

POWER AND (NO) FAILURE: HOW MANAGEMENT CONCEPTS CAN HELP UNDERSTAND SOME OF THE DRIVERS OF THE WAR IN UKRAINE

Snejina Michailova

University of Auckland Business School, New Zealand

s.michailova@auckland.ac.nz

Abstract

This commentary focuses on the concepts of power and failure in the context of the ongoing war between Russia and Ukraine. I draw on my research and experience working with Russian companies, outlining the importance of contextualizing observations to gain a deeper understanding of the situation. I argue that power dynamics in Russian organizations are associated with one-man authority, hierarchy, and formal status. In contrast, employee empowerment is viewed as a loss of power. This perception of power, combined with a fear of failure, has contributed to the escalation of the war in Ukraine. I suggest that understanding these concepts at the organizational level can help shed light on the drivers of the conflict at macro level, while acknowledging the complexity and diversity of business and management approaches in modern Russia.

Introduction

As I am completing this commentary for *The New Zealand Journal of Research on Europe*, one of *The Guardian* headings reads: “*Russia-Ukraine war at a glance: What we know on day 498 of the invasion*”. I have been following this section since the beginning of the brutal war that commenced on 24 February 2022 and that continues to escalate at the heart of Europe, with consequences reaching far beyond the old continent. The updates and the images that accompany the media headings are heartbreaking. While history teaches us that, once wars start, it is difficult to predict how long they will last, it is hard to comprehend that more than a year later, *The Guardian* section would still be headlined that way not just there but in countless other media outlets around the world as well as in scholarly work in various disciplines.

As suggested in the title of my commentary, the angle I adopt is framed by two concepts in the field of Management – power and failure. My observations are positioned at the organizational level of analysis. While I indicate how understanding power and failure in Russian organizations can help understand some of the drivers of the war in Ukraine, I leave the task of extrapolating the observations and arguments I put forward to the higher macro level to the reader.

This commentary unfolds as follows. I first provide a few sketches of my research background and outline a few caveats that need to be considered in order to situate my observations and arguments. I then briefly engage with how the notions of power and failure have been perceived in Russian organizations over decades if not centuries. From there, I make a few links to the macro level of analysis and offer a few explanations of how such perceptions have contributed to escalating the war.

Contextualizing the commentary: Personal research background and a few caveats

Let me outline briefly a few background sketches that are needed and helpful in framing what is at the heart of this commentary. I have conducted substantial research on cross-cultural tensions and clashes in Russian companies with Western participation. I have spent considerable time collecting data in Russia – mainly through interviews, participant observations, but also informal conversations – with both Russian managers and employees as well as Western managers expatriated in Russia. This work took place primarily in Moscow and spanned from the 1990s to the early 2000s. During the same period, I also acted as the academic lead on behalf of Copenhagen Business School in a large Nordic executive training program that was a joint gift to the Russian government from the governments of Denmark, Sweden, Norway, and Finland to educate and train younger upcoming Russian managers. This program took place over several years in St. Petersburg. My later research work on Russia from the 2010s onwards was associated primarily with conceptual work on Russia- and other emerging economies-related topics and supervising students with a keen interest in these areas. I should also add that my upbringing in a socialist society has contributed significantly to how I made sense of what I have been observing in my fieldwork, my students' insights, and what I have been consuming as a reader of Russia-related research.

There are several fascinating issues I encountered in the course of my research and work, but, as pointed out in the introduction, I will focus on two notions – power and failure. They are the ones I see as a culmination of some very different ways of understanding and perceiving what these are and what they mean. I think they are essential if one tries to make sense of something as senseless as a war; in this case, the current war in Ukraine. The challenge is that many of the different (and indeed often contrasting) ways of understanding

these two notions are implicit. In other words, they remain undercover, are not communicated or negotiated and so, lead to several unpredicted and often unfortunate consequences. In the case of the current war, the consequences are tragic.

In line with the overall theme of the Special Issue – contextualizing – I argue that without considering the specificity of particular cultural contexts, we may risk that our understanding is superficial, preventing us from meaningfully contributing to conversations that, at times, can become tense and heated. Contextualization links observations to relevant facts, events, or points of view, thus facilitating research that forms part of a larger whole.¹ It refers to paying attention to important contextual attributes to make sense of what one observes.²

Keeping with the specified level of analysis, that of organizations/firms, let me point out up front that, for simplicity, I will refer to Russian managers and Russian employees as homogenous groups. I need this simplicity in order to be able to capture and articulate the essence of the argument I put forward. However, one needs to remember that in modern Russia, there is a considerable variation of business and management approaches and practices, so the picture is rather complex. The same applies to the expression ‘Western management’ that I will be mentioning – this, too, is a rather crude generalization but an acceptable one for the essence of the argument.

On power and (no) failure

¹ Rousseau, D. M., & Fried, Y. (2001). Location, location, location: Contextualizing organizational research. *Journal of Organizational Behavior*, 22, 1-13

² Michailova, S. (2011). Contextualizing in International Business research. Why do we need more of it and how can we be better at it?, *Scandinavian Journal of Management*, 27(1), 129-139.

