

Business Education and Change in Russia and Eastern Europe

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The turmoil that has engulfed the newly emergent countries of the former Soviet Union and Eastern Europe seems to continue without pause. As we wrote this, Boris Yeltsin was fighting for a new democratic constitution for Russia—one more consistent with the needs of democracy and capitalism. His advocacy was opposed by more traditional—albeit now avowedly communist—advocates of the status quo and a tightly controlled society. In the former Yugoslavia, Slobodan Milosevic was trying to protect the statist, antidemocratic order by rallying the people for “ethnic cleansing.” And in Poland the descendants of the Communist Party won a striking election victory.

There is reason to expect turmoil. Why should we expect whole societies with little or no living memory of democracy suddenly to adopt political institutions and practices long held in the West? And simply eliminating state planning and introducing competition does not magically create efficient capitalist organization.¹ The challenge is to limit the damage to society and the individual and to make the transition as smooth and rapid as possible.

To better understand what is involved in the transition from communism to democracy and capitalism, we conducted a survey of business and economics students in Russia and Eastern Europe in the fall of 1991. This was one of the first surveys of its kind after the collapse of communism.² Prior to the collapse, surveys were either limited to refugees³ or extremely limited in scope and content.⁴

The results of our survey that relate directly to the political and economic transition have been reported elsewhere.⁵ In addition to the material on the macro level of political and economic change, questions were included on education that provide insight on the micro level of change.

The educational system plays an important role in social change. Education can support or undermine social institutions and values. The central role of education in social change has long been noted in Marxist theory and practice. John S. Reshetar's comments about education in the Soviet Union are applicable to Eastern Europe: “Apart from providing the personnel needed for the country's economy, the educational system endeavors to provide a communist upbringing and the inculcation of communist values and Soviet patriotism.”⁶ Thus education was highly politicized. Higher education was carefully controlled so that the regime's need for the development of new knowledge—particularly in the hard

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sciences—could be balanced with the need to maintain the prevailing political orthodoxy.

In the social sciences, business and economics in particular, that balance was nearly impossible to strike. It was difficult to address real-world economic problems through the Marxist paradigm.⁷ Business studies were very rudimentary for much the same reason. Now, however, there is a critical need for these economies to become competitive. The question is the degree to which the educational system in the formerly communist countries can meet the needs of the new economy and international competitiveness.

Method

This study began with a 1989 United States Information Agency grant that funded a 2-week management education program for Soviet and Eastern European business academics hosted by the College of Business Administration at Eastern Washington University. The program participants were primarily academics in business and economic disciplines—although some were also government officials—from Russia, Czechoslovakia, Hungary, Poland, Bulgaria, East Germany, and Yugoslavia. We maintained contact with the participants after the conclusion of the program, and several of them assisted in administration of the survey.

Using the contacts developed during the USIA grant, we administered the survey to students in business and economics between September and December 1991 at the following institutions: in Russia at Moscow State University in Moscow; in Poland at the Warsaw University and the Economics University in Warsaw; in Yugoslavia at Veljko Vlahovic University in Todgorcia (formerly Titograd) and the Belgrade School of Economics in Belgrade; and in Bulgaria at the University of National and International Economy in Sofia. The survey consisted of 69 questions divided into four sections: political considerations, economic considerations, current affairs, and personal concerns. We developed the survey in English and had it translated by professional translators. The format and wording of the English version of the questionnaire were followed as closely as possible.

A member of the faculty in each selected institution administered the translated questionnaires according to written instructions. For comparison, we also sent the survey to students of business at l'Ecole Supérieure du Commerce Extérieur in Paris and at the College of Business Administration at Eastern Washington University in Cheney and Spokane, Washington.

The total sample consists of 69 usable questionnaires from Russia, 184 from Poland, 81 from Yugoslavia, 32 from Bulgaria, 129 from France, and 140 from the United States. Approximately equal numbers of men and women responded to the survey. We selected students of business and economics for this survey because we believed that their attitudes were likely to be especially important in the political and economic development of their countries and because our contacts were with the business faculty in the countries selected. We do not claim that the countries we selected or the students we interviewed are representative of all students in their countries or of the former Soviet Union as a whole. However, the sample is large and representative enough to provide valuable insight into the next generation of leaders in business and industry and the course of political and economic change.

