



THE WILLIAM DAVIDSON INSTITUTE
AT THE UNIVERSITY OF MICHIGAN BUSINESS SCHOOL

***A Cultural Analysis of Homosocial Reproduction and
Contesting Claims to Competence in Transitional Firms***

by Michael D. Kennedy

Working Paper Number 208
July 1998

Comments Welcome

Presented in the Davidson Institute Research Workshop *Organizational Change in
Transition Economies*
Ann Arbor, Michigan
September 26-28, 1997

Copyright Michael D. Kennedy, 1998. Disseminated by the Davidson Institute with
permission of the author.

A CULTURAL ANALYSIS OF HOMOSOCIAL REPRODUCTION AND
CONTESTING CLAIMS TO COMPETENCE IN TRANSITIONAL FIRMS¹

Michael D. Kennedy

Center for Russian and East European Studies,
Department of Sociology and
William Davidson Institute
University of Michigan
Ann Arbor, MI 48109

July 16, 1998

abstract:

Drawing on 56 in-depth interviews with American business advisors and East European managers, entrepreneurs and consultants, I argue that homosocial reproduction -- the promotion of management according to social identification with those above them -- is based on a new cultural formation called "transition culture". This formation is based on the assimilation of local cultural elements into a conglomeration of global business practices, on the one hand, and the identification of a local socialist culture to be expunged, on the other. The relationship of East European cultures to transition culture is, however, unstable. Within this formation, East Europeans must demonstrate their membership with the acquisition of specific skill sets associated with the emergent culture, and treat East European differences, like language, as a minor hurdle easily transcended. Sometimes, however, East European distinctions are elevated. This occurs, for instance, when the promise of transition is not met, as when Westerners fail to learn as much about the local conditions as East Europeans have learned about global business practices. Transition culture is also challenged by how to incorporate the significance of connections in transition economies. Finally, transition culture is exploded when East Europeans can claim *superior* expertise to multinational corporations for whom they work. A post-transition cultural formation should therefore be imagined.

¹ Pauline Gianoplus, Naomi Galtz and Margaret Foley met with me in the 1995-96 academic year in a 'bizculture' salon where the materials and ideas for this paper were developed. I also wish to thank them and the various audiences at the William Davidson Institute, University of Wisconsin, Madison, UCLA, the 1995 meeting of the American Sociological Association, and the Center for International Business Education, the Center for Research on Social Organization and the Advanced Study Center at the University of Michigan for their comments on earlier pieces of this paper. I also wish to express my thanks to my associates at the Center for Russian and East European Studies, notably Marga Miller, whose expertise contributed significantly to my ideas on this topic. Finally, I wish to thank the paper's reviewers, M. Dierkes and D. Denison, for their helpful comments, only a portion of which I could address. This particular project was supported by a grant from the William Davidson Institute; previous work on the subject was also supported by the National Council for Soviet and East European Research and the Rackham Graduate School and the Center for International Business Education at the University of Michigan.

A CULTURAL ANALYSIS OF HOMOSOCIAL REPRODUCTION AND CONTESTING CLAIMS TO COMPETENCE IN TRANSITIONAL FIRMS

All firms face the challenge of developing their own corporate culture. Multinational firms face particular challenges in this regard when they must not only cultivate a system of beliefs and practices that integrates a socially diverse labor force, but also one that addresses national differences as well. Firms entering post-communist societies face still another challenge. Post-communist societies have undergone radical institutional transformations, demanding new sets of competencies. Past claims to competence are often denigrated. In some ways, then, the challenge of negotiating national cultural differences is relatively small because of a widely perceived need to adapt global practices in management, and to leave behind a local past contaminated by communist rule. With this view of transition, East Europeans are likely to collaborate in the production of a corporate culture and larger business culture that reduces the significance of national distinctions. In this sense, transition might be producing its own culture, where the development of multinational business practices tends to define the East European way of doing business. But East Europeans do not contribute to the cultivation of this transition culture without challenging some of the multinational presumptions about how firms should be organized and business conducted in a postcommunist environment. Transition culture is likely to be more contested than is apparent to the multinational representative, for reasons embedded within the practices of transitional firms themselves.

In this paper, I explore the coordination and contest involved in making transition culture within firms. I base this paper on two basic kinds of cultural analysis with different kinds of data. I begin with a semiotic analysis of one of transition culture's principal texts, From Plan to Market: World Development Report, 1996 in which I outline the basic structure of transition culture. I then turn to a practice-oriented approach to 56 in-depth interviews with business experts and East European managers and entrepreneurs conducted in 1994 and 1995 (for elaboration on the data, methods and coding practices, see the Appendix). This part of the paper does not pretend to be representative of the cultural encounter between experts and East European managers in general. Too, it must be kept in mind that my observations refer to the ethnographic present. I don't claim they describe present-day practices in such a dynamic cultural formation as transition culture. I nonetheless conclude the essay by pointing to some directions that I

expect to develop in transition culture, and how multinational corporations might take better advantage of that trajectory.

I begin the analytical part of the essay by exploring the frameworks that enable transition culture to exist. I elaborate the global dimensions of this transition culture, and how it addresses local cultural beliefs and practices, and its sense of the past and of the future. I next discuss how those frameworks are used to recognize managerial competence. In particular, I address what kinds of dispositions and skills are likely to denote the accomplished East European manager. In the next section, I address how this transition culture is challenged by East European distinctions, beginning with the challenge of translation. I turn next to the ways in which East Europeans identify the inadequacies of foreigners before the challenge of transition, both within the logic of transition culture and beyond it in those forms of business critical to, but devalued by, legitimate business practices. I conclude with one case in which claims to competence were overtly contested, in order to explore how East Europeans might transform the logic of transition, and put themselves in charge of how global business practices meet local post-communist conditions. But before I turn to this particular elaboration, I begin with a few references to serve as anchors in our discussion of culture, power and management.

CULTURE, POWER AND MANAGEMENT

Rosabeth Moss Kantor's (1977) classic study, Men and Women of the Corporation, finds that managers tend to promote those who resemble themselves in manner and style. She calls this form of managerial recruitment and promotion "homosocial reproduction". Homosocial reproduction is not a consequence of simple racism or sexism, but is indirectly a product of organizational uncertainty and managerial discretion. The significance of trust and communication among corporate managers and the difficulty of evaluating management activities all push toward a form of homosocial reproduction.

Homosocial reproduction is also implicated in managerial efficacy. To be noticed as a superior manager, one must undertake activities that are extraordinary, visible and relevant to solving the most pressing organizational problem (Kantor, p. 177). But to solve these problems, one must have power, and power over subordinates depends on having credibility with one's superiors (Kantor, pp 169-70). Whether

to realize management goals or get promotions, Kantor argues that cultural identification with one's superiors is important.

The problem of homosocial reproduction is also a key issue facing firms in transitional economies, and especially multinational firms. In many ways, one could argue that Kantor's argument applies directly. Given the greater organizational uncertainty of the early stages of firm development, homosocial reproduction is more likely. Given the uncertainty of the business environment, reasons for homosocial reproduction are elevated. And given the push toward a stricter gender division of labor in the larger social structure, the impetus toward the gendering of homosocial reproduction is perhaps even stronger. Finally, in the multinational transitional firm, one finds even greater potential for "homosocial reproduction" along the lines of passports and linguistic difference.

Some of my informants told stories that fit this image. Some even used the familiar image of the glass ceiling. More complained about different payscales for ex-patriate and local managers. Others lamented how the young and inexperienced English language speakers were promoted over seasoned and more expert indigenous managers who didn't speak English as well. Others complained that foreigners disrespect local ways. One person said that "if someone comes to this East European market, then they should adapt themselves to the ways of this country" (969). If the foreign management makes no attempt at learning and speaking the local language, this is taken as an instance of such disrespect (978). In this case, the national conflict within the firm was so severe that it extended right down to the product lines: foreign management would speak only of the company products being made in the multinational line and the indigenous management would speak only of their firm's original products (978). In these conditions, homosocial reproduction was an understatement of the relationship between cultures within the firm. It looked more like ethnic war within the context of business.

One could analyze homosocial reproduction in terms of these familiar stories and extreme cases, but I am afraid that we would be missing one of the more interesting parts of the story in transition economies. Indeed, we would be continuing to treat culture as a static marker of status distinction rather than as a dynamic force in reconstructing societies. I find it far more valuable to consider culture in practice or in action (Swidler, 1986; Ortner, 1984). With such an emphasis, culture is not used to classify

forms of behavior or types of people. Culture is about how how people with various stocks of knowledge, including different stories, symbols and rules, make and transform the world.²

Such a dynamic approach to culture seems especially important and appropriate in transitional firms. The culture of business practices has been radically transformed since the late 1980s. And in firms where foreign management occupies the top managerial positions, the premise of transition implies that indigenous talent should eventually replace the ex-patriate manager after sufficient training. Under such conditions of radical cultural transformation, the question of who is similar, and who is different, might not be so obvious as they are in more stable mono-lingual and national conditions, as in the 1970s when Kantor conducted her study of an American corporation. Consequently, I believe that one must invoke a type of cultural analysis that is attentive to the process of cultural or identity formation, rather than one that relies on stable cultural categories. Narrative analysis is one such method.

APPROACHING NATIONAL CULTURE THROUGH NARRATIVES

Narratives are stories, sequences of events designed to communicate a certain meaning. Hart (1996:50) has usefully distinguished two types: ontological, "the internalized stories which combine received historical, psychological and cultural messages, subsequently transposed into particular behaviors"; and mobilizational, "intersubjective, designed by their authors to establish and support collective values, and to encourage solidarity". The latter are specifically designed to persuade and mobilize resources on behalf of some strategic end. In Bourdieu's (1977) terms, the former are more doxic, or in Swidler's (1986), more commonsensical, not requiring explicit elaboration. Both ontological and mobilizational narratives form part of Somers' (1994: 625) notion of "narrative identity":

Narrative identities are constituted by a person's temporally and spatially variable place in culturally constructed stories composed of (breakable) rules, (variable) practices, binding (and unbinding) institutions and the multiple plots of family, nation, or economic life.

² Various analysts have linked this kind of cultural analysis to matters potentially associated with claims to competence in transitional firms. I take inspiration from the following. Bourdieu (1984) has constructed a more general theory of culture in the process of an individual's capital formation. Abbott (1988) has constructed a general theory of professional power, in which success arrives through successful struggle in contests over competing claims to competence. Wuthnow (1989) has shown how culture works in particular moments of consequential cultural transformation, where the emphasis is placed on the discursive field in which particular narrative plots enable action. Most generally, rather than be assigned a subsidiary role, culture along with resources can be implicated in a general theory of structure and transformation (Sewell, 1992).

With this view of culture as practice studied through narratives of identity in familiar and transformative moments, one can revisit more static forms of cultural analysis and consider how cultural typologies can be used as resources for strategic action, as bases for claims to competence. And we can begin with the most familiar cultural formation, the nation. One Polish businessman told me this:

We Poles are always being told how much better off we are than Russia or Bulgaria, for example. This is not a fair comparison. We always thought we were better, and we do not want to be put in that group. For us, the model is Germany or other European countries. Let us be a model for Ukraine, etc. but not in that same group (104).

