irrepressible unruliness of people governed by a system engorged with rules and regulations.

Paranoia: Legacy of the Czars

Russia has had more than its share of tyrannical rulers. And the authoritarian domination of six centuries has had an impact. The Czar legacy had created a preference for strong leaders long before Lenin or Stalin came along. The tyranny of Stalin—a man described as "the Kremlin mountain man with a cockroach whistler's leer" by murdered poet Osip Mandelstam—was foreshadowed by the terrifying rule of Ivan the Terrible in the sixteenth century, the authoritarian controls instituted by Peter the Great in the seventeenth and eighteenth centuries (and further refined by Catherine the Great), and the autocratic rule of Nicholas I in the nineteenth century. The Communists only strengthened a centralized authoritarian system started centuries ago.

Most Czars saw any form of criticism against their rule as *lèse-majesté*—a challenge to their sovereignty—and responded with banishment or even death. This coercive process created in Russians a perception of humankind as basically evil. Even today Russians tend to assume that people will exploit others for personal gain, and to view the social environment beyond their immediate circle of family members and close friends as dangerous. Disturbing as this paranoid worldview of the Russians may be, it is understandable: it has had survival value for centuries.

Because of this outlook—especially in conjunction with what we know about Russian child rearing—Russians have always sustained a deep ambivalence toward authority. Lacking a positive identification with authority figures, Russians comply not out of shared values but simply to conform, or in some cases (as we saw earlier) out of identification with the aggressor. The central role of informers in Russian life has contributed to this deep ambivalence toward authority. The various governments of Russia, from the Czars' repressive regimes through Communism, have used informers to control the population, backing their authority with terrifying institutions—the *Oprichnina* under Ivan the Terrible, the *Cheka* under Lenin, the KGB under Stalin, and now the Mafia.

This paranoid *Weltanschauung* has been reinforced by the collectivist nature of Russian society. Collectivist cultures tend to be more distrustful than others of outsiders (Triandis, 1972; Triandis, Bontempo, Villareal, Asai, and Lucca, 1988), distinguishing clearly

between in-groups and out-groups (and regarding the latter with suspicion). Such an outlook lays the groundwork for full-fledged xenophobia.

The sense of being besieged by external forces has been a recurring theme throughout Russian history. And this sense has had a basis in reality. Russia has always been surrounded by adversaries; in addition, it has been "infiltrated" by informers and other native opponents. For much of its history, Russia has been simultaneously waging war externally and struggling to maintain order internally. No wonder that in the eyes of the Russians, the world is perceived as a dangerous place.

This mistrust of foreigners has been reinforced by institutions such as the Russian Orthodox Church and the Communist Party—organizations deeply suspicious of, and sometimes even hostile to, the outside world. Under the banner of Communist internationalism, the world was kept at bay until the coming of *glasnost* and *perestroika* in the late 1980s. This paranoid *Weltanschauung* also means that people tend to resort to the primitive defense mechanism of splitting; that is, they perceive people and situations in stark, Manichean terms—in black or white, if you will.

Culture and Organization

Avoidance of Reality

Russians have difficulty facing facts that are perceived as unpleasant. (Centuries ago, they discovered the hard way that "killing the messenger" was a popular pastime among their rulers.) Unwilling to be messengers of bad tidings, they prefer the safety of "fudging" facts, ignoring the negative, and colluding with others (often through white lies) to conceal unpleasantness. When the truth is evaded too often, however, reality and fantasy become blurred; thought and action become interchangeable; ideas and daydreams turn into substitutes for action.

This avoidance of reality reached incredible heights under the State Planning Committee (GOSPLAN). Because decision-making was imposed from above, people charged with the day-to-day operation of the enterprise—company or government agency—were relieved of the task of setting realistic plans and targets. The realities that the enterprise had to deal with were ignored; the laws of supply and demand were suspended. This approach led to an abdication of personal responsibility for the work to be done. The main actors in this process created a castle in the air, a marketplace completely devoid of reality.

This decision-making process made for extremely unrealistic production targets, which in turn resulted in considerable improvisation—fudging of the facts at best, blatant deception at worst. What developed was a finely tuned, deeply rooted practice of deceiving higher authority. Many executives spent all their energy trying to reduce targets (often excessive) set from above and to shift responsibility to others. They colluded with managers and local Party officials to cook the books and deceive the higher-ups about the real levels of output in the factory or on the farm. "In principle it can be done" was a manager's favored response to authority. But that attitude led to what by Western standards were irrational, cost-ineffective behaviors, such as maintaining extremely high inventories of finished goods, hoarding materials and labor, and accepting unconnected goods that could be bartered to get badly needed supplies.

During GOSPLAN days, "storming"—working in a mad frenzy to fulfil certain agreed upon quotas—were part of the routine. Crash programs became a national pastime. This fire-fighting mode is still typical of many organizations in Russia. Setting goals for the future is not given a high priority. Long-term planning and strategic thinking are often taken with a grain of salt. In most organizations, short-term survival is what counts (Michailova, 1997).

The Fluidity of Time

Russians have a polychronic view of time (Hall and Hall, 1990). They do not see time as a finite resource, structured in a sequential and linear fashion. On the contrary, they see it as loose or even nonexistent. This perspective is a legacy of their agricultural heritage: on the

farm, time is multifocused, expanding (of necessity) to accommodate a variety of activities. Thus Russians plan activities concurrently, making for an enormous amount of fragmentation. In Russian business dealings, constant interruption is the norm, punctuality is nonexistent, deadlines are taken as suggestions only, and scheduling is difficult.

This polychronic view of time reflects the fact that Russia is a *being,* not a *doing,* culture (Hall, 1966, 1973; Laurent, 1983). Russians tend to be more contemplative than action-or task-oriented. Their activities are relationship-centered. The experience counts more than goal accomplishment or achievement does. The harsh climate of Russia has certainly contributed to this *being* orientation: when people feel that they have little control over nature, they are not as inclined to take action; instead they tend to be reactive.