TABLE 1-A. Respondents' Satisfaction With Educational Experience, in Percentages

Country category	Very satisfied	Somewhat satisfied	Not at all satisfied
Western ($n = 265$)	23.4	70.6	6.0
Formerly communist ($n = 362$)	7.5	66.3	26.2
$\chi^2 = 63.07$			
$p = .0001$			

Survey question: Thinking about your experience in higher education so far, would you say that you are very satisfied, somewhat satisfied, or not at all satisfied?

TABLE 1-B. Respondents' Intensity of Feeling About This Issue, in Percentages

Country category	Very strongly	Somewhat strongly	Don't care
Western ($n = 262$)	59.2	40.5	.4
Formerly communist ($n = 357$)	57.4	40.9	1.7
$\chi^2 = 2.34$			
$p = .3103$			

Survey question: How strongly do you feel about this? I feel very strongly; I feel somewhat strongly; I don't care.

TABLE 2-A. Respondents' Perception of Their Education's Relevance to Intended Profession, in Percentages

Country category	Very relevant	Somewhat relevant	Not at all relevant
Western ($n = 268$)	40.7	57.1	2.2
Formerly communist ($n = 361$)	6.6	77.3	16.1
$\chi^2 = 122.24$			
$p = .0001$			

Survey question: Again in reference to your experience in higher education, how relevant do you think the classes you have taken are to your intended profession? Would you say that they are very relevant, somewhat relevant, or not at all relevant?

Throughout this article, we have made comparisons between students from former communist countries (Russia, Bulgaria, Poland, and Yugoslavia) and students from noncommunist countries (the United States and France). We did this for several reasons. First, the sample size for the respondents from formerly communist countries made intercountry comparisons unreliable. Second, the responses of the French and U.S. students in most cases did not differ significantly from each other. And third, the aggregated comparison of respondents from the Western and formerly communist countries was most interesting at this initial level of inquiry.

To avoid confusing the direction of the response with its intensity, we divided each question into two parts: a substantive issue of position and a measure of intensity.⁸ For example, one question asked: "Overall, how would you rate yourself as a student? Would you say that you are an above average student, an average student, or a below average student?" This question was immediately followed by: "Which of the following statements best describes your feelings about this issue? I feel very strongly; I feel somewhat strongly; I don't care." Because there were substantial intensity differences between the feelings of respondents from noncommunist and formerly communist countries throughout the survey, separating the substantive and intensity components of each position has been very informative.

Results

Six questions relating to the respondent's education were included. We asked first how satisfied the respondent was with his or her higher education experience. The results are shown in Table 1-A. Among the students from formerly communist countries, 7.5% indicated that they were satisfied and 26.2% that they were not at all satisfied. Satisfaction levels were higher for the students from the Western countries, with 23.4% indicating they were very satisfied and only 6% indicating they were not at all satisfied. Clearly, there was a significantly greater degree of educational satisfaction among the students in the Western countries.

As indicated in Table 1-B, the two groups of students felt equally strongly about this issue, with a substantial majority feeling very strongly.

Another question related to the perceived relevance of the respondent's education to his or her chosen profession. With the transition from socialism to capitalism, our hypothesis was that the students from formerly communist countries would perceive that their education was less relevant than would be the students from the noncommunist countries.

As indicated in Table 2-A, there was great disparity in the perceived relevance of instruction between the two groups of students. Less than 7% of the students from Eastern Europe and Russia believed that their education was very relevant to their intended careers, whereas nearly 41% of the students from the United States and France believed in the relevance of their education. Again, there was very little difference in how strongly the two groups of students held these opinions (see Table 2-B).

We then asked how knowledgeable the students believed their faculty were. On the grounds that the faculty in the formerly communist countries had little or no experience with a market economy, we hypothesized that

TABLE 2-B. Respondents' Intensity of Feeling About This Issue, in Percentages

Country category	Very strongly	Somewhat strongly	Don't care
Western ($n = 262$)	56.1	43.9	—
Formerly communist ($n = 358$)	57.8	39.9	2.2
	$\chi^2 = 6.50$		
	$p = .0387$		

Survey question: How strongly do you feel about this? I feel very strongly; I feel somewhat strongly; I don't care.

