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*Organisation and Management Research
in Transition Economies:
Towards Improved Research Methodologies*

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ORGANISATION AND MANAGEMENT RESEARCH**

IN TRANSITION ECONOMIES: TOWARDS IMPROVED RESEARCH METHODOLOGIES ¹

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Abstract

The paper is motivated by a desire to ascertain some difficulties and problematic issues that arise when conducting empirical organization and management research in transition economies. It questions the notion of universality of the way various methods and techniques are applied in the field. The paper describes and reflects on methodological difficulties the two authors have encountered in conducting organization and management research in a number of East European countries (Baltic States, Bulgaria, and the CIS, especially Belarus, Russia and Ukraine) since the change processes started in the socialist bloc in the late 1980s.

The paper is organized in four main parts. The first section outlines *general problems* of conducting field research in management and organization in transition economies. The second part focuses on methodological issues concerning *qualitative research*. In the third part, the methodological concerns of the *quantitative research* are emphasized. The paper contains stories and examples that illustrate some of the problematic issues the authors have faced in their empirical work. They provide evidence of the specificity of the transition economy context seen as a field for conducting field studies and point out the need to contextualize different methodological issues in order to successfully administrate the different stages through which the field work. Besides addressing and reflecting upon problems and obstacles, the paper suggests some measures as to how these methodological difficulties may be overcome.

The conclusion summarizes the main aspects linked to implementing empirical organization and management research in transition economies and lists a variety of specific techniques a researcher might consider that are contextually based and that need to be explored in order to be able to generate data in an environment which appears to be specific in many aspects.

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Introduction: A Researcher in a Driver's Seat

Conducting research is comparable to driving a car under various conditions. The driver never knows exactly what might happen on the way although (s)he has the necessary skills, a driving licence, years of experience, etc. The driving conditions are never the same and they often change considerably.

We have approximately 10 years of experience in driving on the roads of the transition economies in Eastern Europe and the former Soviet Union. Our aim is to describe and reflect on methodological difficulties we have encountered in conducting organisation and management research in some of these countries since the change processes started in the socialist bloc in the late 1980s. We also propose some hints as to how potential accidents may be avoided.

This article is an outcome of research co-operation between two researchers whose backgrounds derive from the East and the West of Europe, namely from Bulgaria and Finland. In addition, the article integrates experiences in conducting qualitative as well as quantitative research in the East, since one of the researcher bases her research mainly on qualitative data, while the second researcher is more experienced in conducting quantitative studies. The transition countries in which we have been conducting field research are the Baltic States, Bulgaria, and the CIS (especially Belarus, Russia and Ukraine).

Before the start of the transformation in 1989, the research on socialist organisations and their management was considerably different from today, since it focused more on pure system descriptions rather than in-depth analysis of organisational behaviour. Furthermore, before the 1980s private entrepreneurship was practically non-existent in the official economy, making the conduct of research under the current conditions very different from the way it was during the socialist era. In this article we have included stories that exemplify some of the problematic issues we have faced in our empirical work.

Besides addressing and reflecting upon problematic issues, the article suggests

some measures as to how these methodological difficulties may be overcome. They are one possible practical way to solve methodological obstacles, although researchers should be aware that adjustment and contextualisation of these measures into various conditions may be necessary.

The article is organised in four main parts. The first section outlines *general problems* of conducting field research in transition economies. The second part focuses on methodological issues concerning *qualitative research*. In the third part, the methodological concerns of the *quantitative research* are emphasised. The conclusion summarises the main aspects linked to implementing empirical organisation and management research in transition economies.

1. General Difficulties in Doing Empirical Research in Transition Economies

One of the fundamental problems concerning studies on transition economies is the absence of a grand theory, which would model the impact of the economic system change on organisation and management transformation. Another main problem is caused by the fact that the majority of the existing empirical studies are dedicated to describing various transformation issues rather than integrating theories designed in the West with empirical data collected in the East. A lack of interaction between theories and field data is one reason why some scholars continuously stress the uniqueness of the transformation. In order to discover whether the transformation is truly unique, or only partially a specific phenomenon, researchers should triangulate theories developed in the West and integrate them in a post-socialist context. This might reveal that only some aspects of the transformation are truly unique while others may appear to be only quasi-unique (see Table 1).

Most of the organisation and management studies carried out during the socialist era, concentrated on describing how an organisation and its management fulfilled

their tasks in the giant socialist system. Scholarly activities at the enterprise level have increased considerably since the collapse of the centrally planned economy. As studies on organisation and management transformation present a relatively new field of research, there are numerous tempting and uncovered themes waiting to be explored. The emergence of the research field has created a situation where a researcher does not receive a lot of support from previous research attempts (the so-called “donor problem”, Michailova, 1997). However, in order to deepen the understanding of transformation issues, scholars might consider placing greater emphasis on the collection of earlier studies and findings instead of attempting to solve a variety of transformation problems within the framework of their single study.

