Index

3Cs (command, control, and compartmentalization) paradigm 72, 73, 74, 114, 300
3Is (ideas, information, and interaction) paradigm 72, 300
3Ps (people, purpose, process) paradigm 72
Abramovich, Roman 147, 166
action orientation 7
alcohol and spirits, government policy towards 123
Alexander I, Emperor 68
Alfa Group 195
Amoco 154–5
amoeba-form, of organizations 72, 73
Anglo-Saxon-style of change process 114
architectural role of leaders 70, 227
authority, ambivalence towards 29
authority figures 10, 21
avoidance of reality 30–31
babushka imagery 9–10
Bacardi Ltd 123
Bank of Moscow 230, 232, 233, 250
and Troika Dialog 240–41
Barsoux, J-L. 6
bear, symbolism of 47, 229
BeeLine trademark 184–5
behaviour patterns 4
Bendukidze, Kakha 298
Big Five structure 223
billionaires 46
‘Bloody Sunday’ 10
Bolshevik Biscuit Factory 85, 88–90, 114–15
Bolshevik University 107
changes in management 99–100
dismissals 101
employees 109–110
executive team 106–109
finance department 108–9
and Jacques Ioffé 95–7, 98–9, 104, 105, 110–11, 118
management style 92
marketing department 108
new production facilities 117–18
privatization 88
production strategy 106
reorganization 97–104
salaries 109
security 101
social benefits 101–102
supply chain function 107
takeover by Danone 86–7, 90–95
and The Plan 113
TPM (Total Product Maintenance) 107–108
transformation 91, 93–4, 103
work conditions 110
Boyarskaya Duma (Chamber of Old Nobility) 54
The Brothers Karamazov 11
brutality of Russian leaders 60
‘bureaupathology’ 26–8, 35
business conditions, improvement 300
business leaders
as catalysts of change 290–91
USA and Russia compared 286–7
business organizations, order and chaos in 19–20
business schools 76, 298, 303
capacity to endure 11–13
Carboncini, Emanuela 119, 120, 144
Carnegie, Andrew 285, 287
Catherine the Great 68
cell phones 181–3
see also VimpelCom
Central European Magazine 240
Chaadaev, Peter 50
The new Russian business leaders