Moreover, Russians demonstrate a greater preoccupation with the past than is the case in other cultures. In contrast to Americans, for example, they are more concerned with seeing things in a historical context. Russians place a high value on the continuation of tradition. They readily acknowledge—in spite of the Communist Party's attempts at reconstructing history—that their present and the future are very much influenced by the past. This orientation influences their attitudes toward change. Change is perceived with apprehension as it threatens long established traditions. The result is a "When it ain't broke, don't fix it" mentality.

The Desire for Strong Leadership

The authoritarian mind-set is alive and well in Russia. In spite of Stalin's bloody history of forced industrialization, collectivization, mass purges, and the gulags, Russians feel a certain nostalgia for the kind of leadership he provided. He is perceived today as a leader who created a modern state, was victorious in World War II, and made Russia a world power to be reckoned with. He is also viewed as a symbol of power, serving as an antidote to the helplessness that, as we have seen, is part of the Russian character. The remarkable persistence of the Stalin cult indicates the extent to which Russians have respect for

power, not law. Many people in Russia see the cure for every crisis as autocratic leadership: if an autocratic leader were in charge, they say, he would show everyone the meaning of discipline.

Power has always been concentrated at the center in Russia. As we have seen, strong central leadership has been perceived as necessary, to hold the dispersed Russian realm together. Because Russian leaders have always been at least subliminally aware of their people's latent desire for disorder, they have had a deeply ingrained fear of anarchy and the centrifugal forces that could rip their country apart. And that fear is valid. Consider the period of *glasnost* and *perestroika:* with strong centralized leadership lacking, Russia started to fall apart.

The centralized despotism that has always been Russia's answer to the fear of chaos lacks checks and balances to power, and that lack has exacted a price. Plato's philosopher-king has never emerged in Russia. In general, Russians in positions of power have considered themselves to be above the rule of law and have often acted accordingly. With executive power ruling supreme, Russian leaders have disdained the judicial system. That the judiciary should be an independent body has been an alien concept to Russian rulers. They have seen the law as existing to protect the state rather than the individual. Unfortunately, such a point of view can make for arbitrary rule. In addition, it makes people very distrustful of (and, when the occasion warrants it, disobedient to) the law.

The wish for a strong leader is indicative of a prevailing anxiety about the human condition among the people in Russia. Like the collective system, this wish symptomizes a great dependency on strong leaders for protection, for "containment" against the chaos around them. Russians want and expect their leaders to take care of them. (It is no accident that the Czars were called *Batiushka*—Little Father.) Russians hope that the paternalistic approach will bring security in a highly insecure world.

This streak of dependency among the Russians has been encouraged through the years by the Czars, landowners, the Orthodox Church, and the Communist Party. Under

Communism, state paternalism was the rule; life was planned by the state from cradle to grave. This paternalism contributed to learned helplessness—the tendency to wait for instructions to come from above. It did not teach people how to think, or encourage them to do so. It led instead to an orientation of passivity. With initiative and action left to people in the upper levels of the hierarchy, ordinary folks did not have to think about or be responsible for anything.

Attitudes toward Leadership and Patterns of Decision-Making

The wish for strong leadership has influenced organizational life mightily in Russia. Typically, power and control in any Russian organization come from the top (Gurkov and Kuzminov, 1995). Organizations are centrally controlled, vastly hierarchical, and extremely bureaucratic; and their authoritarian management is characterized by obedience to authority, a distrust of outsiders, the use of coercive power, and an emphasis on rank and status.

Because people in lower-level positions feel helpless, they project power onto those above them. And people at senior levels, please to be credited with both omniscience and omnipotence, act accordingly. Because Russians take comfort in this sort of relationship, they are more willing than many other cultures to accept unequal distribution of power in institutions and organizations (Hofstede, 1984; Bollinger, 1994). Indeed, they place great value on power differences between individuals and groups. (The precise ranking of the nobility instigated by Peter the Great can be seen as a forerunner of such an outlook.) Paradoxically—in spite of its Communist heritage—elitist behavior is quite common in Russia. Even in organizations that profess egalitarianism—and many do—Russian executives place great importance on hierarchy and formal status: they distance themselves physically from the rank and file; they receive (and feel entitled to) privileges; they enjoy ceremony, pompous titles, and symbols of rank and accomplishment; and they see compromise in decision-making as a weakness.

Decision-making in Russia today is colored by the so-called democratic centralism that lay at the heart of Communism. With roots in the village democracy of the *mir,* this

approach to decision-making linked democracy and centralism in dynamic tension. Under democratic centralism, all members participated in discussions of issues and policies, and all members cast a vote for leadership. After the leader was put in place, however, very little opposition to his ideas was permitted (Lawrence and Viachoutsicos, 1990). The leader was accorded the legitimacy to carry out his chosen policies in an autocratic manner.

Democratic centralism is an interesting theoretical concept. With everyone given a voice, implying participation and delegation, it would (in theory) lead to empowerment. For many Party officials, however, democratic centralism was nothing more than a slogan used to suppress disagreement and genuinely free discussion. Because the subliminal message of democratic centralism (as exercised in Russia) was that lower levels in the hierarchy were not supposed to show much initiative, it acquired a pseudo-participatory quality. As form overcame substance, more and more decisions were referred to higher-ups, despite the label "democratic." In relatively short order, democratic centralism became a caricature of its ideal. Stifling true participation, it gave legitimacy to extremely autocratic behavior. The consequence was responsibility avoidance, a lack of empowerment, and the absence of delegation.

While the Russia of today is no longer the Russia of Communism, the mind-set of distorted democratic centralism is still alive and well. People lower in the hierarchy are generally reluctant to bring problems to their superiors. As mentioned earlier, confrontation about important issues tends to be avoided. Because there is a strong fear component in people's relationships vis-à-vis authority figures, subordinates shun difficult issues and suppress conflict. If a problem is so big that it cannot be ignored, subordinates raise the issue in a roundabout, indirect manner, (using highly contextual language) favoring indirect communication as the decision-making pattern of choice. The Soviet-era view of independent thinkers as anti-socials, troublemakers, hooligans—enemies of the people—still holds force and will need time to be changed.