Much of the power dynamics in Russian companies is associated with the so-called one-man authority and a particular way of understanding and exercising power. Russian managers define their power mainly in terms of hierarchy and formal status, allowing only them to assign tasks and control outcomes. They perceive power distribution as a zero-sum game, meaning: a) one either has power or not, and b) power is not to be shared; it cannot and should not be distributed. So, employee empowerment – which is often glorified and tends to work well in Western companies – is a dangerous loss of power in the minds of Russian managers.³

Multiple forces lead to this way of perceiving and exercising power, but I will mention two key ones. The first is communal traditions and attitudes that go back hundreds of years. The second is principles of communist ideology and bureaucracy that were closely associated with the centrally planned economic system that dominated for decades not only in Russia but in all Soviet republics and, indeed, in all socialist countries. How power is understood and treated is deeply ingrained in the Stalinist management system, characterized by a few important features. Among these are a very high degree of centralization, dominance of formal rules, a prevailing authoritarian leadership style, and a lack of pluralism. Powerful and tightly-knit organizations and networks have privileged access to information and ‘truths’, and well-formed and unbreakable allegiances go far back in history.

Here comes a quite intriguing point: In my fieldwork in Russia, I found that this is the preferred style of operation not only by managers themselves but also by employees.

Employees found one-man authority, centralization, and formal power to be given, needed,

³ Michailova, S. (2002). When common sense becomes uncommon: Participation and empowerment in Russian companies with western participation. *Journal of World Business*, 37(3), 180-187.

and vitally important. In other words, much needed. Moreover, one-man authority has long been perceived as not just part of the natural order; it is a premise for company success. Relatedly, authoritarian leadership is not seen as necessarily inappropriate; on the contrary, it is highly respected as a prerequisite for discipline and order and, consequently, for positive development and success. Russian employees treat empowerment as a Western concept (which it is) and have no respect for it; for them, not having a strong leader who makes all decisions, determines the direction of development, and controls the processes and the outcomes is what they call *bezvlastie* (lack of power/power vacuum) in Russian language. This leads to inefficiencies and, in extreme cases, to disasters.

In my fieldwork, I have never encountered Russian managers or employees talking about their own failures or making mistakes. These are taboo topics; they are avoided at any cost. In fact, there is a real fear of making and admitting mistakes. When someone made a mistake, all creativity and energy went into how to cover and hide it. The slogans many companies adopted read: 'We do not have the right to make mistakes' or 'Failure is not an option'. (The second statement is the reason why 'no' appears in front of 'failure' in the title of this commentary.) This way of thinking is strikingly different from the Western (rather deeply ingrained) belief that one is missing important learning and development opportunities if one does not fail now and then.

Russian managers' and employees' interpretations of failure are enabled by a) the typical way Russian organizations are structured: authority is positional and b) the fact that communication is typically one-way: top-down. In the companies I studied, while Western managers were ready to discuss problems openly and give and receive feedback to and from their Russian counterparts and subordinates, this was rather (and often utterly) confusing for Russian managers and employees. They did not consider discussions important and tried to avoid them, especially when dealing with problems. I emphasize that these management

approaches are still applied and constitute an important part of companies' everyday life in Russia nowadays. And, in fact, not only in Russia but also in the former Soviet satellite countries (like my native Bulgaria).

I also highlight that younger, more innovative businesses founded by a new generation of skilled and Western-minded Russian business leaders exhibit a very different behavior and management style. They are far more dynamic, critically thinking, and dealing with power in a very different manner. Nevertheless, the fact remains that “in post-Communist Russia, traditional values have not disappeared; rather, they coexist and interact with new values”.⁴ While professionalism is valued, hierarchy – often associated with age and gender – is still dominant, and power and control often remain concentrated in the hands of the upper echelons of organizations. Such dualities and paradoxes are likely to persist. Hence, they are important to understand in order to make sense of existing realities in modern Russia.

How the deeply ingrained perceptions of power and failure continue to contribute to escalating the current war

In a research article that analyzed the war through an ‘escalation of commitment’ lens, I pointed out that “this is not Russia’s war against Ukraine; it is Putin’s war against the West – here and now being fought out on the territory of Ukraine”.⁵ I continue to subscribe to this bold statement.

⁴ Chimenson, D., Tung, R. L., Panibratov, A., & Fang, T. (2022). The paradox and change of Russian cultural values. *International Business Review*, 31(3), 1019-1044.

⁵ Michailova, S. (2022). An attempt to understand the war in Ukraine – An escalation of commitment perspective. *British Journal of Management*, 33(4), 1673-1677.

There has been *undeniable centralization of and continuity in power* ever since Putin occupied the top of the political hierarchy pyramid in Russia on 31 December 1999 as the country's president. He and his entourage have used every single opportunity to project him as a strong leader who needed to hold the reins firmly for the good of the country. At the risk of Putin being perceived as glorifying the cult of personality, his imaging was centered around him being the much-needed hero who would save Motherland Russia from anyone attempting to hurt the country's national interests. To do that, or so the narrative goes, he needed *unlimited power*. As I pointed out in the preceding section, the associated power dynamics end up being part of a zero-sum game; it is either or, and there is no power sharing, co-owning, or distribution. The power is centralized to the utmost degree and is in the hands of the strongman ruler.

