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Editorial

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Editorial

I welcome the opportunity to write a guest editorial for our badly needed and soon to be widely recognised journal. The reason I feel JEEMS is badly needed journal is because, now after years of undergoing the transition to a market economy, it is becoming increasingly clear that the biggest barrier to overcome is outdated management thinking and techniques.

Almost without exception, at both the country and organisational levels in Eastern Europe, the people are well educated and generally willing to do whatever it takes in terms of breaking old habits and making themselves as productive as possible. They know that they need to update their skills in order to compete in the market economy domestically and internationally. Yet, Eastern European managers have generally not stepped forward with the necessary new thinking and accompanying techniques to successfully lead their people into the 21st Century. Obviously, there are many important exceptions to this statement, and these success stories need to be told in outlets such as JEEMS.

Although identifying and reporting case studies of successful ventures in the newly emerging market economies are important learning tools for management education, and frankly are needed to boost the confidence of Eastern Europeans that it can be done, for long term sustainability of managerial effectiveness there is a need to build a meaningful body of knowledge. Theory development, methodologically sound research, and guidelines for effective practice are needed. For Eastern European managers to develop new thinking and implement effective application techniques, they need this body of knowledge as an educational foundation for understanding as well as getting new ideas and confidence of how things should and can be done. Helping to build such a body of knowledge is where JEEMS can make a significant contribution.

Some examples of theory building and research results from my own current interests that could help in the thinking and application techniques of Eastern European managers (EEMs) might include:

1. *The Learning Organisation*. Most EEMs have become familiar with the concept and applications of TQM (total quality management), but now they must realise that their organisations can no longer just react and adapt to the demands for quality. Today's managers must go beyond TQM and be able to anticipate change and learn; they must build a learning organisation. In recent theory building articles we have identified the major characteristics of learning organisations to be: (a) the presence of tension (or the need to learn); (b) the presence of systems thinking; and (c) a culture that facilitates learning. Some specific techniques that EEMs could use in developing a learning organisation might include learning lab/micro world simulations, scenario planning, and active learning programs.

2. *The World Class Organisation*. In order to compete in the 21st Century environment (where anybody can go anywhere, anytime), organisations can no longer be satisfied with being good; they must be the best to thrive, and, in the longer-run, even survive. We have built a theory going from total quality, to learning, to world class (being best in class). The characteristics, or what we call the pillars, of the world class organisation include total quality concepts/techniques such as customer-based focus and continuous improvement, learning organisation concepts/techniques such as flexible or „virtual organisations“, and, what we have found to be the greatest deficiency in today's organisations, creative human resources management.

3. *Creative Human Resources Management*. On a more micro, pragmatic level, some HRM techniques that may be of immediate help to EEMs would include newly emerging 360 degree appraisal systems (where managers are evaluated by subordinates, bosses and peers); gain sharing reward systems (where the whole group shares equally in a documented innovative gain in performance); and self-managed teams (usually cross-functional and may include outside suppliers and customers). Other creative HRM approaches could employ an empowerment strategy (delegate decisions making and provide the necessary information to the lowest levels possible) and behavioural management. This last approach I have spent the past 25 years developing and researching (i.e., the O.B.Mod. model that identifies, measures, analyses, intervenes using positive financial and non-financial contingent rewards, and evaluates). We have obtained very significant results from applying the O.B.Mod. model in both manufacturing and service organisations. Importantly for EEMs, in an extensive study we found that the application of an O.B.Mod. approach had a significant positive impact on the productivity of workers in a large Russian factory (published in the February 1993 issue of Academy of Management Journal).

The above is only intended to be a sampling of the type of theory building and application techniques that can affect the thinking and practice of EEMs now and in the future. I look forward to the contribution that this and subsequent issues of JEEMS will make to this type of needed body of knowledge for Eastern European managers as they strive to meet the significant challenges that still lie ahead.

Finally, I wish to publicly thank my friend and colleague Professor Rainhart Lang for his leadership in putting together this excellent journal. As an editor myself over the past several years (American Management Association's Organisational Dynamics), I can speak first-hand of the dedication that is needed. I hope I can speak not only for myself, but also management professors and practitioners throughout Eastern European, in appreciation of Professor Lang's vision and hard work in making this journal a reality.

Fred Luthans