

Culturewise – Focus on Russia

Modern Russia can be characterised as a nation in transition, a culture struggling to replace the values, attitudes and behaviours of the Soviet period with those of a free-market democracy. Unsurprisingly Russian business-culture is in an equally turbulent state of flux; influenced in part by traditional Russian values, in part by the continuing fall-out from the Soviet era and the traumatic transition to market economics, and in part by Western ways of doing things.

The need for authority

The experience of centuries of absolute monarchy followed by the Soviet era moulded many Russians to accept a situation in which decisions are taken by those in positions of power and knowledge, and imposed on those below. In place of Western notions of self-reliance and independence is a strong Russian tradition of state paternalism in which governments became a self-serving instrument of the bureaucracy, rather than a provider of equitable or effective public services. The extent to which democratic ideals have taken hold in Russian culture is unclear, but the desire for a "strong leader" in both public and business spheres is undiminished. Strong leaders and strong managers are expected, and seen as both desirable and effective.

Fatalism

Hardened by centuries of war and having endured generally tougher economic conditions than in the West, the Russian people sometimes believe that one should hope for the best, but prepare for the worst. This belief reflects a mentality that the majority of meaningful events in life are beyond individual control: a stark contrast to the Western ethos of "positive" thinking. Russians, it is suggested, are ready for the worst-case scenario. Failure, if and when it does happen, is accepted more readily than elsewhere. A counterpart of this fatalistic approach is, it is suggested, a Russian approach to decision-making that regards feelings and intuition as an important element in coming to a judgment about others. Under this point of view, restricting emotions that demand immediate expression is perceived as unnatural and dishonest.

Nationalism

Cultural attitudes towards 'Mother Russia' verge on occasion into outright nationalism and dislike of those who are different. This is said to be reflected in the sometimes grandiose projects (cultural and otherwise) associated with the Soviet period and the fact that racism and considerable intolerance of non-conventional lifestyles is widespread, certainly in comparison with the more liberal of Western democracies. Allied to these strong nationalistic feelings is a somewhat ambivalent attitude towards the West, manifested in a conflict between accepting and rejecting Western ideas.

Communality

Attitudes towards personal identity are suggested to be somewhat different from those in Western cultures. In place of the Western focus on individuality and personal achievement, there is a more ambiguous attitude towards professional success and a greater emphasis on group responsibilities. Even for well-paid Russians, working in a comfortable environment can be as, or more, important than a higher salary. The logic of feeling dissatisfied at not having achieved a high level of material success is not at all clear for many. Instead, a "comfortable" internal office environment and being part of a structured team are aims in themselves, not just a means to an end. The strong distinction drawn between private and work life in many Western cultures is also an unfamiliar concept. Russians want and need to feel a part of a greater good and organisations that place a great deal of emphasis on "team building" are likely to be pushing at an open door when working with Russian counterparts. The counterpart of this focus on the group is that employees earning more money than colleagues can sometimes breed envy, dislike and factionalism among staff.

It is often surprising for the foreigners to see how the Russians often combine collectivism and a strong need for centralised authority. In fact, a desire to have a strong leader to whom power and responsibility is ceded, does not exclude occasionally anarchic behaviour of the part of subordinates. The Russians do not work in teams, but in groups. Roles and responsibilities are determined by the person with the highest rank. This model applies throughout many organisations.

The Fallout from the Soviet Era

Soviet bureaucracy assured free education and healthcare, no unemployment and a secured (if basic) living standard. It was a society in which everyone was supported from birth until death, provided of course he or she did not choose to rebel against the system. The need to make choices, take decisions, or assume personal responsibility was removed in many areas of life.

The Soviet system inevitably went deep inside people's mentality. With relatively comfortable salaries, no competition and without a bottom line to protect, Soviet managers just went with the flow: unwilling to (and often incapable of) making decisions. One result of this aversion to decision-making was the development of what Russians called *uravnilovka*: literally "without distinction" or "the destruction of distinction". In any given professional field the style, manner and quality of work was not essential for the final reward. Although Russian culture has changed during the transition, the shadow of *uravnilovka* is echoed in the difficulty some have in accepting those driven by personal ambitions and the common belief amongst many business people that their organisation can only succeed if others fail.

