

УДК 3

KAZAKHSTANI MANAGEMENT PRACTICES IN THE CONTEXT OF THE VALUE-RATIONAL APPROACH

Askhat Kurmanali

Department of Management and Marketing, Faculty of Economics and Administrative Science, Suleyman Demirel University

Түйін

Резюме

Мақала менеджерлердің әдеттегі қателіктерэне тоқтала отырып, құндылық пен рационалдылық тәсіл тұрғысынан қазақстандық басқару тәжірибесін талдайды. Басқару ерекшелігіне әсері басым фактор, ұлттың менталитеті екепін атап өткен жөн. Қазақстан халқының саны және т.б. жеке табысқа, қаржылық тәуелсіздік, сондай-ақ аспаптық құндылықтарды зиян қонақжайлылық, отбасы, достарымен жақсы қарым-қатынас, көршілер, әріптестер ретінде коммуникативтік құндылықтарды дәріптейді, Қазақ халқы негізінен өздеріне емес, басқаларға «бағытталған» және мінез-құлық заңдылықтарын қабылдайды.

В статье анализируются методы казахстанского управления с точки зрения подхода ценностей и рационализма, касающиеся для типичных ошибок руководителей. Следует отметить, что доминирующим фактором, влияющим на специфику менеджмента, является менталитет нации. Население Казахстана подчеркивает, коммуникативные ценности, такие как гостеприимство, хорошие отношения с семьей, друзьями, соседями, коллегами в ущерб инструментальных ценностей, как личного успеха, финансовой независимости и т.д. Казахский народ в основном "сосредоточены" не на себя, а на круг общения и принятые модели поведения.

Кілт сөздер: басқару тәжірибелері, рационалық құндылықтар, бұрынғы Совет мемлекеттері, Қазақстан, құндылықты басқару, қиындықтар

Ключевые слова: методы управления, подход ценностей и рационализма, постсоветские страны, Казахстан, управление ценностей, препятствия

Abstract. The article analyzes Kazakhstani management practices from the perspective of the value-rational approach, touching upon the typical mistakes of the managers. It should be noted that the dominant factor affecting the specificity of management, is the mentality of the nation. The population of Kazakhstan emphasizes communicative values such as hospitality, good relationships with family, friends, neighbors, colleagues to the detriment of instrumental values as personal success, financial independence, etc. Kazakh people are mainly "focused" not on themselves, but on circle of contacts and accepted patterns of behavior. So, unadapted version of "blind copying" of Western management theory is a great danger, though attracted ease of implementation. Formalized ethics in organization becomes the basis of rigid social control, pressure and negative authorization. The work describes the management model in the countries of the former USSR, most important elements of the relationship between the employees and the

organization. The author considers contemporary ways of personnel recruitment in the organizations and stresses that the creation of a private, national management system, based on the integration of features of the national mentality, using aspects of global management experience is very essential point.

Introduction

Highlighting local determinants of value-systems of good governance in modern Kazakhstani organizations, it should be noted that the dominant factor affecting the specificity of management, is the mentality of the nation [1], the “code” that determines the social behavior of the individual and the nation as a whole. Interest in this subject has increased significantly after reassessment reforms of the early 1990s, and intensive discussion of the adequacy of application of Western management systems in the management of post-Soviet companies has raised, rational managers searched for the optimal mindset management systems (Korotkov, Kartavy, Nechamkin).

In their work was postulated the law of correspondence (identity) management and mentality, which is, in fact, a continuation of thoughts about the whole theoretical knowledge of Kluchevskaya to be transferred onto the post-Soviet land. The imported science long remained barren because has met with everyday concepts and rules, which were inconsistent with this science, and it did not touch processes, while remaining elegant and luxury inactive thought of individual minds [2]. In connection with this statement Yassina [3] claims that the nation has the most productive system of values which is not correctly formulated.

Nechamkin states that mentality and identity management, and their compliance with the contradiction emerges as the content and form, as the essence of the phenomenon. They are inextricably objectively determined, constantly repeating the relationship, which can be described as “law compliance mentality and Management”, which causes a relatively stable system of production, smoothing the contradictions between the rulers and the ruled, helping to overcome crisis situations. Correspondence between the management and mentality is one of the fundamental features of the balance of social systems characterized by the absence of social conflicts.

Korotkov [4] proposes to classify management theory in the degree of adaptation to the post-Soviet mentality. So, unadapted version of “blind copying” of Western management theory is a great danger, though attracted ease of implementation. The second option to adapt the western model of governance puts before theorists and practitioners of management following question: Which western management theories we will adapt? Since the control system in Japan, US, Western Europe differ among themselves, and for any choice there is a risk to use the theory that takes into account specific features, conditions for the functioning of the economy, the level of socio-economic development of those countries, the mentality of their inhabitants. The third option involves the creation of a private, national management system, based on the integration of features of the national

mentality, using aspects of global management experience. In this case, a blind imitation of Western or Eastern experience is denied.