Chaet, Mike 268 'The Challenge of Leadership', top management seminar 142

culture
promotion by social organizations 298 rate of 287
resistance to 295–6
change agents 58, 77, 301
change management 301
character, definition of 6
charismatic leaders 227, 252, 273
charismatic leadership 35
Russian 292–4
'Charter of Corporate and Business Ethics’ 160
Chelovek c rublyom (Man with a Ruble) 153
'chemical soup’ form, of organizations 72, 73
child development 48 Childhood and Society 11
children 20–21
‘moral upbringing’ 18–20
swaddling 17–18, 19
climate 14–15, 50
see also environment
clinical paradigm 4–5
club culture 263
coaching 78–9
coaching role, of leaders 69
Code of Corporate Ethics 170
collective orientation 15–16
collectivism 17
collectivist culture 29
command, control, and compartmentalization (3Cs)
paradigm 72, 73, 74, 114, 300
Commercial Innovative Bank 152
Commission on Corporate Ethics 160, 171
Communism 53–4
Communist Party, leadership development 64, 67
Communist youth organizations 20, 64, 65–7
Komsomol 149–50, 235
community 74
competitive advantage 3
conformity 19, 22
conservatism 17
consultants 292
continuous learning 301
corporate culture 71, 72
corporate governance 79–81, 199
'corporate Siberia’ 164
corruption 36, 80, 113, 285, 299, 300
'Council on Entrepreneurship’ 159
Councils of Boyars 291–2
cultural change 76
cultural values 6–7
culture 3, 6–7
conceptual frameworks 7
definition of 6
and organization 30–32
customer-orientation 301
Czar Ivan the Terrible 11, 29, 68
Czars 10, 29–30, 53, 54
D-AMPS network 192
Danone 86, 117
formation 87
international expansion 87
strategic priorities 87
takeover of Bolshevik Biscuit Factory 86–7, 90–95, 97
Dead Souls 26, 48
decision-making patterns 33–6
democracy 37
democratic centralism 34, 55, 57–8, 79, 292
Depository Clearing Company 239
Derby, Peter 237, 238, 240, 241
developmental responsibility 69–70
‘distributed leadership’ 301
distrust 28, 29
Donaldson, Lufkin and Jenrette (DLJ) 240
Donskoy, M. 9
Dostoyevsky, F. 11
‘double morality’ 21
EBRD (European Bank for Reconstruction and Development) 106
education 18–20, 298
continuous learning 301
higher education 298
egalitarianism 16, 17
elite, political 299
elites 295–96
emotion 7, 15
domotional expression 25–6
domotional intelligence 291
depires 45
ednployee cooperation 302
dendurance 11–13
denjoyment 74
Enterprise Resource Planning (ERP) systems 202, 207
entrepreneurial organizations 75–9
opportunities for small companies 299
staffing challenges 225
entrepreneurs 47, 52–3, 64, 70, 75–9, 80–81, 169, 304
attitudes to 296
conditions for 224
family background of 142, 144
and management 224–5
over-idealization of partners 225
role models for 281
succession issues 281
see also Ilyina, Maria; Khodorkovsky, Mikhail; Tariko, Roustan;
Vardanian, Ruben
denvironment 7, 53
control of 291
political and economic 299–300
Ericsson 183
Erikson, E. 11, 17
dexecutive behavior 3
dexecutive teams 291–2
dexpatriates 171
returning from the West 77–8
Fabela, Augie K. I 177, 179–80
Fabela, Augie K. II 176–7, 186, 194, 198–201
background 179–81
and VimpelCom 176–201
on Zimin 188
families 11, 49, 298
family background, of entrepreneurs 142
‘family’ nature, of organizations 74
Ferrero 120–21
FGI Wireless 186, 190
Figes, O. 38
financial crisis (1998)
Russia 26, 46, 155, 156, 208
and Troika Dialog 241
and VimpelConf 192–5
financial-industrial groups 299
fitness centers 267–9
fitness conventions 268
five-year plan 67
flexibility 289, 301
Flood, Michael 243
foreign direct investment (FDI) 46, 114
Moscow 299
foreign investment 86
France
management styles 115
and Russia, similarity of cultures 115–16
friendship 24–5
Frontstep CIS 222–3
family-type atmosphere 225–6
hiring strategy 226, 228
and Maria Ilyina 222–8
GAAP (Generally Accepted Accounting Principles) 157, 190
Geertz, C. 5, 6
glasnost 21–2, 58, 295
global competitiveness 300
global economy 3, 4
Gogol, N. 26, 48
Goldman Sachs 121, 127, 133
Gold’s Gym 264
Goncharov 25–6
Gorbachev, Mikhail 58–9, 178
Gorky, Maxim
childhood 17
film of life 9, 11
Gosbank 152
GOSPLAN (State Planning Committee) 27, 30, 37, 67, 113, 237
Government Bonds (GKO) 187
government policy, towards alcohol and spirits 123
‘grounded theory’ 5
GSM services 192, 193, 194, 199
Hall, E. 7
Hampden-Turner, C. 7
Hansa SA 233, 244
health and fitness promotion 269–70
hedonism 25–6
‘hero’ status 260, 270–71
hierarchy 33
replacement of 302
The new Russian business leaders

high-yield government bonds (GKO) 241
higher education 298
Hofstede, G. 6, 7
horizontal communication 302
House, R. 7
human capital 304