More importantly, Putin made it his mission to restore Russia's status as nothing less but a *global power* after the painful disintegration of the Soviet Union in 1991, the year when Ukraine and the other (now former) Soviet Republics gained independence. It is worth noting that there has been nothing hidden about the president's intentions and ambitions. At various international fora, he has outlined his views and position regarding Russia's place and role in the world and global politics. To what extent the West engaged is debatable; attempts to undermine or threaten his power would be countered with firm actions. The war in Ukraine is tragic evidence of this.

The strongman model of leadership is flawed in more than one dimension. It has been noted that "the centralization of power and the promotion of a cult of personality make it more likely that a leader will make a disastrous mistake. For all these reasons, strongman rule is an inherently flawed and dangerous model of government."⁶ Importantly, this is not an

⁶ Rachman, G. (2022a). Understanding Vladimir Putin, the man who fooled the world. *The Guardian*, 9 April.

isolated, Russia-specific phenomenon; it has inflicted global politics and shifted geopolitical power imbalances.⁷ And one that is likely to result in more wars. The fact remains that, despite these flaws, Putin is not deprived of support by many Russians and others outside of Russia. Similarly to what I described as an intriguing point earlier in the commentary – Russian managers with centralized power in their organizations being wanted and appreciated – one of the trends we observe is the strongman promoting his nation’s self-esteem and self-image, not being deprived of traction nationally and beyond Russia’s borders.

The attitudes towards failure in terms of failure denial and an exceptionally strong aversion to failure could also partly contribute to explaining what we witness in the current war. Making fast decisions and staying determined in them has developed into a trait in Russian leadership at various levels. At a national level, it is worth noting that Russia has faced no less than five severe economic crises – in 1998, 2008, 2014, and 2020; despite that, it has managed to avoid economic collapse. Russians “have learned to adapt, rather than panic (or revolt)”⁸, perpetuating their deeply ingrained attitudes towards failure.

The notion of “Fortress Russia”⁹ partly encapsulates and explains the attitudes to failure that are so deeply ingrained in the Russian psyche. Relatively isolated from the world (and the world economy), subject to continuous threats by outsiders/enemies, and a furious denial to be treated in the way it thinks it should not be treated, Russians have cemented the belief that failure is not an option. The nation has survived foreign invasions over centuries

⁷ Rachman, G. (2022b.) *The age of the strongman: How the cult of the leader threatens democracy around the world*. UK: Vintage Publishing.

⁸ The Economist, 2022. *Why the Russian economy keeps beating expectations*. Retrieved from <https://www.economist.com/finance-and-economics/2022/08/23/why-the-russian-economy-keeps-beating-expectations>

⁹ Carleton, G. (2017). *Russia: The story of war*. Cambridge, Mass: Belknap Press of Harvard University Press.

and needed to defend itself again and again; it managed not to be destroyed. “For the “Fortress Russia” myth will always have the country land on its feet – even in defeat.”¹⁰

Concluding remark

There is nothing universal in business and management concepts, notions, practices, and preferences. They are deeply ingrained historically, culturally, organizationally, and otherwise. We need contextually embedded and contextually sensitive analyses, discussions, and explanations that offer various meaningful angles to go beyond the surface. A deeper dive into the notions of power and failure offers a small but important angle to making sense of a massive catastrophe that has been and continues to unfold in front of us.

¹⁰ Carleton, G. 2022. How the image of a besieged and victimized Russia came to be so ingrained in the country’s psyche. *The Conversation*. 19 April.

Snejina Michailova (PhD in Organization Studies, Copenhagen Business School) is a Professor of International Business, University of Auckland Business School. Her research interests include people in multinational enterprises, knowledge processes, talent management, and modern slavery. Her work has appeared in the *Academy of Management Review*, *Academy of Management Executive*, *Academy of Management Learning & Education*, *Australian Journal of Management*, *British Journal of Management*, *California Management Review*, *Global Strategy Journal*, *International Journal of Management Reviews*, *Journal of International Business Studies*, *Journal of Knowledge Management*, *Journal of Management Studies*, *Journal of Organizational Behavior*, *Journal of World Business*, *Long Range Planning*, *Management Learning*, *Organizational Dynamics*, *Organization Studies*, *Technovation*, *The International Journal of Human Resource Management*, and others.

She has co-authored *Talent Management in Small Advanced Economies* (2019) and has co-edited *A Guide to Key Theories for Human Resource Management Research* (2024), *The Routledge Companion on Cross-Cultural Management* (2015), *Research Handbook on Women in International Management* (2014), *Knowledge Governance* (2010), *Human Resource Management in Central and Eastern Europe* (2008) and *Research Methodologies in Non-Western Contexts* (2005). She has served as Editor Europe, *Journal of World Business* and Co-Editor-in-Chief, *Critical Perspectives on International Business*. She is currently Consulting Editor for the *Journal of International Management*. She has co-edited several special issues within her research areas.