

**A METHOD FOR IMPROVING THE MANAGEMENT OF  
ORGANIZATIONS IN POST-COMMUNIST COUNTRIES**

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### **ABSTRACT**

Group process methods for problem-solving and planning are now widely used in organizations in the U.S. Such methods, which involve the active participation of employees, are not often used at present in Russia. We believe these methods would help Russia move from a centrally planned, authoritarian style of management to a more participatory, information-sharing style of management. Accordingly two training sessions were held with faculty members at universities in Irkutsk and Novosibirsk. This paper describes how these meetings were arranged, the results of the planning activities, and the implications of participatory methods of decision-making for organizations in Russia and in other post-communist countries.

Keywords: participation, empowerment, problem-solving, planning

### **PARTICIPATORY PROBLEM-SOLVING AND PLANNING**

Improving the performance of an organization, such as a university, requires the participation of many people. Leaders of organizations need to involve the members of their organizations and supportive people outside the organization in order to use all of the knowledge and resources available. How can such involvement be brought about? In the U.S. group facilitation methods have proven to be quite effective (Spencer, 1991). This report focuses on one set of these methods called the Technology of Participation (ToP).

The ToP group process planning method can be used with any group of people who share a common interest. They may be residents in a community or an apartment building, members of an association, employees of a business or a government agency, volunteers working with a non-governmental organization, or members of a university department (Umpleby, 1989, Troxel, 1993). A facilitated problem-solving or planning activity involves people in identifying problems as they see them and in devising solutions that they think will work (Umpleby, 1994). Hence, this method leads to strategies and actions that are suited to the local culture.

The exercise should be repeated at regular intervals, about every six months or year. Before the second planning activity begins, the group should review the report from the first planning activity and discuss what actions were implemented and what actions were

not implemented. What plans were easier or more difficult to implement than expected? There should be a conversation about what was learned since the first report. The group then goes through the conversation again. Each planning activity is also a training activity. When they feel ready, people move from being participants to small group leaders to leaders of a plenary session. As the size of the group becomes larger, more time is needed. For a group of twenty people or less, small group break-out sessions are usually not necessary. For larger groups, small groups allow more opportunities for people to express themselves and to listen to the views of others.

## **TWO PROBLEM-SOLVING MEETINGS IN RUSSIA**

This report contains a schedule for a short meeting and presents the results of the brainstorming activities conducted at Baikal State University of Economics and Law in Irkutsk, Russia, in June 2002 and in the Cathedra of Economics at the Siberian State University of Transport in Novosibirsk, Russia, in January 2003.

Stuart Umpleby was invited to Irkutsk for a week of consultation and lecturing as part of a grant to Baikal State University of Economics and Law from the World Bank. As one instructional exercise, he led a problem-solving meeting as a way of illustrating the Technology of Participation. Tanya Medvedeva attended the meeting and in fact conducted most of the discussion in Russian. A few months later she decided to lead a similar discussion with the members of her department or cathedra in Novosibirsk. Appendix A is a schedule for such a planning meeting. Appendix B contains the results of the meeting in Irkutsk. Appendix C contains the results of the meeting in Novosibirsk.

These two meetings were the first facilitated conversations held at these two universities. The two meetings were primarily introductions to a different way of holding a meeting. Each meeting was intended to acquaint the participants with this method of organizational improvement and to give them an introduction, during the orientation part of the activity, to the range of situations in which facilitated group conversations can be used. The subject of the planning activities was “improving the university.” The participants first wrote down as individuals the problems or challenges they were facing. The participants then formulated strategies and actions to deal with the problems. The result is a list of suggestions for actions that could be taken in the following months.