ice-fishing 12
ideas, information, and interaction (3Is) paradigm 72, 300
ideological influence 279–80, 294
IHRSA (International Health, Racquet and Sportclub Association) 268
Illarionov, Andrey 241–2
Ilyina, Maria 193, 202, 203–205, 209–210, 215–16
as a charismatic leader 227
early life 220
and Frontstep CIS 222–28
leadership style 219–21, 226–7
and SOCAP 202–21
income tax 300
industrial society, transformation 287
inertia of the population 298
information, and power 302
information sharing 301, 302
INSEAD 96, 140
The Inspector General 26
internal conflict 20–22
internal or external direction 64–5
International Accounting Standards 36
International Finance Corporation (IFC) 127
Interquatro 203–204
Intourist 119, 120
introspection 25
Ioffé, Jacques
approach to change management 116–17
and the Bolshevik Biscuit Factory 95–7, 98–9, 104, 105, 110–11, 118
irrationality 4
Ivan the Fool 47–8
Javidan, M. 7
joint ventures 204
Khachaturov, Danil 254
Khodorkovsky, Mikhail 147–75, 287–8, 289, 296–7
business activities 151–2
business models 169–71
computer import business 152
early life 148–50
and expatriates 171
family 149
imprisonment 160, 165, 174, 300
leadership style 173, 174
management style 172
and Menatep Bank 152–5
mission or goal 293
personality 164–5
political connections 159
resignation from Yukos Oil 168
successor at Yukos Oil 173–4
and Yukos Oil 147–75
Khrushchev, Nikita 113
Kluckhohn, C. 7
knowledge management 302
Kolobkov, Pavel 277
Komsomol (Young Communists League) 149–50, 235
and Mikhail Khodorkovsky 149–51, 150
Kosarev, Igor 122
Kozintsev 10, 11
Kukes, Simon 166, 174
laissez-faire 286, 288
language 7
Laurent, A. 7
leaders
architectural role 70
coaching role 69
developmental responsibility 69–70
leadership 32–3
attitudes towards 33–6
brutality of Russian leaders 60
challenges 294–5
charismatic 35, 69, 227, 252, 273, 292–4
and narcissism 55–6
psychology of 55–63
role of leader 69–75
skills 286
and transference 56
trust in 116
leadership development 63–8
  in the Communist Party 64
leadership development workshops 5
leadership styles 6, 55, 288–9
leadership values 3
  new 299
Lebedev, Platon 165, 168
Lenin 61, 64, 88
Leonidov, Boris 271–2
Lisin, Vladimir 298
‘lost generation’ 296
McKinsey 96, 97, 121, 123, 125, 126, 129
Mafia 122, 299
Mamut, Alexander 251
management
  and entrepreneurs 224–5
  of people 3
management education 303
management styles, France 115
Manufacturing Resource Planning (MRP) systems 206, 207
manufacturing sector 299
market economy 38, 151, 237, 294, 295
Martini & Rossi 121
Maslow, Abraham 165
Mead, M. 6
meaning 74, 75
Menatep Bank 152–5
  and Yukos Oil 154–5
mentoring 78–9
mergers and acquisitions 71
Mikhailova, Olga 205, 219
mir 34
  mentality 15–17
mission or goal, concept of 2293
Mobile TeleSystems (MTS) 182, 185–6, 193, 194
monopolization 299
mood swings 48, 49–50
‘moral upbringing’ 18–20
Morgan, J.P. 286
Moscow 44–5, 62
  FDI in 299
Moscow State University 212
Moscow Stock Exchange 240
motivation 4
multiethnicity 44
Muromets, Ylia 47
Musin, Vladimir 203, 205, 207, 208–209
narcissism 55–6
National Association of Brokers and Dealers (NAUFoR) 239
national character 5–6
national culture, wheel of 6–8
natural resources 46
nature, impact of 14–15
networks 302
Nevsky, Alexander, Duke of Novgorod 57
‘New Civilization’ camp for young Russians 148–9
new organizational model 301–303
New Russian 287
nomenklatura 17, 36, 66
Novolipetsk Metallurgical Plant 298
nuclear weapons 45–6
Oblomov 26
Oblomovism 26
oil 15, 287
Oladov, Nickolay 203, 205, 210, 212–13
  as Director of Consulting at SOCAP 217
oligarchs 286, 296, 300
‘oligarchs’ club’ 234, 251, 255
Open Russia foundation 174
open-system organizational philosophy 302
‘oppressive’ organizations 73
order and chaos, oscillation between 19
organization, and culture 30–32
organization skills 286
organizational culture, managing 71–2
organizational design 69
organizational practices 6
organizations
  amoeba-form of 72, 73
  ‘chemical soup’ form of 72, 73
  designing 72–5
  ‘family’ nature of 74
  and motivation 64
  ‘opresssive’ 73
  as a tool 292
  and values 74
paranoia 29–30
parents and children, relationship between 11
The new Russian business leaders

