

УДК П316.444.5

## **Intraorganizational Mobility in Post-Soviet Enterprises**

**Maria G. Burlutskaya\***

*Ural State Pedagogical University  
26 Kosmonavtov av., Yekaterinburg, 620017 Russia <sup>1</sup>*

Received 3.06.2011, received in revised form 10.06.2011, accepted 17.06.2011

---

*This paper studies the interaction of restructuring processes and changes in the internal labour markets and flows of intrafirm mobility at post-soviet enterprises. Using data from case study of two Ural plants, we attempt to define the models of intraorganizational mobility which have been formed at the enterprises during their adaptation to the market. The approach focuses both on the modification of multi-layered post and management structure and on the processes of formation and action of rules that regulate the ascent of employees.*

*We come to the conclusion that intraorganizational mobility does not fully depend on changes in the external labour market; it is determined by the administratively fixed formal and informal rules, the practice of labour relations that have formed within the enterprise. Our study shows the application of both the protectionist and the contest models of activity within the organization. Recruitment to the top management posts has protectionist features in all the cases. As for the general tendencies of intraorganizational mobility, during crisis periods when enterprises had to survive the contest model is clearly discerned. This model is partly retained in the following period of adaptation to the market, but here we see that elements of protectionism come to the fore in relation to some employees.*

*This paper was prepared within the framework of "Economic and Social Consequences of Industrial Restructure in Russia and Ukraine" project financed by the European Comission.*

*Keywords: intraorganizational mobility; intrafirm mobility; internal labour market; professional mobility*

---

### **Introduction**

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 (Bell, 1973). Western sociology, economy and management have the long-standing tradition of studying intrafirm mobility: the processes analyzed by economists within the framework of the concept of the internal labour market are studied in sociology as processes of intraorganizational

mobility: its factors, trajectories, and the ascent opportunities of its staff (Doeringer et al., 1971; Bartunek et al., 2008).

The "old" Russian enterprises that existed prior to the economic reforms of the 1990s, "inherited" the Soviet system of labour relations with its patronizing, the practice of "lifelong" employment, and prevalence of non-financial mechanisms of labour incentives. But the restructuring that all more or less successful modern enterprises had to go through under

---

\* Corresponding author E-mail address: mary-bu@yandex.ru

<sup>1</sup> © Siberian Federal University. All rights reserved

the influence of “market pressure” has actually changed the “rules of the game” in the internal labour market.

In the past two decades the development of Russian enterprises has undergone a number of periods: 1. survival; 2. adaptation to work in market conditions; 3. developing or maintaining the achieved positions. During each of them we can discover specific changes of intraorganizational mobility. So, the objects of study in this paper are the interaction of restructuring processes and changes in the internal labour markets and, as a result, the flow of intrafirm mobility.

### **Materials and Methods**

The research has been carried out in accordance with case study methodology, in addition to which various methods of collecting information were used: analysis of documents that pertain to personnel policy, the development strategy of an enterprise; the formation and analysis of the 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.

The reasons for choosing certain enterprises were the following: all of them 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 industry branches and this factor enables 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 people. To note, both enterprises have decreased the number of personnel compared to the Soviet period – now there are from 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 with ISO, their top management has been trained at new business schools etc.

Both factories began their active development period in the early 2000s together with the Russian 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 can be conventionally called “a turn towards the market”, which actually was the beginning of a significant restructuring process. But these processes and their consequences, including those that occur at the internal labour market, turned out to be absolutely different in the two factories that have been studied.

From the present research point of view, it is a great luck that our analysis enabled us to describe two different restructuring models, two different approaches to how “the Soviet legacy” can be transformed. One of the options (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 labour relations and, in particular, a model of the internal labour 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.

## Results

Ascent of employees in the internal labour market takes place along two main axes of mobility: professional (career) and the economic one (which means pay changes) (Mayer et al., 1987). As a mobility institution, an enterprise may be viewed in two aspects: structurally, from the point of view of the ascent possibilities that it provides, which are the number of positions, their complexity and the multi-layered structure of management and the posts to be held there, plus its dynamics. Secondly, an enterprise may be viewed as a field of formation and action of rules that regulate the ascent of its employees (Burton et al., 2007). To be more precise, who is to be selected for promotion, what personal or professional criteria are important for ascent in the internal labour 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.

Speaking about the structure of the factories that have been 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 a 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 a common internal labour market, so that managers could move from one enterprise to another, and new managers could be recruited from “neighbouring” 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.