A rather common problem in conducting research on transformation is the fact that the phenomena under investigation constantly escape the hands of the researchers. As the transformation is far from having reached its end, it continuously creates unpredictable side-effects. Thus, the transformation studies are comparable to the situation in which the driver of a moving car attempts to park his car on a moving trailer. In order to be successful the driver must be capable of measuring the speed of the moving trailer and adjust his own speed accordingly. Furthermore, the car driver must anticipate possible actions of the driver in the trailer. One way to prepare one-self for the demanding task involved in a research scenario would be to dialogue with senior researchers and practitioners who have greater field experience in the given area.

As the majority of the transition studies, either explicitly or implicitly, analyse change, special difficulties on studying change are emphasised. The research focus may rather be on the “cascade of changes” (Kanter et al., 1992) instead of analysing the phenomenon only at a particular point in time, which naturally

stresses the importance of a longitudinal approach.

Although change is at the core of the transformation process, it should not be forgotten that change as such is not the fundamental goal of the transformation but rather a method of adjusting to a constantly changing business environment. In other words, the enterprises do not aim to change their practices *per se*; the goal is to increase enterprise performance. Moreover, it should be stressed that change does not necessarily or automatically lead to increased performance – which is one of the reasons why enterprises are occasionally reluctant to change.

In addition to problems linked with theoretical frameworks and research themes, a researcher may encounter difficulties in accomplishing empirical research in practice. One of the first obstacles to be overcome is often the question of research funding. Since the funding for academic research has collapsed in the transition economies, a researcher may need to approach institutions outside the transition economies. Their funding decisions and procedures vary considerably, and as a result, a common recommendation on fund raising cannot be given. However, a positive sign for organisation- and management-scholars is the increasing interest in the microeconomic transformation. The growing interest in this particular area is the result of various funds recognising that the overall transition to market economy will not occur if enterprise management is not capable of implementing reforms at the enterprise level.

Besides funding problems, it could be difficult to find experienced and committed research partners in Eastern Europe. This is mainly due to the fact that many universities in the region have experienced tremendous brain-drain. Many younger scholars received assignments in West European and American universities and a lot of prominent researchers have been forced to leave the academic community, as university salaries are seldom sufficient to ensure satisfying living standards.

Occasionally potential research partners may be found in private research institutions or consulting agencies. International conferences on transition economies as well as research networks may be optimal sources to locate potential research partners.

Language problems are unavoidable in cross-national studies. In the transition economies, language problems are aggravated by the fact that especially the elder management generation does usually not master English language at a sufficient level. Managers and employees outside Russia are generally not willing to apply Russian language, although it was widely taught in the former socialist bloc. Possible deficiencies in command of English forces the researchers to use local language or sometimes even a variety of local languages or dialects within one transition economy. As the need for a command of various languages endangers the accomplishment of the research, a researcher may need to use competent local assistance to reduce language difficulties.

Although the emergence of new forums concentrating on the organisational and managerial issues in the transition economies is a positive sign, the emphasis on the transformation has, at times, been too one-sided. While some scholars concentrate on post-socialist transformation, there has been a lack of acknowledgement of the fact that “transformation” is not a uniquely East European factor, but in fact occurs in many other parts of the world. All in all, a broader view on global transformations may help placing the organisational and managerial transition in Eastern Europe, and the former Soviet Union, on the global organisation and management map.

Table 1: General problems and research approaches in conducting empirical management research in the East European transition economies

PROBABLE PROBLEM	RESEARCH APPROACHES
Theoretical Framework and Research Theme	
A grand theory on organisation and management transformation has not been formed.	Triangulate theories and integrate theories and post-socialist context.
A vast number of tempting and uncovered research topics.	Study earlier research reports and focus your research theme.
Extremely dynamic phenomena, and therefore, continuous and unpredictable changes make the research work very demanding.	Discuss with senior researchers and practioners.
Particular difficulties concerning studying change.	Longitudinal approach. Note that change is not the primary goal of the transformation but rather the adjustment into the continuously transforming business environment.
Accomplishment	
Lack of funding.	EU Phare and Tacis programmes, national research foundations and private organisations.
Lack of qualified research partners.	International conferences on the transition economies and research networks.
Language problems.	Learn at least the basics of the language of the target country. Use experienced assistants.
Reporting	
Heterogenous circle of readers.	Disseminate results via special organisations collecting researches concerning Eastern Europe and former Soviet Union and through electronic East-West research nets, special journals and conferences.

2. Conducting Qualitative Research in Eastern Europe

There are a number of specific issues that must be addressed when conducting qualitative organisational studies in Eastern Europe. This section provides an inside view on a few of these issues, more specifically the ones we have found problematic in our own field work (see Table 2). Identifying the field, getting the access to it, dealing with the secrecy and mistrust while being in the field, coping with the lack of interest in receiving feedback are methodological issues that are hardly discussed and most often quietly ignored. At the same time these particular features, to a great extent, form and define both the context and the content of the research process. Therefore, they need to be given voice and to be made explicit.

