

IS THE SOVIET APPROACH TO MARKETING MANAGEMENT EDUCATION RELEVANT?:
REFLECTIONS FROM A SABBATICAL RESEARCH

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Through the provisions of summer research and a sabbatical leave, for a nine-month period ending in March 1983, the author conducted field research in nine universities and management institutes of the Soviet Union involving a trip of 9,000 miles (see the appendix for a list of institutions visited). He also visited a number of marketing institutions in various cities, as well as in rural areas. The research methodology was primarily direct observation of marketing phenomena and interviews with educators, students, and the practitioners of marketing and management functions. A review of pertinent literature, wherever available, was also made.

The belief that the Soviet Union does not have a consumer-oriented economy should not be allowed to suggest that the forces of consumerism do not exist among its 274 million population (1983 estimates), nor that the government is deliberately willing to suppress the satisfaction of material needs for ideological reasons. It was a set of resource constraints and environmental limitation factors which contributed to a depressed consumer market (mostly on the supply side). Major factors can be identified, such as the lack of entrepreneurial initiative, a declining rate of economic growth since 1978, lower labor productivity, rapidly depleting natural resources in the western areas where the major population center and consumer markets exist, aging plant and equipment in certain industries, a decreasing rate of population growth (currently about one-half of that in the mid 60's), and numerous transportation bottlenecks in inter-factory shipment of industrial commodities.

Domestic marketing in the Soviet Union is done by the human resources of the Ministry of Trade. The task usually begins at the shipping platform and terminates when the merchandise reaches final consumers. Demand estimates and production targets for virtually all consumer goods are made by the state planning organization (Gosplan). Prices for consumer goods are set by various branches of the State Committee on Pricing. Responsibility for managing the channel for a product group is assigned to a distribution manager (direktor po skyto) whose function is generally broader than a typical channel captain in American firms, but whose decision-making power is much less. His main responsibility is to provide a smooth flow of merchandise from the factory warehouse to the retail shops under his jurisdiction. The much broader task of mass merchandising is usually handled by business managers (comerchieski direktor). To date, there has been no official title for a marketing manager in the Soviet economic system; however, these tasks are performed by one of the two aforementioned positions.

While the pressure of the external environment calls for a higher efficiency in the management of distributive systems, marketing managers are not trained adequately to meet the challenge of resource constraint marketing. The bulk of the training is done by the Ministry of Trade which provides marketing education at the mid-management level. Courses are usually of short-term duration and the instruction is narrowed to very technical aspects. Recently, cybernetics models were introduced and greater familiarity with computer-based data processing systems is

emphasized. But the kind of capability that marketers are looking for--a generalist approach to the overall functions of marketing management--has not been enhanced. This is partially due to the Ministry's traditional stand on technical specialization as the only factor in efficient operation.

Education at the executive level is supplied by the prestigious Institute of Management of National Economy (Moscow), and several institutes of management, notably the Ordzhonikidze Institute of Management (also in Moscow). A typical course runs for 500 hours over a three-month period of full-time studies. Here again, the emphasis is on quantitative methods, since an effective marketing executive is considered to be the one who can use available information through cybernetic models for the rational allocation of marketing resources.

As it stands today, the relevancy of marketing education in the Soviet Union is marred by two shortcomings: 1) in some institutions the academic and professional programs which are designed to prepare individuals for commercial, management, and economics careers simply lack marketing content, and 2) those programs which offer some marketing education deal almost exclusively with distribution, transportation, warehousing, (and only recently pricing and basic promotion.) The concepts of marketing and marketing orientation as understood and practiced in Western economies have made some inroads in practice but have not penetrated into Soviet management education.

Aside from a number of short-run courses on distribution and physical distribution which are offered by the Ministry of Trade or Management Institutes (and which are increasingly oriented toward information-gathering and problem-solving methods), the bulk of marketing education has to be learned on the job. It usually takes three years to train a specialist and another five years to prepare that specialist for a mid-management position involving distribution and physical distribution functions. In this process the inhibiting factor has been found to be in the experience parameters of the supervisors who have been trained in the traditional approach and at times lack the skill and motivation for experimenting with new approaches to marketing functions.

REFERENCES

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The remaining references are in the manuscript.)