Indeed, Poland might not only be a model, but a bridge. As one entrepreneur put it, Poles can be the "bridge between the West and the East, because we may understand craziness of Russians, or the craziness of our East, which is much more unimaginable for Americans than for us" (106). In this fashion, then, Poles draw on longstanding claims to national difference and occupation of a borderland between East and West (Wandycz, 1992) in order to make certain claims about their place in global transition.

Narratives of national identity are not only used to position oneself, but also to position others. In particular, Western business advisors learn similar narratives about the difference between "advanced countries" (Poland, the Czech Republic and Hungary) and "less advanced" countries (Ukraine, Slovakia and Romania). For example, one American advisor visited a less 'advanced' society, and argued that he was challenging the 'national stereotype'. As he recalled,

the more you talk to them, the more they really desire to have a kind of nation that's moving forward. And they have a very low opinion of themselves in the international community.... you know, (they would say) it must be awful here for you... and we were like "no this is great. This is very interesting." And we would be kind of building up *their* country to *them*... (979; see also 978)

On the one hand, he was indeed challenging the national stereotype by emphasizing that the country is not so bad as the narrative of national inferiority would suggest. At the same time, however, this advisor was, in his retrospective account, reproducing that model of inferiority. He identified the nation's virtue in its *movement*, not in its longstanding cultural foundations or regional references, as our Polish businessman did.³

³ This quotation suggests the limitation of in-depth interviews for studying matters like this. We are first of all relying on retrospective accounts, and secondly, accounts of dialogues in which the East Europeans' own contribution to the reproduction and transformation of national accounts remains invisible and static.

Finally, these typologies of national identity are themselves complicated and can be used in a variety of ways. For instance, one young Slovak businessman, Ludo Jambrich, wrote this in a brief about the cultural encounter after a summer of working with Americans:

People in Slovakia are less entrepreneurial than in the US.... less self-confident... tend to criticize rather than express evaluation... Slovaks don't speak much about personal problems with other people than closer friends, don't behave so informally.... Americans tend to be more noisy in public places than Slovaks do, Americans smile much more than Slovaks and strive to look always happy, which might seem unnatural to Slovaks.... (and on gender), compliments or remarks from men are usually not perceived as harassment... (and on dress) there is not given such emphasis on a business look . Many managers don't care about wearing a dark suit and white short socks....⁴

Here, one can see the reproduction of national superiority and inferiority in terms of *some* business practices associated with confidence, entrepreneurialism, and perhaps fashion sense. On the other hand, there is also an implicit critique of American presumption in business, especially in terms of the impositions of superficial happiness or friendliness and gender politics. It is difficult, however, to rank these relative dispositions in terms of business acumen. Which is more important in Slovakia -- to be entrepreneurial or to avoid superficiality in relationships? And that is part of the story here.

I use these examples to illustrate how narratives of national culture can be implicated in claims to competence about business. They can be used as a resource to make a particular claim to competence, as the Polish businessman did. They can also be used as a way of interpreting the competence of others, as the American did when assessing the 'inferior' nation as moving forward. He gave that nation's representative extra "points" in the assessment of competence because of his imagination of their disadvantaged starting point. They can even be used to complicate the notion of business competence by questioning whether American national traits are really so helpful in the conduct of business in Slovakia.

In short, national cultures are not only about marking who is who and identifying status groups. It is also about narratives of identity and difference, within which claims to competence can be embedded, and the dimensions of homosocial reproduction are established. But these claims and dimensions are not only formed within national cultures. Another version of homosocial reproduction is at work within transitional firms. Indeed, the analysis of homosocial reproduction should focus on this "transition culture", which can be facilitate by outlining its basic structure.

⁴ Ludo Jambrich, "Comparative Study"; unpublished notes.

THE STRUCTURE OF TRANSITION CULTURE: INSTITUTIONS, COMPARISON, AND UNIVERSAL CULTURE

Transition culture is a community of discourse based on narratives that mobilize in order to become ontological. In other words, transition makers tell stories that are designed to remake what is 'normal' and what is deviant in business practices moving from communist rule to capitalist markets. These stories about the normal and the deviant are cultural resources on which experts and entrepreneurs draw to legitimate their claims to competence in administering business, and to identify who is part of the past that should be left behind. Thus, it becomes quite important to conduct a semiotic analysis of transition culture alongside an ethnographic analysis of any particular corporate culture within a transition economy.

Transition culture is not homogeneous. Transition culture is rife with debates over the proper form of ownership, the right sequence of reforms, etc. Transition culture is multinational, and thrives on the assimilation of those from outside the "Western experience". But underlying these debates and underlying multinationalism are some common assumptions that enable contenders in the debate to recognize one another as legitimate partners in dialogue.

Transition culture's stories typically revolve around the inadequacies of existing institutions and mentalities. The service sector, communications, accounting, finances, legal infrastructures and other sectors of the economy are all identified as woefully inadequate. And these inadequacies then become central to the analysis of the system itself and the remaking of institutions. Their inadequacies or lacks become the basis for understanding and intervening in the system.

Transition culture is driven thus to be dynamic, and designed to provide solutions to problems within a basic relationship between a relatively technical Western or globalized know-how, sufficiently transportable in order to be transplantable, and a local culture that must be assimilated. This fusion is possible because the future, or at least the normative future, is known probably as well as the past. As Jeffrey Sachs (1995:5), one of the most prominent figures in transition culture, has put it,

Poland's goal is to be like the states of the European Community. Although there are submodels within Western Europe, with distinct versions of the modern welfare state, the Western European economies share a common core of capitalist institutions. It is that common core that should be the aim of Eastern European reforms... The real reason for optimism lies in the fact that the endpoint is so clearly discerned.

Although not all participants in transition culture are so bold about knowing the endpoint, this kind of future history is quite important to the structure of transition culture. The main points of contention are about how to get to that normal future.

Those participating in transition culture are unlikely to recognize its structural logic because they focus on the transition culture's contentions. For instance, they are much more likely to focus on whether fixed or floating exchange rates are best. They are much more likely to focus on the debate about the sequence of reform -- whether free trade should precede enterprise restructuring. They are much more likely to engage in trading blame for the failures of policy, as in the recurrent debates between the preeminent individual associated with transition culture, Jeffery Sachs, and the preeminent organization associated with this culture, the World Bank.

Despite the contest, the underlying structure of transition culture relies on the same basic oppositions: that the future is a form of global integration based on the articulation with transnational organizations dominated by the West, and the past is a form of inferior economic organization dominated by a Russian statist culture. Knowing this structure is helpful for analyzing the rhetorical strategy of the World Bank's systematic analysis, From Plan to Market: World Development Report, 1996. I shall rely on it to elaborate the structural formation of transition culture.⁵

At its foundation, the necessity of movement from state dominated to market dominated societies is taken as a given. "The deep inefficiencies of planning became increasingly evident with time" (p. 2). It is necessary because the world has changed, and statist forms of economic organization, since the 1960s at least, have become outmoded. If societies don't shift from statist to market economies, they will fall further and further behind. This is a given. It is also a given that the transition will be difficult. "It is not simply the adoption or modification of a few policies or programs but a passage from one mode of economic organization to a thoroughly different one" (p. 3). Societies vary, however, in the measure of pain they must endure.

To be sure, a society's institutional legacy will influence the measure of a society's pain in transition (p.16). History and geography, they acknowledge, shape what leaders can accomplish, and what they can try to accomplish. (p. 5). Nevertheless, and here the interventionist identity of the Bank becomes

clear, “firm and persistent application of good policy yields large benefits.” (p. 5). Great leaders, as in Mongolia or Kyrgyz Republic, can make a mark in places where institutional legacies are not conducive to reform. Bad leadership also makes a difference. In Ukraine, the leadership’s preoccupation with national identity distracted from reform (p. 11) Here, then, the premise of agency in transition culture’s structure is apparent: it depends on the quality of leadership, from the level of the firm to the county’s president or finance minister, and its proper focus on economic reform.

The Bank happens to conclude that “extensive liberalization and determined stabilization” are the best policies, although that in itself might be contentious within transition culture. What is not contentious within transition culture, however, is the cultural logic with which they reach that conclusion. First, one must be a comparativist to find the best strategy for change. One must look across societies and take lessons from each country. Second, one must focus on redesigning institutions to assure that these policies will be implemented properly. Finally, one must transform the culture of work and life in order that the policies and institutions work properly.

The institutional redesign is the most complicated and contested within transition culture. The Bank happens to recommend, in the broadest stroke, that policy needs to a) reform enterprises and increase the importance of the private sector; b) restructure social safety nets; and c) clarify property rights. There are debates here within debates across transition culture, but probably the most fundamental debate is between those who would advocate what the Bank calls the “all out approach” vs. the phased or piecemeal approach (pp. 9-10).⁶

⁵ Although they focus on China and Vietnam in this analysis, I shall focus on how they deal with the countries of Eastern Europe and the Former Soviet Union.

⁶ Another way to draw the distinction is to identify the former as a form of analysis and praxis based on the vision of an endpoint, while the latter focuses on the origins or dynamics of the systems in question (Burawoy, 1996). Most sociologists and other institutionally focused analysts favor the second. Institutionalists are implicating themselves in this debate about the design of capitalism, especially in the argument that postcommunist capitalism should resemble any particular variant already embedded in Western experience (Walder, 1995; Stark, 1996). The institutionalists emphasize the formation of alternative strategies of development and different actors than the capitalist manager par excellence. The institutionalists accept more or less the metanarrative of transition itself, but establish different practices that lead to similar outcomes (recombinant property not private property) or establish different actors (local political actors, not private capitalists). In this sense, these new hybrid actors are themselves responding to the opportunity structures available to them, and remaking reforming state socialism or postcommunist capitalism as they go. Privatization, and the accompanying actors, simply are not as effective for accumulating capital, or acquiring positions of influence, and thus the particulars of the story can be challenged in the institutionalist account. But the leading actors or their goals are the same.

This contest has also been cast in terms of those who care about people and their suffering, and those who don't. Given that the Bank has been critiqued for its disregard for people's lives, they mark up front that the bottom line is "the quality of life of the people who live in these countries" (iv). And indeed, they devote some attention to gender inequality, poverty and public health. But they mainly introduce these materials as evidence for the value of the "all out approach". They argue that people suffered under the old system, and that the poor implementation of reform leads to greater suffering for all involved. For instance, it is well known that life expectancy has fallen in many countries during transition. The World Bank points out, however, that life expectancy has increased in the countries which have implemented reform most successfully (p.18). Thus, while all suffer, those who suffer most are those who make transition least effectively. Hence, one must learn the lessons of transition.

Of course the particulars of advice are most important, but the basic structure of the argument is based on comparison. Countries are set up in four basic groups based on the extent of their economic liberalization, their private sector output, their measure of privatization, and degree of institutional change and social policy reform (Table 1). Comparing groups, they find that those in Group 1 are generally best off. For instance, those who have sustained liberalization did experience, like others, an initial decline in growth, but then returned to rapid growth after three years (p. 29).