Value-rational approach can be seen in the works of Emerson [5], proclaiming the true performance, which always gives the maximum results with *minimum effort*.

Bunkina [6] claims that national preferences confirm the presence of this *phenomenon*: “*The Englishman wants to turn the world into a factory, a Frenchman – into a salon, a German - in the barracks, Russian - in the church. Englishman involves extraction, a Frenchman - fame, German - power, and Russian – sacrifice*”.

In Soviet times, the workplace for many Soviet people was not just a place to make money, it assembled something more: the family members of staff knew each other and communicated with each other; women brought their children to work, when kindergarten was closed, and etc. A strict distinction between professional life and life out of work adopted in Western Europe, did not exist in the Soviet Union. Team, as already noted, has always held a high place on the scale of values than the personality. Loyalty to the team was considered as an expression of political maturity and cohesion of the group was higher than self-realization. The main strategy of resolution of interpersonal conflicts was a strategy to avoid them. In any organization, management was reduced to the implementation of control, empowerment hardly practiced. Typically, the selection of new employees was carried out not by merit. Jobs were often distributed among relatives and friends. Top management was responsible not only for the professional and organizational development of the labor process, but also for the reliability of the workplace, and, consequently, for the income of employees.

The modern way of organization is not much different from the way of life that took place in the Soviet era. We cannot ignore the impact of communicative features in the USSR. This is due to the fact that in our communicative tradition laid psychosocial rate at which if we are spouses, relatives, friends, colleagues, or belong to the same socio-psychological group or organization, we should think evaluate the world around us same as others [7].

Cross-cultural differences are found with regard to money also. In the business world of the West, where people know how to make money and save them, lending is not practiced. According to Kaesong, loan is not understandable, since it is not giving or investing, it does not bring any thanks, and there is no chance to make a profit. Those who borrow from friends are unreliable parasitic people, and self-confident independent person will never let his friends know that he needs the money. But in Kazakhstan, refusal to lend is perceived more as greed and callousness [8].

Commitment of the Kazakhstani population to the values of communicative culture inherent to value-rational type of social action (by M. Weber), and it is not accidental. The predominance of this type of social action is natural for our country.

as well as the prevalence of rational actions for Western Europe and North America, the traditional East Asian and Latin America.

Over the past millennia through the territory occupied by Kazakhstan (and other CIS countries) now the communication took its place between all parts of Eurasia and therefore natural development of the population's social qualities was necessary for international trade and cultural mediation. However, such European qualities as rationalism, practicality, resourcefulness, commitment to conduct all business for the benefit of themselves and on this basis to achieve individual success, were not widespread (although there is). Kazakh people are mainly "focused" not on themselves, but on circle of contacts and accepted patterns of behavior.

Max Weber noted that "value-rational action always subordinates to the commandments or requirements, in obedience to which the individual sees his duty" and that "value-rationality is always irrational, and the more it is irrational, the more it overemphasizes the value at which oriented behavior" [8].

The population of Kazakhstan emphasizes communicative values (hospitality, good relationships with family, friends, neighbors, colleagues) to the detriment of instrumental values (personal success, financial independence, etc.). Lapin says that "the post-Soviet mentality is closer to communicative rationality, rather than classical" [9]. According to the results of his studies of the dynamics of value orientations of Russians conducted in the years 1990-1994 he concludes: "... among the most valuable orientations of Russians consistently high ratings indicate the following values: rule of law, communication, family." These values can be considered as a universal terminal and integrating the core basic values of the entire space of the CIS.

Management model in the countries of the former USSR is described metaphorically by Prokhorov: "To put it simply, the control system is a sort of a long leash. In the period of instability master pulls the leash, the dog takes just around the collar. In the same stable, quiet period leash is released to the maximum length, and those who it is, there is an illusion of total freedom. When the stable period is delayed too long, the leash is pulled so that within a reasonable time frame for the system it back is not fit. In these cases, social catastrophes are irreversible, particularly the revolution." According to another well-known researcher and practitioner Shekshina S, creating management systems in a variety of domestic and foreign organizations, variability and the duality of behavior are the characteristic features of post-Soviet countries' managers [10].

She lists the most important elements of the relationship between the employees and the organization:

- The existence of a huge power distance, and therefore, the adoption of the employees of inequality in the distribution of powers, decision-making, remuneration:

- Hierarchical control with a huge concentration of power at the top of the organization;
- Almost complete dependence of employees from arbitrariness of leadership;
- Confined or enclosed organization to the outside world, since there are significant barriers between departments;
- Attraction, promotion and encouragement of employees based on their personal and organizational loyalty;
- Bureaucratization and formalization as a means of protection against arbitrariness;
- The opacity of the decisions taken, secrecy, rigidly centralized control over intra-organizational communication.

