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**How Managers Establish Their Authority at the Russian
Industrial Enterprise: A Typology and Empirical Evidence**

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How Managers Establish Their Authority at the Russian Industrial Enterprise: A Typology and Empirical Evidence¹

Vadim Radaev

Abstract

The paper investigates how the authority of managers is established in labor relations at the industrial firms in the new Russian market. An original typology is used for the analysis of managerial preferences, including the models of paternalism, fraternalism, bureaucratism, and partnership. These ideal types are constructed as intersection of two oppositions: rigidity/flexibility of the administrative hierarchy and formality/informality of labor relations.

A major task of the study is to reveal an impact of divergent models of behavior on the managerial strategies and to explore to which extent managerial choices are influenced by the parameters of the firm, its market situation, and personal qualities of the top managers. We also try to reveal the functions that are fulfilled by these managerial models and strategies with regard to existing structural arrangements and economic situation. Our data was collected on the course of a nationwide survey of the industrial enterprises in six sectors of the Russian economy. Questionnaires were filled in by 303 top managers of the firms of different size and profile at the end of 2007.

Introductory remarks

Any labor relations contain a basic asymmetry of power between managers and workers. At the same time the power of managers should not be taken for granted. Even well established authority of managers is always continuously challenged by the subordinates. And special efforts are required to legitimize this authority. To cope with this problem of legitimacy, the managers use a variety of divergent strategies. They are based on more or less stable preferences and help to stimulate corporate and personal loyalty of workers and their compliance with the established rules.

Two research questions arise from this specific context. First, what instruments are used to maintain the managerial authority? And second, what factors stand behind the choices of diverse managerial strategies? In this paper we offer specific conceptual tools and measures to analyze the models of

¹ This research project was supported by a grant from the Innovation Educational Program of the State University - Higher School of Economics in the framework of the Russian National Project "Education" (2006–2007). We are thankful to the project head professor Leonid Kosals and to "Analytical Centre of Yuri Levada" conducting a project survey.

managerial behavior and strategic preferences in relation to workers within the firms in the sector of the Russian industrial production.

On more general level, we would like to reveal a function that is fulfilled by managerial models and strategies. It is interesting to know if managerial choices are derived from existing organizational structures of the firms and personal qualities of their leaders to further facilitate these structures and qualities or, on the contrary, the managers choose these strategies to compensate for deficiencies and failures produced by these structures. Thus, basically we will investigate if managerial strategies enforce the strengths or compensate for the weaknesses.

A large bulk of research on the employers' strategies was conducted though it has been largely focused on the institutional issues of collective bargaining on different levels (centralized or decentralized) and trade union policies in the liberal and coordinated market economies [for example, see: Thelen 2001]. There is also a long-run debate on how employers and employees bargain for wages and protect their rights aiming to build up a system of social partnership [Borisov, Clarke 2006]. As for this study, we do not concentrate on the institutional aspects of the labor relations but rather consider the managerial authority maintenance from the interactionist perspective. We want to recognize the behavioral models that are used by the employers to build up their inter-personal interactions with the workers and how they exploit these models to maintain and strengthen their own power and authority.

Ideal models of managerial behavior

In this section we will introduce our concept of four ideal models of managerial behavior in relations to the workers, namely: Bureaucratism, Paternalism, Fraternalism, and Partnership². Each of these ideal types presents a coherent system of preferences shaping the models of behavior of managers with respect to their subordinates. Let us describe these types briefly.

Bureaucratism. This model of managerial behavior in labor relations is built upon explicit and rigid administrative hierarchy. Managers prefer to make decisions on their own and are reluctant to share important information with the workers. These managers are ready to explain their reasons for taking these decisions if they face a resistance from their subordinates, but they insist on their implementation nevertheless. Managers of a bureaucratic type are not eager to establish friendly relationships with their subordinates and not get involved into their personal problems. These managers rely on the formal control over work procedures rather than on interpersonal trust. They also tend

² This typology was elaborated by the author at the beginning of the 1990s for studying the group of newly emerged Russian entrepreneurs [Radaev 1994]. However, this general typology could be used for comparative studies.

to control the working time of their subordinates in general rejecting their opportunities to have a part-time job outside the firm. Named after the French 'bureau' (office), this model of behavior assumes that the manager plays the role of a higher standing administrator whose status is backed by the formal office rules.

A classic description of the bureaucratic (legal) type of organization was presented by M. Weber [Weber 1946: 199-204, 1978: 220-221]. Later it was developed in the classic organizational theory [Merton 1940; Blau 1956]³. Since that time in spite of many criticisms, the idea of bureaucratic organization is still popular and stimulates provocative empirical studies [Evans, Rauch 1999].

Paternalism. Hierarchy within the firm is also undisputable in this model of behavior. The top manager prefers to keep distance from the subordinates and to make decisions alone. If the workers disagree, the manager could give some explanations but does not change decisions even if these explanations are not accepted. Such a manager also does not believe that it is necessary to share a maximum of information with the subordinates. In this respect, this model of behavior is similar to Bureaucratism. But there are also some important differences. Paternalist manager would not stand against informal relations going beyond the office issues with the subordinates. This type of a manager is ready to avoid formalities and take a responsibility for the personal problems of the workers if they arise. Enjoying a position of undisputed hierarchy, the paternalist manager would rather use informal relations of trust than impose strict bureaucratic control. He/she would rely more on personal charisma and personal influence than on formal system of regulations and sanctions. Named after 'pater', this model of behavior presumes that the manager plays a role of a 'father, who demands obedience but at the same time is able to take a large amount of responsibility for the 'family'.

As for the sources of conceptual inspiration, in case of paternalism we would point, among the other literature, at the theorists of "moral economy" who described it with regard to industrial workers and peasant communities of the past centuries [Scott 1976; Thompson 1971].

