Restructuring of Ural Enterprises and Changes in the Internal Labor Market: A Sociological Perspective

Maria Burlutskaya and Olga Rybakova
(Urals State University, Ekaterinburg)

Berlin, January 2010
Restructuring of Ural Enterprises and Changes in the Internal Labor Market: A Sociological Perspective

Maria Burlutskaya and Olga Rybakova (Urals State University, Ekaterinburg)

January 2010

The internal labor market is a field where the employer and the employees interact within an organization, this field being similar in its functions to the ordinary external labor market, that is, it determines the cost of manpower, and the staff movements within the enterprise, which include both horizontal and vertical mobility. The processes analyzed by economists within the framework of the concept of the internal labor market are studied in sociology as processes of intra-organizational mobility: its factors, trajectories, and the ascent opportunities of its staff [1, 2].

Western sociology and management with its long-standing tradition of studying intra-firm mobility has come up with several models of it, these models of mobility depending on the rules and norms that determine the ascent of employees within the enterprise. Turner [3] pointed out two types of intra-organizational mobility: Contest with its competition of experience and abilities on equal terms to occupy the next higher post, and the protectionist or sponsored one, when leaders are discerned very early and their chances of ascent within the organization increase. Rosenbaum [4], who developed these ideas and partly combined the models, offered a “tournament model”, the essence of which is that career within the organization is based on the principle of “a drop-out competition”, where everyone has an equal chance in the first stage, but the next stages are only for those who “won” the previous ones. That is, the higher the post you occupy, the more important is the experience of the previous successful positional ascents.

Models of enterprise mobility do not fully depend on changes in the external labor market, demand and supply dynamics or cost of manpower in the economy of the region. To a much greater degree the logic of development of the internal labor market is determined by administratively fixed formal and informal rules, the practice of labor relations that have formed within the enterprise. The “old” Russian enterprises that were in existence prior to the economic reforms of the 1990s “inherited” the Soviet system of labor relations with its patronizing, the practice of “lifelong” employment, and prevalence of non-financial mechanisms of labor incentives. But the restructuring that all more or less successful modern enterprises had to go through under the influence of “market pressure” actually changed the “rules of the game” in the internal labor market. The interaction of restructuring processes and changes in the internal labor markets and, as a result, the flow of internal mobility, are to be the subject of study in this paper.
The research has been carried out in accordance with case study methodology where we have used various methods of collecting information: analysis of documents that pertain to personnel policy, the development strategy of an enterprise; the formation and analysis of a data base on personnel ascents as they are reflected in personnel department documentation; in-depth interviews with managers of various levels and sectors, with rank-and-file employees; structured interviews with selected employees that represent the enterprise structure. Case study is a research strategy the aim of which is a deep and complex analysis of the social phenomenon where an individual empiric subject – a case, is taken as an example [5, 6]. The subject of our study is the enterprise, and the method of case study is ideal for the analysis of restructuring processes and changes in the internal labor market within a certain period of time with its complex interactions between various levels of management.

The reasons why we chose certain enterprises were the following: they were established in the Soviet period and in the 2000s underwent important organizational and managerial restructuring. We have chosen two “old” Ural enterprises as the subject of our research. These two enterprises belong to different branches of industry and this factor makes it possible for us to name them “Khimzavod” (chemical factory) and “Mashzavod” (machine-building factory). Both factories were established in the 1940s-50s and have a lot in common. Manpower at these enterprises does not exceed the average, numbering not more than 1000 persons. To note, both enterprises have decreased the number of personnel compared to the Soviet period – now there are 4 to 5 times less employees. This factor is connected with the depression that took place in the early mid-1990s. However, today these factories have been modernized, at any rate, we see many attributes of “advanced” management: significant effort and means have been put into investment and purchasing of up-to-date machinery, the enterprises have been certified by ISO, their top management has undergone study in updated business schools, etc.

Both factories began their active development period in the early 2000s together with all of Russia’s economy, but the conditions for this development had begun to form earlier: it was in the early 1990s that both enterprises introduced a number of managerial innovations that we can conventionally call “a turn towards the market”, which actually was the beginning of a significant restructuring process. But these processes and their consequences, for the internal labor market including, turned out to be absolutely different in the two factories that we studied. From the point of view of research we were extremely lucky in that our analysis gave us the possibility to describe two different restructuring models, two different approaches as to how to transform “the Soviet legacy”. One variant (Mashzavod) gave us an example of an attempt to combine a “market” orientation and an updated management structure with what was in fact the
Soviet system of labor relations and, in particular, a model of the internal labor market. The other variant (Khimzavod) totally rejected Soviet practice and actively introduced Western management set-ups with their practice of internal ascent, evaluation and incentives for employees.

Both of these restructuring models will be described in detail in this paper and, as we see it, they are indicative for contemporary Russian enterprises. We have taken only two cases for our research, but our colleagues have registered similar processes in their studies of other contemporary Russian enterprises [7, 8].

Though both factories have quite a number of features of development in common, the differences that most probably influence the strategic priorities are rather significant. Khimzavod has been in private hands since the mid-1990s and is a closed joint-stock company. Mashzavod, on the other hand, is an open joint-stock company, which by the way keeps to the rules of corporate openness, though it is partly state property, the state being the major shareholder.

The clients of these two enterprises are very different. Khimzavod works mainly with the dynamically developing food industry. Mashzavod, on the other hand, has a considerable share of state orders, its other consumers being large machine-building enterprises. It is this difference that has created the different situations in the enterprises in conditions of the economic crisis and it is this factor that has to be taken into account because the research was carried out in the spring and summer of 2009. Practically speaking, Khimzavod did not have to decrease its production capacities, whereas Mashzavod suffered a rather hard setback when sales dropped drastically and the typical for Russian enterprises anti-crisis measures had to be introduced: working hours were cut, bonuses were minimized, partial staff reductions took place (not en masse). However, we have not focused our studies on the crisis processes, though they most certainly have exerted a great influence on the situation in the factories, on the functioning of the internal labor markets in particular.

So this paper includes the results of the study of changes in both of these Ural enterprises in the period from 1990 through 2000. The first section is devoted to the restructuring processes and their influence on changes in personnel policies, which help us to understand the conditions and factors that led to changes in the labor market. The second section analyzes the changes in the internal labor market and the processes of their intraorganizational mobility.