Parsons, T. 7
passive resistance 22
paternalism 33, 51, 59–60
peasant revolts 51
peasant-landowner relationship 51–2
people, purpose, process paradigm (3Ps) 72
persistence 289–90
personal space 15
personality cults 56–7, 60–61
Peter the Great 54, 57
Pioneer organization 234
Plexsys 177, 181
Pogodin, Mikhail 48
political connections 158–9
political and economic environment 299–300
political pluralism 37, 38
polychronic view of time 31–2
Potemkin 23
power 7–8, 32, 55
and information 302
PricewaterhouseCoopers 121, 243
private enterprise 299
private sector 295
privatization 85, 290
privatization vouchers 239
productive innovation 301
Profil magazine 151
propaganda 22, 23
Protek LLC 243
psychoanalytic psychology 4–5
psychology 4–5
of leadership 55–63
public humiliation 18, 23
Pushkin, Alexander 43, 51
Putin, Vladimir 159, 270, 297, 299
and oligarch’s leadership 300
raw material imports 299
raw material-extracting companies 153
reality, avoidance of 30–31
relationships 7, 15
between parents and children 11
religion 50
Renault 97
reporting phenomenon 53
resilience 289–90
Riboud, Antoine 86
‘robber barons’ 169, 283–6, 287
Rockefeller, John D. 285–6, 387
role models 298
Rosgostrakh
 corporate culture 253
organized management approach 252
and Ruben Vardanian 229–31, 234,
250, 252, 257–8
and Troika Dialog 228–9
Rosprom 154, 170
Rossia Hotel, Moscow 119–20
Rostropovich, Mstislav 85–6
Roust Holding Company 125
Roust Inc. 121–3, 131
restructuring 132
Roust Trading Ltd 130, 131
Russia
billionaires in 46
cultural values 6
culture 3, 7, 44
financial crisis (1998) 26, 46, 155,
156, 208
and Troika Dialog 241
and VimpelCom 192–3
and France 115–16
Mafia 37
Minister of Telecommunications 195
Ministry of Finance 237
as seen by the West 43–4
values 4
weather 14–15
Russian national character 5–6, 6, 9–14,
114
action orientation 7
authority, ambivalence towards 29
avoidance of reality 30–31
‘bureapathology’ 26–8, 35
capacity to endure 11–13
collective orientation 15–16
community 75
conservatism 17
contextual factors in formation 14–17
cultural values 6–7
egalitarianism 16, 17
emotion 7, 15
emotional expression 25–6
endurance 11–13
enjoyment 74
and the environment 7
friendship 24–5
hedonism 25–6
Index

inertia 298
introspection 25
irrationality 4
mir mentality 15–17
mood swings 48, 49–50
‘moral upbringing’ 18–20
multiethnicity 44
nature, impact of 14–15
Oblomovism 26
order and chaos, oscillation between 19
paranoia 29–30
passive resistance 22
personal space 15
polychronic view of time 31–2
public humiliation 18, 23
reality, avoidance of 30–31
reporting phenomenon 53
seasonal affective disorder (SAD) 15
sense of externality 18
sense of impotence 19
social defenses 27
space 7
suffering 10–11
swaddling 17–18, 19
violence 10–11, 49
Russian Orthodox Church 10, 30, 50–51, 280
Russian Standard
brand 124–5
leadership style 139
and Roustam Tariko 124–46
Russian Standard Bank 125–7, 129
recruitment 133
services 126
Russian Standard Company 125
Russian Standard group of companies, recruitment and staffing 133–6
Russian Standard On-line 127–8
Russian Standard Vodka 122–4
advertising campaign 130
exports 123
launch 123
profit sharing 136
Russian Union of Industrialists and Entrepreneurs (RSPP) 76, 159, 298, 299–300
Bureau 234, 251, 255
Samaraenergo 243
SAP 200
Sberbank 193, 240
Schein, E. 7
Schneider, S. 6
Scientific Management 63, 64
seasonal affective disorder (SAD) 15
self, public and private 20–21, 22–3
‘self-actualization’ 165
self-efficacy 63, 64
sense of externality 18
sense of impotence 19
sequential planning processes 115
serfdom 51–2
service sector 295, 299
Sibneft, merger with Yukos Oil 147, 166
Sistema 179, 182, 185, 186–7, 189
Slavo 204, 206, 207
Slavo, in Russia
early years 205–206
foundation 205
problems in France 206–207
software implementation projects 206
‘sleeping bears’ 229
Sloutsker, Olga 259, 264–8, 279–82, 293
as charismatic leader 273
early life 260–61, 281
leadership style 273–4, 280–81
management style 270–72
and World Class fitness centres 259–82
SOCAP 202, 207
bonuses 217
career development 213–14
client contact consultants 212–13
compensation issues 216
consulting department 218–19
director of consulting 219
director of marketing 218
internal development project 215–16
and Maria Ilyina 202–21
merger of departments 217
mission statement 203, 216–17
name changed to Frontstep CIS 222–3
and Pavel Karaulov 218
personalized training 217–18
poaching of staff 214
professional development of employees 216
project organization 216
promotion structure 210–12
recruitment 214, 222–3
and the Russian financial crisis 208–209
salary restructuring 217
structural weaknesses 217
and SYMIX 208, 222
workforce 209–11
social benefits 162–3
social defenses 27
social organizations 298
promotion of change 298
social unrest 12
Soros Fund 186
space 7
‘splitting’ phenomenon 60
Stalin 10, 11, 32, 54, 57–8
personality cult 61–2
Standard Oil Trust 286
State Planning Committee (GOSPLAN) 27, 30, 37, 67, 113, 237
Steffens, L. 39
Strodtbeck, F. 7
succession issues 281
succession planning 68, 294
Sucher, Bernard 238, 241, 245
suffering 10–11
Sun Valley summit of top business leaders 168
swaddling 17–18, 19
SYMIX, and SOCAP 208, 222
Tariko, Roustam 119–36
background 136–8, 143–5
future plans 140–41
leadership philosophy 138–9
leadership style 142
personality 145–6
and Russian Standard 124–46
Tartars 137
taxation 200
income tax 300
Taylor, Frederick 63, 64, 75
Telenor, and VimpelCom 192, 193–4, 243
Templeton Emerging Markets Fund 186
thinking 8
time 8, 115, 287
polychronic view of 31–2
TPM (Total Product Maintenance) 107–108
tradition 304
traditional values and attitudes 298
transference, and leadership 56
transformation 296
of industrial society 287
transparency 158, 173, 244
about ownership 296–7
Trautberg 10, 11
Troika Asset Management 252
Troika Dialog 73–4, 229–58, 237
and Ruben Vardanian 229–58
auctions of government bonds 239
and Bank of Moscow 240–41
board of directors 250–51
Clearing Brokerage Department 241
expansion 239–40
organizational structures 245
performance appraisal 246
recruitment 245–6
restructuring program 242
and Rosgostrakh 229–30
and Ruben Vardanian 229–58
and the Russian financial crisis 241–2
training 246
and the United States 243
values manifesto 245
and Vardanian, Ruben 231, 237–9, 255–8
and VimpelCom 241
Troika Dialog Asset Management (TDAM) 240
Trompenaars, F. 7
trust 53–5, 65, 301
in leadership 116
level in Russian organizations 301
‘turkey farms’ 71
United Heavy Machinery 298
United Nations (UN), Global Compact initiative 157
United States, and Troika Dialog 243
unpredictability 47
values 297–8, 301
and organizations 74
Russia 4
Vardanian, Ruben 229
as charismatic leader 252
consultation 249
eyearly life 234–7, 255
leadership style 232, 244–5, 248–50, 256–7
national service 236
personality 249–50
and Rosgostrakh 229–31, 234, 250, 252, 257–8
securities broker’s license 237
and Troika Dialog 229–58