Fraternalism. This model of managerial behavior is different from both Bureaucratism and Paternalism. The fraternalist manager certainly has a significant amount of administrative power (otherwise, the firm could not work effectively) but pretends to conceal it and be on equal foot with the subordinates. He/she tends to discuss the most important issues in an open manner, tries to persuade the workers if they disagree, takes collective decisions (or at least camouflages individual decisions under collegial norms), and shares important information with the workers. Fraternalist manager is

³ Extended overview of the most important concepts of bureaucratism could be found in: Albrow 1970: 84-105.

ready to establish good friendly relationships with the subordinates which are not confined to formal business routines. He/she is able to consider personal problems of the subordinates though it is not a part of the formal obligations. This kind of a manager would insist that trust is more efficient in labor relations than regular formal control. He/she would not get crossed if somebody has a part-time job outside the firm. Linguistically, 'Fraternalism' is close to the meaning of 'brotherhood'. And fraternalist manager would behave as a "leader" in relations with "brothers in arms" rather than a boss.

The notion of fraternalism is not so widely known if compared with Bureaucratism and Paternalism. We borrow it from R.Scuse and R.Goffee who introduced the term in their study of small and medium firms in the UK [Scuse, Goffee 1982: 108-117].

Partnership. This model of managerial behavior has some important similarities with Fraternalism. It also tends to conceal hierarchical character of the labor relations. Such a manager prefers not to stress his/her superior position, takes collegial rather than individual decisions, and discloses important information to the workers. In case of disagreements this type of a manager would persuade the subordinates that suggested solutions would lead to better outcomes. At the same time contacts between managers and workers remain predominantly formal and confined to the office issues. This manager would avoid any involvement into private (home, family, or psychological) affairs. He/she would insist on compliance with the formal contractual rules and impose regular control over working procedures including a prohibition to have a part-time job at the external labor market.

The ideology of partnership could be illustrated by a conceptual perspective of the new institutional economic theory which presents the firm as a nexus of contracts [Alchian, Demsetz 1972; Jensen, Meckling 1976]. In this kind of the firm each employee has a capacity to maintain his/her autonomy which is normally based on specific professional skills and protected by a formal contract while the manager takes the role of a 'coordinator' who facilitates cooperation among the contract holders.

Thus, we have four distinct models of behavior which are practiced by the manager in their relations to workers. In the bureaucratic model the manager takes the role of an "administrator" who formally insists on his/her superior position. An effective bureaucratic system resembles a good-working mechanical device. It could be observed in any modern bank with the rigid and highly formalized structure.

In contrast to these bureaucratic formalities, Paternalism brings a spirit of family relations to the shop floor. The manager acts as a responsible "patron", or a father, in this model. For a good example we could go to an agricultural farm [Newby, Bell, Rose, Saunders 1978].

Following the model of Fraternalism the manager acts as a "leader". This type of relationships is frequently observed in small and medium firms in

the construction industry [Scase, Goffee 1982]. As for the Partnership type, the manager takes the position of a "*coordinator*". It could be characteristic, for instance, of a consulting agency in which professional experts are involved into a project-based work in a relatively autonomous regime.

The logical structure of our typology is presented in the Table 1.

Table 1.

Four models of managerial behavior as intersection of two dimensions in labor relations

		Administrative hierarchy	
		Rigid	Flexible
Relations with workers	Formal	Bureaucratism	Partnership
	Formal + informal	Paternalism	Fraternalism

Models of behavior and transition patterns

Dealing with the models of managerial behavior in labor relations it is necessary to avoid systemic biases in connotations that arise from cultural and linguistic contexts. It happens, for example, when 'Bureaucratism' is associated with the 'red tape' procedures; 'Paternalism' is treated as an outdated form of "industrial feudalism"; and, on the contrary, Partnership is viewed as 'democratic' and 'progressive' way of organization. We would rather treat them as equals. These managerial models are also not distinguished by the degree of instrumental rationality. In our opinion, each of them could be quite rational and effective in a relevant context.

We would also argue that when speaking about the patterns of transition it is not reasonable to attach the ideal models to different historical stages of that transition and expect that labor relations have a progress from one model to another. These models continuously coexist in real business practices on very different stages though their profile and relative importance can seriously change. They have a capacity to survive through all transformations of transitional periods despite fundamental technological, economic and political change. Therefore, we have to investigate how their profiles and their combinations change along the transition period.

Let us illustrate this approach by taking an example of Paternalism. Normally, it is presented as an old traditional model, which still persists in the underdeveloped Third World countries and the local village communities, non-technological small firms and household economies. Indeed, historically the

classic form of Paternalism grew out of the social order in which feudal lord's moral obligations to protect one's servants/workers against dangers of famine and violence and to provide them with the minimum of means of subsistence during the hard times were exchanged for their loyalty and services. It was characteristic for the peasant communities under feudalism and later for the workers communities in the early bourgeois society [Scott 1976: 27, 33, 40; Thompson 1971: 95].

This type of traditional paternalism was expected to diminish along with the growth of modern capitalism to leave the room for the large and formally organized corporate structures. But in fact, it did not entirely disappear. And the reason was that industrial capitalists adopted many of the paternalistic practices creating a basis for so called "paternalistic capitalism" [Morris, Smyth 1989]. In the 20th century these practices were by no means confined to the agricultural sector, but were also reproduced as important elements in the large modern corporations. The old "personalized" paternalism was partially replaced by the new "managerial" paternalism meaning that the large firm takes a position of the "patron" [Dore 1973: 274, 393].

This "personification" of corporate organizations has been observed, for example, in the Japanese management style containing many elements of the Paternalism. Initially, sustainability of paternalistic inclinations of managers in modern Japan was interpreted as remnants of the past indicating the underdevelopment and strong Orientalist legacies. Then, following the economic success of Japan in the 1980s, this management style was highly praised and became a subject to numerous imitations when practices of so called "Japanization" or "Toyotaism" were actively disseminated in the western management [Wood 1991]. A decade later a crisis of the Japanese model was announced and paternalist practices got under attack again. But despite all these disappointments, it did not bring the story of Paternalism to an end.

In Russia the same phenomenon of continuously reproduced paternalist relationships is explained by the legacies of the socialist system which is defined as "authoritarian paternalist" meaning that the enterprise director had an absolute authority but management was conducted largely on the basis of informal relations [Clarke 2004: 407]. After collapse of the socialist system and relatively long period of transformations still many elements of paternalistic policies remain in the post-socialist countries both at the level of the state welfare policies and the business corporations' policies. Therefore, "traditional" forms of relationships have proved their good adaptive capacities and survived through transitions and transformations.