The impact of Western business culture

Extensive foreign investment in Russia has brought Western (particularly US) attitudes, values and management styles to the Russian business environment. Business styles are changing as many Russians gain work experience in other parts of the world or run their own businesses. Professional managers who know how to create value are replacing people skilful in lobbying for distribution of state assets. American-trained Russian MBA's are likely to be as familiar with global business practices as any other nationality. However, the further visitors move away from the big cities such as Moscow and St Petersburg into the regions and the state-owned industries, the more likely they are to find that the older traditions still apply. There also tends to be a difference in business style between the old and the young, as younger people are able to travel more widely or to receive management and business training.

In these circumstances it is important that overseas visitors do not make unwarranted assumptions about how Russian counterparts will behave. While some counterparts may be as comfortable in a "global" business context as anyone else, others may be unfamiliar with, or misinformed about, concepts that are basic to Western business culture. Entering any business situation with the assumption that Russian counterparts have the same understanding of concepts such as motivation, individual accountability and reward, profit and loss, or proprietary rights, is a recipe for misunderstanding. Using these terms with caution and tact and making one's own assumptions explicit are good rules of thumb for visitors facing ambiguous attitudes among counterparts.

Russian Business Etiquette and Protocol

Relationship-building:

- Allowing your Russian contact to get to know you personally is an essential part of successfully conducting business here. Indeed, Russian companions may sometimes initially appear to be more interested in the personal side of your character than your business agenda.
- Make the effort to appear down to earth, sincere, and reliable. Wherever possible use personal or telephone contact in place of the written word. Try not to hurry things along too quickly.
- Find out about the gift giving policy in the organisations you deal with. Generally speaking, Russians take pleasure in giving and receiving gifts. Cheaper gifts do not have to be wrapped, while more expensive ones should be.
- Avoid giving gifts such as pencils, pens, lighters (unless they are expensive ones), cheap wine or vodka, notebooks, etc.

- Gifts are expected for social events, especially as acknowledgments for private dinner parties or overnight stays in someone's home. Chocolates, dessert items, good wine, or other alcohol (not vodka which is widely available) are appropriate.
- The use of business cards is common so be sure to bring a plentiful supply.
- Consider having your business card translated into Russian on the reverse side. In addition to your full name and title, ensure that you include any university degrees you have earned.
- When handing out your translated card, present it so that the side printed in Russian is facing the recipient.

Communication styles:

- Although English is widely spoken amongst younger counterparts it may not be amongst older ones. Make sure that counterparts clearly understand you. If necessary, use a translator.
- Presentations should be simple and easy to understand. Factual data is important; however making a good overall impression should also be a high priority. Creating a good impression means, amongst other things, emphasising the "exclusiveness" of the offer and the credibility of your organisation.
- Proposals should be translated into Russian with the name of the company for which it was "specially" done. This emphasises the uniqueness of the offer.
- In contrast with many other cultures, Russian business culture commonly prefers oral communication to the written word (although government bureaucracy requires considerable written documentation). Important information may best be conveyed personally instead of sending faxes or e-mails. The phrase "you gave me your word" will sometimes give better results than appealing to the text of an email.
- Important business decisions are rarely discussed over the phone, but are handled during face-to-face meetings.
- Since Russians tend to be sensitive to status, avoid treating them in ways that can come across as patronising. Praising and rewarding anyone in public is viewed with suspicion, since they may cause Russians to feel a sense of misplaced obligation.
- Overseas visitors may be tempted to perceive comments such as "we will try to finish the work on time" or "perhaps it will work" as a lack of commitment or interest from local counterparts. In fact, these types of comments indicate willingness to operate in continually changing conditions, rather than any lack of commitment to the goal at hand.
- Competence in the English language varies dramatically across business sectors and levels. While presentations can sometimes be delivered in English it is essential that any promotional material and documentation be printed in Russian. It may benefit you to bring your own translator, rather than depending on the one provided by Russian counterparts.
- For a number of Russians email is a somewhat impersonal means of communication.