Periodically conducted studies by Managers Association [11], provide information that managers in modern management systems try to reproduce management decisions that were peculiar to the West 20-30 years ago. Reference point becomes a “humanistic component of quality”, which can be seen for the closest attention to the harmonization of social relations in the state. It must be noted that the latest control technology has evolved in the direction of the principles, relatively recently preached socialism. Guseva [12] in her research of the management of Kazakh companies in 2007-2010 notes that a new management model is formed in Kazakhstan, in which more clearly is defined the separation of ownership and operational control. Kazakh entrepreneurs who have completed the creation of holding companies and corporations are not interested to engage in “daily hard work” and are in the process of distancing from the operational management. Another feature is the lack of qualified managers with conceptual skills, ie the ability to decompose business processes and determine the final performance indicators of employees.

We can see how Kazakh companies can be valued of the parameter “power distance” from an example of Russia, as the post-Soviet countries have like mentalities (Table 1).

Table 1 - values of the parameter “power distance” in different countries[14].

Country	USA	Germany	Indonesia	West Africa	Russia	China
Power Distance	40 (L)	35 (L)	78 (H)	77 (H)	95(H)	80(H)

H is for High and L is for Low.

From the table follows that the power distance in Russian companies almost three times more than in the companies of Germany, and even outperforms the PRC (the country with the typical oriental traditions of understanding and interpretation of the phenomenon of power). Derivatives of this mentality are common mistakes

of Russian managers, detailed by Prigogine and supplemented by a number of other consultants:

- 1) Lack of readiness to move from management model “order-execution” to the management model “coordination of interests”;
- 2) Information protection;
- 3) The cult of material incentives, reduction of all motivation to surcharges, premiums, bonuses, unwillingness to include a more complex motivation of staff;
- 4) Underestimation of potential employees;
- 5) Stingy with praise;
- 6) Mismatch of words and behavior of the head;
- 7) The constant threat of layoffs;
- 8) Orientation is not for employees;
- 9) Informational greed;
- 10) Undue credulity and unfounded suspicions;
- 11) Unwillingness or inability to articulate the problem;
- 12) Unrealistic and useless task;
- 13) Involvement of employees to non-core activities;
- 14) Overload best employees on a principle “ship to the one who carries”.

Cross-cultural strategies to overcome periods of crisis in the company when it comes to apply unpopular and harsh measures is illustrative. The Japanese experience of anti-crisis management shows that during the recession, when profits are reduced, all employees receive less. However, the unfavorable economic situation management team receives a percentage of cut down payment of workers. It is believed that workers always do its part trying to do it maximum high, and they should not be punished with a decrease in profits.

The next barrier to the development of the system of values and rational management in the organization is the tendency to typing qualities of a good and loyal employee in the minds of managers of the company. Formalized ethics in organization in such cases becomes the basis of rigid social control, pressure and negative authorization. Types and forms of atypical employment and social behavior are rejected in favor of a stereotype formed by loyal “good” employee. Creative and unusual abilities and qualities of the worker are ignored. In turn, this cannot be called an image of the ideal worker, since it is formed as a result of a relatively extended periods of management experience in particular companies.

Conclusion

In Kazakhstan prevails company management model which focuses on material factors - the exchange of employees for material resources. Teleology of these companies is based on the critical factors - profit, so the practice of modern management is dominated by the methods of administrative coercion. The “blind

copying” of Western management theory is a great danger, though attracted ease of implementation.

Management practices which were not adopted taking into account the mentality reduced staff job satisfaction, deal a blow to labor motivation and attitude to work, which inevitably led to negative phenomena in the intra environment and impacted on the socio-psychological climate in the team. As a result, the current management system acts as an antagonist and a significant barrier to the formation of values and rational management in the organization.

So, the management should create a private, national management system, based on the integration of features of the national mentality, using aspects of global management experience.

References

1. Nehamkin, ‘Methodological principles of formation of Post-Soviet countries Management’. -1999. no. 3.
2. Klyuchevskiy, ‘Journals and diaries’, vol. 9. – 1990. // Proceedings of the different years, Moscow.
3. Yasin. Modernization of the economy and the system of values. Moscow. – 2003.
4. Korotkov. The concept of the Russian management: manual for high schools, 2nd ed., Moscow – 2004..
5. Gostev. The evolution of consciousness in the resolution of global conflicts), Moscow. – 1993.
6. Bunkina. Economic Man. Moscow. - 2000.
7. Lossky. The nature of the Post-Soviet countries’ people. Moscow. – 1990.
8. Snetkov. Psychology of communication in organizations, St. Petersburg. – 1999.
9. Dejneka. Economic Psychology: Social and political issues, St. Petersburg. – 1999.
10. Lapin. Modernization of the basic values’, //Sociological Research, no. 5. - 1996.
11. Social profile of the Russian manager: results of the study. – 2004.
12. Guseva, NI 2011, ‘Modern trends in management of Post-Soviet countries’ companies on management’s instructions.//research: 3rd Annual Scientific Conference. Moscow.
13. The survey was conducted by the National Union of HR, 2006- 2014.
14. Vikhansky. Management: strategy, people, process, organization. Moscow. – 1997.