A Multidisciplinary View of Social and Labor Relations: Changes in Management in the U.S. and Russia as Examples

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The management of social and labor systems requires a multidisciplinary perspective. Academic disciplines focus on different aspects of the social change process and use different methods for describing systems. Systems can be described primarily in terms of variables, ideas, groups, or events. All of these methods can be used to create a richer description of the system of interest. This article describes a theory of social change that uses all of these disciplinary methods. Two illustrative cases are presented: adopting quality improvement methods in management in the United States after 1980 and changing social and labor relations in Russia after 1990.

KEYWORDS complexity, descriptions, disciplines, management, methods, quality improvement, social and labor relations

SOCIAL AND LABOR RELATIONS AS A MULTIDISCIPLINARY FIELD

The global nature of the challenges facing humanity in the 21st century (economic globalization, the spread of capitalism around the globe, the shifting of production to Asia, labor migration, the information revolution, development of the knowledge economy, etc.) serve as a challenge to contemporary management and to science. These changes are creating a new environment for economic activity in the world. The changes are not only economic. They affect the social environment, influence national cultures, break old ties, change the way people communicate, and diminish ties...
among individuals. New concepts and methods are needed to explain the phenomena that are occurring and to provide a basis for building new social and labor relations (Kochan 2011). In periods of great change, the interest in multidisciplinary research increases. The challenge is to describe the many aspects of change and to help experts from different disciplines work together (Medvedeva 2013).

The field of “labor relations” and labor policy in the United Kingdom and the United States is a specialized field, separate from other social and management issues. In Russia, as in Europe, labor relations are considered part of the social system. The study of how a social system works is taken quite seriously, along with related legal issues. With the latter point of view, it is more difficult to isolate the employment relationship from the general system of social relations in order to find practical solutions to specific problems in this area. Solutions to problems in employment are seen to have fundamental implications for the entire social system. According to Kaufman (2004), current research suggests that the difference between the European approach to social and labor relations, with its emphasis on social relations, and the more narrow Anglo-American approach, aimed at a pragmatic solution to “labor problems,” continues to be an important distinction. “Social partners” in European terms became “unions” and “employers” in the Anglo-American literature on labor relations. The concept of “workers’ movement” was narrowed to “the organized trade union movement,” although originally it was broader and included not only trade unions, but also other groups seeking to improve the conditions of working people: political parties, civic organizations, and churches. Finally, the Anglo-American term “employment relationship” suggests a bilateral relationship between the worker and the employer, whereas the nearest French equivalent of this concept, rapport salarial, or Russian—sociolabor relations—means a more complex relationship between employee and employer in the network of social and legal obligations (Kaufman 2004, p. 35).

The majority of theories of social and labor relations, which are known in Russia, were created in a time of industrial economies and for managing social and labor relations in those industrial economies (Kochan 2011). However, they are not effective in the new social, political, and economic conditions in Russia. Managers and scholars need to rethink existing approaches to social and labor relations.

Social and labor relations are studied in the disciplines of law, economics, sociology, psychology, management, organizational behavior, and history (Dunlop 1993). Each discipline uses its own approach to describe social systems. Sociology, psychology, and organizational behavior study social and labor relations using a sociopsychological approach. Labor economics and personnel economics are based on a marginal approach. Labor law focuses on the subject of labor. Human resources management uses a function-oriented, purpose-oriented approach. Regulation of labor and ergonomics take a technical or technological view. Describing the relationship
between managers and subordinates in the manufacturing process uses a technological approach. To reflect organizational changes in the system of social and labor relations a structural-procedural approach is used (Medvedeva 2013).

These disciplines use special methods to describe social and labor relations systems. The list of disciplines related to the study of social and labor relations and the descriptive methods used reflect the essence of the problem. The formulation and presentation of descriptions is influenced by the home discipline of the observer, by the specifics of the organizations observed and by methods of research. The lack of a unified interdisciplinary approach makes it difficult for specialists to understand other specialists, although a substantial portion of scientific innovation is being developed “at the junction” of several areas of knowledge. Good judgment and problem solving in the social and labor sphere is not possible with a single disciplinary view.