The management structure of this type to a great degree determines the specificity of the internal labour market at Russian factories: the presence of a barrier between the production and the non-production sectors is one of their features. One can actually speak about different labour 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 career possibilities for the employees of the main production sector**. To begin with, it is connected with the longest “staircase” that includes qualification competence categories and possibility of growth along the “team-leader – foreman / shift foreman – shop manager” line. One spectacular example for Mashzavod is the following: a person began his career in 1974, became a foreman in the Soviet period, then after graduating became a shop manager. In the 1990s when many people quit the factory, those young managers who were able to work in the new conditions got promoted. Our protagonist became a deputy head manager of production and monitored one of the main production lines. Then he continued to hold this post when the production line became a separate branch. He has been holding this post up to this day. Another example of typical career for Khimzavod is the following: a person came to the factory in 2001, at a quite young age (40). Got

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

	KHIMZAVOD		MASHZAVOD	
	Mobility % of the sector employees	Number of transfers per one mobile person	Mobility % of the sector employees	Number of transfers per one mobile person
The total of the factory employees	47,5	1,8	41,4	1,9
Main production process	<b>70,4</b>	1,7	<b>52,6</b>	1,9
Subsidiary production process	29,9	1,2	21,6	1,8
Specialists in administrative sectors	35,0	1,4	<b>46,8</b>	2,0

\* According to the study of the employees' personal records, 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).

employed as a qualified worker, but it is worth nothing that he had higher education and working experience in the military sphere. The next year he got promoted to a higher post; he became a medium-level manager (bypassing the linear management stage), the latest reorganization brought him the post of deputy director-general. Our studies revealed such career growths, both in the Soviet period and recent time. However, a rather significant difference between the factories has been noticed. Mashzavod has quite a number of such "old" careers, whereas Khimzavod has more new ones.

The enterprises that have been 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 labour market. That is why both factories deliberately stimulate internal mobility of the main production personnel by introducing specialized programs to stimulate development of these workers: a personnel reserve (Khimzavod) and support for the young employees (Mashzavod).

In addition to the 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 some 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 a theoretical exam 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 enables you to apply for a higher rank. And of course then you will be paid more"* (worker, 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 certain rank of each person is confirmed”* (worker, Mashzavod). Here we may point out that in the crisis conditions the ranks rise is not stimulated, it is even impeded. That means that, 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 salary. At present the enterprise has no such possibility. On the contrary, the task is to reduce wages”* (head of personnel department, Mashzavod).

**One more category mobile personnel:  
the specialists**

Mashzavod is the place where specialists have good mobility opportunities. One can see a clearly protectionist position towards young specialists there. 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 was looking for them among school leavers, a special program to support the young specialists had been created (this fact has already been mentioned). “Rapid” career ascent is a characteristic for young specialists who came to this factory. Here is an example: a manager of construction sector came to the factory while still a student in 2004 as engineer-constructor. Ascent due to his activity and high motivation, he was a good organizer: *“the first time I was promoted because... the sector manager that had been here before me needed some kind of administrative help with the interaction issues. He was more of a man of science... so he made me his assistant, so I got a new post, I became a deputy sector manager. After that it all went naturally, I had*

*to look into quite a number of questions, to go to business trips, work with clients, etc.”* This example is possibly the most striking, but it is quite typical for enterprises – the 2000s saw a great number of managers being changed. For some of them these transfers turned out to be rather intensive – when the sectors got separated and became branches of the enterprise these people became their directors (as in the case with the electronic advertising sector, the IT sector). It is significant that restructuring opened up new possibilities for specialists’ careers – the 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 thought, this period came to an end very quickly, and at present the “top position” for the specialists is that of a sector manager: *“at that period when we had all those reorganizations, there were possibilities for career growth, but now, during the 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 branches (personnel department, sales department, financial department, etc.). This means that career possibilities for specialists working at the enterprise are from the very start limited 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: sector manager, who had been working for the enterprise since 2003, was accepted to the post of manager. Prior to that he had taken part in the reorganization of the factory as a consultant, and was taken on when the work on the project had been over. There are constant changes in the sector staff. The hiring policy is about new specialists without work experience being chosen from the external labour market, so that 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 salary 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 intrafirm mobility for the specialists at the enterprises that have been studied is quite at variance: at Mashzavod there is a stronger tendency towards internal employment of sector managers 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 sector managers from the outside. The result is clearly seen in the transfer statistics (see Table 2): at Mashzavod. In the 2000s, practically half the specialists changed their posts, 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, and it can be used as criterion for evaluating the place of work, as 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 salary 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 at the periphery of the internal labour market.

Both studied enterprises actually do not see this category of personnel as 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.

To pass over from the structural conditions of intraorganizational mobility to **rules and norms that are regulated by the internal labour market**, first of all it is necessary to 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.

Traditionally, 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, wastes 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 labour 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 one hand, the situation is typical when innovations are introduced, on the other hand, the system is really complicated – there are several indexes, each of them having its own significance for the amount the bonuses amount. 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 salary depends on the results of their work: *“we have always had a system of fixed payment, 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 a part of it”* (sales manager, Khimzavod).