Vedomosti 78
VimpelCom 71, 176, 181, 198–201
1997 letter to shareholders 191
and the 1998 Russian financial crisis 192–3
and Augie Fabela II 176–201
BeeLine trademark 184–5, 194–5
customer service 184
external orientation of founders 199
foundation 179
on the New York Stock Exchange 189–90
operations in Moscow 183
ownership structure 185–7
redundancies 193
and Telenor 192, 193–4, 243
and Troika Dialog 241
violence 10–11
in families 49
vision 227
vouchers-for-shares program 153

wealth 46
weather, Russia 14–15, 50
West
Russians returning from 77–8
view of Russia 43–4
wheel of national culture 6–8
wireless telephony 181–2
women 9–10, 49, 50, 266, 279
World Class fitness centers 259–82
brand 270, 277
client retention 269–70
employee training 276
first opened 262
foundation 259
motivation of employees 275–6
and Olga Sloutsker 259–82
personnel turnover 274
professional development 274
psychological contract 279
second center 264
sponsorship of Olympic teams 270–71
in Zhukovka 264
World Economic Forum 229, 240

Yeltsin, Boris 26, 58
market reforms 153
Yemelia 47–8
Young Communists League see Komsomol
young people 47
Yukos Oil 147
Administrative Reserve department 164
human resource management system 163, 172
and Menatep Bank 154–5
merger with Sibneft 147, 166
and Mikhail Khodorkovsky 147–75
motivational system 162
organizational structure 161
recruitment and staffing 161–2, 163–4
restructuring program 156
social benefits 162–3
successor to Khodorkovsky 173–4
website 157, 163

Zhilsotsbank 152
Zhukov, Marshal Georgy 62–3
Zimin, Dmitry 176, 181, 182–3, 189, 194, 198–201, 289
background 178
as CEO of VimpelCom 187, 190, 193, 195
management style 187–8
personality 198