In practice, social and labor relations cannot be arbitrarily divided. Economic, juridical, psychological, ethical, technological, and organizational points of view are all valuable. As Lazear (1995) notes:

> Economists have a comparative advantage in providing solutions, and a lag in the formulation of questions. Economic theory follows scientific methods like physics or biology. But the weakness of economic theory is that for rigor, simplifications are needed which limit the analysis and narrow the scope of the research. For this reason, more open-minded industrial psychologists and sociologists identify issues better, but are worse in giving answers. (Lazear 1995)

**FOUR WAYS TO DESCRIBE SYSTEMS**

The use of multiple perspectives to understand organizations and to guide decision making has been recommended by several authors. Allison (1971), in an analysis of the Cuban Missile Crisis, analyzed the decision making in both the United States and the USSR by using three points of view: a rational actor model, an organizational behavior model, and a bureaucratic politics model. Linstone (1999), when addressing decision making by technology executives, employed a technological point of view, an organizational point of view, and personal points of view.

Senge (1990) described five points of view:

1. Personal mastery – clarifying personal vision, focusing energy, and seeing reality.
2. Shared vision – transforming individual vision into shared vision.
3. Mental models – unearthing internal pictures and understanding how they shape actions.
4. Team learning – suspending judgments and creating dialogue.
5. Systems thinking – fusing the four learning disciplines, from seeing the parts to seeing wholes, and identifying positive and negative feedback loops.

In this article we propose a model of social change consisting of four steps or points of view based on different analytic elements in several academic disciplines. As in the earlier studies, the purpose is to show that a richer, more holistic description results when several perspectives are used.

1. Variables: Probably the most highly regarded approach within the scientific community is to define a system as a set of interrelated variables. Such an approach lends itself to quantification and measurement, to statistical analysis, to building deductive theories, and to computer simulation. In economics, commonly used variables are per capita income, savings, investment, and gross national product. Variables used by demographers include mortality and fertility rates and total population. When describing a system in terms of variables, the structure of a system is described by the relationships among the variables, ideally presented in the form of equations. The equations can be tested against data by using statistical methods. The behavior of the system is described by the changes in the values of the variables over time. Variables provide “dashboard” indicators describing the state and behavior of a system.

2. Ideas: Not all systems can easily be described in terms of measurable variables. One feature of complex social systems is that different individuals and groups are playing different games. They not only have different goals, they live in different conceptual worlds. For example, businessmen might be trying to produce goods and create jobs whereas environmentalists seek to protect nature. One way to compare the different ways that individuals or groups think is to list in a table the key beliefs, assumptions, or values that make up two or more “conceptual systems.”

3. Groups: Social systems are often described as being composed of different groups of people. Each group has a history and a set of shared interests or goals. Groups, such as political parties, form coalitions to advance their interests relative to other groups. Game theory is one way of describing the strategies that individuals and groups adopt to achieve their ends. Groups can be defined by profession, income, education, or organizational membership.

4. Events: Some systems are described by a sequence of states or events. Computers are programmed using a sequence of instructions, and programs are “debugged” by stepping through the sequence of states generated by the program. The history of a country is usually related as a sequence of major events. Legal systems rely heavily on legal precedents in court cases. In family therapy, a problematic pattern of interaction between two partners is often described as a recurring sequence of events.
Depending on their training, authors usually choose to emphasize one of these four methods for describing a system. However, it is possible to make connections among the four methods. Events can be defined by the specific values of the variables used to describe a system. For example, a recession could be defined as a period during which the growth rate is negative and unemployment is high; a boom could be defined as a period during which the growth rate is positive and unemployment is low. A sequence of events constitutes a description of the behavior of a system. Groups can be regarded as the major actors within a social system. Their behavior determines the sequence of events. Individuals and groups act out their beliefs and values, which are shaped by their experiences and their conversations with each other in groups.