Identification of the field, getting the access, and entering the setting

In the East European context there is a lack of systematic information at different levels. There are no reliable databases, files, registers or archives that may provide the preliminary information the researcher needs at the pre-access stage. This is the stage at which the organisation(s) that may constitute the field for studying the issues under investigation must be identified. Under such circumstances, the choice and the decision is often predetermined by the substance of the researcher's informal networks.

Once the pre-access phase is complete and the field has been identified, the researcher is faced with the challenge of achieving access to the field in question. A number of authors have reflected upon different types of difficulties regarding the access to the studied organisation (Brown et al., 1976; Buchanan et al., 1988; Andersen et al., 1995). This is an issue in which our experience is rather divergent from what is described in the methodological literature. Two stories exemplify what we have in mind.

In 1994, one of us decided to conduct a study on organisational culture change in a Bulgarian company. The company operates in the heavy industry, employs 1500

people, and is strategically important for the country's industrial development. Getting access to this particular firm turned out to be extremely difficult and time consuming. The secretary of the chief executive officer (CEO) was unwilling to connect the researcher with the CEO over the telephone and continuously refused to arrange an appointment for the researcher with him. The researcher started collecting the data without the CEO's approval to do so by studying archival materials and interviewing former organisational members outside the company. The following stage was to consist of interviewing present members and conducting observations in the organisation. Without the official permission this was, however, no longer either appropriate or possible.

The circumstances under which the access was negotiated were rather unusual. Through a friend, who is head of department in the company, the researcher received knowledge that the CEO was leaving for Switzerland on a particular day to go on a business trip. The flight was scheduled to take off early one Sunday morning. The researcher went to the not very large Sofia airport hoping to be able to recognise the CEO among the waiting passengers (the researcher knew his face from the pictures that were put all over the community where the company is situated - he was a candidate in the framework of the local elections). After she recognised him among the people waiting in the pre-check-in hall, a combination of different circumstances worked in her favour.

Firstly, she addressed the CEO by name although they did not know each other personally (*by doing this the signal the researcher sent was "You are important and well known. That's why I know your name."*) Secondly, the dominant mood just prior to leaving for Switzerland is rather unique in comparison with the usual every-day routines at the office (*the CEO does not travel abroad every week*). Thirdly, it was Sunday and early in the morning, and the researcher had her 4 year old son with her (*The fact that the researcher had obviously gone to so much trouble to speak to him and to get his permission to carry out the investigation, must have indicated to the CEO that the entire study was of extreme importance to her.*) In the short conversation that took place the researcher followed the advice of another insider on what to focus on in order to avoid a possible refusal. She

explained the purpose of the study and requested the access to the company in the previously well-thought through framework, and the CEO's approval was immediately achieved.

The second example is a story which suggests that having negotiated the access to the field does not necessarily mean that the researcher has a green light for doing her job.

In the winter of 1995 one of us travelled from Copenhagen to Sofia to collect qualitative data in another Bulgarian company, in order to write a case dealing with various Human Resource Management issues. The access to the company was negotiated with the CEO through several telephone conversations and it was confirmed in written form prior to the first visit there.

The first appointment was with the CEO. On the agreed day and five minutes before the agreed time, the researcher knocked on the secretary's door. Knowing that the researcher is a Bulgarian working at the Copenhagen Business School, the secretary behaved in an unfriendly and even freezing manner. This was a key point which could determine whether the field work was going to be facilitated or blocked. Here we reproduce the conversation that took place in the secretary's office, between the secretary and the researcher:

Secretary: - In this company people don't enter my office, they wait in the corridor until they are called in.

Researcher: - Sorry, I didn't know. Of course I will wait outside.
(The researcher's voice makes it explicit that she accepts the limits set by the secretary and is ready to obey her rules.)

Secretary: - Anyway, you are already in. You can stay.
(The researcher remains in the office but does not take a seat - the clear signal she sends by standing and not taking a seat is "I know you want to behave like a king here. I must accept that.")

After a few minutes the researcher is invited by the secretary to take a seat on the other side of her working desk. While reading the newspaper the secretary asks a question:

Secretary: - How is it to live in Copenhagen?

(The voice clearly indicates a large dose of non-controlled jealousy. The assumption is: You are doing enormously better than I, simply because of the fact that you live in Copenhagen.)

This is the turning point at which the entire outcome of the conversation lies in the hands of the researcher. The answer to this particular question is going to determine how the following days in the company will develop.

Researcher: - To live in Copenhagen? I don't have any idea of what it is actually like to be in Copenhagen. Day and night I work on my Ph.D. thesis sitting between four walls without knowing what is going on in the city. It is just hard work either at the office or at home. I used to do many more things when I was in Sofia, before I left for Denmark.

(This is not exactly the case but is definitely in line with the common behaviour in the Bulgarian context in at least two ways: first, to complain and second, to prove to the others that one is not doing better than the rest.)

And it worked - the ice wall was broken. Suddenly, the secretary began expressing sympathy for the researcher and became extremely friendly. She smiled, offered a newspaper and a cup of coffee. Much more importantly, she was the one to arrange all the appointments with the other members of the firm for the researcher's next interviews over the following days. The secretary was also responsible for introducing the researcher to many of the managers and employees and for taking care of various practical issues.

