

# PASSPORT

## Lessons From Prague

Czech this out!

By Shari Caudron

Walk down the cobblestone streets of Prague in the Czech Republic today and you'll pass sushi bars, Indian restaurants, Internet cafes, and shop after shop selling marionettes. In the shop windows, puppet chefs, kings, and witches silently beseech passersby to give them life.

As a Westerner traveling or working in Prague in the 1990s, it would have been easy to interpret those marionettes as a metaphor for the Czech people. After all, this is a country where the wall of com-

munist didn't fall until 1989. A country where, for 40-plus years, people worked in a system in which employees were punished for creativity or initiative. Like marionettes, the most exemplary employees went through the motions asked of them—and no more.

Working and living under communist rule left its imprint on the Czech people. After the Velvet Revolution of 1989—so called because of the peaceful protests that led to the reinstatement of a

free-market system—many Czechs still exhibited the attitudes you'd expect from lifelong bureaucrats.

According to Mark Martin, country manager for KNO Worldwide, an international performance improvement firm based in Prague, even after the revolution typical Czech employees had little understanding of the larger picture. They hoarded information as a way to gain power. They were unfriendly to anyone who wasn't already known and trusted. Under the communist system, the work ethic was practically nonexistent. "You pretend to work, and we'll pretend to pay you" was a popular saying.

There was no concept of customer service. Restaurants closed mid-afternoon if they'd made enough money by then, regardless of how many people were lined up outside the door. Shoddy workmanship was the norm; rickety door-knobs used to come off regularly in people's hands. Instead of expecting doorknobs to work properly or pressuring manufacturers to make better ones, people carried screwdrivers.

When the wall fell and Czechoslovakia opened its doors to the world market, Western business executives marched in with wide-eyed, profiteering enthusiasm. All they needed to do, or so they thought, was figure out a way to turn around the lazy, unsophisticated Czech workforce.

Not only was that an arrogant mindset, but it was also wrong. The Czechs weren't mindless marionettes that needed their strings pulled in a new direction. True, communism had an impact on their skills and motivation, but it's also true that Czechs were—and are—smart and well educated. They were open to Western concepts, understood organizational behavior, and proved eager to learn and work.

"It's total BS that Czechs were lazy," says Dan Fogel, professor of business administration at the Joseph M. Katz Graduate School of Business at the

University of Pittsburgh. Fogel was involved in developing the first private business schools in the Czech Republic. "There's no such thing as unmotivated people," he says. "There are only unmotivated workers."

The tendency of Western trainers and consultants to view all Czechs through the same lens fostered resentment among workers. "The first consultants who came over here were arrogant, inexperienced, and couldn't cope with the different mentality of the Czech people," explains Mari Novak, co-founder of KNO Worldwide. "The Czechs reacted to that, and those of us who were invested in staying in Central Europe had to overcome

to translate what they did know into an understanding of how they could use that in the new system."

**No common understanding of capitalist principles.** If you work in a free-market society, you take for granted such things as marketing and customer service. But in Czechoslovakia, those were foreign concepts, literally. Instead of a seller bending over backward to meet the needs of buyers, the reverse was often true. That's because Czech society was built around relationships. If people wanted goods, they had to convince the sellers they were worthy of doing business with.

According to Novak, Western trainers faced similar gaps in understanding such concepts as performance, productivity,

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the negative feelings, gain their trust, and convince them we really could teach them something."

#### Walls that crumble

Overcoming Western arrogance was just one of the many difficulties faced by training professionals who worked in Prague in the early post-communist days. Here are a few more.

**Worker insecurity.** Steven Kelly co-founded KNO Worldwide with Novak, his wife, in Prague in 1990. The first Czech workers he came into contact with were self-disparaging. "They'd say, 'We screwed up, communism has wasted everything, the East is bad and the West is perfect.' Our challenge was

efficiency, and effectiveness. "In Czech, there were no words for those [concepts]," she says.

**Unaccustomed to paying for training.** One mistake Kelly and Novak made in the early days was to assume that just because there was a need for training on Western business principles, there was also a market for it.

"But they aren't the same thing," Kelly says. "People needed the information we had, but the Czechs weren't used to paying consultants for advice. They also weren't used to providing training to employees. There had been no need because most jobs were blue-collar, decisions were made outside of the company, and no service industry had developed.