The same authoritarian mind-set that encourages indirect communication fosters identification with the aggressor, a concept introduced earlier. As a result, Russian society, and the organizations that comprise it, is ruled by mini-dictators at all levels. These people are extremely subservient toward those above them but act as dictators toward those at lower levels. Acting aggressively with the people below is a displacement activity—a way to get back at the system for all the hardships and frustrations it offers. Whatever little authority people at lower levels have they use it to the fullest to make life hard on others. Small bureaucrats often use their power to harass others by imposing rules and regulations that serve very little purpose except making it clear who is in charge.

As noted earlier, this bureaupathology is indicative of a social defense run amok. Until it (and the authoritarian mind-set that engenders it) can be reined in, trust—a crucial precondition for effective leadership—cannot prevail. Only in a trust-based corporate culture where people have a feeling of community, enjoyment, self-determination, competence, and contribution can leadership bring excellence out of its workforce.

Prospects for Change

Given Russia's history of pendulum swings between excessive control and chaos, it comes as no surprise that the new freedoms of the past fifteen years have not satisfied people's high expectations. The benefits of *perestroika* have accrued to only a very small number of individuals. Privatization has led to untamed capitalism and unheard-of wealth for the limited *nomenklatura,* many of whom have become oligarchs and robber barons off their "red" businesses (companies set up with siphoned-off state resources). "Black" businesses (holdovers from the black market in the late Soviet era) have also done relatively well, while "white" businesses (new firms emerging in the fledgling market economy) are struggling.

Russia has turned into the "Wild East." Bribery, as in the past, greases the wheels of commerce, and corruption is rampant. Of course, much of what is considered corruption in

other countries has been standard practice in Russia, given the difficulties associated with GOSPLAN. In spite of this attempt at rationalization, however, it cannot be denied that the Russian business world has become Mafia-ridden (Handelman, 1995). (The Russian Mafia is a rather amorphous group of powerful, corrupt government officials, economic managers, and criminal elements.) There is little respect for any rule of law other than that of the kalashnikov submachine gun. How did things get so out of control? When the Communist ideology was discredited, it was not replaced by another set of values; no new ethical compass replaced the old. As a result, there is an absence of moral authority. Political consensus has been absent. The lack of a political base for reforms, worsened by the inaction or inconstant behavior of an ailing president, combined with the activities of a group of politically inept economic reformers, has been a recipe for disaster.

From Feudalism, to Communism, to Attempts at Democracy

When asked what he thought of Western civilization, the Indian leader Mahatma Gandhi replied that it sounded like a good idea and should be tried sometime. The same could be said of democracy and capitalism in Russia: they are worth pursuing.

Has Russia's leadership committed itself to a model of modern democracy and capitalism? The answer to this question is still unknown, but it is clear that Russia has not yet instituted either widely distributed leadership or a fully open and fair competitive market system with the necessary checks and balances. The oscillation between order and disorder is still there for all to see. No mechanisms have been put into place to control human avarice and the lust for power.

Democratic forms of leadership are certainly not a panacea, and they exact a price in the form of uncertainty and decision paralysis. But given the alternatives, many Russians may prefer to pay. History has shown the dangers of authoritarian leadership: possessing centralized power and authority tends to bring out the worst in people. Lord Acton's statement that "power corrupts, and absolute power corrupts absolutely" has not lost its ring of truth. The lack of power, contributes to a sense of alienation, impotence,

disenfranchisement, passivity, and inertia. Moreover, power—as Stalin's reign showed very clearly—can consume the best and the brightest of a generation.

Given the present state of flux, the question remains open whether Russia will be able to construct a stable democracy that will serve as the foundation for free enterprise. But what is the alternative? It is hard to find a better path to stability and prosperity than the one drawn up by Western democracy. Russians know all too well the downside of a totalitarian system. And quasi-democratic and quasi-capitalistic solutions, examples of which can be found in many Latin American countries, have a lesser success rate than full-fledged democracy.

In spite of the serious trouble Russia finds itself presently in, there is reason for a certain degree of optimism. Given that country's history—the fact that it has never experienced real democracy or political pluralism—it has come a long way in a very short time. Although political and economic reforms have not moved in tandem (mourning the loss of an empire takes time), many difficult hurdles have been overcome. Many of the building blocks needed to facilitate a social transition to political pluralism have been laid. The rudimentaries of a market economy have appeared. Prices have been deregulated. Steps toward currency convertibility have been made. The notion of "small is beautiful" is increasingly recognized in Russia—the enormous, vertically integrated monopolies of the Soviet era are becoming things of the past. Privatization is proceeding in spurts. An overhaul of the legal system is taking place. A financial infrastructure is slowly developing. Great setbacks notwithstanding, the basis for a private-sector, risk-based, entrepreneurial market economy has gradually been emerging. Furthermore, the shock treatment the population received under Gorbachev and Yeltsin has encouraged many people to take dramatic personal action—to reinvent themselves, as it were. Many people have taken advantage of the new ways of doing things. They have embarked on new lifestyles, new careers. After centuries of isolation, Russians seem prepared to embrace the world outside.

Many characteristics of Russia and its people favor a successful transition toward a market economy. For example, Russia has an extremely high literacy rate. Many of its people are extremely well educated and highly skilled. With those strengths, reeducation for success in a global economy will be much easier than would have been the case in many other societies. Furthermore, most Russians—though present hardships engender a certain amount of nostalgia for the past when their empire was still intact—do not want to return to Communism or hard-line xenophobic nationalism. Many of them very much appreciate the new freedoms they have acquired. Given their history of endurance, of overcoming difficulties, it is likely that they will cling to those freedoms tenaciously.

A Change of Mind-Set

The business environment created by the Soviet era simply cannot be successful in the new global economy. The command-control economy of that regime made for a passive labor force characterized by heavy absenteeism, idleness on the job, poor quality work, morale problems, and serious alcoholism. If the Russian people want to bring that business environment up to global standards, they must first undergo a border-to-border mind-set change. As we have seen, authoritarianism and the preference for concentrating power at the top have stifled individual initiative, creativity, and innovation. Can those competencies be unleashed despite the Russians' natural resistance to change?