Methodology

Now we have to specify our four models of the managerial behavior by moving to a more operational level. In our concept, these models have been

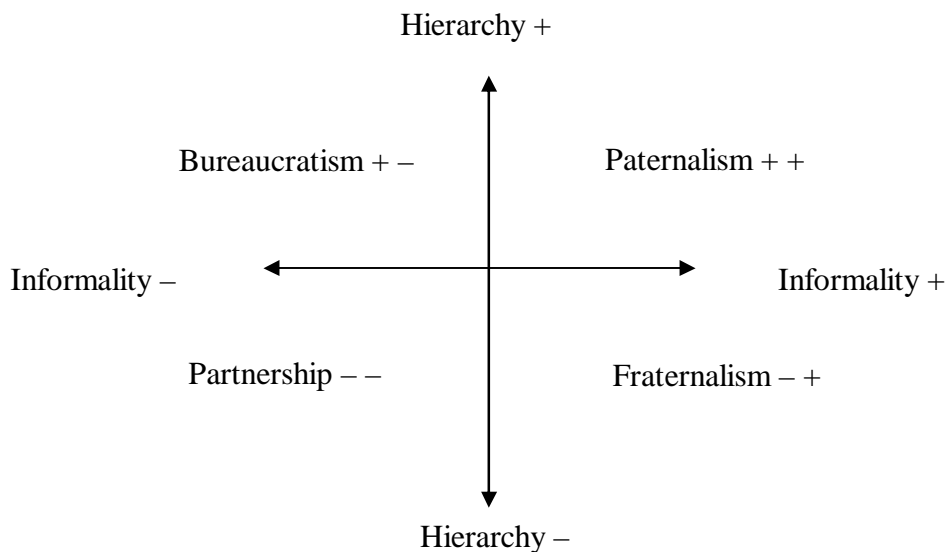
constructed as intersection of two oppositions that are critical for labor relations, namely:

- Rigidity vs. flexibility of the administrative hierarchy,
- Formality vs. informality of relations with the workers.

Thus, our typology is constructed according to the following principle. Each model of behavior is similar to one more model and confronts the other two models on the first dimension (type of hierarchy). At the same time it is similar to another model of the behavior and confronts the rest two models on the second dimension (formality/informality) (see the Figure 1).

Figure 1.

Two oppositions and four models of managerial behavior in labor relations



If we consider the first opposition, we see that in Bureaucratism and Paternalism the administrative hierarchy is explicit and undisputed while in Fraternalism and Partnership it is mixed with the collegial relations or at least camouflaged with the norms of collegiality. As for the second opposition, Bureaucratism and Partnership assume that relations with the workers should be confined to the formal office rules while Paternalism and Fraternalism allow the significant amount of informality to be added to these formal rules.

Our questionnaire was designed in such a way that each respondent received eight similar questions built along these two oppositions. The first four questions present an option between rigid and flexible managerial hierarchy while the rest four questions persuade the managers to say if informal relations with the workers are accepted or not. The list of alternative attitudes is presented in the Table 2.

Table 2.

Meanings of the major dependent variables

<i>№</i>	<i>Variable meanings (1st dimension)</i>	<i>Hierarchy</i>
1	Keep distance from the subordinates	+
	Try to be on equal foot with everyone	-
2	Make individual decisions	+
	Take collegial decisions with the subordinates	-
3	Explain your decisions but insist if the workers disagree	+
	Try to attract the workers on your side if they disagree	-
4	Do not share all information with the workers	+
	Share a maximum of information with the workers	-
	<i>Variable meanings (2d dimension)</i>	<i>Informality</i>
5	Maintain friendly relations with the subordinates	+
	Confine relations with the subordinates to the office issues	-
6	Try to resolve personal problems of the subordinates	+
	Do not get involved into personal problems	-
7	Trust the workers rather than impose control	+
	Impose regular formal control over workers	-
8	Tolerate a part-time work of the subordinates at the other firms	+
	Ban any part-time work of the subordinates at the other firms	-

Having simulated to choose an alternative in each of our eight questions, the manager accepts two ideal models and rejects the other two models at the same time. It means that the selected two models get the value '1' while the rejected two models are attributed with the value '0'. If the manager points to a 'hard to say' option, all four models receive the value '0'. It means that in total each ideal model can be accepted or rejected eight times, and index value of this model varies from "0" to "8".

Our data analysis goes through three stages. At the first stage we consider two main oppositions in labor relations from the empirical side. At the second stage we look at each of four ideal models of managerial behavior separately. And at the final third stage, we explore the managerial strategies as

combinations of four ideal models. We argue that any practical managerial strategy normally could not be confined to one model of managerial behavior. It is nothing but a complex combination of divergent models. Thus, two main oppositions and four ideal models of managerial behavior become specific axes defining the space for composite managerial strategies.

We know that it is more common to use case studies and ethnographic approach for investigating this sort of issues. And getting data from a standardized survey we are certainly not able to avoid simplifications. We are also aware of the fact that attitudes of our respondents could contain the strong elements of ex post rationalization rather than well-planned strategic actions. However, in spite of these obvious limitations we believe that our results will reflect on some important structural elements of the labor relations. And suggested typology could be effectively used for comparative studies.

Data

Our data was collected in a course of the research project carried out by a research team of the State University – Higher School of Economics in Autumn 2007. The project was headed by the professor Leonid Kosals. The fieldwork was done by the Analytical Centre of Yuri Levada. We provide basic information on this survey below.

Regional aspect. The survey was carried out on a nationwide level in 26 regions and 39 cities of Russia. The firms were selected with respect to the industrial sector and their size. Within these groups they were taken on a random basis from the list of firms presented in the electronic database “Business Map of Russia”.