**Restructuring Processes and Changes in Personnel Policy**

In the past two decades restructuring processes at Russian enterprises have gone hand in hand both with the reproduction of personnel management models at Soviet enterprises and the formation of new practices in the sphere of personnel policies.
Changes in the staff structure of enterprises and the introduction of new forms of management took place in a rather contradictory and inconsistent way. As studies [9, 10] show, it was stipulated by the very nature of compulsory privatization of state enterprises in the 1990s, and a significant divergence in the declared and the actual development priorities of Russia’s economy in the post-Soviet period. It is of interest to note that it was the strategic priorities of restructuring of enterprises that primarily determined the specificity of transformation in personnel policies.

In the past two decades the development of Russian enterprises has undergone a number of periods that differ as far as their priority aims and the strategy of their realization are concerned. They may be designated the following way:

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Periods</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Strategy of adapting to work in conditions of market (early 2000s – 2008)</td>
<td></td>
</tr>
</tbody>
</table>

Both of the studied enterprises have gone along the same path. This is obvious not only from official documents that registered their activity: annual accounts, sectional statistics, the content of the factory periodicals, reminiscences of factory employees – all this was similar rhetoric.

So we may say that the typical economic strategy of Russia’s industrial enterprises till the late 1990s was that of survival: how to keep alive the production process in conditions of a severe financial deficit when previously formed economic ties were disrupted, the reduction/suspension of state orders, etc. The words “disorganization”, “break-up”, “survival” - are the key ones in our discourse describing this period.

*Employees simply began to quit, to flee. Some of them found something else to do. Many left. Quite a number fell prey to an unfortunate fate. Even among those who were shop managers. They began to drink. That is to say that everything began to fall apart* (The first deputy production director-general, working there since 1974 – Mashzavod).

*A total disintegration, as I see it, the accounting system, the production process, everything (rank-and-file specialist, Khimzavod).*
Survival aims determine the main direction of management, of personnel management among others – that is the search of means for the current needs of the enterprise, wages being among them.

The task was to evacuate (prior to 2003) the premises and lease them so as to be able to at least pay the employees, preferably in money form. We began to sell our unused equipment, to lease the premises, that is to search for and find inner reserves. (Deputy production director-general, working there since 1998, Mashzavod).

As everywhere else, we got our wages in the form of commodities. We sold them ourselves. The factory set up a place nearby for us to sell the products, it was there that we sold the products, then we handed out the money to the people (long-standing employee – rate-fixer, Khimzavod).

Staff management in these conditions functioned in accordance with the situation, spontaneously. Personnel were not viewed as a significant resource in the conditions of the survival strategy of the enterprise, the necessity for personnel policy was not articulated by top management. At both enterprises the personnel department was on the periphery of their organizational structure and carried out only registration functions: employment, dismissal, etc.

Management of personnel practice was mainly oriented towards the forced minimization of the number of employees and decrease of the expenses of maintaining them: labor conditions, “social welfare”, etc.

First, we lost quite a bit of social welfare... The factory had its own kindergartens, dispensaries, polyclinic. People could during working hours go to the polyclinic – all the specialists were there. They could go to a dispensary, the factory is a chemical one, it’s dangerous for your health. Now nothing of this is left and we don’t pay for the kindergarten. That is, nothing of social welfare except sick leaves or holiday leaves is left (rank-and-file specialist, Khimzavod).

There were no mass reductions, but the tactics characteristic of the period was “provocation of self-dismissal” of employees, especially there where manpower was not needed [10]. It is this period that is noted for its high flow of manpower, the qualified being among them, plus the absence of any kind of thought-out policy for preserving manpower, with a total disruption of social security guarantees for the staff. The number of employees became 4 to 5 times less at the enterprises that we studied.

As a compensation mechanism for those highly traumatic personnel situations the management of the enterprises tried to employ the patronizing principles of staff management:
pressure of authority (“to save the factory”, “to save the collective”), unofficial levers of management (“friendly support, collectivism”), shutting their eyes on the violation of labor discipline, etc.

Actually the internal labor market fell apart spontaneously and personnel management came fully under the control of the various sectors of the enterprises and was determined by linear managers.

Of note is the fact that at this time the highest rank of top managers was recruited exclusively according to the protectionist principle of “having my friends and acquaintances in the team”. The work of such managers was mostly of an emergency type and the task was to “keep alive” the endangered positions.

“I was summoned to the director-general who said, “Remember we agreed to work where there was an emergency, so look into the leasing, and now I’d like you to look into all the accounting, you’ll be my head accountant. I was deputy economic manager, deputy personnel manager, deputy development manager. So here we have this row of appointments. (Deputy production director-general, working since 1998, Mashzavod).

The early 2000s saw a general improvement in the economic situation of the country (growth of market activity, development of business crediting) with changes in strategic aims and at that moment the second restructuring stage started its progress at the industrial enterprises. The specific feature of this strategic stage was that it institutionally consolidated the results of the previous period of spontaneous survival of enterprises and was directed towards the active growth of business in conditions of the market. Here again we see a change of aims and practices of personnel policy at the enterprises, which now is determined by the design of industrial restructuring and management structures.

The management of those enterprises, which was able to find markets for their products by the early 2000s or to diversify production, came to consider as its aim a further restructuring and stabilization of the achieved successes in marketing by updating their production capacities, learning to work with new technologies, raising the productivity of labor, optimizing the organizational structures of the enterprise. It is this road that both the said enterprises took, a factor that was reflected both in the rhetoric of their declared aims and in the direction of the restructuring that they followed.

In spite of the fact that each enterprise chose its own restructuring plan, there were several points that they had in common:
To continue actively looking for new markets and ways of diversifying production.

To raise the status of those sectors that work with counteragents of the market: the sales department, the advertising department.

To transform significantly the organizational structure of the enterprise, its fractioning, to give more economic and financial independence to the aims set by production.

To adapt the industrial and technological resources and **personnel management** to the demands of consumer markets. Restructuring is to be directed towards the client.

To raise the significance of personnel in the restructuring process of the enterprise, to work out a personnel-aimed policy, to raise the status of the personnel department.

Special note should be made here of the rhetoric of this strategic period. The key words used in the documentation of the enterprises and in the texts of the interviews with employees point out very clearly the tasks set by restructuring: “to preserve the markets occupied”, “to ensure stability”, “flexibility”, “effectiveness of business”, “investments into development”, “produced commodities should fully correspond to the client’s demands”, “qualification competence certified according to European standards of quality”, etc.

*By 2003 we had already occupied certain markets... occupied a certain niche. Then came the most difficult situation when we had to keep those markets, and it was here that we needed a leadership as far as expenses were concerned* (deputy production director-general, Mashzavod).