Due to limited time the planning activity had only two parts – problems or challenges and strategies or actions. In each part there were three steps – background and instructions, individual brainstorming, and whole group discussion including clustering of items. In a larger group an additional step, after individual brainstorming, would be small group discussions. In a one-day event the morning could be devoted to opportunities and challenges and the afternoon to strategies and actions. A two-day planning meeting could discuss the vision of the organization in the morning of the first day and obstacles to achieving the vision on the afternoon of the first day. Strategies to remove the obstacles would be discussed on the morning of the second day and actions to implement the strategies on the afternoon of the second day. Consequently at the end of a two day event

an organization would have a written statement of its vision, a list of obstacles to achieving the vision, a set of strategies for removing the obstacles, and a list of assignments of who should do what, when and at what cost in order to implement the strategies. In the weeks and months after the planning meeting, progress in implementing the plans should be communicated to the whole group. Communicating achievements both celebrates successes and subtly reminds others of unfinished tasks.

## **PROBLEMS FACED BY RUSSIAN UNIVERSITIES**

The problems of Russian universities are primarily due to the current time of transitions. There is constant change and great uncertainty. Universities are searching for new ways of operating. They now have to work in a situation of high economic risk. They are looking for new partners for cooperation in the educational process.

In this time of large social and economic changes the style of management in universities needs to change as well. In the former Soviet Union the centrally planned, authoritarian style of management could be described as a mechanical model of management. That is, managers tried to control everything, and they saw the goal of management as creating a system, which would work without further involvement in it. They wanted to create a management system once and for all and never disturb its function. But in a market economy it is impossible to control everything. Strict management is unrealistic in a situation when many solutions are possible, when there is a rapid rate of technological and structural shifts, and when productive relationships are becoming more dynamic and complicated.

Another aspect of the transition is that people in the Soviet Union had to accept an authoritarian, repressive style of management, which suppressed individuality and initiative. Consequently, people came to believe that nothing depended on them in their country. The Soviet Union developed high technology but conserved the old, czarist style of social relationships among people, including a repressive style of management.

The present combination of problems produces inconsistent results. Often top managers of Russian universities are willing to accept market rules in society in order to survive in the new social and economic conditions. But they are not ready to accept more competitive, market rules among employees in order to change the climate inside universities, for example by paying and promoting people according to the quality of their work.

## **USING TOP METHODS IN A MANAGEMENT CURRICULUM**

Before doing two ToP exercises in Irkutsk and in Novosibirsk the authors had discussed the possibility of using ToP methods for making changes in Russian Universities. Umpleby was optimistic and believed that these methods could be very helpful for

Russian universities in the time of transitions. Medvedeva was pessimistic because her knowledge of Russia, Russian culture, Russian history, Russian mentality and current conditions told her that Russians are not ready for such experiments. Her view was shared by some foreign experts who were skeptical about using Total Quality Management methods in Russian enterprises for the same reasons (Medvedeva and Umpleby, 2002). Schneider and Barsoux (2003) expressed a similar opinion.

Participation is less likely in cultures where power is in the person (personal versus instrumental). Sharing power in this context is more difficult. Efforts to empower employees in Russia have often led to frustration. Russian employees expect strong and paternalistic management. Individual initiative is suspect, and information sharing is considered dangerous.

Schneider and Barsoux created a table comparing Western and Russian work rules (see Table 1).

WESTERN MANAGERS	RUSSIAN MANAGERS
Take initiative	Obey rules, do what is expected
Learn from mistakes, don't repeat	Don't make mistakes, punished for mistakes
Have a long-term, future orientation	Stay in the here and now, don't forget the past
Think of the organization as a whole	Stick to job description, don't interfere

**Table 1. Western vs. Russian work rules**

Medvedeva's decision to try a ToP exercise in her cathedra resulted from the successful meeting at Baikal State University of Economics and Law. She was impressed by how easily Russian people became involved in the discussions, how well they worked together, how deeply they understood the problems of the University, how sincerely they wanted to solve them, and how clever the solutions were that they proposed. Her reaction might be surprising, but it is understandable if one recalls the social and political history of Russia.