Industrial sectors. Six sectors of the Russian industrial production in 2007 were selected for the survey. They include:

Chemical and petro-chemical industry	- 8% of the sample
Machine-building and metal-processing	- 47%
Forestry, wood-working, pulp and paper	- 12%
Production of construction materials	- 8%
Light industry	- 7%
Food industry	- 18%

Firms. We have the firms of different size which was measured by the number of workers. 41% in our sample present small firms employing not more than 100 workers; 38% of them have from 100 to 500 workers and could be defined as middle-sized companies; and the rest 21% are formed by larger establishments with more than 500 workers (a maximum number is 20 thousand workers).

Slightly more than a half of firms in our sample (56%) were established before 1987 when the transformation of the economic institutions started. The rest of the firms were founded in the years of institutional transformation. With a few exceptions (3%) all the firms are non-state establishments. 60% of the enterprises in our sample privatized some of the state-owned assets while one third (36%) started up as newly established businesses.

Respondents. In total, we received 303 questionnaires filled in by top-managers of the Russian industrial enterprises. General directors of the firms make two thirds of the sample. The rest of it is presented by deputy directors on economic and financial issues. According to their experience of work as directors of a given firm, they could be divided into three relatively equal groups: one group has been working for 3 years and less; the second group has this status from 4 to 10 years; and the third group includes ‘veterans’ of the firm working as directors (or their deputies) for more than 10 years.

Owners of the firms make 39% of all respondents including single owners (7%) and co-owners (32%). 52% of the respondents are hired managers (9% refused to clarify their status).

Demographically, most of the top managers are males (78%), which is traditional for the industrial sector of Russia [Radaev 1993]. Normally, they are in their active age (only one fourth of the group is older than 55 years).

Dependent variables

We have several groups of dependent variables. The first group of four variables is based on two main oppositions in labor relations. They include preferences for the rigid or flexible hierarchy and preferences for the formal relations with the workers or a combination of formal and informal relations with the workers. Their indices vary from ‘0’ to ‘4’.

The second group of variables presents four models of managerial behavior in labor relations, including: Bureaucratism, Paternalism, Fraternalism, and Partnership. Each of them has values from ‘0’ to ‘8’. We also compressed this scale to a smaller one to identify the low level of intensity (0-2), the medium level of intensity (3-5), and the high level of intensity (6-8).

The third group of variables presents managerial strategies defined as combinations of four ideal models which intensity is measured as low, medium or high. We have one variable presenting all the variety of strategies including 81 statistical variants. On this base we reveal a relatively small set of dominant combinations and construct a dummy variable for each of these dominant strategies to see what factors could influence their formation.

Independent variables

Looking for explanatory factors we divide the independent variables into three groups, namely:

- Parameters of the firm,
- Market situation of the firm,
- Personal qualities of the manager

Parameters of the firm are presented by the following main indicators:

- Industrial sector,
- Market experience of the firm,
- The form of ownership,
- Size of the firm,
- Unionization of the firm.

Industrial sectors are divided into two sets. The first set includes industries producing materials and equipment, namely: chemical industry, machine-building, forestry, and production of construction materials. The second set includes light and food industries producing the consumer goods.

Market experience is measured by the number of years the firm has been operating in the market. A major indicator is whether the firm was established before or after the year of 1987 when institutional economic reforms were started.

With regard to the *form of ownership*, the firms are divided into those that privatized their assets and newly established firms.

Size of the firm is measured by the number of workers and employees. All firms are divided into three clusters, namely: small firms with not more than 100 workers; medium-sized firms employing from 100 to 500 workers, and large firms employing more than 500 workers.

Finally, *unionization of the firm* is indicated by the existence or absence of the trade unions at the enterprise level.

Market position of the firm is displayed by the following parameters:

- Economic position of the firm in general,
- Introduction of the new technologies,
- Impact of the labor shortages,
- Labor turnover,
- Average wages and salaries,
- Workers' (dis)satisfaction.

Economic position of the firm is estimated by the manager as “good”, “moderate”, or “bad”. The latter mean that the firm is close to bankruptcy.

Introduction of the new technologies is recognized if it was implemented in the period of 2004-2007.

Impact of the *labor shortages* is defined by the extent to which labor scarcity affects the activity of the firm.

Labor turnover is measured by a ratio of administrative dismissals and voluntary leaves to the number of workers and employees in the year of 2007.

Average level of *wages and salaries* at the firm is pointed out by the respondent in thousand rubles.

The indicator of *workers' (dis)satisfaction* reflects on the fact whether they express or not express their dissatisfaction with the situation at the firm.

Personal features of the manager include age, gender, length of managerial experience, and status at the enterprise with regard to property rights.

In terms of *age*, managers are divided into three cohorts: under 40 years; from 41 to 55 years; and older than 55 years. *Gender* is presented by a standard variable.

Managerial experience is measured by the number of years the respondents have been working as directors (or deputy directors) at a given enterprise. A major variable differentiates among those with the short experience of three years and less; those working from 4 to 10 years; and those with the managerial experience above 10 years.

Status of manager at the enterprise with regard to property rights depends on whether the general director is at the same time the owner (or a co-owner) of the firm or just a hired manager.

We will check all these variables to see if they could help to explain the differentiation among four models of managerial behavior and popularity of different managerial strategies.

Hypotheses

The first two hypotheses deal with two oppositions in labor relations. Assuming that Soviet legacies are important here and socialist style of management can be defined as “authoritarian paternalist” [Clarke 2004], we hypothesize:

H1. Top-managers of the post-Soviet industrial enterprises tend to be authoritarian in relations with their workers though collectivistic rhetoric is widely used.

And,

H2. Top-managers of the post-Soviet industrial enterprises allow the informal ties to infuse their relations with the workers.

All in all, it means that dominant managerial strategies must be concentrated along the dimensions of 'Bureaucratism + Paternalism' (rigid hierarchy) and 'Paternalism + Fraternalism' (informality of relations).

Considering explanatory factors, we will formulate several opposite hypotheses to check if the managerial models and strategies reflect on the existing structure of the firm, its market position, and personal qualities of the managers or they work as compensatory mechanisms to remove their negative effects. If the latter alternative is true it would mean that managers try to behave in such a way that compensates for what is lacking in terms of economic success and managerial authority.

