

## Advancing management research on post-socialist transition

Dear Reader,

While post-socialist transition in Eastern Europe conventionally ended, the scientific research on the respective process and its implications is advancing. The endeavour of managing market-oriented transformations on organizational and corporative levels caused a transformation in management itself, in terms of underlying concepts, models, practices and cultures. Rules postulated by mainstream management theory, conceived in and for established capitalistic economies, were sharply challenged by the series of unprecedented exceptions increased by post-socialist transition. Moreover, in former socialist countries of Europe, the shift from command to market-system unfolded in parallel with the passage from industrial to information societies and, in most cases, with their progression towards EU membership. Thus, the respective transition economies became "a tremendously interesting research laboratory for scholars interested in organizational and management issues" (Michailova/Liutho, 2001). The prevalence of empirical approaches over conceptual ones, the wide use of narrative, the quest for new research methods or the key role of local researchers' tacit knowledge were characteristic for this emerging knowledge production stream. As to the traditional assumption of having management practices rooted in theories communicably espoused, this was not the case of organizations in post-socialist transition economies; instead, managers, self-made or trained, often had to fill that gap by thinking out-of-the-box, improvising and adopting ad-hoc solutions to their numerous 'Gordian knot'-type problems.

This special issue gathers the updated versions of selected papers presented at the 11th Conference of the European Academy of Management (EURAM) held in Tallinn, Estonia, between 1st and 4 June, 2011.

The contributing authors are investigators with well-established commitment in the study of post-socialist transition.

*Ivanova* and *Castellano* tackle post-socialist transition context in terms of their institutional fragility and high uncertainty that forces organizations to act under random opportunities and scarce information, thus increases business vulnerability, particularly in the case of SMEs. Using a Partial Least Squares (PLS) regression model, a sample of 77 small companies in Bulgaria's IT sector was analyzed from the point of view of their needs for legitimacy and ways of signalling it towards their respective audiences. In the given context, the functional side of legitimacy mainly depends on the company's innovativeness, its access to industry information as well as involvement in partnerships endorsed by global industry leaders; in turn, the relational side of legitimacy mainly relies on company's client reputation, physical footprint and age. Overall, a statistically significant positive correlation was detected between an

organization's legitimacy and its profit-making. The features and correlations identified within the respective sample are assumed to be valid throughout the overarching category of Seems that seek after long-term outsourcing contracts in transition environments.

*Serdukov* studies the role of sense-making in the formation of managerial practices in Astrakhan, based upon observation on a small social group of business owners and top managers, "The New Generation", formed in the early years of the post-soviet period. A 13-year longitudinal empirical study was undertaken, the conceptual grounds which are drawn from the social representations theory, while the methodological ones mainly consist of narratives (case studies, interviews and press surveys). The subtle process is revealed that leads to the emergence of "normalized" managerial practices despite inherent turbulence of post-socialist transition and limited familiarity with Western-type management principles. Individual representations built by managers on their own organizations and business environments cognition, further refined by social interactions whereby shared meanings occur, come up to underlie managerial thinking, discourse and action. A conclusion which could be also valid for post-socialist economies at large is that new management practices are forged by acting managers themselves, through continued reflection and experimentation, rather than being excerpted from textbook recipes or just taken-for-granted from foreign proxies.

*Bogićević Milikić, Janićijević and Cerović* examine the post-socialist experience with human resource management in Serbia, also outlining relevant emerging issues on the agenda for future research. The post-socialist evolution of HRM practices in Serbia is considered to be neither purely convergent nor divergent against Western referential, but actually rather pluralistic; the plausible alternatives of HRM practice, changing patterns characteristic to post-socialist Serbia, are divergence, understood as intertwined influences of national culture and wider-spectrum business ideologies, or transference, understood as pragmatic re-interpretation of domestic culture in the light of new market and technological opportunities. The key open research issues that arise refer to conjecturing on the interplay between inertial factors and drivers of alignment with well-established international HRM practices. Factors in the former category pertain to path-dependence and domestic managerial culture, while those in the latter mainly relate to country's orientation towards European integration, as well as domestic companies' partnering, but also competing with foreign ones.

*Zámborský* investigates the formation and dynamics of industrial clusters; this topic is thoroughly approached in the context of Western established economies, as shown by the literature reviewed therein, but still under-researched with reference to Central and Eastern Europe. Two automotive clusters in Slovakia are in focus: the Western one, encompassing the local plants of Volkswagen and

PSA Peugeot Citroën, and the Northwestern one, centred on the KIA Motors local plant. Qualitative research methods are used (i.e. interviews and practical observations from the field), with a view to shedding light on how clusters influence the competitiveness of participating firms and how proximity-based links intricate with transnational links among firms within car manufacturers' own groups. As both clusters under scrutiny were found to be in their initial, emergence stage, intra-cluster linkages are not strong enough; it was also noticed that, at this stage, hard-type, tangibles-oriented cluster effects prevail over the soft-type, intangibles-oriented ones. The shift from the clusters emergence current stage to the growth one is envisioned; this anticipated dynamics will involve both spatial expansion, including across borders towards neighbouring countries, and enhanced synergy based upon intensified networking, learning and building linkages/institutions inside clusters. Overall, this article contributes to a better understanding of the reconfiguration process underway in the automotive industry in Central and Eastern Europe, also providing new insights on the phenomenology of industrial clusters lifecycle in general.

One can conclude that, nowadays, the difficulty of post-socialist transition is subject to a continued scholarly interest that stretches beyond retrospective approaches. Besides the possible analogies between former transition economies and current emerging or developing economies, a new intellectual challenge is brought about by the recent global economic and financial crisis and its ongoing reverberations. Similarly to post-socialist transition, (post)crisis contexts involve managing under hyper-turbulence conditions, multiplication of randomly occurring hard constraints, high degrees of risk and uncertainty in business, short-term survival stakes often taking precedence over sustainability desiderata.

This special issue is meant to credit the legitimate presence of post-socialist transition, along with post-crisis issues, on the current research agenda in management science, in this discipline's quest for "renaissance and renewal" (Pfeffer, 2009).

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## References

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- Pfeffer, J. (2009). Renaissance and renewal in management studies: Relevance regained.