Table 1: The Classification of Success

Group 1: Poland, Slovenia, Hungary, Croatia, FYR Macedonia, Czech Republic, Slovakia.

Group 2: Estonia, Lithuania, Bulgaria, Latvia, Albania, Romania, Mongolia.

Group 3: Kyrgyz Republic, Russia, Moldova, Armenia, Georgia, Kazakhstan.

Group 4: Uzbekistan, Ukraine, Belarus, Azerbaijan, Tajikistan, Turkmenistan.

Comparisons occur not only by general groups, but in very convincing specific stories. They show the tradeoffs, for instance, between different strategies for privatizing large enterprises, eventually concluding that the Czech experience provides many lessons for those concerned with all of the tradeoffs (p. 56). More schematically, one can look at the lesson boxes sprinkled throughout the text. Here I focus only on those in which countries from Eastern Europe and the former Soviet Union that are featured in specific cases, with relatively firm assignments of virtue or failure to their examples (Table 2).

Table 2: Specific Exemplars of Success and Failure in Boxes:

| Box # | Success | Failure |
|-------------------------------------|--------------------------------|---|
| 2.1: Pricing Energy | Hungary | Russia, Ukraine |
| 2.4: Trade Policy | Estonia | Ukraine |
| 2.6: Redistribution thru Inflation | | Russia |
| 2.7: Financial Discipline | Poland | Kazakhstan, Romania, Russia |
| 3.1: Creditor Led restructuring | Poland, Hungary | |
| 3.2: Coal Restructuring | | Ukraine |
| 3.5: Environmental Liabilities | East Germany | Poland, Czech Republic |
| 3.6: Privatizing Natural Monopolies | Hungary | Russia, Czech Republic |
| 3.7: Restitution | Hungary | Baltics, Bulgaria, Slovenia, former Czechoslovakia, Romania |
| 4.4: Income transfers | Latvia | Hungary |
| 5.2: Corporate Law | Russia | |
| 6.1,2,3: Banking Reform | Poland, Hungary, Czech, Slovak | Russia |
| 7.1: Corporate Taxes | | Russia |
| 8.1: Mortality | | Russia, Hungary |

Several generalizations from these boxed comparisons are possible:

- a) Some countries are for the most part invisible; Romania, the former Yugoslavia, Central Asia, are rarely if ever mentioned, while the Visegrad countries, Russia, Estonia and Ukraine are commonly featured. This is in part a data problem. The consequence, however, is an implicit assertion that the places we know more poorly are less important for generalizing about transition. Those countries that are visible, either because they are bigger or because they are more “Western”, are privileged in transition culture, and their experience becomes the foundation for the global culture. Central Asia and the former Yugoslavia are not so relevant.
- b) Countries tend to be posed regularly as exemplars of success, or of failure. Ukraine and Russia are frequently identified as failures, although Russia has a couple of successful moments in the boxes. By contrast, East Central Europe and the Baltics are the exemplars of success. Even when their failures are highlighted, they are nonetheless implicitly praised for their initiative and experimentation.
- c) Specific lessons are provided in the boxes. For instance, they compare Estonia and Ukraine in terms of trade liberalization. They show how Estonia’s liberal policy enabled it to adjust to “Western quality standards” and boost its export revenues. Ukraine, by contrast, is evidence of failure. Its continuing administrative control over trade and prices led to isolation from world markets, declining exports, trade deficits, and economic destabilization (p.31).

This box illustrates the general strategy of comparison. The success of Estonia and the relative failures of Ukraine are used to elevate the significance of agency and the Bank's prescription for the future. Leadership with the right policy is central, and can overcome the barriers that institutional legacy and geographical location direct. Even more fundamentally, however, the general structure of the discourse is that transition has general lessons for each country, and that the successful countries ought to be imitated by those less successful. And given that history is not destiny, lessons must be learned.

Comparison is thus at the heart of transition culture, but this method does not extend to the analysis of culture. Where cultural or social issues are considered, as in poverty, women and work, and so on, specific cases are rarely presented in the Boxes for others to learn. Instead, culture is universalized and assimilated into a basic conception of time underlying the movement from plan to market.

The principal cultural problem is associated with the past, and its legacy into the future. There is always the danger that the problems of the past will be forgotten, and that the public will slip back unconsciously and embrace that past. "The public must constantly be reminded of the reasons for change and informed about progress to date." (p.11), the Bank warns us. Social consensus is important, they argue, and extreme inequality tends to threaten that consensus (p. 12). Later they acknowledge that greater inequality is of course necessary in transition, but this can be mitigated by economic growth and good social policy (p. 66). Too, "mobility, or freedom of individuals to seek better options elsewhere," can reduce the problems associated with transition (p. 66). So, not only the past but also the past as embedded in community, must be overcome for the radiant future to be realized.

Future culture is entrepreneurial, critical and self reliant. The Bank's cultural mission, for instance, is "how to unleash the enormous talents and energies of these countries' populations, and how to help them achieve their vision for a future of opportunity and well being for all their citizens" (p.iv). This future culture is an unevenly realized, but omnipresent, capacity.

Of course institutions are important for this. For instance, the Bank emphasizes that judicial institutions must be developed, but beyond these limitations, professional ethics and "engrained cultural attitudes toward the law, help to explain why so few private businesses want to use the courts to settle disputes, particularly in the NIS and East Asia" (p.93).

Education is obviously key for generating this kind of disposition. Across the region, they suggest that education be restructured so as to foster choice, autonomy and accountability in society. That general reorientation, they suggest, must begin with the reform of the educational system itself (p. 126). Among other things they must focus on the following elements in that reform (from p. 126):

Knowledge: Preserve the achievements of the old system but rectify the earlier underemphasis on social sciences (by which they mean economics, management science and psychology) and the law.

Skills: Assist the movement from specific skills to broader and more flexible skills better able to meet the continually changing demands of a market economy.

Strengthen the ability to apply knowledge in new and unforeseen circumstances.

Attitudes: Strengthen the idea that the initiatives of workers and others are rewarded.

Assist the understanding that employing workers (subject to suitable regulation) is not exploiting them but giving them an opportunity to earn a living.

Assist the understanding that business has its place in society and hence that profits are needed to provide an engine of growth.

Values: In line with the changed relationship between the citizen and the state, encourage the understanding that citizens need to take responsibility for their actions, including their choices about education, work and lifestyle.

Foster the understanding that freedom of expression is an essential and constructive component of a pluralist society governed by consent.

The particular kind of education they find valuable is exemplified in their final box: “**Business Skills Training is good for business -- for trainers and trainees**” (p. 139). It is “based on learning by doing and helping local talent and stakeholders help themselves”. The particular story of Mrs. Smirnova, from Nizhny Novgorod, is inspiring. After learning international accounting methods, she broke up her firm into 13 independent companies and developed a business plan that won international awards.

In a variety of senses throughout this volume, one can see that cultural transformation is the foundation of transition. The culture of the past is a threat -- it might undermine consensus for transition, it might challenge the value of business or wonder about whether employment is exploitative. The culture of the future is potentially everywhere. It merely needs to be inculcated. Of course this might be easier in some places than in others, but it appears to be universally possible in this discourse. To the extent it does not appear, one cannot reach that radiant future, for initiative, creativity, flexibility and autonomy are necessary ingredients for success.

At the same time as it is foundational, it is also undervalued. It does not receive that systematic comparative analysis policy prescription and institutional developments do, despite the fact that the document acknowledges cultural and historical specificity. The reason? For transition culture to be

powerful, and retain its “ownership” in transnational space, it must supercede localized peculiarities and find wisdom in global culture.

The structure of transition culture thus provides several ingredients that make it a powerful narrative. First, it is based on scientific methods and comparative research that enable it to claim a superior approach to policy making. Those who can draw upon the discourse of transition culture can claim a wealth of scholarship behind them which is based on truly global experience. Secondly, success and failure depends upon strategic intervention. Those who know best, and who have sufficient resources, can be successful. History and culture are things to be transformed, and made to yield to superior knowledge. This culture therefore encourages leadership and taking responsibility to introduce change that might be at odds with local practices. Finally, none of this can succeed without transforming broad cultural dispositions, but the dispositions most in need of transformation are those afflicted with the socialist past; the transformations of multinational experience are mainly to be found in the particular prescriptions to be offered. Through this cultural structure, those attached to a global transition culture have on their side knowledge, power and the future. In what follows, I hope to suggest how this transition culture to expand its reach, how it is contested, and how it might be transformed.

TRANSITION CULTURE IN PRACTICE

The future and the past function in practice much like they do in the structure of transition culture. The past is socialist and the future is global capitalist. But in practice, local culture is much more apparently diminished. When discussed at the structural level, the local conveniently disappears because of the level of abstraction and generality at which transition culture is identified. When the local becomes more apparent, the structure of transition culture becomes less stable.

There are two basic ways in which the local appears in the practice of transition culture. It appears first as a benign form of local knowledge that must simply be assimilated to the global culture of transition. The local becomes an additive to a global transition culture, assimilated in order for business techniques to become effective. For instance, when I asked one Western ex-patriate manager (944) how he can do marketing in a culture he doesn't know, he said first that the Westerner provides the conceptual guides and the indigenous fill in the details. Next, one tests one's ideas through research, and alters pre-conceived

notions if necessary. He recalled that pizza delivery as a concept didn't seem to work because initially people didn't seem to want it. They would go to delivery stands and eat it there. Partly this was because they didn't want to stay in their flat, but also because they didn't believe it could be a free delivery and that it would arrive hot. So, they initiated a major advertising campaign to convince people that there was this space age technology that would keep the pizza hot. They also were explicit that delivery truly was free. He said that with the proper concepts and research, you can see that the indigenous market in any particular postcommunist society is "pretty much the same as the rest" (944).

Culture also functions as an additive when one must work with East European business colleagues, especially when one must convince them of the value of certain ideas. In this context, one American emphasized that it was really important to have an indigenous fellow for each Davidson fellow...

That's indispensable if you want to be effective...because then when you go in and say you make a recommendation, you say The East Europeans are like this. Or like this. And then the local fellow can back you up, because they're East European (979)

Culture is thus sutured to Western experience not only because it can provide information, but also because it helps expertise become more persuasive when the indigenous can be used to convince their fellow nationals of its insight. Transition culture in general, then, becomes more powerful to the extent it becomes more multinational. In this context, culture is an additive to making globalized business expertise powerful. Local culture is not always so benign, however.

Socialist culture, while equally universal in the structure of transition culture, is nonetheless powerfully localized in practice. It becomes a label with which an individual, or set of practices, can be consigned to the past to be superseded. Representatives of global culture cannot, by definition, be assigned to this past. By contrast, locals must struggle to demonstrate that they are not a part of it. And in the process, they must figure out a way to preserve their local identity and at the same time expunge the socialist past, *if* they want to be a part of transition culture.

Americans have ready scripts with which they can identify the representative of socialist culture., the category of actor or type of behavior that does not belong to transition culture. One American was quite specific about the thing which needed change.