The problem-solving meeting in the Cathedra of Economics where Medvedeva works was successful as well. First, there was a fruitful discussion. Second, the members of the cathedra organized themselves to solve their problems. Third, hope increased that it is possible to make positive changes. Fourth, a plan was constructed for making the changes.

For Medvedeva this meeting had an unexpected result. She was invited to the Management Department of the West-Siberian Railroad for several conversations about the problems of railroad management in the new economic system. As a result of these conversations E. Kulinich, vice-president of the West-Siberian Railroad for social policy and human resources, decided that two universities – Siberian State University of Transport (Novosibirsk) and Omsk State University of Transport – would create a Human Resources Management Center within the Institute of Prospective Transport Technologies and Training of Human Resources of the West-Siberian Railroad.

One of the problems that was emphasized by the members of the Cathedra of Economics is the style of university management. The main goal of the new Human Resources Management Center is to give managers of the West-Siberian Railroad new ways of thinking about how to adapt to the new social and economic system, how to make changes in organizations effectively, and how to select and teach specialists so that they become effective managers. Medvedeva and her colleagues decided that the curriculum of the Human Resources Management Center should be based on Quality Improvement Methods (Medvedeva and Umpleby, 2002). Quality improvement methods have been widely adopted in Japanese, American, and European companies. The Center will combine a program of consulting (using the methods with actual firms), curriculum development (teaching the methods in classes), and research (measuring improvements achieved in firms). This is the way leading corporate universities operate in the West.

Now the Center is being created. The development of the Center is very complicated and the reasons why are clear. The paradox of the situation is that the managers of the railroad have concluded that the railroad is no longer effective and that it is now necessary to change the style of management. But the Center, which should work to realize the changes, which are so painful for the System, is being created inside the System and by the means of the System! The process of change will not be easy.

### **WHY FACILITATION METHODS ARE USEFUL**

The group facilitation methods, that were well-received in the first two trials in universities in Irkutsk and Novosibirsk, will be part of the curriculum in the new Management Center. There are several reasons why group facilitation methods are important for Russia today. (Umpleby, et al., 2003)

1. They help people work together to solve shared problems. Indeed they help people discover that they agree on the problems that need to be solved and on appropriate solutions.
2. They teach people a method of facilitative leadership as opposed to hierarchical, command leadership. This is important in the post-communist countries. People now have freedom to act, but they do not know how to work together without orders from a superior.

3. Everyone's ideas are accepted. When an idea is written down, it goes up on the board. Ideas can be clarified, but not rejected. Usually this is not stated explicitly. It is just part of the method.

4. Ideas that many people feel are important are mentioned more often. Hence, the issues people feel are most important become visible.

5. Attempting to implement the actions and then going through the exercise again teaches people what is easy, what is difficult, and where more work needs to be done in order to make progress.

6. Facilitation is not a technical method. Knowledge of computers and programming are not needed. Higher education is not needed. The method can be used by both janitors and scientists. Paper, felt pens (or crayons), and tape are available around the world.

7. The method works in businesses, government agencies, communities, universities, hospitals, etc.

8. People learn that there are things they can do themselves. They do not need to wait for the boss to act. Hence, the method increases self-confidence and initiative, both for the individual and the group. This is probably the most important consequence for the post-communist countries.

9. People learn the method while participating. No separate training is required, though it can be quite helpful. People move up from participant to small group leader to large group leader, when they are ready. Although experience is necessary to lead a group, no prior training is necessary to participate.

10. Each planning event can also be a marketing event by inviting observers from other organizations.

11. It is advisable to include people who can provide resources. By participating they learn what the group intends to do and can offer to help in the most strategic way.