As we move from variables to ideas to groups to events, we move from measuring aggregate human behavior to examining the beliefs and values that shape or justify behavior. As we move toward group identity and shared commitments, we move closer to being able to influence human behavior through communication and conversation. In some fields, there has been a change over time from describing systems in terms of variables, then events, then groups, and finally conceptual systems. For example, in management science, the tools of operations research, developed during the 1940s, were concerned with building mathematical models, emphasizing variables. Interest in systems analysis led to creating flow charts, which are sequences of events. Organizational behavior focused attention on groups and organizational politics. Recent work has been concerned with designing a conversation and then leading a group through the conversation (Umpleby 1994).

These four ways of describing systems can be combined into a theory of how social systems change. Although disciplines train people to think in terms of one type of description, practical efforts to change an organization or a society require using more than one descriptive method (Umpleby 1997). The change process can be described as follows: a small group of people studies a current system (described in terms of Variables) and tries to devise a new, better way of doing things (an Idea). They then seek to convince others to adopt the idea. Usually, they must assemble a winning coalition (Groups). Eventually, the idea is put into practice (an Event) and has some effect on the behavior of the system (described in terms of Variables). Another Idea is then devised (see Figure 1). Multidisciplinary descriptions of social systems are less likely to neglect important considerations.

![Figure 1](image-url)  
**FIGURE 1** A model of social change based on four methods for describing systems.
The long-term evolution of a social system can be described as a “dialogue” between ideas and events. New ideas bring about fundamental changes in the social system. Social changes lead to new ideas, etc. As an example, consider the history of economics. The ideas of Adam Smith, when acted upon, led to the growth of industry. Poor working conditions for laborers led Karl Marx to describe a class struggle between workers and managers. The Great Depression of the 1930s led John Maynard Keynes to develop a theory of when government intervention in an economy is needed and appropriate. Milton Friedman’s monetary theory was an effort to minimize government interference in a market economy (Umpleby 1990; see Figure 2).

We present two examples to show how these four methods can be used to describe the changes that occur in social systems. The first case is a change in management methods in the United States after the showing in 1980 of the NBC News program, “If Japan can, why can’t we?” (Dobyns 1980). The second case is the changes in management practices in Russia after perestroika in the late 1980s.

FIGURE 2 Interaction between ideas and events.
HOW MANAGEMENT IS CHANGING IN THE U.S.

In 1980, American businesses were having difficulty competing with Japan. Japan was selling in the United States higher quality, lower priced goods, such as cars, than American manufacturers could make. When the NBC documentary, “If Japan can, why can’t we?” was shown in the United States, organizations in the United States began to adopt quality improvement methods. The Malcolm Baldrige National Quality was created to help managers learn the new practices. One executive described quality improvement methods as the third industrial revolution, following Eli Whitney’s invention of the concept of replaceable parts and Henry Ford’s invention of mass production methods (Dobyns 1980). Table 1 shows the differences between the old and new styles of thinking among managers as described by Reid (1990).

As organizations in the United States worked to adopt the new management practices, some people eagerly adopted the changes although others resisted. Table 2 describes the people in organizations who favored adopting the new management methods and those who were opposed. Usually, most opposition came from middle managers, because workers were being trained to make many of the decisions that these managers once made.

As people seek to act in accord with new management practices, two sequences of events can occur. In Figure 3, the left column describes an organization that is still operating in the old manner. A new idea is often not adopted, and innovations come to be viewed negatively, as a drain on personal energy. On the right, in the new system, an innovation is much more likely to be adopted. The new procedure is viewed positively because the innovator is recognized and rewarded and the organization becomes more efficient and competitive. In the new system, the energy for implementing a change is provided by all members of the organization.

Figure 4 describes a process similar to that shown in Figure 3, except that it does so in terms of variables and feedback loops rather than events. If there is no process improvement team, innovations are not implemented.