They haven't learned yet to think about making a profit. I mean when we were there, we were developing a system to chart costs for them and it was the first time they were really thinking about are we pricing our products high enough to cover our costs. It was the first time they really looked and said oh, we lost \$12 million dollars this year . That's a big deal. You know, especially when your sales are

not that much. And a lot of things they do they don't do the standard sort of cost analysis that we do here in the US. Should we undertake this project? Should we do this? They just, I don't know, they kind of do it out of their gut.... (976)

The relationship between socialist culture and East European cultures is not, however, obvious to Americans. Indeed, some authors have suggested that the relationship should not be so obvious, and rather that the relationship between national, transition and socialist cultures ought to be conceived in terms of lability, where the relationship between these systems of cultural practices is *assumed* to be unstable and contested (Harsanyi and Kennedy, 1994). For instance, some Americans presumed that the qualities associated with socialist culture may be more enduring qualities of being Hungarian, Polish, Romanian and so on. One American, after praising the strengths of his East European colleagues, lamented that they

would approach a situation saying, This is a problem. You know, that would be the first thing that they would say. And initially it was frustrating for us because we are both a little bit more optimistic about things. And we'd say, no this is an opportunity.... If you're going to speak to people at the parent company, you have to be a little more positive and not say its not a problem, because that will put people on the defense immediately (979).

Another American sympathized with this East European disposition, but definitely saw it as a problem for business. She said "it's easy to feel the way they do, to feel frustrated, to be downhearted, not to want to kind of problem-solve and move forward. I've been in that attitude myself.... And I think it looks really unprofessional" But she later also ascribed this particular disposition to that nation's culture, itself produced by "being under someone else's rule for as long as they have, they have a very defeated attitude" (976).

East Europeans are quick to recognize this American cultural criticism. For instance, one East European recalled the American impression of her countrymen:

When I asked them what they think about East Europeans, one of the things they mentioned was that they are not really ready for changes and to change things. What's really interesting is that everybody's complaining, and some people do try and change things, but a lot of people not..(984).

One could interpret this cultural critique of socialist and perhaps national cultures as simply an American or Western presumption and condescension. But this critique is also embedded in East European accounts of cultural suitabilities in transition. Some East Europeans are very powerful critics of the socialist disposition, and in many ways, are better situated to recognize how it works. One East European manager specifically charged his multinational firm's East European partner with trying to limit the joint venture's success. He believed the motivation for this interference came from fear. He believed that the

joint venture's success might reflect badly on the accomplishments of the indigenous firm: "it proves that is possible to do something in that company" (956). The most compelling example comes from another Westernized East European manager who reflected on the executive he replaced. He had a completely different management style from Western management, and that style simply had to be transcended.

I mean, my first board meeting I come in and— we go through agenda items, I run the board meeting and, well, he's there. And there is a, uh—what was it? The, decree or the resolution of the board that needs to be signed. So I look at the resolution. Everybody signed it already. And the resolution says, As of such and such date, the price for such and such an item in such and such store should go from this to that. And I said, Why, why are we signing? Why is it so important that the board needs to sign this? I know nothing about this item, I know nothing about this store. It should be, I don't know, Sales Manager, or Marketing Director deciding and—signing off, and that's it. I don't know, this entire board. So what it meant was that all decisions, even the smallest ones were taken by a team. So if something went wrong, nobody was accountable. The team would sit around—you know, the management board would sit around tables, say if the wrong decision, tough. And nothing would happen. And nothing would happen. So, no accountability. No risk-taking. And that ran through entire organization. And it, it even continued—well—there are attempts by many employees to try to continue with that. So as a result—So, you know, some decisions are—I'm being asked to make, and I refuse to make them. I say, I'm not going to decide, you know, what pencils we're using here....Everything was—nobody really knew who was responsible for what. Cost centers and things—you know, the costs ended up in your department, whether or not you're responsible for them. Somebody was allocating—but nobody cared. Right? So, that was definitely something entirely inconsistent with the way the parent company would like to see the company run. Or any western company, yeah. The fact that he [sigh] didn't really, had *never* been exposed to western concepts regarding business management didn't help either. Because, you know, the parent company guys were talking different language.... (he didn't understand) Really the most fundamental things in terms of other than in, in control and accountability, you know, the financial matters. You know? The basic concepts of the market-driven company versus production-driven company. That we don't plan based on what we can use. We plan on what we can sell. In every step, those systems that existed in, in Poland were, were so entirely different that, you know, the concept of profit never existed. It didn't matter. Right? The more we make—not only the more in terms of volume, but the more sku's we make, the better. Because we can sell more (955).

I have quoted this interview at length because it indicates powerfully how transition culture depends, in practice as well as in structure, upon a holistic imagery of socialist culture as a culture to be transcended, and against which an alternative must be imagined.⁷

It is difficult, however, to fix the relationship between this socialist culture and East European cultures. Westerners are more likely to extend the drawbacks of socialist culture to a wider range of practices associated with being East European. Indeed, the Westerner is more likely to presume the East

⁷ Indeed, this framework of transition and cultural transformation is so powerful that it distracts people from considering the similarities between American and East European experiences, as a marxist perspective, for instance, might encourage. Only one American advisor emphasized the similarity: where "these guys are as advanced or more advanced than some of my customers used to be when I worked at GE". Nevertheless, he still interpreted the majority of his firm in terms of the transition culture narrative.

European to be a representative of socialist culture until that East European can demonstrate their membership in transition culture. And as East Europeans demonstrate that membership, they must rethink their own relationship to what it means to be Polish, Romanian or Hungarian. In the sections that follow, I discuss how East European cultural practices are embedded within socialist and attached to transition cultures by East European managers and American business advisors.

TRANSITION CULTURE AND EAST EUROPEAN MANAGEMENT

Transition culture is a transnational community of discourse organized around the question of how to make market economies out of centrally planned economies. It depends on the elaboration of a globalized business expertise which selectively adds local cultures into it, and defines itself against a socialist culture. Transition culture provides the collection of stories and images on which both foreigners and East Europeans can draw to make their own claims to competence. Foreigners and East Europeans are, however, unequally positioned before this culture.

Although Westerners are gaining ever more experience within Eastern Europe, their appreciation for the cultural dimensions of transition is necessarily constrained by their own limited familiarity with East European cultures, and their own stake in highlighting the importance of the more global dimensions of transition culture. This is one reason they are especially unlikely to find any East European manager up to the task of 'exemplifying' transition culture in a way that they can find East European managers exemplifying socialist culture.

Kennedy and Gianoplus (1994) found that Western experts typically praised the instinct or feel of their managers, but rarely indicated any particular respect for special business expertise. We would imagine of course that over time, managerial skills would follow Western management standards evermore, and experts would be more likely to find something to admire in their counterparts. We expected just such overall assessments given that a) overall assessments of the nature of the transition are very common (i.e. from production centered to market centered firms); and b) managers are put at the center of that transition, much as economic liberalism and privatization theory do. On reflection, however, it is very hard for a consultant, intern or expert to offer overall praise for management.

They lacked the "drive to or the initiative that is required to do something above and beyond their day-to-day responsibilities", something he attributed to their formation during socialism (977).

Instead, *negative* global assessments of managers are more common. Interns often acknowledge that their managers were good in some specific area, as when one of our interns praised their hosts for their ability to engineer anything, but otherwise, he said, there was nothing to find particularly exemplary (965; 985; 981; 976). Another said simply that his managerial associates were simply 'not trained to manage people' (961). Another said that her managers are so bad that they make workers irresponsible:

(they) have this attitude that their workers can't think. This was a direct quote from one of their managers. He said we treat our workers like they're dumb. Which they do. and because of that, the workers kind of react in that way. They don't think (976).

This is a long term theme in our research: Westerners often come back from their experience in Eastern Europe with little appreciation for the managerial skills of their hosts. In this sense, Americans tend to assign socialist culture to "typical" East European management practice. The exceptions to this rule are the most illuminating, however, for showing how powerfully the cultural presumption works.

Much as in Kantor's (1977:63-67) analysis, responsibility and dedication to work are the easiest markers to use in the narrative of managerial accomplishment. They indicate the potential for managerial transformation. For instance, one female manager said simply

A lot of the managers have to work 10, 12, 14 hours per day... It's becoming more and more normal. But it was not at all, at all normal at the time that the parent company came. ... So when the ex-patriate manager came, he had to start to do that with his example. So he was there from morning until night. Not *forcing* the managers to be there, but as they saw him, they started to think more about that ... when I came there, I had small children. So I also *tried* to escape from work at four or five o'clock. But then I, I realized it's not possible to do it that way. And I found a baby-sitter for my children. I found a cleaning lady for my house. And practically I stay at work really from morning till night.... eight o'clock till eight o'clock...(957)

Women seem to have many of the qualities Americans look for in the exemplary manager. Another American advisor found the exemplary managers were women:

the ones I see to be most effective were the females..... they were very organized, and they demanded a lot from their sales force, from their salesmen underneath them. ... I don't know if it was just a personality thing, or if you can generalize it, it was because they were female I don't know.....the men ... like to show off a bit. And they like to brag about themselves. And they like to drive fast and that they like women, and that that they like to drink and things like that... the male salesman, they like to go off and have drinks a little more, and the females that we had, they were more reserved, conservative, methodical in how they did things (979).

One of the most general accolades for East European management came from another young East European fellow. She found lower management unable to comprehend the mission of her joint American/indigenous team. She found the upper management generally unsupportive, but she did find two managers to be

very competent, savvy.... They see the broad picture of where the company is. And pretty clearly understand what they've gotta do. You know, they have different opinions, because they come from different backgrounds. But very competent people. Now the other group of managers, um, may be, um, a more typical set of East European managers" (977).

Although each of these cases is exceptional for identifying superior East European managers, the privileging of the global within transition culture remains intact because the reference group for identifying a particular manager's superiority is other East Europeans themselves. They are not being compared to managers outside the local context. Past practices, irresponsible men, "typical" East Europeans were the particular comparative references here, and all part of that local East European culture that good management must move beyond. There were, however, two basic narratives that challenge the assumption that East European culture is inadequate and that the remedy lies outside in global business techniques.

THE CHALLENGE OF TRANSITION AND SPECIFIC SKILLS

East European managerial inadequacy is clearly an important part of transition culture, but lying along side of it is another approach to transition, one that emphasizes the difficulty of transition itself, and especially of managing a firm within that process of change. As one manager recalled:

... it's so overwhelming, and so frustrating. Because those very basic, fundamental things that should be easy to accomplish don't happen. And you get frustrated. Because it puts you in the position where you feel sometimes professionally embarrassed. ... You know, you—your boss comes, says: Right, you know, two months ago we talked about the fact that perhaps in those, supermarkets, when we sell chips in big shipping cases we should put labels on them so that people, you know, like in club stores here—So people can see what's inside....Pretty basic. You still don't have it. Two months later. You, you would just take this and glue it on, right? It's pretty simple. And you feel stupid. Because you've been trying for the last two months [begins to laugh] to put it into the system. And everything possible on the way—failed. And it's, it's a daily occurrence (955).