TABLE 3-A. Respondents' Perceptions on How Knowledgeable Their Faculty Are, in Percentages

Country category	Very knowledgeable	Somewhat knowledgeable	Not at all knowledgeable
Western ($n = 267$)	44.9	51.7	3.4
Formerly communist ($n = 360$)	22.2	72.2	5.6
	$\chi^2 = 36.58$		
	$p = .0001$		

Survey question: How knowledgeable would you say the faculty at your university are? Would you say that on average they are very knowledgeable, somewhat knowledgeable, or not at all knowledgeable?

TABLE 3-B. Respondents' Intensity of Feeling About This Issue, in Percentages

Country category	Very strongly	Somewhat strongly	Don't care
Western ($n = 261$)	59.4	39.5	1.1
Formerly communist ($n = 375$)	54.9	42.9	2.2
	$\chi^2 = 1.96$		
	$p = .3749$		

Survey question: How strongly do you feel about this? I feel very strongly; I feel somewhat strongly; I don't care.

TABLE 4-A. Respondents' Self-Rating as Students, in Percentages

Country category	Above average	Average	Below average
Western (<i>n</i> = 267)	51.7	47.6	.7
Formerly communist (<i>n</i> = 362)	17.1	80.4	2.5

$\chi^2 = 85.28$
 $p = .0001$

Survey question: Overall, how would you rate yourself as a student? Would you say that you are an above average student, an average student, or a below average student?

TABLE 4-B. Respondents' Intensity of Feeling About This Issue, in Percentages

Country category	Very strongly	Somewhat strongly	Don't care
Western (<i>n</i> = 140)	67.9	32.1	—
Formerly communist (<i>n</i> = 288)	43.8	51.4	4.9

$\chi^2 = 25.15$
 $p = .0001$

Survey question: How strongly do you feel about this? I feel very strongly; I feel somewhat strongly; I don't care.

TABLE 5. Respondents From Formerly Communist Countries: Student Self-Rating by Educational Relevance, in Percentages

Student self-rating ^b	Educational relevance ^a		
	Very satisfied	Somewhat satisfied	Not at all satisfied
Above average (<i>n</i> = 62)	12.9	67.7	19.4
Average (<i>n</i> = 291)	6.5	67.7	25.8
Below average (<i>n</i> = 8)	—	12.5	87.5

$\chi^2 = 19.65$
 $p = .0006$

^a*Survey question:* Thinking about your experience in higher education so far, would you say that you are very satisfied, somewhat satisfied, or not at all satisfied? ^b*Survey question:* Overall, how would you rate yourself as a student? Would you say that you are an above average student, an average student, or a below average student?

students from those countries would judge their teachers as less knowledgeable than the students from the Western countries rate theirs. We show in Table 3-A the confirmation of this hypothesis.

Slightly over 22% of the students from the formerly communist countries believed that their faculty were very knowledgeable, as opposed to nearly 45% of the students from the Western countries. There was little difference between the two groups in intensity of opinion (see Table 3-B).

Respondents were requested to rate themselves, as students, as above average, average, or below average. Interestingly, there was a substantial difference in self-rating between the two groups of students (see Table 4-A). Nearly 52% of the respondents from the Western countries and only 17% of the respondents from the formerly communist countries rated themselves as above average students. Furthermore, this effect was not found in comparing the French and U.S. students: These two groups did not differ in their responses to this question.

When examining the strength of opinion on this issue, we found that the French and U.S. students felt substantially more strongly about their opinions than did the students from the formerly communist countries (see Table 4-B).

We could not determine from this survey whether there was an objective difference in student quality between the two groups. It is doubtful that an objective difference existed, however, because the universities attended by the respondents in Eastern Europe and Russia tended to be the premier institutions in their respective countries. What is clear is that the Western respondents believed that they were better students and held their opinions more strongly than did the other students.

Each respondent's self-evaluation appeared to influence his or her perception of educational adequacy. Among the respondents from formerly communist countries, those who identified themselves as above average students were slightly more likely to be satisfied with their educational experience and to rate their faculty as more knowledgeable than those who rated themselves below average. (There were no significant differences for the French and U.S. students.)

As we indicate in Table 5, nearly 13% of the above average students in formerly communist countries said that they were very satisfied with their educational experience, as compared with just 6.5% of the average students. We show in Table 6 that 29% of the above average students thought that their faculty were very knowledgeable, compared to just 21% of the average students. However, there was no relationship between student self-rating and how relevant they perceived their education to be.