Keeping in mind the meaning of these alternatives, we suggest the following two hypotheses with regard to parameters of the firm:

H3. Managerial models and strategies are derived from the existing structure of the enterprise. It means, for example, that managers of the larger firms should be inclined to more hierarchical and formal relations than managers of the smaller firms⁴.

And, alternatively:

H4. Managerial models and strategies are chosen to compensate the shortages and negative effects produced by the existing structure of the enterprise and qualities of managers. It means, for example, that managers of the larger firms should try to camouflage hierarchical and formal order pretending to be more flexible and informal than managers of the smaller firms.

Considering the economic situation of the firm we suggest a similar couple of opposite hypotheses, namely:

H5. Managerial models and strategies depend on economic success of the firm. It means, for example, that managers of the successful firms could allow themselves to be more flexible and permissive if compared with the managers of the unsuccessful firms who have to be more authoritarian and formal in order to mobilize scarce resources.

And, alternatively:

H6. Managerial models and strategies are pursued to compensate for the lack of economic success. It means that managers of the firms facing serious problems have to be less authoritarian and less formal to maintain 'good relationships' with their workers than

⁴ From this standpoint, it would be reasonable to expect more active development of the informal relationships at the small firms [Stanworth, Curran 1989: 161], while managers of the large corporations would be expected to apply instruments of formal bureaucratic control [Ram 1991: 617].

managers of the successful firms who are able to be more demanding in the contractual relations.

Finally, we have to formulate the hypotheses with respect to personal features of the manager. Here we hypothesize the following:

H7. Managerial models and strategies reflect on a level of the authority gained by the manager. It means, for example, that older and more experienced managers especially if they are backed by a status of (co)owner could allow themselves to be more authoritarian and formal than younger and less experienced managers.

And, alternatively:

H8. Managerial models and strategies compensate for the lack of authority. It means, for example, that younger and less experienced managers have to establish themselves by being more authoritarian and formal than older and more experienced managers.

Let us test all these hypotheses using our survey data.

Research findings (managerial types and strategies)

We start with the analysis of our dependent variables trying to figure out what kind of managerial models and strategies are spread more widely and what combinations of managerial models are more common among Russian managers at the industrial enterprises.

Authoritarianism vs. collegiality. According to our data, Russian top-managers are more inclined to an authoritarian style. A necessity for the explicit hierarchy in labor relations is underlined more often than for the flexible hierarchy (their average indices values are 2,56 and 1,23 on a 4-point scale). More than a half of our respondents (56%) persistently support the hierarchical order (with average indices values of '3' and '4') while only 13% persistently select an option of flexible hierarchy. Only 3% of managers reject hierarchical mode of relations entirely (with the index value of '0') while non-hierarchical mode is absolutely unacceptable for a much larger group of 27% managers.

Most of the managers (85%) are sure that it is better to keep distance from their subordinates while only 10% pretends to be on equal foot with everyone. 52% believe that decisions should be taken by the top manager alone while 44 % would prefer to arrange decision-making process on a basis of collegial norms. Three quarters of the managers (75%) agree that it is sufficient to explain one's decisions before implementation while only 25% would try to persuade the workers and attract them on one's side.

For all these parameters more authoritarian visions prevail over non-authoritarian ones. The only exception deals with an option whether one should share most important information with the subordinates. Here the managers

split into two more or less equal groups: the first group is sure that a maximum of information should be delivered to the workers (45%) and the second group has serious doubts on this issue (43%).

Anyway, our *Hypothesis 1* assuming that authoritarian style should dominate over collegial style is not rejected.

Formal rules vs. informal relations. Managerial preferences with regard to formality or informality of relationships are more diverse. However, the style which allows the informal ties to infuse labor relations is more widely spread than the managerial style that is entirely formal (average index values on a 4-point scale are 2,07 and 1,76 respectively).

Three quarters of the interviewed general directors and their deputies (75%) admit that they have to get involved into personal problems of their subordinates while only one fourth (25%) claim that this is not a customary practice.

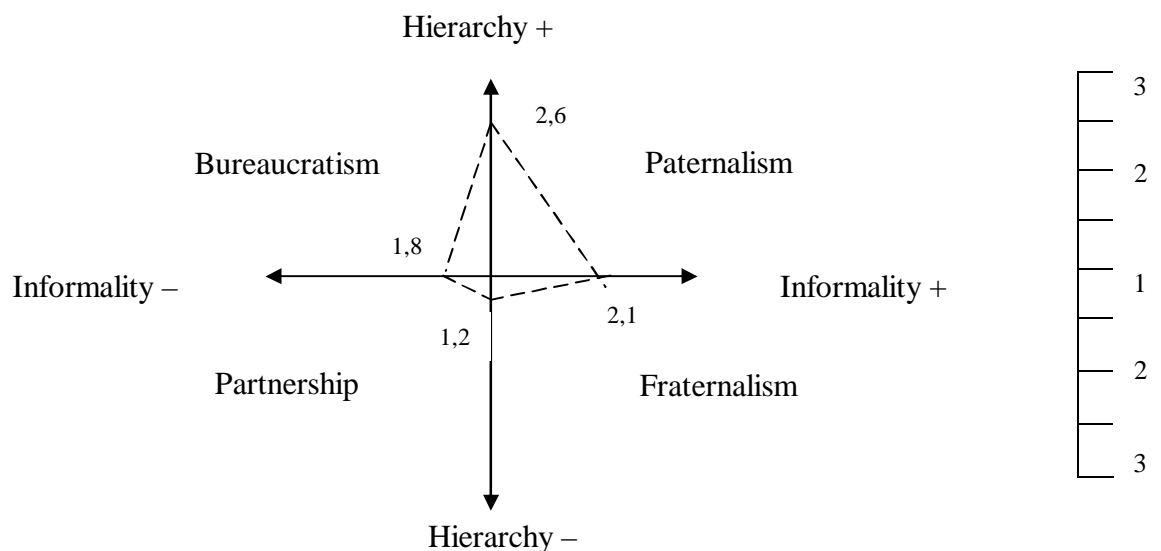
More than a half of respondents (53%) are sure that the labor relations should be confined to the business routines. Still 39% believe that it is better to maintain friendly relations with the subordinates.