In this narrative, no manager is likely to be up to the task of managing a transitional firm. Every manager, before the foreign observer with limited experience in transition, is likely to be found wanting, and to be found "socialist" in some particular fashion. In the face of this difficulty, East Europeans and Westerners can collaborate in producing the imagery of an East European manager who has left the socialist past behind. This imagery depends on elevating particular kinds of skills as symbolic of transition's goals. Those who possess those skills are therefore part of the radiant future of transition.

Americans are more likely to emphasize communications and presentation skills as their own special competence and the specific inadequacy of East Europeans (978, 977, 976). After praising the common sense of her East European manager, one American expert emphasized a fundamental flaw: they

didn't know how to work in a team, and failed to communicate between departments and levels of management. "Lack of communication, besides lack of money, that's the biggest problem at the company, and it's really really bad, almost zero communication" (984). Communication was indeed a problem other outsiders mentioned (958), although no East Europeans in this set mentioned it as a major issue.⁸

Both Americans and East Europeans use personnel management as an element to describe how a good manager works. It was also discussed in a fairly limited set of ways: a) a good manager figures out how to provide the right compensation to motivate his employees (979, 982, 952, 961, 978), b) to stimulate individual responsibility for company success (955, 979, 952, 982, 978) and c) moves to fire unnecessary or irresponsible personnel (961, 965, 956, 952, 970). Only two East European managers emphasized that they would do more than fire the redundant worker. They might retrain them (970) or encourage them to set up privatized firms (952).

Personnel policy is an especially powerful way for marking the difference between transition culture and the socialist culture that is to be left behind. Strikingly, no American intern emphasized the inadequacies of East European management when it came to personnel. On the other hand, East European managers use this as a way of marking their difference from their own colleagues or subordinates. For instance, one East European manager recalled the surprise of his employees when he announced that he was closing down one department of the firm. I asked him, with intentional naiveté, why they expected him to defend that department. He said,

They felt that they, they knew me from the past time (when he was a director thirty years earlier). That I was, let's say, a patriot of this company, (but) they badly understand what is pat—local patriotism. For me local patriotism is to earn money. For those who want to work, and not to defend those groups and machines which are worthless from the technological point of view. They are good for a museum. They (the employees) are too sentimental. I am not sentimental anymore (952).

The other commonly identified specific lack in the transition narrative is of course marketing. The compelling metanarrative to this is a) the move from production centered to market driven company, and occasionally, b) the generation of uncertain or difficult markets. Several respondents used marketing to speak of how well they are doing, or how their managers are quite good. They spoke of their firm's success in doing market research or focusing on a particular market segment useful for their product, being

⁸ Estonian business advisor Alexander Plotkin, however, emphasizes that Estonian and Russian managers are particularly unable to recognize this inadequacy (Kennedy, 1996).

more customer-oriented, introducing special advertisements and special slogans directed toward their upper end clientele and selling ideas not just goods (956, 982, 975, 967, 958, 969, 970). But what was particularly striking about these respondents were that they were all East European managers who made the claim for their own accomplishments.

More typically, marketing is not used as an element to indicate personal accomplishment, but rather the limitations of other East Europeans. One East European CEO complained about how his marketing department kept sending out 'socialist style letters' (952). The same East European managers who praised their own accomplishments in marketing could still point to others in their own firms who continued in a socialist style of sales, just leaving goods on the shelves expecting them to sell themselves for their own qualities (975, 956).

Occasionally, East Europeans might invoke other markers of professional competence to distinguish them from managers with socialist mindsets or corrupt practices. One manager, for instance, emphasized his abilities in making projections, and the unwillingness of his former boss to pay attention to those data (980). The specifics are interesting, but the more important point for this paper is that the focus on specific competencies is another, more refined layer, of transition culture.

At the crudest level, transition culture presumes East European inferiority to globalized business practice. But because transition culture requires East European success, it must provide a means for the globalization of East European management practices and the assimilation of East Europeans. Because East Europeans are not *assumed* to be part of transition culture, as Americans and other foreigners are, East Europeans must have a means by which they can demonstrate their acquisition of transition culture. Because transition economies are so complicated and difficult, however, East European managers can rarely demonstrate their membership in transition culture in holistic terms, as Americans and other Westerners presume they do. Westerners and East Europeans can identify those East Europeans with specific skill sets associated with marketing, personnel management or communications as belonging to transition culture.

This refinement of transition culture -- the identification of *specific* inadequacies and the identification of particular professional skills they might acquire, reproduces transition culture, for it continues to identify the solutions to rest outside Eastern Europe, and the inadequacies to reside within it.

Thus, transition culture provides the means, the identification of specific skill sets that East Europeans can acquire for homosocial reproduction to cross national lines. It allows the East European to leave socialist culture behind, and enter a transition culture dominated by those outside the country. But over time, the national ownership of this transition culture could come into doubt.

LANGUAGE AND TRANSITION CULTURE

Within transition culture, the difference between Eastern Europe and other national cultures or global business practice tends to be minimized and subordinated in importance to the competencies associated with global business expertise. Even the most obvious cultural difference, language, is treated as a minor obstacle easily transcended.

Western experts rarely mention the problem of language barriers because most of the time translation usually appears to be more than adequate.⁹ For example, one internship team worked in a place where few spoke English. One person understood English well enough to “understand basically what we were saying” and with a couple of locally supplied translators, “there was no problem with English” (965). Another said, “it didn’t bother me that much. I mean at times, yeah, it would have been nice to know what they were saying, and you know, there were times when I felt like, you know, he would give a 15 minute long answer and our translator’s answer would be two minutes. And you’re kind of like, what else was in there? It didn’t really bother me....” (976).

The ease with which linguistic difference is transcended comes out even more clearly when there *is* a problem with translation. One person recalled a problem this way,

We were in this meeting, and we needed help with translation, with this manager. And I had asked the (indigenous) student if she would be comfortable translating. I said, If you would like, you can help us with the translation, and I would really enjoy it if you would. But, rather than speaking up and feeling confident and feeling part of the team in the meeting, instead of taking a break to do the translation for all of us, she was sitting next to me, whispering very quietly the translation. And I turned to her and I said-- in the meeting, I said, You know what, um-- then the other (East European) student, actually started to translate, even though he only speaks (another Slavic language).... The languages are very similar, and he felt confident enough to, to *bridge* the language, and also to speak loudly for the whole group (981).

⁹ I suspect that this adequacy has less to do with the quality of translation as much as it has to do with the ‘can do’ attitude cultivated among Western business people. I find that Western advisors focus on problems that can be solved and not with issues that have no direct solution as the philosophical challenge translation implies.

Occasionally, Americans were more appreciative of the challenge of translation. One American (977) recalled ,

there's a lot of words that we use in English, business vocabulary that don't exist in the East European business vocabulary. And I'm trying to think of specific-- Oh, one of 'em was, uh, performance measure....It didn't translate. And it didn't translate-- you could come up with the word for performance, and you could come up with the word for measure, but when you put 'em together, it just doesn't exist, and it doesn't make sense in this language. Cause that activity hasn't occurred. Or like another one was resource driver, which was the technical cost-accounting term. There were several terms with action that doesn't exist in Polish...yet. And so the word doesn't exist. And so there was-- I mean the local fellows were spending like, you know, like a *couple hours*, you know, on days, just like, What do we mean by this? And looking at the different words, and trying to come up with a combination of words that *best* conveyed what we would mean in English.

Those in the middle, those with both languages, are more likely to mark the challenge of translation. Several people in the middle mentioned that much was lost in conversations that were pressured for one reason or another -- many people talking at once, or in time-compressed settings (984, 958). But there was also more to it than that. Although concepts were important, it was also mode of interaction. Sometimes, it was rather amusing for it fit with the stereotype.

my American friends complained, that something which would be said in one sentence in English -- in the East European language it is like the whole story.... and that we waste lot of time on just talking, talking, talking, and very often, when asked question, the answer was, "Uh, it's a difficult question." And they started talking about history. [gives short laugh] And even once it was, this was an exaggeration because one guy started talking about history from 18th century. Just he wanted to give background of East European history, what is like this, but...[laughs] But he just asked a question about today (961).

Admittedly, this East European advisor, as another (984), admired the Western way of 'getting down to business', and found that he often shared the inclination to go into "unnecessary discussions, details, stuff like that," along with his compatriots. But sometimes American directness was downright counterproductive.

Like, Americans would say, very straightforward, that, well, what you do is useless. [short laugh] Or, you know, not exactly, but something like this, that after that that person would know that, uh, they have not good attitude, or, they know that their work is unnecessary. Uh, so, very often I had to soften this, not to make it that shape (961).

Another person in a similar situation said, "it wasn't just translating, it was a cultural translation, and I couldn't put it that straightforward for an East European manager as they put it in English."

In that case, the American would not be able to get the information they needed, as their very manner signaled to the East European their lack of sympathy. But by using the language, and even "complaining for ten minutes in, in the East European way" this advisor could get what the team needed. As a summary recommendation , this advisor recommended,

Sometimes they (Americans) do not understand that somebody's different, that, so, although they adjusted very well to the culture, uh... But they were impatient about it, they were very often upset at something is different, that somebody doesn't meet their expectations.That things cannot be like here (the USA).... they should have something like in their diary. "reminder: you are in different culture." (961).

You are in another culture. Transition culture, of course, is about multiculturalism, but the distinction of cultures is minimized within its particular pattern of homosocial reproduction. While the Americans rely on minimizing the distinction, East Europeans tend to be much more ambivalent about erasing the national distinction. It is particularly important to explore the dimensions of this ambivalence, for some of the most important liabilities of transition culture rest here.

NEGOTIATING EAST EUROPEAN DIFFERENCE WITHIN TRANSITION CULTURE

East Europeans can and often do embrace transition culture's presumptions about the superiority of global business practices and the relative insignificance of East European differences. One manager (957), for instance, said that there was nothing intrinsically wrong with the way the parent firm does business in Eastern Europe; indeed, she said, her firm is like any other in the rest of Europe because the company has its own culture which cuts across national cultures. And she also said, in her excellent English, that the language of business is English, implying that English is not so much a national property as it is a functional one. The only thing that was slightly wrong, she said, was that some of the Westerners were too arrogant, talked behind people's backs, and snickered at the East Europeans as if they were dumb. She said that this was their greatest failing, and would recommend rather that managers should recognize that her countrymen can learn.

Manifest appreciation for any indulgence of national cultures runs alongside this praise for global business practice. On the one hand, Westerners demonstrate the universality of transition culture by demonstrating some interest in, and especially some capacity in, the local culture. On the other hand, East Europeans demonstrate their membership in this culture by extending their appreciation for this, sometimes relatively limited, accomplishment. One East European said that the Americans she worked with were "really well prepared" because "they had classes and knew a lot of things about my country. Some things about the history, some current things, what's going on in the country's companies, a little of my language, some basic words" (984). Another American recalled "when we got out into the streets and things, we

knew a little bit of the language, and people loved it" (979). Indulging the local culture goes beyond the production of collegial appreciation.