The two stories illustrate that the CEO's secretary plays a key role when it comes

to getting access to the CEO and, more importantly, to the company. Whereas the CEO can usually only find time for a single interview, the secretary is often the person to connect the researcher to the other respondents and to facilitate (or obstruct) the process of collecting field data. We tend to disagree with Buchanan et al. (op.cit.) that “negotiating access ... is a game of chance, not of skill”. Field work in Eastern Europe is not the art of the possible, the art is to make it possible. To offer feedback is not an efficient tactic for acquiring entry to companies in the East European context (see the section below, dealing with the feedback issue). Knowing the cultural context of the country where the investigated settings are situated, being competent regarding the norms and basic attitudes of the people whom the researcher encounters as carriers of the particular national cultural heritage, and being sensitive towards the concrete situation, are necessary conditions for negotiating and getting the access to the field.

The general climate in the field: secrecy and mistrust

In Eastern Europe, the very appearance of researchers on the company’s stage is still perceived, by the majority of the firm-members, as new and “very strange”. Managers and employees in socialist and post-socialist organisations are not at all used to encountering, and much less working with, people from the academia. The vast majority are highly suspicious and resistant. It requires a great deal of sensitivity and effort to make them providers of information.

When we asked people from the companies in which we gathered qualitative data to act as respondents, we always made it clear that the particular study was either purely theoretical or developed for teaching and training purposes. This is absolutely necessary bearing in mind the typical mistrust in former socialist organisations together with their lack of experience with having researchers from academic institutions conducting empirical investigations. When detecting doubt amongst employees who have been asked to act as informants, we always showed them the interview-guide. Respondents were assured confidentiality and anonymity. They all started or finished with almost the same phrase: *"I am not sure whether what I can tell you will help you"*.

In three of our studies, the CEO was among the first to be interviewed. This approach helps in several ways. Having conducted the interview with the particular CEO, our introduction to the following interviewees was: "We are conducting a study on ... (the concrete subject was mentioned). We have the CEO's permission to do it in your company. He has already acted as our respondent and has given us a long interview." We knew that this detail would carry weight. And in all cases it did. Informants felt more secure. *"If the chief has agreed to give her an interview, it can't be wrong if we agree, too"*. The danger of acting as a respondent was thus, eliminated for most organisational participants.

In the cases where the data collection takes place in East European organisations but the data is analyzed and presented / published in a western context, it helps if the researcher clearly communicates this fact to the respondents. This eliminates much of their anxieties. In one of the organisations several interviews made this point explicit: *"Denmark is far away and the analysis will not be written in Bulgarian language. Even if we make mistakes and tell you something wrong (in the sense that it does not fit with what is expected or officially approved in the company), nobody here will know about it."*

The tape recorder - a technical tool or *the* issue in conducting interviews?

An important issue that deserves serious attention is the use of a tape recorder. Whereas this is defined as "accepted technology" (Buchanan et al., op.cit.) for collecting data in the western context, it rises a host of issues in the East European environment.

In some of the studies we only took notes during the interviews and did not even ask whether we could tape them. In bigger and more ambitious studies, especially when we studied organisational culture issues, we have taped all conducted interviews. In the latter case, some respondents became very nervous while others were extremely serious simply because of the tape-recorder. It was intentional that we did not tell anybody in advance that we intended to tape the interview. We did

not ask for permission to use it, because we were confident that the respondents would prefer not having their answers taped (this has been always the case in our previous attempts). We simply took out the tape-recorder at the last moment and started with the first question. At that point, our dilemma was whether to adopt an ethical attitude and get less rich data or merely start the tape-recorder and get as much as possible. We often opted for the latter solution. However, ethical issues were stressed to an even greater degree when respondents asked us to switch off the tape recorder. This often occurred at times when the respondent volunteered the most significant information. However, we respected their wish, trying instead to memorise the information and integrate it in our data interpretation.

We applied different tactics with respondents we knew. We took out the tape-recorder and put it aside. We began the session with informal chatting on themes of mutual interest which had nothing to do with the interview itself. Since we confronted the respondents by simply taking out the tape recorder and putting it on the table, to be switched on at the start of the interview, it was worth investing time in relaxing the atmosphere and reducing the sense of invasion of their emotional territory. With one interviewee this preliminary talk lasted for two hours, with another - forty minutes. We took that time because we wanted to make sure that the respondents were relaxed and felt comfortable before starting the actual interview. Afterwards, we could conduct and tape the interviews. In such situations, the application of various techniques becomes crucial, especially after the first impression of confrontation. As suggested by Burns (1989), we did not place the chairs too close together in order to keep the interviewee's territory visible. Leaning forward was effective for the purposes of encouragement, reinforcement, and query.