The necessary change in mind-set is going to be particularly difficult for the older generation, given their years of indoctrination under the Communist regime. Although some members of the old guard will certainly favor autocratic leadership, experimentation with other forms of leadership is needed to build up a new society. The word *perestroika* means "reconstruction" or "restructuring"—and that is exactly what Russia needs. In the process of that restructuring, the leadership of business organizations will play a major role. A successful, well-functioning business community will be a key building block of this new society.

Macro Measures

Before that well-functioning business community can be created, however, a number of steps—some substantial—need to be taken. Here the problem is not that Russians lack economic wisdom, what is lacking is the political will to carry out good ideas. The political base to implement the needed changes has been absent.

Russia desperately needs an honest, well-run legal system that restores respect for the rule of law; it needs banks that service industry rather than money-launderers; it needs an overhauled tax system; it needs laws that protect emerging entrepreneurs; it needs assurances that employees who do productive work will get paid what they are owed; and it needs to create incentives for farmers to work the land.

Perhaps the most essential of these steps (since it underlies the others) is restoration of respect for the rule of law. If private enterprise is to endure, a coherent and stable commercial legal system is essential (National Training Foundation, 1996). The present lack of adequate legal safeguards is a serious impediment to investment. Although some groundwork has been done—e.g., the 1986 Law on Individual Labor Activity (legalizing the establishment of private enterprise), the 1987 Law on State Enterprises (freeing industrial enterprises from administrative oversight), the 1988 Law on Cooperatives (permitting cooperatives to be set up independently), the 1990 Law on Enterprises and Entrepreneurship, and the 1990 Law on Property and Ownership (providing the basis for various forms of private holdings)—much work remains. Comprehensive legislation on ownership of property, for example, is still not in place.

Once legal protections for private business are in place, incentives should be offered to encourage private business and new start-ups. The farming sector also needs support, in the form of incentives for private farmers. The present number of such farmers is still far too small, and the reforms in land and tax law are insufficient to attract much foreign investment.

The present cozy relationship between politics, business, and finance needs to be broken. Russia's political leadership must realize that the existing business oligarchy of wealthy

tycoons and bankers (many of whom grabbed the factories, mines, airlines, and oil refineries of the former Soviet Union for a song) are not generally acting in the best interest of the country. These oligarchs, exercising unfettered control over the media, the banks, and the largest enterprises, have become a state within a state. This interface has led to a plethora of unethical and illegal practices, including asset-stripping, capital flight, and tax evasion. Adding insult to injury, because these oligarchs control the media, abuse of their power remains largely unreported.

The vices of the oligarchy offer Russia a few lessons. Clearly, tax collection has to be improved to permit the government to service its debt. The rights of investors need to be protected. Bankruptcy because of incompetent management needs to be enforced. In short, the government needs to create the kind of support structure and incentives that facilitate the start-up and development of new ventures and to continue the reforms that are propelling Russia in the direction of a free-market system.

Reinventing the *Biznyesmyen*

If the restructuring described in the previous section is to take place, the emphasis in Russia—both in the public sector and in the growing private sector—needs to be on change. Systemic transformation alone will not be sufficient; with privatization and foreign investment demanding new and expanded business skills, many Russian organizations do not have the agility to be competitive in the global world. If these organizations are to be successful, change leaders are needed at all levels. But even that first step cannot happen unless the very concept of the businessperson—*biznyesmyen*—is overhauled in Russia.

In Communist times, *biznyesmyen* was a dirty word. The contempt in which it was held reflected the fairly widespread notion among many older Russians that business was something not quite ethical. Under the Soviet regime, *businessperson* was often a euphemism for *criminal*—perhaps labeling a black market speculator who operated in the

shadow economy. Businesspeople and the marketplace stood for self-serving individualism and get-rich-quick capitalism. Their entrepreneurial activities simply did not fit the ideal of a just Communist state.

That tradition of negative attitudes toward entrepreneurs and businesspeople needs to be turned around (Hisrich and Grachev, 1993). Russians need to recognize that businesspeople are going to be critical in building a new society. Therefore, they should be seen not as a parasitic class (as in the Communist vision) but as creators of employment and wealth. They need to be given both respect and legitimacy so that with time they become role models—individuals others want to emulate. Only when there is such a change in outlook will business organizations attract the best and the brightest. Fortunately, with *glasnost* and *perestroika,* many entrepreneurs—some new, some having operated underground—came forward. Unfortunately, quite a few of them seem to be associated with the Mafia.

That needed change in outlook extends beyond the concept of *biznyesmyen.* Russians need to realize that Western-style approaches to business and the economy would not automatically impoverish large parts of the population (as earlier Communist propaganda led them to believe and, unfortunately, has now become a reality for a significant part of the population due to political mismanagement). Values, attitudes, and competencies such as individualism, the desire to achieve, competitiveness, the willingness to take risks, and the preparedness to take responsibility need to be encouraged. These values do not necessarily contradict the collectivist mind-set of Russians; as can be seen in many Western societies, the two orientations can coexist. Moreover, many of the needed values have always been present in Russia but have simply not been given a chance to flourish.

The Need for New Business Competencies

People with business skills have been relatively rare in Russia. There is no tradition of management education in Russia; furthermore, managing in a centrally planned, command economy—the Russian experience—is very different from managing in today's global market. Global competitiveness requires a very different orientation than does Russia's

former supply-oriented economy. It implies having a customer focus and knowing the ins and outs of a market economy, for example—an orientation foreign to most Russian managers.

Under the State Planning Committee, manufacturing skills were one key to managerial success. Increasing production units was the only interest of a whole cohort of executives. Product demand, product quality, price, costs, product innovation, and timely supply were totally secondary considerations. Because much of the workday under GOSPLAN involved the execution of directives from above, implementation and troubleshooting were also critical skills. The ability to modify or circumvent directives from above were other badly needed competencies, as was passing the buck.