Certainly for business to be done well, there must be some sense of the country's mentality. The East Europeans enjoyed telling stories about the foolishness of Westerners without the right cultural toolkit. One manager (956) told with relish the marketing strategy of Wash 'n Go, the combined shampoo and conditioner. They spent a bundle on advertising, emphasizing just what a good deal it was to have a combined shampoo and conditioner. This was ridiculous, he said, because East European women didn't use conditioner. Another manager recalled a second absurd commercial. When women on the commercial shout "This detergent is great!!!", her people don't get it. The manager said, "our people are not like that. They don't think about things so enthusiastically" (957). But Westerners won't necessarily take these as an examples of Western condescension or cultural inadequacy; more likely they will see it as an example of insufficient marketing research. East Europeans are more likely to take these as examples of how East Europeans are central to guiding proper marketing.

There are, then, differences about how to assimilate the local culture. Westerners might believe that they can direct the marketing, but East Europeans are likely to insist that they should be in charge. Indeed, the most 'Westernized' East European manager argued that a Western manager couldn't be the marketing director, because 'he must understand completely what the people need, and what the people think in that market'. But she couldn't have done the job before her training either, since she knew "nothing about advertising, nothing about promotion, about pricing..." (957).

Within transition culture, therefore, we have contests over who is best suited to manage transition: Westerners or East Europeans. On the one hand, Westerners will claim "ownership" of transition culture. East Europeans can join transition culture by invoking the proper skills, but can rarely challenge Westerners on those grounds. On the other hand, they can invoke their knowledge of East European culture to elevate their own competence over their Western counterparts. The dispute can rest on the relative significance of knowing local culture for any particular task. Ironically, three of the central skill sets associated with transition culture -- personnel, marketing and communication -- all potentially elevate the importance of cultural competence in ways that accounting or writing business plans may not. Consider these examples in personnel management. Here, one manager laughs at his Western boss:

One of our bosses decided to implement special incentives for their sales guys. And he announced that everybody who sells more than a certain number of products in one month will be given Ray Ban sunglasses. You know? Ray Bans! Can you imagine? Ray Bans. And the answer was we already have glasses. For him it was something special, you know. Completely, mm, upstanding. The best glasses. All around the world, OK. OK, yeah, very good. But this is not the best incentive for East European people. And answer was, OK, give us 100 dollars for that, and this will be better. (956)

Sometimes it reflects an awareness of how the delegitimated past mixes with the present, as when one manager discussed 'employee of the month' awards:

They come up with ideas. They're happy to receive money, this reward. But when you want to put their name and their picture on the board and say, This guy really did something, no, because, it continues to be perceived as something negative really. Because you are cooperating with authority. Cooperation with authority is not good by definition. Because it's been—and it's not only the communist system, it's also the, the history of our country to defy authority, to fight authority was a good patriotic deed. So now if you, all of a sudden, are recognized by authority, it means—well, who are you? Which side are you on? Even though, you know, we try to communicate and explain, you know, it's, it's pretty good for all of us. They are very skeptical towards it. In fact if you—I, I was just amazed myself -- when you try to—when you take like corporate creeds— Or mission statements. In English. And they make perfect sense, they're sincere and all this. You translate into our language — It sounds terrible. It sounds almost 100 per cent like communist propaganda (955)

Sometimes it doesn't take a profound awareness of taste or of the past, but just a good sense of how incentive systems work. For instance, one Westernized East European manager complained that the parent company insisted on a certain kind of compensation system which was completely inappropriate given the ups and downs of sales in the market, regardless of unit productivity (955; also 952). Limitations are even more dramatic when it comes to assessing resistance, and corruption. As one manager recalled,

Well, you see, I came one year ago. And before me, General Manager, was one guy from The West. And it—the management was practically only Westerners. And they did a lot of work, good work. But they didn't expect and they didn't know how strong is the East European resistance. They thought that they wanted to create this factory exactly on the image of the factory in their home country. But it's, it's impossible. It is different conditions. Different people. Everything is different. So they did a lot of work, and later on they entered into big problems. They couldn't move forward. And that was the reason for which they asked for, for local ... to be the manager (952).

And when we asked what he could do that the Westerners could not, he said,

In front of the foreigners...East Europeans behaved like good actors. They played their roles. It's much more difficult to play the role of somebody in front of me, or even in front of another East European. So, to have success, you have to make the appraisal of your staff. Proper appraisal. So, they made a lot of mistakes in, in placing people. They trusted somebody who was not worth trusting. When I cut the possibilities of doing the, the corruption in one workshop—reported the guy subcontracted to his colleagues and has paid more money than was necessary, and they were using company's materials, company's workers, and so on—when I cut it, the guy told, Thank you, I will not work anymore. And despite that he was favorite of the Westerners. They were very surprised. I didn't touch him. I didn't have any contacts with him. But I know that he is stealing company's money. So I cut the possibility to, to do it. (952).

East European difference is obviously important to transition culture, but it tends to be minimized when its reproduction is managed by those from without Eastern Europe. It is a difference to be transcended. That difference, however, is typically transcended by East Europeans, and only minimally by Americans and other Westerners. The difference becomes more important within transition culture, however, when it becomes a resource that enables East Europeans to claim competence over Westerners. Under these conditions, East European difference tends to be accentuated when the promise of transition is not being realized, when East Europeans feel like they should be in charge and Westerners remain in that station.¹⁰ In the following sections, I explore a few moments next where East European difference is accentuated.

EAST EUROPEAN COMPETENCE BEYOND TRANSITION CULTURE

In the early years of 'transition' the contest between Western expertise and East European culture was likely about the degree of fit between Western concepts and East European reality. In later years it has become a debate over who can manage the fit, and in what areas might that fit is best realized. What can Westerners really teach the indigenous after six years of transition? As one ex-patriate consultant with East European background said in 1994,

we now have much less need to bring in outside assistance (since) the expertise of our East European consultants has reached such a level that they can do 90% of what the MBA's could do, and they don't need to be hand-held in terms of being introduced to this country (126).

Estonian consultant Alexander Plotkin and Polish consultant Bogdan Siewierski have emphasized: "managers in transitional economies are no longer interested in the theory of how things ought to work, or how things work in developed capitalist economies. They expect more specialized knowledge and specifically-tailored techniques, expertise they can use to solve their particular problems. After all, managers say, we have learned so much in these last six years, we expect Western trainers should also have

¹⁰ This difference tends to be minimized in most of the interviews we conducted. And it should be. Most of the people we interviewed were working within firms exemplifying transition culture, and were, in one way or another, working with Westerners to improve their own business practices. Indeed, the interviews were themselves part of the overall transition culture practice, for Americans were interviewing East Europeans and Americans about their collaboration. Within the very framework of the research, therefore, transition culture was privileged. At the same time, however, during interviews, we specifically probed for those moments where East European difference might be less easily assimilated into transition culture, and during the analysis, I focused on those moments which are not easily digested within the basic transition narrative.

learned from our experience.” (Kennedy, 1996). Are the areas of expertise in which Westerners might advise becoming ever more narrow and specialized? And if that is the case, does consulting in transition economies differ substantially from consulting in any other site? Presumptions of superiority, embedded in transition culture, will have to give way to a culture of consulting that is specific and indulgent to the client’s interests.

Consulting is only one form of technical assistance in transitional economies, however. Multinational corporations are another common form for transmitting global business practice, but here, presumptions of superiority and inferiority, or at least chains of authority, are not so easily transformed. Transition culture smoothes tensions that might otherwise be quite common in managing multinational firms, and this was reflected in many of our interviews. For instance, one East European manager said, “they practically taught us how to do the business. What’s the way in an open economy, how to do the business. Because otherwise we would die” (957). Training offered by foreign companies was often viewed as a key credential for success. An American recalled that “whether (the training was) good or bad (laughing), they would consider themselves to be more professional, and then much more marketable to get another job” with that training (979). Beyond the fact of this gratitude or the value of the credential, forces of homosocial reproduction also are at work in the elevation of global expertise.

It is difficult to really appreciate how ‘true’ the following stories are, and to what extent there are psychological defense mechanisms coming into play. It is however striking how often the contributions of consultants and experts are acknowledged as confirmations of what already was known or could have been done with firm resources. One manager, for instance, said that the advisors have not told them anything they didn’t already know (967). Another suggested that the firm could have done the project on their own, but having the interns on hand just gave them the added kick that they needed (955). Another simply said that their staff was so busy, they didn’t have time to do the project otherwise (969). Another manager said directly, “I would like to have the confirmation of the Davidson Institute. If I go back to my firm with the program, I think their hesitation on that program will be much less” (956). Another manager lamented that the parent organization refused to believe him about the appropriate accounting system, and so he hired

Western consultants to do the analysis to convince the parent company. I asked why that was necessary, and he replied, in an ironic tone, that they wouldn't listen to an old socialist manager like me (952).

This story is no doubt familiar to those who study the contributions of consultants. They merely provide an outside perspective that confirms the position of those who understand the situation from within. But in the case of transition culture, management's claims might be doubted because of the presumption where expertise lies, and doesn't lie. In their contest with others, especially foreign management, East Europeans need the alliance of foreign expertise to elevate their own claims to competence, and reduce the suspicion that their advice is flawed because of its contamination with socialism's past. There is, however, one area of expertise in which East Europeans have an undisputed claim to superior competence, but its relationship to the past limits its value in transition culture.

It is of course well known that connections matter a great deal in business practices across the world and that many network ties are critical to career success. In Eastern Europe, these connections are easily as important if not more important for the wellbeing of the firm. For example, one firm's principal problem turned out that they kept on losing bids. The Western experts focused on the costs of production, and neglected entirely, because it was outside the sphere of their competence, how bids were really won. This firm was constantly underbid by its competitors because their competitors bid lower than their real costs of production. They can do this because their previous ties with the client enabled them to understand that later their clients will pay for additional goods up front, but the producer will never deliver those goods; and in that way, he'll make up the loss (952). Here, then, the Westerner would actually lose business due to their lack of connections. But how does this claim to competence, to expertise, fit within transition culture?

The narrative of connections is also tied up in claims to competence and homosocial reproduction. Transition is about moving away from such particularistic ties and toward the rule of law and market. In the East European context, this sense of connections is typically disparaged as a relic of the past. If you have to old onto an old manager, for instance, what better than to assign him a job like governmental relations (955)? The condescension is not missed by the "old managers", but given the power relations of the transitional firm, it is probably not posted as a problem. In my interviews, this problem occasionally

exploded into the conversation. One manager recalled a story where the parent company demanded that this manager use his connections to fix standards for the import of some factors of production.