In the years from 2003 to 2007 Mashzavod had set up a holding and fractioned its business into separate economic sections that came under the united direction of the holding. Here we see that the setting up of each branch of the enterprise is accompanied by changes in its organizational structure and the reshuffling of personnel in the head enterprise of the holding.

*Of special importance for me is the great number of reorganizations. Sometimes 2 or 3 a year. Most of the reorganizations concern production trends being turned into separate juristic units”* (Head of the Economics Section, Mashzavod).
The main aim of restructuring is the increase of flexibility and competitiveness of each direction and minimizing the expenses. In addition to changes in the organizational structure, restructuring was also concerned with a renewal of the process of production, the purchasing of new equipment and assimilation of the know-how of new technologies. The new equipment made in the West required a more scrupulous attitude towards raw materials. At the same time clients began to demand higher standards of quality.

All these changes required a new look at the status of the staff of the restructured enterprises. Besides the articulation of the problem of working out a thought-out personnel policy and raising the status of the personnel department the top management of the enterprises formulated the timely task of increasing the personnel potential of the said enterprises by providing the main directions of production with qualified manpower, by setting up a reserve of manpower and strengthening the managing staff.

We concentrated all our strength mainly on the formation of a personnel service. Previously we had a personnel department. The head of this department took care of all the aspects. Now we have two directions – personnel management and its instruction. It was important to raise the qualifications. The technical part of the work was mainly concentrated in the sector, which worked with personnel. The intellectual component is in the sector that manages the personnel (Superintendent of the Security Maintenance, till 2007 was head of the personnel service, Mashzavod).

The director-general of the holding and the heads of the branches undertook steps to attract young specialists and get them “rooted” in the enterprises and to form a personnel reserve of qualified specialists from among the employees of the enterprise:

- Selection of young specialists, graduates of colleges and universities of the city, visits to vacancy fairs,
- Setting up favorable conditions for young specialists: a relatively high salary, partial payments for rented accommodation,
- Refreshment courses at the expense of the enterprise within the system of professional training in the city, attracting consulting firms, etc.
- Changes in the way medium-level technical managers are employed – a change from protectionist recruiting to the contest one.

The attitude of the top-ranking management towards the employment of medium-level technical personnel is that they promote their employees. That is they educate their
employees. A lot of attention is given to that, young people are valued highly at our enterprise.

And the factory pays a lot of attention to instructing the young staff potential. All kinds of trainings are held, the director-general invites some kind of agencies all the time, companies that instruct (Head of the Construction Bureau, Mashzavod).

We went to institutes and told them what they would get if they came to work here. We had such a period when young fellows came and they were given salaries higher than those received by people who had worked here for 40 years or more, specialists of the first category (Chairman of the Trade Union, Mashzavod).

The results of the research make it possible for us to state that the nature of the transitional economy is reflected in the personnel policy. The solution of strategic tasks of raising the level of internal competitiveness of enterprises is combined with the rather costly as far as resources are concerned model of management of personnel that was characteristic for Soviet enterprises – the absence of a formalized order of employing personnel, the standardized mechanism of intra-firm evaluation of the qualification competence of the staff within the enterprises, fixation of staff training functions in the hands of the linear manager, the prevalence of informal mechanisms of solving labor conflicts, pressure on the staff in emergency cases (with emphasis on the non-material motivators, informal relations), etc. A telling phrase: “All that we had in the Soviet period, it is all still here because there were many good things at that time, that’s what I think” (deputy manager for production, Mashzavod).

The role of the trade union is also to be noted. On the one hand, it carries out its usual functions concerned with sport and entertainment, but on the other hand, it tries to stand up for the rights of the working people that are in the Collective Agreement, it takes part in settling labor conflicts.

Sometimes they call me personally. People know already that it’s enough for me just to speak to someone. So I go and settle it with any employer they want, and I don’t go to the director, I go to the man who is in charge of that question. If it concerns finances, I go to the one who is in charge of finances, if it concerns personnel, I go to the personnel department. And it must be said that all these people try to help, I find a common tongue with everyone (Chairman of the Trade Union, Mashzavod).
In its attempt to settle the tasks of restructuring industry in accordance with the strategy of business development and the increase of profit, the second enterprise, Khimzavod, has chosen a different, but also a very contradictory model of personnel management.

The key principles, on which the personnel policy is being built today, may be identified as a refusal to employ the costly “pro-Soviet” forms of personnel management (patronizing the workers, “preserving the work collective”) and the formation of a rational personnel structure of the enterprise directed towards the production of commodities that can be sold in a competitive market (the effective work of the right number of highly-qualified workers).

A change in the orientation of the personnel policy has found its reflection in the rather noticeable rise of the status of personnel service and in the words of people who speak about it. The personnel department has been transformed into a department of personnel management, which is directly in answer to the director-general. Functionally speaking, the department has in its work combined the registration of staff movement, the instruction of staff and the management of quality. Of note may be the interview with employees of the department and those who are in charge of its documentation – “management of qualification”, “management of motivation”, “management of quality”.

The main declared aims of personnel policy are:

- Raising of the value of manpower, that is the professional competency of the employees, and the orientation of its working motivation towards the clients;
- Raising of the efficiency of the work of the personnel as an advantage in competition;
- Raising the organizational transparency of business as a whole, and of those questions that concern personnel management in particular, standardization, personnel management, formalizing the procedure of employment, staff reshuffling, etc.;
- Lowering of irrational costs of manpower that are not oriented directly towards labor efficiency and quality of the commodities produced.

To put into practice the first two aims a number of measures were undertaken at the enterprise: a system of permanent training was introduced with a course “Ready for the Future” aimed at forming professional competency and understanding each production cycle as a whole and the tasks of each sector in the production of quality products. Instruction has been organized in the form of cycles: the manager of the sector works out and conducts the instructive program pertaining to labor functions and technological processes for employees in his sector, as well as for those who work in other sectors.
In addition to that a program of adaptation of new workers in the main production sectors has been introduced for those working there, the aim of which is to help these people get the know-how on new equipment.

*I have my own teaching programs. Here you see wasters. For three years I have been piling them up. The young workers are taught only here – this kind of defect, that kind* (shop manager, Khimzavod).

The introduction of the Japanese system “Kaidzen” as an incentive to stimulate the innovating activity of employees of all levels is aimed at raising the working efficiency of the personnel.

Standardization of personnel management is mainly connected with the introduction of regular checks of qualification competence of the personnel with the following changes in ascent, a factor that will help minimize the protectionist model of career ascent. Together with qualification competence the managers of the enterprise strive to increase internal competitiveness by forming a reserve of workers that would consist of loyal and highly qualified specialists.