The difficulties with using a tape recorder make the process of taking field notes even more important. Following Van Maanen (1988), field notes are an ongoing stream-of-consciousness commentary about what is happening in the research. Eisenhardt (1989) suggests that the researcher should write down whatever impressions occur "because it is often difficult to know what will and will not be useful in the future" (p. 539). Taking field notes concerning the various conditions,

circumstances, climate, specific critical events, etc. during the field work besides these that reproduce the studied members' interpretations is highly relevant in the East European context - the first ones do give a lot of relevant food for the analysis of the respective research topics. To use one of our previous examples, the fact that the researcher could not get access for weeks to the CEO of one of the companies in Bulgaria says as much about the difficulties of getting access to the setting as about specific aspects of the company's culture.

The feed-back issue

Another specificity in conducting field research in Eastern European organisations, is the fact that insiders are not interested in receiving feed-back. However strange it may sound to many westerners, it does not surprise us. The lack of interest in receiving feed-back could be interpreted in various ways. We offer two probable explanations. First, as already mentioned, there is a general lack of experience with researchers from the social sciences in former socialist organisations. From the various studies we have conducted, we can mention only one single case in which a middle manager decided that *"it would actually be interesting to see the results of the analytical work"*. Organisational members usually perceive it as a personal favour to the researcher that they accept the latter's fieldwork. In general, organisational members do not approach the study as a mutual process from which they too might learn and benefit. This leads to the second explanation, which could be formulated as a question. Do organisational participants (especially those belonging to the upper management levels) really not reflect upon the possibility of getting feedback from us as researchers, or they do not intentionally want to know how an outsider understands and interprets their organisational reality? Having had the possibility of asking insiders about this particular issue, we tend to say that the reason for this behaviour is rather lack of experience than deliberate resistance to receiving feedback.

Table 2: Summary of probable problems and research approaches in qualitative management research in the East European transition economies

PROBABLE PROBLEM	RESEARCH APPROACHES
<p>Identification of the field, getting the access to it, and entering it</p>	<p>Do not expect to be able to identify the field on the basis of databases, registers, archives, etc. – there is a lack of reliable, systematised information. Make intensive use of informal contacts, such as relatives and friends.</p> <p>Act according to the social and behavioural norms of the country and the particular organisation. Be sensitive towards all signals coming from the insiders and be flexible.</p> <p>Accept and respect the fact that access often depends upon insiders placed on lower levels of the organisational hierarchy.</p>
<p>Secrecy and mistrust in the investigated organisation</p>	<p>Be very sensitive especially at the beginning of the field study. Find out what norms are valid in the investigated setting. Try to identify the “chemistry” of the interactive situations and influence it carefully.</p> <p>Identify a few insiders who might be helpful in shortening the outsider-insider distance and follow their advise.</p> <p>Try to interview representatives of the upper levels at the beginning of the study and let the lower levels know about these interviews when you ask them to act as respondents.</p> <p>In case you collect the data in Eastern Europe and conduct the analysis and publish it in the western context, tell the respondents. This will relax the respondents and they will be more inclined to giving you more valuable information.</p>
<p>Respondents’ suspicion and fear when the researcher uses a tape recorder when conducting interviews</p>	<p>Focus on taking field notes. In case you want to tape the interviews, avoid asking directly for a permission to do so. The risk of being refused is extremely high. Approach this issue according to the situation. Use different techniques depending on whether you know the respondent or not.</p> <p>Reduce the effect of “confrontation” caused by the tape recorder by applying different techniques for the purposes of encouragement, reinforcement, query, etc.</p>
<p>Lack of interest in receiving feedback from the researcher</p>	<p>Do not assume that the insiders want your feedback. In case you suggest it and they are not really interested, try to present your analysis and findings to audiences from which you can receive meaningful and useful feedback.</p>

3. Conducting Quantitative Research in the Transition Economies

Universal issues concerning the conduction of quantitative research are not dealt with here, instead emphasis is put on those areas, which a researcher most probably

encounters when conducting quantitative research in the transition economies. The main focus of this section is placed on problems linked with sampling, questionnaire design, and data collection since more general issues have already been discussed in Section 2 of the paper. Possible research problems and probable solutions are approached in light of the authors' own experience i.e. the authors have personally been confronted with these problems and been forced to solve them (see Table 3).

Meeting all the perfectionist requirements of sampling is a very challenging task in the transition economies, as national enterprise registers are deficient. For example, enterprise registers do not always contain information even about owner or address of an enterprise, which makes it impossible to detect these “phantom” companies. Secondly, the enterprise registers include a great number of non-active companies. Many of these “idle” firms have been registered with a speculative intention to start operations, only if the opportunity arises. To make the sampling even more complicated, it has been estimated that there are thousands of “shadow” companies which are very active but have not been registered. In addition, there are many non-profit organisations, which do not officially belong to the category of business organisations but which nevertheless, conduct extensive business operations. As an example of these “unofficial” business organisations, an association of Afghanistan veterans in Russia, can be mentioned. All in all, the large number of these “phantom”, “idle”, “shadow”, and “unofficial” enterprises makes it very demanding to precisely define the enterprise population in the transition economies (Liuhto, 1996).