- Russians tend to listen very carefully and may leave a certain period of silence after a speaker finishes. This is designed to indicate respect rather than an absence of anything to contribute or a suggestion that something "wrong" was said.
- Usually, Russians have three names. The first name is a given name, while the last name is the father's family name. The middle name is a version of the father's first name, known as a patronymic: for a man, it ends with the suffixes "vich" or "ovich" meaning "son of". For a woman, the patronymic is also the father's first name but with suffixes "a" or "ova" added, which means "daughter of". When you become well acquainted with a person, you may be invited to refer to him or her by the first name and patronymic.
- Married women take their husband's last name, but indicate their gender by changing the last letter when it is a vowel (which it almost always is) into an "a".
- As a visitor, it is appropriate to refer to your Russian colleague by either "gaspodin" (a courtesy title similar to "Mr.") or "gaspazhah" (similar to "Mrs." or "Miss") plus his or her surname. It is also perfectly appropriate, when meeting someone, to simply state your family name without any additional greeting.

Meetings:

- When decision-makers are present, meetings can be a time for all participants to exchange information and ideas.
- Your first meeting is usually just a formality; a time for the Russian side to assess the credibility of you and your company. The best strategy is to appear very firm and dignified, while maintaining an air of warmth and approachability.
- Russians will sometimes insist on having a "protokol" similar to minutes, detailing what has been discussed in the course of a meeting. At the conclusion of the meeting, the "protokol" is read, everyone agrees to it, and it is signed. Although this "protokol" (and any subsequent contract) may have little legal validity, they can be useful in resolving any misunderstandings or problems.
- Attitudes towards contracts may differ in Russia from elsewhere. In particular, attempts to renegotiate contracts (usually because of an inability to fulfil a condition) are common.
- Even a meeting to discuss straightforward business issues can be called "negotiations" ("peregovory" in Russian). These meetings are characterised by a whole series of formalities - the ceremonial exchange of business cards, greeting speeches, tea/coffee with biscuits, vodka - and are usually conducted in a serious tone.
- In spite of the fact that meetings are often interrupted with phone calls, interrupting speakers during face-to-face meetings can be understood as lack of respect or good manners.

- In general Russian business culture exhibits a strongly hierarchical decision-making process. Senior people draw up plans and set aims. Lower grade employees usually do not participate in the decision-making process.
- The horizon for strategic planning often does not exceed 12 months. Planning is usually based as much on the experience and instinct of senior manager, as it is on key financial indicators (i.e. Turnover, Profit, etc).
- In state institution most decisions, even basic ones, need to be sent up the hierarchy for approval. This happens because on every level of the bureaucratic machine there are individuals able to stop a project. The ability to say "no" is often the only way they have of demonstrating the power they possess.

Negotiations:

- Do not expect to move to immediate negotiations in the absence of an established business relationship.
- The status of the people who negotiate is very important. The group should speak with "one" voice and have a leader who is authorised to make a decision. Emphasise the status and hierarchical power of negotiators.
- Find out the position and power your counterparts hold in their organisation and make sure that their claims stand up to scrutiny.
- There may be a tendency to agree in principle and work out details later. Try to end any negotiation with clear results and an action plan on what comes next.
- It is essential to display a "united front" when entering group negotiations. Any inconsistency among team members will be seen as a lack of authority on the part of the team leader, and as a sign of weakness.
- Generally speaking, Russians view compromise as a sign of weakness. Often, they will prolong negotiations by refusing to back down until the other side either agrees to make sufficient concessions, or shows exceptional firmness. For some, being a winner in negotiations is more important than the objective final result to the organisation.
- Delay tactics, emotional outbursts, leaving the room and making threats were common Soviet negotiating techniques. Be patient and do everything you can to emphasise the mutual benefits of your proposals.
- Work out your response to unethical propositions before you commence negotiations.