Deliveries to our country are completely signed that the product has to be delivered according to the our country's rules, our country's standard. And they expect that because I am a previous president (of the regulatory agency), I can have everything (done) like that (as he rubs his hands against each other, like "chip, chop") So I told them, Why didn't you sign the contract according to the official standard? I am not responsible for your relation with that agency! (They tell me) Oh well, you have to arrange it somehow. How can I arrange it? How? There are rules, standards. (They say) Arrange the meeting with them. Well I arrange for the dinner with the, with the president of the commission. You know him! Go ahead, arrange it with him! You know American officials? You know how to fight for visa in the States? Well it's the same way with the our country's authorities. Apply, for example, valid documentation. Write a letter, attach the documentation, and wait for the approval. How can I arrange it? It's not Bangladesh or any other country in which you can go [slaps the table, as if slapping down a bribe]), give the envelope and arrange it. Maybe some envelope maybe would be helpful, but it is impossible to arrange these things without following proper procedures. I told them, I can maybe, maybe I can accelerate something. But it is impossible to avoid the necessary actions. They (the multinational managers) don't understand it. It's a colonial attitude. They suppose that they are in the wild countries, in which the, the—all the administration is corrupted totally. And, in which I have everywhere friends and I can arrange it in a way they don't want to, to think about. It makes me crazy sometimes (952)

This field of activity -- the significance of 'connections' and the importance of this kind of activity for getting bids or favorable rates of taxation -- is usually recognized as very important, and something East Europeans are themselves most adept in doing. At the same time, however, this is perhaps one of the most difficult areas of expertise to place on a grid between socialist culture and transition culture. On the one hand, it is typically denigrated as a valuable form of know-how when we are talking about the transformation of business practices, perhaps because it is associated with the indigenous themselves, or because it doesn't fit with our notions of proper expertise. On the other hand, to think of it as so powerful as to determine how the economy really works, can lead the Westerner to be charged with condescension. In short, this claim to competence cannot easily be implicated in the transition culture itself, and yet, it is fundamentally important in a firm's conditions of success. How are "connections" embedded in the claims to competence that organize homosocial reproduction within transition culture?

CONTESTING CLAIMS TO COMPETENCE

In general, homosocial reproduction tends to minimize the significance of conflict within the dominant culture, within transition culture. It exaggerates the conflict with the antagonistic cultures -- in the case of this paper with socialist culture. But it minimizes the conflict with East European local culture

given the degree to which East Europeans in multinational firms must rely on their foreign counterparts for their confirmation as members of transition culture.

Of course there were slight contests among differently located actors within each firm and their consulting projects: East Europeans tended to value local knowledge more than global expertise, Americans tended to value communication skills more than East Europeans, Americans tended not to see any difficulty in linguistic barriers, East Europeans tended to identify condescension in Americans, and Americans found pessimism in East Europeans. In one case, the indigenous/foreign contest grew severe, and led to a virtual absence of communication altogether. But one should not think of the cultural contest moving only along lines of passports and national cultures. Transition culture is consequential, and it has made an alliance out of foreigners and some East Europeans who identify socialist culture as the main antagonist in developing the firm. Indeed, in most of these multinational firms, I suspect that homosocial reproductions proceeds along these lines of transition culture more than national cultures. There was, however, one cultural contest that goes beyond transition culture and should be studied as a case study in the movement of transition to post-transition culture.

When asking about the exemplary manager, we found only one firm where the chief was praised unambiguously by the lower management. One manager said that his boss was a good manager because he knew how to build a team, to have great relations and not to have any rivalries. Everybody gives their all to the team, working at least from 8:30 in the morning till 9:00 in the evening (967). The other person celebrated his manager because that manager "understood that the business should be done by the local people who knew the market" (960).

It was, however, extraordinarily interesting that it was this very team that earned severe criticism by the interns who worked there. Their criticism was similar to what we had seen before, praising the management's energy, but failing to find anything really exemplary in their management practice. This team, like others, couldn't identify anything they really learned from management. Their critique ran along several dimensions. One intern praised the management's energy, but they "needed to take a step back and see what they were doing and focus in on and pay attention to some of the details of running an operation". Their business was growing so fast that the management team didn't "have control right now of all the aspects of the business, have the control that they ought to" (985). They also didn't listen. This concern

over openness is a common basis for praise, or criticism, of East European managers by those who would advise them (see also 958, 976). Another intern said,

The managers ... would get sometimes frustrated in some situations... they weren't as open in sometimes talking about some issues. They sometimes believed their way was maybe the right way, and they weren't very open to getting some comments... A few times we suggested, well, have you ever thought of this? And, instead of listening and maybe working with us, they kind of would listen in for a few minutes and then say, No no no that's not our way. Won't work in our market (981).

As if to emphasize how unreasonable this was, she compared them to other managers.

(the others) were very friendly, very open. Very much wanting to learn. If we had any information to share with them, they wanted it. I mean, whether it was right, wrong, whatever, I mean, they wanted to see it first, and talk about it with us, and ... they would say, Well what do you think? Do think this is right for our market? Even though I'd only been there for like [laughs a little here] two weeks. So I found that very refreshing" (981).

It is difficult to assess how 'typical' this setting would be. The management team here had grown up in the second economy together, and were tight. Their business was growing extraordinarily rapidly. Indeed, their very success was enough, for one manager, to answer a question about managerial accomplishment. He said that in the first three months of their operation, they had nearly 3 times more output than their predecessor had in the previous year. And then in the following year, they were asked to double their production, a task they accepted from the parent firm. And they nearly doubled that (960). Rather than focus on techniques or methods for demonstrating competence, this manager pointed to results; the advisors took this very condition and pointed out that the rapid growth could hide their managerial limitations (983).

The East European manager attributed the success of their firm to the fact that an East European ran the firm. Expatriates are poor in this job, because it takes a lot of time to understand the mentality of the market, and during that time, they make a lot of mistakes, and have a hard time recovering from them. He was specifically recalling his parent firm's mistake, relying on an expat manager to estimate the size of the potential market. They radically underestimated what could be done (982). From that and his previous experience, he drew some general lessons:

1) When locals and ex-pats are mixed, the team is less effective in part because there are very different time horizons.

having both foreign and local managers create problems which is like a division of the team. To some degree you always see them as outsiders, who just coming... to do, you know, something, you know, (that has a) higher priority. But at the same time they are not seen as the long term partners or long term colleagues... But at the same time, because I said they are seeing themselves higher, this uh-- the team does not, I think, uh cooperate. Maybe I'm wrong, but I don't think so....

2) In these mixed teams, condescension is typical even when claims to competence are dubious:

Sometimes the expatriates see themselves as the teachers for (the locals).. . I know that probably the, the business knowledge of Americans, of westerners is bigger than the East Europeans, in, in some areas. But at the same time, the understanding of mentality, or even the contact with clients are not compatible. I mean you can't compare what the expats can do and what the local can do.

3) The global corporation is too much like the past: there is no responsibility because everyone is too much obliged to the narrow vision of their own department, and too dependent on those higher up:

So even if they understand me, they are not independent, this the problem. So, we should have support from the top management. I think, uh, they're always...this is always a problem with a big company. They are not flexible. people work for the big company, but they work for their department. This is the problem, so...I work for my boss, and I...if he comes to me and say I have no problems, for me this is the most important thing. So, therefore I cannot agree with people from outside, even if they introduce logical arguments, but, OK, but my boss wants me to have a product. Some of the processes are, reminds us of forty years of the communists. I mean...it cannot be compared, because they are completely different systems. But something what can occur in a big corporation happened in the past in our country.

4) The global corporation needs a different strategy for its support of indigenous firms:

(At the same time) I feel that we don't have enough support in the beginning from our parent company.... I mean assistance, some kind of set-up procedures, things like that. And it doesn't have to be done with another manager who works with the company. Could be done to some degree as a consultant, or someone who stays for a month or two or three, whatever, just to help and, you know, maybe give some advice. But not being seen as a decision maker.... an outsider. Just to maybe help us, to help create the system. To put the, uh, procedures in motion. To establish criteria for, uh, you know, for getting your clients..... And but, but this is not a big problem.

Contesting this interpretation, an intern (985) complained that the company insisted on special treatment from the parent company when in fact that special treatment wouldn't be necessary if they had the right kind of expertise and were more careful in collecting data. More generally, the intern found that the indigenous management was "stubborn and pig-headed" when it came to dealing with the parent company. He found that they thought they could do it all on their own, but they couldn't. From that he took a general lesson about the relationship between the parent company and smaller countries:

one thing that you learn is that they (the indigenous managers) really need to learn, the managers in them because you see how they react, because they really need to be explained things in detail, to lead them along where they're going, and they need a charismatic leader, that they can trust. They don't need the financial people, I don't think that. Financial people, people who are not just willing to listen to them and also someone who has the strength to tell them when they are wrong, and that they respect that is what's really required (985).

More critically,

one of the general lessons is that they need to learn to take care of their own house before they start complaining about what everyone else is doing to them. So, martyrdom is not a good call at all times.

And, to work with the corporate office, you can't always just keep saying what's wrong or else crying Wolf too much can ruin your credibility (985).

This particular set of interviews was among our most interesting precisely because it offered very different perspectives on what managerial accomplishment meant, and how that was dependent on the kind of expertise and reference groups ones enjoyed. In this case, the East European invoked their success, the weakness of multinational bureaucracy, and an expertise based on a fusion of local knowledge with global business practices. In many ways, they embodied the realization of transition culture's promise. On the other hand, their critics could identify particular weaknesses in the way that manager worked, and especially criticized his blaming the parent firm. Indeed, his Western critics could return to the socialist model and invoke particular images from it to undermine the East European's claim to competence. To be "closed -minded" or unsophisticated in financial planning are all attributes of the socialist culture that is to be expunged.

The deviance of this case from our general analysis -- the outright contest over claims to competence between foreign actors and successful local actors -- suggests something extremely important about homosocial reproduction and transition culture. Transition culture's assimilation of local culture and opposition to socialist culture is not only about demarcating who is in and who is out. It is also about building up narratives of accomplishment and inferiority that, regardless of accomplishments, can be used by differently positioned actors to identify who is competent. Even in conditions of success, Westerners can undermine the claims of locals by identifying elements of that East European's practice that resemble the socialist past. But if our East Europeans in this section are any example, East Europeans can also use the narratives of transition to bolster their own claims to competence. Indeed, in a terrific inversion, they could argue that it is the multinational that is inadequate before the emerging market economy. Socialist culture is not an East European disease, but the result of an organization being out of touch with the dynamics of local culture.

Although this was only one case, one might suggest that this is the case that anticipates the future. East Europeans are learning transition culture more rapidly than Westerners can learn transition culture. On the other hand, Westerners may control resources that East Europeans need or want in order to participate effectively in steering their firm or transition more broadly. Under these conditions, will post-transition culture resemble those practices already well developed in other center-periphery relationships?

Or might it produce a new cultural formation that is based on a particularly intimate knowledge of how socialism worked, and how capitalism emerges out of it?

CONCLUSIONS

Jozsef Borocz (1995) has introduced an extremely valuable concept for understanding the dynamics of postcommunist capitalism in general with "fusion". By this he understands the "creative reinterpretation of old and new elements, creating substantively distinguishable qualities of social experience". He uses the musical repertoire of Bela Bartok to create the image. Citing the Hungarian pianist Zoltan Kocsis, "Bartok's oeuvre is a perfect synthesis between central east European folklore and composed music in the hands of a superbly creative individual". While the making of a new business class will unlikely be awarded the same kind of artistic recognition, the imagery of fusion might be one of the most useful metaphors with which the analysis of management practice within transition culture might be conducted. But the contest is over how the fusion of global business practices and local cultures is to take place.