Another critical success factor in the Communist era (because of the excess of regulations in that command economy) was *blat*—meaning influence, connections, the ability to pull strings. In spite of the dubious ethics of influence peddling, that was the only way to get things done, given Russia's bureaupathology. (The darker side of *blat* involved the emergence of a counter-economy, an explosion of bribery, the growth of corruption, and the emergence of the Mafia.) This *blat* orientation remains a part of the Russian business culture, as seen in the cozy relationship between politicians, bankers, and other businesspeople.

And what are the competencies needed today, the competencies that will allow dynamic and entrepreneurial captains of industry to bring Russia into the global market? While in pre-*glasnost* Russia the focus was on routine, executives hoping to build the new Russia must be able to handle discontinuity and foster innovation. They must understand the dynamics of a market economy and be able to adapt to the new environment. They must be willing to reassess the past and be eager to build on that past to create a new future. They must be able to think for themselves; be proactive, flexible, and willing to take risks; and be prepared to take bold action.

The Younger Versus the Older Generation

In looking at the talent pool available to create the new Russia, we can distinguish between two groups of people, each with different adaptation capabilities. Generally speaking, a generation gap exists between these two groups. The process of adjustment to the new Russian society will probably be much easier for the younger generation entering the workforce than for the older generation—those who were conditioned over many years under the Communist regime.

In the first group we find the nascent entrepreneurs—people who recognize the opportunities the new open society presents. Among them are former black marketeers turning to legitimate business and children of the *nomenklatura* whose original career path via the *Komsomol* (Communist youth league) no longer exists but who have been able to adapt to the new circumstances. What these individuals have in common is that they see the creation of business as an opportunity. They know how to deal with the "Wild East" environment that is now Russia. Thriving under chaos, they are able to deal both with long-term, discontinuous problems and with short-term, routine problems.

Furthermore, this new generation is likely to be less autocratic, more able to delegate, and more skilled at team-building. Achievement-oriented and focused on the success of their enterprise, they will have the drive, the energy, and the motivation to move Russia ahead. They will be less inclined to pass the buck—more willing to take responsibility for their actions. Moreover, this younger group appears to be more open to Western ideas than their seniors.

While for this younger group of businesspeople the emphasis will be on *learning,* for the older group the main challenge will be *unlearning*. The latter group—the administrators and bureaucrats who used to supervise the 120,000 factories, farms, and other industrial units of the former USSR—will need to break their GOSPLAN mentality and adopt a dramatically different mind-set. This group is not homogeneous, however; we can discern several different subgroups.

Many among Russia's present business elite have their roots—and the foundation of their wealth and power—firmly in Communist times. Many of them were well enough connected that they were able to retain their privileged positions through the post-*glasnost* period. Among them is a subgroup of people who see the new openness as an opportunity to spread their wings—to finally unleash the entrepreneurial potential that had previously been constrained. These members of the older generation, distancing themselves from the past, are trying to reinvent themselves. In setting up new enterprises, they are making a valuable contribution to the market economy.

Another subgroup among the older generation is focused on self-preservation. The effective use of *blat* is their claim to fame. These people became powerful because they possessed the political skills needed to climb the ladder of the old Soviet bureaucracy; they knew how to play the system and how to manipulate and control their employees. This subgroup is not interested in experimenting with different forms of organizing or decision-making. They still subscribe to the command-control mentality of the past and work to ensure their survival by passing the buck, avoiding responsibility, and finding scapegoats. Although they may not openly disagree with the new state of affairs, neither do they actively support it; and they are likely to attempt to undermine it covertly. Aware that in the shifting Russian society they could lose their privileges, they make whatever superficial adjustments are needed to maintain their status. Despite giving lip service to the new economy, they run their private monopolies the same way they ran the state monopoly, apparently subscribing to the "Russian doll" school of management: after the doll (or economic system) is taken apart, a similar doll is found inside. Reluctant to make the kind of dramatic adjustments needed to be truly effective in the new global economy, and uncommitted to the new values that underlie such adjustments, they engage in a process of *pseudo*-transformation. Many of these are the political elite, heirs to the old Soviet *nomenklatura* who saw how the wind was blowing and took advantage of the privatization programs, acquiring precious state companies for a song. It remains to be seen, however, whether this group has the skills to run an enterprise without state protection.

Mourning the Past

The resistance among older Russians to embark on real change is understandable. With the arrival of *glasnost* (and all the changes that came with it), many people of that generation realized that in adhering to the Communist ideology, they had devoted their lives to a lost cause. The loss of an empire became another narcissistic injury. Such losses are bound to raise resistance. No wonder many members of the existing technocratic elite are fighting change, be it overtly or covertly, consciously or unconsciously. Because they are likely to hold on to their positions of power and control for some time to come, they will remain a formidable opposing force into the future.

Many among this group feel shell-shocked by the dramatic transformation of their world. They have not been able to properly "mourn" the past and start fresh (Kets de Vries and Miller, 1984; Kets de Vries and Balazs, 1999). If we want to co-opt them in the transformation process, we must address their confusion and fears concerning change, helping them reconcile themselves to the fact that they have been living false lives and engaging in troublesome activities such as informing on others (or worse). The ability to mourn, to deal with the shame and guilt of helping to prop up a discredited ideology, to go beyond denial and repression and admit personal responsibility—all this requires time (Mitscherlich and Mitscherlich, 1975). Only by working through these issues will a real receptivity to change be created among this group. And only with that new receptivity will they abandon denial, regression, and obfuscation as ways of dealing with life's difficulties.

Change is difficult in any society, but it is particularly difficult in Russia, given the population's conservative streak—their reflex recoil from change. William Shakespeare's advice, "Better take the ills you have than fly to others that you don't know of," echoes the feelings of many individuals in Russia. But unless Russians are willing to deal with their past head on, their future will be endangered.

