

***“For each employee of an American company there are at least four people working in supply/distribution companies having to follow the same standards.” – A Russian vice president of an American consumer goods company***

***“Since the moment I came here I have never received money in an envelope. I realized what the organization was trying to tell me: “We live according to Russian legislation.” That was immediately obvious.” – A Russian employee of an American consulting company***

***“Not only will I not pay [illegally] the state sanitary inspector for registering a new product, I am also responsible for making sure none of our distributors make such payments in our name in order to receive this registration.” – A Russian senior executive of an American consumer goods company***

The project included two stages:

**Stage 1 Qualitative**

As a result of 18 in person in-depth interviews with middle and top managers of Russian and American companies we identified major differences in values, attitudes and management style. Interview length: 1.5-2 h. long. All interviews were taped upon the respondent’s agreement. Eight (8) interviews were conducted with top/middle managers of Russian companies.

**Stage 2 Quantitative  
CATI (Computer Assisted Telephone Interviews)**

At the second, quantitative stage we tested the significance of such differences and measured the influence of various attributes of Russian companies: industry, size, geography, respondent’s age/position, cooperation with international companies, etc.

A random sample of 200 employees from American companies. A list of AmCham members was used as a sample frame.

Random sample of 600 employees of Russian companies (50+ employees). A list of fixed private telephone numbers was used as a sample frame. Representative quotas on geography: Moscow, St. Petersburg, Nizhny Novgorod, Voronezh, Yekaterinburg and Novosibirsk. Fieldwork was conducted in September-October 2006.

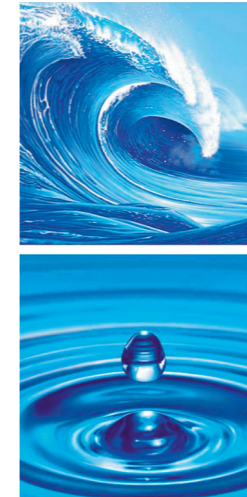
**About COMCON & Research International**

COMCON is a full service market research agency and the official representative of Research International in Russia. The company abides by the standards of the European Society for Opinion and Marketing Research (ESOMAR). COMCON employs about 200 full-time researchers, data analysts, and operators. Our staff combines knowledge of the local environment with regular Western training at ESOMAR seminars and conferences, as well as special educational programs with Western European research companies and educational centres. Clients include Procter&Gamble, Shell, DHL, Coca-Cola, Samsung, Intel, Lukoil and many more leading international companies.

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RESEARCH INTERNATIONAL

## American Business Practice Values in Russia

Commissioned by:



Research conducted by:



***“Most people under 30 in Russia, particularly well-educated ones, have a lot in common with Western youth. It’s pretty easy for them to adopt American business values.” – An expat general manager of a blue-chip American consumer goods company***

***“If you want to do something really well in business – see how Americans usually do it instead of trying to reinvent the wheel.” – An engineer from a Russian machinery factory***

***“The tendency is for Russian companies to respect the law. The period of accumulating capital is over. People already have big businesses. The days of having nothing to lose are over. That is why Russian business, starting from 2000, made a switch. There was an entire shift of mentality.” – A Russian partner at an American consulting firm***

# VALUES

*Law compliance, strict business ethics, collegial management style, employee empowerment – these are some of the business practice values most traditionally associated with American companies. These values are honored by an overwhelming majority of U.S. companies.*

*Are these values and business practices maintained by U.S. companies operating in Russia? Are they accepted by Russian employees? Are they making an impact on the way business is done in Russia?*

*The American Chamber of Commerce in Russia commissioned COMCON, an associate member of Research International, to carry out an independent survey to answer these questions.*

*The summary of the survey findings is presented here and demonstrates clearly that American business operating in Russia is having an impact on bridging the “values gap” between our two countries.*

## **Andrew B. Somers**

President, American Chamber of Commerce in Russia, and former EVP and General Counsel, American Express TRS Company

## **About the American Chamber of Commerce in Russia**

The American Chamber of Commerce in Russia is the largest foreign business organization in Russia, effectively advocating the trade and investment interests of over 800 member companies. With its Moscow headquarters, its St. Petersburg chapter, and representative in Washington, D.C., the Chamber advocates the interests of its members to the Russian and US governments and provides a forum for dialogue between the international business community and policymakers.

[www.amcham.ru](http://www.amcham.ru)

# IMPACT

**American companies operating in the Russian market have been making a profound and lasting impact on their Russian employees and business partners. This impact is evident not only in the American companies themselves but also in the Russian companies – contrary to commonly held beliefs, our survey shows increasing levels of adherence to international business practice values in Russian companies.**

- 80% of Russians employed in American companies believe the arrival of American business in the Russian market is making an impact on the way Russian companies do business. 55% of employees in Russian companies also recognize this influence

## **Business Ethics and Legal Compliance**

- 100% of Russian employees in American companies believe their company “aims to strictly follow Russian laws,” compared to 78% in Russian companies
- 95% of Russian employees in American companies believe their company “conducts business in a transparent manner,” compared to 66% in Russian companies

## **Management Style and Employee Empowerment**

- 81% of Russian employees in American companies see an informal and friendly style of communication between managers and subordinates as common in their company, compared to 55% in Russian companies
- 87% of Russian employees in American companies believe they are regularly informed by management about major events in the company, compared to 65% in Russian companies
- 90% of Russian employees in American companies believe managers at different levels are open and accessible for communication with employees, compared to 71% in Russian companies

# ENFORCEMENT

**American business practice values are communicated and reinforced among Russian employees in American companies through an ongoing comprehensive system of institutionalized procedures:**

- **Mission Statement and/or Code of Conduct**
- **Training**
- **Internal Audit**
- **Job Description**
- **Formal written evaluation**
- **Team-building activities**
- **Approachable Executives (“open-door policy”)**
- 87% of Russian employees in American companies are aware of their company’s mission statement or code of conduct, compared to 58% in Russian companies
- 83% of Russian employees in American companies believe that the majority of employees work in accordance with these guidelines, compared to 69% in Russian companies
- In almost 90% of American companies surveyed, there is an employee performance evaluation process, compared to 25% of Russian companies
- 77% of Russian employees in American companies believe the evaluation process is efficient in assessing the quality of their work
- 80% of Russian employees in American companies report that their company “effectively uses internal controls to eliminate theft, bribery or other abuses”

# ACCEPTANCE

**Russian employees accept American business practice values willingly – as a way towards greater efficiency, and also as a conduit for international integration. Furthermore, working in American companies enhances the Russians’ awareness of, and improves their attitudes towards the United States.**

- 90% of Russians working in American companies support expanding relations with the United States, compared to 52% of employees working in Russian companies
- 86% of Russians employed by American companies appreciate the “American way of doing business” and prefer working in American companies as opposed to companies from other countries
- 75% of Russian employees in American companies have a respectful and positive view of the United States, compared to 47% of employees in Russian-owned companies
- 95% of Russians working in American companies rate their relations with their expat colleagues as good or very good
- 93% of Russians working in American companies say that they like working for their employer
- 95% of Russians working in American companies say that they feel highly motivated at work
- 85% of Russians working in American companies believe their ideas and suggestions are being rewarded by the company, compared to 60% in Russian companies
- 74% of Russians working in American companies believe their employers reward a creative and informal approach to work, compared to 58% in Russian companies