## **CONCLUSIONS AND SUGGESTIONS**

The ToP method of holding a planning meeting illustrates “facilitative leadership,” a very different kind of leadership from the directing or command-and-control type of leadership typical in hierarchical organizations. The method is also an example of how quality improvement methods can help a group of people or an organization increase participation, enhance coordination, and improve morale. The method is an effective way of team-building, of convincing people that their ideas will be listened to and acted upon, and of increasing motivation. The method also eases the burdens of managers, who are able to spend less time on directing and controlling and more time on strategic issues.

Some Russian universities still have an administrative, command style of management, despite more than 15 years of market reforms in the country. There were anti-bureaucratic reforms during the time of "perestroika". But currently there are an increasing number of bureaucrats in modern Russia. A repressive style of management is continuing. Bureaucrats have increasing power, and freedom for workers has declined during the time of democratic changes. But the example of creating a Human Resources Management Center for West-Siberian Railroad in Novosibirsk indicates that there is

great potential for designing a new society based on the skills and vision of the people in the lower levels of Russian society and that ToP methods can be used as an effective way of organizing people for constructive changes to improve the conditions of their lives.

A market economy, based on competition among producers, needs many managers skilled in operating in a market economy. A sufficient number of such managers does not currently exist in Russia. Hence, a management revolution is necessary for the transitions occurring in the economy and society to be successful. What kind of economy Russia will have in the future will depend in large part on its managers at all levels.

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## Appendix A

### SCHEDULE FOR A PROBLEM-SOLVING MEETING

A first step toward organizational improvement is to help a group of people define opportunities and challenges and to devise strategies and actions for dealing with them.

- 10:00 a.m.      Orientation to the meeting, explanation of the schedule  
                         Introduction to the topic (improving the university)
- 10:05 a.m.      Identifying problems and opportunities  
                         What to look for – opportunities that did not previously exist, obstacles  
                         that need to be overcome



- Write down 3 words – adjective, adjective noun, for example, “old, obsolete equipment”
- 10:10 a.m. Work individually
- 10:15 a.m. Discuss your items in a small group, generate new items
- 10:25 a.m. Small groups report items to the whole group  
Post these on the wall, explain them, arrange them in clusters
- 10:40 a.m. Name the clusters, reflect on the issues that have been raised
- 10:45 a.m. Break
- 11:00 a.m. Identifying solutions and actions  
Assign opportunity / challenge clusters to small groups  
What to look for – organizing to take advantage of opportunities, strategies to remove obstacles  
Write down three words – verb, adjective, noun, for example, “create list of supporters”
- 11:05 a.m. Work individually
- 11:10 a.m. Share ideas in small groups and generate additional items
- 11:15 a.m. Small groups report items to the whole group  
Post these on the wall, explain them, arrange them in clusters
- 11:25 a.m. Name the clusters, reflect on the strategies and actions that have been proposed
- 11:30 a.m. Discuss this method of having a group identify problems and devise solutions. Would this method work with other departments in the university?

Appendix B  
**RESULTS OF A PROBLEM-SOLVING EXERCISE**  
**Baikal State University of Economics and Law**  
**Irkutsk, Russia**

On June 27, 2002, a problem-solving meeting was held at Baikal State University of Economics and Law. Stuart Umpleby provided the introduction. Tatiana Medvedeva and Lena Dudkina conducted the meeting in Russian. Lena Dudkina translated the results into English. The participants were: Sergey Chuprev, Marina Dorohova, Natalia Fedotova, Inessa Guseva, Larisa Kazariza, Oksana Kravchenko, Irina Kuznetsova,

Tatyana Lemeshko, Natalya Shelkova, Tamara Svetnik, Raica Veprova, and two students Katya Svetnik and Masha Veprova.

The group first defined the problems facing faculty members in the university. They then devised strategies or actions for dealing with these problems. Below are the results of the brainstorming and group discussion activities. The clusters have been arranged with the largest (most frequently mentioned) first and the smallest last.