One pragmatic way to tackle difficulties concerning the population definition is to concentrate on officially registered enterprises, and to consciously exclude “shadow” and “unofficial” enterprises. Despite the extensive parallel economy, it is

appropriate to exclude the hidden enterprise activities, since it is almost impossible, and even risky, to carry out research on the “shadow” or “unofficial” enterprises². The exclusion of the unofficial entrepreneurship allows a researcher to focus on easier though not on easy task i.e. the separation active registered enterprises from the passive ones.

An optimal way to exclude passive companies would be to search the registers for enterprises’ turnover, sales, profits or employed persons, thereby enabling a division of the enterprises into active versus passive categories. Unfortunately, in many transition economies such registers cannot be obtained, thereby forcing the researcher to look for an alternative path. For example, data basis of various industrial confederations, business associations and enterprise unions could be combined. Application of this path would require co-operation with the mentioned associations, as such registers are usually non-public. Although these organisations would be ready to co-operate with a researcher, it should be mentioned that many active enterprises do not participate in any confederation, association or union. Therefore, the integration of the enterprise registers is never a comprehensive way to define the active enterprise population. Therefore, a researcher might be forced to make a large random sampling based on data from all the registered enterprises, thereafter separating the companies which do not want to participate in the research from “idle” and “phantom” companies. This method allows the researcher to separate natural non-response from the non-response created by the deficient enterprise registers (Balicki and Szreder, 1997).

The fact that the majority of quantitative researches use questionnaires in their data collection necessitates further examination of this method. One of the common problems linked with the use of questionnaires are the terminological

² In 1995 the unofficial economy’s share in GDP of post-communist countries averaged 30% (EBRD, 1997).

misunderstandings that may arise. In the transition economies, many enterprise managers have technological educational backgrounds, instead of business education, which is one reason for their rather insufficient comprehension of business concepts. Lack of comprehensive terminological knowledge can create situations where questions are not completely understood or where questions are completely misunderstood and falsely interpreted (Jankowich, 1994).

One of the frequently studied, yet frequently misunderstood terms is the concept of profitability. In one particular research project it was noticed that some post-Soviet managers had relatively narrow views on the concept of profitability since they regarded the difference between sales and direct production costs as a profit. In addition, another research project revealed that the term “top manager” can be understood not only as a general manager but also as the most qualified manager of a company. These two examples indicate that there is a variety of understandings of basic terms which is not always linked to command of foreign languages but also to the differences in meaning of the concepts. Therefore, it is of the utmost importance to simplify the terms and explain the terms which create possible misunderstandings. Even more important than elsewhere, it is essential to check the understanding of the terminology through a pilot study and discuss with the respondents how they understood the questions.

Although, the clarification of the terms used in the questionnaire would help in reducing the number of misunderstandings, it should be noted that the general command of foreign languages, particularly in non-European ex-Soviet republics, can be deficient to the extent that it forces the use of local languages. As the translation jeopardises the vocabulary equivalence, a translation back into the original language is always necessary to pinpoint possible differences between the original questionnaire and the translated one. Furthermore, the selection and use of

local language should be taken into serious consideration in the multilingual transition economies. To exemplify, some 40 per cent of the Latvian population speak Russian, indeed it is their mother tongue, while not all of them master the Latvian language. The paradox of monolingual citizens in a multilingual state may require a researcher to translate the questionnaire into more than one local language, even within one country. Another important point to bear in mind is the fact that the Russian language, although widely understood in the former Soviet Union, and even in Eastern Europe, can be too sensitive to be used in the researches since it most likely causes extremely high non-response (Liuhto, 1998b).

The question of the most appropriate scale should also be given serious thought when questionnaires for transformation studies are designed. Transformation studies should not only focus on relative change (transformation speed) but also on absolute change (advancement in transformation). The reasoning behind this is that, the scale measuring speed of transformation can cause biased results, since fast improvement is not necessarily synonymous with the advanced state of an organisation. Earlier research results indicate that transformation speed is often faster in those companies, which have more to improve rather, than in the advanced companies, which cannot improve their activities as easily. High jumping provides a practical example of this. The world record holder has considerable difficulties in improving the record even by one centimetre, while an amateur can rather easily improve his record by several centimetres. Despite amateur's faster improvement, however, his level is still far below the champion's. Therefore, the transformation speed should not be mixed up with the transformation state i.e. absolute advancement in the transformation process.

The distinction between relative and absolute change is reflected in the operationalisation of the research. An effective approach would be to concentrate

on analysing the absolute state of a transition economy in a given moment and then to repeat the research after a certain period of time. However, only few researchers have the opportunity to replicate the survey. Therefore, a pragmatic way to explore the transformation issues would be through a retrospective approach. In other words, by asking what state the organisation was in, for instance, in year 1995 and in 1998 rather than asking what characterised the change during these years. The latter method does not allow for the possibility of assessing the absolute state of the company (Liuhto, 1999a).