*What I didn’t like most of all was the absence of a system of personnel reserve, a system of growth. Now it is being developed. The question does not concern the managers, it concerns people who have a definite competency level and are loyal to the factory... We have pointed out those key employees that are to undergo training in those sectors that are in need of good workers* (Director of Finances, Khimzavod).

Thus, as far as the training system of the personnel is concerned when quality is to be in accordance with the strategic orientation of the stable development of business, the leadership of the enterprise behaves effectively and consistently. The rank-and-file employees welcome this kind of activity because it helps to raise labor discipline.

*We have a service that controls quality, we often do it ourselves. Demands grow as well. Clients want more now. Earlier, for example, a defect like this would be here (he shows the defect on the final product) and we wouldn’t even notice it. Now it’s a waster, that’s all. We select the better ones, the client doesn’t want to get the bad ones* (qualified worker, Khimzavod).

*All good-for-nothings, drunkards, idlers – I have tried to get rid of them. There were quite a number of them. I think I fired the last idler who didn’t turn up at work regularly somewhere in 2007. When I began to control this, I left the good young people who worked well here, I fired the rest* (shop manager, Khimzavod).
At the same time the processes of formalizing the management of the internal labor market at Khimzavod went together with a rather rigid policy of personnel reduction and minimization of non-profile costs: rejection of the so-called social sphere (benefits), cancellation of social welfare and material help, etc. The enterprise has no trade union now, which means that there is no collective agreement.

When we began the reductions, it took us a long time to figure out how it was going to be. We came to a decision that we have to cut 10% off each sector. The sectors performed the task. We made the cut – the personnel decreased? The work is still done? The tasks are carried out? So let’s make another 10% cut. Then we’ll see (Director of Finances, Khimzavod).

The divergence between the declared principles and the effect of the personnel restructuring manifested itself not in the increase, but also in the devaluation of rank-and-file employees. This led to a decrease of loyalty when the rank-and-file employees stopped understanding the personnel policy of the managers.

The study has shown that in conditions of transitional economy the rank-and-file employees accept the introduction of new corporate standards of personnel management, the formalized set-ups of selecting personnel, management of routine and methods of labor, but they are not ready for the headlong destruction of patronizing models of interaction within the enterprise, which create alienation between them and the leadership of the enterprise. It was this situation that we found in the second enterprise that we analyzed.

I think that the attitude towards us at present is very indifferent. It seems that it is not important what kind of person you are, what you feel. Earlier, every shop manager knew everything about his worker. Now they don’t care. The main thing is that they (the workers) work and fulfill the plan (worker who had worked for many years at the factory, Khimzavod).

Our studies have shown that employees of both enterprises are in general satisfied with their work, they are sure of the stability of the enterprise and that they are wanted, they value the relations that have formed in the collective. However, these positive evaluations at the enterprises differ.

At Mashzavod loyalty to the enterprise is formed mainly due to the preservation of the managerial vertical of the patronizing model of personnel management.

At Khimzavod we see that the attitude towards the employees of the enterprise is contradictory: manpower has come to be more valued, loyalty of personnel is formed by the
leadership only when it is necessary to solve production tasks. Emotional comfort, job security has been recreated and maintained on the level of workers’ collectives mostly in the main production sectors. It is not accidental that the lowest rate of loyalty is shown by employees of subsidiary production sectors.

**Internal Labor Markets and Intra-organizational Regulators of Mobility**

An enterprise may be viewed as an institute of mobility, a very important one that to a great degree determines social class differences in industrial and late-industrial society [11]. Ascent of employees in the internal labor market take place along two main axes of mobility: professional (career) and the economic one (which means a change in pay) [12]. As an institute of mobility the enterprise may be viewed in two aspects: structurally, from the point of view of the ascent possibilities that it gives - the number of positions, their complexity and the multi-layered structure of management and the posts to be held there, plus its dynamics. Second, the enterprise may be viewed as a field of formation and action of rules that regulate the ascent of its employees. To be more exact, the determining ones: who is to be selected for promotion, what personal or professional criteria are important for ascent in the internal labor market, what the employees may be punished or dismissed for. Some of these rules are fixed formally while others are formed by everyday practice of interaction that determines the chances of intraorganizational mobility for each employee.

If to speak of the structure of the factories that we have studied, on the whole, it is similar. Both enterprises have a three-level management structure with linear management on the lowest level (foreman, team-leader), medium-level management (shop and sector managers) and top management. Functional division is typical: production is separated from the sales and the administrative sections, and there is division into the main production process and the subsidiary services.

It is of interest to note that in the process of restructuring both factories tried in a greater or lesser degree to introduce elements of matrix structure. Khimzavod introduced divisional structure with a certain degree of independence for the divisions by letting them have their own sales sector and index of economic effectiveness. Later, however, the idea was abandoned. Mashzavod went even further by forming independent juristic units out of some of the sectors, but leaving the internal labor market common for all so as managers could move from one enterprise to another, and new managers could be recruited from “neighboring” structures, this being the usual practice. In the long run the institutional framework of mobility at the enterprises is determined by the traditional hierarchic structure built along functional lines.
A management structure of this type to a great degree determines the specificity of the internal labor market at Russian factories: a barrier between the production and the non-production sectors is one of their features. One can actually speak about different labor markets for each of these categories of employees, where internal mobility, as a rule, is limited by the framework of its own professional group that occupies certain posts.

A configuration of management structure such as this gives the widest possible career possibilities for the employees of the main sector of production. To begin with, it is connected with the longest “staircase” that includes qualification competence categories and possibility of growth along the line team-leader – foreman / shift foreman – shop manager. Our studies revealed such career growths, both in the Soviet period and just recently. However, we noticed a rather significant difference between the factories. Mashzavod has quite a number of such “old” careers, whereas Khimzavod has new ones. One bright example for both enterprises is production top managers who were formerly qualified workers.

Mashzavod:
Career begun in 1974, became foreman in the Soviet period, then after graduating became shop manager. In the 1990s when many people quit the factory, young managers were promoted, those who were able to work in the new conditions. Our protagonist becomes deputy head manager of production and monitors one of the main production lines. Then he continues to hold this post when the production line becomes a separate branch. He holds this post up to this day.

Khimzavod:
Came to the factory in 2001, still quite young (40). Employed as a qualified worker, however there being one important point - with higher education and experience in the military sphere. Next year saw him promoted to higher posts, he becomes a medium-level manager (bypassing the stage of linear management), the latest reorganization brings him the post of deputy director-general.