<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>How an Emphasis on Quality is Changing Management Ideas in the United States</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Old thinking</strong></td>
<td><strong>New thinking</strong></td>
</tr>
<tr>
<td>Motivate people</td>
<td>Remove barriers</td>
</tr>
<tr>
<td>Who is wrong?</td>
<td>What is wrong?</td>
</tr>
<tr>
<td>Define responsibilities</td>
<td>Define procedures</td>
</tr>
<tr>
<td>Watch bottom line</td>
<td>Watch quality</td>
</tr>
<tr>
<td>Measure people</td>
<td>Measure systems</td>
</tr>
<tr>
<td>Define job</td>
<td>Define customer</td>
</tr>
<tr>
<td>Fix deviations</td>
<td>Reduce variability</td>
</tr>
<tr>
<td>“Obey orders”</td>
<td>“Improve things”</td>
</tr>
<tr>
<td>Individual rewards</td>
<td>Team rewards</td>
</tr>
<tr>
<td>Monetary incentives</td>
<td>Praise, recognition, and gain sharing</td>
</tr>
</tbody>
</table>
and customer satisfaction, revenue, profits, salaries, and employee satisfaction do not grow. If there is a process improvement team, innovations are implemented and customer satisfaction, revenue, profits, salaries, and employee satisfaction all increase. The addition of quality improvement teams changes two negative feedback loops into two positive feedback loops.

**TABLE 2** Groups that Favor and Oppose the New Way of Managing

<table>
<thead>
<tr>
<th>In favor of change</th>
<th>Opposed to change</th>
</tr>
</thead>
<tbody>
<tr>
<td>People new to the organization</td>
<td>Those whose jobs involve administering the current system</td>
</tr>
<tr>
<td>Quality improvement consultants with new knowledge</td>
<td>Managers who believe the old system is based on sound psychology</td>
</tr>
<tr>
<td>High-level managers who want to reduce costs</td>
<td>Workers who believe the current system is inevitable and do not want to be bothered</td>
</tr>
<tr>
<td>Those who see some personal benefit</td>
<td>Middle managers who fear being laid off</td>
</tr>
</tbody>
</table>

**FIGURE 3** Sequences of events in the old and new management systems.

Old system

- Someone has an idea
- The innovator tells his department head
- The department head tries to be supportive and tells the innovator to go ahead
- The innovator must now convince all relevant people to act on the idea, but the idea is a personal interest, not a department initiative
- The innovator runs out of steam and becomes discouraged. He or she learns to accept things as they are
- Innovations come to be viewed negatively, as a drain on personal energies

New system

- Someone has an idea
- The innovator takes the idea to a quality improvement team
- The team considers the idea and replies to the innovator or asks for clarification
- If convinced, the team and the entire organization works to implement the idea
- The innovator is recognized and publicly praised
- Innovations come to be viewed positively, as an enhancement of the organization
Did the adoption of quality improvement methods actually improve the performance of companies? The Government Accountability Office (GAO) reports to Congress on the effectiveness of programs created by Congress. Before 2004, it was called the General Accounting Office. In 1987, Congress created the Malcolm Baldrige National Quality Award, named for President Reagan’s Secretary of Commerce, to define and teach quality improvement methods to U.S. businesses. A 1991 GAO study sought to determine whether the performance of Baldrige Award-winning companies actually improved (Mendelowitz 1991). The results are summarized in Table 3 (Garvin 1991). The right-hand column shows that improvements occurred in all categories: operating measures, employee-related measures, customer satisfaction, and financial performance. The most revealing measure is “market share” under “financial performance.” The average annual positive performance improvement of Baldrige Award-winning companies was 13.7%. This means that companies using quality improvement methods were growing rapidly relative to their competitors. Companies using these methods soon dominated all sectors of the economy. Companies not using these methods either went out of business or were bought by the more successful companies. The success of quality improvement programs led many corporations to create their own “corporate universities” to teach these methods, using successful internal projects in their curricula.