A New Human Resource Agenda

Management Development

Once Russians have worked through the intense psychological process of dealing with the past and are ready to face the future, they will have to learn how to use that new mind-set to restructure their organizations. Alternatives to the command-control paradigm of the past will need to be explored as they seek management styles and strategies that they can use effectively in the global marketplace. Though few Western countries share Russia's extreme authoritarian history, most share the experience of shifting from a command-control orientation in the workplace to a people-and-process orientation, and Russia can learn from their experience. Russia can also look to the West for examples of network structures, full and open communication, genuine market orientation, and customer focus.

Reform-oriented executives who want to assist people in making the transition should involve them as much and as often as possible in the process of corporate transformation. That participation will help reluctant converts see the advantages of new ways of doing things. Even among those who have adopted the new values, resistance will continue to emerge. This must be addressed and overcome so that executives, be they old or new, feel proud to contribute to the building of a new society, to making Russia a responsible member of the community of nations.

Many executives who have the *will* to change lack the *skill* to change. Russian executives typically have an engineering background—that was the norm in the Communist era. Their administrative training, if any, is directed toward running a centrally planned economy. These people need to be given the tools—through various forms of management, mentoring, and coaching—to learn other ways of doing things. They need to receive training in what it means to function in a market economy with a people orientation. Even something as basic as the language of business needs attention: many Russian executives, new to the concepts of free enterprise, lack the vocabulary to communicate effectively about business issues. They need to become fluent in such topics as productivity, free pricing, competition, markets, customer satisfaction, new forms of corporate governance, and profits (Longenecker and Popovski, 1994).

Existing management development systems in Russia do not meet the new challenge (Rapoport, Ryssina, Umpleby, and Halal, 1993). Russian management education has traditionally been limited in both availability and scope. Focused on running a centrally planned economy, it has devoted little attention to forms of management practiced in other countries (seeing them as irrelevant to the Russian experience) and bypassed such key functional areas as marketing, consumer behavior, production management, international finance, business strategy, human resource management, and organizational development (Naylor, 1988; Holden, Cooper, and Carr, 1998). Generally only top-level decision-makers under Communism were familiar with Western forms of management, and they typically had been exposed only to classic contributors to management thought (Warner, Denezhkina, and Campbell, 1994). Moreover, not only did most Russian executives lack basic economic training, they were also unfamiliar with fundamental psychological concepts. They treated their employees like robots and had little respect for the person; individuals' personal wishes, desires, and needs were simply not part of the agenda. Because the technocratic imperative ruled, the human factor was not included in the productivity equation.

In the new market economy, not only people at the top of the pyramid but people at all levels of an organization need to be exposed to a spectrum of management expertise. And that spectrum needs to encompass management techniques as applied in other cultures, to remedy Russia's scanty cross-cultural exposure outside their previous boundaries. The learning process can be accelerated via the exchange of "best practices"—in other words, via benchmarking with successful companies, both nationally and internationally. While there is no tradition of benchmarking in Russia—given the Communist era's legacy of secrecy and information-hoarding, and the fact that lateral relationships between economic units were uncommon—it is a tool that holds great promise.

The career process must change in tandem with the learning process in Russia's business world. During the Communist era, administrators who followed the typical career trajectory moved from the Komsomol, to a trade union position, and then to a party

position (and then another and another). The Communist Party controlled management appointments in the business world, and those appointments carried little prestige. Most people saw them as transitional steps and aspired to move past them into a high-level Party work. With the advent of *perestroika,* that predictable career trajectory is no longer valid. New, radically different career paths have to be created.

Accountability Training

The scientific-management orientation to people that has been favored in Russia—an orientation that sees people as robots—needs to be abandoned. As I indicated earlier, this approach to the management of human talent results in learned helplessness. In addition to the management training described in the preceding section, human resource efforts in the new Russia must respond to people's need systems in an effort to encourage creativity and innovation; should offer cross-cultural skills training to equip people for the increasing number of joint ventures and strategic alliances; and should hire, train, socialize, and evaluate people in workplace accountability. Accountability training, in particular, is an area that needs serious attention.

Under the Soviet system, most senior executives were not accountable. As we have seen, they tended to be masters at fudging facts or shifting responsibilities. These talents flourished in the absence of boundaries for appropriate behavior and investors or board members with an eye on the bottom line. Now, however, accountability needs to become an essential part of the management equation.

The entire human resource management system in Russia—and this includes selection, socialization, performance appraisal, compensation, and development components—needs to be overhauled. Better selection processes can help ambitious companies identify people who are able to function in a market economy. Socialization to other cultural values than those of the Communist system can change expectations in the workplace. New performance appraisal systems can reinforce the kinds of behavior required in the new corporate environment. Management development programs can create familiarity with necessary competencies.

Under the Communist system, people were selected for their positions because of their ties to the Communist Party or the military. There was a very loose relationship between performance and compensation; instead, compensation—often supplemented with perks such as cars, special housing, dachas, or medical services—was linked to job hierarchy. Thus there were no incentives for working hard, or harder. Furthermore, complete job security was the norm: just as there was no possibility of exceptional reward in case of excellence, there was no threat of severance for low performance. This is no longer the case in Russia. The "psychological contract" of the past has been broken. Jobs are becoming less secure, and individual contributions to the success of an organization are becoming more important factors in assessment.

Given the tradition of (and hunger for) paternalism in Russia, the desire for job security is expected to remain strong. More than in other societies, senior executives will try to reward loyalty with security. But that form of compensation will of necessity be rarer in a global, competitive world; variable financial reward systems (including profit sharing, bonuses, and stock options), on the other hand, will rise in importance and application.

Many people in Russia still find large wage differentials hard to accept, however. Singling out individuals for special financial rewards because of their extraordinary contributions violates their urge to level, to equalize. As was mentioned in the discussion of the *mir* mentality, Russia has long been a culture of envy. This element of the Russian character, encouraged by Communist indoctrination about social egalitarianism, will be a serious impediment to new business creation. Successful businesspeople are quickly labeled profiteers—a label reinforced by the behavior of the new business oligarchs—and thereby both demeaned and discouraged. But gradually, as the new generation of executives will become more influential, that perception is likely to change.