Any training usually involved seminars for some type of political indoctrination.” Unfamiliar with the Western style of training. Although Czechs weren’t used to workplace training, they were highly educated and accustomed to a lecture-driven, one-way approach to education. “Back in the old days,” Martin explains, “the Czechs measured a course’s effectiveness by how bored the participants were. The logic went something like this: Things that are serious are neither interesting nor fun.” Because of that conditioning, the Western training style of using role plays, videos, simulations, and interactive discussions was highly uncomfortable for Czechs. They interpreted those tactics as a sign that training wasn’t a serious activity.

Other pressing issues

Let’s face it: Trainers like to think that training can solve every business problem. But after the fall of communism, the Czechs initially had more serious con-

cerns: legal issues such as who owned what factories or buildings, financial issues as to who controlled company stock, and no existing business law to support such tasks as writing contracts. “The world economy,” Novak adds, “didn’t give the Czechs any special leeway or grace period for getting up-to-speed. With all of that going on, people might have realized they needed training, but they couldn’t set aside time for it.”

So, how did Western trainers overcome those challenges, while respecting the drive and intelligence of the Czech people? How did trainers manage to educate people in vitally needed business concepts and do it quickly at a time of great change? They did it the same way any trainer working in any capacity in any country does it: by adhering to the following guidelines.

**Establish trust and rapport.** Karin Genton-L’Epee, president of L’Epee Coaching and Consulting, is a French woman who has been living and training in Prague since

1995. She says, “For a Czech person to work with or for you, he first has to like you, then believe you, and then trust you. Without the liking, believing, and trusting, little can be achieved.”

How did she learn that was the best way to establish rapport? “Never assume anything, and always try to figure out [the issues] from the Czech perspective and not only your own.”

**Establish a common understanding.** Because Czechs understood little about Western business principles, trainers had to spend a lot of time up front discussing business vocabulary and agreeing on common definitions.

“There’s so much jargon in American training,” Novak says, “but most of those words don’t exist in Czech. In each session, we would...define, explain, and come to agreement on the connotation of certain words, such as *efficiency* and *performance*.” To help make the translations culturally acceptable, Novak and Kelly worked in conjunction with local Czech trainers.

# An American Expat’s View

Tax me, train me.

By David Beadles

FYI: The United States has the lowest.

If you do the math, that means every day that I work from January 1 through July 4, I’m working for free. Where does all of that tax money go?

Most of it goes to pay my colleagues’ salaries, but part of it goes to finance training programs. Shari Caudron may be correct in suggesting that Eastern Europe is years behind the United States in on-the-job training, but I propose that Western Europe is decades ahead.

In the three months that I’ve been in my new job, I’ve found the training opportunities amazing. I mentioned casually to my boss that I wanted to take French lessons, and he jumped on the opportunity. (Could that be because I’ve been in French-speaking countries for the past three years, but can do little more than order from a French menu?) Not only was I told to enroll in a one-week immersion course, but I also began taking one-on-one French lessons. After just four sessions, I felt like Bart Simpson in “The Crepes of Wrath”: *Sacre bleu, je parle francais maintenant!*



I work for a Belgian company that’s partly state-owned, and more than 52 percent of my salary vanishes each month in some kind of tax. That’s because Belgium ranks just behind France and well ahead of Italy, Sweden, and Germany in its taxation misery index.

The communications gap wasn't limited to training. Performance consultants in the early 1990s often had to facilitate discussions among business executives on what certain goals and objectives meant. "We thought everybody's perception about the rules of capitalism and management were the same," Novak says. "But it wasn't. We had to work with company teams to make sure everybody was on common ground before we could move forward with performance initiatives. In retrospect, that's something we should have done more of early on."

Andrew Spicer, assistant professor of International Management at the University of California, Riverside, says that overcoming different perceptions of capitalism is an issue multinational companies have always faced. "It's difficult to get to the heart of what global capitalism is to people who've never had any experience with it," he explains. "You can't take training you delivered to hotel employees

in the United States and deliver it to hotel employees in Prague. You have to be prepared to explain and articulate [a concern] you may take for granted."

**Focus on the most-important learning objectives.** Czech companies faced the challenge of how to join the world economic market quickly, while managing a host of societal, political, and economic transformations. Their resources and attention spans were strained. It was the job of consultants and trainers to help Czech companies determine their essential business objectives and then create highly focused training programs. "We had to look at what kind of training would do the greatest good immediately and worry about the other stuff later," Novak says. "We didn't have the luxury of developing a whole catalogue of courses. We had to focus our attention."