The ratio of Baldrige Program benefits for the U.S. economy to program costs has been estimated at 820 to 1 (Link and Scott 2012). To arrive at this
ratio, they compared the benefits received by the 273 Malcolm Baldrige National Quality Award applicants from 2007 to 2010 with the cost of operating the Baldrige Program. The 820-to-1 ratio represents the benefits for only the surveyed applicants, but it represents all of the Baldrige Program’s costs. Link and Scott (2012) note that the benefit-to-cost ratio would be much higher if program costs were compared with the benefits for the entire U.S. economy.

In 1999 Baldrige Awards were created for education and health care organizations, and in 2007, awards were created for government and nonprofit organizations. In recent years, education and health care organizations have dominated applications and awards.

HOW MANAGEMENT OF SOCIAL AND LABOR RELATIONS IS CHANGING IN RUSSIA

The second example of how the multidisciplinary view can be used in describing a change in a complex system of social and labor relations is the changes in management that have occurred in Russia since the late
1980s. Under the label of perestroika, or restructuring, Russia began an effort to create an innovative economy. By changing management methods, they set out to create a new type of worker, a new type of manager, and a more cooperative style of management.

Management practices in Russia at the level of organizations began to change in the late 1980s and continue to change, though the pace of change has slowed. The change has been from authoritarian management practices to more market-oriented management practices (Rapoport 1993). Several trends are now occurring. Old, authoritarian-style managers are being replaced by younger, more flexible managers. Russian workers are struggling to adapt to new practices at work, and Russian managers are searching for management practices that combine Russian culture and Western efficiency. How Russian management of social and labor relations is changing can be described in terms of ideas, groups, events, and variables.

Table 4 describes some of the basic beliefs in the old style of management in Russia and contrasts them with beliefs in the market style of management. It is possible to find both styles of management in Russia today. Most Russian firms use a mixture of these two styles. There are many Russian managers who use a strict authoritarian style of management in their organizations while doing business in the new conditions, which include market relations. The stress of the time of transitions makes an authoritarian style of management tempting but a more democratic style is more compatible with developed market economies and more suited to international competition. The transition from the old to the new style of thinking is not complete. There is great variety in thinking among people and confusion in the minds of many. Old industrial companies such as steel and railroads use mostly the old style of management. New, computer-oriented companies use mostly Western methods.

Table 5 describes the people who are in favor of changes or opposed to changes. Usually young people, who grew up during the time of radical political, social, and economic reforms in Russia and who received a new education in Russia or abroad, support the change in management practices. The older generation feels disoriented, disappointed, and opposed to changes. Often, middle managers are opposed to changes because they have to introduce the new style of management in the old system of social and labor relations and face extraordinary difficulties in reorganizing and training workers.

The main obstacles to creating a modern economy in Russia are old, authoritarian patterns of behavior both in society at large and in industrial firms. Attempts to move Russian managers from the old style of management to a more international style of management encounter several obstacles. Some of these are:

1. Favoritism in hiring. There is a tendency to hire people who are family members or friends rather than people who are most qualified for the job.
TABLE 4 Ideas Underlying the Old and New Management Systems in Russia