Although a researcher could assess the transformation in absolute terms, there still remains a problem of measuring whether the most advanced enterprises in the transition economies have already reached the level of enterprises in market economies. “The best is not necessarily good enough”-dilemma cannot easily be solved. In order to deal with it, a researcher could form a bi-polar semantic scale where the poles would represent “centrally planned economy” and “market economy”, respectively. However, a scale of too abstract nature might cause response error. Therefore, a comparative research might be a more appropriate solution to placing enterprises in the “global organisation and management map”. A comparative research should not only include the transition economies, but also advanced market economies and newly industrial countries. Only by expanding the perspective from the transition economies, will a researcher be able to conclude how close the enterprises in the transition economies are to their counterparts in the “traditional” market economies.

One particular research study presented an interesting finding concerning the use of the 5-point scale in the former Soviet Union. Local researchers proposed that the numbers of the 5-point scale should be replaced with symbols, because numbers may remind respondents of the evaluation scheme used in the Soviet educational

institutions. The use of the numeric 5-point scale could have produced response errors as grades 1 and 2, indicating poor results, were rarely given in the Soviet Union. This scale related response bias may also occur in some other post-communist countries (Liuhto, 1998b).

When possible problems of the data collection are evaluated it can be concluded that “non-personal” mail surveys pose a considerable risk of high non-response. The possibility of high non-response is not only caused by insufficient enterprise information but also by decreasing enthusiasm on the managers’ part to participate in surveys of which there have been more and more during the last few years. This “survey exhaustion” may be cured by informing managers prior to distributing the questionnaires. This method has proved to be a more effective way of receiving fulfilled questionnaires than simply sending reminders to the managers.

Another very effective way of increasing enterprise managers’ enthusiasm to take part in the research, is by appealing to their sense of respect for authorities. Experience from Russia clearly reveals that enterprises are more likely to participate in the research if it is administrated through ministry or industrial confederations rather than through the university (Liuhto, 1998a).

Although telephone interviews pose a cost-effective method of collecting data, its implementation in practice is often impossible, as busy managers are difficult to reach by phone. Furthermore, managers are reluctant to reveal information over the telephone, as they may fear of the data getting into hands of their competitors, taxation authorities or even organised crime. Although these difficulties are not easily overcome, the following measures may aid in the process of data collection.

If the questionnaire is technically too complex or too long, it may lead to non-

response. Therefore, the questionnaires should be as clear and as focused as possible. Also, very personal themes should be avoided. A research project carried out in 1991 indicated that Soviet managers were surprisingly more enthusiastic when it came to revealing information about “business secrets”, than when answering questions concerning business ethics and informal management practices. In order to avoid very personal themes, a Western researcher should cooperate with local experts to pinpoint possible themes, which may lead to non-response or response error (Liuhto, 1991).

The authors have, in their earlier research attempts, noticed that occasionally managers do not personally answer the questionnaire or they fill it out in a random manner, for instance, if the participation allows to participate in a lottery. In order to increase managers’ enthusiasm with regards to participating in a study, a researcher may use measures which reveal whether a ghost respondent or even an interviewer have filled out the questionnaire on behalf of the target person. For example, including a request for the given manager to enclose his business card, increases the likelihood that the questionnaire is not answered by a secretary or an interviewer. Also, stressing the manager's privilege in presenting his view on the behalf of the business community has turned out to be a very effective means of increasing personal involvement. In addition, the use of control questions is a practical way of uncovering random responses (Liuhto, 1996).

Many transition studies have indicated that enterprise managers are extremely reluctant when it comes to supplying researchers with information on ownership or organisation performance. This is because the less controlled business environment of the transition economies has created an atmosphere of suspicion (Malkov, 1992; Birch and Pooley, 1995; Suutari, 1996). A pragmatic way of avoiding non-response caused by very sensitive issues, is to translate sensitive questions into less sensitive

ones. A researcher may be forced to ask about the relative development of enterprise performance instead of the absolute performance. For example, asking about exact profit figures may lead to non-response, thus, a more appropriate method may be to ask about the percentage of the turnover or the change in profitability (Liuhto, 1999b).

Also the question ordering may influence respondents' answers to sensitive issues. A survey conducted among the Russian oil companies showed that sensitive questions placed in between more attractive, or less sensitive, questions were more likely to produce information on performance-related issues. In that particular survey, the sensitive issues were placed after the section which allowed the Russian managers to elaborate on their views on which issues government should improve in the Russian business environment. In other words, the Russian industrialists received an opportunity to pass on their message to government and in return they offered some pieces of information on the company performance (Liuhto, 1998a).