## **Problems**

### *Low Motivation (teachers and students)*

Lectures are not connected with reality

Theory cannot be used in practice

Low level of students in both science and culture

No scholarships for high achieving students

Assessment level is low (grade inflation)

Need for social support for teachers (social status and social security)

### *Low Faculty Qualifications*

Absence of professional selection

Some faculty members do not have enough knowledge and speaking skills

Insufficient opportunities to develop to a high level of qualification

Low qualifications of staff due to lack of access to world knowledge

Need for communication with colleagues from abroad

### *Insufficient Technical Equipment*

Lack of technical equipment

Lack of modern in-class equipment

Need for repairs in distant buildings

Need for air conditioners

### *Problems in Workload Distribution*

Different work loads for different teachers

Too much work for one person

Inconvenient teaching schedules

### *Insufficient Funds*

Low salaries

Lack of travel funds

Need for communication and travel abroad

## **Strategies and Actions**

### *Implement Proper Financial Management*

Increase salaries and provide social support

Establish joint projects with local businesses (investments and collaboration)

Increase paid services (pay for books, attracting sponsors, etc.)  
Work out a new university management policy  
Create more definite structures for fund raising  
Create more engineering departments in order to attract commercial students  
Use fines to prevent smoking and damage to equipment and buildings

*Organize Fund-Raising Activities*

Obtain international grants and projects  
Establish a fund-raising office to work with alumni  
Foster long-term contacts with alumni to fund activities  
Attract sponsors

*Change Current Teacher Rating System*

From hours worked to also asking students

Appendix C

**RESULTS OF A PROBLEM-SOLVING EXERCISE**  
**Cathedra of Economics, Siberian State University of Transport**  
**Novosibirsk, Russia**

On January 6, 2003, a problem-solving meeting was held in the Cathedra of Economics at the Siberian State University of Transport in Novosibirsk, Russia. Tatiana Medvedeva conducted the problem-solving exercise in Russian and translated the results into English. The participants were: Tatiana A. Medvedeva, Aleksey A. Maltsev, Ludmila G. Oshchepkova, Irina K. Ivanova, Irina V. Mgelskaya, Nikolay P. Makarevich, Geliy M. Bastrakov, Bladimir Zadornov, Sergey S. Vasyura, Nikifor N. Shipko, Valentina F. Grabovskaya, Olga I. Zabrodskaya, Nina P. Komleva, Larisa A. Yashina and Natalia Ovsyannikova.

**Problems**

*Poor Organization of Educational Processes*

Absence of coordination among courses  
Insufficient space for the cathedra  
Lack of staff  
Lack of standards for disciplines  
Not enough time for courses  
Low level of discipline of teachers in doing everyday work  
Bad relations between the cathedra and engineering cathedras in the university

*Insufficient Materials*

Lack of technical equipment for cathedra  
Lack of access to professional literature  
Absence of books for students adapted to the Russian economy  
Lack of methodological materials

*Low Qualifications of Faculty*

Low scientific level of teachers  
Low level of teaching  
Insufficient retraining of teachers

*Insufficient Funds*

Low salaries  
Equality in salaries without regard to quality of work  
Lack of travel funds for scientific conferences

*Low Motivation of Teachers*

Low level of students in both science and culture  
Insufficient attention to university work due to low salaries

*Scientific Direction of the Cathedra*

Low level of theoretical research  
Absence of scientific work in the cathedra

*Command Style of University Management*

**Strategies and Actions**

*Find Additional Sources of Money for the Cathedra*

Offer tuition-based short courses and certificate programs  
Set up an endowment (ask for contributions from alumni)  
Hold an annual conference on new developments in economics

*Take Initiative*

Organize a cathedra meeting with the rector of the university to discuss these problems  
Talk about technical equipment etc. on the level of the university  
Advertise the cathedra within the university

*Consider Lectures as Explanations of the Most Important and Complicated Themes*

Reject seminars and organize interlocutory  
Hold discussions on more important topics in groups or with each student

*Differentiate Salaries on the Basis of Performance*