Most certainly there are not many examples of careers like this, but we can definitely state that production managers are recruited more often from among the inner resources: “here in production all these managers used to be workers, that is, they come from the same social layer... that's why the attitude is still the same, liberal sort of” (foreman, Khimzavod). Of note is the fact that most of the linear managers in the main production at Khimzavod were actually all substituted in the matter of a very short time in connection with one of the many reorganizations at the beginning of 2009. Another variant that we saw at Mashzavod is when some of the
managers, productions managers among them, came to the enterprise with the new director-general to become part of his team. But even in this case many of the former managers stay (practically impossible for the economic management – the financial staff, economists, those who “sell” are usually substituted).

The enterprises that we have studied have good mobility chances for the production personnel due to the specificity of their sphere of work: as we have already noted, both enterprises underwent difficulties when searching for production specialists in the external labor market. That is why both factories deliberately stimulate internal mobility of the main production personnel by introducing specialized programs to help develop these workers: a reserve of personnel (Khimzavod) and support for the young employees (Mashzavod).

In addition to vertical mobility, which is rather limited for this category of employees, we can make note of the privileged position of the highly qualified production personnel. They are instructed, so they feel that they are important and valued.

As a result, it is the production personnel that are mobile, especially at Khimzavod. Analysis of the database of the personnel department sheds light on certain tendencies of internal mobility of various categories of employees. The maximum mobility level was noted in the main production sectors of Khimzavod – 70.4% of the employees of these sectors survived the upheavals of the 2000s. Mashzavod shows a similar tendency but with a bit less mobility – 52.6% (see Table 1). However, at both factories half of the transfers of workers have to do with ascent.

At Khimzavod the system of giving the workers a higher rank is of a regular and systematized nature – each year they go through a planned qualification competence test, which includes an exam in theory and a task, with their immediate superiors and colleagues giving them references. If the result of the qualification competence test is good they may be given a higher rank:

*If you want to raise your qualification level here, you have at least to pass a test. This testing gives you a possibility to apply for a higher rank. And of course then you will be paid more”* (worker, Khimzavod).

Qualification competence testing is viewed by everyone, rank-and-file employees included, as a fair and transparent mechanism for personnel ascent. It helps to control qualification and opens the way for the career ascent of the employee.

*Qualification competence testing confirms your rank or shows whether it should be raised. There could be a lowering of the rank if the worker spoils the commodity he produces regularly. If a person has a high rank and spoils the commodity time after time,*
we’ve had such cases where it is obvious – inattention, inaccuracy, then he goes through a qualification competence test not provided for by the plan (shop manager, Khimzavod).

Mashzavod has no system of testing qualification competence, but you can apply for a higher rank: “we have a tariff and qualification commission, it gives you a rank and the person comes having a certain rank, which is confirmed” (worker, Mashzavod). Here we may point out that in the conditions of a crisis the raising of ranks is not stimulated, it is even impeded. That is, theoretically, such a possibility does exist, but in practice ranks are not raised: “A test in qualification competence is a motivation: if you go through it you raise your rank and your pay. At present the enterprise has no such possibility. On the contrary, the task is to reduce wages” (head of personnel department, Mashzavod).

Table 1. Mobility level of personnel at the factories from 2000 to 2009*.

<table>
<thead>
<tr>
<th></th>
<th>KHIMZAVOD</th>
<th>MASHZAVOD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mobility % of employees of sector</td>
<td>Number of transfers per one mobile person</td>
</tr>
<tr>
<td>Employees of factory taken as a whole</td>
<td>47,5</td>
<td>1,8</td>
</tr>
<tr>
<td>Main production process</td>
<td>70,4</td>
<td>1,7</td>
</tr>
<tr>
<td>Subsidiary production process</td>
<td>29,9</td>
<td>1,2</td>
</tr>
<tr>
<td>Specialists in administrative sectors</td>
<td>35,0</td>
<td>1,4</td>
</tr>
</tbody>
</table>

* A study of the personal records of the employees, the material from the personnel department, only the vertical transfers were recorded when a person occupied a new post, or received another category or rank (for workers).

One more category of personnel that is mobile – the specialists.

Mashzavod is the place where specialists have good chances of mobility. There one can see a clearly protectionist position towards young specialists. This trend is a deliberate policy, which began to show itself in the early 2000s, when ageing of personnel at the enterprise became a problem. It was at that time that the decision to attract and keep young specialists was taken. The management looks for them among school leavers, a special program to support the young specialists has been created (we have mentioned this fact already). “Rapid” career ascent is characteristic for young specialists who came to this factory. Here is an example:

Mashzavod, manager of construction sector of one of the work directions:
Came to the factory while still a student in 2004 as engineer-constructor. Ascent due to activity, motivations high, was good organizer: “the first time I was promoted was because... the sector manager that was here before me needed some kind of administrative help on questions of interaction. He was more of a man of science... so he made me his assistant, so I got a new post, I became the deputy sector manager. After that it all went naturally, I had to look into quite a number of questions, to go places on business, work with clients, etc.”

This example is possibly the most striking, but it is quite typical for enterprises – the 2000s saw a great many managers being changed. For some of them these transfers turned out to be rather intensive – when sectors were separated and became branches of the enterprise these people became their directors (such was the case with the sector of electronic advertising, the sector of computer technologies). It is significant that restructuring opened up new possibilities for careers of specialists – sectors were reorganized, some directions of work and the sectors that went with them were developed, they grew in size and it was in these conditions that the young and energetic specialists ascended. However, as the employees think, this period came to an end very quickly, and at present the “top” for specialists is manager of sector: “at that period when we had all those reorganizations, there were possibilities for career growth, but now, these last 2 years... I have a feeling that “the green light” has somehow faded. Actually that’s true, because reorganizations have stopped” (sector manager, Mashzavod).

The attitude towards specialists at Khimzavod is quite different – they are not viewed by the management as a social policy priority: we have personnel with a standard qualification – lawyers, accountants. They do not interest us too much at the moment. We are interested in the production personnel” (top manager, Khimzavod). Besides that, there is a practice of hiring sector managers from the outside, the same goes for managers of non-production directions (personnel department, sales department, financial department, etc.). This means that career possibilities are at the very start limited for specialists working at the enterprise because they are excluded from contests to occupy vacant posts of sector managers. The same goes for the sector managers themselves because they see no perspectives of growth. One of the departments of the enterprise may be cited as an example:

Khimzavod, economics department.

Sector manager, been working since 2003, was taken to occupy post of manager. Prior to that took part as a consultant in the reorganization of the factory, was taken on when work on the project was over.