57% of managers tend to check up the work of their subordinates regularly rather than rely on interpersonal trust (39%). But with respect to moonlighting, the managers are less restrictive. Only 40% of employers formally insist that the workers should not have part-time jobs elsewhere while 55% express more democratic and informal attitudes to this issue.

Intensity of managerial preferences in terms of their average values is shown in the Figure 2.

Figure 2.

Two oppositions in labor relations (average values; I = 0...4; n = 303)



In sum, we would not argue that informal style is dominant but it is more widely accepted. Therefore, our *Hypothesis 2* is not rejected as well. It means that “authoritarian paternalist” style of management which was characteristic of the Soviet time is still in place [Clarke 2004].

Models of managerial behavior. Now let us turn to the analysis of four models of the managerial behavior. Bureaucratism is widely spread having an average value of 4,32 on a 8-point scale. Inclinations to this model are strong in 27% of cases, medium – in 56% of cases, and weak – in 17% of cases only.

Paternalism is the most popular ideal type among managers with an average value of 4,64. One third of our respondents (32%) have strong paternalist preferences; for 60% of them it stays on a medium level; and only 8% demonstrate low level of preference.

Fraternalism is less popular in general than previous two models. It has an average value of 3,30. Only 12% of managers demonstrate strong preferences to this type of attitudes while the respondents with medium and low levels of fraternalist inclinations make 52 and 36% respectively.

However, Fraternalism is more widespread than the Partnership model with an average value of 2,99 on a 8-point scale. Only 4% of respondents express strong preferences for this type. 57% of them have a medium level of preferences here. The rest 39% demonstrate weak preferences only.

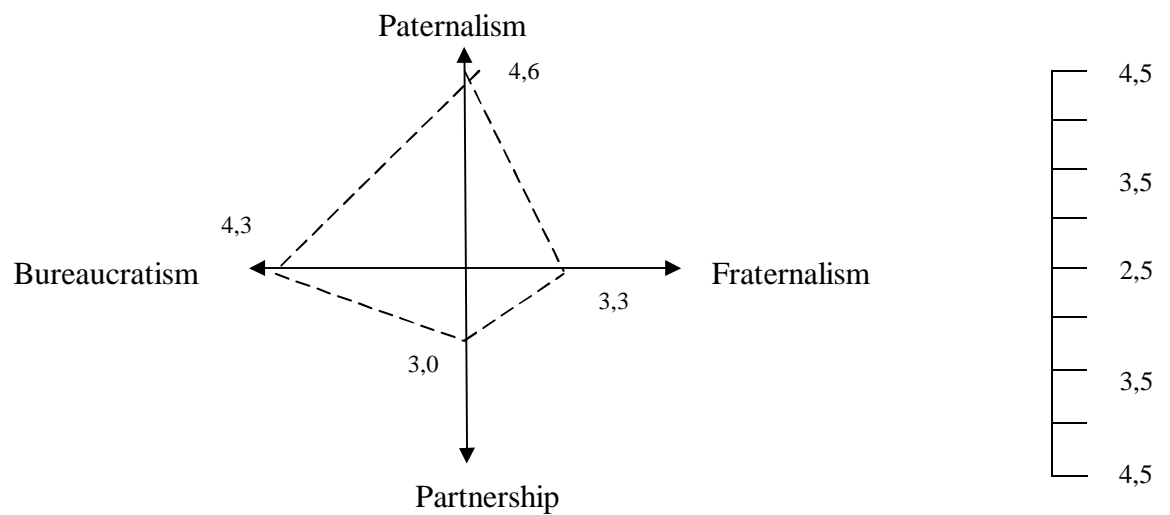
All this data on the models of managerial behavior is summarized in the Table 3.

Table 3.
Preferences of four managerial models (row %, n = 303)

Types of authority	Strong	Medium	Weak	Average (0...8)
Bureaucratism	27	56	17	4,32
Paternalism	32	60	8	4,64
Fraternalism	12	52	36	3,30
Partnership	4	57	39	2,99

Different preferences with regard to the models of managerial behavior are also visualized in the Figure 3.

Figure 3.
Four models of managerial behavior (average values; I = 0...8; n = 303)



Dominant managerial strategies. Here we come to a slightly more complicated part of our analysis. We have to disclose the dominant managerial strategies defined as combinations of four ideal models of behavior. We have checked all 81 variants of these combinations and revealed that actual variety of combinations is rather limited. Only 21 combinations of all 81 potential variants are displayed on the empirical level. It means that 60% of potential combinations were not pointed by the respondents at all. It could be interpreted in a way that preferences of our respondents are rather consistent.

It turns out that almost all respondents have been clustered in a few groups. Almost half of selected combinations (9 combinations) make less than 1% of all cases each and 6,4% in total. Two thirds (14 combinations) do not exceed 3% of cases each. At the same time the sum of 6 major combinations makes 79,2% of all cases. And three top combinations cover 60,6% of all cases (see Table 4).