If Russian attempts to reinvent a new human resource management agenda are to succeed, they must build on the Russian cultural heritage (Puffer and Shekshnia, 1996). Business leaders must work with existing values and reshape them in a way that Russians will

accept and internalize. In this values-creation process, a reinvented concept of leadership will be essential. The kind of leadership that emerges as we enter a new millennium will make or break Russia's attempts to become part of the global economy.

The Do's of Effective Leadership

Building and Deserving Trust

For very good historical reasons, Russians have always been extremely ambivalent toward authority figures, as we have seen. Yet true leadership—leadership based on trust—is essential to business success whatever the environment. It is clear, then, that Russia needs a rebalancing of the trust equation; it needs a more positive identification with people in positions of power and authority, and it needs leaders worthy of that identification.

Because lack of trust within an organization is *the* indicator of ineffective leadership, we need to know what that lack looks like. The most obvious symptom is anxiety. Without trust, there is no containment of the inevitable anxiety that is part and parcel of work in any organization. Left unchecked, that anxiety triggers overly political behavior, scapegoating, collusion, and morale problems. Even worse, it stifles creativity and innovation.

And how can trust be built? Not an easy task, it requires the following:

- *Open communication with and between the various constituencies.* Both leaders and their people must believe that communication is an interactive, two-way process that involves talking and listening.
- *Honesty and openness.* Leaders must speak their mind openly, act with consistency and credibility, and build relationships characterized by fairness, mutual support, and respect. In addition, they need to "walk the talk."
- *Equanimity in the face of bad news.* All the people in an organization, from top management to rank-and-file employees, must be unafraid to address reality. If

they are confident that the messenger of bad news will live to work another day, they will resist the temptation to fudge the facts.

- *A "safe" work environment.* In fostering a safe atmosphere, effective leaders play a "container" role—that is, they create an appropriate "holding environment" to deal with the anxiety that any workplace engenders. When subordinates feel safe, they are more likely to commit themselves to a central vision, work to capacity, and speak with candor.
- *An openness to conflict.* The conflict-avoidance mode of old Russia must be replaced with a dialogue mode. Leaders must be willing to listen to the views of their subordinates, even when those views stand in opposition to their own. That openness will encourage people to act proactively and give them a greater sense of authenticity.
- *A respect for boundaries.* Leaders must realize that power and authority are effective when they are earned, but not when they are legislated. Leaders must remember that they are there to serve their people. In that servant capacity, they must recognize their own limitations, know their strengths and weaknesses, and acknowledge their boundaries, remembering that they are not above the rules.

Distinguishing Between Trust and Dependence

As has been mentioned, paternalism has long been an element of Russian leadership. In a characteristically Russian paradox, while on the one hand people are very wary of their leaders, on the other hand they are quite dependent on them. This pattern is not necessarily negative, however; on the contrary, it can be built upon. Paternalism can be a great source of strength, because it makes for interdependence, security, and safety. It also fosters loyalty, a commodity that leaders can use to help them "stretch" their people to achieve extraordinary results.

Leaders must be aware of the limits to paternalism, however. Care can easily be transformed into intrusiveness, which in turn can result in time-consuming micro-management of issues that would be better left to specialists. (In the Soviet era, for

example, the person in charge of an economic unit became involved in the family decisions of his or her subordinates—decisions relating to such issues as housing, medical care, and education.)

Filling the Dual Roles of Leadership

Effective leaders play two roles—a charismatic role and an architectural role—each made up of various components (Kets de Vries with Florent, 1999). The charismatic role can be divided into envisioning, empowering, and energizing components. The architectural role addresses issues related to the organizational design of control and reward systems. Let us take a closer look at these components of leadership.

In any country—though especially in Russia, given its history of short-termism among managers—an essential part of the leadership role revolves around visioning. Leaders need first to develop a vision—a vivid description of a future state that conveys the fundamental reason for the company's existence; then they need to articulate, share, and execute that vision. Through that process, they show their people a worthy goal and build commitment to move in that direction. By providing their employees with a compelling view of the future, leaders provide meaning, forge a connection between themselves and other people in the organization, and create a group identity. But none of these tasks can be accomplished unless people are well informed, secrecy is minimized, and information about the organization's operations is widely disseminated—practices foreign to the old Russia.

While developing and sharing a vision is essential, the greater part of the leadership role concerns its execution. The essence of this sub-role is empowerment: leaders must involve all employees in the visioning process, thereby ensuring their stake in the vision, and then transfer to them the power and authority to make a difference in the organization. Leaders also have to energize their people, "stretching" them to make efforts they would not have made otherwise. And this empowerment is needed at all levels. All people, wherever they are in the hierarchy, need to feel that they can make a difference, that their ideas count, that they can have an impact on the organization. Because initiative has been encouraged

(and even punished) in the past, the leaders of the new Russia need to make empowerment a priority.

But empowerment does not mean that everyone can do whatever he or she would like to do. There is a vast difference between empowerment and anarchy. While anarchy thrives on confusion and misinformation, empowerment works only when people are acquainted both with the general framework wherein decisions take place and with the details of each specific issue. Those who do best in an environment of empowerment are those who are decisive—willing to make a decision and stick to it unless circumstances change—and accountable. Since accountability has not tended to be a Russian trait, a culture of accountability needs to be deliberately introduced.

Leaders are guardians of the culture of the organization—the salient values, beliefs, and norms of behavior that make the organization unique. One of their central tasks is to create and maintain a corporate culture whose values support the organization's central goals. By embodying these values through their own behavior—by "walking the talk"—they help their colleagues internalize them.

In the new market economy, the central values on which the organization is based—the core ideology, if you will—are not those of the past. Values that characterize high-performance organizations in Western societies include team orientation, integrity, candor, respect for the individual, competitiveness, entrepreneurship, customer focus, fun, accountability, continuous learning, and openness to change. These must be adapted to the Russian workplace.

How that workplace will operate will be determined in each organization by leaders filling their architectural role. In that role, they will seek to structure the organization in accordance with the values and goals represented in the corporate vision; they will create a vehicle by which that vision can be executed. How employees are hired, trained, managed, and rewarded—and the systems structured to carry out those functions—must also be aligned with that vision.