There are constant changes in the staff of the sector. The policy of hiring consists of new specialists without work experience being chosen from the external labor market, their pay is
low. Nobody does anything to make them more loyal to the enterprise, the management is indifferent to the constant change of employees in the sector: “young girls were taken on as economists, sometimes without any experience whatsoever… their pay was low, but that’s how they learned, they acquired experience. In about three years’ time they quit, some stayed longer, they quit and found better-paid jobs”.

Thus we see that intra-firm mobility for specialists at the enterprises that we studied is quite at variance: at Mashzavod there is a stronger tendency towards internal employment of managers of sectors and career growth for specialists is stimulated. At Khimzavod, on the other hand, professional ascent for specialists is considerably limited both by the general attitude of the management towards this category of personnel and by the practice of employing managers of sectors from the outside. The result is clearly seen in the transfer statistics (see Table 2): at Mashzavod the 2000s witnessed a change of post for practically half the specialists with one mobile person having about two transfers. At Khimzavod change of posts was recorded only for a third of the specialists, the average number of transfers being 1.4. It is important to note that for this category of personnel career possibilities are valuable from the professional point of view, as is the criteria of evaluating the place of work, which our research shows: at Mashzavod it is the specialists who are to a great degree satisfied with their work (85% are satisfied or almost satisfied). At Khimzavod the specialists are less satisfied than the production personnel and the reason they give is low pay and the absence of growth perspectives within the enterprise (this reason was given as the main one by 1/5 of the specialists).

Workers of the subsidiary sphere of production are on the periphery of the internal labor market.
Both studied enterprises actually do not see this category of personnel as being of interest for the personnel policy they pursue. Of course, this category of personnel also has some level of mobility (see Table 1), but it is much lower than in the other sectors, and transfers are usually connected with the fact that tariffs for certain posts become higher, though responsibilities are not much altered due to ascent.

If we are to pass over from the structural conditions of intraorganizational mobility to rules and norms that are regulated by the internal labor market, we should first of all stop on the system of remuneration, of bonuses and their absence. The common factor for both enterprises in this sphere is the differentiation in the ways of fixing incentives for the production and the non-production personnel, as well as innovations in the sphere of remunerations that are, by the way, directed towards the solution of certain set tasks.
Tradition had it that in both factories the workers and the specialists were paid by the hour with a permanent unchangeable part being paid regularly according to the tariff or a person got paid for the post he/she held, plus the bonus. The ratio of the permanent part and the bonus in different sectors was different. What was common for all was that bonuses were paid without the real results of work being taken into account. Bonuses were withheld only if rules of discipline were seriously broken.

In the period of adaptation to the new conditions of the market both factories reviewed their methods of payment, this factor mainly concerned the production personnel. The aim had not changed – the quality of work still served as an incentive, but organizationally the two factories solved it in different ways.

Khimzavod is introducing the KPI system, a system of indexes, which helps to differentiate the amount of the bonus: “quality, output, wasters, and discipline, before we had simply the bonus. The amount depended on the output and what was agreed upon when they took you on, for this category you got so much, for that one that much” (foreman, Khimzavod). The new system of pay changes the relations within the internal labor market, because it leads to greater economic inequality. Theoretically, now the worker can influence the level of his/her remuneration. But there is a disadvantage: most of the workers don’t understand what this new system of payment is all about. At any rate right now only 1/3 of the workers in the main production sphere (linear managers, mostly) can definitely say that they understand it. On the one hand, the situation is typical when innovations are introduced, on the other, the system is really complicated – there are several indexes, each of which has its own significance for the amount the bonuses size up to. In other words, its transparency and convenience, so obvious to the managers, is incomprehensible to the workers and their perception of it as being fair is still a big question.

When the new system of payment was introduced at Khimzavod, the deprived category of employees was again the specialists. They do not feel that their pay depends on the results of their work: “we always had a system of fixed pay, last year they decided to work out a system of motivation for each post, they thought a bit and worked it out, but it has not been introduced” (manager of economic department, Khimzavod). Most specialists (actually one in four) feel that their pay does not correspond to their qualification and the effort they put into their work. One exception is the sales department where the motivation system is clearly defined: “we all have corporate bonuses that are aimed at definite set tasks. In addition to corporate bonuses, we all like to go bowling, which is also part of it” (sales manager, Khimzavod).
Bonuses for top managers include the corporate share (if the sales plan has been fulfilled by 96%), and part of the bonus is for your personal gains – participation in projects, for example. Besides, combining posts is stimulated, so are refresher courses, knowledge of English, etc.

Starting from the 2000s Mashzavod has also tried to connect the workers’ wages in the main production sphere to the quality of their labor. Actually the system is very simple – you might be deprived of your bonus if there are problems with quality of the commodities produced, a fact that is registered by the Section of Technical Control, or if the clients complain.

Our bonus is practically 40% of our wages, 20% of which is for the production plan and some other functions, and 20% is for quality. People have got so used to it that it is almost like set wages, something you get automatically. People are very seldom deprived of their bonus, as a rule… it’s either the product does not pass technical control or the client does not accept it, then it happens that the workers are punished (production manager, Mashzavod).

That is, the system of paying bonuses to workers does not add any differentiations in wages to the traditional one where wages are set according to rank. But here, as with other questions, Mashzavod has a non-formalized system – a fund for bonuses with the bonuses being distributed by your direct manager.

We are allowed to use a small part of the whole volume of production. That is, we send the made product to the warehouse, the percentage is counted, and we are, say, given 30 000 rubles, so we use this money to pay for overtime and other motivations are compensated in this way as well (production manager, Mashzavod).

Until recently, the specialists had a similar system of receiving bonuses, but in 2009 it was changed in the non-production sectors and now it depends on the results of your work: 20% is for corporate results, that is, whether or not the factory received financial means; 10% for the results the sector achieved, which actually means that the work at hand is to be done thoroughly and evenly, without interruptions. To speak the truth, this type of bonus system does not stimulate, it is an undercover to lower the salary of the specialists in conditions of the crisis when sales are not too high. That is how quite a number of specialists see it: “the factory managers are deprived of bonuses more often than are the production personnel. And mind you, they use indexes that they can’t really influence. That is, the situation with bonuses where the criteria are sales – quite a number of people are “tied” to them, they can’t exert any influence on the amount that is sold” (manager of economics department, Mashzavod).
Thus, at the stage of reorganization, which we call “adaptation to the market”, both factories began to change their system of payment and bonuses, while trying to solve the problem of quality control of the commodities produced and (second) to stimulate the personnel. On the whole, the system of payment becomes more market oriented as it starts to depend on whether or not the client is satisfied, as well as on the sales.