<table>
<thead>
<tr>
<th>Old system</th>
<th>New Russian system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply is more important than demand</td>
<td>Demand is more important than supply</td>
</tr>
<tr>
<td>Managers strive to control resources</td>
<td>Managers strive to increase demand</td>
</tr>
<tr>
<td>Barter is used to exchange excess resources for desired goods. In the early transitional economy barter was used to avoid cash transactions and hence taxes</td>
<td>Tax rates should be low so individuals and companies will pay them rather than avoid them</td>
</tr>
<tr>
<td>Workers wait for bosses to decide</td>
<td>A market economy requires that those who work in a process continually strive to improve the process</td>
</tr>
<tr>
<td>A mistake leads to someone being blamed and punished</td>
<td>A mistake leads to the process being redesigned so the error does not occur again</td>
</tr>
<tr>
<td>The “external environment” is a ministry planning office and several suppliers</td>
<td>The “external environment” includes government regulations, competing firms, independent labor unions, consumers, and residents who live near factories</td>
</tr>
<tr>
<td>Managers do what is good for their boss</td>
<td>Managers do what is necessary to be successful in the market</td>
</tr>
<tr>
<td>Employees do what they are told but do not exercise initiative</td>
<td>Employees exercise initiative and innovate in quality-improvement teams</td>
</tr>
<tr>
<td>Business is based on personal relations</td>
<td>Business is based on market and professional relations</td>
</tr>
<tr>
<td>A charismatic, personal leadership style</td>
<td>Lead by organizing and by defining a vision and mission for the organization</td>
</tr>
<tr>
<td>An authoritarian style of management</td>
<td>Creativity and flexibility in management</td>
</tr>
<tr>
<td>Treat employees as interchangeable parts</td>
<td>Treat employees as highly skilled knowledge workers who know the company, its history, and its capabilities</td>
</tr>
<tr>
<td>Pay workers as little as possible</td>
<td>Provide salaries and benefits that make employees loyal, highly skilled, and highly motivated</td>
</tr>
<tr>
<td>Family relationships in organizations</td>
<td>Business relationships in organizations</td>
</tr>
<tr>
<td>Maintain traditions</td>
<td>Deliberately create the desired organizational culture</td>
</tr>
</tbody>
</table>

TABLE 5 Groups Who Favor and Oppose Management Changes in Russia

<table>
<thead>
<tr>
<th>In favor of change</th>
<th>Opposed to change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Younger generation (younger than 30)</td>
<td>Older generation (older than 60)</td>
</tr>
<tr>
<td>Managers with new knowledge</td>
<td>Workers and managers who believe in the old system</td>
</tr>
<tr>
<td>High-level Managers</td>
<td>Midlevel administrators</td>
</tr>
<tr>
<td>People who find personal benefits in the new system</td>
<td>Workers and managers who feel they lose something because of the changes</td>
</tr>
</tbody>
</table>

2. Equal pay for unequal work. Equal pay without regard to performance means that both good and bad workers do not have an incentive to improve, other than pride of workmanship (see Figure 5).
3. Poor equipment. Low quality equipment discourages workers, reduces motivation, and leads to poor quality.

4. Low pay. Inadequate pay requires workers to have two or more jobs. Consequently, they do not focus on doing one job well.

5. Lack of customer orientation. Although it was not the original intent, the old system evolved so that it functioned to benefit the people in the system rather than the customers of the system. When customers have a choice among suppliers, they will go where the service is best. Firms that deliver poor quality will go out of business. The Russian economy is becoming more competitive with many foreign firms now operating in the big cities, but changes are happening slowly.

6. Cultural change. Russia needs to learn a new culture of doing business. Cultural changes are difficult and occur slowly (Talipov and Medvedeva 2014).

The introduction of modern practices into the existing management system often leads to failure because of the old style of social and labor relations and, consequently, to disappointment in the results of modern management techniques. New production innovations usually do not have a new organizational model and a new system of relations to aid their implementation. For the system to work, there is a need for effective communication and interaction. Then there will be a chance that employees will believe that the organization is changing. Edwards Deming, a leader of the process improvement movement, believed that 85% of errors in production quality are caused by the system of production, not by the worker. The crucial factor is system management, understood so that the different parts “interact, react to changes, and send feedback signals acting on the whole system” (Dobyns 1980). Underestimating the systemic changes required to implement quality management techniques leads to resistance from workers and managers.
Implementing changes to the system of social and labor relations requires starting a process of internal transformation. This can be done through an external influence. However, the outcome is difficult to predict because it depends on the internal system of recursive processes.

The two sequences of events described in Figure 3 might also occur in Russia, but the question is whether the new procedures will be accepted. The innovation might be accepted formally but, in practice, the old method will continue to be used. This is what Russians call the “vulgarization” of the reform. At any time, the new sequence of events on the right may return to the old sequence of events on the left.