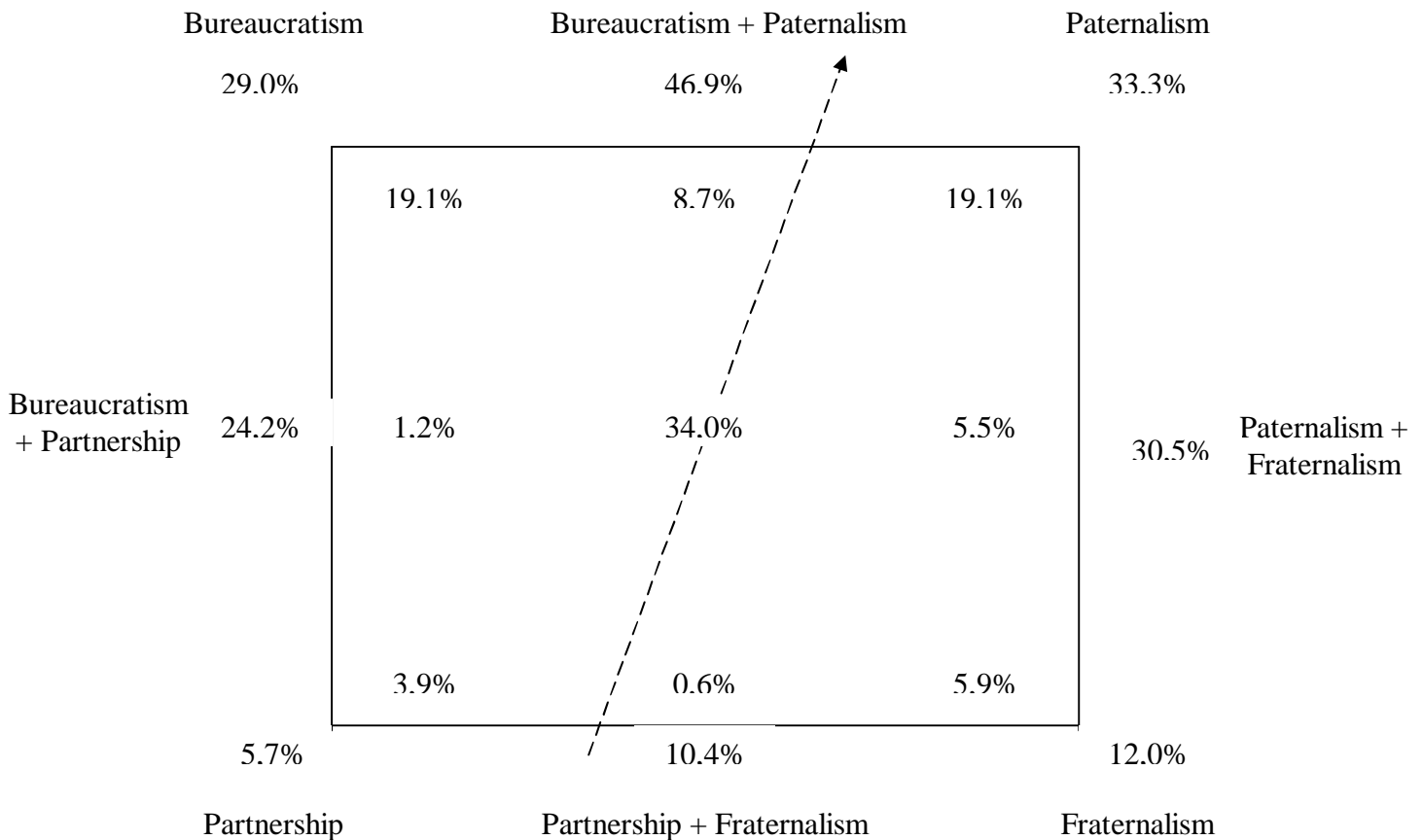
Table 4.
Concentration of combinations of managerial types

Number of combinations	% of cases
60 combinations	0,0
21 combinations	100,0
12 major combinations	93,6
6 major combinations	79,2
3 major combinations	60,4

We do not reduce managerial strategies to statistical combinations of the ideal types. Thus, making the next step, we take clusters of these combinations which are close to each other. Doing this, we pay special attention to the types of authority that prevail in these combinations. The results are presented in Figure 4.

Figure 4.

Prevailing models of behavior in managerial strategies (n = 303)



Number in the middle of the rectangle means the percentage of managers who follow the Balanced strategy, meaning that they do not demonstrate preferences to any model of behavior.

Numbers within the rectangle mean the percentage of managers who prefer a given model of behavior or a mix of two neighbor models.

Numbers out of the rectangle mean the percentages of managers who prefer a given model of behavior summed up with the percentage of those in two neighbor models. They reflect on the percentage of managers who prefer strategies which are close to one another by their composition.

-----> Major trend in managerial preferences

We see that three strategies are the most popular among the Russian top managers. They make 72,2% of all cases in total and include:

- Balanced strategy in which all four types of managerial authority are represented on an equal level (34,0%),
- Bureaucratic strategy in which Bureaucratism dominates over the other types (19,1%),
- Paternalist strategy in which Paternalism dominates over the other types (19,1%).

We can also conclude that a major trend in managerial preferences is in favor of the combination of “Bureaucratism + Paternalism” managerial strategy against the opposite strategy of “Partnership + Fraternalism”.

Research findings (explanatory variables)

In this section of the paper we will test our alternative hypotheses with regard to the parameters of the firm, market position of the firm, and personal features of the managers. We will use the Spearman coefficient to measure correlations between major variables.

Parameters of the firm. First of all, we have to underline that some of the factors do not have an explanatory value. More specifically, industrial sectors and the division between privatized and newly established firms are not important for differentiation of the managerial models and strategies.

As for the market experience, size of the firm, and existence of the trade unions, they have an influence. It is important to mention here that these three parameters are related to one another at the high level of significance ($p < .01$, two-tailed test). It means that older firms are normally of a larger size at the same time. They also have the trade union representatives at the enterprise level more often than younger and smaller firms.

Considering the linkages between these parameters and managerial preferences, we start with the *years of market experience of the firm*. Managers of the new firms that were established within the period of reforms tend to follow an authoritarian line more often than the older firms established under the socialist regime. Managers of these relatively new establishments insist on a hierarchical order in labor relations, they are more bureaucratic in their choice of models of the behavior and prefer a strategy with preferences of Paternalism more often while managers of the pre-reform enterprises would rather look for the Balanced strategy ($p < .01$).

Our results concerning the relations of managerial models and strategies to the *size of the firm* look a bit counter-intuitive. Contrary to our expectations, managers of the larger firms tend to conceal hierarchical order more than managers of smaller firms. But at the same time, managers of the larger firms are inclined to be more formal in their relations to workers ($p < .01$). Thus, they

favor the Partnership model of managerial behavior more often and reject the paternalist model and Paternalism-dominated strategy ($p < .05$).

This evidence is also supported by the *unionization factor*. We agree with the statement that position of the trade unions in general was marginalized in post-Soviet Russia [Borisov, Clarke 2006]. However, our data shows that their existence at the enterprise level persuade the managers to play more non-hierarchical games. They pretend to be more democratic and ready to resolve all disputed issues on a collegial basis whatever the size of the firm is. At the same time, existence of the trade unions does not lead to a formalization of labor relations as one might expect. Confronting the existence of trade unions, the top managers express their preferences to the Balanced strategy which treats all four models of behavior on more or less equal basis.