As with other questions, Khimzavod follows the path of maximum formalization and systematization of the process. At Khimzavod a lot remains on the level of “manual” management and depends on medium-level managers. Both factories, however, don’t have enough time to put into practice their innovations, due partly to the crisis, and partly to the negative way the personnel views the changes. As a result, the switchover to new methods of payment does not in effect exert any influence on the development of the internal labor market.

Changes in payment exert a much greater influence on internal mobility – it is this factor that is viewed by the employees as a rise in status, as positive dynamics. As was shown in a survey of the personnel of the enterprises, almost all employees of the factories noticed a rise in wages during the last three years. At Khimzavod the peak was reached in 2007. This year was actually the last when a mass planned 15% increase in pay took place – this system was in action for quite a number of years, but in 2008 it was cancelled. Nothing has as yet taken its place and there is no total increase of wages, there are only individual changes in the level of payment that accompany the movement up the professional “staircase” (see Table 2).
Table 2. The reason for increase in payment – the result of surveys of workers, the percentage of those who said that there was an increase.

<table>
<thead>
<tr>
<th>Reason for Increase</th>
<th>Khimzavod</th>
<th>Mashzavod</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raising of rank</td>
<td>20,3</td>
<td>2,7</td>
</tr>
<tr>
<td>Raising of position</td>
<td>9,5</td>
<td>10,7</td>
</tr>
<tr>
<td>Increase in wages for the good quality of my work (rank or position not raised)</td>
<td>10,8</td>
<td>16,0</td>
</tr>
<tr>
<td>A rise in wages for everyone</td>
<td>52,7</td>
<td>61,3</td>
</tr>
<tr>
<td>Other reasons</td>
<td>6,7</td>
<td>9,3</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Mashzavod has a totally different situation. Wages are never raised en masse at the factory. It does sometimes happen that wages are increased for some sectors, which the employees think is a rise for everyone, because they usually compare what they get with what their nearest colleagues get. It is only the sector managers who know the mechanism of wage increases, which in the long run depends on the personal decision of the director-general: that is, here again we come across the combination of the authoritarian style of management and of attempts to introduce market oriented principles of management.

"It all happens thanks to me, I am the initiator, I write a note in which I ask to consider the possibility. In a talk with the head engineer I explain everything, why it is so. The head engineer either supports me or says that it’s no use now, because there is no possibility, which means that we put it off till the right moment comes. If there is an opportunity, we ask the director-general to make the final decision (production manager, Mashzavod)."

In 2008 quite a number of sectors got an increase in pay according to this principle.

At the same time individuals could get a rise if the manager put in a word for them, it could be for some work done or on the initiative of the worker if he has the courage to speak up for himself (this, of course, can be done only by employees who know that they are worth something). We have come across such cases in our study as well. Specialists, workers and managers may be cited as examples here.

Thus, employees of both factories more often noted increases in wages en masse ("everyone got a rise"). An increase in pay as a personal achievement is seldom recorded. At Khimzavod in the last few years such an increase was given to many workers of the main sector, this being connected with a rise in rank. At Mashzavod a rise in pay as a result of ascent or for personal achievements was felt only by the managers (60% of this group), and much less by
specialists (1/3 of the group). At Khimzavod, besides the managers, a rise in pay as a mark of personal achievement was noted only by the sales specialists.

But on the whole the employees do not feel that this differentiation in payment is a just one. At Mashzavod only 15%, and at Khimzavod only 20% consider the pay for the work they do adequate to the effort they exert and to their qualification. The problem of whether the employees think that they are fairly paid or not, and whether they are fairly promoted is very important for the formation of the feeling of satisfaction by the work that is done, and for loyalty to the enterprise [13].

One may notice a discrepancy in the way norms are reconsidered, those norms that regulate social mobility along the axis of income. Khimzavod, at least on the level of declarations, is oriented towards stimulation of individual results, the activity of the workers. Now that it has rejected the system of social benefits, and almost all the non-material incentives of stimulating the employees, it definitely must introduce the differentiated system of payment for the work done and a transparent set-up for increasing pay. However, at present nothing of the sort is happening for most categories of workers (exceptions are managers and sales departments).

Meanwhile Mashzavod still retains the system of social benefits, and is, on the whole, oriented towards the patronizing attitude to the personnel, and logically speaking it should have retained a uniform system of payment and a planned increase of wages en masse. But it is here that increase in wages to a great degree depends on the initiative of the worker himself or his manager, though the final decision, quite in the patronizing key, is made personally and at the moment considered right by the director-general.

Here we may make the conclusion that restructuring influences the internal labor market and intraorganizational mobility is intensified more thanks to structural transformations, and not due to a targeted personnel policy. Processes of intraorganizational mobility are strengthened mainly in the periods when important technological and organizational changes take place, though they always lag behind in time.
At Khimzavod internal mobility began in 2005, a year after new equipment had been installed. The highest rate of mobility was in 2008 with the beginning of restructuring in organization and personnel policy. Here are some typical examples of careers in that period:

Khimzavod.

Career during the first period (technological innovations):

Came to the factory in 2005 as a qualified worker, learned to work with new equipment. Production processes developed, new people came and they had to be taught: “people came, my experience grew, new, less experienced people came, automatically I became the supervisor. Then there appeared the post of color matcher, we had no ranks then. The managers thought up ranks for us, then they came up with senior color matcher, then I became a color matcher manager, that is foreman of the sector”.

At present our hero works as foreman of a sector, this last promotion took place in 2008, that is, it occurred during the second period, which may be designated as organizational restructuring of production processes. This period witnesses the change of practically all the production managers, even of the deputy director-general in charge of production processes. An example of career growth at that period:

Came to the factory in 2003 as apprentice to worker, with higher education and work experience on various posts, in a year became head of the shift (this may be related to the first period). Quit in 2005, went over to rival firm and received a much higher post, in 2006 came back as shift manager, in early 2009 appointed manager of one of the directions of production.
“For me it was a surprise, I couldn’t even imagine… How did it happen? My manager asked me and another fellow to come up to his office. We were shown in and he said – this and that, young men, the party lays its hope on you... Where did those who headed this sector go to, I don’t know. And I’m not really interested. What I have to do is produce a good product, no wasters”.