**Make training interesting.** Even though Czechs weren't accustomed to Western-style training, Western educators believed

it was important to use more interactive and entertaining techniques. "We couldn't just have a theoretical discussion about customer service, for example, because Czechs didn't know what customer service was," Fogel explains. "We had to use role plays and experiences to show them what good customer service looks like. As important as it was to make classroom lessons more interactive, trainers also had to be prepared to back up the learning experiences with theoretical discussions when necessary."

Trainers also had to be sensitive as to why some Czechs wouldn't want to participate. Under the communist rule, Martin explains, active participation and voicing one's opinion were frowned upon and often led to such punishments as incarceration, harassment, or even death. "Because of that," he says, "getting people to participate actively in group exercises was a bit of a trick, particularly if there were different levels of hierarchy present."

At my company, when an employee desires a role change—a different challenge—the company doesn't protest; it retrain the employee for that role. When we downsize, employees aren't laid off; they're retrained to learn a combination of long- and short-term skills. Should employees obtain new jobs using those skills, which they've acquired at the taxpayers' expense, they receive a signing bonus of up to 10,000 euros—approximately US\$8,700—from my company for not continuing to drain the severance plan.

That's just the tip of the training iceberg. As I set my performance objectives for the upcoming quarter with my personal learning center advisor, my most difficult task is choosing a course. Do I take "Finance for Marketing Dummies" or "Leading a Team of 0"?

What do I think about all this training? I'm in awe of all of the training possibilities. I'm in awe of the apparent success of the programs. I've never worked for a company that has employed so many highly professional, top-performing people who have no intention of leaving.

Working for a partly state-owned company has its drawbacks, but the training pays in dividends. And when you hear of yet another company folding, it's refreshing and comforting to be a part of a stable, profitable business. Besides, if I become dissatisfied with my current position, I can always retrain for a coveted slot serving beer on tap in the company cafeteria.

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The Czech economy developed rapidly post-1989. Employees, trainers, consultants, and executives had no time to develop foolproof business strategies: They had to dive in.



Marionettes in Czech shop windows

Reinforce learning objectives through the company structure. Although Czechs were motivated to learn the free-market approach, they needed incentives. “Training takes you only so far,” says Spicer. “You can train until you go blue in the face, but people will always respond to where the money is.”

Multinational companies that went into Prague in 1990 had to learn what kinds of incentives would motivate Czech workers. Training, on its own, was an incentive. So were higher compensation and rapid advancement. But some incentives were unique, such as giving employees cell phones. Few Czechs had reliable phone service.

Granting paid sick leave was another unique incentive. Under the old system when people were sick, they were forced to go to a doctor, who was forced to write a note granting the employee a week at home. The problem was, employees

weren't paid full salary while at home and often weren't sick enough to stay home. Giving employees fully paid sick days that they could use when they wanted to was considered extraordinary.

**Tolerate mistakes.** Because the Czech economy was forced to develop so rapidly post-1989, there was no time to develop foolproof, spiral-bound business strategies. Employees, trainers, consultants, and executives had to dive in and take the approach that seemed to work best at the time. That meant a lot of mistakes were made—and are still being made.

“We didn't have the luxury of being perfect,” Novak says. “We had to tolerate mistakes, keep moving, and promise to do better next time. Everybody accepted and understood that, gradually, performance would improve.”

**Don't assume that all difficulties are related to cultural differences. It's easy**

when working in a foreign environment to assume that all misunderstandings are the result of either language differences or cultural barriers. But people who've worked in Prague for a long time know that culture isn't always the cause of conflict. Sometimes, conflict exists for the same reasons it does elsewhere: misunderstandings, competing agendas, and competitive natures. “Just because people have different faces, don't automatically assume a conflict is the result of cultural differences,” Fogel says. “You have to put all the hypotheses on the table.”

Companies have clearly made great strides in Prague since 1989. The streets of Old Town are jammed with restaurants, shops, entertainment venues, and people in colorful clothing. Prague is now truly an international city where, sitting in the middle of a restaurant, it's not uncommon to hear five different languages being spoken.

Such a vibrant change in just 12 years is a testament to the eagerness and savvy of the Czech people, and to the perseverance of Western consultants who moved in to help companies make the transition to a demand-based economy. For the trainers, the rewards have been enormous.

“When we arrived in Czechoslovakia in 1990, everybody was operating at such a low level that we could see the results of our work very quickly,” Kelly notes. “In the United States, performance improvement is a matter of moving people from 92 to 94 percent efficiency. In Prague, people were at 20 percent and jumping to 50 percent overnight. It was extremely rewarding, and people seemed to appreciate it.”

After all, he adds, if you are the first person to light a match in the land of darkness, you're seen as a leader.

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