Discussion

Our basic hypothesis was that the rapid transition of the society and economy that has occurred in the formerly communist countries would result in the failure of the educational system to adapt fully to the emerging needs of society. This failure to adapt should be reflected in dissatisfaction of students with the education they are receiving.

The data reported in this article tend to support this hypothesis. Only 7.5% of the respondents from Eastern Europe and Russia stated that they were very satisfied with their educational experience, compared with over 23% of the respondents in the West. Only half as great a percentage of the

Eastern European and Russian respondents as the Western respondents thought that their faculty were very knowledgeable. And a very sizable 17% of the respondents from formerly communist countries said that their faculty were not at all knowledgeable, compared with just 3% of the respondents from France and the United States.

The biggest response difference, however, related to the question of the relevance of classes to the respondent's intended profession. Forty-two percent of the Western respondents, as opposed to only 7% of respondents from formerly communist countries, stated that their classes were very relevant to their intended profession. Responses to this question lend strong support to our hypothesis that the educational system has lagged behind the changes occurring in the society and economy of the formerly communist countries.

It is interesting to note that the respondents in the formerly communist countries rated their abilities as students lower than did those in the United States and France. Because this does not relate to the quality of the institution from which the students were selected, we suspect that it is a cultural difference related to the relatively low status of the individual under communism and the relatively high status of the individual in the liberal democracies of France and the United States.

For the respondents in formerly communist countries, the higher the academic self-rating, the more likely the individual was to be satisfied with his or her overall educational experience and with the faculty. Responses to the question of educational relevance were not distinguished by self-evaluation, however. Thus, it appears that the better students were more satisfied with their educational experience than the average students, but not more convinced of its relevance.

A final point is that with regard to the responses discussed in this article, we found very little difference in strength of opinion between the two groups of students. This contrasts with the typically substantial differences we found between the two groups on questions relating to political and economic institutions and practices. Students can probably more easily relate to issues of educational satisfaction and relevance than to issues about institutions and practices with which they have had little direct personal experience. As a result, they may feel more confident of their opinions on their educational experiences.

Conclusion

The notion, common among academics, that intellectuals in general and academics in particular tend to be at the forefront of social change is not confirmed by our study. It is our reading of the recent historical record that the real impetus for change in the formerly communist countries came from outside the universities. And academics, rather than fostering change, are desperately seeking to understand it. In the business and economic disciplines—particularly among the younger faculty—there is a great desire to cast aside Marxist ideology and better to understand the economic and business principles of a market economy. It is important to note here that university students appear to be strong supporters of educational reform, as indicated by their relatively high levels of dissatisfaction.

TABLE 6. Students From Formerly Communist Countries: Student Self-Rating by Faculty Knowledgeability, in Percentages

Student self-rating ^b	Faculty knowledgeability ^a		
	Very knowledgeable	Somewhat knowledgeable	Not knowledgeable
Above average (<i>n</i> = 62)	29.0	61.3	9.7
Average (<i>n</i> = 289)	21.1	75.1	3.8
Below average (<i>n</i> = 8)	12.5	50.0	37.5
$\chi^2 = 21.83 \quad p = .0002$			

^aSurvey question: How knowledgeable would you say the faculty at your university are? Would you say on average that they are very knowledgeable, somewhat knowledgeable, or not at all knowledgeable? ^bSurvey question: Overall how would you rate yourself as a student? Would you say that you are an above average student, an average student, or a below average student?

Understanding of the principles of a market economy and how to manage organizations in that context cannot be imparted to students without a thorough understanding by the faculty. And an absence of such an understanding can only prolong and make more painful an already difficult transition process. We argue that programs sponsored in democratic capitalist countries such as France and the United States are critical to a successful transition in the formerly communist countries. The development of democratic capitalism in the formerly communist countries depends upon rapid establishment of the fundamentals of a market economy and evidence of steady economic progress.⁹ Continued progress toward this objective depends upon an educational system that can help students be effective participants in the emerging polity and economy. Programs that train faculty and help reform the educational system in the formerly communist countries are at least as important and substantially less expensive than other types of foreign aid.

Notes

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9. Evans and Birch, *Development and Change in Russia and Eastern Europe*.