At Mashzavod mobility began in 1999, a fact that may be tied to change of director-general and transfers of managers and the formation of a new team. The second stage of mobility was in 2003 when organizational restructuring began, which turned the enterprise into a holding. Finally, a noticeable increase of ascent takes place in 2007-2008, which is connected with the development of new trends and diversification of production. We have already mentioned one of the examples of career growth in these years – the career of a young specialist, manager of the construction department. To note, the factor that helped to promote him was his active participation in bringing a new trend to a commercial level, his ability to set up relations with clients. An example of a career of the first period:

Production manager of the construction subsector, Mashzavod:

Came to the factory with higher education and work experience as deputy manager of a sector. In 1.5-2 years of work the production manager in the main production shop was dismissed and our protagonist was asked to occupy this post.

“He [the former manager], most probably did something the director didn’t like, or his qualifications were wrong and he was asked to leave. Then they decided to try me... Why was it that I was chosen, I don’t know. I think it was just that I happened to be at hand”.

As we see, examples taken from Mashzavod and from Khimzavod are very similar. In the situation when production is developed and technological transformations take place, those people who take an active part in the innovations and can switch over to new formats of work are promoted. In situations of structural, organizational and managing transformations the most important thing is, obviously, education, training, work experience, management included, even outside the enterprise. The impression is made that the factor of “a new man” is important, one that is not related to the previous managing team, but is loyal to the enterprise.

The specific feature of Mashzavod is that here they have a team of top managers consisting of only a few members, but their internal mobility is very high – they are periodically “switched over” to take responsibility for new, often with numerous problems, trends. Here is one very good example:

At present deputy director-general for production, Mashzavod:
Came together with new director-general from his old place of work. Worked as manager of sales department. Then when sales began to grow was in charge of leasing territory, then our hero was appointed head accountant (having no financial or economic education), then head of personnel department, then again – back into the production process.

This example (it is not the only one) clearly shows that the factor of loyalty to the enterprise and personally to the director-general was the key one, as well as his ability to work in the team and carry out all kinds of managerial tasks.

Thus, our study shows the realization of both the protectionist and the competitive models of activity within the organization.

Recruitment to the post of top management in all cases has a protectionist character – loyalty to the enterprise and to the director-general personally turns out to be important criteria of selection at both enterprises (which, of course, does not exclude their being professionals, but it certainly limits the opportunity of vertical ascent for most employees). This type of model for employing “top” managers is fully initiated by the directors-general who, on the one hand, want to make way for all innovations and, on the other, it helps them feel more secure in the situation of the risky Russian capitalism.

As for the general tendencies of intraorganizational mobility and of transfers to positions of linear and medium-level management, in the period when enterprises (1) had to survive, as we think, the contest model is clearly discerned. Partly because the benefits that accompanied ascent in the mid-1990s were minimal, those who ascended, in essence, were those who were ready to work in severe conditions and were loyal to the enterprise. The chances are actually equal. This model has been realized in Khimzavod since 2004, when active introduction of new equipment puts the employees in practically equal situations – nobody knows how to work with the new equipment and the person who shows more interest, flexibility and aptitude towards learning is the one who gets promoted.

This model is partly retained in the following period of adaptation to the market and development when the organizational structure is transformed, when initiative is valued and (to a lesser degree) experience. But here we see that elements of protectionism come to the fore in relation to some employees (it is graphically seen in Mashzavod), because in the period of innovations the most important factor is loyalty of the employee to the enterprise and to the top management. Here we see a demonstration of the tournament model – those who have shown themselves to be the best in their previous work ascend quicker, then they ascend a second time.
The protectionist model of mobility is manifested in conditions when there is a deficit in the labor market and it is introduced into the personnel policy of factories deliberately. We mean here the program of support of young specialists at Mashzavod and the program of personnel reserve at Khimzavod. Those categories of personnel that are important for the development of the enterprise are being promoted purposefully. The suitable people are taken note of at the moment when they are still rank-and-file, thus they are given chances of mobility. At present in Mashzavod where the program has been in progress for several years already, we can see examples of successful career ascent of young specialists whom the protectionist policy helps to keep in the enterprise and helps make them loyal to the factory. At Khimzavod there are as yet no examples of career ascent of representatives of the “personnel reserve”, but, obviously, it is a question of time, because the program has only just been introduced.

Analysis of transformations in the personnel management of industrial enterprises in conditions of transitional economy lets us suppose that a more justified personnel policy, one that strengthens the stability and competitiveness of the enterprise, is one that is based on formalized models of management of the internal labor market.

The situation that was formed in conditions of the 2008 to 2009 crisis at the enterprises that we studied proves this to a certain degree. Of course, as we have already said, the position of the enterprise is first of all influenced by the specificity of the market, which they work for. But both enterprises have at present chosen the strategy of preserving the aims achieved by economizing on costs and they are experiencing serious financial hardships. However, reversing tendencies in personnel policy are better manifested at Mashzavod.

At first they shortened the working hours to 6, then the workweek by a day. This means that wages fell. Now you can’t get such great amounts. The mood is that, of course, now we have the crisis, but the desire to work is still there (Mashzavod).

In this way we managed without losing in pay. We had one shop that had a shortened day, now they have a new schedule, December was very hard, they had it changed, now they work normally. Though actually they have managed not to lose anything (Khimzavod).

In the conditions of the current crisis the employees of Khimzavod have demonstrated their confidence in the stability of their enterprise and in the perspectives of their job security. This, as the results of the study have shown, is the main motivator of working activity and loyalty of personnel.
References

5. Козина И.М. Особенности применения стратегии «кейс-стади» при изучении производственных отношений // Социология: 4 М. 1995. № 5-6. (Specificity of applying “case study” strategy in the analysis of production relations)
7. Практики управления персоналом на современных российских предприятиях. Под ред. В.И.Кабалиной. М: ИСИТО, 2005. (Personnel management practice at modern Russian enterprises)
8. Становление трудовых отношений в постсоветской России: социол. анализ пяти случаев рос. менеджмента в сравнении с практикой Канады и Германии) / Т. Барткьо и др.; Ин-т социологии РАН, Карлтон. ун-т, Горбачев-Фонд (УКГФ). М.: Академический проект, 2004. (The formation of labor relations in post-Soviet Russia: a sociological analysis of five cases of management in Russia compared with Canadian and German practice)
9. Бурнышев К.В., Донова И.В. Управление инновациями на предприятиях: новые контексты и старые проблемы. // Социс. 2007. №5, стр. 31-37. (Management of innovations at enterprises: new contexts and old problems)
10. Чеглакова Л.М. Изменения в практиках управления персоналом на российских предприятиях. // Экономическая социология. 2005. Т. 6. № 5. Стр. 53. (Changes in personnel management practice at Russian enterprises)