Bonuses for top managers include the corporate share (if the sales plan has been fulfilled by 96 %), and a 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 labour. 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, when 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 the rank. But here, as in some other fields, Mashzavod has a non-formalized system, which is a fund for bonuses with the bonuses being distributed by the direct manager of the worker. *“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 the overtime and other motivations are compensated this way as well” (production manager, Mashzavod).*

Until recent time, the specialists used to have a similar system of receiving bonuses, but in 2009 it was changed in the non-production sectors and now it depends on the work results: 20 % is for corporate results, that is, whether or not the factory has received any financial assets; 10 % for the results the sector has 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 anyone, it is an undercover to lower the salary of the specialists in crisis conditions when the 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 that they use indexes that they can’t really influence. That is how the bonus system with sales as the criterion looks: 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 goods produced and (secondly) 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 the other issues are concerned, 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 their innovations into practice, partly due to the crisis, and partly due to the negative way the personnel views the changes. As a result, the switchover to new payment methods does not in effect exert any influence on the development of the internal labour market.

Changes in payment exert 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 it was shown in the survey of the enterprises personnel, 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 the last when a mass planned 15 % increase in pay actually took place – this system was in action for quite a number of years, but in 2008 it was cancelled. Nothing has taken place yet 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).

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 some 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 of no use now, because it is impossible, which means that we put it off till the*



Table 2. The reason for payment increase – the result of workers’ survey; the percentage of those who claim that there was an increase.

	Khimzavod	Mashzavod
Raising of rank	20,3	2,7
Raising of position	9,5	10,7
Increase in wages for the good quality of my work (rank or position not raised)	10,8	16,0
Payment increase for everyone	52,7	61,3
Other reasons	6,7	9,3
Total	100	100

*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 payment 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 they have the courage to speak up for themselves (of course, this can be done only by the employees who know what they worth). We have come across such cases in our study as well. Specialists, workers and managers may be cited as examples here.

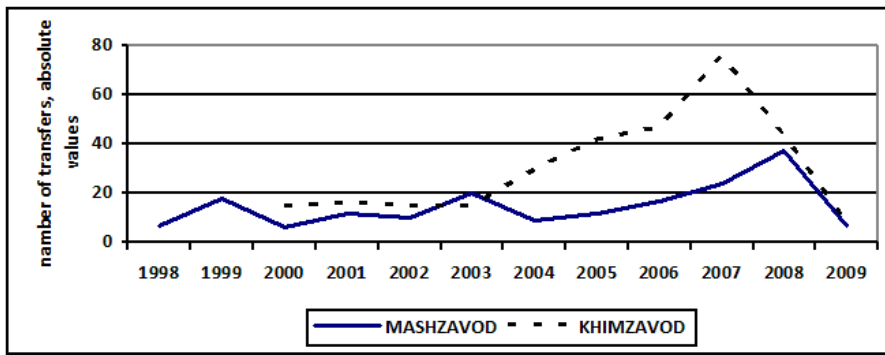
Thus, employees of both factories more often noted increases in wages en masse (“everyone got a rise”). A payment increase for some personal achievements is seldom recorded. At Khimzavod in the last few years such an increase was given to many workers of the main sector, along with the rank rise. At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

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.

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 activeness of the workers. Now that it has rejected the system of social benefits, and almost all the non-material incentives of stimulating the employees, differentiated system of payment for the work done and a transparent set-up for increasing pay definitely must be introduced. However, at present nothing of the sort is happening for most categories of workers (the only 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



Activity of intraorganizational mobility within various periods of the factories development (1998-2009). Analysis of the personal, material from the personnel department. With the change of post, category or rank (for workers) only vertical ascent has been recorded

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 can come to the conclusion that restructuring influences the internal labour 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 increased in 2005, a year after some new equipment had been installed. A typical career during technological innovations period: a man came to the factory in 2005 as a qualified worker, learned working with the 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 their supervisor. Then there appeared the post of colour matcher, we had no ranks then. The managers thought up ranks for us, then they came up with the senior colour matcher, then I became a colour matcher manager, that is the foreman of the sector”*. At present our protagonist works as

the sector foreman, this last promotion took place in 2008, during the period of highest mobility rate at the enterprise. This period may be designated as organizational restructuring of production processes. An example of career growth at that period: a man came to the factory in 2003 as an apprentice 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). He quit in 2005, went over to a rival company and received a much higher post, in 2006 came back as a shift manager, in early 2009 was appointed as a manager of one of the production branches. *“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 – so and so, gentlemen, the party lays its hope on you... Where did those who headed this sector go, I don’t know. And I’m not really interested. What I have to do is to produce a good product, no wastes”*

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 took place in 2007-2008, which was 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: an employee came to the factory with higher education and work experience as a 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 had done something the director didn’t like, or his qualifications were wrong and he was asked to leave. Then they decided to try me... Why I was chosen, I don’t know. I think it was just that I happened to be at hand”* (production manager of the construction subsector, Mashzavod).