What will these new organizational structures look like? It is too early to know for sure. We do know, though, that simple replication of Western management systems is not the answer. Alternative systems that are compatible with the Russian character must be found or developed. Some non-Russian systems will be transferable, to be sure; others, though, will turn out to be completely inappropriate. Likewise, only those leadership practices that resonate with the Russian culture should be adopted. Finally, any organization system or leadership practice considered must make people management a priority. In this information age, human capital is our scarcest resource.

While details of the organizational structure will differ from company to company, it is clear that the top-down approach of the past is no longer credible. As we have seen, it puts people in a state of learned helplessness, dependency, and passivity. The traditional Russian practice of concentrating authority and responsibility at the top results in executives who are overburdened and plagued by decision paralysis and employees who are unmotivated and underutilized.

Shunning Hubris

The top-down approach is fraught with another danger. In organizations structured according to that approach, subordinates often projectively attribute to top executives a sense of omnipotence that is illusionary and can lead to the psychopathology of power (Kets de Vries, 1993). Leaders then end up in a hall of mirrors, concerned only with their own reflections. Such hubris leads to faulty decision-making, because it results in an increasing detachment from reality.

Illusions of omnipotence can be avoided if the corporate culture allows people—senior executives in particular—to admit that they do not know all the answers, that they cannot do it alone. Indeed, such admissions should be seen as signs of strength, not of weakness. If subordinates are able to voice their concerns, they will not feel compelled to "identify with the aggressor."

The erratic, despotic leaders of Russia's past need to be replaced by stable, caring figures who play a coaching, teaching, and mentoring role. By creating a sense of personal involvement among subordinates, such leaders can shape a workplace where people experience a sense of personal growth and continued learning. Without professional development at all levels—subordinates and leaders alike—an organization will die.

Sharing Power and Building Initiative

If we revisit our earlier discussion of democratic centralism, we see that the authoritarianism of the Russian executive is not as strong as it appears to be. The underlying anti-authoritarian streak of the populace demands a more participatory *Weltanschauung*.

Democratic centralism, as it exists in theory, is well-suited to the Russian mind-set. It encourages candor, and it gives people voice. Under the best circumstances, it gives participants the feeling that they have the power to affect organizational processes. And they *do* have that power—as long as the autocratic element does not overshadow all else, as it did under the Communist Party. It was the perversion of democratic centralism under Communism—not democratic centralism itself—that engendered cynicism and contributed to worker passivity and inertia. Like any system of government, democratic centralism requires checks and balances to prevent abuse.

Democratic centralism, with those checks and balances in place, could be adapted to corporate governance. If the concept of democratic centralism were reframed to fit the business world, the corporate ambiance would allow employees in the new Russian organization to express a "healthy disrespect" for their superiors. If employees learned that they could express themselves frankly with impunity, they would be willing to point out and deal with emerging issues and concerns rather than suppress them. This would benefit the employees, of course, increasing their job interest and involvement, but it would also benefit superiors. Delegating responsibility would free them from micro-management and allow them more time for the larger issues.

But a shift in responsibility has to be a two-way street. Employers need to be willing to relinquish a measure of power, but employees also need to be willing to take it on. They need to move from passivity to initiative, gradually learning proactivity. Rather than always waiting for instructions, employees need to participate and contribute to discussions and meetings. And they will do so gladly—reversing the sense of powerlessness so prevalent during the Communist regime—if they are given the authority to act on their opinions.

The Russian people have time and again shown their ability to work hard and persevere in difficult circumstances. That ability has been suppressed in Russia's recent history. Given the proper incentives—incentives linked to performance rather than (as in the Communist era) to position—Russians are capable of exceptional effort in the business arena as well. Their talent for circumventing authority—a survival strategy under the Communist regime—can be turned into a strength in the workplace. Allowed a safe framework for self-expression, the Russian people can put to good use the adaptability and improvisation with which they cultivated rebellion. Given those traits, they may take to bottom-up and lateral communication and decision-making much more readily than one might have expected.

Cultivating the Entrepreneurial Spirit

As indicated previously, entrepreneurs are essential to any country. And entrepreneurial spirit is the lifeblood of any organization. Although entrepreneurship has always existed in Russian society (McCarthy, Puffer and Shekshnia, 1993), it has rarely been welcomed. Learning from bitter experience that entrepreneurship could be dangerous, most entrepreneurs under Communism went underground.

The entrepreneurial disposition that lies suppressed in many Russians must be encouraged. Organizational leaders, realizing that people who do not make mistakes do not accomplish much, should offer a safe haven for entrepreneurial souls, for it is their creativity that will lead to strategic innovation in a competitive market economy. In their architectural role, leaders can encourage entrepreneurship by giving their people permission to fail, building

in appropriate rewards, and assigning profit-and-loss responsibility to sub-units of the organization.

Conclusion

Russian executives must learn to distinguish between an *authoritarian* and an *authoritative* leadership style. Authoritative leaders provide clear vision, facilitate empowerment, fully involve their people by providing meaning, encourage their people to "own" the organization, foster openness and teamwork, discipline and control by providing clear boundaries, give support, and create a sense of security.

Contrary to what many Russians fear, a lack of authoritarianism does not mean a lack of direction. When authoritarianism is replaced with authoritative leadership, all people in the organization are given an internal compass telling them where to go, explaining what life in the organization is all about, and clarifying their particular role. Under effective authoritative leadership, everyone in the organization possesses a sense of self-determination, a sense of competence, a sense of meaning, and a sense of impact. These characteristics, if instilled in Russian workers, will go a long way toward making Russia a global player.

In 1919, Lincoln Steffens made a trip to Russia as part of a mission on behalf of President Woodrow Wilson. When later asked about the experience, he said, "I have seen the future and it works" (Steffens, 1931, p. 799). For years this comment was taken as an indication of naivete: Steffens did not foresee the terror that the Communist regime would bring. But maybe we should give Steffens a second chance. He may have recognized in the Russian character enduring qualities that will enable the Russians to create a society that gives meaning to all.

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