All in all, it confirms our *Hypothesis 4* and rejects the *Hypothesis 3* demonstrating that managerial choices play a compensatory role rather than serve as enforcement instruments of existing structures.

Market position of the firm. Again, let us start with a note that all major parameters describing the situation of economic success or failure are inter-related at a high level of significance ($p < .01$). It means that bad economic position of the firm in general comes (among the other important factors which are beyond the scope of our analysis) from the high labor turnover which leads to the shortage of the skilled labor. In turn, disloyalty of workers to their firm could be a result of lower wages and salaries which is also indicated by the workers' explicit dissatisfaction.

It is remarkable that the *worse economic situation* is observed at the enterprise the more managers try to be more informal in relations with their subordinates ($p < .01$). They prefer to avoid bureaucratic model ($p < .01$) and partnership model ($p < .05$). At the same time they favor the types of Fraternalism ($p < .01$) and Paternalism ($p < .05$).

Quite consistently with this logic, when *dissatisfaction* is expressed by the workers, it also stimulates the managers of being nice and not confining their obligations to the formal routines ($p < .01$). As for the *labor turnover*, the high level of dismissals and leaves prevent the managers from being too authoritarian and bureaucratic. When facing this problem, the managers show more explicit preferences for the Fraternalism ($p < .05$). They also choose the Balanced strategy more frequently and tend to reject strategies based on the bureaucratic and paternalist intentions ($p < .05$). We should also mention that labor shortages provoke preferences for the relations of Partnership ($p < .05$).

Concerning the rest of investigated parameters, it is interesting that whether the firm innovates or not does not influence the managerial preferences. Average wage level and degree of the labor shortage also do not have any significant relationships with the favorite managerial types and strategies (with a minor exception cited above). However, they are related to

the rest of parameters of the market position, and therefore, affect the choices of managers indirectly.

Summing up, we have even more clear evidence in favor of compensatory rather than enforcement function. Therefore, we believe that the *Hypothesis 5* should be rejected and leave a room for the *Hypothesis 6*.

Personal features of the manager. Looking at the demographic data, we have to admit that *gender division* does not work at all (that was well expected). What has not been anticipated is that the *status* of the (co)owner or manager would not provide any explicit impact on the managerial choices. The only exception is that hired managers tend to be more bureaucratic while (co-)owners try to avoid the bureaucratic model behavior. However, the owner status influences managerial preferences through the other personal characteristics of the manager including age and professional experience at a given enterprise. All these three parameters are positively related ($p < .01$).

Age of the respondents is positively related to their unwillingness to stress a hierarchical order. Older managers tend to reject bureaucratic model and accept fraternalist type of the managerial authority while one might expect quite the opposite. However, it is also true for the choice of the most important composite strategies. Older managers would rather avoid strategies dominated by the Bureaucratism and Paternalism ($p < .01$).

The *length of managerial experience* as a general director (or deputy director) of the enterprise produces a different impact on the managerial preferences. The point is that more experienced managers leave a larger room for informality ($p < .01$). They tend to avoid bureaucratic and partnership model of behavior and Bureaucratism-dominated strategy.

In sum, older and more experienced top-managers who have had a lot of time to establish their authority feel more relaxed and flexible in relations with their subordinates. On the contrary, the younger and less experienced top-managers still lack their personal authority and need to establish their positions vis-a-vis their subordinates by being more authoritarian and formal. It means that again the managerial choices are oriented to play a compensatory role rather than originate from well-established managerial practices. It runs counter our *Hypothesis 7* and supports the *Hypothesis 8*.

Conclusions

On a conceptual level we have introduced four ideal models of managerial behavior, namely: Bureaucratism, Paternalism, Fraternalism and Partnership. They are based on intersection of two oppositions: rigidity vs. flexibility of the administrative hierarchy and formality vs. informality of relations with the workers. In turn, four ideal models of behavior become a basis for managerial strategies as divergent combinations of these models.

Considering two main oppositions in labor relations empirically, we have to conclude that authoritarian style explicitly prevails if compared with the collegial style of management. As for infusion of informality to labor relations, it is not dominant in the managerial choices. However, combination of formal and informal approaches is more widespread among the managers than confining relations to the formal office routines.

All four ideal models of behavior are accepted by the managers but to a different extent. Paternalism is the most popular model among the managers. It is followed by Bureaucratism taking the second place. Preferences for the Fraternalism are less intensive. But they are even lower for the Partnership model.

Three composite strategies out of 81 possible variants are the most popular among the top-managers, namely: Balanced strategy in which all four types of managerial authority are represented on an equal level, Bureaucratic and Paternalist strategies in which these two types of managerial authority dominate over the other types. A major trend in managerial preferences is in favor of the combination of “Bureaucratism + Paternalism” managerial strategy against the opposite strategy of “Partnership + Fraternalism”.

All in all, it means that managerial strategies demonstrate more sustainability in the transition period that one might expect.

Our analysis of the explanatory variables has brought some unexpected results. Managers of the new non-state firms established in the course of economic reform have not become more democratic and open. On the contrary, they tend to express themselves even more bureaucratic than general directors of the privatized Soviet enterprises. These “old men” prefer to demonstrate more flexible policies in relation to their subordinates as a partial compensation for the rigid administrative structure. Similarly, the managers of larger enterprises are eager to present themselves as less authoritarian than those of smaller firms and less bureaucratic than most probably they actually are.

Among the other results, we would mention that existence of the trade unions at the enterprise level does not lead to a formalization of labor relations but rather these relations become more democratic and collegial. Economic difficulties faced by the firm also persuade the top managers to soften their approach and be more informal and nice in relations with the workers who express their dissatisfaction with low wages and instability of employment.

Finally, the models of behavior and managerial strategies in labor relations should not be considered as a passive element of existing organizational structures but as an active response to deficiency of these structures. More flexible and informal approaches should be interpreted as a compensation for the lack of structural flexibility of the firm, the lack of economic success, or the lack of personal authority in relation to workers. It is these “lacks” that motivate the managers to be more open, democratic and friendly.

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