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 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 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 numerous problems and trends. Here is one very good example: at present the deputy director-general

for production came together with the new director-general from his old place of work. He used to work as a manager of sales department. Then, when sales began to grow, he became in charge for leasing territory, then our protagonist was appointed the head accountant (having no financial or economic education), then the 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.

### Conclusion

Western sociology has come up with several models of intrafirm mobility, these models of mobility depending on the rules and norms that determine the ascent of employees within the enterprise. Turner (Turner, 1960) pointed out two types of intraorganizational 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 (Rosenbaum, 1984), who developed these ideas and partly combined the models, offered a “tournament model”, the essence of which is that a career within the organization is based on the principle of “a drop-out competition”, where everyone has equal chance in the first stage, but the next stages are only for those who “win” the previous ones. That is, the higher post you occupy, the more important is the experience of the previous successful positional ascents.

The present study shows the realization of both the protectionist and the contest models of activity within the organization.

Recruitment to the top management posts 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 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 the 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 and (to a lesser degree) experience are valued. 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 the employee’s loyalty to the enterprise and to the

top management. Here we see a the tournament model – those who have shown themselves to be the best in their previous work ascend quicker, then they ascend for the second time.

The protectionist model of mobility is manifested in conditions when there is a deficit in the labour market and it is introduced into the personnel policy of factories deliberately. Here we mean the program of young specialists’ support 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. Today at 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 matter 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 the models of intraorganizational mobility do not fully depend on changes in the external labour 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 labour market is determined by administratively fixed formal and informal rules, the practice of labour relations that have formed within the enterprise.

## References

D. Bell, *The Coming of Post-Industrial Society: A Venture in Social Forecasting*. New York: Basic Books, 1973.

J. Bartunek, Zhi Huang, I. Walsh, The development of a process model of collective turnover. *Human Relations*. January 1, 61: 5-38. 2008.

M.D. Burton, C. Beckman, Leaving a Legacy: Position Imprints and Successor Turnover in Young Firms. *American Sociological Review*. April vol. 72, 2: 239-266. 2007.

P. Doeringer, M. Piore, Internal Labour Markets and Manpower Analysis. Lexington: Heath, 1971.

K.U. Mayer, R. Carroll Glenn, Jobs and classes: structural constraints on career mobility. *European Sociological Review*, Vol. 3 No. 1. 1987.

J.C. McElroy, P. Morrow, E.J. Muller, Intraorganizational mobility and work related attitudes. *Journal of organizational behavior*, vol. 17, 363-374. 1996.

J.E. Rosenbaum, Career mobility in a corporate hierarchy. Orlando, Fla.: Academic Press. Schein, E. H. 1984.

R. Turner, Modes of social ascent through education: Sponsored and contest mobility. *American Sociological Review*, 25: 855-867. 1960.

## **Внутриорганизационная мобильность на постсоветских предприятиях**

**М.Г. Бурлуцкая**

*Уральский государственный  
педагогический университет*

*Россия 620017, Екатеринбург, пр. Космонавтов, 26*

---

*В статье рассматриваются процессы внутриорганизационной мобильности на разных стадиях реструктуризации постсоветских предприятий. Статья написана на базе кейс-стади на двух уральских заводах и рассматривает предприятие как институт мобильности. В центре внимания – изменения должностной структуры и правил продвижения в ней (как формальных, так и неформальных), которые меняются в ходе адаптации предприятия к рынку. Как показало наше исследование, модели внутренней мобильности предприятия, развитие внутреннего рынка лишь отчасти зависят от изменений на внешнем рынке труда, динамики спроса и предложения и стоимости рабочей силы в экономике региона. В гораздо большей степени логику развития внутреннего рынка труда определяют формальные, административно закреплённые и неформальные правила, практики трудовых отношений, сложившиеся на предприятиях. Мы обнаружили, что на предприятиях реализуется протекционистская и конкурентная модели мобильности. Рекрутирование на позиции топ-менеджмента во всех случаях носит протекционистский характер. Что касается внутриорганизационной мобильности в целом, то в кризисные периоды преобладает конкурентная модель, в периоды развития и стабильности начинает проявляться и все более распространяться протекционизм или, как вариант, модель турнира.*

*Авторы благодарят Европейскую комиссию за финансовую поддержку, предоставленную в рамках проекта «Экономические и социальные последствия реструктуризации в России и Украине».*

*Ключевые слова: внутриорганизационная мобильность, внутрифирменная мобильность, внутренний рынок труда, профессиональная мобильность.*

---