Homosocial reproduction within the management of transitional firms is explicitly based on an imagery of fusion, but with very different loadings on how the various elements are connected. Local knowledge provides details, connections, and legitimation, while the global part of the fusion process provides the viewpoint and conceptual framework in which to put all those details. The fusion is most obvious in particular areas where East European management lacks expertise: marketing, personnel, communications. As East Europeans acquire these forms of expertise, fusion would suggest that the contradiction between local and global knowledge would be erased, or superseded by a new class of East European business leaders. And in many ways it has.

This image of supersession, however, masks the continuing difficulty of assimilating East European experience in guiding managerial development and homosocial reproduction. To a considerable extent, minimizing East European distinctions in homosocial reproduction is based on the relative weakness of East European business culture before global culture, and its identification with a socialist past. The East European manager who challenges global management practices risks being identified with

the East European socialist/national condition. Such an identification marks them as inappropriate for transition, and outside the future.

As fusion takes place, however, global privilege in homosocial reproduction ought to decrease. Indeed, the relative weighting of East European local knowledge ought to increase, and the claims to competence in assessing firm practices might rest more among East Europeans. To what extent, then, will matters of homosocial reproduction within multinational firms approximate those conducted in any other part of the world where center/periphery relations characterize the encounters between parent and local firms? I would expect that it should. Indeed, one of the best markers of transition's completion may very well be when the West's claims to superior competence no longer invoke the rhetorics of an Eastern Europe defined by its socialist past. Or perhaps an even better marker of transition will be found when the East European bases his claim to superior competence on the traces of socialism to be found in the multinational corporation.

Transition might therefore not only be about the transformation of East European business practices. Transition might be usefully thought of as a global transformation, in which multinational firms cease to have such obviously national cultures guiding their multinational business strategy. What process might be available for generating a more global cultural approach to business development? One of the typical indicators of this transformation is to be found in the national origins of managers at MNC headquarters, but this paper's analysis of transition culture in practice suggests another approach that might be quite useful.

To the extent we become familiar with those cultural scripts that elevate global competencies and deflate local competencies, MNC managers become more sensitive to those strategies of control offered by regional managers and others with more of an eye toward global headquarters than local conditions. To the extent we become familiar with those suppressed cultural scripts of resistance that seek to elevate local competencies in the face of global presumption, the regional manager becomes better able to ask the questions which elicit alternative narratives of success.

Indeed, to some extent, one might imagine that MNCs would profit considerably by developing strategies for eliciting those strategies for business development that address local conditions well but might not fit with those forms of flattery homosocial reproduction encourages. While this might be

generally true, it is especially true in the postcommunist context where the East European must struggle to avoid the socialist label so easily applied by the representative of transition culture's global viewpoint.

Bibliography

- Abbott, Andrew. The System of Professions. Chicago: University of Chicago Press, 1988.
- Bollag, Bollag. "Business Schools Flourish in Post-Communist Eastern Europe" The Chronicle of Higher Education January 17, 1997, pp. A47-48.
- Borocz, Jozsef. 1995. "Social Change by Fusion?," . Paper presented at the XXXII. Conference of the International Institute of Sociology, Universita` degli Studi, Trieste--Gorizia, July 3-6.
- Bourdieu, Pierre. 1984. Distinction: A Social Critique of the Judgment of Taste. Cambridge: Harvard University Press.
- 1977. Outline of a Theory of Practice. Cambridge: Cambridge University Press.
- Burawoy, Michael. 1996. "The State and Economic Involution: Russia through a China Lens" World Development 24:6:1105-17.
- and Pawel Krotov, 1992. "The Soviet Transition from Socialism to Capitalism: Worker Control and Economic Bargaining in the Wood Industry" American Sociological Review. 57:16-38.
- Harsanyi, Nicolae and Michael D. Kennedy. "Between Utopia and Dystopia: The Labilities of Nationalism in Eastern Europe" in Michael D. Kennedy (ed.) Envisioning Eastern Europe: Postcommunist Cultural Studies. Ann Arbor: University of Michigan Press, 1994.
- Hart, Janet. 1996. Women and the Greek Resistance: 1941-1964. Ithaca: Cornell University Press.
- Kantor, Rosabeth Moss. 1977. Men and Women of the Corporation. New York: Basic Books, 1977.
- Kennedy, Michael D. forthcoming. "The Labilities of Liberalism and Nationalism After Communism: Polish Businessmen in the Articulation of the Nation." in Ronald Grigor Suny and Michael D. Kennedy Intellectuals and the Articulation of the Nation (University of Michigan Press).
- 1996 "The Value of Business Expertise in Eastern Europe" ii: The Journal of the International Institute 4:1(1996):10.
- and Naomi Galtz . 1996. "From Marxism to Postcommunism: Socialist Desires and East European Rejections" Annual Review of Sociology. 22:437-58.

- and Pauline Gianoplus, 1994. "Entrepreneurs and Expertise: A Cultural Encounter in the Making of Post-Communist Capitalism in Poland" East European Politics and Societies 8:1:27-54
- Krzesak, Iwona. 1994. "Etnografia Business Centre Club" pp. 37-61 in Jacek Kurczewski, (ed.) Biznes I Klasy Srednie. Warszawa: Zaklad Socjologii obyczajow I Prawa, Institut Stosowanych Nauk Spoecznych, Uniwerstytet Warszawski.
- Lamont, Michele and Marcel Fournier, (eds.) 1992. Cultivating Differences: Symbolic Boundaries and the Making of Inequality. Chicago: University of Chicago Press.
- Ortner, Sherry. 1984. "Theory in Anthropology since the sixties." Comparative Studies in Society and History. 26(1):126-66.
- Sewell, William J. 1992. "A Theory of Structure: Duality, Agency, and Transformation" American Journal of Sociology (1992), 97: 1-29.
- Somers, Margaret R. 1994. "The Narrative Constitution of Identity: A Relational and Network Approach" Theory and Society 23/5:605-650.
- Swidler, Ann. 1986. "Culture in Action: Symbols and Strategies" American Sociological Review. 51:273-86.
- Wandycz, Piotr. The Price of Freedom: A History of East Central Europe from the Middle Ages to the Present. London and New York: Routledge, 1992.
- Wuthnow, Robert. 1989. Communities of Discourse: Ideology and Social Structure in the Reformation, the Enlightenment and European Socialism. Cambridge: Harvard University Press.

Appendix:

THE DATA AND THE METHODS

Site selection for ethnographic work clearly influences the kinds of data that are available. My colleagues and I have been working in sites where the contest over claims to competence is likely to be most highly developed: in projects where foreign technical assistance has been provided indigenous entrepreneurs and managers. Since 1991, over 100 semi-structured interviews on the cultural encounter between Western and especially American business experts and East European entrepreneurs and managers have been collected by six researchers.

"Experts" work in the region with varying degrees of experience and credentials -- from MBA students on a summer internship and MBA graduates who have worked in the region for several years, to retired American businessmen advising for a year. The East European business men and women we have interviewed have been entrepreneur-owners of small firms, indigenous consultants and managers in state-owned firms, multinational firms, and firms in movement toward private ownership. Various kinds of expatriate managers are located in between the expert consultants and indigenous business people: some know little about their new country before they arrive, others grew up in the country.

Although we have interviewed entrepreneurs, consultants and managers from China, Russia, Ukraine, Hungary, Estonia, the Czech Republic, Slovakia and Poland, most of the interviews have been conducted with Polish business people. We have interviewed business consultants or advisors from the Peace Corps, the International Service Executive Corps, the Enterprise Corps of the University of North Carolina at Chapel Hill, the University of Michigan MBA Corps, and interns with the William Davidson Institute at the University of Michigan.

In this paper, I rely directly on a series of 56 in-depth interviews with both Western experts and East European managers and entrepreneurs conducted in 1994 and 1995. All but three of the twenty-seven 1994 interviews were conducted in Poland. All but six of the interviews were with Polish managers and entrepreneurs, given that most of my previous work relied on interviews with Western experts (Kennedy and Gianoplus, 1994). The twenty four interviews with Polish managers and entrepreneurs represented 15 different firms. Eight of my informants were employed in consulting firms. Four interviews were conducted with representatives of manufacturing firms, three interviews with those employed in mass

media, and three in communications. I interviewed one person from the government side of business support, and one person from a service establishment.

Apart from one interview in Russia, the twenty-nine interviews in 1995 took place in Ann Arbor, Michigan and were conducted with participants in the William Davidson Institute's summer projects. The William Davidson Institute organizes projects in which a team of American MBA and occasionally area studies MA students work with an indigenous firm's management to resolve a particular problem identified by that management as one in need of improvement. Out of this group, nine interviews were conducted with American interns and the balance with East European consultants or managers or interns from the region who were associated with 11 different firms. Fifteen of the interviews were with people associated with the Polish projects, although people who worked in Hungary, Russia, Romania and Slovakia were also interviewed. These firms included 2 communications, 2 consulting, 5 manufacturing, and 2 light manufacturing/retail firms.

The numbers following quotes refer to my own coding system for the particular interview conducted. In order to encourage our subjects to speak freely, we guaranteed them anonymity. In order to preserve that anonymity, I have had to alter quotations slightly so that anonymity would be preserved. Given that there were relatively few non-Polish interviews, I have had to mask the nationality of the comment. For example, where it is not critical to the sense of the quotation, I replace Polish or Romanian with "East European" and American or German with "Westerner" or the country's name with "my country".

Each interview lasted from 1 to 3 hours. Four researchers¹¹ conducted the interviews, relying on a common interview schedule for each type of respondent (manager, intern, and "local fellow" -- an indigenous person who has had training in Western business management techniques) to guide our semi-structured interviews and assure that we covered the same ground, if not in exactly the same fashion. Here we were willing to suffer replicability in favor of allowing a more 'natural' conversation to emerge, and thus gain more interesting narratives about business transformations. These interviews were transcribed, and then analyzed.

¹¹ Dina Smeltz, Magdalena Szaflarski, Pauline Gianoplus, Margaret Foley, Naomi Galtz and I conducted interviews in this project.

The interviews we have collected are ethnographic, but derived from semi-structured interview schedules. They are not in any sense 'representative' of the total of business entrepreneurs or managers developing postcommunist capitalism, nor are they representative of the experts who have gone to advise business in Eastern Europe. Instead, these interviews are highly skewed toward exemplary businessmen and women, those who can win the contacts with projects in business advice subsidized by their location in academic institutions that emphasize their educational mission. Likewise, the interviews with Americans are skewed away from those working in private consulting firms, and toward those still in school. That clearly affects the findings, but how they affect our conclusions depends on our interpretative methods, rather than the sample we have drawn. We don't see this work an attempt to assess the distribution of attitudes about markets or social security; instead, we treat this collection of interviews as a case study with which we might pose ethnographically grounded questions about the formation of transition culture.