Sometimes it has been noticed that general directors do not know, or do not remember exact performance figures, even though they may be willing to give such information. One pragmatic approach has been to turn to the financial director who might fill in the "missing blanks" or ask the management to send the missing data afterwards. However, authors' experience shows that the latter

Table 3: Summary of probable problems and research approaches in quantitative management research in the East European transition economies

PROBABLE PROBLEM	RESEARCH APPROACHES
<p>Sampling Deficient enterprise registers (a vast number non-active companies and deficient addresses).</p>	<p>Search for performance-based of registers. Combine various registers. Carry out large random sampling and separate natural non-response from non-response caused by deficient enterprise registers.</p>
<p>Questionnaire design Command of foreign languages may be weak.</p>	<p>Use local languages. Do back-translation of questionnaire.</p>
<p>Terminology may cause misunderstandings.</p>	<p>Avoid the use of very modern business concepts and define the concepts, if possible. Conduct a pilot study.</p>
<p>Difficulties in designing scale in a manner, which would indicate the absolute advancement in the transformation towards market economy.</p>	<p>Focus on absolute transformation instead of relative transformation. Do comparative studies including not only enterprises in transition economies, but also companies in market economies.</p>
<p>Possible bias concerning 5-point numeric scale.</p>	<p>Replace numbers with symbols or use 7-point scale.</p>
<p>Data collection High non-response of “non-personal” mail surveys.</p>	<p>Go there yourself and use local assistance and the authority respect.</p>
<p>General managers do not have time to participate in the study.</p>	<p>Focus the questionnaire by abandoning unnecessary questions.</p>
<p>Manager does not answer questions personally.</p>	<p>Use questions uncovering a ghost respondent. Appeal to manager's privilege to present his/her views on the behalf of the business community of his/her country.</p>
<p>Manager does not want to reveal information on ownership or enterprise performance.</p>	<p>Modify the sensitive questions to Less sensitive ones. Start interviews and questionnaires with less sensitive issues.</p>
<p>General managers do not know or remember exact numbers.</p>	<p>Turn to a financial director, if possible. Ask the company to send missing data later on.</p>
<p>Promotion of own management's or company's success by exaggeration of enterprise performance.</p>	<p>Inform that the names of individual companies will not be mentioned under any circumstances in reporting research findings. Double-check performance figures, if possible.</p>

method increases the risk of non-response.

The exaggeration of management's or company's success has occurred in some researches. One method, which reduces the managers' tendency to exaggerate success is to inform the respondents that data on individual companies will not be mentioned in the research reports. In addition, double-checking performance-related information from various sources may also uncover the possible response errors. However, double-checking is quite difficult to execute in many transition economies, as authorities do not necessarily provide information on individual companies.

4. Conclusion

This paper is motivated by a desire to ascertain some difficulties and problematic issues that arise when conducting empirical research in the transition economies. It questions the notion of universality of the way various methods and techniques are applied in the field. The article provides insight as to how to solve some problems a researcher may meet when carrying out qualitative or quantitative studies in the former socialist bloc.

Our reflections provide evidence of the specificity of the transition economy context seen as a field for conducting empirical studies. The phenomena studied must be put in the specific context, otherwise data would remain meaningless. In other words, research that is not grounded in the context lacks relevance and construct validity. A clear understanding of the context is needed in order to be able to cope with, and successfully administrate the different stages through which the field work is taking place. This would broaden our view of methodological issues and dilemmas by conducting organisational studies. The examples listed in the paper suggest that we need alternative approaches that are not preoccupied with holding onto and acting according to "cook book" approaches described in the western dominated methodological literature. There are a variety of specific techniques a researcher might consider that are contextually based and that need to

be explored in order to be able to generate data in an environment which appears to be specific in many aspects.

Our experience indicates that conducting research in the transition economies is influenced by three crucial elements: (1) universal requirements of scientific research, (2) experience on special conditions of transition economies, and (3) sufficient resources. A researcher should not only concentrate on requirements of scientific research, as even the most advanced research methods do not guarantee success if the research cannot be executed in the original form. In addition to requiring sufficient knowledge in general issues linked with conducting empirical research, the researcher must also have experience with transition-specific factors as well as sufficient resources to be able to carry out the research successfully. Conducting empirical research in the transition economies is sometimes as much creative art as perfectionist science.

The authors have in their research attempts, experienced that co-operation between researchers from the East and the West may help in overcoming many of the problems linked to the accomplishment of the research. As pointed out by Teagarden and colleagues, “No one researcher can be an insider in multiple cultures” (1995:1283). To establish teams consisting of insiders and outsiders is one of the ways solving the dilemma (Morey & Luthans, 1985; Boyacigiller & Adler, 1991; Bartunek & Louis, 1996, Easterby-Smith & Malina, 1999). To mention only one dimension, a research partner from the East may open many doors, which would otherwise remain closed to the Western researchers. Correspondingly, the Western researcher might have a better possibility of obtaining sufficient research funding even for more extensive research projects. All in all, East-West research co-operation might create an ideal interaction between the scientific requirements of the research, financial resources and the practical experience with the transition-specific characteristics which should be taken into consideration when the empirical research is to be conducted in the East.

Transition economies present a tremendously interesting research laboratory for scholars interested in organisational and management issues. This article was aimed at offering a possible key to researchers about to sit in the driver's seat of a research vehicle. Some of the hints presented in this article may be worth reviewing before starting a research journey on the slippery and narrow roads of empirical research in transition economies.

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