Socialising

- Socialising with counterparts plays a major role in establishing contacts. Visitors are advised to take up as many social invitations as possible, especially on short visits.

- Socialising and relationship building often involve the consumption of alcohol. Russians are traditionally proud of the fact that after consuming a fair amount of alcohol they can still think (relatively) clearly.
- The purpose of alcohol in a business environment is rarely simply to get drunk, or to put visitors at a disadvantage. When Russians wish to get drunk they do so privately among close friends and not at the official meetings. Nevertheless, someone who tries to be sober all the time is sometimes treated with a certain amount of distrust: someone who "does not want to show his soul" can be seen as insincere, stiff and secretive.
- In many circles it is believed that an open bottle must be drunk. Know when it is time to stop, since every time you drain your glass, you may be urged to have a "refill".
- Trying to persuade others to eat more, even when they have had enough, is a part of Russian hospitality. Leave a small portion of food on your plate to convince others you have had enough.
- Business dining is getting more and more popular in Russia for making decisions, negotiating, or getting acquainted. Dinners begin relatively early, often around 6.00 pm.
- Those who extend an invitation are generally expected to pay, although this can be difficult for business women.
- Begin eating only after somebody says a toast, even if there is no alcohol on the table (which is almost impossible). Toasting is a very important part of dining.
- Spouses or partners are rarely included on business occasions, although they are often invited to gatherings in homes.
- The centre seats at a table may be reserved for the most senior officials. Aim to sit on the opposite side of the table from Russian counterparts.
- Constant smoking during a meal is an accepted practice. Moreover, "non-smoking" sections in restaurants may be difficult to find.
- A tip of about 10% is typically included in restaurant bills. It is not usually necessary to tip more.
- When invited to a Russian home, be prepared to stay late. You may be required to remove your shoes before entering a Russian home and instead wear a pair of slippers offered to you by your hosts.

Dress:

- Russian business people pay a lot of attention to how they are dressed. Russian people in general probably spend more money from their family budget on clothing than any other nation in the world. In particular, younger people often consider expensive clothing evidence of success and social status.

- Men should wear a suit and tie (make sure not to wear the same ones every day) for all meetings, whether in an office or restaurant. Dark colours and white shirts are only for special occasions. Otherwise, choose tones in light blue, grey, or brown.

Business hours and appointments:

- Do not attempt to schedule a business trip to Russia near the end of July or during the month of August, as many people are on holiday.
- Obtaining an appointment can be a tremendous challenge, so persistence and patience are essential. Be sure to schedule appointments well in advance and confirm as the scheduled date approaches.
- The Russian day begins early, but it can be difficult to foresee when all other daily activities will begin or end.
- Schedules are constantly subject to change and meetings often start late and are subject to interruptions.
- Allow plenty of time for each appointment. Build flexibility into your schedule.
- The Russians expect punctuality from foreigners, but may otherwise view obsessive punctuality as a sign of overt ambition, rather than self-discipline. Generally, the more important the meeting is for your Russian counterparts, the more punctual they will be. Nevertheless, it is important that foreigners are always on time for appointments.
- Business hours are generally from 9.00 am to 5.00 pm, Monday to Friday. The most common times to find employees working is from 10.00 am to 6.00 pm. In the provinces, work finishes earlier. The “long-hours” culture found in many Anglo-Saxon organisations is not particularly common in Russia.

Taboos:

- Russians can be enthusiastic about discussing politics and the challenges of living in Russia. Participating in this kind of discussion and expressing balanced opinions is not usually frowned upon. Individuals with a sense of humour and a genuine interest in counterparts are likely to be well received.
- Anticipate a robust response to questions about the Ukraine crisis.