The experience in the United States has been that long-term (more than five years) top management support is needed in order to see noticeable results. Often, long-term support is not achieved. At General Electric, CEO Jack Welch overcame resistance among his managers by telling them, “If you want to have a career at GE, you will take the training and you will use the methods.” Midlevel managers who want to use the methods but do not have top management support are advised to follow the advice of U.S. President Theodore Roosevelt, “Do what you can, with what you have, where you are.” If a manager makes his or her part of the organization successful by using quality improvement techniques, he or she will rise in the organization, and the part of the organization using the new methods will grow.

Figure 5 gives an example of internal difficulties in introducing new ideas in the old pattern of social and labor relations. A policy of equal pay for unequal work reduces motivation, increases alienation, lowers productivity of workers, reduces the competitiveness of the organization, and reduces innovative activity within the firm (Medvedeva 2015).

Figure 6 shows a positive feedback loop that is, ideally, driving change in management in Russia. All of the arrows are positive. As quality improvement methods are used more and more, employees receive training, competition for skilled workers increases, salaries rise, consumer spending increases, demand for high quality goods and services increases, and so on. For a further comparison of the U.S. and Russian economies in the early 1990s described in terms of variables and causal influence diagrams, see (Umpleby and Makeyenko 1996).

There are several difficulties in using Total Quality Management (TQM) in Russia (Medvedeva and Umpleby 2002):

1. Many Russian organizations are still in a time of transition, but ISO 9000, 9001, 9002, and 9003 standards, and particularly the 1994 version, are conservative by nature; consequently, there is some contradiction among goals. In particular, the Russian people need clear rules of economic behavior (Talipov and Medvedeva 2014).
2. The old system of management in Russia was central planning. A widely understood market-oriented system of management does not yet exist in
Russia. There is only what Russians call *manual control*. Manual control means that managers must make all decisions on many levels of responsibility. The population, including managers, is still learning how a market economy operates.

3. Russia has historically had a repressive management culture. The old method of improvement was to find and punish those at fault for errors. What is needed is a fundamental shift in management methods from an emphasis on force or strength to an emphasis on processes and procedures.

4. Managers in Russia work primarily for themselves. ISO standards show how to work for the interests of all stakeholders. “Working for collective goals” can be interpreted as “working for the interests of all stakeholders.” Such an interpretation of ISO standards removes the apparent conflict (at least in the economy) of individualistic vs. collectivistic cultures.

5. Only about 10% of Russian companies that introduced TQM actually improved quality (Eklof, Kanji, and Selivanova 2001). Clearly Russian society needs years to adopt the TQM culture. To cope with a major change in values or behavior, people sometimes say they will cooperate but do not. Russian enterprises need to reconstruct their culture and management. TQM methods can be a very good basis for such reconstruction.

**CONCLUSION**

The current processes of economic globalization are leading to a new model of global production and management and, thus, are challenging production and management practices. Companies in the United States, Russia, and other
countries are forced to compete in global markets. In these circumstances, the use of quality management techniques is a step toward increased competitiveness. At least in Russia, firms often have management systems that are no longer effective in a world of constant change, turbulence, and unpredictability. However, the effective implementation of these methods in organizations is impossible without significant changes in the world of work, social and labor relations, and human resources management.

In the United States, management methods changed dramatically in the 1980s when quality improvement methods, which were introduced to Japan beginning in 1950, came back to the United States in more advanced form (Walton 1986). A management revolution occurred in Russia in the 1990s following fundamental changes in the political, social, and economic system in Russia with the end of the USSR. Because the changes in Russia were so fundamental, the challenges for managers of production facilities have been similarly far reaching. The change from an authoritarian style of management to a more cooperative, innovation-oriented style of management has begun but is proceeding slowly. The change could take two generations (Mulej 1994).

These changes in social and labor relations are fundamental in nature and can be effectively implemented only with a systematic approach. Quality improvement methods currently are spreading around the world, both through the widespread adoption of the ISO 9000 standards and the creation of national quality awards (Medvedeva and Umpleby 2002). Changing a style of management of social and labor relations involves many small and large changes throughout society. By describing these changes using a multidisciplinary approach, more of the complexity of these and other social change processes will be understood.

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