Book Reviews

Dirk Holtbrügge: Personalmanagement multinationaler Unternehmungen in Osteuropa - Bedingungen - Gestaltung - Effizienz. Management International Review-Edition. Gabler. Wiesbaden 1995.

Joachim Bald: Die Rolle von Joint Ventures im Transformationsprozeß Osteuropas, am Beispiel der Russischen Föderation. Peter Lang. Frankfurt am Main 1995.

General remarks

Both publications are dealing with Joint Ventures under the topics of personell management (*Holtbrügge*) and the contribution of Joint Ventures to the transformation of the overall economy in transition, respectively (*Bald*).

Moreover, common to both publications are the following aspects: They had been elaborated in a relatively early stage of Eastern Europe's transition period, between 1990 and 1992, which means at the beginning of transition, not taking into account the further evolution of this very transition; and they concentrate on one country, Russia (more precisely: the Russian Federation).

Furthermore, and according to our opinion even more important, they treat their underlying common principal issue - encounter of two 'management cultures' basically differing (East/West), taking the form of Joint Ventures - in adopting a purely 'Western' point of view, i.e. interpreting their findings solely in terms of an understanding of basic economic conceptualizations like „efficiency", „success", „proper management" being prevalent in the West. This means that one very important aspect (according to our opinion) is lacking, namely: How the Eastern European counterparts perceived the Joint Ventures, and, related to this, which have been the difficulties - in terms of a *mutual* understanding concerning goals as well as means regarding the Joint Ventures in question - to establish these Joint Ventures, i.e.: Which had been the *cultural barriers* to overcome in the realm of management, expressing themselves in differing conceptions as regards goals and means of the Joint Venture, in order to bring it into life at all?

Despite this, both publications provide interesting insights into the situation of Joint Ventures at the beginning of what is called 'transition period' in Russia.

ad 1) Holtbrügge

18 Joint Ventures had been investigated, located mainly in the Russian Federation, focussing on the issue of successful vs. unsuccessful approaches to personell management in the respective enterprise. As far as the Western counterparts of the Joint Ventures are concerned, only German multinational

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enterprises had been investigated, i.e. enterprises originating out of one very peculiar management culture, the German one.

In his work, the author puts a strong emphasis on the methodological outline of his investigation (i.e., the scientific foundations underlying his work), occupying roughly one third of his study. After the main characteristics of State Owned Enterprises (SOE's) had been described, especially political position and attitudes towards work of the labour force in SOE's, as well as 'basic assumptions' (to cite *Schein*, 1985) underlying the modelling of management in the era of socialism, and the reasons for investment as regards the Western counterpart of the Joint Ventures in question, possible sources of conflict between Eastern European and German managers are outlined briefly. Despite the fact that the author explains that sources of conflict located in the domain of differing *values/cultures* (as the author expresses it) are the most important ones - also in terms of a successful/not successful Joint Venture - unfortunately, this aspect is not dealt with in closer detail.

In his empirical part, the author deals with 'successful' vs. 'unsuccessful' Joint Ventures, as regards instruments and ways of implementing personell management, according to the criteria of: working productivity, absenteism, fluctuation, production flow undisturbed by emploee-related events, and rate of scrap in the finished products. 'Successful' vs. 'unsucessful' is investigated in terms of a set of criteria, ranging from conflict handling to management instruments of the German multinational firm applied towards the Joint Venture.

To summarize, 'successful' Joint Ventures are the ones trying not to adapt a mere modification of the authoritarian, hierarchy-oriented management being in use in socialism already, but the ones with a cooperative leadership style and relatively little interference from the German mother company, perceiving the Eastern European employees as capable and willing to learn. Whereas 'unsuccessful' Joint Ventures adhere to a view on employees according to *Theory X* (*McGregor* 1960); they have narrowly defined responsabilities and a high degree of low-depth jobs concomitant with a high specialization of labour, and strong control from the mother company, management features quite comparable to their SOE-predecessors.

As regards the empirical findings of *Holtbrügge's* work, for practitioners involved in Eastern European Joint Ventures the publication contains a lot of fruitful hints of how to shape instruments and approaches to a successful personell management.

ad 2) Bald

Dealing solely with Joint Ventures in the Russian Federation and encompassing the transition period's evolution stage until end of 1992, 19 Joint Ventures had

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been investigated directly by the author, in addition to statistical material concerning Joint Ventures inside the Russian Federation.

Opposed to *Holtbrügge*, the main focus of *Bald's* work centers on macroeconomic questions, especially on the economic contribution of Joint Ventures in the direction of transforming the former planned economy-system into a free market-economy (termed by the author as 'system transformation'). This system transformation is treated extensively on theoretical grounds, based on the macroeconomic model of the *property rights*-theory (cf. *Schüller* 1983, 1991). Factors influencing the system transformation are interpreted in terms of that theory, and in terms of *shock therapy* (cf. *Fischer/Gelb* 1991) pursued in the Russian Federation at the beginning of its transition period, followed by a description of the prevailing market conditions (i.e., difficulties to overcome for a system transformation) inside the Russian Federation; and the attempts of the Russian government from the very beginning of Perestroika to open the local economy to Western influences.

As regards the main theme of the author, the actual economic impact of Joint Ventures to the system transformation, relatively little is revealed.

To summarize, in our point of view *Bald's* work tries to interpret the actual ongoing system transformation in terms of macroeconomic paradigms originating from a purely Western understanding of a 'proper economy', paradigms neither critizized in the sense of their inherent drawbacks (i.e., did they function in Western economies), nor if they can - and have to - be imposed to cultural and systemic backgrounds totally differing from Western contexts.

Nevertheless, as regards macroeconomic framework conditions as well as the attempts of the Russian economic system to undergo a process of 'self-healing' in the different evolution stages of system transformation, *Bald's* work provides intriguing insights in the dynamics of what is called 'transition period'.

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